BOARD MEETING DATE: December 4, 2026 AGENDA NO. 14

PROPOSAL: Receive and File Annual Report on South Coast AQMD's Deferred Compensation Plans

SYNOPSIS: South Coast AQMD sponsors IRS-approved 457(b), 401(a) and Omnibus Budget Reconciliation Act of 1990 (OBRA) Deferred Compensation Plans for its employees. The Board is responsible for monitoring the activities of the Deferred Compensation Plan Committee and for ensuring the Committee carries out its fiduciary duties under the Committee Charter. In accordance with the Board's responsibilities, this action is to receive and file the Deferred Compensation Plan Annual Report for Plan Year Ending June 2026.

COMMITTEE: Administrative, November 13, 2026; Recommended for Approval

RECOMMENDED ACTION:
Receive and file Deferred Compensation Plan Annual Report for Plan Year Ending June 2026.

Wayne Nastri
Executive Officer

AJO:mm

Background
South Coast AQMD sponsors and administers 457(b), 401(a) and OBRA Deferred Compensation Plans (Plans) for its employees. These Plans are administered by Empower Retirement, LLC (Empower), one of the largest workplace retirement savings plan providers in the United States. State law governs the fiduciary requirements for the operation and investment of deferred compensation plans sponsored by governmental entities. The Board serves a fiduciary role, subject to the duties and obligations under Article XVI, Section 17 of the California Constitution.

To meet its fiduciary responsibilities, the Board has established a Deferred Compensation Plan Committee (Committee) to oversee the administration of the Plans. In 2008, the Board approved the Committee Charter, formalizing the fiduciary duties and responsibilities of the Committee. The four members of the Committee are the Chief Financial Officer, the Deputy Executive Officer/Administrative and Human Resources, the Human Resources Manager over employee benefits, and the General Counsel.

Empower provides record-keeping and administrative services for the Plans. In addition, South Coast AQMD utilizes the services of an independent, third-party consulting firm, Benefit Financial Services Group (BFSG), to provide services to the Plans as a fiduciary under a Registered Investment Advisor agreement.

Summary of Report
The Committee meets on a quarterly basis to review the design, investment options, asset allocation, and demographics of the Plans, and to make changes as necessary. During the 2025-26 fiscal year period, the Committee adopted emergency personal expense withdrawals per the Secure 2.0 Act, placed one fund on the Watch List due to underperformance, addressed changes to the Guaranteed Interest Account, and approved investment fund lineup changes. In addition, the Committee participated in fiduciary education training by BFSG.

As of June 30, 2026, the Plans have:

- 1,206 participants (employees and retirees)
- Approximately $300 million in assets
- Outperformed the 3-, 5- and 10-year Custom Category benchmark
- Outperformed the 10-year Custom Index* benchmark, and slightly underperformed (within 0.5%) the 3- and 5-year benchmarks
  * The Index benchmark does not account for costs for investment management expenses.

The Annual Report provides detailed information regarding Plan Assets/Demographics, Committee Actions, and Plan Performance.

Proposal
Staff recommends the Board receive and file the Deferred Compensation Plan Annual Report to the Board for Plan Year Ending June 2026.

Attachment
Deferred Compensation Plan Annual Report for Plan Year Ending June 2026



Report To The Board

Plan Year Ending: June 2026

Prepared for: South Coast Air Quality Management District
457(b) Deferred Compensation &
401(a) Defined Contribution Plans

South Coast AQMD

BFS Benefit Financial Services Group

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Plan Background

Section 1

South Coast Air Quality Management District Plan

South Coast Air Quality Management District Plan Overview	
Plan Name	South Coast Air Quality Management District 457 Deferred Compensation & 401(a) Defined Contribution Plans
Inception Date (457 Plan)	January 1, 1987
Inception Date (401 Plan)	January 1, 2017
Plan Features (457b Plan)	
Plan Year End	June 30th
Entry Date	Immediate
Employee Deferrals	Pre-tax & Roth
Catch-up	Age 50 & Special 457 Catch-up Contributions
Employer Contributions	Yes - determined in accordance with the terms of the employment contract
Default Investment Alternative	
Default Fund	T. Rowe Price Retirement Series
Service Providers	
Recordkeeper	Empower
Directed Trustee	Reliance Trust Company
Plan Advisor	Benefit Financial Services Group (“BFSG”)
Committee Oversight	
Membership	John Olvera (Chair), Bayron Gilchrist, Sujata Jain, and Raquel Arciniega
Duties	Settlor and Fiduciary
California Government Code 53213.5 Compliance	The Committee intends for the Plan to comply with the provisions of California Government Code 53213.5 providing Plan fiduciaries with relief from liability for the investment decisions made by participants.



Committee Meeting Summary & Plan Updates

Section 2

Fiduciary Updates

Meeting Date	Item	Update
November 19, 2025	Watch List	Placed American Beacon Small Cap Value on Watch due to underperformance.
	Share Class Changes & Fund Addition	Approved investment lineup updates, including moving three Vanguard funds to lower-cost share classes and adding the T. Rowe Price Retirement 2070 fund. The changes were effective February 16, 2026.
	Fiduciary Education	BFSG provided fiduciary education to the Committee, focusing on plan sponsor best practices and fiduciary risk mitigation.
June 2, 2026	Fixed Account	Reviewed the Guaranteed Interest Account's remaining rate supplement and approved a plan to issue 12-month termination notice while unanimously deciding to keep the current 1% supplement in place until depleted. The put expiration date is June 9, 2027.

Settlor Updates

Meeting Date	Item	Update
November 19, 2025	SECURE 2.0 Provision Adoption	Adopted Emergency Personal Expense Withdrawals.
June 2, 2026	Remote Participation Approval (Brown Act / SB 707)	Approved remote meeting participation for future meetings, subject to applicable requirements.



