



Employees' Retirement System

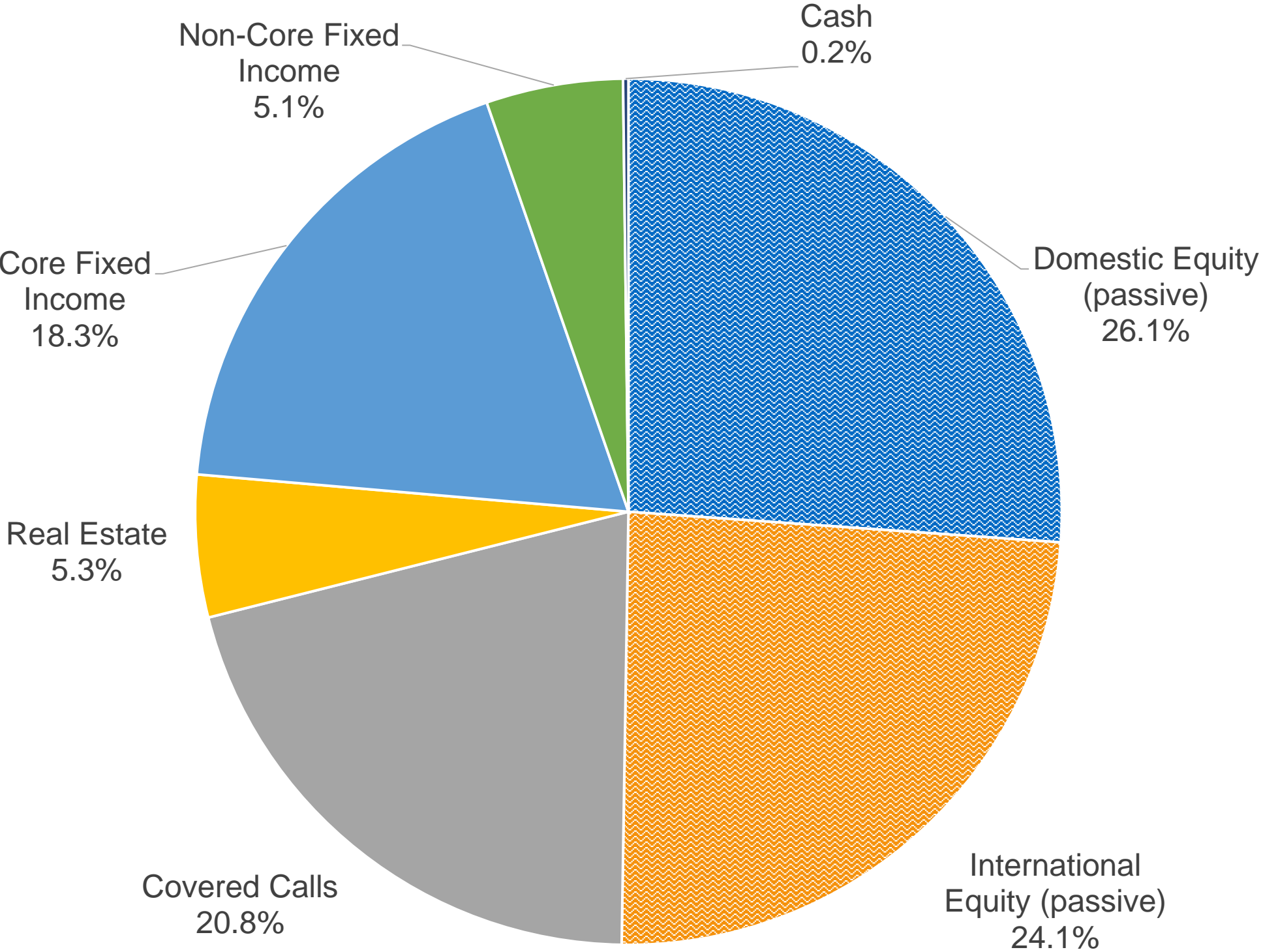
Annual Financial Update and Actuarial Valuations and Contribution Rates

Finance/Administration Committee

February 27, 2024

Portfolio Asset Allocation (September 30, 2023)

Asset	Current (\$)	% of Portfolio
Domestic Equity	\$568,630,500	26.1%
International Equity	524,849,374	24.1
Covered Calls	452,961,877	20.8
Real Estate	115,478,269	5.3
Core Fixed Income	399,206,328	18.3
Non-Core Fixed Income	111,426,389	5.1
Cash	4,728,428	0.2
Total	\$2,177,281,164	100%



Portfolio Performance (September 30, 2023)

- The System experienced strong returns in 2023 following negative returns 2022
- The System out-performed its 6.75% assumption over the 10 and 20 year timeframe

Asset Class	1-year	3-year	5-year	10-year	20-year
Domestic Equity	20.4%	9.4%	9.1%	11.5%	9.7%
International Equity	21.5%	4.3%	2.6%	3.5%	6.5%
Fixed Income	1.9%	-2.8%	1.1%	1.7%	3.4%
Covered Calls	18.7%	8.3%	6.5%	--	--
Real Estate	-5.7%	7.3%	5.8%	8.5%	--
Total Portfolio	13.8%	4.9%	5.1%	7.1%	7.4%
<i>Peer Group Percentile Ranking*</i>	3	74	67	32	--

