

AGENDA  
 IRVINE RANCH WATER DISTRICT  
 FINANCE AND PERSONNEL COMMITTEE MEETING  
 TUESDAY, APRIL 2, 2024

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m1abe7ba06bd752dda6aa83a45505dfdb>  
 Meeting number (access code): 2488 004 8903  
 Meeting password: Usi2PKRbU23

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to join the meeting once the closed session has concluded.

CALL TO ORDER 11:30 a.m.

ATTENDANCE Chair: Peer Swan \_\_\_\_\_ Member: Steve Lamar \_\_\_\_\_

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

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a “speaker slip.” You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 7:30 a.m. on Tuesday, April 2, 2024.

---

## COMMUNICATIONS

---

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

---

## INFORMATION

---

5. EMPLOYEE POPULATION AND RETENTION STATUS REPORT – SRADER / MITCHAM

Recommendation: Receive and file.

6. PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE – HALL / MITCHAM

Recommendation: Receive and file.

7. INFORMATION TECHNOLOGY PROJECT STATUS REPORT – KANESHIRO / ADLY

Recommendation: Receive and file.

8. FINANCIAL REPLACEMENT PLANNING MODEL UPDATE – SMITHSON / ALDY

Recommendation: Receive and file.

9. MONTHLY INVESTMENT AND DEBT REVIEW – MENDOZA / DAVIS / ADLY

Recommendation: Receive and file.

---

## ACTION

---

10. PROPOSED 2024 DEBT ISSUANCE – DAVIS / ADLY

Recommendation: That the Board authorize staff to cause the issuance of fixed rate General Obligation Bonds debt sufficient to refund the 2010 BABs, to retain Goldman Sach as the Underwriter, and to retain Orrick, Herrington & Sutcliffe as bond counsel for IRWD.

---


**OTHER BUSINESS**

---

- 11. Directors' Comments
- 12. Adjourn

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

(This page is intentionally blank)

April 2, 2024  
Prepared by: L. Srader  
Submitted by: T. Mitcham  
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND RETENTION STATUS REPORT

SUMMARY:

Staff has prepared various population status reports for the Committee's review.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

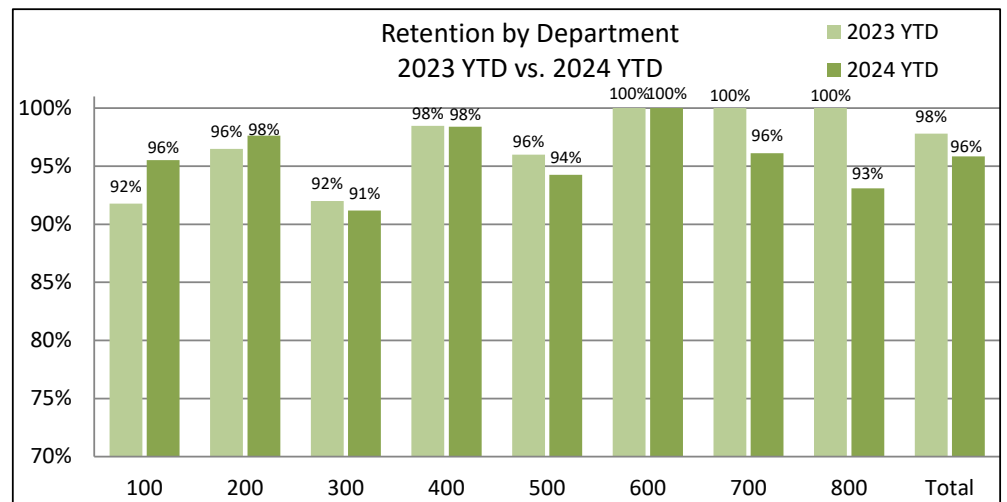
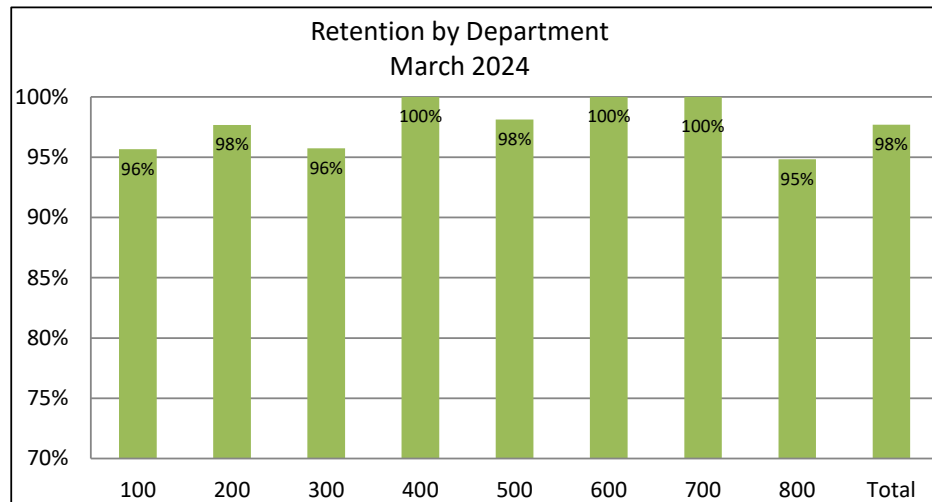
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Status Report

Note: This page is intentionally left blank.

**EXHIBIT A**  
**IRVINE RANCH WATER DISTRICT**  
**EMPLOYEE POPULATION STATUS REPORT**  
**MARCH 2024**

@03/01/24		Current Month Activity							@03/31/24		FY 23/24	Avg FYTD	Avg FYTD	Avg FYTD	Retention	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2024 YTD
			Vol	Invol	In	Out	In	Out								
100	23		1						22	2	24	24	0	24	96%	96%
200	86		2			1			83	10	93	83	4	87	98%	98%
300	47		2						45	5	50	45	2	47	96%	91%
400	63					1			62	9	71	63	0	63	100%	98%
500	53			1					52	10	62	52	3	55	98%	94%
600	34								34	1	35	33	3	36	100%	100%
700	25				2				27	1	28	26	1	27	100%	96%
800	58		3						55	6	61	57	0	57	95%	93%
<b>Totals</b>	<b>389</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>380</b>	<b>44</b>	<b>424</b>	<b>383</b>	<b>13</b>	<b>396</b>	<b>98%</b>	<b>96%</b>
3/23	386	1	1	-	-	-	2	2	386	34	421	381	11	391	100%	97%



100-GM, HR, Safety, Commun; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling Ops; 600-WQ&RC; 700-Water Res., Recyc. Water; 800-Adm. & Maint. Ops

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

March 2024

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
03/05/24	500			INVOL	
03/06/24	200			VOL	
03/08/24	300			VOL	
03/11/24	800			VOL	
03/12/24	800			VOL	
03/21/24	200			VOL	
03/28/24	800			VOL	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments
03/14/24	100	Leslie Bonkowski	District Secretary	RET	
03/14/24	300	Thomas Bonkowski	Engineer	RET	

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
03/02/24	700	Joshua Nowak	Senior Recycled Water Specialist	700	Recycled Water Project Specialist
03/16/24	400	Joshua Leonard	Water Maintenance Technician I	400	Water Maintenance Technician II
03/16/24	100	Kristine Swan	Senior Executive Assistant	100	District Secretary
03/16/24	300	Brianna Palecek	Associate Engineer	300	Engineer
03/16/24	200	Andrew Ulman	Mail Coordinator	200	Customer Service Field Technician
03/30/24	200	Eden Munoz	Customer Service Field Technician	700	Recycled Water Specialist
03/30/24	400	Husai Magana	Water Maintenance Technician I	700	Recycled Water Specialist

TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
03/16/24	425	Kyle Salazar	Utility Worker	430	Utility Worker

CROSS TRAINING					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
03/02/24	400	Jeremy Spencer	Water Maintenance Technician I	700	Cross Connection Specialist
03/16/24	400	Omar Escobar	Water Maintenance Technician III	700	Cross Connection Specialist

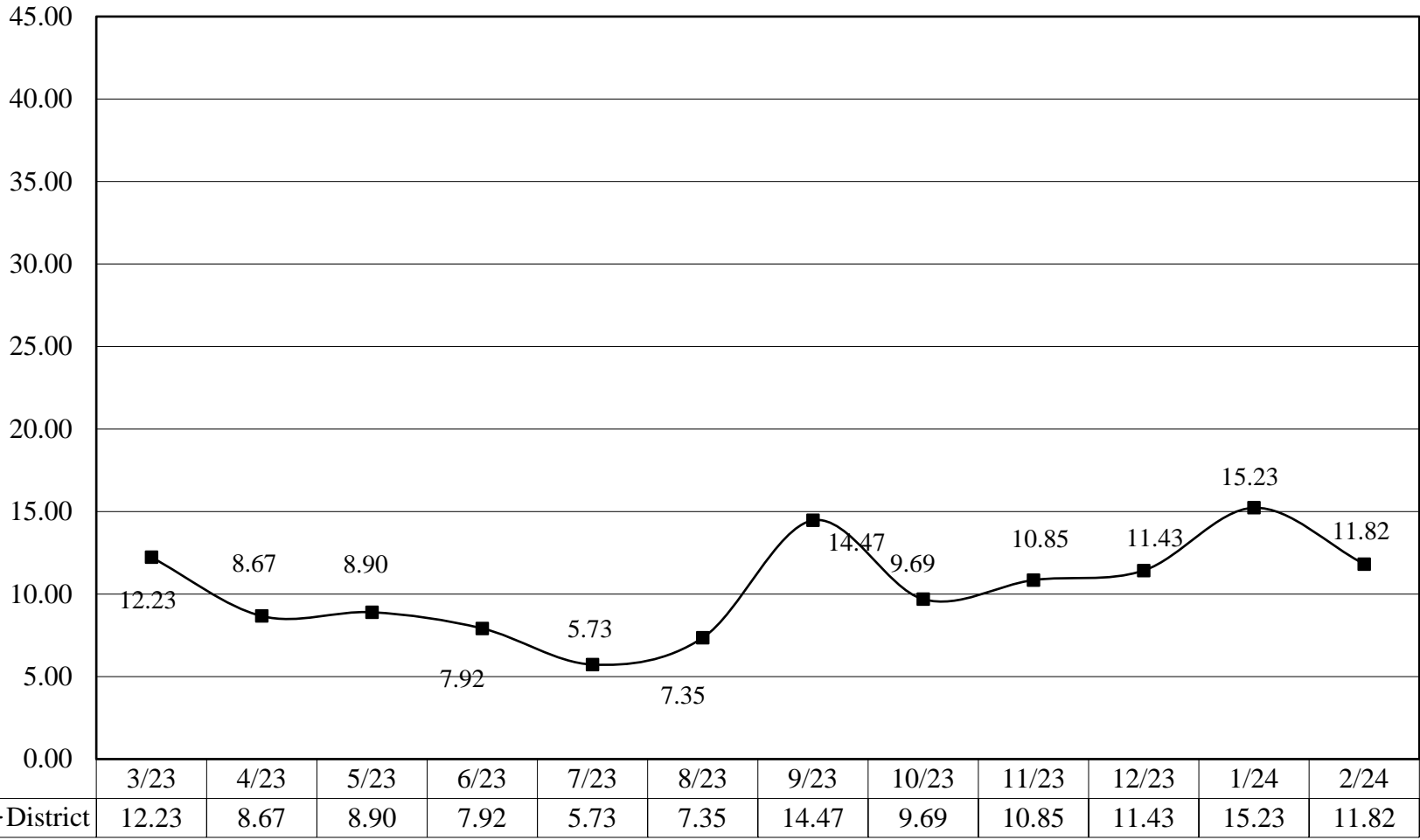
<b>Total Employees on Continuous Leave of Absence for March - 8</b>
---




