



# Employees' Retirement System

## Actuarial Valuations and Contribution Rates

Board of Directors

February 27, 2024

# Introduction

- Under Ordinance No. 40 (the Retirement Ordinance), Actuarial Valuations for the Retirement System are required at least every two years
- Based on these Actuarial Valuations, the District and Retirement System adopt annual contribution rates
- The District's practice is to adopt actuarial valuations and set contribution rates each year
- The Board is being asked to accept the Actuarial Valuations and adopt Retirement Board-and staff-recommended Employer Contribution Rates

# FY 2023 Actuarial Valuations

Select Plan Data	Pension	Health Insurance Benefit	Total	Overall Annual Change
<b>Market Value of Assets</b>	\$2.19b	\$61m	\$2.26b	+\$196m
<i>previous year data</i>	<i>\$2.01b</i>	<i>\$54m</i>	<i>\$2.06b</i>	<i>----</i>
<b>Valuation Value of Assets</b>	\$2.25b	\$63m	\$2.31b	+\$98m
<i>previous year data</i>	<i>\$2.16b</i>	<i>\$58m</i>	<i>\$2.22b</i>	<i>----</i>
<b>Funded Ratio*</b>	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>
<b>Unfunded Liability*</b>	\$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

# Recommended Employer Contribution Rates

- Proposed FY 2025 contribution rates are based on FY 2023 Actuarial Valuations
  - Actuarially determined employer contribution rates are higher for the pension due largely to higher-than-assumed salary increases and the smoothing in of prior year's investment losses
  - Actuarially determined employer contribution rates are 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
<b>Pension</b>	44.59%	35.80%	44.59%	35.80%	43.73%	34.69%
<b>HIB</b>	4.43%	4.27%	4.43%	4.27%	4.75%	4.52%
<b>Total</b>	<b>49.02%</b>	<b>40.07%</b>	<b>49.02%</b>	<b>40.07%</b>	<b>48.48%</b>	<b>39.21%</b>

# 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%
<b>Total</b>	<b>8.75%</b>	<b>9.50%</b>

# Recommendation

Adopt resolution to:

- Accept Actuarial Valuations as of June 30, 2023
- Set Retirement System contribution rates for FY 2025 based on the actuarially determined contribution rates in the Valuations

# Questions?



**FLOWING  
INTO  
THE  
FUTURE**



# EBMUD Campaign Finance Reform Ordinance (CFRO)

First Reading of Proposed Amendments

Board of Directors

February 27, 2024

# Agenda

- History of the EBMUD Campaign Finance Reform Ordinance (CFRO)
- Legal Review Process for Recommended Revisions
- Recommended Revisions and Discussion
- Next Steps

# History and Legal Review Process



# History of the CFRO

- Authorized, but not required, by Elections Code § 10544
- Regulates the financing of District elections
- First enacted in May 1992
- Amended in 1994, 1996, 1998, 2002
- Last amended in 2010
- Changes in law and best practices are recommended for incorporation into the CFRO

# Process for Legal Review of the CFRO

- First reviewed by the General Counsel
  - Reviewed for clarity
  - Incorporated updates in the law (e.g., Levine Act) and best practices since 2010
- Then reviewed by outside Special Counsel
  - Incorporated further updates in the law (e.g., advertisement disclaimers)
  - Recommended adjusting contribution limits based on Consumer Price Index (CPI) and the practices of other similarly-sized agencies
  - Recommended additional best practices

# Board Review of Proposed CFRO Revisions

- Presented to Legislative/Human Resources Committee on January 9 and February 13, 2024
- Committee Requested Three Modifications
  - Increase contribution limit from Persons to \$1,000
  - Increase contribution limit from Small Contributor Committees to \$2,000
  - Eliminate prohibition on contracting for contractors that have contributed in violation of CFRO, and allow for Board member recusal instead

# “Major” Recommended Revisions



# Increases in Campaign Contribution Limits

- January 9 recommendations to Committee:
  - Increase contribution limit for Persons from **\$600** to **\$900** to reflect CPI adjustments since 2010
  - Increase contribution limit for Small Contributor Committees from **\$1,200** to **\$1,800**
  - Adjust Small Contributor Committee limit biennially based on CPI
- February 13 revisions requested by Committee:
  - Increase contribution limit for Persons to **\$1,000**
  - Increase contribution limit for Small Contributor Committees to **\$2,000**

## Campaign Contribution Limits in Other Jurisdictions

Municipality/Agency	Persons	Small Contributor Committees
Alameda County Water District	None	None
Berkeley	\$270	\$270
Central Contra Costa Sanitary District	None	None
Contra Costa Water District	None	None
Marin Municipal Water District	None	None
Oakland	\$600	\$1,200
Richmond	\$2,500	\$2,500
San Francisco	\$500	\$500
West County Wastewater District	None	None

Political Reform Act “default” for cities and counties is \$5,500

# Prohibition on Contractor Donations

- January 9, 2024 recommendations to Committee:
  - Prohibit donations from any District contractor, not just for Board-approved contracts
  - Prohibit a contractor who violates the CFRO's donation prohibitions from being awarded any contract for one year following the violation, even if the contract is a low-bid contract
- February 13 revisions requested by Committee:
  - Eliminate prohibition on contracting with contractors who violate CFRO
  - Allow recusal of Board member who has received a donation from a contractor

# Other Recommended Revisions



# Updates to Definitions

- Reorganize alphabetically
- “Contribution”: Fair rental value of a home or office premises used for fundraising event is not included in cost calculations when determining value of event
- “Qualified Campaign Expenditure”
  - Remove “broadcast or print” reference to “communications” to reflect fact that modern communications means are broad
  - Remove “by name or image” in reference to a communication “featuring a candidate” in accordance with Fair Political Practices Commission advice
- “Small Contributor Committee”: Update to match the PRA definition

# Other Revisions

- Incorporate Levine Act into CFRO
- Update the voluntary expenditure limit from \$0.53 to \$0.80 per ward resident to reflect CPI adjustments since the CFRO was last updated
- Update Advertisement Disclaimer requirements
- Mandate website publishing of contribution limits as a best practice

# “Housekeeping” Revisions

- Correct and update reference to CPI to “San Francisco-Oakland-Hayward Consumer Price Index (CPI) for Urban Consumers”
- Clarify the definition of “net debts outstanding from the election”
- Use non-binary “their” in referencing persons
- Update references to Political Reform Act and other common terms for consistency

## Next Steps

- ✓ First reading at the February 27, 2024 Regular Board meeting
- Second reading at the March 12, 2024 Regular Board meeting
- Revised CFRO to go into effect on April 11, 2024

Questions?





# Options for Filling a Board Vacancy

Board of Directors

February 27, 2024

# Agenda

- Appointment Process
- Timeline
- Next steps

# Filling Board Vacancy

- On February 13, 2024, the Board
  - Voted to fill the Ward 2 vacancy by appointment.
  - Appointed an Ad Hoc Committee to assist with developing the appointment process.
- Ad Hoc Committee composed of Directors Chan, Katz, and Young.
- Ad Hoc Committee met on February 15, 2024, and developed proposed appointment process for Board consideration on February 27, 2024.

# Board Appointment to Fill Vacancy

- Appointment must be made by May 7, 2024 (60 days from the vacancy)
- Notice of vacancy must be posted in three or more conspicuous places within the District at least 15 days before the appointment is made
- Appointed Board member would serve until the November 5, 2024 general election
- Cost of a general election between \$370,000 to \$590,000

# Notice of Vacancy Distribution

- EBMUD Administration Building
- EBMUD.com
- Contra Costa County Clerk Recorder's Office
- City/Town offices in Ward 2
- City Managers in Ward 2
- Chambers of Commerce and Business Association newsletters in Ward 2
- Contra Costa County Municipal Advisory Council members
- Contra Costa Mayors Conference
- Regional agencies: Contra Costa County Special Districts Association, DERWA
- Social media
- Media: East Bay Times, East County News, Lamorinda Weekly, Walnut Creek Journal, PublicCEO website
- Elected Officials
- Exchange Club of San Ramon, Friends of Mt. Diablo, East Bay Leadership Council, Sierra Club
- Ward 2 Briefing invitation list

Notice of Vacancy will also be sent to individuals and groups upon request.