**Peer group includes select public funds with over \$1billion in assets.*

Fiscal Year (FY) 2023 Actuarial Valuations

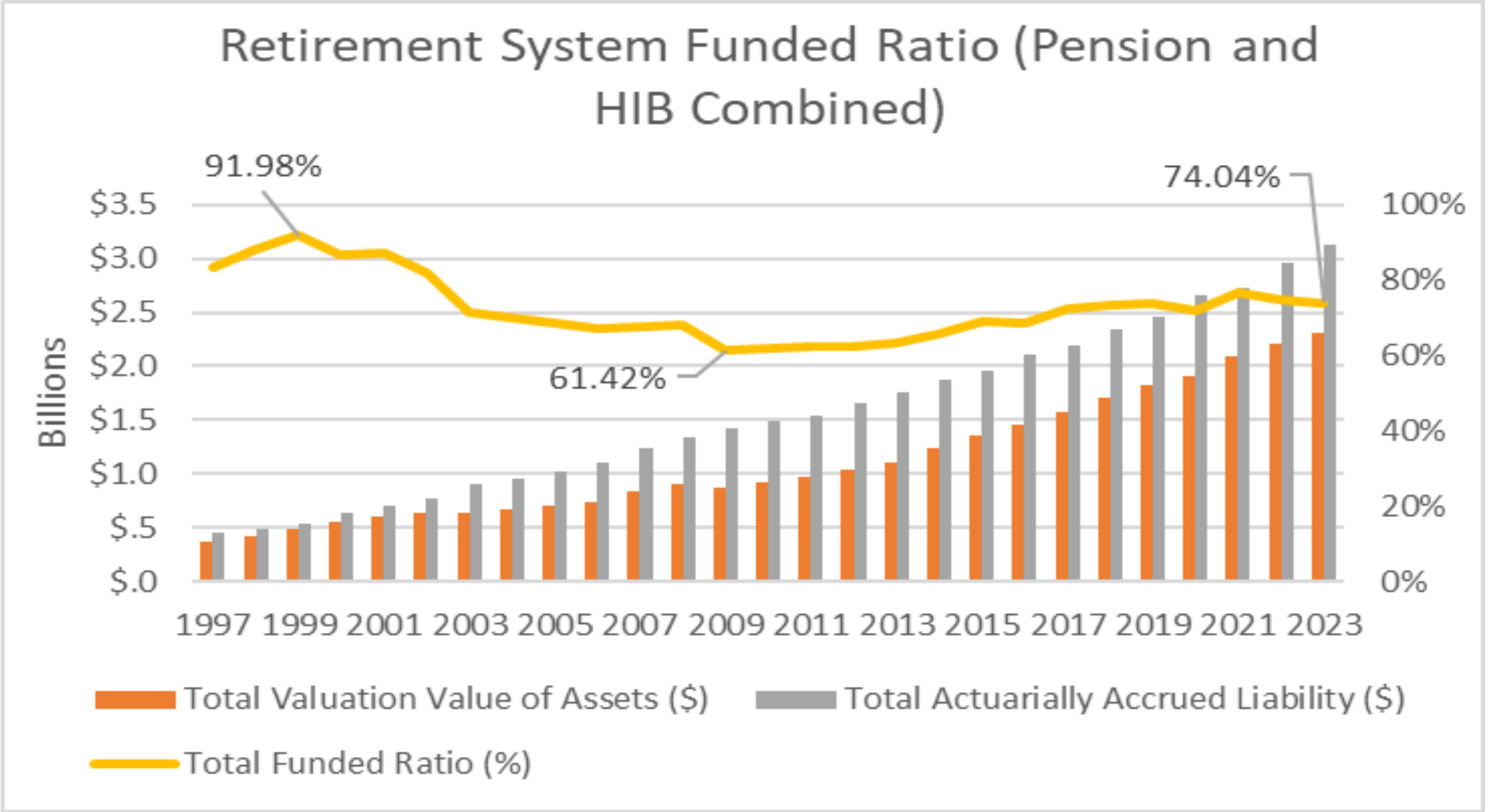
Select Plan Data	Pension	Health Insurance Benefit (HIB)	Total	Overall Annual Change
Market Value of Assets	\$2.19b	\$61m	\$2.26b	+\$196m
<i>previous year data</i>	<i>\$2.01b</i>	<i>\$54m</i>	<i>\$2.06b</i>	<i>----</i>
Valuation Value of Assets	\$2.25b	\$63m	\$2.31b	+\$98m
<i>previous year data</i>	<i>\$2.16b</i>	<i>\$58m</i>	<i>\$2.22b</i>	<i>----</i>
Funded Ratio*	75.2%	47.7%	74.0%	-0.7%
<i>previous year data</i>	<i>76.1%</i>	<i>44.0%</i>	<i>74.7%</i>	<i>----</i>
Unfunded Liability*	\$743m	\$69m	\$812m	+\$61m
<i>previous year data</i>	<i>\$677m</i>	<i>\$73m</i>	<i>\$751m</i>	<i>----</i>

* Valuation value of assets basis

- FY 2023 Actuarial Valuation reports have been reviewed and approved by the Retirement Board

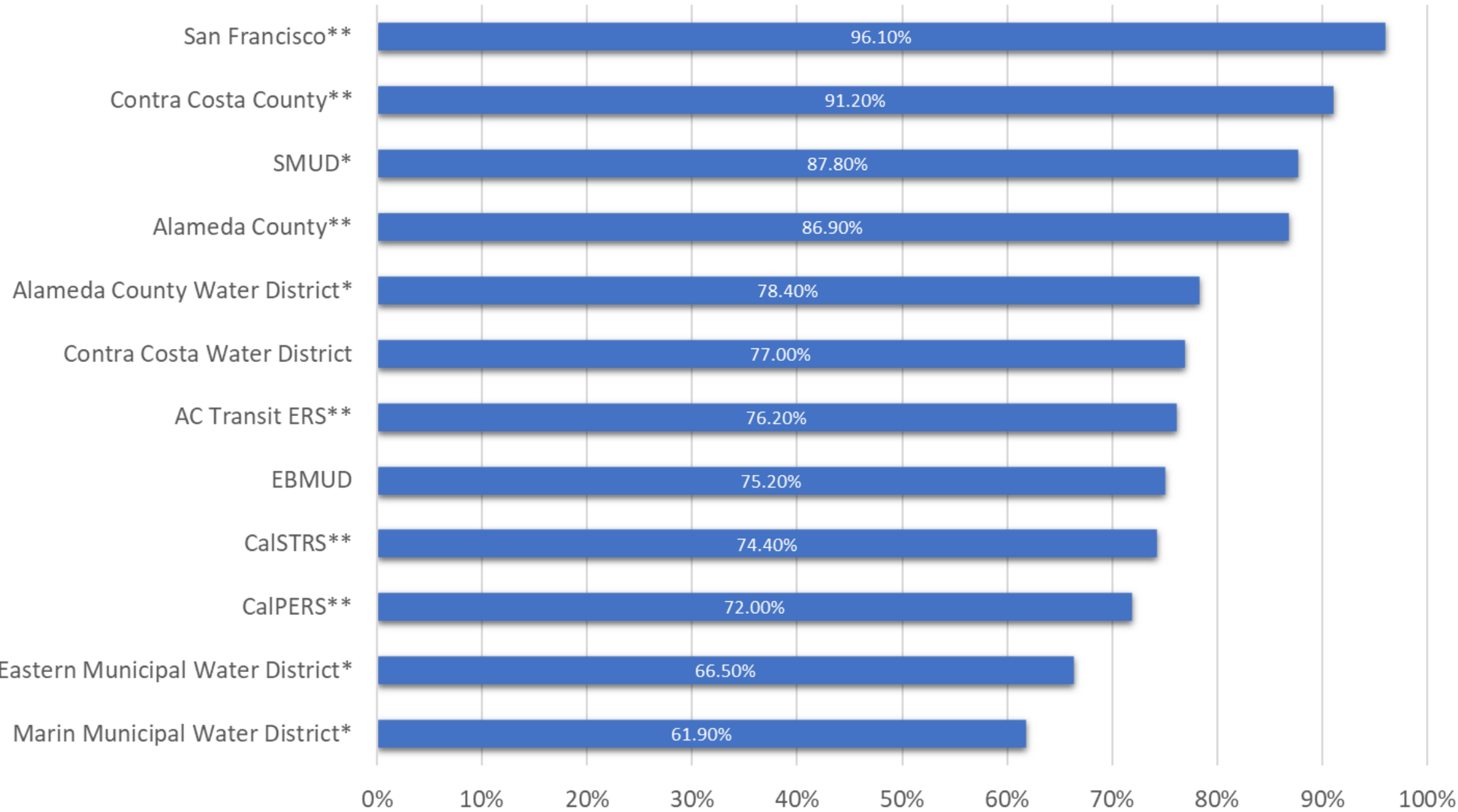
Historical Funded Ratio

- The Retirement System has made significant strides in funding since the Great Recession
- Pension funded ratio: 75.2% (FY 2023)
- HIB funded ratio: 47.7% (FY 2023)



Funded Ratio Comparison

Actuarial Value funded ratio from most recent valuation



- The Pension’s 75.2% funded ratio is in line with its water district peers
- The average funded ratio for public pensions nationwide is 77.4% according to the research firm Equable
- Each system’s unique benefits, assumptions, and demographics affect the funded ratio making comparison difficult

