MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

AGENDA
Finance and Administration Committee

Monday, October 13, 2025, at 2:00 PM [PST]
MPWMD Conference Room | 5 Harris Court, Building G, Monterey, CA 93940

COMMITTEE MEMBERS		**Mission Statement**
George Riley – Chair *Rebecca Lindor* *Kate Daniels* *Alternate:* *Karen Paull*	*Staff:* *Nishil Bali, CFO/Administrative Services Manager* *Sara Reyes, Board Clerk*	Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments. **Vision Statement** Model ethical, responsible, and responsive governance in pursuit of our mission. **Board's Goals and Objectives** Are available online at https://www.mpwmd.net/who-we-are/mission-vision-goals/

[This is an in-person meeting. Remote participation via Zoom may be offered, but it is optional and not required for the meeting to proceed. **Please note the meeting will proceed as normal even if there are technical difficulties accessing Zoom.** The District will do its best to resolve any technical issues as quickly as possible.]

To join by Zoom, please click the link below:
https://mpwmd-net.zoom.us/j/85894560521?pwd=uAbckhsgHsj6xH22DEQXsPNBAoYAyi.1

Webinar ID: **858 9456 0521** | Password: **101325** | To Participate by Phone: **(669) 900-9128**

For detailed instructions on how to connect to the meeting, please click the link below:
https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/

Copies of the agenda packet are available for review on the District website (www.mpwmd.net) and at 5 Harris Court, Bldg. G, Monterey, CA.

Under the Brown Act, public comment for matters on the agenda must relate to that agenda item and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. This is a warning that if a member of the public attending this meeting remotely or in-person violates the Brown Act by failing to comply with these requirements, then the Chair may request that speaker be muted. If a member of the public attending this meeting in-person engages in disruptive behavior that disturbs the orderly conduct of the meeting, they may be removed from the meeting after a warning.

Call to Order / Roll Call

Additions and Corrections to the Agenda

Comments from Public – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three (3) minutes in length.*

Action Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

1. Consider Adoption of September 8, 2025 Committee Meeting Minutes

2. Consider Recommendation to Authorize Contract with IDM US Holdings, Inc. "Gravity" – Budget Book
3. Consider a Contribution of $8,000 Towards Restoration of "Rosie's Garden," A Water Efficient Public Demonstration Garden in Carmel Valley
4. Consider Contracting With Weber Water Resources To Destroy Monitor Well FO-10
5. Consider Adoption of Treasurer's Report for August 2025
6. Receive Government Accounting Standards Board (GASB) Statement No. 68 – Financial Reporting for Pensions
7. Receive Government Accounting Standards Board (GASB) Statement No. 75 - Financial Reporting for Post-Employment Benefits Other Than Pensions
8. Consider Recommendation to Adopt Proposed Financial Policies

Informational Items - *Public comment will be received. Please limit your comments to three (3) minutes per item.*

9. Report on Activity/Progress on Contracts Over $25,000
10. Status Report on Expenditures – Public's Ownership of Monterey Water System

Discussion/Other Items - *Public comment will be received. Please limit your comments to three (3) minutes per item.*

11. Review Draft October 20, 2025 Regular Board Meeting Agenda

Suggest Items to be Placed on Future Agendas

Adjournment

Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please send a description of the requested materials and preferred alternative format or auxiliary aid or service at least 48 hours prior to the scheduled meeting date/time. Requests should be forwarded to Sara Reyes by e-mail at sara@mpwmd.net or at (831) 658-5610.

Options for Providing Public Comment

Attend In-Person
The Finance and Administration Committee meeting will be held in the Main Conference Room at **5 Harris Court, Building G, Monterey, CA 93942** and has limited seating capacity.

Submission of Written Public Comment
Send written comments to District Office, 5 Harris Court, Building G, Monterey, CA or online at comments@mpwmd.net. Include the following subject line: "PUBLIC COMMENT ITEM #" (insert the agenda item number relevant to your comment). Written comments must be received by 12:00 PM the day of the meeting. All submitted comments will be provided to the Committee, compiled as part of the record, and placed on the District's website as part of the agenda packet for the meeting. Correspondence is not read during public comment portion of the meeting.

Instructions for Connecting to the Zoom Meeting can be found at https://www.mpwmd.net/instructions-for-

connecting-to-the-zoom-meetings/

Refer to the Meeting Rules to review the complete Rules of Procedure for MPWMD Board and Committee Meetings: https://www.mpwmd.net/who-we-are/board-of-directors/meeting-rules-of-the-mpwmd/

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Oct-13-2025-FAC-Agenda.docx

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF SEPTEMBER 8, 2025 COMMITTEE MEETING MINUTES

Meeting Date: **October 13, 2025**

From: **David J. Stoldt,**
General Manager

Prepared By: **Sara Reyes**

SUMMARY: Attached as **Exhibit 1-A** are the draft minutes of the Finance and Administration Committee meeting held on September 8, 2025.

RECOMMENDATION: Staff recommends that the Finance and Administration Committee review and adopt the minutes by motion.

EXHIBIT
1-A Draft Minutes of September 8, 2025 Finance and Administration Committee Meeting

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\01\Item-1.docx

DRAFT MINUTES
Finance and Administration Committee
September 08, 2025 at 2:00 p.m.

Meeting Location: District Office, Main Conference Room
5 Harris Court, Building G., Monterey, CA 93940
(*Hybrid: Meeting Held In-Person and via Zoom – Teleconferencing means)*

Call to Order
Chair Riley called the meeting to order at 2:00.PM.

Committee Members Present	**Committee Members Absent**
George Riley, Chair Rebecca Lindor Kate Daniels	None
District Staff Members Present	**District Staff Members Absent**
David J. Stoldt, General Manager Mike McCullough, Assistant General Manager Nishil Bali, Chief Financial Officer/Administrative Services Manager Sara Reyes, Executive Assistant/Board Clerk	None
District Counsel Present	
Michael Laredo, De Lay & Laredo	

Additions / Corrections to Agenda
None

Comments from the Public
None

Action Items

1. **Consider Adoption of August 11, 2025 Committee Meeting Minutes**
On a motion by Daniels, seconded by Lindor, the minutes of August 11, 2025, meeting were approved 3-0, with a request for a detailed breakdown of the event budget to better understand the scope of the Boards's contribution.

2. **Consider Adoption of Treasurer's Report for July 2025**
On a motion by Lindor, seconded by Daniels, the Finance and Administration Committee recommended that the Board adopt the July 2025 Treasurer's Report and Statement Revenues and Expenditures, and ratify the disbursement made during the month. The motion passed 3-0.

3. **Consider Recommendation to Adopt Proposed Financial Policies**
On a motion by Riley, seconded by Daniels, the Finance and Administration Committee recommended that the Committee allow additional time for review and that staff provide supporting documentation

to strengthen confidence in adopting the proposed Financial Policy.

Informational Items

4. **Report on Activity/Progress on Contracts Over $25,000**
This item was presented as information to the committee. No action was required or taken by the committee.

5. **Status Report on Spending – Public's Ownership of Monterey Water System**
This item was deferred to the Board Meeting. No action was required or taken by the committee.

Discussion Items

6. **Review Draft September 15, 2025 Regular Board Meeting Agenda**
General Manager Stoldt reviewed the draft agenda with the Committee. The committee had no changes to the draft agenda.

Adjournment
There being no further business, Chair Riley adjourned the meeting at 3:23 p.m.

/s/ Sara Reyes

____
Sara Reyes, Committee Clerk to the
MPWMD Finance and Administration Committee

Reviewed and Approved by the MPWMD Finance and Administration Committee ________________.

Received by the MPWMD Board of Directors on _____________________.
U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\01\Item-1-Exh-1-A.docx

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

2. CONSIDER RECOMMENDATION TO AUTHORIZE CONTRACT WITH IDM US HOLDINGS, INC “GRAVITY” – BUDGET BOOK

Meeting Date:	**October 13, 2025**	**Budgeted:**	**Yes**
From:	**David J. Stoldt,** **General Manager**	**Program/** **Line Item No.:**	**Budget Book** **xx-02-781900**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	Approx. $15,000 annually + Implementation

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025, and recommended _______________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: District staff has conducted a comprehensive review of potential solutions to streamline the development and presentation of the District’s annual Budget Book. As part of this evaluation, multiple software platforms were assessed for their functionality, ease of use, and alignment with the District’s operational and reporting needs.

Based on this analysis, staff recommends the adoption of Gravity’s Budget Suite as the most suitable option to meet the District’s current and anticipated budgeting requirements. This cloud-based platform will modernize the budget development process by automating existing manual workflows and consolidating work currently performed across multiple Excel spreadsheets and Word documents.

Gravity’s Budget Suite will improve efficiency, enhance accuracy, and provide advanced publication features, including data visualization and automated formatting. These enhancements will help the District produce a more professional, consistent, and accessible annual budget document.

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend the Board:

1. Approve a three-year contract with Gravity Software Services for Budget Suite software licensing and implementation at a total not-to-exceed amount of $52,704 per **Exhibit 2-B**, and
2. Authorize two one-year optional renewals at an annual cost not-to-exceed $16,000 each, and
3. Approve a budget adjustment to increase the Fiscal Year 2024–25 budget by $23,000 for the first year of licensing and implementation.

BACKGROUND: The District currently relies on a highly manual budget preparation process utilizing multiple Excel worksheets and Word documents. While effective, this method is labor-intensive and poses an increased risk of human error despite various control measures in place. To identify a more efficient and scalable solution, staff conducted a comprehensive review of budget software platforms used by peer agencies and municipalities. Solutions evaluated included offerings from OpenGov, Questica, ClearGov, Gravity, and the Tyler Munis budget module, which integrates with the District's existing ERP system.

Following this review, staff recommends separating the tools used for budget development and budget presentation. The District will use Tyler's budget development module (purchased in the prior fiscal year) and proposes adopting Gravity's Budget Suite software specifically for budget publication and presentation. Gravity's Budget Suite offers key advantages aligned with the District's needs, including:

- Integration with existing financial data and the District's chart of accounts
- Automated formatting and publication features that streamline the creation of the Budget Book
- Cloud-based collaboration tools with role-based permissions and real-time progress tracking
- Rule-based data mapping to ensure data integrity and consistency across financial documents
- Customizable visuals and graphics to improve the presentation of financial information

Unlike other vendors, Gravity offers a standalone license specific to budget presentation functions, allowing the District to optimize its software investment without redundant features.

Implementation is expected to begin in November 2025, pending Board approval. The onboarding process will include configuration of the current budget structure, rules development, data modeling, and staff training. Following a three-month implementation lead time, the system is targeted to be operational for the preparation of the Fiscal Year 2026-27 budget.

EXHIBIT
2-A Gravity Budget Platform
2-B Gravity Contract Form

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\02\Item-2.docx

GRAVITY

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Monterey Peninsula Water Management District
Gravity – Budget Platform
Paul Felton, Kasandra Primucci, Armel Kouassi
Nishil Bali: CFO

GRAVITY

TRUSTED BY OVER 200 CUSTOMERS IN 40 STATES

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

OC SAN
ORANGE COUNTY SANITATION DISTRICT

SACRAMENTO COUNTY

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

THE COUNTY OF SANTA CRUZ
SINE PRAEJUDICIO
1850

LAS VIRGENES MUNICIPAL WATER DISTRICT
EST. 1958

COUNTY OF Placer®

Valley Transportation Authority
Solutions that move you

SONOMA COUNTY CALIFORNIA
1850
AGRICULTURE INDUSTRY RECREATION

CITY OF BERKELEY

Customer Feedback

85%	Reduction in staff time spent for reporting and narrative disclosures
5%	Budget savings to be reallocated to strategic initiatives / priorities
50%	Time savings for Budget Development & Transparency Reporting

SOLUTION OFFERINGS

Financial Disclosure Reporting

- ACFR
- PAFR
- Budget & CIP Books
- Specialty Financial Reports
- Quarterly/ Monthly

Lease/Debt & Accounting

- Lease Management GASB 87
- SBITA Management GASB 96
- Debt Management GASB 88

Budgeting & Planning

- Budget Reporting
- Operational Budgeting
- Personnel Planning
- Capital Improvement Planning
- Transparency/ Digital Book

GRAVITY

Monterey Peninsula Water Management District, CA

Current

- Budget Book

Priorities

- Protect, enhance and maintain District's financial health
- Prepare for new reporting standards and existing data needs.
- Maintain GFOA award and CSDA transparency certificate of compliance

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

GRAVITY Customer Examples:

- Placer County Budget Book
- Placer County ACFR
- Anaheim Budget Book
- Berkeley Budget Book
- Berkeley CIP Book
- Berkeley Open Data

GRAVITY

GRAVITY BUDGET PLANNING & BUDGET BOOK AUTOMATION

BUDGETING TEMPLATES

- Operational Budgeting
- Personnel Budgeting
- Capital Budgeting

MULTIDIMENSIONAL FINANCIAL DATA MODEL

- Project
- Account
- Fund
- Period
- Department

PUBLISHER

OUTPUT

- PDF Budget Book (GFOA Checklist)
- Real Time Budgeting Dashboards
- Digital Budget Book
- Forecasting Dashboards

ERP INTEGRATION

- Gravity ETL
- Direct Connection to ERP

GRAVITY

ERP SYSTEM INTERFACES

munis a tyler erp solution | incode a tyler erp solution | CENTRALSQUARE | CASELLE Commitment to Community | Springbrook | BS&A SOFTWARE | CitySuite Enterprise Software

infor | ORACLE | Microsoft | SAP | CGI | workday

mip FUND ACCOUNTING | eFinancePlus | ellucian | PeopleSoft | ORACLE JD Edwards | ORACLE NetSuite

GRAVITY

API CONNECTION

The CUSTOMER exposes an API that can connect to their ERP

GRAVITY pulls the data from the API

GRAVITY imports the data into MDFM

GRAVITY → JSON / Rest API → OFAS/Workday

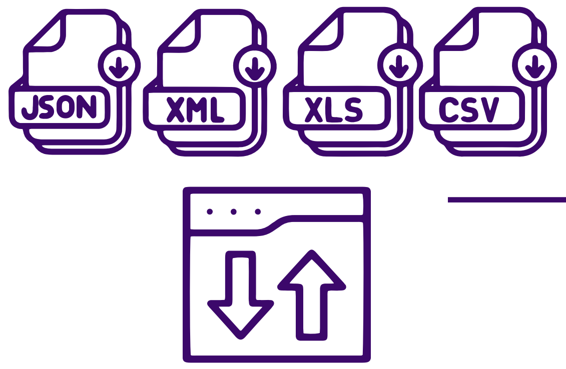
SFTP CONNECTION

The CUSTOMER exports data from their ERP into a file

The file is uploaded to the secure GRAVITY Cloud Drive

GRAVITY imports the data into MDFM

GRAVITY →



FTP

→ OFAS/Workday

GRAVITY

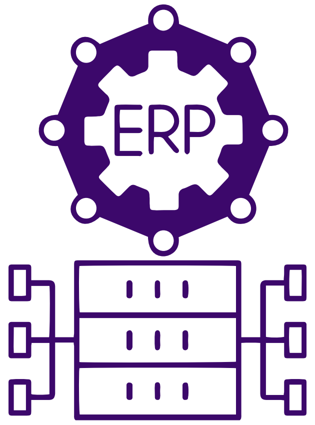
SQL CONNECTION

The CUSTOMER exposes a connection to an SQL endpoint

GRAVITY pulls the data from the SQL

GRAVITY imports the data into MDFM

GRAVITY



ERP Database

OFAS/Workday

YOUR GRAVITY TEAM

Olga Gilpin
Project Manager
ogilpin@onegravity.com

Ryley Davenport
Customer Success
rdavenport@onegravity.com

Yaroslav Sydorenko
Implementation Manager
isydorenko@onegravity.com

Juan Sebastián
Implementation Specialist
jsebastian@onegravity.com

Kateryna Altyntash
Designer
kaltyntash@onegravity.com

GRAVITY

Our Proven Deployment Methodology

Welcome email
- File Gathering
- Template selection
- Mapping completion
- Requirement validation

Kickoff & Discovery
- Project Kickoff
- Review goals, timeline, and team roles
- Confirm project scope & develop configuration plan

Implementation phase
- Data mapping of tables and fields (Data load)
- User roles and permissions
- Design report templates
- User Acceptance Testing

Sign-Off Meeting
- Project delivery approval with the Gravity Project Manager

Training and Transition
- 10 hours recorded training session
- Handoff to the support team post-implementation

Ongoing Support with Gravity
- Customer Success Representative
- Support Ticketing system(8am EST - 8pm EST)
- Articles
- Videos

Week 1–2 → Week 3–12 → **Whole lifecycle**

ORDER FORM

Prepared by Name: Armel Kouassi
Prepared by Email: akouassi@onegravity.com

Customer Information	Gravity Information
Monterey Peninsula Water Management District, CA **Billing Address:** 5 Harris Court Monterey, California 93940 **Billing Email Address:** nishil@mpwmd.net	**IGM US Holdings, Inc "Gravity"** **Primary Address:** 333 SE 2nd Ave, Miami, FL 33131 **Contact Email**: mmattson@igm.technology

Order Details

Subscription Start Date: x
Subscription End Date: x
Currency: USD
Payment Term: NET 30

Annual Recurring Base Software Fee: $13,800.00
Total One-Time Services Fee: $9,200.00
Annual Price Adjustment: 5%
Contract Term (Months): 36

Software Services

Product/Service	Additional Details (If applicable)
Core Environment & User Access Setup	Access includes up to 5 Named Users.
Budget Book Automation - Software	
TOTAL SOFTWARE SERVICES FEE	**$13,800.00**

Professional Services

Service	Additional Details (If applicable)
Budget Book Automation - Setup Suport	
TOTAL PROFESSIONAL SERVICES FEE	**$9,200.00**

Billing Table

Start Date	End Date	Total Amount
X	X	$23,000
		$14,490
		$15,214

Additional Details:

See Statement of Work attached as Exhibit A

First year fees are payable net 30 days from the Effective Date of this Agreement.

Signatures

This Order Form is entered into between IGM US Holdings, Inc., with its principal place of business at 333 SE 2nd Ave, Miami, FL 33131 (“Company” or “Gravity”), and the entity identified above (“Customer”), and is effective as of the date on which the last party executes this Order Form “the “Effective Date”).

This Order Form includes and incorporates the attached Terms and Conditions (“T&Cs”), as well as any applicable Statement of Work (“SOW”) incorporated herein, in the event Professional Services are purchased. The Order Form, T&Cs, and any SOW shall collectively be referred to as the “Agreement.”

IGM US Holdings, Inc	**Monterey Peninsula Water Management District, CA**
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

TERMS AND CONDITIONS

1. **Software as a Service ("SAAS") SERVICES AND SUPPORT**
   1.1. Subject to the terms of this Agreement, Company will use commercially reasonable efforts to provide Customer the Services in accordance with the Service Level Terms attached hereto as Exhibit B.
   1.2. Subject to the terms hereof, Company will provide Customer with reasonable technical support services in accordance with the Support Terms attached hereto as Exhibit C.

2. **RESTRICTIONS AND RESPONSIBILITIES**
   2.1. Customer will not, directly or indirectly: reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the Services or any software, documentation or data related to the Services ("Software"); modify, translate, or create derivative works based on the Services or any Software (except to the extent expressly permitted by Company or authorized within the Services); use the Services or any Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels.

   2.2. Customer represents, covenants, and warrants that Customer will use the Services only in compliance with all applicable laws and regulations. Customer hereby agrees to indemnify and hold harmless Company against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorneys' fees) in connection with any claim or action that arises from an alleged violation of the foregoing or otherwise from Customer's use of Services.

   2.3. Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, "Equipment"). Customer shall also be responsible for maintaining the security of the Equipment and the administrative and user passwords.

3. **CONFIDENTIALITY; PROPRIETARY RIGHTS**
   3.1. Each party (the "Receiving Party") understands that the other party (the "Disclosing Party") has disclosed or may disclose business, technical or financial information relating to the Disclosing Party's business (hereinafter referred to as "Proprietary Information" of the Disclosing Party). Proprietary Information of Company includes non-public information regarding features, functionality and performance of the Service. Proprietary Information of Customer includes non-public data provided by Customer to Company to enable the provision of the Services ("Customer Data"). The Receiving Party agrees: (i) to take reasonable precautions to protect such Proprietary Information, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information after five (5) years following the disclosure thereof or any information that the Receiving Party can document (a) is or becomes generally available to the public, or (b) was in its possession or known by it prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to it without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party or (e) is required to be disclosed by law.

   3.2. Customer shall own all right, title and interest in and to the Customer Data. Company shall own and retain all right, title and interest in and to (a) the Services and Software, all improvements, enhancements or modifications thereto, (b) any software, applications, inventions or other technology developed in connection with Implementation Services or support, and (c) all intellectual property rights related to any of the foregoing.

   3.3. No rights or licenses are granted except as expressly set forth herein.

4. **PAYMENT OF FEES**

4.1. Customer will pay Company the then applicable fees described in the Order Form for the Services and Implementation Services in accordance with the terms therein (the "Fees"). If Customer's use of the Services exceeds the Service Capacity set forth on the Order Form or otherwise requires the payment of additional fees (per the terms of this Agreement), Customer shall be billed for such usage and Customer agrees to pay the additional fees in the manner provided herein. Company reserves the right to increase the Service Fees to reflect inflation and ongoing enhancements applied to the software platform, to change the Fees or applicable charges and to institute new charges and Fees at the end of the Initial Service Term or then-current renewal term. If Customer believes that Company has billed Customer incorrectly, Customer must contact Company no later than 60 days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to Company's customer support department.

4.2. Company will bill through an invoice. Full payment for invoices issued in any given month must be received by Company within thirty (30) days after the mailing date of the invoice. Unpaid amounts are subject to a finance charge of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection and may result in immediate termination of Service. Customer shall be responsible for all taxes associated with Services other than taxes based on Company's net income.

5. **TERM AND TERMINATION**

5.1. Subject to earlier termination as provided below, this Agreement is for the Initial Service Term as specified in the SaaS Services Agreement, and shall be automatically renewed for additional periods of the same duration as the Initial Service Term (collectively, the "Term"), unless either party requests termination at least thirty (30) days prior to the end of the then-current term.

5.2. Termination for Non-Appropriation of Funds: Contract will terminate if funds are not appropriated for it in the customer's budget for each future fiscal year. The contract will terminate on the last fiscal year for which funds were appropriated within the term.

5.3. In addition to any other remedies, it may have, either party may also terminate this Agreement upon thirty (30) days' notice (or without notice in the case of nonpayment), if the other party materially breaches any of the terms or conditions of this Agreement. Customer will pay in full for the Services up to and including the last day on which the Services are provided. Upon any termination, Company will make all Customer Data available to Customer for electronic retrieval fora period of thirty (30) days, but thereafter Company may, but is not obligated to, delete stored Customer Data. All sections of this Agreement which by their nature should survive termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability.

6. **WARRANTY AND DISCLAIMER**

6.1. Company shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Implementation Services in a professional and workmanlike manner. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Company or by third-party providers, or because of other causes beyond Company's reasonable control, but Company shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption. HOWEVER, COMPANY DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES AND IMPLEMENTATION SERVICES ARE PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

7. **LIMITATION OF LIABILITY**
    7.1. NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, COMPANY AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL EQUIPMENT AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OR CORRUPTION OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND COMPANY'S REASONABLE CONTROL; OR (D) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID BY CUSTOMER TO COMPANY FOR THE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **MISCELLANEOUS**
    8.1. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement is not assignable, transferable or sub-licensable by Customer except with Company's prior written consent. Company may transfer and assign any of its rights and obligations under this Agreement without consent. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both parties, except as otherwise provided herein. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Customer does not have any authority of any kind to bind Company in any respect whatsoever. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by the laws of California without regard to its conflict of law provisions. Customer agrees to reasonably cooperate with Company to serve as a reference account upon request.

EXHIBIT A
Statement of Work

This Statement of Work ("SOW") defines the scope, objectives, deliverables, and responsibilities associated with the implementation of the SaaS Solution and Implementation Services purchased under the applicable Order Form.

The specific modules and services to be implemented are as outlined in the Order Form and will be delivered in accordance with this SOW.

Each module follows a structured, milestone-based implementation process. When multiple modules are purchased as part of a bundle, implementation will be conducted as a unified project to streamline activities and ensure cross-module consistency.

Implementation Methodology & Responsibilities

Implementation Approach

Our methodology is iterative and collaborative, rooted in best practices from both public and private sector deployments. It emphasizes co-design, proactive communication, and phased delivery to ensure successful adoption and long-term sustainability.

Each project begins with a Joint Application Design Session (JADS), where our teams collaborate to define the solution framework and implementation plan. This is followed by structured milestones: Discovery, Data Integration, Configuration, Delivery, and Sign-Off. Final user training and transition to support are included in all deployments. The detailed definitions, deliverables, and responsibilities for each phase will be provided later in a detailed project plan, which accompanies the SOW.

Client Responsibilities

The success of the implementation depends on active participation, timely decision-making, and clear communication. To support this, the Client agrees to:

- Assign a primary project lead to coordinate internal resources and communications
- Participate in all milestone activities and design sessions (e.g., Joint Application Design Sessions – JADS)
- Provide timely access to relevant data, documentation, and legacy systems
- Review and approve project deliverables in a timely manner
- Attend configuration reviews, training sessions, and system testing as scheduled
- Perform data validation and confirm accuracy of loaded information prior to go-live
- Provide formal sign-off on deliverables within ten (10) business days of submission; if no feedback or objections are received, deliverables will be considered accepted
- Notify Gravity promptly of any internal changes that may impact project scope or timeline

Assumptions

- Implementation services are delivered remotely unless otherwise agreed
- Project success depends on timely inputs from both parties
- Client-side approvals and resourcing will be in place before project kickoff
- Change orders are required for scope or timeline modifications

Milestone 1: Discovery and Planning (Joint Application Design Sessions – JADS)

In this phase, Gravity and the Customer will collaborate through Joint Application Design Sessions (JADS) to define the solution framework, establish key project plans, and align on configuration requirements. This milestone sets the foundation for a successful implementation by aligning both teams on scope, expectations, and timelines.

Objectives:

- Review and validate the project scope, contracts, and software subscription licenses
- Assess the Customer's current systems, documentation, reports, and templates
- Define the solution framework, workflows, and data structures within Gravity
- Identify any functional gaps or risks and outline a mitigation plan
- Establish project start and end dates and a preliminary timeline
- Confirm roles, responsibilities, and communication protocols

Deliverables:

- Finalized project plan and implementation timeline
- Configuration guide detailing the proposed Gravity system setup
- Roles and responsibilities matrix
- Risk log and mitigation strategies
- Documentation of current state review and system assessment

Milestone 2: Data Integration

Following the completion of the Discovery and Planning phase, Gravity and the Customer will begin configuring the system based on the jointly defined solution design. During this phase, Gravity will configure data elements, integrations (if purchased), and validation logic to align with the Customer's business requirements. Ongoing collaboration will be essential to review configurations, resolve issues, and ensure alignment as questions or changes arise.

Objectives:

- Configure data elements, roles, reports, dimensional structures, and workflows in accordance with the agreed-upon design
- Establish integration with source systems or ingest structured data from the Customer
- Configure automated data imports, mapping structures, and validation logic
- Load, validate, and test required datasets
- Align on configuration changes through iterative reviews with the Customer

Deliverables:

- Data integration framework and documentation
- Configured system environment reflecting the Customer's structure and workflows
- Validated data imports with quality assurance (QA) checks
- Initial test results and configuration sign-off
- Import configuration templates (e.g., for data file extracts and imports)

Milestone 3: Configuration

With data structures and integration points established, the Configuration phase focuses on building the Gravity system to meet the Customer's approved design specifications. Gravity will configure templates, workflows, business rules, reports, outputs, and user roles to ensure alignment with project objectives. This phase also includes planning for module delivery and documenting any necessary, changes, updates and modifications prior to full acceptance

Objectives:

- Configure system components including database models, dimensions, cubes, rules, and views
- Build module-specific templates, data entry forms, workflows, and dashboards
- Set up user roles, groups, and approval routing based on the design
- Conduct internal system testing, review and QA
- Identify and document required adjustments based on testing feedback

Deliverables:

- Fully configured Gravity environment aligned to the approved scope
- Module-specific templates and workflows
- Role-based access and routing setup documentation
- Formal configuration, module delivery and acceptance

Milestone 4: Project Sign Off

In the final phase of the implementation, Gravity and the Customer will complete final testing, formalize acceptance of delivered modules, and transition the relationship to the Training, Customer Success, and Support teams. This phase ensures that all agreed-upon deliverables have been met and that the Customer is equipped for a successful go-live and continued system adoption.

