

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, SEPTEMBER 3, 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 | _____ |
| | Lance Kaneshiro | _____ | Tiffany Mitcham | _____ |
| | Eileen Lin | _____ | Jennifer Davis | _____ |
| | Stephen Aryan | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a “speaker slip.” You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Tuesday, September 3, 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. MONTHLY INVESTMENT AND DEBT REVIEW – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
7. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
8. REAL ESTATE QUARTERLY PERFORMANCE – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
9. RISK MANAGEMENT FISCAL YEAR END REPORT – ARYAN / MITCHAM
Recommendation: Receive and file.
10. FISCAL YEAR 2023-2024 LEGAL FEES ANALYSIS QUARTERLY UPDATE – LI / SMITHSON / ADLY
Recommendation: Receive and file.
11. FISCAL YEAR 2023-24 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – LI / PARDEE / SMITHSON / ADLY
Recommendation: Receive and file.

OTHER BUSINESS

12. Closed Session

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

- *Michael Brown v. PEI Engineering & Construction, et. seq., Case No. 30-2020-01154719*
- *United States, et al., ex rel. John Hendrix, et al. v. J-M Manufacturing Company, Inc., et al., Case No. CV 06-0055-GW*

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation. (Three potential cases; *The publicly disclosable claims are included in the agenda packet.*)


13. Open Session

14. Directors’ Comments

15. Adjourn

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

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September 3, 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.

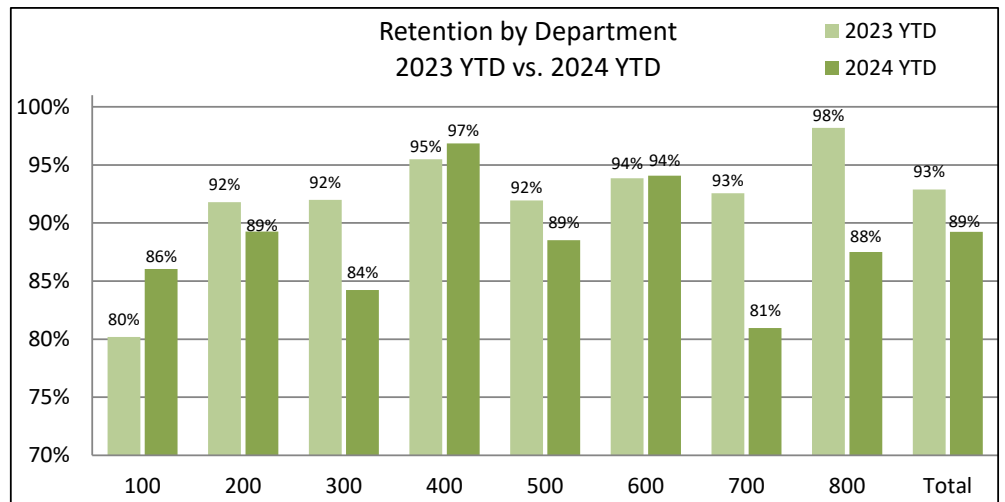
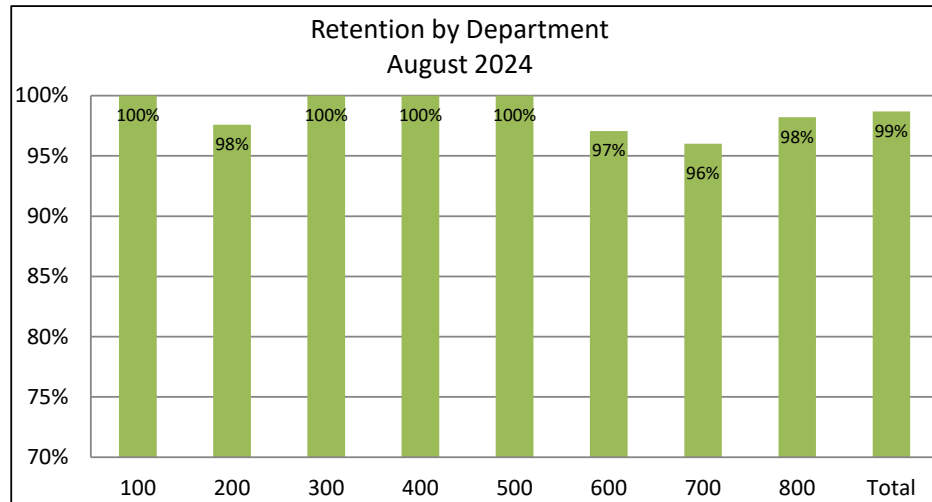
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Status Report

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Exhibit "A"
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
AUGUST 2024

| @08/01/24 | | Current Month Activity | | | | | | | @08/31/24 | | FY 24/25 | 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 | 20 | 2 | | | | | | | 22 | 3 | 25 | 21 | - | 21 | 100% | 86% |
| 200 | 83 | 2 | 2 | | | | | | 83 | 12 | 95 | 83 | 8 | 91 | 98% | 89% |
| 300 | 44 | | | | | | | | 44 | 7 | 51 | 44 | 5 | 48 | 100% | 84% |
| 400 | 66 | 1 | | | | | | | 67 | 4 | 71 | 66 | - | 66 | 100% | 97% |
| 500 | 51 | | | | | | | | 51 | 14 | 65 | 53 | 2 | 54 | 100% | 89% |
| 600 | 34 | 1 | 1 | | | | | | 34 | 1 | 35 | 34 | 2 | 36 | 97% | 94% |
| 700 | 25 | | 1 | | | | | | 24 | 4 | 28 | 26 | 1 | 26 | 96% | 81% |
| 800 | 56 | | 1 | | | | | | 55 | 8 | 63 | 56 | - | 56 | 98% | 88% |
| Totals | 379 | 6 | 5 | - | - | - | - | - | 380 | 53 | 433 | 380 | 19 | 399 | 99% | 89% |
| 8/23 | 379 | 7 | 5 | 1 | - | - | - | - | 380 | 44 | 424 | 384 | 9 | 393 | 98% | 93% |



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
AUGUST 2024**

| NEW HIRES | | | | |
|------------------|-------------|----------------------|----------------------------------|-----------------------------|
| Date | Dept | Employee Name | Position | Prior Company/Agency |
| 08/05/24 | 100 | Danvi Nguyen | Senior Human Resources Analyst | City of Santa Ana |
| 08/05/24 | 200 | Michelle Zarate | Accounting Clerk | Paramount |
| 08/05/24 | 200 | Oscar Ruiz | User Support Administrator | Lincoln Financial Group |
| 08/17/24 | 400 | Carlos Palacios | Water Maintenance Technician I | City of Tustin |
| 08/19/24 | 100 | Andrea Scholz | Human Resources Analyst | City of Ontario |
| 08/19/24 | 600 | Nadiya Balukh | Regulatory Compliance Specialist | City of Santa Ana |

| TERMINATIONS | | | | | |
|---------------------|-------------|----------------------|-----------------|---------------|-----------------|
| Date | Dept | Employee Name | Position | Reason | Comments |
| 08/02/24 | 200 | | | VOL | |
| 08/16/24 | 200 | | | VOL | |
| 08/17/24 | 800 | | | VOL | |

| RETIREMENTS | | | | | |
|--------------------|-------------|----------------------|--------------------------------|---------------|-----------------|
| Date | Dept | Employee Name | Position | Reason | Comments |
| 08/02/24 | 600 | Michele Drzymkowski | QA/QC Compliance Administrator | RET | |
| 08/03/24 | 700 | Kelly Welch | Water Resources Manager | RET | |

| PROMOTIONS | | | | | |
|-----------------------|-----------------------|----------------------|----------------------------------|-----------------|------------------------------|
| Effective Date | Departing Dept | Employee Name | Departing Position | New Dept | New Position |
| 08/17/24 | 400 | Nicholas Coleman | Water Maintenance Technician III | 400 | Water Maintenance Supervisor |
| 08/31/24 | 200 | Herbert Ng | Accountant | 200 | Senior Accountant |

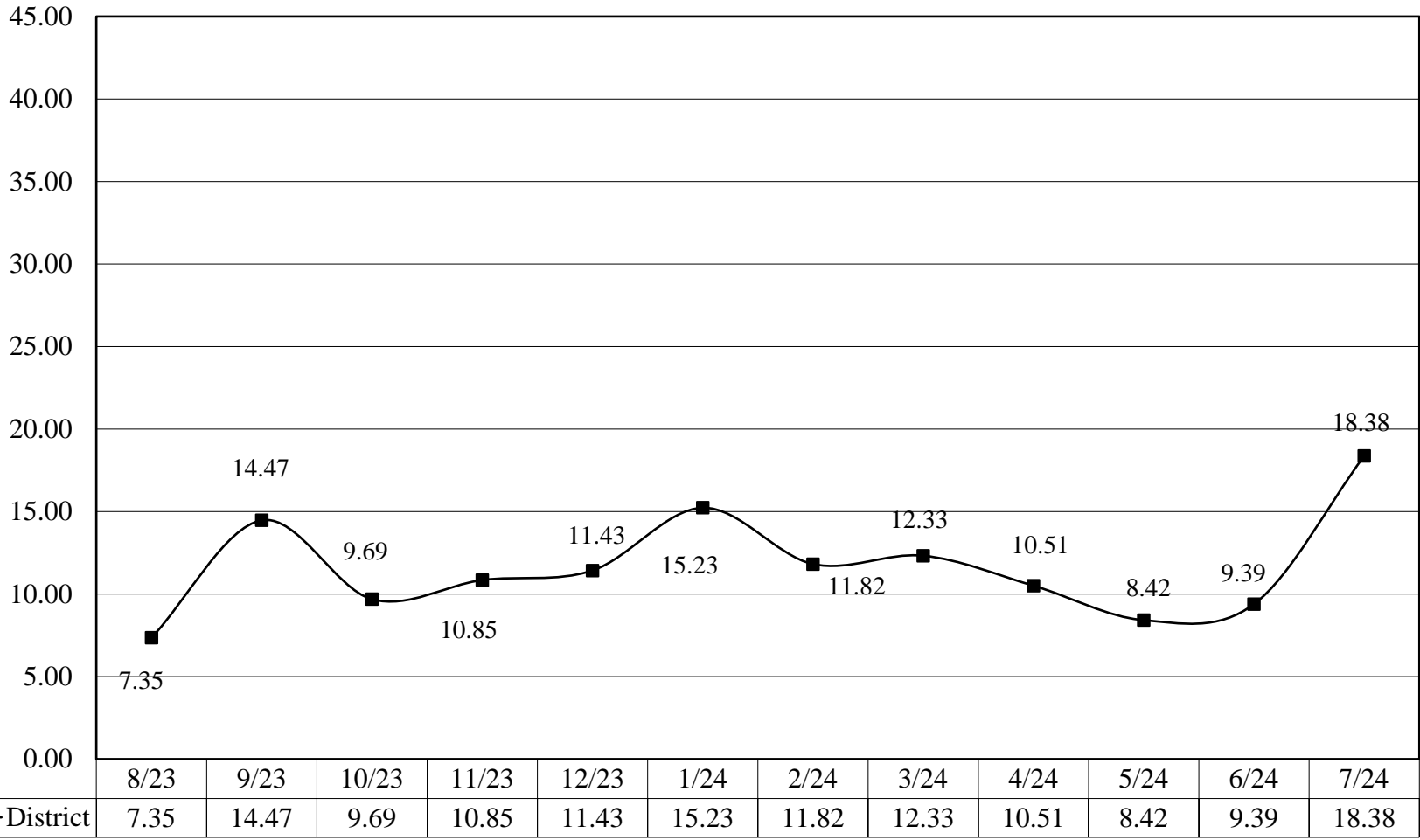
| TRANSFERS | | | | | |
|-----------------------|-----------------------|----------------------|---------------------------|-----------------|---------------------|
| Effective Date | Departing Dept | Employee Name | Departing Position | New Dept | New Position |
| | | | | | |


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

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

| UNFILLED POSITIONS | | | |
|---------------------------|--|---------------------|--------------------|
| Dept | Position | Salary Grade | Comments |
| 100 | Visual Communications Analyst | U10.E | Recruiting |
| 100 | Senior Executive Assistant | U29.N | |
| 100 | Human Resources Technician | U25.N | |
| 200 | Controller | U21.E | |
| 200 | Payroll Administrator | U31.N | Recruiting |
| 200 | Accountant | 27.N | Interviewing |
| 200 | User Support Specialist | 31.N | Recruiting |
| 200 | Senior Accountant | U12.E | Start Date Pending |
| 200 | Customer Service Field Technician | 17.N | Recruiting |
| 200 | Senior Customer Service Field Technician | 21.N | Recruiting |
| 200 | Accounting Supervisor | U14.E | Interviewing |
| 200 | Accounting Supervisor | U14.E | Interviewing |
| 200 | Accountant | 27.N | Interviewing |
| 200 | Applications Analyst | U15.E | Recruiting |
| 200 | Database Administrator | U15.E | Recruiting |
| 300 | Construction Inspection Asst Mngr | U17.E | |
| 300 | Associate Engineer | U14.E | |
| 300 | Senior Engineer | U20.E | Interviewing |
| 300 | Engineer | U17.E | Interviewing |
| 300 | Engineer | U17.E | Interviewing |
| 300 | Associate Engineer | U14.E | Recruiting |
| 300 | Safety Supervisor | U14.E | Recruiting |
| 400 | Water Maintenance Technician III | 26.N | |
| 400 | Operations Supervisor | S36.N | Interviewing |
| 400 | Operations Supervisor | S36.N | Interviewing |
| 400 | Metering Systems Technician III | 26.N | Recruiting |
| 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 | Interviewing |
| 500 | Operator II | 27.N | Interviewing |
| 500 | Operator II | 27.N | Interviewing |
| 500 | Senior Collection Systems CCTV Tech | 25.N | |
| 500 | Wetlands Ecologist | 29.N | Recruiting |
| 500 | SCADA Network Administrator | U35.N | |
| 500 | Senior Automation Administrator | U18.E | |
| 500 | Operator III | 30.N | Interviewing |
| 500 | Operator III | 30.N | Interviewing |
| 500 | Operator III | 30.N | Interviewing |
| 500 | Collection Systems Technician I | 15.N | |
| 600 | QA/QC Compliance Administrator | U14.E | Interviewing |
| 700 | Recycled Water Development Manager | U19.E | |
| 700 | Water Efficiency Specialist | 26.N | Interviewing |
| 700 | Water Efficiency Specialist | 26.N | Interviewing |
| 700 | Water Resources Manager | U20.E | |
| 800 | Mechanical Services Manager | U19.E | |
| 800 | Asset Systems Supervisor | S36.N | |
| 800 | Maintenance Mechanic | 23.N | Interviewing |
| 800 | Electrical & Instrumentation Technician | 28.N | Interviewing |
| 800 | Electrical & Instrumentation Technician | 28.N | Interviewing |
| 800 | Maintenance Mechanic | 23.N | Interviewing |
| 800 | Maintenance Mechanic | 23.N | Interviewing |
| 800 | Senior Maintenance Mechanic | 27.N | Interviewing |

**Temporary Employees
Full Time Equivalency
District Totals as of July 31, 2024**



September 3, 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 August 23, 2024, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 23, 2024, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 23, 2024, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of August 23, 2024, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the final rate of return for August 2024 is not available. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 4.50%, which was a 0.03% decrease from July's rate of 4.53%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio annualized for August 2024 was 6.69%, which was a 0.03% increase from July's rate of 6.66%, due to the change in the fixed income average balance from \$395.5 million to \$385.0 million.