# Candidate Information Packet

- Webpage will be created with information for prospective candidates
- Information will include
  - Information about the position (e.g., Board meeting date/times, salary/benefits, expectations, committees)
  - Background on EBMUD (e.g., Strategic Plan, financial information)
  - Information about water/wastewater system, water quality, recreation, customers, Customer Assistance Program, sustainability, DEI Strategic Plan, Regulations Governing Water Service
  - Publications and construction projects
  - Map of Ward 2

# Application Process

- Candidates will be required to submit applications by 4:30 pm on Friday, March 22
- Applications must include the following:
  - Letter expressing their interest and qualifications (no more than 2 pages)
  - Resume
  - A minimum of three letters of reference
- Applications can be submitted by US mail, email, or hand delivered
- Secretary's Office will advise the Board which applications are submitted after the deadline

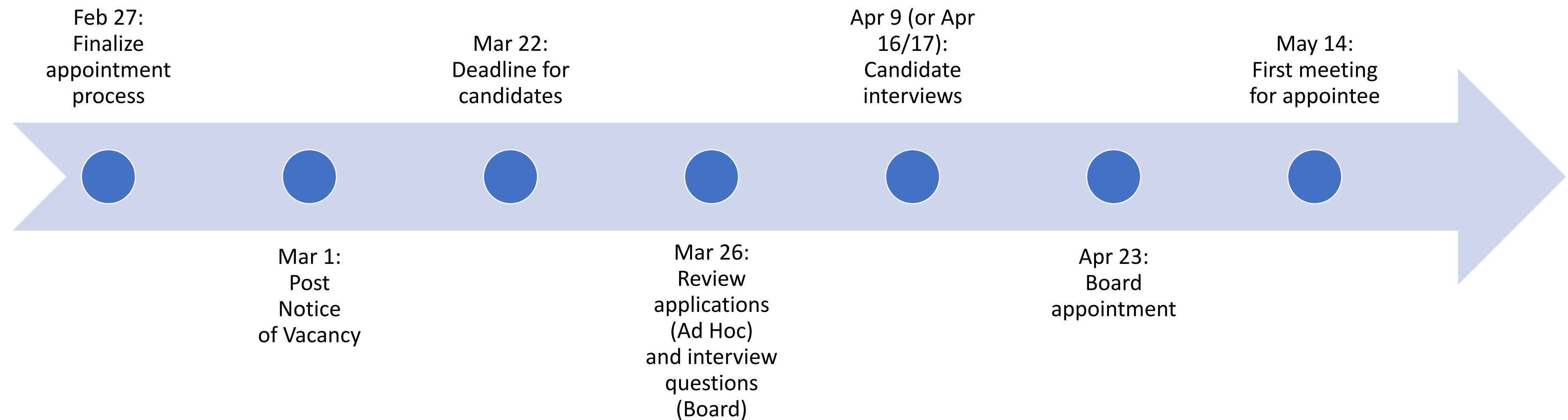
# Application Screening Process

- Secretary's Office will conduct initial screening checking for completeness and confirm the candidate is a resident in Ward 2.
- Based on the number of applications, the Ad Hoc Committee will decide if an initial screening process is needed.
- If an initial screening process is needed, the Ad Hoc Committee will screen the candidates based on a predetermined set of criteria.
- Final list of candidates will be brought to the full Board for a final interview, selection, and appointment.
- Ad Hoc Committee will develop interview questions which will be shared with the Board at the March 26, 2024 Board meeting.

# Appointment Process

- Candidates will be interviewed by the Board.
- Candidates will have 15 minutes for an opening statement, respond to six interview questions, and a closing statement.
- The Board may ask clarifying questions, and the time to respond to those questions will not count against the candidate's 15 minutes.
- Interviews will be conducted at the regular Board meeting on April 9, 2024 starting at 4 pm.
- The interviews can also be conducted during a Special Board meeting on April 16 or April 17 if more time is needed.

# Sample Timeline – Appointment Process



## Next Steps/Recommendations

- Discuss and provide feedback on the appointment process
- Approve Notice of Vacancy and distribution plan
- Approve Candidate Information Packet
- Approve Candidate application process
- Approve Candidate evaluation process
- Approve appointment process
- Approve conducting candidate interviews starting at 4 pm at a
  - Regular meeting on April 9 OR
  - Special meeting on April 16 or April 17

