AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, SEPTEMBER 4, 2018

CALL TO ORDER 11:30 a.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

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

ALSO PRESENT

Paul Cook	_____	Cheryl Clary	_____
Rob Jacobson	_____	Christopher Smithson	_____
Tanja Fournier	_____	Eileen Lin	_____
Kevin Burton	_____	Jennifer Davis	_____
Jenny Roney	_____	Tony Mossbarger	_____
Paul Weghorst	_____	______________	_____
Wendy Chambers	_____	______________	_____
Allen Shinbashi	_____	______________	_____

COMMUNICATIONS

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

INFORMATION

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

   Recommendation: Receive and file.

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

   Recommendation: Receive and file.

7. FISCAL YEAR 2017-18 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS THROUGH JUNE 30, 2018 – SMITHSON / CLARY

   Recommendation: Receive and file.

ACTION

8. RENEWAL OF GROUP MEDICAL AND DENTAL INSURANCE PLANS FOR PLAN YEAR 2019 – MONTEJANO / RONEY

Recommendation: That the Board authorize the continuation of the District's health insurance plans with CalPERS with changes in District and employee contribution rates as displayed in Exhibit "A", and authorize continuation of the District's Dental insurance plans with ACWC/JPIA Delta Dental DPO Plan A with the child and adult orthodontic plan add-on with no changes to premium rates from the 2018 plan year.

9. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW and PROPOSED INVESTMENT POLICY STATEMENT REVISIONS – DAVIS / FOURNIER / JACOBSON / CLARY

Recommendation: That the Board approve the Proposed Deferred Compensation Investment Policy Statement.

10. LETTER OF CREDIT EXTENSIONS FOR THE SERIES 1993 AND 2009A BONDS – FOURNIER / JACOBSON / CLARY

Recommendation: That the Board approves to extend the U.S. Bank Letters of Credit for the District's 1993 Bonds and the 2009A Bonds to December 2021 at an annual cost of 0.33%

OTHER BUSINESS

11. Directors' Comments

12. Adjournment

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available 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.

September 4, 2018
Prepared by: L. Srader
Submitted by: J. Roney
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

Staff has prepared various population and turnover reports for the Committee to review.

BACKGROUND:

The information attached as Exhibit "A" is a status report submitted monthly to the Committee for review.

FISCAL IMPACTS:

None.

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.

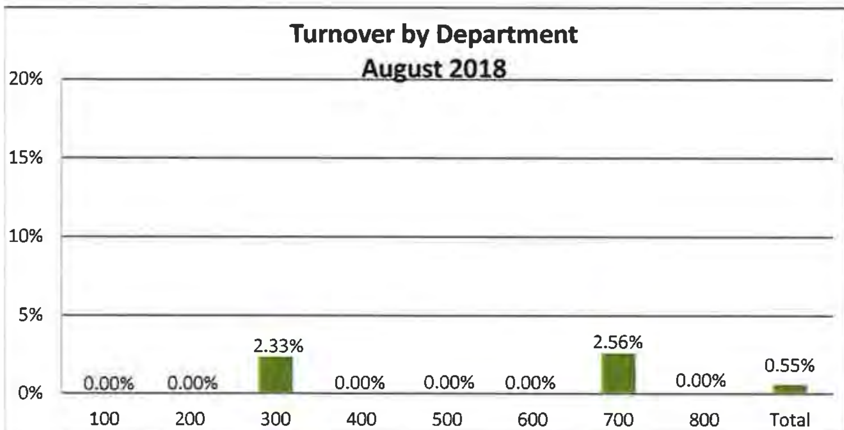
LISTS OF EXHIBITS:

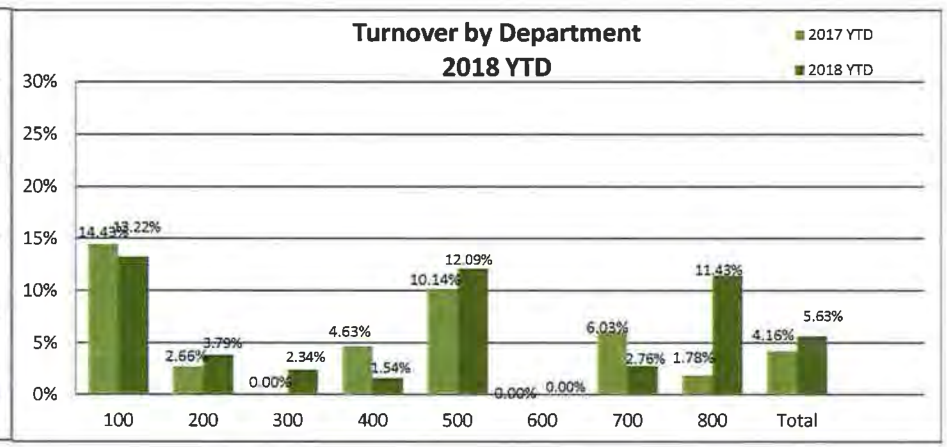
Exhibit "A" – Employee Population/Turnover Status Report

EXHIBIT A

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

	@08/01/18	Current Month Activity							@08/31/18		FY 18/19	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
	Positions	New	Terms		Promo Trnsfr		Lateral Trnsfr		Positions	Positions	Budgeted	Filled Budget	Temp Emp	Total Filled	Current	2018	Current	2018
Dept No	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions*	Positions	FTE	Positions	Period	YTD	Period	YTD
100	16.0								16.0	0	16.0	15.0	0.0	15.0	0.00%	0.00%	0.00%	13.22%
200	77.0								77.0	7	84.0	78.0	4.4	82.4	0.00%	0.00%	0.00%	3.79%
300	43.0		1						42.0	2	44.0	43.0	0.7	43.7	0.00%	0.00%	2.33%	2.34%
400	67.0	2				1			68.0	6	74.0	66.0	1.9	67.9	1.49%	1.54%	0.00%	1.54%
500	49.0	1							50.0	6	56.0	48.0	2.1	50.1	0.00%	0.00%	0.00%	12.09%
600	20.0								20.0	0	20.0	20.0	0.2	20.2	0.00%	0.00%	0.00%	0.00%
700	39.0		1						38.0	1	39.0	38.0	1.1	39.1	0.00%	0.00%	2.56%	2.76%
800	52.0	1							53.0	7	60.0	52.0	0.1	52.1	0.00%	0.00%	0.00%	11.43%
Totals	363	4	2	0	0	1	0	0	364.0	29	393.0	360.0	10.5	370.5	0.28%	0.28%	0.55%	5.63%
8/17	346	4	1	0	1	1	7	7	349	27	377.00	338.40	28.18	366.6	0.29%	0.30%	0.29%	4.46%



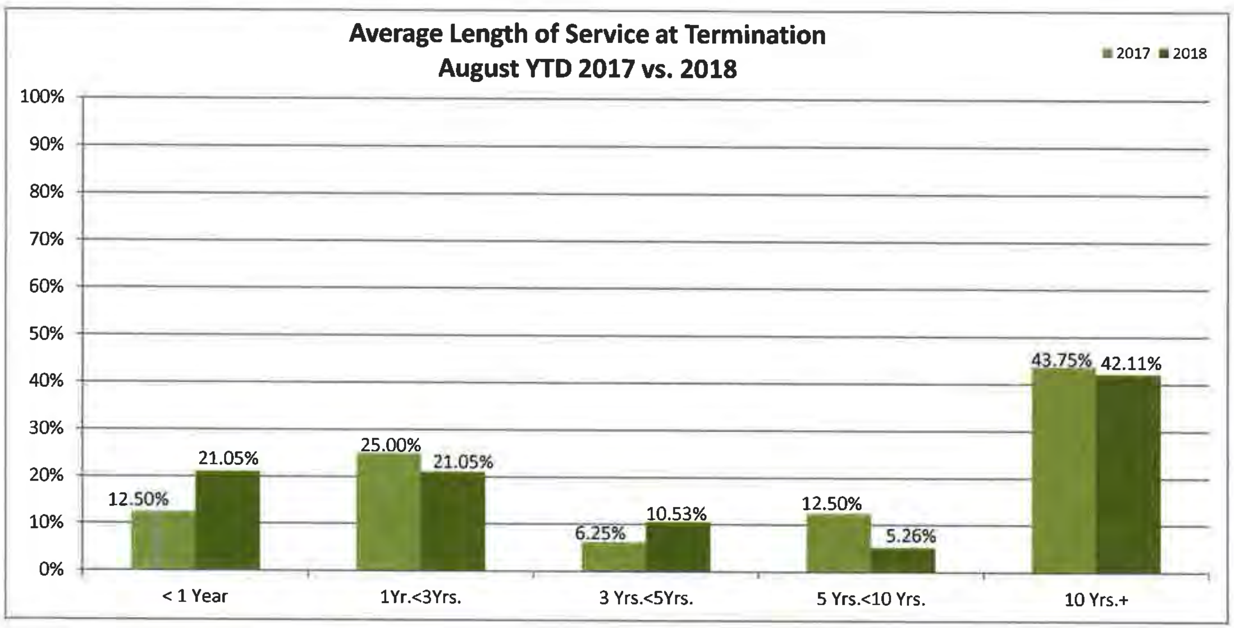


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.: 400-Water Ops; 500-Recycling; 600-Water Qualty; 700-Water Res., Pol., Conserv. and Public Affairs; 80-Adm. & Maintenance Ops
*Compares prior year with current year

IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
August 2018

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Turnover Longevity Ratio				
														< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100			1			1							2		1			1
200		1	1			1							3	1	1			1
300								1					1					1
400							1						1					2
500			1		2	2	1						6	2	1			3
600													0					
700								1					1			1		
800	1	1		1		1	1						5	1	1	1	1	
2018 Total	**1**	**2**	**3**	**1**	**2**	**5**	**3**	**2**	**0**	**0**	**0**	**0**	**19**	**4**	**4**	**2**	**1**	**8**
2017 Data	**1**	**2**	**0**	**2**	**3**	**4**	**4**	**1**	**4**	**2**	**2**	**3**	**28**					
													4 ercentage of Total Turnover	**21.05%**	**21.05%**	**10.53%**	**5.26%**	**42.11%**

2018 Average YTD Length of Service at Termination	**12.65 Years**
2017 Average YTD Length of Service at Termination	**14.35 Years**
2016 Average YTD Length of Service at Termination	**12.43 Years**
2015 Average YTD Length of Service at Termination	**12.27 Years**
2014 Average YTD Length of Service at Termination	**19.07 Years**



IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

NEW HIRES

Hire	Dept	Employee Name	Position	Comments
08/14/18	425	Jonathan Vasquez	Water Maintenance Technician II	
08/14/18	430	Albert Leon	Water Maintenance Technician I	
08/21/18	805	Wendy Chambers	Executive Director Operations	
08/28/18	515	Michael Mrozcek	Wetland Specialist	

TERMINATIONS

Termination Date	Dept	Employee Name	Position	Reason	Comments
08/24/18	740			Vol	Other employment

RETIREMENTS

Effective Date	Departing Dept	Employee Name	Position	Reason	Comments
08/18/18	300	Rick Bouslog	Sr. Construction Inspector	Vol	Retirement

PROMOTIONS

Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
08/13/18	430	Rey Valencia	Water Maintenance Technician I	430	Water Mainteance Technician II
08/27/18	550	Rafael Vazquez	Operator II	550	Operator III
08/13/18	850	Steve Tolerico	Water Maintenance Technician II	850	Facilities Services Technician
08/11/18	870	Brett Wilson	Vehicle/Equipment Mechanic	870	Senior Vehicle/Equipment Mechanic

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
08/13/18	570	Eddie Leal	Collection Systems	840	Maintenance Mechanic

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
210	Financial Analyst	U11.E	Second interviews scheduled
220	Sr. Customer Service Field Technician	21.N	Recruiting
220	Customer Service Field Technician	14.N	Recruiting
240	Material Control Clerk I	11.N	Recruiting
250	Sr. Applications Analyst	U18.E	Offer Pending
250	User Support Manager	U18.E	Start date 9/4
250	Network Administrator	U32.N	
300	Construction Inspection Supervisor	S34.N	
300	Sr. Construction Inspector	31.N	
420	Cross Connection Control Supervisor	S31.N	
430	Water Maintenance Technician I	16.N	Recruiting
430	Water Maintenance Technician I	16.N	Recruiting
430	Water Maintenance Technician I	16.N	Recruiting
430	Water Maintenance Technician I	16.N	Recruiting
430	Water Maintenance Technician I	16.N	Recruiting
550	Operator II (MWRP)	27.N	Recruiting
550	Operator II (MWRP)	27.N	Recruiting
550	Operator II (MWRP)	27.N	Recruiting
550	Process Specialist	32.N	
550	Operator III (MWRP)	29.N	Recruiting
590	Operator II (LAWRP)	27.N	Recruiting
740	Regulatory Compliance Manager	U18.E	
820	Instrumentation Technician	28.N	Recruiting
820	Electrical Technician	28.N	Recruiting
830	Asset Systems Analyst	10.E	Recruiting
840	Sr. Maintenance Mechanic	27.N	Recruiting
850	Facilities Services Technician	22.N	Recruiting
870	Vehicle/Equipment Mechanic	22.N	
870	Vehicle/Equipment Mechanic	22.N	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

LEAVE OF ABSENCE					
Type of Leave	**Pay Status**	**Date Leave Began**	**Anticipated Return Date**	**Current Length**	**Comments**
FMLA/CFRA	SDI	5/10/2018	9/4/2018	4 months	
FMLA/CFRA	SDI	1/12/2018	9/8/2018	7 months	
FMLA/CFRA	SDI	7/16/8/8/18	9/4/2018	6 weeks	
FMLA/CFRA	SDI	7/23/2018	2/1/2019	1 month	
FMLA/CFRA	SDI	6/29/2018	9/9/2018	2 months	
FMLA/CFRA	PFL	6/27/2018	9/4/2018	2 months	

Leave	Status	Began	Return Date	Length	Return Date	Comments
WC	WC	10/14/2016	9/5/2017	10 Months	09/05/17	Returned
DL/FMLA/CFR	SDI	5/12/2017	9/5/2017	3 Months	09/05/17	Returned
FMLA/CFRA	PFL	9/7/2017	9/27/2017	3 Weeks	09/27/17	Returned
FMLA/CFRA	PFL	9/16/2017	10/16/2017	2 Weeks	10/10/17	Returned
FMLA/CFRA	SDI	9/11/2017	10/23/2017	2 Weeks	10/27/17	Returned
PDL/Personal	SDI	7/28/2017	11/7/2017	3 Months	11/06/17	Returned
VC/FMLA/CFR	WC	10/30/2017	11/6/2017	1 Week	11/06/17	Returned
VC/FMLA/CFR	WC	10/30/2017	11/6/2017	1 Week	11/06/17	Returned
VC/FMLA/CFR	WC	10/30/2017	11/2/2017	1 Week	11/06/17	Returned
FMLA/CFRA	PFL	10/19/2017	11/27/2017	2 Weeks	11/27/17	Returned
FMLA/CFRA	PFL	11/11/2017	12/5/2017	3 Weeks	11/28/17	Returned
FMLA/CFRA	SDI	8/14/2017	12/6/2017	2 Month	12/06/17	Returned
FMLA/CFRA	SDI	12/5/2017	12/27/2017	3 Weeks	12/18/17	Returned
FMLA/CFRA	SDI	12/1/2017	12/17/2017	2 Weeks	12/18/17	Returned
FMLA/CFRA	PFL	12/16/2017	1/2/2018	2 Weeks	01/02/18	Returned
FMLA/CFRA	Sick	12/29/2017	1/8/2018	1 Week	01/08/18	Returned
FMLA/CFRA	SDI	12/28/2017	1/15/2018	3 Weeks	01/15/18	Returned
FMLA/CFRA	SDI	6/8/2017	1/10/2018	4 Months	02/01/18	Returned
FMLA/CFRA	SDI	12/25/2017	1/29/2018	5 Weeks	01/29/18	Returned
FMLA/CFRA	PFL	1/23/2018	2/9/2018	1 Week	02/08/18	Returned
FMLA/CFRA	PFL	2/6/2018	2/19/2018	2 Weeks	02/20/18	Returned
Leave	Sick/Vac	2/16/2018	3/1/2018	2 Weeks	03/02/18	Returned
VC/FMLA/CFR	WC	8/14/2017	1/19/2018	6 Months	03/05/18	Returned
FMLA/CFRA	PFL	1/23/2018	3/6/2018	1 Month	03/07/18	Returned
FMLA/CFRA	PFL	2/17/2018	3/19/2018	1 Week	03/12/18	Returned
FMLA/CFRA	PFL	2/27/2018	3/12/2018	2 Weeks	03/12/18	Returned
FMLA/CFRA	SDI	2/20/2018	4/1/2018	1.5 Weeks	03/13/18	Returned
FMLA/CFRA	PFL	2/2/2018	3/19/2018	1 Month	03/19/18	Returned
FMLA/CFRA	PFL	2/26/2018	3/15/2018	2 Weeks	03/19/18	Returned
VC/FMLA/CFR	WC	3/8/2018	3/19/2018	3 Weeks	03/20/18	Returned
VC/FMLA/CFR	WC	1/10/2018	6/10/2018	3 Months	04/10/18	Returned
Leave	Vac/PH	2/23/2018	3/23/2018	1 Month	04/02/18	Returned
FMLA/CFRA	PFL	4/8/2018	4/9/2018	1 Week	04/09/18	REturned
FMLA/CFRA	PFL	2/27/2018	4/11/2018	7 Weeks	04/11/18	Returned
FMLA/CFRA	SDI	3/23/2018	4/6/2018	1 Week	04/09/18	Returned

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

LEAVE OF ABSENCE						
Type of Leave	**Pay Status**	**Date Leave Began**	**Anticipated Return Date**	**Current Length**	**Comments**	
FMLA/CFRA	PFL	3/16/2018	5/7/2018	1.5 Months	05/07/18	Returned
FMA/CFRA	PFL	4/3/2018	5/16/2018	1 Month	05/16/18	Returned
FMA/CFRA	SDI	4/26/2018	5/7/2018	1 week	05/07/18	Returned
FMA/CFRA	PFL	4/17/2018	5/15/2018	1 month	05/15/18	Returned
FMLA/CFRA	PFL	5/11/2018	5/21/2018	2 weeks	05/21/18	Returned
FMLA/CFRA	PFL	5/14/2018	5/24/2018	10 days	05/24/18	Returned
FMLA/CFRA	SDI	4/10/2018	5/17/2018	2 Month	05/28/18	Returned
CFRA	PFL	5/29/2018	6/11/2018	8 days	06/11/18	Returned
FMLA/CFRA	PFL	5/25/2018	6/11/2018	1 Week	06/11/18	Returned
VC/FMLA/CFR/	WC	4/12/17	43279	13 months	06/28/18	Retired
FMLA/CFRA	SDI	2/12/2018	7/4/2018	4 months	07/03/18	Returned
FMLA/CFRA	PFL	6/5/2018	6/26/2017	4 weeks	06/19/18	Returned
FMLA/CFRA	PFL	6/4/2018	6/25/2018	5 weeks	06/25/18	Returned
FMLA/CFRA	PFL	5/17/2018	7/5/2018	7 weeks	07/05/18	Returned
FMLA/CFRA	SDI	5/15/2018	9/24/2018	10 weeks	08/24/18	Resigned
WC	WC	6/27/2018	7/30/2018	4 weeks	07/30/18	Returned

