

AGENDA
 IRVINE RANCH WATER DISTRICT
 FINANCE AND PERSONNEL COMMITTEE MEETING
 MONDAY, FEBRUARY 3, 2025

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

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

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m4a91a85b81a5f90ca03a93b978f165d4>
 Meeting number (access code): 2492 243 0756
 Meeting password: JcZnd5Ddt23

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

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

CALL TO ORDER 12:00 p.m.

ATTENDANCE Committee Chair: Peer Swan _____
 Alt. Committee Member: Doug Reinhart _____

ALSO PRESENT

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 Monday, February 3, 2025.

COMMUNICATIONS

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

INFORMATION

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

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

Recommendation: Receive and file.
7. EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER PAID THROUGH THE SECOND QUARTER OF FISCAL YEAR 2024-25 – PULLES / ADLY

Recommendation: Receive and file.
8. FISCAL YEAR 2024-25 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – LI / SMITHSON / ADLY

Recommendation: Receive and file.
9. MID-YEAR LEGAL EXPENSES SUMMARY – LI / SMITHSON / ADLY

Recommendation: Receive and file.
10. PROPOSED 2025 DEBT ISSUANCE – DAVIS / ADLY

Recommendation: That the Board authorize staff to cause the issuance of fixed and/or variable rate General Obligation Bonds if market conditions will generate savings and provide sufficient value to refund the 2010 Build America Bonds; cause the LOCs extension for the 2008A and 2009B; LOCs substitution for the 2009A; and defeasance of the Series 1993 bonds; and to retain underwriters, bond counsel, and disclosure counsel as needed for the issuance and LOCs.


OTHER BUSINESS

11. Directors' Comments

12. Adjourn

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

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February 3, 2025
Prepared by: L. Srader
Submitted by: T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND RETENTION REPORT

SUMMARY:

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

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

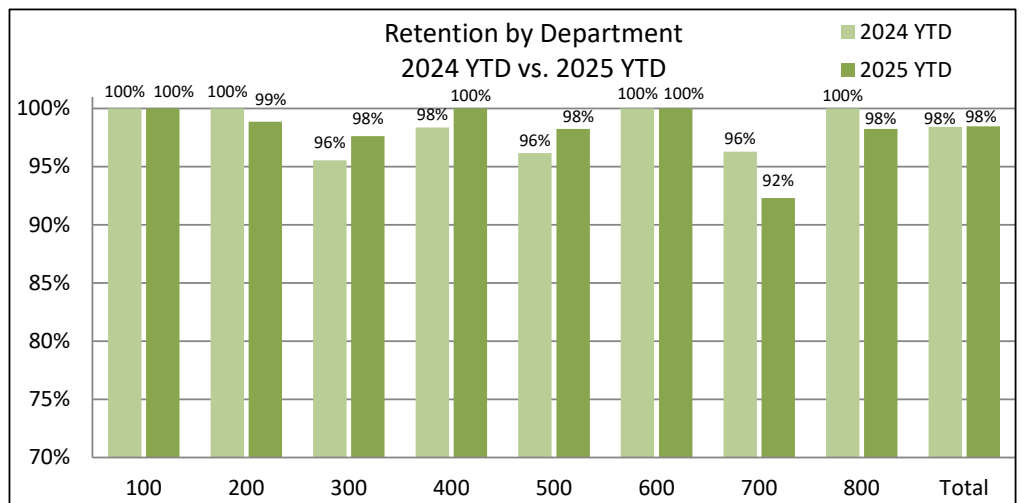
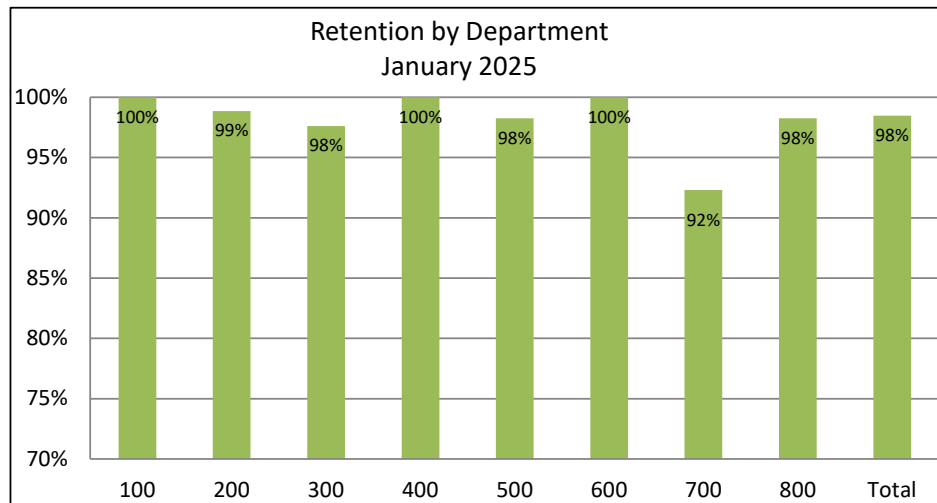
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Report

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

@01/01/25		Current Month Activity							@01/31/25		FY 24/25	Avg FYTD	Avg FYTD	Avg FYTD	Retention	
Dept	Positions	New	Terms		Promo Trnsfr		Lateral Trnsfr		Positions	Positions	Budgeted	Filled Budget	Temp Emp	Total Filled	Current	2025
	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions	Positions	FTE	Positions		
100	23								23	2	25	22	-	22	100%	100%
200	88	1	1				3		91	11	102	85	7	92	99%	99%
300	42		1					3	38	9	47	43	5	48	98%	98%
400	64	1							65	6	71	65	-	65	100%	100%
500	57	2	1						58	8	66	54	2	56	98%	98%
600	34	1							35	-	35	33	3	37	100%	100%
700	26		2						24	3	27	25	1	26	92%	92%
800	57	1	1						57	6	63	56	-	57	98%	98%
Totals	392	6	6	-	-	-	3	3	392	45	436	384	19	403	98%	98%
01/24	381	7	5	-	-	-	2	2	382	42	424	382	18	400	98%	98%



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
JANUARY 2025**

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency
01/06/25	800	Tod Jacobson	Maintenance Mechanic	Orange County Sanitation District
01/06/25	400	Jeremy Scott	Operator III	Serrano Water District
01/13/25	600	Tony Dang	Laboratory Scientist	Behr Paint
01/13/25	200	Celida Quinonez	Senior Accounting Clerk	Edwards Lifesciences
01/13/25	500	Saul Benites	Collection Systems CCTV Technician	Mattucci Plumbing
01/13/25	500	Javier Munoz	Collection Systems Technician I	Pro-Pipe

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
01/02/25	800			VOL	
01/10/25	300			VOL	
01/16/25	700			VOL	
01/20/25	200			VOL	
01/22/25	700			VOL	
01/29/25	500			VOL	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
01/18/25	400	Michael Kulick	Utility Construction Technician Supervisor	400	Construction Services Manager
01/18/25	700	Lauren Hatch	Cross Connection Supervisor	700	Rcycld Water & Cross Conn.Control Mgr

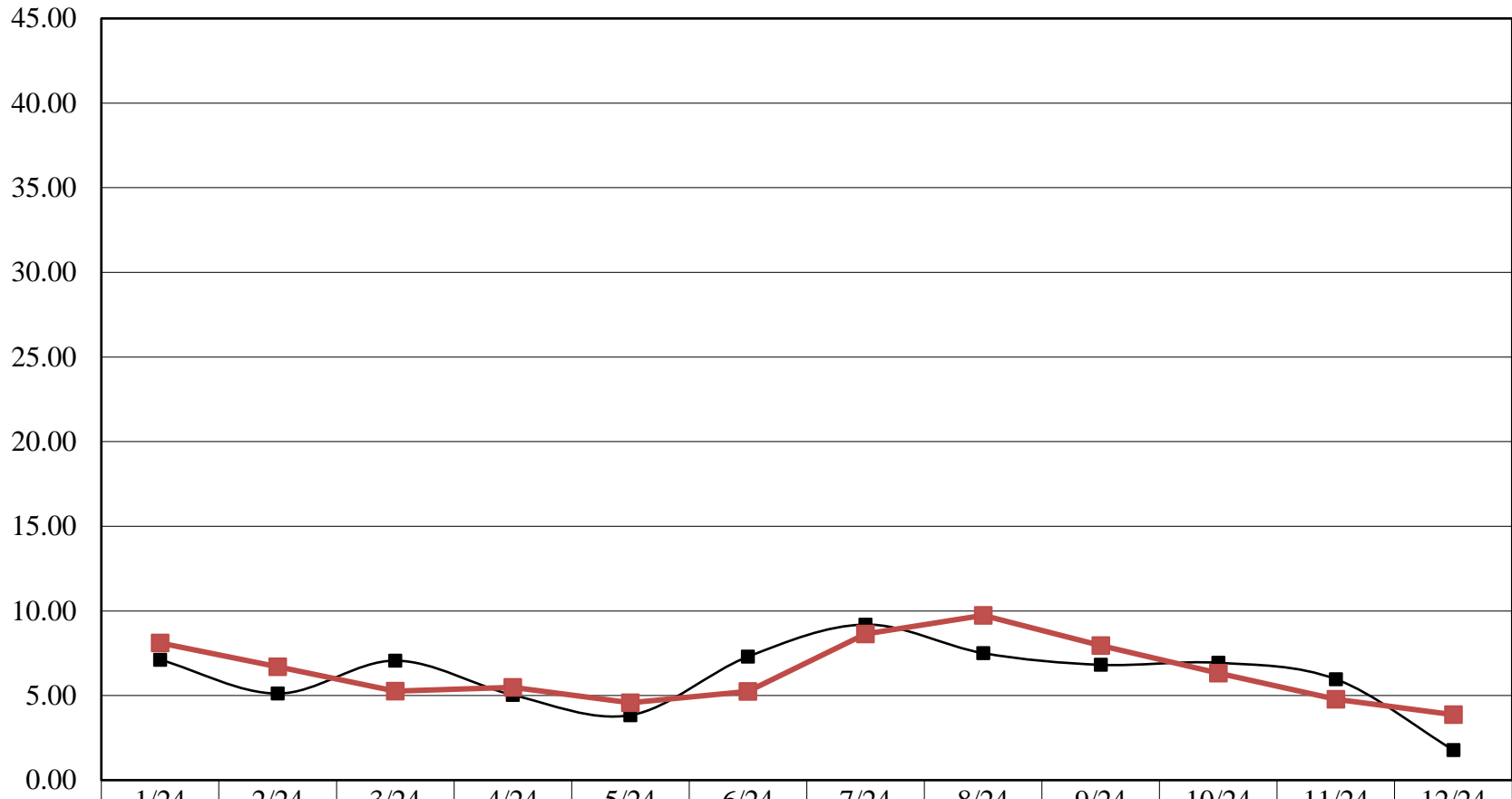
TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