Plan Assets / Demographics

Section 3

Range of Investments

Lower risk/lower potential reward — *Higher risk/higher potential reward*

FIXED INCOME		BALANCED	EQUITY		
CAPITAL PRESERVATION	INCOME	HYBRID	VALUE	BLEND	GROWTH
DOMESTIC					
STABLE VALUE Guaranteed Interest Account	**INTERMEDIATE CORE BOND** Vanguard Total Bond Market Index I	**MODERATE ALLOCATION** American Funds American Balanced R-6	**LARGE VALUE** DFA US Large Cap Value I Hartford Dividend and Growth R5	**LARGE BLEND** Vanguard FTSE Social Index Admiral Vanguard Institutional Index I	**LARGE GROWTH** T. Rowe Price Blue Chip Growth I
	INTERMEDIATE CORE-PLUS BOND Dodge & Cox Income X		**MID VALUE** Vanguard Selected Value Inv	**MID BLEND** Vanguard Mid Cap Index Institutional	**MID GROWTH** Carillon Eagle Mid Cap Growth A
			SMALL VALUE American Beacon Small Cap Value R6 Vanguard Small Cap Value Index Admiral	**SMALL BLEND** Vanguard Small Cap Index Admiral Shares	**SMALL GROWTH** Fidelity Small Cap Growth K6
FOREIGN					
				FOREIGN LARGE BLEND Hartford International Opportunities R5 Vanguard Developed Markets Index Instl	
					FOREIGN SMALL/MID GROWTH MFS International New Discovery A
				DIVERSIFIED EMERGING MKTS Vanguard Emerging Mkts Stock Idx Adm	
SPECIALTY					
			UTILITIES Vanguard Utilities Index Adm	**REAL ESTATE** Vanguard Real Estate Index Admiral	**HEALTH** Vanguard Health Care Index Admiral
ALLOCATION					
		TARGET DATE SERIES T. Rowe Price Retirement I Series			

Funds listed in **Red** are scheduled to be removed.
Funds listed in **Green** are scheduled to be added.
Funds listed in **Blue** are frozen to contributions.
Funds listed in **Purple** represent Default Fund.

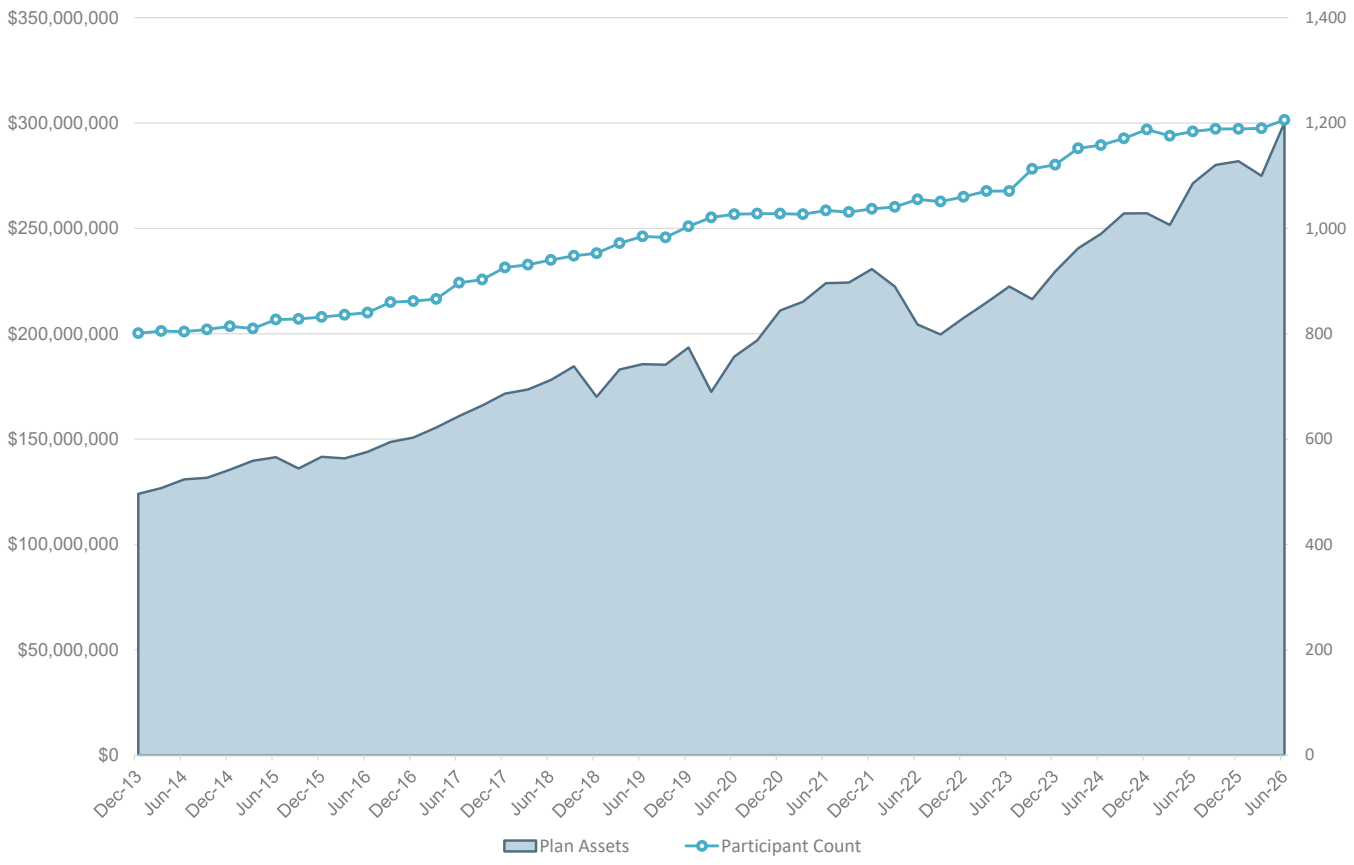
Asset Allocation by Fund

Investment Option	2Q 2026	% of Assets	# of Balances
Guaranteed Interest Account	$73,223,386	24.50%	606
Vanguard Institutional Index I	$55,673,024	18.63%	554
T. Rowe Price Blue Chip Growth I	$36,136,957	12.09%	524
Hartford Dividend and Growth R5	$12,834,831	4.29%	458
T. Rowe Price Retirement 2045 I	$9,851,162	3.30%	83
Vanguard Developed Markets Index Instl	$9,076,118	3.04%	308
Hartford International Opportunities R5	$8,126,682	2.72%	434
Vanguard Total Bond Market Index I	$7,569,761	2.53%	324
T. Rowe Price Retirement 2035 I	$7,466,078	2.50%	46
Carillon Eagle Mid Cap Growth A	$6,521,731	2.18%	402
Vanguard Mid Cap Index Institutional	$6,337,155	2.12%	352
American Funds American Balanced R-6	$6,329,967	2.12%	175
Vanguard FTSE Social Index Admiral	$5,473,703	1.83%	176
Fidelity Small Cap Growth K6	$4,727,260	1.58%	368
Vanguard Small Cap Index Admiral Shares	$4,569,695	1.53%	320
Dodge & Cox Income X	$4,388,748	1.47%	291
Vanguard Selected Value Inv	$3,886,423	1.30%	329
T. Rowe Price Retirement 2050 I	$3,783,530	1.27%	50
T. Rowe Price Retirement 2055 I	$3,501,546	1.17%	61
T. Rowe Price Retirement 2040 I	$3,441,806	1.15%	36
Vanguard Emerging Mkts Stock Idx Adm	$3,397,265	1.14%	257
Vanguard Health Care Index Admiral	$3,204,286	1.07%	85
T. Rowe Price Retirement 2060 I	$3,062,162	1.02%	77
American Beacon Small Cap Value R6	$2,919,716	0.98%	294
MFS International New Discovery A	$2,131,549	0.71%	183
Vanguard Utilities Index Adm	$2,106,491	0.70%	86
T. Rowe Price Retirement 2030 I	$2,090,043	0.70%	20
Vanguard Small Cap Value Index Admiral	$1,915,504	0.64%	66
DFA US Large Cap Value I	$1,477,495	0.49%	212
T. Rowe Price Retirement 2025 I	$1,414,815	0.47%	18
Vanguard Real Estate Index Admiral	$1,201,691	0.40%	131
T. Rowe Price Retirement 2065 I	$469,534	0.16%	36
T. Rowe Price Retirement 2020 I	$295,339	0.10%	8
T. Rowe Price Retirement 2015 I	$190,032	0.06%	4
T. Rowe Price Retirement 2005 I	$20,184	0.01%	5
T. Rowe Price Retirement 2010 I	$19,374	0.01%	3
T. Rowe Price Retirement 2070 I	$15,936	0.01%	3
Subtotal	**$298,850,979**	**100.00%**	**1,206**
Self-Directed Brokerage Account	$1,544,297		
Total	**$300,395,276**		
Total # of Participants	**1,206**		
Average Account Balance	**$249,084**		