Debt Portfolio:

As of August 23, 2024, IRWD's weighted average all-in variable rate for debt was 3.28%, which was a 0.34% increase from July's rate of 2.94%. 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 3.57%, a 0.12% increase from July's rate of 3.45%. The increase was due to higher average rates for the District's variable rate debt.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of August 23, 2024

Exhibit "B" – Yield Curve as of August 23, 2024

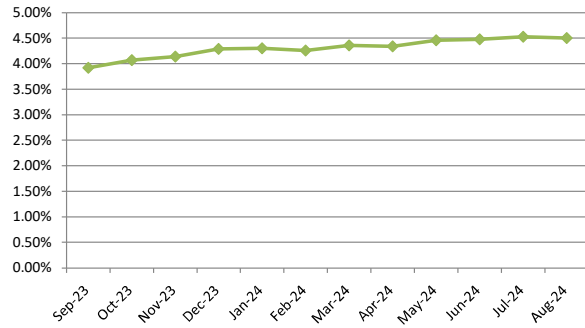
Exhibit "C" – Summary of Fixed and Variable Debt as of August 23, 2024

Exhibit "D" – Summary of Variable Rate Debt Rates as of August 23, 2024

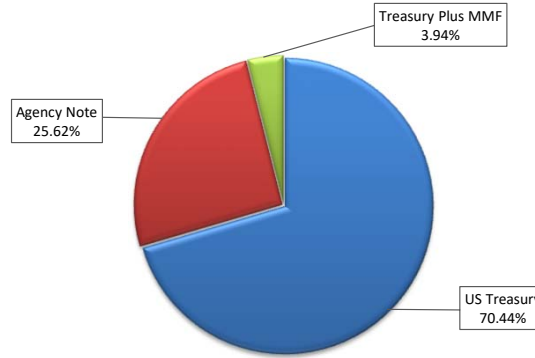
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary August 2024

Monthly Fixed Income Yield



Portfolio Distribution



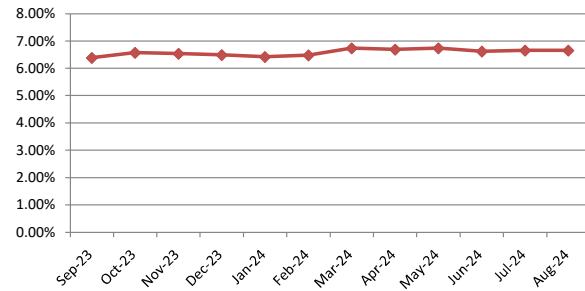
Investment Summary

| Type | PAR | Book Value | Market Value |
|--------------------|--------------------|--------------------|--------------------|
| US Treasury | 275,000,000 | 271,768,235 | 270,283,591 |
| Agency Note | 100,000,000 | 99,459,257 | 98,709,200 |
| Treasury Plus MMF | 15,394,509 | 15,394,509 | 15,394,509 |
| Grand Total | 390,394,509 | 386,622,001 | 384,387,300 |

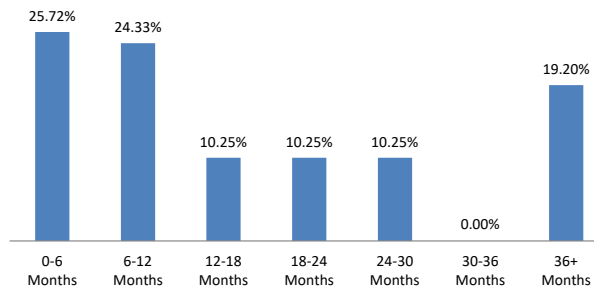
Top Issuers

| Issuer | PAR | % Portfolio |
|-----------------------------|--------------------|----------------|
| US Treasury | 275,000,000 | 70.44% |
| Fed Farm Credit Bank | 55,000,000 | 14.10% |
| Fed Home Loan Bank | 30,000,000 | 7.68% |
| Wells Fargo / Allspring | 15,394,509 | 3.94% |
| Fed Home Loan Mortgage Corp | 15,000,000 | 3.84% |
| Grand Total | 390,394,509 | 100.00% |

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/23/24

| SETTLMT | Call Schedule | Initial Call | Maturity Date | Rating | INVESTMENT TYPE | INSTITUTION / ISSUER | PAR Amount | COUPON DISCOUNT | YIELD | ORIGINAL COST | CARRY VALUE | MARKET VALUE ⁽¹⁾ 8/23/2024 | UNREALIZED ⁽²⁾ GAIN/(LOSS) |
|----------|------------------|--------------|---------------|-------------|-------------------|-----------------------------|---------------|-----------------|--------|---------------|---------------|---------------------------------------|---------------------------------------|
| 04/06/23 | | | 08/24/24 | | LAIF | State of California Tsy. | \$0.00 | | 4.530% | \$0.00 | \$0.00 | 0.00 | 0.00 |
| 08/23/24 | | | 08/24/24 | | Treasury Plus MMF | Wells Fargo / Allspring | 15,394,508.97 | | 5.140% | 15,394,508.97 | 15,394,508.97 | 15,394,508.97 | 0.00 |
| 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 | 5,000,000.00 | 4,982,350.00 | (17,650.00) |
| 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 | 5,000,000.00 | 4,986,950.00 | (13,050.00) |
| 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 | 5,000,000.00 | 4,997,000.00 | (3,000.00) |
| 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 | 5,021,773.86 | 4,975,200.00 | (46,573.86) |
| 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 | 4,998,301.34 | 4,975,200.00 | (23,101.34) |
| 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 | 4,999,728.34 | 4,985,650.00 | (14,078.34) |
| 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 | 9,998,099.59 | 9,964,200.00 | (33,899.59) |
| 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 | 4,976,105.92 | 4,948,300.00 | (27,805.92) |
| 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 | 4,978,282.61 | 4,942,200.00 | (36,082.61) |
| 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 | 4,965,679.64 | 4,914,200.00 | (51,479.64) |
| 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 | 4,965,326.61 | 4,924,900.00 | (40,426.61) |
| 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 | 4,965,147.57 | 4,924,900.00 | (40,247.57) |
| 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 | 4,941,279.43 | 4,889,900.00 | (51,379.43) |
| 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 | 4,964,583.33 | 4,919,600.00 | (44,983.33) |
| 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 | 9,896,509.93 | 9,839,200.00 | (57,309.93) |
| 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 | 4,940,921.54 | 4,890,050.00 | (50,871.54) |
| 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 | 4,963,465.95 | 4,918,850.00 | (44,615.95) |
| 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 | 4,993,174.54 | 4,963,850.00 | (29,324.54) |
| 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 | 4,934,979.84 | 4,879,500.00 | (55,479.84) |
| 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 | 19,978,219.53 | 19,804,600.00 | (173,619.53) |
| 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 | 5,001,160.77 | 4,962,600.00 | (38,560.77) |
| 04/18/24 | NA | NA | 04/15/25 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 10,000,000 | 2.625% | 5.163% | 9,757,617.18 | 9,848,678.13 | 9,800,000.00 | (48,678.13) |
| 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 | 4,955,168.17 | 4,909,100.00 | (46,068.17) |
| 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 | 4,953,684.21 | 4,897,150.00 | (56,534.21) |
| 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 | 4,996,691.13 | 4,956,450.00 | (40,241.13) |
| 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 | 4,996,254.11 | 4,956,450.00 | (39,804.11) |
| 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 | 9,843,220.41 | 9,790,400.00 | (52,820.41) |
| 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 | 9,915,100.00 | (84,900.00) |
| 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 | 9,625,841.76 | 9,451,200.00 | (174,641.76) |
| 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 | 4,997,410.85 | 4,952,950.00 | (44,460.85) |
| 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 | 9,719,230.77 | 9,643,800.00 | (75,430.77) |
| 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 | 4,966,462.06 | 4,923,650.00 | (42,812.06) |

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/23/24

| SETTLMT | Call Schedule | Initial Call | Maturity Date | Rating | INVESTMENT TYPE | INSTITUTION / ISSUER | PAR Amount | COUPON DISCOUNT | YIELD | ORIGINAL COST | CARRY VALUE | MARKET VALUE ⁽¹⁾ 8/23/2024 | UNREALIZED ⁽²⁾ GAIN/(LOSS) |
|--------------------------|---------------|--------------|---------------|-------------|-----------------|----------------------|----------------------|-----------------|--------|-------------------------|-------------------------|---------------------------------------|---------------------------------------|
| 04/18/24 | NA | NA | 01/15/26 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 10,000,000 | 3.875% | 5.033% | 9,808,593.75 | 9,849,459.13 | 9,849,600.00 | 140.87 |
| 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 | 14,885,631.47 | 14,796,750.00 | (88,881.47) |
| 04/30/24 | NA | NA | 03/31/26 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 5,000,000 | 4.500% | 5.017% | 4,953,125.00 | 4,961,428.57 | 4,974,050.00 | 12,621.43 |
| 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 | 14,890,543.60 | 14,828,400.00 | (62,143.60) |
| 06/03/24 | NA | NA | 07/15/26 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 5,000,000 | 4.500% | 4.843% | 4,965,625.00 | 4,969,632.45 | 4,978,700.00 | 9,067.55 |
| 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 | 9,958,443.85 | 9,988,300.00 | 29,856.15 |
| 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 | 9,968,839.23 | 9,992,600.00 | 23,760.77 |
| 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 | 10,075,594.78 | 9,944,100.00 | (131,494.78) |
| 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 | 9,962,099.98 | 9,856,300.00 | (105,799.98) |
| 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 | 9,980,042.62 | 9,889,800.00 | (90,242.62) |
| 05/24/24 | NA | NA | 01/31/28 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 10,000,000 | 3.500% | 4.621% | 9,623,437.50 | 9,651,393.14 | 9,687,900.00 | 36,506.86 |
| 07/18/24 | NA | NA | 04/30/28 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 5,000,000 | 1.250% | 4.152% | 4,496,484.38 | 4,512,879.61 | 4,496,484.38 | (16,395.23) |
| 06/27/24 | NA | NA | 07/31/28 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 10,000,000 | 4.125% | 4.394% | 9,900,000.00 | 9,904,414.72 | 9,898,800.00 | (5,614.72) |
| 08/16/24 | NA | NA | 08/15/28 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 5,000,000 | 2.875% | 3.854% | 4,820,312.50 | 4,822,281.68 | 4,820,312.50 | (1,969.18) |
| 08/09/24 | NA | NA | 09/30/28 | Aaa/AA+/AA+ | Treasury - Note | US Treasury | 10,000,000 | 1.250% | 3.863% | 9,008,593.75 | 9,023,664.70 | 9,008,593.75 | (15,070.95) |
| 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 | 10,151,920.34 | 10,191,400.00 | 39,479.66 |
| 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 | 15,273,840.42 | 15,005,250.00 | (268,590.42) |
| SUB-TOTAL | | | | | | | <u>\$390,394,509</u> | | | <u>\$382,831,049.52</u> | <u>\$386,622,001.19</u> | <u>\$384,387,299.60</u> | <u>(\$2,234,701.59)</u> |
| <u>TOTAL INVESTMENTS</u> | | | | | | | <u>\$390,394,509</u> | | | <u>\$382,831,049.52</u> | <u>\$386,622,001.19</u> | <u>\$384,387,299.60</u> | <u>(\$2,234,701.59)</u> |
| Petty Cash | | | | | | | | | | | 3,400.00 | | |
| Ck Balance | | | | | | | Bank of America | ECR | 1.77% | | 1,089,780.41 | | |
| Ck Balance | | | | | | | Wells Fargo | ECR | 2.00% | | 0.00 ⁽⁵⁾ | | |
| | | | | | | | | | | <u>\$383,924,229.93</u> | | | |

⁽¹⁾ LAIF market value is as of the most recent quarter-end as reported by LAIF.
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

⁽²⁾ Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

⁽³⁾ Real estate rate of return is based on most recent quarter end return.

⁽⁴⁾ Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023. of capital tenant improvements during FY 2023.

⁽⁵⁾ Cash balance in this account are funds that are pending purchase into the current money market fund.

*S - Step up

| | |
|--|---------------|
| Outstanding Variable Rate Debt | \$210,800,000 |
| Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps) | \$150,800,000 |
| Investment Balance: | \$383,924,230 |
| Investment to Variable Rate Debt Ratio: | 255% |
| Portfolio - Average Number of Days To Maturity | 542 |

| | Investment Portfolio | Real Estate ⁽³⁾⁽⁴⁾ Portfolio | Weighted Avg. Return |
|--------|----------------------|---|----------------------|
| August | 4.50% | 14.63% | 6.69% |
| July | 4.53% | 14.63% | 6.66% |
| Change | -0.03% | 0.00% | 0.03% |

This Investment Summary Report is in conformity with the 2024 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

08/23/24

| DATE | TOTAL | % | LAIF | Agency Notes | Agency Discount Notes | Municipal Bonds | US Treasury | Investment Sweep |
|------------------|----------------------|---------------|------|---------------------|-----------------------|-----------------|---------------------|---------------------|
| 8/24 | 30,394,509 | 7.79% | | 15,000,000 | | | | 15,394,509 |
| 9/24 | 15,000,000 | 3.84% | | 15,000,000 | | | | |
| 10/24 | 15,000,000 | 3.84% | | 10,000,000 | | | 5,000,000 | |
| 11/24 | 10,000,000 | 2.56% | | 5,000,000 | | | 5,000,000 | |
| 12/24 | 10,000,000 | 2.56% | | | | | 10,000,000 | |
| 1/25 | 20,000,000 | 5.12% | | | | | 20,000,000 | |
| 2/25 | 10,000,000 | 2.56% | | 5,000,000 | | | 5,000,000 | |
| 3/25 | 30,000,000 | 7.68% | | 5,000,000 | | | 25,000,000 | |
| 4/25 | 15,000,000 | 3.84% | | 5,000,000 | | | 10,000,000 | |
| 5/25 | 10,000,000 | 2.56% | | 5,000,000 | | | 5,000,000 | |
| 6/25 | 10,000,000 | 2.56% | | 10,000,000 | | | | |
| 7/25 | 20,000,000 | 5.12% | | 10,000,000 | | | 10,000,000 | |
| SUB-TOTAL | \$195,394,509 | 50.05% | | \$85,000,000 | | | \$95,000,000 | \$15,394,509 |

| 13 MONTHS - 3+ YEARS | | | | | | | | |
|-------------------------|----------------------|----------------|--|----------------------|--|--|----------------------|---------------------|
| 8/01/2025 - 10/31/2025 | \$15,000,000 | 3.84% | | 10,000,000 | | | 5,000,000 | |
| 11/01/2025 - 01/31/2026 | \$25,000,000 | 6.40% | | 5,000,000 | | | 20,000,000 | |
| 02/01/2026 - 04/30/2026 | \$20,000,000 | 5.12% | | | | | 20,000,000 | |
| 05/01/2026 - 7/31/2026 | \$20,000,000 | 5.12% | | | | | 20,000,000 | |
| 8/01/2026 - 10/31/2026 | \$20,000,000 | 5.12% | | | | | 20,000,000 | |
| 11/01/2026 - 01/31/2027 | \$20,000,000 | 5.12% | | | | | 20,000,000 | |
| 02/01/2027 - 04/30/2027 | | | | | | | | |
| 05/01/2027 - 7/31/2027 | | | | | | | | |
| 08/01/2027 - 10/31/2027 | \$10,000,000 | 2.56% | | | | | 10,000,000 | |
| 11/01/2027 - 01/31/2028 | \$10,000,000 | 2.56% | | | | | 10,000,000 | |
| 02/01/2028 - 04/30/2028 | \$5,000,000 | 1.28% | | | | | 5,000,000 | |
| 5/01/2028 + | \$50,000,000 | 12.81% | | | | | 50,000,000 | |
| SUB-TOTAL | \$195,000,000 | 49.95% | | \$15,000,000 | | | \$180,000,000 | |
| TOTALS | \$390,394,509 | 100.00% | | \$100,000,000 | | | \$275,000,000 | \$15,394,509 |

% OF PORTFOLIO

25.62%

70.44%

3.94%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
6/30/2024

| | ACQUISITION DATE | PROPERTY TYPE | OWNERSHIP INTEREST | ORIGINAL COST | MARKET VALUE 6/30/2024 | ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2024 |
|---|---------------------|------------------|-----------------------|-----------------------|---------------------------|--|
| Sycamore Canyon | Dec-92 | Apartments | Fee Simple | \$ 45,457,369 | \$ 220,000,000 | 23.58% |
| Wood Canyon Villas | Jun-91 | Apartments | Limited Partner | \$ 6,000,000 | \$ 38,420,894 | 8.57% |
| ITC (230 Commerce) | Jul-03 | Office Building | Fee Simple | \$ 5,568,747 | \$ 10,000,000 | 11.04% |
| Waterworks Business Pk. | Nov-08 | Research & Dev. | Fee Simple | \$ 8,983,395 | \$ 13,500,000 | 7.46% |
| Sand Canyon Professional Center - Medical Office | Jul-12 | Medical Office | Fee Simple | \$ 8,715,929 | \$ 12,000,000 | 8.03% |
| Sand Canyon Professional Center - General Office ⁽¹⁾ | Sep-20 | Office Building | Fee Simple | \$ 31,404,103 | \$ 32,000,000 | 7.35% |
| Total - Income Properties | | | | \$ 106,129,543 | \$ 325,920,894 | 14.63% |

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

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY⁽¹⁾
Aug-24

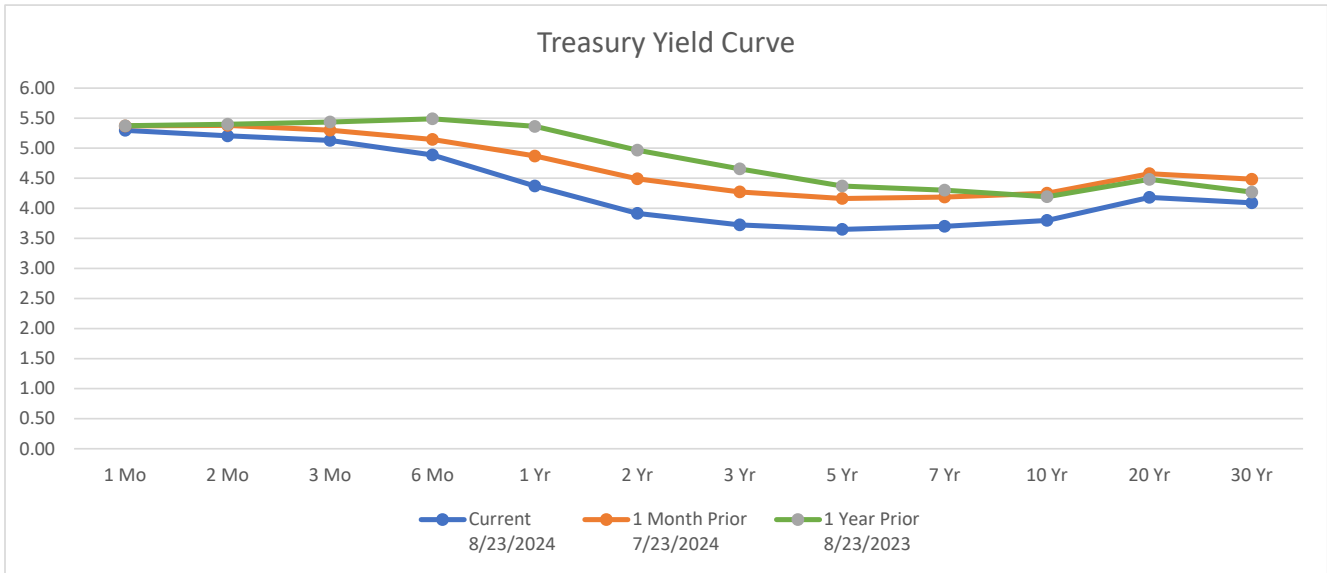
MATURITIES/SALES/CALLS

PURCHASES

| DATE | SECURITY TYPE | PAR | YIELD | Settlement Date | Maturity Date | SECURITY TYPE | PAR | YIELD TO MATURITY |
|-----------|--------------------|--------------------|--------------|-----------------|---------------|-----------------|--------------|-------------------|
| 8/15/2024 | Treasury - Note | \$5,000,000 | 5.26% | 8/9/2024 | 9/30/2028 | Treasury - Note | \$10,000,000 | 3.86% |
| 8/26/2024 | <i>FFCB - Note</i> | <i>\$5,000,000</i> | <i>3.50%</i> | 8/16/2024 | 9/30/2028 | Treasury - Note | \$5,000,000 | 3.85% |
| 8/28/2024 | <i>FHLB - Note</i> | <i>\$5,000,000</i> | <i>3.95%</i> | | | | | |
| 8/28/2024 | <i>FHLB - Note</i> | <i>\$5,000,000</i> | <i>5.34%</i> | | | | | |

