

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
MONDAY, SEPTEMBER 15, 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=me1a239a0e686e6c5f051afa816f98b69>

Meeting number (access code): 2493 707 2634

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 1:30 p.m.

<u>ATTENDANCE</u>	Committee Chair:	Peer Swan	_____
	Committee Member:	Steve LaMar	_____

<u>ALSO PRESENT</u>	Paul Cook	_____	Neveen Adly	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Christopher Smithson	_____
	Lance Kaneshiro	_____	Tiffany Mitcham	_____
	Eileen Lin	_____	Jennifer Davis	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a "speaker slip." You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Monday, September 15, 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. | <u>EMPLOYEE POPULATION AND RETENTION REPORT – SRADER / MITCHAM</u>

Recommendation: Receive and file. |
| 6. | <u>MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / ADLY</u>

Recommendation: Receive and file. |
| 7. | <u>REAL ESTATE QUARTERLY PERFORMANCE – DAVIS / ADLY</u>

Recommendation: Receive and file. |
| 8. | <u>QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – DAVIS / ADLY</u>

Recommendation: Receive and file. |
| 9. | <u>FISCAL YEAR 2024-2025 LEGAL FEES ANALYSIS QUARTERLY UPDATE – DAVIS / ADLY</u>

Recommendation: Receive and file. |
| 10. | <u>FISCAL YEAR 2024-25 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – SMITHSON / ROCHA / ADLY</u>

Recommendation: Receive and file. |
| 11. | <u>RISK MANAGEMENT QUARTERLY REPORT – MITCHAM</u>

Recommendation: Receive and file. |

OTHER BUSINESS

12. Closed Session

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

- *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

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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September 15, 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.

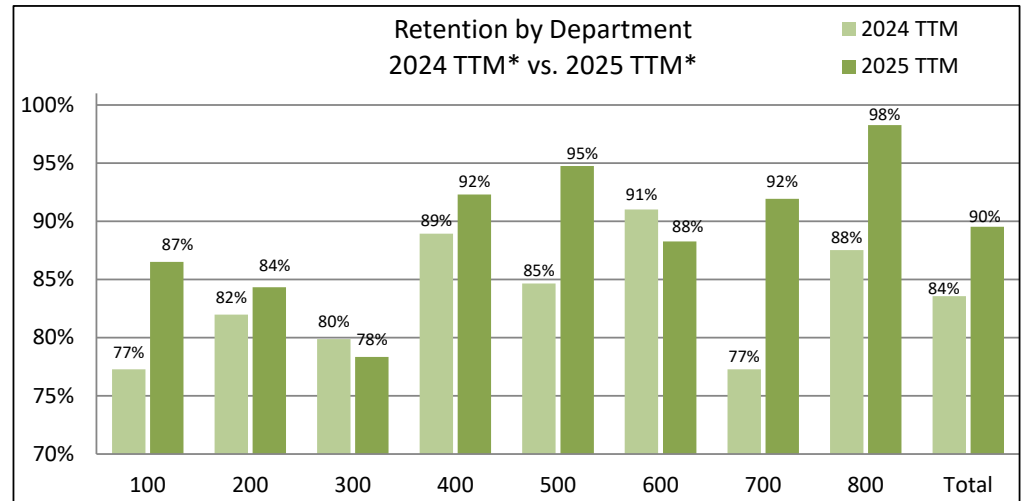
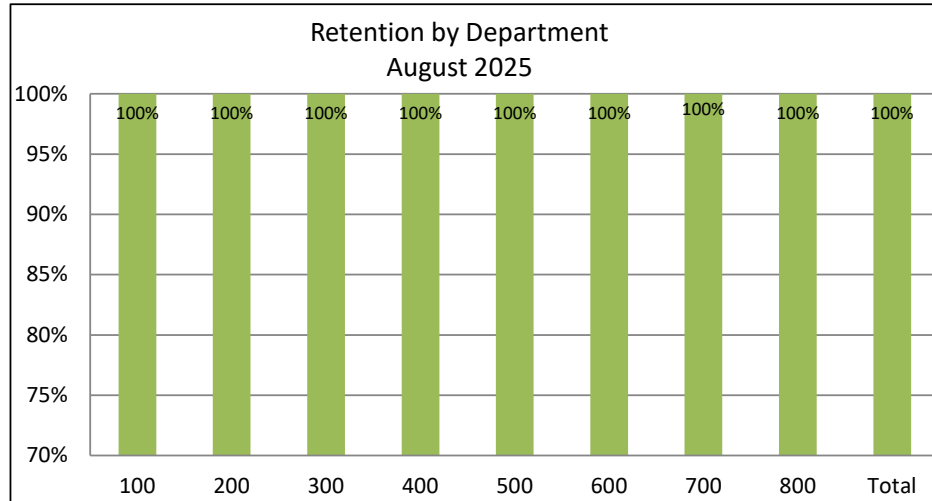
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Report

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EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
AUGUST 2025

@08/01/25		Current Month Activity							@08/31/25		FY 25/26	Avg TTM*	Avg	Avg TTM*	Retention	
Dept	Positions	New	Terms		Promo Trnsfr		Lateral Trnsfr		Positions	Positions	Budgeted	Filled Budget	Temp Emp	Total Filled	Current	2025
	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions	Positions	FTE	Positions	Period	TTM*
100	21	1							22	3	25	22	-	22	100%	87%
200	91								91	14	105	89	7	96	100%	84%
300	44								44	5	48	42	5	46	100%	78%
400	64	1							65	10	75	65	-	65	100%	92%
500	60	3			1				64	5	69	57	2	59	100%	95%
600	34	1							35	1	36	34	3	37	100%	88%
700	25								25	3	28	25	1	26	100%	92%
800	59					1			58	8	66	58	-	59	100%	98%
Totals	398	6	-	-	1	1	-	-	404	49	452	392	19	411	100%	90%
8/24	379	6	5	-	-	-	-	-	380	53	433	380	13	393	99%	89%



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 (12) Months

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
AUGUST 2025**

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency
08/04/25	500	Jacob Newberry	SCADA Network Administrator	Marvin Test Solutions
08/07/25	500	Juan Atilano	Operator I	Elsinore Valley Municipal Water District
08/11/25	600	Colton Morgan	Regulatory Compliance Specialist	Tetra Tech
08/11/25	100	Jung Chin "Mei" Shih	Human Resources Analyst	City of Hermosa Beach
08/18/25	400	Dominic Parisi	Metering Systems Technician II	Inframark
08/31/25	500	Londell Ramsey	Operator I	Orange County Sanitation District

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
08/30/25	800 - Electrical	Kevin Nguyen	Electrical & Instrumentation Technician	500-Automation	Automation Specialist

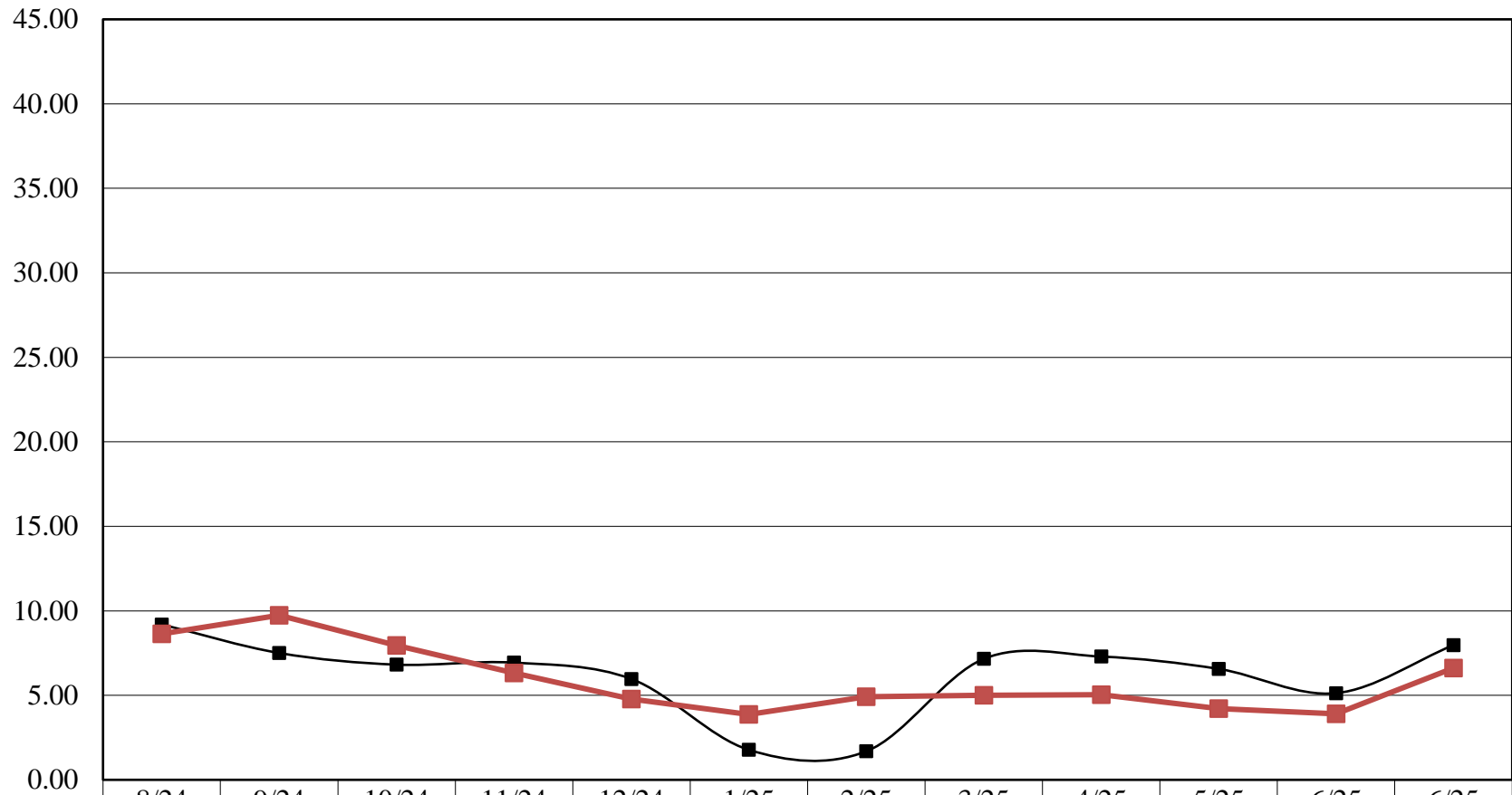
TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

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


**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
AUGUST 2025**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Human Resources Analyst	U11.E	Interviewing
100	Senior Risk Analyst	U13.E	Interviewing
100	Web Designer	22.N	Recruiting
200	Data Analyst	U10.E	
200	Accounting Supervisor	U14.E	Recruiting
200	Senior Financial Analyst	U13.E	Recruiting
200	Senior Financial Analyst	U13.E	Recruiting
200	Treasury Analyst	U13.E	
200	Customer Service Specialist III	18.N	Start Date Pending
200	Controller	U21.E	Recruiting
200	Payroll Administrator	U31.N	Start Date Pending
200	Executive Assistant	U26.N	Start Date Pending
200	GIS Drone Administrator	U13.E	Recruiting
200	Senior GIS Technician	29.N	Recruiting
200	Applications Analyst	U15.E	
200	Database Administrator	U15.E	
200	Cybersecurity Analyst	U18.E	
300	Associate Engineer	U14.E	Recruiting
300	Assistant Engineer	U10.E	Start Date Pending
300	Assistant Engineer	U10.E	Start Date Pending
300	Construction Inspection Assist. Mgr.	U17.E	Recruiting
300	Assistant Engineer	U10.E	Start Date Pending
400	Operator III	30.N	
400	Operator II	27.N	
400	Water Maintenance Technician II	22.N	
400	Utility Construction Technician I	11.N	Recruiting
400	Utility Construction Technician I	11.N	Recruiting
400	Utility Construction Technician I	11.N	Recruiting
400	Field Services Manager	U18.E	
400	Operations Apprentice	10.N	Recruiting
400	Operator I	22.N	
400	Operator I	22.N	
500	Manager of Biosolids & Energy Recovery	U21.E	
500	Operator III	30.N	Recruiting
500	Operator III	30.N	Recruiting
500	Process Engineer	U22.E	
500	Operations Apprentice	10.N	Recruiting
600	Senior Laboratory Scientist	32.N	Start Date Pending
700	Senior Water Resources Planner	U15.E	Recruiting
700	Recycled Water & Cross Connection Supervisor	S33.N	Recruiting
700	Senior Recycled Water & Cross Connection Spec.	29.N	Recruiting
800	Asset Systems Supervisor	S36.N	Recruiting
800	Maintenance Mechanic	23.N	Recruiting
800	Fleet Supervisor	S32.N	Recruiting
800	Senior Maintenance Mechanic	27.N	Recruiting
800	Senior Electrical & Instrumentation Tech	31.N	Recruiting
800	Electrical & Instrumentation Technician	26.N	Recruiting
801	Electrical & Instrumentation Technician	26.N	Recruiting
800	Electrical & Instrumentation Technician	26.N	Recruiting

**Temporary Employees
Full Time Equivalency
District Totals as of July 31, 2025**



■ Temp Total	8/24	9/24	10/24	11/24	12/24	1/25	2/25	3/25	4/25	5/25	6/25	6/25
■ Intern Totals	9.19	7.50	6.81	6.93	5.97	1.77	1.69	7.16	7.29	6.56	5.13	7.97
	8.64	9.74	7.95	6.32	4.77	3.87	4.91	5.00	5.03	4.22	3.90	6.61

September 15, 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 August 31, 2025, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 31, 2025, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 31, 2025, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of August 31, 2025, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

The rate of return for the fixed income investment portfolio was 4.23%, which was unchanged from July's rate. The sale of an investment resulted in realized capital gains of approximately \$324,000.

Debt Portfolio:

As of August 31, 2025, IRWD's weighted average all-in variable rate for debt was 2.18%, which was a 0.29% increase from July's rate of 1.89%. Including IRWD's weighted average fixed rate bond issues of 3.03% and the negative cash accruals from fixed payer interest rate swaps (which hedge a portion of the District's variable rate debt), the total average debt rate was 2.70%, a 0.16% increase from July's rate of 2.54%. The increase was due to higher 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 August 31, 2025

Exhibit “B” – Yield Curve as of August 31, 2025

Exhibit “C” – Summary of Fixed and Variable Debt as of August 31, 2025

Exhibit “D” – Summary of Variable Rate Debt Rates as of August 31, 2025



Portfolio Summary Dashboard

08/01/2025 - 08/31/2025

Irvine Ranch Water District (491783)

Dated: 09/05/2025

Portfolio Summary

	Irvine Ranch Water District	Grand Total
Par Value	366,599,864.86	366,599,864.86
Principal Cost	361,854,034.38	361,854,034.38
Book Value	361,854,034.38	361,854,034.38
Market Value	366,832,436.56	366,832,436.56
Unrealized Gain/Loss	4,978,402.18	4,978,402.18
Accrued Interest	2,639,237.12	2,639,237.12

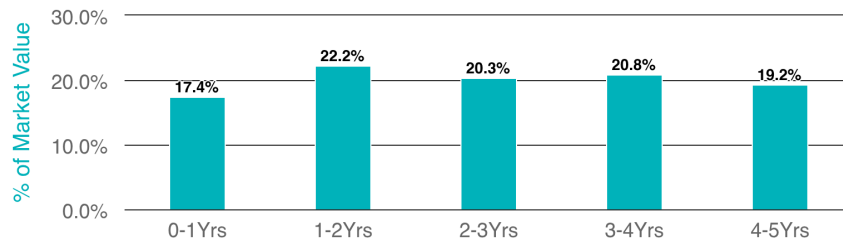
Footnotes: 1,2,3

Portfolio Characteristics

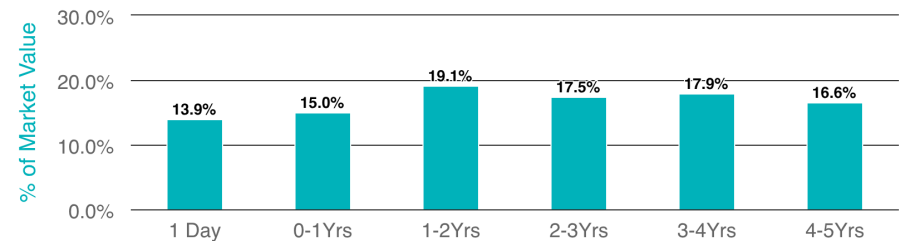
	Irvine Ranch Water District	Grand Total
Weighted Average Maturity	2.151	2.151
Portfolio Effective Duration	1.992	1.992
Weighted Average Life	2.152	2.152
Average Credit Rating	AA+	AA+
Yield at Cost	4.23	4.23

Footnotes: 1,2,3

Maturity Distribution (Excl. Cash & Equiv.)