*CalPERS member agency (2022 valuations)
 **Based on 2022 valuation report

Recommended Employer Contribution Rates

- Proposed FY 2025 rates are based on FY 2023 Actuarial Valuations
 - Actuarially determined employer contribution rates are:
 - Higher for Pension due largely to higher-than-assumed salary increases and the smoothing in of prior year's investment losses
 - Lower for HIB due to higher-than-expected payroll
 - The Retirement Board recommended adopting these rates at its January 18, 2024 meeting

	Recommended Rates		Actuarially Determined Rates		Currently Adopted Rates	
	FY 2025		FY 2025		FY 2024	
	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan	1955/1980 Plan	2013 Plan
Pension	44.59%	35.80%	44.59%	35.80%	43.73%	34.69%
HIB	4.43%	4.27%	4.43%	4.27%	4.75%	4.52%
Total	49.02%	40.07%	49.02%	40.07%	48.48%	39.21%

Employee Contribution Rates

1955/1980 Plan

- Set in Memoranda of Understanding
- No change for FY 2025

2013 Tier

- Governed by Public Employees' Pension Reform Act
- Set at 50% of Normal Cost
- No change for FY 2025

	1955/1980 Plan	2013 Tier
Pension	8.66%	9.41%
HIB	0.09%	0.09%
Total	8.75%	9.50%

Asset Allocation Study

- Asset Allocation Study conducted about once every five years
- Sets allocations to specific asset classes
- Diversify portfolio
- Reduce risk
- The study is currently being developed by Meketa and will be completed in 2024

Recommendation / Next Steps:

Proposed February 27, 2024 Board actions:

- Committee considers recommendation to accept Actuarial Valuations adopt Employer Contribution Rates
- Board considers adoption of Actuarial Valuations and recommended FY 2025 Employer Contribution Rates

Questions?