Note: Funds listed in **Bold** *are included in the Target Date Models.*

Note: Personal Choice Retirement Account had 25 balances as of quarter end.

Growth of Plan Assets



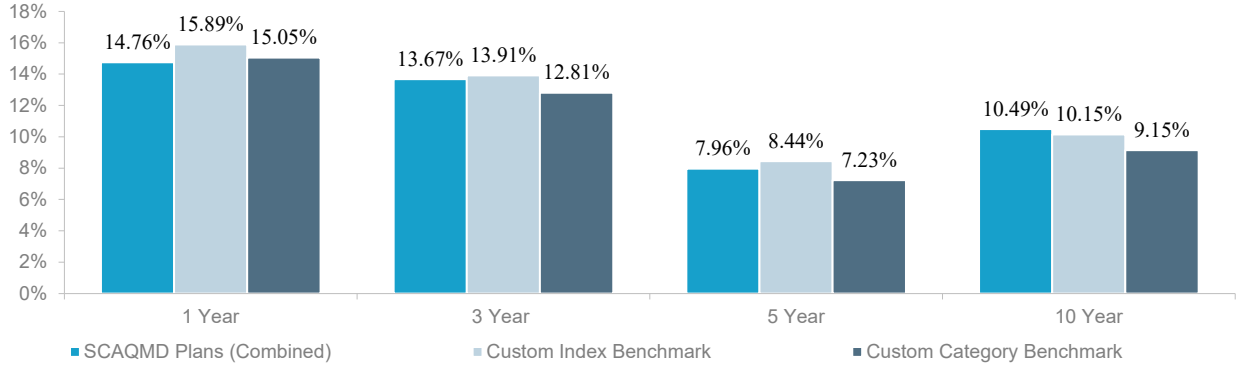


Plan Performance / Cost

Section 4

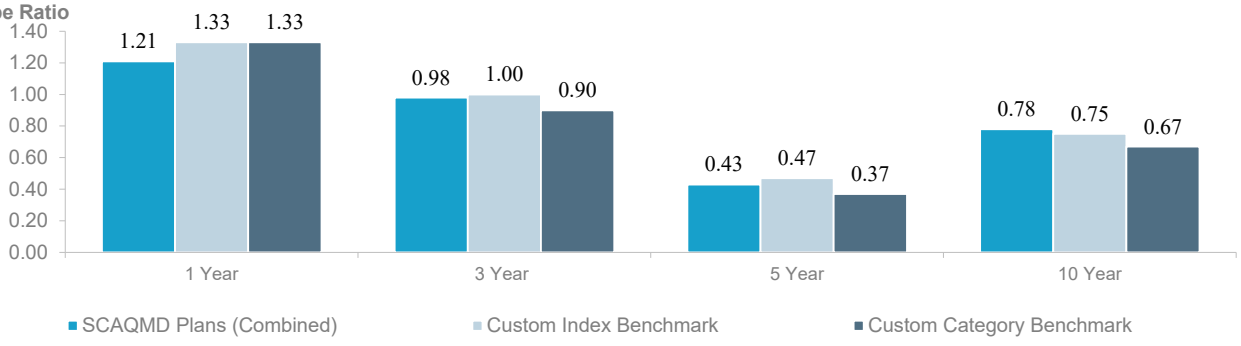
Portfolio Return vs. Custom Benchmark

Annualized Returns



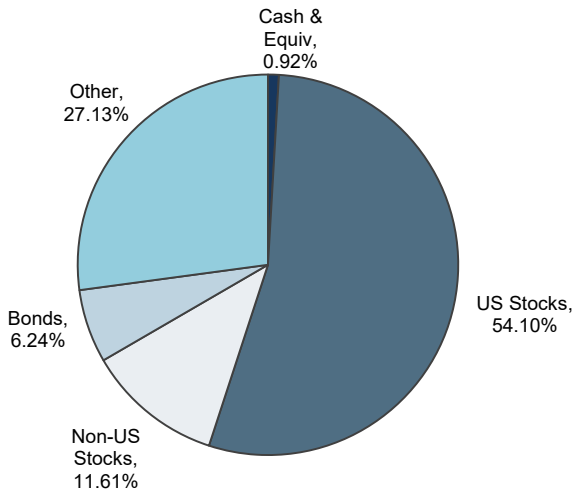
**Note: SCAQMD Plans (Combined) and Morningstar Category Custom Benchmark returns are net of their respective fees. Custom Benchmark Index returns have no fees associated and would be unavailable for direct investment."*

Sharpe Ratio



**Note: SCAQMD Plans (Combined) and Morningstar Category Custom Benchmark returns are net of their respective fees. Custom Benchmark Index returns have no fees associated and would be unavailable for direct investment."*