Maturity Distribution (All)





Portfolio Summary Dashboard

08/01/2025 - 08/31/2025

Irvine Ranch Water District (491783)

Dated: 09/05/2025

Asset Allocation

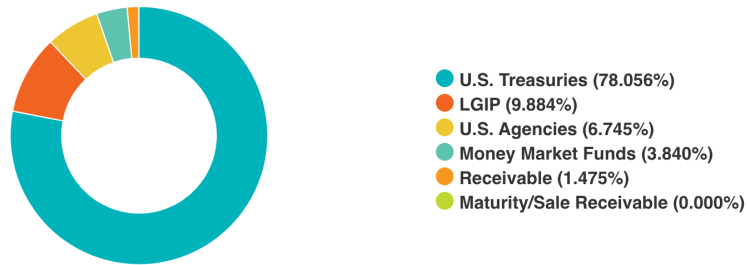


Chart calculated by: % of Market Value

Credit Quality



Chart calculated by: % of Market Value

Issuer Concentration

Issuer	Ending Current Units	Ending Book Value	% of Ending Book Value
United States Department of The Treasury	290,500,000.00	286,232,194.52	77.919%
California LAIF	36,801,391.44	36,801,391.44	10.018%
Federal Farm Credit Banks Funding Corporation	15,000,000.00	14,966,200.00	4.074%
Wells Fargo Govt Inst MMF	13,248,858.78	13,248,858.78	3.607%
UNITED STATES OF AMERICA	5,490,554.14	5,490,554.14	1.495%
Tennessee Valley Authority	5,000,000.00	4,984,075.00	1.357%
Federal Home Loan Mortgage Corporation	5,000,000.00	4,571,700.00	1.245%
Dreyfus Government Cash Management Fund	1,049,614.64	1,049,614.64	0.286%

Total	372,090,419.00	367,344,588.52	100.000%
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Footnotes: 2,4,5



Investment Activity
 Irvine Ranch Water District (491783)
 08/01/2025 - 08/31/2025

Security Description	Yield to Maturity	Coupon Rate	Trade Date	Settle Date	Final Maturity	Amount	Transaction Type
US TREASURY 2.625 02/15/29	3.756	2.625	08/08/2025	08/11/2025	02/15/2029	4,879,995.03	Sell
TVA 3.875 08/01/30	3.957	3.875	08/08/2025	08/11/2025	08/01/2030	(4,985,689.58)	Buy
UNITED STATES TREASURY 5.0 08/31/2025	4.879	5.000	08/31/2025	08/31/2025	08/31/2025	5,000,000.00	Maturity



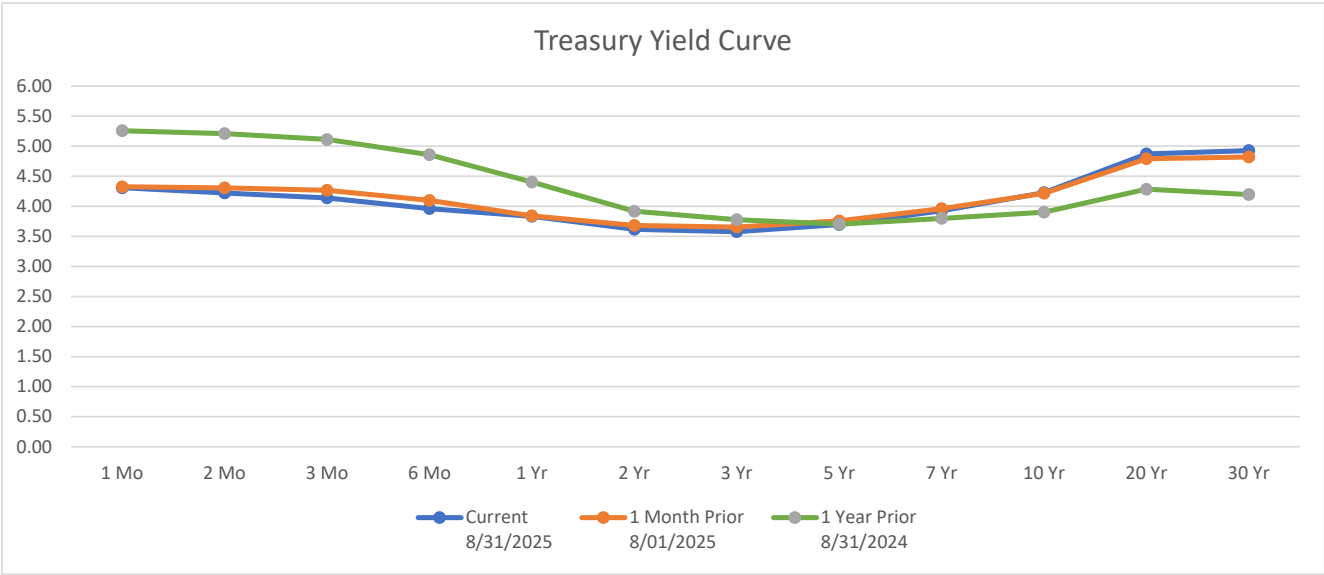
MEEDER

PUBLIC FUNDS

Report: Portfolio Characteristics
 Account: Irvine Ranch Water District (491783)
 As of: 08/31/2025
 Base Currency: USD

Identifier	Description	Asset Type	Yield at Cost	Credit Rating	Par Value	Principal Cost	Book Value	Market Value	Pending Maturity	Unrealized Gain/Loss	Final Maturity
CALAIF	California LAIF	LGIP	4.25	NA	36,801,391.44	36,801,391.44	36,801,391.44	36,801,391.44	0.00	0.00	08/31/2025
4277510061	Wells Fargo Govt Inst MMF	Money Market Funds	4.13	NA	13,248,858.78	13,248,858.78	13,248,858.78	13,248,858.78	0.00	0.00	08/31/2025
262006307	DREYFUS GVT CM INV	Money Market Funds	3.93	AAA	1,049,614.64	1,049,614.64	1,049,614.64	1,049,614.64	0.00	0.00	08/31/2025
91282CHV6	UNITED STATES TREASURY	Maturity/Sale Receivable	4.45	AA+	0.00	0.00	0.00	0.00	5,000,000.00	0.00	08/31/2025
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP	U.S. Agencies	4.13	AA+	5,000,000.00	4,571,700.00	4,571,700.00	4,988,300.00	0.00	416,600.00	09/23/2025
912797QE0	UNITED STATES TREASURY	U.S. Treasuries	4.27	A-1+	5,000,000.00	4,916,100.69	4,916,100.69	4,978,464.80	0.00	62,364.11	10/09/2025
91282CFP1	UNITED STATES TREASURY	U.S. Treasuries	4.30	AA+	5,000,000.00	4,993,359.38	4,993,359.38	4,999,609.40	0.00	6,250.02	10/15/2025
91282MS6	UNITED STATES TREASURY	U.S. Treasuries	4.72	AA+	5,000,000.00	4,771,875.00	4,771,875.00	4,978,906.25	0.00	207,031.25	11/15/2025
3133ENK82	FEDERAL FARM CREDIT BANKS FUNDING CORP	U.S. Agencies	4.69	AA+	5,000,000.00	4,920,500.00	4,920,500.00	4,996,450.00	0.00	75,950.00	12/12/2025
91282CGE5	UNITED STATES TREASURY	U.S. Treasuries	5.03	AA+	5,000,000.00	4,904,296.88	4,904,296.88	4,994,726.55	0.00	90,429.68	01/15/2026
91282CGL9	UNITED STATES TREASURY	U.S. Treasuries	4.55	AA+	5,000,000.00	4,948,046.88	4,948,046.88	4,997,265.65	0.00	49,218.77	02/15/2026
91282CKH3	UNITED STATES TREASURY	U.S. Treasuries	5.02	AA+	5,000,000.00	4,953,125.00	4,953,125.00	5,013,671.90	0.00	60,546.90	03/31/2026
91282CHH7	UNITED STATES TREASURY	U.S. Treasuries	4.57	AA+	10,000,000.00	9,879,687.50	9,879,687.50	10,014,062.50	0.00	134,375.00	06/15/2026
91282CHM6	UNITED STATES TREASURY	U.S. Treasuries	4.84	AA+	5,000,000.00	4,965,625.00	4,965,625.00	5,024,609.40	0.00	58,984.40	07/15/2026
91282CHV0	UNITED STATES TREASURY	U.S. Treasuries	4.85	AA+	10,000,000.00	9,939,453.13	9,939,453.13	10,078,515.60	0.00	139,062.47	09/15/2026
91282CJC6	UNITED STATES TREASURY	U.S. Treasuries	4.78	AA+	10,000,000.00	9,956,640.63	9,956,640.63	10,086,718.80	0.00	130,078.17	10/15/2026
91282CJP7	UNITED STATES TREASURY	U.S. Treasuries	4.02	AA+	10,000,000.00	10,098,046.88	10,098,046.88	10,073,046.90	0.00	(24,999.98)	12/15/2026
91282CJT9	UNITED STATES TREASURY	U.S. Treasuries	4.17	AA+	10,000,000.00	9,952,734.38	9,952,734.38	10,031,250.00	0.00	78,515.62	01/15/2027
91282CEC1	UNITED STATES TREASURY	U.S. Treasuries	4.31	AA+	10,000,000.00	9,496,093.75	9,496,093.75	9,732,812.50	0.00	236,718.75	02/28/2027
91282CKE0	UNITED STATES TREASURY	U.S. Treasuries	4.29	AA+	5,000,000.00	4,995,507.81	4,995,507.81	5,039,648.45	0.00	44,140.64	03/15/2027
91282CKV2	UNITED STATES TREASURY	U.S. Treasuries	4.22	AA+	5,000,000.00	5,044,921.88	5,044,921.88	5,082,226.55	0.00	37,304.67	06/15/2027
91282CKZ3	UNITED STATES TREASURY	U.S. Treasuries	4.16	AA+	5,000,000.00	5,027,343.75	5,027,343.75	5,064,648.45	0.00	37,304.70	07/15/2027
91282CFH9	UNITED STATES TREASURY	U.S. Treasuries	4.30	AA+	5,000,000.00	4,854,687.50	4,854,687.50	4,952,539.05	0.00	97,851.55	08/31/2027
91282CFM8	UNITED STATES TREASURY	U.S. Treasuries	4.19	AA+	10,000,000.00	9,976,953.13	9,976,953.13	10,100,781.30	0.00	123,828.17	09/30/2027
91282CLQ2	UNITED STATES TREASURY	U.S. Treasuries	4.31	AA+	5,000,000.00	4,943,359.38	4,943,359.38	5,025,781.25	0.00	82,421.87	10/15/2027
91282CGH8	UNITED STATES TREASURY	U.S. Treasuries	4.62	AA+	10,000,000.00	9,623,437.50	9,623,437.50	9,977,343.80	0.00	353,906.30	01/31/2028
912823W8	UNITED STATES TREASURY	U.S. Treasuries	4.23	AA+	10,000,000.00	9,567,187.50	9,567,187.50	9,802,343.80	0.00	235,156.30	02/15/2028
91282CBZ3	UNITED STATES TREASURY	U.S. Treasuries	4.15	AA+	5,000,000.00	4,496,484.38	4,496,484.38	4,706,250.00	0.00	209,765.62	04/30/2028
91282CCE9	UNITED STATES TREASURY	U.S. Treasuries	4.37	AA+	5,000,000.00	4,513,671.88	4,513,671.88	4,696,484.40	0.00	182,812.52	05/31/2028
91282CCH2	UNITED STATES TREASURY	U.S. Treasuries	3.80	AA+	5,000,000.00	4,618,554.69	4,618,554.69	4,688,671.90	0.00	70,117.21	06/30/2028
91282CHQ7	UNITED STATES TREASURY	U.S. Treasuries	4.39	AA+	10,000,000.00	9,900,000.00	9,900,000.00	10,146,875.00	0.00	246,875.00	07/31/2028
9128284V9	UNITED STATES TREASURY	U.S. Treasuries	3.85	AA+	5,000,000.00	4,820,312.50	4,820,312.50	4,901,171.90	0.00	80,859.40	08/15/2028
91282CCY5	UNITED STATES TREASURY	U.S. Treasuries	3.86	AA+	5,000,000.00	4,504,296.88	4,504,296.88	4,661,328.15	0.00	157,031.28	09/30/2028
91282CJF9	UNITED STATES TREASURY	U.S. Treasuries	4.46	AA+	10,000,000.00	10,179,687.50	10,179,687.50	10,378,125.00	0.00	198,437.50	10/31/2028
91282CJN2	UNITED STATES TREASURY	U.S. Treasuries	3.90	AA+	5,000,000.00	5,106,640.63	5,106,640.63	5,117,578.15	0.00	10,937.52	11/30/2028
91282CJR3	UNITED STATES TREASURY	U.S. Treasuries	4.16	AA+	5,000,000.00	4,924,218.75	4,924,218.75	5,022,656.25	0.00	98,437.50	12/31/2028
91282CJW2	UNITED STATES TREASURY	U.S. Treasuries	3.85	AA+	5,000,000.00	5,025,585.94	5,025,585.94	5,062,890.65	0.00	37,304.71	01/31/2029
912826B1	UNITED STATES TREASURY	U.S. Treasuries	3.85	AA+	5,000,000.00	4,783,398.44	4,783,398.44	4,841,796.90	0.00	58,398.46	02/15/2029
3133ER6D8	FEDERAL FARM CREDIT BANKS FUNDING CORP	U.S. Agencies	3.87	AA+	10,000,000.00	10,045,700.00	10,045,700.00	10,105,100.00	0.00	59,400.00	03/07/2029
91282CKT7	UNITED STATES TREASURY	U.S. Treasuries	4.05	AA+	5,000,000.00	5,082,617.19	5,082,617.19	5,151,171.90	0.00	68,554.71	05/31/2029
91282CEV9	UNITED STATES TREASURY	U.S. Treasuries	3.76	AA+	5,500,000.00	5,397,734.38	5,397,734.38	5,426,093.75	0.00	28,359.37	06/30/2029
91282CLC3	UNITED STATES TREASURY	U.S. Treasuries	3.75	AA+	5,000,000.00	5,046,484.38	5,046,484.38	5,066,406.25	0.00	19,921.87	07/31/2029
91282CLK5	UNITED STATES TREASURY	U.S. Treasuries	3.97	AA+	5,000,000.00	4,933,984.38	4,933,984.38	4,998,437.50	0.00	64,453.12	08/31/2029
91282CFL0	UNITED STATES TREASURY	U.S. Treasuries	3.97	AA+	5,000,000.00	4,981,835.94	4,981,835.94	5,044,531.25	0.00	62,695.31	09/30/2029
91282CFT3	UNITED STATES TREASURY	U.S. Treasuries	4.01	AA+	5,000,000.00	4,997,656.25	4,997,656.25	5,068,359.40	0.00	70,703.15	10/31/2029
91282CMA6	UNITED STATES TREASURY	U.S. Treasuries	3.97	AA+	5,000,000.00	5,031,250.00	5,031,250.00	5,092,187.50	0.00	60,937.50	11/30/2029
91282CGB1	UNITED STATES TREASURY	U.S. Treasuries	3.78	AA+	7,500,000.00	7,529,003.91	7,529,003.91	7,565,625.00	0.00	36,621.09	12/31/2029
91282CMG3	UNITED STATES TREASURY	U.S. Treasuries	4.02	AA+	5,000,000.00	5,047,460.94	5,047,460.94	5,118,359.40	0.00	70,898.46	01/31/2030
91282CGQ8	UNITED STATES TREASURY	U.S. Treasuries	3.98	AA+	5,000,000.00	5,004,687.50	5,004,687.50	5,070,703.15	0.00	66,015.65	02/28/2030
91282CMU2	UNITED STATES TREASURY	U.S. Treasuries	3.99	AA+	5,000,000.00	5,002,148.44	5,002,148.44	5,068,750.00	0.00	66,601.56	03/31/2030
91282CMZ1	UNITED STATES TREASURY	U.S. Treasuries	3.99	AA+	5,000,000.00	4,973,828.12	4,973,828.12	5,042,578.15	0.00	68,750.03	04/30/2030
91282CN62	UNITED STATES TREASURY	U.S. Treasuries	3.99	AA+	5,000,000.00	5,002,539.06	5,002,539.06	5,069,921.90	0.00	67,382.84	05/31/2030
91282CNK3	UNITED STATES TREASURY	U.S. Treasuries	3.82	AA+	7,500,000.00	7,519,628.91	7,519,628.91	7,562,695.35	0.00	43,066.44	06/30/2030
880591FE7	TENNESSEE VALLEY AUTHORITY	U.S. Agencies	3.95	AA+	5,000,000.00	4,984,075.00	4,984,075.00	5,024,100.00	0.00	40,025.00	08/01/2030
Total					366,599,864.86	361,854,034.38	361,854,034.38	366,832,436.56		4,978,402.18	