(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"

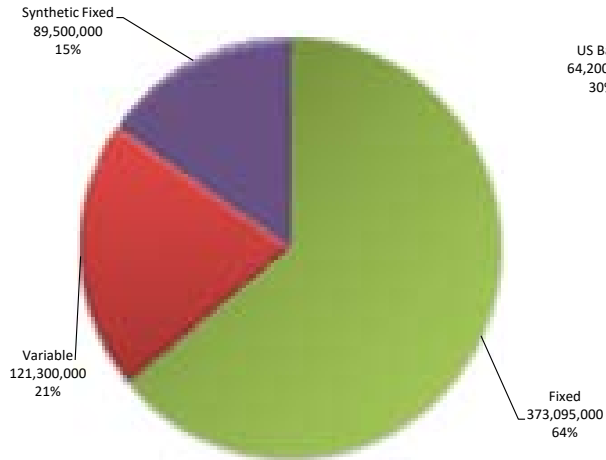


| Tenor | Current 8/23/2024 | 1 Month Prior 7/23/2024 | 1 Year Prior 8/23/2023 |
|-------|----------------------|----------------------------|---------------------------|
| 1 Mo | 5.30 | 5.37 | 5.37 |
| 2 Mo | 5.21 | 5.38 | 5.40 |
| 3 Mo | 5.13 | 5.30 | 5.44 |
| 6 Mo | 4.89 | 5.15 | 5.49 |
| 1 Yr | 4.37 | 4.87 | 5.36 |
| 2 Yr | 3.92 | 4.49 | 4.97 |
| 3 Yr | 3.72 | 4.27 | 4.66 |
| 5 Yr | 3.65 | 4.16 | 4.37 |
| 7 Yr | 3.70 | 4.19 | 4.30 |
| 10 Yr | 3.80 | 4.25 | 4.19 |
| 20 Yr | 4.18 | 4.58 | 4.48 |
| 30 Yr | 4.09 | 4.48 | 4.27 |

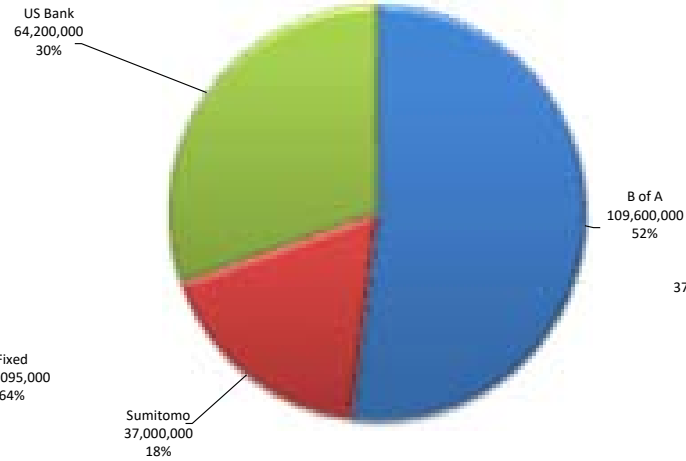
Note: This page is intentionally left blank.

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

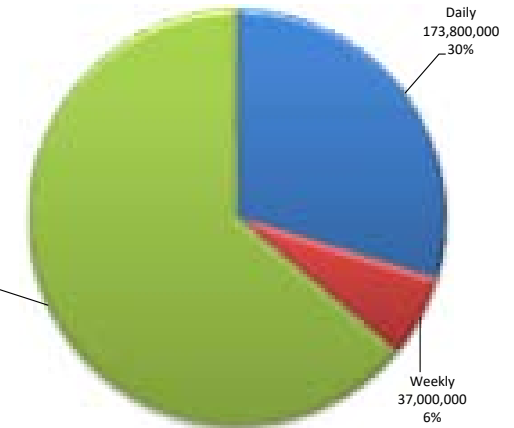
Current Debt Mix By Type



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 | \$19,200,000 | 3.29% | US Bank | BAML | Variable | Daily |
| Series 2008-A Refunding | 04/24/08 | 07/01/35 | \$37,000,000 | 6.34% | Sumitomo | BAML | Variable | Weekly |
| Series 2011-A-1 Refunding | 04/15/11 | 10/01/37 | \$38,760,000 | 6.64% | B of A | Goldman | Variable | Daily |
| Series 2011-A-2 Refunding | 04/15/11 | 10/01/37 | \$25,840,000 | 4.43% | B of A | Goldman | Variable | Daily |
| Series 2009 - A | 06/04/09 | 10/01/41 | \$45,000,000 | 7.71% | US Bank | US Bank | Variable | Daily |
| Series 2009 - B | 06/04/09 | 10/01/41 | \$45,000,000 | 7.71% | B of A | Goldman | Variable | Daily |
| 2016 COPS | 09/01/16 | 03/01/46 | \$101,490,000 | 17.38% | N/A | N/A | Fixed | Fixed |
| 2010 Build America Taxable Bond | 12/16/10 | 05/01/40 | \$175,000,000 | 29.97% | N/A | N/A | Fixed | Fixed |
| Series 2016 | 10/12/16 | 02/01/46 | \$96,605,000 | 16.54% | N/A | N/A | Fixed | Fixed |
| Total | | | \$583,895,000 | 100.00% | | | | |

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

August-24

| |
|--------|
| Daily |
| Weekly |

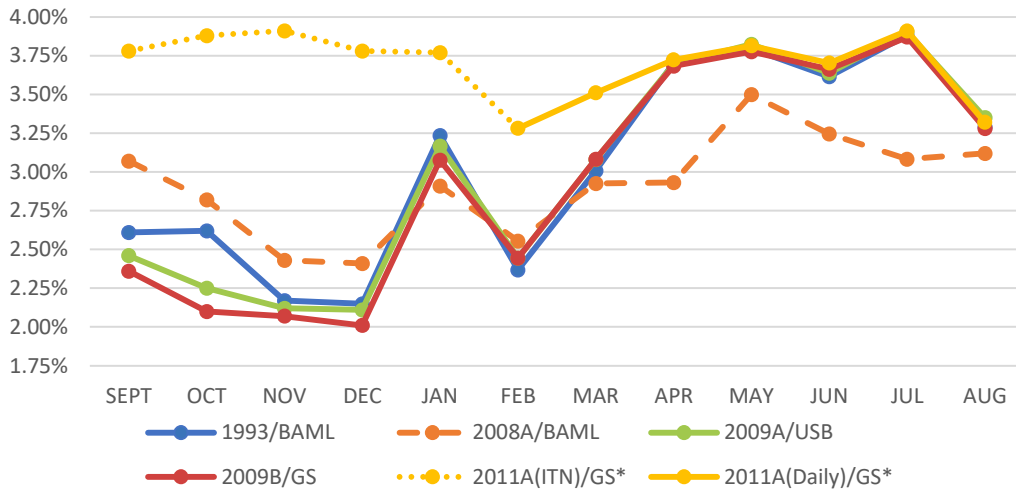
| GENERAL BOND INFORMATION | | | | | | | LETTER OF CREDIT INFORMATION | | | | | | | TRUSTEE INFORMATION | | | | | | | | | |
|-------------------------------------|------------|---------------|------------------------|--------------|---------------------|----------------------|--|------------------------------|---------------|------------|----------|---------|-------------------|----------------------|-----------------|----------------|-------|------------------|-------------|--------------|--|------------------|--|
| 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 | 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 | 5th Bus. Day | \$38,300,000 | \$19,200,000 | US BANK | 05/07/15 | 05/01/25 | Aa3/VMIG1 | AA-/A-1+ | N/R | \$19,458,805 | 0.3000% | \$58,376 | BAML | DAILY | 0.10% | \$19,200 | BANK OF NY | | | |
| SERIES 2008-A Refunding | 04/24/08 | 07/01/35 | Jul 1 | 5th Bus. Day | \$60,215,000 | \$37,000,000 | SUMITOMO | 04/01/11 | 05/28/25 | A1/P-1 | A/A-1 | A/F1 | \$37,547,397 | 0.3150% | \$118,274 | BAML | WED | 0.07% | \$25,900 | BANK OF NY | | | |
| SERIES 2011-A-1 Refunding | 04/15/11 | 10/01/37 | Oct 1 | 1st Bus. Day | \$60,545,000 | \$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 | 0.07% | \$31,500 | US BANK | | | |
| \$349,430,000 | | | | | | \$210,800,000 | SUB-TOTAL VARIABLE RATE DEBT | | | | | | | \$213,334,334 | | 0.3045% | | \$649,599 | | 0.07% | | \$153,320 | |
| | | | | | | | | | | | | | | (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 | | | |
| \$395,145,000 | | | | | | \$373,095,000 | SUB-TOTAL FIXED RATE DEBT | | | | | | | | | | | | | | | | |
| \$744,575,000 | | | | | | \$583,895,000 | TOTAL- FIXED & VARIABLE RATE DEBT | | | | | | | | | | | | | | | | |

| Remarketing Agents | | | GO VS COP's | | |
|--------------------|--------------------|-----|-------------|--------------------|-----|
| Goldman | 109,600,000 | 52% | GO: | 482,405,000 | 83% |
| BAML | 56,200,000 | 27% | COPS: | 101,490,000 | 17% |
| US Bank | 45,000,000 | 21% | Total | <u>583,895,000</u> | |
| | <u>210,800,000</u> | | | | |

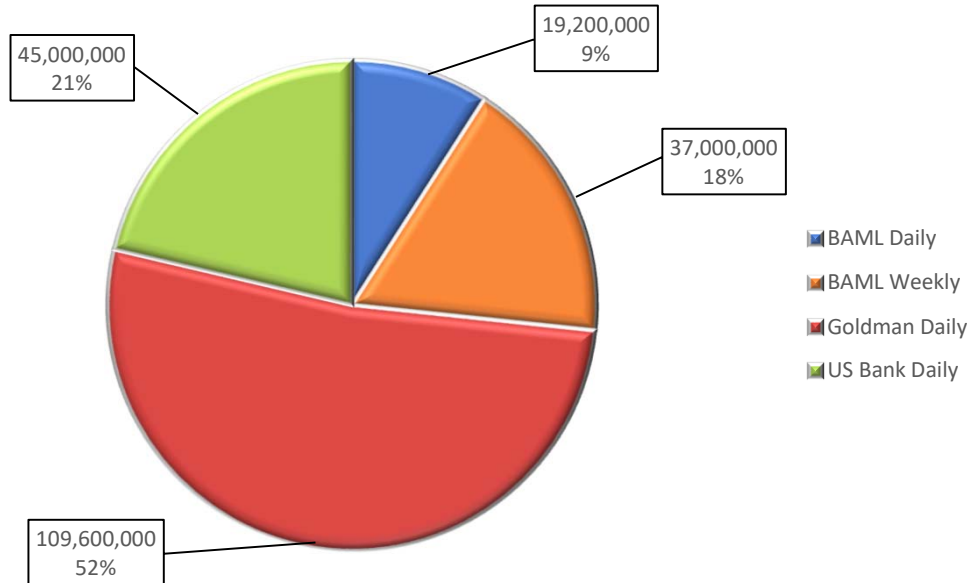
| LOC Banks | | | Breakdown Between Variable & Fixed Rate Mode | | |
|-----------------|--------------------|-----|--|--------------------|------|
| SUMITOMO | 37,000,000 | 18% | Daily Issues | 173,800,000 | 30% |
| BANK OF AMERICA | 109,600,000 | 52% | Weekly Issues | 37,000,000 | 6% |
| US BANK | 64,200,000 | 30% | Sub-Total | <u>210,800,000</u> | |
| | <u>210,800,000</u> | | Fixed Rate Issues | \$373,095,000 | 64% |
| | | | Sub-Total - Fixed | <u>373,095,000</u> | |
| | | | TOTAL DEBT | | |
| | | | FIXED & VAR. | <u>583,895,000</u> | 100% |

Irvine Ranch Water District Summary of Remarketing Performance August 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
Aug-24

| Daily Variable Rate Comparison | | | |
|--------------------------------|--------------------------|----------------------------------|----------------------------|
| Date | Goldman Sachs vs US Bank | Goldman Sachs vs Bank of America | US Bank vs Bank of America |
| 8/1/2024 | -0.55% | -0.35% | 0.20% |
| 8/2/2024 | -0.15% | 0.10% | 0.25% |
| 8/3/2024 | -0.15% | 0.10% | 0.25% |
| 8/4/2024 | -0.15% | 0.10% | 0.25% |
| 8/5/2024 | -0.30% | 0.10% | 0.40% |
| 8/6/2024 | -0.05% | 0.05% | 0.10% |
| 8/7/2024 | 0.25% | 0.15% | -0.10% |
| 8/8/2024 | 0.15% | -0.15% | -0.30% |
| 8/9/2024 | 0.10% | 0.00% | -0.10% |
| 8/10/2024 | 0.10% | 0.00% | -0.10% |
| 8/11/2024 | 0.10% | 0.00% | -0.10% |
| 8/12/2024 | 0.10% | 0.05% | -0.05% |
| 8/13/2024 | -0.05% | -0.05% | 0.00% |
| 8/14/2024 | -0.20% | 0.00% | 0.20% |
| 8/15/2024 | -0.25% | -0.15% | 0.10% |
| 8/16/2024 | -0.10% | 0.20% | 0.30% |
| 8/17/2024 | -0.10% | 0.20% | 0.30% |
| 8/18/2024 | -0.10% | 0.20% | 0.30% |
| 8/19/2024 | -0.15% | 0.10% | 0.25% |
| 8/20/2024 | 0.15% | 0.20% | 0.05% |
| 8/21/2024 | 0.10% | 0.10% | 0.00% |
| 8/22/2024 | 0.05% | -0.05% | -0.10% |
| 8/23/2024 | 0.00% | -0.05% | -0.05% |
| Average Spread | -0.08% | 0.03% | 0.11% |

| | | | |
|-------------------|----------------------------|------------------------------|---------------------------|
| Rmkt Agent | GS / US Bank | GS / Bank of America | US Bank / Bank of America |
| Mode | Daily | Daily | Daily |
| Bond Issue | 2011A & 2009B / 2009A | 2011A & 2009B / 1993 | 2009A / 1993 |
| Par Amount | \$64.6MM & \$45MM / \$45MM | \$64.6MM & \$45MM / \$19.2MM | \$45MM / \$19.2MM |
| LOC Bank | Bank of America / US Bank | Bank of America / US Bank | US Bank / US Bank |


SUMMARY OF DEBT RATES
Aug-24

| Rmkt Agent Mode | GOLDMAN DAILY | GOLDMAN DAILY | GOLDMAN DAILY | MERRILL LYNCH DAILY | MERRILL LYNCH WEEKLY | US BANK DAILY |
|--------------------|---------------|---------------|---------------|---------------------|-----------------------|---------------|
| Bond Issue | 2009 - B | 2011 A-1 | 2011 A-2 | 1993 | 2008-A | 2009-A |
| Par Amount | 45,000,000 | 38,760,000 | 25,840,000 | 19,200,000 | 37,000,000 | 45,000,000 |
| LOC Bank Reset | BOFA | BOFA | BOFA | US BANK | Sumitomo Wednesday | US BANK |
| 8/1/2024 | 3.00% | 3.00% | 3.00% | 3.35% | 2.75% | 3.55% |
| 8/2/2024 | 2.45% | 2.45% | 2.45% | 2.35% | 2.75% | 2.60% |
| 8/3/2024 | 2.45% | 2.45% | 2.45% | 2.35% | 2.75% | 2.60% |
| 8/4/2024 | 2.45% | 2.45% | 2.45% | 2.35% | 2.75% | 2.60% |
| 8/5/2024 | 1.95% | 1.95% | 1.95% | 1.85% | 2.75% | 2.25% |
| 8/6/2024 | 1.95% | 1.95% | 1.95% | 1.90% | 2.75% | 2.00% |
| 8/7/2024 | 2.45% | 2.45% | 2.45% | 2.30% | 2.75% | 2.20% |
| 8/8/2024 | 2.90% | 2.90% | 2.90% | 3.05% | 2.32% | 2.75% |
| 8/9/2024 | 3.90% | 3.90% | 3.90% | 3.90% | 2.32% | 3.80% |
| 8/10/2024 | 3.90% | 3.90% | 3.90% | 3.90% | 2.32% | 3.80% |
| 8/11/2024 | 3.90% | 3.90% | 3.90% | 3.90% | 2.32% | 3.80% |
| 8/12/2024 | 4.05% | 4.05% | 4.05% | 4.00% | 2.32% | 3.95% |
| 8/13/2024 | 3.90% | 3.90% | 3.90% | 3.95% | 2.32% | 3.95% |
| 8/14/2024 | 3.70% | 3.70% | 3.70% | 3.70% | 2.32% | 3.90% |
| 8/15/2024 | 3.30% | 3.30% | 3.30% | 3.45% | 3.30% | 3.55% |
| 8/16/2024 | 3.20% | 3.20% | 3.20% | 3.00% | 3.30% | 3.30% |
| 8/17/2024 | 3.20% | 3.20% | 3.20% | 3.00% | 3.30% | 3.30% |
| 8/18/2024 | 3.20% | 3.20% | 3.20% | 3.00% | 3.30% | 3.30% |
| 8/19/2024 | 2.75% | 2.75% | 2.75% | 2.65% | 3.30% | 2.90% |
| 8/20/2024 | 2.55% | 2.55% | 2.55% | 2.35% | 3.30% | 2.40% |
| 8/21/2024 | 2.50% | 2.50% | 2.50% | 2.40% | 3.30% | 2.40% |
| 8/22/2024 | 2.50% | 2.50% | 2.50% | 2.55% | 2.57% | 2.45% |
| 8/23/2024 | 2.70% | 2.70% | 2.70% | 2.75% | 2.57% | 2.70% |
| Avg Interest Rates | 2.93% | 2.93% | 2.93% | 2.89% | 2.74% | 2.98% |
| Rmkt Fee | 0.07% | 0.07% | 0.07% | 0.10% | 0.07% | 0.07% |
| LOC Fee | 0.28% | 0.32% | 0.32% | 0.30% | 0.32% | 0.30% |
| All-In Rate | 3.28% | 3.32% | 3.32% | 3.29% | 3.12% | 3.35% |
| Par Amount | 109,600,000 | | | 56,200,000 | | 45,000,000 |

| Interest Rate Mode | Percent of Total Variable Rate Debt | Par Outstanding | Weighted All-In Average Rate | Base Rate Average |
|---|-------------------------------------|----------------------|------------------------------|-------------------|
| Daily | 82.45% | 173,800,000 | 3.31% | 2.94% |
| Weekly | 17.55% | 37,000,000 | 3.12% | 2.74% |
| | 100.00% | \$210,800,000 | 3.28% | 2.90% |
| Fixed | | | | |
| 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% | \$373,095,000 | 3.73% | |
| All-In Debt Rate Including \$60 Million Notional Amount of Swaps | | | | 3.57% |

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

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September 3, 2024
 Prepared by: O. Mendoza / J. Davis
 Submitted by: N. Adly
 Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW

SUMMARY:

The following is submitted for the Committee’s review:

- A Summary of the Deferred Compensation Program and Distribution of Assets as of June 30, 2024, as outlined in Exhibit “A”; and
- Mutual Fund Performance Review as of June 30, 2024, as outlined in Exhibit “B”.