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2018

Month	Dept	Length of Employment	Termination Vol	Termination Invol	Comments
January	820	5 Years, 8 Months	X		Other employment
February	805	4 Years, 10 Months	X		Other employment
	220	1Year, 11 Months	X		Other employment
March	210	36 Years, 5 Months	X		Retired
	130	2 Years, 7 Months	X		Other employment
	590	24 Years, 1 Month	X		Retired
April	840	1 Month	X		Other employment
May	590	22 years, 1 month	X		Retired
	550	1 year, 3 months	X		Other employment
June	850	28 years, 5 months	X		Retired
	250	7 months		X	Probation Rejection
	590	23 years, 10 months	X		Retired
	140	23 years	X		Retired
	550	11 months	X		Other employment
July	550	11 months	X		Other employment
	820	1 year, 7 months	X		Other employment
	420	37 years, 6 months	X		Retired
August	300	20 years	X		Retired
	740	5 years, 7 months	X		Other employment
September					
October					
November					
December					

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
July 2018*
ACTIVE

Current Month FTE	FYTD Ave Hours Worked FTE	PERS Enroll-ment	Agency	Dept	Hire Date	Term Date	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.40	0.03	No		140	4/16/2018		45.90	84	3,855.60	8	1	3,855.60	3,213.00
0.40	**0.03**			**100**									
0.83	0.07	Yes		210	6/5/2017		30.00	168	5,040.00	6	1	5,040.00	4,319.85
1.00	0.09	Yes		220	7/17/2017		35.22	168	5,916.96	12	1	5,916.96	7,299.35
1.00	0.10	No	X	220	1/22/2018		31.00	168	5,208.00	12	1	5,208.00	6,634.00
0.63	0.05	Yes		220	10/2/2017		22.11	168	3,714.48	12	1	3,714.48	2,476.32
1.00	0.09	Yes	X	220	2/5/2018		25.97	168	4,362.96	12	1	4,362.96	4,681.09
0.35	0.03	YES		240	6/5/2017		26.01	168	4,369.68	3	1	4,369.68	1,560.60
1.00	0.10	No	X	240	3/12/2018		26.01	168	4,369.68	3	1	4,369.68	6,066.83
0.82	0.07	EXC		250	2/17/2017		14.00	84	1,176.00	2	1	1,176.00	1,988.00
6.62	**0.60**			**200**									
0.87	0.07	Yes		300	6/20/2015		24.23	168	4,070.64	12	1	4,070.64	3,634.50
0.85	0.07	Yes		300	6/20/2016		15.00	84	1,260.00	12	1	1,260.00	2,205.00
0.75	0.06	No	X	300	3/8/2018		38.44	168	6,457.92	12	1	6,457.92	5,035.64
1.00	0.09	No	X	300	3/19/2018		35.31	168	5,932.08	12	1	5,932.08	6,779.52
0.62	0.05	EXC		300	6/16/2018		17.00	84	1,428.00	12	2	2,856.00	1,819.00
0.62	0.05	EXC		300	6/16/2018		17.00	84	1,428.00	12	2	2,856.00	1,819.00
0.21	0.02	EXC		300	6/16/2018		17.00	84	1,428.00	12	2	2,856.00	612.00
0.62	0.05	EXC		300	6/16/2018		17.00	84	1,428.00	12	2	2,856.00	1,819.00
0.41	0.03	Yes		300	7/10/2018		34.78	168	5,843.04	12	1	5,843.04	2,469.38
3.46	**0.30**			**300**									
1.00	0.09	No	X	425	11/28/2017		30.82	168	5,177.76	12	1	5,177.76	6,017.61
1.00	0.10	No	X	425	3/8/2018		31.18	168	5,238.24	12	1	5,238.24	6,376.31
1.00	0.09	No	X	425	3/20/2018		31.18	168	5,238.24	12	1	5,238.24	5,924.20
0.74	0.06	Yes		430	8/1/2017		23.00	168	3,864.00	12	1	3,864.00	3,061.88
0.85	0.07	Yes		430	5/2/2017		26.65	168	4,477.20	12	1	4,477.20	3,904.23
4.59	**0.41**			**400**									
0.55	0.05	EXC		515	7/24/2017		15.00	84	1,260.00	6	1	1,260.00	1,440.00
0.88	0.07	EXC		515	7/24/2017		15.00	84	1,260.00	12	1	1,260.00	2,280.00
0.09	0.01	EXC		515	7/9/2018		15.00	84	1,260.00	12	1	1,260.00	240.00
0.00	0.00	EXC		515	7/23/2018		18.00	84	1,512.00	12	1	1,512.00	
		EXC		515	7/11/2018		16.00	84	1,344.00	12	1	1,344.00	
1.43	**0.12**			**500**									
0.63	0.05	EXC		600	6/19/2017		17.00	84	1,428.00	6	1	1,428.00	1,861.50
0.78	0.07	EXC		600	7/8/2017		17.00	84	1,428.00	12	12	17,136.00	2,303.50
0.94	0.08	No	X	600	11/27/2017		31.50	168	5,292.00	7	7	37,044.00	5,284.13
0.00	0.00	EXC		600	7/9/2018		15.00	84	1,260.00	12	1	1,260.00	
		EXC		600	7/24/2018		15.00	84	1,260.00	12	1	1,260.00	
2.35	**0.20**			**600**									
0.87	0.07	Yes		750	5/7/2018		27.02	168	4,539.36	12	1	4,539.36	4,080.02
0.62	0.05	Yes		730	8/13/2015		19.80	84	1,663.20	5	1	1,663.20	2,118.60
0.63	0.05	Yes		730	8/13/2015		19.00	84	1,596.00	5	1	1,596.00	2,090.00
0.74	0.06	No	X	730	4/30/2018		19.99	84	1,679.16	5	1	1,679.16	2,548.73
0.85	0.07	EXC		750	7/10/2017		16.00	84	1,344.00	12	1	1,344.00	2,336.00
0.88	0.07	Yes		750	7/18/2017		27.02	168	4,539.36	12	1	4,539.36	4,242.14
0.92	0.08	No	X	740	2/5/2018		29.75	168	4,998.00	12	1	4,998.00	4,760.00
3.71	**0.31**			**700**									
0.81	0.07	No	X	850	2/28/2018		36.48	168	6,128.64	3	1	6,128.64	5,107.20
0.81	**0.07**			**800**									
23.37	**2.03**												

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
July 2018*

TERMINATED

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	0.00	No	X	210	10/23/2017	10/26/2017	51.26	31	1,589.06	6	2	3,178.12	0.00
0.41	0.25	Yes		220	3/3/2014	10/21/2017	20.84	168	3,501.12	7	4	14,004.48	11,118.14
0.41	0.28	Yes		220	5/11/2015	10/21/2017	28.95	168	4,863.60	7	4	19,454.40	18,064.80
0.63	0.44	No	X	220	3/13/2017	12/18/2017	25.97	168	4,362.96	12	6	26,177.76	23,916.03
0.70	0.50	No	X	220	5/30/2017	12/26/2017	19.99	168	3,358.32	6	6	20,149.92	21,629.18
0.38	0.47	No	X	220	7/17/2017	1/11/2018	31.00	168	5,208.00	12	7.5	39,060.00	30,372.25
0.87	0.38	No	X	220	2/5/2018	7/17/2018	25.97	168	4,362.96	5	5	21,814.80	20,607.07
0.00	0.00	No	X	240	6/5/2017	7/28/2017	26.01	168	4,369.68	6	2	8,739.36	0.00
0.28	0.58	No	X	240	5/31/2017	2/12/2018	26.01	168	4,369.68	12	8	34,957.44	32,057.33
0.45	0.29	No	X	240	2/20/2018	6/15/2018	26.01	168	4,369.68	5	3.25	14,201.46	15,931.13
0.48	0.63	EXC		250	2/13/2017	4/27/2018	14.00	168	2,352.00	12	11	25,872.00	16,702.00
0.00	0.00	EXC		250	9/5/2017	9/27/2017	17.00	84	1,428.00	6	2	2,856.00	0.00
1.21	**1.50**			**200**									
0.00	0.00	No	X	300	5/4/2017	8/31/2017	26.70	168	4,485.60	3	2	8,971.20	0.00
0.88	0.44	Yes		300	7/19/2017	1/30/2018	23.60	168	3,964.80	12	8	31,718.40	21,635.30
0.00	0.41	EXC		300	5/30/2017	5/18/2018	15.00	84	1,260.00	12	12	15,120.00	12,840.00
0.00	0.51	EXC		300	5/23/2016	6/1/2018	15.00	84	1,260.00	12	12	15,120.00	15,825.00
0.00	0.39	EXC		300	6/26/2017	6/8/2018	15.00	84	1,260.00	12	12	15,120.00	12,240.00
0.25	0.38	EXC		300	6/26/2017	6/27/2018	15.00	84	1,260.00	12	12	15,120.00	11,721.00
0.00	**0.00**			**300**									
0.00	0.00	No	X	425	6/6/2017	7/7/2017	30.65	168	5,149.20	1	2	10,298.40	0.00
0.00	0.30	No	X	425	6/6/2017	1/2/2018	30.65	168	5,149.20	6	7	36,044.40	19,478.08
0.63	0.05	No	X	430	4/5/2017	7/20/2017	20.00	168	3,360.00	1	2	6,720.00	2,190.00
0.00	0.00	Yes		430	10/26/2015	8/24/2017	19.14	168	3,215.52	1	2	6,431.04	0.00
0.58	0.56	Yes		430	8/22/2016	2/20/2018	29.45	168	4,947.60	12	8	39,580.80	34,522.76
0.67	0.53	No	X	430	8/8/2017	2/20/2018	29.63	168	4,977.84	12	7	34,844.88	33,448.57
0.63	**0.36**			**400**									
0.00	0.00	No	X	570	2/13/2018	3/19/2018	30.29	168	5,088.72	12	1.5	7,633.08	0.00
0.55	0.45	EXC		515	7/24/2017	5/18/2018	15.00	84	1,260.00	12	11	13,860.00	14,002.50
0.00	0.63	Yes		515	6/20/2016	6/7/2018	27.02	84	2,269.68	12	12	27,236.16	35,450.24
0.86	0.89	Yes		515	1/19/2017	7/13/2018	34.65	168	5,821.20	12	12	69,854.40	63,790.65
0.00	**0.00**			**500**									
0.00	0.00	No	X	600	5/1/2017	8/18/2017	35.00	168	5,880.00	3	2	11,760.00	0.00
0.00	0.00	No	X	600	6/27/2017	8/8/2017	31.50	168	5,292.00	1	2	10,584.00	0.00
0.44	0.40	EXC		600	6/26/2017	6/8/2018	15.00	84	1,260.00	12	12	15,120.00	12,487.50
0.00	**0.00**			**600**									
0.00	0.00	Yes		720	7/5/2016	8/12/2017	20.00	168	3,360.00	12	2	6,720.00	0.00
0.21	0.37	Yes		710	12/14/2015	1/23/2018	33.62	168	5,648.16	12	8	45,185.28	26,065.25
0.21	0.19	No	X	730	7/17/2017	4/6/2018	19.99	84	1,679.16	12	11	18,470.76	7,711.14
0.21	0.19	No	X	730	7/17/2017	4/6/2018	19.99	84	1,679.16	12	11	18,470.76	7,711.14
0.56	0.05	No	X	710	12/18/2017	1/25/2018	37.90	168	6,367.20	12	2.5	15,918.00	4,169.00
0.21	**0.37**			**700**									
0.00	0.00	No	X		8/1/2017	11/19/2017	29.45	168	4,947.60	4	5	24,738.00	0.00
0.00	0.00	No	X	850	2/28/2018	3/21/2018	50.49	168	8,482.32	6	1.25	10,602.90	0.00
0.00	**0.00**			**800**									
	1.85											949,956.40	656,094.15

EXC = Exclude from PERS enrollment

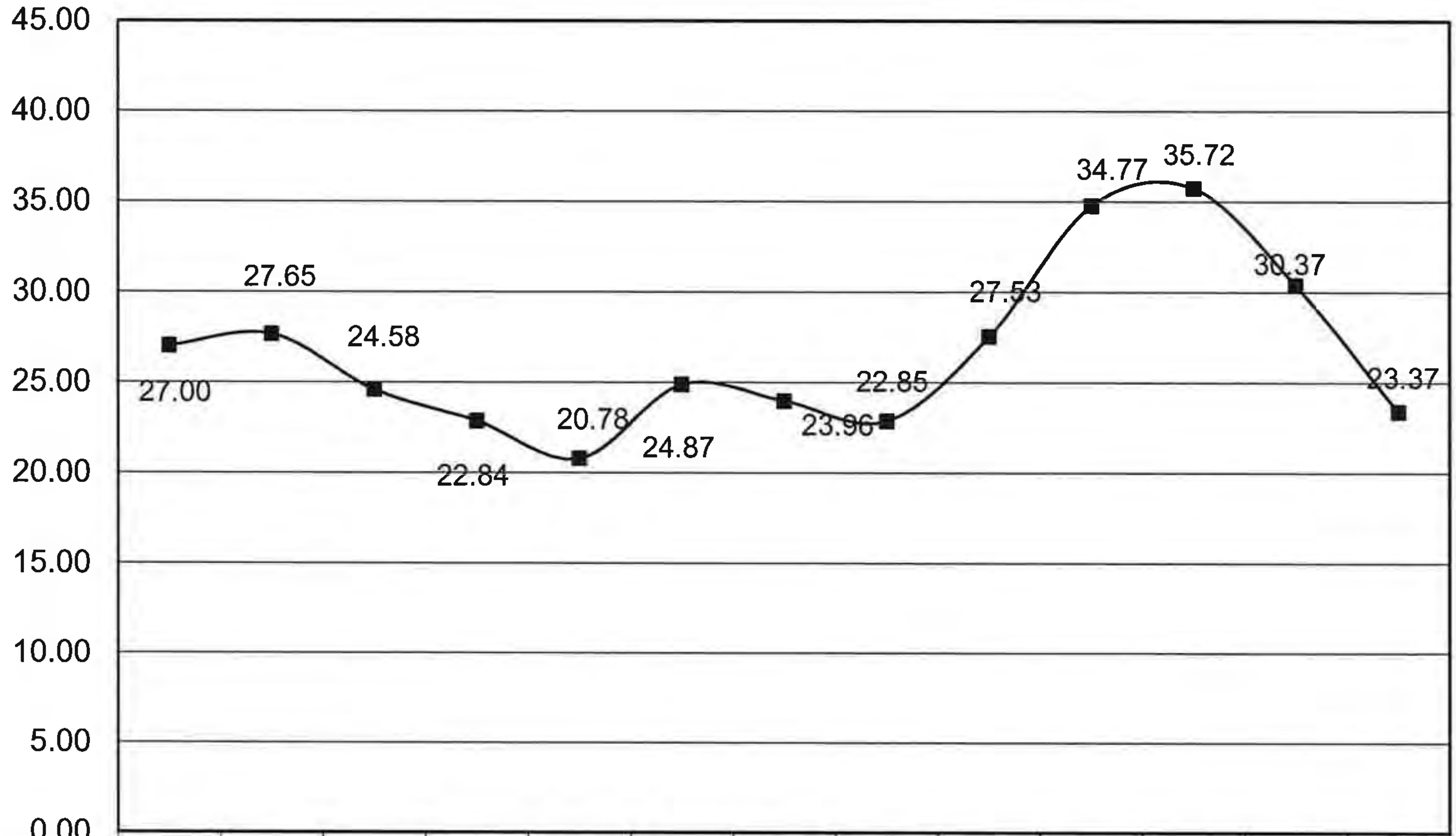
Yes= Temporary employee enrolled in PERS Membership

No=Temporary Agency employee
*Data reported 30 days in arrears

Temporary Employees

Full Time Equivalency thru 07/31/18

District Totals



	7/17	8/17	9/17	10/17	11/17	12/17	01/18	02/18	03/18	04/18	5/18	6/18	7/18
District	27.00	27.65	24.58	22.84	20.78	24.87	23.96	22.85	27.53	34.77	35.72	30.37	23.37

September 4, 2018
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

The following items are submitted for the Committee's review and consideration:

- The Investment Portfolio Summary Report as of August 23, 2018, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 23, 2018, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 23, 2018, as outlined in Exhibit "C"; and,
- The Summary of Variable Rate Debt Rates as of August 23, 2018, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for August 2018 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 1.50%, which is unchanged from July's rate. Including real estate investments, the weighted average rate of return for the District's investment portfolio for August 2018 is estimated to be 3.71%, which is a 0.05% increase from July's rate of 3.66%. The increase was primarily due to the change in the fixed income portfolio average monthly balance from $373.0 million to $360.8 million.

Debt Portfolio:

As of August 23, 2018, the District's weighted average all-in variable rate was 1.64%, which was a 0.48% increase from July's rate of 1.16%. Including the District's weighted average fixed rate bond issues of 3.70% and the previous month's negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.64%, which was a 0.29% increase from July's rate of 3.35%. The increase is primarily due to the change in the negative cash accrual from $392,194 to $447,372 for the District's fixed payer swaps and an increase in variable debt rates.

FISCAL IMPACTS:

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

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.