# Questions?





# Water Supply Update

Board of Directors  
February 27, 2024

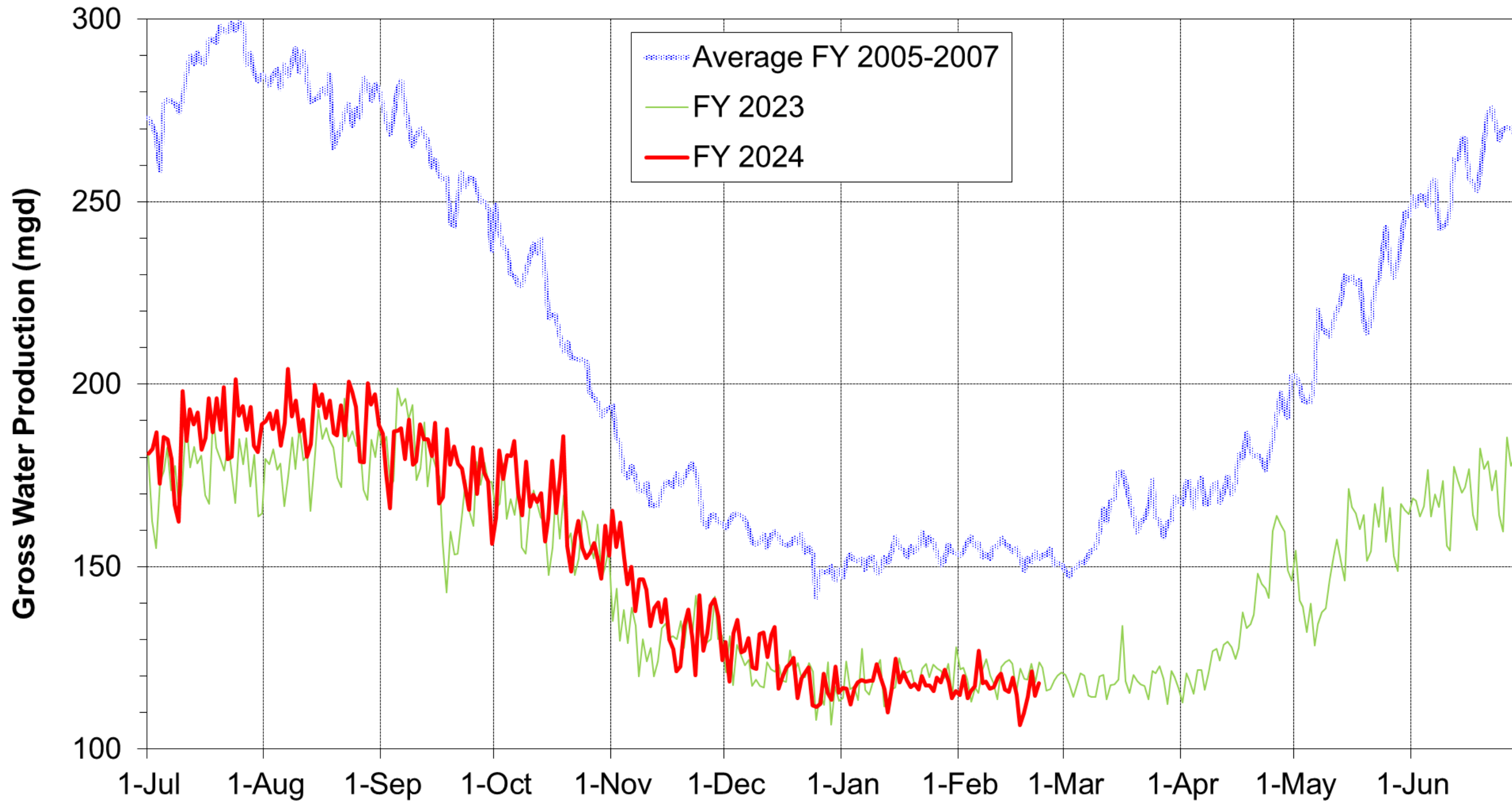
# Water Supply Briefing

- Current Water Supply
- California Water Supply
- Water Supply Projections



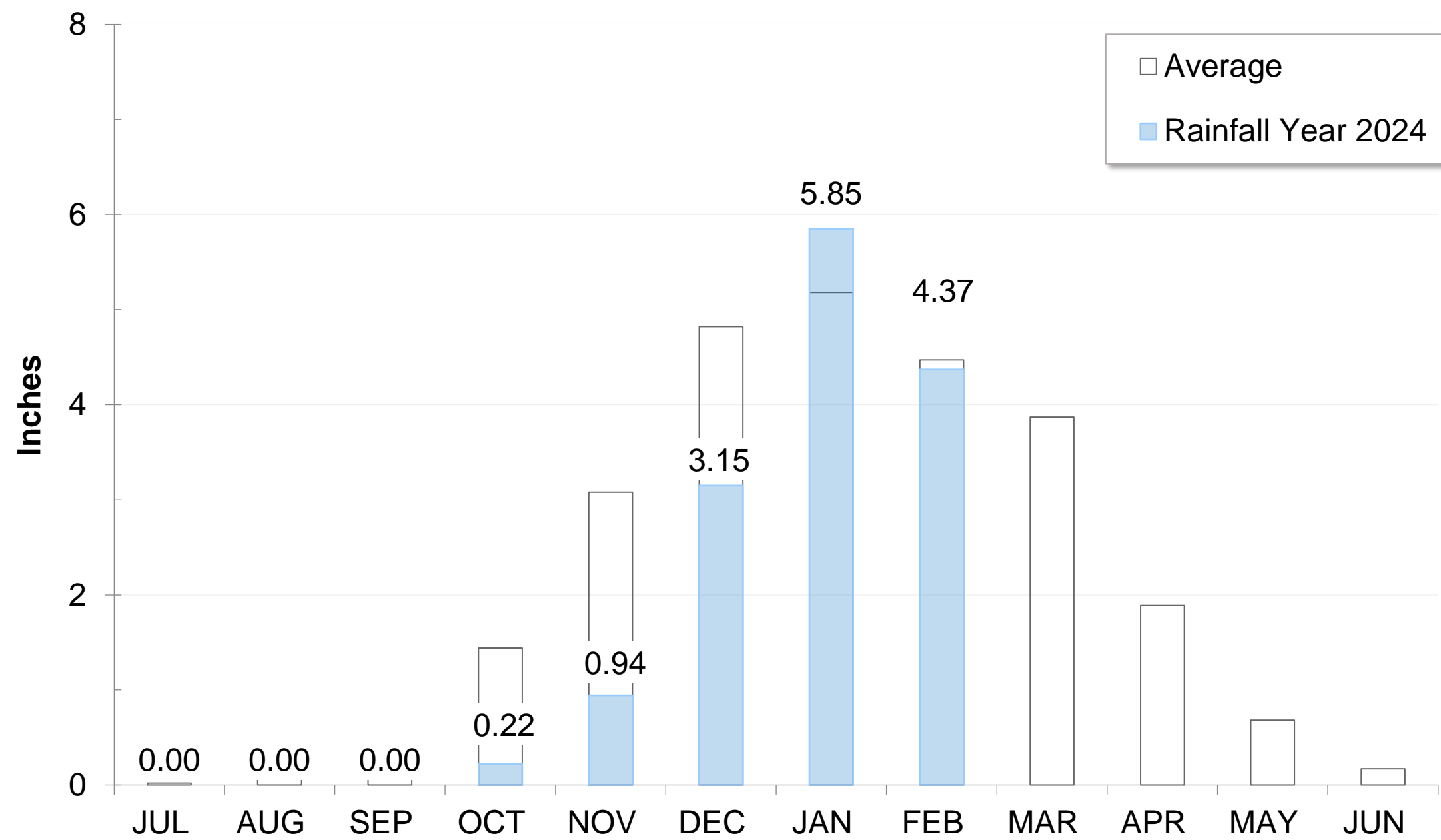
# Current Water Supply

# Gross Water Production



# Precipitation as of February 22

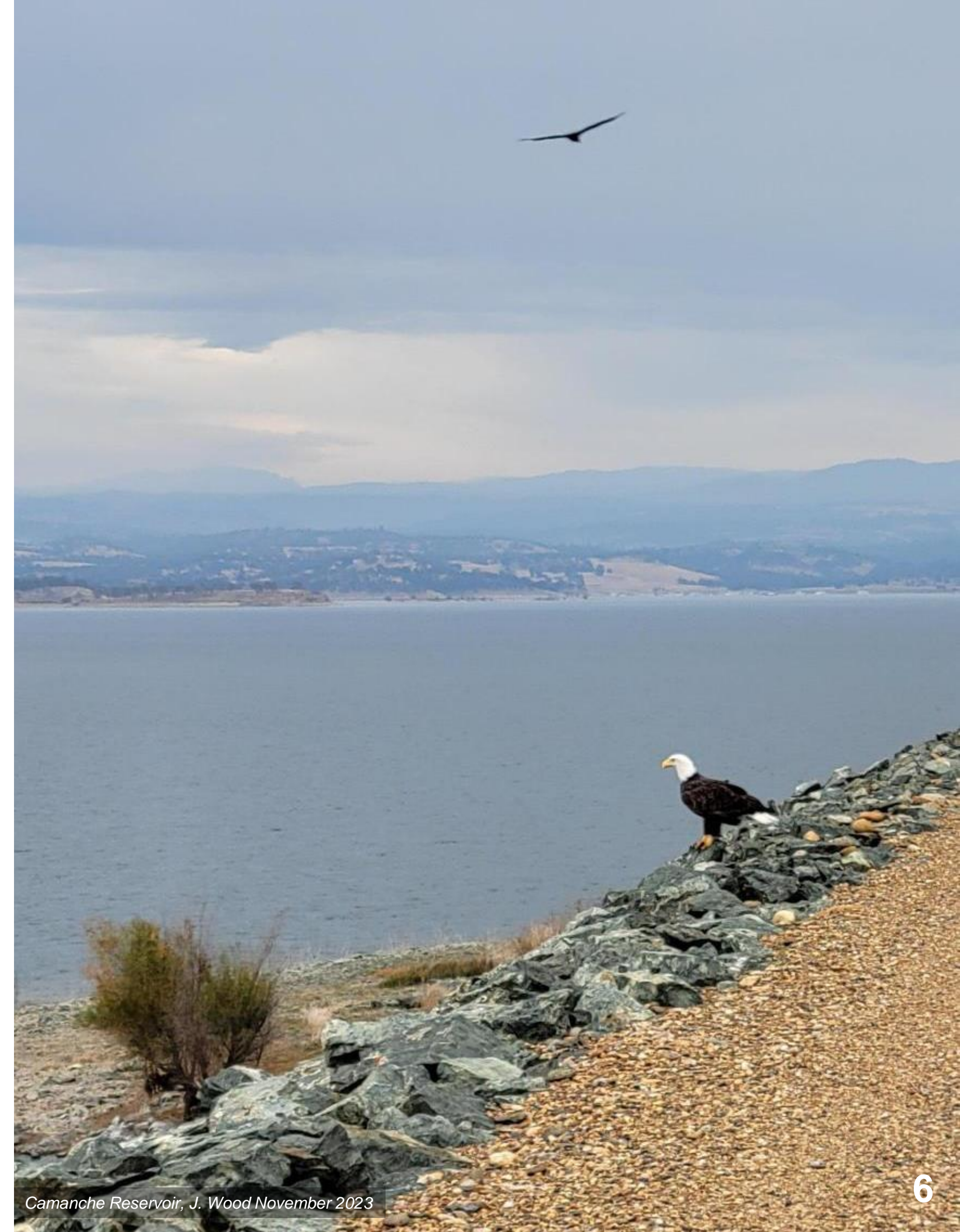
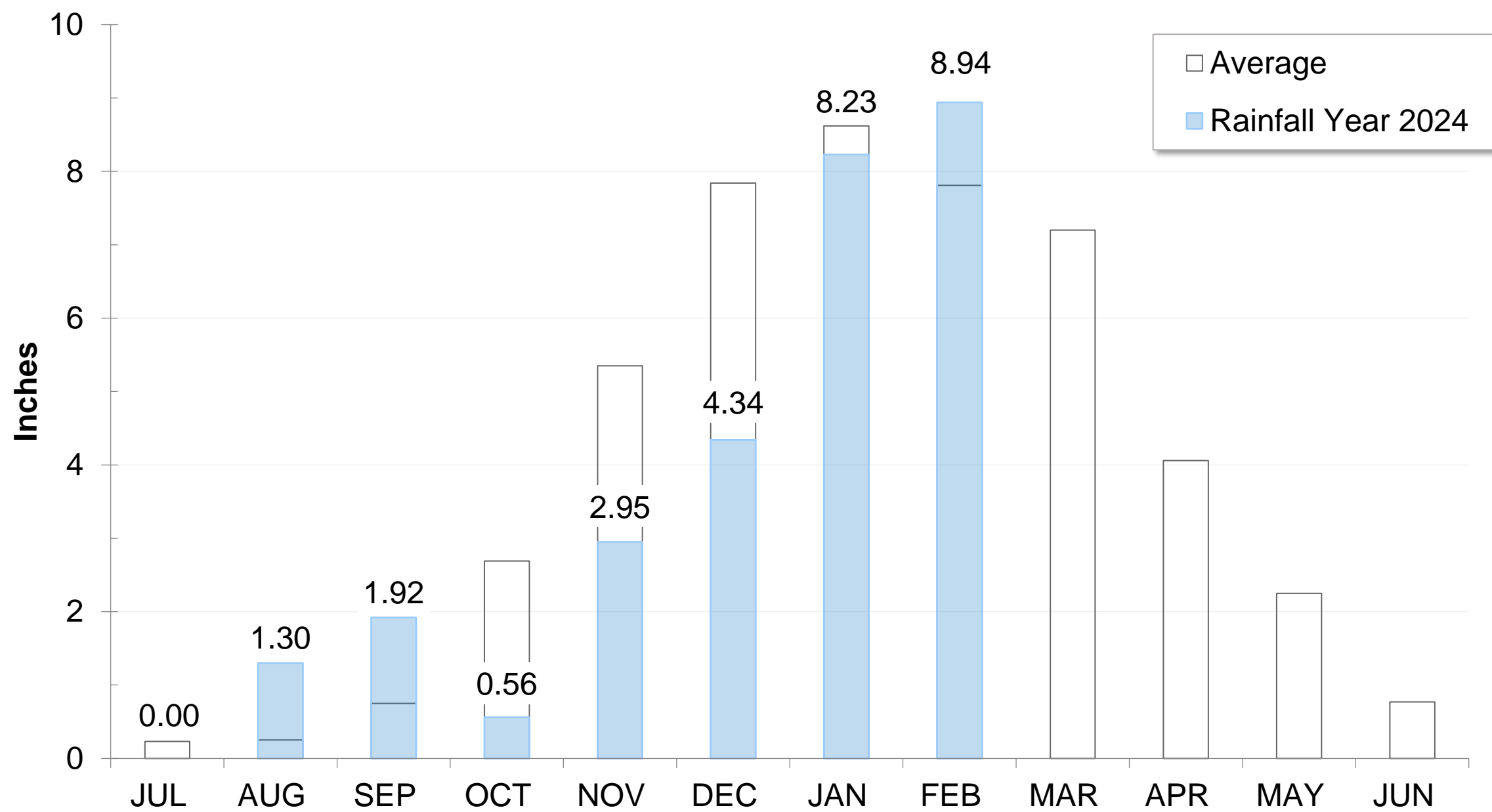
East Bay: 14.53" (77% of average)



San Pablo Reservoir Weather Station, D. Hansen, February 2024

# Precipitation as of February 22

Mokelumne: 28.24" (88% of Average)