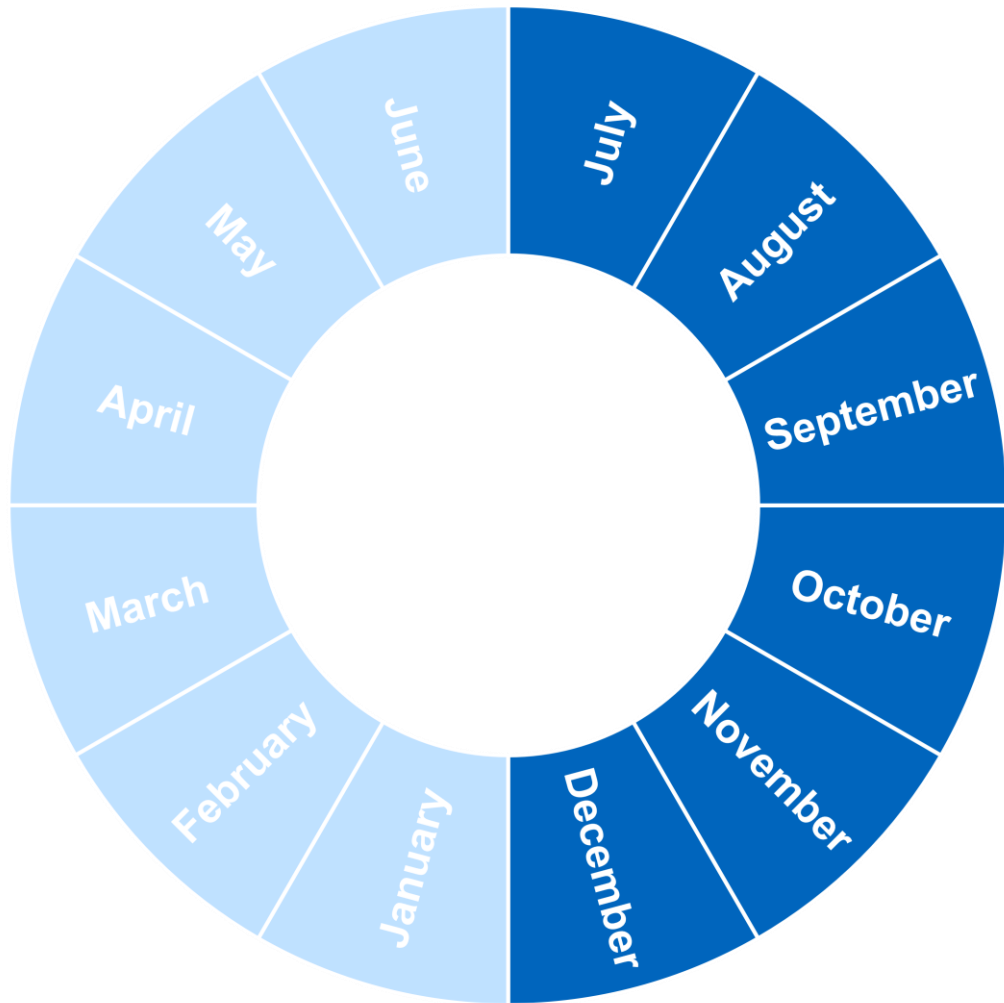


Fiscal Year (FY) 2024 Semi-Annual Budget & Performance

Finance / Administration Committee

February 27, 2024

Water and Wastewater Systems Overview



Purpose

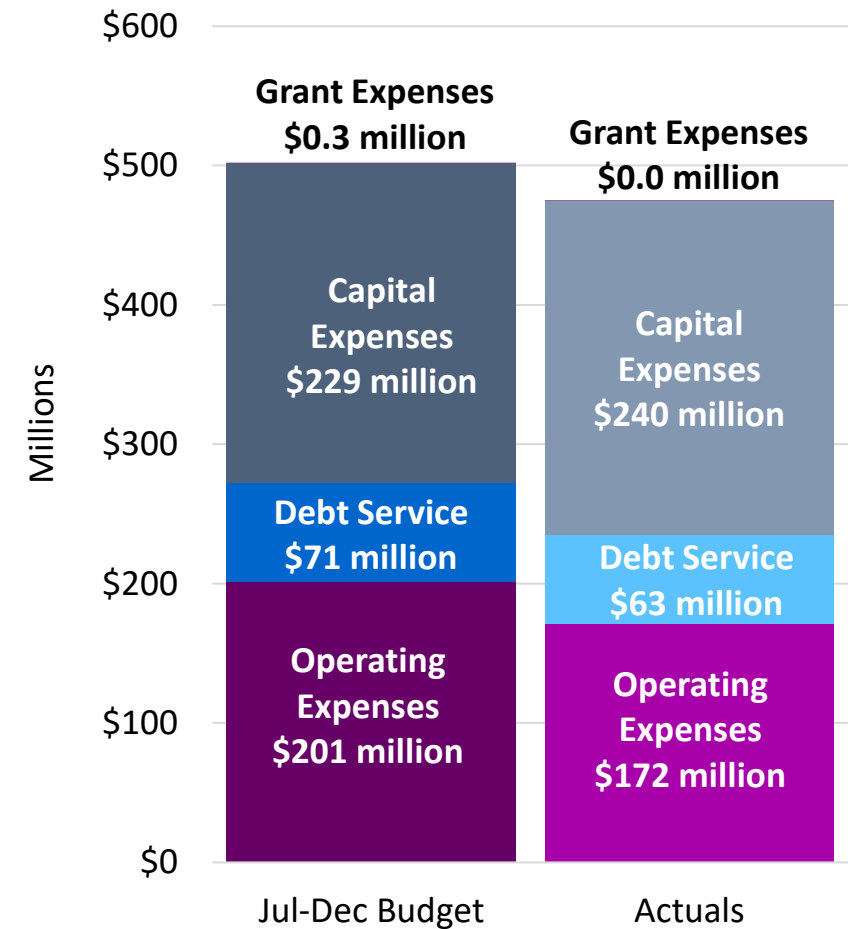
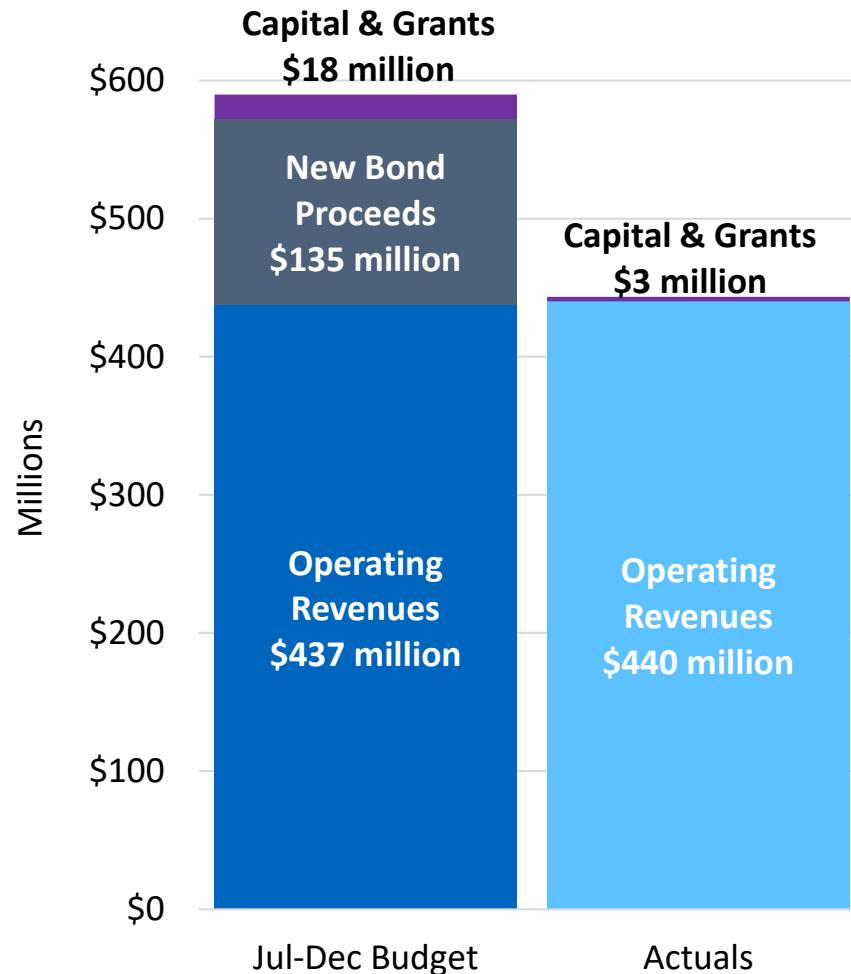
- Review total revenues and total expenses for each system for the first 6 months of the fiscal year
- Review projections for year-end results

Water System



Water System Revenues & Expenses through 12/31/2023

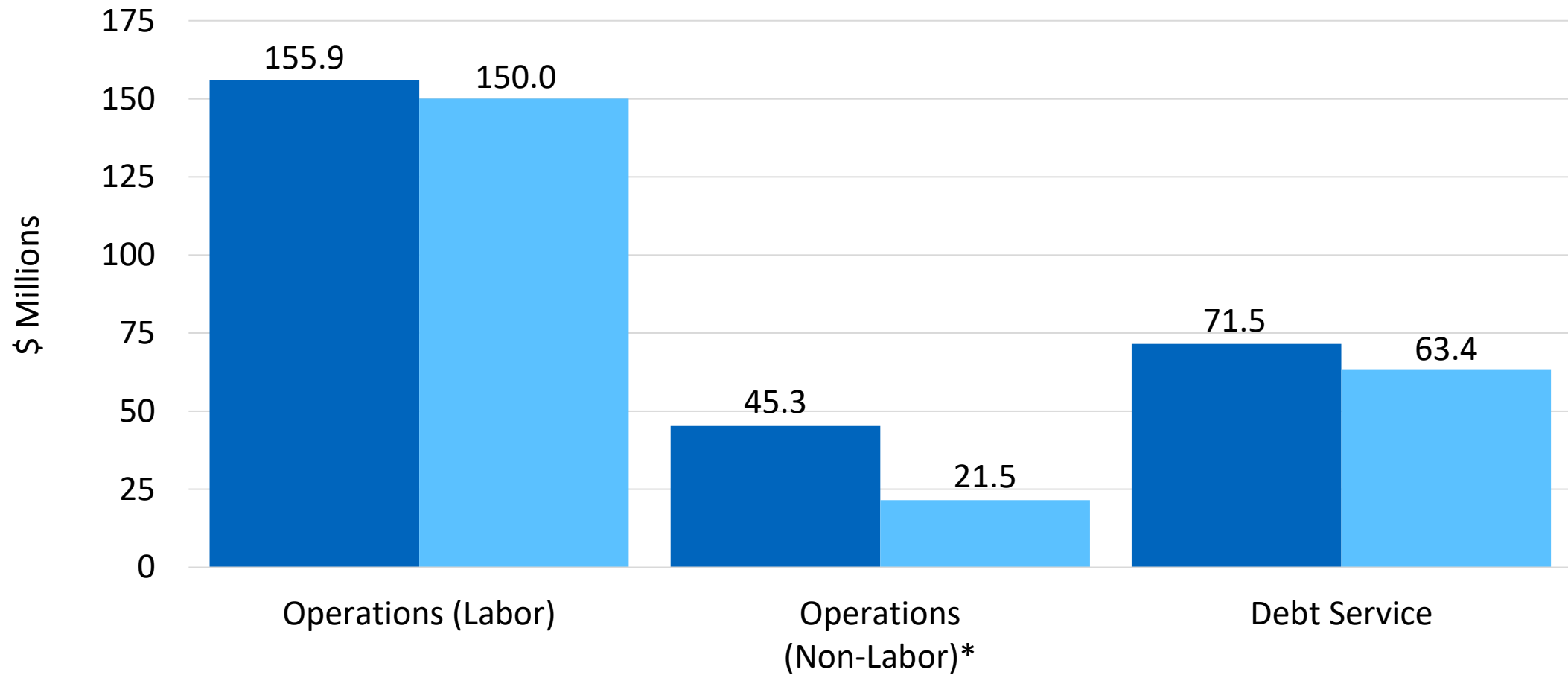
- Most revenue sources are on-target for the first half of the year
- Bonds were issued in second half of the fiscal year
- SCCs and other development-related revenues are below expectations



Water System Revenues through 12/31/2023

(\$ Thousands)	Jul-Dec Budget	Actuals	Over / (Under)	%
Water Charges	371,210	367,961	(3,249)	99%
Property Taxes	20,121	23,521	3,400	117%
Power Sales	4,000	9,201	5,201	230%
Interest Income	6,950	7,215	265	104%
SCC Revenue	17,500	13,133	(4,367)	75%
Reimbursements	7,000	6,436	(564)	92%
All Other Revenue	10,500	12,572	2,072	120%
Operating Revenues	437,281	440,040	2,759	101%
New Bond Proceeds	134,750	-	(134,750)	0%
Grants	-	199	199	-
Capital Reimbursements	17,700	3,689	(14,011)	21%
Other Capital Revenue	-	(595)	(595)	-
Capital Revenues	152,450	3,294	(149,156)	2%
Total Revenues	589,731	443,334	(146,397)	75%