Exhibit "B"

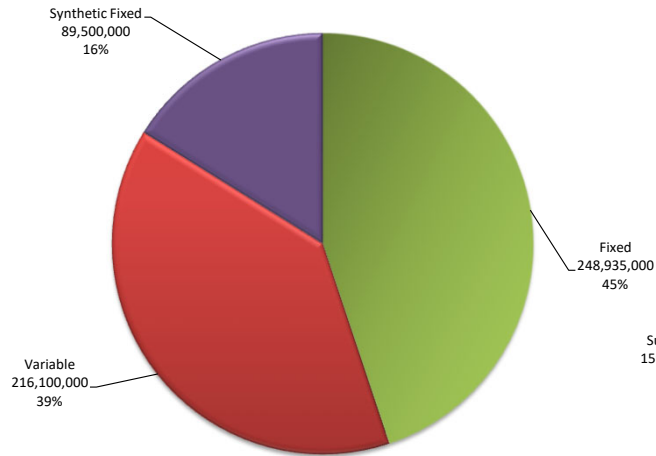


Tenor	Current 8/31/2025	1 Month Prior 8/01/2025	1 Year Prior 8/31/2024
1 Mo	4.31	4.32	5.26
2 Mo	4.22	4.31	5.21
3 Mo	4.14	4.27	5.11
6 Mo	3.96	4.10	4.86
1 Yr	3.83	3.84	4.40
2 Yr	3.62	3.68	3.92
3 Yr	3.58	3.65	3.78
5 Yr	3.70	3.76	3.70
7 Yr	3.93	3.96	3.80
10 Yr	4.23	4.22	3.90
20 Yr	4.87	4.79	4.28
30 Yr	4.93	4.82	4.20

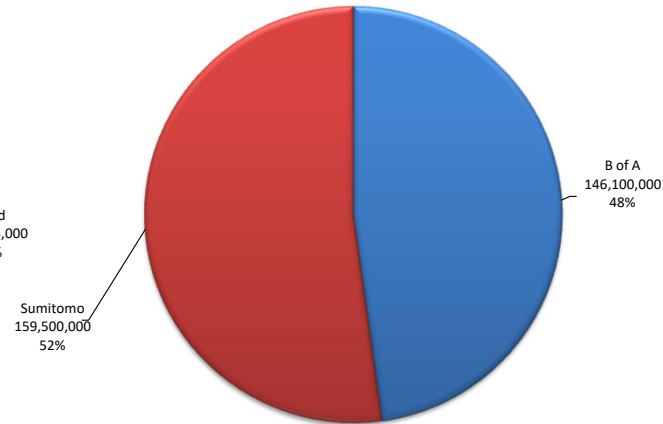
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
August 2025

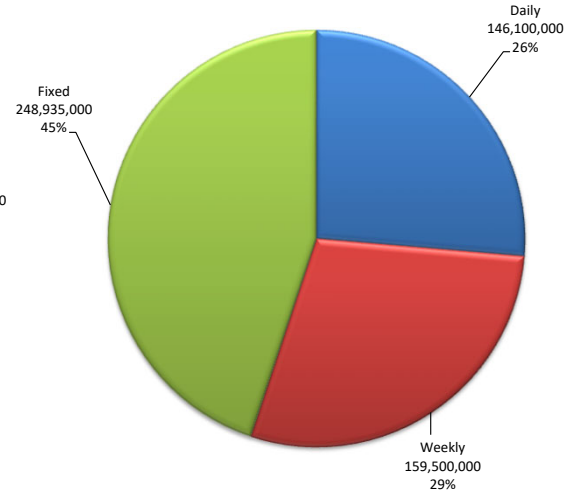
Current Debt Mix By Type



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	\$34,500,000	6.22%	Sumitomo	BAML	Variable	Weekly
Series 2025-A Refunding	07/15/25	05/01/40	\$125,000,000	22.54%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$36,660,000	6.61%	B of A	Goldman	Variable	Daily
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$24,440,000	4.41%	B of A	Goldman	Variable	Daily
Series 2009 - A	06/04/09	10/01/41	\$42,500,000	7.66%	B of A	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$42,500,000	7.66%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$96,935,000	17.48%	N/A	N/A	Fixed	Fixed
Series 2025-B Refunding	07/25/25	05/01/35	\$57,890,000	10.44%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$94,110,000	16.97%	N/A	N/A	Fixed	Fixed
Total			\$554,535,000	100.00%				

IRVINE RANCH WATER DISTRICT
SUMMARY OF FIXED & VARIABLE RATE DEBT

August-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	Reimbursement Agreement Date	L/C Exp. Date	Prior Letter of Credit Bank	MOODY'S	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	\$34,500,000	SUMITOMO	04/01/11	03/13/28	SUMITOMO	A1/P-1	A/A-1	A/F1	\$35,010,411	0.3400%	\$119,035	BAML	WED	0.07%	\$24,150	BANK OF NY			
SERIES 2025-A Refunding	07/15/25	05/01/40	May 1, 2035	1st Bus. Day	\$125,000,000	\$125,000,000	SUMITOMO	07/01/25	07/25/29	SUMITOMO	NA	A/A	A/F1	\$127,054,795	0.3150%	\$400,223	BAML	WED	0.07%	\$87,500	US BANK			
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			
					\$436,130,000	\$305,600,000	SUB-TOTAL VARIABLE RATE DEBT							\$309,798,323	0.3258%	\$1,009,194								
										(Wt. Avg)										(Wt. Avg)				
FIXED RATE ISSUES																								
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			
SERIES 2025B Refunding	07/15/25	05/01/35	May 1, 2026	May/Nov	\$57,890,000	\$57,890,000	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			
					\$278,035,000	\$248,935,000	SUB-TOTAL FIXED RATE DEBT																	
					\$714,165,000	\$554,535,000	TOTAL- FIXED & VARIABLE RATE DEBT																	

Remarketing Agents			GO VS COP's		
Goldman	103,600,000	34%	GO:	457,600,000	83%
BAML	159,500,000	52%	COPS:	96,935,000	17%
US Bank	42,500,000	14%	Total	<u>554,535,000</u>	
	<u>305,600,000</u>				

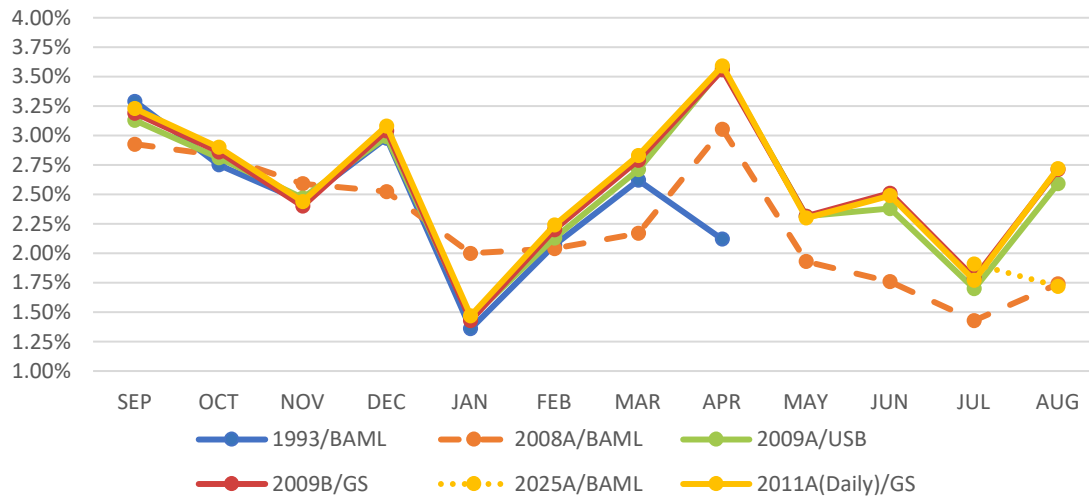
LOC Banks			Breakdown Between Variable & Fixed Rate Mode		
SUMITOMO	159,500,000	52%	Daily Issues	146,100,000	26%
BANK OF AMERICA	146,100,000	48%	Weekly Issues	159,500,000	29%
	<u>305,600,000</u>		Sub-Total	<u>305,600,000</u>	
			Fixed Rate Issues	\$248,935,000	45%
			Sub-Total - Fixed	<u>248,935,000</u>	
			TOTAL DEBT		
			FIXED & VAR.	<u>554,535,000</u>	100%

Irvine Ranch Water District

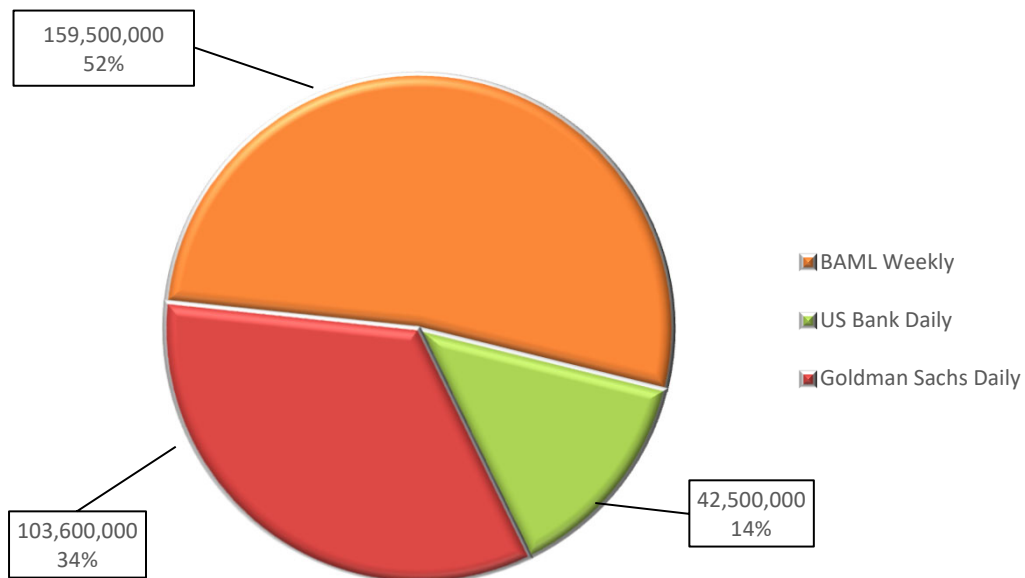
Summary of Remarketing Performance

August 2025

All-in Variable Rate



Total Outstanding Principal By Remarketing Agent



REMARKETING AGENT PERFORMANCE COMPARISON

Aug-25

Date	Daily Variable Rate Comparison
	Goldman Sachs vs US Bank
8/1/2025	0.05%
8/2/2025	0.05%
8/3/2025	0.05%
8/4/2025	0.00%
8/5/2025	0.15%
8/6/2025	0.25%
8/7/2025	0.20%
8/8/2025	0.10%
8/9/2025	0.10%
8/10/2025	0.10%
8/11/2025	0.05%
8/12/2025	0.05%
8/13/2025	0.00%
8/14/2025	0.10%
8/15/2025	0.05%
8/16/2025	0.05%
8/17/2025	0.05%
8/18/2025	0.20%
8/19/2025	0.00%
8/20/2025	0.05%
8/21/2025	0.00%
8/22/2025	0.20%
8/23/2025	0.20%
8/24/2025	0.20%
8/25/2025	0.05%
8/26/2025	0.05%
8/27/2025	0.17%
8/28/2025	0.20%
8/29/2025	0.33%
8/30/2025	0.33%
8/31/2025	0.33%
Average Spread	0.12%


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⁾

SUMMARY OF DEBT RATES
Aug-25

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN DAILY	GOLDMAN DAILY	MERRILL LYNCH WEEKLY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	2008-A	2025 - A	2009-A
Par Amount	42,500,000	36,660,000	24,440,000	34,500,000	125,000,000	42,500,000
LOC Bank	BOFA	BOFA	BOFA	Sumitomo	Sumitomo	BOFA
Reset				Wednesday	Wednesday	
8/1/2025	1.55%	1.55%	1.55%	1.15%	1.15%	1.50%
8/2/2025	1.55%	1.55%	1.55%	1.15%	1.15%	1.50%
8/3/2025	1.55%	1.55%	1.55%	1.15%	1.15%	1.50%
8/4/2025	0.70%	0.70%	0.70%	1.15%	1.15%	0.70%
8/5/2025	0.75%	0.75%	0.75%	1.15%	1.15%	0.60%
8/6/2025	1.10%	1.10%	1.10%	1.15%	1.15%	0.85%
8/7/2025	1.40%	1.40%	1.40%	0.65%	0.65%	1.20%
8/8/2025	2.00%	2.00%	2.00%	0.65%	0.65%	1.90%
8/9/2025	2.00%	2.00%	2.00%	0.65%	0.65%	1.90%
8/10/2025	2.00%	2.00%	2.00%	0.65%	0.65%	1.90%
8/11/2025	2.15%	2.15%	2.15%	0.65%	0.65%	2.10%
8/12/2025	2.15%	2.15%	2.15%	0.65%	0.65%	2.10%
8/13/2025	2.25%	2.25%	2.25%	0.65%	0.65%	2.25%
8/14/2025	2.55%	2.55%	2.55%	1.71%	1.71%	2.45%
8/15/2025	2.65%	2.65%	2.65%	1.71%	1.71%	2.60%
8/16/2025	2.65%	2.65%	2.65%	1.71%	1.71%	2.60%
8/17/2025	2.65%	2.65%	2.65%	1.71%	1.71%	2.60%
8/18/2025	2.35%	2.35%	2.35%	1.71%	1.71%	2.15%
8/19/2025	2.20%	2.20%	2.20%	1.71%	1.71%	2.20%
8/20/2025	2.25%	2.25%	2.25%	1.71%	1.71%	2.20%
8/21/2025	2.50%	2.50%	2.50%	1.63%	1.63%	2.50%
8/22/2025	2.85%	2.80%	2.80%	1.63%	1.63%	2.65%
8/23/2025	2.85%	2.80%	2.80%	1.63%	1.63%	2.65%
8/24/2025	2.85%	2.80%	2.80%	1.63%	1.63%	2.65%
8/25/2025	2.60%	2.55%	2.55%	1.63%	1.63%	2.55%
8/26/2025	2.55%	2.50%	2.50%	1.63%	1.63%	2.50%
8/27/2025	2.72%	2.72%	2.72%	1.63%	1.63%	2.55%
8/28/2025	3.05%	3.05%	3.02%	1.58%	1.58%	2.85%
8/29/2025	3.58%	3.58%	3.58%	1.58%	1.58%	3.25%
8/30/2025	3.58%	3.58%	3.58%	1.58%	1.58%	3.25%
8/31/2025	3.58%	3.58%	3.58%	1.58%	1.58%	3.25%
Avg Interest Rates	2.30%	2.33%	2.33%	1.33%	1.34%	2.18%
Rmkt Fee	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
LOC Fee	0.34%	0.32%	0.32%	0.34%	0.32%	0.34%
All-In Rate	2.71%	2.72%	2.72%	1.74%	1.72%	2.59%
Par Amount	103,600,000			159,500,000		42,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	47.81%	146,100,000	2.68%	2.27%
Weekly	52.19%	159,500,000	1.72%	1.33%
	100.00%	\$305,600,000	2.18%	1.78%
Fixed				
COPS 2016	38.94%	96,935,000	2.90%	
SERIES 2025 B	23.26%	57,890,000	2.77%	
SERIES 2016	37.81%	94,110,000	3.32%	
	100.00%	\$248,935,000	3.03%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				2.70%

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September 15, 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 and fiscal year ended June 30, 2025.

