

# East Bay Municipal Utility District Employees' Retirement System

**Governmental Accounting Standards Board Statement (GASB) 75  
Actuarial Valuation and Review of Other Postemployment Benefits (OPEB)  
for the Health Insurance Benefit Plan measured as of June 30, 2024**

**For Employer Reporting as of June 30, 2025**



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

Copyright © 2025 by The Segal Group, Inc. All rights reserved

**Segal**



180 Howard Street, Suite 1100  
San Francisco, CA 94105-6147  
segalco.com  
T 415.263.8200

March 18, 2025

Ms. Sophia Skoda  
Director of Finance  
East Bay Municipal Utility District  
375 Eleventh Street  
Oakland, CA 94607-4240

Dear Sophia:

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statement 75 Actuarial Valuation based on a June 30, 2024 measurement date for employer reporting as of June 30, 2025. It contains various information that will need to be disclosed in order for the two systems in EBMUD (i.e., Water and Wastewater) to comply with GASB 75.

This report has been prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the East Bay Municipal Utility District Employees' Retirement System (EBMUDERS). The census and financial information on which our calculations were based was prepared by EBMUDERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, EA and Mehdi Riazi, FSA, MAAA, FCA, EA. The health care trend and other related medical assumptions have been reviewed by Mary Kirby, FSA, MAAA, FCA. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions used in this valuation, as approved by the Board, are reasonably related to the experience of and expectations for the Plan.

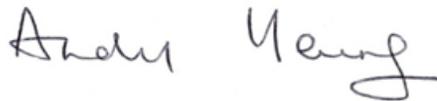
Ms. Sophia Skoda  
March 18, 2025

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal



Andy Yeung, ASA, MAAA, FCA, EA  
Vice President and Actuary



Mehdi Riaz, FSA, MAAA, FCA, EA  
Vice President and Actuary



Mary Kirby, FSA, MAAA, FCA  
Senior Vice President and Chief Health Actuary

TTT/jl

# Table of Contents

Section 1: Actuarial Valuation Summary.....	5
Purpose and basis .....	5
General observations on a GASB 75 Actuarial Valuation .....	5
Highlights of the valuation .....	6
Summary of key valuation results .....	9
Important information about actuarial valuations .....	11
Section 2: GASB 75 Information.....	14
General information about the OPEB plan .....	14
Net OPEB Liability .....	17
Determination of discount rate and investment rates of return .....	19
Sensitivity .....	21
Schedule of changes in Net OPEB Liability.....	22
Schedule of employer contributions – Last ten fiscal years .....	24
Determination of proportionate share .....	27
OPEB expense .....	29
Deferred outflows of resources and deferred inflows of resources .....	32
Schedule of proportionate share of the Net OPEB Liability .....	36
Schedule of reconciliation of Net OPEB Liability .....	39
Schedule of recognition of change in total Net OPEB Liability.....	42
Allocation of changes in total Net OPEB liability.....	46
Section 3: Actuarial Assumptions and Methods and Appendices.....	49
Actuarial assumptions and methods.....	49
Actuarial Assumptions and Methods for Implicit Subsidy Calculation .....	59
Appendix A: Table 1 – Projection of Plan Fiduciary Net Position – for use in the calculation of discount rate as of June 30, 2024....	63
Appendix A: Table 2 – Projection of contributions – Implicit subsidy only.....	66
Appendix A: Table 3 – Projection of contributions and benefit payments – Total.....	67
Appendix B: Definition of terms .....	68

# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report presents the results of our actuarial valuation of East Bay Municipal Utility District Employees' Retirement System (EBMUDERS) OPEB plan as of June 30, 2024, required by Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the Health Insurance Benefit (HIB) or Other Postemployment Benefits (OPEB) Plan, as administered by the Board;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2024, provided by EBMUDERS;
- The assets of the Plan as of June 30, 2024, provided by EBMUD;
- Economic assumptions regarding future salary increases and investment earnings as adopted by the Board for the June 30, 2024 valuation; and
- Other (health and non-health) actuarial assumptions, regarding employee terminations, retirement, death, health care trend and enrollment, etc. adopted by the Board for the June 30, 2024 valuation.

## General observations on a GASB 75 Actuarial Valuation

1. The GASB rules only define OPEB liability and expenses for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plan still develop and adopt funding policies under current practices.
2. When measuring OPEB liability, GASB uses the same actuarial cost method (Entry Age) for benefits that are being funded on an actuarial basis<sup>1</sup> and the same expected return on assets as EBMUDERS uses for funding. This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on the same basis as EBMUDERS' Actuarial Accrued Liability (AAL) measure for funding with the exception discussed below on the "implicit subsidy". We note that the same is true for the Normal Cost component of the annual plan cost for funding and financial reporting, again with the exception discussed below on the "implicit subsidy".

<sup>1</sup> The \$450/\$550 HIB subsidy has been funded on an actuarial basis.

## Section 1: Actuarial Valuation Summary

- a. Pursuant to Paragraph 33 of GASB Statement No. 75, projected benefit payments should be based on claims costs or age adjusted premiums approximating claims costs. In effect, GASB requires employers, such as EBMUD, that pool health insurance premium rates for actives and retirees under age 65, to calculate on an accrual basis the liability associated with such pooled premiums for retirees under age 65. That liability, referred to as the implicit subsidy, is included in this valuation in addition to the liability for the \$450/\$550 subsidy.
  - b. Pursuant to Paragraph 36 of GASB Statement No. 75 and based on our understanding of subsequent guidance provided in Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, OPEB plans that are not being fully funded on an actuarial basis (such as the implicit subsidy component of the HIB for EBMUDERS that are being paid on a pay-as-you go basis) are required to go through a cross-over test in determining the discount rate that would be used in the valuation.
3. The Net OPEB Liability (NOL) is equal to the difference between the TOL and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the market value of assets and therefore, the NOL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis with the exception of valuing the implicit subsidy. The NOL reflects all investment gains and losses as of the measurement date. This is different from the UAAL on an actuarial value of assets basis in the funding valuation that reflects investment gains and losses over a five-year period.