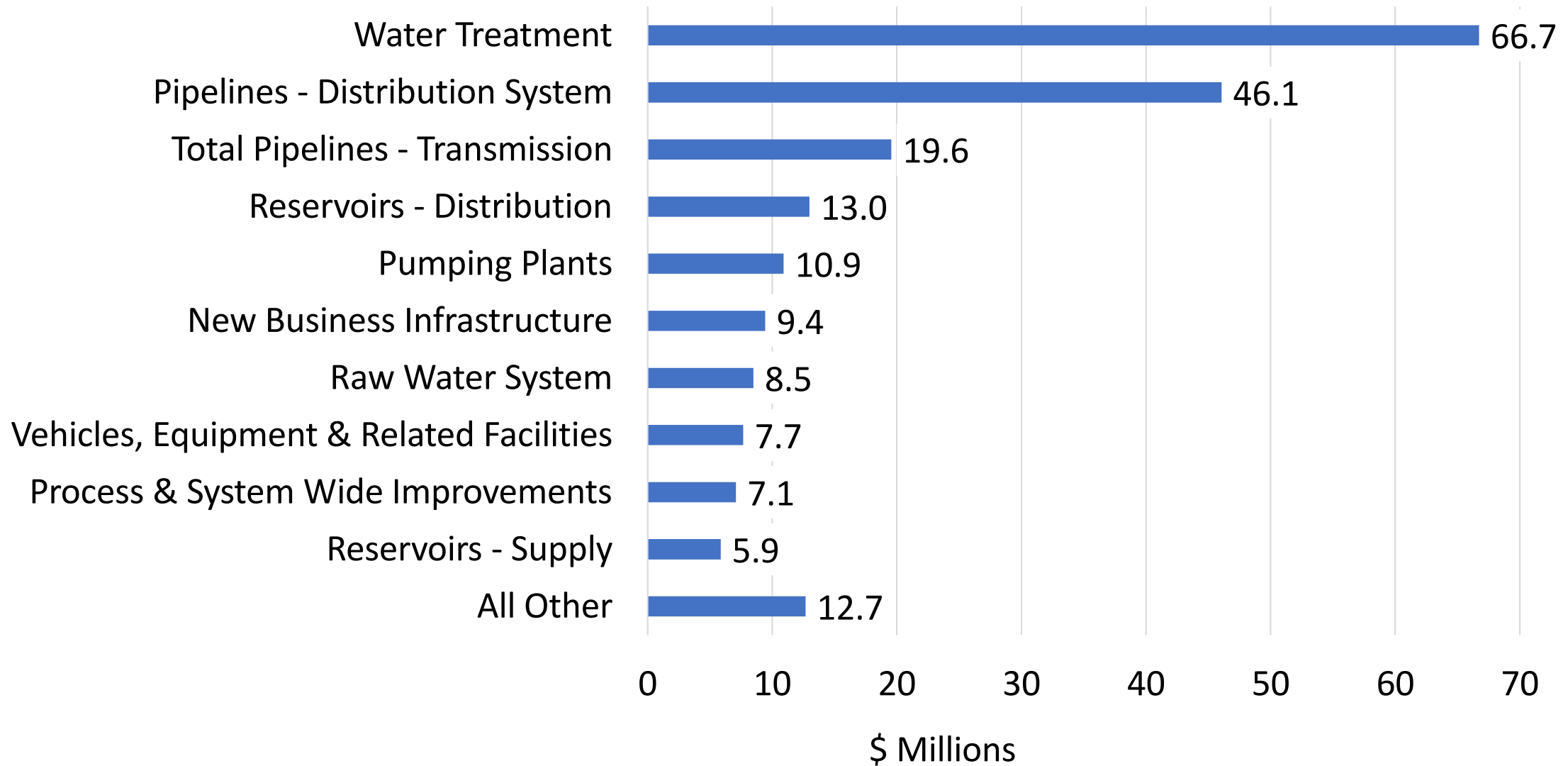
Water System Operating & Debt Expenses through 12/31/2023



*Includes capital support offsets.

■ Jul-Dec Budget ■ Actuals

Water Capital Cash Flow Expenses through 12/31/2023

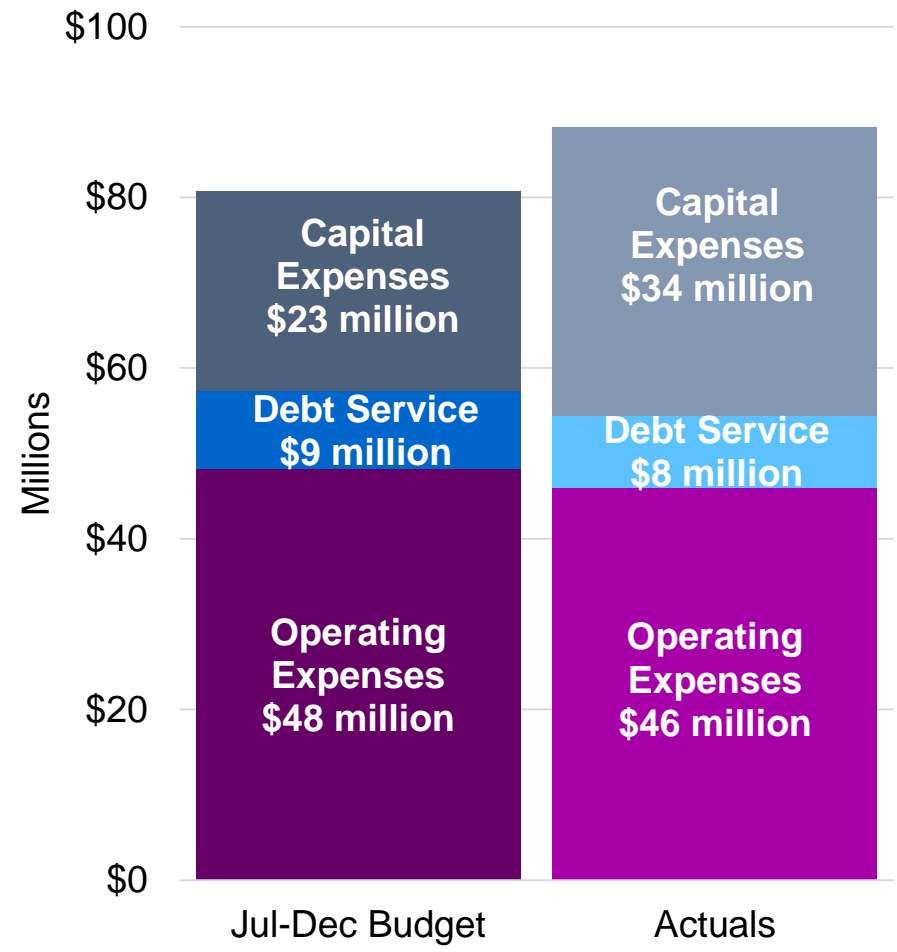
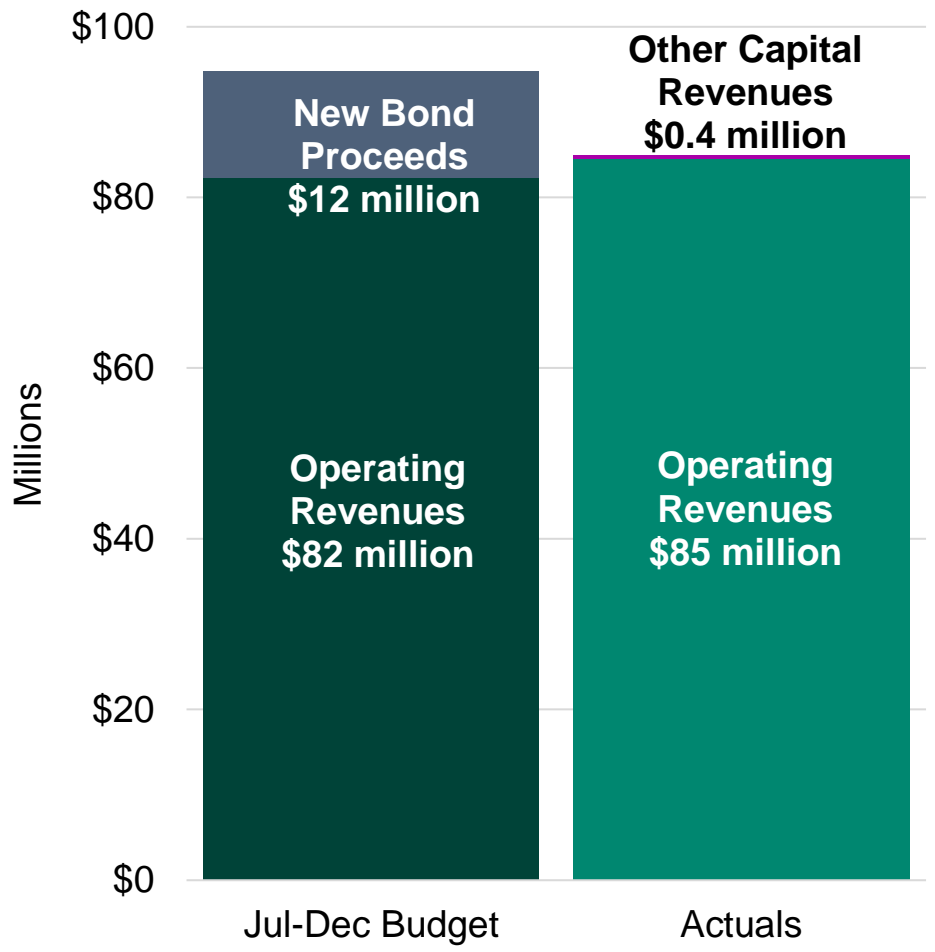