BACKGROUND:

For the quarter ended June 30, 2025, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was approximately \$4.0 million, which represents a 14.95% annualized return. The fiscal year (FY) end NOI was approximately \$15.9 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 June 30, 2025, was approximately \$2.8 million and \$11.0 million for the FY end. These were favorable to budget by \$102,948 and \$131,706, 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 \$134,631 for the quarter end and \$539,258 for the FY end. The net return for Wood Canyon was 9.00% for the quarter end and 8.74% for FY end.

Commercial Investment Properties:

For the quarter ended June 30, 2025, NOI at the Irvine Market Place (230 Commerce) property was \$91,173 and aligned with the budget. The FY end NOI was \$507,823, which was \$80,140 favorable to budget. The variance was 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 78.6% occupied.

For the quarter and fiscal year ended June 30, 2025, NOI at the Waterworks Way Business Park property was \$180,246 and \$699,482, respectively. This was unfavorable to budget by \$21,728 and \$15,748, respectively. The variance was due to common area maintenance (CAM) adjustments related to 2024 expenses eligible for reimbursement from tenants as part of the

annual CAM reconciliation. The property is currently 100% occupied. For the quarter ended June 30, 2025, NOI at the Sand Canyon Professional Center medical office property was \$179,766 and aligned with the budget. The FY end NOI was \$732,797 which was \$22,918 favorable to budget. The variance was due to CAM adjustments related to 2023 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation completed in July. The property is currently 100% occupied.

For the quarter and fiscal year ended June 30, 2025, NOI at the Sand Canyon Professional Center general office property was \$585,474 and \$2,394,181, which was unfavorable to budget by \$11,932 and \$40,993, respectively. The variances were due to higher than anticipated expenses for HVAC and roof repairs as well as CAM adjustments related to 2024 expenses which resulted in a credit to the tenant. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended June 30, 2025, was \$285,253. This was a 4.03% decrease compared to the same period last year when income was \$297,246. The fiscal year income was \$1,094,797, representing an increase of 1.92% compared to the same period last year.

For the quarter ended June 30, 2025, the lease revenue from the District's five cell sites was \$64,684, which was a decrease of \$3,644 from the same period last year. The fiscal year NOI was \$285,002, a decrease of \$109,817 from the same period last year. The decrease was primarily due to renewal signing bonuses and higher shared revenue amounts in the previous year.

FISCAL IMPACTS:

Fiscal impacts are discussed above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report
as of June 30, 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	FY Q1	FY Q2	FY Q3	FY Q4	FY 2024-25 TOTAL	Annualized Q1	Annualized Q2	Annualized Q3	Annualized Q4	Average Fiscal YTD	FY 22/23 - 24/25	FY 20/21 - 24/25
Sycamore Canyon Apartments	\$ 46,888,824	Dec-92	\$ 2,759,607	\$ 2,548,151	\$ 2,840,338	\$ 2,849,015	\$ 10,997,111	23.54%	21.74%	24.23%	24.30%	23.17%	22.64%	21.36%
Wood Canyon Villa Apartments	\$ 6,000,000	Jun-91	\$ 135,738	\$ 135,738	\$ 133,151	\$ 134,631	\$ 539,258	8.60%	8.61%	9.00%	9.00%	8.74%	9.00%	9.00%
Irvine Market Place Office	\$ 5,568,747	Jul-03	\$ 137,134	\$ 132,622	\$ 146,894	\$ 91,173	\$ 507,823	9.85%	9.53%	10.55%	6.55%	9.98%	9.59%	9.83%
Waterworks Way Business Park	\$ 8,983,395	Nov-08	\$ 155,630	\$ 159,468	\$ 204,138	\$ 180,246	\$ 699,482	6.93%	7.10%	9.09%	8.03%	7.71%	7.81%	7.51%
Sand Canyon Professional Center - Medical	\$ 8,715,929	Jul-12	\$ 203,219	\$ 170,749	\$ 179,063	\$ 179,766	\$ 732,797	9.33%	7.84%	8.22%	8.25%	8.46%	7.99%	8.45%
Sand Canyon Professional Center - General	\$ 31,404,103	Sep-20	\$ 616,794	\$ 603,759	\$ 588,154	\$ 585,474	\$ 2,394,181	7.86%	7.69%	7.49%	7.46%	7.68%	6.35%	
	\$ 107,560,998		\$ 4,008,122	\$3,750,487	\$ 4,091,738	\$ 4,020,305	\$ 15,870,652	14.88%	13.92%	15.22%	14.95%	14.68%	14.02%	16.43%

Notes/Assumptions:

- Wood Canyon cash flows represent partnership cash distributions from Western National Group.

- The 9.00% Preferred Return for Wood Canyon accrues on the original \$6 million investment amount along with any accrued preferred return. The current total monthly accrual is approximately \$45,000/month.

- Capital Investment does not include depreciation


Irvine Ranch Water District
Real Estate Investment Performance Report
Strawberry Farms Golf Course & Cell Site
as of June 30, 2025

Property Description	2024-25 NET INCOME				
	FY Q1	FY Q2	FY Q3	FY Q4	NET INCOME 2024 - 2025
Strawberry Farms Golf Course	\$ 217,696	\$ 260,897	\$ 330,952	\$ 285,253	\$ 1,094,797
Change From Prior Year Period:				\$ (11,994) -4.03%	\$ 15,028 1.92%
Cellular Sites	\$ 65,432	\$ 59,742	\$ 95,144	\$ 64,684	\$ 285,002
Change From Prior Year Period:				\$ (3,644) -5.33%	\$ (109,817) -33.64%

September 15, 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 June 30, 2025, as outlined in Exhibit "A"; and
- Mutual Fund Performance Review as of June 30, 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, 90% of IRWD employees participated in the voluntary 457(b) Deferred Compensation Plan.

Overview of the Deferred Compensation Assets:

As of June 30, 2025, IRWD's Sections 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled \$106,198,118, which represented a \$9,283,724 increase from the prior quarter ended March 31, 2025, and a \$10,407,181 increase for the one-year period. The changes in Plan assets over the two periods are summarized as follows:

	<i>One Year Period Ending June 30, 2025</i>	<i>Quarter Ending June 30, 2025</i>
Beginning Balance	\$95,790,937	\$96,914,393
Employee Contributions	4,109,561	1,114,882
District Contributions	1,752,123	406,890
Transfers to/from other plans	457,126	996
Distributions	(6,706,373)	(524,931)
Loan Distributions ⁽¹⁾	(640,540)	(117,479)
Loan Repayment	326,356	95,493
Net Investment Gain (Loss)	11,108,928	8,307,873
Ending Balance - June 30, 2025	\$106,198,118	\$106,198,118
Change in assets for the period	\$10,407,181	\$9,283,724

(1) Number of loans outstanding: 78

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 June 30, 2025, all funds in the Plans passed the LTRA. The Fund Performance Review as of June 30, 2025, is provided as Exhibit "B".

FISCAL IMPACTS:

As of June 30, 2025, the District's Plan assets totaled \$106,198,118, which represented a \$9,283,724 increase from the quarter end March 31, 2025, and a \$10,407,181 increase for the one-year period.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

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

Exhibit "A"

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
June 30, 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	\$78,078,560	\$28,119,558	\$106,198,118
<i>Change From Prior Quarter</i>	\$6,891,548	\$2,392,176	\$9,283,724
<i>Change From Prior Year (6/2024)</i>	\$6,994,076	\$3,413,105	\$10,407,181
Quarterly Contributions	\$1,114,882	\$406,890	\$1,521,772
*Change From Prior Quarter	\$147,311	(\$138,359)	

*Increase in 457 is due to one additional pay period in the quarter ended June 30 and the decrease in 401 (a) is due to vacation accrual transfer during the prior quarter March 31.

	One Year Period Ending June 30, 2025	Quarter Ending June 30, 2025
Beginning Balance	\$95,790,937	\$96,914,393
Employee Contributions	4,109,561	1,114,882
District Contributions	1,752,123	406,890
Transfers to/from other plans	457,126	996
Distributions	(6,706,373)	(524,931)
Loan Distributions ⁽¹⁾	(640,540)	(117,479)
Loan Repayment	326,356	95,493
Net Investment Gain (Loss)	11,108,928	8,307,873
Ending Balance - June 30, 2025	\$106,198,118	\$106,198,118
Change in assets for the period	\$10,407,181	\$9,283,724

⁽¹⁾ Number of loans outstanding as of 6/30/25 : 78

Employee Participation	
Full-time Employees	396
Employees Participating	355
Percent Participation	90%

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

June 30, 2025

Fund	457	401	Assets	Percent of Assets	Change from previous quarter
PROFILE FUNDS					
Aggressive Profile Fund	9,965,582.54	4,300,299.87	14,265,882	13.4%	0.2%
Moderate Profile Fund	4,452,994.89	1,375,114.49	5,828,109	5.5%	-0.2%
Conservative Profile Fund	3,175,543.27	1,980,312.11	5,155,855	4.9%	-0.4%
Sub Total			25,249,847	23.8%	-0.4%
INTERNATIONAL FUND					
American Funds EuroPacific Gr R6	1,532,438.85	642,103.65	2,174,543	2.0%	-0.2%
Vanguard Total Intl Stock Index Admiral	3,206,468.37	1,176,452.52	4,382,921	4.1%	0.6%
Sub Total			6,557,463	6.1%	0.3%
SMALL CAP FUNDS					
Hood River Small-Cap Growth Retirement	3,527,416.51	1,238,920.89	4,766,337	4.5%	0.2%
Victory Integrity Small Cap Value R6	1,089,657.57	392,620.66	1,482,278	1.4%	0.0%
Vanguard Small Cap Index	1,779,039.00	660,459.37	2,439,498	2.3%	0.0%
Sub Total			8,688,114	8.2%	0.2%
MEDIUM CAP FUNDS					
JP Morgan MidCap Growth R6	1,391,842.01	763,760.45	2,155,602	2.0%	0.1%
Wells Fargo Spec Md Cp Val R6	2,248,166.59	808,898.14	3,057,065	2.9%	-0.4%
Vanguard Mid-Cap Index Fund	1,486,751.92	387,183.93	1,873,936	1.8%	0.0%
Sub Total			7,086,603	6.7%	-0.4%
LARGE CAP FUNDS					
American Funds Growth Fund of Amer R6	6,200,690.53	2,315,778.24	8,516,469	8.0%	0.7%
Vanguard Institutional Index	9,637,153.61	3,544,061.02	13,181,215	12.4%	0.4%
Diamond Hill Large-Cap Fund	1,647,023.01	476,291.14	2,123,314	2.0%	-0.2%
Sub Total			23,820,998	22.4%	0.9%
BOND FUND					
Metropolitan West Total Return Bond Plan	3,247,469.44	1,329,543.23	4,577,013	4.3%	0.1%
Sub Total			4,577,013	4.3%	0.1%
STABLE VALUE FUND					
Putnam Stable Value	8,790,211.56	2,377,804.71	11,168,016	10.5%	-0.6%
Sub Total			11,168,016	10.5%	-0.6%
TARGET DATE FUND					
Vanguard Target Retirement Income Inv	896,728.34	849,480.36	1,746,209	1.6%	-0.5%
Vanguard Target Retirement 2020 Inv	822,626.66	216,238.43	1,038,865	1.0%	0.0%
Vanguard Target Retirement 2025 Inv	632,444.31	283,308.03	915,752	0.9%	-0.1%
Vanguard Target Retirement 2030 Inv	1,654,657.33	372,612.93	2,027,270	1.9%	0.0%
Vanguard Target Retirement 2035 Inv	2,011,196.98	391,249.17	2,402,446	2.3%	-0.1%
Vanguard Target Retirement 2040 Inv	1,027,615.92	489,440.88	1,517,057	1.4%	0.0%
Vanguard Target Retirement 2045 Inv	989,370.13	349,780.64	1,339,151	1.3%	0.0%
Vanguard Target Retirement 2050 Inv	2,101,009.67	388,851.69	2,489,861	2.3%	0.1%
Vanguard Target Retirement 2055 Inv	801,676.03	267,530.40	1,069,206	1.0%	0.1%
Vanguard Target Retirement 2060 Inv	464,653.07	168,851.98	633,505	0.6%	0.0%
Vanguard Target Retirement 2065 Inv	75,008.23	9,724.02	84,732	0.1%	0.0%
Sub Total			15,264,055	14.4%	-0.7%
OTHER					
Schwab Brokerage	3,223,123.62	562,884.85	3,786,008	3.6%	0.1%
Total Assets	78,078,559.96	28,119,557.80	\$106,198,118	100%	
LOAN BALANCE OUTSTANDING			\$1,090,220		



FUND PERFORMANCE REVIEW

Irvine Ranch Water District # 98453-01

Reporting Period Ending June 30, 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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RO4673562-0725

FUND PERFORMANCE REVIEW



IMPORTANT DISCLOSURES:

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

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

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

FUND PERFORMANCE REVIEW: OVERVIEW



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

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

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

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

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

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

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

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



FUND PERFORMANCE REVIEW (FPR): CRITERIA

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

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

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

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

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

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

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

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

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

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

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

Performance Summary: Irvine Ranch Water District

period ended 6/30/2025

				Overall Rating					Long-Term Rolling Analysis		
Morningstar Category	Ticker Symbol	Fund Name	Composite %'s			Overall Morningstar Rating			Consecutive Quarters Below	# of Quarters Below out of trailing 12	
			Overall	Return	Sharpe						
Intl	Foreign Large Growth	RERGX	American Funds EUPAC R6	48.6	45.7	51.5	3	Neutral	0	0 out of 12	Pass
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	97.5	98.0	97.0	5	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	48.7	47.3	50.0	3	Neutral	0	0 out of 12	Pass
Mid-Cap	Mid-Cap Growth	JMGMX	JPMorgan Mid Cap Growth R6	70.1	73.7	66.5	4	Above	0	0 out of 12	Pass
	Mid-Cap Value	WFPRX	Allspring Special Mid Cap Value R6	66.3	64.7	68.0	4	Above	0	0 out of 12	Pass
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	67.4	57.3	77.5	4	Above	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	34.4	45.3	23.5	3	Neutral	0	1 out of 12	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Fund	45.7	46.3	45.0	4	Neutral	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Fund	45.4	47.3	43.5	4	Neutral	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Fund	73.3	76.7	70.0	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Fund	72.9	76.3	69.5	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Fund	62.3	61.0	63.5	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Fund	59.5	58.0	61.0	4	Above	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Fund	63.2	58.3	68.0	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Fund	68.9	65.3	72.5	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Fund	60.3	55.7	65.0	4	Above	0	0 out of 12	N/A
	Target-Date 2060	VTTSX	Vanguard Target Retirement 2060 Fund	61.4	55.3	67.5	4	Above	0	0 out of 12	N/A
	Target-Date 2065+	VLXVX	Vanguard Target Retirement 2065 Fund	55.0	47.5	62.5	3	Above	0	0 out of 12	N/A
Bond	Intermediate Core-Plus Bond	MWTSX	TCW MetWest Total Return Bd Plan	27.9	24.3	31.5	3	Neutral	0	0 out of 12	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	34.2	34.3	34.0	3	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Admiral Shares (Idx)	75.3	77.0	73.5	4	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	78.4	74.3	82.5	4	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	82.7	84.3	81.0	5	N/A	N/A	0 out of 12	Pass

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

Return Analysis: Irvine Ranch Water District

period ended 6/30/2025

Fund Name		2nd Qtr 2025 Return	2nd Qtr 2025 Percentile	Performance vs. Benchmark (Annualized Returns and Return Percentiles %)								Return Since Inception	Incept. Date
				1 Year Return	1 Year Percentile	3 Year Return	3 Year Percentile	5 Year Return	5 Year Percentile	10 Year Return	10 Year Percentile		
Intl	Foreign Large Growth Peer Group	12.86	50	14.13	50	14.01	50	7.80	50	6.53	50		
	American Funds EUPAC R6	13.22	58	13.86	43	13.48	41	8.17	50	6.52	46	8.40	5/1/2009
Small-Cap	Small Growth Peer Group	10.79	50	7.06	50	10.52	50	7.53	50	8.02	50		
	Hood River Small-Cap Growth Retirement	16.85	93	14.85	91	19.30	98	16.99	98	13.27	98	14.61	3/3/2017
	Small Value Peer Group	4.06	50	3.89	50	8.87	50	13.37	50	6.81	50		
	Victory Integrity Small-Cap Value R6	1.70	12	-2.86	4	7.97	38	15.07	68	6.47	36	9.80	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	13.54	50	13.10	50	13.92	50	8.49	50	9.68	50		
	JPMorgan Mid Cap Growth R6	18.12	77	15.61	65	16.48	72	10.28	66	11.41	83	13.98	11/1/2011
	Mid-Cap Value Peer Group	4.27	50	8.85	50	10.79	50	13.80	50	7.92	50		
	Allspring Special Mid Cap Value R6	3.09	39	6.24	23	10.55	52	14.10	60	9.08	82	10.37	6/28/2013
Large-Cap	Large Growth Peer Group	17.60	50	15.10	50	23.94	50	15.01	50	14.75	50		
	American Funds Growth Fund of Amer R6	18.06	61	21.77	89	24.99	60	16.05	66	14.62	46	15.33	5/1/2009
	Large Value Peer Group	3.98	50	12.61	50	12.66	50	14.12	50	9.24	50		
	Diamond Hill Large Cap Y	2.93	33	10.13	26	11.92	38	12.93	28	9.84	70	11.71	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	4.27	50	8.84	50	7.43	50	4.78	50	4.61	50		
	Vanguard Target Retirement Income Fund	4.55	61	9.66	72	7.36	46	4.49	35	4.71	58	5.11	10/27/2003
	Target-Date 2020 Peer Group	4.91	50	9.62	50	8.57	50	6.20	50	6.01	50		
	Vanguard Target Retirement 2020 Fund	5.12	56	10.23	65	8.67	41	6.16	37	6.06	64	6.19	6/7/2006
	Target-Date 2025 Peer Group	5.36	50	10.17	50	9.50	50	7.06	50	6.37	50		
	Vanguard Target Retirement 2025 Fund	6.65	90	11.74	91	10.43	87	7.48	66	6.89	77	6.86	10/27/2003
	Target-Date 2030 Peer Group	6.30	50	10.78	50	10.58	50	8.03	50	7.12	50		
	Vanguard Target Retirement 2030 Fund	7.67	93	12.61	92	11.64	84	8.58	67	7.52	78	7.02	6/7/2006
	Target-Date 2035 Peer Group	7.41	50	12.04	50	12.11	50	9.57	50	7.82	50		
	Vanguard Target Retirement 2035 Fund	8.38	78	13.41	88	12.73	65	9.67	49	8.13	69	7.75	10/27/2003
	Target-Date 2040 Peer Group	8.39	50	13.09	50	13.41	50	10.78	50	8.54	50		
	Vanguard Target Retirement 2040 Fund	9.09	73	14.12	82	13.80	60	10.74	42	8.73	72	7.80	6/7/2006
	Target-Date 2045 Peer Group	9.30	50	13.89	50	14.60	50	11.72	50	8.90	50		
	Vanguard Target Retirement 2045 Fund	9.75	67	14.78	78	14.84	54	11.80	49	9.27	72	8.49	10/27/2003
	Target-Date 2050 Peer Group	9.75	50	14.10	50	15.11	50	12.01	50	9.18	50		
	Vanguard Target Retirement 2050 Fund	10.55	78	15.57	83	15.59	68	12.24	57	9.48	71	8.21	6/7/2006
	Target-Date 2055 Peer Group	10.17	50	14.55	50	15.38	50	12.23	50	9.17	50		
	Vanguard Target Retirement 2055 Fund	10.54	62	15.58	72	15.59	56	12.24	46	9.47	65	10.45	8/18/2010
	Target-Date 2060 Peer Group	10.19	50	14.48	50	15.38	50	12.25	50	9.52	50		
	Vanguard Target Retirement 2060 Fund	10.56	67	15.57	75	15.59	63	12.24	47	9.47	56	10.29	1/19/2012
	Target-Date 2065+ Peer Group	10.43	50	14.98	50	15.63	50	12.32	50	N/A	50		
	Vanguard Target Retirement 2065 Fund	10.53	47	15.55	62	15.59	48	12.24	47	N/A	N/A	9.94	7/12/2017
Bond	Intermediate Core-Plus Bond Peer Group	1.41	50	6.46	50	3.30	50	0.02	50	2.06	50		
	TCW MetWest Total Return Bd Plan	1.32	35	6.51	52	2.65	23	-0.62	16	1.86	34	2.68	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	12.08	66	18.27	56	13.81	21	10.28	35	6.28	47	5.92	11/29/2010
	Vanguard Small Cap Index Admiral Shares (Idx)	7.28	54	10.14	90	12.16	85	11.84	61	8.57	85	9.00	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	8.69	76	17.50	96	14.32	80	13.01	57	9.96	86	10.15	11/12/2001
	Vanguard Institutional Index I (Idx)	10.93	58	15.12	74	19.67	79	16.60	82	13.61	92	10.74	7/31/1990

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

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

Performance data quoted represents past performance and is not a guarantee or prediction of future results. The investment return and principal value of an investment will fluctuate so that, when redeemed

shares/units may be worth more or less than their original cost. For performance data current to the most recent month-end, please visit www.empower-retirement.com/participant. Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees/expenses. Performance numbers shown above would be less after applicable fee/expenses are deducted.

Data Source: Morningstar® DirectSM

Please refer to the Appendix page for additional disclosures

Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 6/30/2025

Fund Name	Sharpe Ratios and Percentiles %				Standard Deviation		Expense Ratio	Expense Percentile %	Manager Tenure (yrs)	Fund Size \$MM
	3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	3 Yr	5 Yr				
Intl	Foreign Large Growth Peer Group	0.56	50	0.35	50	17.38	17.37	0.95	50	
	American Funds EUPAC R6	0.57	52	0.38	51	16.17	16.72	0.47	5	24, 134,134
Small-Cap	Small Growth Peer Group	0.35	50	0.31	50	21.09	21.20	1.08	50	
	Hood River Small-Cap Growth Retirement	0.65	96	0.64	98	24.23	24.56	0.99	40	23, 3,800
	Small Value Peer Group	0.28	50	0.56	50	21.52	21.01	1.09	50	
	Victory Integrity Small-Cap Value R6	0.24	37	0.61	63	21.46	22.23	0.96	33	21, 1,045
Mid-Cap	Mid-Cap Growth Peer Group	0.50	50	0.36	50	20.31	20.51	1.02	50	
	JPMorgan Mid Cap Growth R6	0.63	69	0.44	64	19.93	20.13	0.65	6	10, 12,581
	Mid-Cap Value Peer Group	0.39	50	0.65	50	18.41	18.08	1.04	50	
	Allspring Special Mid Cap Value R6	0.40	60	0.71	76	16.49	16.37	0.70	13	17, 13,234
Large-Cap	Large Growth Peer Group	0.98	50	0.67	50	18.78	19.63	0.86	50	
	American Funds Growth Fund of Amer R6	1.09	86	0.73	69	17.68	19.02	0.30	5	24, 320,603
	Large Value Peer Group	0.54	50	0.73	50	15.46	15.77	0.82	50	
	Diamond Hill Large Cap Y	0.47	30	0.63	17	16.63	16.86	0.55	15	10, 8,428
Asst All/Other	Target-Date Retirement Peer Group	0.33	50	0.25	50	8.40	7.89	0.56	50	
	Vanguard Target Retirement Income Fund	0.33	54	0.23	36	7.99	7.45	0.08	3	12, 35,695
	Target-Date 2020 Peer Group	0.40	50	0.37	50	9.61	9.64	0.79	50	
	Vanguard Target Retirement 2020 Fund	0.43	48	0.38	39	9.14	8.99	0.08	3	12, 35,611
	Target-Date 2025 Peer Group	0.47	50	0.43	50	10.28	10.39	0.63	50	
	Vanguard Target Retirement 2025 Fund	0.54	79	0.46	61	10.54	10.46	0.08	3	12, 75,746
	Target-Date 2030 Peer Group	0.52	50	0.48	50	11.54	11.67	0.76	50	
	Vanguard Target Retirement 2030 Fund	0.60	77	0.52	62	11.54	11.49	0.08	2	12, 102,509
	Target-Date 2035 Peer Group	0.60	50	0.55	50	12.56	12.67	0.65	50	
	Vanguard Target Retirement 2035 Fund	0.65	73	0.57	54	12.24	12.32	0.08	3	12, 110,600
	Target-Date 2040 Peer Group	0.65	50	0.60	50	13.62	13.77	0.71	50	
	Vanguard Target Retirement 2040 Fund	0.70	68	0.62	54	12.93	13.15	0.08	2	12, 99,970
	Target-Date 2045 Peer Group	0.70	50	0.64	50	14.36	14.55	0.71	50	
	Vanguard Target Retirement 2045 Fund	0.74	72	0.66	64	13.65	14.01	0.08	3	12, 99,037
	Target-Date 2050 Peer Group	0.72	50	0.65	50	14.52	14.72	0.71	50	
	Vanguard Target Retirement 2050 Fund	0.76	83	0.67	62	14.10	14.34	0.08	3	12, 85,946
	Target-Date 2055 Peer Group	0.73	50	0.66	50	14.76	14.94	0.71	50	
	Vanguard Target Retirement 2055 Fund	0.76	71	0.67	59	14.11	14.35	0.08	3	12, 59,255
	Target-Date 2060 Peer Group	0.73	50	0.66	50	14.68	14.89	0.64	50	
	Vanguard Target Retirement 2060 Fund	0.76	77	0.67	58	14.10	14.34	0.08	3	12, 34,817
	Target-Date 2065+ Peer Group	0.74	50	0.66	50	14.78	15.05	0.60	50	
	Vanguard Target Retirement 2065 Fund	0.76	66	0.67	59	14.09	14.33	0.08	4	8, 11,408
Bond	Intermediate Core-Plus Bond Peer Group	-0.17	50	-0.42	50	7.44	6.66	0.68	50	
	TCW MetWest Total Return Bd Plan	-0.22	32	-0.47	31	8.35	7.17	0.37	10	21, 32,422
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.60	25	0.52	43	15.66	15.46	0.09	5	17, 510,791
	Vanguard Small Cap Index Admiral Shares (Idx)	0.42	85	0.51	62	20.95	20.01	0.05	2	9, 153,278
	Vanguard Mid Cap Index Admiral (Idx)	0.56	89	0.61	76	18.15	17.85	0.05	4	2, 192,453
	Vanguard Institutional Index I (Idx)	0.92	79	0.85	83	15.80	16.30	0.04	3	8, 321,075