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

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


UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Senior Executive Assistant	U29.N	
100	Human Resources Technician	U25.N	Start Date Pending
200	Data Analyst	U10.E	Recruiting
200	Controller	U21.E	Recruiting
200	Purchasing Manager	U18.E	
200	Accounting Supervisor	U14.E	Recruiting
200	Network Administrator	U35.N	Recruiting
200	Accountant	27.N	Start Date Pending
200	Applications Analyst	U15.E	Recruiting
200	Database Administrator	U15.E	Recruiting
200	GIS Technician	25.N	
200	Cybersecurity Analyst	U18.E	Recruiting
200	GIS Applications Analyst	U15.E	
300	Associate Engineer	U14.E	Interviewing
300	Engineering Manager	U24.E	Recruiting
300	Senior Engineer	U20.E	Interviewing
300	Senior Engineer	U20.E	Interviewing
300	Engineer	U17.E	Interviewing
300	Engineer	U17.E	Interviewing
300	Senior Construction Inspector	31.N	
300	Senior Engineer	U20.E	Recruiting
300	Safety & Security Specialist	U29.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Operator III	30.N	Interviewing
400	Operator II	27.N	
400	Utility Construction Tech Supervisor	S34.N	Recruiting
400	Metering Systems Technician III	26.N	Interviewing
500	Manager of Biosolids & Energy Recovery	U21.E	
500	Operator III	30.N	Interviewing
500	Wetlands Ecologist	29.N	Start Date Pending
500	SCADA Network Administrator	U35.N	Recruiting
500	Automation Supervisor	S36.N	Interviewing
500	Operator III	30.N	Interviewing
500	Process Engineer	U22.E	
500	Collection Systems Tech	15.N	Recruiting
700	Environmental Compliance Analyst	U13.E	Recruiting
700	Water Resources Planner	U13.E	Recruiting
700	Cross Connection Supervisor	S33.N	Recruiting
800	Mechanical Services Manager	U19.E	
800	Asset Systems Supervisor	S36.N	Interviewing
800	Maintenance Mechanic	23.N	Interviewing
800	Senior Vehicle/Equipment Mechanic	28.N	Recruiting
800	Senior Maintenance Mechanic	27.N	Recruiting
800	Electrical & Instrumentation Technician	26.N	Interviewing

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



Temp Total
 Intern Totals

1/24	2/24	3/24	4/24	5/24	6/24	7/24	8/24	9/24	10/24	11/24	12/24
7.12	5.12	7.06	5.03	3.84	7.30	9.19	7.50	6.81	6.93	5.97	1.77
8.11	6.70	5.26	5.48	4.58	5.24	8.64	9.74	7.95	6.32	4.77	3.87

February 3, 2025
Prepared by: J. Davis
Submitted by: N. Adly
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

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

- The Investment Portfolio Summary Report as of January 24, 2024, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of January 24, 2024, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of January 24, 2024, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of January 24, 2024, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the final rate of return for January 2025 is not available. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 4.42%, which was a 0.02% decrease from December's rate of 4.44%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio annualized for January 2025 was 6.42%, which was a 0.11% decrease from December's rate of 6.53%, due to the change in the fixed income average balance from \$384.5 million to \$407.3 million.

Debt Portfolio:

As of January 24, 2024, IRWD's weighted average all-in variable rate for debt was 1.52%, which was a 1.42% decrease from December'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 3.08%, a 0.45% decrease from December's rate of 3.53%. The decrease was due to lower 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 January 24, 2024

Exhibit "B" – Yield Curve as of January 24, 2024

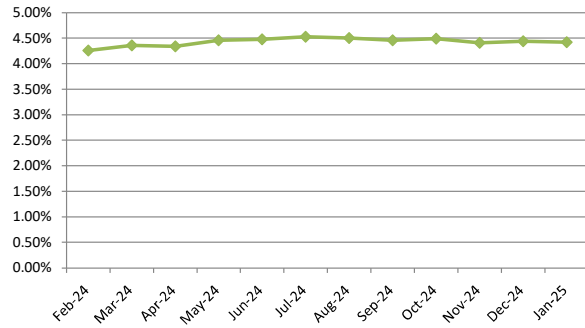
Exhibit "C" – Summary of Fixed and Variable Debt as of January 24, 2024

Exhibit "D" – Summary of Variable Rate Debt Rates as of January 24, 2024

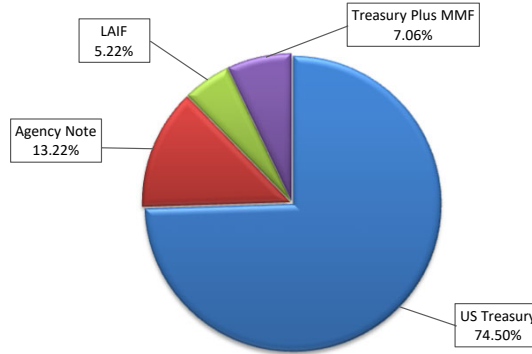
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary January 2025

Monthly Fixed Income Yield



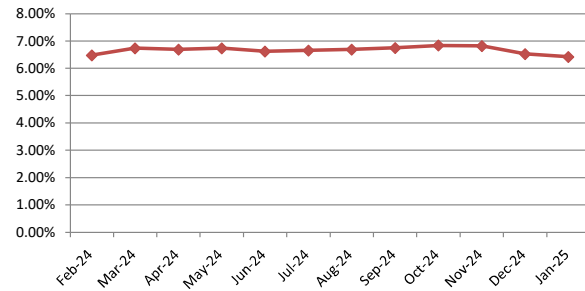
Portfolio Distribution



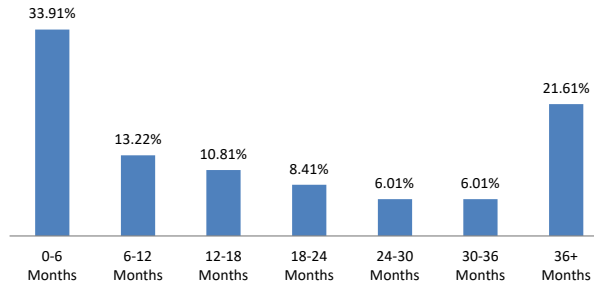
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	310,000,000	306,124,094	305,869,529
Agency Note	55,000,000	54,724,481	54,662,650
Treasury Plus MMF	29,404,066	29,404,066	29,404,066
LAIF	21,700,000	21,700,000	21,744,726
Grand Total	416,104,066	411,952,640	411,680,970

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	310,000,000	74.50%
Fed Farm Credit Bank	30,000,000	7.21%
Wells Fargo / Allspring	29,404,066	7.06%
State of California Tsy.	21,700,000	5.22%
Fed Home Loan Mortgage Corp	15,000,000	3.61%
Fed Home Loan Bank	10,000,000	2.40%
Grand Total	416,104,066	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