BACKGROUND:

IRWD manages the Deferred Compensation Plan, which provides employees the opportunity to save for retirement on a tax-advantaged basis. For the quarter, 87% of IRWD employees participated in the voluntary 457(b) Deferred Compensation Plan.

Overview of the Deferred Compensation Assets:

As of June 30, 2024, IRWD’s Sections 457(b) and 401(a) Plans (collectively, the “Plans”) assets totaled \$95,790,937, which represented a \$4,599,316 decrease from the prior quarter ended March 31, 2024, and a \$6,849,216 increase for the one-year period. The changes in Plan assets over the two periods are summarized as follows:

| | <i>One Year Period Ending June 30, 2024</i> | <i>Quarter Ending June 30, 2024</i> |
|-----------------------------------|---|---|
| Beginning Balance | \$88,941,721 | \$100,390,253 |
| Employee Contributions | 3,794,351 | 907,322 |
| District Contributions | 1,665,210 | 339,116 |
| Transfers to/from other plans | 931,148 | 166,408 |
| Distributions | (11,637,193) | (6,737,848) |
| Loan Distributions ⁽¹⁾ | (305,356) | (94,970) |
| Loan Repayment | 311,856 | 68,561 |
| Net Investment Gain (Loss) | 12,089,200 | 752,095 |
| Ending Balance - June 30, 2024 | \$95,790,937 | \$95,790,937 |
| Change in assets for the period | \$6,849,216 | (\$4,599,316) |

(1) Number of loans outstanding: 71

Review of Investment Funds:

IRWD's Deferred Compensation Policy states that any investment performing "Below Benchmark" for four consecutive quarters or seven out of the trailing 12 quarters, has "Failed" the Long-Term Rolling Analysis (LTRA) and the investment option will be a candidate for replacement. The Committee may also place a fund on "Watch Status" if it has failed to meet certain Policy criteria for further evaluation. For the quarter ended June 30, 2024, all funds in the Plans passed the LTRA. The Fund Performance Review as of June 30, 2024, is provided as Exhibit "B".

FISCAL IMPACTS:

As of June 30, 2024, the District's Plan assets totaled \$95,790,937, which represented a \$4,599,316 decrease from the quarter ended March 31, 2024, and a \$6,849,216 increase for the one-year period.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

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

Exhibit"A"
 IRVINE RANCH WATER DISTRICT
 SUMMARY OF DEFERRED COMPENSATION PROGRAM
 June 30, 2024

| Deferred Compensation IRS Section 457 (Employee Contributions) Money Purchase Pension Plan & Executive Plan - IRS Section 401 (a) (District Contributions) | | | |
|---|----------------------|---------------------|----------------------|
| | 457 | 401 (a) | GRAND TOTAL |
| Assets | \$71,084,484 | \$24,706,453 | \$95,790,937 |
| <i>Change From Prior Quarter</i> | <i>(\$3,926,268)</i> | <i>(\$673,048)</i> | <i>(\$4,599,316)</i> |
| <i>Change From Prior Year (3/2023)</i> | <i>\$4,440,721</i> | <i>\$2,408,495</i> | <i>\$6,849,216</i> |
| Quarterly Contributions | \$907,322 | \$339,116 | \$1,246,438 |
| <i>*Change From Prior Quarter</i> | <i>(\$104,348)</i> | <i>(\$243,149)</i> | |

*Decrease in 457 and 401 (a) contributions are due to vacation accrual transfer during the quarter ended March 31, 2024.

| | One Year Period Ending June 30, 2024 | Quarter Ending June 30, 2024 |
|-----------------------------------|---|---------------------------------|
| Beginning Balance | \$88,941,721 | \$100,390,253 |
| Employee Contributions | 3,794,351 | 907,322 |
| District Contributions | 1,665,210 | 339,116 |
| Transfers to/from other plans | 931,148 | 166,408 |
| Distributions | (11,637,193) | (6,737,848) |
| Loan Distributions ⁽¹⁾ | (305,356) | (94,970) |
| Loan Repayment | 311,856 | 68,561 |
| Net Investment Gain (Loss) | 12,089,200 | 752,095 |
| Ending Balance - June 30, 2024 | \$95,790,937 | \$95,790,937 |
| Change in assets for the period | \$6,849,216 | (\$4,599,316) |

⁽¹⁾ Number of loans outstanding as of 6/30/24 : 71

| | |
|-------------------------------|-----|
| Employee Participation | |
| Full-time Employees | 390 |
| Employees Participating | 339 |
| Percent Participation | 87% |

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

June 30, 2024

| Fund | Assets | Percent of Assets | Change from previous quarter | |
|---------------------------|--|---------------------|------------------------------|--------------|
| PROFILE FUNDS | | | | |
| AGG | Aggressive Profile Fund | 11,977,583 | 12.5% | 0.5% |
| MOD | Moderate Profile Fund | 6,537,702 | 6.8% | 0.0% |
| CON | Conservative Profile Fund | 5,668,411 | 5.9% | -0.8% |
| | Sub Total | 24,183,696 | 25.2% | -0.3% |
| INTERNATIONAL FUND | | | | |
| RERGX | American Funds EuroPacific Gr R6 | 2,360,001 | 2.5% | -0.1% |
| VTIAX | Vanguard Total Intl Stock Index Admiral | 2,276,118 | 2.4% | 0.5% |
| | Sub Total | 4,636,119 | 4.9% | 0.2% |
| SMALL CAP FUNDS | | | | |
| HRSIX | Hood River Small-Cap Growth Retirement | 4,142,861 | 4.3% | 0.1% |
| MVSSX | Victory Integrity Small Cap Value R6 | 1,773,279 | 1.9% | 0.1% |
| VSMAX | Vanguard Small Cap Index | 1,972,286 | 2.1% | -0.3% |
| | Sub Total | 7,888,425 | 8.3% | -0.1% |
| MEDIUM CAP FUNDS | | | | |
| JMGMX | JP Morgan MidCap Growth R6 | 2,676,831 | 2.8% | -0.8% |
| WFPRX | Wells Fargo Spec Md Cp Val R6 | 3,382,960 | 3.5% | -0.1% |
| VIMAX | Vanguard Mid-Cap Index Fund | 1,719,149 | 1.8% | -0.3% |
| | Sub Total | 7,778,939 | 8.1% | -1.3% |
| LARGE CAP FUNDS | | | | |
| RGAGX | American Funds Growth Fund of Amer R6 | 7,595,935 | 7.9% | -0.4% |
| VINIX | Vanguard Institutional Index | 10,781,279 | 11.3% | 1.2% |
| DHLYX | Diamond Hill Large-Cap Fund | 2,161,136 | 2.3% | -0.1% |
| | Sub Total | 20,538,350 | 21.4% | 0.7% |
| BOND FUND | | | | |
| MWTSX | Metropolitan West Total Return Bond Plan | 3,882,356 | 4.1% | 0.0% |
| | Sub Total | 3,882,356 | 4.1% | 0.0% |
| STABLE VALUE FUND | | | | |
| PCSV15 | Putnam Stable Value | 10,091,130 | 10.5% | -0.7% |
| | Sub Total | 10,091,130 | 10.5% | -0.7% |
| TARGET DATE FUND | | | | |
| VTINX | Vanguard Target Retirement Income Inv | 1,267,125 | 1.3% | 0.0% |
| VTWNX | Vanguard Target Retirement 2020 Inv | 2,042,953 | 2.1% | 0.1% |
| VTTVX | Vanguard Target Retirement 2025 Inv | 817,856 | 0.9% | 0.0% |
| VTHRX | Vanguard Target Retirement 2030 Inv | 1,199,570 | 1.3% | 0.1% |
| VTTHX | Vanguard Target Retirement 2035 Inv | 1,712,708 | 1.8% | 0.1% |
| VFORX | Vanguard Target Retirement 2040 Inv | 1,528,644 | 1.6% | 0.3% |
| VTIVX | Vanguard Target Retirement 2045 Inv | 1,106,118 | 1.2% | 0.3% |
| VFIFX | Vanguard Target Retirement 2050 Inv | 1,637,822 | 1.7% | 0.0% |
| VFFVX | Vanguard Target Retirement 2055 Inv | 627,540 | 0.7% | 0.0% |
| VTTSX | Vanguard Target Retirement 2060 Inv | 429,650 | 0.4% | 0.0% |
| VLXVX | Vanguard Target Retirement 2065 Inv | 38,249 | 0.0% | 0.0% |
| | Sub Total | 12,408,235 | 12.9% | 1.0% |
| OTHER | | | | |
| SDBSCH | Schwab Brokerage | 4,383,685 | 4.6% | 4.6% |
| | Total Assets | \$95,790,937 | 100% | |

LOAN BALANCE OUTSTANDING

\$776,036



FUND PERFORMANCE REVIEW

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

Reporting Period Ending June 30, 2024

The analytical material contained herein merely describes the process that Empower Investments applies in evaluating funds. It may or may not be based on the plan's current investment policy and is not intended to be used by plan sponsors as a primary basis for deciding whether to make a particular fund available under the plan. Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles, but do not constitute investment advice from Empower. Plan fiduciaries should review the educational material provided and consult with their investment advisers if necessary to make the investment decision. Neither Empower Investments, nor its representatives, agents or affiliates are permitted to give legal, ERISA, or tax advice. Any discussion of these matters included or related to this document or other educational information is provided for informational purposes only. Such discussion does not purport to be complete or to cover every situation. Current tax and ERISA law are subject to interpretation and legislative change. The appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own legal and tax advisers.

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Not intended as an offer or solicitation of securities.

RO3537677-0424

FUND PERFORMANCE REVIEW



IMPORTANT DISCLOSURES:

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

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

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

FUND PERFORMANCE REVIEW: OVERVIEW



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

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

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

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

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

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

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

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

FUND PERFORMANCE REVIEW (FPR): CRITERIA



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

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

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

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

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

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

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

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

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

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

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

Performance Summary: Irvine Ranch Water District

period ended 6/30/2024

| Morningstar Category | Ticker Symbol | Fund Name | Overall Rating | | | | | Long-Term Rolling Analysis | | | |
|-----------------------|-----------------------------|-----------|---|--------|--------|----------------------------|---|----------------------------|--|-------------|------|
| | | | Composite %'s | | | Overall Morningstar Rating | | Consecutive Quarters Below | # of Quarters Below out of trailing 12 | | |
| | | | Overall | Return | Sharpe | | | | | | |
| Intl | Foreign Large Growth | RERGX | American Funds Europacific Growth R6 | 47.3 | 50.7 | 44.0 | 3 | Neutral | 0 | 0 out of 12 | Pass |
| Small-Cap | Small Growth | HRSIX | Hood River Small-Cap Growth Retirement | 95.6 | 95.7 | 95.5 | 5 | Above | 0 | 0 out of 12 | Pass |
| | Small Value | MVSSX | Victory Integrity Small-Cap Value R6 | 75.4 | 74.3 | 76.5 | 3 | Above | 0 | 2 out of 12 | Pass |
| Mid-Cap | Mid-Cap Growth | JMGMX | JPMorgan Mid Cap Growth R6 | 78.8 | 80.7 | 77.0 | 4 | Above | 0 | 0 out of 12 | Pass |
| | Mid-Cap Value | WFPRX | Allspring Special Mid Cap Value R6 | 83.8 | 83.7 | 84.0 | 5 | Above | 0 | 0 out of 12 | Pass |
| Large-Cap | Large Growth | RGAGX | American Funds Growth Fund of Amer R6 | 40.6 | 38.7 | 42.5 | 3 | Neutral | 0 | 0 out of 12 | Pass |
| | Large Value | DHLYX | Diamond Hill Large Cap Y | 36.8 | 48.0 | 25.5 | 3 | Neutral | 0 | 0 out of 12 | Pass |
| Asst All/Other | Target-Date Retirement | VTINX | Vanguard Target Retirement Income Fund | 44.8 | 51.0 | 38.5 | 4 | Neutral | 0 | 0 out of 12 | N/A |
| | Target-Date 2020 | VTWNX | Vanguard Target Retirement 2020 Fund | 48.8 | 52.0 | 45.5 | 4 | Neutral | 0 | 0 out of 12 | N/A |
| | Target-Date 2025 | VTTVX | Vanguard Target Retirement 2025 Fund | 70.5 | 71.0 | 70.0 | 4 | Above | 0 | 0 out of 12 | N/A |
| | Target-Date 2030 | VTHRXX | Vanguard Target Retirement 2030 Fund | 63.1 | 63.7 | 62.5 | 4 | Above | 0 | 0 out of 12 | N/A |
| | Target-Date 2035 | VTTHX | Vanguard Target Retirement 2035 Fund | 55.0 | 55.0 | 55.0 | 4 | Above | 0 | 0 out of 12 | N/A |
| | Target-Date 2040 | VFORX | Vanguard Target Retirement 2040 Fund | 49.4 | 52.3 | 46.5 | 4 | Neutral | 0 | 0 out of 12 | N/A |
| | Target-Date 2045 | VTIVX | Vanguard Target Retirement 2045 Fund | 53.0 | 53.0 | 53.0 | 4 | Above | 0 | 0 out of 12 | N/A |
| | Target-Date 2050 | VFIFX | Vanguard Target Retirement 2050 Fund | 55.8 | 55.7 | 56.0 | 4 | Above | 0 | 0 out of 12 | N/A |
| | Target-Date 2055 | VFFVX | Vanguard Target Retirement 2055 Fund | 49.7 | 48.3 | 51.0 | 4 | Neutral | 0 | 0 out of 12 | N/A |
| | Target-Date 2060 | VTTSX | Vanguard Target Retirement 2060 Fund | 49.9 | 46.3 | 53.5 | 3 | Neutral | 0 | 0 out of 12 | N/A |
| | Target-Date 2065+ | VLXVX | Vanguard Target Retirement 2065 Fund | 49.0 | 46.5 | 51.5 | 3 | Neutral | 0 | 1 out of 12 | N/A |
| Bond | Intermediate Core-Plus Bond | MWTSX | Metropolitan West Total Return Bd Plan | 39.5 | 35.0 | 44.0 | 3 | Neutral | 0 | 0 out of 12 | Pass |
| Index Funds | Foreign Large Blend | VTIAX | Vanguard Total Intl Stock Index Admiral (Idx) | 34.9 | 37.3 | 32.5 | 3 | N/A | N/A | 0 out of 12 | Pass |
| | Small Blend | VSMAX | Vanguard Small Cap Index Adm (Idx) | 66.8 | 69.0 | 64.5 | 4 | N/A | N/A | 0 out of 12 | Pass |
| | Mid-Cap Blend | VIMAX | Vanguard Mid Cap Index Admiral (Idx) | 49.0 | 55.0 | 43.0 | 3 | N/A | N/A | 0 out of 12 | Pass |
| | Large Blend | VINIX | Vanguard Institutional Index I (Idx) | 80.3 | 82.0 | 78.5 | 5 | N/A | N/A | 0 out of 12 | Pass |

