

Fiscal Year 2022/23

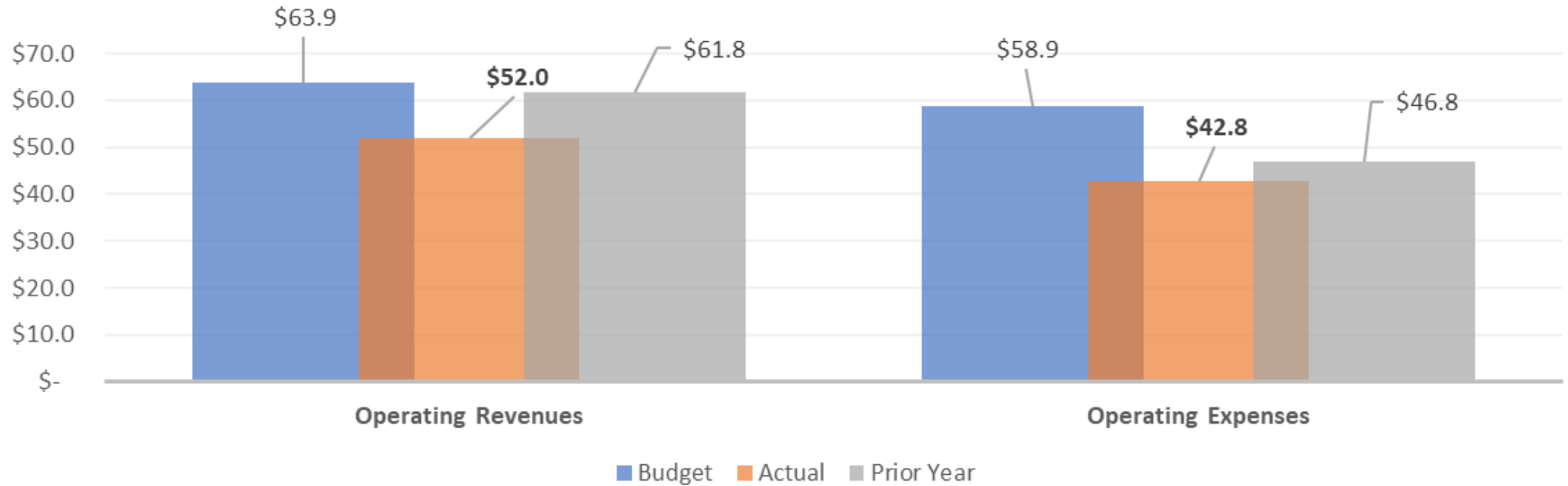
Financial Update

(Year-to-Date through April 2023)