Current Quarter



Benchmark Weightings

Index	Category	Weight
BFSG Custom Stable Value	Stable Value	24.50%
Bloomberg US Agg Float Adj TR USD	Intermediate Core Bond	2.53%
Bloomberg US Agg Bond TR USD	Intermediate Core-Plus Bond	1.47%
40% BC Agg - 60% S&P 500	Moderate Allocation	2.12%
Russell 1000 Value TR USD	Large Value	0.49%
Russell 1000 Value TR USD	Large Value	4.29%
S&P 500 TR	Large Blend	1.83%
S&P 500 TR	Large Blend	18.63%
Russell 1000 Growth TR USD	Large Growth	12.09%
Russell Mid Cap Value TR USD	Mid Value	1.30%
CRSP US Mid Cap TR USD	Mid Blend	2.12%
Russell Mid Cap Growth TR USD	Mid Growth	2.18%
Russell 2000 Value TR USD	Small Value	0.98%
CRSP US Small Cap Value TR USD	Small Value	0.64%
CRSP US Small Cap TR USD	Small Blend	1.53%
Russell 2000 Growth TR USD	Small Growth	1.58%
MSCI ACWI Ex USA NR USD	Foreign Large Blend	2.72%
FTSE Dvlp ex US All Cap(US RIC)NR USD	Foreign Large Blend	3.04%
MSCI ACWI Ex USA Small Growth NR USD	Foreign Small/Mid Growth	0.71%
FTSE EMs AC China A Inclusion NR USD	Diversified Emerging Mkts	1.14%
MSCI US IMI/Health Care 25-50 GR USD	Health	1.07%
Real Estate Spliced Index	Real Estate	0.40%
MSCI US IMI/Utilities 25-50 GR USD	Utilities	0.70%
S&P Target Date Series	Target Date Series	11.92%

Evaluation Methodology

Per Investment Policy Statement

Returns (40%)

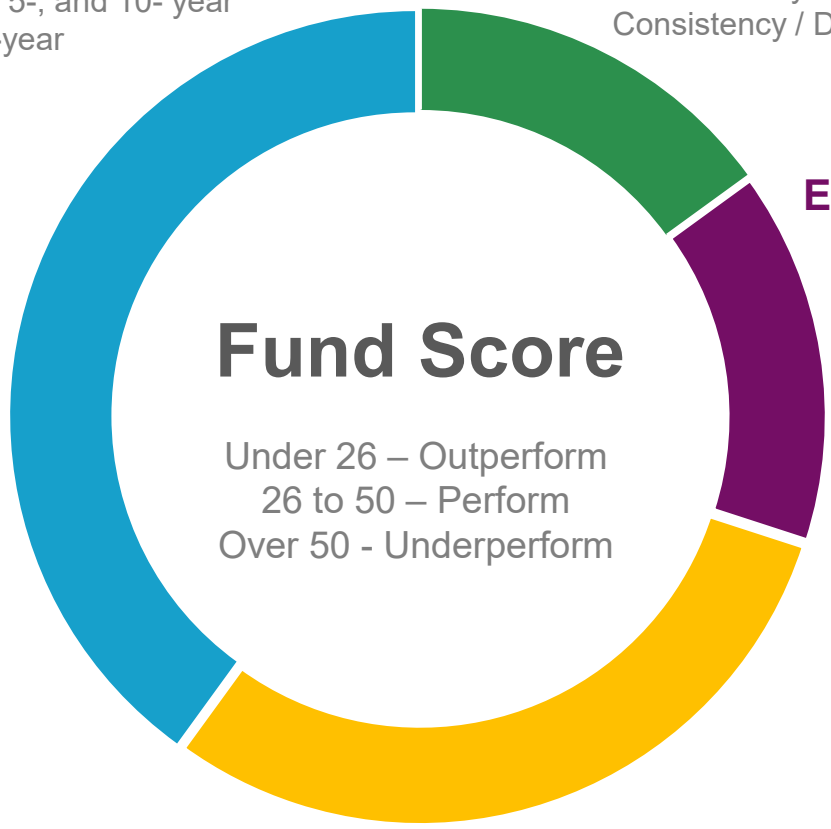
Trailing 3-, 5-, and 10- year
Rolling 10-year

Style (15%)

R^2
Credit Quality
Consistency / Dispersion

Expense (15%)

Net Expense Ratio



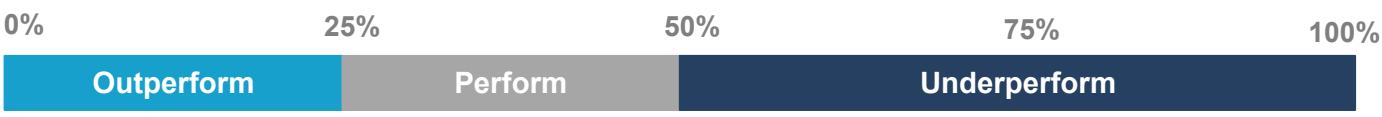
Risk (30%)

Sharpe Ratio
Up-Capture Ratio
Down-Capture Ratio

All data points are percentile ranking relative to the Custom Peer Group. The Custom Peer Group is the fund's Morningstar Category excluding Index Funds, fund-of-funds, and funds with less than 3 Years of Returns. Only the lowest expense share class is evaluated.

Evaluation Methodology Summary

Investment Name	Quarterly Ranking 2Q26	1Q26	4Q25	3Q25
Intermediate Core-Plus Bond				
Dodge & Cox Income Fund	0	0	0	0
Moderate Allocation				
American Funds American Balanced Fund	3	5	5	4
Large Value				
DFA US Large Cap Value Portfolio	26	32	38	42
Hartford Dividend and Growth Fund	24	30	18	24
Large Blend				
Vanguard FTSE Social Index Fund	8	12	5	4
Large Growth				
T. Rowe Price Blue Chip Growth Fund	27	14	14	21
Mid Value				
Vanguard Selected Value Fund	22	17	9	7
Mid Growth				
Carillon Eagle Mid Cap Growth Fund	30	23	25	21
Small Value				
American Beacon Sm Cap Val Fd	38	45	54	53
Small Growth				
Fidelity Small Cap Growth Fund	2	2	2	2
Foreign Large Blend				
Hartford International Opportunities Fd	41	46	50	53
Foreign Small/Mid Growth				
MFS International New Discovery Fund	46	41	38	45
Target Date Series				
T. Rowe Price Retirement Series	44	42	41	37
Average Rank	24	24	23	24
Plan Weighted Rank (Reweighted)	29	26	24	25