Objectives:

- Complete final testing and obtain user acceptance of the configured solution
- Review implementation experience and assess outcomes with the Customer
- Upload final project documentation and system configurations
- Confirm delivery of all in-scope modules and services per the implementation plan
- Prepare system for transition to training and post-go-live support

Deliverables:

- Formal module and project sign-off documentation signed by both parties
- Delivery of all purchased modules and implementation services
- Uploaded documentation and/or training recordings
- Transition summary and handoff to Training, Customer Success, and Support teams
- Communication and support plan for end-user engagement

Milestone 5: Training

Gravity will work collaboratively with the Customer to deliver effective training tailored to user roles and the modules in scope. Standard training materials for administrators and end users will be provided. Training may be delivered by Gravity and/or the Customer, depending on internal preferences and capacity. Prior to training, a plan will be reviewed and agreed upon to ensure alignment with the Customer's internal rollout and support needs.

Objectives:

- Develop a training plan based on the approved configuration and user roles
- Deliver administrator and/or end-user training aligned to the modules deployed
- Confirm successful knowledge transfer

Deliverables:

- Training plan reviewed and approved by the Customer
- Standard training materials (Admin and End User) delivered
- Completed training sessions for applicable user groups
- Support transition and knowledge transfer plan finalized

This Statement of Work shall be governed by the terms and conditions set forth in the applicable Order Form and the associated Terms and Conditions document between the parties.

EXHIBIT B
Service Level Terms

The Services shall be available 99.9%, measured monthly, excluding holidays and weekends and scheduled maintenance. If Customer requests maintenance during these hours, any uptime or downtime calculation will exclude periods affected by such maintenance. Further, any downtime resulting from outages of third-party connections or utilities or other reasons beyond Company's control will also be excluded from any such calculation. Customer's sole and exclusive remedy, and Company's entire liability, in connection with Service availability shall be that for each period of downtime lasting longer than one hour, Company will credit Customer 5% of Service fees; provided that no more than one such credit will accrue per day. Downtime shall begin to accrue as soon as Customer (with notice to Company) recognizes that downtime is taking place, and continues until the availability of the Services is restored. In order to receive downtime credit, Customer must notify Company in writing within 24 hours from the time of downtime, and failure to provide such notice will forfeit the right to receive downtime credit. Such credits may not be redeemed for cash. Company will apply any credits accumulated in the prior annual period, towards the Service Fees in the next annual period.

EXHIBIT C
Support Terms

Gravity will provide Technical Support to customer via e-mail Monday – Friday between 8am – 8pm Eastern Time (“Support Hours”).

Customer may initiate a helpdesk ticket by emailing support@onegravity.com.

Company will use commercially reasonable efforts to respond to all Helpdesk tickets within one (1) business day.

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

3. CONSIDER A CONTRIBUTION OF $8,000 TOWARDS RESTORATION OF "ROSIE'S GARDEN," A WATER EFFICIENT PUBLIC DEMONSTRATION GARDEN IN CARMEL VALLEY

Meeting Date:	**October 13, 2025**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**Best Management Practices 4-2-2-A**
Prepared By:	**Kyle Smith**	**Cost Estimate:**	**$8,250**

General Counsel Approval: N/A
Committee Recommendation: The Finance and Administration Committee considered this item on October 13, 2025, and recommended ______________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The District received a request in September from the Rosie's Garden Advisory Committee for a contribution of $8,000 to $10,000 for the Carmel Valley Garden Club (a 501(c)(3) non-profit organization) to assist with the restoration of "Rosie's Garden" in Carmel Valley (**Exhibit 3-A**). District staff has been consulting with Sherie Dodsworth, chairperson of the advisory committee and Carmel Valley native, about the proposed project and recommends a contribution of $8,000 from the "Best Management Practices" fund, particularly as the District will benefit from a water efficient demonstration garden that is open to the public. In the past, the District has supported funding for gardens and demonstration projects at Garland Ranch Regional Park and other public properties.

Rosie's Garden is located on a 0.10-acre lot owned by the County on the northwest corner of Esquiline Road and Calle De Los Helechos in Carmel Valley (APN 189-311-015). In 2000, the Robles Del Rio residents took the flood-damaged dirt lot and transformed it into a neighborhood green space known as Rosie's Garden. The garden is located at the entrance to a vibrant neighborhood and across the street from the former "Rosie's Cracker Barrel," which is now the Carmel Valley Creamery where artisan cheese is made.

Few viable plants remain in Rosie's Garden 25 years after it was established, and the garden requires rehabilitation of both landscape and the irrigation system. Rosie's Garden Advisory Committee's vision is to offer more than a visually pleasant green space for the nearby residents: The goal is to provide an interactive and peaceful garden space with signage identifying the low water use and deer resistant plants.

Staff has reviewed the proposed project plans: The project is 3,300 square feet and will have four irrigation zones. All plants selected are climate appropriate with low water demand. The project complies with MPWMD Water Efficient Landscape requirements and will be utilizing low volume drip irrigation and an irrigation controller that includes a rain sensor. All planting and irrigation work will be completed by professional landscapers, and a final inspection by MPWMD will be required. The financial contribution will be used to pay for the restoration project and signage around the site, and staff is also requesting a waiver of the processing fee for the Landscape Water Permit.

As the building jurisdictions start to allocate water from Pure Water Monterey, larger remodel projects will affect existing landscapes, requiring more landscape permits. Demonstration gardens such as Rosie's Garden provide the public with an opportunity to view climate-appropriate plants in a landscape. While much can be learned and viewed online, it still is helpful to see installations in person. Once the project is completed and established, staff will give a presentation on the installation to the Board.

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend the Board approval of waiving the Landscape Water Permit fees of $250 and grant the project $8,000 for landscape rehabilitation. Staff also recommends that the District offer assistance from our public outreach contractor with development of the signage.

EXHIBIT
3-A Request for Funding

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\03\Item-3.docx

September 11, 2025

RECEIVED
SEP 15 2025
MPWMD

Mr. David Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Dear Mr. Stoldt,

Rosie's Garden Advisory Committee respectfully requests your support for a project that holds significant value within our community: the refurbishment of Rosie's Garden.

We are seeking a $8,000 to $10,000 grant to fund essential irrigation improvements and educational signage as part of the garden's renovation. Established in 2000 by Robles Del Rio residents, Rosie's Garden transformed the northwest corner of Esquiline and De Los Helechos—previously a dirt lot damaged by the 1995 floods—into a vibrant green space cherished by the neighborhood. The garden is dedicated to the memory of Rosie, proprietor of Rosie's Cracker Barrel for 44 years. The garden is adjacent to the historical Cracker Barrel building, now home to Carmel Valley Creamery, which was recently featured in The New York Times as a recommended destination in Carmel Valley. The garden serves as the welcoming gateway to the Robles Del Rio neighborhood, home to approximately 310 households.

Originally, native drought- and deer-resistant species were planted and maintained by volunteers from both the Robles Community and the CV Garden Club. Over the past 25 years, however, plant vitality has declined, and the irrigation infrastructure has deteriorated, prompting the formation of the Rosie's Garden Advisory Committee. Our committee is responsible for developing a new garden design (Exhibit 1), selecting suitable plant species (Exhibit 2) and features, coordinating volunteer efforts for planting and ongoing maintenance, and securing necessary funds for supplies and operations.

Educational signage is a key component of the revitalized garden, aiming to inform visitors about native, drought-tolerant, deer-resistant, and pollinator-friendly plants, as well as water conservation strategies. Planned signage includes:

- Identification signage indicating the garden's name, a general description, and recognition of major sponsors. (Example picture 1)
- Storybook signage provides narratives about plant species, watershed information, and other relevant facts. (Example picture 2)
- Plant-specific signage detailing both common and scientific names, environmental benefits, and water usage. (Example picture 3)

Installation of a new irrigation system is critical to the garden's success. After consultation with Conservation Representative Kyle Smith, we identified the need for a four-zone system, as delineated in Exhibit 1. Planned components include a four-valve battery-powered controller, filtration system, drip irrigation lines, and emitters. The required Landscape Documentation Package Submittal Form is currently being prepared, with target for planting in November 2025.

To date, we have secured considerable funding for these efforts, including a $3,000 grant from Cal Am, $500 from Carmel Valley Kiwanis, and $3,500 in private donations. Professional landscapers will handle the garden installation at an estimate cost of $5,500 (excluding irrigation) with irrigation costs anticipated between $900 and $1,500. Signage costs have not been determined and will be determined by the availability of funds. Rosie's Garden is fiscally sponsored by the Carmel Valley Garden Club, a registered nonprofit organization (501(c)(3), (Tax Exempt #65-1260835), any grants awarded from MPWMD will be managed through our Garden Club account. The Advisory Committee is actively fundraising to cover startup expenses and establish an operating fund for water, maintenance and volunteer activities.

We look forward to collaborating with MPWMD to develop impactful educational signage and a reliable irrigation system and would welcome opportunities for partnership activities highlighting this collaboration. For additional information, please contact me at sherie@roiassistance.com or 650-888-2610.

Thank you for your consideration of our request.

Sincerely,

Sherie

Sherie Dodsworth
Chair, Rosie's Garden Advisory Committee

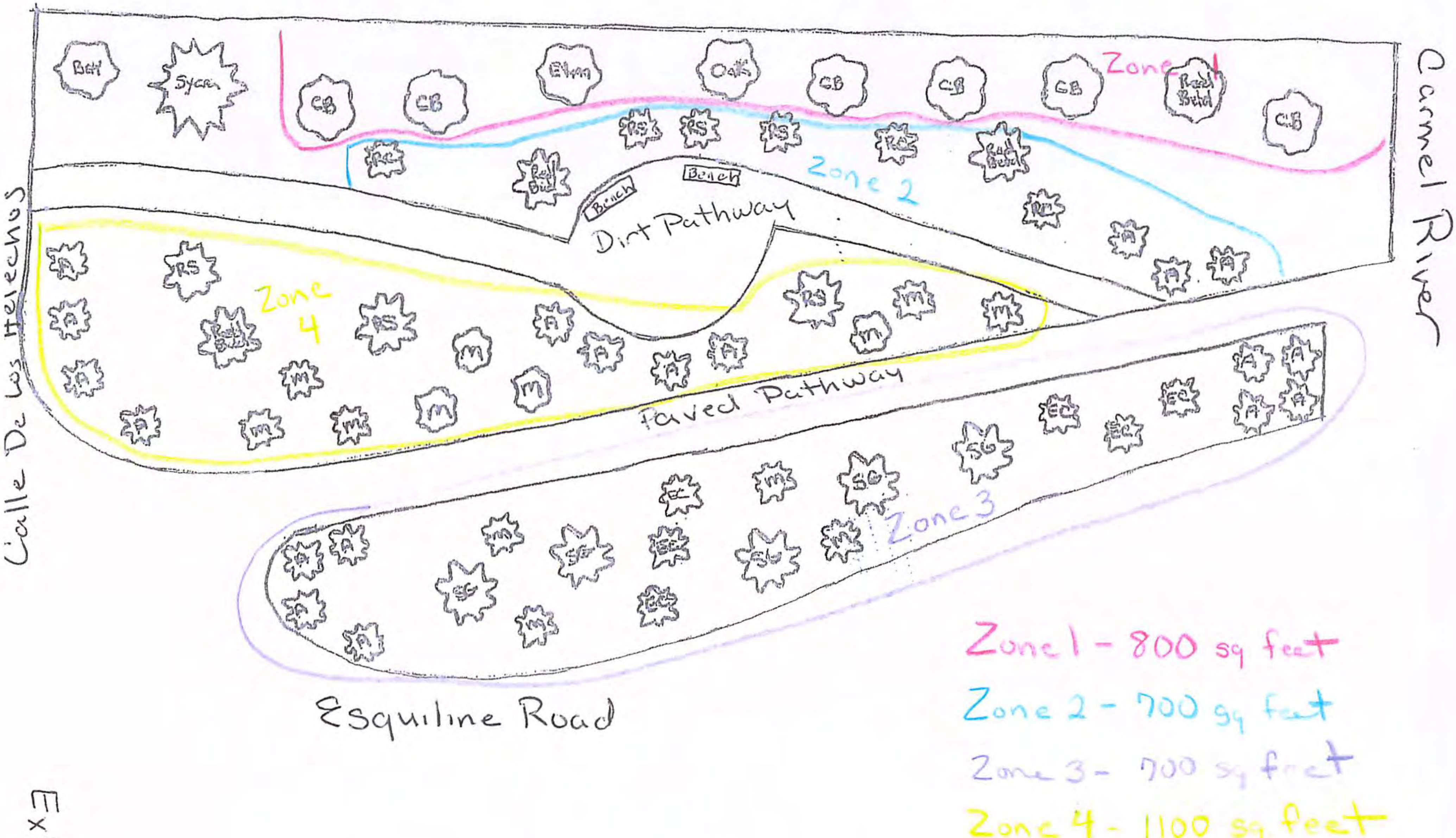
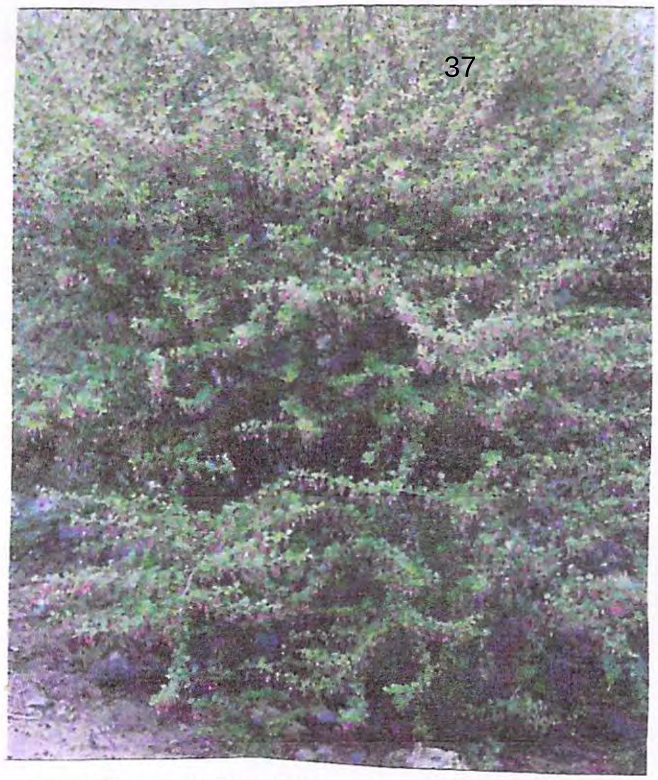

Calle De Los Helechos
Carmel River
Esquiline Road
Zone 1
Zone 2
Zone 3
Zone 4
Dirt Pathway
Paved Pathway
Bench
Bench
Bay
Sycam
Elm
Oak
CB
Red Bud
RS
RC
A
M
EC
SG
Zone 1 - 800 sq feet
Zone 2 - 700 sq feet
Zone 3 - 700 sq feet
Zone 4 - 1100 sq feet

Exhibit 1

Symbol	Plant	Quantity	Size	Plant Factor
A	Arctostaphylos – green carpet	19	1 gal	0.10
CB	Rhamnus californica – coffeeberry	6	5 gal	0.10
EC	Epilobium Canum – CA fuchsia	6	1 gal	0,20
M	Mimulus – "vibrant red"	13	1 gal	0.10
RC	Ribes californicum - gooseberry	3	5 gal	0,10
RS	Ribes sanguineum – red current	6	5 gal	0.20
Redbud	Western Redbud	4	5 gal	0,20
SG	Salvia Greggii – "red" existing	5	existing	
	Total Plants	**62**		
Bay	Bay Tree	1	existing	
Syca	Sycamore Tree	1	existing	
Elm	Elm Tree	1	existing	
Oak	Oak Tree	1	existing	

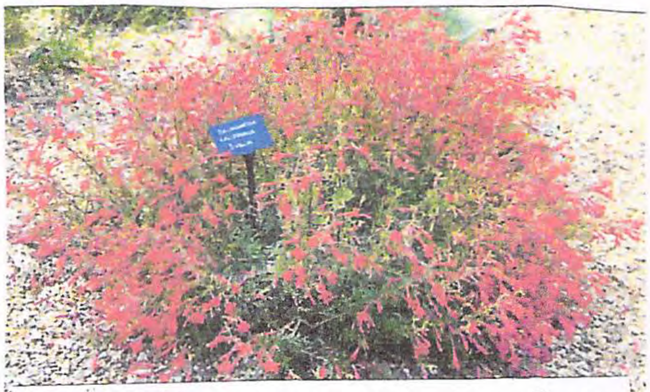
Redbud – Western Redbud 4 -5g

Rosie's Garden Proposed Plants (May 2025)

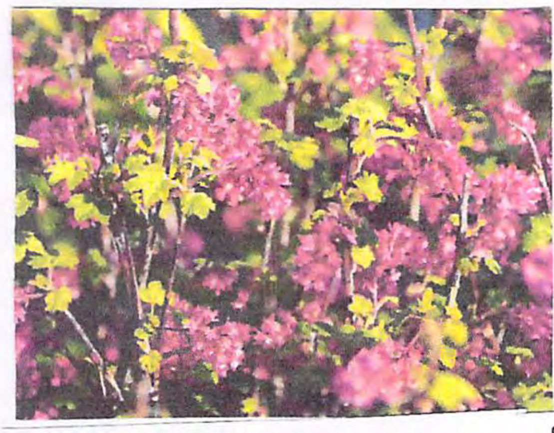


RC – Ribes californicum – gooseberry 6 -1g

M – Mimulus – 'vibrant Red' 13 – 1g



EC – Epilobium canum – CA fuchsia 3 – 5g



RS – Ribes sanguineum – red currant 8 -5g

SG – Salvia Greggii – 'Red' - existing

A – Arctostaphylos – green carpet 19 – 1g

CB – Rhamnus californica – coffeeberry 6 -5g

This signage is located across the street from mid-valley Safeway

Example picture 1

This is located at the entrance to Carmel River, from the Little League Park.
Content for our signage would be a collaboration with MPWMD

Example picture 2

Example Picture 3

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

4. CONSIDER CONTRACTING WITH WEBER WATER RESOURCES TO DESTROY MONITOR WELL FO-10

Meeting Date:	**October 13, 2025**	**Budgeted:**	**Yes**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item:**	**Project Operations 2-5-3.11**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**$74,000**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee considered this item on October 13, 2025, and recommended ________________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: In the early 1990's, the District installed a number of monitor wells on the former Fort Ord after the base closed. The monitor well network was installed to gain a better understanding of the hydrogeology of the Seaside Groundwater Basin in the Northern Coastal Sub Area of the Seaside Groundwater Basin. The wells were named the Fort Ord Monitor wells. A total of 11 wells were installed over 3 years. Fort Ord 10 and 11 exist in what is now the Monterey Sub-Basin and is managed under the Sustainable Groundwater Management Act (SGMA) by Marina Coast. Because FO 10 and 11 are not in the Seaside Groundwater Basin, the District offered to deed them to Marina Coast so that they could be utilized in the SGMA monitor network for the Monterey Sub-Area. Marina Coast performed a number of analyses on the monitor wells and determined that FO-10 was compromised and would not be of use for groundwater monitoring. Additionally, FO-10 is in the footprint of the Campus Town and would need to be addressed as to how it would interfere with the development plans. Because the well is owned by the District, it is our responsibility to destroy the well.

It has been known for over 6 months that this well might need to be destroyed, and it was put in the 2025-2026 Budget with a $30,000 placeholder. District staff reached out to three well-drilling companies in August and asked for quotes to perform the well destruction. Two of the companies did not respond with quotes, and the District received a quote from Weber Water Resources for $68,500 to complete the work. District staff recommends that this work be completed as soon as possible to allow the City of Seaside to continue with its development of this area. The additional funds in excess of $30,000 will be addressed in a mid-year budget adjustment. Staff recommends an additional 8% contingency (approximately) be included in this project, which would bring the total contract amount to $74,000. District staff will perform permitting and construction management to keep the project costs low.

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend the Board authorize District Staff to enter into a contract with Weber Water Resources to complete the Destruction of FO10 for an amount not to exceed $74,000.

BACKGROUND: With the closing of Fort Ord as an active Army Base in the early 1990's, the District gained access to land that had previously been restricted. This provided the District the opportunity to drill a number of exploratory wells to better understand the Hydrogeology of the Seaside Groundwater Basin. These wells are 2" PVC monitor wells and have a lifetime of approximately 30 years. This monitor network is showing age, and some of the wells have failed. In 2023, FO-9 failed and needed to be re-drilled. The District is now proposing to re-drill FO-10 as it is in the Monterey Sub-Basin, which is managed by Marina Coast. The quote for performing this work is included as **Exhibit 4-A**.

The District adopted the California Uniform Public Construction Cost Accounting Act and its contracting policies for construction projects as part of its updated Purchasing Policy in April 2024. This allows District staff to perform projects less than $75,000 by force account, negotiated contract, or by purchase order as of January 1, 2025, as prescribed by California Public Contract Code 22032.

EXHIBIT

4-A Quote from Weber Water Resources to destroy FO-10

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\04\Item-4.docx

EXHIBIT 4-A

MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

November 1, 2024

To: ALL PUBLIC AGENCIES SUBJECT TO THE TERMS OF THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

SUBJECT: Notification Letter-Assembly Bill 2192 (Chaptered 953, Statutes of 2024)

The California Uniform Construction Cost Accounting Commission (CUCCAC) in agreement with the State Controller's Office (SCO) recommended an increase to the bid limit threshold prescribed in Public Contract Code (PCC) 22032; this increase was signed into law. Pursuant to PCC 22020, and on behalf of Controller Malia M. Cohen, SCO would like to inform agencies subject to the Uniform Public Construction Cost Accounting Act (Act) of the following changes effective January 1, 2025:

a) The change would allow projects costing $75,000 or less to be performed by employees of a public agency by force account, by negotiated contract, or by purchase order;
b) The change would allow projects costing up to $220,000 to be contracted by informal bidding procedures; and projects costing over $220,000 are subject to the formal bidding process.

The noted increases are pursuant to the provisions and benefits found in the Act, which provides public agencies with economic benefits and greater freedom to expedite public works projects. For agencies which follow the cost accounting procedures set forth by CUCCAC in its *Cost Accounting Policies and Procedures Manual*, these increased limits will expedite delivery of public work projects and reduce bid processing costs. If your agency is currently subject to the Act, a new resolution adopting the change into legislation is not required.

We encourage participating agencies to visit the SCO website to sign up for CUCCAC's email subscription service to receive important information concerning CUCCAC updates and legislative changes via email. For more details or to sign up for the email subscription services, please contact the Local Government Programs Services Division at LocalGovPolicy@sco.ca.gov or visit our website at www.sco.ca.gov/ard_cuccac.html.

Sincerely,

(Original signed)

Sandeep Singh
Manager, Local Government Policy Section

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

5. CONSIDER ADOPTION OF TREASURER'S REPORT FOR AUGUST 2025

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025, and recommended ____________________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Exhibit 5-A comprises the Treasurer's Report for August 2025. **Exhibit 5-B** includes listings of check disbursements for the period August 1-31, 2025. Checks, virtual checks (AP Automation), direct deposits of employee paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of $744,189.45. Rebate payments of $33,647.73 were paid in August. **Exhibit 5-C** reflects the unaudited version of the Statement of Revenues and Expenditures for the month ending August 31, 2025.

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend that the Board adopt the August 2025 Treasurer's Report and Statement of Revenues and Expenditures, and ratify the disbursements made during the month.