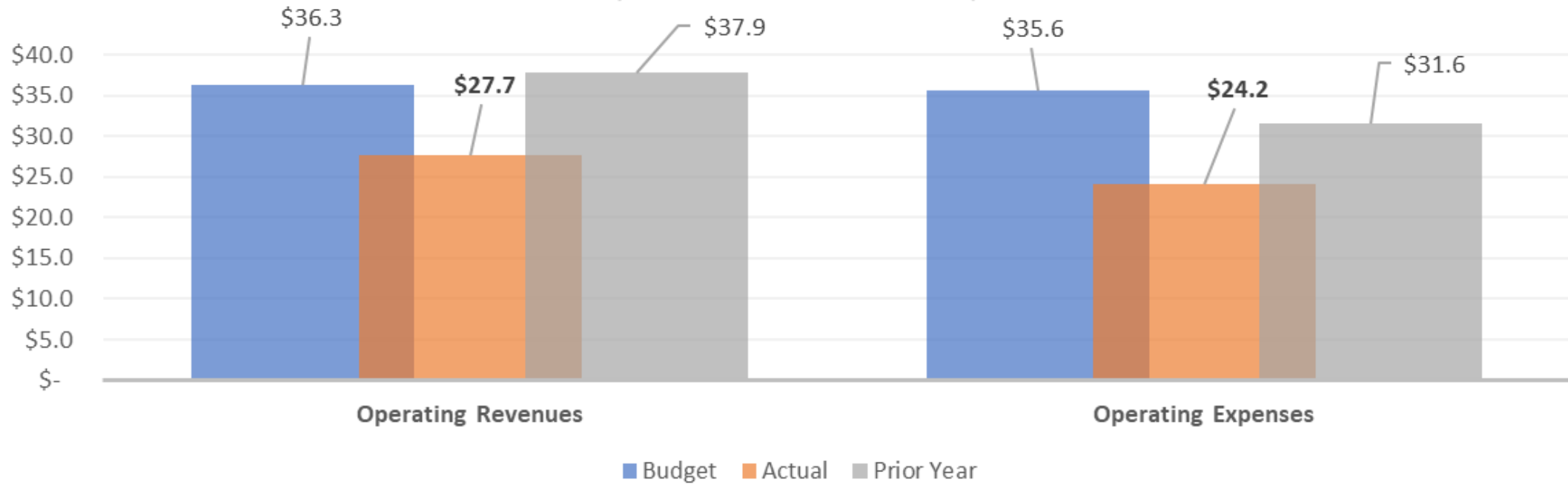
June 6, 2023



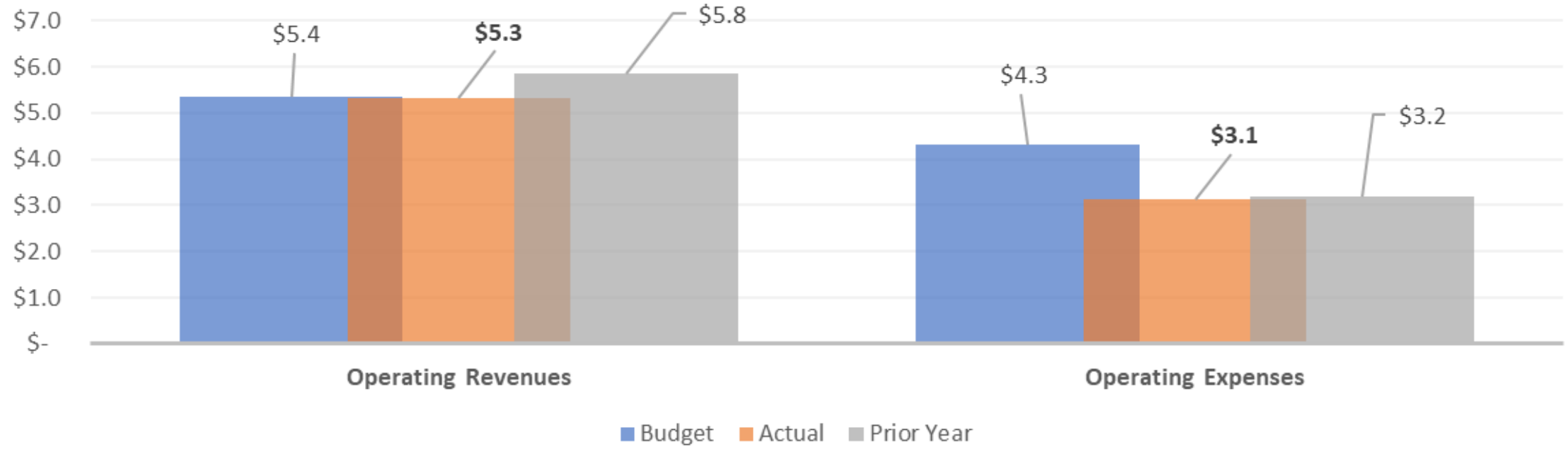
Districtwide - All Enterprises
Fiscal Year 2022-23
83% through the Fiscal Year
(dollars in millions)



