AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
WEDNESDAY, MAY 1, 2019

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. EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER PAID THROUGH THE THIRD QUARTER, FY 2018-19 – PULLES / CLARY

   Recommendation: Receive and file.

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

   Recommendation: Receive and file.

INFORMATION - Continued

8. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – DAVIS / FOURNIER / JACOBSON / CLARY

   Recommendation: Receive and file.

9. REAL ESTATE QUARTERLY PERFORMANCE THROUGH MARCH 31, 2019 – DAVIS / FOURNIER / JACOBSON / CLARY

   Recommendation: Receive and file.

10. FISCAL YEAR 2018-19 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS THROUGH MARCH 31, 2019 – PARDEE / SMITHSON / CLARY

    Recommendation: Receive and file.

11. THIRD QUARTER FISCAL YEAR 2018-19 LEGAL FEES ANALYSIS – TOBAR / LIN / CLARY

    Recommendation: Receive and file.

12. QUARTERLY RISK MANAGEMENT REPORTING – KANOFF / SHINBASHI / JACOBSON / CLARY

    Recommendation: Receive and file.

ACTION

13. IRWD 2019 REPLACEMENT FUND POLICY – SMITHSON / CLARY

    Recommendation: That the Board approve the updated IRWD 2019 Replacement Fund Policy.

14. LETTER OF CREDIT EXTENSION FOR THE SERIES 2009B BONDS – DAVIS / FOURNIER / JACOBSON / CLARY

    Recommendation: That the Board approve an extension of the Bank of America N.A. Letter of Credit for the District's 2009B Bonds to July 2022 at an annual cost of 0.30%.

OTHER BUSINESS

15. Directors' Comments

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

    - *Farmers Insurance Exchange v. The Irvine Company, et al,* Case No.: 30-2018-01015483-CU-PO-CJC
    - *Victoria Gleason v. County of Orange, et al,* Case No.: 30-2018-00977432
    - *National Union Fire Ins. Co. of Pittsburgh, PA, et al, v. J-M Manufacturing Co., Inc. and Formosa Plastics Corp., USA,* Case No.: BC444309

17. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION - Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation (*one potential case: BKK Working Group notification to IRWD of potential liability, claim and/or litigation on file with the District.*)

18. Adjournment

May 1, 2019
Prepared by: Lisa Srader
Submitted by: Jenny Roney
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

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

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

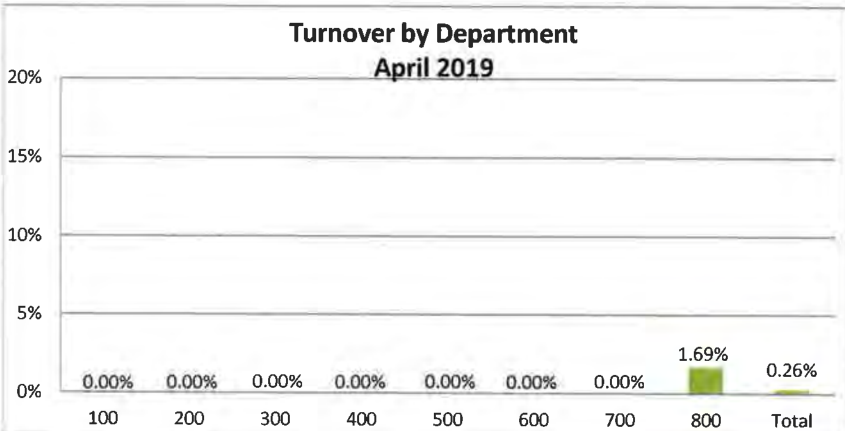
LIST OF EXHIBITS:

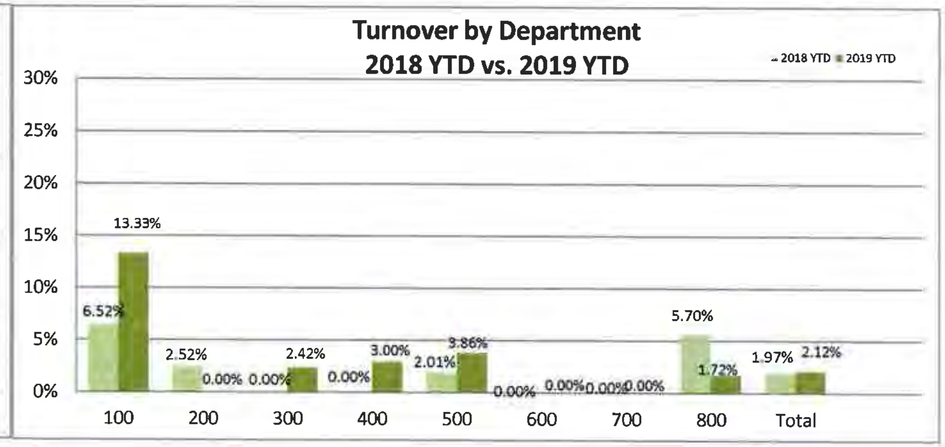
Exhibit "A" - Employee Population/Turnover Status Report

EXHIBIT A

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2019

	@04/01/19	Current Month Activity							@04/30/19		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	2019	Current	2019
Dept	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions*	Positions	FTE	Positions	Period	YTD	Period	YTD
100	14.0								14.0	2	16.0	15.4	0.2	15.6	0.00%	0.00%	0.00%	13.33%
200	84.0								84.0	1	85.0	80.0	5.8	85.8	0.00%	0.00%	0.00%	0.00%
300	41.0	1							42.0	2	44.0	41.9	6.4	48.3	0.00%	0.00%	0.00%	2.42%
400	67.0	1							68.0	2	70.0	66.7	6.7	73.4	0.00%	0.00%	0.00%	3.00%
500	52.0	1							53.0	3	56.0	51.1	3.4	54.5	0.00%	0.00%	0.00%	3.86%
600	28.0								28.0	1	29.0	22.4	2.6	25.0	0.00%	0.00%	0.00%	0.00%
700	34.0								34.0	1	35.0	38.0	5.1	43.1	0.00%	0.00%	0.00%	0.00%
800	59.0		1						58.0	2	60.0	55.0	1.1	56.1	0.00%	0.00%	1.69%	1.72%
Totals	378	3	1	0	0	0	0	0	380.0	14	395.0	370.5	31.3	401.8	0.00%	0.00%	0.26%	2.12%
3/18	361	2	1	0	0	0	0	0	362	17	378.00	338.40	25.03	363.4	0.00%	0.00%	0.28%	2.25%



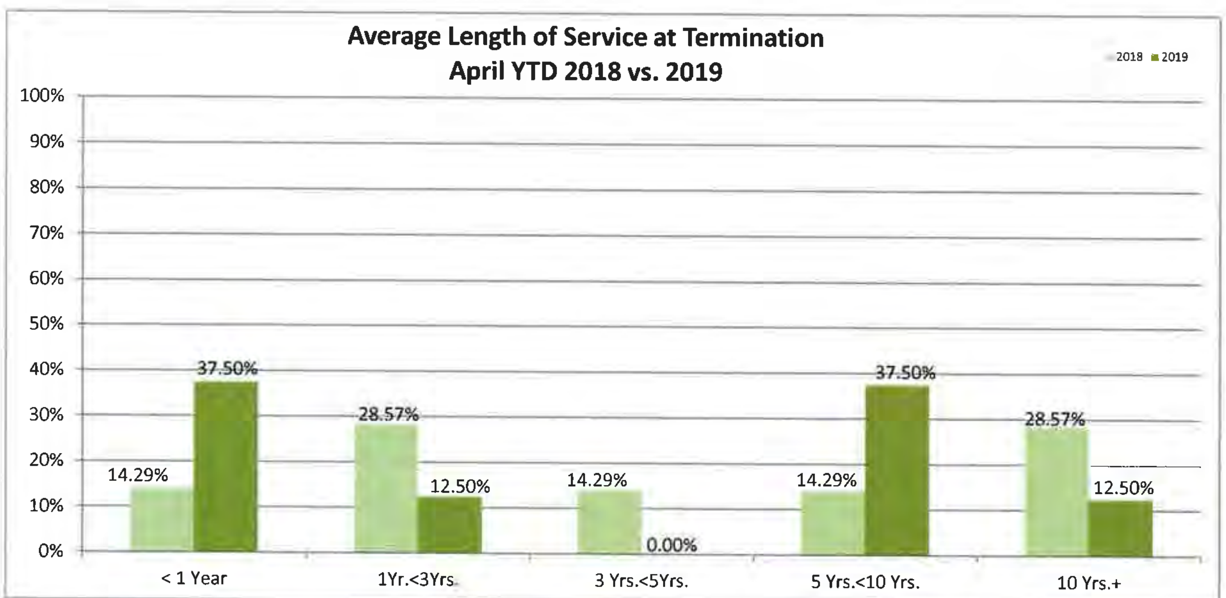


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.: 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Pol., Conserv. and Public Affairs; 80-Adm. & Maintenance Ops

IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
April 2019

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		2											2		1		1	
200													0					
300		1											0					1
400	1		1										1	1			1	
500	1	1											2	2				
600													0					
700													0					
800				1									1				1	
2019 Total	2	4	1	1	0	0	0	0	0	0	0	0	8	3	1	0	3	1
2018 Data	1	2	0	2	3	4	4	1	4	2	2	3	28					
Percentage of Total Turnover														37.50%	12.50%	0.00%	37.50%	12.50%

2019 Average YTD Length of Service at Termination	4.78 Years
2018 Average YTD Length of Service at Termination	13.85 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



IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2019

NEW HIRES

Hire	Dept	Employee Name	Position	Comments
04/01/19	300	Steven Samaniego	Construction Inspector	
04/09/19	400	Omar Real	Metering Systems Technician II	
04/16/19	500	Joaquin Contreras	Operator II	

TERMINATIONS

Termination Date	Dept	Employee Name	Position	Reason	Comments
04/12/19	800		Mechanical Services Supervisor	Vol	Moving out of state

RETIREMENTS

Effective Date	Departing Dept	Employee Name	Position	Reason	Comments

PROMOTIONS

Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
04/06/19	400	Todd Colvin	Water Operations	400	Field Services

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
04/06/19	800	Dan Legault	Vehicle/Equipment Maintenance Mechanic	500	Asset Maintenance Coordinator

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2019

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
100	Legislative Analyst	U13.E	Second Interviews Pending
100	HR Analyst	U31.N	Second Interviews Pending
200	Sr. Applications Analyst	U18.E	Start Date Pending
300	Senior Engineer	U20.E	
300	Engineer	U17.E	Recruiting
400	Water Maintenance Technician II	16.N	
400	Water Maintenance Technician II	16.N	
500	Process Specialist	32.N	
500	Collection Systems Technician II	20.N	
501	Collection Systems Technician II	20.N	
600	Regulatory Compliance Manager	U18.E	Recruiting
700	Cross Connection Control Supervisor	S31.N	
800	Instrumentation Technician	28.N	Recruiting
800	Mechanical Services Supervisor	U32.N	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2019

LEAVE OF ABSENCE					
Type of Leave	**Pay Status**	**Date Leave Began**	**Anticipated Return Date**	**Current Length**	**Comments**
WC	WC	9/4/2018		7 months	
FMLA/CFRA	SDI	3/28/2019	8/28/2019	1 month	
FMLA/CFRA	SDI	3/20/2019	8/20/2019	1 month	
WC	WC	3/13/2019		1 month	

Leave	Status	Began	Return Date	Length	Return Date	Comments
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
WC/FMLA/CFRA	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
WC/FMLA/CFRA	WC	3/8/2018	3/19/2018	3 Weeks	03/20/18	Returned
WC/FMLA/CFRA	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
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
WC/FMLA/CFRA	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

Month	Dept	Position	Length of Employment	Termination Vol	Termination Invol	Comments
January	400	Water Maintenance Technician I	6 months	X		Other employment - more money
	500	Operator II	6 months		X	Probation Rejection
February	100	Legislative Analyst	12 months	X		Other employment
	500	Operator II	11 months	X		Other employment - closer to home; more money
	100	HR Analyst	6 years 2 months	X		Other employment - promotional; PERS
	300	Engineer	17 years 6 months	X		Other employment - promotional
March	400	Water Maintenance Technician II	5 years, 5 months	X		Other Employment
April	800	Mechanical Services Supervisor	6yrs, 3 months	X		Moved out of state
May						
June						
July						
August						
September						
October						
November						
December						

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
March 2019*
ACTIVE

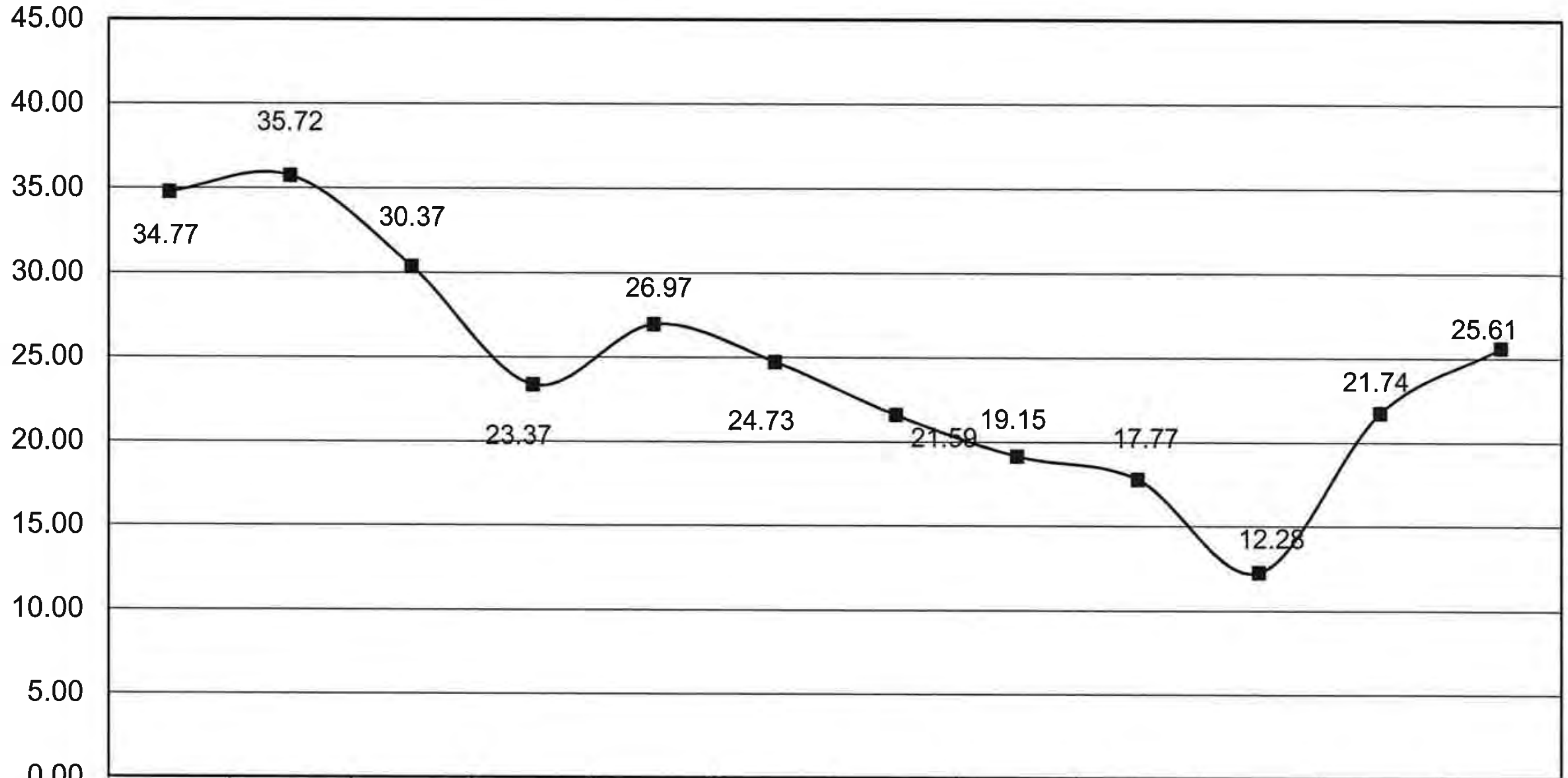
Current Month FTE	FYTD Ave Hours Worked FTE	PERS Enroll-ment	Agency	Dept	Hire Date	Term Date	Job Assignment	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
1.00	0.20	No	X	100	2/4/2019		Temp HR Analyst	45.93	168	7,716.24	3	1	7,716.24	14,192.37
1.00	**0.20**			**100**										
1.00	0.93	No	X	200	1/22/2018		Temp CS Fld Tech	31.00	168	5,208.00	12	8	41,664.00	46,143.50
0.12	0.06	Yes		200	9/17/2018		Retired Annuitant	56.55	84	4,750.20	9	7	33,251.40	5,428.80
0.81	0.29	EXC		200	11/14/2018		Student Intern	15.00	84	1,260.00	8	5	6,300.00	6,697.50
0.93	0.10	No	X	200	3/4/2019		Temp CS Fld Tech	31.00	168	5,208.00	4	1	5,208.00	4,979.53
1.00	0.15	No	X	200	2/19/2019		Temp CS Spec I	30.29	168	5,088.72	4	1	5,088.72	7,027.28
0.37	0.04	No	X	200	3/20/2019		Temp CS Spec I	27.87	168	4,682.16	4	1	4,682.16	1,785.77
0.23	0.03	No	X	200	3/25/2019		Temp Mtl Clerk	29.05	168	4,880.40	4	1	4,880.40	1,162.00
0.87	0.30	EXC		200	11/14/2018		Student Intern	15.00	84	1,260.00	8	5	6,300.00	6,975.00
5.32	**1.90**			**200**										
0.76	0.83	No	X	300	3/8/2018		Temp Dev Serv Spec	38.44	168	6,457.92	12	8	51,663.36	49,792.49
1.00	0.94	No	X	300	3/19/2018		Temp. Sr. Office Specia	35.31	168	5,932.08	12	8	47,456.64	51,534.95
0.23	0.48	EXC		300	6/16/2018		Student Intern	17.00	84	1,428.00	12	9	12,852.00	12,852.00
0.32	0.42	EXC		300	6/16/2018		Student Intern	17.00	84	1,428.00	12	9	12,852.00	11,135.00
0.56	0.46	EXC		300	6/16/2018		Student Intern	17.00	84	1,428.00	12	9	12,852.00	12,189.00
0.32	0.52	EXC		300	6/16/2018		Student Intern	17.00	84	1,428.00	12	9	12,852.00	13,889.00
3.20	**3.65**			**300**			Student Intern							
1.00	0.88	No	X	400	3/8/2018		Temp. Water Maintenan	31.18	168	5,238.24	12	8	41,905.92	43,503.74
1.00	0.87	No	X	400	8/20/2018		Metering Sys. Tech	31.18	168	5,238.24	10	6	31,429.44	42,778.96
1.00	0.76	No	X	400	8/20/2018		Metering Sys. Tech	31.18	168	5,238.24	10	7	36,667.68	37,197.74
1.00	0.54	No		400	10/23/2018		Temp Utility Wkr	31.17	168	5,236.56	8	5	26,182.80	26,463.33
1.00	0.47	No	X	400	11/14/2018		Temp WMT I	31.18	168	5,238.24	8	5	26,191.20	22,761.40
1.00	0.42	No	X	400	11/20/2018		Temp WMT I	31.18	168	5,238.24	8	5	26,191.20	20,368.34
6.00	**3.94**			**400**										
1.00	0.94	EXC		500	7/24/2017		Temp Wetlands Spec	27.02	84	2,269.68	12	8	18,157.44	39,692.38
1.00	0.72	EXC		500	7/23/2018		Student Intern	18.00	84	1,512.00	12	8	12,096.00	20,178.00
1.00	0.17	No	X	500	2/11/2019		Temp Coll Sys Tech I	30.29	168	5,088.72	4	1	5,088.72	8,178.30
1.00	0.70	EXC		500	7/11/2018		Student Intern	16.00	84	1,344.00	12	8	10,752.00	17,568.00
4.00	**2.53**			**500**										
0.76	0.54	EXC		600	7/8/2017		Student Intern	17.00	84	1,428.00	11	7	9,996.00	14,271.50
1.00	0.87	No	X	600	11/27/2017		Temp. Scientist	31.50	168	5,292.00	11	7	37,044.00	43,540.88
0.25	0.35	EXC		600	7/9/2018		Student Intern	15.00	84	1,260.00	12	8	10,080.00	8,250.00
0.46	0.52	EXC		600	7/24/2018		Student Intern	15.00	84	1,260.00	12	7	8,820.00	12,255.00
2.47	**2.28**			**600**										
1.00	0.87	Yes		700	5/7/2018	4/26/2019	Temp Water Eff Spec	27.02	168	4,539.36	12	8	36,314.88	36,726.94
0.63	0.08	EXC		700	2/4/2019		Student Intern	14.00	84	1,176.00	12		0.00	1,764.00
1.00	0.12	No	X	700	2/25/2019		Temp GIS Tech I	36.38	168	6,111.84	4	1	6,111.84	6,766.68
1.00	0.85	No	X	700	2/5/2018		Temp Scientist	29.75	168	4,998.00	12	8	39,984.00	39,537.75
3.63	**1.92**			**700**										
0.00	**0.00**			**800**										
25.61	**16.43**													