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

Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® DirectSM

Please refer to the Appendix page for additional disclosures

Annual Returns and Statistics: Irvine Ranch Water District

period ended 6/30/2025

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
Intl	Foreign Large Growth Peer Group	5.03	15.92	-24.29	8.84	22.25						
	American Funds EUPAC R6	5.04	16.05	-22.72	2.84	25.27	1.23	0.96	95	35	330	21%
Small-Cap	Small Growth Peer Group	14.24	16.59	-27.68	9.61	37.84						
	Hood River Small-Cap Growth Retirement	35.69	21.60	-27.93	23.88	60.81	6.13	1.03	93	98	102	22%
	Small Value Peer Group	8.66	16.06	-11.05	29.96	3.54						
	Victory Integrity Small-Cap Value R6	4.90	17.80	-7.58	33.76	1.33	-1.02	0.92	98	62	128	13%
Mid-Cap	Mid-Cap Growth Peer Group	14.12	20.26	-27.23	13.41	34.55						
	JPMorgan Mid Cap Growth R6	14.56	23.35	-26.96	10.99	48.51	-3.63	0.96	98	55	117	21%
	Mid-Cap Value Peer Group	11.79	12.70	-8.42	28.88	2.55						
	Allspring Special Mid Cap Value R6	12.06	9.62	-4.50	28.80	3.36	-0.08	0.87	97	19	71	27%
Large-Cap	Large Growth Peer Group	30.16	39.53	-31.05	21.85	36.95						
	American Funds Growth Fund of Amer R6	28.84	37.65	-30.49	19.69	38.28	1.46	0.89	94	25	318	33%
	Large Value Peer Group	14.29	11.04	-5.20	25.81	3.06						
	Diamond Hill Large Cap Y	12.26	13.78	-13.27	25.89	9.07	-0.89	1.03	97	36	47	35%
Asst All/Other	Target-Date Retirement Peer Group	6.92	10.46	-12.70	6.37	9.97						
	Vanguard Target Retirement Income Fund	6.58	10.74	-12.74	5.25	10.02	0.57	1.06	99	4	7	99%
	Target-Date 2020 Peer Group	7.65	12.32	-14.46	9.01	11.74						
	Vanguard Target Retirement 2020 Fund	7.75	12.51	-14.15	8.17	12.04	0.75	0.94	99	4	7	99%
	Target-Date 2025 Peer Group	8.61	13.15	-15.04	10.31	13.09						
	Vanguard Target Retirement 2025 Fund	9.44	14.55	-15.55	9.80	13.30	-0.43	0.90	99	7	6	99%
	Target-Date 2030 Peer Group	9.58	14.58	-16.25	11.56	13.21						
	Vanguard Target Retirement 2030 Fund	10.64	16.03	-16.27	11.38	14.10	0.19	0.99	99	7	6	99%
	Target-Date 2035 Peer Group	11.13	16.37	-16.69	14.09	14.24						
	Vanguard Target Retirement 2035 Fund	11.78	17.14	-16.62	12.96	14.79	0.85	1.04	99	4	5	99%
	Target-Date 2040 Peer Group	12.72	18.13	-17.49	15.94	15.13						
	Vanguard Target Retirement 2040 Fund	12.88	18.34	-16.98	14.56	15.47	-1.03	1.02	99	2	6	99%
	Target-Date 2045 Peer Group	13.91	19.38	-18.00	17.02	15.27						
	Vanguard Target Retirement 2045 Fund	13.91	19.48	-17.36	16.16	16.30	-1.37	0.92	99	1	6	99%
	Target-Date 2050 Peer Group	14.20	19.84	-18.18	17.22	15.89						
	Vanguard Target Retirement 2050 Fund	14.64	20.17	-17.46	16.41	16.39	-1.04	0.95	99	1	6	99%
	Target-Date 2055 Peer Group	14.65	20.21	-18.29	17.61	15.59						
	Vanguard Target Retirement 2055 Fund	14.64	20.16	-17.46	16.44	16.32	-1.04	0.95	99	1	6	99%
	Target-Date 2060 Peer Group	14.60	20.08	-18.19	17.55	16.45						
	Vanguard Target Retirement 2060 Fund	14.63	20.18	-17.46	16.44	16.32	-1.03	0.95	99	1	6	99%
	Target-Date 2065+ Peer Group	14.91	20.53	-18.33	17.86	16.49						
	Vanguard Target Retirement 2065 Fund	14.62	20.15	-17.39	16.46	16.17	-1.02	0.95	99	0	6	99%
Bond	Intermediate Core-Plus Bond Peer Group	2.27	6.34	-13.99	-0.89	8.58						
	TCW MetWest Total Return Bd Plan	1.12	6.07	-14.69	-1.11	9.17	0.46	1.14	100	418	1637	30%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	5.14	15.52	-16.01	8.62	11.28	-0.43	1.04	98	3	8598	9%
	Vanguard Small Cap Index Admiral Shares (Idx)	14.23	18.20	-17.61	17.73	19.11	1.16	0.96	99	13	1354	4%
	Vanguard Mid Cap Index Admiral (Idx)	15.22	15.98	-18.71	24.51	18.24	0.32	0.99	100	16	308	9%
	Vanguard Institutional Index I (Idx)	24.97	26.24	-18.14	28.67	18.39	-0.04	1.00	100	4	507	36%

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

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

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

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

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Index Performance

period ending 06/30/2025

	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	12.57	6.91	4.21	2.32	5.05	7.04	-22.37	-4.59	15.84
	MSCI Eafe Ndtr_D	17.73	15.97	11.16	6.51	3.82	18.24	-14.45	11.26	7.82
	MSCI World Ndtr_D	16.26	18.31	14.55	10.66	18.67	23.79	-18.14	21.82	15.90
Small-Cap	Russell 2000 Growth	9.73	12.38	7.42	7.14	15.15	18.66	-26.36	2.83	34.63
	Russell 2000	7.68	10.00	10.04	7.12	11.54	16.93	-20.44	14.82	19.96
	Russell 2000 Value	5.54	7.45	12.47	6.72	8.05	14.65	-14.48	28.27	4.63
Mid-Cap	Russell Midcap Growth	26.49	21.46	12.65	12.13	22.10	25.87	-26.72	12.73	35.59
	Standard & Poor's Midcap 400	7.53	12.83	13.44	9.25	13.93	16.44	-13.06	24.76	13.66
	Russell Midcap Value	11.53	11.34	13.71	8.39	13.07	12.71	-12.03	28.34	4.96
Large-Cap	Russell 1000 Growth	17.22	25.76	18.15	17.01	33.36	42.68	-29.14	27.60	38.49
	Standard & Poor's 500 TR	15.16	19.71	16.64	13.65	25.02	26.29	-18.11	28.71	18.40
	Russell 1000 Value	13.70	12.76	13.93	9.19	14.37	11.46	-7.54	25.16	2.80
Bond	Bloomberg US Agg Bond TR USD	6.08	2.55	-0.73	1.76	1.25	5.53	-13.01	-1.54	7.51
	Bloomberg US Credit TR USD	6.83	4.19	0.12	2.80	2.03	8.18	-15.26	-1.08	9.35
	Bloomberg US MBS TR USD	6.52	2.32	-0.60	1.30	1.20	5.05	-11.81	-1.04	3.87
	Bloomberg US Government TR USD	5.31	1.57	-1.53	1.22	0.62	4.09	-12.32	-2.28	7.94
	Bloomberg US Govt 1-3 Yr TR USD	5.72	3.44	1.34	1.60	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).

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EMPOWER PROFILE FUNDS

FUNDS: The Empower Profile funds range from Aggressive to Conservative.

TYPE: Profiles are static asset allocation funds that invest in underlying funds.

RISK: They range from aggressive risk to conservative risk and invest in an optimized mix of international equity funds, US equity funds and fixed income funds. Allow investors to diversify among several different funds and asset classes with one holding.

To provide a well diversified portfolio. This helps to spread investing risks among various asset classes.

EXAMPLE:

Aggressive Profile	
Asset Class	Allocation
International	25%
Small Cap	20%
Mid Cap	30%
Large Cap	25%
Total	100%

Please refer to the Appendix page for additional footnotes

EMPOWER PROFILE FUNDS



Profiles compared to a series of blended benchmarks of passive indexes based on the overall asset allocation of the particular Profile.

For example, Aggressive Profile (which is 67% domestic equity funds, 30% international funds, and 3% US Real Estate) compared to a weighted average return of:

- 67% Wilshire 5000
- 30% MSCI EAFE Index
- 3% DJ US Select REIT

		Performance (Annualized Returns) As of 6/30/2025					Total Return Since Inception	Total Fund Expense
Inception Date	Fund Name	3 Month	1 Year	3 Year	5 Year	10 Year		
5/1/2015	Empower Aggressive Profile Fund Institutional Class	7.74%	12.63%	14.29%	12.86%	9.36%	9.00%	0.81%
	Weighted Composite1	10.97%	16.02%	17.78%	14.42%	11.03%	N/A	N/A
5/1/2015	Empower Moderate Profile Fund Institutional Class	4.99%	9.55%	9.72%	8.22%	6.71%	6.43%	0.56%
	Weighted Composite3	6.77%	11.98%	11.75%	8.81%	7.50%	N/A	N/A
5/1/2015	Empower Conservative Profile Fund Institutional Class	3.05%	7.56%	6.44%	4.77%	4.45%	4.26%	0.42%
	Weighted Composite5	3.64%	8.91%	7.22%	4.56%	4.69%	N/A	N/A

¹Aggressive Composite: 66.89% Wilshire 5000; 30.11% MSCI EAFE Index, 3.00% DJ US Select REIT

²Moderately Aggressive Composite: 47.92% Wilshire 5000; 15.75% Bloomberg US Agg Bond; 21.56% MSCI EAFE Index, 11.27% Bloomberg 1-3 Credit Index, 3.50% DJ US Select REIT

³Moderate Composite: 38.62% Wilshire 5000; 23.32% Bloomberg US Agg Bond; 17.38% MSCI EAFE Index; 16.68% Bloomberg 1-3 Year Credit Index, 4.00% DJ US Select REIT

⁴Moderately Conservative Composite: 32.07% Bloomberg US Agg Bond; 27.91% Wilshire 5000; 22.95%Bloomberg 1-3 Year Credit; 12.56% MSCI EAFE Index, 4.50% DJ US Select REIT

⁵Conservative Composite: 40.80% Bloomberg US Agg Bond; 29.19% Bloomberg 1-3 Year Credit Index; 17.25% Wilshire 5000; 7.77% MSCI EAFE Index, 5.00% DJ US Select REIT

Performance shown prior to inception date reflects performance achieved by the oldest share class of the same fund as determined by Morningstar. While the Institutional Class is less expensive than the oldest share class of the same fund, performance was not adjusted upwards to display higher returns.

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

Please refer to the Appendix page for additional footnotes

ASSET CLASS RANGES



The five Profiles range from conservative to aggressive. More aggressive Profiles weighted towards international, small cap and mid-cap equities while more conservative weighted towards short-term and bond investments.

Profiles will always be invested within the ranges below:

	Aggressive Profile	Moderate Profile	Conservative Profile
International	10-40%	0-30%	0-15%
Small Cap	5-35%	0-25%	0-15%
Mid Cap	15-45%	0-30%	0-15%
Large Cap	30-50%	15-45%	10-40%
Real Estate	0-10%	0-10%	0-10%
Bond	0-10%	10-30%	30-50%
Short-Term	0-10%	5-25%	25-45%

Specific Profile asset allocations (within these ranges) set on an annual basis. Individual Profiles rebalanced back to target allocations monthly.

Please refer to the Appendix page for additional footnotes

CURRENT YEAR ALLOCATIONS

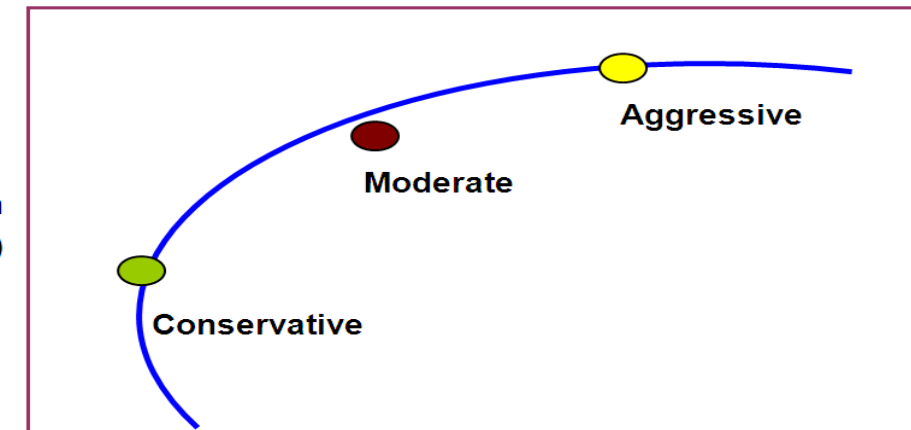


Asset class ranges are developed using Modern Portfolio Theory and Morningstar® DirectSM Optimizer software. Long-term returns, volatility and correlation of returns of the asset classes evaluated.

An efficient frontier of available investments created using Optimizer Software with the intent of maximizing returns at the minimum possible risk.

A committee of investment professionals meets to review output from software and finalize allocations. Once the asset class ranges determined, underlying investment managers chosen to provide exposure to different investment styles: i.e. Growth, Value, Blend

Expected Return
(average annual)



Expected Risk (standard deviation)

Current Profile Allocations

	Aggressive Profile	Moderate Profile	Conservative Profile
International	30.56%	17.64%	7.87%
Empower Intl Growth Inst	6.79%	3.92%	1.75%
Empower Intl Value Inst	16.98%	9.80%	4.37%
Empower Emerging Markets Equity Inst	6.79%	3.92%	1.75%
Alternative	3.00%	4.00%	5.00%
Empower Real Estate Index Inst	3.00%	4.00%	5.00%
Small Cap	11.16%	6.44%	2.87%
Empower Small Growth Inst	3.88%	2.24%	1.00%
Empower Small Cap Value Inst	7.28%	4.20%	1.87%
Mid Cap	18.92%	10.92%	4.87%
Empower T. Rowe Mid Cap Growth Inst	6.31%	3.64%	1.62%
Empower Mid Cap Value Inst	12.61%	7.28%	3.25%
Large Cap	36.36%	21.00%	9.37%
Empower Large Cap Growth Inst	11.64%	6.72%	3.00%
Empower Large Cap Value Inst	24.72%	14.28%	6.37%
Bond	0.00%	21.91%	38.35%
Empower US Govt Secs Inst	0.00%	3.75%	6.56%
Empower Global Bond Inst	0.00%	4.80%	8.40%
Empower Core Bond Inst	0.00%	3.75%	6.56%
Empower Inflation Protected Securities Inst	0.00%	2.50%	4.38%
Empower High Yield Inst	0.00%	2.26%	3.96%
Empower Multi-Sector Bond Fund Inst	0.00%	4.85%	8.49%
Short-Term	0.00%	18.09%	31.67%
Empower Annuity Insurance Company of America	0.00%	16.01%	22.56%
Empower Short Duration Bond Inst	0.00%	2.08%	9.11%

Please refer to the Appendix page for additional footnotes

Return Analysis: Empower Profile Underlying Funds

period ended 6/30/2025

Fund Name		2nd Qtr 2025 Return	2nd Qtr 2025 Percentile	Performance vs. Benchmark (Annualized Returns and Return Percentiles %)								Incept. Date
				1 Year Return	1 Year Percentile	3 Year Return	3 Year Percentile	5 Year Return	5 Year Percentile	10 Year Return	10 Year Percentile	
Intl	Diversified Emerging Mkts Peer Group	12.34	50	14.27	50	9.93	50	6.52	50	4.69	50	
	Empower Emerging Markets Equity Inst	12.35	51	15.65	70	8.04	20	N/A	N/A	N/A	N/A	1/5/2018
	Foreign Large Growth Peer Group	12.86	50	14.13	50	14.01	50	7.80	50	6.53	50	
	Empower International Growth Instl	9.69	14	9.28	18	11.88	31	4.68	11	5.65	30	5/1/2015
	Foreign Large Value Peer Group	11.30	50	22.34	50	16.58	50	12.77	50	6.43	50	
	Empower International Value Instl	11.46	54	23.29	59	17.58	64	12.01	35	8.35	98	5/1/2015
Small-Cap	Small Growth Peer Group	10.79	50	7.06	50	10.52	50	7.53	50	8.02	50	
	Empower Small Cap Growth Instl	11.59	62	2.82	17	9.07	29	9.01	67	N/A	N/A	9/10/2015
	Small Value Peer Group	4.06	50	3.89	50	8.87	50	13.37	50	6.81	50	
	Empower Small Cap Value Instl	4.43	48	2.72	30	10.70	71	14.25	57	7.62	74	5/1/2015
Mid-Cap	Mid-Cap Growth Peer Group	13.54	50	13.10	50	13.92	50	8.49	50	9.68	50	
	Empower T. Rowe Price Mid Cp Gr Instl	8.74	26	6.65	22	11.36	25	8.49	43	9.64	48	5/1/2015
	Mid-Cap Value Peer Group	4.27	50	8.85	50	10.79	50	13.80	50	7.92	50	
	Empower Mid Cap Value Instl	5.06	68	11.54	83	12.52	81	14.90	71	8.67	68	5/1/2015
Large-Cap	Large Growth Peer Group	17.60	50	15.10	50	23.94	50	15.01	50	14.75	50	
	Empower Large Cap Growth Instl	14.26	21	11.93	22	23.10	40	16.39	72	16.02	78	5/1/2015
	Large Value Peer Group	3.98	50	12.61	50	12.66	50	14.12	50	9.24	50	
	Empower Large Cap Value Instl	3.27	40	11.00	33	14.15	75	15.86	79	10.43	85	5/1/2015
Bond	Global Bond Peer Group	4.63	50	8.88	50	3.55	50	-0.47	50	1.29	50	
	Empower Global Bond Institutional	4.03	47	8.68	48	3.84	49	-0.80	33	0.12	15	5/1/2015
	High Yield Bond Peer Group	3.45	50	9.15	50	9.11	50	5.52	50	4.55	50	
	Empower High Yield Bond Instl	4.90	99	10.43	88	9.29	61	5.56	49	5.18	79	5/1/2015
	Inflation-Protected Bond Peer Group	0.51	50	5.85	50	2.30	50	1.56	50	2.48	50	
	Empower Infl-Protcd Secs Instl	0.99	81	6.59	79	3.33	85	2.72	82	N/A	N/A	1/5/2018
	Intermediate Government Peer Group	0.99	50	5.64	50	1.52	50	-1.21	50	0.93	50	
	Empower US Government Secs Instl	1.10	53	5.90	48	1.85	52	-0.89	51	1.36	81	5/1/2015
	Intermediate Core Bond Peer Group	1.21	50	6.00	50	2.55	50	-0.70	50	1.69	50	
	Empower Core Bond Instl	1.07	15	5.76	22	2.93	66	-0.48	57	2.00	72	5/1/2015
	Multisector Bond Peer Group	2.23	50	7.77	50	6.03	50	3.29	50	3.29	50	
	Empower Multi-Sector Bond Instl	2.42	61	8.65	75	5.93	40	2.98	29	3.74	66	5/1/2015
	Short-Term Bond Peer Group	1.47	50	6.30	50	4.39	50	1.96	50	2.10	50	
	Empower Short Duration Bond Instl	1.45	48	6.07	35	4.81	69	2.38	69	2.59	82	5/1/2015
Index Funds	Empower Real Estate Index Instl (Idx)	-1.56	18	7.92	37	4.61	69	8.21	74	5.13	26	5/1/2015

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

Data Source: Morningstar® DirectSM

Please refer to the Appendix page for additional disclosures



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

About investment risk:

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

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

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

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

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About Overall Morningstar Rating™

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

About Morningstar Rankings

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

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APPENDIX - GLOSSARY



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

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

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

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

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

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

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

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

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

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

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

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

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

Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International- Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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


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

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

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

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

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

September 15, 2025
Prepared by: D. Rocha / J. Davis
Submitted by: N. Adly
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2024-2025 LEGAL FEES ANALYSIS
QUARTERLY UPDATE

SUMMARY:

Provided is a summary of legal fees incurred by IRWD for the Fiscal Year (FY) 2024-25.