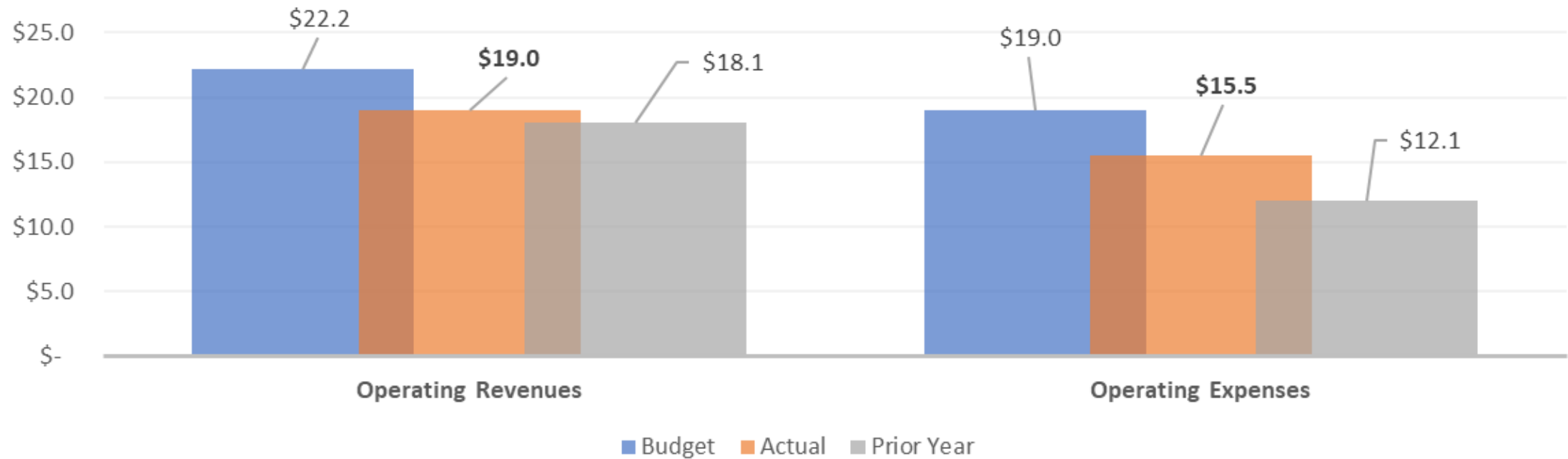
Potable Water Enterprise
Fiscal Year 2022-23
83% through the Fiscal Year
(dollars in millions)



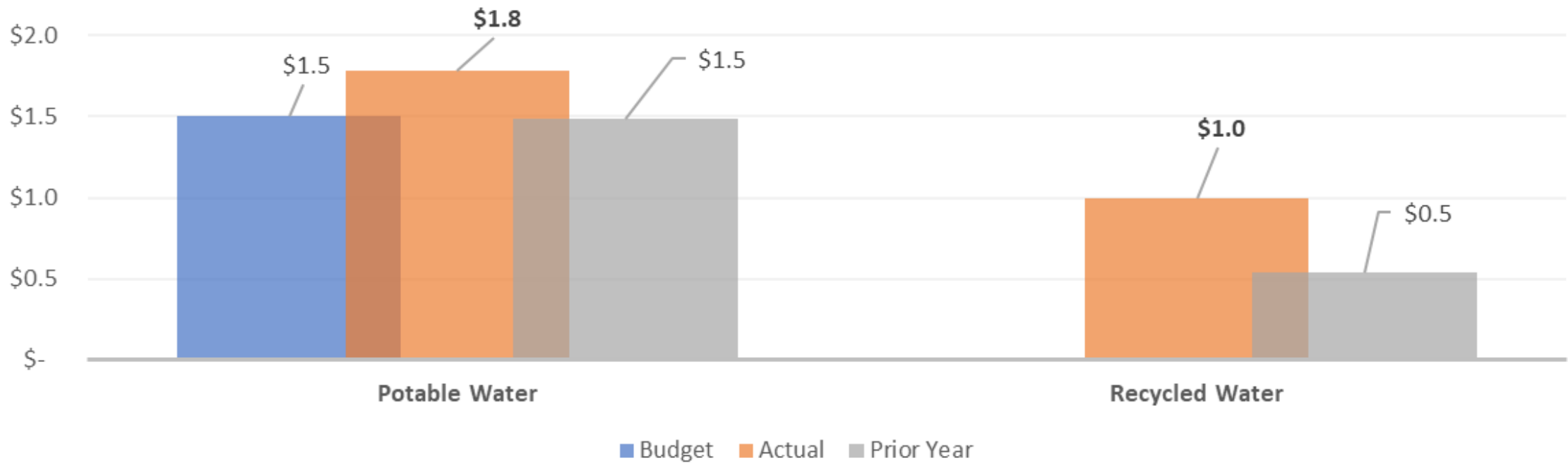
Recycled Water Enterprise Fiscal Year 2022-23 83% through the Fiscal Year (dollars in millions)