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
March 2019*
TERMINATED

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	**0.00**			**100**										
0.00	0.00	No	X	200	10/23/2017	10/26/2017	Full Time	51.26	31	1,589.06	6	2	3,178.12	0.00
0.12	0.28	No	X	200	3/12/2018	10/3/2018	Temp Mat'l Cntrl Clk	26.01	168	4,369.68	3	4	17,478.72	12,088.15
0.99	0.79	Yes		200	10/2/2017	11/2/2018	Temp. CS Field Tech	22.11	168	3,714.48	12	4	14,857.92	15,388.56
0.72	1.00	Yes		200	7/17/2017	10/19/2018	Temp. CS Field Tech	35.22	168	5,916.96	12	4	23,667.84	33,274.10
0.75	0.49	YES		200	6/5/2017	1/31/2019	Temp. Help	26.01	168	4,369.68	3	5	21,848.40	20,131.74
0.57	0.53	Yes		200	6/5/2017	FT	Temp. Accountant	30.00	168	5,040.00	6	5	25,200.00	24,978.60
0.65	0.43	EXC		200	8/6/2018	12/14/2018	CS Specialist	25.97	168	4,362.96	11	4	17,451.84	17,476.90
0.14	0.42	Yes	X	200	2/5/2018	2/15/2019	Temp. CS Specilaist I	25.97	168	4,362.96	12	5	21,814.80	17,293.55
3.94	**3.94**			**200**										
0.92	0.77	Yes		300	6/20/2015	10/27/2018	Temp. GIS Tech.	24.23	168	4,070.64	12	4	16,282.56	16,258.33
0.87	0.54	Yes		300	7/10/2018		Asst. Engineer	34.78	168	5,843.04	12	5	29,215.20	29,354.32
0.77	0.74	Yes		300	6/20/2016	3/6/2019	Temp. Asst. Engineer	15.00	84	1,260.00	12	7	8,820.00	17,217.00
0.80	0.71	No	X	300	8/13/2018	3/20/2019	GIS Tech I	33.98	168	5,708.64	11	7	39,960.48	37,850.66
3.36	**2.77**			**300**										
0.48	0.71	Yes		400	8/1/2017	10/19/2018	Temp. Utility Worke	23.00	168	3,864.00	12	4	15,456.00	14,987.38
0.58	0.45	Yes		400	5/2/2017	10/11/2018	Temp. Utility Worker	26.65	168	4,477.20	12	4	17,908.80	19,581.09
0.74	0.52	No	X	400	3/20/2018	11/19/2018	Temp. Water Maintenan	31.18	168	5,238.24	12	4	20,952.96	25,380.52
0.87	0.73	No	X	400	11/28/2017	3/9/2019	Temp. WM Tech I	23.12	168	3,884.16	12	8	31,073.28	26,593.78
0.92	0.37	No		400	9/11/2018	12/21/2018	Temp WMT I	31.15	168	5,233.20	12	3	15,699.60	20,375.99
3.58	**2.78**			**400**										
0.54	0.07	EXC		500	7/9/2018	8/23/2018	Student Intern	15.00	84	1,260.00	12	2	2,520.00	1,635.00
1.00	0.79	EXC		500	7/24/2017	3/20/2019	Student Intern	18.00	84	1,512.00	6	8	12,096.00	22,284.00
1.54	**0.86**			**500**										
0.30	0.30	EXC		600	6/19/2017	12/15/2018	Student Intern	17.00	84	1,428.00	6	5	7,140.00	7,875.25
0.30	**0.30**			**600**										
0.00	0.43	Yes		700	8/13/2015	10/13/2018	Temp. Filling Station At	19.80	84	1,663.20	5	4	6,652.80	7,415.10
0.00	0.46	Yes		700	8/13/2015	10/15/2018	Temp. Filling Station At	19.00	84	1,596.00	5	4	6,384.00	7,552.50
0.34	0.46	No	X	700	4/30/2018	10/15/18	Temp. Filling Station At	19.99	84	1,679.16	5	4	6,716.64	7,976.01
1.00	0.84	Yes		700	7/18/2017	3/16/2019	Temp. Water Eff. Spec.	27.02	168	4,539.36	12	8	36,314.88	35,423.22
1.00	0.58	No		700	9/10/2018	3/1/2019	Temp Scientist	44.63	168	7,497.84	10	7	52,484.88	40,657.93
0.39	0.39	EXC		700	7/10/2017	12/22/2018	Student Intern	16.00	84	1,344.00	12	5	6,720.00	9,848.00
2.73	**3.17**			**700**										
0.32	0.74	No	X	**800**	2/28/2018	11/9/2018	Temp. Facilities Service	36.48	168	6,128.64	3	4	24,514.56	23,383.68
0.87	0.35	No	X	800	11/13/2018	2/22/2019	Temp Instr. Tech	48.91	168	8,216.88	4	7	57,518.16	27,096.14
1.18	**1.09**			**800**										
16.62	14.90												1,208,560.48	1,226,964.60

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
District Totals as of 3/31/19



	04/18	43238	6/18	7/18	8/18	9/18	10/18	11/18	12/18	1/19	2/19	3/19
District	34.77	35.72	30.37	23.37	26.97	24.73	21.59	19.15	17.77	12.28	21.74	25.61

May 1, 2019
Prepared by: Margaret Pulles
Submitted by: Cheryl Clary CC
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER
PAID THROUGH THE THIRD QUARTER, FY 2018-19

SUMMARY:

Pursuant to the Policy Regarding Business Expense Reimbursement, Travel, Meeting Compensation and Representation, staff has assembled for Committee review an Expense Summary, as shown in Exhibits "A" and "B" for the District's Board Members and the General Manager through the third quarter of Fiscal Year (FY) 2018-19. Provided below is a summary of expenses paid to date.

	Name	Conference, Travel, and Other District-Related Expenses	Meeting Fees	Total
Board Members:	LaMar	$ 13,242	$ 24,557	$ 37,799
	Matheis	7,589	22,607	30,196
	Reinhart	5,823	24,830	30,653
	Swan	18,453	24,830	43,283
	Withers	5,644	21,801	27,445
	Sub-Total:	**$ 50,751**	**$ 118,625**	**$ 169,376**
General Manager:	Cook	$ 12,769	N/A	$ 12,769
	Sub-Total:	**$ 12,769**	**N/A**	**$ 12,769**
	TOTAL:	**$ 63,520**	**$118,625**	**$ 182,145**
	YTD Budget:	**$ 57,000**	**$ 126,000**	**$ 183,000**
	Variance:	**$ (6,520)**	**$ 7,375**	**$ 855**

FISCAL IMPACTS:

Meeting fees total $118,625 versus a budget of $126,000 resulting in a positive variance of $7,375 year-to-date. Conference and meeting-related travel expenses total $63,520 versus a budget of $57,000, resulting in a negative variance of $6,520.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the third quarter, FY 2018-19, is $182,145, resulting in a positive variance of $855 to budget.

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" – Expense Summary, All Members
Exhibit "B" – Expense Summary, By Individual

Exhibit "A"

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

All Board Members/General Manager

Name	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
								# Miles	Amount		
Board Members:											
Steven LaMar	$ 3,196	$ 8,816	$ 2,682	$ 230	$ 63	$ 207	$ -	256	$ 141	(2,093)	$ 13,242
Mary Aileen Matheis	3,199	2,252	1,614	37	272	180	10	47	25	-	7,589
Doug Reinhart	2,224	600	2,308	78	22	295	-	529	296	-	5,823
Peer Swan	5,853	3,547	5,504	173	286	294	432	4,266	2,364	-	18,453
John Withers	2,916	-	1,095	1,004	-	70	-	1,013	559	-	5,644
											-
											-
											-
											-
											-
											-
General Manager:											-
Paul Cook	1,524	5,700	2,725	1,263	386	113	1,058	-	-	-	12,769
											-
											-
Total	**$ 18,913**	**$ 20,915**	**$ 15,928**	**$ 2,784**	**$ 1,029**	**$ 1,159**	**$ 1,500**	**6,111**	**$ 3,385**	**$ (2,093)**	**$ 63,520**

Exhibit "B"

IRWD

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

Steven LaMar

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Reimb. By ACWA	Total
Monthly Expense Reports													
Paid	July 2018	*Various business meetings	$ 35.00	$ 648.92								$ (648.92)	$ 35.00
Paid	August 2018	*Various business meetings	85.00	376.96								(376.96)	85.00
Paid	September 2018	*Various business meetings		1,173.85									1,173.85
Paid	October 2018	*Various business meetings	175.00	408.96									583.96
Paid	November 2018	O.C. Business Council Election Day Luncheon, Anaheim, CA	150.00										150.00
Paid	December 2018	*Various business meetings	79.81	563.96				18.00		16	8.94		670.71
Paid	January 2019	*Various business meetings	460.00	829.88									1,289.88
Paid	February 2019	*Various business meetings	466.25	1,177.92		28.13	22.00	49.00		33	19.02		1,762.32
	March 2019	Monthly Expense Report (no activity this period)											-
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid	08/01/2018	NWRA 2018 Western Water Seminar, Park City, UT	625.00		381.70	112.69						(1,067.55)	51.84
Paid	08/22/2018	Urban Water Institute Conference, San Diego, CA	425.00		462.07	27.50		20.00		159	86.76		1,021.33
Paid	08/28/2018	Water and Science Austin Ewell Meeting, Sacramento, CA		563.96		11.57		20.00		16	8.94		604.47
Paid	10/11/2018	Federal Advocacy Trip, Washington, DC		777.72	696.15	9.77	18.45	60.00		16	8.94		1,571.03
Paid	11/07/2018	National Water Resources Assoc Annual Conference, Coronado, CA	695.00		354.10								1,049.10
Paid	11/15/2018	ACWA Regions 2 & 4 Program and Tour, Sacramento, CA		399.96									399.96
Paid	12/05/2018	CA Environmental Dialogue Plenary, Sacramento, CA		563.96	787.94	40.00	23.09	40.00		16	8.94		1,463.93
Paid	02/22/2019	ACWA State Legislative Committee, Sacramento, CA		241.96									241.96
Paid	02/25/2019	ACWA Annual Washington D.C. Conference		1,087.74									1,087.74
													-
													-
													-
													-
													-
Total			**$ 3,196.06**	**$ 8,815.75**	**$ 2,681.96**	**$ 229.66**	**$ 63.54**	**$ 207.00**	**$ -**	**256**	**$ 141.54**	**$ (2,093.43)**	**$ 13,242.08**

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

Mary Aileen Matheis

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Reimb. By ACWA	Total
Monthly Expense Reports													
Paid	July 2018	*Various business meetings	80.00										$ 80.00
Paid	August 2018	OC Forum 2019 Housing Outlook, Newport Beach	85.00										85.00
	September 2018	Monthly Expense Report (no activity this period)											-
Paid	October 2018	*Various business meetings	300.00										300.00
Paid	November 2018	O.C. Business Council Election Day Luncheon, Anaheim, CA	150.00										150.00
Paid	December 2018	*Various business meetings	164.81										164.81
Paid	January 2019	*Various business meetings	155.00										155.00
	February 2019	Monthly Expense Report (no activity this period)											-
	March 2019	Monthly Expense Report (no activity this period)											-
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid	09/20/2018	WEF 35th Annual Conference, Sacramento, CA		523.96			62.70	20.00		9	4.91		611.57
Paid	10/09/2018	WEF Northern California Waters Tour, Sacramento, CA	790.00	563.96	191.90			80.00		9	4.91		1,630.77
Paid	10/16/2018	ACWA 2018 Regulatory Summit, Sacramento, CA	270.00	563.96			58.90	20.00		9	4.91		917.77
Paid	11/26/2018	ACWA Fall 2018 Conference, San Diego, CA	699.00		898.12	37.19	98.00		10.00	11	5.89		1,748.20
Paid	12/11/2018	Colorado River Water Users Assoc. Conf., Las Vegas, NV	505.00	599.96	523.83		52.07	60.00		9	4.91		1,745.77
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
Total			**$ 3,198.81**	**$ 2,251.84**	**$ 1,613.85**	**$ 37.19**	**$ 271.67**	**$ 180.00**	**$ 10.00**	**47**	**$ 25.53**	**$ -**	**$ 7,588.89**

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

Doug Reinhart

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By	Total
										# Miles	Amount	ACWA	
Monthly Expense Reports													
	July 2018	Monthly Expense Report (no activity this period)											$ -
Paid	August 2018	Sustain OC Conf., UCI Applied Innovation, Irvine, CA	20.00										20.00
	September 2018	Monthly Expense Report (no activity this period)											-
Paid	October 2018	MWDOC 2018 Water Policy Forum, Costa Mesa, CA	93.75										93.75
	November 2018	Monthly Expense Report (no activity this period)											-
	December 2018	Monthly Expense Report (no activity this period)											-
	January 2019	Monthly Expense Report (no activity this period)											-
Paid	February 2019	MWDOC 2019 Water Policy Forum, Costa Mesa, CA	106.25										106.25
	March 2019	Monthly Expense Report (no activity this period)											-
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid	08/22/2018	Urban Water Institute (UWI) Conf., San Diego, CA	425.00		462.06			20.00		154	83.93		990.99
Paid	11/26/2018	ACWA Fall 2018 Conference, San Diego, CA	699.00		898.12			175.00		166	90.36		1,862.48
Paid	12/12/2018	Colorado River Water Users Assoc., Las Vegas, NV	505.00	599.96	383.23	54.94	21.96	46.00		10	5.89		1,616.98
Paid	02/26/2019	Urban Water Institute Water Conf., Palm Springs, CA	375.00		564.78	23.17		54.00		199	115.65		1,132.60
													-
													-
													-
													-
													-
													-
													-
													-
													-
													-
Total			**$ 2,224.00**	**$ 599.96**	**$ 2,308.19**	**$ 78.11**	**$ 21.96**	**$ 295.00**	**$ -**	**529**	**$ 295.83**	**$ -**	**$ 5,823.05**

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

IRWD

Peer Swan

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Reimb. By ACWA	Total
Monthly Expense Reports *													
Paid	July 2018	*Various business meetings	$ 65.00						$ 52.29	306	$ 166.71		$ 284.00
Paid	August 2018	*Various business meetings	20.00						36.45	183	99.99		156.44
Paid	September 2018	*Various business meetings	65.39						49.42	233	126.75		241.56
Paid	October 2018	*Various business meetings	173.75						69.30	360	203.46		446.51
Paid	November 2018	*Various business meetings	180.00						32.85	222	120.70		333.55
Paid	December 2018	*Various business meetings	164.81						19.44	120	65.45		249.70
Paid	January 2019	*Various business meetings	110.00					5.00	63.18	453	262.72		440.90
Paid	February 2019	*Various business meetings	360.00						43.74	226	131.04		534.78
	March 2019	Monthly Expense Report (no activity this period)											-
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid	08/07/2018	CASA Conference, Monterey, CA	575.00		1,005.92	15.99		75.00	4.86	736	401.12		2,077.89
Paid	08/22/2018	Urban Water Institute Conference, San Diego, CA	425.00		462.06	80.00		80.00	10.98	154	83.93		1,141.97
Paid	08/28/2018	ACWA Energy Committee Meeting, Folsom, CA		563.96		5.66	61.82	20.00	4.86	14	7.63		663.93
Paid	09/20/2018	WEF 35th Annual Water Summit, Sacramento, CA	300.44	523.96			57.38	20.00	4.86	14	7.63		914.27
Paid	11/06/2018	Localizing California Waters, Groveland, CA	280.00		582.17	27.09			2.43	791	431.10		1,322.79
Paid	11/13/2018	Public Policy Institute of Calif., Sacramento, CA		541.96			33.00	20.00	4.86	14	7.63		607.45
Paid	11/26/2018	ACWA 2018 Fall Conference, San Diego, CA	699.00		898.12				10.98	165	89.82		1,697.92
Paid	12/07/2018	CA Assoc. of Sanitation Agencies, Sacramento, CA		573.96		7.32	43.50	20.00	4.86	14	7.63		657.27
Paid	12/12/2018	Colorado River Water Users Conf., Las Vegas, NV	475.00	599.96	394.58	7.32	22.81	54.00	4.86	14	7.63		1,566.16
Paid	01/23/2019	CASA Winter 2019 Conference, Indian Wells, CA	575.00		643.74				6.96	233	135.14		1,360.84
Paid	02/24/2019	CASA and ACWA Annual Washington DC Conferences	1,385.00	743.56	1,517.36	29.52	67.16		4.86	14	8.12		3,755.58
													-
													-
													-
													-
Total			**$ 5,853.39**	**$ 3,547.36**	**$ 5,503.95**	**$ 172.90**	**$ 285.67**	**$ 294.00**	**$ 432.04**	**4,266**	**$ 2,364.20**	**$ -**	**$ 18,453.51**