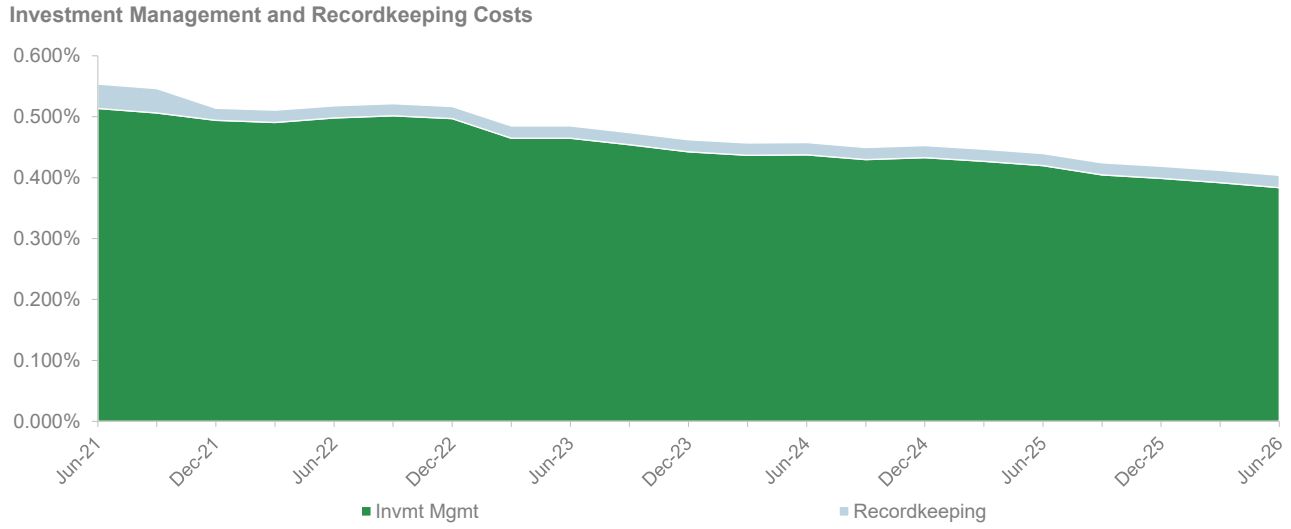
Note: Average and Plan-Weighted Average rankings shown above reflect the actual funds offered in the Plan (and their respective weightings) during the applicable quarter.

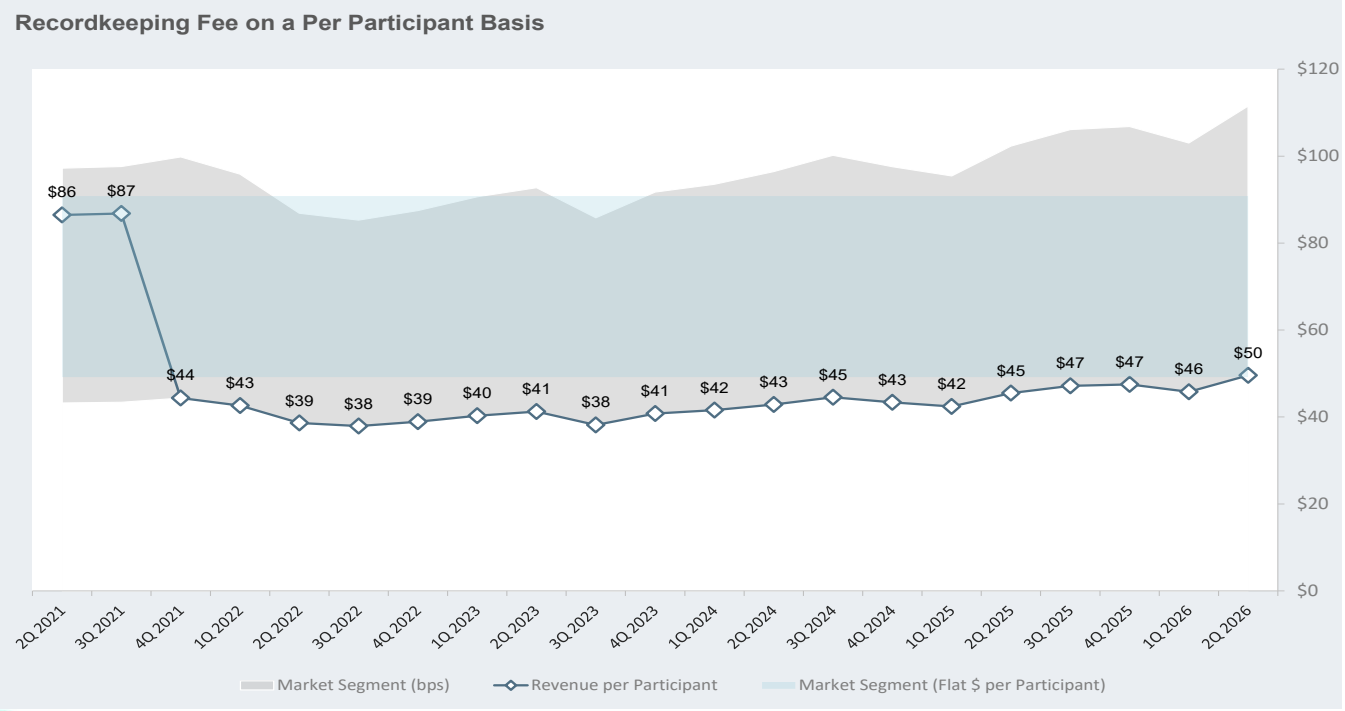
Fee Breakdown & Recordkeeping Costs

	Plan Assets 06/30/2026	Total Plan Expense (%)[2]	Total Plan Expense ($)	Revenue to Invmt. Mgmt. ($)	Revenue to RK / Admin. (Vendor)
South Coast Air Quality Management District Retirement Savings Plan	**$298,850,979**	**0.404%**	**$1,206,322**	**$1,146,552**	**$59,770**
				0.384%	**0.020%**
Industry Average [1]		*0.486%*	*$1,452,837*		

[1] *The Industry Average represents the weighted expense (based upon current allocation) of lowest cost Institutional and Retirement share classes in each asset category from Morningstar, plus the benchmark revenue requirement.*

[2] *Total Plan Expense does not include additional qualified Plan expenses or transaction costs.*







Appendix

Section 5

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: August 26, 2025

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on August 26, 2025, at 10:30 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager

Committee Members Absent
Bayron Gilchrist – General Counsel

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:40 am.

Approval of Prior Meeting Minutes
The Committee members in attendance unanimously approved the minutes from the meeting held on September 19, 2024, and March 18, 2025,

In Mr. Gilchrist's absence, the Committee deferred approval of May 27, 2025, meeting minutes to the next meeting.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 2nd Quarter 2025
The Committee members in attendance received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending June 30, 2025.

The Guaranteed Interest Account remained the Plan's largest single holding, representing 29% of total assets. The T. Rowe Price Retirement target date series, the Plan's default investment option, collectively accounted for over 10% of total assets.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The review of fund share classes showed that, after accounting for these credits, all funds provide participant savings compared to the lowest-cost share class, with annualized savings exceeding $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS"). There were no funds on the Watch List as of the date of the Report.