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

<b>UNFILLED POSITIONS</b>			
<b>Dept</b>	<b>Position</b>	<b>Salary Grade</b>	<b>Comments</b>
100	Graphic Design Specialist	30.N	
100	Senior Executive Assistant	U29.N	
200	Director of Treasury	U27.N	
200	Payroll Administrator	U31.N	
200	User Support Administrator	U35.N	Recruiting
200	User Support Specialist	31.N	
200	Customer Service Specialist II	18.N	
200	Accounting Clerk	16.N	
200	Senior Network Administrator	U15.E	Recruiting
200	Customer Service Specialist I	13.N	Recruiting
200	Customer Service Specialist I	13.N	Recruiting
300	Associate Engineer	U14.E	
300	Senior Engineer	U20.E	Recruiting
300	Engineer	U17.E	Recruiting
300	Engineer	U17.E	Recruiting
300	Associate Engineer	U14.E	
400	Water Maintenance Technician I	16.N	
400	Operations Manager	U21.E	Interviewing
400	Operations Supervisor	S36.N	Interviewing
400	Metering Systems Technician III	26.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I /UW	11.N	Recruiting
500	Automation Specialist	34.N	
500	Collection Systems Technician II	21.N	Recruiting
500	Collection Systems Technician II	21.N	Recruiting
500	Manager of Biosolids & Energy Recovery	U21.E	Recruiting
500	Operator III	30.N	Recruiting
500	Operator III	30.N	Recruiting
500	Operator II	27.N	Recruiting
500	Senior Collection Systems CCTV Tech	25.N	
500	Senior Wetlands Specialist	29.N	
500	Wetlands Specialist	24.N	
600	Senior Scientist	32.N	
700	Senior Recycled Water Specialist	29.N	
700	Recycled Water Project Specialist	31.N	Interviewing
700	Recycled Water Specialist	24.N	Interviewing
800	Reliability Manager	U22.E	
800	Maintenance Mechanic	23.N	
800	Maintenance Mechanic	23.N	
800	Senior Electrical & Instrumentation Technician	31.N	
800	Electrical & Instrumentation Technician	28.N	
800	Sr Maintenance Mechanic	27.N	

**Temporary Employees  
Full Time Equivalency  
District Totals as of February 29, 2024**



April 2, 2024  
Prepared by: A. Hall  
Submitted by: T. Mitcham  
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE

SUMMARY:

This item presents the activities within IRWD’s Performance Recognition Program through the third quarter of Fiscal Year (FY) 2023-24.

BACKGROUND:

IRWD’s Performance Recognition Program recognizes employees who exhibit outstanding performance depicting efforts above and beyond the performance requirements of their positions and aligns with / exemplifies IRWD’s Values.

During the third quarter of FY 2023-24, there were 12 Performance Recognition Award nominations totaling \$1,310 and involving 34 IRWD employees. Details regarding each of the performance recognition awards are shown in Exhibit “A”.

FISCAL IMPACTS:

The District’s annual budget for its Performance Recognition Program in FY 2023-24 is \$210,000; \$5,690 has been distributed for performance recognition through the third quarter of this fiscal year.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LISTS OF EXHIBITS:

Exhibit “A” – Performance Recognition Program Update for the Third Quarter of FY 2023-24

Note: This page is intentionally left blank.


Exhibit "A"

PERFORMANCE RECOGNITION PROGRAM  
 QUARTERLY UPDATE  
 Fiscal Year 2023-2024  
 Q3 January 2024 - March 2024



QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT
3rd Qtr.	1/3/2024	Richard Brown	Recognized for their hard work and dedication in planning for the IRWD Service Awards and Holiday Luncheon. The entire team ensured the event ran smoothly. The committee members contributed their time, effort, and talents, ensuring the event would be enjoyable for employees. They demonstrated the District's value of Teamwork and Collaboration.	3 Gift Cards	\$30
	"	Michele Drzymkowski		"	\$30
	"	Elizabeth Duarte		"	\$30
	"	Rene Genis		"	\$30
	"	Phillip Hornung		"	\$30
	"	Brigitte Inzunza		"	\$30
	"	Dawn Jordan		"	\$30
	"	Debbie Kanoff		"	\$30
	"	Abigail Kuan		"	\$30
	"	Tammy Norman		"	\$30
	"	Christina Paalman		"	\$30
	"	Brittany Pizanic		"	\$30
"	Andrea Henton-Hall		"	\$30	
	1/3/2024	Renee Genis	Recognized for their attitude, ownership and flexibility while assisting with the Syphon Reservoir improvements invoice review for the Syphon Grant. Both Renee and Irene demonstrated the District's values of Accountability, and Teamwork and Collaboration.	3 Gift Cards	\$30
	"	Irene Nguyen		"	\$30
	1/17/2024	Brandon Joseph	Recognized for his assistance with an emergency HAT's pump replacement that occurred over a weekend. Brandon ensured all safety measures were taken with the employees and the public. He demonstrated the District's values of Teamwork and Collaboration, Safety, and Customer Care.	3 Gift Cards	\$30
	2/5/2024	Michael Chaney	Mike took the initiative to redesign the customer "door tag" notifications used by the Customer Service Field Technicians. Mike took the three (3) different tags currently used, and collaborated with our graphic designer producing a redesigned door tag that identifies all three actions on one tag with a QR code that simplified the process of reaching the Customer Service Department. Mike demonstrated the District's values of Innovation and Teamwork and Collaboration.	3 Gift Cards	\$30
	2/8/2024	Christina Saldana-Rodriguez	Recognized for volunteering to assist on two special projects: the Department of Navy (DON) Irvine Desalter Project, which requires knowledge of the reports and understanding of the data obtained in Level IV analytical reports and the Annual Recycled Water report, which requires knowledge of our recycled water sampling points, test codes and the analyses performed. Cristina demonstrated the District's value of Accountability.	3 Gift Cards	\$30
	2/13/2024	Amie Pham	Amie noticed the ELIX 7120 DI system was displaying an alarm when she checked on the web browser. The system is located behind the lab in the Mechanical Room. If the observation had not occurred the lab would not have had DI or Reagent grade water to perform testing. Amie notified her supervisor that the reservoir was down to four (4) gallons. Andrew and Michele attempted to troubleshoot the issue themselves. They then requested assistance from Richard Brown, who assisted even though he does not maintain the RO, DI or Regent Grade Water Systems to help. It was decided to perform maintenance to see if the system would reset itself and start producing water again. Joseph, who was in the middle of a webinar, dropped everything to assist with locating the parts. They worked together to perform maintenance which allowed the system to begin producing DI water. They demonstrated the District's values of Accountability, Innovation, Customer Care, and Teamwork and Collaboration.	3 Gift Cards	\$30
	"	Andrew Yue		"	\$30
	"	Richard Brown		"	\$30
	"	Joseph Rempel		"	\$30
	3/25/2024	Roxanne Ancona	Recognized for her work on the GM video project. Roxanne's work on the series was thoughtful, fun and reflects a love for her teammates that builds positive connections among all our employees. She encourages others to share their ideas, fostering teamwork, which will bring about the best results. Her creativity in video production is exceptional, and yet it continues to grow. A recent example includes her integration of IRWD's Enterprise Management System in the Construction Services video a "breaking news" segment, included a fun reel of a employee pronouncing 'data' with a short and long vowel sound. She demonstrated the District's values of Respect and Kindness, Innovation, Teamwork and Collaboration.	3 Gift Cards	\$30
	3/25/2024	Corey Dehner	During a tour of the Collection Systems lift stations Corey noticed the equipment guard was missing from the pump and immediately notified his supervisor. Corey demonstrated the District's Safety value.	3 Gift Cards	\$30
	3/25/2024	Ricky Ruiz	Recognized for their support of the MWRP Tertiary Filter Improvements construction project. They exhibited excellent teamwork and collaboration by draining all seven of the tertiary filter tanks over the course of three (3) days. The team was extremely flexible in meeting the contractor's schedule, allowing the contractor to take the necessary measurements of the FRP troughs being replaced as part of the construction project. They demonstrated the District's values of Teamwork and Collaboration.	3 Gift Cards	\$30
	"	Wayne Sidlin		"	\$30
	"	Gaspar Garza		"	\$30
	"	Michael Fites		"	\$30
	"	Alex Coria		"	\$30
	"	Pio Reynoso		"	\$30
	3/26/2024	Erie Akiyoski	Recognized for their extra effort related to the analyses / explanations for the Syphon Reservoir Project. They demonstrated the District's values of Teamwork and Collaboration.	Payroll Checks	\$250
	"	Mitchell Robinson		"	\$100
	3/28/2024	Esteban Rendon	Recognized for taking the initiative with distributing the daily work assignments and putting together the schedule for the team. He demonstrated the District's values of Teamwork and Collaboration.	3 Gift Cards	\$30
	3/28/2024	Ryan Arbogast	Recognized for taking on additional supervisory duties during the holidays. He demonstrated the District's values of Teamwork and Collaboration.	3 Gift Cards	\$30
	Awards	Recipients		<i>Third Quarter Totals</i>	\$1,310
	12	34		<b>FISCAL YEAR TO DATE TOTAL</b>	<b>\$5,690</b>

Note: This page is intentionally left blank.

April 2, 2024  
Prepared by: L. Kaneshiro  
Submitted by: N. Adly  
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

INFORMATION TECHNOLOGY PROJECT STATUS REPORT

SUMMARY:

Provided for the Committee's review is a list of projects on which Information Technology Department staff is currently working on.

BACKGROUND:

Information Technology periodically submits a project status report for the Committee's review. The current project status report is provided as Exhibit "A".

FISCAL IMPACTS:

The fiscal impacts are shown in the exhibit that's provided.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Information Technology Project Status

Note: This page is intentionally left blank.



Exhibit “A”

Information Technology Project Status Report  
 April 2, 2024


Project Name	Project Summary	Schedule	Project Budget	Status
Enterprise Data Management System	Complete Enterprise Data Management (EDM) needs assessment considering IRWD’s data sources and future analytical needs; recommend EDM software solution procurement	Start Complete 8/23 6/24	Assessment: \$168,000	The EDM project assessment phase kicked-off on January 29. To date, 42 meetings have been conducted with 69 employees representing different areas across the District. The team is currently developing and prioritizing use cases, then will begin the technology evaluation. Also in scope for this phase are the proof of concept, communication and change management plan, training plan, and estimates for cost, schedule, and resources. The assessment phase will be completed in June.
Board Room Technology Upgrade	Modernize and upgrade Board Room technology.	Start Complete 7/22 3/24	\$100,000	Individual monitors were installed on the dais. The new AV system continues to be monitored and adjusted to optimize performance.
Enterprise Resource Planning (ERP) Request for Information (RFI)	Gather current information about modern ERP solutions and services from any vendor, not just Oracle.	Start Complete 3/24 4/24	\$0	An RFI for ERP Solutions and Services was publicly posted on March 20 on the PlanetBids platform. The RFI is for informational and planning purposes only, not for contracting. It asks interested vendors to provide information about their ERP solutions, implementation services, costs, and related information. Responses are due on April 19.

Project Name	Project Summary	Schedule		Project Budget	Status
Oracle Applications Assessment	Assess IRWD's use of Oracle applications relative to the District's current and future needs to generate maximum benefit of the system.	Start Complete	4/24 9/24	\$80,000	This project is currently on hold. The need for this project will be reassessed after reviewing responses from the RFI for ERP Solutions and Services.
Replace IRWD's department share drives with Microsoft technologies	Migrate IRWD electronic files to modern Microsoft systems and eliminate obsolete technologies.	Start Complete	1/24 6/24	\$25,000	This project started in January and is on-track to be completed by the end of June. The technical assessment phase has been completed and the team is now preparing for migration.
EZMax Mobile Upgrade	Upgrade EZMax Mobile for the Maximo asset mgmt system	Start Complete	11/23 7/25	\$45,000	The EZMax Mobile Upgrade has been postponed for one year. The vendor extended the "end of support" date.
Duck Club Audio-Visual Upgrade	Modernize the AV system in the Duck Club	Start Complete	1/24 3/24	\$50,000	COMPLETED – The new AV system for the Duck Club has been completed. It includes a new projector, screen, microphone, hardware, and cabling.
Wi-Fi Refresh	Upgrade and expand the District's legacy Wi-Fi infrastructure.	Start Complete	3/22 2/24	\$380,000	COMPLETED – The new Wi-Fi project has been completed. The new system is in operation with three wireless networks for guest and employee use.