BACKGROUND:

Legal fees supporting the operations of IRWD in FY 2024-25 totaled \$1.1 million after settlements, compared to a budget of \$2.7 million, resulting in a positive variance of \$1.6 million or 59.3%. Capitalized legal fees associated with capital projects totaled \$19,616. The non-operating legal fees for FY 2024-25 amounted to \$228,691, which included bond counsel fees.

Exhibit “A” summarizes IRWD’s legal fees incurred in FY 2022-23 through FY 2024-25.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Summary of Legal Fees for FY 2022-23 through FY 2024-25

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Exhibit "A"

Analysis of Legal Fees
Fiscal Years 2022 - 2025

Firm	YTD Actual 2022-2023	YTD Actual 2023-2024	Q4 Actual 2024-2025	Hourly Rate	Area of Expertise	Service Provided
Operating Legal Fees:						
Alston & Bird LLP	\$ 208,920	\$ 270,671	\$ 56,261	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Benjamin P. deMayo	-	-	-	n/a	Litigation	Special counsel services
Burke, Williams & Sorensen, LLP	-	-	-	\$ 325	Employee relations	Personnel policy review and revision
Bordin Semmer LLP	-	-	3,245	\$ 275	Employee relations	Personnel policy review and revision
Everett Dorey LLP ⁽¹⁾	(87,428)	-	-	\$ 235 to \$ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	-	-	-	\$ 200 to \$ 275	Employee relations	Personnel matters
Fisher & Phillips LLP	375,734	291,254	8,795	\$ 300 to \$ 760	Legal Counsel	Special counsel services
Hanson Bridgett LLP	635,774	1,020,268	875,348	\$ 345 to \$ 455	IRWD legal counsel	District general counsel/legislative/litigation/special project
Jackson Tidus, A Law Corporation	-	-	(2,665)	\$ 475	Legal Counsel	General Real Estate
JL Group, LLC	22,816	48,483	-	\$ 200 to \$ 290	Employee relations	Personnel matters
Kidman Gagen Law, LLP	750	-	-	\$ 345 to \$ 455	IRWD legal counsel	Special counsel services
Kienle Law, PC	5,553	190	-	\$ 180 to \$ 475	IRWD legal counsel	OSHA matters
Kronick Moskovitz Tiedemann & Girard	8,072	15,852	11,003	\$ 180 to \$ 405	IRWD legal counsel	Counsel services related to water resources, policy matters and litigation
Kutak Rock LLP ⁽¹⁾	(67,724)	15,297	13,376	\$ 395 to \$ 425	Legal Counsel	Legal counsel related to insurance claim issues
Law Office of Atoosa Vakili	82	-	5,980	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Liebert Cassidy Whitmore	24,698	18,346	20,068	n/a	Legal Counsel	Personnel matters
Lozano Smith, LLP	67,615	126,419	6,911	\$ 315	Legal Counsel	Personnel matters
Loeb & Loeb LLP	-	-	5,000	n/a	Litigation	Litigation Fund (BKK)
Payne & Fears, LLP	105,285	33,473	1,863	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Sandline Discovery, LLC	-	-	2,590	\$ 300	IRWD legal counsel	District general counsel/legislative/litigation/special project
Pillsbury Winthrop Shaw Pittman LLP	54,669	31,523	41,898	\$ 695 to \$ 845	Employee relations	Employee benefits
Wagener Law, a PC	8,470	5,173	-	\$ 695 to \$ 795	Employee relations	Personnel matters
Woodruff, Spradlin & Smart, APC	-	331	-	n/a	Legal Counsel	Legal counsel related to insurance claim issues
Rosen Law Offices, APC ⁽¹⁾	-	-	-	n/a	Legal Counsel	Legal counsel related to insurance claim issues
Total Operating Legal Fees	\$ 1,363,286	\$ 1,877,280	\$ 1,049,671			
⁽¹⁾ Insurance Litigation						
Capitalized Legal Fees:						
Alston & Bird LLP	\$ -	\$ 13,843	\$ -	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Hanson Bridgett LLP	45,486	-	-	\$ 345 to \$ 490	IRWD legal counsel	Counsel services in connection with PFAS Treatment project
Kronick Moskovitz Tiedemann & Girard	113,904	239,141	19,616	\$ 180 to \$ 405	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Capitalized Legal Fees Total	159,390	252,984	19,616			
Total Operating and Capital Legal Fees	\$ 1,522,676	\$ 2,130,264	\$ 1,069,288			
Non-operating Legal Fees:						
Deferred Compensation:						
Pillsbury Winthrop Shaw Pittman LLP	\$ -	\$ 7,548	\$ -	\$ 695	Employee benefits	Deferred compensation funded by fee income
Bond Counsel:						
Alexander Bowie a Law Corp	-	-	-	\$ 185 to \$ 220	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Kutak Rock LLP	-	6,000	42,500	n/a	Bond counsel	Counsel in connection with the extension/substitution of the letter of credit
Lewis Brisbois Bisgaard & Smith LLP	-	-	-	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Orrick, Herrington & Sutcliffe LLP	30,000	36,000	100,000	n/a	Bond counsel	Counsel in connection with the extension of GO bonds and COP
Stradling Yocca Carlson & Rauth	-	-	2,340	n/a	Bond counsel	SAC Legal Fees
Chapman and Cutler LLP	-	-	22,000	n/a	Bond counsel	Counsel in connection with letter of credit
Hawkins Delafield Wood LLP	-	-	11,851	n/a	Bond counsel	Counsel in connection with the extension of GO bonds and COP
Stradling Yocca Carlson & Rauth	27,500	25,000	50,000	n/a	Bond counsel	Disclosure Counsel
Non-operating Legal Fees Total	\$ 57,500	\$ 74,548	\$ 228,691			

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September 15, 2025
Prepared by: D. Rocha / C. Smithson
Submitted by: N. Adly
Approved by: Paul A. Cook *PA*

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2024-25 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements for Fiscal Year (FY) 2024-25. Operating net revenue was \$207.9 million and total system operating expenses were \$212.2 million resulting in net operating loss of \$4.4 million. Consolidated expenses, including capital, was \$233.8 million and \$0.7 million favorable compared to budget. Non-operating net income was \$122.5 million and \$31.1 million favorable compared to budget.

BACKGROUND:

Details of unaudited actual results for FY 2024-25 are provided in the following documents:

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

Summary of Operating Revenues and Expenses:

Net revenues were \$207.9 million and operating expenses were \$212.2 million resulting in a net operating loss for FY 2024-25 of \$4.4 million. Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system for FY 2024-25. A summary by system is outlined below.

Potable Water System:

Net revenues were above budget by \$3.0 million and total expenses were above budget by \$5.8 million. Potable Water System sales were 647 AF and \$5.8 million above budget, primarily due to imported water being purchased to replace less expensive groundwater.

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

- Water (\$6.6M);
- All other Operating Expenses (\$1.2M).

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

- Electricity (\$1.9M).

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

Recycled Water System:

Net revenues were below budget by \$5.4 million and total expenses were below budget by \$5.8 million. Recycled Water System sales were 3,423 AF and \$4.1 million below budget, primarily due to rainfall, cooler temperatures, and ongoing conservation efforts.

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

- Fixed Service Charges and Other expenses(\$.9M);
- Water (\$4.1M); and
- Electricity (\$1.3M).

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

Sewer System:

Net revenues were above budget by \$0.1 million and total expenses were below budget by \$2.2 million. Sewer System fixed service charges were below budget by \$0.6 million.

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

- Electricity (\$1.7M);
- Repairs and Maintenance – OC San (\$3.9M)

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

- Fixed Services Charges and Other (\$.6M);
- Salaries and benefits (\$1.8M); and
- All Other Operating Expenses (\$1.3M).

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

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

Net revenues were above budget by \$1.1 million and total expenses were below budget by \$3.2 million. Over-allocation revenue was below budget by \$2.9 million.

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

- Salaries and benefits (\$1.4M); and
- All other expenses (\$1.3M).

Additional information is provided in Exhibit “A-7”.

Summary of Operating Expenses:

Exhibit “B” includes a summary of actual versus budgeted expenses by major category, including capital, for FY 2024-25. Net operating expenses were \$233.8 million, which is \$0.7 million below budget. Additional information is provided in Exhibit “B-2”. Salary and employee benefits information is provided in Exhibit “B-3”.

Summary of Non-Operating Revenues and Expenses:

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

The non-operating net income was \$122.5 million, which was favorable to budget by \$31.1 million. Revenues were over budget by \$25.5 million and expenses were below budget by 5.6 million.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Actual to Budget Operating Revenues and Expenses by System
Exhibit “B” – Consolidated Actual to Budget and Operating Expenses
Exhibit “C” – Consolidated Actual to Budget and Non-Operating Net Income

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Exhibit "A"
Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25
(in thousands)

Consolidated			
Revenues:	Actual	Budget	Variance
Commodity	\$ 115,380	\$ 113,836	\$ 1,544
Fixed Service Charges and Other	135,020	136,588	(1,568)
Total Revenues	\$ 250,400	\$ 250,424	\$ (24)
Contribution to Enhancement and Replacement Funds	(36,535)	(37,300)	765
Additional Contributions	(6,000)	-	(6,000)
Net Revenues	\$ 207,865	\$ 213,124	\$ (5,259)
Expenses:			
Salaries and Benefits	\$ 53,589	\$ 56,632	\$ 3,043
Water	58,938	56,452	(2,486)
Electricity	28,506	30,180	1,674
Repairs and Maintenance - OC San Sewer	8,115	4,212	(3,903)
All Other Repairs and Maintenance	14,986	16,113	1,127
All Other Operating Expense	48,113	49,535	1,422
Total Expenses	\$ 212,247	\$ 213,124	\$ 877
Net Operating Income (Loss)	\$ (4,382)	\$ -	\$ (4,382)

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

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25
(in thousands)

Potable (treated and untreated systems)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 67,735	\$ 64,725	\$ 3,010
Fixed Service Charges and Other	51,736	51,785	(49)
Total Revenues	\$ 119,471	\$ 116,510	\$ 2,961
Contribution to Enhancement and Replacement Funds	(10,209)	(10,250)	41
Additional Contributions	-	-	-
Net Revenues	\$ 109,262	\$ 106,260	\$ 3,002
Expenses:			
Salaries and Benefits	\$ 21,697	\$ 21,323	\$ (374)
Water	54,179	47,562	(6,617)
Electricity	14,804	16,761	1,957
Repairs and Maintenance	5,432	5,889	457
All Other Operating Expense	15,959	14,725	(1,234)
Total Expenses	\$ 112,071	\$ 106,260	\$ (5,811)
Net Operating Income (Loss)	\$ (2,809)	\$ -	\$ (2,809)

Revenues:

Commodity Revenue was over budget by \$3.0M due to:

- Income from water banking (PVID) exceeded expectations.
- Wholesale revenue exceeded expectations, primarily due to water sales to the Ridgeline Emergency Connection (TWCD).
- Commercial revenue surpassed expectations, driven by increased usage across both the base and wasteful tiers.

Expenses:

Water expense was over budget by \$6.6M due to:

- Production was reduced by 2,100 AF at the Dyer Road Well Field (DRWF) and 900 AF at the Well 21 and 22 Treatment Plant due to equipment failures. Additionally, the restart of OPA Well 1 occurred later than scheduled, resulting in production 2,100 AF below budget. The Irvine Desalter PTP was also below budget by 2,200 AF. Demands were met with imported potable water.
- Includes 1,700 AF of water sold to Trabuco Canyon Water District.

Electricity expense was below budget by \$1.9M due to:

- The DRWF and Well 21 and 22 Treatment Plant production were down due to equipment failures and repairs. The restart of OPA Well 1 was later than expected. These factors resulted in reduced electricity use.
- Increased use of imported water led to decreased pumping needs, resulting in lower electricity costs.

All Other Operating Expense was over budget by \$1.2 M due to:

- All other operating expenses were over budget, mainly due to expenditure timing, reimbursement offsets, and various upgrades in planned projects.

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25

Potable (treated and untreated systems)						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Treated						
Pumped	39,005	46,000	6,995	\$26.5	\$30.6	\$4.1
Imported	11,979	5,637	(6,342)	21.0	9.7	(11.3)
Baker Treatment Plant (Baker)	6,867	7,200	333	7.1	7.2	0.1
Total Treated	57,851	58,837	986	54.6	47.5	(7.1)
Untreated						
Native Water	5,072	3,000	(2,072)	1.7	1.1	(0.6)
Imported	213	2,525	2,312	0.6	4.6	4.0
Baker ILP	(1,194)	-	1,194	(1.0)	-	1.0
Transfer to Recycled	(2,508)	(5,414)	(2,906)	(2.7)	(5.8)	(3.1)
Evaporation	(596)	-	596	-	-	-
Total Untreated	987	111	(876)	(1.4)	(0.1)	1.3
Total	58,838	58,948	110	\$ 53.2	\$ 47.4	\$ (5.8)
Process Waste and System Loss	(4,823)	(4,286)	537			
Sales/Cost of Sales	54,015	54,662	647	\$ 53.2	\$ 47.4	\$ (5.8)
Baker Partners Reimbursement	(906)			(0.7)		(0.7)
Total				\$ 52.5	\$ 47.4	\$ (6.5)

Pumped Water usage and costs were below budget by \$4.1M due to:

- Production was reduced at the Dyer Road Well Field (DRWF) , Well 21 and 22 Treatment Plant, OPA Well 1 and the Irvine Desalter PTP was also below budget.