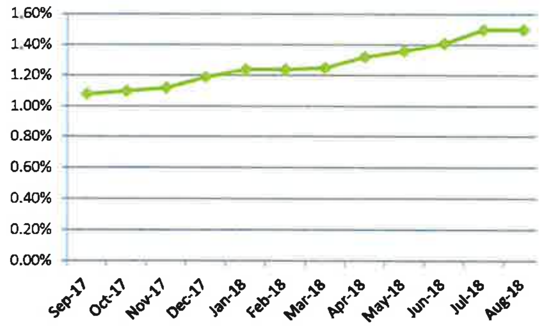
LIST OF EXHIBITS:

Exhibit “A” – Investment Portfolio Summary as of August 23, 2018
Exhibit “B” – Yield Curve as of August 23, 2018
Exhibit “C” – Summary of Fixed and Variable Debt as of August 23, 2018
Exhibit “D” – Summary of Variable Rate Debt Rates as of August 23, 2018

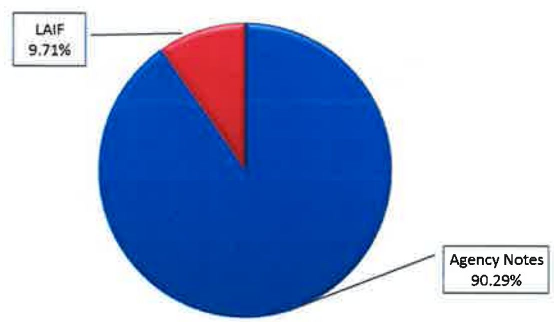
Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
August 2018

Monthly Fixed Income Yield



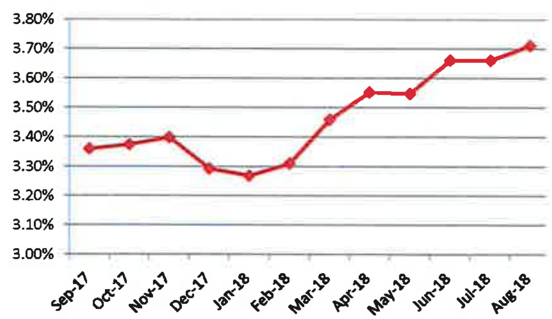
Portfolio Distribution



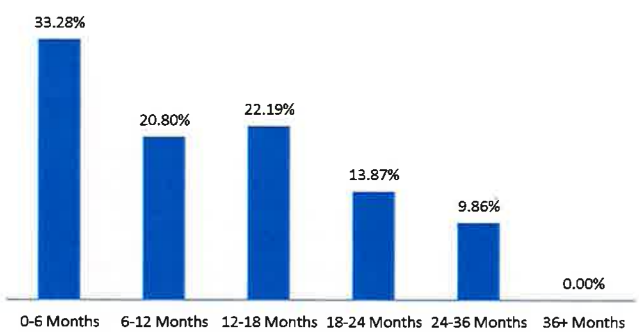
Investment Summary

Type	PAR	Book Value	Market Value
Agency Notes	325,550,000	325,235,842	322,224,230
LAIF	35,000,000	35,000,000	34,934,440
Grand Total	360,550,000	360,235,842	357,158,670

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
Fed Home Loan Bank	105,000,000	29.12%
Fed Natl Mortgage Assoc	80,550,000	22.34%
Fed Farm Credit Bank	75,000,000	20.80%
Fed Home Loan Mortgage Corp	65,000,000	18.03%
State of California Treasury - LAIF	35,000,000	9.71%
Grand Total	360,550,000	100%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/23/18

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 8/23/2018	UNREALIZED[2] GAIN/(LOSS)
08/23/17			08/24/18		LAIF	State of California Tsy.	$35,000,000		1.760%	$35,000,000.00	$35,000,000.00	34,934,440.42	(65,559.59)
09/01/16	N/A	N/A	08/28/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.000%	1.000%	5,000,000.00	5,000,000.00	4,995,800.00	(4,200.00)
09/01/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	0.916%	5,021,000.00	5,000,367.43	4,994,400.00	(5,967.43)
12/28/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	1.225%	4,991,500.00	4,999,823.20	4,994,400.00	(5,423.20)
10/12/16	N/A	N/A	09/27/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.900%	0.952%	9,990,000.00	9,999,356.64	9,982,100.00	(17,256.64)
10/12/16	N/A	N/A	09/28/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.880%	0.942%	4,994,000.00	4,999,606.15	4,990,450.00	(9,156.15)
09/01/16	NA	NA	10/01/18	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.030%	0.925%	5,010,750.00	5,000,424.34	4,991,450.00	(8,974.34)
10/12/16	N/A	N/A	10/12/18	Aaa/NR/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.000%	1.041%	9,992,000.00	9,999,331.51	9,979,500.00	(19,831.51)
10/12/16	N/A	N/A	11/27/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.625%	0.956%	10,140,360.00	10,019,353.76	9,983,400.00	(35,953.76)
12/21/16	N/A	N/A	12/05/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.100%	1.319%	4,978,900.00	5,011,385.13	4,980,700.00	(30,685.13)
09/01/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	0.941%	5,091,300.00	5,006,024.78	4,992,400.00	(13,624.78)
12/27/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	1.320%	5,041,536.20	4,997,192.58	4,992,400.00	(4,792.58)
09/01/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.009%	4,993,000.00	4,998,800.23	4,968,900.00	(29,900.23)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.035%	4,990,500.00	4,998,194.31	4,968,900.00	(29,294.31)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.040%	4,990,000.00	4,998,099.27	4,968,900.00	(29,199.27)
10/12/16	Continuous after	02/12/18	02/12/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.050%	1.093%	9,990,000.00	9,997,842.91	9,937,100.00	(60,742.91)
09/01/16	NA	NA	03/08/19	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	1.500%	0.964%	5,066,500.00	5,013,618.74	4,977,100.00	(36,518.74)
03/21/18	NA	NA	03/21/19	Aaa/NA/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.125%	2.125%	10,000,000.00	10,000,000.00	9,989,300.00	(10,700.00)
10/12/16	N/A	N/A	03/29/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.050%	4,999,950.00	4,999,987.25	4,958,400.00	(41,587.25)
10/12/16	N/A	N/A	04/15/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	1.125%	0.992%	10,032,800.00	10,008,818.36	9,914,000.00	(94,818.36)
10/31/16	N/A	N/A	04/26/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.060%	4,998,750.00	4,999,672.00	4,952,100.00	(47,572.00)
09/01/16	N/A	N/A	05/28/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.030%	1.048%	4,997,550.00	4,999,340.29	4,944,300.00	(55,040.29)
04/19/18	N/A	N/A	05/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.750%	2.252%	4,972,500.00	4,981,644.09	4,973,150.00	(8,494.09)
09/01/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	0.987%	5,087,400.00	5,024,602.76	4,965,600.00	(59,002.76)
10/12/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	1.103%	5,068,515.88	5,021,503.45	4,965,600.00	(55,903.45)
10/12/16	NA	NA	07/19/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.875%	1.098%	4,969,652.90	4,989,754.10	4,925,700.00	(64,054.10)
09/01/16	NA	NA	07/26/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.180%	4,995,700.00	4,998,666.92	4,932,400.00	(66,266.92)
09/01/16	N/A	N/A	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.160%	4,998,500.00	4,999,503.67	4,928,750.00	(70,753.67)
09/01/16	NA	NA	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.132%	4,999,000.00	4,999,669.11	4,927,450.00	(72,219.11)
09/28/16	Quarterly	03/09/17	09/09/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.142%	4,997,500.00	4,999,128.82	4,926,000.00	(73,128.82)
04/10/18	NA	NA	09/13/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.288%	5,006,000.00	5,004,341.65	4,992,150.00	(12,191.65)
09/28/16	Continuous after	12/27/16	09/27/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.250%	1.189%	5,001,500.00	5,000,536.11	4,927,450.00	(73,086.11)
10/12/16	Continuous after	10/03/17	10/03/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.125%	1.160%	9,989,780.00	9,996,075.75	9,837,200.00	(158,875.75)
10/12/16	Continuous after	10/11/17	10/11/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.120%	1.205%	9,975,000.00	9,990,287.93	9,816,800.00	(173,487.93)
11/08/16	Quarterly	05/08/17	11/08/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.250%	1.245%	5,000,750.00	5,000,296.58	4,916,300.00	(83,996.58)
11/28/16	NA	NA	11/15/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.375%	1.440%	4,990,550.00	4,996,157.12	4,923,850.00	(72,307.12)
11/28/16	Quarterly	05/25/17	11/25/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.400%	1.503%	4,985,000.00	4,993,818.68	4,915,150.00	(78,668.68)
12/12/16	NA	NA	12/12/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.450%	1.440%	5,001,450.00	5,000,617.64	4,924,950.00	(75,667.64)
12/21/16	NA	NA	12/19/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.500%	1.621%	4,982,350.00	4,992,345.75	4,927,000.00	(65,345.75)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/23/18

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 8/23/2018	UNREALIZED[2] GAIN/(LOSS)
12/20/17	NA	NA	01/17/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.500%	1.932%	4,956,250.00	4,965,080.80	4,922,750.00	(42,330.80)
10/16/17	NA	NA	02/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.612%	4,987,025.00	4,991,825.00	4,910,800.00	(81,025.00)
12/20/17	NA	NA	03/13/20	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.125%	1.940%	5,237,200.00	5,192,615.72	5,109,800.00	(82,815.72)
10/03/17	NA	NA	04/20/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.375%	1.630%	4,968,350.00	4,979,682.74	4,890,800.00	(88,882.74)
06/29/18	NA	NA	04/23/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.500%	2.544%	4,996,000.00	4,996,397.52	4,986,050.00	(10,347.52)
06/29/18	NA	NA	05/15/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.566%	4,998,450.00	4,998,594.61	4,989,250.00	(9,344.61)
11/21/17	Continuous after	02/20/18	05/20/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.830%	1.930%	4,987,500.00	4,977,516.23	4,909,350.00	(68,166.23)
06/11/18	NA	NA	06/11/20	Aaa/NR/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.500%	2.570%	4,997,100.00	4,997,425.31	4,983,200.00	(14,225.31)
11/10/17	NA	NA	06/22/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.750%	4,968,000.00	4,991,547.75	4,891,600.00	(99,947.75)
04/19/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.535%	4,886,000.00	4,904,475.39	4,883,800.00	(20,675.39)
06/08/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.559%	4,890,100.00	4,902,030.40	4,883,800.00	(18,230.40)
12/20/17	Quarterly	11/10/16	08/10/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.450%	2.052%	4,923,000.00	4,935,220.95	4,874,050.00	(61,170.95)
05/21/18	Continuous after	12/01/17	09/01/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.680%	2.735%	4,884,250.00	4,898,545.26	4,891,500.00	(7,045.26)
12/12/17	One Time	09/28/18	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	4,917,000.00	(83,000.00)
10/31/17	One Time	10/30/18	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,426,179.50	(123,820.50)
12/13/17	Continuous after	08/23/17	11/23/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.770%	2.060%	4,958,750.00	4,964,615.47	4,886,200.00	(78,415.47)
12/13/17	Quarterly	05/24/18	11/24/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.900%	2.023%	4,982,500.00	4,984,986.07	4,895,550.00	(89,436.07)
11/30/17	NA	NA	11/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.850%	1.964%	4,983,550.00	4,987,700.23	4,895,150.00	(92,550.23)
12/20/17	NA	NA	12/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.875%	2.023%	4,978,400.00	4,981,393.48	4,895,900.00	(85,493.48)
TOTAL INVESTMENTS							$360,550,000			$360,463,969.98	$360,235,841.91	$357,158,669.92	

Petty Cash		3,400.00
Ck Balance	Bank of America	1,849,167.99
		$362,316,537.97

[1] LAIF market value is as of the most recent quarter-end as reported by LAIF.
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.
[2] Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers
[3] Real estate rate of return is based on most recent quarter end return

Outstanding Variable Rate Debt	$281,100,000
Net Outstanding Variable Rate Debt (Less $130 million fixed-payer swaps)	$151,100,000
Investment Balance:	$362,316,538
Investment to Variable Rate Debt Ratio:	240%
Portfolio - Average Number of Days To Maturity[4]	335

	Investment Portfolio	**Real Estate[3] Portfolio**	**Weighted Avg. Return**
August	**1.50%**	**8.89%**	**3.71%**
July	**1.50%**	**8.89%**	**3.66%**
Change			**0.05%**

This Investment Summary Report is in conformity with the 2018 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.
*S - Step up

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

08/23/18

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	US Treasury
08/18	$40,000,000	11.09%	$35,000,000	5,000,000			
09/18	25,000,000	6.93%		25,000,000			
10/18	15,000,000	4.16%		15,000,000			
11/18	10,000,000	2.77%		10,000,000		-	
12/18	15,000,000	4.16%		15,000,000			
01/19	15,000,000	4.16%		15,000,000			
02/19	10,000,000	2.77%		10,000,000			
03/19	20,000,000	5.55%		20,000,000			
04/19	15,000,000	4.16%		15,000,000			
05/19	10,000,000	2.77%		10,000,000			
06/19	10,000,000	2.77%		10,000,000			
07/19	10,000,000	2.77%		10,000,000			
SUB-TOTAL	$195,000,000	54.08%	$35,000,000	$160,000,000			
13 Months - 3 YEARS							
8/01/2019 - 11/30/19	60,000,000	16.64%		60,000,000			
12/01/19 - 2/28/2020	20,000,000	5.55%		20,000,000			
3/01/2020 - 5/31/2020	30,000,000	8.32%		30,000,000			
6/01/2020 - 8/31/2020	20,000,000	5.55%		20,000,000			
9/01/2020 -12/31/2020	35,550,000	9.86%		35,550,000			
1/01/2021 -2/28/2021	-						
	-						
	-						
	-						
TOTALS	$360,550,000	100.00%	$35,000,000	$325,550,000			
% OF PORTFOLIO			9.71%	90.29%			

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Jul-18

MATURITIES/SALES/CALLS

DATE	SECURITY TYPE	PAR	YIELD
8/15/2018	FHLMC - NOTE	$5,000,000	1.25%

PURCHASES

Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
6/30/2018

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2018	ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2018
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 43,550,810	$ 145,000,000	18.74%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	$ 6,000,000	$ 30,670,120	8.55%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	$ 5,739,845	$ 11,500,000	9.42%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,630,577	$ 9,000,000	5.33%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	$ 8,648,594	$ 11,000,000	8.85%
Total - Income Properties				$ 72,569,826	$ 207,170,120	14.39%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note	Sep-17	NA	NA	$ 81,600,000	$ 81,600,000	4.00%
Total - Income Producing Real Estate Investments				$ 154,169,826	$ 288,770,120	8.89%

Exhibit "B"

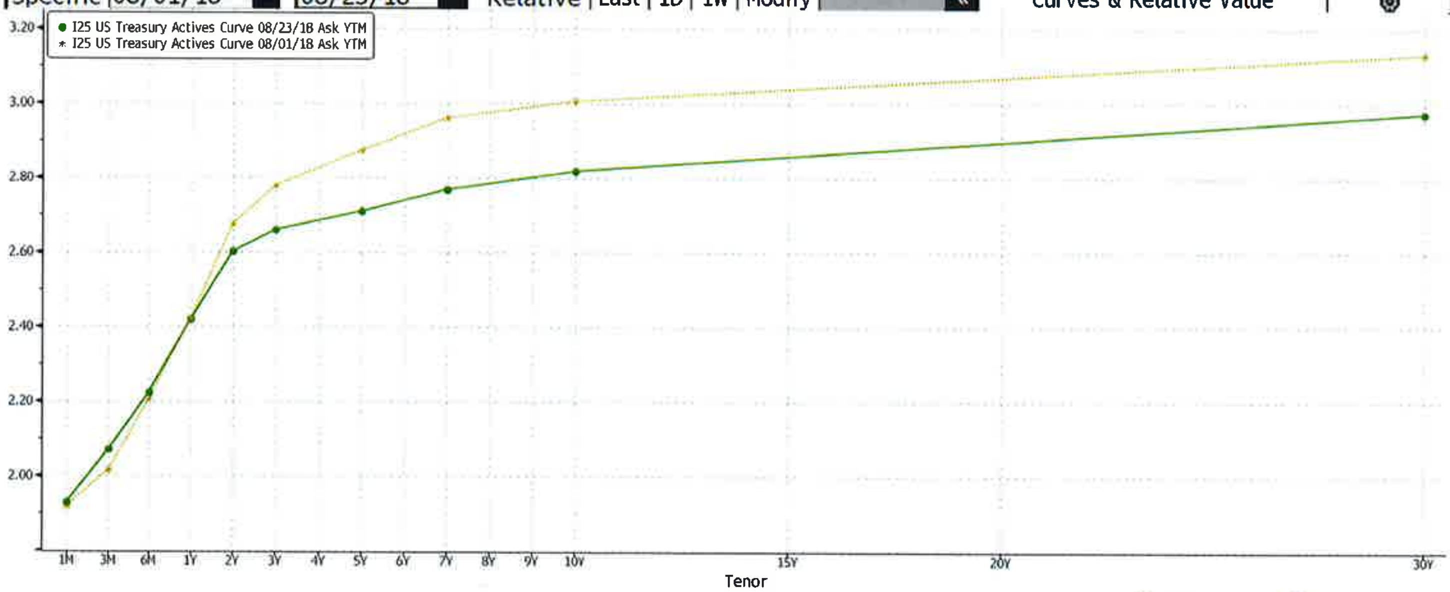
Running as C15. Run GC for more features.