01/24/25

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 1/24/2025	UNREALIZED ⁽²⁾ GAIN/(LOSS)
11/27/24			01/25/25		LAIF	State of California Tsy.	\$21,700,000.00		4.360%	\$21,700,000.00	\$21,700,000.00	21,744,725.52	44,725.52
01/24/25			01/25/25		Treasury Plus MMF	Wells Fargo / Allspring	29,404,065.84		4.230%	29,404,065.84	29,404,065.84	29,404,065.84	0.00
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	5,000,000.00	4,992,550.00	(7,450.00)
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	10,000,000.00	9,985,100.00	(14,900.00)
02/07/23	NA	NA	02/14/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.750%	4.500%	4,737,350.00	4,995,373.37	4,983,700.00	(11,673.37)
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	4,994,519.89	4,987,400.00	(7,119.89)
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	4,998,557.51	4,998,600.00	42.49
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	4,985,995.66	4,974,800.00	(11,195.66)
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	19,994,012.95	19,979,600.00	(14,412.95)
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	5,000,323.04	4,997,600.00	(2,723.04)
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	9,951,121.70	9,947,210.00	(3,911.70)
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	4,982,279.91	4,974,450.00	(7,829.91)
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	4,981,365.13	4,972,500.00	(8,865.13)
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	4,998,467.47	4,997,250.00	(1,217.47)
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	4,998,265.06	4,997,250.00	(1,015.06)
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	9,918,890.06	9,935,500.00	16,609.94
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	10,000,200.00	200.00
11/15/24	NA	NA	08/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	5.000%	4.452%	5,020,703.13	5,015,115.43	5,024,150.00	9,034.57
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	9,773,764.79	9,725,100.00	(48,664.79)
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	4,998,379.41	5,001,250.00	2,870.59
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	9,816,861.89	9,828,800.00	11,938.11
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	4,977,449.86	4,988,500.00	11,050.14
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	9,895,432.69	9,966,500.00	71,067.31
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	14,918,523.17	14,960,100.00	41,576.83
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	4,971,674.11	5,013,500.00	41,825.89
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	14,916,228.92	14,973,600.00	57,371.08
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	4,976,445.11	5,017,800.00	41,354.89
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	9,966,989.67	10,059,000.00	92,010.33
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	9,974,998.91	10,060,600.00	85,601.09
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	10,061,743.28	10,021,900.00	(39,843.28)
01/31/24	NA	NA	01/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.000%	4.171%	9,952,734.38	9,968,795.94	9,950,000.00	(18,795.94)
12/19/24	NA	NA	02/28/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	1.875%	4.303%	9,496,093.75	9,523,773.99	9,512,100.00	(11,673.99)
11/18/24	NA	NA	03/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.289%	4,995,507.81	4,995,905.58	4,998,250.00	2,344.42
11/08/24	NA	NA	07/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.375%	4.156%	5,027,343.75	5,024,969.68	5,012,300.00	(12,669.68)
01/09/25	NA	NA	08/31/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	3.125%	4.301%	4,854,687.50	4,858,154.50	4,854,687.50	(3,467.00)
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	9,982,759.24	9,959,400.00	(23,359.24)
01/07/25	NA	NA	10/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	3.875%	4.311%	4,943,359.38	4,944,759.99	4,943,359.38	(1,400.61)
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	9,694,165.27	9,769,500.00	75,334.73
12/19/24	NA	NA	02/15/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.750%	4.228%	9,567,187.50	9,583,704.20	9,547,300.00	(36,404.20)
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	4,568,623.38	4,529,100.00	(39,523.38)
01/07/25	NA	NA	05/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.250%	4.363%	4,513,671.88	4,523,476.88	4,513,671.88	(9,805.01)
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	9,914,648.83	9,929,700.00	15,051.17
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	4,841,111.94	4,755,650.00	(85,461.94)
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	9,123,919.26	8,935,900.00	(188,019.26)
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	10,136,638.41	10,178,500.00	41,861.59
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	15,246,827.15	15,004,050.00	(242,777.15)
12/13/24	NA	NA	12/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.750%	4.160%	9,848,437.50	9,853,561.32	9,774,200.00	(79,361.32)
SUB-TOTAL							\$416,104,066			\$408,415,425.27	\$411,952,640.39	\$411,680,970.11	(\$271,670.28)
TOTAL INVESTMENTS							\$416,104,066			\$408,415,425.27	\$411,952,640.39	\$411,680,970.11	(\$271,670.28)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

01/24/25

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 1/24/2025	UNREALIZED ⁽²⁾ GAIN/(LOSS)
					Petty Cash					600.00			
					Ck Balance	Bank of America		ECR	1.42%	2,255,985.17			
					Ck Balance	Wells Fargo		ECR	2.00%	0.00 ⁽⁵⁾			
										<u>\$410,672,010.44</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

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

Outstanding Variable Rate Debt	\$202,300,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$142,300,000
Investment Balance:	\$410,672,010
Investment to Variable Rate Debt Ratio:	289%
Portfolio - Average Number of Days To Maturity	526

	Investment Portfolio	Real Estate ⁽³⁾⁽⁴⁾ Portfolio	Weighted Avg. Return
January	4.42%	14.11%	6.42%
December	4.44%	14.11%	6.53%
Change	-0.02%	0.00%	-0.11%

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

01/24/25

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
1/25	66,104,066	15.89%	\$21,700,000				15,000,000	29,404,066
2/25	10,000,000	2.40%		5,000,000			5,000,000	
3/25	30,000,000	7.21%		5,000,000			25,000,000	
4/25	15,000,000	3.60%		5,000,000			10,000,000	
5/25	10,000,000	2.40%		5,000,000			5,000,000	
6/25	10,000,000	2.40%		10,000,000				
7/25	20,000,000	4.81%		10,000,000			10,000,000	
8/25	5,000,000	1.20%					5,000,000	
9/25	10,000,000	2.40%		10,000,000				
10/25	5,000,000	1.20%					5,000,000	
11/25	10,000,000	2.40%					10,000,000	
12/25	5,000,000	1.20%		5,000,000				
SUB-TOTAL	\$196,104,066	47.13%	\$21,700,000	\$55,000,000			\$90,000,000	\$29,404,066

13 MONTHS - 3+ YEARS								
01/01/2026 - 03/31/2026	\$30,000,000	7.21%					30,000,000	
04/01/2026 - 06/30/2026	\$15,000,000	3.60%					15,000,000	
07/01/2026 - 09/30/2026	\$15,000,000	3.60%					15,000,000	
10/01/2026 - 12/31/2026	\$20,000,000	4.81%					20,000,000	
01/01/2027 - 03/31/2027	\$25,000,000	6.01%					25,000,000	
04/01/2027 - 06/30/2027								
07/01/2027 - 09/30/2027	\$20,000,000	4.81%					20,000,000	
10/01/2027 - 12/31/2027	\$5,000,000	1.20%					5,000,000	
01/01/2028 - 03/30/2028	\$20,000,000	4.81%					20,000,000	
04/01/2028 - 06/30/2028	\$10,000,000	2.40%					10,000,000	
07/01/2028 - 09/30/2028	\$25,000,000	6.01%					25,000,000	
10/01/2028 +	\$35,000,000	8.41%					35,000,000	
SUB-TOTAL	\$220,000,000	52.87%					\$220,000,000	
TOTALS	\$416,104,066	100.00%	\$21,700,000	\$55,000,000			\$310,000,000	\$29,404,066

% OF PORTFOLIO

5.22%

13.22%

74.50%

7.06%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
12/31/2024

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 12/31/2024	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2024
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 45,457,369	\$ 220,000,000	22.42%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 38,420,894	8.61%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,568,747	\$ 10,000,000	9.53%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,983,395	\$ 13,500,000	7.10%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,715,929	\$ 12,000,000	7.84%
Sand Canyon Professional Center - General Office ⁽¹⁾	Sep-20	Office Building	Fee Simple	\$ 31,404,103	\$ 32,000,000	7.69%
Total - Income Properties				\$ 106,129,543	\$ 325,920,894	14.11%

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

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY⁽¹⁾
Jan-25

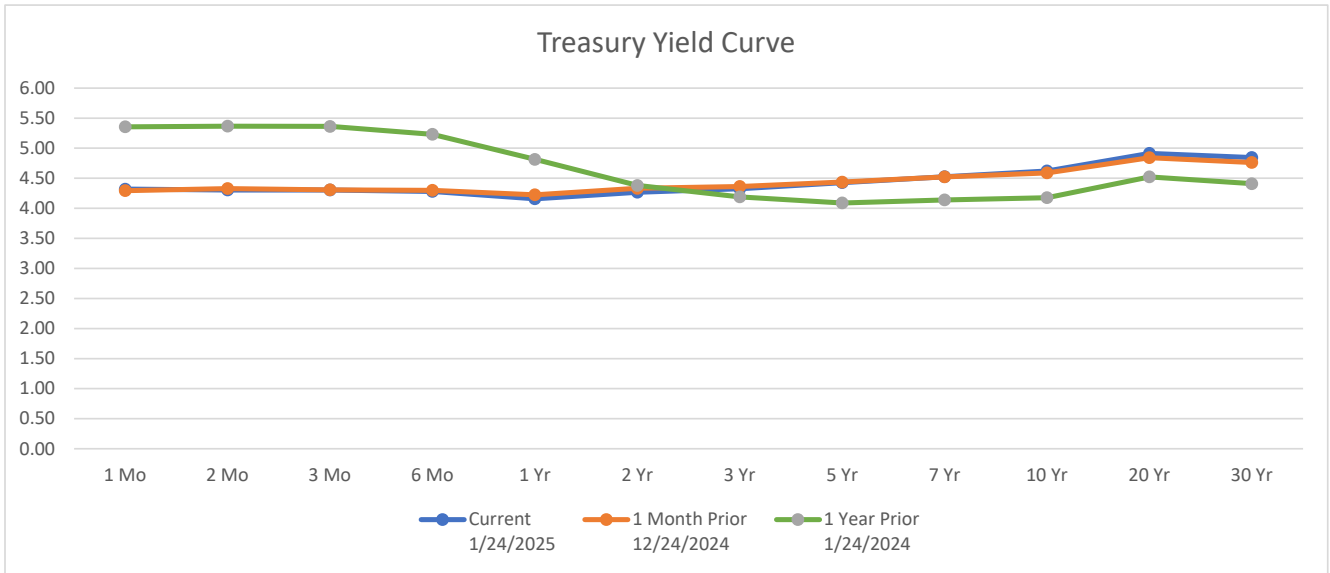
MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
1/15/2025	Treasury - Note	\$5,000,000	4.48%	1/7/2025	10/15/2027	Treasury - Note	\$5,000,000	4.31%
<i>1/31/2025</i>	<i>Treasury - Note</i>	<i>\$5,000,000</i>	<i>4.48%</i>	1/7/2025	5/31/2028	Treasury - Note	\$5,000,000	4.36%
<i>1/31/2025</i>	<i>Treasury - Note</i>	<i>\$10,000,000</i>	<i>5.10%</i>	1/9/2025	8/31/2027	Treasury - Note	\$5,000,000	4.30%