April 2, 2024

Prepared by: C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### FINANCIAL REPLACEMENT PLANNING MODEL UPDATE

#### SUMMARY:

IRWD utilizes various planning tools, including its Replacement Planning Model (RPM) and the Financial Replacement Planning Model (FRPM), to assist with the financial planning for setting future water and sewer rates. At the January Finance and Personnel Committee meeting, the Committee expressed concern over the consolidated rate increase driven from operating costs and funding future replacements. The Committee requested that staff analyze shifting one percent tax revenue from the developed improvement districts (IDs) to the Replacement Fund. The revenue shortfall could be made up by increasing the general obligation tax rate in the developed IDs (125, 225, 240).

Staff has prepared a PowerPoint, included as Exhibit “A”, that will facilitate a discussion of this alternative as well as several other opportunities to reduce the consolidated impact to rates.

#### BACKGROUND:

IRWD’s RPM model compiles the current and future costs associated with funding the replacement of IRWD facilities. The RPM model utilizes a technique called “Continuous Refurbishment” – a hybrid approach of estimating refurbishment, repair, and periodic replacement costs that more closely aligns with the estimated timing of the projected expenditure. The RPM replacement cost was most recently updated in 2022 and has not changed.

The revised cost projections from the RPM have been incorporated into the FRPM, along with updated assumptions. The FRPM compiles the current and future costs associated with the replacement of IRWD facilities along with revenue streams to fund these costs. Staff has included Committee feedback in the presentation (Exhibit “A”) and has identified several alternatives to existing assumptions to address the potential impact to rates.

Staff will incorporate the Committee’s comments to address replacement funding requirements for future operating budgets. These funding requirements will be included in the water and sewer rate-setting process.

#### FISCAL IMPACTS:

The updated Financial Replacement Planning Model results will be incorporated into the upcoming fiscal year budgets as applicable.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Financial Replacement Planning Model Update Draft PowerPoint.

## Exhibit "A"



# FINANCIAL REPLACEMENT PLANNING MODEL UPDATE


Finance & Personnel Committee Meeting  
April 2, 2024

 Irvine Ranch  
Water District

1

## AGENDA

1. Replacement Planning Model (RPM) review
2. Financial Replacement Planning Model (FRPM) updates
3. Review the allocation of IRWD's tax revenues
4. Impacts of a tax increase
5. Alternatives to mitigate rate increases
6. Replacement Fund policy discussion
7. Potential effect on rates
8. Next Steps

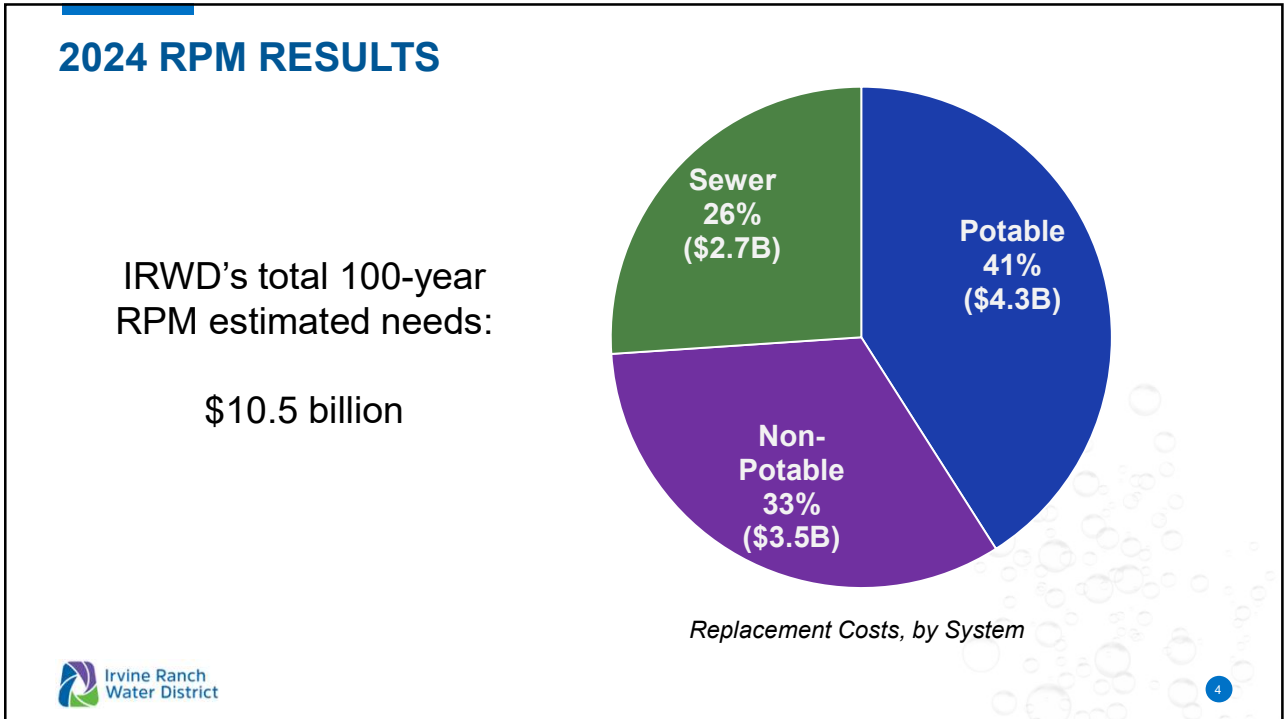
 Irvine Ranch  
Water District

2

2



3



4



5

## UPDATED ASSUMPTIONS (2024)

Replacement Fund Assumptions				
Description	Basis	Years	Escalator	Driver
<b>User Rates</b> (Replacement Component)	Current Budget: \$29.9 Million	<b>2024-2033</b> <b>2034-2043</b>	<b>11%</b> <b>6%</b>	Growth and rates
<b>Real Estate Net Income</b>	Current Budget: \$13.7 Million	50 Year Period	between 2.5-3.0%	Based upon real estate investment report
<b>1% Tax</b>	Current Allocation: \$23.3 Million	<b>Reallocate after:</b> <b>2045</b>	2.50%	The legislature reallocating 1% tax revenue
<b>Rate of Return</b>	District return on cash and investment	50 Year Period	1.75% - 3.5%	Increased to 3.5% over a 5-year period
<b>Capital Smoothing</b>	Annual expenditures will not exceed \$180M (increased with ENR)	50 Year Period	3%	Spending for spikes will be spread over 2 years
<b>Bond Sales</b>	As needed	<b>2028, 2036, &amp; 2040</b>	<b>\$300M Total</b>	Sufficient fund balance



6

6



7

## 1% PROPERTY TAX REVENUE: RECEIPT AND USE

- The District receives over \$55M annually
- Unlike some revenue sources, these revenues can be used for any public purpose
- Uses are stipulated through Board actions (for the most part)
- The current annual allocation:
  - Replacement Fund: \$23M
  - New Capital Funds: \$32M
- Approximately \$10M of the developed ID's debt service is paid annually
- Approximately \$2M a year is required/dedicated to New Capital debt

8

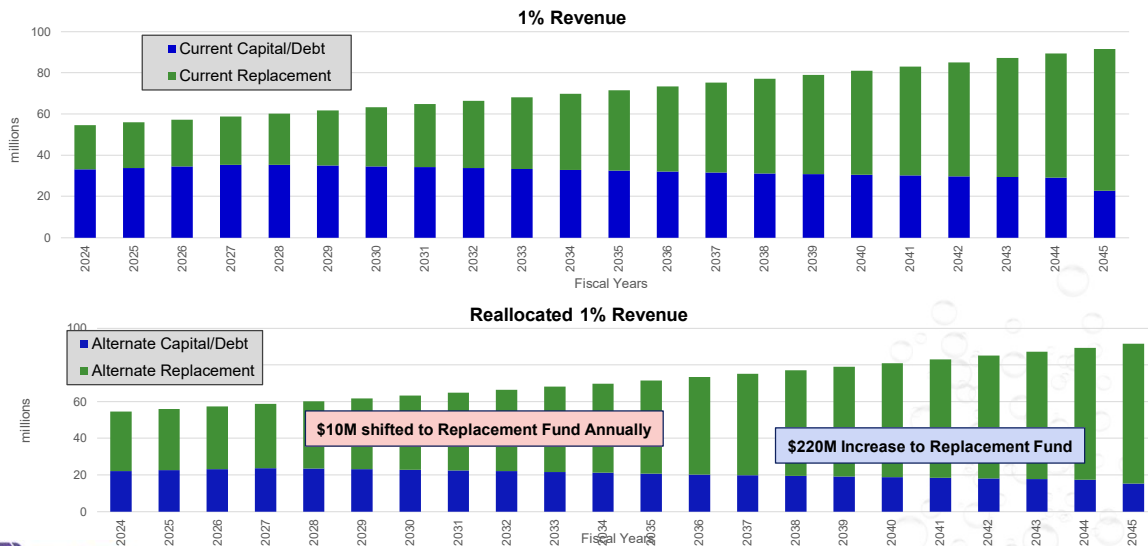


## G.O. PROPERTY TAX REVENUE: RECEIPT AND USES

- IRWD receives over \$23M of General Obligation (G.O.) Tax Revenue annually
- G.O. tax revenue is dedicated to annual debt service based on IRWD-set tax rates, applied to each \$100 of land assessed value
- The tax rates:
  - Share development costs equally with connection fees; and
  - Cannot exceed the annual cost of debt.
- Some IDs stand alone, simplifying rate setting (i.e., Tustin and El Toro bases)
- Other IDs are located on an existing ID (Underlay, see slide 12)
- Customers within these ID's pay both ID's tax rates (Underlay and Overlay, see slides 12 & 13)