Wastewater System



Wastewater System Revenues & Expenses through 12/31/2023

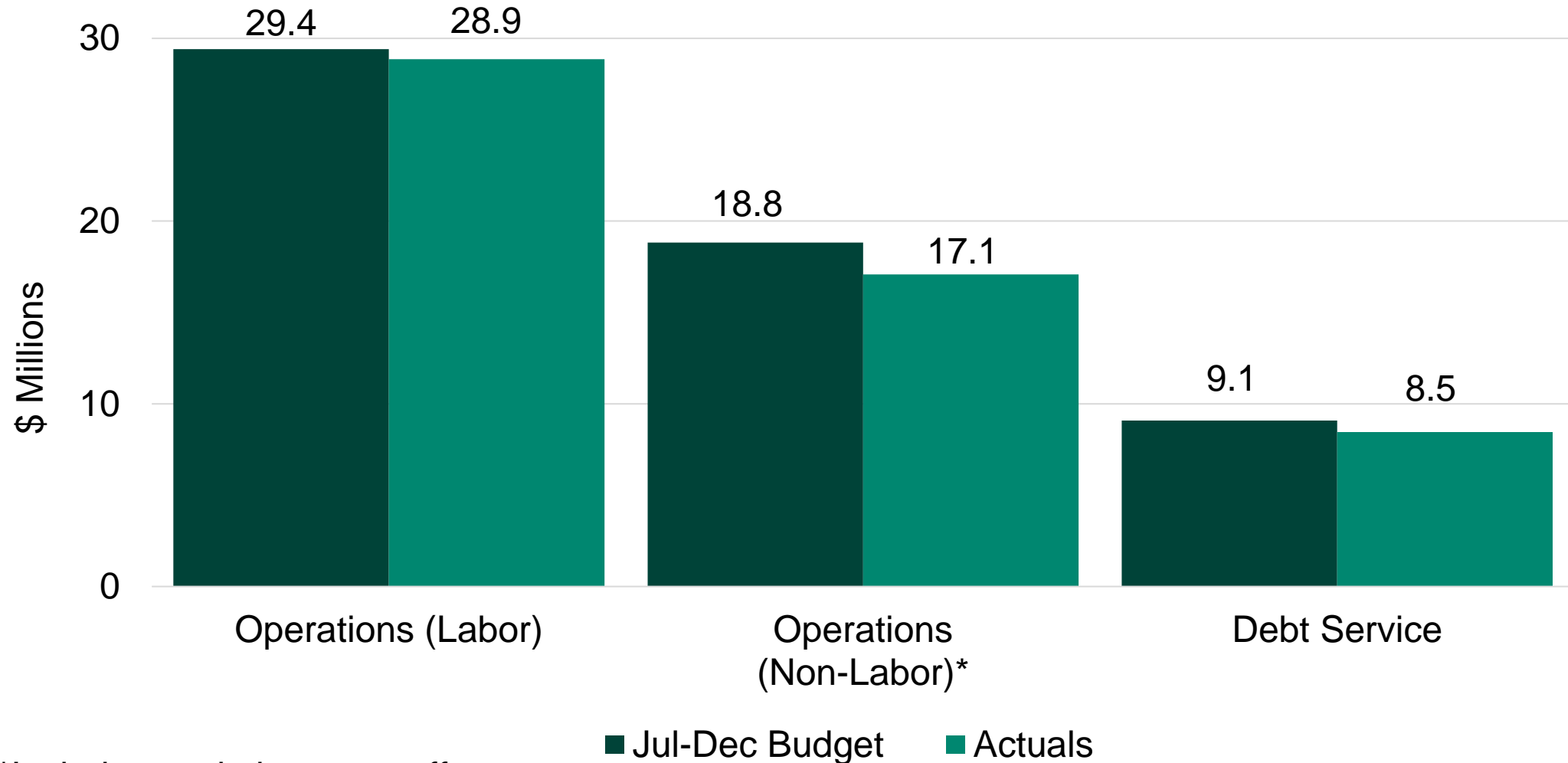
- Most revenue sources are on-target for the first half of the year
- Bonds were issued in second half of the fiscal year
- Capacity Charges are below expectations