Import Water usage and costs were over budget by \$11.3M due to:

- Increased imported water was used to offset a reduction of DRWF, Well 21 and 22 Treatment Plant and OPA.

Native Water usage and cost were over budget by \$.6M due to:

- Native water volumes were higher than expected and used to offset untreated water purchases for the Baker WTP and recycled system.

Untreated Imported water usage and costs were below budget by \$4.0M due to:

- Less expensive native water replaced imported water.

Sales/Cost of Sales were below budget by \$5.8M due to:

- Imported water was purchased to replace less expensive pumped water.

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

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25
(in thousands)

Recycled				
Revenues:	Actual	Budget	Variance	
Commodity	\$ 28,255	\$ 30,803	\$	(2,548)
Fixed Service Charges and Other	10,070	10,993		(923)
Total Revenues	\$ 38,325	\$ 41,796	\$	(3,471)
Contribution to Enhancement and Replacement Funds	(1,328)	(1,375)		47
Additional Contributions	(2,000)	-		(2,000)
Net Revenues	\$ 34,997	\$ 40,421	\$	(5,424)
Expenses:				
Salaries and Benefits	\$ 9,478	\$ 9,748	\$	270
Water	4,759	8,890		4,131
Electricity	7,992	9,318		1,326
Repairs and Maintenance	1,441	1,427		(14)
All Other Operating Expense	10,979	11,038		59
Total Expenses	\$ 34,649	\$ 40,421	\$	5,772
Net Operating Income (Loss)	\$ 348	\$ -	\$	348

Revenues:

Commodity Revenue was below budget by \$2.5M due to:

- Decrease in landscape and agricultural sales resulting from cooler temperatures and ongoing conservation efforts (3,423 AF below budget).

Expenses:

Fixed Service Charges and Other expenses were below budget by \$.09M due to:

- Fixed Service revenue fell short of the budget target, and miscellaneous revenue was also lower than anticipated.

Water expense was below budget by \$4.1M due to:

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

Electricity expense was below budget by \$1.3M due to:

- The El Toro Remediation Project (ETGR) Well pumps were offline for periods due to equipment failures and preventative maintenance. The wells were shut off during periods of low recycled water demands and limited storage.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25

Recycled

	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Produced/ Storage	26,276	25,640	(636)	\$ -	\$ -	\$ -
Untreated Supplemental	2,508	5,414	2,906	2.7	5.8	3.1
Pumped	3,048	4,600	1,552	2.1	3.1	1.0
Total	31,832	35,654	3,822	\$ 4.8	\$ 8.9	\$ 4.1
Process Waste and System Loss	(1,668)	(2,067)	(399)			
Sales/Cost of Sales	30,164	33,587	3,423	\$ 4.8	\$ 8.9	\$ 4.1

Produced and stored water usage was above budget by \$.6M due to:

- Produced and stored water was used to replace supplemental and pumped water.

Untreated Supplemental was below budget by \$2.9M due to:

- Produced and stored water was maximized to minimize the use of imported supplemental water.

Pumped water usage and cost were below budget by \$1.6M due to:

- El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance, repair and available storage .

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25
(in thousands)

Sewer			
Revenues:	Actual	Budget	Variance
Fixed Service Charges and Other	\$ 73,214	\$ 73,810	\$ (596)
Total Revenues	73,214	73,810	(596)
Contribution to Enhancement and Replacement Funds	(24,998)	(25,675)	677
Additional Contributions	-	-	-
Net Revenues	\$ 48,216	\$ 48,135	\$ 81
Expenses:			
Salaries and Benefits	\$ 17,548	\$ 19,344	\$ 1,796
Electricity	5,340	3,627	(1,713)
Repairs and Maintenance - OC San	8,115	4,212	(3,903)
All Other Repairs and Maintenance	4,576	4,821	245
All Other Operating Expense	14,810	16,131	1,321
Total Expenses	\$ 50,389	\$ 48,135	\$ (2,254)
Net Operating Income (Loss)	\$ (2,173)	\$ -	\$ (2,173)

Revenues:

Fixed Service Charges and Other (\$.6M) and Fund Contributions (\$.7M) were below budget due to:

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

Expenses:

Salaries and Benefits were below budget by \$1.8M due to:

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 to 2025 was lower than budgeted.
- Total vacant positions were greater than budgeted.

Electricity expense was above budget by \$1.7M due to:

- The variance in cost is mainly due to adjusted billing from SCE that goes back 20 months.

Repairs and Maintenance - OC San expense was over budget by \$3.9M due to:

- Flow was diverted to OC San due to Capital Improvement projects in the sewer collection system and other MWRP Capital Improvement projects.

All Other Operating Expense were below budget by \$1.3M due to:

- Allocated costs were below budget resulting in a reduction in all other operating expenses.

Actual vs Budget Operating Net Income by System
Fiscal Year 2024-25
(in thousands)

Conservation, NTS and Water Banking (Over-Allocation Fund)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 19,390	\$ 18,308	\$ 1,082
Total Revenues	19,390	18,308	1,082
Contribution to Enhancement and Replacement Funds	-	-	-
Additional Contributions	(4,000)	-	(4,000)
Net Revenues	\$ 15,390	\$ 18,308	\$ (2,918)
Expenses:			
Salaries and Benefits	\$ 4,866	\$ 6,217	\$ 1,351
Electricity	370	474	104
Repairs and Maintenance	3,537	3,976	439
All Other Operating Expense	6,365	7,641	1,276
Total Expenses	\$ 15,138	\$ 18,308	\$ 3,170
Net Operating Income (Loss)	\$ 252	\$ -	\$ 252

Revenues:

Commodity Revenue was over budget by \$1.1M due to:

- Increased over-allocation sales to landscape and commercial customers led to higher revenue.

Expenses:

Salaries and Benefits were below budget by \$1.4M due to:

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 to 2025 was lower than budgeted.
- Total vacant positions were greater than budgeted.

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Irvine Ranch Water District
Operating Expenses

(in thousands)

Fiscal Year 2024-25

Expense Name	Actual	Budget	Actual vs Budget	Act Vs Budget %
Regular Labor	\$ 42,157	\$ 47,653	\$ 5,496	11.5%
Overtime Labor	4,220	3,698	(522)	-14.1%
Contract Labor	1,077	1,528	451	29.5%
Employee Benefits	34,228	32,954	(1,274)	-3.9%
Salaries & Benefits Total	\$ 81,682	\$ 85,833	\$ 4,151	4.8%
Water	58,938	56,452	(2,486)	-4.4%
Electricity	29,230	30,823	1,593	5.2%
Fuel	948	1,488	540	36.3%
Telecommunication	949	943	(6)	-0.7%
Other Utilities	283	335	52	15.6%
Water & Utilities Total	\$ 90,348	\$ 90,040	\$ (308)	-0.3%
Chemicals	8,823	8,579	(244)	-2.8%
Operating Supplies	4,671	3,282	(1,389)	-42.3%
Printing	456	424	(32)	-7.6%
Postage	527	531	4	0.7%
Permits, Licenses and Fees	2,343	2,301	(42)	-1.8%
Office Supplies	102	109	7	6.7%
Duplicating Equipment	47	128	81	63.3%
Equipment Rental	50	92	42	45.6%
Materials & Supplies Total	\$ 17,019	\$ 15,447	\$ (1,572)	-10.2%
Rep & Maint OC SAN & Others	9,224	5,400	(3,824)	-70.8%
Rep & Maint IRWD	16,026	16,937	911	5.4%
Insurance	3,277	3,698	421	11.4%
Legal Fees	1,460	2,660	1,200	45.1%
Engineering Fees	1,044	1,090	46	4.2%
Accounting Fees	112	127	15	11.8%
Data Processing	4,831	4,476	(355)	-7.9%
Personnel Training	1,429	1,881	452	24.0%
Personnel Physicals	39	49	10	20.2%
Other Professional Fees	7,427	7,185	(242)	-3.4%
Directors' Fees	167	200	33	16.5%
Professional Services Total	\$ 45,036	\$ 43,703	\$ (1,333)	-3.1%
Election Expense	106	170	64	37.6%
Safety	119	98	(21)	-21.3%
Alarm and Patrol Services	1,105	1,139	34	3.0%
Biosolids Disposals	1,612	1,091	(521)	-47.8%
Contract Meter Reading	1,632	1,660	28	1.7%
Over-Allocation	931	1,044	113	10.9%
Other	578	564	(14)	-2.4%
Other Total	\$ 6,083	\$ 5,767	\$ (316)	-5.5%
Total Expenses	\$ 240,168	\$ 240,789	\$ 621	0.3%
Less: Reimbursement from Partners	(6,365)	(6,324)	41	0.6%
Grand Total	\$ 233,803	\$ 234,465	\$ 662	0.3%

**Irvine Ranch Water District
Operating Expenses
Fiscal Year 2024-25**

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

Regular Labor is below budget by \$5.5M.

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 was lower than expected.
- Total vacant positions were budgeted at 6% and actual vacancies are closer to 11%. HR continues to recruit to fill vacant positions

Overtime Labor is over budget by \$.5M.

- Overtime due to increased demands for domestic water repairs and to provide coverage for vacant positions.

Employee Benefits is over budget by \$1.3M.

- Allocated G&A includes CalPERS expense that exceeds CalPERS contributions by \$2.5M.

Water is over budget by \$2.5M.

- Production was reduced by 2,100 AF at the Dyer Road Well Field (DRWF) and 900 AF at the Well 21 and 22 Treatment Plant due to equipment failures. Additionally, the restart of OPA Well 1 occurred later than scheduled, resulting in production 2,100 AF below budget. The Irvine Desalter PTP was also below budget by 2,200 AF.

Electricity is below budget by \$1.6M.

- The DRWF and Well 21 and 22 Treatment Plant production were down due to equipment failures and repairs. The restart of OPA Well 1 was later than expected. These factors resulted in reduced electricity use.
- The El Toro Remediation Project (ETGR) Well pumps were offline for periods due to equipment failures and preventative maintenance. The Wells were shut off during periods of low recycled water demands.
- The variance in cost is mainly due to incomplete monthly billing from SCE. Staff is working with SCE to reconcile the billing.

Fuel is below budget by \$0.5M.

- Entered into a cooperative agreement that lowered costs.

Operating Supplies are over budget by \$1.4M.

- Expenditures for warehouse inventory and work equipment supplies are high due to mechanical repairs and equipment maintenance.

Rep & Maint OC SAN & Others are over budget by \$3.8M.

- Flow was diverted to OC San due to Capital Improvement projects in the sewer collection system and other MWRP Capital Improvement projects.

Repair and Maintenance IRWD are below budget by \$.9M.

- Repairs and Maintenance expenses were below budget mainly due to scheduling conflicts on maintenance projects planned for the Baker WTP, MWRP Biosolids facility and other systems.

Legal Fees are below budget by \$1.2M.

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

Biosolids Disposals are over budget by \$0.5M.

- Hauling costs increased as the dryer was offline for repairs, and additional costs resulted from the heavier weight of Class B material compared to Class A.

Irvine Ranch Water District
Salary and Employee Benefits Summary
Fiscal Year 2024-25
(in thousands)

Expense Name	Actual	Budget	Actual vs Budget
District Labor Cost (2,080 hours)	\$ 47,408	\$ 51,486	\$ 4,078
Paid Time Off Net Accrual	44	676	632
PERS Contribution and in Excess of ARC	13,417	14,482	1,065
Employee Medical (health, dental, vision)	10,152	8,548	(1,603)
Retiree Benefits	848	1,119	271
401A Contributions	1,494	1,599	105
Workers Compensation (Premiums and Claims)	1,023	1,500	477
Other Employer Taxes (medicare, employment)	808	787	(21)
	Actual	Budget	Variance
General & Administrative Expense Allocation	160%	115%	-45%

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Exhibit "C"
Irvine Ranch Water District
Non-Operating Net Income
Fiscal Year 2024-25
(in thousands)

	Actual	Budget	Actual vs Budget
Revenues:			
Property Taxes	\$ 81,780	\$ 81,700	\$ 80
Investment Income*	16,883	8,500	8,383
Connection Fees	21,075	11,000	10,075
Real Estate Income	21,454	20,300	1,154
Other Income	12,771	7,000	5,771
Total Revenues	\$ 153,964	\$ 128,500	\$ 25,464
Expenses:			
Interest Expense	\$ 23,482	\$ 27,500	\$ 4,018
Real Estate Expense	7,610	8,100	490
Other Expenses	391	1,500	1,109
Total Expenses	\$ 31,483	\$ 37,100	\$ 5,617
Net Income	\$ 122,481	\$ 91,400	\$ 31,081

Revenues:

Investment Income was over budget by \$8.4M due to:

- Investment income exceeded budget expectations, driven by a combination of higher average balances and increased interest rates.

Connection Fees were over budget by \$10.1M due to:

- The surge in connections fees was driven by a combination of projects by the Five Points, Irvine Company, the County of Orange, and other local developers.

Real Estate Income was over budget by \$1.2M due to:

- Higher than budgeted rents at Sycamore Canyon Apartments.

Other Income was over budget was over budget by \$5.8M due to:

- Revenue exceeded expectation due to native water sales not included in non-operating budget.
- Syphon grants revenue that was not included in the budget due to uncertainty of receipt.

Expenses:

Interest Expense was below budget by \$4.0M due to:

- Lower than budgeted variable rates (3.38% versus 2.28%)
- Lower-than-expected expenses related to cost of issuance

Other Expenses were below budget by \$1.1M due to:

- Lower-than-anticipated miscellaneous expenses

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

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September 15, 2025
Prepared and
submitted by: T. Mitcham
Approved by: Paul A. Cook

ALA

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 Fiscal Year (FY) ending June 30, 2025.

BACKGROUND:

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

- Insurance premiums total \$3,666,672 and are \$100,172 over budget;
- Third-party claim administration expenses total \$8,636 and are \$13,864 under budget;
- Legal expenses total \$87,868; 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 June 30, 2025

	PREMIUM	Actual FY 24/25	Budget FY 24/25	Variance	% Variance	Prior Actual FY 23/24
*	Crime	\$12,391	\$13,500	\$1,109	8%	\$11,787
	General Liability	\$2,300,705	\$2,100,000	(\$200,705)	-10%	\$1,798,979
**	Pollution	\$266,597	\$243,000	(\$23,597)	-10%	\$192,212
	Property	\$1,044,600	\$1,125,000	\$80,400	7%	\$742,143
	Cyber	\$42,379	\$85,000	\$42,621	50%	\$58,591
	Total	\$3,666,672	\$3,566,500	(\$100,172)	-3%	\$2,803,712

* *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		\$813,312	\$813,312	\$75,000	(\$738,312)	\$11,601
	Claim Admin	\$5,170	\$3,465	\$8,636	\$22,500	\$13,864	\$1,614
	Total FY 24/25	\$5,170	\$816,778	\$821,948	\$97,500	(\$724,448)	\$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	\$75,628	\$12,240	\$87,868	\$28,512
Total FY 24/25	\$75,628	\$12,240	\$87,868	\$28,512

ACTIVITY	FY 2023/24	FY 2024/25
Beginning Open Claims	1	6
New Claims	17	16
Closed Claims	(12)	(17)
Current Open Claims	6	5

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Exhibit "B"

Register of Closed General Liability Claims (FY 2024-2025) as of June 30, 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
	James Murphy	\$4,318			\$4,318
	Kyle Riddles		\$135		\$135
	Michael Brown vs. PEI Engineering				
	Sofi (PMI Charter)	\$316	\$561,598	\$2,081	\$563,994
	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			\$410	\$410
	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		12,240	813,312	3,465	829,018

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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: [Signature]

Date: 2/15/2024

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".

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