Camanche Reservoir, J. Wood November 2023

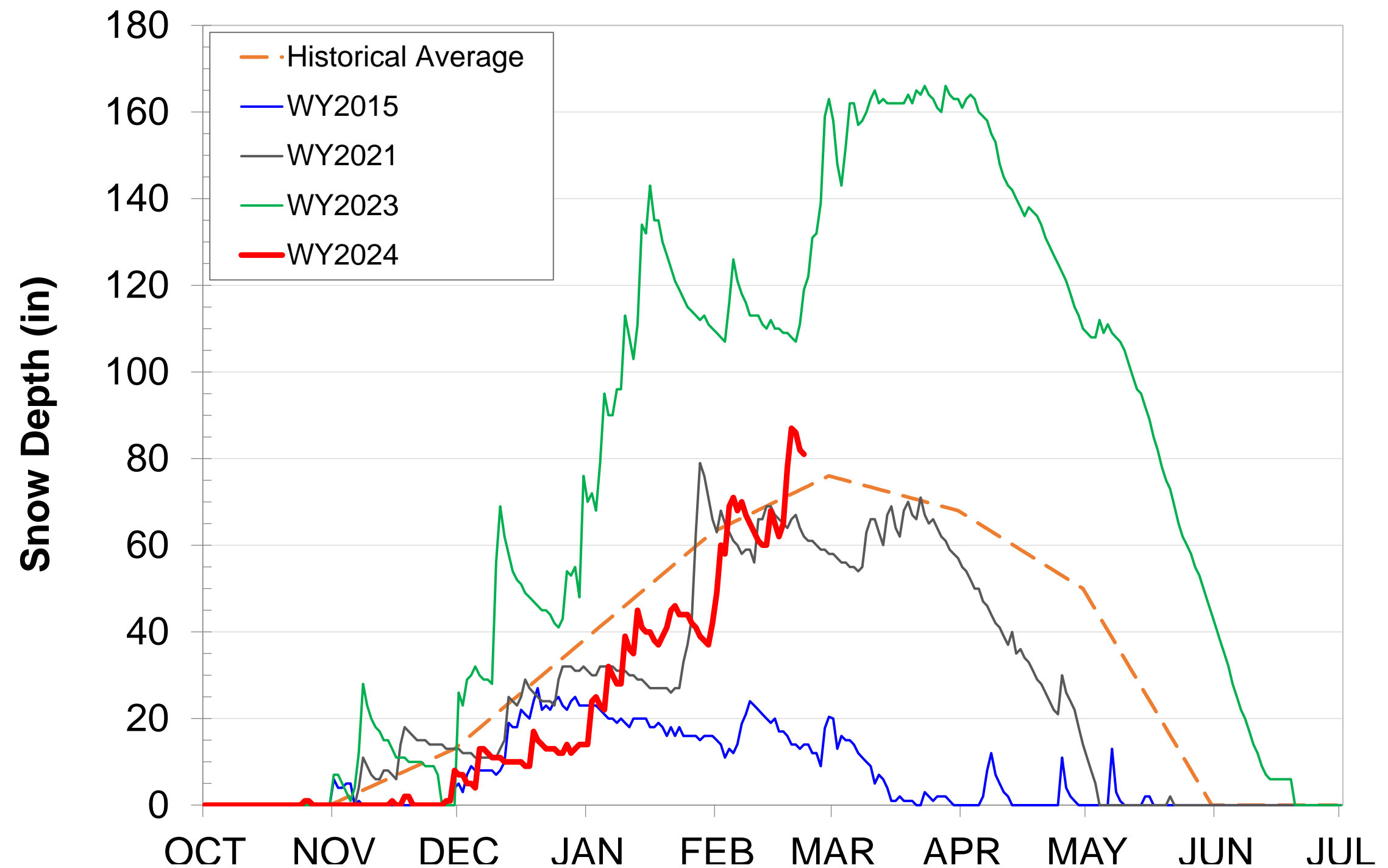
# Caples Lake Snow as of February 22

Snow Depth

81" (111% of average)

Snow Water Content

21.51" (85% of average)