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

John Withers

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Reimb. By ACWA	Total
Monthly Expense Reports													
Paid	July 2018	ACCOC Summer Event, Newport Beach Civic Center	35.00										$ 35.00
Paid	August 2018	*Various business meetings	105.00										105.00
Paid	September 2018	Irvine Historical Society's "An Evening on the Ranch"	65.39										65.39
Paid	October 2018	*Various business meetings	155.75										155.75
Paid	November 2018	*Various business meetings	45.00			937.86							982.86
Paid	December 2018	WEF Presentation at UC Irvine	79.81										79.81
Paid	January 2019	*Various business meetings	672.00										672.00
Paid	February 2019	*Various business meetings	466.25		225.68					208	120.64		812.57
	March 2019	Monthly Expense Report (no activity this period)											-
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid	10/03/2018	CalAFCO Annual Conference, Yosemite, CA	593.27		420.00	25.00				632	344.44		1,382.71
Paid	11/27/2018	ACWA Fall 2018 Conference, San Diego, CA	699.00		449.06	40.95		70.00		173	94.07		1,353.08
													-
													-
													-
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													-
													-
Total			**$ 2,916.47**	**$ -**	**$ 1,094.74**	**$ 1,003.81**	**$ -**	**$ 70.00**	**$ -**	**1,013**	**$ 559.15**	**$ -**	**$ 5,644.17**

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2018-19

Paul Cook

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Reimb. By ACWA	Total
Monthly Expense Reports													
Paid	July 2018	Monthly Expense Report #696666 / # 696668				$ 63.79		$ 25.00	$ 420.00				$ 508.79
Paid	August 2018	Monthly Expense Report #701694	699.00			228.75							927.75
Paid	September 2018	Monthly Expense Report # 704672 / #705667	475.00	1,173.92	146.26	150.18							1,945.36
Paid	October 2018	Monthly Expense Report #707731 / #707732		1,009.46	765.80	161.45	71.20						2,007.91
Paid	November 2018	Monthly Expense Report # 710735 / #71041		563.96		83.62		18.00					665.58
Paid	December 2018	Monthly Expense Report # 710747			259.53	83.92	93.72	12.25	338.15				787.57
Paid	January 2019	Monthly Expense Report # 710835				108.02			300.00				408.02
Paid	February 2019	Monthly Expense Report # 713764 / #714720	350.00	2,412.79	7.99	154.30		26.00					2,951.08
Paid	March 2019	Monthly Expense Report # 715764 / #714759		540.00	1,545.30	228.54	220.95	32.00					2,566.79
	April 2019	Monthly Expense Report (no activity this period)											-
	May 2019	Monthly Expense Report (no activity this period)											-
	June 2019	Monthly Expense Report (no activity this period)											-
													-
													-
Conferences/Seminars and Other Non-local Travel													-
													-
													-
													-
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													-
													-
													-
													-
													-
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													-
													-
													-
													-
Total			**$ 1,524.00**	**$ 5,700.13**	**$ 2,724.88**	**$ 1,262.57**	**$ 385.87**	**$ 113.25**	**$ 1,058.15**	**-**	**$ -**	**$ -**	**$ 12,768.85**

*Detail of Description/Location provided on Expense Report

May 1, 2019
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary CC
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 April 24, 2019, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of April 24, 2019, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of April 24, 2019, as outlined in Exhibit "C"; and,
- The Summary of Variable Rate Debt Rates as of April 24, 2019, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for April 2019 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 2.06%, which is a 0.06% increase from March's rate of 2.00%. The increase is primarily due to the investment of $20 million received from property taxes at higher interest rates. Including real estate investments, the weighted average rate of return for the District's investment portfolio for April 2019 is estimated to be 4.23%, which is a 0.05% increase from March's rate of 4.18%.

Debt Portfolio:

As of April 24, 2019, the District's weighted average all-in variable rate was 2.00%, which was a 0.27% increase from March's rate of 1.73%. 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 3.78%, which was a 0.30% increase from March's rate of 3.48%. The increase was due to higher interest rates on the District's variable rate debt portfolio and the change in the negative cash accrual for the District's fixed payer swaps.

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.

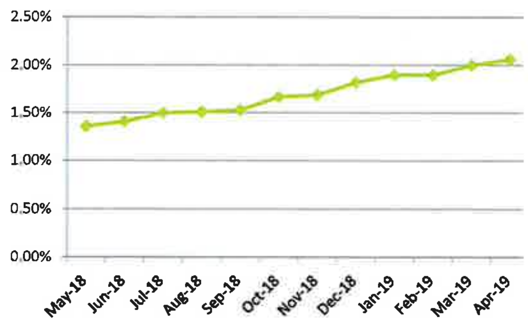
LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of April 24, 2019
Exhibit "B" – Yield Curve as of April 24, 2019
Exhibit "C" – Summary of Fixed and Variable Debt as of April 24, 2019
Exhibit "D" – Summary of Variable Rate Debt Rates as of April 24, 2019

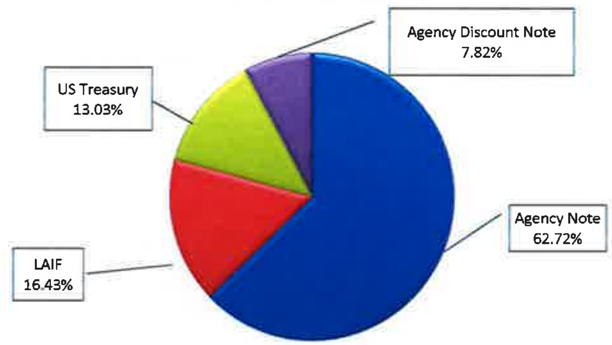
Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
April 2019

Monthly Fixed Income Yield



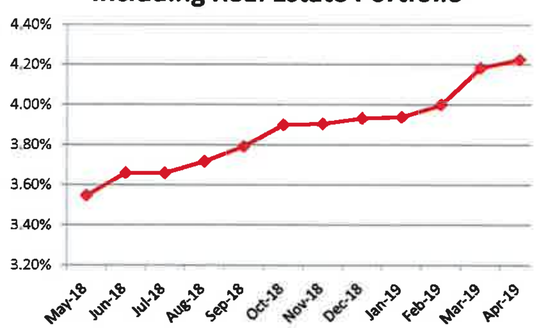
Portfolio Distribution



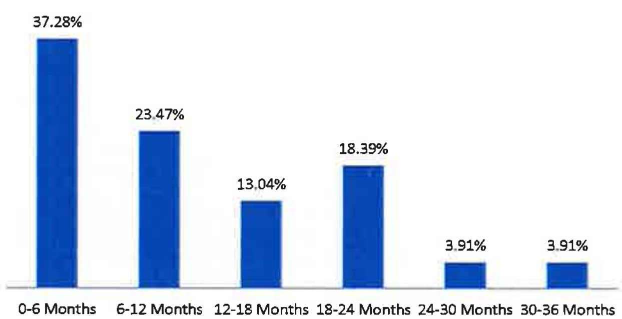
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	240,550,000	240,189,001	239,532,750
LAIF	63,000,000	63,000,000	63,009,258
US Treasury	50,000,000	49,333,651	49,671,950
Agency Discount Note	30,000,000	29,759,241	29,721,706
Grand Total	383,550,000	382,281,892	381,935,664

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
Fed Home Loan Bank	95,000,000	24.77%
Fed Natl Mortgage Assoc	70,550,000	18.39%
Fed Farm Credit Bank	65,000,000	16.95%
State of California Treasury - LAIF	63,000,000	16.43%
US Treasury	50,000,000	13.03%
Fed Home Loan Mortgage Corp	40,000,000	10.43%
Grand Total	383,550,000	100.00%

F:\INVEST\INVESTMENTS\Avg. Inv. Bal. & ROR - 1987 to Current.xlsx

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/24/19

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE(1) 4/24/2019	UNREALIZED(2) GAIN/(LOSS)
08/23/17			04/25/19		LAIF	State of California Tsy.	$63,000,000		2.440%	$63,000,000.00	$63,000,000.00	63,009,258.10	9,258.10
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	4,999,998.62	4,995,150.00	(4,848.62)
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	4,999,933.78	4,989,100.00	(10,833.78)
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	4,998,035.71	4,994,450.00	(3,585.71)
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	5,003,785.04	4,992,100.00	(11,685.04)
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	5,004,497.45	4,992,100.00	(12,397.45)
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	4,997,025.38	4,976,150.00	(20,875.38)
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	4,999,650.47	4,979,200.00	(20,450.47)
04/18/19	NA	NA	07/31/19	NR	FHLB - Discount Note	Fed Home Loan Bank	10,000,000	2.375%	2.425%	9,931,389.00	9,939,965.38	9,931,389.00	(8,576.38)
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	4,999,836.39	4,973,150.00	(26,686.39)
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	4,999,890.93	4,972,650.00	(27,240.93)
03/29/19	NA	NA	08/29/19	NR	FHLB - Discount Note	Fed Home Loan Bank	10,000,000	2.400%	2.460%	9,898,000.00	9,920,000.00	9,899,600.00	(20,400.00)
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	4,999,689.53	4,970,700.00	(28,989.53)
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	5,001,554.70	4,998,100.00	(3,454.70)
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	5,000,204.30	4,971,100.00	(29,104.30)
04/18/19	NA	NA	10/01/19	NR	FHLB - Discount Note	Fed Home Loan Bank	10,000,000	2.370%	2.429%	9,890,717.00	9,899,275.31	9,890,717.00	(8,558.31)
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	9,998,353.13	9,933,700.00	(64,653.13)
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	9,995,818.10	9,936,000.00	(59,818.10)
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	5,000,130.82	4,963,600.00	(36,530.82)
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	4,998,270.70	4,968,750.00	(29,520.70)
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	4,997,142.86	4,963,350.00	(33,792.86)
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	5,000,296.89	4,968,500.00	(31,796.89)
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	4,996,253.61	4,969,150.00	(27,103.61)
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	4,979,048.48	4,962,450.00	(16,598.48)
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	4,995,455.00	4,958,450.00	(37,005.00)
12/19/18	NA	NA	02/29/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.250%	2.672%	9,833,593.76	9,879,288.84	9,894,900.00	15,611.16
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	5,122,096.81	5,077,550.00	(44,546.81)
12/20/18	NA	NA	03/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.250%	2.665%	9,948,000.00	9,961,361.88	9,983,200.00	21,838.12
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	4,987,918.55	4,945,700.00	(42,218.55)
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	4,997,900.62	5,002,700.00	4,799.38
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	4,999,141.40	5,010,350.00	11,208.60
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	4,985,625.13	4,970,850.00	(14,775.13)
06/11/18	NA	NA	06/11/20	Aaa/NR/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.570%	4,997,100.00	4,998,385.36	5,011,100.00	12,714.64
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	4,994,868.28	4,946,200.00	(48,668.28)
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	4,937,594.24	4,942,250.00	4,655.76
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	4,935,996.93	4,942,250.00	6,253.07
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	4,954,550.83	4,930,850.00	(23,700.83)
09/14/18	NA	NA	08/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.680%	2.789%	4,989,700.00	4,993,022.11	5,021,700.00	28,677.89
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	4,932,132.19	4,954,550.00	22,417.81
09/14/18	NA	NA	09/04/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.690%	2.794%	4,990,050.00	4,993,210.26	5,024,750.00	31,539.74
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	4,966,800.00	(33,200.00)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/24/19

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 4/24/2019	UNREALIZED[2] GAIN/(LOSS)
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	5,494,999.50	(55,000.50)
09/28/18	NA	NA	10/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	2.847%	4,889,453.13	4,858,343.74	4,953,150.00	94,806.26
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	4,973,892.89	4,954,150.00	(19,742.89)
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	4,988,918.29	4,960,550.00	(28,368.29)
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	4,991,352.43	4,960,500.00	(30,852.43)
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	4,986,128.26	4,963,350.00	(22,778.26)
11/09/18	NA	NA	12/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.375%	2.958%	4,939,843.75	4,953,134.98	5,004,100.00	50,965.02
10/12/18	NA	NA	01/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.890%	9,664,843.76	9,744,851.37	9,831,300.00	86,448.63
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,961,580.19	5,004,850.00	43,269.81
12/14/18	NA	NA	02/28/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	2.755%	4,919,515.95	4,931,483.84	4,971,500.00	40,016.16
02/12/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.500%	2.516%	9,996,500.00	9,996,859.68	10,028,200.00	31,340.32
02/25/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.549%	4,982,700.00	4,984,207.37	5,003,350.00	19,142.63
03/08/19	NA	NA	01/15/22	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.500%	2.460%	5,005,468.75	5,005,185.88	5,033,800.00	28,614.12
03/21/19	NA	NA	02/03/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.030%	2.361%	4,954,350.00	4,956,132.52	4,960,650.00	4,517.48
03/08/19	NA	NA	03/11/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.500%	2.549%	5,002,750.00	5,002,614.88	5,026,650.00	24,035.12
TOTAL INVESTMENTS							$383,550,000			$381,941,498.88	$382,281,892.35	$381,935,663.60	($346,228.75)

Petty Cash		3,400.00
Ck Balance	Bank of America	56,357.00
		$382,001,255.88

[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	$271,700,000
Net Outstanding Variable Rate Debt (Less $130 million fixed-payer swaps)	$141,700,000
Investment Balance:	$382,001,256
Investment to Variable Rate Debt Ratio:	270%
Portfolio - Average Number of Days To Maturity	306

	Investment Portfolio	**Real Estate[3] Portfolio**	**Weighted Avg. Return**
April	**2.06%**	**9.42%**	**4.23%**
March	**2.00%**	**9.42%**	**4.18%**
Change	**0.06%**		**0.05%**

This Investment Summary Report is in conformity with the 2019 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.
*S - Step up

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

04/24/19

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	US Treasury
04/19	$68,000,000	17.73%	$63,000,000	5,000,000			
05/19	10,000,000	2.61%		10,000,000		-	
06/19	10,000,000	2.61%		10,000,000			
07/19	20,000,000	5.21%		10,000,000	10,000,000		
08/19	20,000,000	5.21%		10,000,000	10,000,000		
09/19	15,000,000	3.91%		15,000,000			
10/19	30,000,000	7.82%		20,000,000	10,000,000		
11/19	15,000,000	3.91%		15,000,000			
12/19	10,000,000	2.61%		10,000,000			
01/20	5,000,000	1.30%		5,000,000			
02/20	15,000,000	3.91%		5,000,000			10,000,000
03/20	15,000,000	3.91%		5,000,000			10,000,000
SUB-TOTAL	$233,000,000	60.75%	$63,000,000	$120,000,000	$30,000,000		$20,000,000
13 Months - 3 YEARS							
4/01/2020 - 5/31/2020	25,000,000	6.52%		25,000,000			
6/01/2020 - 8/31/2020	25,000,000	6.52%		25,000,000			
9/01/2020 -11/30/2020	40,550,000	10.57%		35,550,000			5,000,000
12/01/2020 -2/28/2021	30,000,000	7.82%		10,000,000			20,000,000
03/01/2021 - 05/31/2021	15,000,000	3.91%		15,000,000			
6/01/2021 - 8/31/2021	-						
9/01/2021 -11/31/2021	-						
12/01/2022 - 03/31/2022	15,000,000	3.91%		10,000,000			5,000,000
02/01/2022 - 05/31/22	-						
TOTALS	$383,550,000	100.00%	$63,000,000	$240,550,000	$30,000,000		$50,000,000
% OF PORTFOLIO			16.43%	62.72%	7.82%		13.03%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2019

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 3/31/2019	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2019
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 43,550,810	$ 145,000,000	19.60%
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	15.84%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,630,577	$ 9,000,000	5.90%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	$ 8,648,594	$ 11,000,000	9.08%
Total - Income Properties				$ 72,569,826	$ 207,170,120	15.51%
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	9.42%

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Apr-19

MATURITIES/SALES/CALLS				PURCHASES				
DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
4/1/2019	FHLMC - NOTE	$2,000,000	0.99%	4/18/2019	7/31/2019	FHLB - Discount Note	$10,000,000	2.42%
4/15/2019	FHLMC - NOTE	$8,000,000	0.99%	4/18/2019	10/1/2019	FHLB - Discount Note	$10,000,000	2.43%

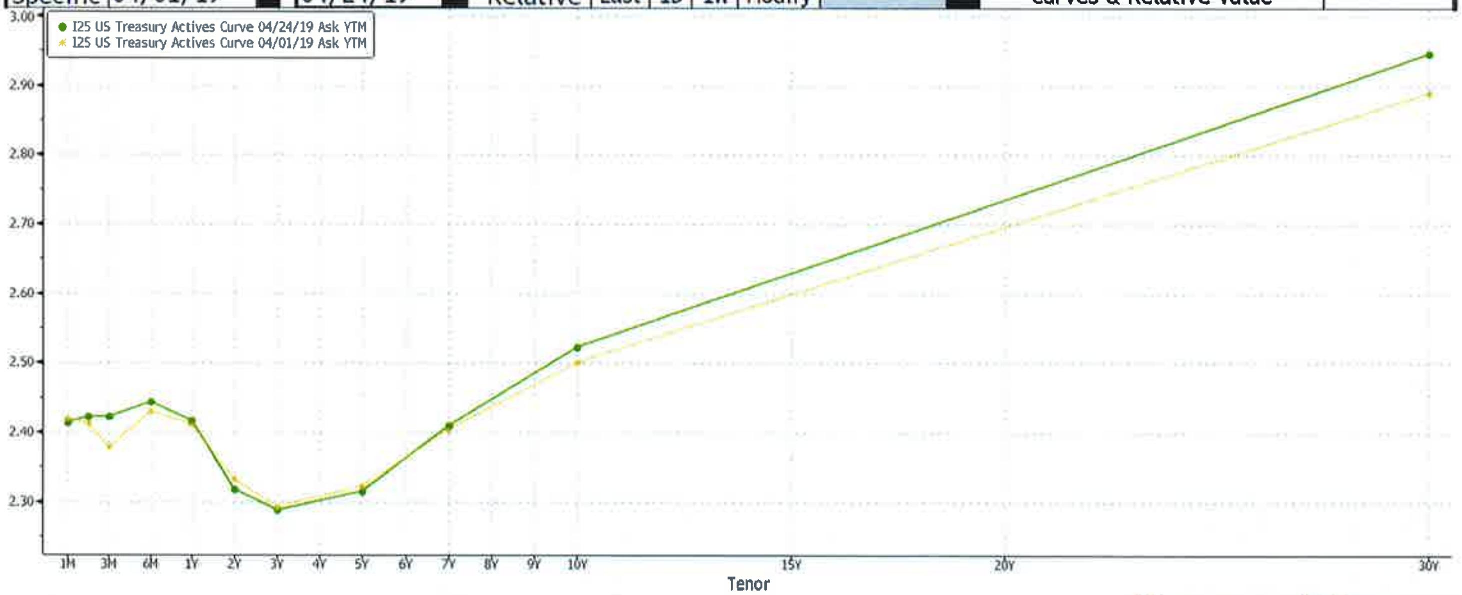
Exhibit “B”

Running as C15. Run GC for more features.