### Highlights of the valuation

1. For GASB 75 reporting as of June 30, 2025, the NOL was measured as of June 30, 2024 as determined from the actuarial valuation as of June 30, 2024. The Plan Fiduciary Net Position (plan assets) and the TOL were valued as of the measurement date. Consistent with the provisions of GASB 75, the assets and liabilities measured as of June 30, 2024 are not adjusted or rolled forward to the June 30, 2025 reporting date.
2. The NOL has decreased from \$132.4 million as of June 30, 2023 to \$118.5 million as of June 30, 2024. The decrease in NOL was primarily the result of updating the discount rate from 5.23% to 5.58% (see item #6) and from the effect of various assumption changes made. This decrease in liability was slightly offset by a liability increase resulting from premium updates. The premium increases had very little impact on the plan's fixed future explicit subsidies but resulted in a slightly higher liability attributable to future implicit subsidies. Changes in these values during the last two fiscal years ending June 30, 2023 and June 30, 2024 can be found in Section 2, Schedule of Changes in Net OPEB Liability on page 22.
3. There was a decrease in the total employer OPEB expense from \$10.3 million calculated last year to \$8.8 million calculated this year mainly due to the new amortization bases resulting from this year's discount rate and various assumption changes and investment gains.

## Section 1: Actuarial Valuation Summary

4. The following assumptions were changed since the prior valuation:
  - The discount rate increased from 5.23% to 5.58%. This change decreased the TOL. The increase to the blended discount rate was primarily due to the increase in the 20-year municipal bond rate from 3.65% to 3.93% and the favorable investment returns during FYE24, which extended the cross-over date.
  - As approved by the Board, the applicable assumptions presented in the Actuarial Experience Study Report for the period July 1, 2020 through June 30, 2024 (report dated November 13, 2024) were applied and used beginning with this June 30, 2024 valuation. These same assumptions were also used in the June 30, 2024 Funding actuarial valuation. These assumption changes decreased the TOL. Note that this valuation incorporates a lower spousal participation assumption for the implicit subsidy compared to the explicit subsidy. The new assumptions increased the actuarial accrued liability in this year's funding report but decreased the TOL in this year's GASB report because of the lower implicit subsidy spousal participation assumption that only applies to the GASB valuation.
  - The estimated per capita retiree claims costs and associated trend assumptions were updated to reflect 2025 calendar year premiums and updated trend assumptions for 2026 and after. The updated claims and associated trend assumptions had a combined impact of increasing the TOL.
  - The average HIB for future retirees was updated. This change had a very minor impact.
5. Following the method outlined in the above-mentioned Implementation Guide, we have calculated a discount rate of 5.58% instead of 6.75% used in the June 30, 2024 funding valuation. The discount rate used to determine the TOLs and NOLs as of June 30, 2024 and 2023 were 5.58% and 5.23%, respectively. The detailed calculations used in the derivation of the "cross-over date" to determine the discount rate of 5.58% used in the calculation of the TOL and NOL as of June 30, 2024 can be found in Appendix A of Section 3. Various other information that is required to be disclosed can be found throughout Section 2.
6. The discount rate is a blend of the assumed investment return on Plan assets (e.g. 6.75% for the June 30, 2024 valuation) and the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (e.g. 3.93% as of June 30, 2024<sup>1</sup>). Because EBMUDERS is not prefunding the implicit subsidy, Plan assets, when projected in accordance with the method prescribed by GASB 75, are expected to be sufficient to make benefit payment through June 30, 2051 (the projected beginning balance at July 1, 2051 is less than the projected benefit payments for the 2051/2052 year, before including projected contributions for the year). Projected benefit payments are discounted by the Plan investment return assumption of 6.75% until June 30, 2051. Benefit payments after June 30, 2051 are then discounted by the 20-year municipal bond rate of 3.93%. The 5.58% discount rate used in this valuation is the blended discount rate reflecting benefits discounted by the Plan investment return assumption rate and the bond rate.

<sup>1</sup> The comparable rate was 3.65% in the last valuation as of June 30, 2023.

## Section 1: Actuarial Valuation Summary

7. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2024. The employer should consult with their auditor to determine the deferred outflow that should be created for these contributions.
8. The NOL as of June 30, 2024 and June 30, 2023 is allocated to the two systems in EBMUD (i.e., Water System and Wastewater System) based on the actual employer contributions. The steps we used are as follows:
  - a. Calculate the ratio of the system's contributions to the total contributions for the two systems in EBMUD.
  - b. This ratio is multiplied by the NOL for the two systems in EBMUD to determine the employer's proportionate share of the NOL for the two systems.

The proportionate share of the total plan NOL is then the ratio of the system's total allocated NOL to the total NOL of both systems. The NOL allocation can be found in Section 2, Determination of proportionate share on pages 27-28.

## Section 1: Actuarial Valuation Summary

### Summary of key valuation results

Valuation Result	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025 <sup>1</sup>	June 30, 2024 <sup>2</sup>
Measurement date	June 30, 2024	June 30, 2023
<b>Disclosure elements for fiscal year ending June 30:</b>		
• Total OPEB Liability	\$189,880,139	\$193,546,328
• Plan Fiduciary Net Position (Assets)	71,420,000	61,165,000
• Net OPEB Liability	118,460,139	132,381,328
• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	37.61%	31.60%
• OPEB expense	8,832,749	10,311,065
• Service cost <sup>3</sup>	5,864,684	5,088,059
<b>Schedule of contributions for fiscal year ending June 30:</b>		
• Actuarially Determined Contributions	\$12,231,000	\$11,420,000
• Actual contributions	12,231,000	11,420,000
• Contribution deficiency / (excess)	0	0
<b>Demographic data for plan year ending June 30:</b>		
• Number of retired members and beneficiaries receiving a health subsidy	1,915	1,870
• Number of vested terminated members	407	381
• Number of active members	1,974	1,955

<sup>1</sup> The valuation date and measurement date for the plan are June 30, 2024.

<sup>2</sup> The valuation date and measurement date for the plan are June 30, 2023.

<sup>3</sup> The service cost is based on the previous year's valuation, meaning the June 30, 2024 and June 30, 2023 measurement date values are based on the valuation as of June 30, 2023 and June 30, 2022, respectively.

## Section 1: Actuarial Valuation Summary

Valuation Result	Current	Prior
<b>Key assumptions as of June 30,</b>		
• Discount rate	5.58%	5.23%
• Health care premium trend rates:		
– Non-Medicare medical plans	Actual premium increases for 2024-2025, then 7.125% graded down to 4.50% over 11 years	Actual premium increases for 2023-2024, then 7.375% graded down to 4.50% over 12 years
– Medicare medical plans	Actual premium increases for 2024-2025, then 6.875% graded down to 4.50% over 10 years	Actual premium increases for 2023-2024, then 6.375% graded down to 4.50% over 8 years
• Health Insurance Benefit (HIB) subsidy increase	0.00%	0.00%

### Note to footnote 3 from preceding page:

The June 30, 2023 service cost has been calculated using the following assumptions as of June 20, 2022:

- Discount rate 5.35%
- Health care premium trend rates:
  - Non-Medicare medical plan Actual premium increases for 2022-2023, then 7.125% graded down to 4.50% over 11 years
  - Medicare medical plan Actual premium increases for 2022-2023, then 6.125% graded down to 4.50% over 7 years
  - Health Insurance Benefit subsidy 0.00%

## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	The valuation is based on the market value of assets as of the valuation date, as provided by the System.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on 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 rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a

## Section 1: Actuarial Valuation Summary

Input Item	Description
<b>Models</b>	<p>significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.</p> <p>Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.</p> <p>The blended discount rate used for calculating Total OPEB Liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of Fiduciary Net Position and the discounting of benefits is part of the model.</p> <p>Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.</p>

The user of Segal’s actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. It includes information for compliance with accounting standards and for the plan’s auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan’s future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.