EXHIBITS

5-A Treasurer's Report
5-B Listing of Cash Disbursements
5-C Statement of Revenues and Expenditures

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\05\Item-5.docx

EXHIBIT 5-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR AUGUST 2025

Description	Checking	MPWMD Money Market	California CLASS	L.A.I.F.	Multi-Bank Securities*	MPWMD Total	PB Reclamation Money Market
Beginning Balance (A)	**$367,940.63**	**$3,815,004.29**	**$1,022,704.69**	**$16,242,743.60**	**9,412,707.16**	**$30,861,100.37**	**$1,182,844.09**
Fees/Deposits		1,871,844.55				1,871,844.55	751,825.35
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received			3,757.18	-	17,075.34	20,832.52	
Transfer - Checking/CLASS						0.00	
Transfer - Money Market/LAIF						0.00	
Transfer - Money Market/Checking	2,000,000.00	(2,000,000.00)				0.00	
Transfer - Money Market/Multi-Bank						0.00	
Transfer to CAWD						0.00	(1,180,000.00)
Sub-total - Receipts/Transfers (B)	*$2,000,000.00*	*($128,155.45)*	*$3,757.18*	-	*$17,075.34*	*$1,892,677.07*	*($428,174.65)*
AP Automation Payments	(293,837.87)					(293,837.87)	
General Checks	(280.00)					(280.00)	
Bank Draft Payments	(41,885.22)	(2.01)				(41,887.23)	
Rebate Payments	(33,647.73)					(33,647.73)	
Payroll Checks/Direct Deposits	(195,300.62)					(195,300.62)	
Payroll Tax/Benefit Deposits	(179,210.97)					(179,210.97)	
Bank Charges/Other	(750.18)					(750.18)	
Bank Corrections/Reversals/Errors	500.00					500.00	
Voided Checks	223.14					223.14	
Credit Card Fees						0.00	
Returned Deposits						0.00	
Sub-total - Disbursements (C)	*(744,189.45)*	*(2.01)*	-	-	-	*(744,191.46)*	-
Ending Balance (A+B+C)	**$1,623,751.18**	**$3,686,846.83**	**$1,026,461.87**	**$16,242,743.60**	**$9,429,782.50**	**$32,009,585.98**	**$754,669.44**

* Fixed Income investments are reported at face value

My Check Report

Monterey Peninsula Water Management District

By Check Number

Date Range: 08/01/2025 - 08/31/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	**-Bank of America Checking**					
Payment Type: Regular						
01002	Monterey County Clerk	08/11/2025	Regular	0.00	50.00	40974
01002	Monterey County Clerk	08/18/2025	Regular	0.00	50.00	40977
12597	Maureen Hamilton	08/29/2025	Regular	0.00	180.00	40978
			Total Regular:	**0.00**	**280.00**	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Virtual Payment						
00767	AFLAC	08/01/2025	Virtual Payment	0.00	733.74	APA007215
00983	Beverly Chaney	08/01/2025	Virtual Payment	0.00	1,499.18	APA007216
12601	Carmel Valley Ace Hardware	08/01/2025	Virtual Payment	0.00	10.85	APA007217
00192	Extra Space Storage	08/01/2025	Virtual Payment	0.00	510.00	APA007218
00993	Harris Court Business Park	08/01/2025	Virtual Payment	0.00	793.39	APA007219
04717	Inder Osahan	08/01/2025	Virtual Payment	0.00	1,417.20	APA007220
27302	Kyocera Document Solutions America, Inc.	08/01/2025	Virtual Payment	0.00	535.75	APA007221
26785	Monterey Bay Pest Control, Inc.	08/01/2025	Virtual Payment	0.00	135.00	APA007222
16182	Monterey County Weekly	08/01/2025	Virtual Payment	0.00	1,566.00	APA007223
22201	Montgomery & Associates	08/01/2025	Virtual Payment	0.00	22,460.00	APA007224
13396	Navia Benefit Solutions, Inc.	08/01/2025	Virtual Payment	0.00	200.00	APA007225
00176	Sentry Alarm Systems	08/01/2025	Virtual Payment	0.00	559.25	APA007226
04359	The Carmel Pine Cone	08/01/2025	Virtual Payment	0.00	1,275.00	APA007227
00203	ThyssenKrup Elevator	08/01/2025	Virtual Payment	0.00	778.02	APA007228
06009	yourservicesolution.com	08/01/2025	Virtual Payment	0.00	2,607.00	APA007229
01015	American Lock & Key	08/08/2025	Virtual Payment	0.00	347.42	APA007326
00263	Arlene Tavani	08/08/2025	Virtual Payment	0.00	1,114.00	APA007327
12601	Carmel Valley Ace Hardware	08/08/2025	Virtual Payment	0.00	100.86	APA007328
00224	City of Monterey	08/08/2025	Virtual Payment	0.00	9,270.78	APA007329
05371	June Silva	08/08/2025	Virtual Payment	0.00	937.40	APA007330
06999	KBA Document Solutions, LLC	08/08/2025	Virtual Payment	0.00	407.29	APA007331
13431	Lynx Technologies, Inc	08/08/2025	Virtual Payment	0.00	3,975.00	APA007332
00118	MB Carpet & Janitorial Inc.	08/08/2025	Virtual Payment	0.00	1,680.00	APA007333
00242	MBAS	08/08/2025	Virtual Payment	0.00	598.00	APA007334
18325	Minuteman Press Monterey	08/08/2025	Virtual Payment	0.00	326.22	APA007335
16182	Monterey County Weekly	08/08/2025	Virtual Payment	0.00	1,566.00	APA007336
13396	Navia Benefit Solutions, Inc.	08/08/2025	Virtual Payment	0.00	1,357.02	APA007337
00262	Pure H2O	08/08/2025	Virtual Payment	0.00	65.54	APA007338
19700	Shute, Mihaly & Weinberger LLP	08/08/2025	Virtual Payment	0.00	4,238.10	APA007339
04359	The Carmel Pine Cone	08/08/2025	Virtual Payment	0.00	1,955.00	APA007340
09425	The Ferguson Group LLC	08/08/2025	Virtual Payment	0.00	6,300.00	APA007341
17965	The Maynard Group	08/08/2025	Virtual Payment	0.00	1,828.00	APA007342
31337	The Pun Group, LLP	08/08/2025	Virtual Payment	0.00	37,500.00	APA007343
00229	Tyler Technologies	08/08/2025	Virtual Payment	0.00	36,615.61	APA007344
13080	West Marine Products	08/08/2025	Virtual Payment	0.00	181.94	APA007345
00763	ACWA-JPIA	08/15/2025	Virtual Payment	0.00	390.46	APA007346
00767	AFLAC	08/15/2025	Virtual Payment	0.00	733.74	APA007347
28519	Albert A. Webb Associates	08/15/2025	Virtual Payment	0.00	5,637.25	APA007348
14036	City of Sand City	08/15/2025	Virtual Payment	0.00	913.75	APA007349
00028	Colantuono, Highsmith, & Whatley, PC	08/15/2025	Virtual Payment	0.00	1,088.00	APA007350
26677	David Federico	08/15/2025	Virtual Payment	0.00	90.00	APA007351
15398	GovInvest Inc	08/15/2025	Virtual Payment	0.00	6,000.00	APA007352
02833	Greg James	08/15/2025	Virtual Payment	0.00	1,408.52	APA007353
00094	John Arriaga	08/15/2025	Virtual Payment	0.00	4,500.00	APA007354
26785	Monterey Bay Pest Control, Inc.	08/15/2025	Virtual Payment	0.00	280.00	APA007355
00274	Monterey One Water	08/15/2025	Virtual Payment	0.00	223.89	APA007356
00154	Peninsula Messenger Service	08/15/2025	Virtual Payment	0.00	417.00	APA007357
20230	Zoom Video Communications Inc	08/15/2025	Virtual Payment	0.00	492.76	APA007358
25756	Craig S Newman	08/19/2025	Virtual Payment	0.00	800.00	APA007359
11822	CSC	08/19/2025	Virtual Payment	0.00	20,000.00	APA007360
08109	David Olson, Inc.	08/19/2025	Virtual Payment	0.00	1,166.54	APA007361
18225	DUDEK	08/19/2025	Virtual Payment	0.00	465.00	APA007362
22793	ETech Consulting, LLC	08/19/2025	Virtual Payment	0.00	1,662.50	APA007363
12655	Graphicsmiths	08/19/2025	Virtual Payment	0.00	259.50	APA007364
09927	Hach Company	08/19/2025	Virtual Payment	0.00	8,595.26	APA007365
00223	Martins Irrigation Supply	08/19/2025	Virtual Payment	0.00	63.86	APA007366
18325	Minuteman Press Monterey	08/19/2025	Virtual Payment	0.00	108.74	APA007367
16182	Monterey County Weekly	08/19/2025	Virtual Payment	0.00	970.00	APA007368
00036	Parham Living Trust	08/19/2025	Virtual Payment	0.00	4,250.00	APA007369
00755	Peninsula Welding Supply, Inc.	08/19/2025	Virtual Payment	0.00	100.43	APA007370

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
09989	Star Sanitation Services	08/19/2025	Virtual Payment	0.00	164.21	APA007371
27964	TM Process & Controls	08/19/2025	Virtual Payment	0.00	4,172.80	APA007372
23550	WellmanAD	08/19/2025	Virtual Payment	0.00	10,882.22	APA007373
00760	Andy Bell	08/27/2025	Virtual Payment	0.00	604.00	APA007378
04043	Campbell Scientific, Inc.	08/27/2025	Virtual Payment	0.00	2,880.00	APA007379
24368	Consolidated Electrical Distributors, Inc.	08/27/2025	Virtual Payment	0.00	77.75	APA007380
00281	CoreLogic Information Solutions, Inc.	08/27/2025	Virtual Payment	0.00	2,020.21	APA007381
00046	De Lay & Laredo	08/27/2025	Virtual Payment	0.00	31,864.50	APA007382
18734	DeVeera Inc.	08/27/2025	Virtual Payment	0.00	7,959.98	APA007383
00192	Extra Space Storage	08/27/2025	Virtual Payment	0.00	510.00	APA007384
21199	G3, Green Gardens Group, LLC	08/27/2025	Virtual Payment	0.00	1,600.00	APA007385
21053	Green Valley Industrial Supply	08/27/2025	Virtual Payment	0.00	19.28	APA007386
05830	Larry Hampson	08/27/2025	Virtual Payment	0.00	1,410.00	APA007387
00222	M.J. Murphy	08/27/2025	Virtual Payment	0.00	25.52	APA007388
05829	Mark Bekker	08/27/2025	Virtual Payment	0.00	367.41	APA007389
01012	Mark Dudley	08/27/2025	Virtual Payment	0.00	540.00	APA007390
26785	Monterey Bay Pest Control, Inc.	08/27/2025	Virtual Payment	0.00	140.00	APA007391
16182	Monterey County Weekly	08/27/2025	Virtual Payment	0.00	833.00	APA007392
13396	Navia Benefit Solutions, Inc.	08/27/2025	Virtual Payment	0.00	1,357.02	APA007393
00036	Parham Living Trust	08/27/2025	Virtual Payment	0.00	850.00	APA007394
00251	Rick Dickhaut	08/27/2025	Virtual Payment	0.00	561.00	APA007395
00176	Sentry Alarm Systems	08/27/2025	Virtual Payment	0.00	125.50	APA007396
09989	Star Sanitation Services	08/27/2025	Virtual Payment	0.00	187.51	APA007397
04359	The Carmel Pine Cone	08/27/2025	Virtual Payment	0.00	680.00	APA007398
04366	Tom Lindberg	08/27/2025	Virtual Payment	0.00	1,105.70	APA007399
00271	UPEC, Local 792	08/27/2025	Virtual Payment	0.00	1,287.50	APA007400
08105	Yolanda Munoz	08/27/2025	Virtual Payment	0.00	540.00	APA007401
00983	Beverly Chaney	08/29/2025	Virtual Payment	0.00	1,499.18	APA007402
01001	CDW Government	08/29/2025	Virtual Payment	0.00	6,571.27	APA007403
00993	Harris Court Business Park	08/29/2025	Virtual Payment	0.00	793.39	APA007404
03857	Joe Oliver	08/29/2025	Virtual Payment	0.00	744.00	APA007405
00094	John Arriaga	08/29/2025	Virtual Payment	0.00	4,500.00	APA007406
27302	Kyocera Document Solutions America, Inc.	08/29/2025	Virtual Payment	0.00	535.75	APA007407
05829	Mark Bekker	08/29/2025	Virtual Payment	0.00	367.41	APA007408
			Total Virtual Payment:	**0.00**	**293,837.87**	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00252	Cal-Am Water	08/01/2025	Bank Draft	0.00	377.26	DFT0003854
00277	Home Depot Credit Services	08/01/2025	Bank Draft	0.00	4.35	DFT0003855
00282	PG&E	08/01/2025	Bank Draft	0.00	3,194.68	DFT0003856
04736	Pitney Bowes Global Financial Svc, LLC	08/01/2025	Bank Draft	0.00	423.87	DFT0003857
04736	Pitney Bowes Global Financial Svc, LLC	08/01/2025	Bank Draft	0.00	-423.87	DFT0003857
22667	Pitney Bowes Inc	08/01/2025	Bank Draft	0.00	1,502.87	DFT0003858
18163	Wex Bank	08/01/2025	Bank Draft	0.00	179.10	DFT0003859
00266	I.R.S.	08/08/2025	Bank Draft	0.00	19,280.03	DFT0003860
00266	I.R.S.	08/08/2025	Bank Draft	0.00	4,298.61	DFT0003861
00267	Employment Development Dept.	08/08/2025	Bank Draft	0.00	7,754.26	DFT0003862
00266	I.R.S.	08/08/2025	Bank Draft	0.00	450.50	DFT0003863
00259	Marina Coast Water District	08/11/2025	Bank Draft	0.00	3,456.02	DFT0003864
00768	MissionSquare Retirement- 302617	08/08/2025	Bank Draft	0.00	9,026.92	DFT0003865
00256	PERS Retirement	08/08/2025	Bank Draft	0.00	25,882.53	DFT0003866
00282	PG&E	08/11/2025	Bank Draft	0.00	126.28	DFT0003867
07627	Purchase Power	08/08/2025	Bank Draft	0.00	2,500.00	DFT0003868
00266	I.R.S.	08/15/2025	Bank Draft	0.00	74.42	DFT0003875
00266	I.R.S.	08/15/2025	Bank Draft	0.00	318.06	DFT0003876
00277	Home Depot Credit Services	08/15/2025	Bank Draft	0.00	35.56	DFT0003877
00769	Laborers Trust Fund of Northern CA	08/15/2025	Bank Draft	0.00	43,004.00	DFT0003878
00282	PG&E	08/15/2025	Bank Draft	0.00	24.11	DFT0003879
07627	Purchase Power	08/15/2025	Bank Draft	0.00	309.75	DFT0003880
00766	Standard Insurance Company	08/15/2025	Bank Draft	0.00	1,649.81	DFT0003881
00221	Verizon Wireless	08/15/2025	Bank Draft	0.00	1,164.52	DFT0003882
18163	Wex Bank	08/15/2025	Bank Draft	0.00	1,689.82	DFT0003883
00269	U.S. Bank	08/21/2025	Bank Draft	0.00	8,895.62	DFT0003886
00266	I.R.S.	08/22/2025	Bank Draft	0.00	19,421.00	DFT0003887
00266	I.R.S.	08/22/2025	Bank Draft	0.00	4,397.42	DFT0003888
00267	Employment Development Dept.	08/22/2025	Bank Draft	0.00	7,808.36	DFT0003889
00266	I.R.S.	08/22/2025	Bank Draft	0.00	527.32	DFT0003890
00269	U.S. Bank	08/22/2025	Bank Draft	0.00	9,482.28	DFT0003891
29035	BlueTriton Brands Inc	08/26/2025	Bank Draft	0.00	264.20	DFT0003893
00277	Home Depot Credit Services	08/26/2025	Bank Draft	0.00	198.36	DFT0003894
00768	MissionSquare Retirement- 302617	08/22/2025	Bank Draft	0.00	9,026.92	DFT0003895
00256	PERS Retirement	08/22/2025	Bank Draft	0.00	25,963.13	DFT0003896
00282	PG&E	08/26/2025	Bank Draft	0.00	6,591.27	DFT0003897
00252	Cal-Am Water	08/29/2025	Bank Draft	0.00	400.68	DFT0003898
00277	Home Depot Credit Services	08/29/2025	Bank Draft	0.00	44.27	DFT0003899
00256	PERS Retirement	08/29/2025	Bank Draft	0.00	350.00	DFT0003900
00221	Verizon Wireless	08/29/2025	Bank Draft	0.00	1,162.98	DFT0003901
18163	Wex Bank	08/29/2025	Bank Draft	0.00	281.24	DFT0003902
00256	PERS Retirement	08/22/2025	Bank Draft	0.00	-22.32	DFT0003921
			Total Bank Draft:	**0.00**	**221,096.19**	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	3	3	0.00	280.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	126	42	0.00	221,096.19
EFT's	0	0	0.00	0.00
	245	**139**	**0.00**	**515,214.06**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
Payment Type: Virtual Payment						
05996	Brenda Lewis	08/06/2025	Virtual Payment	0.00	500.00	APA007230
31250	Bronwyn Nielson	08/06/2025	Virtual Payment	0.00	500.00	APA007231
31263	Carolyn Carrison	08/06/2025	Virtual Payment	0.00	199.99	APA007232
31257	Chris Treptow	08/06/2025	Virtual Payment	0.00	500.00	APA007233
31253	Donald Livermore	08/06/2025	Virtual Payment	0.00	500.00	APA007234
28414	Gary Wolfe	08/06/2025	Virtual Payment	0.00	150.00	APA007235
31268	James D Richards	08/06/2025	Virtual Payment	0.00	200.00	APA007236
21850	James D. Murchison III	08/06/2025	Virtual Payment	0.00	40.00	APA007237
31267	James Paoletti	08/06/2025	Virtual Payment	0.00	200.00	APA007238
31271	Jessica Denecour	08/06/2025	Virtual Payment	0.00	200.00	APA007239
31255	Jody Garry	08/06/2025	Virtual Payment	0.00	500.00	APA007240
31254	John Poulos	08/06/2025	Virtual Payment	0.00	500.00	APA007241
31265	Jonathan Lee	08/06/2025	Virtual Payment	0.00	400.00	APA007242
31274	Joseph DiMaggio	08/06/2025	Virtual Payment	0.00	150.00	APA007243
31251	Jude Saleet	08/06/2025	Virtual Payment	0.00	500.00	APA007244
27828	Kathryn McKenna	08/06/2025	Virtual Payment	0.00	500.00	APA007245
31260	Liana Huth	08/06/2025	Virtual Payment	0.00	125.00	APA007246
31261	Mitchell Barnhart	08/06/2025	Virtual Payment	0.00	125.00	APA007247
31270	Nancy McCorskey	08/06/2025	Virtual Payment	0.00	200.00	APA007248
31269	Nancy McCroskey	08/06/2025	Virtual Payment	0.00	200.00	APA007249
31252	Patricia D Grave	08/06/2025	Virtual Payment	0.00	500.00	APA007250
31273	Robert Wilkes	08/06/2025	Virtual Payment	0.00	150.00	APA007251
31272	Robin Andrew	08/06/2025	Virtual Payment	0.00	200.00	APA007252
31256	Sanuel Crino	08/06/2025	Virtual Payment	0.00	500.00	APA007253
31259	Slavco Strezoski	08/06/2025	Virtual Payment	0.00	125.00	APA007254
31258	Terry Russey	08/06/2025	Virtual Payment	0.00	125.00	APA007255
31264	Virginia Marchman	08/06/2025	Virtual Payment	0.00	200.00	APA007256
31266	Wendi Hunter	08/06/2025	Virtual Payment	0.00	200.00	APA007257
31262	William Richards	08/06/2025	Virtual Payment	0.00	125.00	APA007258
31292	Aleander Gandzjuk	08/06/2025	Virtual Payment	0.00	500.00	APA007259
31320	Anna Krieger	08/06/2025	Virtual Payment	0.00	200.00	APA007260
31278	Audrey Brown	08/06/2025	Virtual Payment	0.00	500.00	APA007261
31333	Bernard J. Cook	08/06/2025	Virtual Payment	0.00	75.00	APA007262
28329	Cameron Stormes	08/06/2025	Virtual Payment	0.00	75.00	APA007263
23509	Carolyn Garrison	08/06/2025	Virtual Payment	0.00	50.00	APA007264
31313	Carrie Buczeke	08/06/2025	Virtual Payment	0.00	84.74	APA007265
31301	Charles H Bosso	08/06/2025	Virtual Payment	0.00	500.00	APA007266
31296	Christina Lucido Sercia	08/06/2025	Virtual Payment	0.00	500.00	APA007267
31328	Claudio F Fabrizi	08/06/2025	Virtual Payment	0.00	200.00	APA007268
31308	Daniel Little	08/06/2025	Virtual Payment	0.00	500.00	APA007269
31311	Donna Vasu	08/06/2025	Virtual Payment	0.00	125.00	APA007270
31280	Duane Dykema	08/06/2025	Virtual Payment	0.00	500.00	APA007271
31334	Frank DiPaola	08/06/2025	Virtual Payment	0.00	75.00	APA007272
31321	George Krieger	08/06/2025	Virtual Payment	0.00	200.00	APA007273
31322	George Thorpe	08/06/2025	Virtual Payment	0.00	200.00	APA007274
31294	Geraldine S Ziekar-Bieman	08/06/2025	Virtual Payment	0.00	500.00	APA007275
31305	Harvey Schmit	08/06/2025	Virtual Payment	0.00	500.00	APA007276
28171	Heather Holt	08/06/2025	Virtual Payment	0.00	200.00	APA007277
31295	Heliodoro Jimenez	08/06/2025	Virtual Payment	0.00	500.00	APA007278
31336	James Cain	08/06/2025	Virtual Payment	0.00	75.00	APA007279
22173	James Derbin	08/06/2025	Virtual Payment	0.00	200.00	APA007280
31327	Jaymes Callinan	08/06/2025	Virtual Payment	0.00	200.00	APA007281
31325	Jean Lew-Martin	08/06/2025	Virtual Payment	0.00	500.00	APA007282
31198	Jennifer Morris	08/06/2025	Virtual Payment	0.00	500.00	APA007283
31297	Jessica Sutton	08/06/2025	Virtual Payment	0.00	500.00	APA007284
31309	Jianguo Liu	08/06/2025	Virtual Payment	0.00	125.00	APA007285
31279	Jill Morahedi	08/06/2025	Virtual Payment	0.00	500.00	APA007286
31307	Joseph Rossi	08/06/2025	Virtual Payment	0.00	500.00	APA007287
31285	Justin Cheng	08/06/2025	Virtual Payment	0.00	500.00	APA007288

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
31299	Kathryn Loftus	08/06/2025	Virtual Payment	0.00	500.00	APA007289
31314	Keith Windsor	08/06/2025	Virtual Payment	0.00	200.00	APA007290
31306	Kelli Burkhardt	08/06/2025	Virtual Payment	0.00	500.00	APA007291
31316	Kent Hibino	08/06/2025	Virtual Payment	0.00	200.00	APA007292
31288	Kim Parker	08/06/2025	Virtual Payment	0.00	500.00	APA007293
31275	Lisa Haas	08/06/2025	Virtual Payment	0.00	500.00	APA007294
31293	Lisa Light	08/06/2025	Virtual Payment	0.00	500.00	APA007295
31319	Lorrie Hogg	08/06/2025	Virtual Payment	0.00	200.00	APA007296
31331	March Talbert	08/06/2025	Virtual Payment	0.00	200.00	APA007297
31290	Mark Aiello	08/06/2025	Virtual Payment	0.00	500.00	APA007298
31277	Mark Inns	08/06/2025	Virtual Payment	0.00	500.00	APA007299
31324	Melody Carrato	08/06/2025	Virtual Payment	0.00	200.00	APA007300
31323	Michael Forman	08/06/2025	Virtual Payment	0.00	200.00	APA007301
31332	Michael Jones	08/06/2025	Virtual Payment	0.00	200.00	APA007302
31303	Michele Serchuk	08/06/2025	Virtual Payment	0.00	500.00	APA007303
31289	My Ngo	08/06/2025	Virtual Payment	0.00	500.00	APA007304
31286	Nataliya Apostol	08/06/2025	Virtual Payment	0.00	500.00	APA007305
19940	Pamela Krone	08/06/2025	Virtual Payment	0.00	75.00	APA007306
31300	Patricia Lavin	08/06/2025	Virtual Payment	0.00	500.00	APA007307
31330	Randall Pogue	08/06/2025	Virtual Payment	0.00	200.00	APA007308
28341	Richard Castriotta	08/06/2025	Virtual Payment	0.00	500.00	APA007309
31317	Richard Dampler	08/06/2025	Virtual Payment	0.00	200.00	APA007310
31329	Robert Felice	08/06/2025	Virtual Payment	0.00	200.00	APA007311
31304	Robert Fowler	08/06/2025	Virtual Payment	0.00	500.00	APA007312
31276	Robert N Lea	08/06/2025	Virtual Payment	0.00	500.00	APA007313
31302	Robert Sanford	08/06/2025	Virtual Payment	0.00	500.00	APA007314
31312	Shirley Moon	08/06/2025	Virtual Payment	0.00	125.00	APA007315
31284	Stefanie Hazdovac	08/06/2025	Virtual Payment	0.00	500.00	APA007316
31318	Steven Schmiess	08/06/2025	Virtual Payment	0.00	200.00	APA007317
31315	Sunny Norton	08/06/2025	Virtual Payment	0.00	200.00	APA007318
31283	Susan Sanchez	08/06/2025	Virtual Payment	0.00	500.00	APA007319
31310	Susan Wallace	08/06/2025	Virtual Payment	0.00	125.00	APA007320
31287	Teresa Bradford	08/06/2025	Virtual Payment	0.00	500.00	APA007321
31282	Tom Oldham	08/06/2025	Virtual Payment	0.00	500.00	APA007322
31281	William Clark	08/06/2025	Virtual Payment	0.00	500.00	APA007323
31335	William Despard	08/06/2025	Virtual Payment	0.00	75.00	APA007324
31326	Yue Ma	08/06/2025	Virtual Payment	0.00	200.00	APA007325
28999	Delia Garcia	08/21/2025	Virtual Payment	0.00	798.00	APA007374
27862	Greg Looney	08/21/2025	Virtual Payment	0.00	625.00	APA007375
31298	Sean Raymond	08/21/2025	Virtual Payment	0.00	625.00	APA007376
31291	William Kadell	08/21/2025	Virtual Payment	0.00	700.00	APA007377
			Total Virtual Payment:	**0.00**	**33,647.73**	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
Virtual Payments	100	100	0.00	33,647.73
	100	**100**	**0.00**	**33,647.73**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	3	3	0.00	280.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	126	42	0.00	221,096.19
EFT's	0	0	0.00	0.00
Virtual Payments	216	194	0.00	327,485.60
	345	**239**	**0.00**	**548,861.79**

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	8/2025	548,861.79
			548,861.79

EXHIBIT 5-C

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH AUGUST 31, 2025

	Mitigation	Conservation	Water Supply	Current Period Activity	Current FY Year-to-Date Actual	Current FY Annual Budget	Prior FY Year-to-Date Actual
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ 3,000,000	$ -
Water supply charge			-	-	-	-	-
User fees	240,760	234,794	200,095	675,648	675,648	7,800,000	743,497
Mitigation revenue	-			-	-	-	-
PWM Water Sales			-	-	1,368,307	20,963,250	1,731,116
Capacity fees			260,281	260,281	283,541	450,000	140,149
Permit fees	-	33,140		33,140	52,904	198,000	32,781
Investment income	6,875	6,875	7,083	20,833	51,611	600,000	36,599
Miscellaneous	-	-	-	-	-	15,000	-
Sub-total district revenues	**247,635**	**274,809**	**467,459**	**989,902**	**2,432,011**	**33,026,250**	**2,684,142**
Project reimbursements	-	13,169	-	13,169	29,644	1,024,693	206,990
Legal fee reimbursements		1,200		1,200	1,500	15,000	900
Grants	-	-	-	-	-	11,840,610	2,476,299
Recording fees		4,895		4,895	9,970	65,000	9,033
Sub-total reimbursements	**-**	**19,264**	**-**	**19,264**	**41,114**	**12,945,303**	**2,693,222**
From Reserves	-	-	-	-	-	613,316	-
Total revenues	**247,635**	**294,073**	**467,459**	**1,009,166**	**2,473,125**	**46,584,868**	**5,377,364**
EXPENDITURES							
Personnel:							
Salaries	98,785	64,400	127,238	290,423	493,450	3,853,000	448,116
Retirement	9,533	6,488	12,922	28,943	745,404	1,152,715	643,802
Unemployment Compensation	-	-	-	-	-	10,100	-
Auto Allowance	148	148	443	738	1,255	11,000	808
Deferred Compensation	187	187	561	935	1,589	21,614	1,444
Temporary Personnel	-	-	-	-	-	10,000	-
Workers Comp. Ins.	4,051	352	2,946	7,349	12,424	107,950	10,874
Employee Insurance	19,177	14,096	21,502	54,775	96,394	732,922	97,489
Medicare & FICA Taxes	2,068	964	1,875	4,907	8,421	82,188	6,853
Personnel Recruitment	-	-	-	-	-	11,500	150
Other benefits	64	66	70	200	400	2,000	400
Staff Development	188	232	200	620	1,700	26,400	3,122
Sub-total personnel costs	**134,201**	**86,933**	**167,756**	**388,890**	**1,361,038**	**6,021,389**	**1,213,058**
Services & Supplies:							
Board Member Comp	624	624	643	1,890	4,455	37,000	4,995
Board Expenses	88	85	93	266	5,952	10,000	612
Rent	593	163	604	1,360	3,230	30,000	1,832
Utilities	1,498	1,428	1,562	4,488	8,390	45,200	7,859
Telephone	1,031	910	924	2,865	5,730	40,800	6,027
Facility Maintenance	925	897	981	2,803	9,305	95,100	10,689
Bank Charges	248	240	263	750	1,699	68,000	3,144
Office Supplies	185	936	197	1,318	5,547	46,700	3,274
Courier Expense	219	213	233	665	1,330	7,600	935
Postage & Shipping	27	26	29	82	25,170	30,500	83
Equipment Lease	-	-	-	-	-	13,200	1,344
Equip. Repairs & Maintenance	-	-	-	-	40	5,100	-
Photocopy Expense				-			
Printing/Duplicating/Binding	-	-	-	-	-	2,600	-
IT Supplies/Services	24,624	23,917	26,095	74,636	84,763	299,100	84,140
Operating Supplies	633	-	227	860	4,027	25,100	7,560
Legal Services	-	-	-	-	24,467	400,000	51,408

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH AUGUST 31, 2025

	Mitigation	Conservation	Water Supply	Current Period Activity	Current FY Year-to-Date Actual	Current FY Annual Budget	Prior FY Year-to-Date Actual
Professional Fees	7,587	7,364	8,050	23,000	83,454	388,200	60,636
Transportation	2,055	104	665	2,824	6,304	58,700	6,419
Travel	191	169	248	607	3,416	37,600	601
Meeting Expenses	514	498	545	1,557	3,032	24,700	4,104
Insurance	8,649	8,387	9,174	26,210	52,421	342,000	47,569
Legal Notices	-	-	-	-	-	5,700	2,145
Membership Dues	330	320	530	1,180	2,255	51,900	2,035
Public Outreach	84	82	89	255	1,921	6,000	3,027
Assessors Administration Fee	-	-	-	-	-	25,100	-
Miscellaneous	-	-	-	-	-	3,500	-
Sub-total services & supplies costs	**50,105**	**46,363**	**51,150**	**147,617**	**336,907**	**2,099,400**	**310,437**
Project expenditures	833	27,557	53,873	82,263	82,263	37,525,880	2,165,298
Fixed assets	378	345	465	1,188	2,427	92,200	12,119
Contingencies	-	-	-	-	-	70,000	-
Election costs	-	-	-	-	-	250,000	-
Debt service: Principal				-			
Debt service: Interest	-	-	-	-	-	-	-
Flood drought reserve	-	-	-	-	-	-	-
Capital equipment reserve	-	-	-	-	-	326,000	-
General fund balance	-	-	-	-	-	-	-
Debt Reserve	-	-	-	-	-	-	-
Pension reserve	-	-	-	-	-	100,000	-
OPEB reserve	-	-	-	-	-	100,000	-
Sub-total other	**1,210**	**27,902**	**54,338**	**83,451**	**84,690**	**38,464,080**	**2,177,417**
Total expenditures	**185,516**	**161,198**	**273,244**	**619,958**	**1,782,635**	**46,584,868**	**3,700,912**
Excess (Deficiency) of revenues over expenditures	**$ 62,119**	**$ 132,875**	**$ 194,215**	**$ 389,208**	**$ 690,491**	**$ (0)**	**$ 1,676,452**

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

6. RECEIVE GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 68 – FINANCIAL REPORTING FOR PENSIONS

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025, and recommended _________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: In 2012, the Government Accounting Standards Board (GASB) approved Statement No. 68 to improve the financial reporting of pensions by local governments. GASB 68 established accounting and financial reporting standards for local governments that provide their employees with pensions. This standard requires government agencies to report pension information to increase transparency about pension costs and to help decision-makers factor in the financial impact of total pension obligations. This Statement established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense/expenditures, including the methods and assumptions that should be used for defined benefit pensions to project benefit payments and discount projected benefit payments to their actuarial present value.