US Treasury Actives Curve | Actives ▾ | 98) Table | Export ▾ | Settings ▾ | Graph Curves

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

Specific 04/01/19 04/24/19 Relative Last 1D 1W Modify Curves & Relative Value



○ All Tenors ◉ Key Tenors

Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
11) ■ I25 04/24/19	2.423	2.417	2.318	2.288	2.315	2.524	2.946
12) ■ I25 04/01/19	2.378	2.411	2.333	2.292	2.322	2.501	2.890
13) I25 (04/24/19-04/0...	4.4	0.6	-1.5	-0.4	-0.6	2.3	5.6

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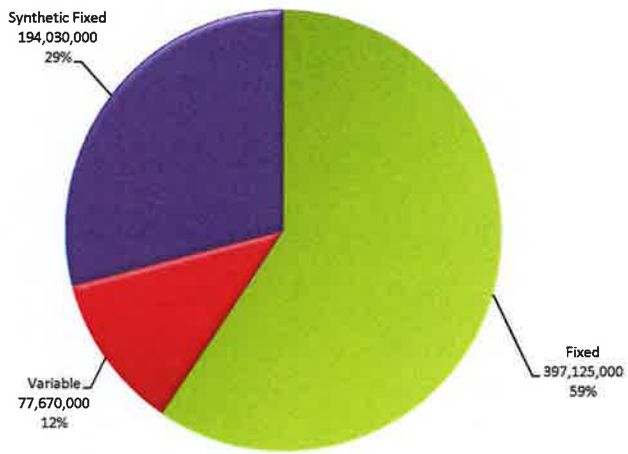
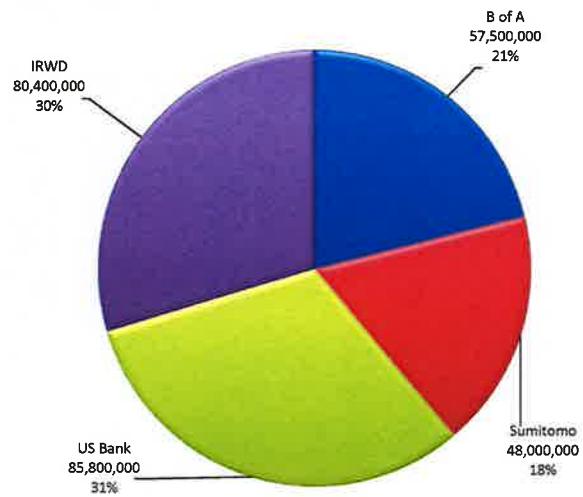
Exhibit "C"

Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
April 2019

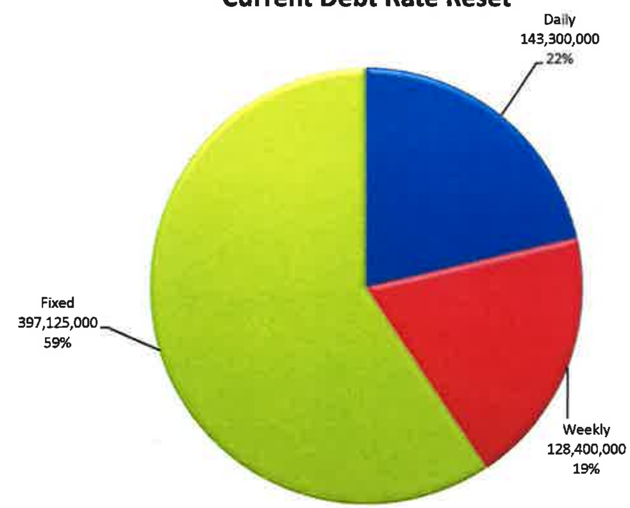
Current Debt Mix By Type



Letters of Credit / Support



Current Debt Rate Reset



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	$28,300,000	4.23%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	$48,000,000	7.18%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$48,240,000	7.21%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	$32,160,000	4.81%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	$57,500,000	8.60%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$57,500,000	8.60%	B of A	Goldman	Variable	Daily
2010 Refunding COPS	02/23/10	03/01/20	$1,980,000	0.30%	N/A	N/A	Fixed	Fixed
2016 COPS	09/01/16	03/01/46	$116,745,000	17.46%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	26.17%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	$103,400,000	15.46%	N/A	N/A	Fixed	Fixed
Total			$668,825,000	100.00%				

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IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

April-19

ITN
Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION				
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursment Agreement Date	L/C Exp. Date	MOODYS	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	05/19/93	04/01/33	APR 1 (2014)	5th Bus. Day	$38,300,000	$28,300,000	US BANK	05/07/15	12/15/21	Aa3/VMIG1	AA-/A-1+	N/R	$28,681,468	0.3300%	$94,649	BAML	DAILY	0.10%	$28,300	BANK OF NY
SERIES 2008-A Refunding	04/24/08	07/01/35	JUL 1	5th Bus. Day	$60,215,000	$48,000,000	SUMITOMO	04/01/11	07/21/21	A1/P-1	A/A-1	A/F1	$48,710,137	0.3150%	$153,437	BAML	WED	0.07%	$33,600	BANK OF NY
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$60,545,000	$48,240,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	$60,300	BANK OF NY
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$40,370,000	$32,160,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	$40,200	BANK OF NY
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$57,500,000	US BANK	04/01/11	12/15/21	Aa2/VMIG 1	AA-/A-1+	AA/F1+	$58,142,740	0.3300%	$191,871	US Bank	DAILY	0.07%	$40,250	US BANK
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$57,500,000	B of A	04/01/11	07/15/19	Aa2/VMIG 1	A/A-1	A1/F1+	$58,142,740	0.4000%	$232,571	Goldman	DAILY	0.10%	$57,500	US BANK
					$349,430,000	$271,700,000	SUB-TOTAL VARIABLE RATE DEBT						$193,677,085	0.3473% (Wt. Avg)	$672,528			0.10% (Wt. Avg)	$260,150	
FIXED RATE ISSUES																				
2010 REFUNDING COPS	02/23/10	03/01/20	Mar -1	MAR/SEPT	$85,145,000	$1,980,000	N/A	N/A	N/A	Aa1	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	MAY (2025)	MAY/NOV	$175,000,000	$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
2016 COPS	09/01/16	03/01/46	Mar - 1	MAR/SEPT	$116,745,000	$116,745,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
SERIES 2016	10/12/16	02/01/46	Feb - 1	FEB/AUG	$103,400,000	$103,400,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY
					$480,290,000	$397,125,000	SUB-TOTAL FIXED RATE DEBT													
					$829,720,000	$668,825,000	TOTAL- FIXED & VARIABLE RATE DEBT													

Remarketing Agents

Goldman	137,900,000	51%
BAML	76,300,000	28%
US Bank	57,500,000	21%
	271,700,000	

GO VS COP's

GO:	550,100,000	82%
COPS:	118,725,000	18%
Total	**668,825,000**	

LOC Banks

SUMITOMO	48,000,000
BANK OF AMERICA	57,500,000
US BANK	85,800,000
	191,300,000

Breakdown Between Variable & Fixed Rate Mode

Daily Issues	143,300,000	21%
Weekly Issues	48,000,000	7%
ITN Issues	80,400,000	12%
Sub-Total	**271,700,000**	
Fixed Rate Issues	$397,125,000	59%
Sub-Total - Fixed	**397,125,000**	
TOTAL DEBT FIXED & VAR.	**668,825,000**	100%

vrdsum.xlsx
4/24/2019

Exhibit “D”

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
Apr-19

Rmkt Agent	GOLDMAN	GOLDMAN	GOLDMAN	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	57,500,000	48,240,000	32,160,000	28,300,000	48,000,000	57,500,000
Bank	BOFA	(SIFMA -1)	(SIFMA -1)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
4/1/2019	1.22%	1.49%	1.49%	1.31%	1.36%	1.28%
4/2/2019	1.16%	1.49%	1.49%	1.23%	1.36%	1.26%
4/3/2019	1.16%	1.49%	1.49%	1.21%	1.36%	1.20%
4/4/2019	1.16%	1.47%	1.47%	1.17%	1.32%	1.19%
4/5/2019	1.16%	1.47%	1.47%	1.19%	1.32%	1.17%
4/6/2019	1.16%	1.47%	1.47%	1.19%	1.32%	1.17%
4/7/2019	1.16%	1.47%	1.47%	1.19%	1.32%	1.17%
4/8/2019	1.16%	1.47%	1.47%	1.20%	1.32%	1.16%
4/9/2019	1.17%	1.47%	1.47%	1.19%	1.32%	1.16%
4/10/2019	1.23%	1.47%	1.47%	1.28%	1.32%	1.20%
4/11/2019	1.35%	1.53%	1.53%	1.39%	1.41%	1.37%
4/12/2019	1.45%	1.53%	1.53%	1.58%	1.41%	1.47%
4/13/2019	1.45%	1.53%	1.53%	1.58%	1.41%	1.47%
4/14/2019	1.45%	1.53%	1.53%	1.58%	1.41%	1.47%
4/15/2019	1.63%	1.53%	1.53%	1.68%	1.41%	1.65%
4/16/2019	1.70%	1.53%	1.53%	1.82%	1.41%	1.65%
4/17/2019	1.85%	1.53%	1.53%	1.85%	1.41%	1.85%
4/18/2019	1.95%	2.03%	2.03%	1.99%	1.94%	2.00%
4/19/2019	1.95%	2.03%	2.03%	1.99%	1.94%	2.00%
4/20/2019	1.95%	2.03%	2.03%	1.99%	1.94%	2.00%
4/21/2019	1.95%	2.03%	2.03%	1.99%	1.94%	2.00%
4/22/2019	1.98%	2.03%	2.03%	1.99%	1.94%	2.05%
4/23/2019	2.02%	2.03%	2.03%	1.97%	1.94%	2.05%
4/24/2019	2.02%	2.03%	2.03%	2.00%	1.94%	2.05%
Avg Interest Rates	1.62%	1.73%	1.73%	1.65%	1.61%	1.64%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.40%			0.33%	0.32%	0.33%
All-In Rate	**2.12%**	**1.85%**	**1.85%**	**2.08%**	**2.00%**	**2.04%**
Par Amount	105,740,000		32,160,000	76,300,000		57,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt		Par Outstanding	Weighted All-In Average Rate		Base Rate Average
Daily	52.74%		143,300,000	2.08%		1.64%
Weekly	47.26%		128,400,000	1.91%		1.69%
	100.00%	$	**271,700,000**	2.00%		1.66%
Fixed						
COPS 2010	0.50%		1,980,000	3.82%		
COPS 2016	29.40%		116,745,000	2.90%		
BABS 2010	44.07%		175,000,000	4.45%	(1)	
SERIES 2016	26.04%		103,400,000	3.32%		
	100.00%	$	**397,125,000**	3.70%		
All-In Debt Rate Including $130 Million Notional Amount of Swaps						**3.78%**

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

May 1, 2019
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

SUMMARY:

The following is submitted for the Committee's review:

- A Summary of the Deferred Compensation Program and Distribution of Assets as of March 31, 2019, as outlined in Exhibit "A", and
- Mutual Fund Performance Review as of March 31, 2019, as outlined in Exhibit "B".

BACKGROUND:

Overview of the Deferred Compensation Assets:

As of March 31, 2019, the District's Section 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled $61,345,444, which represented a $6,266,676 increase from the quarter ended December 31, 2018 and a $4,811,294 increase for the one-year period ended March 31, 2019. The changes in Plan assets over these two periods are summarized as follows:

	For the One-Year Period Ending March 31, 2019	*For the Quarter Ending March 31, 2019*
Beginning Balance	$56,534,149	$55,078,767
Employee Contributions	2,662,779	869,811
District Contributions	1,032,127	279,525
Transfers to/from Other Plans	404,357	102,958
Distributions	(1,949,317)	(672,057)
Loan Distributions(1)	(128,662)	(28,878)
Loan Repayments	275,013	82,942
Net Investment Gain (Loss)	2,514,998	5,632,375
Ending Balance – March 31, 2019	$61,345,444	$61,345,444
Change in Assets for the Period	$4,811,294	$6,266,676

(1) Number of loans outstanding: 68

Review of Investment Options:

The District's deferred compensation policy states that any investment option performing "Below Benchmark" for four consecutive quarters or seven out of the trailing 12 quarters, has "Failed" the Long-Term Rolling Analysis (LTRA) and the investment option is to be replaced. For the quarter ended March 31, 2019, all funds in the Plans passed the LTRA. The Great-West Financial Fund Performance Review as of March 31, 2019 is attached as Exhibit "B".

FISCAL IMPACTS:

As of March 31, 2019, the District's Plan assets totaled $61,345,444, which represented a $6,266,676 increase from the quarter ended December 31, 2018 and a $4,811,294 increase for the one-year period ended March 31, 2019.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

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

EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
March 31, 2019

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	**$47,048,876**	**$14,296,568**	**$61,345,444**
Change From Prior Quarter	$4,918,263	$1,348,413	$6,266,676
Change From Prior Year (3/2018)	$3,812,175	$999,119	$4,811,294
Quarterly Contributions	**$869,811**	**$279,525**	**$1,149,336**
*Change From Prior Quarter	*$315,931*	$52,624	

*Increase in contributions is due to one additional pay period in the quarter ended March 31, 2019 and vacation accrual transfers

	For the One Year Period Ending March 31, 2019	For the Quarter Ending March 31, 2019
Beginning Balance	$56,534,149	$55,078,767
Employee Contributions	2,662,779	869,811
District Contributions	1,032,127	279,525
Transfers to/from other plans	404,357	102,958
Distributions	(1,949,317)	(672,057)
Loan Distributions[1]	(128,662)	(28,878)
Loan Repayment	275,013	82,942
Net Investment Gain (Loss)	2,514,998	5,632,375
Ending Balance - March 31, 2019	$61,345,444	$61,345,444
Change in assets for the period	$4,811,294	$6,266,676

[1] Number of loans outstanding as of 3/31/19 : 68

Employee Participation	
Full-time Employees	378
Employees Participating	338
Percent Participation	89%

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

March 31, 2019

	Fund	Assets	Percent of Assets	Change from previous quarter
	PROFILE FUNDS			
AGG	Aggressive Profile Fund	6,789,529	11.1%	0.2%
MOD	Moderate Profile Fund	5,911,368	9.6%	-1.5%
CON	Conservative Profile Fund	4,689,747	7.6%	-0.8%
	Sub Total	**17,390,644**	**28.3%**	**-2.1%**
	INTERNATIONAL FUND			
RERGX	American Funds EuroPacific Gr R6	1,684,722	2.7%	-0.1%
VTIAX	Vanguard Total Intl Stock Index Admiral	1,377,912	2.2%	0.1%
	Sub Total	**3,062,634**	**4.9%**	**0.1%**
	SMALL CAP FUNDS			
HRSIX	Hood River Small-Cap Growth Retirement	2,635,941	4.3%	0.1%
MVSSX	Victory Integrity Small Cap Value R6	1,271,006	2.1%	0.0%
VSMAX	Vanguard Small Cap Index	1,384,478	2.3%	0.2%
	Sub Total	**5,291,425**	**8.7%**	**0.3%**
	MEDIUM CAP FUNDS			
HFMVX	Hartford MidCap R6	1,899,965	3.1%	0.2%
WFPRX	Wells Fargo Spec Md Cp Val R6	2,261,019	3.7%	0.1%
VIMAX	Vanguard Mid-Cap Index Fund	1,639,471	2.7%	0.2%
	Sub Total	**5,800,454**	**9.5%**	**0.4%**
	LARGE CAP FUNDS			
RGAGX	American Funds Growth Fund of Amer R6	5,023,079	8.2%	0.1%
VINIX	Vanguard Institutional Index	6,494,735	10.6%	0.4%
DHLYX	Diamond Hill Large-Cap Fund	1,947,590	3.2%	0.0%
	Sub Total	**13,465,405**	**22.0%**	**0.5%**
	BOND FUND			
MWTSX	Metropolitan West Total Return Bond Plan	3,182,870	5.2%	0.0%
	Sub Total	**3,182,870**	**5.2%**	**0.0%**
	STABLE VALUE FUND			
	Putnam Stable Value	8,572,722	14.0%	-0.9%
	Sub Total	**8,572,722**	**14.0%**	**-0.9%**
	TARGET DATE FUND			
VTINX	Vanguard Target Retirement Income Inv	33,267	0.1%	0.1%
VTWNX	Vanguard Target Retirement 2020 Inv	701,821	1.1%	1.0%
VTTVX	Vanguard Target Retirement 2025 Inv	52,774	0.1%	0.0%
VTHRX	Vanguard Target Retirement 2030 Inv	80,015	0.1%	0.1%
VTTHX	Vanguard Target Retirement 2035 Inv	297,388	0.5%	0.0%
VFORX	Vanguard Target Retirement 2040 Inv	21,583	0.0%	0.0%
VTIVX	Vanguard Target Retirement 2045 Inv	146,973	0.2%	0.2%
VFIFX	Vanguard Target Retirement 2050 Inv	177,155	0.3%	0.0%
VFFVX	Vanguard Target Retirement 2055 Inv	55,171	0.1%	-0.1%
VTTSX	Vanguard Target Retirement 2060 Inv	14,437	0.0%	0.0%
	Sub Total	**1,580,583**	**2.5%**	**1.4%**
	OTHER			
	Ameritrade Brokerage	2,998,707	4.9%	4.9%
	Total Assets	**$61,345,444**	**100%**	
	LOAN BALANCE OUTSTANDING	**$744,893**		

GREAT-WEST FINANCIAL™

FUND PERFORMANCE REVIEW

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

Reporting Period Ending March 31, 2019

AM469530T-0618

FUND PERFORMANCE REVIEW

GREAT-WEST FINANCIAL

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.*

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

Exhibit "B"

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.

Although data is gathered from reliable sources, including but not limited to Morningstar, Inc., the completeness or accuracy of the data shown cannot be guaranteed. Where data obtained from Morningstar, ©2018 Morningstar, Inc. All Rights Reserved. The data: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

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

Investment options available in the plan may be through mutual funds, collective trusts, separately managed accounts 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.

Exhibit "B"

Performance Summary: Irvine Ranch Water District

period ended 03/31/2019

	Morningstar Category	Ticker Symbol	Fund Name	Overall Rating: Composite %'s Overall	Return	Sharpe	Overall Morningstar Rating		Long-Term Rolling Analysis: Consecutive Quarters Below	# of Quarters Below out of trailing 12	
Intl	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	64.1	61.7	66.5	3	Above	0	0 out of 12	Pass
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	66.0	73.0	59.0	4	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	55.7	63.3	48.0	3	Above	0	0 out of 12	Pass
Mid-Cap	Mid-Cap Growth	HFMVX	Hartford MidCap R6	67.1	66.7	67.5	3	Above	0	0 out of 12	Pass
	Mid-Cap Value	WFPRX	Wells Fargo Special Mid Cap Value R6	84.2	81.3	87.0	4	Above	0	0 out of 12	Pass
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	57.5	49.0	66.0	3	Above	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	82.3	87.7	77.0	4	Above	0	0 out of 12	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Inv	75.5	63.0	88.0	3	Above	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Inv	80.7	79.3	82.0	4	Above	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Inv	80.1	76.7	83.5	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Inv	76.5	73.0	80.0	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Inv	77.5	72.0	83.0	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Inv	78.2	76.3	80.0	4	Above	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Inv	75.9	74.3	77.5	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Inv	75.6	73.7	77.5	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Inv	73.0	69.0	77.0	4	Above	0	0 out of 12	N/A
	Target-Date 2060+	VTTSX	Vanguard Target Retirement 2060 Inv	68.8	60.5	77.0	3	Above	0	0 out of 12	N/A
Bond	Intermediate-Term Bond	MWTSX	Metropolitan West Total Return Bd Plan	65.3	67.7	63.0	3	Above	0	0 out of 12	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	78.5	76.0	81.0	4	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Adm (Idx)	89.7	88.3	91.0	5	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	88.8	88.7	89.0	5	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	87.5	87.0	88.0	5	N/A	N/A	0 out of 12	Pass

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures.