## Section 1: Actuarial Valuation Summary

- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.

# Section 2: GASB 75 Information

## General information about the OPEB plan

**Plan administration.** The East Bay Municipal Utility District (the District) Employees' Retirement System (EBMUDERS or the System) was established in 1937 to administer a single-employer, contributory, defined benefit OPEB plan (the OPEB Plan). The System provides retirement, disability, survivorship, and post-employment health insurance benefits<sup>1</sup> for eligible directors, officers, and employees of the District. The System is administered by a Retirement Board composed of three members appointed by the board of directors of the District, two members elected by and from the active membership, and one (nonvoting) member elected by and from the retired membership of the System. Retirement Ordinance No. 40 (Ordinance) assigns the authority to establish Plan benefit provisions to the District's board of directors. It should be noted that there are two systems in EBMUDERS (i.e., Water System and Wastewater System).

The System is exempt from the regulations of the Employee Retirement Income Security Act of 1974. The System is also exempt from federal income taxes and California franchise taxes.

The System is an integral part of the District and the District appoints the majority of the Retirement Board of the System and provides for most of its funding. Accordingly, the System's operations have been reported as a Pension and Other Employee Benefit Trust Fund in the District's basic financial statements.

**Plan membership.** All regular full-time employees of the District are members of the Plan, in addition to certain job share and intermittent employees. Eligible employees become members on the first day they are physically on the job. At June 30, 2024, OPEB Plan membership consisted of the following:

Membership	Headcount
Retired members or beneficiaries currently receiving benefits	1,915
Vested terminated members entitled to but not yet receiving benefits <sup>2</sup>	407
Active members	1,974
<b>Total</b>	<b>4,296</b>

<sup>1</sup> The liabilities and expenses associated with providing retirement, disability and survivorship benefits are reportable under GASB Statements 67 and 68. They have not been included in this report.

<sup>2</sup> Includes inactive members due a refund of Pension Plan member contributions.

## Section 2: GASB 75 Information

**Benefits provided.** EBMUDERS provides post-employment health insurance benefits to eligible employees.

There are two tiers in effect currently, the 1955/1980 Plan and the 2013 Tier. Employees who became members of the retirement system prior to January 1, 2013, or who have reciprocal membership are in the 1955/1980 Plan. Employees who became members on or after January 1, 2013 are in the 2013 Tier.

1955/1980 Plan members may elect voluntary service retirement upon attaining the age of 54 and completing 5 years of continuous full-time employment.

2013 Tier members may elect voluntary reduced service retirement upon attaining the age of 52 and completing 5 years of continuous full-time employment.

Members may receive disability retirement benefits prior to age 65 if the member is determined to be physically or mentally incapacitated, provided the member has 8 or more years of continuous full-time employment.

Death benefits are payable to the eligible beneficiary of a member who dies before retirement. Survivorship benefits are payable to the spouse/domestic partner of a member who dies after retirement, or who was eligible but had not retired from service, provided the spouse/domestic partner was married to/established domestic partnership with the member at the date of retirement and for at least one year prior to the member's death.

The District provides post-employment health benefits assistance (administered by the Employees' Retirement System) for employees who retire from the District or their surviving spouses. As of June 30, 2024 there were 1,915 participants receiving these health care benefits.

## Section 2: GASB 75 Information

Effective July 1, 1996, a 20-year vesting schedule for full benefits was implemented for all new participants with a lesser benefit paid for less than 20 years of service. Effective January 1, 1999, retired members who had separated from the District prior to their retirement and who had at least 5 years of service also became eligible for the post-employment health benefits based on the same sliding scale. The scale provides for 25% of healthcare benefits for service from 5 through 10 years, 50% of healthcare benefits for service from 10 to 15 years, 75% of healthcare benefits for service from 15 through 20 years, and 100% of healthcare benefits for service of 20 years or more. Effective July 1, 2003, the District reimburses up to \$450 per month (\$550 per month effective July 1, 2004, for members with a spouse or registered domestic partner) for any health, dental, or long-term care insurance premiums paid by the retiree for themselves, current spouse, or domestic partner, or any health, dental, or long-term care insurance premiums paid by the eligible surviving spouse of a retiree. These benefits are paid from a separate post-employment healthcare benefits fund which up until June 17, 2002, was advance funded entirely by the District on an actuarially determined basis without considering the implicit subsidy. Cash reimbursement of these benefits totaled \$9,824,000 in the year ended June 30, 2024. Effective June 18, 2002, a portion of the post-employment healthcare benefit costs is recovered through employee contributions.

The District contributes to the Plan based upon actuarially determined contribution rates adopted by the Retirement Board. Employer contribution rates are adopted annually based upon recommendations received from EBMUDERS' actuary (Segal) after the completion of the annual actuarial valuation. The average employer contribution rate (not reflecting any estimated implicit subsidies) as of June 30, 2024 for 2023-2024 (based on contribution rates adopted for the June 30, 2022 valuation) was 4.63% of pensionable compensation.

All members are required to make contributions to EBMUDERS regardless of the OPEB Plan or tier in which they are included. The average member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 0.09% of pensionable compensation.

## Section 2: GASB 75 Information

### Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
Total OPEB Liability	\$189,880,139	\$193,546,328
Plan Fiduciary Net Position	<u>(71,420,000)</u>	<u>(61,165,000)</u>
Net OPEB Liability	\$118,460,139	\$132,381,328
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	37.61%	31.60%

The Net OPEB Liability (NOL) was measured as of June 30, 2024 and 2023. The Plan Fiduciary Net Position (plan assets) was valued as of the measurement date, while the Total OPEB Liability (TOL) was determined based upon the results of the funding actuarial valuations as of June 30, 2024 and 2023, respectively, with the following exceptions:

- Discount rate has been calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASB 75 and Illustration 2 of Implementation Guide No. 2017-2, Financial Reporting Postemployment Benefit Plans Other Than Pension Plans.
- The implicit subsidy benefit payments are valued based on the age-based costs, which are provided for sample ages in Section 3, Actuarial Assumptions and Methods for Implicit Subsidy Calculation. In addition, separate spousal participation assumptions are used to model the implicit subsidies compared to those used to model the explicit subsidies.