The District participates in the CalPERS cost-sharing multiple-employer defined benefit pension plan. The District's Net Pension Liability as of June 30, 2024 (latest available measurement date), is estimated at $7,536,683. See table below:

	Miscellaneous Risk Pool	**Allocation Factor**	**MPWMD Share**
Total Pension Liability	$24,077,884,150	0.0011847	$28,525,069
Risk Pool Fiduciary Net Position	$19,241,277,838	0.0010908	$20,988,386
Net Pension Liability/(Asset)	$4,836,606,312		$7,536,683

In comparison, the District's Net Pension Liability as of June 30, 2022, was estimated at $7,591,672. It is to be noted that the Net Pension Liability can change significantly from year to year based on the market conditions and the position of the District's Fiduciary Net Position (District's Market Value of Assets). For example, if the actual CalPERS investment earnings rate decreases from the projected annual rate of investment return (currently set at 6.8%) the unfunded Net Pension Liability increases for the same future pension obligation.

The District's independent auditing firm, The Pun Group LLP, will provide a final opinion on the appropriateness of the GASB 68 allocation that will be presented in the FY 2024-2025 Annual Comprehensive Financial Report. The pension liability that is reported in the Annual Comprehensive Financial Report for GASB 68 purposes does not directly impact the District's budget, although the amount of annual Unfunded Accrued Liability paid by the District has generally increased over the years. The District paid $696,366 in UAL in FY2025-26. This is projected to increase to $938,000 in FY2031-32. The District's annual budget process continues to account for the annual pension costs that are provided by CalPERS in the actuarial valuation report in July of each year. The District budget starting with fiscal year 2018-2019 has included a $100,000 set aside towards pension reserve funds. The pension reserve balance as of 06/30/2025 was $700,000.

Details of existing employees in the District plan are as follows:

Classic Plan (hired by participating public agency before 01/01/2013)	9 employees
PEPRA Plan (hired by participating public agency after 01/01/2013)	16 employees

RECOMMENDATION: Staff recommends that the Finance and Administrative Committee recommend the Board receive the GASB 68 Accounting Valuation Report prepared by CalPERS.

BACKGROUND: Local governments with pensions have a total pension liability, which is the obligation to pay deferred pension benefits in the future. When the total pension liability is greater than the pension plan's assets, there is a net pension liability, also known as unfunded pension liability. GASB 68 requires governments to report their net pension liability on their government-wide financial statements, as well as in the proprietary fund statements, in the Annual Financial Report. Government-wide financial statements report information about the government as a whole without displaying individual funds or fund types.

As with past practice, the District will continue to pay the annual required contribution for the pension liabilities as identified in the annual CalPERS actuarial report. The last actuarial report, which informs the District of its FY 2026-2027 pension payments and rates, was released in July 2025. The GASB 68 reports are based on actuarial analysis using employee census data that is two years in arrears, while the July actuarial reports are based on current calendar year employee census data. The annual contribution rate prescribed by CalPERS includes amortization of the unfunded Net Pension Liability. Other strategies to reduce the unfunded liability might include reducing the amortization schedule through increased annual contributions over and above the annual contribution calculated by CalPERS, paying portions of the liability as a lump sum over time, and issuing bonds to increase the District's market value of assets, which would require annual debt repayments. These approaches do not ensure that the unfunded liability will not continue to vary based on market performance over time. Eventually, the District may also consider setting up a Section 115 trust fund – a tax-exempt trust that prefunds post-retirement employee benefits, including pensions.

EXHIBITS

6-A GASB 68 Accounting Valuation Report

CalPERS

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2025

All Rate Plans of the Monterey Peninsula Water Management District in the Miscellaneous Risk Pool (CalPERS ID: 5697484945)
Annual Valuation Report as of June 30, 2024

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2024, actuarial valuation report for the plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2026-27**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the following rate plan(s) including the development of the current and projected employer contributions.
  - o 1322, Miscellaneous Plan
  - o 26889, PEPRA Miscellaneous Plan
- Section 2 contains the Miscellaneous Risk Pool information as of June 30, 2024.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2024.

Required Contributions

The table below shows the minimum required employer contributions and member contribution rates for FY 2026-27 along with an estimate of the required employer UAL contribution for FY 2027-28. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Rate Plan	Employer Normal Cost Rate	Member Contribution Rate
2026-27	1322	12.56%	7.00%
	26889	7.93%	7.75%

Fiscal Year	Employer Amortization of Unfunded Accrued Liability
2026-27	$795,753
	Projected (Estimated)
2027-28	*$826,000*

The actual investment return for FY 2024-25 was not known at the time this report was prepared. The projected UAL payment above assumes the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2024-25 differs from 6.8%, the actual UAL contribution requirement for FY 2027-28 will differ from that shown above. For additional information on future contribution requirements, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2031-32.

PEPRA Member Contribution Rate

The employee contribution rate for PEPRA members can change based on the results of the actuarial valuation. See Member Contribution Rates for more information.

Report Navigation Features

The valuation report has a number of features to ease navigation and allow the reader to find specific information more quickly. The tables of contents are "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Report Enhancements

Effective with the June 30, 2024, actuarial valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, have been combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Further descriptions of general changes are included in the Highlights and Executive Summary section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,

Rory Jensen, ASA, MAAA
Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Rate Plans of the Monterey Peninsula Water Management District in the Miscellaneous Risk Pool

as of June 30, 2024

(CalPERS ID: 5697484945)
(Rate Plan IDs: 1322, 26889)

Required Contributions for Fiscal Year

July 1, 2026 — June 30, 2027

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Employer Specific Information
for the
Rate Plans of the
Monterey Peninsula Water Management District
in the Miscellaneous Risk Pool

(CalPERS ID: 5697484945)
(Rate Plan IDs: 1322, 26889)

Table of Contents — Section 1

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the Monterey Peninsula Water Management District in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Monterey Peninsula Water Management District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Rory Jensen, ASA, MAAA
Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2024, actuarial valuation of the rate plans of the Monterey Peninsula Water Management District in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2026-27.

Purpose of Section 1

This Section 1 report for the rate plans of the Monterey Peninsula Water Management District in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2024. This report contains actuarial information for the following rate plan(s).

- 1322, Miscellaneous Plan
- 26889, PEPRA Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2024;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2024, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found .

Required Employer Contributions — page 8

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Normal Cost Rates		
Rate Plan 1322	12.58%	12.56%
Rate Plan 26889	7.96%	7.93%
Unfunded Accrued Liability (UAL) Contribution Amount	$719,653	$795,753
Paid either as		
Option 1) 12 Monthly Payments of	$59,971.08	$66,312.75
Option 2) Annual Prepayment in July	$696,366	$770,003

Member Contribution Rates — page 9

	Fiscal Year 2025-26	Fiscal Year 2026-27
Rate Plan 1322	7.00%	7.00%
Rate Plan 26889	7.75%	7.75%

Projected Employer Contributions — page 13

	Normal Cost (% of payroll)		Annual
Fiscal Year	Rate Plan 1322	Rate Plan 26889	UAL Payment
2027-28	12.6%	7.9%	$826,000
2028-29	12.6%	7.9%	$906,000
2029-30	12.6%	7.9%	$914,000
2030-31	12.6%	7.9%	$919,000
2031-32	12.6%	7.9%	$938,000

Funded Status — Funding Policy Basis — page 11

	June 30, 2023	June 30, 2024
Entry Age Accrued Liability (AL)	$27,661,576	$28,942,689
Market Value of Assets (MVA)	19,385,804	20,798,843
Unfunded Accrued Liability (UAL) [AL – MVA]	$8,275,772	$8,143,846
Funded Ratio [MVA ÷ AL]	70.1%	71.9%

Summary of Valuation Data — Page 28

	June 30, 2023	June 30, 2024
Active Member Count	25	25
Annual Covered Payroll	$2,827,576	$2,799,531
Transferred Member Count	4	3
Separated Member Count	14	17
Retired Members and Beneficiaries Count	39	41

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Board Policy

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report, which includes returns high enough to trigger a board discussion, does not reflect any change in the discount rate.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Report Enhancements

Effective with the June 30, 2024, Actuarial Valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, will be combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024, as well as statutory changes, regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, UAL emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the UAL Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The UAL Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees. For employee contribution rates, see Member Contribution Rates.

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	
Classic Rate Plan 1322	**12.56%**
PEPRA Rate Plan 26889	**7.93%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount†	**$795,753**
Paid either as	
1) Monthly Payment	**$66,312.75**
Or	
2) Annual Prepayment Option‡	**$770,003**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

†The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2025.

‡Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2025-26	Fiscal Year 2026-27
Classic Rate Plan 1322		
Base Total Normal Cost for Formula	18.87%	18.85%
Surcharge for Class 1 Benefits [1]	0.64%	0.64%
Plan's Total Normal Cost	19.51%	19.49%
Offset Due to Employee Contributions [2]	(6.93%)	(6.93%)
Employer Normal Cost for Rate Plan 1322	12.58%	12.56%
PEPRA Rate Plan 26889		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits [1]	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions [2]	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 26889	7.96%	7.93%

[1] See Surcharge for Class 1 Benefits in the supplementary information section of this report.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024, valuation.

		Basis for Current Rate		Rates Effective July 1, 2026			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change in Normal Cost	Adj. Needed	Member Rate
26889	PEPRA Miscellaneous Plan	15.43%	7.75%	15.68%	0.25%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	$8,726,229
Transferred Members	576,731
Separated Members	410,783
Members and Beneficiaries Receiving Payments	19,228,946
Total	$28,942,689

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$28,942,689
2.	Projected UAL Balance at 6/30/2024	8,303,022
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2024 for Asset Share	8,303,022
5.	Pool's Accrued Liability[1]	24,701,567,178
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2024[1]	5,686,499,631
7.	Pool's 2023-24 Investment (Gain)/Loss[1]	(476,088,386)
8.	Pool's 2023-24 Non-Investment (Gain)/Loss[1]	305,188,638
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	(516,764)
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	357,588
11.	Plan's New (Gain)/Loss as of 6/30/2024: (9) + (10)	(159,176)
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	(516,764)

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$8,143,846
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$20,798,843

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **Funded Ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2023	June 30, 2024
1. Present Value of Benefits	$31,455,039	$33,044,945
2. Entry Age Accrued Liability	27,661,576	28,942,689
3. Market Value of Assets (MVA)	19,385,804	20,798,843
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$8,275,772	$8,143,846
5. Funded Ratio [(3) ÷ (2)]	70.1%	71.9%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$32,408,757	$28,942,689	$26,039,030
2. Market Value of Assets (MVA)	20,798,843	20,798,843	20,798,843
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$11,609,914	$8,143,846	$5,240,187
4. Funded Ratio [(2) ÷ (1)]	64.2%	71.9%	79.9%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan's unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in Amortization Schedule and Alternatives. Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments. Provided below is information on how an Additional Discretionary Payment (ADP), together with your required UAL payment of $795,753 for FY 2026-27, may better accomplish your agency's specific objectives with regard to either smoothing out projected future payments or achieving a greater reduction in UAL than would otherwise occur when making only the minimum required payment. Such additional payments are allowed at any time and can also result in significant long-term savings.

Fiscal Year 2026-27 Employer Contribution Versus Agency Funding Objectives

The interest-to-payment ratio for the FY 2026-27 minimum required UAL payment is 64%, which means the required payment of $795,753 includes $507,771 of interest cost and results in a $287,982 reduction in the UAL, as can be seen in Amortization Schedule and Alternatives (see columns labelled Current Amortization Schedule). If the interest-to-payment ratio is close to 100%, and the reduction in the UAL is small, it may indicate that required contributions will be increasing in the coming years, which would be shown in Projected Employer Contributions. Another measure that can be used to evaluate how well the FY 2026-27 required UAL payment meets the agency's specific funding objectives is the number of years required to pay off the existing UAL if the annual payment were held constant in future years. With an annual payment of $795,753 it would take 15.9 years to pay off the current UAL. A result that is longer than the agency's target funding period suggests that the option of supplementing the minimum payment with an ADP should be weighed against the agency's budget constraints.

Provided below are select ADP options for consideration. Making such an ADP during FY 2026-27 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2026-27 Employer Contributions — Illustrative Scenarios

If the Annual UAL Payment Each Year Were...	The Current UAL Would be Paid Off in...	This Would Require an ADP[1] in FY 2026-27 of...	Plus the Estimated Normal Cost of...	Estimated Total Contribution
$795,753	15.9 years	$0	$296,511	$1,092,264
824,392	15 years	28,639	296,511	1,120,903
1,072,689	10 years	276,936	296,511	1,369,200
1,844,689	5 years	1,048,936	296,511	2,141,200

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2026, as determined in the June 30, 2024, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2025.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$0	2022-23	$0
2020-21	0	2023-24	0
2021-22	0	2024-25	0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The normal cost rates for each rate plan are assumed to remain constant. However, the employer contribution amounts will vary due to changes in payroll. The actuarial valuation does not include payroll beyond the valuation date. For the most realistic projections, the employer should apply projected payroll amounts to the rates below based on the most recent information available, such as current payroll as well as any plans to fill vacancies or add or remove positions.

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
		Normal Cost Rates (Percentage of Payroll)					
1322	$1,413,236	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
26889	1,386,295	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
	UAL Payment	$795,753	$826,000	$906,000	$914,000	$919,000	$938,000

Unlike the normal cost rates, the required UAL payments are expected to vary significantly from the projections above due to experience, particularly investment experience. For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

For ongoing plans, investment gains and losses are amortized using an initial 5-year ramp. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the initial ramp period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2024.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2026-27.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2024-25 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2025, if necessary, and the expected payment for FY 2025-26 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Side Fund	2013 or Prior	No Ramp		2.80%	6	579,835	85,283	531,129	87,671	476,643	90,126
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	1,820,362	136,784	1,802,788	140,614	1,780,061	144,552
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	(18,575)	(1,396)	(18,395)	(1,435)	(18,163)	(1,475)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	11	1,060,265	104,907	1,023,948	107,845	982,125	110,864
Assumption Change	6/30/14	100%	Up/Dn	2.80%	10	767,353	93,894	722,499	96,523	671,878	99,226
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	(1,425,982)	(103,501)	(1,415,987)	(106,399)	(1,402,317)	(109,378)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	1,617	117	1,606	121	1,590	124
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	916,808	64,432	912,564	66,236	906,167	68,091
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	(77,119)	(5,420)	(76,762)	(5,572)	(76,223)	(5,727)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	12	336,114	35,489	322,294	36,483	306,507	37,505
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	1,179,650	80,446	1,176,730	82,699	1,171,283	85,014
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	(149,876)	(10,221)	(149,505)	(10,507)	(148,813)	(10,801)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	13	401,686	39,835	387,834	40,950	371,887	42,097
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(616,706)	(40,890)	(616,385)	(42,034)	(614,860)	(43,211)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(32,805)	(2,175)	(32,788)	(2,236)	(32,707)	(2,299)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	14	722,508	67,690	701,685	69,586	677,487	71,534
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	(209,901)	(13,555)	(210,166)	(13,935)	(210,056)	(14,325)
Method Change	6/30/18	100%	Up/Dn	2.80%	14	197,748	18,527	192,048	19,045	185,425	19,579
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	105,790	6,832	105,923	7,023	105,868	7,220
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	15	91,326	8,926	88,312	8,926	85,093	8,927

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	15	100,075	7,976	98,637	9,970	95,041	9,970
Investment (Gain)/Loss	6/30/20	100%	Up Only	0.00%	16	488,174	29,352	491,036	39,136	483,982	48,920
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	16	79,335	7,522	76,956	7,522	74,415	7,522
Assumption Change	6/30/21	No Ramp		0.00%	17	107,020	9,870	104,097	9,870	100,976	9,870
Net Investment (Gain)	6/30/21	80%	Up Only	0.00%	17	(2,422,101)	(99,566)	(2,483,908)	(149,349)	(2,498,470)	(199,132)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	17	(112,249)	(10,352)	(109,184)	(10,352)	(105,910)	(10,352)
Investment (Gain)/Loss	6/30/22	60%	Up Only	0.00%	18	3,300,576	70,945	3,451,698	141,890	3,539,779	212,835
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	18	428,009	38,489	417,338	38,488	405,942	38,488
Partial Fresh Start	6/30/22	60%	Up Only	0.00%	18	93,499	2,010	97,780	4,019	100,276	6,029
Investment (Gain)/Loss	6/30/23	40%	Up Only	0.00%	19	134,962	0	144,139	3,098	150,739	6,196
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	19	455,624	0	486,606	43,757	474,475	43,757
Investment (Gain)/Loss	6/30/24	20%	Up Only	0.00%	20	(516,764)	0	(551,904)	0	(589,433)	(12,670)
Non-Investment (Gain)/Loss	6/30/24	No Ramp		0.00%	20	357,588	0	381,904	0	407,873	36,677
Total						**8,143,846**	**622,250**	**8,054,567**	**719,653**	**7,858,560**	**795,753**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Each year, many agencies express a desire for a more stable pattern of payments or indicate interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			15 Year Amortization		10 Year Amortization	
Date	Balance	Payment	Balance	Payment	Balance	Payment
6/30/2026	7,858,560	795,753	7,858,560	824,392	7,858,560	1,072,689
6/30/2027	7,570,578	825,838	7,540,982	824,392	7,284,381	1,072,689
6/30/2028	7,231,923	906,165	7,201,808	824,392	6,671,158	1,072,689
6/30/2029	6,787,224	914,011	6,839,571	824,392	6,016,236	1,072,689
6/30/2030	6,304,179	919,252	6,452,701	824,392	5,316,779	1,072,689
6/30/2031	5,782,871	937,661	6,039,524	824,392	4,569,759	1,072,688
6/30/2032	5,207,089	826,795	5,598,251	824,391	3,771,943	1,072,688
6/30/2033	4,706,727	818,541	5,126,973	824,392	2,919,876	1,072,689
6/30/2034	4,180,867	800,022	4,623,647	824,391	2,009,867	1,072,689
6/30/2035	3,638,391	769,232	4,086,096	824,392	1,037,977	1,072,688
6/30/2036	3,090,845	712,284	3,511,990	824,392		
6/30/2037	2,564,916	528,418	2,898,845	824,391		
6/30/2038	2,193,239	488,328	2,244,007	824,392		
6/30/2039	1,837,720	456,530	1,544,639	824,391		
6/30/2040	1,490,891	435,157	797,715	824,391		
6/30/2041	1,142,564	377,814				
6/30/2042	829,811	314,627				
6/30/2043	561,088	536,848				
6/30/2044	44,442	45,928				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**12,409,204**		**12,365,875**		**10,726,887**
Interest Paid		**4,550,644**		**4,507,315**		**2,868,327**
Estimated Savings				**43,329**		**1,682,317**

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

		Employer Normal Cost Rate		
Valuation Date	**Contribution Year**	**Rate Plan 1322**	**Rate Plan 26889**	**Unfunded Liability Payment**
06/30/2015	2017-18	8.921%	6.533%	$240,509
06/30/2016	2018-19	9.409%	6.842%	296,710
06/30/2017	2019-20	10.221%	6.985%	357,408
06/30/2018	2020-21	11.031%	7.732%	405,695
06/30/2019	2021-22	10.88%	7.59%	473,459
06/30/2020	2022-23	10.87%	7.47%	541,321
06/30/2021	2023-24	12.47%	7.68%	518,175
06/30/2022	2024-25	12.52%	7.87%	622,250
06/30/2023	2025-26	12.58%	7.96%	719,653
06/30/2024	2026-27	12.56%	7.93%	795,753

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	$16,512,195	$12,689,003	$3,823,192	76.8%	$2,350,424
06/30/2016	17,614,373	12,625,914	4,988,459	71.7%	2,344,136
06/30/2017	18,674,273	13,706,636	4,967,637	73.4%	2,222,613
06/30/2018	21,369,030	15,627,474	5,741,556	73.1%	2,633,614
06/30/2019	22,767,577	16,722,874	6,044,703	73.5%	2,415,919
06/30/2020	23,789,003	17,189,233	6,599,770	72.3%	2,346,940
06/30/2021	25,465,481	20,963,323	4,502,158	82.3%	2,444,056
06/30/2022	26,700,269	18,982,595	7,717,674	71.1%	2,633,257
06/30/2023	27,661,576	19,385,804	8,275,772	70.1%	2,827,576
06/30/2024	28,942,689	20,798,843	8,143,846	71.9%	2,799,531

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS Funding Risk Mitigation Policy stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 10.8% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The employer normal cost rates are not affected by Investment returns, and since no future assumption changes are being reflected, the projected employer normal cost rates for every future investment return scenario are the same as those shown earlier in this report. See Projected Employer Contributions for more information on projecting the employer normal cost.

The first table shows projected UAL contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through FY 2043-44	**Projected Employer UAL Contributions**				
	2027-28	**2028-29**	**2029-30**	**2030-31**	**2031-32**
3.0% (5th percentile)	$845,000	$965,000	$1,032,000	$1,118,000	$1,239,000
10.8% (95th percentile)	$805,000	$843,000	$783,000	$693,000	$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	**Required Employer UAL Contributions**	**Projected Employer UAL Contributions**
	2026-27	**2027-28**
(17.2%) (2 standard deviation loss)	$795,753	$948,000
(5.2%) (1 standard deviation loss)	$795,753	$887,000

- Without investment gains (returns higher than 6.8%) in FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2027-28 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost			
Rate Plan 1322	24.53%	19.49%	15.66%
Rate Plan 26889	19.63%	15.68%	12.68%
b) Accrued Liability	$32,408,757	$28,942,689	$26,039,030
c) Market Value of Assets	$20,798,843	$20,798,843	$20,798,843
d) Unfunded Liability/(Surplus) [(b) - (c)]	$11,609,914	$8,143,846	$5,240,187
e) Funded Ratio	64.2%	71.9%	79.9%

Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost			
Rate Plan 1322	20.43%	19.49%	17.79%
Rate Plan 26889	16.54%	15.68%	14.26%
b) Accrued Liability	$29,829,335	$28,942,689	$27,005,296
c) Market Value of Assets	$20,798,843	$20,798,843	$20,798,843
d) Unfunded Liability/(Surplus) [(b) - (c)]	$9,030,492	$8,143,846	$6,206,453
e) Funded Ratio	69.7%	71.9%	77.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 1322	19.82%	19.49%	19.18%
Rate Plan 26889	15.95%	15.68%	15.43%
b) Accrued Liability	$29,589,833	$28,942,689	$28,348,121
c) Market Value of Assets	$20,798,843	$20,798,843	$20,798,843
d) Unfunded Liability/(Surplus) [(b) - (c)]	$8,790,990	$8,143,846	$7,549,278
e) Funded Ratio	70.3%	71.9%	73.4%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures include only the rate plans covered in this report. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Retiree Accrued Liability	$16,146,029	$19,228,946
2. Total Accrued Liability	$27,661,576	$28,942,689
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	58%	66%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.78 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives	25	25
2. Number of Retirees	39	41
3. Support Ratio [(1) ÷ (2)]	0.64	0.61

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2023	June 30, 2024
1. Market Value of Assets	$19,385,804	$20,798,843
2. Payroll	$2,827,576	$2,799,531
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	6.9	7.4
4. Accrued Liability	$27,661,576	$28,942,689
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	9.8	10.3

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	48%	0.89	6.2	8.4
06/30/2018	46%	0.87	5.9	8.1
06/30/2019	56%	0.68	6.9	9.4
06/30/2020	54%	0.63	7.3	10.1
06/30/2021	58%	0.59	8.6	10.4
06/30/2022	60%	0.63	7.2	10.1
06/30/2023	58%	0.64	6.9	9.8
06/30/2024	66%	0.61	7.4	10.3

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$42,064,384	$32,817,832
2. Market Value of Assets (MVA)	20,798,843	20,798,843
3. Unfunded Termination Liability [(1) – (2)]	$21,265,541	$12,018,989
4. Funded Ratio [(2) ÷ (1)]	49.4%	63.4%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	June 30, 2024
Discount Rate	5.35%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	$10,969,000
b) Transferred Members	742,948
c) Separated Members	478,748
d) Members and Beneficiaries Receiving Payments	21,996,289
e) Total	$34,186,985
2. Market Value of Assets (MVA)	20,798,843
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$13,388,142
4. Unfunded Accrued Liability – Funding Policy Basis	8,143,846
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$5,244,296

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1 This index is based on a yield curve of hypothetical AA-rated zero-coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group as of the valuation date, June 30, 2024. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost as of June 30, 2024	Offset due to Employee Contributions as of June 30, 2024	Employer Normal Cost as of June 30, 2024	Number of Actives	Payroll on 6/30/2024
1322	Miscellaneous Plan	19.49%	6.93%	12.56%	9	$1,413,236
26889	PEPRA Miscellaneous Plan	15.68%	7.75%	7.93%	16	1,386,295
	Hypothetical Plan Totals[1]	*17.60%*	*7.34%*	*10.27%*	25	$2,799,531

[1] The hypothetical employer normal cost and contribution rates for the total plan are provided for illustrative purposes only and are based on the payroll as of the valuation date. This snapshot of the cost of providing benefits can be compared from one valuation date to the next as members retire from older tiers and are replaced by members in new tiers. The employer normal cost rate for contribution purposes varies by rate plan and applies to the covered payroll of members in each respective rate plan.