US Treasury Actives Curve

Graph Curves

X-Axis Tenor Y-Axis Ask YTM Currency None PCS Lower Chart History Table

Specific 08/01/18 08/23/18 Relative Last 1D 1W Modify « Curves & Relative Value



All Tenors Key Tenors

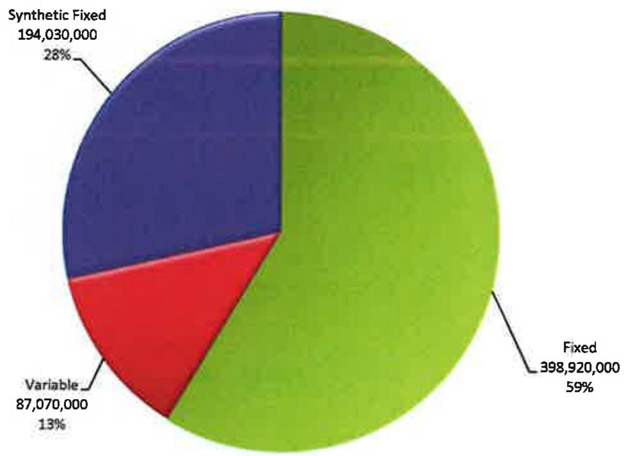
Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
11) I25 08/23/18	2.071	2.422	2.604	2.662	2.711	2.819	2.975
12) I25 08/01/18	2.018	2.424	2.678	2.780	2.875	3.006	3.132
13) I25 (08/23/18-08/01..	5.4	-0.2	-7.4	-11.8	-16.4	-18.7	-15.7

SN 736334 PDT GMT-7:00 H141-1741-1 23-Aug-2018 10:30:16

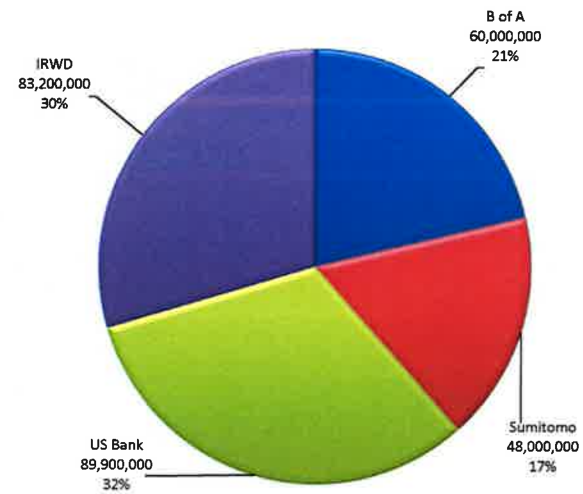
Exhibit "C"

Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
August 2018

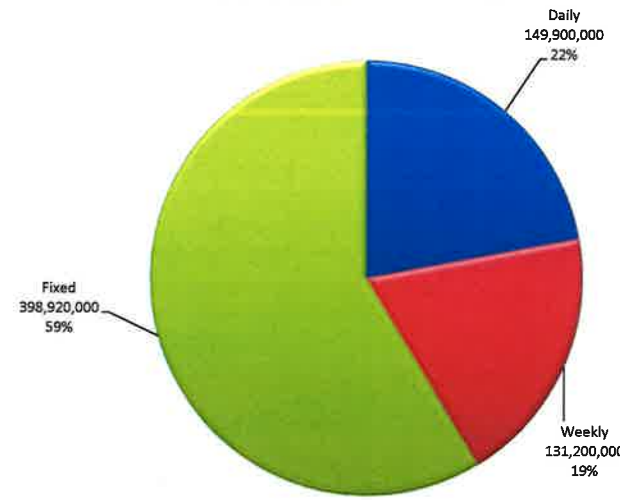
Current Debt Mix By Type



Letters of Credit / Support



Current Debt Rate Reset



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	$29,900,000	4.40%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	$48,000,000	7.06%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$49,920,000	7.34%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	$33,280,000	4.89%	IRWD	Morgan	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	$60,000,000	8.82%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$60,000,000	8.82%	B of A	Goldman	Variable	Daily
2010 Refunding COPS	02/23/10	03/01/20	$3,775,000	0.56%	N/A	N/A	Fixed	Fixed
2016 COPS	09/01/16	03/01/46	$116,745,000	17.17%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	25.73%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	$103,400,000	15.21%	N/A	N/A	Fixed	Fixed
Total			$680,020,000	100.00%				

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IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

August-18

ITN

Daily

Weekly

GENERAL BOND INFORMATION

VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal
SERIES 1993	05/19/93	04/01/33	APR 1 (2014)	5th Bus. Day	$38,300,000	$29,900,000
SERIES 2008-A Refunding	04/24/08	07/01/35	JUL 1	5th Bus. Day	$60,215,000	$48,000,000
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$60,545,000	$49,920,000
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$40,370,000	$33,280,000
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$60,000,000
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$60,000,000
SUB-TOTAL VARIABLE RATE DEBT					$349,430,000	$281,100,000
FIXED RATE ISSUES						
2010 REFUNDING COPS	02/23/10	03/01/20	Mar -1	MAR/SEPT	$85,145,000	$3,775,000
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	MAY (2025)	MAY/NOV	$175,000,000	$175,000,000
2016 COPS	09/01/16	03/01/46	Mar - 1	MAR/SEPT	$116,745,000	$116,745,000
SERIES 2016	10/12/16	02/01/46	Feb - 1	FEB/AUG	$103,400,000	$103,400,000
SUB-TOTAL FIXED RATE DEBT					$480,290,000	$398,920,000
TOTAL- FIXED & VARIABLE RATE DEBT					$829,720,000	$680,020,000

LETTER OF CREDIT INFORMATION

Issue	Letter of Credit	Reimbursment Agreement Date	L/C Exp. Date	MOODYS	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost
SERIES 1993	US BANK	05/07/15	11/07/18	Aa3/VMIG1	AA-/A-1+	N/R	$30,303,036	0.3300%	$100,000
SERIES 2008-A Refunding	SUMITOMO	04/01/11	07/21/21	A1/P-1	A/A-1	A/F1	$48,710,137	0.3150%	$153,437
SERIES 2011-A-1 Refunding	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A
SERIES 2011-A-2 Refunding	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A
SERIES 2009 - A	US BANK	04/01/11	12/22/20	Aa2/VMIG 1	AA-/A-1+	AA/F1+	$60,670,685	0.4100%	$248,750
SERIES 2009 - B	B of A	04/01/11	07/15/19	A1/VMIG 1	A/A-1	A1/F1+	$60,670,685	0.4000%	$242,683
SUB-TOTAL VARIABLE RATE DEBT							$200,354,542	0.3718% (Wt. Avg)	$744,869
FIXED RATE ISSUES									
2010 REFUNDING COPS	N/A	N/A	N/A	Aa1	AAA	AAA	N/A	N/A	N/A
2010 GO Build America Taxable Bonds	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A
2016 COPS	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A
SERIES 2016	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A

TRUSTEE INFORMATION

Issue	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	BAML	DAILY	0.10%	$29,900	BANK OF NY
SERIES 2008-A Refunding	BAML	WED	0.07%	$33,600	BANK OF NY
SERIES 2011-A-1 Refunding	Goldman	WED	0.13%	$62,400	BANK OF NY
SERIES 2011-A-2 Refunding	Morgan S.	WED	0.13%	$41,600	BANK OF NY
SERIES 2009 - A	US Bank	DAILY	0.07%	$42,000	US BANK
SERIES 2009 - B	Goldman	DAILY	0.10%	$60,000	US BANK
SUB-TOTAL VARIABLE RATE DEBT			0.10% (Wt. Avg)	$269,500	
FIXED RATE ISSUES					
2010 REFUNDING COPS	N/A	N/A	N/A	N/A	BANK OF NY
2010 GO Build America Taxable Bonds	N/A	N/A	N/A	N/A	US BANK
2016 COPS	N/A	N/A	N/A	N/A	US BANK
SERIES 2016	N/A	N/A	N/A	N/A	BANK OF NY

Remarketing Agents

Goldman	109,920,000	39%
Morgan Stanley	33,280,000	12%
BAML	77,900,000	28%
US Bank	60,000,000	21%
	281,100,000	

GO VS COP's

GO:	559,500,000	82%
COPS:	120,520,000	18%
Total	680,020,000	

LOC Banks

SUMITOMO	48,000,000
BANK OF AMERICA	60,000,000
US BANK	89,900,000
	197,900,000

Breakdown Between Variable & Fixed Rate Mode

Daily Issues	149,900,000	22%
Weekly Issues	48,000,000	7%
ITN Issues	83,200,000	12%
Sub-Total	281,100,000	
Fixed Rate Issues	$398,920,000	59%
Sub-Total - Fixed	398,920,000	
TOTAL DEBT FIXED & VAR.	680,020,000	100%

vrdsum.xlsx
8/22/2018

Exhibit "D"

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
Aug-18

Rmkt Agent	GOLDMAN	GOLDMAN	MORGAN STANLEY	MERRILL LYNCH		US BANK
Mode	DAILY	WEEKLY	WEEKLY	DAILY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	60,000,000	49,920,000	33,280,000	29,900,000	48,000,000	60,000,000
Bank	BOFA	(SIFMA -1)	(SIFMA -1)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
8/1/2018	1.16%	0.93%	0.93%	1.07%	0.63%	1.25%
8/2/2018	1.10%	1.28%	1.28%	1.16%	1.06%	1.15%
8/3/2018	1.17%	1.28%	1.28%	1.22%	1.06%	1.15%
8/4/2018	1.17%	1.28%	1.28%	1.22%	1.06%	1.15%
8/5/2018	1.17%	1.28%	1.28%	1.22%	1.06%	1.15%
8/6/2018	1.17%	1.28%	1.28%	1.26%	1.06%	1.25%
8/7/2018	1.23%	1.28%	1.28%	1.24%	1.06%	1.25%
8/8/2018	1.23%	1.28%	1.28%	1.20%	1.06%	1.22%
8/9/2018	1.20%	1.44%	1.44%	1.16%	1.26%	1.22%
8/10/2018	1.22%	1.44%	1.44%	1.19%	1.26%	1.22%
8/11/2018	1.22%	1.44%	1.44%	1.19%	1.26%	1.22%
8/12/2018	1.22%	1.44%	1.44%	1.19%	1.26%	1.22%
8/13/2018	1.22%	1.44%	1.44%	1.24%	1.26%	1.22%
8/14/2018	1.23%	1.44%	1.44%	1.24%	1.26%	1.24%
8/15/2018	1.23%	1.44%	1.44%	1.26%	1.26%	1.27%
8/16/2018	1.23%	1.56%	1.56%	1.27%	1.43%	1.30%
8/17/2018	1.29%	1.56%	1.56%	1.24%	1.43%	1.30%
8/18/2018	1.29%	1.56%	1.56%	1.24%	1.43%	1.30%
8/19/2018	1.29%	1.56%	1.56%	1.24%	1.43%	1.30%
8/20/2018	1.31%	1.56%	1.56%	1.20%	1.43%	1.30%
8/21/2018	1.31%	1.56%	1.56%	1.21%	1.43%	1.27%
8/22/2018	1.28%	1.56%	1.56%	1.21%	1.43%	1.25%
8/23/2018	1.28%	1.57%	1.57%	1.24%	1.39%	1.25%
Avg Interest Rates	1.23%	1.41%	1.41%	1.21%	1.23%	1.24%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.40%			0.33%	0.32%	0.41%
All-In Rate	**1.73%**	**1.54%**	**1.54%**	**1.64%**	**1.61%**	**1.72%**
Par Amount	109,920,000		33,280,000	77,900,000		60,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt		Par Outstanding	Weighted All-In Average Rate		Base Rate Average
Daily	53.33%		149,900,000	1.71%		1.23%
Weekly	46.67%		131,200,000	1.56%		1.34%
	100.00%	$	**281,100,000**	1.64%		1.28%
Fixed						
COPS 2010	0.95%		3,775,000	3.82%		
COPS 2016	29.27%		116,745,000	2.90%		
BABS 2010	43.87%		175,000,000	4.45%	(1)	
SERIES 2016	25.92%		103,400,000	3.32%		
	100.00%	$	**398,920,000**	3.70%		
All-In Debt Rate Including $130 Million Notional Amount of Swaps						**3.64%**

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 6.2%

September 4, 2018
Prepared by: C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

FY 2017-18 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS THROUGH JUNE 30, 2018

SUMMARY:

Staff has prepared an analysis of the unaudited operating statements through the fourth quarter Fiscal Year (FY) 2017-18, as follows:

- Actual to budget and forecast comparison of operating expenses for the consolidated District, attached as Exhibit "A";
- Actual to budget comparison of revenues and expenses for the water, sewer, recycled water, and over allocation systems, attached as Exhibit "B"; and
- Actual to budget and forecast comparison of non-operating revenues and expenses for the consolidated District, attached as Exhibit "C".

For FY 2017-18, overall expenses totaled $148.0 million versus a budget of $148.7 million. Exhibit "A" also includes a comparison of the full year forecast to actual expenses. Actual expenses were under budget by $0.6 million. Actual expenses were under forecast by $1.3 million.

Based on system revenues and expenses shown on Exhibit "B", net operating revenue exceeded budget by $3.0 million and expenses exceeded budget by $1.5 million, resulting in a positive net operating position of $1.5 million for FY 2017-18.

As shown on Exhibit "C", actual net non-operating revenues and expenses were $89.5 million versus a budget of $66.5 million and a forecast of $85.3 million.

Significant variances greater than $0.25 million are discussed below.

BACKGROUND:

Overall Operating Expenses:

Overall operating expenses were under budget by $0.6 million or 0.4%. Exhibit "A" is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor exceeded budget by $0.6 million (1.7 %). The final payroll of the fiscal year was accrued adding an additional payroll period which was not budgeted, driving labor expense over budget.

- Contract labor was over budget by $0.4 million (28.6%). The District has several on-going initiatives, including conservation/water loss efficiency and NTS that have required higher contract labor than budgeted.
- The cost of water exceeded the budget by $4.6 million (13.2%). Details are summarized below:

  Treated System – Sales exceeded budget by 1.1% (598 acre-feet (AF)). Imported water exceeded budget by 5,610 AF while groundwater was under budget by 3,432 AF. Cost Impact: expenses are $4.2 million over budget.

  Untreated System – Sales exceeded budget by 11.0% (200 AF) and transfers needed to supplement the recycled system exceeded budget by 1,082 AF. Additional demand was met by increased native and imported water. Cost Impact: expenses are below budget by $0.1 million.

  Recycled Water System – Sales exceeded budget by 11.9% (3,386 AF). Additional demands were met with increased produced and supplemental water. Cost Impact: Expenses are $0.5 million over budget.

  A more thorough discussion of the water system follows:

- For the treated potable system, sales exceeded budget by 598 AF. Imported water was over budget by 5,610 AF while groundwater and the Baker Water Treatment Plant were under budget by 3,432 AF 896 AF, respectively. The approach to calculating the in-lieu AF changed for this fiscal year. This change resulted in an increase in imported supply to meet demands.

	Treated					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported	8,570	2,960	(5,610)	$11.0	$4.1	($6.9)
Pumped	31,741	46,072	14,331	13.2	20.3	7.1
In-Lieu	10,899		(10,899)	5.7		(5.7)
Baker	6,714	7,611	896	5.1	6.4	1.3
Total	57,925	56,643	(1,282)	35.0	30.8	(4.2)
Process Waste	(2,720)	(3,453)	(733)			
System Loss	(2,091)	(674)	1,417	-	-	-
Sales/Cost of Sales	*53,114*	*52,516*	*(598)*	$35.0	$30.8	($4.2)

- For the untreated non-potable system, sales exceeded budget by 200 AF. The untreated system was below budget by $0.1 million. Additional demand was met by increased native and imported water.

	Non-Potable (untreated)					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported	2,126	1,175	(951)	$2.0	$1.3	($0.7)
Native	5,165	3,827	(1,338)	1.1	0.9	($0.2)
Native Trsf to Rcycld	(2,838)		2,838	(1.8)	-	$1.8
Imported Trsf to Rcycld	(1,335)	(3,091)	(1,756)	(1.0)	(1.8)	($0.8)
Total	3,118	1,911	(1,207)	0.3	0.4	0.1
System Loss /Evaporation	(1,093)	(87)	1,006	-	-	$0.0
Sales/Cost of Sales	*2,024*	*1,824*	*(200)*	$0.3	$0.4	$0.1

- The Recycled Water system sales exceeded budget by 3,386 AF. Increased demands were met with additional produced water (2,625 AF), supplemental water (1,082 AF), and pumped water (417 AF). Lost and process waste water exceeded budget (738 AF) as well.

	Recycled					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	4,173	3,091	(1,082)	$2.9	$2.0	($0.9)
Pumped	4,582	4,165	(417)	1.7	2.1	$0.4
Produced/ Storage	24,925	22,300	(2,625)	-	-	$0.0
Total	33,680	29,556	(4,124)	4.6	4.1	(0.5)
Process Waste	(916)	(785)	131			
System Loss	(1,014)	(407)	607			
Sales/Cost of Sales	*31,750*	*28,364*	*(3,386)*	$4.6	$4.1	($0.5)

- Electricity was under budget by $1.2 million (8.4%). The potable system was under budget by $0.9 million as a result of IRWD's participation in the in-lieu program, reducing electrical demand at the Dyer Road Well Field. The recycled system was under budget by $0.3 million due in part to successful energy efficiency project implementation at MWRP and billing credits received from the utility for participation in load response programs.
- Chemicals exceeded budget by $0.3 million (8.8%). The potable system accounted for the increase:
  - An increase in sodium hypochlorite usage at the Initial Disinfection Facility (IDF) for the Deep Aquifer Treatment Plant (DATS) while it is being converted from gas to sodium hypochlorite; and
  - The Baker treatment required more citric acid cleaning to balance the alkalinity of inflow water.

- Repairs & Maintenance – Orange County Sanitation District (OCSD) and Others was below budget by $4.4 million (32.0%). The variance is due primarily from a year end accounting reconciliation for prior years from OCSD associated with a reduction in solids handling and pension allocation.
- Insurance was below budget by $0.5 or 50.9%, relating primarily to insurance reimbursements received for claims on the 4100 MacArthur property.
- Legal fees were over budget by $0.5 million or 28.8% relating primarily to litigation associated with the OCWD case.
- Other Professional Fees was under budget by $0.3 million (7.8%). Budgeted expenses from several departments account for this variance.
- Conservation was under budget by $0.5 million (23.4%). The water efficiency program was under budget partially offset by tactical incentives which were over budget.

<u>Summary of System Actual to Budget Performance:</u>

Exhibit "B" shows a detailed comparison of actual to budgeted revenue and expenses by system for FY 2017-18. Expenses are summarized into direct, indirect, general plant, marsh, natural treatment system and conservation which are funded by over-allocation revenues.

The net operating income for the consolidated District (all systems) exceeded budget by $1.5 million. Net revenues exceeded budget by $3.0 million (2.4%) and total expenses exceeded budget by $1.5 million (1.2%). Variances by system are explained below.

Potable and Untreated Water System:

The net operating income for the water system was under budget by $1.6 million. Net revenues exceeded budget by $2.5 million (3.8%) and total expenses were over budget by $4.1 million (6.2%).

Commodity revenue exceeded budget by $1.8 million (treated and untreated). Fixed service revenue was over budget by $0.9 million. As detailed above, commodity sales exceeded budget for both the treated and untreated systems. Fixed service revenue exceeded budget due to higher growth in several customer classes than budgeted.

Direct expenses were over budget by $2.1 million (3.9%). The cost of water exceeded budget by $2.2 million as detailed below:

	Expenses (millions)
Imported Purchases	($4.1)
Clear and Process Wells	0.3
Native Water	1.6
Total Cost of Water	($2.2)

Indirect expenses, which include customer records and collections and allocated general and administration (G & A) were over budget by $2.0 million. Actual G & A allocation was higher than budgeted.

Sewer System:

The net operating income for the sewer system exceeded budget by $7.0 million. Net revenues exceeded budget by $0.2 million (0.5%) and total expenses were below budget by $6.8 million (20.8%).

Fixed service revenue exceeded budget by $0.3 million (0.5%). This is due to higher growth in several customer classes than budgeted.

Direct expenses were below budget by $6.8 million (28.5%). This variance is due primarily to OCSD reduced expenditures for solids handling of $4.5 million.