American Beacon Small Cap Value slightly underperformed its peers and index for the quarter, causing its Evaluation Methodology rank to decline from 41 ("perform") to 50 ("perform"). While stock selection was poor across a majority of sectors for the quarter, the largest detractor was a significant overweight to Stagwell, a technology-based marketing company that was down more than 25% for the quarter. Sector allocation, including an overweight to technology and an underweight to healthcare stocks, was largely beneficial and offset many of the stock selection issues for the quarter. Intermediate-and long-term performance remain strong. No action was recommended.

The Committee reviewed the performance of the Target Date Models, the T. Rowe Price Retirement series, and point-in-time Plan-level performance. Based on participant allocations as of June 30, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

American Airline Case Update
The Committee members in attendance agreed to defer discussion of this item to a future meeting, as warranted.

Participant Education Update
BFSG provided an update on recent and upcoming initiatives aimed at supporting participant financial wellness:

- In July 2025, BFSG hosted its annual National Summer Webinar Series, offering weekly sessions focused on key financial and retirement planning topics. The series covered Long-Term Care Insurance, Cybersecurity, Retirement Readiness, and Social Security & Medicare. Of the 108 individuals registered, 66 attended the sessions.

- On September 11, 2025, BFSG will conduct a session titled " Retirement Income Needs."

- On October 9, 2025, SCAQMD will hold its annual Benefit Fair, with BFSG scheduled to attend.

During the reporting period, BFSG's CFPs Keith Johnson and Sophia Liu held six one-on-one sessions with SCAQMD employees.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending June 30, 2025. Areas discussed included Plan assets, participant demographics, cash flow, asset allocation, savings and deferral rates, participation trends, loan utilization, and the use of Empower's Lifetime Income Score tool.

As of the end of the reporting period, Plan assets totaled $269.3 million (excluding brokerage assets), up from $249.5 million in the prior period. The number of participants with an account balance also increased, from 1,176 to 1,184.

Empower's account registration and protection report showed that 82 participants with a balance have registered their account online. Currently, 16 participants utilize Empower's managed account service.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

SETTLOR AGENDA

Annual Report
The Committee reviewed and discussed the Annual Report prepared by BFSG for the fiscal year ending June 30, 2025. The report is designed to assist the Governing Board in fulfilling its oversight role, as fiduciary and settlor responsibilities have been delegated to the Committee. The Committee members in attendance reviewed the key decisions made during the previous Plan year and unanimously approved the Annual Report as presented.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 12:00 p.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: November 19, 2025

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on November 19, 2025, at 10:30 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:38 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on May 27, 2025. Mr. Gilchrist abstained due to his absence at that meeting.

The Committee unanimously approved the minutes of the meeting held on August 26, 2025. Ms. Arciniega abstained due to her absence at that meeting.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 3rd Quarter 2025
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending September 30, 2025.

The Guaranteed Interest Account remained the Plan's largest single holding, representing 27% of total assets ($75 million). The T. Rowe Price Retirement target date series, the Plan's default investment option, collectively accounted for over 10% of total assets.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a level fee arrangement where fund revenue sharing payments are credited directly to the participants invested in the fund. The review of fund share classes showed that, after accounting for these credits, all funds provide participant savings compared to the lowest-cost share class, with annualized savings of $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS"). There were no funds on the Watch List as of the date of the Report.

American Beacon Small Cap Value underperformed its peer group for the quarter, with its Evaluation Methodology rank declining from 49 to 53, and it continues to lag peers across all measured periods - most notably over the last year. BFSG held a call with fund management on October 20, 2025, to discuss fund performance and shared their findings with the Committee. Management's focus on remaining style consistent from a market capitalization standpoint had caused underperformance earlier this year. This quarter's underperformance relative to the index was caused by a focus on quality. Softening monetary policy caused low quality, highly indebted, non-profitable businesses to significantly outperform their counterparts during the quarter.

ACTION: After discussion, the Committee unanimously voted to place the fund on the Watch List due to recent underperformance.

Hartford International Opportunities was on the Watch List from December 2023 through March 2025 due to underperformance and a manager change. It was removed in early 2025 after strong results under the new manager. Underperformance during the quarter was driven by stock selection in consumer discretionary and technology, along with a tilt toward growth-oriented stocks. Value has significantly outperformed growth in international markets over the last year. Overall, relative performance of the new manager remains strong, and no action was recommended.

MFS International New Discovery outperformed its category peers but trailed the index benchmark for the quarter. The fund remains consistent with its investment style and is positioned to perform well in down markets. Recent underperformance relative to the index was driven by an underweight to materials, an overweight to consumer staples, and the management team's tendency to avoid companies with debt. The fund is performing as expected given current market conditions. No action was recommended.

The Committee reviewed the performance of the Target Date Models, the T. Rowe Price Retirement series, and point-in-time Plan-level performance. Based on participant allocations as of September 30, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

Proposed Share Class Changes and Addition of T. Rowe Price Retirement 2070
BFSG reviewed the newly available T. Rowe Price Retirement 2070 I Fund and recommended adding it to the default age charts. BFSG also noted that, due to asset growth (collectively across both Plans), three funds—Vanguard Total Bond Index Adm, Vanguard Developed Markets Index Adm, and Vanguard Mid Cap Index Adm—now qualify for lower-cost I share classes.

ACTION: After discussion, the Committee unanimously voted to approve all proposed changes for both Plans. Implementation is pending Vanguard's confirmation that assets from both Plans may be combined to qualify for the lower-cost share class.

Fiduciary Education - Fiduciary Liability
BFSG provided fiduciary education focused on fiduciary liability and best practices for risk mitigation. While governmental plans such as District's are not subject to the Employee Retirement Income Security Act (ERISA), they are governed by the California State Constitution and government code. However, it is considered best practice to follow the guidelines and regulations established for qualified plans.

The session included findings from a recent Aon survey of the 15 largest fiduciary liability insurance providers. The survey identified key practices that may positively impact fiduciary liability insurance pricing, including conducting regular fee benchmarking, maintaining formal governance processes (such as documented committee meetings), and engaging an investment advisor - particularly one serving in a discretionary capacity.

The Committee discussed BFSG's discretionary management services, under which BFSG would be responsible for the selection and de-selection of funds offered in the Plan. The Committee would retain oversight responsibility, monitoring BFSG through regular performance reports and BFSG Discretionary Committee meeting minutes. BFSG also noted that their Consulting Agreement would include indemnification for investment-related claims.

BFSG noted that the Plan currently offers one ESG option, the Vanguard FTSE Social Index Fund. The Committee briefly discussed the ESG guidance issued under the Biden administration and that new guidance is expected to be issued early next year by the current administration. BFSG clarified that the ESG-related rules primarily apply to qualified plans and will continue to monitor developments and communicate any implications for the Plan.