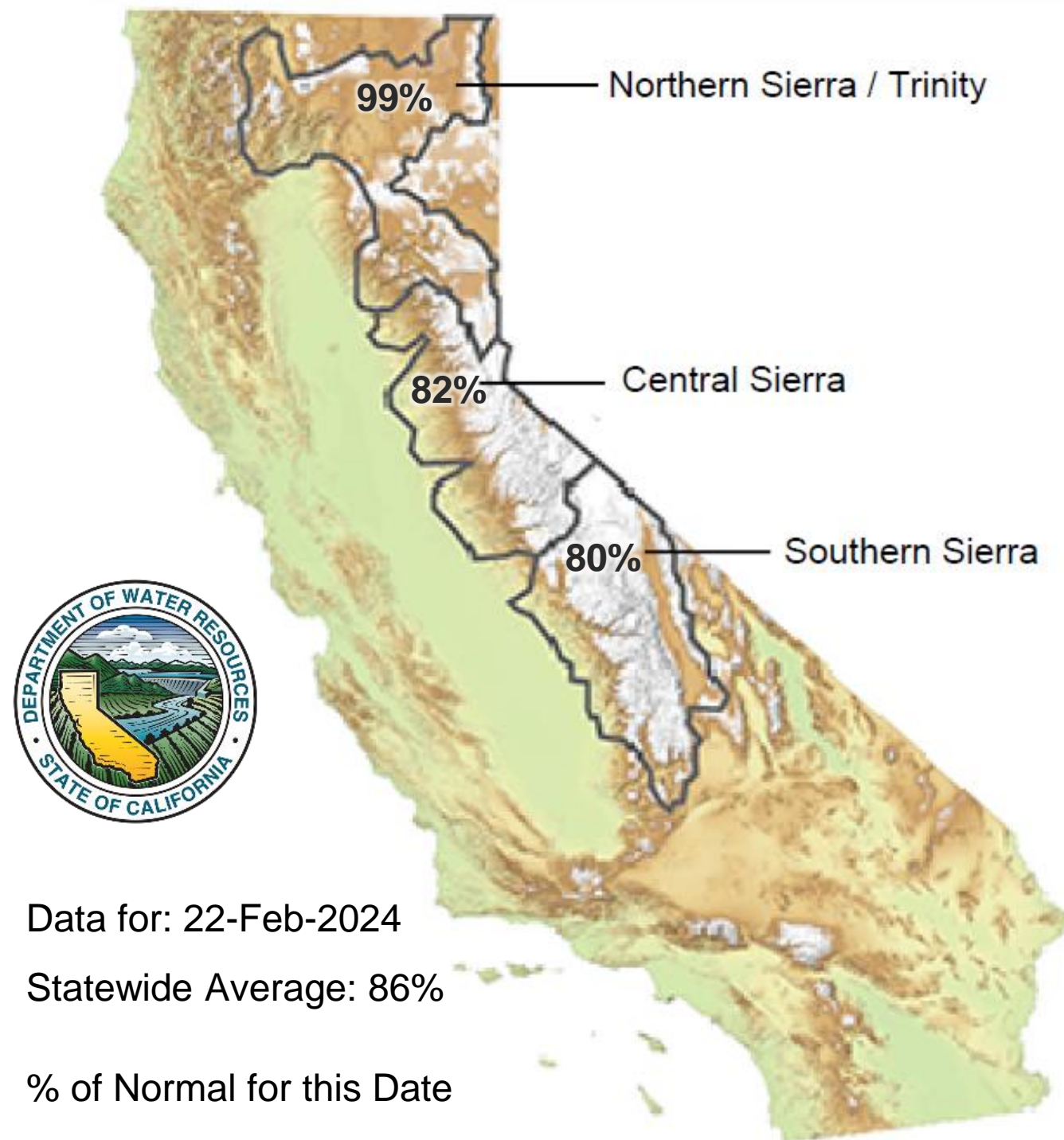


# California Water Supply



# Snowpack as of February 22

Snow Water Equivalent:  
82% in Central Sierra



Data for: 22-Feb-2024

Statewide Average: 86%

% of Normal for this Date



Caples Lake, J. Toone January 2024

# Water Supply Projections

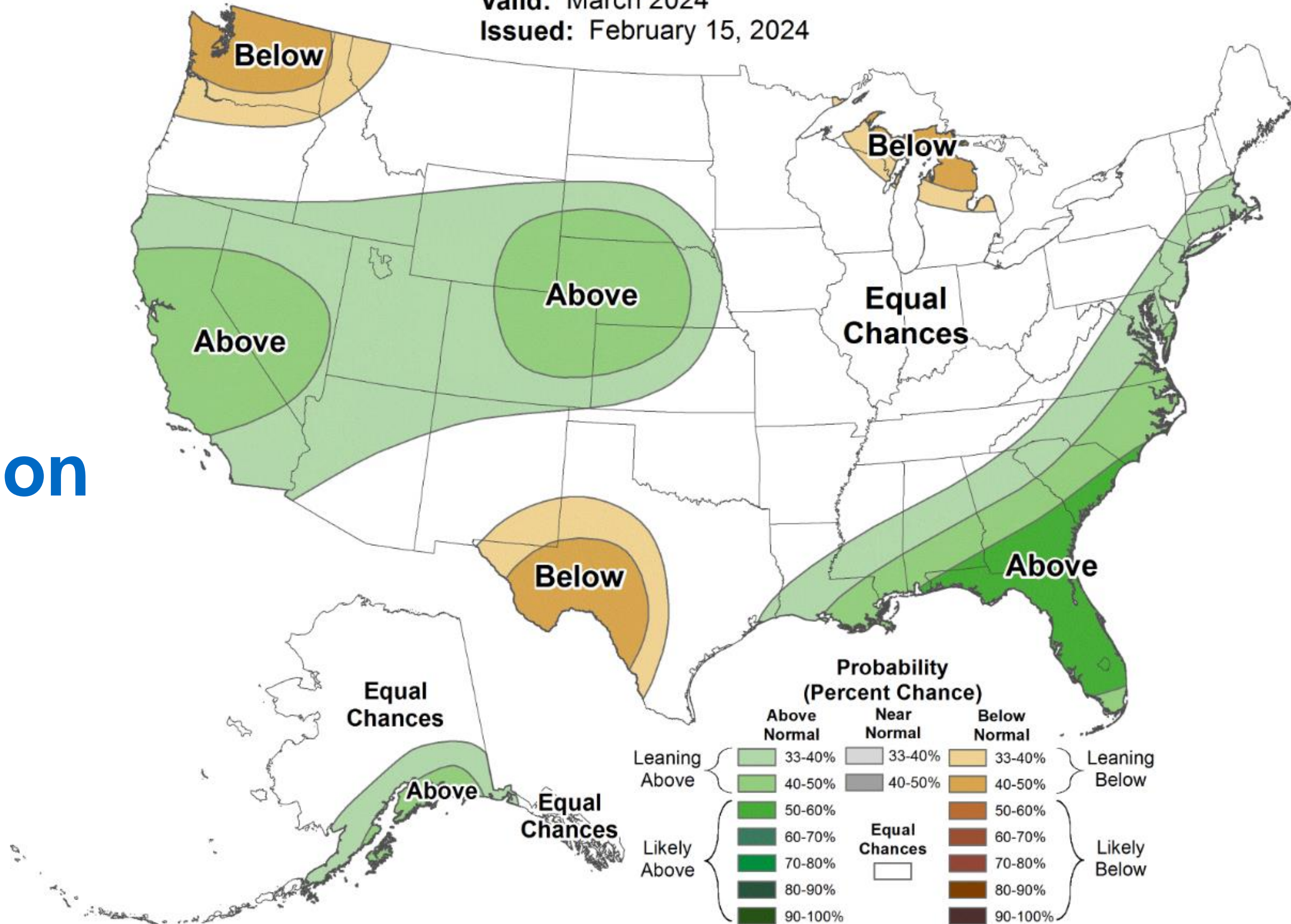


# Monthly Precipitation Outlook



Valid: March 2024  
 Issued: February 15, 2024

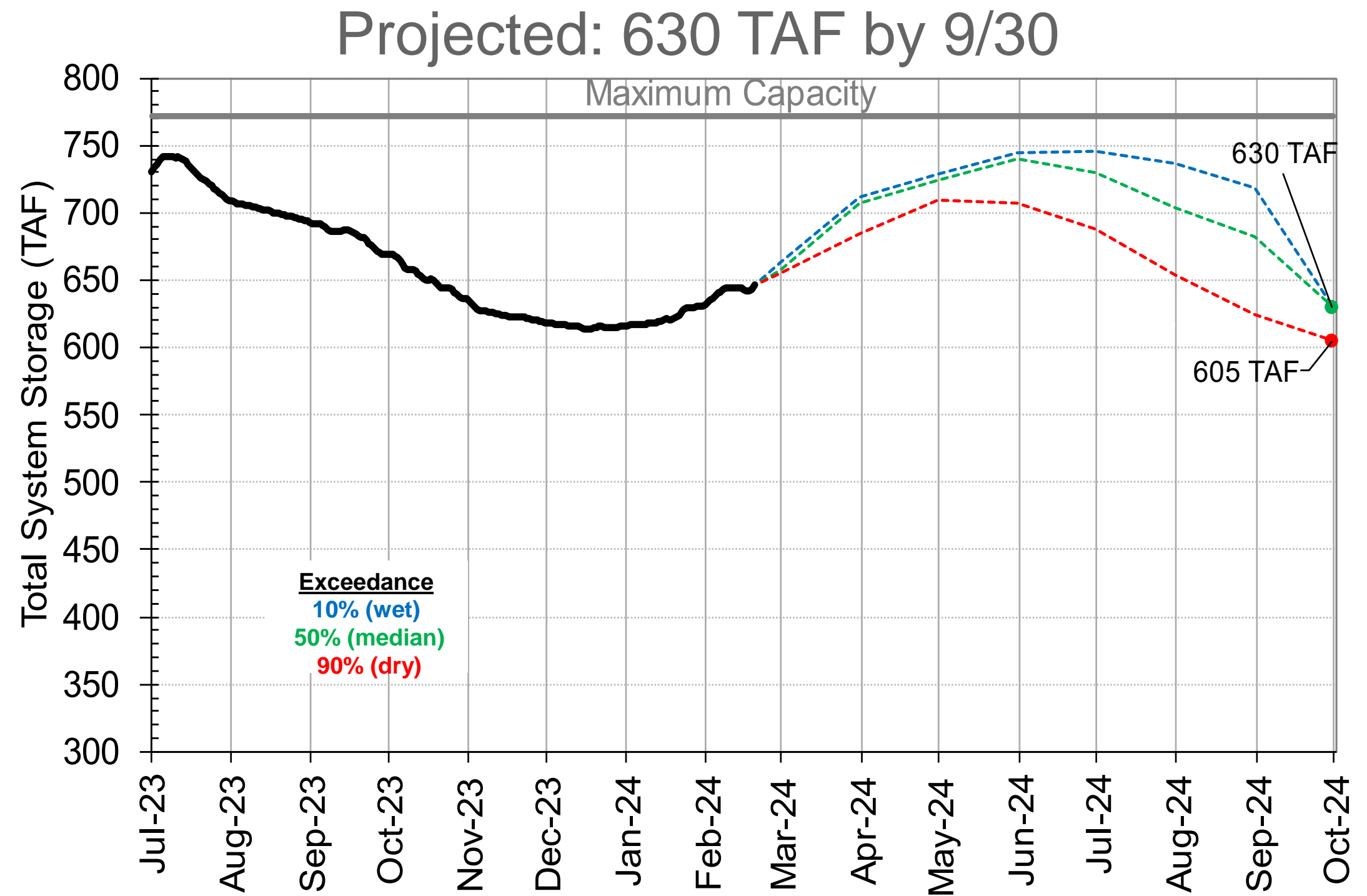
## 30-Day Precipitation Outlook (Climate Prediction Center)



# Total System Storage as of February 22

Current: 651 TAF (112% of Average)

Reservoir	Current Storage, TAF	Percent of Average	Percent of Capacity
Pardee	179	98%	88%
Camanche	333	124%	80%
East Bay	139	105%	92%
<b>Total System</b>	<b>651</b>	<b>112%</b>	<b>84%</b>