Recycled Water System:

The net operating income for the recycled water system was under budget by $0.3 million. Net revenue exceeded budget by $1.9 million (9.4%) while total expenses exceeded budget by the $2.2 million.

Commodity revenue for recycled water sales exceeded budget by $2.1 million (13.6%). As discussed above, recycled sales exceeded budget by 3,386 AF.

Direct expenses exceeded budget by $2.3 million or 14.1%. Electricity associated with recycled water was under budget by $0.3 million which can be attributed to the successful energy efficiency project implementation discussed above. The cost of water exceeded budget by $2.6 million. Key variances are described below:

	Expenses (millions)
Supplemental Purchases	($0.9)
Tertiary Treatment	(1.4)
Other	(0.3)
Total Cost of Water	($2.6)

NTS & Conservation:

This is a new category broken out in FY 2017-18 to facilitate the understanding of the over-allocation fund. The net operating income variance for the marsh, NTS, and conservation was under budget by $3.6 million. Over allocation revenue fell below budget by $1.6 million. Over allocation expense exceeded budget by $2.0 million (22.3%) with labor, associated G & A, engineering fees, tactical incentives and other professional fees accounting for the largest variances. The fund balance as of June 2018 is $6.8 million.

Summary of Non-Operating Actual-to-Budget Expense:

Exhibit "C" provides a detailed comparison of actual to budget and forecast for FY 2017-18 and significant variances greater than $0.25 million are discussed below.

Non-Operating Income/Expenses:

The net non-operating variance to budget was positive by $23.0 million and the forecast variance was positive by $4.2 million. Revenues exceeded budget by $24.9 million and expenses were over budget by $1.9 million. Key variances greater than $0.25 million are as follows:

Explanation of Budget Variance	**Variance (millions)**
Property tax income was above budget due to higher assessed valuations	$4.7
Interest income exceeded budget due to higher than anticipated interest rates	$0.3
Connection fees exceeded budget due primarily to a payment for recycled connections fees for the Great Park	$6.7
Real estate income exceeded budget due to interest receivable not budgeted for the Serrano Summit Promissory Note	$3.3
The change in real estate fair value was unbudgeted and amount represents the increase for 1 year (FY 2017-18)	$4.1
Other income was above budget due to higher than anticipated grant revenue	$5.8
Interest expense was under budget due to lower variable rates and unbudgeted amortization of the premium related to the 2016 General Obligation bond issue	$2.3
Real estate expense was over budget due primarily to expenses associated with the Development Agreement for the City of Lake Forest Civic Center partially offset by depreciation that was budgeted but no longer applicable for real estate as a result of the new accounting standards requiring investments to be recorded at fair value	($6.0)
Other expenses under budget due to an unbudgeted gain from the sale of a former reservoir property above book value in Orange Park Acres	$1.8
Total	$23.0

FISCAL IMPACTS:

Fiscal impacts are provided in this write-up.

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" – Consolidated Operating Actual to Budget Expense
Exhibit "B" – Actual to Budget Revenues and Expenses by System
Exhibit "C" – Consolidated Non-Operating Actual to Budget

Exhibit A
IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING ACTUAL TO BUDGET EXPENSE
Period Ending June 30, 2018

(in thousands)

Expense Group	Expense Name	Actual 6/30/18	Original Budget	Budget (Over) /Under	Full Year Forecast [1]	Forecast (Over)/ Under
	Regular Labor	$ 33,410	$ 32,855	$ (556)	$ 32,855	$ (556)
Salaries & Benefits	Overtime Labor	2,144	2,037	(107)	2,037	(107)
	Contract Labor	1,891	1,470	(421)	1,470	(421)
	Employee Benefits	17,396	17,366	(30)	17,566	170
Salaries & Benefits Total		54,841	53,727	(1,114)	53,927	(914)
	Water	39,933	35,287	(4,647)	36,587	(3,347)
	Electricity	13,405	14,631	1,226	13,701	296
Water & Utilities	Fuel	626	627	1	627	1
	Telecommunication	634	566	(68)	566	(68)
	Other Utilities	182	171	(11)	171	(11)
Water & Utilities Total		54,781	51,282	(3,499)	51,652	(3,129)
	Chemicals	3,345	3,074	(271)	3,674	329
	Operating Supplies	1,538	1,475	(63)	1,175	(363)
	Printing	229	276	48	276	48
Materials & Supplies	Postage	565	594	29	594	29
	Permits, Licenses and Fees	1,764	1,797	33	1,797	33
	Office Supplies	98	109	11	109	11
	Duplicating Equipment	188	192	4	192	4
	Equipment Rental	112	114	2	114	2
Materials & Supplies Total		7,839	7,632	(206)	7,932	94
	Rep & Maint OCSD & Others	9,421	13,852	4,431	13,852	4,431
	Rep & Maint IRWD	9,497	9,683	186	9,283	(214)
	Insurance	501	1,021	520	721	220
	Legal Fees	2,016	1,565	(451)	2,000	(16)
	Engineering Fees	978	980	1	980	1
Professional Services	Accounting Fees	106	95	(11)	95	(11)
	Data Processing	2,897	2,898	0	2,898	0
	Personnel Training	1,123	1,247	124	1,247	124
	Personnel Physicals	19	51	32	51	32
	Other Professional Fees	3,879	4,207	328	4,207	328
	Directors' Fees	153	168	15	168	15
Professional Services Total		30,592	35,766	5,174	35,501	4,909
	Mileage Reimbursement	148	140	(8)	140	(8)
	Collection Fees	2	12	10	12	10
	Election Expense	145	145	0	145	-
	Safety	175	108	(67)	108	(67)
	Commuter Program	551	520	(31)	520	(31)
Other	Alarm and Patrol Services	16	131	115	131	115
	Biosolids Disposals	192	156	(36)	156	(36)
	Computer Backup Storage	16	12	(4)	12	(4)
	Contract Meter Reading	1,510	1,390	(120)	1,390	(120)
	Other	(110)	128	238	128	238
	Conservation	1,542	2,012	470	2,012	470
Other Total		4,187	4,753	566	4,753	566
Grand Total		**$ 152,240**	**$ 153,161**	**$ 920**	**$ 153,766**	**$ 1,525**
Less: Reimbursement from Baker Partners		(4,225)	(4,498)	(273)	(4,498)	(273)
Grand Total		**$ 148,015**	**$ 148,663**	**$ 647**	**$ 149,268**	**$ 1,252**

Exhibit B

IRVINE RANCH WATER DISTRICT

CONSOLIDATED ACTUAL TO BUDGET REVENUES AND EXPENSES

PERIOD ENDED JUNE 30, 2018

(in thousands)

	Water			Sewer			Recycled			NTS & Conservation			Total
FY 2017-18	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Variance**
Revenues:													
Commodity Revenues	$ 42,795	$41,013	$ 1,782	$ -	$ -	$ -	$17,184	$15,132	$ 2,052	$ -	$ -	$ -	$ 3,834
Service Revenues	34,533	33,636	897	52,049	51,780	269	6,490	6,631	(141)			-	1,025
Over Allocation Revenues			-			-			-	7,544	9,131	(1,587)	(1,587)
Total Revenues	77,328	74,649	2,679	52,049	51,780	269	23,674	21,763	1,911	7,544	9,131	(1,587)	3,272
Contribution to Enhancement and Replacement Capital Funds	(8,652)	(8,474)	(178)	(19,085)	(18,991)	(94)	(1,091)	(1,120)	29			-	(243)
Net Revenues	$ 68,676	$66,175	$ 2,501	$32,964	$32,789	$ 175	$22,583	$20,643	$ 1,940	$ 7,544	$ 9,131	$ (1,587)	$ 3,029
Expenses:													
Cost of Water	$ 45,320	$43,120	$ (2,200)			$ -	$11,745	$ 9,190	$ (2,555)			$ -	$ (4,755)
Operations	10,993	11,098	105	8,890	11,283	2,393	6,539	6,838	299			-	2,797
Water Banking			-			-			-	1,394	1,370	(24)	(24)
OCSD - O&M			-	8,165	12,580	4,415			-			-	4,415
Total Direct	56,313	54,218	(2,095)	17,055	23,863	6,808	18,284	16,028	(2,256)	1,394	1,370	(24)	2,434
Customer Records and Collectio	2,437	2,435	(2)	1,108	1,107	(1)	886	885	(1)			-	(4)
General & Admin Expense	10,894	8,899	(1,995)	7,074	7,087	13	3,422	3,445	23			-	(1,959)
Total Indirect	13,331	11,334	(1,997)	8,182	8,194	12	4,309	4,330	21	-	-	-	(1,963)
General Plant	623	623	-	732	732	-	284	284	-			-	-
Marsh/NTS/Conservation										9,776	7,761	(2,015)	(2,015)
Total Expenses	$ 70,267	$66,175	$ (4,092)	$25,968	$32,789	$ 6,821	$22,876	$20,642	$ (2,234)	$ 11,170	$ 9,131	$ (2,039)	$ (1,545)
Net Operating Income	$ (1,591)	$ -	$ (1,591)	$ 6,995	$ -	$ 6,995	$ (293)	$ 1	$ (294)	$ (3,626)	$ -	$ (3,626)	$ 1,484

RECONCILIATION OF EXHIBIT "B" AND EXHIBIT "A"	Act	Bgt	Var
Total Water, Sewer and Recycled Expenses - Sch B	$ 130,282	$128,737	$ (1,545)
Capital & Other Expenses (including G&A)	19,373	21,565	2,192
Baker Reimb.	4,225	4,498	273
General Plant	(1,639)	(1,639)	0
Total Consolidated Operating Expense - Sch A	$ 152,240	$153,161	$ 921

Exhibit C

IRVINE RANCH WATER DISTRICT

CONSOLIDATED NON-OPERATING ACTUAL TO FORECAST REVENUES & EXPENSES

Period Ending June 30, 2018

(in thousands)

	Actual 6/30/18	Budget 6/30/18	Budget Variance	Full Year Forecast	Forecast Variance
Non-operating Revenues:					
Property Taxes	$57,247	$52,500	$4,747	$ 57,500	($253)
Investment Income	4,513	4,200	313	4,200	313
Connection Fees	32,674	26,000	6,674	29,500	3,174
Real Estate Income	16,689	13,400	3,289	16,000	689
Real Estate Fair Value Change	4,091	0	4,091	0	4,091
Other Income	13,799	8,000	5,799	12,000	1,799
Total Revenues	129,013	104,100	24,913	119,200	9,813
Non-operating Expenses:					
Interest Expense	26,034	28,300	2,266	$ 25,000	(1,034)
Real Estate Expense	13,284	7,300	(5,984)	6,900	(6,384)
Other Expenses	174	2,000	1,826	2,000	1,826
Total Expenses	39,492	37,600	(1,892)	33,900	(5,592)
Net Revenues & Expenses	$89,521	$66,500	$23,021	$85,300	$4,221

September 4, 2018
Prepared by: G. Montejano
Submitted by: J. Roney
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

RENEWAL OF GROUP MEDICAL AND DENTAL
INSURANCE PLANS FOR PLAN YEAR 2019

SUMMARY:

CalPERS Health Benefits Services has notified participating agencies of premium rates for the 2019 plan year beginning January 1, 2019. ACWA/JPIA has negotiated rates for dental insurance with Delta Dental for the plan year beginning January 1, 2019. Staff recommends that the Board:

- Continue the District's medical insurance plans with CalPERS for the 2019 plan year with changes in District and employee contribution rates as displayed in Exhibit "A"; and
- Renew IRWD's existing contract with ACWA/JPIA for Delta Dental DPO Plan A with the child and adult orthodontic plan add-on with no changes in premium rates for the 2019 plan year.

BACKGROUND:

CalPERS Medical Insurance Renewal Information:

The District currently utilizes the CalPERS medical insurance program to provide medical insurance plans for District employees. Each year, in advance of the annual insurance benefit open enrollment period, the District receives the premium rates for each medical insurance plan for the upcoming calendar year. The CalPERS medical insurance plan premium rate changes for the 2019 plan year include an average 1.16% overall increase, marking the lowest medical insurance premium rate increase CalPERS has negotiated in over two decades. CalPERS has notified the District of premium rate changes for each of the specific plans from which IRWD employees may choose. The 2019 plan year premium rates and District contribution rates for each CalPERS health insurance plan are shown in Exhibit "A".

Dental Coverage:

IRWD's current employee dental insurance plan is provided by Delta Dental Plan of California through ACWA/JPIA. IRWD currently contracts through ACWA/JPIA for the DPO Plan A with the child and adult orthodontic plan as an add-on. The ACWA/JPIA rate negotiations with Delta Dental for calendar year 2019 resulted in no changes to the premiums for the DPO Plan A with the child and adult orthodontic plan add-on. Premium rates will remain unchanged from the 2018 rates.

The 2019 plan year premium rates for the Delta DPO Plan A with the child and adult orthodontic plan add-on are $35.36 for employee only, $69.99 for employee plus+1, and $128.10 for family. ACWA/JPIA's administration fee is $2.24 per enrollee per month which is included in the premium rates.

Open Enrollment Process for 2019:

The CalPERS 2019 health insurance open enrollment period will begin in mid-September and close in early November of 2018. In September, Human Resources staff will conduct employee open enrollment informational meetings and will conduct the annual Employee Health and Wellness Fair. Insurance plan representatives have been invited to attend the Fair to provided information to employees about the details of the plans offered for enrollment.

Employee and Employer Contribution Rates:

The District has a long-standing practice of calculating the employer and employee contribution rates for health insurance premiums based on rates of the Preferred Provider Organization (PPO) plan offered which had the highest enrollment in the prior plan year. The rates for that plan are then used to calculate the maximum District contribution rates for all plans offered.

In the 2018 plan year, the PPO plan offered with the highest enrollment was the PERS Choice-PPO – Other Southern California Region (OSC) plan. The premium for this plan will increase 3.17% for the 2019 renewal, therefore the District's maximum contribution rates will increase to align with the higher 2019 PERS Choice-PPO – Other Southern California Region(OSC) plan premiums. The proposed 2019 District and employee health insurance premium contribution rates for each health plan offered under the CalPERS Health Insurance Program are outlined in Exhibit "A".

CalPERS Administrative Fees and Reserves:

On June 26, 2018, the CalPERS administrative fee was set at 0.23% for the July 1, 2018 to June 30, 2019 fiscal year. This represents a decrease from the prior year of 0.33%. The administrative fee is calculated based on total active and retiree gross health premiums and billed to contracting agencies monthly. CalPERS can also charge up to 4% for a contingency reserve fund, however, a contingency fee has not been assessed since 1985. For the 2019 plan year, staff has not been notified of any contingency reserve fees.

FISCAL IMPACT:

Continuation of the CalPERS medical insurance plans will result in expenses for FY 2018-2019 of $4,850,444. Actual District medical insurance expenses for FY 2017-2018 were $4,780,345. The FY 2018-2019 expenses represent a 1.4% ($70,099) increase over the FY 2017-2018 expenses. Annual medical insurance premiums for FY 2018-2019 will be approximately 89% ($4,850,444) of the budgeted $5,423,000.

Renewal of the ACWA/JPIA for Delta Dental DPO Plan A with the child and adult orthodontic plan add-on will result in no change in premium rates. Annual dental insurance premiums for FY 2018-2019 will be approximately 95% ($12,400,000) of the budgeted $12,976,710.

ENVIRONMENTAL IMPACTS:

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

RECOMMENDATION:

That the Board authorize the continuation of the District's health insurance plans with CalPERS with changes in District and employee contribution rates as displayed in Exhibit "A", and authorize continuation of the District's Dental insurance plans with ACWC/JPIA Delta Dental DPO Plan A with the child and adult orthodontic plan add-on with no changes to premium rates from the 2018 plan year.

LIST OF EXHIBITS:

Exhibit "A" – CalPERS Medical Premium Comparison 2018 to 2019 and Recommended 2019 District and Employee Medical Premium Contribution Rates

Exhibit "A"