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

Return Analysis: Irvine Ranch Water District

period ended 6/30/2024

| Fund Name | 2nd Qtr | | Performance vs. Benchmark (Annualized Returns and Return Percentiles %) | | | | | | | | | | Incept. Date |
|-----------------------|---|-----------------|---|-------------------|---------------|-------------------|---------------|-------------------|----------------|--------------------|------------------------|-------|--------------|
| | 2024 Return | 2024 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 | | |
| Intl | Foreign Large Growth Peer Group | -0.15 | 50 | 9.17 | 50 | -1.49 | 50 | 5.85 | 50 | 5.07 | 50 | | |
| | American Funds Europacific Growth R6 | -0.23 | 47 | 10.82 | 63 | -2.46 | 43 | 6.05 | 54 | 5.25 | 55 | 8.05 | 5/1/2009 |
| Small-Cap | Small Growth Peer Group | -2.56 | 50 | 9.29 | 50 | -3.95 | 50 | 6.73 | 50 | 8.13 | 50 | | |
| | Hood River Small-Cap Growth Retirement | 2.72 | 96 | 23.94 | 97 | 1.82 | 92 | 15.48 | 97 | 13.28 | 98 | 14.58 | 3/3/2017 |
| | Small Value Peer Group | -3.69 | 50 | 10.65 | 50 | 2.55 | 50 | 8.36 | 50 | 6.61 | 50 | | |
| | Victory Integrity Small-Cap Value R6 | -4.64 | 24 | 10.94 | 55 | 4.61 | 83 | 9.57 | 76 | 7.06 | 64 | 10.92 | 6/1/2012 |
| Mid-Cap | Mid-Cap Growth Peer Group | -3.92 | 50 | 10.98 | 50 | -1.99 | 50 | 8.75 | 50 | 9.65 | 50 | | |
| | JPMorgan Mid Cap Growth R6 | -3.60 | 58 | 13.88 | 72 | -0.74 | 66 | 11.27 | 90 | 11.15 | 86 | 13.85 | 11/1/2011 |
| | Mid-Cap Value Peer Group | -3.84 | 50 | 11.12 | 50 | 5.40 | 50 | 9.07 | 50 | 7.47 | 50 | | |
| | Allspring Special Mid Cap Value R6 | -2.31 | 88 | 10.03 | 36 | 6.82 | 86 | 10.51 | 76 | 9.07 | 89 | 10.75 | 6/28/2013 |
| Large-Cap | Large Growth Peer Group | 6.21 | 50 | 31.65 | 50 | 7.28 | 50 | 15.73 | 50 | 14.09 | 50 | | |
| | American Funds Growth Fund of Amer R6 | 3.86 | 27 | 30.66 | 43 | 6.42 | 40 | 15.09 | 41 | 13.30 | 35 | 14.91 | 5/1/2009 |
| | Large Value Peer Group | -1.46 | 50 | 14.50 | 50 | 6.47 | 50 | 9.74 | 50 | 8.35 | 50 | | |
| | Diamond Hill Large Cap Y | -3.89 | 8 | 14.92 | 54 | 4.63 | 16 | 9.51 | 45 | 9.48 | 83 | 11.84 | 12/30/2011 |
| Asst All/Other | Target-Date Retirement Peer Group | 0.91 | 50 | 8.23 | 50 | 0.51 | 50 | 3.84 | 50 | 3.61 | 50 | | |
| | Vanguard Target Retirement Income Fund | 0.89 | 48 | 7.96 | 42 | 0.46 | 46 | 3.72 | 43 | 3.95 | 64 | 4.90 | 10/27/2003 |
| | Target-Date 2020 Peer Group | 1.05 | 50 | 9.56 | 50 | 1.11 | 50 | 5.20 | 50 | 5.02 | 50 | | |
| | Vanguard Target Retirement 2020 Fund | 1.05 | 51 | 9.24 | 37 | 0.94 | 42 | 5.15 | 48 | 5.35 | 66 | 5.97 | 6/7/2006 |
| | Target-Date 2025 Peer Group | 1.07 | 50 | 10.20 | 50 | 1.28 | 50 | 5.69 | 50 | 5.48 | 50 | | |
| | Vanguard Target Retirement 2025 Fund | 1.26 | 81 | 11.02 | 81 | 1.51 | 63 | 6.12 | 70 | 6.03 | 80 | 6.62 | 10/27/2003 |
| | Target-Date 2030 Peer Group | 1.19 | 50 | 11.84 | 50 | 1.79 | 50 | 6.67 | 50 | 6.26 | 50 | | |
| | Vanguard Target Retirement 2030 Fund | 1.37 | 76 | 12.39 | 71 | 2.07 | 60 | 6.95 | 61 | 6.58 | 70 | 6.72 | 6/7/2006 |
| | Target-Date 2035 Peer Group | 1.38 | 50 | 13.26 | 50 | 2.45 | 50 | 7.77 | 50 | 6.96 | 50 | | |
| | Vanguard Target Retirement 2035 Fund | 1.55 | 72 | 13.52 | 56 | 2.65 | 55 | 7.77 | 50 | 7.12 | 60 | 7.48 | 10/27/2003 |
| | Target-Date 2040 Peer Group | 1.55 | 50 | 15.02 | 50 | 3.28 | 50 | 8.63 | 50 | 7.50 | 50 | | |
| | Vanguard Target Retirement 2040 Fund | 1.73 | 67 | 14.74 | 44 | 3.23 | 48 | 8.59 | 48 | 7.65 | 61 | 7.46 | 6/7/2006 |
| | Target-Date 2045 Peer Group | 1.68 | 50 | 16.20 | 50 | 3.86 | 50 | 9.37 | 50 | 7.92 | 50 | | |
| | Vanguard Target Retirement 2045 Fund | 1.90 | 70 | 15.81 | 36 | 3.78 | 45 | 9.40 | 51 | 8.12 | 63 | 8.20 | 10/27/2003 |
| | Target-Date 2050 Peer Group | 1.70 | 50 | 16.88 | 50 | 4.09 | 50 | 9.59 | 50 | 8.12 | 50 | | |
| | Vanguard Target Retirement 2050 Fund | 2.02 | 71 | 16.63 | 43 | 4.15 | 52 | 9.68 | 53 | 8.26 | 62 | 7.82 | 6/7/2006 |
| | Target-Date 2055 Peer Group | 1.85 | 50 | 17.14 | 50 | 4.24 | 50 | 9.72 | 50 | 8.23 | 50 | | |
| | Vanguard Target Retirement 2055 Fund | 2.02 | 66 | 16.61 | 35 | 4.15 | 46 | 9.67 | 48 | 8.24 | 51 | 10.09 | 8/18/2010 |
| | Target-Date 2060 Peer Group | 1.69 | 50 | 17.02 | 50 | 4.13 | 50 | 9.74 | 50 | 8.30 | 50 | | |
| | Vanguard Target Retirement 2060 Fund | 2.03 | 70 | 16.60 | 39 | 4.16 | 51 | 9.68 | 48 | 8.23 | 40 | 9.88 | 1/19/2012 |
| | Target-Date 2065+ Peer Group | 1.83 | 50 | 17.29 | 50 | 4.12 | 50 | 9.78 | 50 | N/A | 50 | | |
| | Vanguard Target Retirement 2065 Fund | 2.03 | 66 | 16.63 | 33 | 4.19 | 54 | 9.66 | 39 | N/A | N/A | 9.16 | 7/12/2017 |
| Bond | Intermediate Core-Plus Bond Peer Group | 0.29 | 50 | 3.76 | 50 | -2.97 | 50 | 0.13 | 50 | 1.52 | 50 | | |
| | Metropolitan West Total Return Bd Plan | 0.05 | 20 | 2.93 | 28 | -3.52 | 27 | -0.12 | 36 | 1.42 | 42 | 2.39 | 7/29/2011 |
| Index Funds | Vanguard Total Intl Stock Index Admiral (Idx) | 0.80 | 64 | 10.96 | 52 | 0.34 | 29 | 5.75 | 37 | 4.02 | 46 | 5.06 | 11/29/2010 |
| | Vanguard Small Cap Index Adm (Idx) | -4.14 | 23 | 11.50 | 71 | 0.50 | 60 | 8.45 | 66 | 8.08 | 81 | 8.96 | 11/13/2000 |
| | Vanguard Mid Cap Index Admiral (Idx) | -2.75 | 81 | 11.80 | 32 | 2.21 | 36 | 9.38 | 48 | 9.10 | 81 | 9.84 | 11/12/2001 |
| | Vanguard Institutional Index I (Idx) | 4.28 | 80 | 24.51 | 65 | 9.97 | 76 | 15.01 | 81 | 12.83 | 89 | 10.61 | 7/31/1990 |

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

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

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

Data Source: Morningstar[®] DirectSM

Please refer to the Appendix page for additional disclosures

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Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 6/30/2024

| Fund Name | Sharpe Ratios and Percentiles % | | | | Standard Deviation | | Expense | Expense | Manager | Fund Size | |
|-----------------------|---|--------|------------|--------|--------------------|-------|---------|--------------|--------------|-----------|---------|
| | 3 Yr Ratio | 3 Yr % | 5 Yr Ratio | 5 Yr % | 3 Yr | 5 Yr | Ratio | Percentile % | Tenure (yrs) | \$MM | |
| Intl | Foreign Large Growth Peer Group | -0.17 | 50 | 0.28 | 50 | 19.40 | 18.70 | 0.95 | 50 | | |
| | American Funds Europacific Growth R6 | -0.24 | 35 | 0.28 | 53 | 18.08 | 18.70 | 0.47 | 5 | 23 | 139,426 |
| Small-Cap | Small Growth Peer Group | -0.25 | 50 | 0.30 | 50 | 21.96 | 23.17 | 1.10 | 50 | | |
| | Hood River Small-Cap Growth Retirement | 0.05 | 94 | 0.60 | 97 | 24.41 | 25.46 | 0.99 | 38 | 22 | 2,698 |
| | Small Value Peer Group | 0.06 | 50 | 0.36 | 50 | 20.95 | 24.35 | 1.09 | 50 | | |
| | Victory Integrity Small-Cap Value R6 | 0.15 | 83 | 0.40 | 70 | 20.60 | 26.21 | 0.96 | 34 | 20 | 1,192 |
| Mid-Cap | Mid-Cap Growth Peer Group | -0.15 | 50 | 0.39 | 50 | 21.47 | 21.88 | 1.00 | 50 | | |
| | JPMorgan Mid Cap Growth R6 | -0.10 | 63 | 0.50 | 91 | 20.39 | 21.02 | 0.70 | 11 | 9 | 10,892 |
| | Mid-Cap Value Peer Group | 0.19 | 50 | 0.41 | 50 | 18.59 | 21.26 | 0.93 | 50 | | |
| | Allspring Special Mid Cap Value R6 | 0.27 | 87 | 0.48 | 81 | 17.13 | 20.35 | 0.70 | 15 | 16 | 12,219 |
| Large-Cap | Large Growth Peer Group | 0.28 | 50 | 0.71 | 50 | 21.27 | 20.57 | 0.86 | 50 | | |
| | American Funds Growth Fund of Amer R6 | 0.24 | 40 | 0.69 | 45 | 20.50 | 20.00 | 0.30 | 5 | 31 | 287,391 |
| | Large Value Peer Group | 0.26 | 50 | 0.47 | 50 | 16.35 | 18.26 | 0.85 | 50 | | |
| | Diamond Hill Large Cap Y | 0.15 | 16 | 0.45 | 35 | 17.92 | 19.54 | 0.55 | 14 | 9 | 8,496 |
| Asst All/Other | Target-Date Retirement Peer Group | -0.26 | 50 | 0.21 | 50 | 9.21 | 8.31 | 0.58 | 50 | | |
| | Vanguard Target Retirement Income Fund | -0.30 | 30 | 0.21 | 47 | 8.66 | 7.87 | 0.08 | 2 | 11 | 35,659 |
| | Target-Date 2020 Peer Group | -0.18 | 50 | 0.32 | 50 | 10.53 | 10.34 | 0.54 | 50 | | |
| | Vanguard Target Retirement 2020 Fund | -0.19 | 41 | 0.32 | 50 | 10.20 | 10.08 | 0.08 | 3 | 11 | 37,324 |
| | Target-Date 2025 Peer Group | -0.14 | 50 | 0.34 | 50 | 11.28 | 11.46 | 0.59 | 50 | | |
| | Vanguard Target Retirement 2025 Fund | -0.10 | 72 | 0.37 | 68 | 11.79 | 11.74 | 0.08 | 2 | 11 | 76,516 |
| | Target-Date 2030 Peer Group | -0.07 | 50 | 0.39 | 50 | 12.74 | 12.95 | 0.60 | 50 | | |
| | Vanguard Target Retirement 2030 Fund | -0.04 | 62 | 0.41 | 63 | 12.88 | 12.93 | 0.08 | 2 | 11 | 93,950 |
| | Target-Date 2035 Peer Group | 0.00 | 50 | 0.44 | 50 | 14.03 | 14.42 | 0.60 | 50 | | |
| | Vanguard Target Retirement 2035 Fund | 0.01 | 53 | 0.44 | 57 | 13.72 | 13.98 | 0.08 | 2 | 11 | 98,179 |
| | Target-Date 2040 Peer Group | 0.06 | 50 | 0.47 | 50 | 15.20 | 15.62 | 0.64 | 50 | | |
| | Vanguard Target Retirement 2040 Fund | 0.06 | 41 | 0.47 | 52 | 14.55 | 15.03 | 0.08 | 2 | 11 | 87,254 |
| | Target-Date 2045 Peer Group | 0.10 | 50 | 0.49 | 50 | 15.96 | 16.56 | 0.64 | 50 | | |
| | Vanguard Target Retirement 2045 Fund | 0.10 | 45 | 0.50 | 61 | 15.41 | 16.10 | 0.08 | 2 | 11 | 85,118 |
| | Target-Date 2050 Peer Group | 0.12 | 50 | 0.50 | 50 | 16.21 | 16.75 | 0.65 | 50 | | |
| | Vanguard Target Retirement 2050 Fund | 0.12 | 51 | 0.51 | 61 | 15.82 | 16.33 | 0.08 | 2 | 11 | 71,846 |
| | Target-Date 2055 Peer Group | 0.13 | 50 | 0.50 | 50 | 16.43 | 16.90 | 0.65 | 50 | | |
| | Vanguard Target Retirement 2055 Fund | 0.12 | 46 | 0.51 | 56 | 15.83 | 16.34 | 0.08 | 2 | 11 | 47,929 |
| | Target-Date 2060 Peer Group | 0.12 | 50 | 0.50 | 50 | 16.34 | 16.86 | 0.65 | 50 | | |
| | Vanguard Target Retirement 2060 Fund | 0.12 | 51 | 0.51 | 56 | 15.81 | 16.32 | 0.08 | 2 | 11 | 26,933 |
| | Target-Date 2065+ Peer Group | 0.12 | 50 | 0.51 | 50 | 16.49 | 16.92 | 0.64 | 50 | | |
| | Vanguard Target Retirement 2065 Fund | 0.12 | 54 | 0.51 | 49 | 15.81 | 16.32 | 0.08 | 2 | 7 | 7,813 |
| Bond | Intermediate Core-Plus Bond Peer Group | -0.80 | 50 | -0.28 | 50 | 7.68 | 6.87 | 0.68 | 50 | | |
| | Metropolitan West Total Return Bd Plan | -0.80 | 51 | -0.31 | 37 | 8.39 | 6.98 | 0.37 | 8 | 27 | 45,736 |
| Index Funds | Vanguard Total Intl Stock Index Admiral (Idx) | -0.10 | 27 | 0.27 | 38 | 16.98 | 17.82 | 0.12 | 5 | 16 | 429,040 |
| | Vanguard Small Cap Index Adm (Idx) | -0.04 | 62 | 0.37 | 67 | 20.86 | 22.67 | 0.05 | 3 | 8 | 138,621 |
| | Vanguard Mid Cap Index Admiral (Idx) | 0.03 | 35 | 0.43 | 51 | 19.41 | 20.53 | 0.05 | 4 | 1 | 161,489 |
| | Vanguard Institutional Index I (Idx) | 0.44 | 76 | 0.74 | 81 | 17.86 | 18.08 | 0.04 | 3 | 7 | 297,440 |