TAF: Thousand Acre-Feet

# Questions?



*Camanche Reservoir Release , J. Toone – March 2023*



**FLOWING  
INTO  
THE  
FUTURE**



# Water Supply Update

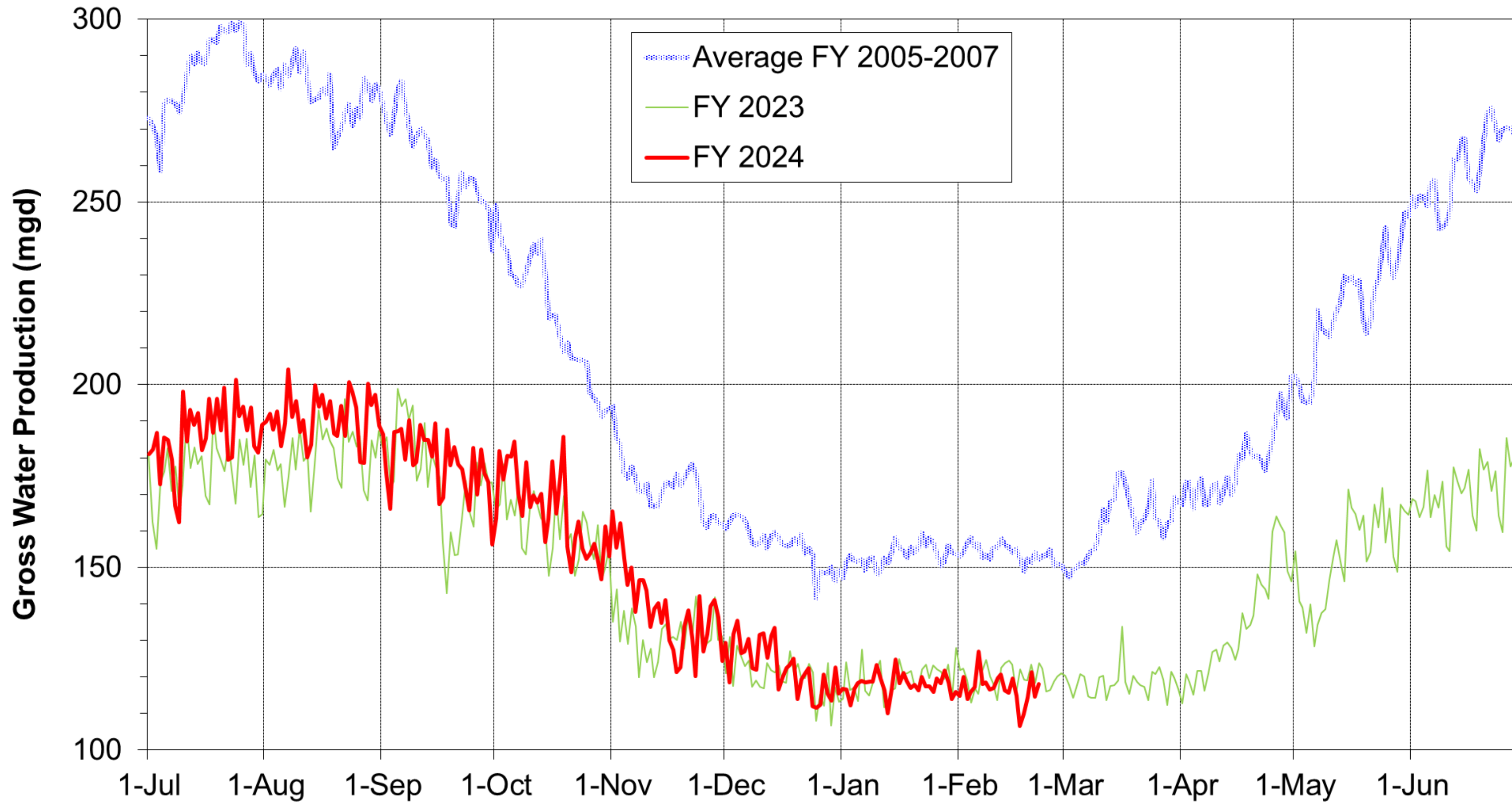
Board of Directors  
February 27, 2024

# Water Supply Briefing

- Current Water Supply
- California Water Supply
- Water Supply Projections

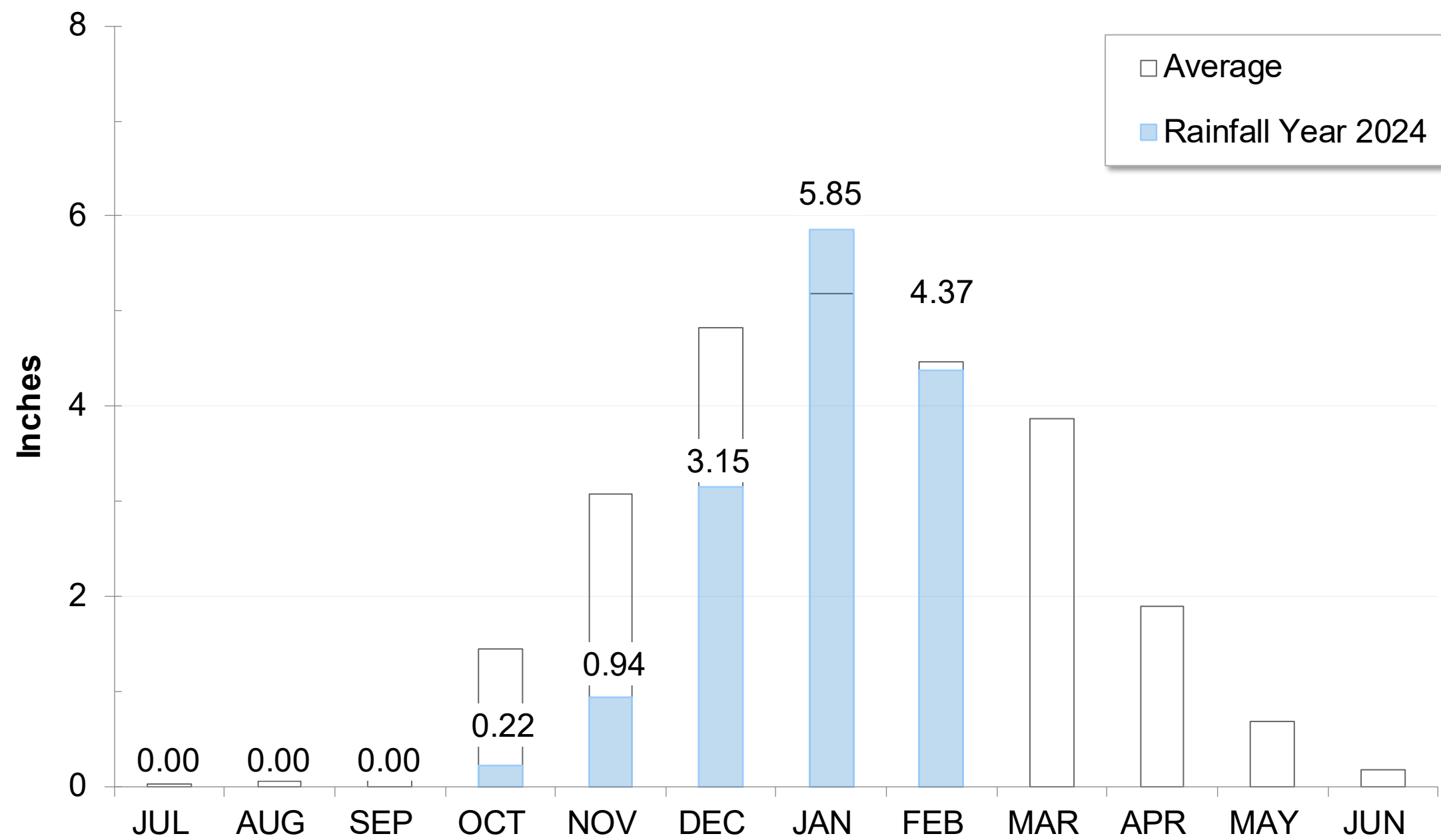
# Current Water Supply

# Gross Water Production



# Precipitation as of February 22

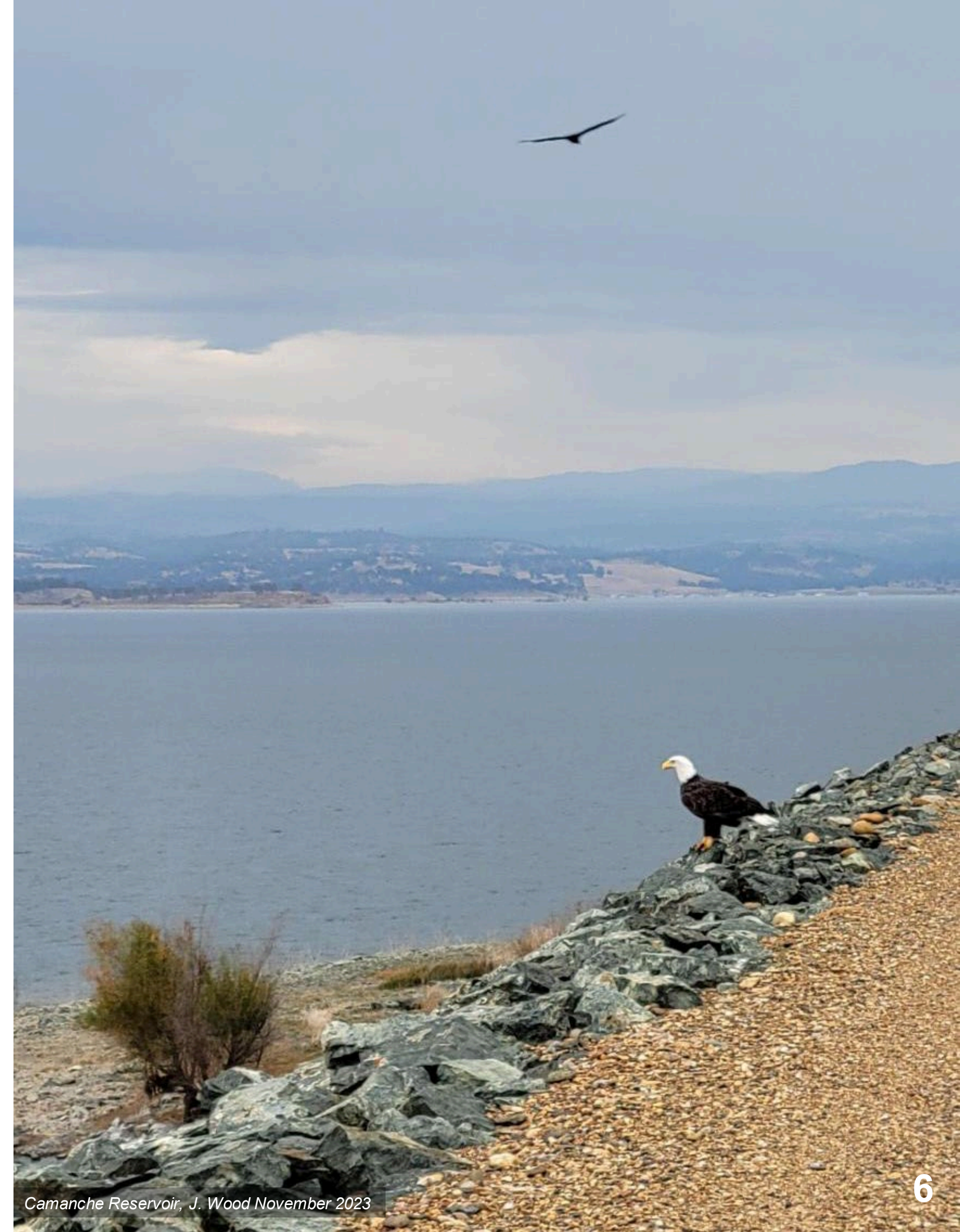
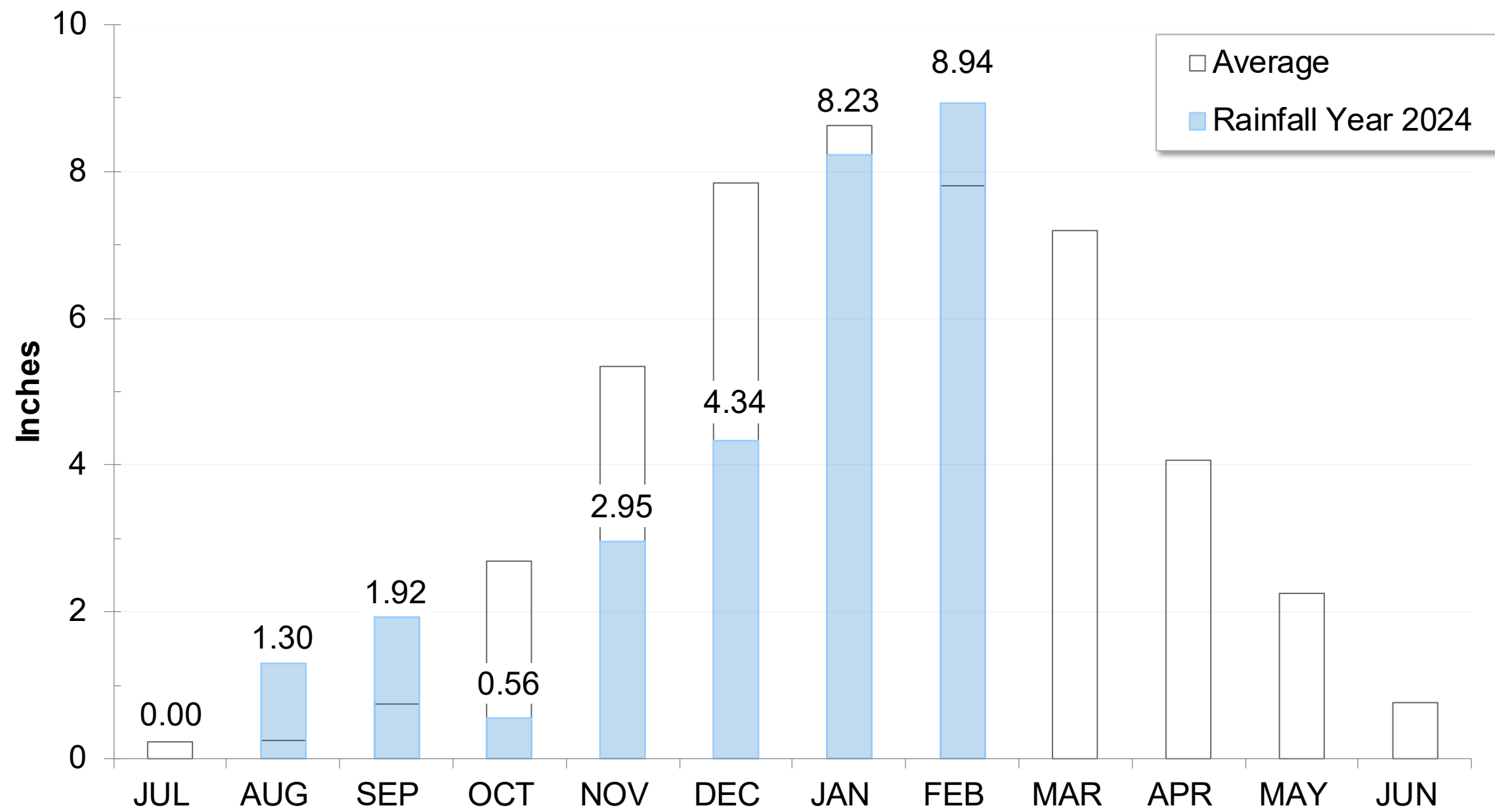
East Bay: 14.53" (77% of average)