Other Southern California Region - Orange, Riverside, San Diego Counties

		2018				2019				
	Current Enrollment	2018 Premium Rates	Max $ Disrict Contribution	$ Employee Contribution	% Employee Contribution	2019 Premium Rates	Max $ Disrict Contribution	$ Employee Contribution	% Employee Contribution	CalPERS Renewal (+/-) %
Anthem Select HMO - OSC										
Employee Only	6	$659.69	$629.06	$30.63	4.6%	$625.07	$625.07	$0.00	0.0%	-5.25%
Employee + 1 Dependent	0	$1,319.38	$1,258.13	$61.25	4.6%	$1,250.14	$1,250.14	$0.00	0.0%	-5.25%
Employee + Family	5	$1,715.19	$1,635.57	$79.62	4.6%	$1,625.18	$1,625.18	$0.00	0.0%	-5.25%
	11	**$12,534**	**$11,952**	**$582**		**$11,876**	**$11,876**	**$0**		
Anthem Traditional HMO - OSC										
Employee Only	0	$735.08	$629.06	$106.02	14.4%	$830.89	$649.00	$181.89	21.9%	13.03%
Employee + 1 Dependent	0	$1,470.16	$1,258.13	$212.03	14.4%	$1,661.78	$1,298.00	$363.78	21.9%	13.03%
Employee + Family	0	$1,911.21	$1,635.57	$275.64	14.4%	$2,160.31	$1,687.40	$472.91	21.9%	13.03%
	0	**$0**	**$0**	**$0**		**$0**	**$0**	**$0**		
Blue Shield of California Access+ - OSC										
Employee Only	9	$695.97	$629.06	$66.91	9.6%	$760.04	$649.00	$111.04	14.6%	9.21%
Employee + 1 Dependent	7	$1,391.94	$1,258.13	$133.81	9.6%	$1,520.08	$1,298.00	$222.08	14.6%	9.21%
Employee + Family	20	$1,809.52	$1,635.57	$173.95	9.6%	$1,976.10	$1,687.40	$288.70	14.6%	9.21%
	36	**$52,198**	**$47,180**	**$5,018**		**$57,003**	**$48,675**	**$8,328**		
Health Net Salud y Mas - OSC										
Employee Only	0	$461.56	$461.56	$0.00	0.0%	$427.81	$427.81	$0.00	0.0%	-7.31%
Employee + 1 Dependent	0	$923.12	$923.12	$0.00	0.0%	$855.62	$855.62	$0.00	0.0%	-7.31%
Employee + Family	0	$1,200.06	$1,200.06	$0.00	0.0%	$1,112.31	$1,112.31	$0.00	0.0%	-7.31%
	0	**$0**	**$0**	**$0**		**$0**	**$0**	**$0**		
Health Net SmartCare - OSC										
Employee Only	2	$607.68	$607.68	$0.00	0.0%	$642.71	$642.71	$0.00	0.0%	5.76%
Employee + 1 Dependent	1	$1,215.36	$1,215.36	$0.00	0.0%	$1,285.42	$1,285.42	$0.00	0.0%	5.76%
Employee + Family	0	$1,579.97	$1,579.97	$0.00	0.0%	$1,671.05	$1,671.05	$0.00	0.0%	5.76%
	3	**$2,431**	**$2,431**	**$0**		**$2,571**	**$2,571**	**$0**		
Kaiser Health Plan of California - OSC										
Employee Only	31	$666.80	$629.06	$37.74	5.7%	$628.63	$628.63	$0.00	0.0%	-5.72%
Employee + 1 Dependent	24	$1,333.60	$1,258.13	$75.47	5.7%	$1,257.26	$1,257.26	$0.00	0.0%	-5.72%
Employee + Family	75	$1,733.68	$1,635.57	$98.11	5.7%	$1,634.44	$1,634.44	$0.00	0.0%	-5.72%
	130	**$182,703**	**$172,364**	**$10,339**		**$172,245**	**$172,245**	**$0**		
PERS Care - OSC										
Employee Only	5	$733.50	$629.06	$104.44	14.2%	$907.29	$649.00	$258.29	28.5%	23.69%
Employee + 1 Dependent	3	$1,467.00	$1,258.13	$208.87	14.2%	$1,814.58	$1,298.00	$516.58	28.5%	23.69%
Employee + Family	5	$1,907.10	$1,635.57	$271.53	14.2%	$2,358.95	$1,687.40	$671.55	28.5%	23.69%
	13	**$17,604**	**$15,098**	**$2,506**		**$21,775**	**$15,576**	**$6,199**		
PERS Choice - OSC										
Employee Only	15	$698.96	$629.06	$69.90	10.0%	$721.11	$649.00	$72.11	10.0%	3.17%
Employee + 1 Dependent	20	$1,397.92	$1,258.13	$139.79	10.0%	$1,442.22	$1,298.00	$144.22	10.0%	3.17%
Employee + Family	22	$1,817.30	$1,635.57	$181.73	10.0%	$1,874.89	$1,687.40	$187.49	10.0%	3.17%
	57	**$78,423**	**$70,581**	**$7,842**		**$80,909**	**$72,818**	**$8,091**		
PERS Select - OSC										
Employee Only	6	$654.74	$629.06	$25.68	3.9%	$462.71	$462.71	$0.00	0.0%	-29.33%
Employee + 1 Dependent	4	$1,309.48	$1,258.13	$51.35	3.9%	$925.42	$925.42	$0.00	0.0%	-29.33%
Employee + Family	10	$1,702.32	$1,635.57	$66.75	3.9%	$1,203.05	$1,203.05	$0.00	0.0%	-29.33%
	20	**$26,190**	**$25,163**	**$1,027**		**$18,508**	**$18,508**	**$0**		
Sharp Health Plan - OSC										
Employee Only	1	$618.14	$618.14	$0.00	0.0%	$593.66	$593.66	$0.00	0.0%	-3.96%
Employee + 1 Dependent	0	$1,236.28	$1,236.28	$0.00	0.0%	$1,187.32	$1,187.32	$0.00	0.0%	-3.96%
Employee + Family	0	$1,607.16	$1,607.16	$0.00	0.0%	$1,543.52	$1,543.52	$0.00	0.0%	-3.96%
	1	**$618**	**$618**	**$0**		**$594**	**$594**	**$0**		
UnitedHealthcare - OSC										
Employee Only	12	$616.66	$616.66	$0.00	0.0%	$646.65	$646.65	$0.00	0.0%	4.86%
Employee + 1 Dependent	4	$1,233.32	$1,233.32	$0.00	0.0%	$1,293.30	$1,293.30	$0.00	0.0%	4.86%
Employee + Family	13	$1,603.32	$1,603.32	$0.00	0.0%	$1,681.29	$1,681.29	$0.00	0.0%	4.86%
	29	**$33,176**	**$33,176**	**$0**		**$34,790**	**$34,790**	**$0**		
OSC Region Medical Monthly Tota	**300**	***$405,877***	***$378,562***	***$27,315***		***$400,270***	***$377,653***	***$22,618***		
OSC Region Medical Annual Total		***$4,870,526***	***$4,542,746***	***$327,780***	*6.7%*	***$4,803,243***	***$4,531,831***	***$271,413***	*5.7%*	*-1.38%*
% Change						***-1.38%***	***-0.2%***	***-17.2%***		
$ Change						***-$67,283***	***-$10,915***	***-$56,367***		

Los Angeles Region - Los Angeles, San Bernardino, Ventura Counties

	Current Enrollment	2018 Premium Rates (2018)	Max $ Disrict Contribution (2018)	$ Employee Contribution (2018)	% Employee Contribution (2018)	2019 Premium Rates (2019)	Max $ Disrict Contribution (2019)	$ Employee Contribution (2019)	% Employee Contribution (2019)	CalPERS Renewal (+/-) %
Anthem Select HMO - LA										
Employee Only	0	$660.17	$629.06	$31.11	4.7%	$627.07	$627.07	$0.00	0.0%	-5.01%
Employee + 1 Dependent	0	$1,320.34	$1,258.13	$62.21	4.7%	$1,254.14	$1,254.14	$0.00	0.0%	-5.01%
Employee + Family	2	$1,716.44	$1,635.57	$80.87	4.7%	$1,630.38	$1,630.38	$0.00	0.0%	-5.01%
	2	**$3,433**	**$3,271**	**$162**		**$3,261**	**$3,261**	**$0**		
Anthem Traditional HMO - LA										
Employee Only	0	$784.72	$629.06	$155.66	19.8%	$878.48	$649.00	$229.48	26.1%	11.95%
Employee + 1 Dependent	0	$1,569.44	$1,258.13	$311.31	19.8%	$1,756.96	$1,298.00	$458.96	26.1%	11.95%
Employee + Family	0	$2,040.27	$1,635.57	$404.70	19.8%	$2,284.05	$1,687.40	$596.65	26.1%	11.95%
	0	**$0**	**$0**	**$0**		**$0**	**$0**	**$0**		
Blue Shield of California Access+ - LA										
Employee Only	1	$613.29	$613.29	$0.00	0.0%	$669.75	$649.00	$20.75	3.1%	9.21%
Employee + 1 Dependent	1	$1,226.58	$1,226.58	$0.00	0.0%	$1,339.50	$1,298.00	$41.50	3.1%	9.21%
Employee + Family	4	$1,594.55	$1,594.55	$0.00	0.0%	$1,741.35	$1,687.40	$53.95	3.1%	9.21%
	6	**$8,218**	**$8,218**	**$0**		**$8,975**	**$8,697**	**$278**		
Health Net SmartCare - LA										
Employee Only	0	$577.15	$577.15	$0.00	0.0%	$584.27	$584.27	$0.00	0.0%	1.23%
Employee + 1 Dependent	1	$1,154.30	$1,154.30	$0.00	0.0%	$1,168.54	$1,168.54	$0.00	0.0%	1.23%
Employee + Family	2	$1,500.59	$1,500.59	$0.00	0.0%	$1,519.10	$1,519.10	$0.00	0.0%	1.23%
	3	**$4,155**	**$4,155**	**$0**		**$4,207**	**$4,207**	**$0**		
Kaiser Health Plan of California - LA										
Employee Only	4	$642.70	$629.06	$13.64	2.1%	$618.64	$618.64	$0.00	0.0%	-3.74%
Employee + 1 Dependent	2	$1,285.40	$1,258.13	$27.27	2.1%	$1,237.28	$1,237.28	$0.00	0.0%	-3.74%
Employee + Family	8	$1,671.02	$1,635.57	$35.45	2.1%	$1,608.46	$1,608.46	$0.00	0.0%	-3.74%
	14	**$18,510**	**$18,117**	**$393**		**$17,817**	**$17,817**	**$0**		
PERS Care - LA										
Employee Only	0	$673.73	$629.06	$44.67	6.6%	$843.78	$649.00	$194.78	23.1%	25.24%
Employee + 1 Dependent	1	$1,347.46	$1,258.13	$89.33	6.6%	$1,687.56	$1,298.00	$389.56	23.1%	25.24%
Employee + Family	1	$1,751.70	$1,635.57	$116.13	6.6%	$2,193.83	$1,687.40	$506.43	23.1%	25.24%
	2	**$3,099**	**$2,894**	**$205**		**$3,881**	**$2,985**	**$896**		
PERS Choice - LA										
Employee Only	1	$620.39	$620.39	$0.00	0.0%	$654.50	$649.00	$5.50	0.8%	5.50%
Employee + 1 Dependent	2	$1,240.78	$1,240.78	$0.00	0.0%	$1,309.00	$1,298.00	$11.00	0.8%	5.50%
Employee + Family	2	$1,613.01	$1,613.01	$0.00	0.0%	$1,701.70	$1,687.40	$14.30	0.8%	5.50%
	5	**$6,328**	**$6,328**	**$0**		**$6,676**	**$6,620**	**$56**		
PERS Select - LA										
Employee Only	0	$573.21	$573.21	$0.00	0.0%	$420.77	$420.77	$0.00	0.0%	-26.59%
Employee + 1 Dependent	0	$1,146.42	$1,146.42	$0.00	0.0%	$841.54	$841.54	$0.00	0.0%	-26.59%
Employee + Family	1	$1,490.35	$1,490.35	$0.00	0.0%	$1,094.00	$1,094.00	$0.00	0.0%	-26.59%
	1	**$1,490**	**$1,490**	**$0**		**$1,094**	**$1,094**	**$0**		
UnitedHealthcare - LA										
Employee Only	1	$602.78	$602.78	$0.00	0.0%	$669.61	$649.00	$20.61	3.1%	11.09%
Employee + 1 Dependent	0	$1,205.56	$1,205.56	$0.00	0.0%	$1,339.22	$1,298.00	$41.22	3.1%	11.09%
Employee + Family	3	$1,567.23	$1,567.23	$0.00	0.0%	$1,740.99	$1,687.40	$53.59	3.1%	11.09%
	4	**$5,304**	**$5,304**	**$0**		**$5,893**	**$5,711**	**$181**		
LA Region Medical Monthly Total	*37*	***$50,538***	***$49,778***	***$760***		***$51,803***	***$50,391***	***$1,412***		
LA Region Medical Annual Total		***$606,458***	***$597,339***	***$9,119***	*1.5%*	***$621,634***	***$604,696***	***$16,938***	*2.7%*	*2.50%*
% Change						***2.5%***	***1.2%***	***85.8%***		
$ Change						***$15,176***	***$7,357***	***$7,819***		
Medical Monthly Grand Total	337	$456,415	$428,340	$28,075		$452,073	$428,044	$24,029		
Medical Annual Grand Total		$5,476,984	$5,140,085	$336,899		$5,424,877	$5,136,526	$288,351		-0.95%
% Change						-0.95%	-0.07%	-14.41%		
$ Change						-$52,107	-$3,559	-$48,548		

September 4, 2018
Prepared by: J. Davis/T. Fournier
Submitted by: R. Jacobson/C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW AND PROPOSED INVESTMENT POLICY STATEMENT REVISIONS

SUMMARY:

The following is submitted for the Committee's review and consideration:

- A Summary of the Deferred Compensation Program and Distribution of Assets as of June 30, 2018, as outlined in Exhibit "A";
- Mutual Fund Performance Review as of June 30, 2018, as outlined in Exhibit "B"; and,
- The Proposed Deferred Compensation Investment Policy Statement, as outlined in Exhibit "C", which requires Board approval.

BACKGROUND:

Overview of the Deferred Compensation Assets:

As of June 30, 2018, the District's Section 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled $58,825,201 which represented a $2,291,052 increase from the quarter ending March 31, 2018 and a $6,405,355 increase for the one-year period ending June 30, 2018. The changes in Plan assets over these two periods are summarized as follows:

	For the One-Year Period Ending June 30, 2018	*For the Quarter Ending June 30, 2018*
Beginning Balance	$52,419,845	$56,534,149
Employee Contributions	2,515,036	631,332
District Contributions	947,516	260,452
Transfers to/from Other Plans	479,447	150,746
Distributions	(2,531,131)	(180,036)
Loan Distributions(1)	(320,866)	(17,163)
Loan Repayments	214,052	58,220
Net Investment Gain (Loss)	5,101,303	1,387,501
Ending Balance – June 30, 2018	$58,825,201	$58,825,201
Change in Assets for the Period	$6,405,355	$2,291,052

(1) Number of loans outstanding: 66

2018 Deferred Compensation Plan Review:

In April, the Committee approved the following changes to the Deferred Compensation Program, which were completed on June 26, 2018:

- Discontinue the use of mutual funds that provide revenue sharing to pay administrative fees, and shift to lower cost, non-revenue share investment options, utilizing a per participant cost sharing structure where all participants proportionally share the 0.11% administration fee;
- Replacement of four mutual funds due to lagging performance; and,
- Addition of Vanguard Target Date Funds.

Summary of Investment Changes		
Previous Fund	**Non-Revenue Share Replacement Fund**	**Replacement Rationale and Expense Ratio Fee Reduction**
Putnam Stable Value **50**	Putnam Stable Value **25**	(0.25%)
MetWest Total Return **I**	MetWest Total Return **Plan Ahead**	(0.06%)
Growth Fund Of America **R5**	Growth Fund Of America **R6**	(0.05%)
Hotchkis & Wiley Mid-Cap Value I	Wells Fargo Special Mid-Cap Value R6	Under Performance (0.30%)
Victory Munder Mid-Cap Growth R6	Hartford Mid-Cap Growth R6	Under Performance (0.09%)
Baron Small Cap Growth I	Hood River Small Cap Growth R	Under Performance (0.06%)
Harbor International I	American Funds EuroPacific Growth R6	Under Performance (0.22%)
Conservative Profile Previous Fund Allocation	Conservative Profile - New Fund Allocation	(0.15%)
Moderate Profile Previous Fund Allocation	Moderate Profile New- Fund Allocation	(0.13%)
Aggressive Profile Previous Fund Allocation	Aggressive Profile New- Fund Allocation	(0.12%)
New Investment		**Expense Ratio**
Vanguard Target Retirement Funds		0.13% - 0.15%

The Great West Financial Fund Performance Review as of June 30, 2018 is attached as Exhibit "B".

Investment Policy Statement:

As the final step in the 2018 Deferred Compensation Review project, staff has revised the Plans Deferred Compensation Investment Policy Statement (Policy), which requires Board approval. The primary changes to the policy reflect the addition of the asset allocation Target Date Funds as new investment options in the Plans, and sets the appropriate age-based Target Date Fund as the default investment for participants that fail to select an investment option. The Proposed Investment Policy Statement is attached as Exhibit "C".

FISCAL IMPACTS:

As of June 30, 2018, the District's Plan assets totaled $58,825,201, which represented a $2,291,052 increase from the quarter ending March 31, 2018 and a $6,405,355 increase for the one-year period ending June 30, 2018.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Board approve the Proposed Deferred Compensation Investment Policy Statement.

LIST OF EXHIBITS:

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

EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
June 30, 2018

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	**$45,001,671**	**$13,823,530**	**$58,825,201**
Change From Prior Quarter	$1,764,970	$526,081	$2,291,052
Change From Prior Year (6/2017)	$4,667,923	$1,737,432	$6,405,355
Quarterly Contributions	**$631,332**	**$260,452**	**$891,784**
Change From Prior Quarter**	*($116,163)*	$43,570	

**Decrease in the 457 contributions is due to the annual discretionary vacation transfer in the prior quarter.

	For the One Year Period Ending June 30, 2018	For the Quarter Ending June 30, 2018
Beginning Balance	$52,419,845	$56,534,149
Employee Contributions	2,515,036	631,332
District Contributions	947,516	260,452
Transfers to/from other plans	479,447	150,746
Distributions	(2,531,131)	(180,036)
Loan Distributions[1]	(320,866)	(17,163)
Loan Repayment	214,052	58,220
Net Investment Gain (Loss)	5,101,303	1,387,501
Ending Balance - June 30, 2018	$58,825,201	$58,825,201
Change in assets for the period	$6,405,355	$2,291,052

[1] Number of loans outstanding as of 6/30/18 : 66

Employee Participation	
Full-time Permanent Employees	357
Permanent Employees Participating	317
Percent Participation	89%

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

June 30, 2018

Fund	Assets	Percent of Assets	Change from previous quarter
PROFILE FUNDS			
Aggressive Profile Fund	6,842,060	11.6%	0.3%
Moderate Profile Fund	6,134,897	10.4%	0.0%
Conservative Profile Fund	4,421,851	7.5%	-0.2%
Sub Total	**17,398,808**	**29.6%**	**0.1%**
INTERNATIONAL FUND			
American Funds EuroPacific Gr R6	1,859,601	3.2%	3.2%
Harbor International Instl	0	0.0%	-3.3%
Vanguard Total Intl Stock Index Admiral	1,346,009	2.3%	0.1%
Sub Total	**3,205,610**	**5.4%**	**-0.1%**
SMALL CAP FUNDS			
Baron Small-Cap Growth Fund	0	0.0%	-4.7%
Hood River Small-Cap Growth Retirement	2,700,706	4.6%	4.6%
Victory Integrity Small Cap Value R6	1,439,313	2.4%	2.4%
Victory Integrity Small Cap	0	0.0%	-2.4%
Vanguard Small Cap Index	1,433,621	2.4%	0.4%
Sub Total	**5,573,640**	**9.5%**	**0.4%**
MEDIUM CAP FUNDS			
Hartford MidCap R6	2,020,149	3.4%	3.4%
Munder Mid-Cap Core Growth Fund	0	0.0%	-3.5%
Hotchkis & Wiley Mid-Cap Value Fund	0	0.0%	-3.6%
Wells Fargo Spec Md Cp Val R6	2,204,825	3.7%	3.7%
Vanguard Mid-Cap Index Fund	1,637,891	2.8%	0.1%
Sub Total	**5,862,865**	**10.0%**	**0.1%**
LARGE CAP FUNDS			
American Growth Fund R4	0	0.0%	-8.4%
American Funds Growth Fund of Amer R6	5,185,950	8.8%	8.8%
Vanguard Institutional Index	6,219,208	10.6%	0.0%
Diamond Hill Large-Cap Fund	2,266,767	3.9%	-0.3%
Sub Total	**13,671,925**	**23.2%**	**0.1%**
BOND FUND			
Metropolitan West Total Return Bond Plan	3,009,042	5.1%	5.1%
Metropolitan West Total Return Bond	0	0.0%	-5.2%
Sub Total	**3,009,042**	**5.1%**	**-0.1%**
STABLE VALUE FUND			
Putnam Stable Value	7,304,893	12.4%	-0.5%
Sub Total	**7,304,893**	**12.4%**	**-0.5%**
TARGET DATE FUND			
Vanguard Target Retirement 2040 Inv	3,258	0.0%	0.0%
Sub Total	**3,258**	**0.0%**	**0.0%**
OTHER			
Ameritrade Brokerage	2,795,159	4.8%	-0.2%
Total Assets	**$58,825,201**	**100%**	
LOAN BALANCE OUTSTANDING	**$834,637**		