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

Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® DirectSM

Please refer to the Appendix page for additional disclosures

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Page 7 of 15

B - 7

Annual Returns and Statistics: Irvine Ranch Water District

period ended 6/30/2024

| Fund Name | Calendar Year Returns | | | | | Modern Portfolio Theory Statistics (3 year) | | | Portfolio Construction | | | |
|-----------------------|---|-------|--------|-------|-------|---|-------|------|------------------------|--------------------|----------------------|-----|
| | 2023 | 2022 | 2021 | 2020 | 2019 | Alpha | Beta | R2 | Turnover Ratio | Number of Holdings | % in top 10 holdings | |
| Intl | Foreign Large Growth Peer Group | 15.89 | -23.75 | 8.87 | 21.93 | 28.26 | | | | | | |
| | American Funds Europacific Growth R6 | 16.05 | -22.72 | 2.84 | 25.27 | 27.40 | 0.09 | 1.02 | 96 | 34 | 340 | 24% |
| Small-Cap | Small Growth Peer Group | 16.43 | -27.99 | 9.42 | 37.87 | 28.81 | | | | | | |
| | Hood River Small-Cap Growth Retirement | 21.60 | -27.93 | 23.88 | 60.81 | 24.19 | 7.41 | 1.04 | 95 | 95 | 96 | 27% |
| | Small Value Peer Group | 15.50 | -11.50 | 30.35 | 4.03 | 22.49 | | | | | | |
| | Victory Integrity Small-Cap Value R6 | 17.80 | -7.58 | 33.76 | 1.33 | 23.28 | 2.50 | 0.92 | 98 | 61 | 127 | 12% |
| Mid-Cap | Mid-Cap Growth Peer Group | 20.59 | -28.19 | 12.56 | 37.83 | 34.47 | | | | | | |
| | JPMorgan Mid Cap Growth R6 | 23.35 | -26.96 | 10.99 | 48.51 | 39.96 | -0.95 | 0.95 | 99 | 45 | 115 | 19% |
| | Mid-Cap Value Peer Group | 12.15 | -7.62 | 28.53 | 3.54 | 27.64 | | | | | | |
| | Allspring Special Mid Cap Value R6 | 9.62 | -4.50 | 28.80 | 3.36 | 35.68 | 2.86 | 0.86 | 97 | 27 | 67 | 30% |
| Large-Cap | Large Growth Peer Group | 39.63 | -31.14 | 22.09 | 36.07 | 33.20 | | | | | | |
| | American Funds Growth Fund of Amer R6 | 37.65 | -30.49 | 19.69 | 38.28 | 28.54 | 2.14 | 1.04 | 95 | 31 | 336 | 31% |
| | Large Value Peer Group | 10.91 | -5.20 | 25.94 | 2.91 | 25.75 | | | | | | |
| | Diamond Hill Large Cap Y | 13.78 | -13.27 | 25.89 | 9.07 | 32.34 | -0.86 | 1.07 | 98 | 22 | 50 | 32% |
| Asst All/Other | Target-Date Retirement Peer Group | 10.46 | -12.69 | 6.35 | 9.91 | 13.26 | | | | | | |
| | Vanguard Target Retirement Income Fund | 10.74 | -12.74 | 5.25 | 10.02 | 13.16 | 0.62 | 1.06 | 99 | 4 | 6 | 99% |
| | Target-Date 2020 Peer Group | 11.80 | -14.12 | 9.17 | 12.02 | 17.13 | | | | | | |
| | Vanguard Target Retirement 2020 Fund | 12.51 | -14.15 | 8.17 | 12.04 | 17.63 | -0.50 | 1.02 | 99 | 3 | 6 | 99% |
| | Target-Date 2025 Peer Group | 12.54 | -15.05 | 10.07 | 12.42 | 18.59 | | | | | | |
| | Vanguard Target Retirement 2025 Fund | 14.55 | -15.55 | 9.80 | 13.30 | 19.63 | 0.03 | 0.90 | 99 | 6 | 6 | 99% |
| | Target-Date 2030 Peer Group | 14.50 | -16.00 | 11.73 | 13.82 | 20.81 | | | | | | |
| | Vanguard Target Retirement 2030 Fund | 16.03 | -16.27 | 11.38 | 14.10 | 21.07 | 0.82 | 0.99 | 99 | 3 | 6 | 99% |
| | Target-Date 2035 Peer Group | 16.39 | -16.69 | 14.10 | 14.32 | 22.63 | | | | | | |
| | Vanguard Target Retirement 2035 Fund | 17.14 | -16.62 | 12.96 | 14.79 | 22.44 | 1.59 | 1.05 | 99 | 1 | 6 | 99% |
| | Target-Date 2040 Peer Group | 18.13 | -17.39 | 15.99 | 15.35 | 23.98 | | | | | | |
| | Vanguard Target Retirement 2040 Fund | 18.34 | -16.98 | 14.56 | 15.47 | 23.86 | -1.40 | 1.02 | 99 | 1 | 5 | 99% |
| | Target-Date 2045 Peer Group | 19.42 | -17.92 | 17.19 | 15.50 | 24.83 | | | | | | |
| | Vanguard Target Retirement 2045 Fund | 19.48 | -17.36 | 16.16 | 16.30 | 24.94 | -1.53 | 0.92 | 100 | 1 | 6 | 99% |
| | Target-Date 2050 Peer Group | 19.94 | -18.15 | 17.38 | 15.96 | 25.09 | | | | | | |
| | Vanguard Target Retirement 2050 Fund | 20.17 | -17.46 | 16.41 | 16.39 | 24.98 | -1.19 | 0.94 | 100 | 2 | 6 | 99% |
| | Target-Date 2055 Peer Group | 20.28 | -18.27 | 17.78 | 15.76 | 25.41 | | | | | | |
| | Vanguard Target Retirement 2055 Fund | 20.16 | -17.46 | 16.44 | 16.32 | 24.98 | -1.19 | 0.94 | 100 | 1 | 6 | 99% |
| | Target-Date 2060 Peer Group | 20.06 | -18.19 | 17.65 | 16.26 | 25.45 | | | | | | |
| | Vanguard Target Retirement 2060 Fund | 20.18 | -17.46 | 16.44 | 16.32 | 24.96 | -1.18 | 0.94 | 100 | 1 | 6 | 99% |
| | Target-Date 2065+ Peer Group | 20.52 | -18.32 | 17.80 | 16.49 | 26.28 | | | | | | |
| | Vanguard Target Retirement 2065 Fund | 20.15 | -17.39 | 16.46 | 16.17 | 24.96 | -1.15 | 0.94 | 100 | 1 | 5 | 99% |
| Bond | Intermediate Core-Plus Bond Peer Group | 6.31 | -13.98 | -0.90 | 8.59 | 9.38 | | | | | | |
| | Metropolitan West Total Return Bd Plan | 6.07 | -14.69 | -1.11 | 9.17 | 9.23 | 0.32 | 1.16 | 100 | 426 | 1659 | 41% |
| Index Funds | Vanguard Total Intl Stock Index Admiral (Idx) | 15.52 | -16.01 | 8.62 | 11.28 | 21.51 | 0.03 | 1.03 | 99 | 4 | 8615 | 10% |
| | Vanguard Small Cap Index Adm (Idx) | 18.20 | -17.61 | 17.73 | 19.11 | 27.37 | 1.57 | 0.96 | 99 | 12 | 1417 | 4% |
| | Vanguard Mid Cap Index Admiral (Idx) | 15.98 | -18.71 | 24.51 | 18.24 | 31.03 | -0.19 | 0.99 | 100 | 13 | 332 | 8% |
| | Vanguard Institutional Index I (Idx) | 26.24 | -18.14 | 28.67 | 18.39 | 31.46 | -0.04 | 1.00 | 100 | 3 | 506 | 34% |

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® DirectSM

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Page 8 of 15

B - 8

Index Performance

period ending 6/30/2024

| | Index | Total Return 1 Year | Total Return Annizd 3 Year | Total Return Annizd 5 Year | Total Return Annizd 10 Year | Annual Return 2023 | Annual Return 2022 | Annual Return 2021 | Annual Return 2020 | Annual Return 2019 |
|----------------------|---------------------------------|------------------------|----------------------------------|----------------------------------|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| International | MSCI EMF ID | 9.78 | -7.55 | 0.59 | 0.33 | 7.04 | -22.37 | -4.59 | 15.84 | 15.42 |
| | MSCI Eafe Ndrtr_D | 11.54 | 2.89 | 6.46 | 4.33 | 18.24 | -14.45 | 11.26 | 7.82 | 22.01 |
| | MSCI World Ndrtr_D | 20.19 | 6.86 | 11.78 | 9.16 | 23.79 | -18.14 | 21.82 | 15.90 | 27.67 |
| Small-Cap | Russell 2000 Growth | 9.14 | -4.86 | 6.17 | 7.39 | 18.66 | -26.36 | 2.83 | 34.63 | 28.48 |
| | Russell 2000 | 10.06 | -2.58 | 6.94 | 7.00 | 16.93 | -20.44 | 14.82 | 19.96 | 25.52 |
| | Russell 2000 Value | 10.90 | -0.53 | 7.07 | 6.23 | 14.65 | -14.48 | 28.27 | 4.63 | 22.39 |
| Mid-Cap | Russell Midcap Growth | 15.05 | -0.08 | 9.93 | 10.51 | 25.87 | -26.72 | 12.73 | 35.59 | 35.47 |
| | Standard & Poor's Midcap 400 | 13.57 | 4.47 | 10.27 | 9.14 | 16.44 | -13.06 | 24.76 | 13.66 | 26.20 |
| | Russell Midcap Value | 11.98 | 3.65 | 8.49 | 7.60 | 12.71 | -12.03 | 28.34 | 4.96 | 27.06 |
| Large-Cap | Russell 1000 Growth | 33.48 | 11.28 | 19.34 | 16.33 | 42.68 | -29.14 | 27.60 | 38.49 | 36.39 |
| | Standard & Poor's 500 TR | 24.56 | 10.01 | 15.05 | 12.86 | 26.29 | -18.11 | 28.71 | 18.40 | 31.49 |
| | Russell 1000 Value | 13.06 | 5.52 | 9.01 | 8.23 | 11.46 | -7.54 | 25.16 | 2.80 | 26.54 |
| Bond | Bloomberg US Agg Bond TR USD | 2.63 | -3.02 | -0.23 | 1.35 | 5.53 | -13.01 | -1.54 | 7.51 | 8.72 |
| | Bloomberg US Credit TR USD | 4.42 | -2.94 | 0.54 | 2.21 | 8.18 | -15.26 | -1.08 | 9.35 | 13.80 |
| | Bloomberg US MBS TR USD | 2.12 | -2.92 | -0.76 | 0.89 | 5.05 | -11.81 | -1.04 | 3.87 | 6.35 |
| | Bloomberg US Government TR USD | 1.61 | -3.19 | -0.61 | 0.92 | 4.09 | -12.32 | -2.28 | 7.94 | 6.83 |
| | Bloomberg US Govt 1-3 Yr TR USD | 4.53 | 0.34 | 1.03 | 1.13 | 4.32 | -3.81 | -0.60 | 3.14 | 3.59 |

| | |
|------------------------------|---|
| 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 Ndrtr_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 Ndrtr_D | Includes all 23 MSCI developed market countries. Ndrtr_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® DirectSM

S&P 500® 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 Large-Cap equity market.

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

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Page 9 of 15

B - 9



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

About investment risk:

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

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

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

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

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Page 10 of 15

B - 10



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About Overall Morningstar Rating™

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

About Morningstar Rankings

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

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APPENDIX - GLOSSARY



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Page 13 of 15

B - 13

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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


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

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

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

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

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September 3, 2024
Prepared by: O. Mendoza / J. Davis
Submitted by: N. Adly
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE

SUMMARY:

Staff will provide the Committee with an update on the financial performance of IRWD's real estate investments and other revenue generating properties for the quarter and fiscal year ended June 30, 2024.

BACKGROUND:

For the quarter ended June 30, 2024, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was approximately \$3.9 million, which represents a 14.63% annualized return. The fiscal year (FY) end NOI was approximately \$15.7 million. A report summarizing the NOI and returns for IRWD's real estate investment properties, golf course land lease, and cell sites over the course of the year is provided as Exhibit "A". More detail descriptions of the returns on the District real estate investments, by category, are included below.

Residential Investment Properties:

The NOI for the Sycamore Canyon Apartments for the quarter ended June 30, 2024, was approximately \$2.7 million and \$10.8 million for the fiscal year ended. These were favorable to budget by \$11,520 and \$583,568, respectively. The variances were due to higher than anticipated revenue from increased lease rates and lower than budgeted operating expenses for payroll, utilities, and maintenance. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00% providing income of \$134,262 for the quarter end and \$540,745 for the FY end. The net return for Wood Canyon was 8.57% for the quarter and FY end.

Commercial Investment Properties:

For the quarter end June 30, 2024, NOI at the Irvine Market Place (230 Commerce) property was \$153,688, which was favorable to budget by \$22,170 due to the leasing of two previously vacant suites, as well as lower than budgeted utility expenses. The fiscal year end NOI was \$510,552 which was \$17,087 unfavorable to budget. The variance was due to lower than budgeted rent revenue resulting from two vacant suites in the first two quarters and higher than anticipated operating expenses for HVAC repairs, remediation repairs, and utilities. The property is currently 100% occupied.

For the quarter and fiscal year end June 30, 2024, NOI at the Waterworks Way Business Park property was \$167,494 and \$729,555, respectively. This was favorable to budget by \$4,464 and \$28,282, respectively. The variances were due to lower maintenance expenses. The property

has one vacant suite which is being marketed by IRWD's commercial broker, Colliers International. The property is currently 90% occupied.

For the quarter ended June 30, 2024, NOI at the Sand Canyon Medical Office property was \$174,916, which was in line with budget. Fiscal year end NOI was \$681,041 and unfavorable to budget by \$16,494 due to higher than budgeted property taxes. The property is currently 100% occupied.

For the quarter and fiscal year end June 30, 2024, NOI at the Sand Canyon Professional Center was \$577,004 and \$2,363,410, respectively. This was unfavorable to budget by \$40,299 and \$71,243, respectively. The variances were due to common area maintenance (CAM) adjustments related to 2023 expenses eligible for reimbursement to tenants as part of the annual CAM reconciliation. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended June 30, 2024, was \$297,246. This was a 11.20% increase compared to the same period last year when income was \$267,297. The fiscal year income was \$1,079,769, representing an increase of 9.06% compared to the same period last year. The additional revenues were due to an increase in green fees from rounds of golf played. For the quarter ended June 30, 2024, the lease revenue from the District's five cell sites was \$68,328, which was an increase of \$18,046 from the same period last year, due to a one-time sign on bonus received during the period. The fiscal year NOI was \$394,819, an increase of \$11,058 from the same period last year. The increase was primarily due to a signing bonus.

FISCAL IMPACTS:

Fiscal impacts are discussed above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report
as of June 30, 2024


| INCOME PROPERTIES | | | | | | | FY 2023-24 | | | | | FY 2023-2024 RATE OF RETURN | | | | | 3 Year Average Rate of Return | 5 Year Average Rate of Return |
|---|--------------------|--------------|--------------|--------------|--------------|------------------|---------------|---------------|---------------|---------------|--------------------|-----------------------------|------------------|--|--|--|-------------------------------|-------------------------------|
| Property Description | Capital Investment | FY Q1 | FY Q2 | FY Q3 | FY Q4 | FY 2023-24 TOTAL | Annualized Q1 | Annualized Q2 | Annualized Q3 | Annualized Q4 | Average Fiscal YTD | FY 21/22 - 23/24 | FY 19/20 - 23/24 | | | | | |
| Sycamore Canyon Apartments | \$ 45,457,369 | \$ 2,701,830 | \$ 2,640,359 | \$ 2,803,502 | \$ 2,679,826 | \$ 10,825,517 | 23.77% | 23.23% | 24.67% | 23.58% | 23.81% | 21.96% | 20.58% | | | | | |
| Wood Canyon Villa Apartments | \$ 6,000,000 | \$ 136,110 | \$ 136,110 | \$ 134,263 | \$ 134,262 | \$ 540,745 | 8.50% | 8.61% | 8.61% | 8.57% | 8.57% | 9.00% | 9.00% | | | | | |
| Irvine Market Place Office | \$ 5,568,747 | \$ 136,198 | \$ 112,527 | \$ 108,139 | \$ 153,688 | \$ 510,552 | 9.78% | 8.08% | 7.77% | 11.04% | 9.17% | 9.99% | 9.98% | | | | | |
| Waterworks Way Business Park | \$ 8,983,395 | \$ 191,957 | \$ 180,548 | \$ 189,556 | \$ 167,494 | \$ 729,555 | 8.55% | 8.04% | 8.44% | 7.46% | 8.12% | 7.71% | 7.15% | | | | | |
| Sand Canyon Professional Center - Medical | \$ 8,715,929 | \$ 170,991 | \$ 156,584 | \$ 178,550 | \$ 174,916 | \$ 681,041 | 7.85% | 7.19% | 8.19% | 8.03% | 7.81% | 8.35% | 8.62% | | | | | |
| Sand Canyon Professional Center - General | \$ 31,404,103 | \$ 572,255 | \$ 594,270 | \$ 619,881 | \$ 577,004 | \$ 2,363,410 | 7.29% | 7.57% | 7.90% | 7.35% | 7.53% | | | | | | | |
| | \$ 106,129,543 | \$ 3,909,341 | \$3,820,398 | \$ 4,033,891 | \$ 3,887,190 | \$ 15,650,820 | 14.70% | 14.37% | 15.18% | 14.63% | 14.72% | 16.72% | 15.85% | | | | | |

Notes/Assumptions:

- Wood Canyon cash flows represent partnership cash distributions from Western National Group.
- The 9.00% Preferred Return for Wood Canyon accrues on the original \$6 million investment amount along with any accrued preferred return. The current total monthly accrual is approximately \$45,000/month.
- Capital Investment does not include depreciation

Irvine Ranch Water District
 Real Estate Investment Performance Report
 Strawberry Farms Golf Course & Cell Site
 as of June 30, 2024

| Property Description | 2023-24 NET INCOME | | | | |
|--------------------------------|--------------------|--------------------|-------------------|---------------------|------------------------|
| | FY Q1 | FY Q2 | FY Q3 | FY Q4 | NET INCOME 2023 - 2024 |
| Strawberry Farms Golf Course | \$ 320,925 | \$ 252,217 | \$ 209,381 | \$ 297,246 | \$ 1,079,769 |
| Change From Prior Year Period: | | \$ 15,692 6.63% | \$ 8,590 4.28% | \$ 29,950 11.20% | \$ 89,708 9.06% |
| Cellular Sites | \$ 82,972 | \$ 66,732 | \$ 176,787 | \$ 68,328 | \$ 394,819 |
| Change From Prior Year Period: | | | | \$ 18,046 35.89% | \$ 11,058 2.88% |

September 3, 2024
Prepared by: S. Aryan
Submitted by: S. Aryan / T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

RISK MANAGEMENT FISCAL YEAR-END REPORT

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by IRWD through the Fiscal Year (FY) ending June 30, 2024.

BACKGROUND:

A comparison of IRWD's actual versus budget insurance expenses for the fourth quarter of FY 2023-24 and FY 2022-23 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total \$2,803,712 and are \$316,788 under budget;
- Third-party claim administration expenses total \$3,427 and are \$26,573 under budget;
- Legal expenses total \$33,064; and
- Claim payments total \$27,431 and are \$72,569 under budget.

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary

Exhibit "B" – Closed General Liability Claims in FY 2023-24

Note: This page is intentionally left blank.