(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"

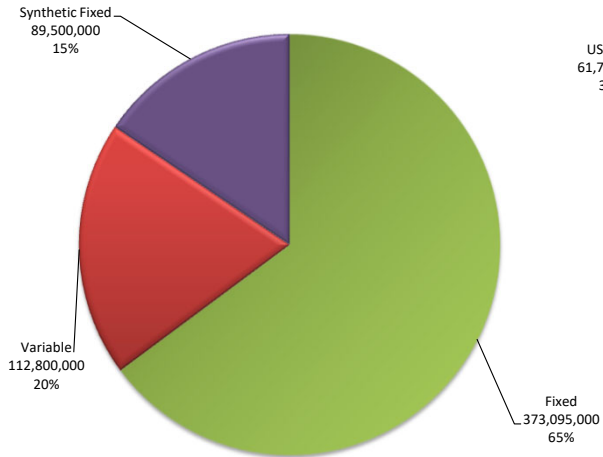


Tenor	Current 1/24/2025	1 Month Prior 12/24/2024	1 Year Prior 1/24/2024
1 Mo	4.32	4.29	5.36
2 Mo	4.31	4.33	5.37
3 Mo	4.31	4.31	5.36
6 Mo	4.28	4.30	5.23
1 Yr	4.16	4.22	4.81
2 Yr	4.27	4.33	4.38
3 Yr	4.33	4.36	4.19
5 Yr	4.43	4.44	4.09
7 Yr	4.53	4.52	4.14
10 Yr	4.62	4.59	4.18
20 Yr	4.91	4.84	4.52
30 Yr	4.85	4.76	4.41

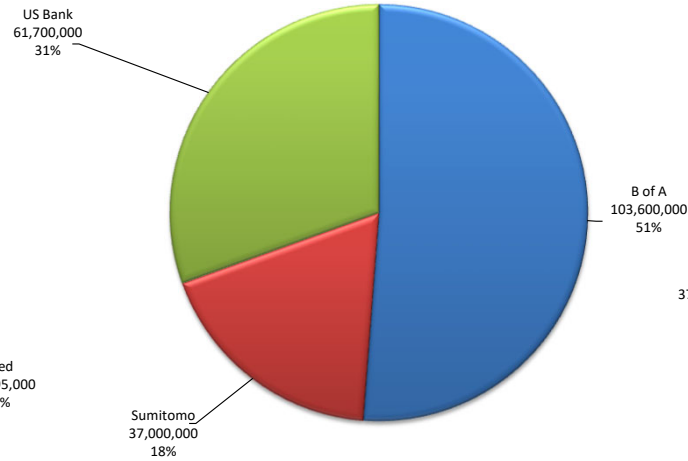
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
January 2025

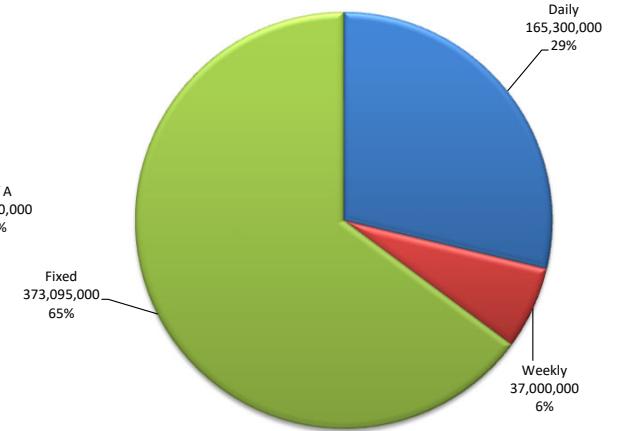
Current Debt Mix By Type



Letters of Credit / Support



Current Debt Rate Reset



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$19,200,000	3.34%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$37,000,000	6.43%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$36,660,000	6.37%	B of A	Goldman	Variable	Daily
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$24,440,000	4.25%	B of A	Goldman	Variable	Daily
Series 2009 - A	06/04/09	10/01/41	\$42,500,000	7.39%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$42,500,000	7.39%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$101,490,000	17.64%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	30.41%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$96,605,000	16.79%	N/A	N/A	Fixed	Fixed
Total			\$575,395,000	100.00%				

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

January-24

Daily
Weekly

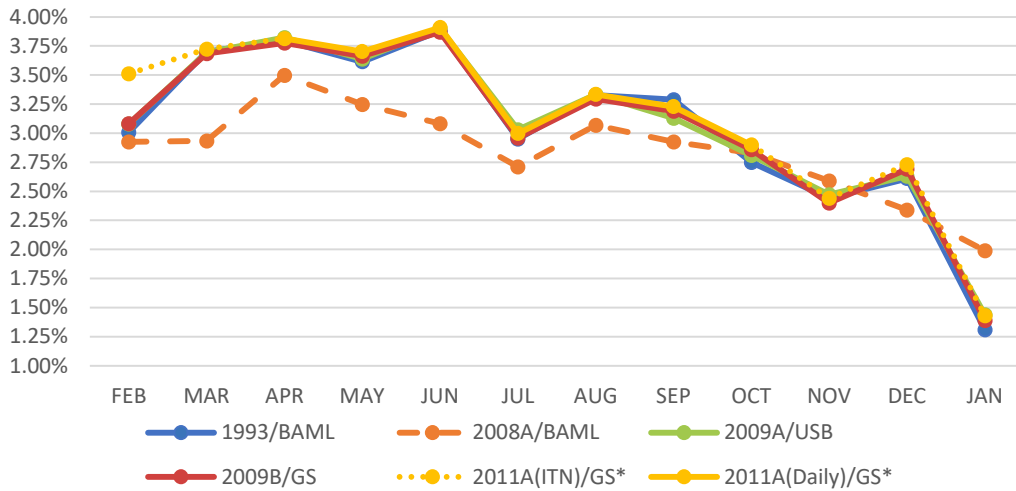
GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION							TRUSTEE INFORMATION								
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODYS	S&P	FITCH	LOC Stated 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	\$36,660,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$37,069,788	0.3200%	\$118,623	Goldman	DAILY	0.07%	\$25,662	BANK OF NY		
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$24,440,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$24,713,192	0.3200%	\$79,082	Goldman	DAILY	0.07%	\$17,108	BANK OF NY		
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$42,500,000	US BANK	04/01/11	05/01/25	Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$42,975,068	0.3000%	\$128,925	US Bank	DAILY	0.07%	\$29,750	US BANK		
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$42,500,000	B of A	04/01/11	04/21/25	Aa2/VMIG 1	A/A-1	A1/F1+	\$42,975,068	0.2800%	\$120,330	Goldman	DAILY	0.07%	\$29,750	US BANK		
\$349,430,000						\$202,300,000	SUB-TOTAL VARIABLE RATE DEBT							\$204,739,321		0.3046%		\$623,612		0.07%		\$147,370
														(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						\$575,395,000	TOTAL- FIXED & VARIABLE RATE DEBT															

Remarketing Agents			GO VS COP's		
Goldman	103,600,000	51%	GO:	473,905,000	82%
BAML	56,200,000	28%	COPS:	101,490,000	18%
US Bank	42,500,000	21%	Total	<u>575,395,000</u>	
	<u>202,300,000</u>				

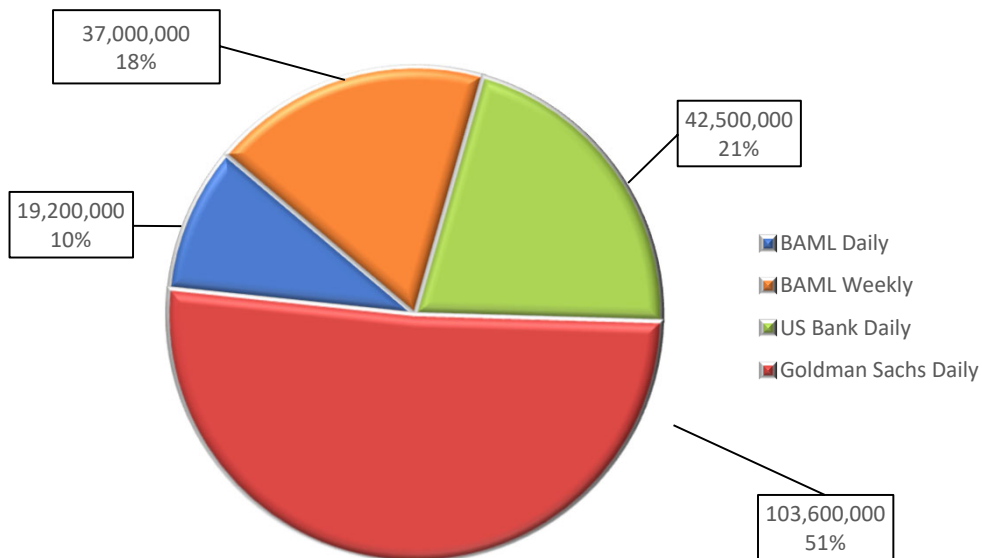
LOC Banks			Breakdown Between Variable & Fixed Rate Mode		
SUMITOMO	37,000,000	18%	Daily Issues	165,300,000	29%
BANK OF AMERICA	103,600,000	51%	Weekly Issues	37,000,000	6%
US BANK	61,700,000	30%	Sub-Total	<u>202,300,000</u>	
	<u>202,300,000</u>		Fixed Rate Issues	\$373,095,000	65%
			Sub-Total - Fixed	<u>373,095,000</u>	
			TOTAL DEBT		
			FIXED & VAR.	<u>575,395,000</u>	100%