Participant Education Update: BFSG provided the following updates on employee education initiatives:

- **Benefit Fair Participation:** BFSG attended the Benefit Fair on October 9, 2025. Employees shared positive feedback on the regular webinars, noting the informative and easy-to-follow content, as well as helpful ongoing assistance provided by BFSG's Certified Financial Planner (CFP), Keith Johnson.

- **CFP Update:** During the quarter, CFP Keith Johnson has conducted 3 one-on-one consultations and delivered 3 comprehensive financial plans.

- **National Fall Webinar Series:** In October 2025, BFSG launched its annual National Fall Webinar Series, featuring weekly sessions on key financial and retirement planning topics, including cybersecurity, debt management and budgeting, tax planning, and understanding annuities and life insurance. Each session will be recorded, and the recordings will be shared once the series has concluded.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending September 30, 2025. Areas discussed included Plan assets, participant demographics, cash flow, asset allocation, savings and deferral rates, participation trends, loan utilization, and the use of Empower's Lifetime Income Score tool.

As of the end of the reporting period, Plan assets totaled $278.8 million (excluding brokerage assets), up from $269.3 million in the prior period. The number of participants with an account balance also increased, from 1,184 to 1,1849

Ms. Braun-Ward reported that the average account balance exceeds $230,000, significantly above Empower's internal benchmark of $92,000. The Plan's participation rate is 76%, compared to Empower's benchmark of 59%. In addition, 83% of participants with a balance have registered their accounts online. Loan utilization remains low.

The Committee reviewed the utilization of Empower's managed accounts service and noted that 29 participants were enrolled, representing $2.9 million in assets. Ms. Braun-Ward also reviewed utilization by age and shared that Empower representatives proactively contacted participants under age 30 and confirmed that each chose to remain in the service.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

SETTLOR AGENDA

SECURE 2.0. Optional Provision – Emergency Withdrawal
The Committee reviewed the optional Emergency Personal Expense Withdrawal provision under SECURE 2.0, which permits one annual withdrawal of up to $1,000 for immediate and unforeseeable financial needs such as medical expenses, casualty losses, eviction, funeral costs, or other urgent personal needs. No additional withdrawal is allowed for three years unless the prior amount is repaid or employee contributions equal the withdrawal. A plan amendment is required, with an election deadline of 12/15/2025 for a 1/29/2026 effective date.

ACTION: After discussion, the Committee unanimously voted to add this provision to their 457(b) Plan.

OTHER MATTERS:

Public Comments – No public comments were received.

Other Business – There was no other business.

Adjournment - The meeting adjourned at 12:10 p.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: March 10, 2026

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on March 10, 2026, at 10:35 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:35 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on November 19, 2025.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 4th Quarter 2025
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending December 31, 2025.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a levelized fee arrangement whereby revenue sharing generated by certain funds is credited directly to participants invested in those funds. The review of fund share classes indicated that, after accounting for these credits, all funds result in participant cost savings relative to the lowest-cost available share class, with estimated annualized savings exceeding $27,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS").

American Funds American Balanced Fund – The Committee discussed a portfolio manager change within one of the underlying strategies, where two managers were removed and one manager with over 10 years of experience managing similar strategies within the American Funds complex was added. The change affects approximately 7% of assets within the strategy and is not expected to materially impact overall performance. As of the end of the reporting period, the fund outperformed both its benchmark index and category peers across all time periods measured in the Report. No action was recommended.

American Beacon Small Cap Value was placed on the Watch List in November 2025, due to underperformance relative to its index and peers. The Committee reviewed the fund's recent performance, noting that while it slightly outperformed peers during the quarter, it continued to trail the Russell 2000 Value Index primarily due to stock selection within healthcare and an underweight to biotechnology. Strong stock selection within technology was able to offset much of the underperformance. After discussion, the Committee agreed to maintain the fund on the Watch List to continue monitoring performance.

Hartford International Opportunities Fund – The Committee reviewed the fund's performance, noting that it slightly trailed its benchmark but outperformed its peer group during the quarter. The current lead manager assumed responsibility in 2024 and has been involved with the strategy since 2010; longer-term performance largely reflects the prior manager's tenure. The fund has generated approximately 2% positive year-to-date performance and remains broadly in line with peers. No action was recommended.

BFSG noted that the following changes were implemented effective February 16, 2026:

- Transition to lower-cost share classes for the Vanguard Total Bond Index Fund, Vanguard Developed Markets Index Fund, and Vanguard Mid-Cap Index Fund.
- Addition of the T. Rowe Price Retirement 2070 I Fund to the Plan's investment lineup.

The Committee reviewed the performance of the T. Rowe Price Retirement series, which serves as the Plan's default investment option. The series represented 11% of total assets, and performance was strong across all time periods shown in the Report.

The Committee reviewed the performance of the Target Date Models and point-in-time Plan-level performance. Based on participant allocations as of December 31, 2025, the Plan outperformed the custom category benchmark over all time periods measured in the Report.

Quarterly Review 457 and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending December 31, 2025. As of the end of the reporting period, Plan assets totaled $280.5 million (excluding brokerage assets), up from $278.8 million in the prior period. The number of participants with an account balance remained unchanged at 1,189.

The participation rate was 76%, exceeding the benchmark of 59%, and the average deferral rate was 12.8%, also above Empower's benchmarks. The Committee noted that the Plan's average account balance of approximately $233,000 significantly exceeds both benchmark and top-decile averages for plans of similar size.

The Committee also reviewed participant engagement, investment utilization, and cash flow activity. Approximately 83% of participants have registered their accounts online with Empower, and the majority manage their own investments, with 23.8% invested in target date funds and a smaller portion utilizing advisory services. Loan utilization remained low at approximately 7% of participants, below the benchmark of 10%. The report also indicated a median retirement income replacement score of 88%, with approximately 42% of participants projected to meet a 75% income replacement target at retirement.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 11.41 a.m.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

MEETING DATE: June 2, 2026

REPORT: Deferred Compensation Plan Committee

SYNOPSIS: The Deferred Compensation Plan Committee met on June 2, 2026, at 10:35 a.m. The following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

A. John Olvera, Chair
Deferred Compensation Plan

AJO:RH:tc

Committee Members Present
John Olvera – Deputy Executive Officer / Admin and Human Resources
Sujata Jain - Chief Financial Officer
Raquel Arciniega - Human Resources Manager
Bayron Gilchrist – General Counsel

Committee Members Absent
None

Guests
Darren Stewart, Benefit Financial Services Group ("BFSG")
Aksana Muñoz, BFSG
Lisa Braun-Ward, Empower Retirement ("Empower")

Call to Order: Chair Olvera called the meeting to order at 10:35 am.