**Plan Provisions.** The plan provisions used in the measurement of the TOL as of June 30, 2024 and 2023 are the same as those used in the EBMUDERS funding valuations as of June 30, 2024 and 2023, respectively.

**Actuarial assumptions.** The TOL as of June 30, 2024 was measured by an actuarial valuation as of June 30, 2024. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an experience study (dated November 13, 2024) for the period from July 1, 2020 through June 30, 2024, and the Retiree Health assumptions letter (dated November 14, 2024). These are the same as the assumptions used in the June 30, 2024 funding actuarial valuation for EBMUDERS except the discount rate is calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASB 75, and implicit subsidy benefit payments are valued based on the age-based costs and separate spousal participation assumptions. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

## Section 2: GASB 75 Information

Assumption Type	Assumption
Inflation	2.50%
Salary increases:	
• 1955/1980 Plan	Ranges from 9.25% to 3.75% based on time from hire, including inflation and real “across the board” salary increases
• 2013 Tier	Ranges from 9.50% to 3.75% based on time from hire, including inflation and real “across the board” salary increases
Discount rate	5.58%, net of OPEB Plan investment expense, including inflation
Spousal Participation	Explicit HIB spouse subsidies: 75% of males and 50% of females Implicit health plan spouse subsidies: 50% of males and 30% of females
Other assumptions	Same as those used in the June 30, 2024 funding actuarial valuation
Medical cost trend rates:	
• Non-Medicare medical plans	Actual premium increases for 2024-2025, then 7.125% graded down to 4.50% over 11 years.
• Medicare medical plans	Actual premium increases for 2024-2025, then 6.875% graded down to 4.50% over 10 years

The TOL as of June 30, 2023 was measured by an actuarial valuation as of June 30, 2023. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an experience study (dated November 12, 2020) for the period from July 1, 2016 through June 30, 2020, the June 30, 2022 Economic Assumptions Review report (dated November 8, 2022), and the Retiree Health assumptions letter (dated November 10, 2023). They are the same as the assumptions used in the June 30, 2023 funding actuarial valuation for EBMUDERS except the discount rate is calculated as a blend of the investment return on plan assets and municipal bond rate in accordance with GASB 75, and implicit subsidy benefit payments are valued based on the age-based costs. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Assumption Type	Assumption
Inflation	2.50%
Salary increases	Ranges from 9.25% to 3.75% based on time from hire, including inflation and real “across the board” salary increases
Discount rate	5.23%, net of OPEB Plan investment expense, including inflation
Spousal Participation	70% of males and 35% of females
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation
Medical cost trend rates:	
• Non-Medicare medical plans	Actual premium increases for 2023-2024, then 7.375% graded down to 4.50% over 12 years.
• Medicare medical plans	Actual premium increases for 2023-2024, then 6.375% graded down to 4.50% over 8 years

## Section 2: GASB 75 Information

### Determination of discount rate and investment rates of return

The 6.75% long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2024 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2024, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These returns were used in the derivation of the 6.75% long-term expected investment rate of return assumption for the actuarial valuation as of June 30, 2024. This information is subject to change every four years based on the actuarial experience study, or every two years based on the interim economic actuarial assumptions study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Domestic Large Cap Equity	32.55%	5.80%
Domestic Small Cap Equity	2.45%	6.59%
Developed International Large Cap Equity	18.00%	6.44%
Emerging Market Equity	7.00%	8.32%
Core Bonds	20.00%	2.27%
High Yield Bonds	7.50%	4.62%
Bank Loans	5.00%	4.43%
Real Estate	2.50%	4.54%
Private Debt	5.00%	6.63%
<b>Total</b>	<b>100.00%</b>	<b>5.26%</b>

**Municipal Bond Rate.** 3.93% based on the 20-year municipal bond rate for the Bond Buyer 20-Bond GO Index as of June 30, 2024

## Section 2: GASB 75 Information

**.Discount rate.** The discount rates used to measure the Total OPEB Liability were 5.58% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates for the \$450/\$550 HIB Subsidy excluding the implicit subsidy that will continue to be paid on a pay-as-you go basis. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Only the implicit subsidies for current members were included as employer contributions since the employer is funding the implicit subsidy on a pay-as-you go basis<sup>1</sup>. Based on those assumptions, the OPEB Plan's assets were projected to be sufficient to make projected future benefit payments for current plan members through June 30, 2051. Payments after that date would be funded by employer assets. Therefore, the long-term expected rate of return on OPEB Plan investments (6.75%) was applied to periods of projected benefit payments through June 30, 2051, and the 20-year municipal bond rate (3.93%) was applied to periods after June 30, 2051 to determine the Total OPEB Liability.

<sup>1</sup> See Section 3, Appendix A for derivation

## Section 2: GASB 75 Information

### Sensitivity

**Sensitivity of the Net OPEB Liability (NOL) to changes in the discount rate.** The following presents the NOL of EBMUDERS as of June 30, 2024, calculated using the discount rate of 5.58%, as well as what EBMUDERS NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (4.58%) or 1-percentage-point higher (6.58%) than the current rate:

Item	1% Decrease (4.58%)	Current Discount Rate (5.58%)	1% Increase (6.58%)
Water System	\$117,605,976	\$101,191,361	\$87,150,240
Wastewater System	20,070,009	17,268,778	14,872,596
<b>Total for the City</b>	<b>\$137,675,985</b>	<b>\$118,460,139</b>	<b>\$102,022,836</b>

Sensitivity of the NOL to changes in the trend rate (only applied to implicit subsidy and not the \$450/\$550 cash subsidy). The following presents the NOL of EBMUDERS as of June 30, 2024, calculated using the current trend rates as well as what EBMUDERS NOL would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Item	1% Decrease	Current Trend <sup>1</sup>	1% Increase
Water System	\$97,992,568	\$101,191,361	\$104,878,261
Wastewater System	16,722,889	17,268,778	17,897,965
<b>Total for the City</b>	<b>\$114,715,457</b>	<b>\$118,460,139</b>	<b>\$122,776,226</b>

<sup>1</sup> Current trend rates: Actual premium increases for fiscal year 2024-2025, then 7.125% in 2025-2026 graded down to 4.50% over 11 years for non-Medicare medical plan costs and 6.875% in 2025-2026 graded down to 4.50% over 10 years for Medicare medical plan costs.