Irvine Ranch Water District Summary of Remarketing Performance January 2025

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

Jan-25

Daily Variable Rate Comparison			
Date	Goldman Sachs vs US Bank	Goldman Sachs vs Bank of America	US Bank vs Bank of America
1/1/2025	0.15%	0.30%	0.15%
1/2/2025	-0.30%	-0.45%	-0.15%
1/3/2025	0.20%	0.05%	-0.15%
1/4/2025	0.20%	0.05%	-0.15%
1/5/2025	0.20%	0.05%	-0.15%
1/6/2025	-0.55%	0.05%	0.60%
1/7/2025	-0.20%	0.00%	0.20%
1/8/2025	-0.15%	0.00%	0.15%
1/9/2025	-0.15%	0.00%	0.15%
1/10/2025	-0.10%	0.00%	0.10%
1/11/2025	-0.10%	0.00%	0.10%
1/12/2025	-0.10%	0.00%	0.10%
1/13/2025	-0.20%	-0.10%	0.10%
1/14/2025	0.00%	0.05%	0.05%
1/15/2025	-0.05%	0.20%	0.25%
1/16/2025	0.15%	0.50%	0.35%
1/17/2025	0.15%	0.50%	0.35%
1/18/2025	0.15%	0.50%	0.35%
1/19/2025	0.15%	0.50%	0.35%
1/20/2025	0.15%	0.50%	0.35%
1/21/2025	-0.10%	0.20%	0.30%
1/22/2025	0.05%	0.15%	0.10%
1/23/2025	-0.10%	-0.25%	-0.15%
1/24/2025	-0.05%	0.15%	0.20%
Average Spread	-0.02%	0.13%	0.15%

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	\$61.1MM & \$42.5MM / \$42.5MM	\$61.1MM & \$42.5MM / \$19.2MM	\$42.5MM / \$19.2MM
LOC Bank	Bank of America / US Bank	Bank of America / US Bank	US Bank / US Bank


SUMMARY OF DEBT RATES
Jan-25

Rmkt Agent Mode	GOLDMAN		GOLDMAN		MERRILL LYNCH		US BANK
	DAILY	DAILY	DAILY	DAILY	DAILY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2		1993	2008-A	2009-A
Par Amount	42,500,000	36,660,000	24,440,000		19,200,000	37,000,000	42,500,000
LOC Bank	BOFA	BOFA	BOFA		US BANK	Sumitomo	US BANK
Reset						Wednesday	
1/1/2025	3.80%	3.80%	3.80%		3.50%	2.78%	3.65%
1/2/2025	1.70%	1.70%	1.70%		2.15%	1.78%	2.00%
1/3/2025	1.20%	1.20%	1.20%		1.15%	1.78%	1.00%
1/4/2025	1.20%	1.20%	1.20%		1.15%	1.78%	1.00%
1/5/2025	1.20%	1.20%	1.20%		1.15%	1.78%	1.00%
1/6/2025	0.45%	0.45%	0.45%		0.40%	1.78%	1.00%
1/7/2025	0.20%	0.20%	0.20%		0.20%	1.78%	0.40%
1/8/2025	0.15%	0.15%	0.15%		0.15%	1.78%	0.30%
1/9/2025	0.15%	0.15%	0.15%		0.15%	0.93%	0.30%
1/10/2025	0.15%	0.15%	0.15%		0.15%	0.93%	0.25%
1/11/2025	0.15%	0.15%	0.15%		0.15%	0.93%	0.25%
1/12/2025	0.15%	0.15%	0.15%		0.15%	0.93%	0.25%
1/13/2025	0.15%	0.15%	0.15%		0.25%	0.93%	0.35%
1/14/2025	0.45%	0.45%	0.45%		0.40%	0.93%	0.45%
1/15/2025	1.05%	1.05%	1.05%		0.85%	0.93%	1.10%
1/16/2025	1.45%	1.45%	1.45%		0.95%	1.63%	1.30%
1/17/2025	1.45%	1.45%	1.45%		0.95%	1.63%	1.30%
1/18/2025	1.45%	1.45%	1.45%		0.95%	1.63%	1.30%
1/19/2025	1.45%	1.45%	1.45%		0.95%	1.63%	1.30%
1/20/2025	1.45%	1.45%	1.45%		0.95%	1.63%	1.30%
1/21/2025	1.05%	1.05%	1.05%		0.85%	1.63%	1.15%
1/22/2025	0.95%	0.95%	0.95%		0.80%	1.63%	0.90%
1/23/2025	0.95%	0.95%	0.95%		1.20%	2.05%	1.05%
1/24/2025	1.45%	1.45%	1.45%		1.30%	2.05%	1.50%
Avg Interest Rates	1.04%	1.04%	1.04%		0.91%	1.61%	1.07%
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	1.39%	1.43%	1.43%		1.31%	1.99%	1.44%
Par Amount		103,600,000			56,200,000		42,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	81.71%	165,300,000	1.41%	1.03%
Weekly	18.29%	37,000,000	1.99%	1.61%
	100.00%	\$202,300,000	1.52%	1.14%
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				3.08%

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

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February 3, 2025
 Prepared by: M. Pulles
 Submitted by: N. Adly
 Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER
 PAID THROUGH THE SECOND QUARTER OF FISCAL YEAR 2024-25

SUMMARY:

Pursuant to the policy regarding Business Expense Reimbursement, Travel, Meeting Compensation, and Representation, staff has assembled for Committee review an Expense Summary, as shown in Exhibits “A” and “B”, for IRWD’s Board members and the General Manager through the second quarter of Fiscal Year (FY) 2024-25. Provided below is a summary of expenses paid to date.

	Name	Conference, Travel, and Other District-Related Expenses	Meeting Fees	Total
Board Members:	LaMar	\$11,566	\$19,529	\$31,095
	McLaughlin	0	8,937	8,937
	Reinhart	2,130	19,860	21,990
	Swan	8,919	19,529	28,448
	Withers	1,485	15,557	17,042
	<i>Total:</i>	<i>\$24,100</i>	<i>\$83,412</i>	<i>\$107,512</i>
General Manager:	Cook	\$4,001	N/A	\$4,001
	<i>Total:</i>	<i>\$4,001</i>	<i>N/A</i>	<i>\$4,001</i>

FISCAL IMPACTS:

Meeting fees through the second quarter totaled \$83,412 compared with the fiscal year budget of \$100,000 (through the second quarter). Conference and meeting-related travel expenses for both the Board of Directors and the General Manager totaled \$28,101 versus a budget of \$75,000. The remaining balance for travel expenses is \$46,899 for FY 2024-25.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the second quarter FY 2024-25 is \$111,513 with a remaining budget of \$63,487 for the fiscal year.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Expense Summary Overview for the Board Members and General Manager

Exhibit "B" – Expense Summaries by Individual



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
Through the Second Quarter, FY 2024-25**

All Board Members/General Manager

Name	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. To District	Total
								# Miles	Amount		
Board Members:											
Steven LaMar	-	-	-	-	-	-	-	-	-	-	-
Karen McLaughlin	4,265	1,166	4,397	249	698	287	-	754	505	-	\$ 11,566
Doug Reinhart	-	-	-	-	-	-	-	-	-	-	-
Peer Swan	550	412	733	185	34	95	15	225	151	(45)	2,130
John Withers	2,714	1,422	3,424	90	210	281	9	1,148	770	-	8,919
	989	-	268	-	-	40	-	280	188	-	1,485
											-
											-
											-
											-
											-
											-
General Manager:											
Paul Cook	899	1,252	641	318	159	32	700	-	-	-	4,001
											-
											-
Total	\$ 9,417	\$ 4,252	\$ 9,464	\$ 841	\$ 1,100	\$ 735	\$ 724	2,407	\$ 1,613	\$ (45)	\$ 28,101

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**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
Through the Second Quarter, FY 2024-25**

Doug Reinhart

Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. To District	Total
										# Miles	Amount		
Monthly Expense Reports													
Paid	July 2024	So. Calif. Water Coalition's Quarterly mtg., Downey, CA									64	\$ 42.95	\$ 42.95
	August 2024	Monthly Expense Report (no activity this period)											-
Paid	September 2024	OC Coastkeeper's Toast the Coast, Newport Beach, CA						25.00					25.00
	October 2024	Monthly Expense Report (no activity this period)											-
	November 2024	Monthly Expense Report (no activity this period)											-
	December 2024	Monthly Expense Report (no activity this period)											-
	January 2025	Monthly Expense Report (no activity this period)											-
	February 2025	Monthly Expense Report (no activity this period)											-
	March 2025	Monthly Expense Report (no activity this period)											-
	April 2025	Monthly Expense Report (no activity this period)											-
	May 2025	Monthly Expense Report (no activity this period)											-
	June 2025	Monthly Expense Report (no activity this period)											-
Conferences/Seminars and Other Non-local Travel													
Paid	08/21/2024	Urban Water Institute Annual Summer/Fall Conf., San Diego			550.50	154.75		30.00	15.00	161	108.00	(44.75)	813.50
Paid	12/04/2024	Colorado River Water Users Assoc., Annual Conf., Las Vegas	550.00	411.95	182.54	30.00	34.09	40.00					1,248.58
													-
													-
													-
													-
													-
													-
													-
													-
Total			\$ 550.00	\$ 411.95	\$ 733.04	\$ 184.75	\$ 34.09	\$ 95.00	\$ 15.00	225	\$ 150.95	\$ (44.75)	\$ 2,130.03