Wastewater System Revenues through 12/31/2023

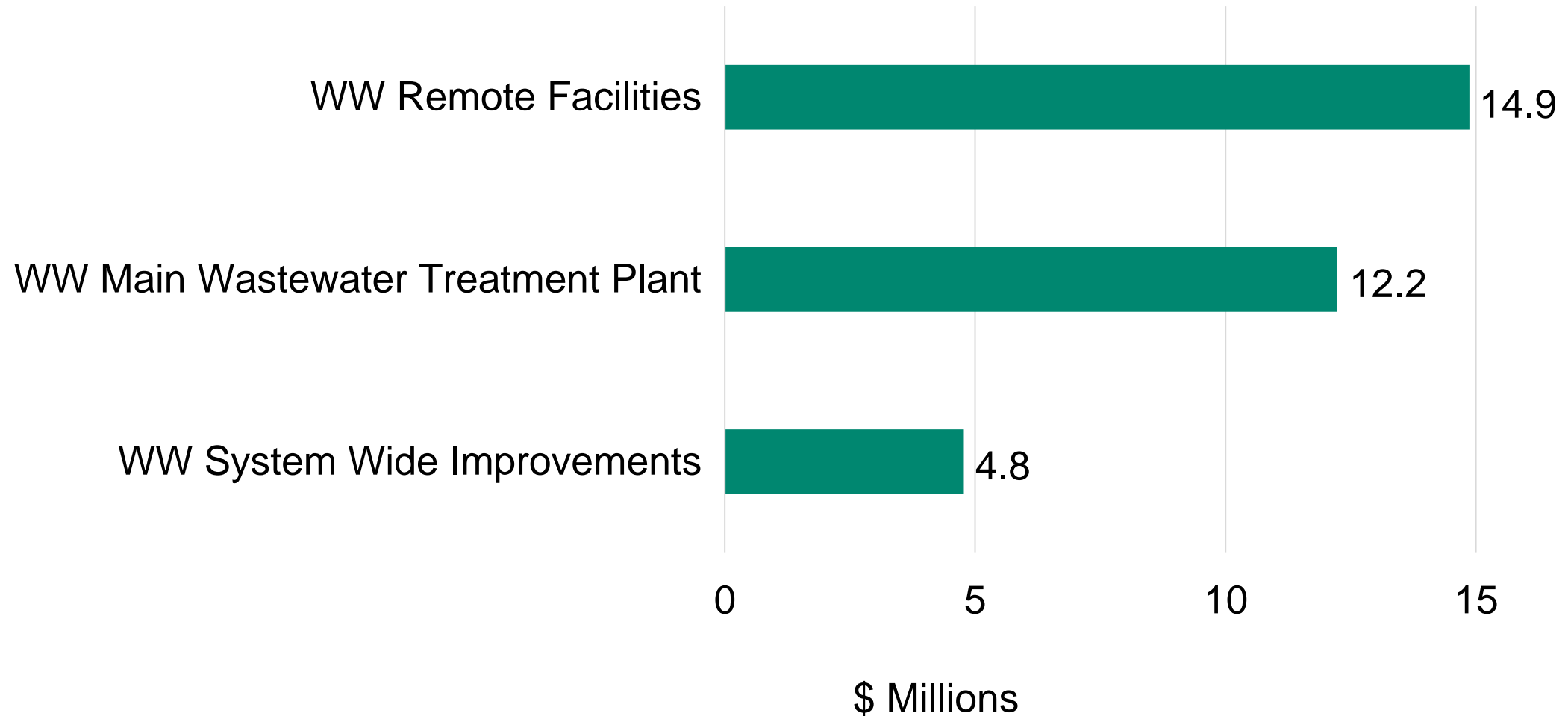
(\$ Thousands)	Jul-Dec Budget	Actuals	Over / (Under)	%
Treatment Charges	46,600	46,362	(238)	99%
Wet Weather Facility Charges	16,700	16,691	(9)	100%
Resource Recovery	5,500	7,501	2,001	136%
Property Taxes	2,915	3,750	835	129%
Interest Income	1,550	1,056	(494)	68%
Laboratory Services	2,450	2,623	173	107%
Reimbursements	900	997	97	111%
Permit Fees	850	822	(28)	97%
Capacity Charges	1,750	1,506	(244)	86%
All Other Revenue	3,100	3,215	115	104%
Operating Revenues	82,315	84,523	2,208	103%
New Bond Proceeds	12,450	-	(12,450)	0%
Other Capital Revenues	-	381	381	-
Capital Revenues	12,450	381	(12,069)	3%
Total Revenues	94,765	84,904	(9,861)	90%

Wastewater System Operating Expenses through 12/31/2023



*Includes capital support offsets.

Wastewater (WW) Capital Cash Flow Expenses through 12/31/2023



Year-End Projections



Water System Year-End Projection for FY 2024

(\$ Thousands)	Amended Budget	Year-End Projection	Over / (Under)	%
Water Charges	668,306	662,500	(5,806)	99%
Property Taxes	47,000	48,500	1,500	103%
Power Sales	8,000	14,200	6,200	178%
Interest Income	13,900	14,400	500	104%
SCC Revenue	35,000	26,200	(8,800)	75%
Reimbursements	14,000	13,000	(1,000)	93%
All Other Revenue	21,000	24,800	3,800	118%
Operating Revenues	807,206	803,600	(3,606)	100%
New Bond Proceeds	269,500	275,000	5,500	102%
Grants	-	200	200	-
Capital Reimbursements	35,400	7,600	(27,800)	21%
Other Capital Revenue	-	(1,200)	(1,200)	-
Capital Revenues	304,900	281,600	(23,300)	92%
Total Revenues	1,112,106	1,085,200	(26,906)	98%
Operating Expenses	414,845	393,894	(20,951)	95%
Debt Service	238,673	230,552	(8,122)	97%
Capital Expenses	478,131	500,343	22,212	105%
Grant Expenses	576	576	-	100%
Total Expenses	1,132,226	1,125,364	(6,861)	99%
Revenues less Expenses	(20,119)	(40,164)	(20,045)	

- Revenue expected to be less than budget by 2%
- Operating expenses expected to be less than budget by 5%
- Debt service expected to be less than budget by 3%
- Capital expenses expected to exceed budget by 5%

Wastewater System Year-End Projection for FY 2024

(\$ Thousands)	Amended Budget	Year-End Projection	Over / (Under)	%
Treatment Charges	93,200	92,500	(700)	99%
Wet Weather Facility Charges	33,400	33,400	-	100%
Resource Recovery	11,000	13,000	2,000	118%
Property Taxes	7,500	7,800	300	104%
Interest Income	3,100	2,100	(1,000)	68%
Laboratory Services	4,900	5,200	300	106%
Reimbursements	1,800	1,800	-	100%
Permit Fees	1,700	1,700	-	100%
Capacity Charges	3,500	2,800	(700)	80%
All Other Revenue	6,200	6,500	300	105%
Operating Revenues	166,300	166,800	500	100%
New Bond Proceeds	24,900	25,000	100	100%
Other Capital Revenues	-	800	800	-
Capital Revenues	24,900	25,800	900	104%
Total Revenues	191,200	192,600	1,400	101%
Operating Expenses	106,548	100,652	(5,897)	94%
Debt Service	32,871	31,862	(1,009)	97%
Capital Expenses	50,030	55,131	5,100	110%
Total Expenses	189,450	187,644	(1,805)	99%
Revenues less Expenses	1,750	4,956	3,205	

- Revenue expected to exceed budget by 1%
- Operating expenses expected to be less than budget by 6%
- Debt service expected to be less than budget by 3%
- Capital expenses expected to exceed budget by 10%

Summary and Next Steps

- Revenues are expected to be below budget for the Water System and above budget for the Wastewater System
- Capital spending is expected to exceed planned cash flows
- Total expenses are expected to remain below budget for both enterprises
- Bonds are being issued in FY 2024 for both systems

Questions?