## Section 2: GASB 75 Information

### Schedule of changes in Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Total OPEB Liability</b>		
Service cost <sup>1</sup>	\$5,864,684	\$5,088,059
Interest	10,101,343	9,646,268
Change of benefit terms	0	0
Differences between expected and actual experience	290,869	(438,245)
Changes of assumptions	(7,223,859)	10,206,178
Benefit payments, including implicit subsidies <sup>2</sup>	(12,699,226)	(12,185,125)
<b>Net change in Total OPEB Liability</b>	<b>\$(3,666,189)</b>	<b>\$12,317,135</b>
Total OPEB Liability – beginning	193,546,328	181,229,193
<b>Total OPEB Liability – ending</b>	<b>\$189,880,139</b>	<b>\$193,546,328</b>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	\$12,231,000	\$11,420,000
Contributions – member	240,000	223,000
Net investment income	7,676,000	5,715,000
Benefit payments, including implicit subsidies <sup>2</sup>	(12,699,226)	(12,185,125)
Administrative expense	(68,000)	(59,000)
Other <sup>3</sup>	2,875,226	2,480,125
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$10,255,000</b>	<b>\$7,594,000</b>
Plan Fiduciary Net Position – beginning	61,165,000	53,571,000
<b>Plan Fiduciary Net Position – ending</b>	<b>\$71,420,000</b>	<b>\$61,165,000</b>

<sup>1</sup> The service cost is based on the previous year's valuation, meaning the June 30, 2024 and June 30, 2023 value is based on valuation results as of June 30, 2023 and June 30, 2022, respectively.

<sup>2</sup> Sum of cash benefit payments (\$9,824,000) and estimated implicit subsidy benefit payments (\$2,875,226) for 2024. Sum of cash benefit payments (\$9,705,000) and estimated implicit subsidy benefit payments (\$2,480,125) for 2023.

<sup>3</sup> The total employer contributions for estimated implicit subsidy calculated based on assumptions disclosed in Note 4 of Appendix A.

## Section 2: GASB 75 Information

Components of the Net OPEB Liability	Current	Prior
<b>Net OPEB Liability</b>		
Net OPEB Liability – ending	\$118,460,139	\$132,381,328
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	37.61%	31.60%
Covered payroll <sup>1</sup>	\$264,425,972	\$246,230,567
Plan Net OPEB Liability as percentage of covered payroll	44.80%	53.76%

### Notes to Schedule:

**Benefit changes:** None.

**Assumption changes:**

- The discount rate increased from 5.23% to 5.58%. This change decreased the TOL. The increase to the blended discount rate was primarily due to the increase in the 20-year municipal bond rate from 3.65% to 3.93% and the favorable investment returns during FYE24, which extended the cross-over date.
- As approved by the Board, the applicable assumptions presented in the Actuarial Experience Study Report for the period July 1, 2020 through June 30, 2024 (report dated November 13, 2024) were applied and used beginning with the June 30, 2024 valuation. These assumption changes decreased the TOL. Note, the GASB 74 valuation incorporates a lower spousal participation assumption for the implicit subsidy compared to the explicit subsidy. The new assumptions increased the accrued liability in this year's funding report but decreased the TOL in this year's GASB 74 report because of the lower implicit subsidy spousal participation assumption that only applies to the GASB 74 valuation.
- The estimated per capita retiree claims costs and associated trend assumptions were updated to reflect 2025 calendar year premiums and updated trend assumptions for 2026 and after. The updated claims and associated trend assumptions had a combined impact of increasing the TOL.
- The average HIB for future retirees was updated. This change had a very minor impact.

<sup>1</sup> Pensionable payroll reported by EBMUDERS.

## Section 2: GASB 75 Information

### Schedule of employer contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll
2015	\$8,964,000	\$8,964,000	0	\$166,886,146	5.37%
2016	9,454,000	9,454,000	0	174,586,444	5.42%
2017	9,764,000	9,764,000	0	182,031,838	5.36%
2018	9,875,000	9,875,000	0	193,717,364	5.10%
2019	10,518,000	10,518,000	0	203,541,207	5.17%
2020	11,089,000	11,089,000	0	215,109,948	5.16%
2021	11,372,000	11,372,000	0	221,809,447	5.13%
2022	10,892,000	10,892,000	0	233,939,981	4.66%
2023	11,420,000	11,420,000	0	246,230,567	4.64%
2024	12,231,000	12,231,000	0	264,425,972	4.63%

See accompanying notes to this schedule on next page.

<sup>1</sup> These amounts are the pensionable payroll amounts reported by EBMUDERS.

## Section 2: GASB 75 Information

### Notes to Schedule:

Methods and Assumptions Used to Establish “Actuarially Determined Contribution” (ADC) Rates:

Method	Description
Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. The amortization methodology described above was first applied beginning with the June 30, 2021 valuation, which determined the ADC for fiscal year ending June 30, 2022.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five year period, further adjusted, if necessary, to be within 30% of the market value.

## Section 2: GASB 75 Information

Actuarial Assumptions	June 30, 2022 (for the year ended June 30, 2024 ADC)	June 30, 2021 (for the year ended June 30, 2023 ADC)
Investment rate of return	6.75%	7.00%
Inflation rate	2.50%	2.75%
Real “across-the-board” salary increase	0.50%	0.50%
Projected salary increases	Ranges from 9.25% to 3.75% based on years of service, including inflation (stated above) plus “across-the-board” salary” increases (stated above) plus merit, and promotional increases	Ranges from 9.50% to 4.00% based on years of service, including inflation (stated above) plus “across-the-board” salary” increases (stated above) plus merit, and promotional increases
Mortality	Healthy: Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020	Healthy: Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation	Same as those used in the June 30, 2021 funding actuarial valuation
Medical cost trend rates:		
<ul style="list-style-type: none"> <li>• Non-Medicare medical plans</li> </ul>	Actual premium increases for 2022-2023, then 7.125% graded down to 4.50% over 11 years.	Actual premium increases for 2021-2022, then 7.375% graded down to 4.50% over 12 years.
<ul style="list-style-type: none"> <li>• Medicare medical plans</li> </ul>	Actual premium increases for 2022-2023, then 6.125% graded down to 4.50% over 7 years	Actual premium increases for 2021-2022, then 6.375% graded down to 4.50% over 8 years

## Section 2: GASB 75 Information

### Determination of proportionate share

#### Actual Employer Contributions by System July 1, 2022 to June 30, 2023

System	Contributions	Percentage <sup>1</sup>
Water System	\$9,789,000	85.718%
Wastewater System	<u>1,631,000</u>	<u>14.282%</u>
<b>Total for both Systems</b>	<b>\$11,420,000</b>	<b>100.000%</b>

#### Allocation of June 30, 2023 Net OPEB Liability

System	Contributions	Percentage
Water System	\$113,474,678	85.718%
Wastewater System	<u>18,906,650</u>	<u>14.282%</u>
<b>Total for both Systems</b>	<b>\$132,381,328</b>	<b>100.000%</b>

#### Notes:

Based on the July 1, 2022 through June 30, 2023 employer contributions as provided by EBMUDERS.