## 1% REVENUE ALLOCATION

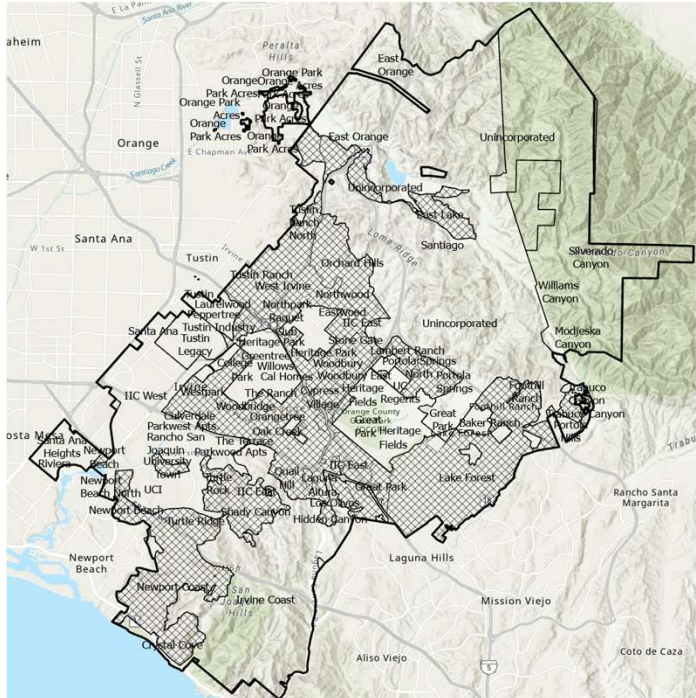



# IMPACTS OF A TAX INCREASE

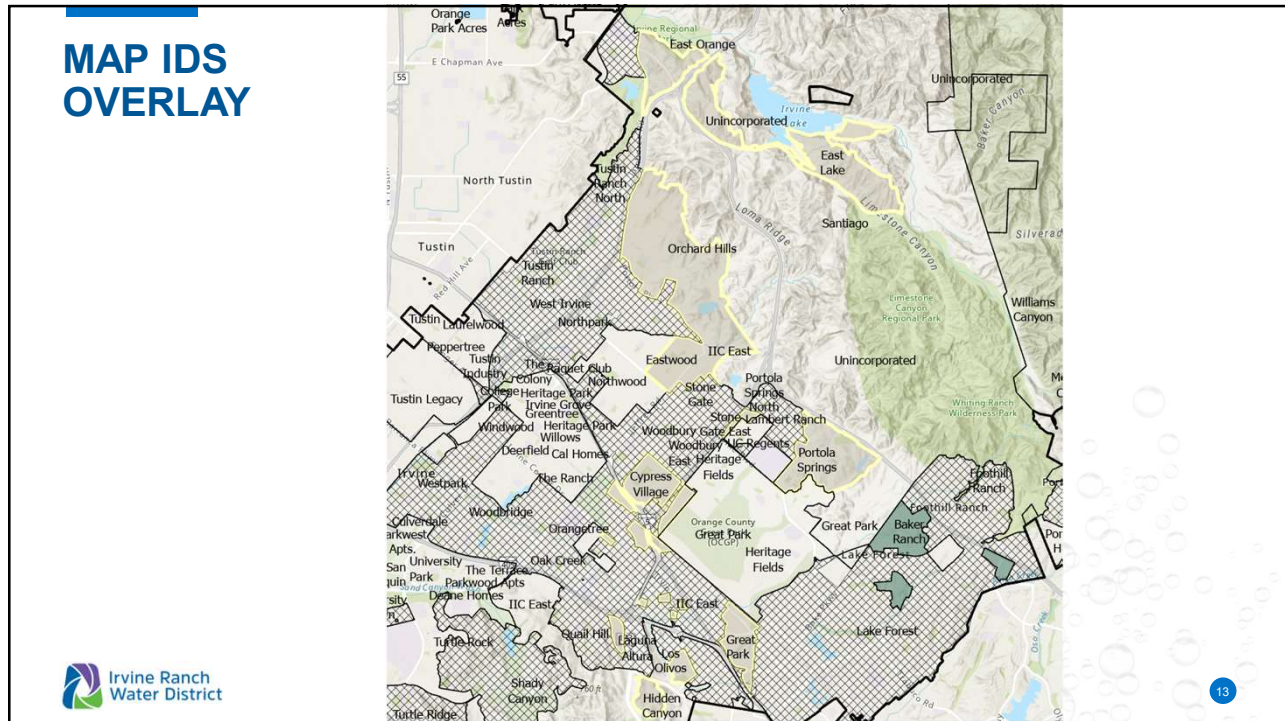



11

## MAP IDS UNDERLAY

12



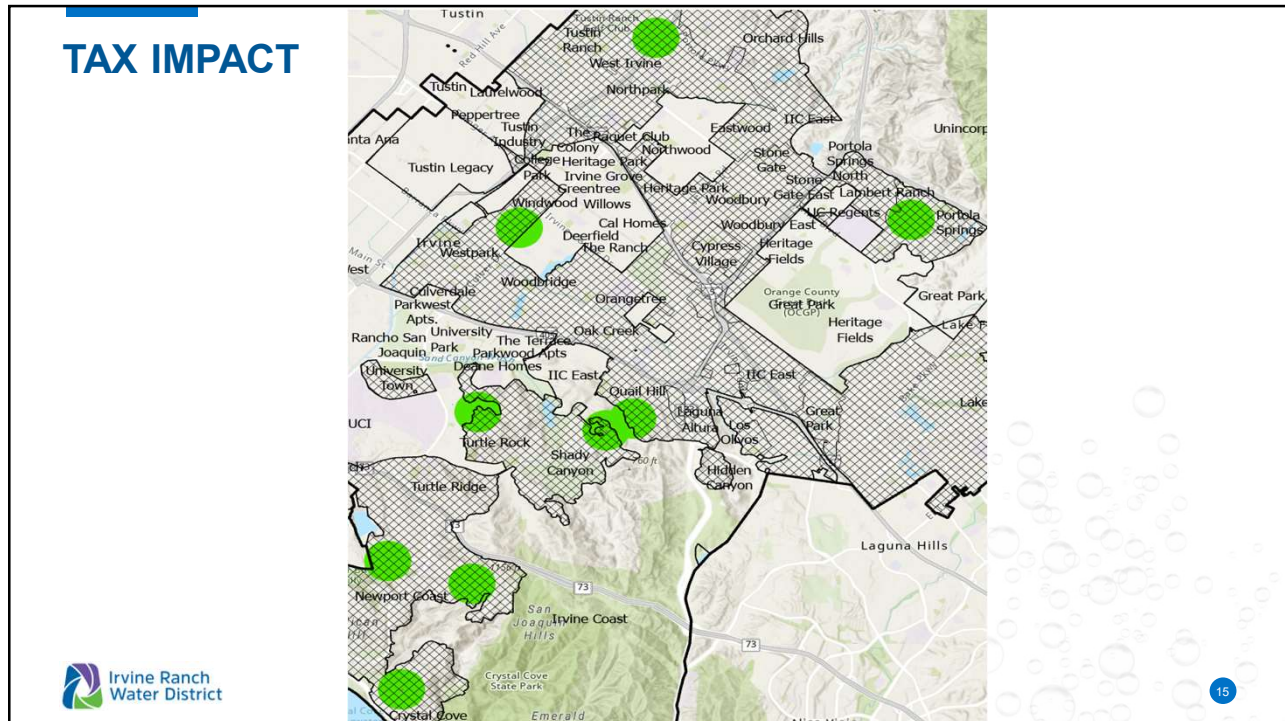
13

## THE EFFECT ON CONNECTION FEE & PROPERTY TAXES

*Example*

	Current Line Item Activity	Adjusted for Tax Increase
<b>Total Allocated New Capital</b>	-\$15,000,000	-\$15,000,000
<b>Connection Fees:</b>		
Water	\$3,500,000	\$4,000,000
Sewer	\$5,500,000	\$6,000,000
<b>Total Connection Fees</b>	\$9,000,000	\$10,000,000
<b>Property Taxes:</b>		
Local ID (153/253)	\$6,000,000	\$5,000,000
<b>Total Local Taxes</b>	\$6,000,000	\$5,000,000
<b>Net New Capital Funds at Build out</b>	\$0	\$0
Underlay ID (125/225)	\$3,000,000	\$5,000,000
<b>Total Connection Fees</b>	\$9,000,000	\$10,000,000
<b>Total Property Taxes</b>	\$9,000,000	\$10,000,000

14



15

## TAXPAYER IMPACT (ONE YEAR)

Village	Street Address	Current Annual Tax (\$0.028/\$100 of Land AV)	Increase Tax by \$0.02 (\$0.048/\$100 of Land AV)	Annual Increase
West Irvine	___ TYLER CT	\$30	\$51	\$21
Westpark	___ DEL CAMBREA	\$40	\$68	\$28
Turtle Rock	___ SAGINAW DR	\$48	\$83	\$35
Newport Coast	___ AUVERGNE	\$60	\$102	\$43
Portola Springs	___ RITUAL	\$228	\$391	\$163
Quail Hill	___ CAPEBERRY	\$469	\$804	\$335
Newport Coast	___ CASTELLINA DR	\$545	\$934	\$389
Shady Canyon	___ SPIKE MOSS	\$1,151	\$1,974	\$822
Crystal Cove	___ DEL MAR	\$5,729	\$9,821	\$4,092

\* Example Properties

16

16

## TAXPAYER IMPACT (FIVE YEARS)

Village	Street Address	Cumulative Tax	Cumulative Tax	Increase
		(5 Years)	(5 Years)	
		(\$0.028/\$100 of Land AV)	(\$0.048/\$100 of Land AV)	
West Irvine	___ TYLER CT	\$160	\$265	\$105
Westpark	___ DEL CAMBREA	\$210	\$350	\$140
Turtle Rock	___ SAGINAW DR	\$250	\$435	\$185
Newport Coast	___ AUVERGNE	\$310	\$530	\$220
Portola Springs	___ RITUAL	\$1,190	\$2,035	\$845
Quail Hill	___ CAPEBERRY	\$2,441	\$4,183	\$1,742
Newport Coast	___ CASTELLINA DR	\$2,836	\$4,861	\$2,025
Shady Canyon	___ SPIKE MOSS	\$5,988	\$10,270	\$4,282
Crystal Cove	___ DEL MAR	\$29,816	\$51,105	\$21,289

\* Example Properties



17

17

## TAXPAYER IMPACT (TEN YEARS)

Village	Street Address	Cumulative	Cumulative	Increase
		Tax (10 Years)	Tax (10 Years)	
		(\$0.028/\$100 of Land AV)	(\$0.048/\$100 of Land AV)	
West Irvine	___ TYLER CT	\$345	\$555	\$210
Westpark	___ DEL CAMBREA	\$445	\$728	\$283
Turtle Rock	___ SAGINAW DR	\$525	\$920	\$395
Newport Coast	___ AUVERGNE	\$645	\$1,110	\$465
Portola Springs	___ RITUAL	\$2,505	\$4,280	\$1,775
Quail Hill	___ CAPEBERRY	\$5,137	\$8,799	\$3,662
Newport Coast	___ CASTELLINA DR	\$5,969	\$10,227	\$4,258
Shady Canyon	___ SPIKE MOSS	\$12,595	\$21,609	\$9,014
Crystal Cove	___ DEL MAR	\$62,739	\$107,528	\$44,789

\* Example Properties



18

18

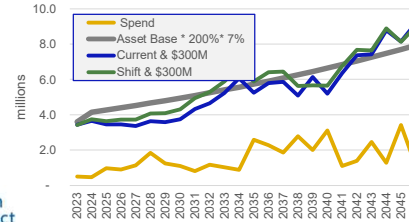
# ALTERNATIVES TO MITIGATE RATE INCREASES

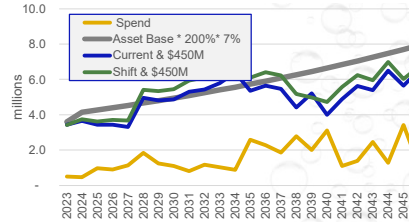




19

## ALTERNATIVES TO MITIGATE RATE INCREASE

Assume through FY 2049-50		1% Ends in FY 2045		1% Ends in FY 2045	
		Current	Shift 1%	Adjust Bond Sales	Adjust Bond Sales w/ 1% Shift
1% Tax Revenue (year 1)	millions	\$23.3	\$32.5	\$23.3	\$32.5
Total 1% Tax Revenue		\$910.0	\$1,121.0	\$910.0	\$1,121.0
GO Tax Revenue (year 1)		\$17.2	\$27.0	\$17.0	\$27.0
Bond Funding		\$300	\$300	450	450
<b>Annual Rate Increase:</b>					
<i>(2024-2033)</i>		<b>11.0%</b>	<b>9.0%</b>	<b>8.0%</b>	<b>6.0%</b>
<i>(2034-2043)</i>		<b>6.0%</b>	<b>6.0%</b>	<b>7.5%</b>	<b>7.5%</b>
<i>(2044 forward)</i>		<b>3.5%</b>	<b>5.0%</b>	<b>7.0%</b>	<b>8.5%</b>



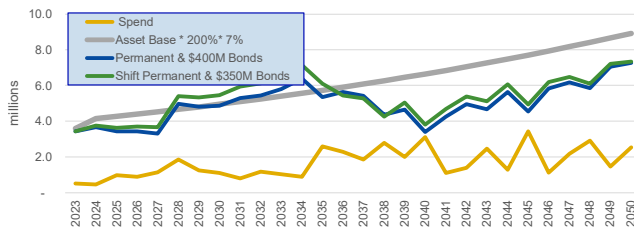




20

## ALTERNATIVES TO MITIGATE RATE INCREASE

Assume through FY 2049-50		1% is Permanent	
		Adjust Bond Sales	Adjust Bond Sales w/ 1% Shift
1% Tax Revenue (year 1)	millions	\$23.3	\$32.5
Total 1% Tax Revenue		\$1,346.0	\$1,574.0
GO Tax Revenue (year 1)		\$17.0	\$27.0
Bond Funding		400	350
<b>Annual Rate Increase:</b>			
<b>(2024-2033)</b>		<b>8.0%</b>	<b>6.0%</b>
<b>(2034-2043)</b>		<b>7.0%</b>	<b>7.5%</b>
<b>(2044 forward)</b>		<b>0.0%</b>	<b>0.0%</b>