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2023	June 30, 2024
Active Members		
Counts	25	25
Average Attained Age	N/A	43.5
Average Entry Age to Rate Plan	N/A	33.6
Average Years of Credited Service	N/A	9.9
Average Annual Covered Pay	$113,103	$111,981
Annual Covered Payroll	$2,827,576	$2,799,531
Present Value of Future Payroll	$23,885,085	$25,368,047
Transferred Members		
Counts	4	3
Separated Members		
Counts	14	17
Retired Members and Beneficiaries*		
Counts	39	41
Average Annual Benefits	$33,905	$38,145
Total Annual Benefits	$1,322,310	$1,563,931

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	9	16	64.0%
Average Attained Age	52.6	38.4	
Average Entry Age	31.5	34.8	
Average Years of Credited Service	20.9	3.6	
Average Annual Covered Payroll	$157,026	$86,643	
Annual Covered Payroll	$1,413,236	$1,386,295	49.5%
Present Value of Future Payroll	$9,186,871	$16,181,176	63.8%
Transferred Members			
Count	2	1	33.3%
Separated Members			
Count	12	5	29.4%
Retired Members and Beneficiaries Receiving Payments			
Count	41	0	0.0%
Average Annual Benefit	$38,145	$0	
Total Annual Benefits	$1,563,931	$0	0.0%
Accrued Liabilities			
Active Members	$7,677,759	$1,048,470	12.0%
Transferred Members	549,436	27,295	4.7%
Separated Members	350,327	60,456	14.7%
Retired Members and Beneficiaries	19,228,946	0	0.0%
Total	$27,806,468	$1,136,221	3.9%

Surcharge for Class 1 Benefits

This plan has the following Class 1 benefit provisions which result in the surcharges indicated:

Class 1 benefit provisions	Rate Plan 1322	Rate Plan 26889
One Year Final Compensation (FAC 1)	0.64%	N/A
Surcharge for Class 1 Benefits	0.64%	0.00%

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 1322	**Benefit Group**			
Member Category	**Misc**	**Misc**	**Misc**	
Demographics				
Actives	Yes	No	No	
Transfers/Separated	Yes	No	No	
Receiving	Yes	Yes	Yes	
Benefit Provision				
Benefit Formula	2% @ 55			
Social Security Coverage	No			
Full/Modified	Full			
Employee Contribution Rate	7.00%			
Final Average Compensation Period	One Year			
Sick Leave Credit	Yes			
Non-Industrial Disability	Standard			
Industrial Disability	No			
Pre-Retirement Death Benefits				
Optional Settlement 2	Yes			
1959 Survivor Benefit Level	Level 4			
Special	No			
Alternate (firefighters)	No			
Post-Retirement Death Benefits				
Lump Sum	$2,000	$2,000	$2,000	
Survivor Allowance (PRSA)	No	No	No	
COLA	2%	2%	2%	

Plan's Major Benefit Options (Continued)

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 26889	**Benefit Group**	
Member Category	**Misc**	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 4	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the
CalPERS website (www.calpers.ca.gov)
in the Forms & Publications section

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

7. RECEIVE GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 75 - FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025, and recommended _________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (OPEB). GASB 75 establishes standards for recognizing and measuring liabilities and expenses. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Since this statement requires a full actuarial report, the District used GovInvest/TrueComp to prepare this report for the fiscal year ending June 30, 2025, attached as **Exhibit 7-A**.

As reported in the Executive Summary, page 3, the District's Net OPEB Liability as of the valuation date of June 30, 2024, is estimated at $4,833,572. In comparison, District's Net OPEB Liability as of the valuation date of June 30, 2024, was estimated at $5,222,313. The decrease in liability is attributed mostly to an increase in discount rate (tied to a 20-year municipal AA bond) that reduces the present value of OPEB liability, which is offset by increases in service costs and interest costs.

The District's annual OPEB expense of $249,789 would fully fund the current and future costs amortized over time. In FY 2024-2025, the District paid premium contributions towards medical coverage for eighteen retirees in the amount of $162,296. This actual cost would be deducted from any contribution made for the year. For example, if the District had fully funded its contribution in FY2024-2025, the $162,296 would have been deducted from the $249,789, resulting in an additional net contribution of $87,493. It should be noted that both current and future costs must be recalculated on an annual basis based on the current employee data and District benefit levels, so the contribution amounts may vary somewhat each subsequent year.

The District can elect to either partially fund, fully fund, or continue to fund the costs on a pay-as-you-go basis. The District's budget in the past has included funds for pay-as-you-go basis. The District's OPEB reserve balance as of 06/30/2025 was $700,000. Details of existing eligible employees in the OPEB tiered plan are as follows.

Tier 1 Plan (hired by District before 01/01/2013 with 15 years of service)	8 employees
Tier 2 Plan (hired by District after 01/01/2013 with 5 years of service)	17 employees

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend that the Board receive the GASB 75 OPEB Valuation Report prepared by GovInvest/TrueComp.

BACKGROUND: In July 2004, GASB issued Statement Nos. 43 & 45, establishing financial reporting requirements for post-employment benefits other than pensions. The District provides health insurance as a post-employment benefit and was required to comply with GASB 43 and 45 and included the required information in its audited financial statements beginning in FY 2009-10. In June 2015, GASB issued Statement No. 75, replacing GASB 45, the financial reporting requirement for post-employment benefits other than pensions, which includes information with respect to the total obligation to provide future retiree health and welfare benefits with fiscal year beginning June 15, 2017.

The main thrust of GASB OPEB standard is to require that public-sector employees recognize the cost of other post-employment benefits over the service life of their employees rather than on a pay-as-you-go basis. While the liability amount must be included in each entity's annual audited financial statements, the GASB statements do not require that the amount be funded. Government entities can either partially fund, fully fund, or continue to fund the costs on a pay-as-you-go basis. Beginning with the fiscal year 2018-2019 budget, District has started setting aside funds towards unfunded pension and other postemployment benefits. With each budget cycle, staff will continue to recommend adding additional funds to these reserve accounts or a tax-exempt Section 115 trust fund, when approved.

EXHIBIT

7-A GASB 75 OPEB Valuation Report

Monterey Peninsula Water Management District

GASB 75 OPEB Valuation Report Measured as of June 30, 2025 for Disclosures for the Fiscal Year Ending June 30, 2025

September 4, 2025

Precision Actuarial Inc.
TrueComp

11750 Atwood Road
Auburn, California 95603
t: (415) 801–5987 f: (415) 358–8500
www.PrecisionActuarial.com

11750 Atwood Road
Auburn, California 95603
www.PrecisionActuarial.com
(415) 801–5987

September 4, 2025

Nishil Bali
Administrative Services Manager/CFO
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, California 93940

Re: Monterey Peninsula Water Management District GASB 75 OPEB Plan Valuation Report Measured as of June 30, 2025

Dear Mr. Bali:

At your request, we completed an actuarial valuation of the retiree health and welfare benefits valued as of June 30, 2024, and measured as of June 30, 2025, for the Monterey Peninsula Water Management District. This is a roll-forward valuation. Please use the information in this report for your financial statements for the fiscal year ending June 30, 2025. This valuation is based on input from the District and from CalPERS, as well as our understanding of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75).

We greatly appreciate your business. If you have any questions, please feel free to call us at
(415) 801–5987.

Best Regards,

Roger T. Burton, FSA, MAAA, FCA

Contents

Executive Summary

Overview

Purpose of the Report

Precision Actuarial prepared this report to meet employer financial accounting requirements under GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (GASB 75), issued in June 2015, as amended by GASB Statement No. 85. This report includes information with respect to the obligation to provide future retiree health and welfare benefits for the fiscal year ending June 30, 2025.

Valuation Date: June 30, 2024
Measurement Date: June 30, 2025
Report Date: June 30, 2025

Application to Financials

This report provides liabilities and expenses for use in the District's 2025 financial reports.

The District should use the liabilities and expense measured as of June 30, 2025, for its financial statements for the year ending June 30, 2025.

Update procedures were used to roll the total OPEB liability forward to the measurement date.

Changes Since the Prior Valuation

This valuation is a roll-forward of the valuation produced for the prior fiscal year. We updated:
• Discount rate from 3.97% to 4.71%
• Benefit payments

Statement on Future Measurements

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Actuarial Certification

Our determinations reflect the provisions and methods prescribed by GASB 75. In preparing this report, we relied on employee census, plan design, and administrative fees provided directly or indirectly by the plan sponsor, and demographic assumptions provided by CalPERS. CalPERS' actuaries set the premium rates using community rating. We did not attempt to verify that the community-rated premium rates represent the true cost of claims and administrative fees.

We based the results in this report on this information, along with the actuarial assumptions and methods used herein. In our opinion, the assumptions used represent reasonable expectations of anticipated plan experience. We reviewed the census information for reasonableness, but we did not audit it.

Actuarial computations under GASB 75 fulfill employer accounting and financial reporting requirements. The calculations are consistent with our understanding of GASB 75. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results in our report. Accordingly, additional determinations may be necessary for other purposes, such as judging benefit security at termination.

It is our professional judgment that the combined effect of the assumptions and methods applied in developing this report, other than those prescribed, set by law, or that we did not select and are unable to assess for reasonableness for the purpose of the measurement, is expected to have no significant bias on the results.

No third-party recipient of Precision Actuarial's work product should rely solely on Precision Actuarial's work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs.

There is no relationship between Precision Actuarial, its owners, subcontractors, or staff; TrueComp; or the Monterey Peninsula Water Management District beyond the contractual services that we perform for the Monterey Peninsula Water Management District.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the report is complete and accurate and that we prepared it in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" as promulgated by the American Academy of Actuaries.

The undersigneds are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Roger T Burton

Roger T. Burton, FSA, MAAA, FCA
Chief Actuary

Eric Scott Lanham

E. Scott Lanham, FSA, MAAA, FCA, EA
Senior Consulting Actuary

Executive Summary

Accounting Summary

A summary of the key valuation results follows.		*Prior Report*	*Current Report*
Valuation Date:		**June 30, 2024**	**June 30, 2024**
Measurement Date:		**June 30, 2024**	**June 30, 2025**
Report Date:		**June 30, 2024**	**June 30, 2025**
Present Value of Future Benefits (PVFB)			
Active Employees		$ 2,600,408	$ 2,199,707
Retirees	+	3,493,929	3,274,467
Total Present Value of Future Benefits	=	**6,094,337**	**5,474,174**
Present Value of Future Normal Costs (PVFNC)	–	**872,024**	**640,602**
Total OPEB Liability (TOL)	=	**$ 5,222,313**	**$ 4,833,572**
OPEB Liability			
Active Employees		$ 1,728,384	$ 1,559,105
Retirees	+	3,493,929	3,274,467
Total OPEB Liability (TOL)	=	**$ 5,222,313**	**$ 4,833,572**
Covered Payroll		$ 2,556,431	$ 3,448,954
Total OPEB Liability as a Percentage of Covered Payroll		204.28%	140.15%
Present Value of Future Salaries		$ 36,350,221	$ 34,421,671
Measurement Period:		**2023-2024**	**2024-2025**
Reporting Period:		**2023-2024**	**2024-2025**
Expense		**$ 361,140**	**$ 249,789**

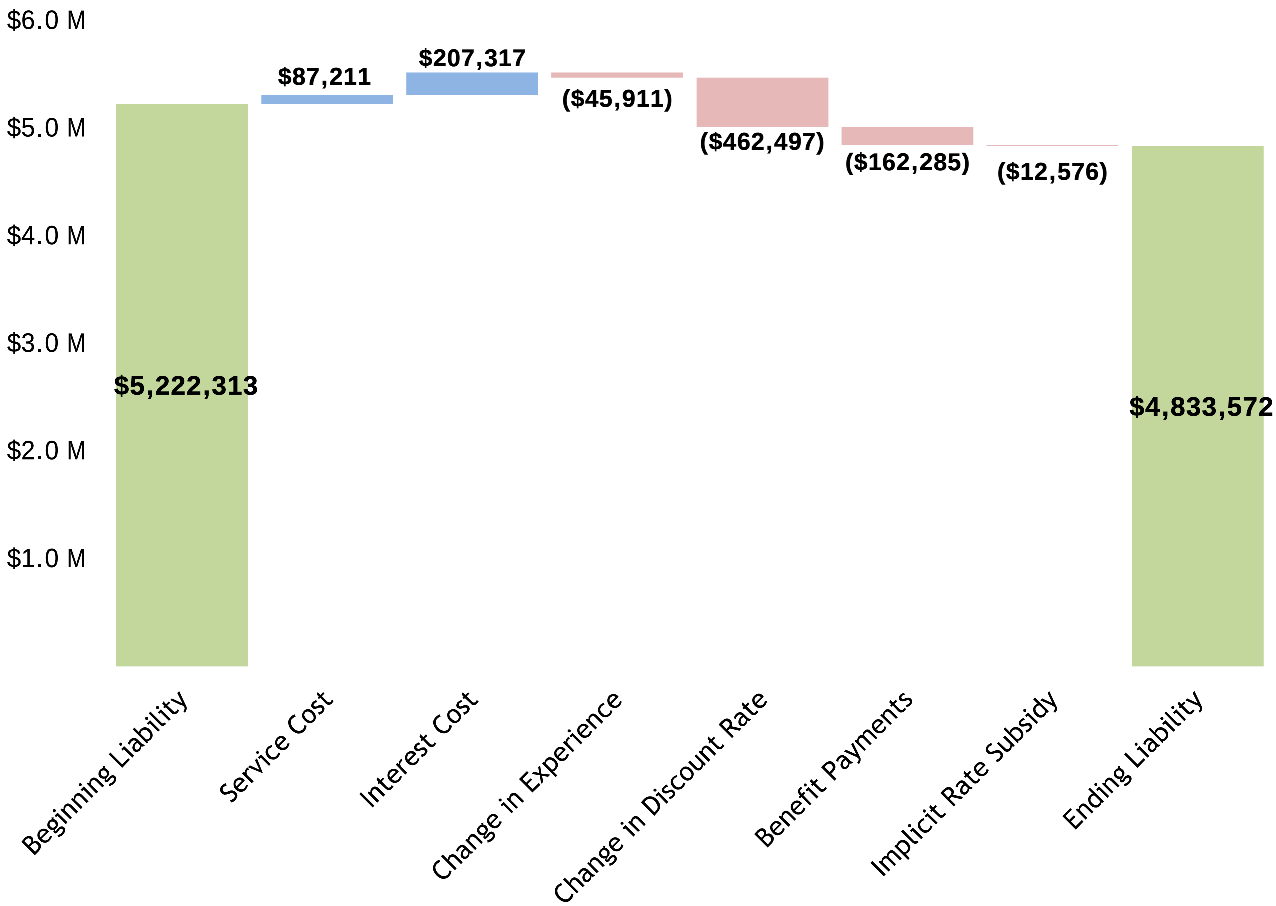
Executive Summary

Reconciliation of the Change in the Total OPEB Liability

A detailed reconciliation of the changes to the Total OPEB Liability since the prior valuation report follows.

Total OPEB Liability as of Measurement Date June 30, 2024 / Report Date June 30, 2024	**$ 5,222,313**
Service Cost	87,211
Interest Cost	207,317
Differences Between Expected and Actual Experience	(45,911)
Changes of Assumptions	
Change in Discount Rate from 3.97% to 4.71%	*(462,497)*
Total Changes of Assumptions	(462,497)
Benefit Payments	(162,285)
Implicit Subsidy	(12,576)
Total OPEB Liability as of Measurement Date June 30, 2025 / Report Date June 30, 2025	**$ 4,833,572**

Reconciliation of the Change in the Total OPEB Liability



Accounting Information

Changes in the Total OPEB Liability

The funded status of the Plan as of the fiscal year-end, as well as other required disclosure information, follows.

	Increase / (Decrease)
	Total OPEB Liability
Balance as of: Measurement Date June 30, 2024 / Report Date June 30, 2024	**$ 5,222,313**
Changes for the year:	
Service Cost	87,211
Interest	207,317
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(45,911)
Changes of Assumptions	(462,497)
Benefit Payments	(162,285)
Implicit Subsidy	(12,576)
Other Miscellaneous Income/(Expense)	-
Net Change	(388,741)
Balance as of: Measurement Date June 30, 2025 / Report Date June 30, 2025	**$ 4,833,572**

Development of Deferred Outflows and Inflows of Resources

Balances as of Measurement Date June 30, 2025 / Report Date June 30, 2025

Deferred Outflows and Inflows of Resources Arising from Differences Between Expected and Actual Experience

Measurement Date — June 30:	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2025 (c)	Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2018	$ -	$ -	$ -	$ -	$ -
2019	-	-	-	-	-
2020	-	(411,131)	(391,554)	-	(19,577)
2021	-	(5,585)	(4,435)	-	(1,150)
2022	-	(120,671)	(80,448)	-	(40,223)
2023	-	(120,643)	(51,705)	-	(68,938)
2024	205,368	-	57,048	148,320	-
2025	-	(45,911)	(6,377)	-	(39,534)
Total				$ 148,320	$ (169,422)

Deferred Outflows and Inflows of Resources Arising from Changes in Assumptions

Measurement Date — June 30:	Increase in Total Liability (a)	Decrease in Total Liability (b)	Amounts Recognized in Expense Through Measurement Date June 30, 2025 (c)	Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2018	$ -	$ -	$ -	$ -	$ -
2019	249,320	-	249,320	-	-
2020	-	(190,471)	(181,404)	-	(9,067)
2021	337,730	-	268,040	69,690	-
2022	565,999	-	377,332	188,667	-
2023	-	(106,465)	(45,627)	-	(60,838)
2024	-	(97,373)	(27,050)	-	(70,323)
2025	-	(462,497)	(64,236)	-	(398,261)
Total				$ 258,357	$ (538,489)

Expense and Deferred Outflows and Inflows

Measurement Period:		2023-2024		2024-2025
Reporting Period:		2023-2024		2024-2025
Expense				
Service Cost	$	114,046	$	87,211
Interest on Total OPEB Liability		193,515		207,317
Changes of Benefit Terms		-		-
Recognized Differences Between Expected and Actual Experience		(74,969)		(81,346)
Recognized Changes of Assumptions		128,548		36,607
Other Miscellaneous (Income)/Expense		-		-
Total Expense	$	361,140	$	249,789

Deferred Outflows and Inflows of Resources	Report Year Ending June 30, 2025			
		Deferred Outflows of Resources		(Deferred Inflows of Resources)
Differences Between Expected and Actual Experience	$	148,320	$	(169,422)
Changes of Assumptions		258,357		(538,489)
Total	**$**	**406,677**	**$**	**(707,911)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Report Year Ending June 30:		Deferred Outflows/(Inflows)
2026	$	10,240
2027		1,984
2028		(88,058)
2029		(88,058)
2030		(55,614)
Remaining		(81,728)

Interest on the Liability

For the report year ending June 30, 2025

Interest on Total OPEB Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total OPEB Liability (d) = (a) × (b) × (c)
Beginning Total OPEB Liability	$ 5,222,313	100%	3.97%	$ 207,326
Service Cost	87,211	100%	3.97%	3,462
Benefit Payments	(162,285)	50%	3.97%	(3,221)
Implicit Subsidy	(12,576)	50%	3.97%	(250)
Total Interest on Total OPEB Liability				**$ 207,317**

	Asset / (Liability)	Deferred Outflows / (Inflows)			Expense / (Credit)	Asset / (Liability)
	Total OPEB Liability (a)	Differences Between Expected and Actual Experience (b)	Changes in Assumptions (c)	Net Deferrals (d) = Σ[(b):(c)]	Expense (e)	Impact on the Statement of Net Position (f) = (a) + (d) − (e)
Balance as of: Measurement Date June 30, 2024 / Report Date June 30, 2024	**$ (5,222,313)**	**$ (56,537)**	**$ 218,972**	**$ 162,435**		**$ (5,059,878)**
Service Cost	(87,211)				87,211	
Interest on Total OPEB Liability	(207,317)				207,317	
Changes of Benefit Terms	-				-	
Differences Between Expected and Actual Experience	45,911	(45,911)		(45,911)		-
Changes in Assumptions	462,497		(462,497)	(462,497)		-
Benefit Payments	162,285					162,285
Implicit Subsidy	12,576					12,576
Other Income/(Expense)					-	
Recognition of Differences Between Expected and Actual Experience		81,346		81,346	(81,346)	
Recognition of Changes in Assumptions			(36,607)	(36,607)	36,607	
Annual Expense					$ 249,789	(249,789)
Net Change	**388,741**	**35,435**	**(499,104)**	**(463,669)**		**(74,928)**
Balance as of: Measurement Date June 30, 2025 / Report Date June 30, 2025	**$ (4,833,572)**	**$ (21,102)**	**$ (280,132)**	**$ (301,234)**		**$ (5,134,806)**

Impact on the Statement of Net Position

Measurement Date: Report Date:	June 30, 2024 June 30, 2024	June 30, 2025 June 30, 2025	Change During Period
Total OPEB Liability / (Asset)	$ 5,222,313	$ 4,833,572	$ (388,741)
Deferred Amounts			
Deferred Inflows	432,577	707,911	275,334
(Deferred Outflows)	(595,012)	(406,677)	188,335
Net Deferred Inflows / (Outflows)	(162,435)	301,234	463,669
Impact on the Statement of Net Position	5,059,878	5,134,806	74,928

Change in Net Position During Report Year

Measurement Date: Report Date:	June 30, 2025 June 30, 2025
Impact on the Statement of Net Position, Report Year Ending June 30, 2024	5,059,878
OPEB Expense / (Income)	249,789
(Employer Contributions Reported for the Year)	(174,861)
(Adjustment to Employer Contributions Reported in the Prior Year)	-
Impact on the Statement of Net Position for the Report Year Ending June 30, 2025	5,134,806

OPEB Expense

Measurement Date: Report Date:	June 30, 2025 June 30, 2025
Deterioration / (Improvement) in Net Position	74,928
Employer Contributions Reported for the Year	174,861
Adjustment to Employer Contributions Reported in the Prior Year	-
OPEB Expense / (Income) for the Report Year Ending June 30, 2025	249,789

Suggested Journal Entries for the Report Year ending June 30, 2025

Beginning Balance	**Debit (Outflow)**	**Credit (Inflow)**
Net OPEB Liability/Asset	$ -	$ 5,222,313
Differences between Expected and Actual Experience	176,844	233,381
Changes of Assumptions	418,168	199,196
Impact on Statement of Net Position	5,059,878	-

Ending Balance	**Debit (Outflow)**	**Credit (Inflow)**
Net OPEB Liability/Asset	$ -	$ 4,833,572
Differences between Expected and Actual Experience	148,320	169,422
Changes of Assumptions	258,357	538,489
Impact on Statement of Net Position	5,134,806	-

OPEB-Expense Journal Entries		**Debit**	**Credit**
Net OPEB Liability/Asset		$ 388,741	$ -
Differences between Expected and Actual	Deferred Outflows	-	28,524
Experience	Deferred Inflows	63,959	-
Changes of Assumptions	Deferred Outflows	-	159,811
	Deferred Inflows	-	339,293
OPEB Expense/Credit		74,928	-
Total		**527,628**	**527,628**
Change to the Impact on the Statement of Net Position		74,928	-

Suggested Journal Entries for the Report Year ending June 30, 2025

Journal Entries — Benefits Paid Outside of the Trust[1]		Debit		Credit
OPEB Expense	$	162,285	$	-
Employer Contributions for Retiree Benefits During the Fiscal Year		-		162,285

Journal Entries — Implicit Subsidy[2]		Debit		Credit
OPEB Expense	$	12,576	$	-
Premium Expense During the Fiscal Year		-		12,576

[1] The entries here assume that when cash is used to pay benefits that the trust does not reimburse, an account called "Employer Contributions for Retiree Benefits During the Fiscal Year" was debited (increased). These entries reassign the benefit payments to the OPEB Expense. If the OPEB Expense account was originally debited, then these entries are unnecessary.

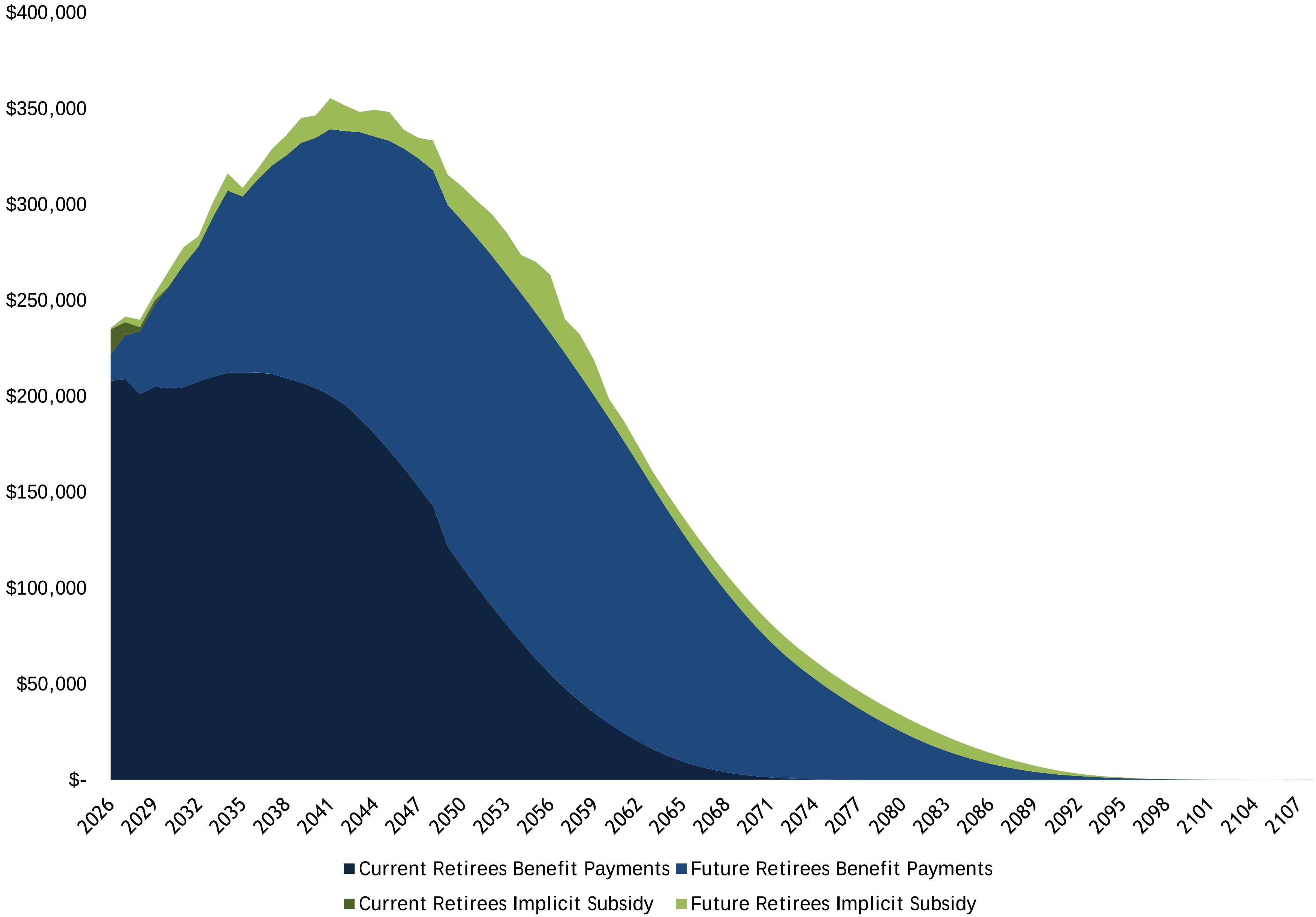
[2] These entries assume that when premiums are paid for active employees, an account called "Premium Expense During the Fiscal Year" is debited (increased). This entry reverses the portion of the premium payments that represent implicit subsidies, recorded as a retiree liability, and assigns that value to the OPEB Expense.

Projection of Benefit Payments

Projected benefit payments for current participants follow. "Future Retirees" are employees currently working, but projected to retire and receive benefits. The projections do not include benefits for employees hired in the future.