The Net OPEB Liability (NOL) is the Total OPEB Liability (TOL) minus the Plan Fiduciary Net Position (plan assets). The NOL, TOL, and Plan Fiduciary Net Position totals for both systems combined are provided in Segal's June 30, 2023 GASB 74 valuation report dated January 5, 2024.

A system's share of the total plan NOL is the ratio of the system's contributions to the plan's total employer contributions.

<sup>1</sup> The unrounded percentages are used in the allocation of the NOL amongst systems.

## Section 2: GASB 75 Information

### Determination of proportionate share *(continued)*

#### Actual Employer Contributions by System July 1, 2023 to June 30, 2024

System	Contributions	Percentage <sup>1</sup>
Water System	\$10,448,000	85.422%
Wastewater System	<u>1,783,000</u>	<u>14.578%</u>
<b>Total for both Systems</b>	<b>\$12,231,000</b>	<b>100.000%</b>

#### Allocation of June 30, 2024 Net OPEB Liability

System	Contributions	Percentage
Water System	\$101,191,361	85.422%
Wastewater System	<u>17,268,778</u>	<u>14.578%</u>
<b>Total for both Systems</b>	<b>\$118,460,139</b>	<b>100.000%</b>

#### Notes:

Based on the July 1, 2023 through June 30, 2024 employer contributions as provided by EBMUDERS.

The Net OPEB Liability (NOL) is the Total OPEB Liability (TOL) minus the Plan Fiduciary Net Position (plan assets). The NOL, TOL, and Plan Fiduciary Net Position totals for both systems combined are provided in Segal's June 30, 2024 GASB 74 valuation report dated January 14, 2025.

A system's share of the total plan NOL is the ratio of the system's contributions to the plan's total employer contributions.

<sup>1</sup> The unrounded percentages are used in the allocation of the NOL amongst systems.

## Section 2: GASB 75 Information

### OPEB expense

#### Total for All Systems

Components of OPEB expense	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Components of OPEB expense</b>		
Service cost	\$5,864,684	\$5,088,059
Interest on the Total OPEB Liability	10,101,343	9,646,268
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	50,323	(76,616)
Expensed portion of current-period changes of assumptions or other inputs	(1,249,803)	1,784,297
Member contributions	(240,000)	(223,000)
Projected earnings on plan investments	(4,215,679)	(3,679,459)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(692,065)	(407,109)
Administrative expense	68,000	59,000
Other <sup>1</sup>	(2,875,226)	(2,480,125)
Recognition of beginning of year deferred outflows of resources as OPEB expense	10,310,264	8,980,360
Recognition of beginning of year deferred inflows of resources as OPEB expense	(8,289,092)	(8,380,610)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
<b>OPEB expense</b>	<b>\$8,832,749</b>	<b>\$10,311,065</b>

<sup>1</sup> Implicit subsidy.

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Water System

Components of OPEB expense	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Components of OPEB expense</b>		
Service cost	\$5,009,747	\$4,361,385
Interest on the Total OPEB Liability	8,628,798	8,268,592
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(67,148)	(37,367)
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	42,987	(65,674)
Expensed portion of current-period changes of assumptions or other inputs	(1,067,610)	1,529,464
Member contributions	(205,013)	(191,151)
Projected earnings on plan investments	(3,601,129)	(3,153,960)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(591,178)	(348,966)
Administrative expense	58,087	50,574
Other <sup>1</sup>	(2,456,084)	(2,125,915)
Recognition of beginning of year deferred outflows of resources as OPEB expense	8,807,263	7,697,788
Recognition of beginning of year deferred inflows of resources as OPEB expense	(7,080,732)	(7,183,695)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	62,996	125,962
<b>OPEB expense</b>	<b>\$7,540,984</b>	<b>\$8,927,037</b>

<sup>1</sup> Implicit subsidy.

## Section 2: GASB 75 Information

### OPEB expense (continued)

#### Wastewater System

Components of OPEB expense	Current	Prior
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Components of OPEB expense</b>		
Service cost	\$854,937	\$726,674
Interest on the Total OPEB Liability	1,472,545	1,377,676
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	67,148	37,367
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	7,336	(10,942)
Expensed portion of current-period changes of assumptions or other inputs	(182,193)	254,833
Member contributions	(34,987)	(31,849)
Projected earnings on plan investments	(614,550)	(525,499)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(100,887)	(58,143)
Administrative expense	9,913	8,426
Other <sup>1</sup>	(419,142)	(354,210)
Recognition of beginning of year deferred outflows of resources as OPEB expense	1,503,001	1,282,572
Recognition of beginning of year deferred inflows of resources as OPEB expense	(1,208,360)	(1,196,915)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(62,996)	(125,962)
<b>OPEB expense</b>	<b>\$1,291,765</b>	<b>\$1,384,028</b>

<sup>1</sup> Implicit subsidy.

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources

#### Total for All Systems

Deferred Outflows and Inflows	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Deferred outflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$552,593	\$369,353
Changes of assumptions or other inputs	10,821,384	17,818,527
Net difference between projected and actual earnings on OPEB plan investments	0	905,844
Difference between expected and actual experience in the Total OPEB Liability	2,770,989	3,537,962
<b>Total deferred outflows of resources</b>	<b>\$14,144,966</b>	<b>\$22,631,686</b>
<b>Deferred inflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$552,593	\$369,353
Changes of assumptions or other inputs	19,473,818	18,338,386
Net difference between actual and projected earnings on OPEB plan investments	1,830,798	0
Difference between expected and actual experience in the Total OPEB Liability	1,660,835	2,774,087
<b>Total deferred inflows of resources</b>	<b>\$23,518,044</b>	<b>\$21,481,826</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
Reporting date for employer under GASB 75 year ended June 30:		
2025	N/A	\$2,021,172
2026	\$(1,949,827)	(58,283)
2027	(2,108,268)	(216,724)
2028	(3,717,377)	(1,825,833)
2029	(662,016)	1,229,528
2030	(935,590)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources *(continued)*