Camanche Mobilehome Park Rent

Finance/Administration Committee

February 27, 2024

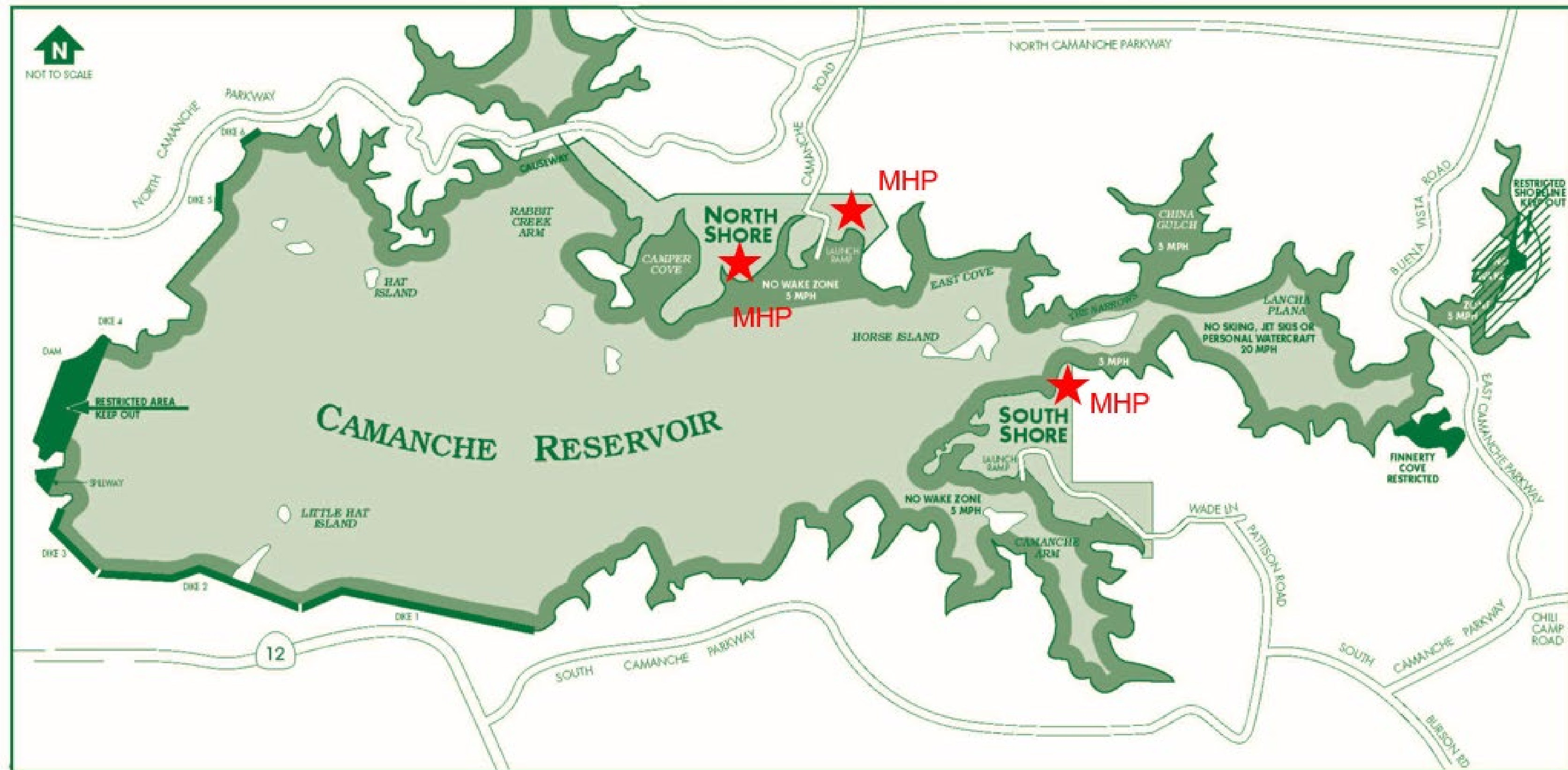
Overview

- Camanche mobilehome park overview
- Camanche Mobilehome Park (MHP) rent and revenue
- Camanche Regional Park Advisory Board (CRPAB)
- CRPAB recommendation
- Next steps

Camanche MHP Overview

- District operates 3 mobilehome parks at Camanche
- Total of 195 individual home sites
- Mobilehome park is managed by Camanche concessionaire
- Space rent collected monthly by concessionaire
- District mobilehome parks are “owner occupied” – residents own the mobilehome and rent space in the park

Camanche MHP Locations



Camanche MHP Rent

- Rent approved each spring by EBMUD Board for the following year
- Monthly rent is determined annually by the average change in Housing and Urban Development (HUD) Fair Market Rents (FMR) for Amador and Calaveras counties
- Formula was set by EBMUD Board and with input from MHP residents in 2010
- In addition to rental for the space, the MHP rent includes utilities (water, wastewater, and garbage collection)

Camanche MHP Rent

- 2024 average HUD FMR for Amador and Calaveras counties was 12.5 percent
- Average increase in HUD FMR over the previous five-year period was 3.8 percent
- Rent control laws for mobilehome parks exist, but do not apply to “owner occupied” parks
- Residents were mailed a required 90-day notice of the 2024 rent increase on October 20, 2023
- 12.5 percent increase went into effect February 1, 2024

CRPAB

- Advises District on decisions concerning recreation areas and mobilehome parks on the Mokelumne Watershed
- CRPAB met February 1, 2024 and received feedback from MHP residents concerning the rent increase for 2024
- CRPAB recommended the District continue to use HUD FMR to determine annual rent with a cap of 5 percent and a floor of 2 percent effective as soon as practicable

Camanche MHP Revenue

	2019	2020	2021	2022	2023
Annual MHP Revenue	\$1,094,500	\$1,144,285	\$1,281,161	\$1,276,292	\$1,324,093
Franchise Fee Payment 8%	\$87,560	\$91,542	\$102,492	\$102,103	\$105,927
Maintenance Fee 20%	\$218,900	\$228,857	\$256,232	\$255,258	\$264,819

- Franchise Fees are paid directly to the District's general fund
- Maintenance fees are paid to the Maintenance and Capital Improvement Fund, and are managed jointly by the District and concessionaire to maintain and improve recreation amenities like campgrounds, cottages, and marinas

Future MHP Capital Improvements

- Camanche South Shore MHP sewer collection system replacement
- Camanche Recreation Area water distribution lines, storage tank rehabilitation and replacement
- Camanche Recreation Area wastewater collection and treatment systems

Camanche MHP Rent Comparison

County	Park Name	Rent	Utilities Included*
Calaveras/Amador	Camanche MHP	\$671 - \$810	Yes
Amador	Rollingwood Estates	\$680 - \$1,000	No
Amador	Ione MHP	\$520 - \$530	No
Calaveras	Murphys Diggins	\$1,045	Yes

*Utilities include water, sewer, and garbage service. Electricity and gas are paid by resident.

Next Steps

- Staff will provide analysis of the CRPAB recommendation for the Board to consider as a part of the regular recreation fee review process in spring 2024
- The analysis will include the need to support other capital improvements to the Camanche MHP.
- Any changes to the recreation fees would become effective January 1, 2025.

Questions?