GREAT-WEST FINANCIAL™

FUND PERFORMANCE REVIEW

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

Reporting Period Ending June 30, 2018

AM469530T-0618

GREAT-WEST FINANCIAL

FUND PERFORMANCE REVIEW

IMPORTANT DISCLOSURES:

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

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

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FUND PERFORMANCE REVIEW: OVERVIEW

GREAT-WEST FINANCIAL

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

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

SOURCE:
* Statistics are derived from an independent third-party source: primarily Morningstar® Direct℠

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

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

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

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

FUND PERFORMANCE REVIEW (FPR): CRITERIA

GREAT-WEST FINANCIAL™

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

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

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

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

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

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

Overall Composite		Overall Morningstar Rating	Overall Rating
> 50.0%	AND	❸, ❹, or ❺	Above
≥ 50.0%	OR	❸, ❹, or ❺	Neutral
< 50.0%	AND	❶, or ❷	Below
< 25.0%			Below

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

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

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

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

Performance Summary: Irvine Ranch Water District

period ended 6/30/2018

	Morningstar Category	Ticker Symbol	Fund Name	Overall Rating: Composite %'s Overall	Composite %'s Return	Composite %'s Sharpe	Overall Morningstar Rating		Long-Term Rolling Analysis: Consecutive Quarters Below	# of Quarters Below out of trailing 12	
Intl	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	68.1	67.7	68.5	4	Above	0	0 out of 12	Pass
	Foreign Large Blend	HAINX	Harbor International Institutional	21.8	30.0	13.5	3	Below	4	4 out of 12	Watch
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	78.5	81.0	76.0	4	Above	0	0 out of 12	Pass
	Small Growth	BSFIX	Baron Small Cap Instl	65.1	53.7	76.5	3	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	57.1	69.7	44.5	3	Above	0	0 out of 12	Pass
Mid-Cap	Mid-Cap Growth	HFMVX	Hartford MidCap R6	87.0	86.0	88.0	4	Above	0	0 out of 12	Pass
	Mid-Cap Growth	MGOSX	Victory Munder Mid-Cap Core Growth R6	18.8	17.7	20.0	2	Below	2	2 out of 12	Watch
	Mid-Cap Value	WFPRX	Wells Fargo Special Mid Cap Value R6	74.6	72.7	76.5	4	Above	0	0 out of 12	Pass
	Mid-Cap Value	HWMIX	Hotchkis & Wiley Mid-Cap Value I	32.8	54.7	11.0	3	Neutral	0	7 out of 12	Watch
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	76.0	63.0	89.0	4	Above	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	72.6	77.7	67.5	4	Above	0	0 out of 12	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Inv	84.4	72.3	96.5	4	Above	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Inv	86.3	85.7	87.0	5	Above	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Inv	82.8	80.0	85.5	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Inv	78.0	76.0	80.0	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Inv	72.3	69.7	75.0	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Inv	73.5	77.0	70.0	4	Above	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Inv	73.5	74.0	73.0	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Inv	73.0	73.0	73.0	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Inv	67.8	65.5	70.0	4	Above	0	0 out of 12	N/A
	Target-Date 2060+	VTTSX	Vanguard Target Retirement 2060 Inv	54.8	49.0	60.5	3	Above	0	0 out of 12	N/A
Bond	Intermediate-Term Bond	MWTSX	Metropolitan West Total Return Bd Plan	67.4	70.3	64.5	4	Above	0	0 out of 12	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	68.3	65.0	71.5	3	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Adm (Idx)	78.8	73.0	84.5	4	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	71.9	65.3	78.5	3	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	89.2	87.3	91.0	4	N/A	N/A	0 out of 12	Pass

Data Source: Morningstar® Direct SM

Please refer to the Appendix page for additional disclosures

Exhibit "B"

Return Analysis: Irvine Ranch Water District

period ended 6/30/2018

	Fund Name	2nd Qtr 2018 Return	2nd Qtr 2018 Percentile	Performance vs. Benchmark (Annualized Returns and Return Percentiles %) 1 Year Return	1 Year Percentile	3 Year Return	3 Year Percentile	5 Year Return	5 Year Percentile	10 Year Return	10 Year Percentile	Return Since Inception	Incept. Date
Intl	Foreign Large Growth Peer Group	-0.86	50	10.32	50	6.19	50	7.42	50	3.98	50		
	American Funds Europacific Growth R6	-2.82	20	9.35	45	6.51	56	8.34	72	4.82	75	9.86	5/1/2009
	Foreign Large Blend Peer Group	-2.51	50	6.26	50	4.50	50	6.08	50	2.60	50		
	Harbor International Institutional	-0.74	89	4.48	20	2.86	15	4.87	18	2.76	57	10.58	12/29/1987
Small-Cap	Small Growth Peer Group	7.60	50	21.89	50	10.90	50	13.01	50	10.88	50		
	Hood River Small-Cap Growth Retirement	8.32	59	16.70	21	12.13	72	15.12	87	12.71	84	19.21	3/3/2017
	Baron Small Cap Instl	6.49	29	20.48	41	11.91	69	12.43	39	11.01	53	15.47	5/29/2009
	Small Value Peer Group	5.84	50	11.93	50	9.43	50	10.68	50	9.87	50		
	Victory Integrity Small-Cap Value R6	4.93	31	13.17	68	9.34	47	11.22	67	12.01	95	15.27	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	3.56	50	17.67	50	9.80	50	12.42	50	9.51	50		
	Hartford MidCap R6	3.92	59	19.41	65	12.99	87	15.05	91	10.79	80	12.71	11/7/2014
	Victory Munder Mid-Cap Core Growth R6	0.73	5	12.56	11	7.01	12	10.70	14	8.68	27	13.53	6/1/2012
	Mid-Cap Value Peer Group	2.12	50	7.38	50	7.67	50	10.00	50	8.73	50		
	Wells Fargo Special Mid Cap Value R6	0.51	13	4.79	14	7.79	52	11.41	80	10.84	86	11.39	6/28/2013
	Hotchkis & Wiley Mid-Cap Value I	7.80	99	14.32	99	6.97	39	9.26	26	12.50	99	12.31	1/2/1997
Large-Cap	Large Growth Peer Group	5.42	50	21.42	50	12.84	50	15.01	50	10.42	50		
	American Funds Growth Fund of Amer R6	5.97	66	22.76	64	14.81	76	15.83	64	10.36	49	15.93	5/1/2009
	Large Value Peer Group	1.48	50	8.40	50	8.23	50	10.01	50	8.33	50		
	Diamond Hill Large Cap Y	1.01	35	6.81	29	9.37	74	11.29	85	9.15	74	13.54	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	0.41	50	3.62	50	3.71	50	4.18	50	4.48	50		
	Vanguard Target Retirement Income Inv	0.43	51	3.96	60	4.15	71	4.79	72	5.08	74	5.19	10/27/2003
	Target-Date 2020 Peer Group	0.64	50	5.69	50	5.22	50	6.41	50	5.62	50		
	Vanguard Target Retirement 2020 Inv	0.61	46	6.68	86	6.08	85	7.44	86	6.43	86	6.26	6/7/2006
	Target-Date 2025 Peer Group	0.74	50	6.79	50	5.98	50	7.40	50	6.16	50		
	Vanguard Target Retirement 2025 Inv	0.65	39	7.58	77	6.68	85	8.11	82	6.71	73	6.80	10/27/2003
	Target-Date 2030 Peer Group	0.88	50	7.98	50	6.65	50	7.99	50	6.36	50		
	Vanguard Target Retirement 2030 Inv	0.78	38	8.48	68	7.19	73	8.71	77	6.96	78	6.66	6/7/2006
	Target-Date 2035 Peer Group	1.00	50	9.08	50	7.29	50	8.65	50	6.87	50		
	Vanguard Target Retirement 2035 Inv	0.83	35	9.25	58	7.66	69	9.31	72	7.29	68	7.47	10/27/2003
	Target-Date 2040 Peer Group	1.12	50	9.62	50	7.61	50	9.03	50	6.95	50		
	Vanguard Target Retirement 2040 Inv	0.90	32	10.14	69	8.14	72	9.79	80	7.61	79	7.11	6/7/2006
	Target-Date 2045 Peer Group	1.19	50	10.11	50	7.97	50	9.34	50	7.19	50		
	Vanguard Target Retirement 2045 Inv	0.94	32	10.51	66	8.40	74	9.95	77	7.68	71	7.95	10/27/2003
	Target-Date 2050 Peer Group	1.20	50	10.17	50	7.95	50	9.34	50	7.13	50		
	Vanguard Target Retirement 2050 Inv	0.94	35	10.52	60	8.40	70	9.95	76	7.68	73	7.21	6/7/2006
	Target-Date 2055 Peer Group	1.22	50	10.45	50	8.11	50	9.57	50	8.08	50		
	Vanguard Target Retirement 2055 Inv	0.95	33	10.53	53	8.37	66	9.92	65	N/A	N/A	10.91	8/18/2010
	Target-Date 2060+ Peer Group	1.27	50	10.72	50	8.44	50	9.88	50	N/A	50		
	Vanguard Target Retirement 2060 Inv	0.93	24	10.51	41	8.37	45	9.92	53	N/A	N/A	10.68	1/19/2012
Bond	Intermediate-Term Bond Peer Group	-0.25	50	-0.47	50	1.68	50	2.25	50	4.00	50		
	Metropolitan West Total Return Bd Plan	-0.01	80	-0.19	67	1.63	46	2.54	69	5.45	96	3.42	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	-3.17	30	7.10	70	5.33	76	6.42	64	2.72	55	5.22	11/29/2010
	Vanguard Small Cap Index Adm (Idx)	6.20	45	16.48	64	10.45	64	12.40	72	11.27	83	9.50	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	2.57	42	12.09	54	9.21	59	12.30	75	10.09	62	10.10	11/12/2001
	Vanguard Institutional Index I (Idx)	3.42	74	14.33	71	11.90	90	13.39	88	10.17	84	9.85	7/31/1990

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

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

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

Data Source: Morningstar® Direct[SM]

Please refer to the Appendix page for additional disclosures

Exhibit "B"

Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 6/30/2018

	Fund Name	Sharpe Ratios and Percentiles % 3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	Standard Deviation 3 Yr	5 Yr	Expense Ratio	Expense Percentile %	Manager Tenure (yrs)	Fund Size $MM
Intl	Foreign Large Growth Peer Group	0.51	50	0.65	50	11.56	11.24	1.07	50		
	American Funds Europacific Growth R6	0.54	56	0.76	81	11.41	10.80	0.49	97	27	165,924
	Foreign Large Blend Peer Group	0.37	50	0.53	50	11.43	11.30	0.98	50		
	Harbor International Institutional	0.23	13	0.41	14	12.57	12.22	0.72	76	9	23,403
Small-Cap	Small Growth Peer Group	0.78	50	0.94	50	13.83	13.67	1.15	50		
	Hood River Small-Cap Growth Retirement	0.86	66	1.09	86	13.57	13.44	1.00	69	16	544
	Baron Small Cap Instl	0.93	79	1.01	74	12.13	11.96	1.05	64	21	4,403
	Small Value Peer Group	0.66	50	0.78	50	13.86	13.40	1.16	50		
	Victory Integrity Small-Cap Value R6	0.63	39	0.79	50	14.60	14.29	0.96	74	14	2,727
Mid-Cap	Mid-Cap Growth Peer Group	0.80	50	1.04	50	11.48	11.39	1.08	50		
	Hartford MidCap R6	1.06	89	1.25	87	11.53	11.45	0.76	89	8	12,775
	Victory Munder Mid-Cap Core Growth R6	0.60	17	0.95	23	11.09	10.88	0.85	80	17	3,634
	Mid-Cap Value Peer Group	0.63	50	0.89	50	11.18	10.85	1.02	50		
	Wells Fargo Special Mid Cap Value R6	0.74	66	1.08	87	9.82	10.11	0.75	84	10	8,738
	Hotchkis & Wiley Mid-Cap Value I	0.44	16	0.63	6	17.00	15.17	1.03	49	22	1,939
Large-Cap	Large Growth Peer Group	1.04	50	1.28	50	11.64	11.15	0.96	50		
	American Funds Growth Fund of Amer R6	1.22	90	1.41	88	11.26	10.53	0.33	97	25	195,944
	Large Value Peer Group	0.72	50	0.93	50	10.59	10.20	0.90	50		
	Diamond Hill Large Cap Y	0.79	65	1.01	70	11.17	10.79	0.55	90	16	6,149
Asst All/Other	Target-Date Retirement Peer Group	0.79	50	1.02	50	3.93	3.80	0.70	50		
	Vanguard Target Retirement Income Inv	1.00	95	1.27	98	3.39	3.37	0.13	97	5	16,661
	Target-Date 2020 Peer Group	0.80	50	1.04	50	5.73	5.80	0.71	50		
	Vanguard Target Retirement 2020 Inv	0.90	85	1.17	89	5.95	5.92	0.13	97	5	32,589
	Target-Date 2025 Peer Group	0.81	50	1.04	50	6.65	6.66	0.71	50		
	Vanguard Target Retirement 2025 Inv	0.89	85	1.14	86	6.71	6.66	0.14	97	5	40,643
	Target-Date 2030 Peer Group	0.80	50	1.01	50	7.53	7.38	0.75	50		
	Vanguard Target Retirement 2030 Inv	0.87	78	1.11	82	7.46	7.36	0.14	97	5	34,474
	Target-Date 2035 Peer Group	0.81	50	1.02	50	8.29	8.16	0.74	50		
	Vanguard Target Retirement 2035 Inv	0.85	72	1.08	78	8.26	8.13	0.14	97	5	33,134
	Target-Date 2040 Peer Group	0.80	50	1.00	50	8.88	8.59	0.77	50		
	Vanguard Target Retirement 2040 Inv	0.83	65	1.06	75	9.01	8.79	0.15	97	5	25,193
	Target-Date 2045 Peer Group	0.81	50	1.01	50	9.19	8.96	0.75	50		
	Vanguard Target Retirement 2045 Inv	0.85	71	1.06	75	9.18	8.90	0.15	96	5	23,198
	Target-Date 2050 Peer Group	0.80	50	1.00	50	9.22	9.00	0.77	50		
	Vanguard Target Retirement 2050 Inv	0.85	70	1.06	76	9.17	8.89	0.15	96	5	15,838
	Target-Date 2055 Peer Group	0.80	50	1.02	50	9.40	9.06	0.75	50		
	Vanguard Target Retirement 2055 Inv	0.84	68	1.06	72	9.17	8.88	0.15	96	5	7,413
	Target-Date 2060+ Peer Group	0.84	50	1.02	50	9.32	9.14	0.75	50		
	Vanguard Target Retirement 2060 Inv	0.84	48	1.06	73	9.18	8.89	0.15	95	5	2,939
Bond	Intermediate-Term Bond Peer Group	0.37	50	0.67	50	2.62	2.66	0.66	50		
	Metropolitan West Total Return Bd Plan	0.38	53	0.85	76	2.34	2.41	0.38	89	21	75,198
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.45	78	0.57	65	11.43	11.30	0.11	96	10	343,070
	Vanguard Small Cap Index Adm (Idx)	0.82	80	0.99	89	12.24	12.13	0.05	98	2	90,743
	Vanguard Mid Cap Index Admiral (Idx)	0.82	66	1.13	91	10.50	10.34	0.05	98	20	97,857
	Vanguard Institutional Index I (Idx)	1.09	90	1.29	92	10.16	9.81	0.04	98	18	223,489

A Percentile Ranking of 100% represents the highest performance whereas 0% represents the lowest.
Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® Direct℠
Please refer to the Appendix page for additional disclosures

Exhibit "B"