#### Water System

Deferred Outflows and Inflows	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Deferred outflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$92,619	\$192,982
Changes of assumptions or other inputs	9,243,874	15,273,692
Net difference between projected and actual earnings on OPEB plan investments	0	776,472
Difference between expected and actual experience in the Total OPEB Liability	2,367,042	3,032,672
<b>Total deferred outflows of resources</b>	<b>\$11,703,535</b>	<b>\$19,275,818</b>
<b>Deferred inflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$459,974	\$176,371
Changes of assumptions or other inputs	16,634,981	15,719,305
Net difference between actual and projected earnings on OPEB plan investments	1,563,910	0
Difference between expected and actual experience in the Total OPEB Liability	1,418,723	2,377,893
<b>Total deferred inflows of resources</b>	<b>\$20,077,588</b>	<b>\$18,273,569</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
Reporting date for employer under GASB 75 year ended June 30:		
2025	N/A	\$1,795,506
2026	\$(1,718,935)	(36,158)
2027	(1,879,023)	(196,716)
2028	(3,264,955)	(1,587,407)
2029	(659,560)	1,027,024
2030	(851,580)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources *(continued)*

#### Wastewater System

Deferred Outflows and Inflows	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Deferred outflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$459,974	\$176,371
Changes of assumptions or other inputs	1,577,510	2,544,835
Net difference between projected and actual earnings on OPEB plan investments	0	129,372
Difference between expected and actual experience in the Total OPEB Liability	403,947	505,290
<b>Total deferred outflows of resources</b>	<b>\$2,441,431</b>	<b>\$3,355,868</b>
<b>Deferred inflows of resources</b>		
Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>1</sup>	\$92,619	\$192,982
Changes of assumptions or other inputs	2,838,837	2,619,081
Net difference between actual and projected earnings on OPEB plan investments	266,888	0
Difference between expected and actual experience in the Total OPEB Liability	242,112	396,194
<b>Total deferred inflows of resources</b>	<b>\$3,440,456</b>	<b>\$3,208,257</b>
<b>Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:</b>		
Reporting date for employer under GASB 75 year ended June 30:		
2025	N/A	\$225,666
2026	\$(230,892)	(22,125)
2027	(229,245)	(20,008)
2028	(452,422)	(238,426)
2029	(2,456)	202,504
2030	(84,010)	0
Thereafter	0	0

<sup>1</sup> Calculated in accordance with Paragraphs 64 and 65 of GASB 75

## Section 2: GASB 75 Information

### Deferred outflows of resources and deferred inflows of resources *(continued)*

There are changes in each employer's proportionate share of the total Net OPEB Liability (NOL) during the measurement period ended June 30, 2024. The net effect of the change on the employer's proportionate share of the collective NOL and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with benefits through EBMUD which is 5.78<sup>1</sup> years determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024).

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2024 is recognized over the same period.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

<sup>1</sup> The remaining service lives of all employees of 5.78 years used here for GASB 75 is different from the 5.46 years used for GASB 68 because the number of payees (with 0 years of expected remaining service lives) receiving health benefits under the Plan is less than the number of payees receiving pension benefits.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability

Total for All Systems

Reporting Date for Employer Under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll <sup>1</sup>	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	100.000%	\$145,085,453	\$174,586,444	83.10%	15.37%
2018	100.000%	135,805,924	182,031,838	74.61%	19.11%
2019	100.000%	131,007,522	193,717,364	67.63%	21.91%
2020	100.000%	132,871,132	203,541,207	65.28%	23.51%
2021	100.000%	151,834,894	215,109,948	70.58%	22.48%
2022	100.000%	143,175,748	221,809,447	64.55%	28.82%
2023	100.000%	127,658,193	233,939,981	54.57%	29.56%
2024	100.000%	132,381,328	246,230,567	53.76%	31.60%
2025	100.000%	118,460,139	264,425,972	44.80%	37.61%

<sup>1</sup> Pensionable payroll report by EBMUDERS.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability *(continued)*

#### Water System

Reporting Date for Employer Under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll <sup>1</sup>	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	85.213%	\$123,631,099	\$148,621,780	83.19%	15.37%
2018	85.365%	115,930,190	155,221,134	74.69%	19.11%
2019	85.377%	111,850,574	165,235,805	67.69%	21.91%
2020	85.596%	113,732,535	174,040,983	65.35%	23.51%
2021	85.761%	130,214,613	184,365,098	70.63%	22.48%
2022	85.798%	122,842,576	190,047,243	64.64%	28.82%
2023	85.880%	109,632,275	200,833,534	54.59%	29.56%
2024	85.718%	113,474,678	210,765,227	53.84%	31.60%
2025	85.422%	101,191,361	225,484,640	44.88%	37.61%

<sup>1</sup> Pensionable payroll report by EBMUDERS.

## Section 2: GASB 75 Information

### Schedule of proportionate share of the Net OPEB Liability *(continued)*

#### Wastewater System

Reporting Date for Employer Under GASB 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll <sup>1</sup>	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	14.787%	\$21,454,354	\$25,964,664	82.63%	15.37%
2018	14.635%	19,875,734	26,810,704	74.13%	19.11%
2019	14.623%	19,156,948	28,481,559	67.26%	21.91%
2020	14.404%	19,138,597	29,500,224	64.88%	23.51%
2021	14.239%	21,620,281	30,744,850	70.32%	22.48%
2022	14.202%	20,333,172	31,762,204	64.02%	28.82%
2023	14.120%	18,025,918	33,106,447	54.45%	29.56%
2024	14.282%	18,906,650	35,465,340	53.31%	31.60%
2025	14.578%	17,268,778	38,941,332	44.35%	37.61%

<sup>1</sup> Pensionable payroll report by EBMUDERS.

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability

Total for All Systems

Item	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Net OPEB Liability</b>		
Beginning Net OPEB Liability	\$132,381,328	\$127,658,193
• OPEB expense	8,832,749	10,311,065
• Employer contributions	(12,231,000)	(11,420,000)
• New net deferred inflows/outflows	(8,501,766)	6,431,820
• Change in allocation of prior deferred inflows/outflows	0	0
• New net deferred inflows/outflows due to change in proportion	0	0
• Recognition of prior deferred inflows/outflows	(2,021,172)	(599,750)
• Recognition of prior deferred inflows/outflows due to change in proportion	0	0
<b>Ending Net OPEB Liability</b>	<b>\$118,460,139</b>	<b>\$132,381,328</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability *(continued)*

#### Water System

Item	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Net OPEB Liability</b>		
Beginning Net OPEB Liability	\$113,474,678	\$109,632,275
• OPEB expense	7,540,984	8,927,037
• Employer contributions	(10,448,000)	(9,789,000)
• New net deferred inflows/outflows	(7,262,403)	5,513,230
• Change in allocation of prior deferred inflows/outflows	(3,401)	7,562
• New net deferred inflows/outflows due to change in proportion	(320,970)	(176,371)
• Recognition of prior deferred inflows/outflows	(1,726,531)	(514,093)
• Recognition of prior deferred inflows/outflows due to change in proportion	(62,996)	(125,962)
<b>Ending Net OPEB Liability</b>	<b>\$101,191,361</b>	<b>\$113,474,678</b>