Return Analysis: Irvine Ranch Water District

period ended 03/31/2019

	Fund Name	1st Qtr 2019 Return	1st Qtr 2019 Percentile	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
				Performance vs. Benchmark (Annualized Returns and Return Percentiles %)									
Intl	Foreign Large Growth Peer Group	12.87	50	-3.90	50	7.92	50	3.59	50	9.81	50		
	American Funds Europacific Growth R6	13.20	61	-4.66	42	9.33	67	4.27	63	9.94	55	8.87	5/1/2009
Small-Cap	Small Growth Peer Group	17.17	50	7.33	50	15.84	50	8.62	50	16.41	50		
	Hood River Small-Cap Growth Retirement	18.74	63	8.76	58	16.53	57	10.60	80	18.24	82	12.09	3/3/2017
	Small Value Peer Group	12.08	50	-2.91	50	8.31	50	4.63	50	14.17	50		
	Victory Integrity Small-Cap Value R6	12.32	58	-4.92	23	8.39	53	4.87	58	15.24	79	11.85	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	18.66	50	9.28	50	14.46	50	9.44	50	15.96	50		
	Hartford MidCap R6	20.06	72	7.61	32	15.50	64	11.03	75	16.45	61	11.32	11/7/2014
	Mid-Cap Value Peer Group	13.58	50	0.22	50	8.58	50	5.71	50	14.35	50		
	Wells Fargo Special Mid Cap Value R6	16.05	88	3.72	85	9.76	78	7.58	85	15.65	81	10.44	6/28/2013
Large-Cap	Large Growth Peer Group	16.02	50	11.41	50	15.71	50	11.95	50	16.15	50		
	American Funds Growth Fund of Amer R6	13.87	16	7.67	24	16.12	57	11.87	48	15.81	42	14.83	5/1/2009
	Large Value Peer Group	11.25	50	4.11	50	10.15	50	7.06	50	13.56	50		
	Diamond Hill Large Cap Y	13.19	91	6.40	76	11.84	89	8.88	89	14.80	85	12.86	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	5.80	50	3.37	50	4.78	50	3.50	50	6.47	50		
	Vanguard Target Retirement Income Inv	5.50	37	3.92	70	4.87	53	4.13	80	6.69	56	5.16	10/27/2003
	Target-Date 2020 Peer Group	7.33	50	3.37	50	6.56	50	4.71	50	9.56	50		
	Vanguard Target Retirement 2020 Inv	7.82	64	3.82	70	7.39	78	5.65	88	10.19	72	6.14	6/7/2006
	Target-Date 2025 Peer Group	8.45	50	3.38	50	7.47	50	5.33	50	10.63	50		
	Vanguard Target Retirement 2025 Inv	8.82	71	3.83	69	8.20	75	6.07	88	10.95	67	6.67	10/27/2003
	Target-Date 2030 Peer Group	9.52	50	3.25	50	8.28	50	5.78	50	11.25	50		
	Vanguard Target Retirement 2030 Inv	9.54	52	3.71	67	8.87	71	6.39	79	11.65	69	6.49	6/7/2006
	Target-Date 2035 Peer Group	10.40	50	3.20	50	9.05	50	6.18	50	11.82	50		
	Vanguard Target Retirement 2035 Inv	10.20	38	3.55	66	9.52	69	6.69	76	12.27	71	7.28	10/27/2003
	Target-Date 2040 Peer Group	11.03	50	2.95	50	9.51	50	6.36	50	11.99	50		
	Vanguard Target Retirement 2040 Inv	10.96	45	3.38	65	10.20	75	6.96	79	12.55	75	6.88	6/7/2006
	Target-Date 2045 Peer Group	11.53	50	3.04	50	9.80	50	6.57	50	12.32	50		
	Vanguard Target Retirement 2045 Inv	11.48	47	3.27	56	10.43	75	7.08	78	12.63	70	7.71	10/27/2003
	Target-Date 2050 Peer Group	11.54	50	2.85	50	9.82	50	6.57	50	12.26	50		
	Vanguard Target Retirement 2050 Inv	11.50	45	3.27	65	10.43	72	7.08	76	12.63	73	6.97	6/7/2006
	Target-Date 2055 Peer Group	11.89	50	2.98	50	9.97	50	6.68	50	13.35	50		
	Vanguard Target Retirement 2055 Inv	11.50	33	3.28	57	10.43	68	7.05	70	N/A	N/A	10.20	8/18/2010
	Target-Date 2060+ Peer Group	11.96	50	2.93	50	10.21	50	6.81	50	12.72	50		
	Vanguard Target Retirement 2060 Inv	11.48	28	3.25	62	10.42	59	7.05	62	N/A	N/A	9.86	1/19/2012
Bond	Intermediate-Term Bond Peer Group	3.22	50	4.10	50	2.30	50	2.59	50	4.63	50		
	Metropolitan West Total Return Bd Plan	3.15	45	4.80	90	2.32	51	2.77	65	5.98	87	3.71	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	10.24	52	-5.23	49	8.06	84	2.77	78	8.90	66	4.47	11/29/2010
	Vanguard Small Cap Index Adm (Idx)	16.18	91	5.58	93	12.78	82	7.91	88	16.97	95	9.06	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	16.77	91	5.98	86	11.59	79	8.85	93	16.67	94	9.85	11/12/2001
	Vanguard Institutional Index I (Idx)	13.65	71	9.47	83	13.48	83	10.88	92	15.90	86	9.79	7/31/1990

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

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

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

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures

Exhibit "B"

Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 03/31/2019

		Sharpe Ratios and Percentiles %				Standard Deviation		Expense	Expense	Manager	Fund Size
	Fund Name	**3 Yr Ratio**	**3 Yr %**	**5 Yr Ratio**	**5 Yr %**	**3 Yr**	**5 Yr**	**Ratio**	**Percentile %**	**Tenure (yrs)**	**$MM**
Intl	Foreign Large Growth Peer Group	0.59	50	0.28	50	11.58	11.89	1.05	50		
	American Funds Europacific Growth R6	0.73	69	0.35	64	11.38	11.54	0.49	96	27	159,757
Small-Cap	Small Growth Peer Group	0.94	50	0.54	50	15.97	16.57	1.11	50		
	Hood River Small-Cap Growth Retirement	0.87	40	0.63	78	18.02	17.14	1.00	65	16	569
	Small Value Peer Group	0.49	50	0.32	50	16.04	15.43	1.15	50		
	Victory Integrity Small-Cap Value R6	0.48	43	0.32	53	17.16	16.46	0.95	74	15	2,377
Mid-Cap	Mid-Cap Growth Peer Group	0.99	50	0.66	50	13.77	14.00	1.08	50		
	Hartford MidCap R6	1.01	58	0.76	77	13.96	14.07	0.75	90	9	13,794
	Mid-Cap Value Peer Group	0.62	50	0.43	50	12.78	12.85	1.01	50		
	Wells Fargo Special Mid Cap Value R6	0.75	86	0.61	88	11.62	11.76	0.73	86	10	8,151
Large-Cap	Large Growth Peer Group	1.13	50	0.89	50	12.52	12.71	0.94	50		
	American Funds Growth Fund of Amer R6	1.22	73	0.93	59	11.75	12.08	0.33	97	25	192,595
	Large Value Peer Group	0.81	50	0.58	50	10.98	11.35	0.89	50		
	Diamond Hill Large Cap Y	0.91	77	0.69	77	11.62	12.26	0.55	89	17	5,769
Asst All/Other	Target-Date Retirement Peer Group	0.90	50	0.68	50	3.82	4.04	0.68	50		
	Vanguard Target Retirement Income Inv	1.02	80	0.90	96	3.45	3.68	0.12	97	6	16,330
	Target-Date 2020 Peer Group	0.98	50	0.68	50	5.37	5.99	0.70	50		
	Vanguard Target Retirement 2020 Inv	1.07	77	0.78	87	5.58	6.28	0.13	97	6	32,016
	Target-Date 2025 Peer Group	0.98	50	0.67	50	6.37	7.04	0.68	50		
	Vanguard Target Retirement 2025 Inv	1.05	78	0.75	89	6.44	7.15	0.13	97	6	41,778
	Target-Date 2030 Peer Group	0.97	50	0.64	50	7.32	7.99	0.72	50		
	Vanguard Target Retirement 2030 Inv	1.04	76	0.72	84	7.18	7.95	0.14	97	6	36,402
	Target-Date 2035 Peer Group	0.96	50	0.63	50	8.15	8.96	0.70	50		
	Vanguard Target Retirement 2035 Inv	1.03	82	0.69	84	7.92	8.78	0.14	97	6	34,732
	Target-Date 2040 Peer Group	0.94	50	0.62	50	8.77	9.48	0.75	50		
	Vanguard Target Retirement 2040 Inv	1.02	83	0.67	77	8.66	9.57	0.14	97	6	26,884
	Target-Date 2045 Peer Group	0.94	50	0.61	50	9.23	9.94	0.71	50		
	Vanguard Target Retirement 2045 Inv	0.99	78	0.66	77	9.14	9.86	0.15	96	6	24,702
	Target-Date 2050 Peer Group	0.93	50	0.61	50	9.25	10.00	0.74	50		
	Vanguard Target Retirement 2050 Inv	0.99	78	0.66	77	9.15	9.87	0.15	96	6	17,591
	Target-Date 2055 Peer Group	0.94	50	0.62	50	9.38	10.09	0.72	50		
	Vanguard Target Retirement 2055 Inv	0.99	78	0.66	76	9.13	9.85	0.15	96	6	8,868
	Target-Date 2060+ Peer Group	0.94	50	0.63	50	9.39	10.38	0.73	50		
	Vanguard Target Retirement 2060 Inv	0.99	70	0.66	84	9.14	9.87	0.15	96	6	3,669
Bond	Intermediate-Term Bond Peer Group	0.36	50	0.65	50	2.86	2.77	0.66	50		
	Metropolitan West Total Return Bd Plan	0.38	52	0.76	74	2.79	2.58	0.37	88	22	71,773
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.67	86	0.22	76	10.50	11.66	0.11	96	11	369,856
	Vanguard Small Cap Index Adm (Idx)	0.82	91	0.54	91	14.41	14.50	0.05	98	3	90,078
	Vanguard Mid Cap Index Admiral (Idx)	0.87	86	0.69	92	12.05	12.31	0.05	98	21	101,282
	Vanguard Institutional Index I (Idx)	1.12	85	0.91	91	10.73	11.19	0.04	98	18	224,719

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 03/31/2019

		Calendar Year Returns					Modern Portfolio Theory Statistics (3 year)			Portfolio Construction		
	Fund Name	**2018**	**2017**	**2016**	**2015**	**2014**	**Alpha**	**Beta**	**R2**	**Turnover Ratio**	**Number of Holdings**	**% in top 10 holdings**
Intl	Foreign Large Growth Peer Group	-14.61	31.21	-1.54	0.58	-3.54						
	American Funds Europacific Growth R6	-14.91	31.17	1.01	-0.48	-2.29	0.89	1.00	94	29	426	20%
Small-Cap	Small Growth Peer Group	-5.78	22.28	10.65	-1.97	3.60						
	Hood River Small-Cap Growth Retirement	-6.78	20.78	13.50	0.80	8.56	N/A	N/A	N/A	102	92	24%
	Small Value Peer Group	-15.39	9.20	25.93	-6.26	4.40						
	Victory Integrity Small-Cap Value R6	-18.42	12.59	24.52	-6.49	7.50	-2.59	1.05	97	70	134	12%
Mid-Cap	Mid-Cap Growth Peer Group	-5.53	24.77	5.75	0.13	7.77						
	Hartford MidCap R6	-7.29	24.42	11.87	1.75	11.18	1.50	1.10	94	37	105	19%
	Mid-Cap Value Peer Group	-13.32	13.12	17.72	-4.29	9.99						
	Wells Fargo Special Mid Cap Value R6	-13.02	11.27	21.68	-2.65	12.12	-0.94	1.04	94	37	68	26%
Large-Cap	Large Growth Peer Group	-1.63	28.94	2.84	4.83	10.59						
	American Funds Growth Fund of Amer R6	-2.60	26.53	8.82	5.70	9.63	0.56	0.89	92	28	382	29%
	Large Value Peer Group	-8.92	16.17	14.59	-3.53	11.05						
	Diamond Hill Large Cap Y	-9.53	20.42	14.74	-0.74	10.89	0.81	1.06	94	29	51	34%
Asst All/Other	Target-Date Retirement Peer Group	-3.35	8.68	5.24	-1.06	4.40						
	Vanguard Target Retirement Income Inv	-1.99	8.47	5.25	-0.17	5.54	-0.21	0.78	98	6	6	100%
	Target-Date 2020 Peer Group	-4.46	12.74	6.51	-0.98	5.55						
	Vanguard Target Retirement 2020 Inv	-4.24	14.08	6.95	-0.68	7.11	-0.05	0.91	99	10	6	100%
	Target-Date 2025 Peer Group	-5.41	14.96	7.03	-1.09	5.79						
	Vanguard Target Retirement 2025 Inv	-5.15	15.94	7.48	-0.85	7.17	-0.17	1.05	99	8	5	100%
	Target-Date 2030 Peer Group	-6.32	16.90	7.48	-1.17	5.92						
	Vanguard Target Retirement 2030 Inv	-5.86	17.52	7.85	-1.03	7.17	-0.15	0.89	99	9	5	100%
	Target-Date 2035 Peer Group	-7.27	18.52	7.95	-1.21	6.08						
	Vanguard Target Retirement 2035 Inv	-6.58	19.12	8.26	-1.26	7.24	-0.28	0.98	99	8	5	100%
	Target-Date 2040 Peer Group	-7.93	19.62	8.23	-1.36	6.13						
	Vanguard Target Retirement 2040 Inv	-7.32	20.71	8.73	-1.59	7.15	-0.38	1.07	99	8	5	100%
	Target-Date 2045 Peer Group	-8.29	20.40	8.37	-1.38	6.14						
	Vanguard Target Retirement 2045 Inv	-7.90	21.42	8.87	-1.57	7.16	-0.36	0.95	99	7	5	100%
	Target-Date 2050 Peer Group	-8.47	20.64	8.47	-1.38	6.21						
	Vanguard Target Retirement 2050 Inv	-7.90	21.39	8.85	-1.58	7.18	-0.37	0.95	99	7	5	100%
	Target-Date 2055 Peer Group	-8.49	20.85	8.47	-1.42	6.37						
	Vanguard Target Retirement 2055 Inv	-7.89	21.38	8.88	-1.72	7.19	-0.35	0.95	99	5	5	100%
	Target-Date 2060+ Peer Group	-8.52	21.05	8.60	-0.90	6.11						
	Vanguard Target Retirement 2060 Inv	-7.87	21.36	8.84	-1.68	7.16	-0.37	0.95	99	3	5	100%
Bond	Intermediate-Term Bond Peer Group	-0.51	3.77	3.01	0.10	5.59						
	Metropolitan West Total Return Bd Plan	0.29	3.49	2.56	0.25	6.16	0.34	0.93	99	291	2040	16%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	-14.43	27.55	4.67	-4.26	-4.17	0.06	0.99	99	3	6308	8%
	Vanguard Small Cap Index Adm (Idx)	-9.31	16.24	18.30	-3.64	7.50	1.74	0.94	99	15	1393	3%
	Vanguard Mid Cap Index Admiral (Idx)	-9.23	19.25	11.22	-1.34	13.76	-0.78	0.98	99	16	368	7%
	Vanguard Institutional Index I (Idx)	-4.42	21.79	11.93	1.37	13.65	-0.03	1.00	100	6	511	21%

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 03/31/2019

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2018	Annual Return 2017	Annual Return 2016	Annual Return 2015	Annual Return 2014
International	MSCI EMF ID	-9.63	8.14	1.24	6.38	-16.63	34.35	8.58	-16.96	-4.63
	MSCI Eafe Ndtr_D	-3.71	7.27	2.33	8.96	-13.79	25.03	1.00	-0.81	-4.90
	MSCI World Ndtr_D	4.01	10.68	6.78	12.38	-8.71	22.40	7.51	-0.87	4.94
Small-Cap	Russell 2000 Growth	3.85	14.87	8.41	16.52	-9.31	22.17	11.32	-1.38	5.60
	Russell 2000	2.05	12.92	7.05	15.36	-11.01	14.65	21.31	-4.41	4.89
	Russell 2000 Value	0.17	10.86	5.59	14.12	-12.86	7.84	31.74	-7.47	4.22
Mid-Cap	Russell Midcap Growth	11.51	15.06	10.89	17.60	-4.75	25.27	7.33	-0.20	11.90
	Standard & Poor's Midcap 400	2.59	11.24	8.29	16.28	-11.08	16.24	20.74	-2.18	9.77
	Russell Midcap Value	2.89	9.50	7.22	16.39	-12.29	13.34	20.00	-4.78	14.75
Large-Cap	Russell 1000 Growth	12.75	16.53	13.50	17.52	-1.51	30.21	7.08	5.67	13.05
	Standard & Poor's 500 TR	9.50	13.51	10.91	15.92	-4.38	21.83	11.96	1.38	13.69
	Russell 1000 Value	5.67	10.45	7.72	14.52	-8.27	13.66	17.34	-3.83	13.45
Bond	BBgBarc US Aggregate Bond	4.48	2.03	2.74	3.77	0.01	3.54	2.65	0.55	5.97
	BBgBarc US Capital Credit	4.89	3.48	3.61	6.22	-2.11	6.18	5.63	-0.77	7.53
	BBgBarc US Mortgage-Backed	4.42	1.77	2.65	3.11	0.99	2.47	1.67	1.51	6.08
	BBgBarc US Government Bond	4.20	1.07	2.15	2.44	0.88	2.30	1.05	0.86	4.92
	BBgBarc US 1-3 Year Government	2.74	1.00	0.99	1.10	1.58	0.45	0.87	0.57	0.64

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

Please refer to the Appendix page for additional disclosures

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

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

GREAT-WEST FINANCIAL

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

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

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

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

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

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

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

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.

APPENDIX - GLOSSARY (CONT.)

GREAT-WEST FINANCIAL

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.

May 1, 2019
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE THROUGH MARCH 31, 2019

SUMMARY:

Staff will provide the Committee with an update on the financial performance of the District's real estate investments and other revenue generating assets for the quarter ended March 31, 2019.