## UPDATED ASSUMPTIONS (2024)

Replacement Fund Assumptions				
Description	Basis	Years	Escalator	Driver
<b>User Rates</b> (Replacement Component)	Current Budget: \$29.9 Million	<b>2024-2033</b> <b>2034-2043</b>	<b>8%</b> <b>7%</b>	Growth and rates
<b>Real Estate Net Income</b>	Current Budget: \$13.7 Million	50 Year Period	between 2.5-3.0%	Based upon real estate investment report
<b>1% Tax</b>	Current Allocation: \$23.3 Million	<b>Reallocate after:</b> <b>2055</b>	2.50%	The legislature reallocating 1% tax revenue
<b>Rate of Return</b>	District return on cash and investment	50 Year Period	1.75% - 3.5%	Increased to 3.5% over a 5-year period
<b>Capital Smoothing</b>	Annual expenditures will not exceed \$180M (increased with ENR)	50 Year Period	3%	Spending for spikes will be spread over 2 years
<b>Bond Sales</b>	As needed	<b>2028, 2036, &amp; 2040</b>	<b>\$400M Total</b>	Sufficient fund balance





# REPLACEMENT FUND POLICY DISCUSSION

23

**BOARD APPROVED REPLACEMENT FUND CRITERIA**

		<b>Current Board Approved</b>
	<b>Category</b>	<b>Target</b>
1	Capital Facilities	Long term replacement (RPM model data: 1-5 years 100% and 6-10 years 50%)
2	Insurance	Catastrophic events and unplanned emergency repairs: 5 times the deductible (\$125K for property; \$100K general liability)
3	Variable Rate Hedge	Excluded based on current debt ratio (variable to fixed)
4	System Refurbishments	(included in # 1)
5	Environmental Compliance	(included in # 1)
6	Rate Stabilization	Mitigate the impact of short-term effects on user rates (3 year average net operating working capital)



24

24



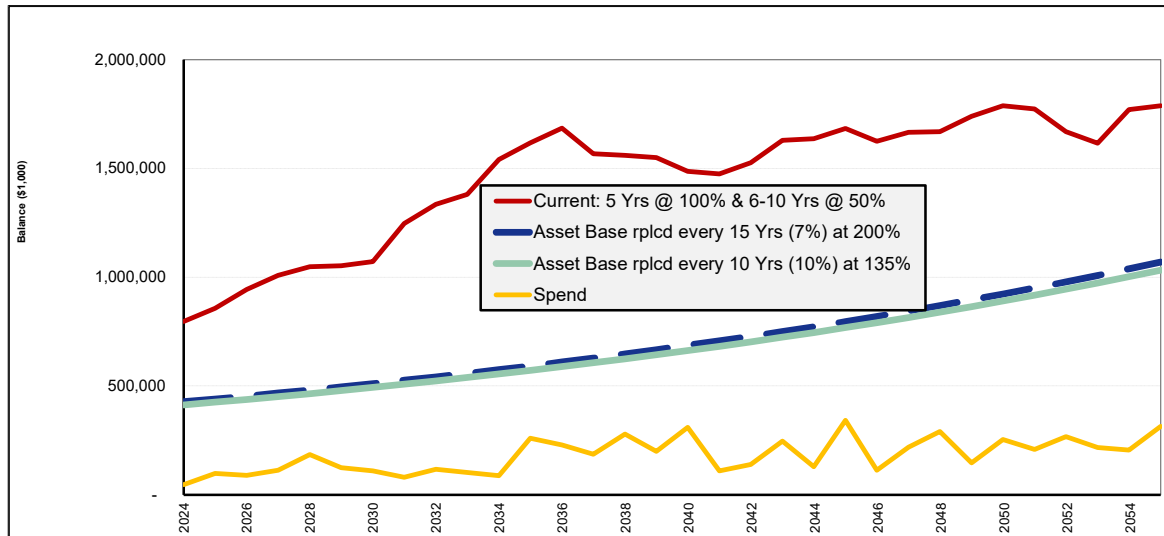
## PREVIOUS BOARD APPROVED CRITERIA

CATEGORY	TARGET FUNDING CRITERIA
Capital Facilities Replacement	<b>Equivalent to 10% of replacement cost of existing infrastructure at 135%</b>
Self Insurance/Emergency Repairs	Equivalent to 2% of replacement cost of existing infrastructure
Variable Rate Hedge	Two year reserve based on outstanding variable rate debt
System Refurbishments	Equivalent to latest three year average expenditures
Environmental Compliance/Mitigation	Based on risk analysis/exposure
Rate Stabilization	Equivalent to three years working capital



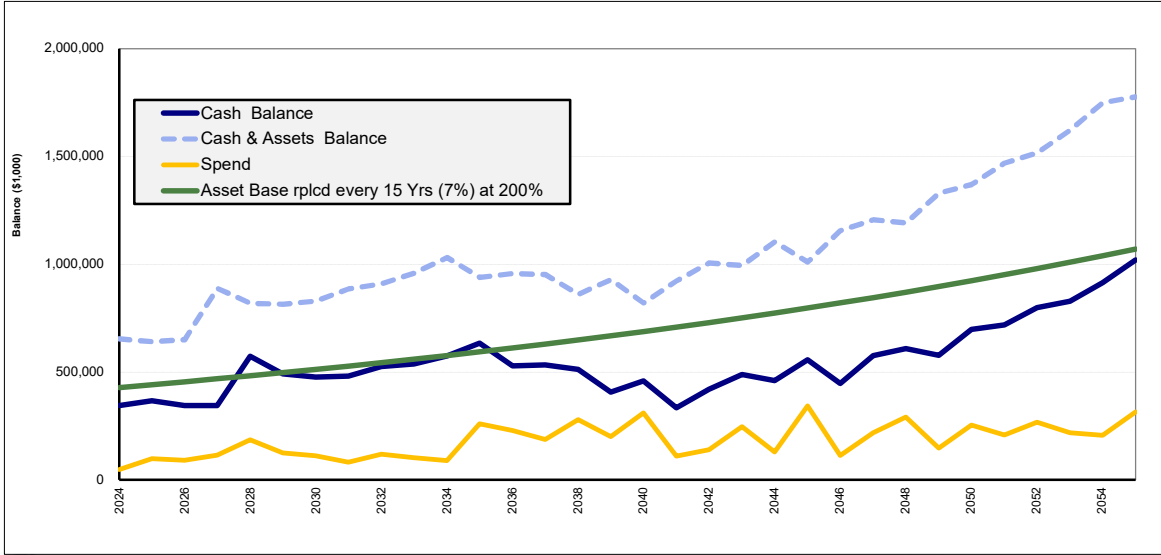
25

## MEETING REPLACEMENT FUND REQUIREMENTS



26

## MEETING REPLACEMENT FUND REQUIREMENTS



  
**POTENTIAL EFFECT ON RATES**

## POTENTIAL EFFECT ON RATES

### Proposed Increases to a Typical Residential Customer Using 12 ccf

Recommended	Increase Factor	Increase		
		2024-25	2025-26	2026-27
<b>Water Operations *</b>	<b>3.5%</b>	\$10.15	<b>\$10.51</b>	<b>\$10.88</b>
<b>Commodity *</b>	<b>3.5%</b>	28.50	<b>29.50</b>	<b>30.53</b>
<b>Replacement</b>	<b>8.0%</b>	3.05	<b>3.29</b>	<b>3.56</b>
<b>Sub total</b>		\$41.70	<b>\$43.30</b>	<b>\$44.97</b>
<b>Sewer Operations *</b>	<b>3.5%</b>	\$13.45	<b>\$13.94</b>	<b>\$14.42</b>
<b>Replacement</b>	<b>8.0%</b>	12.25	<b>13.24</b>	<b>14.29</b>
<b>Sub total</b>		\$25.70	<b>\$27.18</b>	<b>\$28.71</b>
<b>Total Monthly Bill</b>		\$67.40	<b>\$70.48</b>	<b>\$73.68</b>
			<b>4.6%</b>	<b>4.5%</b>

\* Estimated increase.




## NEXT STEPS

---

## NEXT STEPS

1. Revisit the FRPM as part of the annual budget review process.
2. Consider alternatives during the next rate setting cycle.



31

## QUESTIONS



32

April 2, 2024

Prepared by: O. Mendoza / J. Davis

Submitted by: N. Adly

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### MONTHLY INVESTMENT AND DEBT REVIEW

#### SUMMARY:

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

- The Investment Portfolio Summary Report as of March 22, 2024 as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of March 22, 2024 as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of March 22, 2024 as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of March 22, 2024 as outlined in Exhibit "D".

#### BACKGROUND:

##### Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for March 2024 is not available. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 4.36%, which was a 0.10% increase from February's rate of 4.26%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for March 2024 was 6.56%, which was a 0.08% increase from February's rate of 6.48%. The increases were due to both investment purchases at higher yields and the change in the fixed income average balance from \$377.2 million to \$376.4 million.

##### Debt Portfolio:

As of March 22, 2024, IRWD's weighted average all-in variable rate for debt was 3.42%, which was a 0.18% increase from February's rate of 3.24%. Including IRWD's weighted average fixed rate bond issues of 3.73% and the negative cash accruals from fixed payer interest rate swaps (which hedge a portion of the District's variable rate debt), the total average debt rate was 3.64%, a 0.07% increase from February's rate of 3.57%. The increase was due to higher average rates for the District's variable rate debt.

#### FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of March 22, 2024

Exhibit "B" – Yield Curve as of March 22, 2024

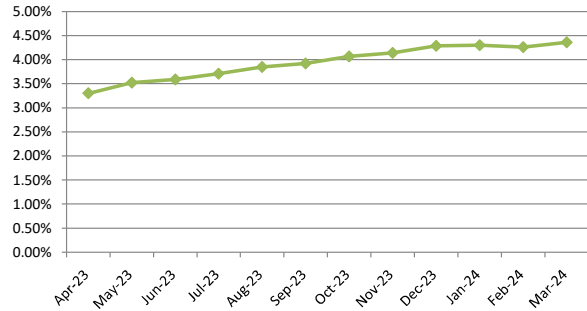
Exhibit "C" – Summary of Fixed and Variable Debt as of March 22, 2024

Exhibit "D" – Summary of Variable Rate Debt Rates as of March 22, 2024

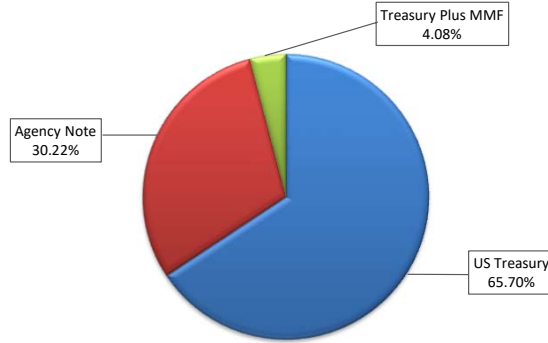
# Exhibit "A"

## Irvine Ranch Water District Investment Portfolio Summary March 2024

**Monthly Fixed Income Yield**



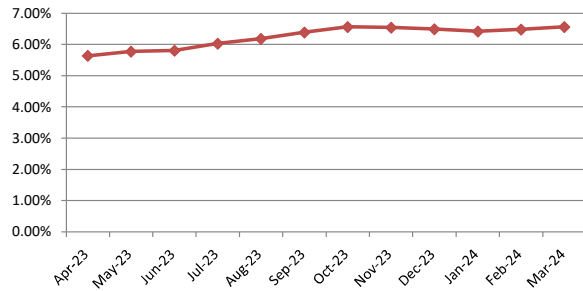
**Portfolio Distribution**



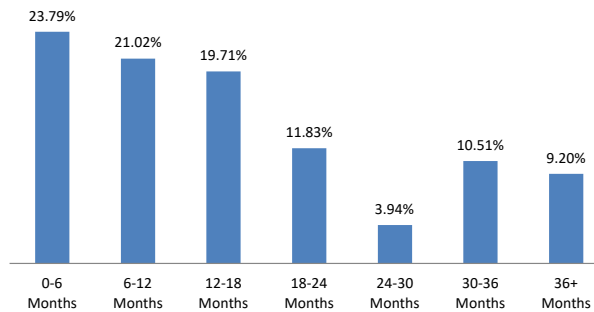
**Investment Summary**

Type	PAR	Book Value	Market Value
US Treasury	250,000,000	248,297,534	247,144,367
Agency Note	115,000,000	114,070,829	113,284,600
Treasury Plus MMF	15,517,363	15,517,363	15,517,363
<b>Grand Total</b>	<b>380,517,363</b>	<b>377,885,726</b>	<b>375,946,330</b>