*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
Through the Second Quarter, FY 2024-25**

Peer Swan

Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
Monthly Expense Reports *													
	July 2024	Monthly Expense Report (no activity this period)											\$ -
	August 2024	Monthly Expense Report (no activity this period)											-
	September 2024	Monthly Expense Report (no activity this period)											-
Paid	October 2024	OCWA Monthly Industry Meeting and Luncheon	30.00										30.00
	November 2024	Monthly Expense Report (no activity this period)											-
	December 2024	Monthly Expense Report (no activity this period)											-
	January 2025	Monthly Expense Report (no activity this period)											-
	February 2025	Monthly Expense Report (no activity this period)											-
	March 2025	Monthly Expense Report (no activity this period)											-
	April 2025	Monthly Expense Report (no activity this period)											-
	May 2025	Monthly Expense Report (no activity this period)											-
	June 2025	Monthly Expense Report (no activity this period)											-
Conferences/Seminars and Other Non-local Travel													
Paid	07/30/2024	CASA 2024 Annual Summer Conference, Monterey, CA	695.00		1,197.00	21.01		135.90		738	494.46		2,543.37
Paid	08/20/2024	Urban Water Institute Annual Summer/Fall Conf., San Diego, CA	595.00		825.75	20.13		45.00		174	116.98		1,602.86
Paid	10/29/2024	WEF Annual Water Summit, Sacramento, CA	295.00	499.95	500.80	19.51	88.19	32.00	8.70				1,444.15
Paid	11/14/2024	Public Policy Institute of CA: "Is CA Ready for Climate Chg?," Sacramento		499.95		6.80	91.37	20.00					618.12
Paid	12/02/2024	ACWA Fall Conference, Palm Desert, CA	549.00		535.82	15.83				236	158.12		1,258.77
Paid	12/04/2024	CRWUA Annual Conference, Las Vegas, NV	550.00	421.96	365.08	6.49	30.00	48.00					1,421.53
													-
													-
													-
													-
													-
													-
													-
													-
Total			\$ 2,714.00	\$ 1,421.86	\$ 3,424.45	\$ 89.77	\$ 209.56	\$ 280.90	\$ 8.70	1,148	\$ 769.56	\$ -	\$ 8,918.80

*Detail of Description/Location provided on Expense Report

February 3, 2025

Prepared by: V. Li / C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook *ACA*

FINANCE AND PERSONNEL COMMITTEE

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

SUMMARY:

Staff have prepared a financial analysis of the unaudited operating statements through the second quarter of Fiscal Year (FY) 2024-25. Operating net revenue was \$116.0 million and total system operating expenses were \$98.2 million, resulting in a net operating income of \$17.8 million compared with a budget of \$3.3 million. Consolidated expenses, including capital, were \$111.9 million and \$5.4 million favorable compared to budget. Non-operating net income was \$67.2 million and \$15.9 million favorable compared to budget.

BACKGROUND:

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

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

Summary of Operating Revenues and Expenses:

Net revenues were \$116.0 million and operating expenses were \$98.2 million resulting in a net operating income through the second quarter of FY 2024-25 of \$17.8 million. Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system through the second quarter of FY 2024-25. A summary by system is outlined below.

Potable Water System:

Net revenues were above budget by \$3.6 million and total expenses exceeded the budget by \$0.6 million. *Potable Water System* sales were 1,985 AF and \$2.9 million above budget, primarily due to the purchase of imported water to replace the less expensive pumped water. Water costs exceeded the budget by \$3.6 million. Conversely, Salaries and Benefits and Electricity costs came in below budget by \$0.8 million and \$1.9 million, respectively.

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

Recycled Water System:

Net revenues were below budget by \$0.3 million and total expenses were below budget by \$5.6 million. *Recycled Water System* sales were 26 AF above budget due to 1,153 AF of Green Acres Project water, while the cost of water was \$1.5 million below budget.

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

- Water (\$1.5 M);
- Electricity (\$2.8 M); and
- All other expenses (\$0.6 M).

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

Sewer System:

Net revenues were above budget by \$0.1 million and total expenses were below budget by \$3.2 million. Repairs and Maintenance - OC San cost exceeded the budget by \$1.5 million.

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

- Salaries and Benefits (\$1.8 M);
- Electricity (\$0.8 M);
- All Other Operating Expenses (\$1.7 M).

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

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

Net revenues were above budget by \$2.3 million and total expenses were below budget by \$0.6 million. Salaries and Benefits were \$0.7 million below the budgeted amount.

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

Summary of Operating Expenses:

Exhibit “B” includes a summary of actual versus budgeted expenses by major category, including capital, through the second quarter of FY 2024-25. Net operating expenses were \$111.9 million, which was \$5.4 million below budget. The full year forecast for FY 2024-25 is \$230.3 million, which was \$4.2 million lower than 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 sources 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 \$67.2 million, which was favorable to budget by \$15.9 million. Revenues exceeded the budget by \$15.1 million, while expenses came in \$0.8 million below budget. The full-year net income forecast for FY 2024-25 is \$111.5 million, which is \$20.1 million higher than budget.

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
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Consolidated			
Revenues:	Actual	Budget	Variance
Commodity	\$ 66,611	\$ 61,332	\$ 5,279
Fixed Service Charges and Other	67,418	67,808	(390)
Total Revenues	\$ 134,029	\$ 129,140	\$ 4,889
Contribution to Enhancement and Replacement Funds	(18,029)	(18,801)	772
Net Revenues	\$ 116,000	\$ 110,339	\$ 5,661
Expenses:			
Salaries and Benefits	\$ 23,575	\$ 27,268	\$ 3,693
Water	31,466	29,362	(2,104)
Electricity	10,691	16,426	5,735
Repairs and Maintenance - OC San Sewer	3,659	2,147	(1,512)
All Other Repairs and Maintenance	7,290	7,454	164
All Other Operating Expense	21,554	24,428	2,874
Total Expenses	\$ 98,235	\$ 107,085	\$ 8,850
Net Operating Income (Loss)	\$ 17,765	\$ 3,254	\$ 14,511

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

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2024-25**
(in thousands)

Potable (treated and untreated systems)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 36,988	\$ 33,692	\$ 3,296
Fixed Service Charges and Other	25,808	25,621	187
Total Revenues	\$ 62,796	\$ 59,313	\$ 3,483
Contribution to Enhancement and Replacement Funds	(5,049)	(5,166)	117
Net Revenues	\$ 57,747	\$ 54,147	\$ 3,600
Expenses:			
Salaries and Benefits	\$ 9,580	\$ 10,388	\$ 808
Water	27,915	24,295	(3,620)
Electricity	7,215	9,155	1,940
Repairs and Maintenance	3,020	2,784	(236)
All Other Operating Expense	6,829	7,303	474
Total Expenses	\$ 54,559	\$ 53,925	\$ (634)
Net Operating Income (Loss)	\$ 3,188	\$ 222	\$ 2,966

Revenues:

Commodity Revenue was over budget by \$3.3M due to:

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

Expenses:

Salaries and Benefits expenses were below budget by \$0.8M due to:

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

Water expense was over budget by 3.6M due to:

- Dyer Road Well Field (DRWF) and Potable Treatment Plant (PTP) water production declined due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) was offline in Q1.
- Increased cost of import water was partially offset by the use and sale of native water.

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

- Dyer Road Well Field (DRWF) and Potable Treatment Plant (PTP) pumping were reduced due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) was offline in Q1.
- Increased use of imported water led to decreased pumping needs, resulting in lower electricity costs.

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2024-25**

Potable (treated and untreated systems)						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Treated						
Pumped	20,178	24,734	4,556	\$13.3	\$15.9	\$2.6
Imported	8,244	2,091	(6,153)	12.1	5.0	(7.1)
Baker Treatment Plant (Baker)	3,492	3,600	108	3.6	3.6	0.0
Total Treated	31,914	30,425	(1,489)	29.0	24.5	(4.5)
Untreated						
Native Water	3,968	2,110	(1,858)	1.4	0.6	(0.8)
Imported	109	1,038	929	0.3	2.4	2.1
Baker ILP	(1,194)	-	1,194	(1.0)	-	1.0
Transfer to Recycled	(2,464)	(3,085)	(621)	(2.6)	(3.3)	(0.7)
Evaporation	(90)	-	90	-	-	-
Total Untreated	329	63	(266)	(1.9)	(0.3)	1.6
Total	32,243	30,488	(1,755)	\$ 27.1	\$ 24.2	\$ (2.9)
Process Waste and System Loss	(1,962)	(2,192)	(230)			
Sales/Cost of Sales	30,281	28,296	(1,985)	\$ 27.1	\$ 24.2	\$ (2.9)
Baker Partners Reimbursement	(906)			(0.7)		(0.7)
Total				\$ 26.4	\$ 24.2	\$ (3.6)

Pumped Water usage and costs were below budget by \$2.6M due to:

- Dyer Road Well Field (DRWF) and Potable Treatment Plant (PTP) pumping was reduced due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) was offline in Q1.

Import Water usage and costs were over budget by \$7.1M due to:

- Dyer Road Well Field (DRWF) and Potable Treatment Plant (PTP) water production declined due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) was offline in Q1.