BACKGROUND:

For the quarter ended March 31, 2019, the net operating income (NOI) for the District's residential and commercial real estate investment properties was $2.8 million. This represents a 15.51% return for the period; the fiscal year (FY) to date NOI was $8.2 million. Including the Serrano Summit / Lennar promissory note earning a rate of 4.00%, the weighted average return of the District's real estate investment portfolio was 9.42% and 9.16% for quarter-end and FY periods, respectively. A report detailing the NOI and returns for the District's real estate investment properties, golf course lease, and other revenue generating assets is attached as Exhibit "A".

Residential Investment Properties:

For the quarter ended March 31, 2019, the NOI for the Sycamore Canyon Apartments was $2.1 million, which was favorable to budget by $126,002, due to lower-than-anticipated vacancies and lower operating expenses for carpet and vinyl replacements. FY to date NOI was approximately $6.3 million, which was favorable to budget by $280,072, due to higher-than-anticipated revenue from other income, lower-than-expected vacancy loss, and lower-than-anticipated or deferred operating expenses for brochure redesign, resident events, flooring replacements and telephone expenses. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00%, providing income of $133,151 for the quarter-end and $405,371 for the FY to date. The net return for Wood Canyon was 8.55% and 8.60% for quarter-end and FY periods, respectively.

Commercial Investment Properties:

The NOI for the quarter ended March 31, 2019 at the Irvine Market Place (230 Commerce) property was $227,288 and $529,229 year to date, which were favorable to budget by $40,777 and $26,165, respectively. The quarter-end and FY variances were due to common area maintenance (CAM) adjustments related to 2018 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation. The building is 100% leased with the next two leases due to expire in May and June 2019. The District's real estate broker is currently marketing the two suites.

The NOI for the Waterworks Way Business Park property for the quarter ended March 31, 2019 was $127,319, which was favorable to budget by $12,589 due to CAM adjustments related to

2018 expenses eligible for tenant reimbursement. FY to date, the property's NOI was $362,608, which was in line with budget. The property is currently 100% occupied.

For the quarter ended March 31, 2019, the NOI for the Sand Canyon Professional Center medical office property was $196,342 and $572,118 FY to date, which were in line with budget. The property is currently 100% occupied. Construction continues on the build-out of the Sand Canyon Professional Center campus, which is expected to be complete by the end of 2019. Brokers are actively marketing the new space.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for the Strawberry Farms Golf Course for the quarter ended March 31, 2019 was $124,063, which was in line with budget. This compares with income of $124,624 for the same period last year, representing a 0.45% decrease for the period. The FY to date NOI was $410,281, representing a decrease of 2.90% compared to the same period last year. The quarterly and FY to date lease revenues from the District's five cell sites were $141,878 and $239,354, respectively, which were in line with the budget.

FISCAL IMPACTS:

For the quarter and fiscal period ended March 31, 2019, the District's commercial and residential real estate investments provided NOI of approximately $2.8 million and $8.2 million, respectively. The Serrano Summit/Lennar Homes promissory note earned interest of $816,000 and $2,448,000 for the quarter and FY period ended March 31, 2019, respectively. Strawberry Farms Golf Course lease revenue was $124,063 for the quarter and $410,281 for the FY to date. The District cell site revenue was $141,878 for the quarter and $239,354 for the FY to date.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report - Investment
as of March 31, 2019

INCOME PROPERTIES			FY 2018-19					FY 2018-19 RATE OF RETURN				3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Jan-19	Feb-19	Mar-19	FY Q3	FY 2018-19 TOTAL	FY Q1	FY Q2	FY Q3	Average Fiscal YTD	FY 16/17 - 18/19	FY 14/15 - 18/19
Sycamore Canyon Apartments	$ 43,550,810	Dec-92	$ 720,513	$ 696,232	$ 717,105	$ 2,133,850	$ 6,297,059	19.02%	19.22%	19.60%	19.28%	18.75%	18.09%
Wood Canyon Villa Apartments	$ 6,000,000	Jun-91	$ 45,863	$ 41,425	$ 45,863	$ 133,151	$ 405,371	8.55%	8.69%	8.55%	8.60%	8.57%	8.56%
Irvine Market Place Office	$ 5,739,845	Jul-03	$ 63,935	$ 66,934	$ 96,419	$ 227,288	$ 529,229	10.86%	10.18%	15.84%	12.29%	8.20%	7.52%
Waterworks Way Business Park	$ 8,630,577	Nov-08	$ 37,689	$ 35,036	$ 54,594	$ 127,319	$ 362,608	5.82%	5.09%	5.90%	5.60%	5.37%	5.00%
Sand Canyon Professional Center	$ 8,648,594	Jul-12	$ 64,512	$ 64,937	$ 66,893	$ 196,342	$ 572,118	8.88%	8.50%	9.08%	8.82%	8.78%	8.59%
TOTAL - INCOME PROPERTIES	$ 72,569,826		$ 932,512	$ 904,564	$ 980,874	$ 2,817,950	$ 8,166,385	14.73%	14.68%	15.51%	14.97%	14.30%	13.78%

OTHER REAL ESTATE INVESTMNET			FY 2018-2019					PROMISSORY NOTE RATE OF RETURN			
Property Description	Original Cost	Investment Inception	Jan-19	Feb-19	Mar-19	FY Q3	FY 2018-19 TOTAL	FY Q1	FY Q2	FY Q3	Average Fiscal YTD
Serrano Summit - Promissory Note	$ 81,600,000	Sep-17	$ 272,000	$ 272,000	$ 272,000	$ 816,000	$ 2,448,000	4.00%	4.00%	4.00%	4.00%
TOTAL - REAL ESTATE INVESTMENTS	$ 154,169,826		Weighted Average Rate of Return					9.05%	9.02%	9.42%	9.16%

Irvine Ranch Water District
Real Estate Investment Performance Report - Investment
Strawberry Farms Golf Course & Cell Site
as of March 31, 2019

	2018-19 NET INCOME				
Property Description	**Jan-19**	**Feb-19**	**Mar-19**	**FY Q3**	**NET INCOME 2018-2019**
Strawberry Farms Golf Course	$ 35,095	$ 38,255	$ 50,713	$ 124,063	$ 410,281
Change From Prior Year Period:				$ (561) -0.45%	$ (12,269) -2.90%
Cellular Sites	$ 45,512	$ 81,103	$ 15,263	$ 141,878	$ 239,354
Change From Prior Year Period:			(1)	$ 34,005 31.52%	$ 10,199 4.45%

(1) Increase from prior year period due to timing of revenue share

May 1, 2019
Prepared by: D. Pardee / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2018-19 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS THROUGH MARCH 31, 2019

SUMMARY:

Staff has prepared an analysis of the unaudited operating statements through the third quarter of Fiscal Year (FY) 2018-19, as follows:

- Actual to budget 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 natural treatment system (NTS) and conservation, attached as Exhibit "B";
- Actual to budget comparison of non-operating revenues and expenses for the consolidated District, attached as Exhibit "C";
- Full year forecast to budget comparison of operating expenses for FY 2018-19, attached as Exhibit "D"; and
- Full year forecast to budget comparison of non-operating revenues and expenses for FY 2018-19, attached as Exhibit "E".

As of the March 31, 2019, overall net expenses totaled $114.6 million versus a budget of $115.9 million. Significant variances greater than $0.25 million are discussed below.

Based on system revenues and expenses shown on Exhibit "B", net operating revenue is over budget by $3.4 million and expenses exceeded budget by $0.7 million, resulting in a positive net operating position of $2.7 million through March 31, 2019.

As shown on Exhibit "C", actual net non-operating revenues and expenses were $61.1 million versus a budget of $52.7 million.

Significant variances greater than $0.25 million are discussed below.

BACKGROUND:

Overall Operating Expenses:

Overall net operating expenses were under budget by $1.2 million or 1.1%. Exhibit "A" is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor was over budget by $0.6 million (2.2%). This is due in part to the budget being evenly allocated over four quarters while the third quarter had an additional payroll. Actual vacancies during the year exceeded budget;

- Employee benefits were under budget by $0.5 million (3.4%), primarily due to Workers' Compensation paid claims, which were below budget ($0.3 million) and 23 vacant positions. Employee benefits do not include the additional payroll as they are budgeted evenly on a quarterly basis;
- Electricity exceeded budget by $0.6 million (5.2%). This is due to a change in the Southern California Edison Base Interruptible Program that reduced the incentive credits for limiting electrical usage during peak hours ($0.4 million). The Michelson Water Recycling Plant (MWRP) electricity expense exceeded budget by $0.4 million with over half associated with the cost of moving water to storage. Water banking expenditures were under budget due to water not being moved out of storage resulting from the higher rainfall ($0.3 million);
- Operating Supplies were over budget by $0.6 million (56.3%). This is a result of inventory stock that was budgeted as repairs and maintenance-IRWD and is accounted for in the Maximo system as operating supplies expense. The offset is described below;
- Repairs & Maintenance OCSD & Others exceeded budget by $0.5 million (4.9%). This is due to additional costs for biosolids disposal resulting from the annual FY 2017-18 audit performed by the Orange County Sanitation District (OCSD). Actual costs were higher than invoiced ($0.6 million);
- Repairs and Maintenance (IRWD) was below budget by $0.8 million (11.1%). This is primarily due to inventory stock being recorded as operating supplies as mentioned above ($0.6 million);
- Legal Fees were under budget by $0.3 million (23.7%). This is due primarily to timing of work and/or billings;
- Data Processing was below budget by $0.5 million (20.2%). This is due to the timing of projects and billings;
- Other Professional Fees were below budget by $1.2 million (31.6%). Public Affairs is under budget due to the timing of educational and research programs ($0.4 million). Water Efficiency is under budget ($0.2 million). Several other departments comprise the balance. This is due primarily to timing of work and/or billings;
- Conservation was below budget by $0.8 million (53.8%) due to lower-than-anticipated customer participation in IRWD's rebate programs due to saturation for many of the indoor rebate qualified devices ($0.6 million) and Metropolitan Water District (MWD) providing full funding for the majority of the turf removal rebates ($0.2 million);
- The cost of water was below budget by $0.1 million (0.2%). This is summarized below:

  Treated System – Sales were below budget by 602 AF (1.6%) and total demand was under budget by 865 AF (2.1%). Imported water was over budget by 1,691 AF while groundwater came in at 2,497 AF under budget. Cost Impact: expenses were $0.7 million over budget.

  Untreated System – Sales were under budget by 402 AF (28.2%), supplemental demands were below budget by 417 AF, and total demand was below budget by 154 AF. Imported water was below budget by 639 AF, and native water exceeded budget by 68 AF. Cost Impact: expenses were under budget by $0.1 million.

Recycled Water System – Sales were below budget by 542 AF. Supplemental demands were under budget by 417 AF while pumping was over budget by 32 AF. Cost Impact: Expenses are $0.7 million less than budget.

A more thorough discussion of the water system follows:

For the treated potable system, sales were under budget by 602 AF. The District used 1,691 AF more imported water than budgeted while groundwater was 2,497 AF under budget. Reduced pumping was primarily due to downtime for maintenance at Deep Aquifer System (DATS), Irvine Desalter (IDP), and Dyer Road Wellfield (DRWF). It is anticipated that the reduced pumping at DATS will be made up by year end. Imported water replaced the reduced pumping. The potable system exceeded budget by $0.7 million.

	Treated					
	Acre Feet			Millions		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
Imported	4,272	2,581	(1,691)	$4.5	$2.6	($1.9)
Pumped	31,265	33,762	2,497	14.8	15.7	0.9
Baker	5,365	5,424	59	4.4	4.7	0.3
Total	40,902	41,767	865	23.7	23.0	(0.7)
Process Waste	(625)	(675)	(50)			
System Loss	(2,152)	(2,365)	(213)			
Sales/Cost of Sales	*38,125*	*38,727*	*602*	$23.7	$23.0	($0.7)

For the untreated non-potable system, sales were under budget by 402 AF. Imported purchases and native water met demands. The untreated system was $0.1 million under budget.

	Non-Potable (untreated)					
	Acre Feet			Millions		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
Imported	2,274	2,913	639	1.8	2.2	$0.4
Native	818	750	(68)	0.2	0.2	(0.0)
Native Trsf to Rcycld	(137)		137	(0.1)	-	0.1
Imported Trsf to Rcycld	(1,407)	(1,961)	(554)	(1.2)	(1.6)	($0.4)
Total	1,548	1,702	154	0.7	0.8	0.1
System Loss	(526)	(278)	248			
Sales/Cost of Sales	*1,022*	*1,424*	*402*	$0.7	$0.8	$0.1

The recycled water system sales were below budget by 542 AF. Produced /storage water was below budget by 19 AF. Imported/ supplemental water transferred from the untreated system was 417 AF under budget. Pumped water exceeded budget was 32 AF. Costs were under budget by $0.7 million.

	Recycled					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	1,544	1,961	417	$1.2	$1.6	$0.4
Pumped	3,274	3,242	(32)	1.2	1.5	0.3
Produced/ Storage	16,103	16,122	19	-	-	0.0
Total	20,921	21,325	404	2.4	3.1	0.7
Process Waste	(437)	(486)	(49)			
System Loss	(561)	(374)	187			
Sales/Cost of Sales	*19,923*	*20,465*	*542*	$2.4	$3.1	$0.7

Summary of System Actual to Budget Performance:

Exhibit “B” shows a detailed comparison of actual to budgeted revenue and expenses by system for FY 2018-19. 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 variance for the consolidated District (all systems) was over budget by $2.7 million. Net revenues were over budget by $3.4 million (3.4%) and total expenses were over budget by $0.7 million. Variances by system are explained below.

Potable and Untreated Water System:

The net operating income variance to budget for the water system was below budget by $0.4 million. Net revenues exceeded budget by $1.5 million (3.0%) and total expenses were over budget by $1.9 million (3.9%).

Commodity revenue exceeded budget by $0.3 million (treated and untreated) with residential and landscape demands exceeding budget in the over allocation tiers. Fixed service revenue was over budget by $1.6 million due to higher residential growth than anticipated.

Direct expenses exceeded budget by $1.6 million (4.0%). This variance is primarily due to the cost of potable water coming in over budget by $0.9 million. Well maintenance reduced pumped water, which was replaced by more expensive imported water as discussed previously. Key variances associated with the cost of water are as follows with the explanations consistent with the variances described above.

Potable and Untreated Variances (in millions)	Imported/ Native	Clear and Process Wells	Baker WTP	Total
Water	($1.8)	$0.9	$0.3	($0.6)
Labor and G&A	0.0	(0.6)	(0.1)	(0.7)
Electricity	0.0	0.1	(0.1)	0.0
Chemicals	0.0	0.2	(0.1)	0.1
Other	0.0	(0.4)	0.2	(0.2)
Baker Reimbursement	0.0	0.0	0.5	0.5
Total Cost of Water	($1.8)	$0.2	$0.7	($0.9)

Operations exceeded budget by $0.7 million due primarily to the higher electricity cost ($0.4 million) from the Base Interruptible Program as discussed previously and increased landscape and irrigation maintenance costs ($0.1 million).

Indirect expenses, which include customer service and allocated general and administration (G & A) were over budget by $0.3 million. Labor associated with water operations exceeded budget increasing the allocated G & A.

Sewer System:

The net operating income variance for the sewer system exceeded budget by $0.2 million. Service revenues exceeded budget by $0.4 million and net revenues exceeded budget by $0.3 million (1.1%) due to higher-than-expected revenue from commercial and industrial customers. Direct Expenses were over budget by $0.9 million (5.6%). Pass-through costs for biosolids disposal at OCSD exceeded budget by $0.6 million. Operations expense exceeded budget by $0.3 million with the most significant elements being increased operating supplies and electricity.

Indirect expenses, which include customer service and allocated general and administration (G & A) were under budget primarily from reduced labor charges to sewer operations.

Recycled Water System:

The net operating income variance to budget for the recycled water system was over budget by $0.5 million. Net revenue exceeded budget by $0.4 million (2.3%) and total expenses were under budget by $0.1 million (0.9%)

Commodity revenue for recycled water sales exceeded budget by $0.5 million (4.0%) due to over allocation sales.

Conservation/NTS:

The net operating income variance to budget for conservation and NTS was positive by $2.3 million. Over allocation revenue exceeded budget by $1.3 million (16.9%). This is due to the blend of potable and recycled water sales exceeding budget in the inefficient and wasteful tiers.

Total expenses were under budget by 1.1 million (11.5%) with over allocation expense below budget by $1.3 million due to water banking electricity, reduced customer participation in IRWD's rebate programs due to saturation for many of the indoor rebate qualified devices and higher MWD funding rebates as discussed previously. In addition, educational and research programs are under budget due to timing ($0.4 million).

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

The District's non-operating revenues are related to income generated from sources other than user rates. They include property taxes, investment income, connection fees and real estate. A portion of the non-operating revenues pay debt service. Property taxes and connection fees help pay for new infrastructure. Exhibit "C" provides a detailed comparison of actual to budget for FY 2018-19 and significant variances greater than $0.25 million are discussed below.

Non-Operating Income/Expenses:

The net non-operating income variance to budget was positive by $8.5 million. Revenues exceeded budget by $7.2 million and expenses were below budget by $1.2 million.
Key variances greater than $0.25 million are as follows:

	Variance (millions)
Property Tax Revenue exceeded budget due to higher assessed values.	$4.9
Investment Income is above budget due to a higher rate of return than expected (1.72 IRWD 2.05 LAIF; Budget 1.50).	1.2
Connection fees were under budget due to the unpredictable nature of this revenue source. This is a timing issue.	(0.7)
Real Estate Income exceeded budget due to higher than anticipated occupancy at residential investment properties	0.6
Other income was above budget due to higher than anticipated grant revenue.	1.2
Interest expense was under budget due to lower than budgeted variable rates.	0.7
Other Expenses were under budget due to a change in the earnings credit rate for banking fees from 0.25% to 1.25%.	0.3
Other variances under $0.25 million.	0.3
Total	$8.5

Operating and Non-Operating Forecasts:

Exhibit "D" is a full year forecast of operating expenses for FY 2018-19. Expenses at year end are forecasted to be at $156.1 million, after reimbursement from Baker Partners. Several individual line items differ in the forecast to budget and include:

- $0.2 million increased overtime to offset reduced regular labor;
- $0.2 million increased contract labor to offset reduced regular labor;
- $0.3 million lower employee benefits associated with the vacancy factor;
- $0.4 million increased electricity;
- $0.9 million increase in operating supplies from repairs and maintenance-IRWD;
- $0.9 million reduced repairs and maintenance-IRWD offsets operating supplies increase;
- $0.6 million reduced other professional fees for projects delayed until next year; and
- $1.0 million reduced conservation for projects delayed until next year.

Exhibit "E" is a full year forecast of non-operating revenues and expenses for FY 2018-19. It is anticipated that the District will generate $124.1 million in revenues and $32.8 million in expenses for a net positive position of $91.3 million versus a budget of $81.9 million. The variance includes higher property tax revenues, investment and real estate income and grant revenue and slightly lower interest and real estate expense.