**Weighted Average Return Including Real Estate Portfolio**



**Maturity Distribution**



**Top Issuers**

Issuer	PAR	% Portfolio
US Treasury	250,000,000	65.70%
Fed Farm Credit Bank	55,000,000	14.45%
Fed Home Loan Bank	40,000,000	10.51%
Wells Fargo / Allspring	15,517,363	4.08%
Fed Home Loan Mortgage Corp	15,000,000	3.94%
Fed Natl Mortgage Assoc	5,000,000	1.32%
<b>Grand Total</b>	<b>380,517,363</b>	<b>100.00%</b>

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

03/22/24

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 3/22/2024	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
04/06/23			03/23/24		LAIF	State of California Tsy.	\$0.00		4.160%	\$0.00	\$0.00	0.00	0.00
03/22/24			03/23/24		Treasury Plus MMF	Wells Fargo / Allspring	15,517,363.18		5.170%	15,517,363.18	15,517,363.18	15,517,363.18	0.00
03/08/24	NA	NA	04/04/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	5,000,000	5.265%	5.374%	4,980,256.25	4,997,806.25	4,980,256.25	(17,550.00)
04/21/22	NA	NA	04/30/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.000%	2.600%	9,882,421.88	9,995,392.21	9,945,700.00	(49,692.21)
05/31/22	NA	NA	05/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	2.560%	9,988,281.25	9,999,038.13	9,929,700.00	(69,338.13)
08/17/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	3.125%	3.315%	4,983,199.99	4,998,136.13	4,966,500.00	(31,636.13)
12/16/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.875%	4.611%	5,018,300.00	5,002,480.22	4,991,800.00	(10,680.22)
12/01/22	NA	NA	07/02/24	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	4.450%	4,795,376.45	4,967,486.41	4,939,300.00	(28,186.41)
02/21/24	NA	NA	07/11/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	5,000,000	5.108%	5.299%	4,899,976.17	4,928,351.72	4,905,600.00	(22,751.72)
08/17/22	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	3.000%	3.249%	4,976,562.50	4,996,028.10	4,953,150.00	(42,878.10)
11/30/23	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	1.750%	5.288%	9,770,312.50	9,886,097.59	9,854,300.00	(31,797.59)
08/31/22	NA	NA	08/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	3.375%	3.500%	4,988,050.00	4,997,580.37	4,953,050.00	(44,530.37)
S 09/09/22	One Time	11/28/2022	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.000%	3.950%	4,995,000.00	4,998,963.84	4,973,250.00	(25,713.84)
02/28/23	One Time	8/28/2023	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.250%	5.338%	4,993,750.00	4,998,297.53	5,003,400.00	5,102.47
08/31/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	3.530%	4,972,750.00	5,016,170.03	4,951,750.00	(64,420.03)
09/30/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	4.340%	4,898,930.00	4,976,643.49	4,951,750.00	(24,893.49)
09/30/22	NA	NA	09/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.334%	4,992,100.00	4,998,065.75	4,970,750.00	(27,315.75)
10/17/22	NA	NA	10/17/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.375%	4.535%	9,969,800.00	9,991,778.66	9,946,700.00	(45,078.66)
03/14/24	NA	NA	10/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	5.257%	4,908,007.81	4,915,176.03	4,908,007.81	(7,168.22)
10/31/22	NA	NA	11/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.489%	4,783,984.38	4,933,979.14	4,898,850.00	(35,129.14)
12/22/22	NA	NA	11/18/24	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.875%	4.260%	4,693,316.75	4,898,358.92	4,851,000.00	(47,358.92)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.471%	4,773,046.88	4,921,483.39	4,883,200.00	(38,283.39)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.483%	4,771,875.00	4,921,077.97	4,883,200.00	(37,877.97)
10/31/22	NA	NA	01/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.125%	4.476%	4,651,562.50	4,875,218.79	4,832,600.00	(42,618.79)
10/31/22	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.500%	4.483%	4,789,843.75	4,924,739.58	4,884,200.00	(40,539.58)
11/30/23	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	5.097%	9,708,593.75	9,792,339.00	9,768,400.00	(23,939.00)
02/07/23	NA	NA	02/14/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.750%	4.500%	4,737,350.00	4,886,469.72	4,845,850.00	(40,619.72)
12/30/22	NA	NA	02/28/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.317%	4,839,453.13	4,932,412.00	4,888,650.00	(43,762.00)
02/07/23	NA	NA	03/14/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.250%	4.518%	4,973,050.00	4,987,791.58	4,961,000.00	(26,791.58)
12/30/22	NA	NA	03/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.750%	4.329%	4,731,250.00	4,883,964.02	4,834,000.00	(49,964.02)
04/12/23	NA	NA	03/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	20,000,000	3.875%	4.073%	19,925,781.25	19,962,426.11	19,761,800.00	(200,626.11)
12/22/22	NA	NA	04/01/25	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.200%	4.160%	5,004,550.00	5,001,998.50	4,958,150.00	(43,848.50)
12/08/22	Quarterly	02/12/2023	05/12/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	3.050%	4.427%	4,843,000.00	4,928,056.43	4,892,450.00	(35,606.43)
01/11/23	NA	NA	05/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.148%	4,845,312.50	4,926,003.29	4,873,050.00	(52,953.29)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.340%	4,989,400.00	4,994,914.79	4,964,800.00	(30,114.79)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.352%	4,988,000.00	4,994,243.15	4,964,800.00	(29,443.15)
08/01/23	NA	NA	07/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.000%	4.917%	9,646,875.00	9,767,550.77	9,753,900.00	(13,650.77)



IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

03/22/24

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 3/22/2024	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
04/24/23	NA	NA	07/24/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.250%	4.253%	10,000,000.00	10,000,000.00	9,923,500.00	(76,500.00)
04/21/23	NA	NA	09/23/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	0.375%	4.127%	9,143,400.00	9,477,918.74	9,338,200.00	(139,718.74)
12/01/22	NA	NA	10/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.298%	4,993,359.38	4,996,442.30	4,958,400.00	(38,042.30)
12/01/23	NA	NA	11/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.250%	4.719%	9,543,750.00	9,621,599.65	9,594,500.00	(27,099.65)
12/01/22	Continuous after	9/12/2023	12/12/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.125%	4.694%	4,920,500.00	4,955,474.25	4,936,600.00	(18,874.25)
02/21/24	NA	NA	02/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.000%	4.553%	14,844,140.63	14,852,739.77	14,817,150.00	(35,589.77)
07/06/23	NA	NA	06/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.125%	4.566%	14,819,531.25	14,864,858.28	14,856,450.00	(8,408.28)
09/27/23	NA	NA	09/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.846%	9,939,453.13	9,949,898.02	10,024,200.00	74,301.98
11/03/23	NA	NA	10/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.784%	9,956,640.63	9,962,679.54	10,029,300.00	66,620.46
12/28/23	NA	NA	12/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.375%	4.020%	10,098,046.88	10,089,446.28	9,976,600.00	(112,846.28)
01/31/24	NA	NA	01/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.000%	4.171%	9,952,734.38	9,955,404.01	9,878,900.00	(76,504.01)
03/11/24	NA	NA	09/30/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.125%	4.195%	9,976,953.13	9,977,326.00	9,976,953.13	(372.87)
11/28/23	NA	NA	10/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.875%	4.464%	10,179,687.50	10,167,202.27	10,238,300.00	71,097.73
12/15/23	NA	NA	11/30/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.375%	3.897%	15,319,921.88	15,300,853.69	15,055,050.00	(245,803.69)
SUB-TOTAL							<u>\$380,517,363</u>			<u>\$374,914,801.66</u>	<u>\$377,885,725.60</u>	<u>\$375,946,330.37</u>	<u>(\$1,939,395.23)</u>

TOTAL INVESTMENTS

<u>\$380,517,363</u>	<u>\$374,914,801.66</u>	<u>\$377,885,725.60</u>	<u>\$375,946,330.37</u>	<u>(\$1,939,395.23)</u>
----------------------	-------------------------	-------------------------	-------------------------	-------------------------

Petty Cash				3,400.00
Ck Balance	Bank of America	ECR	1.77%	1,341,351.39
Ck Balance	Wells Fargo	ECR	2.00%	0.00 <sup>(5)</sup>
				<u>\$376,259,553.05</u>

<sup>(1)</sup> 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. <sup>(2)</sup> Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers <sup>(3)</sup> Real estate rate of return is based on most recent quarter end return. <sup>(4)</sup> Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023. of capital tenant improvements during FY 2023. <sup>(5)</sup> Cash balance in this account are funds that are pending purchase into the current money market fund. *S - Step up  This Investment Summary Report is in conformity with the 2024 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.	Outstanding Variable Rate Debt Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps) Investment Balance: Investment to Variable Rate Debt Ratio: Portfolio - Average Number of Days To Maturity	\$214,800,000 \$154,800,000 \$376,259,553 243% 509

	Investment Portfolio	Real Estate <sup>(3)(4)</sup> Portfolio	Weighted Avg. Return
March	4.36%	14.37%	6.56%
February	4.26%	14.37%	6.48%
Change	0.10%	0.00%	0.08%

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

03/22/24

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
3/24	15,517,363	4.08%						15,517,363
4/24	15,000,000	3.94%					15,000,000	
5/24	10,000,000	2.63%					10,000,000	
6/24	10,000,000	2.63%		10,000,000				
7/24	25,000,000	6.57%		5,000,000			20,000,000	
8/24	15,000,000	3.94%		15,000,000				
9/24	15,000,000	3.94%		15,000,000				
10/24	15,000,000	3.94%		10,000,000			5,000,000	
11/24	10,000,000	2.63%		5,000,000			5,000,000	
12/24	10,000,000	2.63%					10,000,000	
1/25	20,000,000	5.26%					20,000,000	
2/25	10,000,000	2.63%		5,000,000			5,000,000	
SUB-TOTAL	\$170,517,363	44.81%		\$65,000,000			\$90,000,000	\$15,517,363

13 Months - 3 YEARS								
3/01/2025 - 05/31/2025	\$45,000,000	11.83%		15,000,000			30,000,000	
06/01/2025 - 08/31/2025	\$30,000,000	7.88%		20,000,000			10,000,000	
9/01/2025 - 11/30/2025	\$25,000,000	6.57%		10,000,000			15,000,000	
12/01/2025 - 2/28/2026	\$20,000,000	5.26%		5,000,000			15,000,000	
3/01/2026 - 05/31/2026								
06/01/2026 - 08/31/2026	\$15,000,000	3.94%					15,000,000	
09/01/2026 - 11/30/2026	\$20,000,000	5.26%					20,000,000	
12/01/2026 - 2/31/2027	\$20,000,000	5.26%					20,000,000	
03/01/2027 +	\$35,000,000	9.20%					35,000,000	
SUB-TOTAL	\$210,000,000	55.19%		\$50,000,000			\$160,000,000	
TOTALS	\$380,517,363	100.00%		\$115,000,000			\$250,000,000	\$15,517,363

% OF PORTFOLIO

30.22%

65.70%

4.08%

Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
12/31/2023

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2023	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2023
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 45,457,369	\$ 178,606,250	23.23%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 36,246,127	8.61%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,568,747	\$ 12,484,800	8.08%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,983,395	\$ 12,068,640	8.04%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,715,929	\$ 12,380,760	7.19%
Sand Canyon Professional Center - General Office <sup>(1)</sup>	Sep-20	Office Building	Fee Simple	\$ 31,404,103	\$ 40,559,820	7.57%
<b>Total - Income Properties</b>				<b>\$ 106,129,543</b>	<b>\$ 292,346,397</b>	<b>14.37%</b>

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

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT**  
**INVESTMENT ACTIVITY<sup>(1)</sup>**  
**Mar-24**