Native Water usage and cost were over budget by \$0.8M 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 \$2.1M due to:

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

Sales/Cost of Sales were over budget by \$2.9M due to:

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

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

Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Recycled			
Revenues:	Actual	Budget	Variance
Commodity	\$ 17,717	\$ 18,004	\$ (287)
Fixed Service Charges and Other	5,128	5,156	(28)
Total Revenues	\$ 22,845	\$ 23,160	\$ (315)
Contribution to Enhancement and Replacement Funds	(661)	(694)	33
Net Revenues	\$ 22,184	\$ 22,466	\$ (282)
Expenses:			
Salaries and Benefits	\$ 4,299	\$ 4,709	\$ 410
Water	3,551	5,067	1,516
Electricity	2,249	5,097	2,848
Repairs and Maintenance	477	672	195
All Other Operating Expense	5,102	5,738	636
Total Expenses	\$ 15,678	\$ 21,283	\$ 5,605
Net Operating Income (Loss)	\$ 6,506	\$ 1,183	\$ 5,323

Expenses:

Water expense was below budget by \$1.5M 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.

All Other Operating Expense was below budget by \$0.6M due to:

- Allocated G&A Expense was applied based on salaries which was below.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2024-25**

Recycled						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Produced/ Storage	15,506	14,899	(607)	\$ -	\$ -	\$ -
Untreated Supplemental	2,464	3,085	621	2.6	3.3	0.7
Pumped	1,390	2,298	908	0.9	1.7	0.8
Total	19,360	20,282	922	\$ 3.5	\$ 5.0	\$ 1.5
Process Waste and System Loss	(156)	(1,104)	(948)			
Sales/Cost of Sales	19,204	19,178	(26)	\$ 3.5	\$ 5.0	\$ 1.5

Untreated Supplemental was below budget by \$0.7M due to:

- Supplemental water usage and costs were below budget due to the use of produced water.

Pumped water usage and cost were below budget by \$0.8M due to:

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

Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Sewer			
Revenues:	Actual	Budget	Variance
Fixed Service Charges and Other	\$ 36,482	\$ 37,031	\$ (549)
Total Revenues	36,482	37,031	(549)
Contribution to Enhancement and Replacement Funds	(12,319)	(12,941)	622
Net Revenues	\$ 24,163	\$ 24,090	\$ 73
Expenses:			
Salaries and Benefits	\$ 7,521	\$ 9,299	\$ 1,778
Electricity	1,168	1,999	831
Repairs and Maintenance - OC San	3,659	2,147	(1,512)
All Other Repairs and Maintenance	2,114	2,504	390
All Other Operating Expense	6,407	8,153	1,746
Total Expenses	\$ 20,869	\$ 24,102	\$ 3,233
Net Operating Income (Loss)	\$ 3,294	\$ (12)	\$ 3,306

Revenues:

Fixed Service Charges and Other (\$0.5M) 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 \$1.8M due to:

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

Electricity expense was 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 \$1.5M due to:

- Additional flow was redirected to OC San to accommodate maintenance projects at Michelson.

All Other Operating Expense were below budget by \$1.7M due to:

- Reduction in chemicals costs resulting from process optimization and timing of purchases.
- 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
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Conservation, NTS and Water Banking (Over-Allocation Fund)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 11,906	\$ 9,636	\$ 2,270
Total Revenues	11,906	9,636	2,270
Contribution to Enhancement and Replacement Funds	-	-	-
Net Revenues	\$ 11,906	\$ 9,636	\$ 2,270
Expenses:			
Salaries and Benefits	\$ 2,175	\$ 2,872	\$ 697
Electricity	59	175	116
Repairs and Maintenance	1,679	1,494	(185)
All Other Operating Expense	3,216	3,234	18
Total Expenses	\$ 7,129	\$ 7,775	\$ 646
Net Operating Income (Loss)	\$ 4,777	\$ 1,861	\$ 2,916

Revenues:

Commodity Revenue was over budget by \$2.3M due to:

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

Expenses:

Salaries and Benefits were below budget by \$0.7M due to:

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

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Exhibit "B"

**Irvine Ranch Water District
Operating Expenses**

(in thousands)

Through the Second Quarter of Fiscal Year 2024-25

FY 2024-25 Full Year

Expense Name	Actual	Budget	Actual vs Budget	Forecast	Budget
Regular Labor	\$ 20,711	\$ 22,894	\$ 2,183	\$ 44,153	\$ 47,653
Overtime Labor	2,048	1,828	(220)	3,998	3,698
Contract Labor	633	837	204	1,528	1,528
Employee Benefits	16,327	15,946	(381)	35,954	32,954
Salaries & Benefits Total	\$ 39,719	\$ 41,504	\$ 1,785	\$ 85,633	\$ 85,833
Water	31,466	29,362	(2,104)	59,452	56,452
Electricity	10,903	16,775	5,872	23,323	30,823
Fuel	419	744	325	1,488	1,488
Telecommunication	447	475	28	943	943
Other Utilities	92	177	85	335	335
Water & Utilities Total	\$ 43,327	\$ 47,532	\$ 4,205	\$ 85,540	\$ 90,040
Chemicals	4,630	4,404	(226)	8,579	8,579
Operating Supplies	2,130	1,641	(489)	2,682	3,282
Printing	142	188	46	424	424
Postage	251	253	2	531	531
Permits, Licenses and Fees	1,973	887	(1,086)	3,301	2,301
Office Supplies	41	55	14	109	109
Duplicating Equipment	58	64	6	128	128
Equipment Rental	34	46	12	100	100
Materials & Supplies Total	\$ 9,259	\$ 7,537	\$ (1,722)	\$ 15,854	\$ 15,454
Rep & Maint OC SAN & Others	4,485	2,700	(1,785)	7,892	5,392
Rep & Maint IRWD	7,575	7,817	242	16,937	16,937
Insurance	990	1,849	859	2,698	3,698
Legal Fees	520	1,310	790	1,660	2,660
Engineering Fees	551	466	(85)	1,090	1,090
Accounting Fees	64	64	(1)	127	127
Data Processing	2,423	2,336	(87)	4,476	4,476
Personnel Training	641	947	306	1,881	1,881
Personnel Physicals	16	20	4	49	49
Other Professional Fees	2,966	3,465	499	7,185	7,185
Directors' Fees	83	100	17	200	200
Professional Services Total	\$ 20,314	\$ 21,074	\$ 760	\$ 44,195	\$ 43,695
Election Expense	85	85	-	170	170
Safety	36	51	15	98	98
Alarm and Patrol Services	627	570	(57)	1,139	1,139
Biosolids Disposals	801	545	(256)	1,091	1,091
Contract Meter Reading	813	830	17	1,660	1,660
Over-Allocation	331	522	191	1,044	1,044
Other	244	282	38	564	564
Other Total	\$ 2,937	\$ 2,886	\$ (51)	\$ 5,767	\$ 5,767
Total Expenses	\$ 115,556	\$ 120,533	\$ 4,977	\$ 236,989	\$ 240,789
Less: Reimbursement from Partners	(3,634)	(3,229)	405	(6,729)	(6,324)
Grand Total	\$ 111,922	\$ 117,304	\$ 5,383	\$ 230,259	\$ 234,465

Irvine Ranch Water District
Salary and Employee Benefits Summary
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Expense Name	Actual	Budget	Actual vs Budget
District Labor Cost (2,080 hours)	\$ 23,440	\$ 24,811	\$ 1,371
Paid Time Off Net Accrual	44	338	294
PERS Contribution and in Excess of ARC	6,709	6,964	254
Employee Medical (health, dental, vision)	4,532	4,109	(423)
Retiree Benefits	124	555	430
401A Contributions	744	800	56
Workers Compensation (Premiums and Claims)	642	750	108
Other Employer Taxes (medicare, employment)	379	394	15
	Actual	Budget	Variance
General & Administrative Expense Allocation	160%	115%	-45%

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

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

Regular Labor is below budget by \$2.2M.

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 to 2025 was lower than expected.
- Total vacant positions were budgeted at 6% and actual vacancies are closer to 11%. HR continues to recruit to fill vacant positions.

Water is over budget by \$2.1M.

- Dyer Road Well Field (DRWF) and Potable Treatment Plant (PTP) water production declined due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) was offline in Q1.
- Increased cost of import water was partially offset by the use of native water.

Electricity is below budget by \$5.9M.

- Increased use of imported water led to decreased pumping needs, resulting in lower electricity costs.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.
- Dyer Road Well Field (DRWF), Potable Treatment Plant (PTP) and El Toro Remediation Project (ETGR) pumping were reduced due to required well maintenance and inspections. OPA Well 1 was offline in Q1.
- Delayed billing from Edison. Staff is working with Edison to receive updated bills.

Permits, Licenses and Fees are over budget by \$1.1M.

- Unbudgeted expenses for Water Boards and Palo Verde permitting.

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

- Additional flow was redirected to OC San to accommodate maintenance projects at Michelson.

Insurance is below budget by \$0.9M.

- This was primarily due to a claim reimbursement received from our insurance carrier for expenses exceeding the District's self-insured retention.

Legal Fees are below budget by \$0.8M.