San Pablo Reservoir Weather Station, D. Hansen, February 2024

# Precipitation as of February 22

Mokelumne: 28.24" (88% of Average)



Camanche Reservoir, J. Wood November 2023

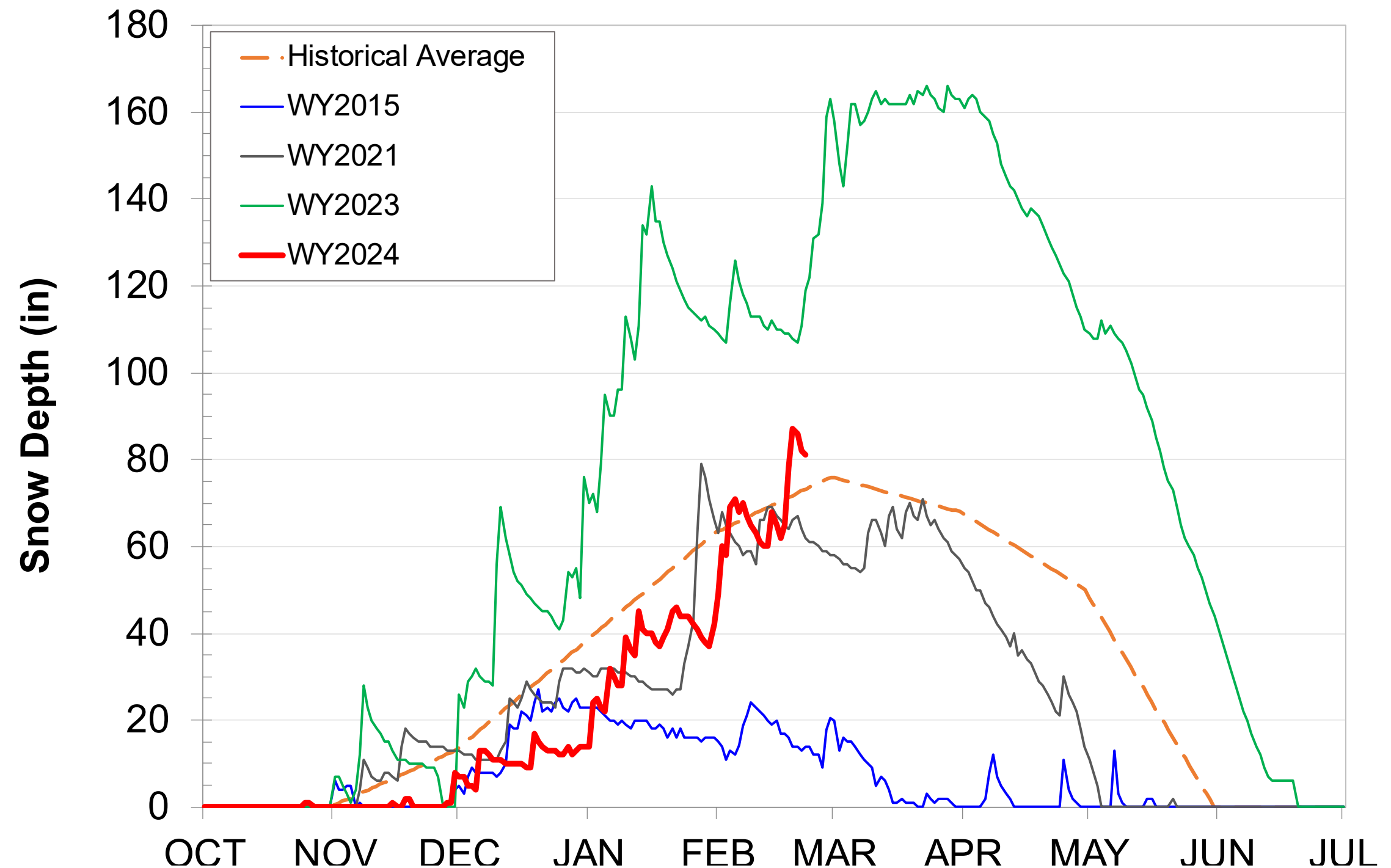
# Caples Lake Snow as of February 22

Snow Depth

81" (111% of average)

Snow Water Content

21.51" (85% of average)