Period Ending	Projected Retiree Benefit Payments			Implicit Subsidy			
June 30:	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	Grand Total
2026	$ 207,989	$ 13,873	$ 221,862	$ 13,027	$ 697	$ 13,724	$ 235,586
2027	208,890	22,850	231,740	6,904	2,785	9,689	241,429
2028	201,116	32,619	233,735	2,274	3,889	6,163	239,898
2029	204,843	42,582	247,425	2,388	3,479	5,867	253,292
2030	204,264	53,256	257,520	-	8,177	8,177	265,697
2031	204,575	64,002	268,577	-	9,241	9,241	277,818
2032	207,585	70,329	277,914	-	5,384	5,384	283,298
2033	210,105	83,311	293,416	-	7,883	7,883	301,299
2034	212,067	95,130	307,197	-	9,010	9,010	316,207
2035	212,250	91,848	304,098	-	4,434	4,434	308,532
2036	212,326	100,309	312,635	-	5,520	5,520	318,155
2037	211,567	108,611	320,178	-	8,653	8,653	328,831
2038	209,193	116,337	325,530	-	10,615	10,615	336,145
2039	207,076	125,016	332,092	-	12,951	12,951	345,043
2040	204,094	130,617	334,711	-	11,766	11,766	346,477
2041	200,184	139,109	339,293	-	16,134	16,134	355,427
2042	195,325	142,821	338,146	-	13,376	13,376	351,522
2043	188,297	149,389	337,686	-	10,508	10,508	348,194
2044	180,238	155,091	335,329	-	13,977	13,977	349,306
2045	171,633	161,581	333,214	-	14,910	14,910	348,124
2046	162,480	166,515	328,995	-	9,869	9,869	338,864
2047	152,780	171,170	323,950	-	10,712	10,712	334,662
2048	142,609	175,221	317,830	-	15,493	15,493	333,323
⇣	⇣	⇣	⇣	⇣	⇣	⇣	⇣

Projected Benefit Payments for Current Participants



Schedule of Implicit Subsidy Liability (Not a Required Schedule)

Actuarial standard of practice (ASOP) number 6, "Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions," requires the inclusion of the implicit subsidy in OPEB valuations.

The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are set for Medicare retirees separately, and are set to be sufficient to cover the true costs of the Medicare retirees. Thus, there is no implicit subsidy for Medicare retirees.

	2022	2023	2024	2025
Measurement Date (June 30):	**2022**	**2023**	**2024**	**2025**
Report Date (June 30):	**2022**	**2023**	**2024**	**2025**
Benefit Payments	$ 4,596,307	$ 4,586,036	$ 5,084,559	$ 4,703,577
Implicit Subsidy	459,931	405,824	137,754	129,995
Total OPEB Liability	**$ 5,056,238**	**$ 4,991,860**	**$ 5,222,313**	**$ 4,833,572**
Discount Rate	3.69%	3.86%	3.97%	4.71%

Retiree Benefit Payments and Implicit Subsidy

Accounting Information

Schedule of Deferred Outflows and Inflows of Resources

Schedule of Deferred Outflows and Inflows of Resources

	Measurement Period	Base Amount	Amount Previously Recognized	Recognition Period	Remaining Period	Recognized 2025 2025	Increase/(Decrease) in Expense: Measurement / Report Years Ending June 30: Deferred→ 2026 2026	2027 2027	2028 2028	2029 2029	2030 2030	Remaining
Differences Between Expected and Actual Experience	2017-2018	$ -	$ -	6.3	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	2018-2019	-	-	6.3	0.3	-	-	-	-	-	-	-
	2019-2020	(411,131)	(326,295)	6.3	1.3	(65,259)	(19,577)	-	-	-	-	-
	2020-2021	(5,585)	(3,548)	6.3	2.3	(887)	(887)	(263)	-	-	-	-
	2021-2022	(120,671)	(60,336)	6.0	3.0	(20,112)	(20,112)	(20,111)	-	-	-	-
	2022-2023	(120,643)	(34,470)	7.0	5.0	(17,235)	(17,235)	(17,235)	(17,235)	(17,233)	-	-
	2023-2024	205,368	28,524	7.2	6.2	28,524	28,524	28,524	28,524	28,524	28,524	5,700
	2024-2025	(45,911)	-	7.2	7.2	(6,377)	(6,377)	(6,377)	(6,377)	(6,377)	(6,377)	(7,649)
Changes of Assumptions	2017-2018	-	-	6.3	0.0	-	-	-	-	-	-	-
	2018-2019	249,320	237,450	6.3	0.3	11,870	-	-	-	-	-	-
	2019-2020	(190,471)	(151,170)	6.3	1.3	(30,234)	(9,067)	-	-	-	-	-
	2020-2021	337,730	214,432	6.3	2.3	53,608	53,608	16,082	-	-	-	-
	2021-2022	565,999	282,999	6.0	3.0	94,333	94,333	94,334	-	-	-	-
	2022-2023	(106,465)	(30,418)	7.0	5.0	(15,209)	(15,209)	(15,209)	(15,209)	(15,211)	-	-
	2023-2024	(97,373)	(13,525)	7.2	6.2	(13,525)	(13,525)	(13,525)	(13,525)	(13,525)	(13,525)	(2,698)
	2024-2025	(462,497)	-	7.2	7.2	(64,236)	(64,236)	(64,236)	(64,236)	(64,236)	(64,236)	(77,081)

Summary of Deferred Outflows and Inflows of Resources

Measurement Period: July 1, 2024 - June 30, 2025

Fiscal Reporting Period: July 1, 2024 - June 30, 2025

Measurement/Report Years Ending June 30:	2025	2026	2027	2028	2029	2030	Remaining
Differences Between Expected and Actual Experience	$ (81,346)	$ (35,664)	$ (15,462)	$ 4,912	$ 4,914	$ 22,147	$ (1,949)
Changes of Assumptions	36,607	45,904	17,446	(92,970)	(92,972)	(77,761)	(79,779)
Total	**$ (44,739)**	**$ 10,240**	**$ 1,984**	**$ (88,058)**	**$ (88,058)**	**$ (55,614)**	**$ (81,728)**

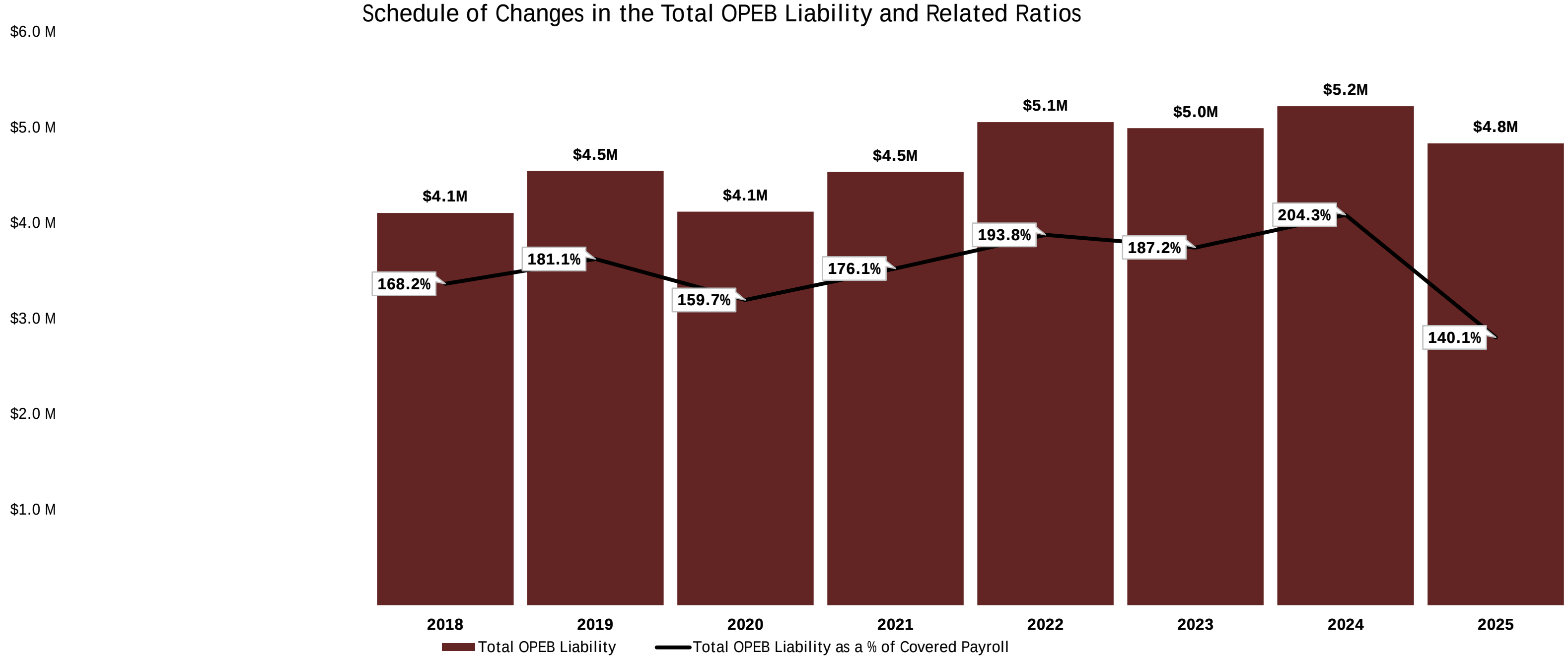
Accounting Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

GASB 75 requires a disclosure of the changes in the Net OPEB Liability for the last ten fiscal years, or for as many years as are available.

Measurement Date (June 30):	2018	2019	2020	2021	2022	2023	2024	2025
Report Date (June 30):	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Total OPEB Liability								
Service Cost	$ 127,662	$ 131,173	$ 148,363	$ 109,547	$ 131,401	$ 116,685	$ 114,046	$ 87,211
Interest	140,378	155,268	144,980	101,994	88,212	188,280	193,515	207,317
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(411,131)	(5,585)	(120,671)	(120,643)	205,368	(45,911)
Changes of Assumptions	-	249,320	(190,471)	337,730	565,999	(106,465)	(97,373)	(462,497)
Benefit Payments	(92,380)	(98,542)	(117,237)	(126,446)	(142,655)	(142,235)	(144,551)	(162,285)
Implicit Subsidy	-	-	-	-	-	-	(40,552)	(12,576)
Net Change in Total OPEB Liability	175,660	437,219	(425,496)	417,240	522,286	(64,378)	230,453	(388,741)
Total OPEB Liability — Beginning	**3,929,329**	**4,104,989**	**4,542,208**	**4,116,712**	**4,533,952**	**5,056,238**	**4,991,860**	**5,222,313**
Total OPEB Liability — Ending (a)	**$ 4,104,989**	**$ 4,542,208**	**$ 4,116,712**	**$ 4,533,952**	**$ 5,056,238**	**$ 4,991,860**	**$ 5,222,313**	**$ 4,833,572**
Covered Payroll	$ 2,441,044	$ 2,508,173	$ 2,577,148	$ 2,574,004	$ 2,609,421	$ 2,666,653	$ 2,556,431	$ 3,448,954
District's Total OPEB Liability as a Percentage of Covered Payroll	168.2%	181.1%	159.7%	176.1%	193.8%	187.2%	204.3%	140.1%

Schedule of Changes in the Total OPEB Liability and Related Ratios



Notes to schedule: the District adopted GASB 75 for the fiscal year ending June 30, 2018.

A draft of the required notes to the District's financial statements, based on the requirements of GASB 75 and our understanding of the District's retiree health plan, follows.

Notes to the Financial Statements
for the Year Ended June 30, 2025

Summary of Significant Accounting Policies

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense information about the fiduciary net position of the District's OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Note X — Other Post-Employment Benefits (OPEB)

Plan Description

The District administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses for one year following the member's death.

Benefits Provided

Retirees are eligible for medical benefits if they retire at age 50 or older. A retiree who was hired before July 1, 2013 and retires with 15 or more years of service is eligible to receive a payment of $1,455.41 per month beginning July 1, 2024. The amount of this payment increases 3% annually. All other retirees are eligible to receive $540 per month with no service requirements. There are no disability benefits.

Employees Covered by Benefit Terms

At June 30, 2024 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	18
Inactive employees entitled to but not yet receiving benefit payments:	0
Active employees:	25
Total	**43**

Contributions

The District pays benefits as they come due.

Contribution rate:		Benefits Due	
Reporting period contributions:	$	174,861	(Includes implicit subsidy credit.)

Financial Report

The District issues a stand-alone financial report that is available to the public. The report is available at: https://www.mpwmd.net/who-we-are/finance/budgets/

Net OPEB Liability

The District's total OPEB liability was valued as of June 30, 2024, and was used to calculate the net OPEB liability measured as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	**June 30, 2024**	**June 30, 2025**
Discount Rate	3.97%	4.71%
Inflation	2.30%	2.30%
Healthcare Cost Trend Rates		
Pre-Medicare	6.80%	6.50% *
Medicare	4.90%	4.90% *
Salary Increases	2.80%	2.80% **
Mortality Rates	Based on CalPERS Tables	

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, dated November 17, 2021.
- Inactive employees (retirees) pay the cost of benefits in excess of the District's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.

Discount Rate

The discount rate used to measure the total OPEB liability is 4.71%. The District's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

**Trending down to 4.04% over 50 years. Applies to calendar years.*

***Additional merit-based increases based on CalPERS merit salary increase tables.*

Changes in the Total OPEB Liability	***Increase/Decrease*** **Total OPEB Liability**
Balance as of Report Date June 30, 2024	**5,222,313**
Changes for the Year:	
Service Cost	87,211
Interest	207,317
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(45,911)
Changes of Assumptions	(462,497)
Benefit Payments	(162,285)
Implicit Subsidy Credit	(12,576)
Other Miscellaneous Income/(Expense)	-
Net Changes	**(388,741)**
Balance as of Report Date June 30, 2025	**$ 4,833,572**

Sensitivity of the Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.71%) or one percentage point higher (5.71%) follows:

	1% Decrease 3.71%	**Discount Rate 4.71%**	**1% Increase 5.71%**
Total OPEB Liability (Asset)	**$ 5,474,563**	**$ 4,833,572**	**$ 4,300,758**
Increase (Decrease)	640,991		(532,814)
% Change	13.3%		-11.0%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.The healthcare trend for this valuation started at 6.50% and decreased to 4.04% over 50 years. The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates follows:

	1% Decrease 5.50%	**Trend Rate 6.50%**	**1% Increase 7.50%**
Total OPEB Liability (Asset)	**$ 4,400,920**	**$ 4,833,572**	**$ 5,176,304**
Increase (Decrease)	(432,652)		342,732
% Change	-9.0%		7.1%

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the report year ended June 30, 2025, the District recognized an OPEB expense of $249,789. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 148,320	$ (169,422)
Changes of Assumptions	258,357	(538,489)
Total	**$ 406,677**	**$ (707,911)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Report Year Ending June 30:	Amount
2026	$ 10,240
2027	1,984
2028	(88,058)
2029	(88,058)
2030	(55,614)
Remaining	(81,728)

Current Liability

	Amount
Current OPEB Liability	$ 230,166
Non-Current OPEB Liability	4,603,406
Total OPEB Liability	**$ 4,833,572**

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in the OPEB Expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1 when calculating amortizations if the EARSL is less than 1 year.

EARSL: 7.2 years

Basis of Valuation

Substantive Plan

A summary of the substantive plan used as the basis of the valuation follows.

Tier 1 — Hired Before July 1, 2013 or Classic Member under PEPRA	
Less than 15 Years of Service	
Eligibility	On attainment of age 50.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution. Surviving spouse benefits available for one year after retiree death, if applicable.
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to $540. This amount is fixed.
15 or More Years of Service	
Eligibility	On attainment of age 50 and 15 years of Service.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution. Surviving spouse benefits available for one year after retiree death, if applicable.
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to $1,455.41 per month for fiscal-year beginning July 1, 2024. This cap increases by 3% on July 1st of each successive year.

Tier 2 — Hired After July 1, 2013 or New PEPRA Member Under PEPRA	
Eligibility	On attainment of age 50.
Duration of coverage	Retiree's lifetime.
Dependent coverage	Eligible to enroll but no employer contribution. Surviving spouse benefits available for one year after retiree death, if applicable.
Medical plan choices	Retiree will be enrolled in the Laborers Northern California Trust Special Plan.
Core Benefit	District contributes up to $540. This amount is fixed.

Participant Summary

Census Date: June 30, 2024

Age and service determined as of the census date.

Active Participants											
	Years of Service										
Age	**< 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40+**	**Total**
< 25											
25-29	1	1	1								**3**
30-34		3	1								**4**
35-39	1	2	1								**4**
40-44	2	1			1						**4**
45-49			1			1					**2**
50-54					1				1		**2**
55-59			1			1	1		1		**4**
60-64											
65-69		1		1							**2**
70+											
Total	**4**	**8**	**5**	**1**	**2**	**2**	**1**		**2**		**25**

Average Active Participant Age: **43.5**

Average Years of Service: **9.8**

Inactive Participants			
Age	**Retiree**	**Spouse**	**Total**
< 50			
50-54	2		**2**
55-59			
60-64	3		**3**
65-69	8		**8**
70-74	2		**2**
75-79	2		**2**
80-84	1		**1**
85-89			
90+			
Total	**18**		**18**

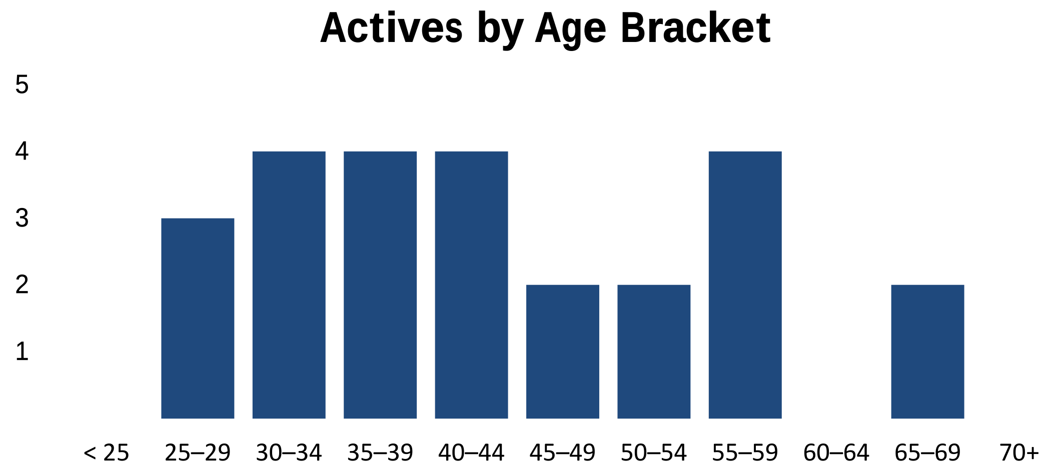
Average Inactive Participant Age: **66.9**

Participant Summary Charts

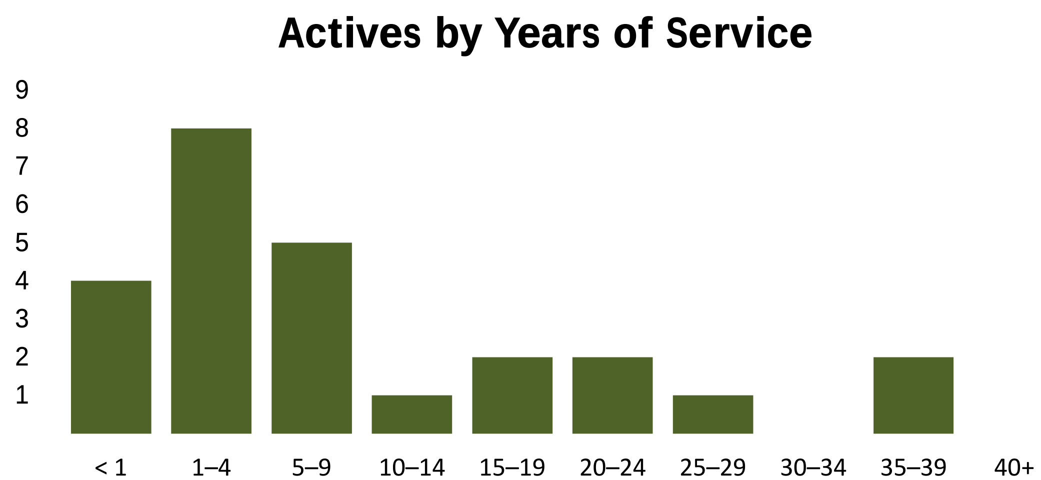
Census Date: June 30, 2024

Age and service determined as of the census date.

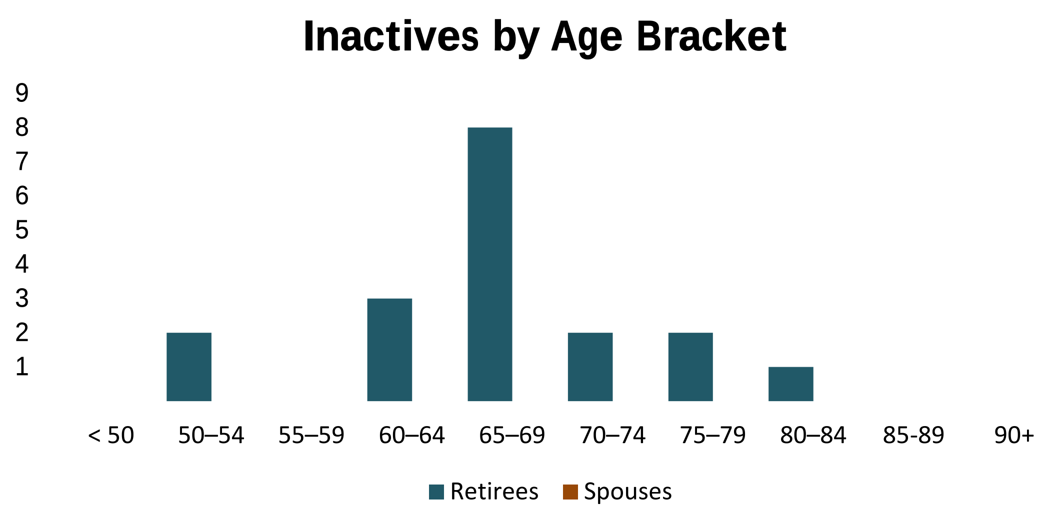
Average Employee Age: 43.5



Average Years of Service: 9.8



Average Inactive Age: 66.9



Actuarial Assumptions

A summary of the actuarial assumptions used for this valuation follows. We considered the reasonableness of each assumption independently based on its own merits, consistent with each other assumption, and the combined impact of all assumptions.

Assumption	Rates
Actuarial Cost Method	Entry-Age Normal, Level Percentage of Salary
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Report Date	June 30, 2025
Discount Rate	We used the Fidelity municipal government-obligation AA-rated 20-year bond index rate for the discount rate. The selected rate is 4.71%.
Mortality	Same as CalPERS. See appendix.
Termination Rates	Same as CalPERS. See appendix. Also known as "turnover".
Disability	None assumed.
Retirement	Same as CalPERS. See appendix.
Annual Per Capita Claims Cost	Developed using CalPERS experience to calculate age-related risk scores, but using the District's actual premiums for all other purposes. Assumed annual per capita claims costs follow:

Age	Males	Females
50	$ 14,770	$ 14,783
55	17,577	16,104
60-64	20,526	18,187

Average Per Capita Cost for Implicit Subsidy Calculation	Developed based on premiums for the District's enrollment by plan, family demographics from CalPERS plans, and risk scores (both HMO and PPO) for the CalPERS population.

Assumption	Rates
Aging or Morbidity Factors	Based on actual CalPERS HMO and PPO population data.
Participant Contributions	Based on date of hire and service at retirement.
Salary Increases	2.80% The salary increase is used to determine the growth in the aggregate payroll. Individual Salary Increases: 2021 CalPERS Merit Salary Increases.
Inflation Rate	2.30%. Same as CalPERS.
Marital Status	Current Retirees: 70% are assumed to cover a spouse. Future Retirees: 70% are assumed to cover a spouse.
Spouse Gender	Assumes spouse of opposite gender for current and future retirees.
Spouse Age Difference	Assumes males are three years older than females.
Health Plan Election	Assumes employees will continue in the same health plans at retirement as they are in as an active employee.
Participation	Current Retirees: Assume current elections continue until decrement. Future Retiree election assumptions summarized below:

Condition	Participation
Eligible for Full Tier 1 Benefits	90%
All Others	75%

Basis of Valuation

Actuarial Assumptions

Assumption	Rates

Premiums

Premiums used to develop aged claims

Plan	Employee-Only Single	Employee-Only 2-Party
Laborers Direct Payment Plan	$ 1,375.00	$ 2,731.00
Laborers Direct Payment Plan - Medicare	374.00	733.00
Kaiser Permanente	1,412.00	2,824.00
Kaiser Permanente - Medicare	347.00	694.00

Trend Rates

Medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2024_1b" using baseline assumptions. Applied to both claims and premiums.

Calendar Year	Pre-Medicare Trend	Medicare Trend
2024	6.80%	4.90%
2025	6.50%	4.90%
2026	6.20%	4.90%
2027	5.60%	4.90%
2028	5.50%	4.90%
2029	5.39%	4.90%
2030	5.29%	4.90%
2031	5.18%	4.90%
2032–2074	...	...
2075+	4.04%	4.04%

This section includes a brief summary of GASB 75, as well as definitions of some of the key terminology used in this report.

About GASB 75

In General. In June 2015 the Governmental Accounting Standards Board released GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB 75 replaced GASB 45 for fiscal years beginning after June 15, 2017, for employers that sponsor OPEB plans. The provisions in GASB 75 are similar to the provisions of GASB 68 for pensions.

Accounting. GASB 75 requires a liability known as the Net OPEB Liability (NOL). The employer recognizes the NOL on its balance sheet. The employer also recognizes an OPEB expense in the income statement. GASB 45 recorded the Unfunded Accrued Actuarial Liability (UAAL) in the notes to the financial statement, whereas GASB 75 records the NOL, which is very similar to the UAAL with just a few technical differences, on the balance sheet.

Financial Statement Impact (Employers). One of the biggest changes to the financial statements of governmental employers that provide OPEB is the reporting of the OPEB liability on the face of the statements rather than in the footnotes. Governments that do not provide OPEB through a trust are required to recognize the entire OPEB liability in the financial statements. For governments that provide OPEB through an OPEB plan that is administered through a trust, the government's OPEB liability is recognized net of the amount of the OPEB plan's fiduciary net position.

Changes to the Measurement of the Total OPEB Liability. Measurement of the OPEB liability includes discounting future benefit payments for current and former employees and their beneficiaries to their present value and allocating the present value over past and future periods of the employee service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The calculation continues to include employee-related events, such as projected salary increases and projected years of service, if they affect the amount of OPEB payments employees will receive, as well as provisions for automatic cost-of-living adjustments (COLAs) and other automatic benefits. Additionally, ad hoc COLAs and other ad hoc benefit changes, which are made at the discretion of the government, are included in projections as well, if they routinely recur.

GASB 75 requires governments to discount projected OPEB payments to their present value. Under the new standard, governments discount the projected OPEB payments to be made in each year and the amount of plan assets (if a government administers the OPEB through a trust) available for providing those benefits to current active and inactive employees and their beneficiaries. Similar to the pension standards, the discount rate used is based on whether the plan assets are projected to be sufficient to make future payments. If the plan assets are sufficient, governments discount future payments using the long-term expected rate of return. If projected plan assets are insufficient to make all future payments to current and inactive employees and their beneficiaries, or if there are no plan assets held in trust, the discount rate is based on a high-quality 20-year tax-exempt general obligation municipal bond yield or index rate. "High-quality" is defined as being rated AA or higher (or an equivalent rating).

Cost Method. The Entry Age Normal Cost method must be used.

About GASB 75 (continued)

Factors that affect a government's OPEB liability, such as actual earnings on plan investments when the OPEB plan is administered as a trust, employee compensation changes, interest on the outstanding OPEB liability, contributions from employees and employers, and actual demographic and economic changes that are not in line with assumptions made in the actuarial calculations, are considered when determining the government's OPEB expense. A government's annual OPEB expense is calculated with consideration for factors affecting the OPEB liability within the reporting period. Several causes of changes in OPEB liability are immediately factored into the calculation of OPEB expense for the period, such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments, if administered through a trust.

Governments are required to recognize deferred outflows of resources or deferred inflows of resources and then introduce into the expense calculation, systematically and rationally over the average remaining years of employment (active employees and inactive employees, including retirees), the effect on the total OPEB liability of differences between assumptions and actual experience.