Exhibit "A"

Irvine Ranch Water District Insurance and Claims Summary - Period Ending June 30, 2024

| PREMIUM | Actual FY 23/24 | Budget FY 23/24 | Variance | % Variance | Prior Actual FY 22/23 |
|-------------------|--------------------|--------------------|----------------|------------|--------------------------|
| Crime | 11,787 | 12,500 | 713 | 6% | 11,225 |
| General Liability | 1,798,979 | 1,900,000 | 101,021 | 5% | 1,445,568 |
| Pollution | 192,212 | 233,000 | 40,788 | 18% | 181,304 |
| Property | 742,143 | 900,000 | 157,857 | 18% | 709,801 |
| Cyber | 58,591 | 75,000 | 16,409 | 22% | 60,542 |
| Total | 2,803,712 | 3,120,500 | 316,788 | 10% | 2,408,440 |

| CATEGORY | Open FY 23/24 | Closed FY 23/24 | Total FY 23/24 | Budget FY 23/24 | Variance | Prior Actual FY 22/23 |
|-----------------------------|------------------|--------------------|-------------------|--------------------|---------------|--------------------------|
| Membership | | 300 | 300 | 1,000 | 700 | 0 |
| * Claim Payments - Property | | 27,431 | 27,431 | 100,000 | 72,569 | 111,926 |
| ** Claim Admin | 1,852 | 1,575 | 3,427 | 30,000 | 26,573 | 1,500 |
| TotalFY 23/24 | 1,852 | 29,306 | 31,158 | 131,000 | 99,841 | 113,426 |

* The Prior Actual FY 22/23 amount includes \$81,926 Property Payments and \$30,000 Bodily Injury Payments

** Closed FY 23/24 Claim Admin. cost is the \$1,575 annual administrative fee

| CATEGORY | Open FY 23/24 | Closed FY 23/24 | Total FY 23/24 | Prior Actual FY 22/23 |
|----------------------|------------------|--------------------|-------------------|--------------------------|
| Legal | 33,064 | 1,537 | 34,601 | 17,236 |
| TotalFY 23/24 | 33,064 | 1,537 | 34,601 | 17,236 |


| ACTIVITY | FY 2022/23 | FY 2023/24 |
|-----------------------|------------|------------|
| Beginning Open Claims | 3 | 1 |
| New Claims | 6 | 17 |
| Closed Claims | (8) | (12) |
| Current Open Claims | 1 | 6 |

Note: This page is intentionally left blank.

Exhibit "B"

| Register of Closed General Liability Claims (FY 2023-2024) as of June 30, 2024 | | | | |
|---|--------------------------------|----------------|----------------------------------|--------------------|
| CLAIM TYPE | CLAIMANT | Legal | Claim Payments - Property | Grand Total |
| Single Event | Agustin Delgado | | \$1,629 | \$1,629 |
| | Bhaskar Nag Edpuganti | \$453 | \$2,310 | \$2,763 |
| | Frank McGovern | | \$1,250 | \$1,250 |
| | Heather McDermott | | \$1,766 | \$1,766 |
| | Heygears, Inc. | \$401 | | \$401 |
| | Irvine Ranch Conservancy | | \$786 | \$786 |
| | Neil Campbell | | \$1,238 | \$1,238 |
| | Ni Zhang | \$683 | \$6,048 | \$6,731 |
| | Powerstone Property Management | | \$185 | \$185 |
| | Richard Petrulio | | \$18 | \$18 |
| | Robert Saavedra | | \$1,250 | \$1,250 |
| | Thanh Nguyen | | \$8,997 | \$8,997 |
| | Tracy Duong | | \$1,954 | \$1,954 |
| Grand Total | | \$1,537 | \$27,431 | \$28,968 |

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September 3, 2024
Prepared by: V. Li / C. Smithson
Submitted by: N. Adly
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2023-2024 LEGAL FEES ANALYSIS
QUARTERLY UPDATE

SUMMARY:

Provided is a summary of legal fees incurred by IRWD for the Fiscal Year (FY) 2023-24.

BACKGROUND:

Legal fees supporting the operations of IRWD in FY 2023-24 totaled \$1.9 million after settlements, compared to a budget of \$3.2 million, resulting in a positive variance of \$1.3 million or 40.6%. Capitalized legal fees associated with capital projects totaled \$57,752. The non-operating legal fees for FY 2023-24 amounted to \$45,000, which included bond counsel fees.

Exhibit “A” summarizes IRWD’s legal fees incurred in FY 2021-22 through FY 2023-24.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Summary of Legal Fees for FY 2021-22 through FY 2023-24

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Exhibit "A"
Analysis of Legal Fees
Fiscal Years 2022 - 2024


| Firm | YTD Actual 2021-2022 | YTD Actual 2022-2023 | Q4 Actual 2023-2024 | Hourly Rate | Area of Expertise | Service Provided |
|---|----------------------------|----------------------------|---------------------------|------------------|--------------------|--|
| <u>Operating Legal Fees:</u> | | | | | | |
| Alston & Bird LLP | \$ 376,737 | \$ 208,920 | \$ 270,671 | \$ 275 to \$ 585 | Litigation | Orange County Water District litigation |
| Benjamin P. deMayo | 6,650 | - | - | n/a | Litigation | Special counsel services |
| Burke, Williams & Sorensen, LLP | 4,063 | - | - | \$ 325 | Employee relations | Personnel policy review and revision |
| Everett Dorey LLP ⁽¹⁾ | 8,757 | (87,428) | - | \$ 235 to \$ 260 | Litigation | County of Orange Litigation |
| EXTTI, Incorporated | 12,544 | - | - | \$ 200 to \$ 275 | Employee relations | Personnel matters |
| Fisher & Phillips LLP | - | 375,734 | 291,254 | \$ 300 to \$ 760 | Legal Counsel | Special counsel services |
| Hanson Bridgett LLP | 454,763 | 635,774 | 1,020,268 | \$ 345 to \$ 455 | IRWD legal counsel | District general counsel/legislative/litigation/special project |
| JL Group, LLC | - | 22,816 | 48,483 | \$ 200 to \$ 290 | Employee relations | Personnel matters |
| Kidman Gagen Law, LLP | - | 750 | - | \$ 345 to \$ 455 | IRWD legal counsel | Special counsel services |
| Kienle Law, PC | 11,772 | 5,553 | 190 | \$ 180 to \$ 475 | IRWD legal counsel | OSHA matters |
| Kronick Moskowitz Tiedemann & Girard | 265,602 | 8,072 | 15,852 | \$ 180 to \$ 405 | IRWD legal counsel | Counsel services related to water resources, policy matters and litigation |
| Kutak Rock LLP ⁽¹⁾ | 19,400 | (67,724) | 15,297 | \$ 395 to \$ 425 | Legal Counsel | Legal counsel related to insurance claim issues |
| Law Office of Atoosa Vakili | 13,160 | 82 | - | \$ 75 to \$ 250 | Employee relations | General personnel and human resources |
| Liebert Cassidy Whitmore | - | 24,698 | 18,346 | n/a | Legal Counsel | Personnel matters |
| Lozano Smith, LLP | - | 67,615 | 126,419 | \$ 315 | Legal Counsel | Personnel matters |
| Olson Remcho LLP | - | - | 13,988 | \$ 425 to \$ 475 | IRWD legal counsel | District general counsel/legislative/litigation/special project |
| Payne & Fears, LLP | 59,532 | 105,285 | 33,473 | \$ 235 to \$ 550 | Employee relations | General personnel and human resources |
| Pillsbury Winthrop Shaw Pittman LLP | 39,040 | 54,669 | 31,523 | \$ 695 to \$ 845 | Employee relations | Employee benefits |
| Rosen Law Offices, APC ⁽¹⁾ | 250,000 | - | - | n/a | Legal Counsel | Legal counsel related to insurance claim issues |
| Wagener Law, a PC | 57,613 | 8,470 | 5,173 | \$ 695 to \$ 795 | Employee relations | Personnel matters |
| Woodruff, Spradlin & Smart, APC | - | - | 331 | n/a | Legal Counsel | Legal counsel related to insurance claim issues |
| Total Operating Legal Fees | \$ 1,579,633 | \$ 1,363,286 | \$ 1,891,268 | | | |
| ⁽¹⁾ Insurance Litigation | | | | | | |
| <u>Capitalized Legal Fees:</u> | | | | | | |
| Alston & Bird LLP | \$ 13,843 | \$ - | \$ - | \$ 275 to \$ 585 | IRWD legal counsel | Counsel services in connection with the Biosolids project |
| Jackson Tidus, a Law Corporation | - | - | 2,470 | \$ 475 to \$ 475 | IRWD legal counsel | Counsel services in connection with Serrano Summit property sale |
| Hanson Bridgett LLP | - | 45,486 | - | \$ 345 to \$ 490 | IRWD legal counsel | Counsel services in connection with PFAS Treatment project |
| Kronick Moskowitz Tiedemann & Girard | 239,141 | 113,904 | 55,282 | \$ 180 to \$ 405 | IRWD legal counsel | Counsel services in connection with water resources and policy matters |
| Capitalized Legal Fees Total | 252,984 | 159,390 | 57,752 | | | |
| Total Operating and Capital Legal Fees | \$ 1,832,617 | \$ 1,522,676 | \$ 1,949,021 | | | |
| Deferred Compensation: | | | | | | |
| Bond Counsel: | | | | | | |
| Alexander Bowie a Law Corp | - | - | - | \$ 185 to \$ 220 | Bond counsel | Counsel in connection with the issuance of GO bonds and COP |
| Lewis Brisbois Bisgaard & Smith LLP | - | - | - | n/a | Bond counsel | Counsel in connection with the issuance of GO bonds and COP |
| Stradling Yocca Carlson & Rauth | 25,000 | 27,500 | 45,000 | n/a | Bond counsel | Counsel in connection with the issuance of GO bonds and COP |
| Non-operating Legal Fees Total | \$ 74,548 | \$ 57,500 | \$ 45,000 | | | |

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September 3, 2024

Prepared by: V. Li / D. Pardee / C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2023-24 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements for Fiscal Year (FY) 2023-24. Operating net revenue was \$177.3 million and total system operating expenses were \$179.3 million resulting in net operating loss of approximately \$2.0 million. Although the operating budget anticipated a \$7.2 million contribution from the Rate Stabilization Fund, no contribution was made. Consolidated expenses, including capital, was \$202.5 million and \$18.1 million favorable compared to budget. Non-operating net income was \$126.1 million and \$34.8 million favorable compared to budget.

BACKGROUND:

Details of unaudited actual results for FY 2023-24 are provided in the following documents:

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

Summary of Operating Revenues and Expenses:

Net revenues were \$177.3 million and operating expenses were \$179.3 million resulting in a net operating loss for FY 2023-24 of \$2.0 million. Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system for FY 2023-24. A summary by system is outlined below.

Potable Water System:

Net revenues were below budget by \$6.6 million and total expenses were below budget by \$5.3 million. Potable Water System sales were 2,652 AF and \$1.2 million below budget, primarily due to recent heavy rainfall, cooler temperatures, use of native water, and ongoing conservation efforts.

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

- Salaries and benefits (\$1.3 M);
- Water (\$1.2 M);
- Electricity (\$1.1 M); and
- All other expenses (1.4 M).

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

Recycled Water System:

Net revenues were below budget by \$9.9 million and total expenses were below budget by \$10.2 million. Recycled Water System sales were 5,698 AF and \$4.6 million below budget, primarily due to recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

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

- Salaries and benefits (\$1.5 M);
- Water (\$4.6 M);
- Electricity (\$2.7 M); and
- All other expenses (\$1.5 M).

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

Sewer System:

Net revenues were below budget by \$3.6 million and total expenses were below budget by \$3.8 million. Sewer System fixed service charges were below budget by \$1.0 million.

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

- Salaries and benefits (\$2.1 M);
- Electricity (\$0.8 M);
- All other repairs and maintenance (\$0.6 M); and
- All other expenses (\$2.2 M).

Repairs and Maintenance – OC San expenses exceeded the allocated budget by \$2.0 million.

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

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

Net revenues were below budget by \$3.6 million and total expenses were below budget by \$2.4 million. Over-allocation revenue was below budget by \$3.6 million.

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

- Salaries and benefits (\$1.1 M), and
- All other expenses (\$1.4 M).

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

Exhibit “B” includes a summary of actual versus budgeted expenses by major category, including capital, for FY 2023-24. Net operating expenses were \$202.5 million, which is \$18.1 million below budget. Additional information is provided in Exhibit “B-2”. Salary and employee benefits information is provided in Exhibit “B-3”.

Summary of Non-Operating Revenues and Expenses:

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

The non-operating net income was \$126.1 million, which was favorable to budget by \$34.8 million. Revenues were over budget by \$30.2 million and expenses were below budget by \$4.6 million.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

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

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Exhibit "A"
Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24
(in thousands)

| Consolidated | | | |
|---|-------------------|-------------------|--------------------|
| Revenues: | Actual | Budget | Variance |
| Commodity | \$ 91,118 | \$ 106,540 | \$ (15,422) |
| Fixed Service Charges and Other | 119,406 | 121,255 | (1,849) |
| Rate Stabilization | - | 7,182 | (7,182) |
| Total Revenues | \$ 210,524 | \$ 234,977 | \$ (24,453) |
| Contribution to Enhancement and Replacement Funds | (33,263) | (34,010) | 747 |
| Net Revenues | \$ 177,261 | \$ 200,967 | \$ (23,706) |
| Expenses: | | | |
| Salaries and Benefits | \$ 46,794 | \$ 52,796 | \$ 6,002 |
| Water | 47,166 | 52,983 | 5,817 |
| Electricity | 22,880 | 27,781 | 4,901 |
| Repairs and Maintenance - OC San Sewer | 6,162 | 4,207 | (1,955) |
| All Other Repairs and Maintenance | 14,327 | 14,827 | 500 |
| All Other Operating Expense | 41,922 | 48,373 | 6,451 |
| Total Expenses | \$ 179,251 | \$ 200,967 | \$ 21,716 |
| Net Operating Income (Loss) | \$ (1,990) | \$ - | \$ (1,990) |

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

Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24
(in thousands)

| Potable (treated and untreated systems) | | | |
|---|-------------------|-------------------|-------------------|
| Revenues: | Actual | Budget | Variance |
| Commodity | \$ 57,139 | \$ 60,063 | \$ (2,924) |
| Fixed Service Charges and Other | 45,508 | 45,409 | 99 |
| Rate Stabilization | - | 3,894 | (3,894) |
| Total Revenues | \$ 102,647 | \$ 109,366 | \$ (6,719) |
| Contribution to Enhancement and Replacement Funds | (9,382) | (9,456) | 74 |
| Net Revenues | \$ 93,265 | \$ 99,910 | \$ (6,645) |
| Expenses: | | | |
| Salaries and Benefits | \$ 18,602 | \$ 19,920 | \$ 1,318 |
| Water | 43,866 | 45,072 | 1,206 |
| Electricity | 14,224 | 15,307 | 1,083 |
| Repairs and Maintenance | 5,021 | 5,372 | 351 |
| All Other Operating Expense | 12,849 | 14,239 | 1,390 |
| Total Expenses | \$ 94,562 | \$ 99,910 | \$ 5,348 |
| Net Operating Income (Loss) | \$ (1,297) | \$ - | \$ (1,297) |

Revenues:

Commodity Revenue was below budget by \$2.9M due to:

- Substantial rainfall combined with ongoing conservation efforts contributed to a decrease in residential and landscape sales.
- Decrease in sales was partially offset by increased water banking income of \$1.1M.

Expenses:

Salaries and Benefits expenses were below budget by \$1.3M due to:

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

Water expense was below budget by 1.2M due to:

- The use of native water reduced the more expensive untreated water import purchases.
- There was an increase in the sale of native water to Baker and recycled water system.

Electricity expense was below budget by \$1.1M due to:

- Potable Treatment Plant (PTP) pumping was reduced due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) remained offline through Q4.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.

All Other Operating Expense was below budget by \$1.4M due to:

- The entire Baker reimbursement was allocated to the potable system. The reimbursements exceeded the budgeted amount due to unplanned compensation for Irvine Lake water.
- Increase in Baker reimbursement was partially offset by increased chemical expenses.

**Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24**

| Potable (treated and untreated systems) | | | | | | |
|---|----------------|---------------|--------------|--------------------|----------------|-----------------|
| | Acre Feet (AF) | | | Cost (in Millions) | | |
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Treated | | | | | | |
| Pumped | 41,240 | 44,500 | 3,260 | \$26.2 | \$27.8 | \$1.6 |
| Imported | 6,184 | 6,526 | 342 | 10.4 | 10.4 | 0.0 |
| Baker Treatment Plant (Baker) | 7,294 | 7,200 | (94) | 9.4 | 6.9 | (2.5) |
| Total Treated | 54,718 | 58,226 | 3,508 | 46.0 | 45.1 | (0.9) |
| Untreated | | | | | | |
| Native Water | 6,671 | 3,000 | (3,671) | 2.3 | 1.1 | (1.2) |
| Imported | 163 | 2,691 | 2,528 | 0.6 | 4.4 | 3.8 |
| Baker ILP | (3,983) | - | 3,983 | (3.1) | - | 3.1 |
| Transfer to Recycled | (1,916) | (5,590) | (3,674) | (1.9) | (5.5) | (3.6) |
| Evaporation | (284) | - | 284 | - | - | - |
| Total Untreated | 651 | 101 | (550) | (2.1) | - | 2.1 |
| Total | 55,369 | 58,327 | 2,958 | \$ 43.9 | \$ 45.1 | \$ 1.2 |
| Process Waste and System Loss | (4,439) | (4,745) | (306) | | | |
| Sales/Cost of Sales | 50,930 | 53,582 | 2,652 | \$ 43.9 | \$ 45.1 | \$ 1.2 |
| Baker Partners Reimbursement | (3,022) | | | 2.5 | | (2.5) |
| Total | | | | \$ 46.4 | \$ 45.1 | \$ (1.2) |

Pumped Water usage and costs were below budget by \$1.6M due to:

- Potable Treatment Plant (PTP) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q4.
- Costs include basin equity adjustment (BEA) from FY 2022-23.

Native Water usage and cost were over budget by \$1.2M due to:

- Availability was higher than budget and used to supply the recycled system and Baker.

Untreated Imported water usage and costs were below budget by \$3.8M due to:

- Reduction in water transferred to the Recycled System due to decreased demand.
- Imported water replaced less expensive native water.