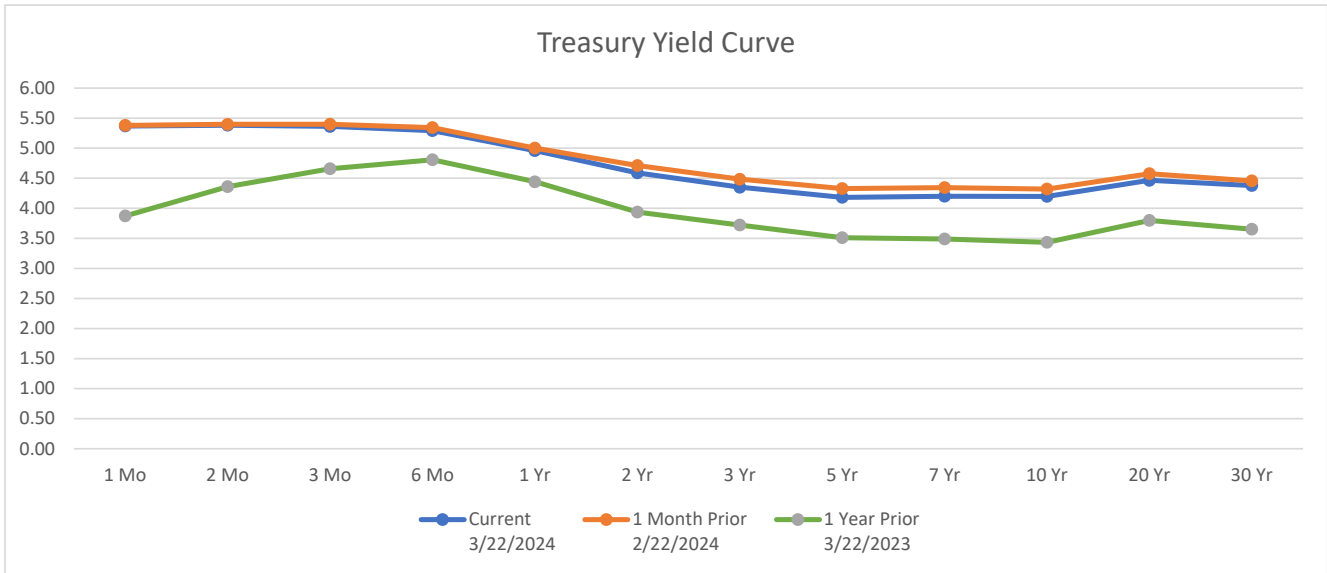
**MATURITIES/SALES/CALLS**

**PURCHASES**

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
3/8/2024	FHLB - Note	\$10,000,000	1.68%	3/8/2024	4/4/2024	Treasury - Bill	\$5,000,000	5.37%
3/14/2024	Treasury - Bill	\$5,000,000	5.37%	3/11/2024	9/30/2027	Treasury - Note	\$10,000,000	4.19%
				3/14/2024	10/31/2024	Treasury - Note	\$5,000,000	5.26%

(1) Italicized entries indicate securities that are scheduled but not yet matured, sold, called, or purchased. There may be additional investment purchases if there are pending maturities for the month.

## Exhibit "B"

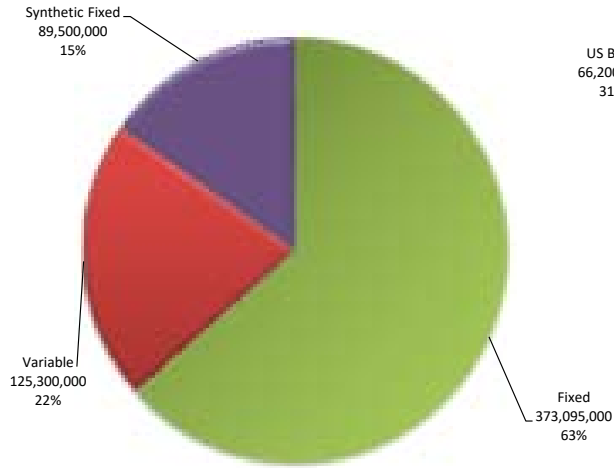


Tenor	Current 3/22/2024	1 Month Prior 2/22/2024	1 Year Prior 3/22/2023
1 Mo	5.37	5.38	3.87
2 Mo	5.38	5.40	4.36
3 Mo	5.36	5.40	4.66
6 Mo	5.29	5.34	4.81
1 Yr	4.96	5.00	4.44
2 Yr	4.59	4.71	3.94
3 Yr	4.35	4.48	3.72
5 Yr	4.18	4.33	3.51
7 Yr	4.20	4.35	3.49
10 Yr	4.20	4.32	3.43
20 Yr	4.47	4.58	3.80
30 Yr	4.38	4.46	3.65

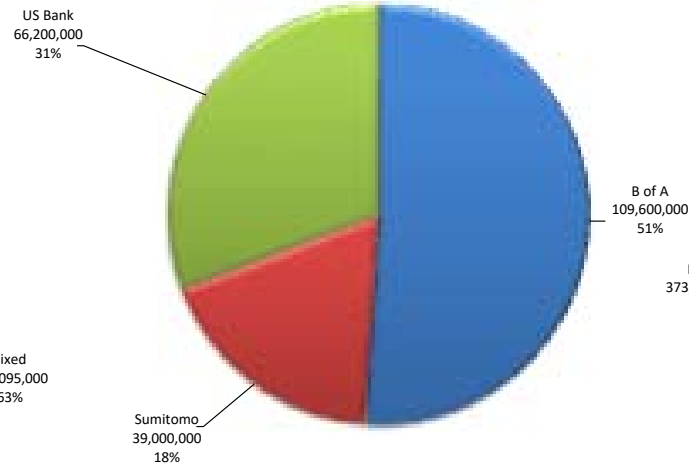
Note: This page is intentionally left blank.

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

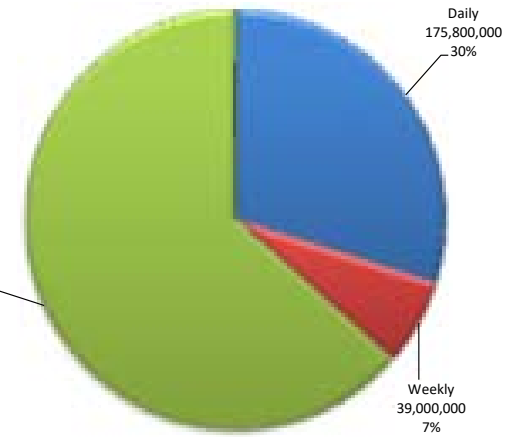
**Current Debt Mix By Type**



**Letters of Credit / Support**



**Current Debt Rate Reset**



**Outstanding Par by Series**

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$21,200,000	3.61%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$39,000,000	6.63%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$38,760,000	6.59%	B of A	Goldman	Variable	Daily
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$25,840,000	4.40%	B of A	Goldman	Variable	Daily
Series 2009 - A	06/04/09	10/01/41	\$45,000,000	7.65%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$45,000,000	7.65%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$101,490,000	17.26%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	29.77%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$96,605,000	16.43%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$587,895,000</b>	<b>100.00%</b>				

**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF FIXED & VARIABLE RATE DEBT**

March-24

Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION									TRUSTEE INFORMATION									
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee					
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$21,200,000	US BANK	05/07/15	05/01/25	Aa3/VMIG1	AA-/A-1+	N/R	\$21,485,764	0.3000%	\$64,457	BAML	DAILY	0.10%	\$21,200	BANK OF NY					
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$39,000,000	SUMITOMO	04/01/11	05/28/25	A1/P-1	A/A-1	A/F1	\$39,576,986	0.3150%	\$124,668	BAML	WED	0.07%	\$27,300	BANK OF NY					
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$38,760,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$39,193,262	0.3200%	\$125,418	Goldman	DAILY	0.07%	\$27,132	BANK OF NY					
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$25,840,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$26,128,842	0.3200%	\$83,612	Goldman	DAILY	0.07%	\$18,088	BANK OF NY					
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	US BANK	04/01/11	05/01/25	Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$45,503,014	0.3000%	\$136,509	US Bank	DAILY	0.07%	\$31,500	US BANK					
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	B of A	04/01/11	04/21/25	Aa2/VMIG 1	A/A-1	A1/F1+	\$45,503,014	0.2800%	\$127,408	Goldman	DAILY	0.10%	\$45,000	US BANK					
<b>\$349,430,000</b>						<b>\$214,800,000</b>	<b>SUB-TOTAL VARIABLE RATE DEBT</b>									<b>\$217,390,882</b>			<b>0.3045%</b>		<b>\$662,073</b>		<b>0.08%</b>		<b>\$170,220</b>
																(Wt. Avg)					(Wt. Avg)				
FIXED RATE ISSUES																									
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK					
2016 COPS	09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$101,490,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK					
SERIES 2016	10/12/16	02/01/46	Feb 1	Feb/Aug	\$103,400,000	\$96,605,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY					
<b>\$395,145,000</b>						<b>\$373,095,000</b>	<b>SUB-TOTAL FIXED RATE DEBT</b>																		
<b>\$744,575,000</b>						<b>\$587,895,000</b>	<b>TOTAL- FIXED &amp; VARIABLE RATE DEBT</b>																		

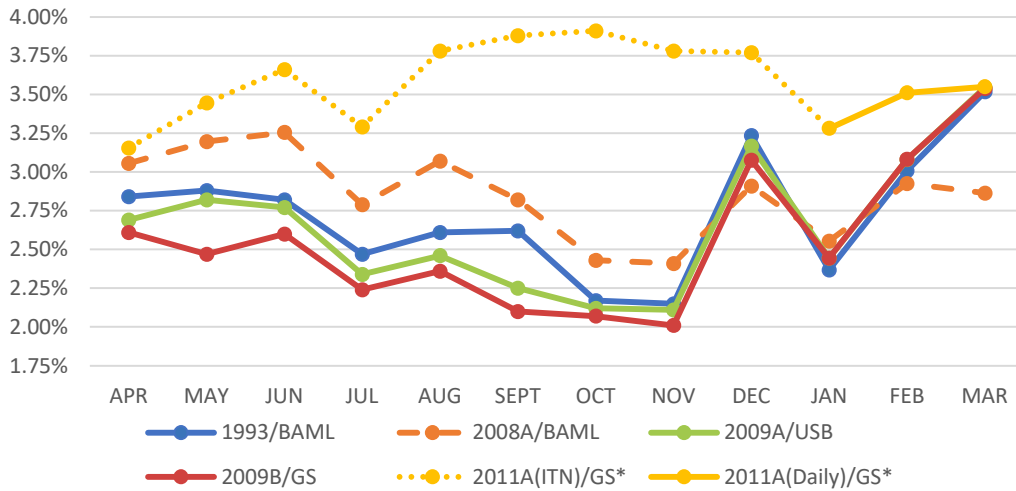
Remarketing Agents			GO VS COP'S		
Goldman	109,600,000	51%	GO:	486,405,000	83%
BAML	60,200,000	28%	COPS:	101,490,000	17%
US Bank	45,000,000	21%	Total	<u>587,895,000</u>	
	<u>214,800,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	39,000,000	Daily Issues	175,800,000 30%
BANK OF AMERICA	109,600,000	Weekly Issues	39,000,000 7%
US BANK	66,200,000	Sub-Total	<u>214,800,000</u>
	<u>214,800,000</u>	Fixed Rate Issues	\$373,095,000 63%
		Sub-Total - Fixed	<u>373,095,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>587,895,000</u> 100%