Approval of Prior Meeting Minutes
The Committee unanimously approved the minutes of the meeting held on March 10, 2026.

FIDUCIARY AGENDA

457 and 401(a) Plans Quarterly Investment Review – 1st Quarter 2026
The Committee received and voted unanimously to approve the Retirement Plan Quarterly Investment Review (the "Report") for the 457 Deferred Compensation Plan and the 401(a) Defined Contribution Plan (collectively the "Plan") for the quarter ending March 31, 2026.

The Committee reviewed estimated fees paid to Empower for recordkeeping and administration of the District's Plan. Empower's annual fee requirement of 0.02% on each Plan's assets were below the benchmark of 0.03%.

The Plan operates under a levelized fee arrangement whereby revenue sharing generated by certain funds is credited directly to participants invested in those funds. The review of fund share classes indicated that, after accounting for these credits, all funds result in participant cost savings relative to the lowest-cost available share class, with estimated annualized savings exceeding $26,000.

To provide context for the performance of the investment options in the Plans, BFSG provided a brief overview of the economy and capital markets during the reporting period. The presentation was followed by a quantitative and qualitative review of the funds offered in the Plans, in accordance with the Evaluation Methodology criteria set forth in the Plan' Investment Policy Statement (the "IPS").

Hartford Dividend and Growth Fund – The Committee reviewed the performance of the fund, noting short-term underperformance during the quarter driven by an overweight to, and poor selection in, technology. Management uses the S&P 500 instead of the Russell 1000 Value as an internal benchmark, often leading to heavier weights in growth-oriented stocks. This includes a meaningful position in Microsoft, which underperformed during the quarter due to investor fears of disruption by artificial intelligence. BFSG noted that the fund has already shown signs of recovery and continues to demonstrate strong intermediate- and long-term performance relative to peers. No action was recommended.

American Beacon Small Cap Value – The fund, which was placed on the Watch List in November 2025 due to underperformance relative to its benchmark and peers, was reviewed by the Committee. BFSG reported on its April 2026 meeting with fund management, including discussion of the fund's sub-advisor structure, performance drivers, and market outlook. The Committee noted strong relative performance during the reporting quarter, driven primarily by stock selection, as well as an improved Evaluation Methodology rank of 45 ("perform"). After discussion, the Committee unanimously agreed to maintain the fund on the Watch List for continued monitoring.

Vanguard FTSE Social Index Fund – BFSG provided an update regarding recent regulatory developments, including the Department of Labor's proposed regulation addressing fiduciary considerations in the selection and monitoring of retirement plan investment options. BFSG noted that the proposal did not impose specific

restrictions on socially responsible investment options but instead outlined a principles-based fiduciary framework and potential safe harbor considerations for investment evaluation and monitoring. BFSG further noted that the proposed framework is generally consistent with the Committee's existing prudent fiduciary practices, including evaluation of investment objectives, risk/return characteristics, fees, manager qualifications, and ongoing oversight. The Committee reviewed the fund's performance, noting some short-term underperformance primarily attributable to its lack of energy sector exposure. Intermediate- and long-term performance remained favorable relative to category peers and its benchmark index.

The Committee reviewed point-in-time Plan-level performance. Based on participant allocations as of March 31, 2026, the Plan outperformed the custom category benchmark on a one-, three-, five, and ten-year basis.

Fixed Account Crediting Rate and Notice Requirement
The Committee discussed the Plan's Guaranteed Interest Account, including the remaining rate supplement from the prior product transition. It was noted that the supplement is expected to be exhausted by the end of 2026, after which the account's base crediting rate would likely become less competitive relative to available alternatives. In light of this, the Committee reviewed potential replacement strategies and unanimously approved providing the required 12-month notice to terminate the current account, with the transition expected to occur around the end of June 2027. Replacement options will be evaluated at a future meeting.

The Committee also reviewed available approaches for applying the remaining rate supplement, including maintaining the current supplement until depleted, spreading the remaining amount over the next 12 months, or implementing a step-down approach. After discussion, the Committee unanimously approved maintaining the current 1% supplement to the annual rate for as long as available, with the understanding that the crediting rate is expected to decrease once the supplement is exhausted, currently anticipated to occur January 1, 2027.

Quarterly Review 457(b) and 401(a) Plans
Ms. Braun-Ward provided a quarterly update on the 457(b) Plan for the period ending March 31, 2026. As of the end of the reporting period, Plan assets totaled $273.6 million (excluding brokerage assets), down from $280.5 million in the prior period, while the number of participants with an account balance increased from 1,182 to 1,190.

Ms. Braun-Ward reviewed Plan demographics and participant activity, noting 793 eligible participants, 77% participation, and an average contribution rate of 12.5%, all above applicable benchmarks. Although Plan assets declined during the quarter due to market performance, assets had subsequently recovered, and participant account balances remained strong relative to peers.

Ms. Braun-Ward also reviewed participant distributions, loans, rollovers, and managed account utilization. Distribution activity primarily reflected separated participants, required minimum distributions, and permitted in-service withdrawals, while loan activity remained low relative to benchmarks.

Managed account utilization was 4.6%, with most users having customized their profiles and provided supplemental financial information. The Committee discussed the importance of ensuring that participants enrolled in the managed account service receive the full value of the service and personalized advice appropriate to their circumstances. Accordingly, the Committee unanimously agreed to have Empower conduct proactive outreach to participants enrolled in the managed account service who have not fully completed their profiles or provided sufficient information necessary to support individualized recommendations.

Empower's 401(a) Plan Review report was also shared with the Committee.

Expense Budget Account Quarterly Activity Review
The Committee reviewed the quarterly accounting activity report for the Plan Expense Budget account. Empower reviewed the quarterly reconciliation, including activity associated with the transition from the discontinued money market account to the Vanguard Federal Money Market Fund. At the end of the reporting period, the Vanguard Federal Money Market Fund balance was $4,919.

SETTLOR AGENDA

Brown Act / SB 707 Remote Participation Provisions

The Committee discussed Senate Bill 707 ("SB 707"), which amended certain provisions of the Ralph M. Brown Act related to teleconferencing and remote participation by members of local agency legislative bodies. The Committee discussed the availability of remote participation options for Committee members and the related public access and meeting requirements under applicable law.

Following discussion, the Committee unanimously approved permitting remote participation subject to applicable requirements.

OTHER MATTERS:

Public Comments − No public comments were received.

Other Business − There was no other business.

Adjournment - The meeting adjourned at 12.00 p.m.