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 (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 "D" – Consolidated Operating Forecast to Budget FY 2018-19
Exhibit "E" – Consolidated Non-Operating Forecast to Budget FY 2018-19

Exhibit A
Irvine Ranch Water District
Consol Operating Actual to Budget Expense (A vs B)
Period Ending March 31, 2019
(in thousands)

Expense Group	Expense Name	Actual 3/31/19	Budget 3/31/19	Budget (Over)/Under	%
Salaries & Benefits	Regular Labor	$26,458	$25,886	($572)	(2.2%)
	Overtime Labor	1,777	1,575	(202)	(12.9%)
	Contract Labor	1,465	1,376	(89)	(6.5%)
	Employee Benefits	13,855	14,343	488	3.4%
Salaries & Benefits Total		**$43,555**	**$43,179**	**($376)**	**(0.9%)**
Purchased Water & Utilities	Water	27,284	27,349	65	0.2%
	Electricity	11,324	10,763	(561)	(5.2%)
	Fuel	522	419	(102)	(24.4%)
	Telecommunication	496	471	(25)	(5.3%)
	Other Utilities	140	143	2	1.7%
Purchased Water & Utilities Total		**$39,765**	**$39,144**	**($621)**	**(1.6%)**
Materials & Supplies	Chemicals	2,153	2,338	185	7.9%
	Operating Supplies	1,778	1,137	(641)	(56.3%)
	Printing	148	242	95	39.0%
	Postage	384	390	6	1.4%
	Permits, Licenses and Fees	1,361	1,317	(44)	(3.3%)
	Office Supplies	94	71	(23)	(32.3%)
	Duplicating Equipment	132	131	(1)	(1.0%)
	Equipment Rental	65	54	(11)	(20.3%)
Materials & Supplies Total		**$6,115**	**$5,681**	**($434)**	**(7.6%)**
Professional Services	Rep & Maint OCSD & Others	10,778	10,278	(500)	(4.9%)
	Rep & Maint IRWD	6,476	7,288	811	11.1%
	Insurance	791	769	(22)	(2.9%)
	Legal Fees	1,102	1,444	342	23.7%
	Engineering Fees	737	780	44	5.6%
	Accounting Fees	74	82	8	9.2%
	Data Processing	1,855	2,325	470	20.2%
	Personnel Training	892	888	(4)	(0.5%)
	Personnel Physicals	21	31	10	32.1%
	Other Professional Fees	2,656	3,882	1,225	31.6%
	Directors' Fees	119	126	7	5.9%
Professional Services Total		**$25,502**	**$27,892**	**$2,390**	**8.6%**
Other	Mileage Reimbursement	115	112	(3)	(2.8%)
	Collection Fees	1	3	2	66.0%
	Election Expense	101	127	27	21.1%
	Safety	144	92	(52)	(56.8%)
	Alarm and Patrol Services	557	563	5	1.0%
	Biosolids Disposals	12	15	3	20.3%
	Commuter Program	144	117	(27)	(23.3%)
	Computer Backup Storage	14	6	(8)	(134.6%)
	Contract Meter Reading	955	1,042	88	8.4%
	Other	119	97	(22)	(22.9%)
	Conservation	659	1,425	766	53.8%
Other Total		**$2,820**	**$3,599**	**$779**	**21.6%**
Grand Total		**$117,757**	**$119,496**	**$1,738**	**1.5%**
Less: Reimbursement from Baker Partners		(3,112)	(3,624)	(512)	14.1%
Grand Total		**$ 114,646**	**$ 115,872**	**$ 1,226**	**1.1%**

Exhibit B

IRVINE RANCH WATER DISTRICT

CONSOLIDATED ACTUAL TO BUDGET REVENUES AND EXPENSES

Period Ending March 31, 2019

(in thousands)

	Water			Sewer			Recycled			NTS & Conservation			Total
FY 2018-19	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Var.**
Revenues:													
Commodity Revenues	$ 32,883	$ 32,537	$ 346	$ 0	$ -	$ 0	$ 11,878	$ 11,421	$ 456	$ -	$ -	$ -	$ 802
Service Revenues	27,311	25,741	1,569	39,355	38,920	435	5,005	5,116	(110)	-	-	-	1,894
Over Allocation Revenues			-			-			-	8,686	7,434	1,252	1,252
Total Revenues	60,194	58,279	1,915	39,355	38,920	435	16,883	16,537	346	8,686	7,434	1,252	3,949
Contribution to Enhancement and Replacement Capital Funds	(6,675)	(6,291)	(384)	(14,570)	(14,409)	(161)	(704)	(719)	16	-	-	-	(529)
Net Revenues	$ 53,519	$ 51,987	$ 1,532	$ 24,785	$ 24,511	$ 274	$ 16,179	$ 15,818	$ 362	$ 8,686	$ 7,434	$ 1,252	$ 3,420
Expenses:													
Cost of Water	$ 32,598	$ 31,662	$ (936)	$ -	$ -	$ -	$ 9,028	$ 9,148	$ 120	$ -	$ -	$ -	$ (816)
Operations	8,872	8,203	(668)	6,662	6,370	(292)	3,875	3,790	(85)	-	-	-	(1,045)
Water Banking	-	-	-	-	-	-	-	-	-	1,414	1,231	(183)	(183)
OCSD - O&M	-	-	-	9,997	9,399	(598)	-	-	-	-	-	-	(598)
Total Direct	41,469	39,865	(1,604)	16,659	15,770	(889)	12,904	12,938	35	1,414	1,231	(183)	(2,641)
Customer Service	3,119	3,178	60	1,731	1,923	192	865	961	96	-	-	-	348
General & Admin Expense	6,704	6,314	(389)	5,124	5,774	650	2,285	2,301	16	-	-	-	277
Total Indirect	9,822	9,493	(330)	6,855	7,697	842	3,150	3,262	112	-	-	-	625
General Plant	384	384	-	549	549	-	403	403	-	115	115	-	-
Marsh/NTS/Conservation										6,849	8,118	1,269	1,269
Total Expenses	$ 51,676	$ 49,742	$ (1,934)	$ 24,063	$ 24,016	$ (47)	$ 16,457	$ 16,603	$ 147	$ 8,378	$ 9,464	$ 1,086	$ (748)
Net Operating Income	$ 1,843	$ 2,245	$ (402)	$ 722	$ 495	$ 227	$ (277)	$ (785)	$ 508	$ 308	$ (2,030)	$ 2,339	$ 2,672

RECONCILIATION OF EXHIBIT "B" AND EXHIBIT "A"	Act	Bgt	Var
Total Water, Sewer and Recycled Expenses - Sch B	$ 100,573	$ 99,825	$ (748)
Capital & Other Expenses (including G&A)	12,411	14,295	1,884
Baker Reimb.	3,112	3,202	90
General Plant	(1,451)	(1,451)	0
Total Consolidated Operating Expense - Sch A	$ 114,645	$ 115,872	$ 1,226

Exhibit C

IRVINE RANCH WATER DISTRICT

CONSOLIDATED NON-OPERATING ACTUAL TO BUDGET EXPENSES

Period Ending March 31, 2019

(in thousands)

Non-operating Revenues:	**Actual 3/31/19**	**Budget 3/31/19**	**Budget Variance**
Property Taxes	$ 45,450	$ 40,518	$ 4,932
Investment Income	4,676	3,499	1,176
Connection Fees	14,326	15,000	(674)
Real Estate Income	13,336	12,750	586
Other Income	7,224	6,000	1,224
Total Revenues	$ 85,011	$ 77,767	$ 7,244
Non-operating Expenses:			
Interest Expense	$ 19,007	$ 19,721	$ 714
Real Estate Expense	3,630	3,878	248
Other Expenses	1,239	1,500	261
Total Expenses	$ 23,877	$ 25,099	$ 1,222
Net Revenues & Expenses	$ 61,135	$ 52,668	$ 8,466

Exhibit D
IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING FORECAST EXPENSE
Period Ending March 31, 2019

(in thousands)

Expense Group	Expense Name	Actual 3/31/19	Original Budget	Full Year Forecast [1]	Forecast vs Budget (Over)/ Under	%
	Regular Labor	$ 26,458	$ 34,981	$ 34,981	$ -	-
Salaries & Benefits	Overtime Labor	1,777	2,104	2,304	(200)	(9.5%)
	Contract Labor	1,465	1,846	2,046	(200)	(10.8%)
	Employee Benefits	13,855	19,124	18,824	300	1.6%
Salaries & Benefits Total		43,555	58,055	58,155	(100)	(0.2%)
	Water	27,284	37,454	37,454	-	-
	Electricity	11,324	14,537	14,937	(400)	(2.8%)
Water & Utilities	Fuel	522	559	559	-	-
	Telecommunication	496	627	627	-	-
	Other Utilities	140	182	182	-	-
Water & Utilities Total		39,765	53,360	53,760	(400)	(0.7%)
	Chemicals	2,153	3,146	3,146	-	-
	Operating Supplies	1,778	1,498	2,398	(900)	(60.1%)
	Printing	148	401	401	-	-
Materials & Supplies	Postage	384	520	520	-	-
	Permits, Licenses and Fees	1,361	1,749	1,749	-	-
	Office Supplies	94	96	96	-	-
	Duplicating Equipment	132	174	174	-	-
	Equipment Rental	65	73	73	-	-
Materials & Supplies Total		6,115	7,656	8,556	(900)	(11.8%)
	Rep & Maint OCSD & Others	10,778	13,704	13,704	-	-
	Rep & Maint IRWD	6,476	10,254	9,354	900	8.8%
	Insurance	791	1,085	1,085	-	-
	Legal Fees	1,102	1,865	1,865	-	-
	Engineering Fees	737	967	967	-	-
Professional Services	Accounting Fees	74	102	102	-	-
	Data Processing	1,855	2,857	2,857	-	-
	Personnel Training	892	1,267	1,267	-	-
	Personnel Physicals	21	41	41	-	-
	Other Professional Fees	2,656	5,087	4,487	600	11.8%
	Directors' Fees	119	168	168	-	-
Professional Services Total		25,502	37,396	35,896	1,500	4.0%
	Mileage Reimbursement	115	148	148	-	-
	Collection Fees	1	7	7	-	-
	Election Expense	101	145	145	-	-
	Safety	144	122	122	-	-
	Commuter Program	557	751	751	-	-
Other	Alarm and Patrol Services	12	20	20	-	-
	Biosolids Disposals	144	156	156	-	-
	Computer Backup Storage	14	6	6	-	-
	Contract Meter Reading	955	1,390	1,390	-	-
	Other	119	129	129	-	-
	Conservation	659	2,050	1,100	950	46.3%
Other Total		2,820	4,923	3,973	950	19.3%
Grand Total		**$ 117,757**	**$ 161,390**	**$ 160,340**	**$ 1,050**	**0.7%**
Less: Reimbursement from Baker Partners		(3,112)	(4,269)	(4,269)	-	-
Grand Total		**$ 114,646**	**$ 157,121**	**$ 156,071**	**$ 1,050**	**0.7%**

Exhibit E
IRVINE RANCH WATER DISTRICT
NON-OPERATING FORECAST TO BUDGET REVENUES & EXPENSES
FULL YEAR FORECAST AS OF MARCH 31, 2019
(in thousands)

Non-operating Revenues:	Actual 3/31/19	Full Year Budget	Full Year Forecast	Forecast Variance
Property Taxes	$ 45,450	$ 59,300	$ 63,400	$ 4,100
Investment Income	4,676	4,768	6,600	1,832
Connection Fees	14,326	20,000	20,000	-
Real Estate Income	13,336	17,000	17,800	800
Real Estate Fair Value Change		6,300	6,300	-
Other Income	7,224	8,000	10,000	2,000
Total Revenues	$ 85,011	$ 115,368	$ 124,100	$ 8,732

Non-operating Expenses:				
Interest Expense	$ 19,007	$ 26,294	$ 25,800	$ 494
Real Estate Expense	3,630	5,170	5,000	170
Other Expenses	1,239	2,000	2,000	-
Total Expenses	$ 23,877	$ 33,464	$ 32,800	$ 664
Net Revenues & Expenses	$ 61,135	$ 81,904	$ 91,300	$ 9,396

May 1, 2019
Prepared: by: J. Tobar / E. Lin
Submitted by: C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

THIRD QUARTER FISCAL YEAR 2018-19 LEGAL FEES ANALYSIS

SUMMARY:

This analysis provides a summary of legal fees incurred by the Irvine Ranch Water District through the third quarter of FY 2018-19.

BACKGROUND:

Legal fees through the third quarter of FY 2018-19 supporting the general operations of the District totaled $1,102,071 compared to a budget of $1,443,750 resulting in a positive variance of $341,679 or 23.7%. The variance is primarily a timing difference and it is anticipated that legal fees for the remainder of the year will align or exceed the budget.

Of the total legal fees attributable to operations, insurance litigation was over budget by $11,859. There were positive variances in all other legal services categories including general services, litigation, special projects, and personnel issues. Legal fees for the current year associated with the Kern Fan Project were capitalized. Actual legal fees accounted for 0.96% of actual operating expenses and 1.00% of total expenditures.

Capitalized legal fees associated with major capital projects through the third quarter of FY 2018-19 totaled $678,164. The MWRP Biosolids and Energy Recovery Facility, the Water and Energy Planning Studies Domestic Water, and the Water Supply Reliability Agreements projects comprised 96.5% of the total legal fees associated with capital spending through the third quarter of FY 2018-19.

Non-operating legal fees through the third quarter of FY 2018-19 totaled $61,000 for bond counsel rendered in connection with the 1993 and 2009A letter of credit extension, and Index Tender Notes Remarketing.

Exhibit "A" provides a detailed comparison of actual to budgeted legal fees through the third quarter of FY 2018-19. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services in FY 2016-17 through FY 2018-19, their hourly rates, and a general description of the services provided.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Legal Fees, Fiscal Year 2018 - 2019
Exhibit "B" – Analysis of Legal Fees, Expensed and Capitalized for FY 2016-17 through FY 2018-19

Exhibit "A"

Legal Fees
Fiscal Year 2018 - 2019

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
Operating Legal Fees:							
General Services:							
Alston & Bird LLP	$ 12,288	$ 18,607	$ 13,041	$ -	$ 43,936		
Kronick Moskovitz Tiedemann & Girard	$ (52,822)	$ 20,562	$ 8,138	$ -	$ (24,122)		
Lewis Brisbois Bisgaard & Smith LLP	$ 142,539	$ 204,449	$ 169,734	$ -	$ 516,722		
Olson, Hagel & Fishburn, LLP	$ 128	$ -	$ -	$ -	$ 128		
Sub-total	$ 102,133	$ 243,618	$ 190,913	$ -	$ 536,664	$ 600,000	89.4%
Litigation:							
Alston & Bird LLP	$ 42,478	$ 101,317	$ 251,692	$ -	$ 395,487		
Sub-total	$ 42,478	$ 101,317	$ 251,692	$ -	$ 395,487	$ 540,000	73.2%
Special Projects:							
Atkinson, Andelson, Loya, Ruud and Romo	$ 6,540	$ 1,589	$ -	$ -	$ 8,129		
Sub-total	$ 6,540	$ 1,589	$ -	$ -	$ 8,129	$ 150,000	5.4%
Personnel Issues:							
Burke, Williams & Sorensen, LLP	$ 14,170	$ 2,267	$ 2,130	$ -	$ 18,567		
Law Office of Atoosa Vakili	$ 763	$ -	$ 6,000		$ 6,763		
Payne & Fears LLP	$ 23,565	$ 5,439	$ 18,814	$ -	$ 47,818		
Pillsbury Winthrop Shaw Pittman LLP	$ 21,294	$ 4,615	$ 5,875	$ -	$ 31,784		
Sub-total	$ 59,792	$ 12,321	$ 32,819	$ -	$ 104,932	$ 108,750	96.5%
Insurance Litigation:							
Everett Dorey LLP	$ 31,262	$ 3,726	$ 6,808	$ -	$ 41,796		
Koeller Nebeker Carlson & Haluck LLP	$ 2,364	$ 2,740	$ 2,021	$ -	$ 7,125		
Lewis Brisbois Bisgaard & Smith LLP	$ 3,340	$ 2,910	$ -	$ -	$ 6,250		
Woodruff, Spradlin & Smart	$ 1,274	$ 414	$ -	$ -	$ 1,688		
Sub-total	$ 38,240	$ 9,790	$ 8,829	$ -	$ 56,859	$ 45,000	126.4%
Total Operating Legal Fees	$ 249,183	$ 368,635	$ 484,253	$ -	$ 1,102,071	$ 1,443,750	76.3%
Major Capital Projects Legal Fees:							
Asset Optimization - Sand Canyon Profess	$ 882	$ -	$ -	$ -	$ 882		
MWRP Biosolids and Energy Recovery	$ 137,140	$ 121,288	$ 327,879	$ -	$ 586,307		
Syphon Reservoir Improvements	$ 6,815	$ (816)	$ -	$ -	$ 5,999		
Water and Energy Planning Studies DW	$ 46,046	$ 2,925	$ -	$ -	$ 48,971		
Water Supply Reliability Agreements	$ 19,802	$ (340)	$ -	$ -	$ 19,462		
Water Supply Reliability Planning	$ 4,550	$ 12,157	$ (164)	$ -	$ 16,543		
Capital Projects Total	$ 215,235	$ 135,214	$ 327,715	$ -	$ 678,164		
Total Operating and Capital Legal Fees	$ 464,418	$ 503,849	$ 811,968	$ -	$ 1,780,235		

	YTD Actual	YTD Budget
Operating Expense	$ 114,645,517	$ 115,871,558
Operating Legal Fees	$ 1,102,071	$ 1,443,750
% of Legal to Operating	0.96%	1.25%
Capital Projects	$ 62,907,712	$ 71,116,844
Capital Legal Fees	$ 678,164	
% of Legal to Capital	1.08%	
Total Operating and Capital Expenditures	$ 177,553,229	$ 186,988,402
Total Operating and Capital Legal Fees	$ 1,780,235	
% of Legal Fees to Total Operating and Capital Expenditures	1.00%	

Non-operating Legal Fees:	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Bond Counsel:					
Orrick, Herrington & Sutcliffe LLP	$ -	$ -	$ 30,000	$ -	$ 30,000
Stradling Yocca Carlson & Rauth	$ -	$ -	$ 25,000	$ -	$ 25,000
Kutak Rock LLP	$ -	$ 6,000	$ -	$ -	$ 6,000
Total	$ -	$ 6,000	$ 55,000	$ -	$ 61,000

Exhibit "B"