Sanitation Enterprise Fiscal Year 2022-23 83% through the Fiscal Year (dollars in millions)



Penalty Revenue
Fiscal Year 2022-23
83% through the Fiscal Year
(dollars in millions)



Update on CalPERS



CalPERS

Total Pension Liability	\$116.9 M
<u>Market Value of Assets</u>	<u>(\$94.0)M</u>
Unfunded Liability	\$22.9 M

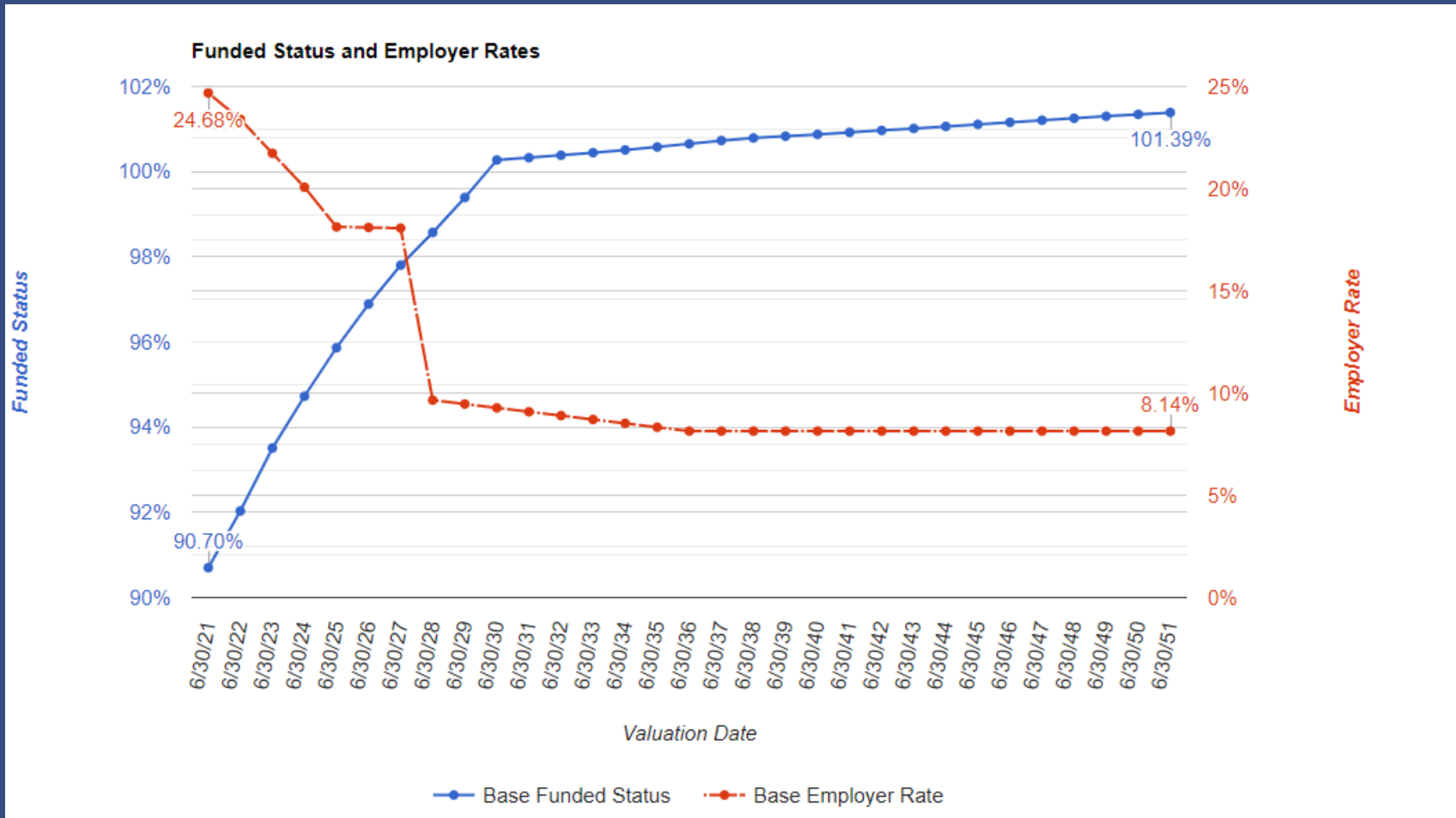


CalPERS

- Projected Funded Status – 80.42% (June 30, 2022 measurement date) approx. \$22.9m unfunded liability
- Fiscal Year 2023/24 Employer Contribution Rate – 24.68%
- Estimated Contribution Rates will stay between 18-25% until Fiscal Year 2028 when they drop down to 10-8% until 2035, and then 8% indefinitely.
- Estimated fully funded by Fiscal Year 2029/30



CalPERS



Update on OPEB



OPEB

Total OPEB Liability	\$21.3 M
<u>Market Value of Assets</u>	<u>(\$13.4)M</u>
Unfunded Liability	\$7.9 M



OPEB – Current Status

- Current Total Liability is \$21,302,475
- As of Fiscal Year 2022-23, Funded in CERBT Trust \$13,359,161 or 62.71% Funded vs 54.23% funded prior year.
- Unfunded Liability is Total Liability minus CERBT = \$7,943.314
- Measurement Date is June 30, 2022. Reporting Date is June 30, 2023.



OPEB – Unfunded Liability

Schedule of Changes in Net OPEB Liability (June 30, 2021 to June 30, 2022)