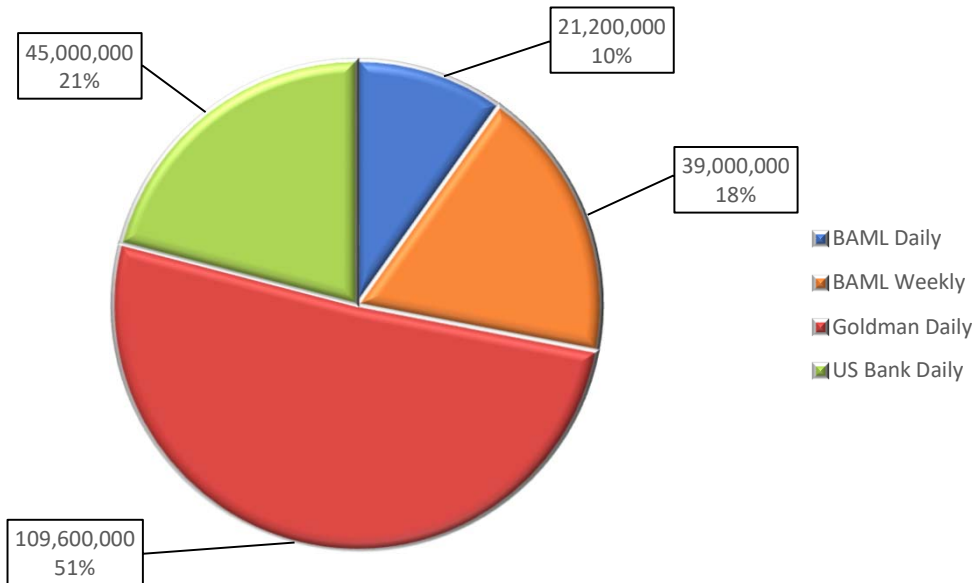


# Irvine Ranch Water District Summary of Remarketing Performance March 2024

All-in Variable Rate



Total Outstanding Principal By  
Remarketing Agent



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

REMARKETING AGENT PERFORMANCE COMPARISON

Mar-24

Daily Variable Rate Comparison			
Date	Goldman Sachs vs US Bank	Goldman Sachs vs Bank of America	US Bank vs Bank of America
3/1/2024	-0.15%	-0.35%	-0.20%
3/2/2024	-0.15%	-0.35%	-0.20%
3/3/2024	-0.15%	-0.35%	-0.20%
3/4/2024	-0.05%	0.10%	0.15%
3/5/2024	0.05%	-0.10%	-0.15%
3/6/2024	0.10%	-0.05%	-0.15%
3/7/2024	0.05%	-0.05%	-0.10%
3/8/2024	-0.05%	-0.03%	0.02%
3/9/2024	-0.05%	-0.03%	0.02%
3/10/2024	-0.05%	-0.03%	0.02%
3/11/2024	0.00%	0.10%	0.10%
3/12/2024	-0.20%	0.05%	0.25%
3/13/2024	0.05%	0.15%	0.10%
3/14/2024	0.05%	0.20%	0.15%
3/15/2024	0.05%	0.28%	0.23%
3/16/2024	0.05%	0.28%	0.23%
3/17/2024	0.05%	0.28%	0.23%
3/18/2024	0.00%	0.23%	0.23%
3/19/2024	0.00%	0.33%	0.33%
3/20/2024	0.05%	0.25%	0.20%
3/21/2024	0.00%	0.10%	0.10%
3/22/2024	0.00%	-0.10%	-0.10%
<b>Average Spread</b>	<b>-0.02%</b>	<b>0.04%</b>	<b>0.06%</b>

<b>Rmkt Agent</b>	GS / US Bank	GS / Bank of America	US Bank / Bank of America
<b>Mode</b>	Daily / Daily	Daily / Daily	Daily / Daily
<b>Bond Issue</b>	2011A & 2009B / 2009A	2011A & 2009B / 1993	2009A / 1993
<b>Par Amount</b>	\$64.6MM & \$45MM / \$45MM	\$64.5MM & \$45MM / \$21.2MM	\$45MM / \$21.2MM
<b>LOC Bank</b>	Bank of America / US Bank	Bank of America / US Bank	US Bank / US Bank


SUMMARY OF DEBT RATES  
Mar-24

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN DAILY	GOLDMAN DAILY	MERRILL LYNCH		US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	DAILY 1993	WEEKLY 2008-A	2009-A
Par Amount	45,000,000	38,760,000	25,840,000	21,200,000	39,000,000	45,000,000
LOC Bank Reset	BOFA	BOFA	BOFA	US BANK	Sumitomo Wednesday	US BANK
3/1/2024	3.40%	3.40%	3.40%	3.75%	2.36%	3.55%
3/2/2024	3.40%	3.40%	3.40%	3.75%	2.36%	3.55%
3/3/2024	3.40%	3.40%	3.40%	3.75%	2.36%	3.55%
3/4/2024	3.30%	3.30%	3.30%	3.20%	2.36%	3.35%
3/5/2024	2.90%	2.90%	2.90%	3.00%	2.36%	2.85%
3/6/2024	3.20%	3.20%	3.20%	3.25%	2.36%	3.10%
3/7/2024	3.30%	3.30%	3.30%	3.35%	2.48%	3.25%
3/8/2024	3.50%	3.50%	3.50%	3.53%	2.48%	3.55%
3/9/2024	3.50%	3.50%	3.50%	3.53%	2.48%	3.55%
3/10/2024	3.50%	3.50%	3.50%	3.53%	2.48%	3.55%
3/11/2024	3.50%	3.50%	3.50%	3.40%	2.48%	3.50%
3/12/2024	3.10%	3.10%	3.10%	3.05%	2.48%	3.30%
3/13/2024	3.10%	3.10%	3.10%	2.95%	2.48%	3.05%
3/14/2024	3.10%	3.10%	3.10%	2.90%	2.54%	3.05%
3/15/2024	3.05%	3.05%	3.05%	2.77%	2.54%	3.00%
3/16/2024	3.05%	3.05%	3.05%	2.77%	2.54%	3.00%
3/17/2024	3.05%	3.05%	3.05%	2.77%	2.54%	3.00%
3/18/2024	2.85%	2.85%	2.85%	2.62%	2.54%	2.85%
3/19/2024	2.75%	2.75%	2.75%	2.42%	2.54%	2.75%
3/20/2024	2.75%	2.75%	2.75%	2.50%	2.54%	2.70%
3/21/2024	2.75%	2.75%	2.75%	2.65%	2.61%	2.75%
3/22/2024	3.05%	3.05%	3.05%	3.15%	2.61%	3.05%
Avg Interest Rates	3.16%	3.16%	3.16%	3.12%	2.48%	3.18%
Rmkt Fee	0.10%	0.07%	0.07%	0.10%	0.07%	0.07%
LOC Fee	0.28%	0.32%	0.32%	0.30%	0.32%	0.30%
<b>All-In Rate</b>	<b>3.54%</b>	<b>3.55%</b>	<b>3.55%</b>	<b>3.52%</b>	<b>2.86%</b>	<b>3.55%</b>
Par Amount	109,600,000			60,200,000		45,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	81.84%	175,800,000	3.54%	3.16%
Weekly	18.16%	39,000,000	2.86%	2.48%
	100.00%	<b>\$214,800,000</b>	3.42%	3.03%
<b>Fixed</b>				
COPS 2016	27.20%	101,490,000	2.90%	
BABS 2010	46.90%	175,000,000	4.44%	(1)
SERIES 2016	25.89%	96,605,000	3.32%	
	100.00%	<b>\$373,095,000</b>	3.73%	
<b>All-In Debt Rate Including \$60 Million Notional Amount of Swaps</b>				<b>3.64%</b>

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

Note: This page is intentionally left blank.

April 2, 2024  
Prepared by: J. Davis  
Submitted by: N. Adly  
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

PROPOSED 2024 DEBT ISSUANCE

SUMMARY:

Staff, along with the District's municipal financial advisor Public Financial Management (PFM) have evaluated unsolicited underwriter proposals and recommendations related to refunding IRWD's 2010 Build America Bonds (BABs). In connection with the proposed bond issuance and based on the proposals received, staff recommends that the Board authorize the staff to:

- Cause the issuance of fixed rate General Obligation Bonds (GO) in an amount sufficient to refund the 2010 BABs;
- Retain Goldman Sachs as Underwriter for this issuance; and
- Retain of Orrick, Herrington & Sutcliffe as Bond Counsel for these transactions.

BACKGROUND:

IRWD's 2010 BABs, originally marketed by Goldman Sachs, currently have \$175.0 million of outstanding principal at a fixed rate of 4.44% with subsidy. Without subsidy the rate would be 6.62%. The BABs were issued with a make-whole call with an Extraordinary Optional Redemption provision (ERP), which would allow the District to redeem the 2010 BABs with a lower cost make-whole call versus the standard make-whole call upon the occurrence of an Extraordinary Event.

Recently it was determined that an ERP event was triggered due to the reduction of the subsidy because of Federal legislation mandating sequestration affecting the subsidy. Based on current economics, a refunding of the 2010 BABs issue may generate savings to IRWD of approximately \$1.5 million to \$2.5 million, would include a 10-year par call and would eliminate the risk of sequestration affecting the subsidy. The price of the BABs to be refunded will be calculated (separately) by four entities: Goldman, PFM (IRWD's Financial Advisor), Bond Logistics (an independent financial consultant), and the Trustee of IRWD's 2010 BABs issuance (Bank of New York). A detailed list of the steps and schedule associated with this refunding is attached as Exhibit "A".

Staff recommends that the Board authorize staff to cause the issuance of fixed rate GO bonds in an amount sufficient to refund the 2010 BAB (approximately \$165 to \$185 million), retain Goldman Sach as the Underwriter, and Orrick, Herrington & Sutcliffe as bond counsel.

FISCAL IMPACTS:

A refunding of the 2010 BABs may generate savings to the District of approximately \$1.5 million to \$2.5 million. The underwriter fees and cost of issuance, including legal, rating agencies, and trustee expenses are estimated at \$800,000.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Board authorize staff to cause the issuance of fixed rate General Obligation Bonds debt sufficient to refund the 2010 BABs, to retain Goldman Sach as the Underwriter, and to retain Orrick, Herrington & Sutcliffe as bond counsel for IRWD.

LIST OF EXHIBITS:

Exhibit "A" – 2024 Financing Schedule

# Exhibit "A"



**IRVINE RANCH WATER DISTRICT**  
**2024 Financing Schedule**  
**Refinancing 2010 BABs**  
*Schedule as of March 26, 2024*

March 2024							April 2024							May 2024							June 2024						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
3	4	5	6	7	8	9	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
10	11	12	13	14	15	16	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
17	18	19	20	21	22	23	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
24	25	26	27	28	29	30															30						
31																											

Interested Parties			
IRWD	Irvine Ranch Water District	FA	Financial Advisor (PFM)
BC	Bond Counsel (Orrick)	GS	Sole Mgr. (Goldman Sachs)
UC	Underwriters' Counsel (Stradling)	T	Trustee (BNY Mellon)
DC	District Counsel (Hanson Bridgett)		

Date	Event	Responsible Parties
April 2	<b>F &amp; P Meeting</b> Discuss BAB Refunding Plan of Finance	IRWD IRWD/GS
April 3	Draft Documents (POS) Internal	IRWD
April 8	<b>BOARD MEETING</b> BAB Refunding Kick-Off Meeting	IRWD All
April 10	Updates to Stradling	IRWD
April 11	Distribute 1st Draft of Documents	BC/UC
April 16	1st Draft Document Review Meeting / Call (Time TBD)	All
April 22	<b>BOARD MEETING</b> Distribute 2nd Draft of Documents	IRWD BC/UC
April 25	2nd Draft Document Review Distribute 1st Draft of Rating Presentation	All FA/GS
May 1	<b>F &amp; P Meeting</b> Distribute 3rd Draft of Documents Finalize "Form of" Bond Documents for Board Meeting	IRWD BC/UC IRWD/GS
May 7	Send Documents to Rating Agencies	FA/UC
May 13	<b>BOARD MEETING</b> Approval of documents	IRWD IRWD
May 15	Send Conditional Call Notice for 2010 BABs <i>(to Trustee)</i>	IRWD/UC
May 20	Send Conditional Call Notice for 2010 BABs <i>(to Bondholders)</i>	T
May 22	Document Refresh Meeting / Status Call	All
May 27	<b>Memorial Day Holiday</b>	
May 28	<b>BOARD MEETING</b> Receive Ratings	IRWD
May 30	<b>Finalize POS</b> Record Investor Roadshow (if applicable)	All IRWD/GS
June 4	<b>F &amp; P Meeting</b> <b>Post POS / [Investor Roadshow]</b>	IRWD IRWD/UC
June 10	<b>BOARD MEETING</b>	IRWD
June 13	<b>Price Bonds / Sign BPA</b>	IRWD/FA/GS
June 14	Reference Treasury Dealer Quotations, 3BD prior to BAB Redemption	IRWD/FA/GS
June 17	<b>Print Final OS</b> Pre-Closing	UC IRWD/FA/BC/UC/T/GS
June 18	Close Bond Issue	IRWD/FA/BC/UC/T/GS

Note: This page is intentionally left blank.