Annual Returns and Statistics: Irvine Ranch Water District

period ended 6/30/2018

		Calendar Year Returns					Modern Portfolio Theory Statistics (3 year)			Portfolio Construction		
	Fund Name	**2017**	**2016**	**2015**	**2014**	**2013**	**Alpha**	**Beta**	**R2**	**Turnover Ratio**	**Number of Holdings**	**% in top 10 holdings**
Intl	Foreign Large Growth Peer Group	31.24	-1.67	0.41	-3.51	20.15						
	American Funds Europacific Growth R6	31.17	1.01	-0.48	-2.29	20.58	0.35	0.93	93	29	390	21%
	Foreign Large Blend Peer Group	25.34	1.11	-1.22	-5.34	20.48						
	Harbor International Institutional	22.90	0.25	-3.82	-6.81	16.84	-1.99	0.98	91	13	76	32%
Small-Cap	Small Growth Peer Group	21.87	10.86	-2.04	3.56	41.12						
	Hood River Small-Cap Growth Retirement	20.78	13.50	0.80	8.56	43.94	N/A	N/A	N/A	134	88	26%
	Baron Small Cap Instl	27.45	10.26	-5.01	1.95	38.10	1.15	1.00	91	29	73	30%
	Small Value Peer Group	9.20	26.01	-6.21	4.36	36.02						
	Victory Integrity Small-Cap Value R6	12.59	24.52	-6.49	7.50	41.21	-1.67	1.00	96	58	134	13%
Mid-Cap	Mid-Cap Growth Peer Group	24.73	5.75	0.13	7.82	35.60						
	Hartford MidCap R6	24.42	11.87	1.75	11.18	39.59	2.10	1.04	92	30	104	19%
	Victory Munder Mid-Cap Core Growth R6	24.73	7.58	-4.20	10.40	33.93	-2.71	0.93	92	55	80	22%
	Mid-Cap Value Peer Group	12.86	17.70	-4.64	10.45	34.42						
	Wells Fargo Special Mid Cap Value R6	11.27	21.68	-2.65	12.12	39.13	0.05	0.91	92	46	69	24%
	Hotchkis & Wiley Mid-Cap Value I	7.78	21.00	-12.53	12.18	42.55	-2.50	1.09	85	37	62	38%
Large-Cap	Large Growth Peer Group	28.63	2.96	4.71	10.66	34.58						
	American Funds Growth Fund of Amer R6	26.53	8.82	5.70	9.63	34.29	0.57	0.97	92	25	368	27%
	Large Value Peer Group	16.19	14.52	-3.53	10.99	31.91						
	Diamond Hill Large Cap Y	20.42	14.74	-0.74	10.89	36.87	-2.50	1.05	94	18	51	33%
Asst All/Other	Target-Date Retirement Peer Group	8.78	5.24	-1.15	4.40	5.55						
	Vanguard Target Retirement Income Inv	8.47	5.25	-0.17	5.54	5.87	0.10	0.78	96	8	6	100%
	Target-Date 2020 Peer Group	12.71	6.43	-1.05	5.52	13.60						
	Vanguard Target Retirement 2020 Inv	14.08	6.95	-0.68	7.11	15.85	-0.08	0.96	98	9	6	100%
	Target-Date 2025 Peer Group	14.93	7.00	-1.15	5.79	17.08						
	Vanguard Target Retirement 2025 Inv	15.94	7.48	-0.85	7.17	18.14	-0.16	1.08	98	10	5	100%
	Target-Date 2030 Peer Group	16.83	7.42	-1.20	5.89	18.89						
	Vanguard Target Retirement 2030 Inv	17.52	7.85	-1.03	7.17	20.49	0.03	0.91	99	9	5	100%
	Target-Date 2035 Peer Group	18.57	7.94	-1.22	6.08	21.61						
	Vanguard Target Retirement 2035 Inv	19.12	8.26	-1.26	7.24	22.82	-0.17	1.01	99	9	5	100%
	Target-Date 2040 Peer Group	19.59	8.14	-1.41	6.08	22.20						
	Vanguard Target Retirement 2040 Inv	20.71	8.73	-1.59	7.15	24.37	-0.16	0.92	99	8	5	100%
	Target-Date 2045 Peer Group	20.42	8.37	-1.40	6.09	23.26						
	Vanguard Target Retirement 2045 Inv	21.42	8.87	-1.57	7.16	24.37	-0.06	0.93	99	8	5	100%
	Target-Date 2050 Peer Group	20.67	8.42	-1.43	6.14	23.29						
	Vanguard Target Retirement 2050 Inv	21.39	8.85	-1.58	7.18	24.34	-0.05	0.93	99	6	5	100%
	Target-Date 2055 Peer Group	20.87	8.43	-1.43	6.35	23.82						
	Vanguard Target Retirement 2055 Inv	21.38	8.88	-1.72	7.19	24.33	-0.07	0.93	99	5	5	100%
	Target-Date 2060+ Peer Group	21.11	8.52	-0.95	6.07	24.35						
	Vanguard Target Retirement 2060 Inv	21.36	8.84	-1.68	7.16	24.35	-0.08	0.93	99	4	5	100%
Bond	Intermediate-Term Bond Peer Group	3.76	2.98	0.10	5.58	-1.68						
	Metropolitan West Total Return Bd Plan	3.49	2.56	0.25	6.16	0.45	0.03	0.88	98	291	1930	33%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	27.55	4.67	-4.26	-4.17	15.14	0.52	0.93	98	3	6258	7%
	Vanguard Small Cap Index Adm (Idx)	16.24	18.30	-3.64	7.50	37.81	0.89	0.92	99	15	1443	3%
	Vanguard Mid Cap Index Admiral (Idx)	19.25	11.22	-1.34	13.76	35.15	-0.90	0.99	99	14	356	7%
	Vanguard Institutional Index I (Idx)	21.79	11.93	1.37	13.65	32.35	-0.03	1.00	100	5	515	21%

The Fund Performance Review is a proprietary high level analytical tool that is used to evaluate fund performance and is not intended as an offer or solicitation of securities, or as investment advice. Investment options available in the plan may be through mutual funds 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.* Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees/expenses. Performance numbers shown above would be less after applicable fee/expenses are deducted.

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures

Exhibit "B"

Index Performance

period ending 6/30/2018

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2017	Annual Return 2016	Annual Return 2015	Annual Return 2014	Annual Return 2013
International	MSCI EMF ID	5.81	3.23	2.61	-0.16	34.35	8.58	-16.96	-4.63	-4.98
	MSCI Eafe Ndtr_D	6.84	4.90	6.44	2.84	25.03	1.00	-0.81	-4.90	22.78
	MSCI World Ndtr_D	11.09	8.48	9.94	6.26	22.40	7.51	-0.87	4.94	26.68
Small-Cap	Russell 2000 Growth	21.86	10.60	13.65	11.24	22.17	11.32	-1.38	5.60	43.30
	Russell 2000	17.57	10.96	12.46	10.60	14.65	21.31	-4.41	4.89	38.82
	Russell 2000 Value	13.10	11.22	11.18	9.88	7.84	31.74	-7.47	4.22	34.52
Mid-Cap	Russell Midcap Growth	18.52	10.73	13.37	10.45	25.27	7.33	-0.20	11.90	35.74
	Standard & Poor's Midcap 400	13.50	10.89	12.69	10.78	16.24	20.74	-2.18	9.77	33.50
	Russell Midcap Value	7.60	8.80	11.27	10.06	13.34	20.00	-4.78	14.75	33.46
Large-Cap	Russell 1000 Growth	22.51	14.98	16.36	11.83	30.21	7.08	5.67	13.05	33.48
	Standard & Poor's 500 TR	14.37	11.93	13.42	10.17	21.83	11.96	1.38	13.69	32.39
	Russell 1000 Value	6.77	8.26	10.34	8.49	13.66	17.34	-3.83	13.45	32.53
Bond	BBgBarc US Aggregate Bond	-0.40	1.72	2.27	3.72	3.54	2.65	0.55	5.97	-2.02
	BBgBarc US Capital Credit	-0.65	2.86	3.37	5.15	6.18	5.63	-0.77	7.53	-2.01
	BBgBarc US Mortgage-Backed	0.15	1.46	2.25	3.54	2.47	1.67	1.51	6.08	-1.41
	BBgBarc US Government Bond	-0.63	1.02	1.48	2.91	2.30	1.05	0.86	4.92	-2.60
	BBgBarc US 1-3 Year Government	0.03	0.42	0.59	1.32	0.45	0.87	0.57	0.64	0.37

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

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

Data Source: Morningstar® Direct℠
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S&P 400® Index is a registered trademark of Standard & Poor's Financial Services LLC ("Standard & Poor's), and is an unmanaged index considered indicative of the domestic Mid-Cap equity market.
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Carefully consider the investment objectives, risks, fees and expenses of the investment product. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.

About investment risk:

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

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

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

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

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About Overall Morningstar Rating™

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

About Morningstar Rankings

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

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APPENDIX - GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

Bond funds Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions. Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International- Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

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

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

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

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

APPENDIX - GLOSSARY (CONT.)

GREAT-WEST FINANCIAL™

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

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

Duration A measure of the sensitivity of the price of a fixed-income security to a change in interest rates. Duration is expressed as a number of years. Duration is a measure of interest rate risk. The larger the duration number, the greater the interest rate risk or reward for bond prices.

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)

GREAT-WEST FINANCIAL

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

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

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

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

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

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

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

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

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

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

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

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

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.

EXHIBIT "C"

IRVINE RANCH WATER DISTRICT

PROPOSED DEFERRED COMPENSATION INVESTMENT POLICY STATEMENT

Approved ~~June 13, 2011~~

PURPOSE:

The Irvine Ranch Water District's (The "District") IRS Section 457 Deferred Compensation Plan (the "457 Plan") and the Money Purchase 401(a) Plan; (collectively the "Plans") were established to create tax-deferred retirement savings vehicles for Plan participants and their beneficiaries. The purpose of this Investment Policy Statement (the "Policy Statement") is to guide the Plan Administrators in effectively supervising, monitoring and managing the investment options available under the Plans. This Policy Statement is designed to allow for sufficient flexibility in the management oversight process, while also setting forth reasonable parameters to promote the exercise of prudence and care with respect to the investment options available under the Plans. This Policy Statement provides a framework for the ongoing evaluation of the investment options available under the Plans, and guidelines for terminating and replacing investment option(s).

PLAN FIDUCIARIES AND DELEGATION OF AUTHORITY:

Several fiduciaries have varying responsibilities with respect to the Plans. Plan fiduciaries include:

Plan Sponsor:

The District is the Plan Sponsor. The Plan Sponsor's responsibilities, exercised through the Board of Directors (the "Board"), include:

- Appointing the members of the Finance and Personnel Committee (through the District's Board President)
- Appointing the Plan Trustee(s) and Plan Administrator(s)
- Approving the Investment Policy Statement
- Approving Employee Benefit Plan Changes

Finance and Personnel Committee:

The Finance and Personnel Committee will act as the Deferred Compensation Committee (the "Committee"). The Committee's responsibilities include:

- Selecting the record-keeper and any outside plan advisors
- Quarterly review of the investment options
- Approving the addition or replacement of investment options

Trustee(s) and Plan Administrator(s):

The Treasurer and the Assistant Treasurer(s) will act as the Trustee and Plan Administrators (the "Plan Administrators"). The Plan Administrator's responsibilities include:

- Carrying out instructions from the Board and/or the Committee
- Accounting for the P~~p~~lans' assets
- Quarterly review of investment performance and recommending changes to the Committee
- Managing the operation and administration of the Plans
- Monitoring the Plans for compliance with all applicable laws, rules and regulations

BACKGROUND:

The Plans are intended to provide eligible employees with a means to save money on a tax-deferred basis in order to assist the employee in reaching his/her retirement goals. The Plans allow each eligible employee to direct how contributions made to his or her accounts are invested among a diverse menu of investment options approved by the Committee. Specific information pertaining to participant eligibility can be found in the District's Deferred Compensation Personnel Policy ~~#39~~.

The Plan Administrators will make recommendations to the Committee related to which investment options will be available in the Plans and will monitor the investment options' compliance with this Policy Statement.

The District will provide periodic investment educational opportunities for participants; however, the District, the Committee or the Plan Administrators will not provide specific investment advice to any participant or assist any participant in deciding how to allocate contributions to the participants' accounts.

CORE INVESTMENT OPTION SELECTION:

The Committee recognizes that there is investment risk inherent in all investment options and further recognizes that individual participants each have their own level of risk tolerance. To this end, the Committee will select a broad array of investment options providing different levels of risk and historical returns based upon the following criteria:

1. Selected investment options will represent major asset classes. For purposes of this Policy Statement, the following major asset classes will be used, at a minimum, as defined by Morningstar® (an independent mutual fund evaluation company):

    a. International-Equity Fund;

    b. U.S. Small-Cap Equity Fund;

    c. U.S. Mid-Cap Equity Fund;

    d. U.S. Large-Cap Equity Fund;

    e. Index Funds

f. Bond Fund;

g. Fixed Income/Stable Value;

h. Asset Allocation Profile Funds (diversified portfolio of funds with varying degree of risk).

i. Asset Allocation Target Date Funds (diversified portfolio of funds with varying target retirement dates).

2. Pertaining to funds in the domestic equity asset classes identified above in 1(b), 1(c) and 1(d), the Committee will attempt to choose investment options with contrasting stock selection styles that purchase "value" stocks (stocks that are purchased because the fund manager believes the stock is undervalued) and "growth" stocks (stocks of companies that have shown accelerated earnings), and/or funds that invest in both "value" and "growth" stocks, commonly referred to as "blend" funds.

3. The Committee will also evaluate the fund management, pricing and other mutually agreeable criteria in cooperation with the Plan's' ~~recordkeeper~~record-keeper.

4. The expense ratios of the investment options must be competitive with other investment options with similar objectives as measured by the applicable Morningstar® Category average.

5. The Plan Administrators may use a consultant for any approved purpose related to the Plans, including providing analysis and recommendations for investment options to be included in the Plans.

~~5.~~6. Participants that fail to make an affirmative investment election will be "defaulted" into a Target Date Fund whose expected retirement date (as listed in the fund's name, e.g. "Target Date 2050") is closest to the date the participant will reach 62 years of age. If the participant's age is greater than 62 years and there is no corresponding fund available, the participant ~~they~~ will be defaulted into the Target Date Retirement Income Fund.

INVESTMENT OPTION PERFORMANCE STANDARDS:

The Committee will review each of the selected core investment options on a quarterly basis to evaluate the investment option's performance. Advised Assets Group (AAG), a wholly-owned subsidiary of Great-West Life & Annuity Insurance Company, will perform the annual fund evaluation. The AAG methodology and fund performance review ~~criteria is~~criterion is attached to this policy as Exhibit "A".

Based on the fund review provided by AAG, the Committee will take the following steps:

1. If any investment option is rated "Below" in the Overall Rating Criteria, the Committee will place the option on "watch status".

2. If any investment option is rated as "Fail" in the Long-term Rolling Analysis due to being classified as "Below" its prescribed Overall Rating benchmarks for the four most recent consecutive quarters or seven out of the trailing twelve quarters, then the investment option has "Failed" the Long-Term Rating and the investment will be a candidate for replacement.

3. The Committee may select a new investment option in the same asset class and designate an existing or new investment option to receive the assets from the investment option that failed its benchmarks.

4. If an investment option is terminated, Plan Administrators will notify participants of the investment option to be terminated, and which investment option(s) will be used to receive assets from the terminated fund.

The Committee may also ~~decide to place~~ place a fund on "watch status" if it is determined that an investment option has failed to meet certain Policy criteria. In the event a "watch status" is initiated, the investment option will be subject to an additional level of evaluation and may become a candidate for replacement. An investment option may remain on watch status until the Committee decides to take further action ~~I~~including replacement or removal from "watch status".

While the primary analysis of the investment option will be quantitative, the Committee reserves the right to make decisions regarding the investment options based upon other criteria that it believes will be in the best interest of the Plans and the participants. Other criteria that may be considered include: management personnel departures; organizational changes; alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

SELF-DIRECTED BROKERAGE ACCOUNT OPTION (SDBA):

The SDBA is offered in the Plans. This option is available to all participants and allows participants to select additional mutual funds, stocks, covered stock options, and bonds. Neither the District nor AAG monitors the performance of the investments made by participants within the SDBA and does not make any representations or guarantees concerning the appropriateness or soundness of any investment available through the SDBA.

Prior to using the SDBA, participants must accept the terms of the account, including certification that they are a knowledgeable investor, acknowledgement of the risks and fees associated with the use of the brokerage option, and agree to release, hold harmless and indemnify the District, the Plans, and the Plan Trustees and Administrators from any and all liability for any negative consequences.

OTHER:

This Policy Statement is not intended to be a legal document or construed as legal advice. It is intended to be a guide and describes the prudent investment process that the District deems most appropriate for the Plans. The Plan Administrators will review this policy at least annually and recommend changes as needed to the Committee and the Board.

September 4, 2018
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

LETTER OF CREDIT EXTENSIONS FOR THE SERIES 1993 AND 2009A BONDS

SUMMARY:

The District currently has $29.9 million of Consolidated Series 1993 Bonds (1993 Bonds) and $60.0 million of Consolidated Series 2009A Bonds (2009A Bonds) supported by U.S. Bank N.A. (U.S. Bank) letters of credit (LOC) scheduled to expire November 7, 2018 and December 22, 2020, respectively. Staff requested U.S. Bank provide a fee proposal to extend the LOC for 1993 Bonds and reduce the LOC fees for the 2009A Bonds. U.S. Bank provided a proposal to extend both LOC's to December 2021. The proposed LOC fee for the 1993 Bonds and the 2009A Bonds will result in a savings to the District of $93,000. Staff is requesting the Board's approval to extend both LOC's to December 2021 at an annual cost of 0.33%.

BACKGROUND:

The District currently has $29.9 million of 1993 Bonds supported by a U.S. Bank LOC, scheduled to expire November 7, 2018. U.S. Bank provided a proposal to extend the 1993 Bonds LOC for three years at the same annual rate of 0.33%. Additionally, the District has 2009A Bonds supported by a U.S. Bank LOC scheduled to expire December 22, 2020. Staff requested that U.S. Bank reduce the 2009A Bonds LOC fee and extend the LOC for one additional year past the current expiration. U.S. Bank agreed to reduce the fee from 0.41% to 0.33% and extend both LOC's to December 2021. The reduction in the 2009A LOC fee will provide savings to the District of approximately $93,000. Legal expenses related to the LOC extensions are estimated at $15,000.

Staff reviewed current LOC market rates with the District's Municipal Advisor, PFM, to ensure the fee proposal was competitive with current LOC pricing from other banks of similar credit quality. PFM confirmed the pricing was consistent with the current LOC market pricing.

Staff requests that the Committee recommend Board approval to extend the LOC's to December 2021 at an annual cost of 0.33%. The Letter of Credit Pricing Analysis is attached as Exhibit "A".

FISCAL IMPACTS:

The total letter of credit fee for the 1993 Bonds will be $275,084 for the three-year period. Due to the LOC fee reduction from 0.41% to 0.33% on the 2009A Bonds, the LOC cost for the remaining term (to December 2020) will be $383,742, resulting in a savings of approximately $93,000. The cost for the one-year extension will be $179,357, for a three-year total of $563,100. Legal expenses related to the extensions are estimated at $15,000.

RECOMMENDATION:

That the Board approves to extend the U.S. Bank Letters of Credit for the District's 1993 Bonds and the 2009A Bonds to December 2021 at annual cost of 0.33%.

LIST OF EXHIBITS:

Exhibit "A" – Letter of Credit Extension Pricing Analysis

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT
US BANK LETTER OF CREDIT PRICING
August 28, 2018

Series 1993 Bonds

Fiscal Year	Stated[1]	Proposed LOC Fee	Annual Cost
FY 18-19[2]	$30,303,036	0.33%	$50,000
FY 19-20	28,681,468	0.33%	94,649
FY 20-21	26,958,553	0.33%	88,963
FY 21-22[2]	25,134,290	0.33%	41,472
Total			$275,084

(1) Stated amount represents the average par amount of bonds outstanding for the 1993 Bonds, plus 41 days of interest at the maximum rate of 12%.

(2) Represents a 6-month period

Series 2009A Bonds

Fiscal Year	Stated[3]	Current LOC Fee	Current Annual Cost	Proposed LOC Fee	Proposed Cost	Savings
FY 18-19	$60,670,685	0.41%	$124,375	0.33%	$100,107	$24,268
FY 19-20	58,142,740	0.41%	238,385	0.33%	191,871	46,514
FY 20-21[4]	55,614,795	0.41%	114,010	0.33%	91,764	22,246
Subtotal Current Term			$476,770		$383,742	**$93,028**
<u>1-Year Extenstion</u>						
FY 20-21[4]	55,614,795			0.33%	91,764	
FY 21-22[4]	53,086,849			0.33%	87,593	
Total					$563,100	

(3) Stated amount represents the average par amount of bonds outstanding for the 2009A Bonds, plus 34 days of interest at the maximum rate of 12%.

(4) Represents a 6-month period

Estimated Legal Expense $15,000