Total OPEB Liability	
Service Cost	369,911
Interest	1,460,484
Changes of benefit terms	0
Difference between expected and actual experience	(6,570,430)
Changes in assumptions or other inputs	2,702,224
Benefit payments ¹	(1,244,298)
Net change in total OPEB liability	(3,282,109)
Total OPEB liability – June 30, 2021 (a)	\$24,584,584
Total OPEB liability – June 30, 2022 (b)	\$21,302,475
Plan fiduciary net position	
Contributions – employer ¹	2,845,102
Other income – adjustment	0
Net investment income	(1,571,067)
Benefit payments ¹	(1,244,298)
Administrative expenses	(3,532)
Other disbursements – reimbursement to employer	0
Net change in plan fiduciary net position	26,205
Plan fiduciary net position – June 30, 2021 (c)	\$13,332,956
Plan fiduciary net position – June 30, 2022 (d)	\$13,359,161
Net OPEB liability (asset) – June 30, 2021 (a) – (c)	\$11,251,628
Net OPEB liability (asset) – June 30, 2022 (b) – (d)	\$7,943,314



CERBT Account Summary

As of March 31, 2023	Strategy 3
Initial contribution (06/15/2009)	\$328,180
Additional contributions	\$11,159,468
Disbursements	\$0
CERBT expenses	(\$68,024)
Investment earnings	\$3,065,371
Total assets	\$14,484,995
Annualized net rate of return (06/15/2009-03/31/2023 = 13.79 years)	4.71%