Analysis of Legal Fees
Third Quarter Ended March 31, 2017 - 2019

Firm	YTD Actual 2016-2017	YTD Actual 2017-2018	YTD Actual 2018-2019	Hourly Rate	Area of Expertise	Service Provided
Operating Legal Fees:						
Alston & Bird LLP	$ 257,343	$ 475,481	$ 439,423	$ 275 to $ 585	Litigation	Orange County Water District litigation
Alexander Bowie a Law Corp	$ 113,855	$ 20,192	$ -	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Atkinson, Andelson, Loya, Ruud and Rom	$ -	$ 3,187	$ 8,129	$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	$ 53,160	$ 32,912	$ 18,567	$ 325	Employee relations	Personnel policy review and revision
Everett Dorey LLP (1)	$ -	$ -	$ 41,796	$ 235 to $ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	$ 25,251	$ 5,000	$ -	$ 200 to $ 275	Employee relations	Personnel matters
Koeller Nebeker Carlson & Haluck LLP (1)	$ 19,005	$ 20,799	$ 7,125	$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Kronick Moskovitz Tiedemann & Girard	$ -	$ -	$ (24,122)	$ 100 to $ 350	IRWD legal counsel	Counsel services related to water resources and policy matters
Law Office of Atoosa Vakili	$ -	$ -	$ 6,763	$ 75 to $ 250	Employee relations	General personnel and human resources
Lewis Brisbois Bisgaard & Smith LLP	$ -	$ -	$ 516,722	$ 335	IRWD legal counsel	District general counsel/legislative/litigation/special project
Lewis Brisbois Bisgaard & Smith LLP (1)	$ -	$ 3,126	$ 6,250	$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Nossaman LLP	$ 66,081	$ 504,337	$ -	$ 333	IRWD legal counsel	District general counsel/legislative/litigation/special project
Olson, Hagel & Fishburn, LLP	$ -	$ -	$ 128	$ 255	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	$ 84,822	$ 63,000	$ 47,818	$ 235 to $ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	$ 6,158	$ 34,410	$ 31,784	$ 695	Employee relations	Employee benefits
Woodruff, Spradlin & Smart (1)	$ 37,458	$ -	$ 1,688	$ 105 to $ 255	Legal Counsel	Legal counsel related to insurance claim issues
Total Operating Legal Fees	$ 663,133	$ 1,162,444	$ 1,102,071			

(1) Insurance Litigation

Firm	YTD Actual 2016-2017	YTD Actual 2017-2018	YTD Actual 2018-2019	Hourly Rate	Area of Expertise	Service Provided
Capitalized Legal Fees:						
Alexander Bowie a Law Corp	$ 32,767	$ 2,689	$ -	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Alston & Bird LLP	$ -	$ 104,480	$ 586,308	$ 275 to $ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Burke, Williams & Sorensen, LLP	$ -	$ 4,550	$ 16,542	$ 325	Employee relations	
Jackson Tidus, a Law Corporation	$ -	$ 111,070	$ 882	$ 225 to $ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskovitz Tiedemann & Girard	$ -	$ -	$ 74,432	$ 100 to $ 350	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Nossaman LLP	$ -	$ 9,158	$ -	$ 333	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Capitalized Legal Fees Total	$ 32,767	$ 231,947	$ 678,164			
Total Operating and Capital Legal Fees	$ 695,900	$ 1,394,391	$ 1,780,235			
Non-operating Legal Fees:						
Bond Counsel:						
Alexander Bowie a Law Corp	$ 26,668	$ -	$ -	$ 185 to $ 220	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Orrick, Herrington & Sutcliffe LLP	$ 205,000	$ -	$ 30,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	$ 20,000	$ 30,000	$ 25,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Kutak Rock LLP	$ -	$ -	$ 6,000	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
Non-operating Legal Fees Total	$ 251,668	$ 30,000	$ 61,000			

May 1, 2019
Prepared by: D. Kanoff / A. Shinbashi
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY RISK MANAGEMENT REPORTING

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by the District through the third quarter ended March 31, 2019.

BACKGROUND:

A comparison of the District's actual versus budget insurance expenses for the first nine months of FY 2018-19 and FY 2017-18 is attached as Exhibit "A" and summarized as follows:

- Insurance premiums total $638,408 and are $6,826 under budget;
- Third-party claims administration expenses total $8,987 and are $13,513 under budget;
- Legal expenses total $56,859 and are $11,859 over budget; and,
- Claim payments totaled $149,822. After CSAC-EIA final reimbursements for the Williams claim ($120,329), and the 4100 MacArthur claim ($144,805), net claim payments total ($115,312).

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary
Exhibit "B" – FY 2018-19 Register of Closed General Liability Claims

Exhibit "A"

Irvine Ranch Water District
Insurance and Claims Summary
Period Ending March 31, 2019

PREMIUM	Actual FY 18/19	Budget FY 18/19	Variance	% Variance	Prior FY 17/18
Crime	11,656	3,525	(8,131)	-231%	3,110
General Liability	427,779	402,834	(24,945)	-6%	334,491
Pollution	13,690	13,725	35	0%	12,169
Property	185,283	225,150	39,867	18%	169,863
Total	638,408	645,234	6,826	1%	519,633

CATEGORY	Open FY 18/19	Closed FY 18/19	Total FY 18/19	Budget FY 18/19	Variance	Prior FY 17/18
* Claim Administration	340	8,647	8,987	22,500	13,513	4,309
Legal	43,484	13,375	56,859	45,000	(11,859)	23,925
Property	1,067	148,755	149,822	97,500	(52,322)	2,116,291
CSAC-EIA Reimbursement		(265,134)	(265,134)			(246,591)
Membership		150	150	150	0	0
Total FY 18/19	44,891	(94,208)	(49,316)	165,150	(50,668)	1,897,934

* Includes $1,250 annual administrative fee

ACTIVITY	FY 2017/18	FY 2018/19
Beginning Open Claims	8	4
New Claims	27	23
Closed Claims	-31	-23
Current Open Claims	4	4

Exhibit "B"

Register of Closed General Liability Claims as of March 31, 2019

Closed Claims Fiscal Year 2018-2019

CLAIM TYPE	CLAIMANT	Claim Administration	Legal	Property	CSAC-EIA Reimbursement	Grand Total
4100 MacArthur	Steven Craig	170	1,804			1,974
	Makar Properties, Llc			131,500		131,500
Single Event	R. Trinh	77				77
	Priya Navkar	118				118
	Pelican Heights HOA		560			560
	Parviz Ardeshirpour			178		178
	2550 Elden Avenue, Costa Mesa			405		405
	Viking Billing Service			2,293		2,293
	Aaron Eilers			290		290
	Hsiang Ling Hsu			250		250
	Pardaman Singh Sawhney			1,242		1,242
	Irvine Company Retail Properties			5,438		5,438
	Farmers v. IRWD		4,761			4,761
	Elain Nermon			500		500
	Douglas Campbell			250		250
	Tom Davidson			645		645
	Alexis Braly	1,130		308		1,438
	Jan Amundson			3,150		3,150
	Hugh Braly			769		769
	Firooz Goodarz			1,300		1,300
	Marco Cano			237		237
Reimbursement	4100 MacArthur (Over $100K)				(144,805)	(144,805)
	Lisa & Shawn Williams (Over $100K)				(120,329)	(120,329)
Copper Pipes/Pinhole Leaks	Lisa & Shawn Williams		6,250			6,250
Well 11 Construction	Frank & Sharon Stephens	5,902				5,902
Grand Total		7,397	13,375	148,755	(265,134)	(95,607)

Closed Claims From Prior Years

CLAIM TYPE	CLAIMANT	Claim Administration	CSAC-EIA Reimbursen	Legal	Property	Vehicle	Grand Total
4100 MacArthur	AT&T				6,904		6,904
	C. Matheson					12,424	12,424
	D. Sanner				2,603	16,242	18,845
	George Hills Company, Inc.	8,653					8,653
	Makar Properties, Llc				236,586		236,586
	Real Estate Dev Assoc LLC				14,333		14,333
	Steven Craig	45,999		52,628	2,509,576	44,044	2,652,247
Reimbursement	4100 MacArthur (Over $100K)		(2,855,713)				(2,855,713)
Copper Pipes/Pinhole Leaks	Lisa & Shawn Williams	31,277		184,537			215,814
Grand Total		85,929	(2,855,713)	237,165	2,770,002	72,710	310,093

May 1, 2019
Prepared by: C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

IRWD 2019 REPLACEMENT FUND POLICY

SUMMARY:

IRWD utilizes various planning tools, such as its Replacement Planning Model and Replacement Fund Balance Model, to assist with long-term financial planning for establishing and justifying the replacement component of customer rates. Staff recommends that IRWD update its 2001 Replacement Fund Policy to ensure that adequate funding is available to assist with the payment of future infrastructure replacement expenses and to meet other unanticipated cash flow needs of the District, and that Board approve the IRWD 2019 Replacement Fund Policy.

BACKGROUND:

IRWD has a long history of planning for the future capital costs associated with its water and sewer systems infrastructure. Recognizing that replacement is both inevitable and costly, IRWD has historically maintained its Replacement Fund to ensure that sufficient funding is available for updating, replacing and refurbishing various components of the water and sewer systems. Evidence of this commitment to capital planning is demonstrated through periodic review and update of the District's Replacement Planning Model (RPM) and the Replacement Fund Balance Model, which incorporate the annual adopted capital budget and Long-term Capital Program identifying future infrastructure replacement needs. The District has also set aside funds to provide financial flexibility and allow effective response to potential catastrophic events, significant unplanned emergency repairs, and provide operating liquidity while maintaining excellent service levels.

IRWD established a Replacement Fund in 1978, funded by its customers as a component of the monthly fixed water and sewer service charge. The District adopted a formal policy in 1996 to ensure sufficient funds are available to pay for replacement infrastructure; this policy was updated in 2001. The 2001 policy identified categories for use and target balances for each category within the Replacement Fund. The proposed IRWD 2019 Replacement Fund Policy, which is attached as Exhibit "A", updates the 2001 policy. The objectives of the policy are to:

1) Establish a prudent level to designate and generate funds for long-term capital infrastructure replacement needs;
2) Moderate the financial impact on future customer rates attributable to replacing and enhancing capital facilities;
3) Provide financial flexibility to effectively respond to catastrophic events and significant unplanned emergency repairs; and
4) Provide operating liquidity for rate stabilization, unplanned revenue shortfall, or unanticipated expenditures.

The table below identifies the existing (2001) and proposed categories and uses for the Replacement Fund.

	Existing		Proposed	
	Category	**Purpose**	**Category**	**Purpose**
1	Capital Facilities	Long term replacements	Capital Facilities	Long term replacement and refurbishment including environmental requirements
2	Self Insurance	Self insurance for catastrophic loss beyond District's insurance coverage; unplanned emergency repairs	Self Insurance	Loss beyond District's coverage of existing infrastructure; unplanned emergencies
3	Variable Rate Hedge	Mitigate impact of changing financial markets	Variable Rate Hedge	No longer necessary as the District no longer has exposure to 100% variable rate debt.
4	System Refurbishments	Fund Annual replacement expenditures that extend the useful life of facilities	System Refurbishments	(included in # 1)
5	Environmental Compliance	Comply with changing environmental requirements	Environmental Compliance	(included in # 1)
6	Rate Stabilization	Mitigate the impact of short-term effects on user rates	Rate Stabilization	Mitigate the impact of short-term effects on user rates

Staff presented the existing and proposed categories and uses for the Replacement Fund at the Finance and Personnel Committee meeting on December 5, 2018. Staff also presented an updated RPM and Replacement Fund Balance Model at the Finance and Personnel Committee meetings on November 6, 2018 and December 5, 2018, and compared the Replacement Fund balances with the proposed target requirements. At this meeting, staff will provide:

1) An update the Fund Balance Model for the Board-adopted FY 2019-20 and FY 2020-21 Capital Budget and Long-term Capital Program;
2) A review of the recommended target criteria for the Replacement Fund Policy; and
3) An update on actual Replacement Fund balances compared to recommended target criteria.

Staff recommends that Board approve the updated IRWD 2019 Replacement Fund Policy.

FISCAL IMPACTS:

The updated Replacement Fund Policy will have no fiscal impact to the FY 2019-20 and FY 2020-21 budgets.

ENVIRONMENTAL COMPLIANCE:

This item is statutorily exempt from the California Environmental Quality Act (CEQA).

RECOMMENDATION:

That the Board approve the updated IRWD 2019 Replacement Fund Policy.

LIST OF EXHIBITS:

Exhibit "A" – Proposed IRWD 2019 Replacement Fund Policy

Exhibit "A"

IRVINE RANCH WATER DISTRICT
REPLACEMENT FUND POLICY

May 1, 2019

Purpose

The Replacement Fund Policy sets forth guidelines to ensure that adequate funding is available to assist with the payment of future infrastructure replacement expenses and to meet other unanticipated cash flow needs of the District. The objectives of the policy are to:

1) Establish a prudent level to designate and generate funds for long-term capital infrastructure replacement needs;
2) Moderate the financial impact on future customer rates attributable to replacing and enhancing capital facilities;
3) Provide financial flexibility to effectively respond to catastrophic events and significant unplanned emergency repairs; and
4) Provide operating liquidity for rate stabilization, unplanned revenue shortfall, or unanticipated expenditures.

Replacement Fund Policy

To promote prudent financial management, the District is committed to systematic capital replacement planning and long-term financial planning. The District has a long history of planning for the replacement and enhancement of aging water and sewer infrastructure. Recognizing that capital replacement projects are both inevitable and costly, IRWD has historically maintained a Replacement Fund to ensure that sufficient funding is available for updating, replacing, refurbishing, and enhancing various components of the water and sewer systems to avoid severe impacts to customer rates. Evidence of this commitment to capital planning is demonstrated through periodic review and update of the District's Replacement Planning Model (RPM) and the Replacement Fund Balance Model which incorporates the annual adopted capital budget and Long-term Capital Program identifying future infrastructure replacement needs. The District has also set aside funds to provide financial flexibility and allow effective response to potential catastrophic events, significant unplanned emergency repairs, and provide operating liquidity while maintaining excellent service levels.

IRWD established a replacement fund in 1978, funded by its customers as a component of the monthly fixed water and sewer service charge, for the purpose of funding replacements of IRWD facilities as they reach the end of their useful lives. This practice distributes costs among present and future customers in a fair manner, protecting the customers' considerable investment in the IRWD water and sewer infrastructure from inevitable costs of future replacements.

The IRWD Board of Directors has periodically reviewed and adjusted IRWD's practices concerning the use, sources, and level of funding, and management of the replacement fund based on studies of sources and uses of replacement funding, fund growth and depletion, and other relevant factors. Future anticipated replacements and other unanticipated cash flow needs identified in the objectives above are currently funded primarily through monthly water and sewer fixed service charges. Although the Replacement Fund is intended to only be sufficient to pay a portion of the full cost of future infrastructure replacements and other sources of replacement funding will be needed, this funding will reduce the impact on the replacement rates paid by customers in the future.

Target Balance

The replacement fund policy will promote prudent financial management and ensure adequacy and appropriateness of the fund balance. This will be accomplished through the establishment of target balances based on the identified objectives as discussed below.

Long Term Capital Replacement:

The target funding level for capital facilities replacement shall include a minimum and maximum. The minimum will be equivalent to the total projected expenditures included in the RPM for years 1 through 5 and 50% of years 6 through 10. The maximum will be equivalent to 100% of the RPM projection for years 1 through 10. The RPM projection will be updated periodically and the fund balance requirement will be adjusted accordingly. The targeted expenditures will increase over time due to the aging infrastructure providing a need for an escalating fund balance.

Catastrophic Events and Significant Unplanned Emergency Repairs:

The target funding level for unplanned system failures and emergency repairs due to catastrophic loss not covered by insurance shall be five times the deductible/self-insured retention amount ($125,000 for property and $100,000 for general liability).

Rate Stabilization for Operating Liquidity:

The target funding level to provide rate stabilization and to provide operating liquidity for potential shortfalls in operating revenues or unplanned expenditures shall be based on a specified number of years' working capital, as established and revised from time to time in conjunction with the adoption of the IRWD Operating Budget. The recommended target is a three-year average of net operating working capital.

The Replacement Fund Policy is an essential element of the District's long term financial plan and demonstrates prudent financial management. It reflects industry best practice and will protect customers from significant future rate increases as the District replaces aging infrastructure. The fund is also an important element supporting IRWD's excellent credit rating. Staff will periodically update the RPM model and associated Replacement Fund Balance Model and provide updates to the Committee on actual replacement fund balances compared with target requirements. It is anticipated that any required changes to fund balances can be integrated into subsequent rate changes.

May 1, 2019
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

LETTER OF CREDIT EXTENSION FOR THE SERIES 2009B BONDS

SUMMARY:

The District currently has $57.5 million of Consolidated Series 2009B Bonds (2009B Bonds) supported by a Bank of America N.A. (BANA) letter of credit (LOC) scheduled to expire July 15, 2019. IRWD's municipal advisor, Public Financial Management (PFM), issued a Request for Proposal to 13 banks to provide an LOC for three to five years. Based on eight proposals received and feedback from PFM, staff recommends that the Board approve the extension of the LOC with BANA for three years at 0.30% per year, representing a 0.10% reduction from the current rate of 0.40%.

BACKGROUND:

The District currently has $57.5 million of 2009B Bonds supported by a BANA LOC priced at 0.40% per year, which is scheduled to expire on July 15, 2019. BANA initially provided a proposal to extend the LOC for terms of one, two, three, and four years at an annual rate of 0.25%, 0.29%, 0.35%, and 0.43%, respectively. After further negotiations, BANA reduced its three-year price to 0.30%. Additionally, seven other banks provided pricing for three-, four-, and five-year terms. Staff evaluated all of the proposals and received feedback from the District's municipal advisor. While some banks provided lower annual LOC fees, due to additional expenses required to substitute a new LOC provider (publishing new disclosure documents, legal and rating agency fees) estimated at $156,000, an LOC replacement would be significantly more expensive than extending the current LOC.

Staff recommends Board approval to extend the BANA LOC to July 2022 at an annual cost of 0.30%. The Summary of Letter of Credit Proposals is attached as Exhibit "A".

FISCAL IMPACTS:

The total letter of credit fee for the 2009B Bonds will be $483,470 for the three-year period. The LOC fee reduction from 0.40% to 0.30% will result in a net cost reduction of approximately $123,000 for the three-year term. Expenses related to the extension are estimated at $38,200.

RECOMMENDATION:

That the Board approve an extension of the Bank of America N.A. Letter of Credit for the District's 2009B Bonds to July 2022 at an annual cost of 0.30%.

LIST OF EXHIBITS:

Exhibit "A" – Summary of LOC Proposals

Exhibit "A"

IRVINE RANCH WATER DISTRICT
Summary of Letter of Credit Proposals

Average 3-Year LOC Stated Amount 53,718,836

Bank	Term (Years)	LOC Fee	Three-Year LOC Fee	Issuance / Extension Costs[1] Total	All-in Cost
Bank of the West[2]	3	0.250%	$402,891	$157,600	$560,491
Barclays	3	0.270%	$435,123	$162,600	$597,723
Sumitomo[3]	3	0.290%	$467,354	$157,600	$624,954
Bank of America	3	0.300%	$483,470	$38,200	$521,670
TD Bank	3	0.330%	$531,816	$152,600	$684,416
JPMorgan	3	0.650%	$1,047,517	$150,100	$1,197,617

(1) Includes legal fees, rating agency fees, and staff time
(2) Limited credit support for VRDOs. Not many public market comps.
(3) Only VRDOs in weekly mode

Bank of America	
Current LOC Fee 0.40%	$644,626
Proposed LOC Fee 0.30%	483,470
Savings	$161,156
Extension Cost	38,200
Net Savings	$122,956