Key Terminology

Actuarially Determined Contribution	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Actuarial Present Value of Projected Benefit Payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Agent Employer	An employer whose employees are provided with OPEB through an agent multiple-employer defined-benefit OPEB plan.
Closed Period	A specific number of years that is counted from one date, which declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth until no years remain.
Contributions	Additions to an OPEB plan's fiduciary net position for amounts from employers, non-employer contributing entities, or employees.
Dates and Periods	
• **Census Date**	The date of the census. It is usually the same as the **Valuation Date**.
• **Measurement Date**	The date on which assets are measured. The liabilities are rolled forward to this date from the **Valuation Date**, should it differ, using actuarial roll-forward techniques.
• **Measurement Period**	The year ending on the **Measurement Date**.
• **Report Date**	The date on which the amounts are reported in the financial statements. It is the same as the fiscal year-end. It may be up to one year ahead of the Measurement Date, with no roll-forward of liabilities or assets required.
• **Reporting Period**	The year ending on the **Report Date**. It is the same as the fiscal year.
• **Valuation Date**	The date on which the liabilities are valued.
Deferred Inflows and Outflows of Resources	The portion of the changes in the **Net OPEB Liability** that are not recognized in the current pension expense and are recognized in later periods. The changes deferred include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on OPEB plan investments.

Key Terminology (continued)

Defined-Benefit OPEB	OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation, or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums. OPEB that does not have all of the terms of defined contribution OPEB is classified as defined-benefit OPEB.
Discount Rate	The single rate of return that reflects the following: a. The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return. b. A yield or index rate for 20-year, tax-exempt general-obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions in (a) are not met.
Fiduciary Net Position	The market value of assets as of the **Measurement Date**.
Implicit Subsidy	The implicit subsidy arises when an employer allows a retiree and the retiree's dependents to continue on the plans for active employees, and pay the active-employee premiums. Retirees are not paying the true cost of their benefits because they have higher costs than active employees, and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are set for Medicare retirees separately, and are set to be sufficient to cover the true costs of the Medicare retirees. Thus, there is no implicit subsidy for Medicare retirees.
Net OPEB Liability	The **Total OPEB Liability** minus the **Fiduciary Net Position**.
Normal Cost	See **Service Cost**.
Other Postemployment Benefits (OPEB)	Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payment for sick leave.
Projected Benefit Payments	All benefits estimated to be payable through OPEB plan to current active and inactive employees as a result of their past service and their expected future service.

Key Terminology (continued)

Service Cost	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years. Also called **Normal Cost**.
Substantive Plan	The plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees.
Total OPEB Liability	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined-benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB 75.

The valuation used the following decrement tables from the CalPERS OPEB Assumption Model, dated November 17, 2021:

Mortality	**Source Table**
Miscellaneous Employees	Mort and Disb Rates_PA Misc
Disability	**Source Table**
Miscellaneous Employees	Mort and Disb Rates_PA Misc
Terminated Refund Rates	
Miscellaneous Employees	Term Refund Rates_PA Misc Male
Terminated Vested Rates	
Miscellaneous Employees	Term Vested Rates_PA Misc Male
Salary Scale Rates	
Miscellaneous Employees	Salary Scale Rates_PA Misc
Service Retirement Rates	
Miscellaneous Employees	
• 2.0% at 60	Rx PA Misc 2% @ 60
• 2.0% at 62	Rx PA Misc 2% @ 62

Sample Mortality and Disability Rates

Public Agency Miscellaneous

	Pre-Retirement Mortality				Post-Retirement Mortality						Disability			
	Male Assumptions		Female Assumptions		Male Assumptions			Female Assumptions			Male Assumptions		Female Assumptions	
Attained Age	Non Industrial Death	Industrial Death	Non Industrial Death	Industrial Death	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Healthy Recipients	Non Industrially Disabled	Industrially Disabled	Non Industrial Disability	Industrial Disability	Non Industrial Disability	Industrial Disability
1	0.000160	0.000000	0.000030	0.000000	0.000150	0.000150	0.000150	0.000150	0.000150	0.000150	0.000000	0.000000	0.000000	0.000000
5	0.000160	0.000000	0.000030	0.000000	0.000100	0.000100	0.000100	0.000070	0.000070	0.000070	0.000000	0.000000	0.000000	0.000000
10	0.000160	0.000000	0.000030	0.000000	0.000090	0.000090	0.000090	0.000080	0.000080	0.000080	0.000000	0.000000	0.000000	0.000000
15	0.000180	0.000000	0.000100	0.000000	0.000170	0.000170	0.000170	0.000090	0.000090	0.000090	0.000000	0.000000	0.000000	0.000000
20	0.000390	0.000000	0.000140	0.000000	0.000390	0.004110	0.001460	0.000140	0.002330	0.000530	0.000070	0.000000	0.000040	0.000000
25	0.000330	0.000000	0.000130	0.000000	0.000330	0.003360	0.001540	0.000130	0.001870	0.000690	0.000070	0.000000	0.000090	0.000000
30	0.000440	0.000000	0.000190	0.000000	0.000440	0.004520	0.001820	0.000190	0.003010	0.000990	0.000170	0.000000	0.000330	0.000000
35	0.000580	0.000000	0.000290	0.000000	0.000580	0.006030	0.002080	0.000290	0.005040	0.001360	0.000350	0.000000	0.000650	0.000000
40	0.000750	0.000000	0.000390	0.000000	0.000750	0.007790	0.002440	0.000390	0.007300	0.001770	0.000910	0.000000	0.001190	0.000000
45	0.000930	0.000000	0.000540	0.000000	0.000930	0.011200	0.003140	0.000540	0.010190	0.002270	0.001490	0.000000	0.001850	0.000000
50	0.001340	0.000000	0.000810	0.000000	0.002710	0.017270	0.004370	0.001990	0.014390	0.003110	0.001540	0.000000	0.001930	0.000000
55	0.001980	0.000000	0.001230	0.000000	0.003910	0.022170	0.006230	0.003250	0.017340	0.005500	0.001390	0.000000	0.001290	0.000000
60	0.002870	0.000000	0.001790	0.000000	0.005750	0.026810	0.009350	0.004550	0.019620	0.008680	0.001240	0.000000	0.000940	0.000000
65	0.004030	0.000000	0.002500	0.000000	0.008560	0.033320	0.013930	0.006120	0.022760	0.011900	0.001090	0.000000	0.000830	0.000000
70	0.005940	0.000000	0.004040	0.000000	0.013400	0.040560	0.021890	0.009960	0.029100	0.018580	0.000970	0.000000	0.000540	0.000000
75	0.009330	0.000000	0.006880	0.000000	0.024000	0.054650	0.034980	0.017830	0.041600	0.031340	0.000970	0.000000	0.000350	0.000000
80	0.015150	0.000000	0.011490	0.000000	0.043800	0.080440	0.059320	0.034030	0.061120	0.051830	0.000970	0.000000	0.000350	0.000000
85	0.000000	0.000000	0.000000	0.000000	0.082740	0.116950	0.102440	0.061660	0.093850	0.080450	0.000970	0.000000	0.000350	0.000000
90	0.000000	0.000000	0.000000	0.000000	0.145390	0.167700	0.167390	0.110860	0.143960	0.124340	0.000970	0.000000	0.000350	0.000000
95	0.000000	0.000000	0.000000	0.000000	0.247020	0.247020	0.247020	0.203640	0.203640	0.203640	0.000000	0.000000	0.000000	0.000000
100	0.000000	0.000000	0.000000	0.000000	0.361980	0.361980	0.361980	0.315820	0.315820	0.315820	0.000000	0.000000	0.000000	0.000000
105	0.000000	0.000000	0.000000	0.000000	0.522290	0.522290	0.522290	0.446790	0.446790	0.446790	0.000000	0.000000	0.000000	0.000000
110	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000
115	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000
120	0.000000	0.000000	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000

Notes:

1) Pre-Retirement and Post-Retirement mortality rates include generational mortality improvement at 80% of the MP 2020 table published by the Society of Actuaries.

2) Miscellaneous Plans usually have Industrial Death rates set to zero unless the agency has specifically contracted for Industrial Death benefits. If so, each Non-Industrial Death rate shown above will be split into two components: 99% will become the Non-Industrial Death rate and 1% will become the Industrial Death rate.

3) The Miscellaneous Non-Industrial Disability rates are used for Local Prosecutors.

4) Normally, Industrial Disability rates are zero for miscellaneous plans unless the agency has specifically contracted for Industrial Disability benefits. If so, each miscellaneous non-industrial disability rate will be split into two components: 50% will become the Non-Industrial Disability rate and 50% will become the Industrial Disability rate.

Sample Terminated Refund Rates (Male)
Public Agency Miscellaneous

Entry Ages

Service	15	20	25	30	35	40	45	50	55	59
0	0.18514	0.18514	0.17686	0.16306	0.14927	0.14899	0.14871	0.15086	0.15301	0.15473
5	0.04625	0.04625	0.04232	0.03576	0.02921	0.02611	0.02301	0.02387	0.02474	0.02543
10	0.01124	0.01124	0.01013	0.00828	0.00644	0.00484	0.00325	0.00324	0.00324	0.00323
15	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

Sample Terminated Vested Rates (Male)
Public Agency Miscellaneous

Entry Ages

Service	15	20	25	30	35	40	45	50	55	59
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	0.03808	0.03808	0.03808	0.03576	0.03344	0.03007	0.02670	0.02221	0.00000	0.00000
10	0.02646	0.02646	0.02646	0.02544	0.02441	0.01965	0.01489	0.00000	0.00000	0.00000
15	0.01804	0.01804	0.01804	0.01660	0.01515	0.01190	0.00000	0.00000	0.00000	0.00000
20	0.01410	0.01410	0.01410	0.01097	0.00785	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.00844	0.00844	0.00844	0.00642	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.00471	0.00471	0.00471	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00378	0.00378	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
45	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
50	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

Notes:

When a member is eligible to retire, the termination with vested benefits probability is set to zero.

Sample Salary Scale Rates

Entry Ages

Public Agency Miscellaneous

Service	15	20	25	30	35	40	45	50	55	60	65	70	75	79
0	0.0764	0.0764	0.0764	0.0621	0.0621	0.0521	0.0521	0.0521	0.0521	0.0521	0.0521	0.0521	0.0521	0.0521
5	0.0378	0.0378	0.0378	0.0276	0.0276	0.0187	0.0187	0.0187	0.0187	0.0187	0.0187	0.0187	0.0187	0.0187
10	0.0201	0.0201	0.0201	0.0126	0.0126	0.0108	0.0108	0.0108	0.0108	0.0108	0.0108	0.0108	0.0108	0.0108
15	0.0155	0.0155	0.0155	0.0102	0.0102	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071
20	0.0119	0.0119	0.0119	0.0083	0.0083	0.0047	0.0047	0.0047	0.0047	0.0047	0.0047	0.0047	0.0047	0.0047
25	0.0091	0.0091	0.0091	0.0067	0.0067	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031
30	0.0070	0.0070	0.0070	0.0054	0.0054	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020
35	0.0070	0.0070	0.0070	0.0054	0.0054	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020
40	0.0070	0.0070	0.0070	0.0054	0.0054	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020
45	0.0070	0.0070	0.0070	0.0054	0.0054	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020
50	0.0070	0.0070	0.0070	0.0054	0.0054	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020	0.0020

Matrix of Sample Service Retirement Assumption Rates

Attained Ages **Public Agency Miscellaneous 2% @ 60**

Service	50	55	60	65	70	75	79
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	0.01000	0.01200	0.06300	0.13800	0.20000	1.00000	1.00000
10	0.01100	0.01600	0.06900	0.16000	0.20000	1.00000	1.00000
15	0.01400	0.02400	0.07400	0.21400	0.20000	1.00000	1.00000
20	0.01400	0.03200	0.09000	0.21600	0.20000	1.00000	1.00000
25	0.01700	0.03600	0.13700	0.23700	0.20000	1.00000	1.00000
30	0.01700	0.03600	0.11600	0.28300	0.20000	1.00000	1.00000
35	0.01700	0.03600	0.12500	0.31300	0.20000	1.00000	1.00000
40	0.00000	0.03600	0.12500	0.31300	0.20000	1.00000	1.00000
45	0.00000	0.00000	0.12500	0.31300	0.20000	1.00000	1.00000
50	0.00000	0.00000	0.00000	0.31300	0.20000	1.00000	1.00000

Attained Ages **Public Agency Miscellaneous 2% @ 62**

Service	50	55	60	65	70	75	79
0	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	0.00000	0.01000	0.03100	0.10800	0.12000	1.00000	1.00000
10	0.00000	0.01900	0.05100	0.14100	0.15600	1.00000	1.00000
15	0.00000	0.02800	0.07100	0.17300	0.19300	1.00000	1.00000
20	0.00000	0.03600	0.09100	0.20600	0.22900	1.00000	1.00000
25	0.00000	0.06100	0.11100	0.23900	0.26500	1.00000	1.00000
30	0.00000	0.09600	0.13800	0.30000	0.33300	1.00000	1.00000
35	0.00000	0.15200	0.18300	0.34800	0.38700	1.00000	1.00000
40	0.00000	0.18000	0.20400	0.36000	0.40000	1.00000	1.00000
45	0.00000	0.00000	0.20400	0.36000	0.40000	1.00000	1.00000
50	0.00000	0.00000	0.00000	1.00000	1.00000	1.00000	1.00000

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: ACTION ITEM

8. CONSIDER RECOMMENDATION TO ADOPT PROPOSED FINANCIAL POLICIES

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: August 28, 2025
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025 and recommended ________________.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: On February 28, 2025, the Board adopted the District's annual strategic objectives. As part of Goal #5, the Board prioritized the development of a formal reserve policy and the implementation of strategies to address the District's Pension and Other Post-Employment Benefits (OPEB) liabilities.

This staff report responds to those priorities and presents additional, related policy recommendations aimed at strengthening the District's financial stability and long-term sustainability. These policies are designed to help the District proactively manage its future obligations, address financial risks, and meet anticipated liabilities.

The following policies support the District's strategic objectives, align with financial operating best practices, and reflect recent updates to the California Government Code (GC).

Policy Name	***Description***	***Reason***	***Exhibit***
Reserves	Proposes types and prudent levels of financial reserves for anticipated liabilities and risks.	Meet strategic goal	Exhibit 8-B
Pension and OPEB	Provides strategies to reduce the District's long-term liabilities related to Pension and OPEB liabilities.	Meet strategic goal	Exhibit 8-C
Unclaimed Monies	Establishes escheatment guidelines and policies to reclaim Unclaimed Monies following State requirements.	Finalize prior financial reconciliations	Exhibit 8-D
Budget	Formalizes/clarifies elements of the budget strategy adopted by the Board in 2005. Defines levels of budgetary control.	Formalize prior Board direction	Exhibit 8-E

Debt Management	Provides guidelines for managing the District's debt obligations.	Comply with GC 8855	Exhibit 8-F

RECOMMENDATION: Staff recommends that the Finance and Administration Committee recommend that the Board adopt the proposed Financial Policy, subject to any approved modifications.

BACKGROUND: The California Special District Association recognizes that District Reserves are the foundation of the sustainable delivery of core services. The District has limited ability to raise funds by increasing tax rates or raising fees in the short term. Through prudent reserves, the District offers taxpayers and ratepayers significant benefits, including savings to balance budgets, prepare for emergencies, stabilize rates, maintain well-maintained infrastructure, and invest in the future. Further, the rating agencies associate the level of ratings with reserve levels. For example, Moody's associates an "AAA" rating with fund balances in excess of 35% of revenues, the "Aa" rating with fund balances between 35% and 25% and the "A" rating with 25% to 15%; although factors other than fund balance, such as economic conditions, debt management policies, management quality, and financial performance also contribute to ratings.

The District is proposing a reserve policy to promulgate a shared understanding of the proper level and use of reserves, increase objectivity in the use of reserves, promote long-term planning, and keep the public informed. In the same vein, a policy on pension and OPEB strategies proposes guidelines to manage long-term liabilities for the District's pension and OPEB plans. While the District's pension plan is administered by the California Public Employees' Retirement System as a cost-sharing multiple-employer defined benefit pension plan, the District self-administers its OPEB liabilities arising from healthcare retiree expenses using a pay-as-you-go basis. At less than 15% of projected liabilities, the District's current OPEB reserves are insufficient to manage its future healthcare liabilities. The proposed Pension/OPEB strategies will assist in reducing Pension/OPEB liabilities over time.

The Unclaimed Monies Policy establishes escheatment guidelines for outstanding payments for District vendors and rebate payees. The District has recorded unclaimed payments since 2012, which may be potentially reclaimed after the adoption of this policy.

The Budget Policy formalizes budget strategies adopted earlier and clarifies key elements, including proposing balanced budgets, establishing the level of budgetary control, and general guidelines for developing District budgets, among other areas.

The Debt Management Policy is being proposed as a precursor to the District's potential acquisition of the local water distribution system, which would require the use of substantial Debt funding. California Government Code Section 8855 was amended by Senate Bill 1029, effective January 1, 2017, and requires California public agencies that issue debt to adopt debt management policies that meet certain criteria. The proposed policy is designed to meet those criteria. The Debt Policy will be crucial in determining the District's credit rating, which will influence the cost of borrowing.

The proposed policies will be reviewed periodically and updated, as necessary, to reflect any changing requirements.

EXHIBITS

8-A Cover page & Statement of Policy
8-B Reserves Policy
8-C Pension and OPEB Benefit Policy
8-D Unclaimed Monies Policy
8-E Budget Policy
8-F Debt Management Policy

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Action Items\08\Item-8.docx

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

FINANCIAL POLICIES

Adopted 2025

POLICIES

- STATAMENT OF POLICY
- RESERVES POLICY
- PENSION/OPEB STRATEGIES POLICY
- UNCLAIMED MONIES POLICY
- BUDGET POLICY
- DEBT MANAGEMENT POLICY

Monterey Peninsula Water Management District
Financial Policies

STATEMENT OF POLICY

The Monterey Peninsula Water Management District (District) recognizes its responsibility to its stakeholders and residents to carefully account for public funds, manage District finances wisely, and plan for adequate funding of services desired by the public, including the provision and maintenance of public facilities, and address known liabilities and unforeseen risks.

The policies are designed to:

- Communicate the District's collective policy judgments and goals to staff, the public, and others.
- Provide standards against which current practices will be measured, and proposals for changes in practices will be evaluated.
- Demonstrate to the District residents, the investment community, and the bond rating agencies that the District is committed to a strong fiscal operation.
- Provide precedents for future policymakers on financial goals and strategies.

The policies are designed to bolster the District's financial management and reinforce the fiscal values of integrity, prudent stewardship, planning, accountability, and full disclosure.

REVIEW AND UPDATE

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

<u>EXHIBIT 8-B</u>

Monterey Peninsula Water Management District
Financial Policies

<u>Reserves Policy</u>

The Reserves Policy is designed to establish guidelines for the fiscal stability of the District and provide the rules and procedures on how the District will manage Reserves. In addition, this policy is intended to document the appropriate Reserve levels to protect the District's creditworthiness. Specifically, this policy establishes the amounts that the District will strive to maintain in its Reserves, how the Reserves will be funded, and the conditions under which the Reserves may be used.

The District will establish and maintain reserve balances to:

1. Guard its stakeholders and residents against service disruption in the event of temporary or unexpected revenue shortfalls, economic uncertainties, local disasters, financial hardships, or unpredicted one-time expenditures.
2. Provide for fluctuations in revenues and expenditures while ensuring adequate cash flow.
3. Set-aside capital planning reserves for the maintenance, replacement, and upkeep of District facilities or equipment.
4. Demonstrate continued creditworthiness to bond rating agencies and comply with relevant debt covenants.

<u>Background</u>: Government Accounting Standards Board (GASB) Standard 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement classifies fund balance into five categories: nonspendable, restricted, committed, assigned, and unassigned, based on the relative strength of the constraints that control how specific amounts can be spent. The District reserves in this policy will be generally treated as an assigned fund balance, except for general reserves, which may be treated as unassigned**.** Any transfer of funds from the reserve may only be made upon Board approval or as part of the budget adoption. The policy establishes the following guidelines:

1. <u>Types of Reserves and Reserve Levels</u>: - The District establishes various reserves to meet anticipated liabilities and risks. In order to provide liquidity adequate to meet the needs and demands of providing government services, including unanticipated reductions in revenues or unplanned increases in expenses, reserve levels will be maintained and managed within the District's Cash balance and Investment accounts. The policy does not create a separate working capital reserve; instead, unassigned or assigned general reserve may be considered as part of the District's Working Capital.

The policy formalizes the following District reserves and establishes minimum reserve levels as under:

a. **General Reserve**: The purpose of the General Reserve is to provide funding for District operations during a reduction in expected or budgeted revenues and unexpected cash shortages, expenses, or losses. The policy establishes a General Reserve target of 50% of the fiscal year's operating budget, generally supporting six months of operations. The operating budget will generally exclude pass-through expenditures. In case of expected on-time expenses or liabilities not covered by other Reserves, including legal liabilities, the minimum target of the General Reserve may be increased to cover the expected payout for such expenses or liabilities.

b. **Assets Replacement Reserve**: Reserve for replacement costs of facilities, vehicles, and equipment in service. Contributions toward this Reserve will be guided by the total anticipated cost of the facility or facility improvements, spread out over the depreciable life of the asset or the number of years before the asset needs to be replaced.

c. **Debt Reserve**: Set-aside reserve to contribute towards the District's debt payments. The reserve will follow guidelines established by bond or debt covenants, generally targeting accumulated reserves of *at least* one year of the district's total debt service.

d. **Pension Reserve**: Reserve to accumulate resources towards the payment of the District's unfunded accrued pension liability (UAL), to buffer increases in the District's PERS payments, and contribute towards a potential Section 115 Trust Fund. Contributions towards this reserve will be generally made to target the specified funded ratio for the District's defined benefit plans at the California Public Employees Retirement System.

e. **Other Post Employment Benefit (OPEB) Reserve**: Reserve to contribute towards the payment of the District's unfunded accrued OPEB liability and to contribute towards a potential Section 115 Trust Fund. Contributions to this reserve will be generally made to target the specified funded ratio for the District's OPEB plan.

f. **Flood/Drought Reserve**: Set-aside reserve to provide capital in the event of a local disaster or emergency. No set contributions are assigned to this reserve.

g. **Capital Project Reserve**: Reserve to accumulate resources for ongoing or future capital expenditures, including new vehicles, equipment, facilities, technology projects, and capital projects that meet the maintenance needs of existing or new District facilities. This reserve may be created in the future and funded annually at the discretion of the General Manager or designee as part of the budget process.

h. **Compensated Absences Reserve**: Reserve to pay for accumulated, paid-for employee leaves like vacation and sick time that is owed by the District to employees but has not yet been taken or paid out. New accounting standards, particularly GASB Statement 101, require governments to recognize these liabilities more broadly for both current and future use of leave, whether paid as time off or cashed out upon termination. The minimum target level for this reserve will be the expected employee payout in the next three years, or 25% of the Compensated Absences liability recorded for the preceding fiscal year.

i. **Rate Stabilization Reserve**: Reserve to mitigate the impact of fluctuating revenues or increased expenses on customer rates and manage potential rate fluctuations caused by drought, conservation efforts, or unexpected changes in demand. This reserve may be created in the future. The District will maintain water rate structures that are adequate to ensure that any enterprise or special revenue funds remain firmly and separately self-supporting, including the cost of operation, infrastructure maintenance and replacement, indirect cost recovery, and debt service. Contributions towards this reserve may be determined by a rate model when utility rates are adopted, or set during the adoption of the budget.

2. Funding Reserves- Funding will generally come from excess revenues over expenses or one-time revenues and will generally be proposed and funded during the budget adoption.

3. Conditions for Use of Reserves- It is the intent of the District to limit use of the Reserves to address unanticipated and non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenses. Reserves may, however, be used to allow time for the District to restructure its operations in a deliberate manner, with such use in the context of an adopted long-term plan. It shall be the District's policy to draw down general reserves consistent with the following priorities:

   a. The use of reserves for their designated purpose.
   b. The use of reserves to offset unanticipated increases in expenditures for current programs or projects.
   c. The use of reserves to offset shortfalls in the collection of revenues.
   d. The use of reserves for one-time expenditure that generates ongoing cost savings or cost avoidance or generates ongoing revenue enhancements.

e. The use of reserves for a one-time expenditure that leverages the expenditure of significant public or private investment in the District by other entities.

4. Investment of Reserves: The cash balance in assigned reserves will be deposited or invested as consistent with the District's Investment Policy and other applicable governmental fiscal policies.

5. Replenishment of Reserves: In the event that Reserves are used, resulting in a balance below minimum targets, a plan will be developed and included to replenish reserves to their minimum level within a reasonable timeframe, generally not to exceed five years.

6. Excess of Reserves: In the event that the Reserves exceed the minimum balance requirements, any excess Reserves may be used in the following ways:

    a. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed, or approved as part of the annual budget resolution. Priority will be given to those items that relieve budget or financial operating pressure in future periods.

    b. Appropriate to lower the amount of bonds needed to fund capital projects in the District's capital plan, if applicable.

    c. One-time expenses that do not increase recurring operating costs and cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs.

7. Assignment of Reserves: General reserve surplus (excess over minimum target levels) arising due to additional revenues over expenses in the District's funds at fiscal year-end may be assigned to select reserves below after the close of the fiscal year in the following order:

    a. Excess General Reserve arising from capacity fees that are over budget is assigned to the District's Capital Projects Reserve.
    b. Excess General Reserve after Step A is assigned to Compensated Absences Liability to bring it to the minimum target level.
    c. Excess General Reserve after Step B is assigned to the OPEB and/or Pension reserves to bring them to the minimum target levels.
    d. Assignment for all remaining reserves is to be proposed during budget adoption or during mid-year budget amendment(s).

8. Periodic Review: The District shall periodically review the minimum target reserve levels and percentages of surplus funds to be assigned in light of changing conditions.

Pension and Other Post-Employment Benefit Policy

This policy analyzes how the District will meet the future costs of employee pensions and Other Post-Employment Benefit (OPEB) obligations and proposes target funding ratios and strategies to meet and reduce these long-term liabilities.

Definitions:

- Unfunded Accrued Liability (UAL): The UAL obligation represents the market value of the assets minus the discounted value of the future liabilities. When a plan or pool's Market Value of Assets is less than the Actuarial Accrued Liability, the difference is the plan or pool's UAL.
- Actuarially or Annual Determined Contribution (ARC): The ARC to fund pension and OPEB, as determined by the actuarial valuation, reflects the normal cost-plus amortization of the UAL, until the UAL is fully amortized.

Background:
Public employers are required to recognize the cost of pension benefits as employees earn them, and the Governmental Accounting Standards Board (GASB) extends this same requirement to OPEB. While pensions have long been funded on an actuarial basis in most cases, OPEB plans have typically not, as is the case with the District. Staff has identified the District's retiree healthcare liabilities as an area of long-term concern that needs adequate assignment of assets or reserves. While the District's pension plan is administered by the California Public Employees' Retirement System as a cost-sharing multiple-employer defined benefit pension plan, the District self-administers its OPEB liabilities arising from healthcare retiree expenses using a pay-as-you-go basis.

The District recognizes that the effects of poorly funded pension or OPEB plans include plan sponsors (employers) being required to make larger future contributions to the fund, potential benefit cuts for participants, a decline in service levels, or situations where current pension benefits must be paid by future ratepayers. To mitigate these scenarios, this policy proposes the following:

1. Target Funded Ratios:

A pension or OPEB funding ratio is a measure that indicates the financial health of a pension plan. It is calculated by dividing the value of a pension plan's assets by its liabilities. A ratio of 100% means that the plan has enough assets to cover its liabilities.