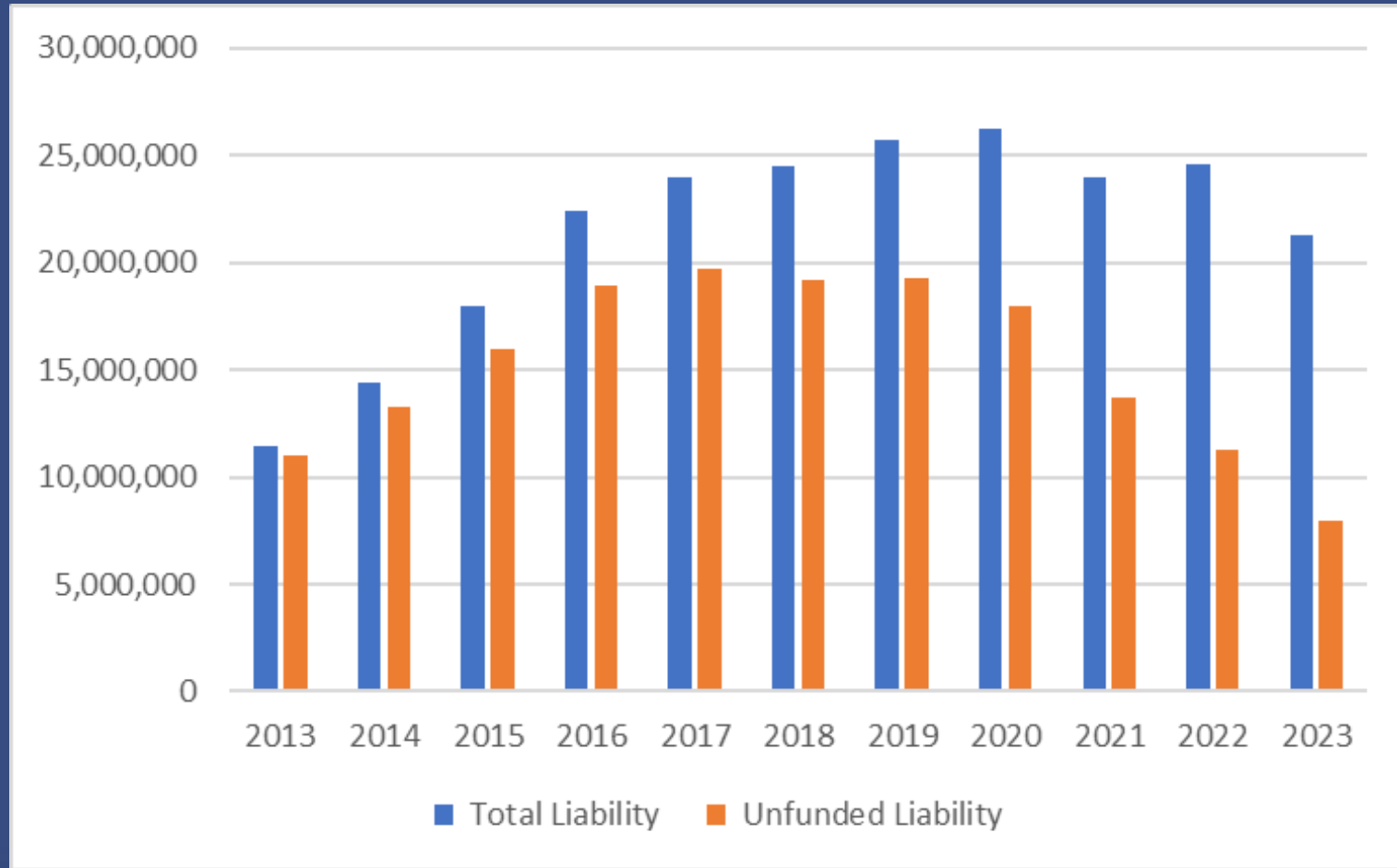


OPEB Historical Funding Status

<u>Reporting Period</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>Percent Funded</u>
6/30/13	11,438,687	11,038,989	3.49%
6/30/14	14,364,922	13,305,441	7.38%
6/30/15	17,945,074	15,927,925	11.24%
6/30/16	22,376,865	18,944,796	15.34%
6/30/17	23,976,840	19,722,139	17.75%
6/30/18	24,540,649	19,183,096	21.83%
6/30/19	25,713,197	19,301,046	24.94%
6/30/20	26,284,898	18,003,904	31.50%
6/30/21	23,960,183	13,706,306	42.80%
6/30/22	24,584,584	11,251,628	54.23%
6/30/23	21,302,475	7,943,314	62.71%



Historical Funding Status Trend



Recommendation

- Continue contributing additional funding to CERBT in the form of quarterly payments of Actuarially Determined Contributions (ADC) in addition to monthly “paygo” retiree health contributions.
 - Fiscal Year 2023/24 proposed annual estimate **\$2,299,230**
 - \$1,121,833 (ADC)
 - + \$1,177,397 (Paygo)
 - \$2,299,230 Total Contribution