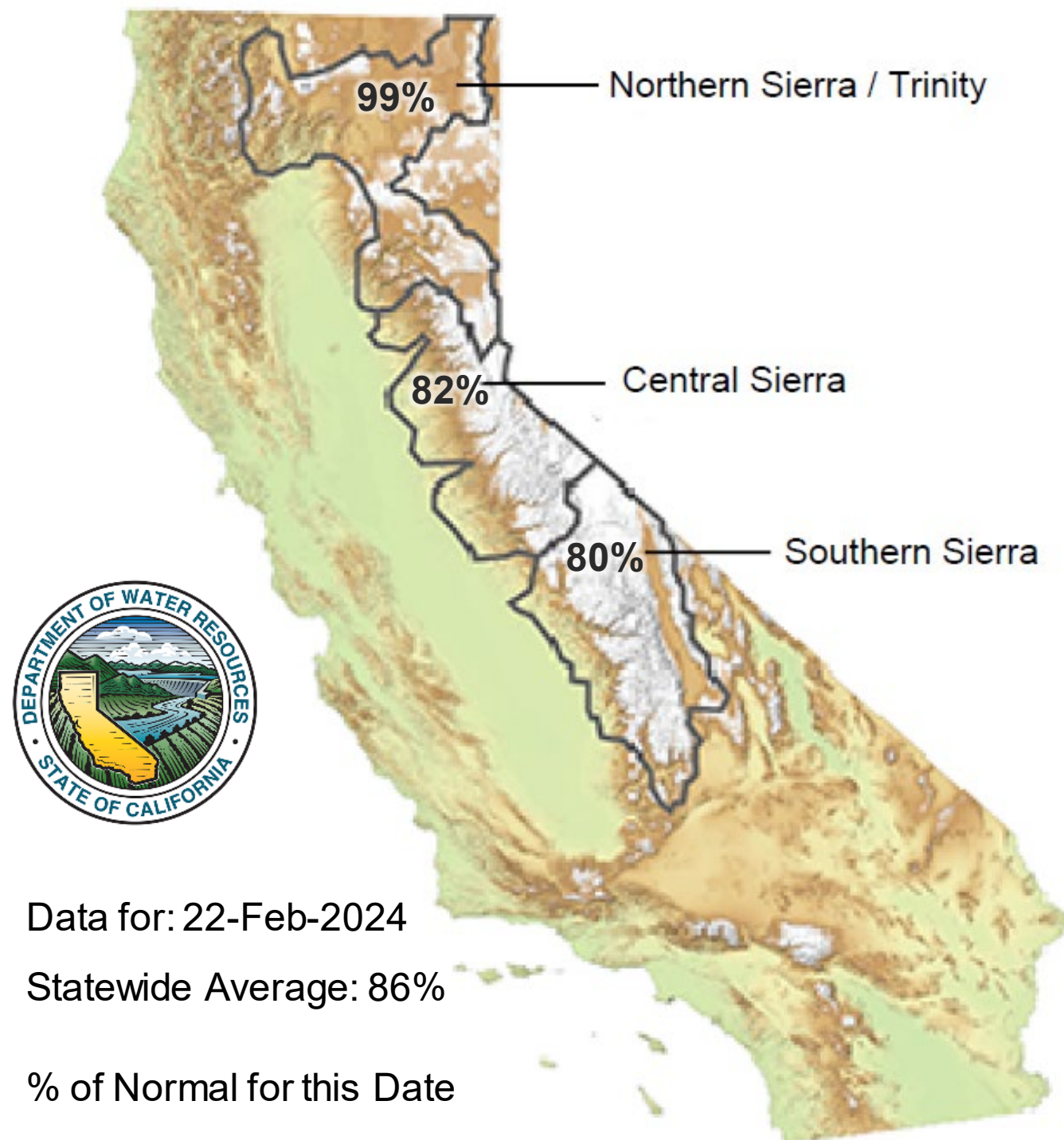


# California Water Supply



# Snowpack as of February 22

Snow Water Equivalent:  
82% in Central Sierra



Data for: 22-Feb-2024

Statewide Average: 86%

% of Normal for this Date



Caples Lake, J. Toone January 2024

# Water Supply Projections

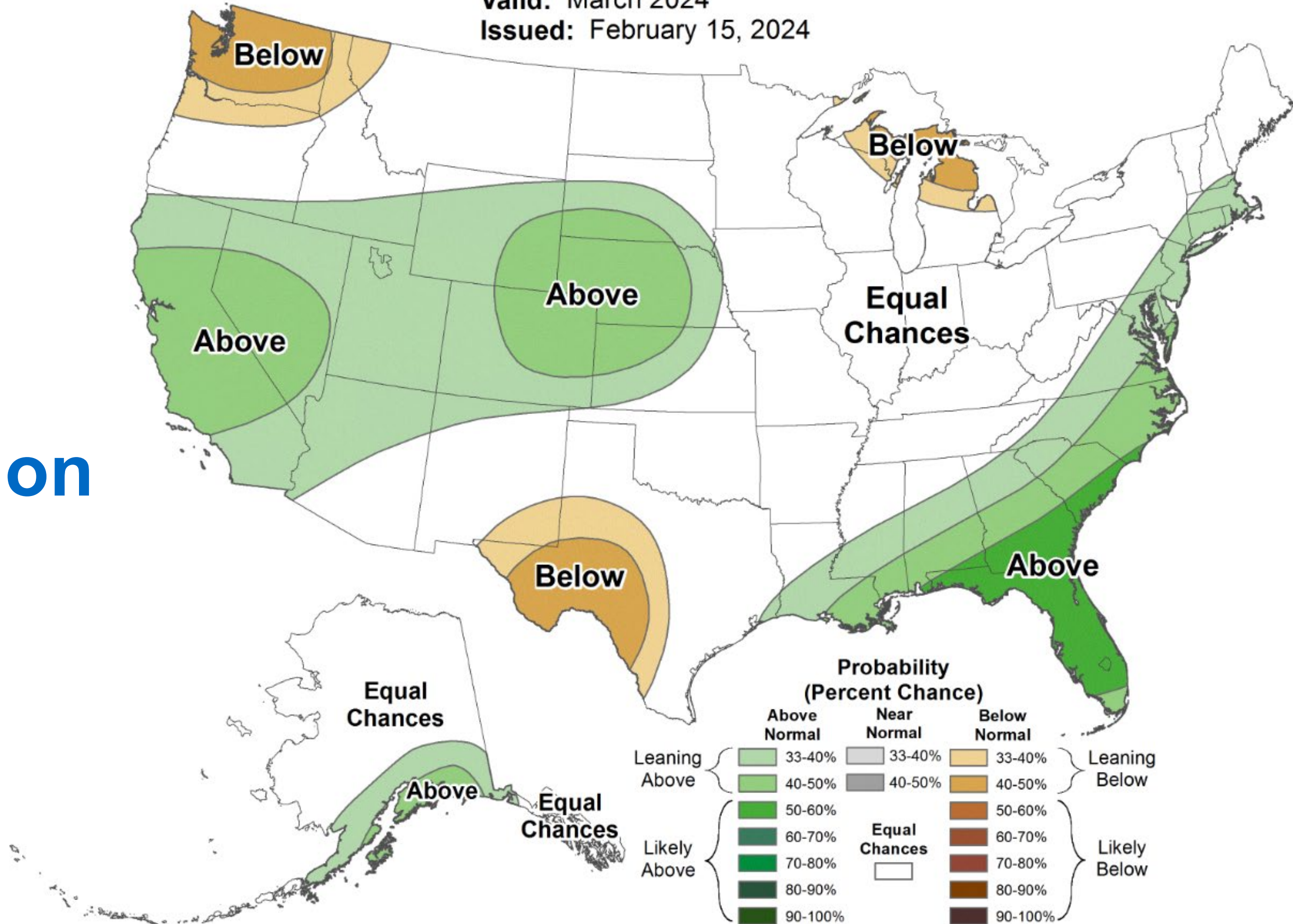


# Monthly Precipitation Outlook



Valid: March 2024  
 Issued: February 15, 2024

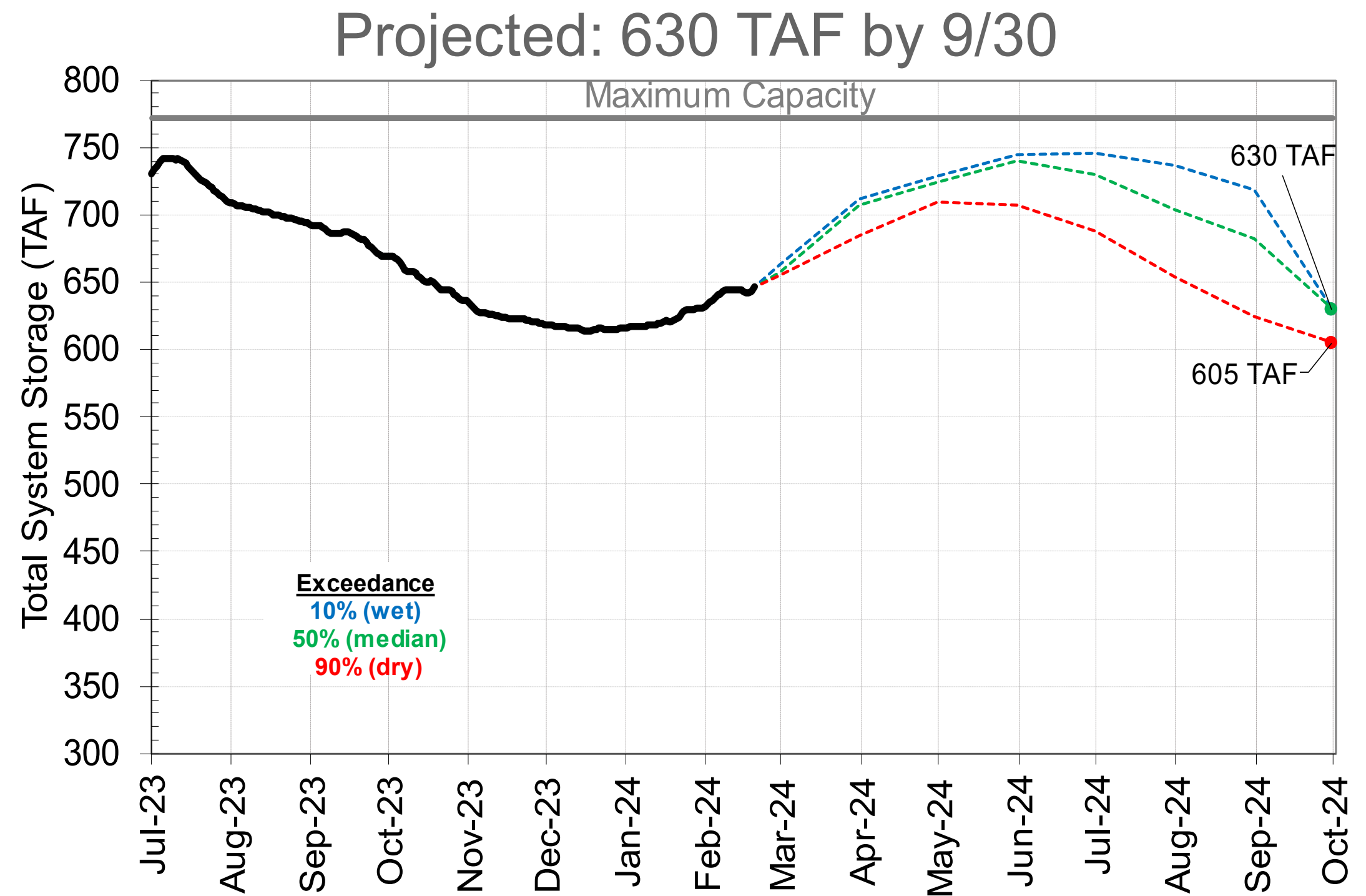
## 30-Day Precipitation Outlook (Climate Prediction Center)



# Total System Storage as of February 22

Current: 651 TAF (112% of Average)

Reservoir	Current Storage, TAF	Percent of Average	Percent of Capacity
Pardee	179	98%	88%
Camanche	333	124%	80%
East Bay	139	105%	92%
<b>Total System</b>	<b>651</b>	<b>112%</b>	<b>84%</b>



TAF: Thousand Acre-Feet

# Questions?



*Camanche Reservoir Release, J. Toone – March 2023*



**FLOWING  
INTO  
THE  
FUTURE**