While the District strives to maintain a 100% funded ratio for its pension and OPEB plan over time, factors such as fluctuating asset values, benefit increases, volatile interest rates, and contributions being potentially less than needed could affect short-term funded ratios. Hence, the policy targets a reduced funded ratio of 80% for pension and OPEB plans. The target funded ratio for Pension and OPEB liability may be met by any combination of assets in the CalPERS or OPEB trust funds, including Section 115 trusts and District reserves. When plan assets fall below the target funded ratio, the District will generally strive to achieve the targeted funded ratio over a multi-year period as established by the District Committee or Board.

2. Section 115 Trust:

The District may elect to establish an Internal Revenue Service Code Section 115-approved irrevocable trust to achieve a higher rate of return on investments than that earned on the pooled investment portfolio or Local Agency Investment Fund (LAIF) or California Cooperative Liquid Assets Securities System (CLASS). Once the District transfers funds into such a trust, they can only be utilized for payment of employee Pension or OPEB costs.

3. Additional Strategies:

In the future, the District may implement additional strategies to reduce Pension and OPEB liabilities, such as the use of one-time or accelerated payments to CalPERS and/or issuing Pension/OPEB obligation bonds at very low interest rates. Such decisions will be generally proposed during budget development or review.

EXHIBIT 8-D

Monterey Peninsula Water Management District
Financial Policies

Unclaimed Monies Policy

This policy establishes the District's escheatment guidelines while recognizing associated State requirements. In California, local agencies (including cities, counties, and special districts) have specific legal obligations concerning unclaimed property or cash under California Government Code Sections 50050 et seq., which provide a framework for local agencies to manage and eventually claim unclaimed money while ensuring proper notification to potential claimants.

Definitions:

- Escheatment**:** This is the process by which unclaimed money in the custody of a local agency can become the property of that agency. In accordance with Government Code 50050, "*Except as otherwise provided by law, money, excluding restitution to victims, that is not the property of a local agency that remains unclaimed in its treasury or the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three years, the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency*."
- Unclaimed property: Unclaimed property includes various financial assets that have remained inactive or have had no owner contact for a specific time, generally three years, such as bank accounts, uncashed checks, stocks, insurance benefits, wages, and the contents of safe deposit boxes.
- Dormancy period: This refers to the time frame (currently three years) where the owner has not interacted with the property or shown any interest.

This policy establishes the following guidelines:

1. Unclaimed Monies/Property: Unclaimed monies will become the property of the District at the end of the dormancy period (currently three years) as established by State law after the District has published once a week for two successive weeks in a newspaper of general circulation published in the local agency. Staff will make good faith efforts to contact the owner or payee before the dormancy period ends. The District may choose to deposit unclaimed property with the County Treasurer or the State Treasurer pursuant to the relevant Government Code.

2. Unclaimed Rebates: The District does not consider rebate payments as unclaimed monies or property and reserves the right to rescind rebates that remain uncollected within one year of issuance, and after District staff has made an additional attempt to contact the applicant of the rebate to collect it.

EXHIBIT 8-E

Monterey Peninsula Water Management District
Financial Policies

Budget Policy

The District's budget policy commits to a balanced operating budget and supports financial strategies that sustainably fund current and proposed capital improvement needs, cost of services, operating budgets, and programs. The level of budgetary control for the District will be at the Fund level. Budgetary changes requiring increases to the budget at the Fund level will require Board approval. This budget policy clarifies and formalizes most elements of the budget strategies adopted by the Board in 2005. The policy establishes the following guidelines for the District.

1. Adopt a balanced annual budget, fund long-term needs, and maintain minimum reserve levels.

2. Budgeted expenditures may not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years and payments related to Board-approved debt.

3. District will seek outside funding sources and grants to leverage District revenues.

4. Permits and fees shall be structured to fully recover service costs while striving to achieve objectives in the District's Strategic Plan.

5. Proposed budgets will invest in projects that meet the District's strategic priorities, such as increasing water supply at fair prices.

6. When proposing budgets, staff shall explore ways to provide services in an efficient and economical fashion.

7. Any expenditure reductions will generally minimize impact on District constituents and avoid significant adverse impacts on existing service levels, unless approved by the Board.

8. Services will be proposed to minimize environmental impacts and/or improve the environment pursuant to statuary guidelines.

EXHIBIT 8-F

Monterey Peninsula Water Management District
Financial Policies

Debt Management Policy

The Debt Management Policy provides guidelines for managing the District's debt obligations. The policy outlines the circumstances under which the District can utilize debt for short- or long-term purposes and establishes parameters for debt issuance, including types of debt, debt limits, controls, and debt administration procedures. The policy establishes the following guidelines:

1. Purpose and Goals: The purpose of the policy is to ensure responsible and prudent debt management practices that support the District's long-term financial health and creditworthiness.
   i. The District will plan the use of debt in a manner that sustains financing payments at manageable levels.
   ii. Debt will be issued for a capital project only when the magnitude of costs justifies debt financing; the project meets a critical need; if a secure revenue source is identified to repay the debt; and when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries.
   iii. The District will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project may be used if the overall project cost exceeds anticipated available resources.
2. Approval: All debt issuances will be approved by the District Board. Where Official Statements (OS) are issued for debt, the OS will be approved by the Board as a non-consent item.
3. Criteria: Debt financing will only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt, i.e. the term for repayment of long-term financing for capital improvements will not exceed the expected useful life of the project, and the District will not issue long-term debt to finance current operations. Refunding opportunities will be identified by periodic review of outstanding debt obligations. Refunding will be considered when there is a net economic benefit from the refunding.
4. Attention to Creditworthiness: Debt will be issued to maintain financial flexibility and minimize borrowing costs. The District shall seek to maintain the highest possible credit ratings for debt instruments, striving to at least maintain an investment grade standing (ranging from AAA to BBB) in the municipal market without compromising the District's policy objectives.

5. Types of Financing Instruments: The District may consider various types of debt instruments to finance long-term capital projects, including but not limited to revenue bonds, bond or grant anticipation notes, general obligation bonds (when allowed), certificates of participation, lease-financing, tax increment financing, special tax bonds, conduit financing, lines of credit, bank loans, and capital leases. These debt issuances may involve the services of externally qualified consultants such as Municipal Advisors, Bond Counsel, Underwriters, and Fiscal Agents to issue and manage debt. Generally, the District may use a lease-purchase method of financing for equipment if the lease rates are more favorable than the District's expected overall investment rate of return.

6. Debit Limits: Debt issuances may be restricted by existing debt covenants, including minimum debt coverage ratios. If applicable, the District will not incur general obligation indebtedness for public improvements that exceed in aggregate 15% of the assessed value of all real and personal property of the District as specified in the California Government Code Section 43605. Unless specific compelling reasons exist, the District will not consider "balloon" bond repayment schedules consisting of low annual payments and one large payment due at the end. The District will only issue fixed-rate debt. Such debt provides absolute certainty, at the time of the bond sale, as to the level of principal and interest owed annually.

7. Reporting and Controls:

   i. The District will comply with ongoing disclosure requirements associated with the agency's debt as stipulated by the Securities and Exchange Commission, Rule 15c2-12, and monitor compliance with those requirements. Staff will be responsible for ongoing disclosure information to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, as well as reporting requirements issued by the California Debt and Investment Advisory Commission.

   ii. The District shall establish and maintain a system of record keeping and reporting to comply with bond covenants, ensure that the proceeds of the proposed debt issuance will be directed to the intended use, and meet the arbitrage rebate compliance requirements as required by the tax code. The District will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to the Board. As part of its recordkeeping, the District shall maintain the following documents for the term of each issue of debt:

      i. A copy of the debt closing transcript(s) and other relevant documentation in connection with the closing of the issue of debt.

ii. A copy of all material documents relating to capital expenditures financed by debt proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions, and payment records, reimbursed with debt proceeds, and records identifying the assets or portion of assets that are financed or refinanced with debt proceeds.

iii. Copies of records of investments, investment agreements, arbitrage reports, and underlying documents, including trustee statements.

8. Use of Debt Proceeds: The District will monitor the use of debt proceeds and the use of debt-financed assets (e.g., facilities, furnishings, or equipment) throughout the term of the debt and beyond if stipulated to ensure compliance with covenants and restrictions set forth in applicable financing documents, resolutions, and tax certificates.

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: INFORMATIONAL ITEM

9. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER $25,000

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review as **Exhibit 9-A** is a monthly status report on contracts over $25,000 for the period August 2025. Contracts associated with District grants are provided in a separate section for reference. This status report is provided for information only, no action is required.

EXHIBIT
9-A Status on District Open Contracts (over $25k)

U:\staff\Board_Committees\FAC prev Admin\2025\101325\Informational Items\09\Item-9.docx

EXHIBIT 9-A

Monterey Peninsula Water Management District

Status on District Open Contracts and Grants

For The Period August 2025

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending*	Total Expended To Date	Current Period Acitivity	P.O. Number
1	Shute, Mihaly & Weinberger LLP	LAFCO Litigation	3/17/2025	$ 125,000.00	$ 32,447.99	$ 31,798.50	$ 64,246.49	Current period billing	PO03882
2	Albert A. Webb Associates	Consultant for Public's Acquisition of Monterey Water System (Cal-Am)	11/18/2024	$ 1,200,000.00	$ 113,353.95	$ 1,021.25	$ 114,375.20	Current period billing	PO03880
3	Close and Associates	Utility consultant for Public's Acquisition of Monterey Water System	11/18/2024	$ 965,000.00	$ 55,657.50	$ -	$ 55,657.50		PO03876
4	TM Process & Controls	ASR Well Turbidity Control	8/19/2024	$ 57,749.00	$ 54,390.49	$ -	$ 54,390.49		PO03852
5	TJC and Associates	Perform a review of our electrical system, capacity, and provide overall support for the ASR project	6/27/2024	$ 45,000.00	$ 8,682.00	$ -	$ 8,682.00		PO03829
8	Montgomery & Associates	Groundwater Modeling Montgomery Contract	6/27/2024	$ 55,000.00	$ -	$ -	$ -		PO03750
9	CSC	Recording Fees	7/1/2024	$ 60,000.00	$ 50,000.00	$ -	$ 50,000.00		PO03754
10	Colantuono, Highsmith, & Whatley, PC	MTA Legal services for appeal to Water Supply Charge	9/15/2021	$ 100,000.00	$ 90,655.22	$ -	$ 90,655.22		PO03715
11	Rutan & Tucker, LLP	Measure J/Rule 19.8 Eminent Domain Phase IV	2/24/2023	$ 450,000.00	$ 291,386.16	$ -	$ 291,386.16		PO03639
12	Raftelis Financial Consultants	Measure J/Rule 19.8 Appraisal/Rate Study Phase 4	8/21/2023	$ 200,000.00	$ 32,012.50	$ 1,402.50	$ 33,415.00	Current period billing	PO03491
13	Schaaf & Wheeler	Drawing Support Services	4/23/2023	$ 30,000.00	$ 29,425.00	$ -	$ 29,425.00		PO03474
14	Maggiora Bros. Drilling, Inc	ASR Support from Maggiora Bros for Well Work	6/20/2023	$ 50,000.00	$ -	$ -	$ -		PO03407
15	Pueblo Water Resources, Inc.	ASR Operations Support	6/20/2023	$ 25,000.00	$ 1,997.50	$ -	$ 1,997.50		PO03406
16	Montgomery & Associates	Tularcitos ASR Feasibility Study	3/20/2023	$ 119,200.00	$ 52,722.00	$ 3,652.50	$ 56,374.50	Current period billing	PO03368
17	Kevin Robert Knapp/ Tierra Plan LLC	Surface Water Data Portal	11/14/2022	$ 27,730.00	$ 27,400.81	$ -	$ 27,400.81		PO03302
18	Montgomery & Associates	Annual Groundwater Modeling Support	6/20/2022	$ 50,000.00	$ 37,929.00	$ -	$ 37,929.00		PO03193
19	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	$ 68,679.00	$ 57,168.85	$ -	$ 57,168.85		PO01628
20	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	$ 94,437.70	$ 47,282.61	$ -	$ 47,282.61		PO01510
21	CSC	Recording Fees	7/1/2025	$ 60,000.00	$ -	$ 20,000.00	$ 20,000.00	Current period billing	PO03957
22	The Ferguson Group LLC	Contract for Legislative Services for FY 2025-2026	7/1/2025	$ 75,600.00	$ 6,300.00	$ 6,300.00	$ 12,600.00	Current period billing	PO03979
23	John K. Cohan dba Telemetrix	Consultant Services for Sleepy Hollow Facility 25-26	7/1/2025	$ 35,408.00	$ -	$ -	$ -		PO03974
24	WellmanAD	Public Outreach Consultant 25-26	7/1/2025	$ 94,500.00	$ 7,875.00	$ 7,875.00	$ 15,750.00	Current period billing	PO03965
25	Lynx Technologies, Inc	GIS Consultant Contract for 2025-2026	7/1/2025	$ 35,000.00	$ -	$ 3,975.00	$ 3,975.00	Current period billing	PO03938
26	JEA & Associates	Legislative and Administrative Services 25-26	7/1/2025	$ 54,000.00	$ 4,500.00	$ 4,500.00	$ 9,000.00	Current period billing	PO03890
27	Kennedy/Jenks Consultants, Inc.	Urban Water Management Plan Services	7/1/2025	$ 134,860.00	$ -	$ 3,612.50	$ 3,612.50	Current period billing	PO04025
28	The Pun Group LLP	Financial Audit Services	7/1/2025	$ 78,000.00	$ 37,500.00		$ 37,500.00		PO04014
29	Deveera Inc	IT Managed Services & Subscriptions	7/2/2025	$ 95,500.00	$ 15,919.96	$ 7,959.98	$ 23,879.94	Current period billing	PO3982

Monterey Peninsula Water Management District
Status on District Open Contracts and Grants
For The Period August 2025

	Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending*	Total Expended To Date	Current Period Acitivity	P.O. Number
Contracts related to District Grants									
1	Monterey One Water	Urban Community Drought Grant	9/22/2022	$ 11,935,206.00	$ 3,922,197.72	$ 2,779,353.72	$ 6,701,551.44	24/25 FY Invoice Payment	PO03726
2	Monterey One Water	PWM Expansion State Water Control Board Grant	9/22/2022	$ 4,800,000.00	$ 3,552,534.60	$ 696,041.00	$ 4,248,575.60	24/25 FY Invoice Payment	PO03753
3	DUDEK	Grant administration services for the Proposition 1 IRWM Implementation	12/14/2020	$ 114,960.00	$ 68,980.00	$ 581.25	$ 69,561.25	Current period billing	PO02847
4	DUDEK	IRWM IR2 Grant Administration	10/1/2022	$ 90,510.00	$ 10,065.00	$ 412.50	$ 10,477.50	Current period billing	PO03718
5	City of Sand City	IRWM Round 1 Grant Reimbursement	3/28/2022	$ 1,084,322.50	$ 81,063.75	$ -	$ 81,063.75		PO03093
6	County of Monterey	IRWM Grant Round 2 Reimbursement	5/19/2023	$ 898,451.00	$ -	$ -	$ -		PO03879
7	City of Monterey	IRWM Grant Round 2 Reimbursement	5/19/2023	$ 500,000.00	$ 57,424.55	$ -	$ 57,424.55		PO03878

FINANCE AND ADMINISTRATION COMMITTEE

ITEM: INFORMATIONAL ITEM

10. STATUS REPORT ON EXPENDITURES – PUBLIC'S OWNERSHIP OF MONTEREY WATER SYSTEM

Meeting Date:	**October 13, 2025**	**Budgeted:**	**N/A**
From:	**David J. Stoldt,** **General Manager**	**Program/** **Line Item No.:**	**N/A**
Prepared By:	**Nishil Bali**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Finance and Administration Committee reviewed this item on October 13, 2025.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review as **Exhibit 10-A** is a monthly status report on spending – Public's Ownership of Monterey Water System for the period August 2025. This status report is provided for information only, no action is required.

EXHIBIT
10-A Status Report on Spending – Public's Ownership of Monterey Water System

UU:\staff\Board_Committees\FAC prev Admin\2025\101325\Informational Items\10\Item-10.docx

EXHIBIT 10-A

Monterey Peninsula Water Management District
Status on Public's Ownership of Monterey Water System - Phase IV
Eminent Domain Proceedings through Bench Trial
Through August 2025

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Phase IV - Authorization (unallocated)	11/13/2023	$ -	$ -		$ -	$ -	
2	Eminent Domain Legal Counsel (Rutan)	12/16/2024	$ 450,000.00	$ 291,366.16		$ 291,366.16	$ 158,633.84	PA00009-01
3	Eminent Domain Legal Counsel (SMW)*	3/17/2025	$ 225,000.00	$ 157,096.41	$ 31,798.50	$ 188,894.91	$ 36,105.09	PA00009-02
4	Financial Services (Raftelis)	8/21/2023	$ 200,000.00	$ 32,012.50	$ 1,402.50	$ 33,415.00	$ 166,585.00	PA00009-03
5	Utility Consultant (Close & Associates)	12/16/2024	$ 965,000.00	$ 61,294.75		$ 61,294.75	$ 903,705.25	PA00009-07
6	Consulting Civil Engineer (Webb Associates)	11/18/2024	$ 1,200,000.00	$ 107,716.80	$ 1,021.25	$ 108,738.05	$ 1,091,261.95	PA00009-07
	Total		**$ 3,040,000.00**	**$ 635,966.19**	**$ 34,222.25**	**$ 683,708.87**	**$ 2,356,291.13**	

	District Legal Counsel		$ 120,000.00	$ 119,194.98		$ 119,194.98	$ 805.02	PA00009-05

Status on Public's Ownership of Monterey Water System - Phase III
Appraisal through Resolution of Necessity
Through October 2023

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/16/2019	$ 200,000.00	$ 98,283.28		$ 98,283.28	$ 101,716.72	PA00007-01
2	Appraisal Services	4/17/2023	$ 220,000.00	$ 220,000.75		$ 220,000.75	$ (0.75)	PA00007-03
3	District Legal Counsel	12/16/2019	$ 100,000.00	$ 63,065.50		$ 63,065.50	$ 36,934.50	PA00007-05
4	Real Estate Appraiser	8/15/2022	$ 80,000.00	$ 53,309.64		$ 53,309.64	$ 26,690.36	PA00007-06
6	Water Rights Appraisal	8/15/2022	$ 75,000.00	$ 45,490.46		$ 45,490.46	$ 29,509.54	PA00007-10
7	Contingency/Miscellaneous	12/16/2019	$ -	$ -		$ -	$ -	PA00007-20
	Total		**$ 675,000.00**	**$ 480,149.63**	**$ -**	**$ 480,149.63**	**$ 194,850.37**	

Spending based on post dates

Status on Public's Ownership of Monterey Water System - Phase II
EIR & LAFCO Application
Through September 2022

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	9/20/2021	$ 345,000.00	$ 168,265.94		$ 168,265.94	$ 176,734.06	PA00005-01
2	CEQA Work	12/16/2019	$ 134,928.00	$ 134,779.54		$ 134,779.54	$ 148.46	PA00005-02
3	Appraisal Services	9/20/2021	$ 430,000.00	$ 188,683.75		$ 188,683.75	$ 241,316.25	PA00005-03
4	Operations Plan	12/16/2019	$ 145,000.00	$ 94,860.00		$ 94,860.00	$ 50,140.00	PA00005-04
5	District Legal Counsel	12/16/2019	$ 40,000.00	$ 162,254.16		$ 162,254.16	$ (122,254.16)	PA00005-05
6	MAI Appraiser	6/15/2020	$ 170,000.00	$ 76,032.00		$ 76,032.00	$ 93,968.00	PA00005-06
7	Jacobs Engineering	12/16/2019	$ 87,000.00	$ 86,977.36		$ 86,977.36	$ 22.64	PA00005-07
8	LAFCO Process	11/15/2021	$ 240,000.00	$ 217,784.62		$ 217,784.62	$ 22,215.38	PA00005-08
9	PSOMAS	9/20/2021	$ 28,000.00	$ 25,900.00		$ 25,900.00	$ 2,100.00	PA00005-09
10	Contingency/Miscellaneous/Uncommitted	12/16/2019	$ 289,072.00	$ 38,707.08		$ 38,707.08	$ 250,364.92	PA00005-20
	Total		**$ 1,909,000.00**	**$ 1,194,244.45**	**$ -**	**$ 1,194,244.45**	**$ 714,755.55**	

1	Measure J CEQA Litigation Legal Services*	12/23/2020	$ 200,000.00	$ 140,303.06		$ 140,303.06	$ 59,696.94	PA00005-15

1	Measure J LAFCO Litigation Legal Services*	1/1/2022	$ 400,000.00	$ 398,750.20		$ 398,750.20	$ 1,249.80	PA00005-16

Spending based on post dates

Status on Public's Ownership of Monterey Water System - Phase I
Financial Feasibility
Through November 2019

	Contract	Date Authorized	Authorized Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/17/2018	$ 100,000.00	$ 160,998.16		$ 160,998.16	$ (60,998.16)	PA00002-01
2	Investment Banking Services	2/21/2019	$ 30,000.00	$ 27,000.00		$ 27,000.00	$ 3,000.00	PA00002-02
3	Valuation & Cost of Service Study Consultant	2/21/2019	$ 355,000.00	$ 286,965.17		$ 286,965.17	$ 68,034.83	PA00002-03
4	Investor Owned Utility Consultant	2/21/2019	$ 100,000.00	$ 84,221.69		$ 84,221.69	$ 15,778.31	PA00002-04
5	District Legal Counsel		$ 35,000.00	$ 41,897.59		$ 41,897.59	$ (6,897.59)	PA00002-05
6	Contingency/Miscellaneous		$ 30,000.00	$ 45,495.95		$ 45,495.95	$ (15,495.95)	PA00002-10
	Total		**$ 650,000.00**	**$ 646,578.56**	**$ -**	**$ 646,578.56**	**$ 3,421.44**	

* Includes prior period adjustment

Spending based on post dates

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

DRAFT AGENDA
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
****
Monday, October 20, 2025 at 6:00 p.m. [PST]

Meeting Location: MPWMD – Main Conference Room
5 Harris Court, Building G, Monterey, CA 93940

[This is an in-person meeting. Remote participation via Zoom may be offered, but it is optional and not required for the meeting to proceed. **Please note the meeting will proceed as normal even if there are technical difficulties accessing Zoom.** The District will do its best to resolve any technical issues as quickly as possible.]

To Join via Zoom- Teleconferencing means, please click the link below:
https://mpwmd-net.zoom.us/j/86982734940?pwd=CHB93bmZPDpn8nw8d9sUoa9JbOkY73.1

Webinar ID: **869 8273 4940** | Passcode: **102025** | To Participate by Phone: **(669) 900-9128**

For detailed instructions on how to connect to the meeting, please click the link below:
https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/

The public may also view the live broadcast of the meeting on Comcast Channel 24 or the live webcast on AMP https://accessmediaproductions.org/ scroll down to the bottom of the page and select AMP 1.

Copies of the agenda packet are available for review on the District website (www.mpwmd.net) and at 5 Harris Court, Bldg. G, Monterey, CA.

Under the Brown Act, public comment for matters on the agenda must relate to that agenda item and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. This is a warning that if a member of the public attending this meeting remotely or in-person violates the Brown Act by failing to comply with these requirements, then the Chair may request that speaker be muted. If a member of the public attending this meeting in-person engages in disruptive behavior that disturbs the orderly conduct of the meeting, they may be removed from the meeting after a warning.

Board of Directors	**Mission Statement**
George Riley, Chair – Division 2 Ian Oglesby, Vice-Chair – Mayoral Representative Vacant – Division 5 Alvin Edwards – Division 1 Rebecca Lindor – Division 3 Karen Paull – Division 4 Kate Daniels – Monterey County Board of Supervisors Representative **General Manager** David J. Stoldt **Assistant General Manager** Mike McCullough	Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments. **Vision Statement** Model ethical, responsible, and responsive governance in pursuit of our mission. **Board's Goals and Objectives** Are available online at: https://www.mpwmd.net/who-we-are/mission-vision-goals/

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATION IN APPRECIATION OF OUTGOING DIRECTORS
Amy Anderson, Division 5

ADDITIONS AND CORRECTIONS TO THE AGENDA – *The General Manager will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.*

ORAL COMMUNICATIONS – *Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.*

CONSENT CALENDAR - *The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks "**", Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.*

1. Consider Adoption of the Board Minutes from the September 15, 2025 Special and Regular Meeting
2. Consider Recommendation to Authorize Contract with IDM US Holdings, Inc. "Gravity" – Budget Book
3. Consider a Contribution of $8,000 Towards Restoration of "Rosie's Garden", a Water Efficient Public Demonstration Garden in Carmel Valley
4. Consider Adoption of Treasurer's Report for August 2025
5. Receive Government Accounting Standars Board (GASB) Statement No. 75-Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension
6. Receive Pension Reporting Standards – Government Accounting Standards Board Statement No. 68 Accounting Valuation Report

GENERAL MANAGER'S REPORT

7. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision *(Verbal Report)*

REPORT FROM DISTRICT COUNSEL

8. General Report of Pending Litigation

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

9. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

PUBLIC HEARING -- *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

10. Consider First Reading of Ordinance No. 199 – Amending Rule 142.1, Water Efficient Landscape Ordinance

Recommended Action: The Board will consider the first reading of Ordinance No. 199 – Amending Rule 142.1

ACTION ITEM - *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

11. Consider Selection of Appointee to Serve as Division 5 Director for a Term Ending November 2026 (the Board will receive statements from candidates prior to action on this item)

    Recommended Action: The Board will receive statements from candidates that submitted letters of nomination and statements of qualifications by the October 10, 2025 deadline, and then consider selection of an appointee to serve as the representative to Division 5.

12. Consider Recommendation to Adopt Proposed Financial Policies

    Recommended Action: The Board will consider adopting the proposed Financial Policy.

13. Consider Authorization to File Application for Modification of the Cease and Desist Order

    Recommended Action: The Board will consider filing an Application with _____ for modification of the Cease and Desist Order

DISCUSSION ITEM – *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

14. Update on Resolution No. 2024-13 Supporting Closure of Open Water Permits by Implementing a One-Time Amnesty Period

    Recommended Action: The Board will receive an update on the status of the Water Permit Amnesty Project.

INFORMATIONAL ITEMS/STAFF REPORTS - *The public may address the Board on Informational Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.*

15. Report on Activity/Progress on Contracts Over $25,000
16. Status Report on Expenditures – Public's Ownership of Monterey Water System
17. Letters Received and Sent Supplemental Letter Packet
18. Committee Reports
19. Monthly Allocation Report
20. Water Efficiency Program Report for September 2025
21. Carmel River Fishery Report for September 2025
22. Quarterly Carmel River Riparian Corridor Management Program Report
23. Monthly Water Supply and California American Water Production Report
    [Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources]

ADJOURNMENT

Board Meeting Schedule		
Monday, November 17, 2025	*Regular*	6:00 p.m.
Monday, December 15, 2025	*Regular*	6:00 p.m.

Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests at least 48 hours prior to the scheduled meeting date/time to Sara Reyes, Board Clerk by e-mail at sara@mpwmd.net or at (831) 658-5610.

Options for Providing Public Comment

Attend In-Person
The Board meeting will be held in the Main Conference Room at **5 Harris Court, Building G, Monterey, CA 93942** and has limited seating capacity.

Submission of Written Public Comment
Send written comments to District Office, 5 Harris Court, Building G, Monterey, CA or online at comments@mpwmd.net. Include the following subject line: "PUBLIC COMMENT ITEM #" (insert the agenda item number relevant to your comment). Written comments must be received by 2:00 PM on the day of the meeting. All submitted comments will be provided to the Board of Directors, compiled as part of the record, and placed on the District's website as part of the agenda packet for the meeting. Correspondence is not read during the public comment portion of the meeting.

Instructions for Connecting to the Zoom Meeting can be found at https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/

Refer to the Meeting Rules to review the complete Rules of Procedure for MPWMD Board and Committee Meetings: https://www.mpwmd.net/who-we-are/board-of-directors/meeting-rules-of-the-mpwmd/