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

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Exhibit "C"
Non-Operating Net Income
Through the Second Quarter of Fiscal Year 2024-25
(in thousands)

Revenues:	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget
Property Taxes	\$ 47,633	\$ 44,118	\$ 3,515	\$ 85,000	\$ 81,700	\$ 3,300
Investment Income*	8,522	4,250	4,272	17,000	8,500	8,500
Connection Fees	11,252	5,500	5,752	17,000	11,000	6,000
Real Estate Income	10,614	10,154	460	21,000	20,300	700
Other Income	3,914	2,805	1,109	8,600	7,000	1,600
Net Revenues	\$ 81,935	\$ 66,827	\$ 15,108	\$ 148,600	\$ 128,500	\$ 20,100
Expenses:						
Interest Expense	\$ 10,840	\$ 11,338	\$ 498	\$ 27,500	\$ 27,500	\$ -
Real Estate Expense	3,895	4,050	155	8,100	8,100	-
Other Expenses	25	150	125	1,500	1,500	-
Total Expenses	\$ 14,760	\$ 15,538	\$ 778	\$ 37,100	\$ 37,100	\$ -
Net Operating Income (Loss)	\$ 67,175	\$ 51,289	\$ 15,886	\$ 111,500	\$ 91,400	\$ 20,100

Revenues:

Property Taxes were over budget by \$3.5M due to:

- Ad valorem revenue exceeded expectations due to higher assessed property values and increased unsecured property assessments.

Investment Income was over budget by \$4.3M due to:

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


Connection Fees were over budget by \$5.8M due to:

- The surge in connection fees in July was driven by a combination of projects from the Lennar Corporation, the Irvine Company, and the County of Orange.

Other Income was over budget by \$1.1M due to:

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

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February 3, 2025
Prepared by: V. Li / C. Smithson
Submitted by: N. Adly
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

MID-YEAR LEGAL EXPENSES SUMMARY

SUMMARY:

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

BACKGROUND:

Legal expenses supporting the operations of IRWD in the mid-year of FY 2024-25 totaled \$0.5 million after settlements, compared to a budget of \$1.3 million, resulting in a positive variance of \$0.8 million or 38.4%. Capitalized legal expenses associated with capital projects totaled \$13,825. The non-operating legal expenses for FY 2024-25 amounted to \$8,542.

Exhibit “A” summarizes IRWD’s legal expenses incurred in FY 2022-23 through the second quarter of FY 2024-25.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Summary of Legal Expenses for FY 2022-23 through Q2 of FY 2024-25

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Exhibit "A"
Analysis of Legal Expenses
Fiscal Years 2023 - 2025

Firm	YTD Actual 2022-2023	YTD Actual 2023-2024	Q2 Actual 2024-2025	Hourly Rate	Area of Expertise	Service Provided
<u>Operating Legal Expenses:</u>						
Alston & Bird LLP	\$ 208,920	\$ 270,671	\$ 30,831	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Everett Dorey LLP ⁽¹⁾	(87,428)	-	-	\$ 235 to \$ 260	Litigation	County of Orange Litigation
Fisher & Phillips LLP	375,734	291,254	80	\$ 300 to \$ 760	Legal Counsel	Special counsel services
Hanson Bridgett LLP	635,774	1,020,268	374,495	\$ 275 to \$ 485	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	5,553	190	-	\$ 180 to \$ 475	IRWD legal counsel	OSHA matters
Kronick Moskowitz Tiedemann & Girard	8,072	15,852	5,418	\$ 180 to \$ 405	IRWD legal counsel	Counsel services related to water resources, policy matters and litigation
Kutak Rock LLP ⁽¹⁾	(67,724)	15,297	11,396	\$ 395 to \$ 425	Legal Counsel	Legal counsel related to insurance claim issues
Law Office of Atoosa Vakili	82	-	5,980	n/a	Employee relations	General personnel and human resources
Liebert Cassidy Whitmore	24,698	18,346	2,031	n/a	Legal Counsel	Personnel matters
Lozano Smith, LLP	67,615	126,419	6,911	\$ 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	105,285	33,473	338	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	54,669	31,523	2,888	\$ 695 to \$ 845	Employee relations	Employee benefits
Sandline Discovery, LLC	-	-	2,590	\$ 300 to \$ 300	IRWD legal counsel	District general counsel/legislative/litigation/special project
Wagener Law, a PC	8,470	5,173	-	\$ 695 to \$ 795	Employee relations	Personnel matters
Woodruff, Spradlin & Smart, APC	-	331	-	n/a	Legal Counsel	Legal counsel related to insurance claim issues
Total Operating Legal Expenses	\$ 1,363,286	\$ 1,891,268	\$ 442,957			
⁽¹⁾ Insurance Litigation						
<u>Capitalized Legal Expenses:</u>						
Alston & Bird LLP	\$ -	\$ -	\$ -	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Jackson Tidus, a Law Corporation	-	2,470	1,853	\$ 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	113,904	55,282	11,972	\$ 180 to \$ 405	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Capitalized Legal Expenses Total	159,390	57,752	13,825			
Total Operating and Capital Legal Expenses	\$ 1,522,676	\$ 1,949,021	\$ 456,781			
<u>Non-operating Legal Expenses:</u>						
Pillsbury Winthrop Shaw Pittman LLP	\$ 7,548	\$ -	\$ 8,542	\$ 695 to \$ 845	Employee benefits	Deferred compensation funded by fee income
Bond Counsel:						
Orrick, Herrington & Sutcliffe LLP	30,000	-	-	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	27,500	45,000	-	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Non-operating Legal Expenses Total	\$ 57,500	\$ 45,000	\$ 8,542			

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February 3, 2025
Prepared by: J. Davis
Submitted by: N. Adly
Approved by: Paul A. Cook *PA*

FINANCE AND PERSONNEL COMMITTEE

PROPOSED 2025 DEBT ISSUANCE

SUMMARY:

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

- Cause the issuance of fixed and / or variable General Obligation (GO) Bonds in an amount sufficient to refund the 2010 BABs;
- Cause the LOCs extension for the 2008A and 2009B, LOCs substitution for the 2009A and defeasance of the Series 1993; and
- Retain underwriters, bond counsel, and disclosure counsel as needed for these transactions.

BACKGROUND:

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

Based on current economic conditions, a refunding of the 2010 BABs issue may potentially generate savings to IRWD of approximately \$6.0 million, assuming an all-in variable interest rate of 3.00%. A fixed rate GO debt issue consideration may result in approximately \$3.0 million and would include a 10-year par call. Either mode would eliminate the risk of sequestration affecting the subsidy.

The District also currently has four LOCs expiring this year. Because two of the LOCS (2008A and 2009B) need to be extended and the 2009A LOC needs to be substituted, staff and PFM have reviewed proposals from current LOC banks to take these actions. The proposals were competitive with LOC pricing from other banks of similar credit quality. The Series 1993 debt is at a point where defeasance, or simply paying this debt off, will result in reduced administrative costs for IRWD.

FISCAL IMPACTS:

A refunding of the 2010 BABs may potentially generate savings of approximately \$3.0 million to \$6.0 million for the District, based on current interest rates and other market conditions. The underwriter fees and cost of issuance, including legal, rating agencies, and trustee expenses, are estimated at \$930,000. The defeasance of the Series 1993 will eliminate the administrative fees associated with this debt.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Board authorize staff to cause the issuance of fixed and/or variable rate General Obligation Bonds if market conditions will generate savings and provide sufficient value to refund the 2010 Build America Bonds; cause the LOCs extension for the 2008A and 2009B; LOCs substitution for the 2009A; and defeasance of the Series 1993 bonds; and to retain underwriters, bond counsel, and disclosure counsel as needed for the issuance and LOCs.

LIST OF EXHIBITS:

Exhibit "A" – 2010B BABs Refunding Analysis



Irvine Ranch Water District

Series 2010B BABs Refunding Analysis

January 27, 2025



Series 2010B Refunding Summary of Results – VRDBs

- A refunding of IRWD’s Series 2010B BABs utilizing VRDBs utilizing the following assumptions produces expected savings in today’s market
- Assumptions
 - Dated Date: 5/1/2025
 - All-in Interest Rate: 3.00%*
 - Current sequestration assumed through life of Series 2010B BABs
 - US Treasury rates as of January 27, 2025
 - Extraordinary MWC price of 108.796
 - Level expected savings
- Using a fixed assumption for future all-in interest rates on the VRDBs, changes in the US Treasury rate will be the variable that can affect expected PV Savings
 - The adjacent sensitivity analysis illustrates impacts to expected PV Savings due to changes in the 10Y US Treasury rate

2025A Refunding	
Refunding Par	\$187,850,000
Refunded Par	\$171,880,000
Refunded Maturities	2040 maturity
Est PV Savings (\$)	\$6,674,000
Est PV Savings (%)	3.88%
Extraordinary MWC	108.796

Expected PV Savings	
Current UST – 25bps	\$2,947,000 (1.71%)
Current UST	\$6,674,000 (3.88%)
Current UST + 25bps	\$10,301,000 (5.99%)

* All-in interest rate assumption utilized for initial analyses per IRWD request. Actual future all-in interest rate will likely vary.



Series 2010B Refunding Summary of Results – Fixed Rate Bonds

- A fixed rate refunding of the Series 2010B BABs produces expected PV Savings of \$3.3mm or 1.93% of refunded par in today's market
- Assumptions
 - Dated Date: 5/1/2025
 - Current sequestration assumed through life of Series 2010B BABs
 - Interest rates as of January 27, 2025
 - US Treasury rates as of January 27, 2025
 - Extraordinary MWC price of 108.796
 - Level savings
- Expected PV savings can be affected by changes in both the 10-year US Treasury rate (changes the Extraordinary Make Whole Call price) and changes in tax-exempt rates (changes to the cost of the refunding bonds)

	2025A Refunding
Refunding Par	\$160,985,000
Refunded Par	\$171,880,000
Refunded Maturities	2040 maturity
PV Savings (\$)	\$3,325,000
PV Savings (%)	1.93%
Extraordinary MWC	108.796

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