Sales/Cost of Sales were below budget by \$1.2M due to:

- Sales were below budget as a result of recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

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

Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24
(in thousands)

| Recycled | | | |
|---|------------------|------------------|-------------------|
| Revenues: | Actual | Budget | Variance |
| Commodity | \$ 20,372 | \$ 29,302 | \$ (8,930) |
| Fixed Service Charges and Other | 8,773 | 9,765 | (992) |
| Total Revenues | \$ 29,145 | \$ 39,067 | \$ (9,922) |
| Contribution to Enhancement and Replacement Funds | (1,231) | (1,271) | 40 |
| Net Revenues | \$ 27,914 | \$ 37,796 | \$ (9,882) |
| Expenses: | | | |
| Salaries and Benefits | \$ 7,558 | \$ 9,046 | \$ 1,488 |
| Water | 3,300 | 7,911 | 4,611 |
| Electricity | 5,856 | 8,616 | 2,760 |
| Repairs and Maintenance | 1,513 | 1,359 | (154) |
| All Other Operating Expense | 9,419 | 10,864 | 1,445 |
| Total Expenses | \$ 27,646 | \$ 37,796 | \$ 10,150 |
| Net Operating Income (Loss) | \$ 268 | \$ - | \$ 268 |

Revenues:

Commodity Revenue was below budget by \$8.9M due to:

- Decrease in landscape and agricultural sales resulting from recent heavy rainfall, cooler temperatures, and ongoing conservation efforts (5,698 AF below budget).
- The cost of supplying recycled water to the Green Acres Project was not charged back but covered by IRWD (3,617 AF).

All Other Revenue was below budget by \$1.0M due to:

- Pumping surcharge revenue was lower due to reduced demand.

Expenses:

Salaries and Benefits were below budget by \$1.5M due to:

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

Water expense was below budget by \$4.6M due to:

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

Electricity expense was below budget by \$2.8M due to:

- El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.
- Delayed billing from Edison. Staff is working with Edison to receive updated bills.

All Other Operating Expense was below budget by \$1.4M due to:

- Lower cost of chemicals due to decreased production at LAW RP and reduced demand for recycled water.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

**Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24**

| Recycled | | | | | | |
|-------------------------------|-----------------------|---------------|-----------------|---------------------------|---------------|-----------------|
| | Acre Feet (AF) | | | Cost (in Millions) | | |
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Produced/ Storage | 24,214 | 25,640 | 1,426 | \$ - | \$ - | \$ - |
| Untreated Supplemental | 1,916 | 5,590 | 3,674 | 1.9 | 5.5 | 3.6 |
| Pumped | 2,257 | 3,800 | 1,543 | 1.4 | 2.4 | 1.0 |
| Total | 28,387 | 35,030 | 6,643 | \$ 3.3 | \$ 7.9 | \$ 4.6 |
| Process Waste and System Loss | (1,142) | (2,087) | (945) | | | |
| Sales/Cost of Sales | 27,245 | 32,943 | 5,698 | \$ 3.3 | \$ 7.9 | \$ 4.6 |

Untreated Supplemental was below budget by \$3.6M due to:

- Supplemental water usage and cost were below budget due to reduced demand.

Pumped water usage and cost were below budget by \$1.0M due to:

- El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections.

Sales/Cost of Sales were below budget by \$4.6M due to:

- Reduced agricultural and landscape demands recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24
(in thousands)

| Sewer | | | |
|---|------------------|------------------|-------------------|
| Revenues: | Actual | Budget | Variance |
| Fixed Service Charges and Other | \$ 65,125 | \$ 66,081 | \$ (956) |
| Rate Stabilization | - | 3,288 | (3,288) |
| Total Revenues | 65,125 | 69,369 | (4,244) |
| Contribution to Enhancement and Replacement Funds | (22,650) | (23,283) | 633 |
| Net Revenues | \$ 42,475 | \$ 46,086 | \$ (3,611) |
| Expenses: | | | |
| Salaries and Benefits | \$ 15,762 | \$ 17,909 | \$ 2,147 |
| Electricity | 2,583 | 3,409 | 826 |
| Repairs and Maintenance - OC San | 6,162 | 4,207 | (1,955) |
| All Other Repairs and Maintenance | 4,220 | 4,857 | 637 |
| All Other Operating Expense | 13,517 | 15,704 | 2,187 |
| Total Expenses | \$ 42,244 | \$ 46,086 | \$ 3,842 |
| Net Operating Income (Loss) | \$ 231 | \$ - | \$ 231 |

Revenues:

Fixed Service Charges and Other (\$1.0M) and Fund Contributions (\$0.6M) were below budget due to:

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

Expenses:

Salaries and Benefits were below budget by \$2.2M due to:

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

Electricity expense was below budget by \$0.8M due to:

- Delayed billing from Edison. Staff is working with Edison to receive updated bills.

Repairs and Maintenance - OC San were over budget by \$1.9M due to:

- Unexpected heavy rainfall resulted in a significantly higher volume of sewage being directed to OC San.

All Other Repairs and Maintenance were below budget by \$0.6M due to:

- Allocated Customer Service and Building Maintenance expenses were below expectations.

All Other Operating Expense were below budget by \$2.2M due to:

- Reduction in chemicals costs resulting from process optimization and timing of purchases.
- Equipment Usage is applied based on salaries which was below budget as described above.
- Allocated G&A Expense was applied based on salaries which was below budget as described above.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

Actual vs Budget Operating Net Income by System
Fiscal Year 2023-24
(in thousands)

| Conservation, NTS and Water Banking (Over-Allocation Fund) | | | |
|---|-------------------|------------------|-------------------|
| Revenues: | Actual | Budget | Variance |
| Commodity | \$ 13,607 | \$ 17,175 | \$ (3,568) |
| Total Revenues | 13,607 | 17,175 | (3,568) |
| <hr/> | | | |
| Contribution to Enhancement and Replacement Funds | - | - | - |
| Net Revenues | \$ 13,607 | \$ 17,175 | \$ (3,568) |
| <hr/> | | | |
| Expenses: | | | |
| Salaries and Benefits | \$ 4,872 | \$ 5,921 | \$ 1,049 |
| Electricity | 217 | 449 | 232 |
| Repairs and Maintenance | 3,573 | 3,239 | (334) |
| All Other Operating Expense | 6,137 | 7,566 | 1,429 |
| Total Expenses | \$ 14,799 | \$ 17,175 | \$ 2,376 |
| Net Operating Income (Loss) | \$ (1,192) | \$ - | \$ (1,192) |

Revenues:

Commodity Revenue was below budget by \$2.1M due to:

- Potable and recycled over-allocation sales were below budget as a result of recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

Expenses:

Salaries and Benefits expenses were below budget by \$1.1M due to:

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

All Other Operating Expense was below budget by \$1.4M due to:

- Professional fees were below budget due to the timing of planned work and expense recognition.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

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Exhibit "B"

| Irvine Ranch Water District | | | | |
|---------------------------------------|-------------------|-------------------|-------------------------|------------------------|
| Operating Expenses | | | | |
| (in thousands) | | | | |
| Fiscal Year 2023-24 | | | | |
| Expense Name | Actual | Budget | Actual vs Budget | Act Vs Budget % |
| Regular Labor | \$ 39,812 | \$ 44,490 | \$ 4,678 | 10.5% |
| Overtime Labor | 3,742 | 3,572 | (170) | -4.8% |
| Contract Labor | 1,233 | 1,572 | 339 | 21.6% |
| Employee Benefits | 30,916 | 30,753 | (163) | -0.5% |
| Salaries & Benefits Total | \$ 75,703 | \$ 80,388 | \$ 4,685 | 5.8% |
| Water | 47,166 | 52,983 | 5,817 | 11.0% |
| Electricity | 23,384 | 28,386 | 5,002 | 17.6% |
| Fuel | 1,260 | 1,445 | 185 | 12.8% |
| Telecommunication | 1,000 | 929 | (71) | -7.6% |
| Other Utilities | 408 | 330 | (78) | -23.7% |
| Water & Utilities Total | \$ 73,218 | \$ 84,073 | \$ 10,855 | 12.9% |
| Chemicals | 8,459 | 8,208 | (251) | -3.1% |
| Operating Supplies | 4,238 | 3,110 | (1,128) | -36.3% |
| Printing | 389 | 370 | (19) | -5.0% |
| Postage | 523 | 491 | (32) | -6.6% |
| Permits, Licenses and Fees | 2,289 | 2,200 | (89) | -4.1% |
| Office Supplies | 81 | 103 | 22 | 21.2% |
| Duplicating Equipment | 48 | 128 | 80 | 62.5% |
| Equipment Rental | 97 | 92 | (5) | -5.4% |
| Materials & Supplies Total | \$ 16,124 | \$ 14,701 | \$ (1,423) | -9.7% |
| Rep & Maint OC SAN & Others | 7,182 | 5,361 | (1,821) | -34.0% |
| Rep & Maint IRWD | 15,177 | 15,606 | 429 | 2.7% |
| Insurance | 2,955 | 3,252 | 297 | 9.1% |
| Legal Fees | 2,395 | 3,163 | 768 | 24.3% |
| Engineering Fees | 913 | 1,051 | 138 | 13.1% |
| Accounting Fees | 96 | 106 | 10 | 9.4% |
| Data Processing | 4,486 | 4,331 | (155) | -3.6% |
| Personnel Training | 1,424 | 1,804 | 380 | 21.1% |
| Personnel Physicals | 28 | 44 | 16 | 36.2% |
| Other Professional Fees | 6,092 | 7,061 | 969 | 13.7% |
| Directors' Fees | 155 | 190 | 35 | 18.4% |
| Professional Services Total | \$ 40,903 | \$ 41,968 | \$ 1,065 | 2.5% |
| Election Expense | 60 | 60 | - | 0.0% |
| Safety | 86 | 112 | 26 | 23.5% |
| Alarm and Patrol Services | 921 | 1,039 | 118 | 11.4% |
| Biosolids Disposals | 1,053 | 1,054 | 1 | 0.1% |
| Contract Meter Reading | 1,512 | 1,630 | 118 | 7.2% |
| Over-Allocation | 767 | 1,040 | 273 | 26.2% |
| Other | 570 | 559 | (11) | -1.9% |
| Other Total | \$ 4,969 | \$ 5,495 | \$ 526 | 9.6% |
| Total Expenses | \$ 210,917 | \$ 226,624 | \$ 15,707 | 6.9% |
| Less: Reimbursement from Partners | (8,380) | (5,956) | 2,424 | 40.7% |
| Grand Total | \$ 202,537 | \$ 220,668 | \$ 18,131 | 8.2% |

**Irvine Ranch Water District
Operating Expenses
Fiscal Year 2023-24**

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

Regular Labor is below budget by \$4.7M.

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

Water is below budget by \$5.8M.

- The use of native water reduced the more expensive untreated import water purchases.
- Substantial rainfall combined with ongoing conservation efforts resulted in reduced demands.
- Potable Treatment Plant (PTP) and El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q4.
- Compensation from the Baker Partners is reflected in the reimbursements from Partners.
- Costs include basin equity adjustment (BEA) from FY 2022-23.

Electricity is below budget by \$5.0M.

- Reduction in sales demand resulted in reduced pumping and lower electricity costs.
- Potable Treatment Plant (PTP) and El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q4.
- Delayed billing from Edison. Staff is working with Edison to receive updated bills.

Operating Supplies are over budget by 1.1M.

- Additional inventory costs were expensed throughout the year, with a significant increase in expenses recognized during the fourth quarter.

Repair and Maintenance OC San & Others are over budget by \$1.8M.

- This was primarily due to heavy rainfall, which led to a higher-than-expected volume of sewage being sent to OC San.

Legal Fees is below budget by \$0.8M.

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

Other Professional Fees are below budget by \$1.0M.

- Professional fees were under budget due reduced expenditures across several departments.

Reimbursement from Partners

- Reimbursements were higher mostly due to unbudgeted compensation for Irvine Lake water.

Irvine Ranch Water District
Salary and Employee Benefits Summary
Fiscal Year 2023-24
(in thousands)

| Expense Name | Actual | Budget | Actual vs Budget |
|---|---------------|---------------|-------------------------|
| District Labor Cost (2,080 hours) | \$ 45,055 | \$ 47,954 | \$ 2,899 |
| Paid Time Off Net Accrual | 189 | 611 | 422 |
| PERS Contribution and in Excess of ARC | 12,026 | 13,583 | 1,557 |
| Employee Medical (health, dental, vision) | 8,361 | 7,838 | (523) |
| Retiree Benefits | 804 | 1,069 | 265 |
| 401A Contributions | 1,478 | 1,516 | 38 |
| Workers Compensation (Premiums and Claims) | 1,221 | 1,475 | 254 |
| Other Employer Taxes (medicare, employment) | 725 | 741 | 16 |
| | Actual | Budget | Variance |
| General & Administrative Expense Allocation | 188% | 107% | -80% |

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Exhibit "C"
Irvine Ranch Water District
Non-Operating Net Income
Fiscal Year 2023-24
(in thousands)

| | Actual | Budget | Actual vs Budget |
|-----------------------|-------------------|-------------------|------------------|
| Revenues: | | | |
| Property Taxes | \$ 81,800 | \$ 78,600 | \$ 3,200 |
| Investment Income* | 15,690 | 11,200 | 4,490 |
| Connection Fees | 26,902 | 12,000 | 14,902 |
| Real Estate Income | 20,680 | 19,700 | 980 |
| Other Income | 13,628 | 7,000 | 6,628 |
| Total Revenues | \$ 158,700 | \$ 128,500 | \$ 30,200 |
| Expenses: | | | |
| Interest Expense | \$ 23,143 | \$ 27,900 | \$ 4,757 |
| Real Estate Expense | 8,032 | 7,800 | (232) |
| Other Expenses | 1,408 | 1,500 | 92 |
| Total Expenses | \$ 32,584 | \$ 37,200 | \$ 4,616 |
| Net Income | \$ 126,117 | \$ 91,300 | \$ 34,817 |

Revenues:

Property Taxes were over budget.

Ad valorem was higher than anticipated due to higher assessed values.

Investment Income was over budget.

Investment rates and average balances were higher than budgeted.
(\$314 million at 3.63% vs actual \$375 million at 4.18%).

Connection Fees were over budget.

The surge in connections fees from Q2 and Q4 is driven by recent redevelopment by the Irvine Company, Lennar Corporation, and Trilogy Gardens, LLC.

Real Estate Income was over budget.

Over budget due to the overall higher-than-budgeted rents from Sycamore Canyon.

Other Income was over budget.

- Syphon grant was \$3.4M and exceeded budgeted by \$2.4M
- Unbudgeted native water revenue was \$1.5M.
- Unbudgeted California Extended Water and Wastewater Arrearage Payment Program (CWWAPP) grant came in at \$1.2M.
- Plan checks exceeded budget by \$1.4M.

Expenses:

Interest Expense was under budget.

Lower-than-expected expenses related to cost of issuance (no issuance or refunding)

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

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Agenda Item 12.B

The following information relates to two of three claims referenced on the agenda item 12.B, Closed Session Conference with Legal Counsel on Anticipated Litigation.

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IRVINE RANCH WATER DISTRICT CLAIM FORM

INSTRUCTIONS: Please complete this form and submit with attachments to Irvine Ranch Water District, Risk Manager, 15600 Sand Canyon Avenue, Irvine, CA 92618.

Name of Claimant: Lakeshore Landlessee PT, LLC Phone: 949.955.5253 work email: jbrand@sentre.com

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

1. Date and time of incident: February 21, 2024 at approximately 7:45 am.
2. Location of incident: On the Lakeshore property between the Il Fornaio restaurant (18051 Von Karman Avenue, Irvine, CA) and the 18-Story Office Building (18101 Von Karman Avenue, Irvine, CA).
3. How did this incident occur? (Give complete information) an IRWD valve failed.

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

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

6. What is the approximate amount of damage sustained? See attached tracking sheet of invoices paid to date as well as projected expenses (estimate).

(Please give the amount claimed as of the date of presentation of the claim, including the estimated amount of any injury, damage or loss, insofar as it may be known at the time of presentation of this claim, together with the basis of computation of the amount claimed, with invoices or estimates, if appropriate.)

7. Were the police at the scene? Yes No

8. Was a report filed? Yes No (If yes, please attach a copy of the police report if available.)

9. Please attach all receipts, invoices or estimates and photographs related to this incident.

I hereby certify under penalty of perjury that the facts hereinabove set forth are true and correct to the best of my knowledge.

Signature of Claimant or Representative of Claimant: [Signature]

Date: 2/15/2024

ADVISORY

Section 72 of the Penal Code provides that "every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or district board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is punishable either by imprisonment, by a fine, or both".



RECEIVED

MAY 06 2024

FINANCE
IRVINE RANCH WATER DISTRICT

IRVINE RANCH WATER DISTRICT CLAIM FORM

INSTRUCTIONS: Please complete this form and submit with attachments to Irvine Ranch Water District, Risk Manager, 15600 Sand Canyon Avenue, Irvine, CA 92618.

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

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

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

2. Location of incident: Property Parking garage

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

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

5. Give the name(s) of the public employee(s) causing the injury, damage, or loss, if known: _____

6. What is the approximate amount of damage sustained? \$77,577.50
(Please give the amount claimed as of the date of presentation of the claim, including the estimated amount of any injury, damage or loss, insofar as it may be known at the time of presentation of this claim, together with the basis of computation of the amount claimed, with invoices or estimates, if appropriate.)

7. Were the police at the scene? Yes No

8. Was a report filed? Yes No (If yes, please attach a copy of the police report if available.)

9. Please attach all receipts, invoices or estimates and photographs related to this incident.

I hereby certify under penalty of perjury that the facts hereinabove set forth are true and correct to the best of my knowledge.

Signature of Claimant or Representative of Claimant _____

Date: 5/2/24

ADVISORY

Section 72 of the Penal Code provides that "every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or district board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is punishable either by imprisonment, by a fine, or both".