## Section 2: GASB 75 Information

### Schedule of reconciliation of Net OPEB Liability *(continued)*

#### Wastewater System

Item	Current	Prior
<b>Reporting and measurement dates</b>		
Reporting date for employer under GASB 75	June 30, 2025	June 30, 2024
Measurement date	June 30, 2024	June 30, 2023
<b>Net OPEB Liability</b>		
Beginning Net OPEB Liability	\$18,906,650	\$18,025,918
• OPEB expense	1,291,765	1,384,028
• Employer contributions	(1,783,000)	(1,631,000)
• New net deferred inflows/outflows	(1,239,363)	918,590
• Change in allocation of prior deferred inflows/outflows	3,401	(7,562)
• New net deferred inflows/outflows due to change in proportion	320,970	176,371
• Recognition of prior deferred inflows/outflows	(294,641)	(85,657)
• Recognition of prior deferred inflows/outflows due to change in proportion	62,996	125,962
<b>Ending Net OPEB Liability</b>	<b>\$17,268,778</b>	<b>\$18,906,650</b>

## Section 2: GASB 75 Information

### Schedule of recognition of change in total Net OPEB Liability

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total OPEB Liability

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030
2019	\$(3,298,879)	5.52	\$(310,764)	\$0	\$0	\$0	\$0	\$0	\$0
2020	(2,783,261)	5.57	(499,688)	(284,821)	0	0	0	0	0
2021	703,859	5.57	126,366	126,366	72,029	0	0	0	0
2022	(4,383,082)	5.83	(751,815)	(751,815)	(751,815)	(624,007)	0	0	0
2023	5,101,873	5.79	881,153	881,153	881,153	881,153	696,108	0	0
2024	(438,245)	5.72	(76,616)	(76,616)	(76,616)	(76,616)	(76,616)	(55,165)	0
2025	290,869	5.78	N/A	50,323	50,323	50,323	50,323	50,323	39,254
<b>Total<sup>1</sup></b>			<b>\$(631,364)</b>	<b>\$(55,410)</b>	<b>\$175,074</b>	<b>\$230,853</b>	<b>\$669,815</b>	<b>\$(4,842)</b>	<b>\$39,254</b>

As described on page 35, the average of the expected remaining service lives of all employees that are provided with OPEB benefits through EBMUDERS (active and inactive employees) determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024) is 5.78 years.

Amortization amounts prior to June 30, 2024 have been omitted from this exhibit. These amounts can be found in prior years' GASB 75 reports.

<sup>1</sup> Net increase (decrease) in OPEB expense

## Section 2: GASB 75 Information

### Schedule of recognition of change in total Net OPEB Liability *(continued)*

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 75 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030
2019	\$(526,666)	5.52	\$(49,611)	\$0	\$0	\$0	\$0	\$0	\$0
2020	5,752,677	5.57	1,032,797	588,692	0	0	0	0	0
2021	18,913,246	5.57	3,395,556	3,395,556	1,935,466	0	0	0	0
2022	7,162,726	5.83	1,228,598	1,228,598	1,228,598	1,019,736	0	0	0
2023	(28,015,634)	5.79	(4,838,624)	(4,838,624)	(4,838,624)	(4,838,624)	(3,822,514)	0	0
2024	10,206,178	5.72	1,784,297	1,784,297	1,784,297	1,784,297	1,784,297	1,284,693	0
2025	(7,223,859)	5.78	N/A	(1,249,803)	(1,249,803)	(1,249,803)	(1,249,803)	(1,249,803)	(974,844)
<b>Total<sup>1</sup></b>			<b>\$2,553,013</b>	<b>\$908,716</b>	<b>\$(1,140,066)</b>	<b>\$(3,284,394)</b>	<b>\$(3,288,020)</b>	<b>\$34,890</b>	<b>\$(974,844)</b>

As described on page 35, the average of the expected remaining service lives of all employees that are provided with OPEB benefits through EBMUDERS (active and inactive employees) determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024) is 5.78 years.

Amortization amounts prior to June 30, 2024 have been omitted from this exhibit. These amounts can be found in prior years' GASB 75 reports.

<sup>1</sup> Net increase (decrease) in OPEB expense

## Section 2: GASB 75 Information

### Schedule of recognition of change in total Net OPEB Liability *(continued)*

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

Reporting Date for Employer under GASB 75 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030
2020	\$51,427	5.00	\$10,287	\$0	\$0	\$0	\$0	\$0	\$0
2021	1,305,789	5.00	261,158	261,157	0	0	0	0	0
2022	(9,650,542)	5.00	(1,930,108)	(1,930,108)	(1,930,108)	0	0	0	0
2023	10,222,225	5.00	2,044,445	2,044,445	2,044,445	2,044,445	0	0	0
2024	(2,035,541)	5.00	(407,109)	(407,108)	(407,108)	(407,108)	(407,108)	0	0
2025	(3,460,321)	5.00	N/A	(692,065)	(692,064)	(692,064)	(692,064)	(692,064)	0
<b>Total<sup>1</sup></b>			<b>\$(21,327)</b>	<b>\$(723,679)</b>	<b>\$(984,835)</b>	<b>\$945,273</b>	<b>\$(1,099,172)</b>	<b>\$(692,064)</b>	<b>\$0</b>

The differences between projected and actual earnings on OPEB plan investments are recognized over a five-year period per Paragraph 43b. of GASB 75.

Amortization amounts prior to June 30, 2024 have been omitted from this exhibit. These amounts can be found in prior years' GASB 75 reports.

<sup>1</sup> Net increase (decrease) in OPEB expense

## Section 2: GASB 75 Information

### Schedule of recognition of change in total Net OPEB Liability *(continued)*

#### Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer under GASB 75 Year Ended June 30	Total Differences	2024	2025	2026	2027	2028	2029	2030
2019	\$(4,927,719)	\$(360,375)	\$0	\$0	\$0	\$0	\$0	\$0
2020	3,020,843	543,396	303,871	0	0	0	0	0
2021	20,922,894	3,783,080	3,783,079	2,007,495	0	0	0	0
2022	(6,870,898)	(1,453,325)	(1,453,325)	(1,453,325)	395,729	0	0	0
2023	(12,691,536)	(1,913,026)	(1,913,026)	(1,913,026)	(1,913,026)	(3,126,406)	0	0
2024	7,732,392	1,300,572	1,300,573	1,300,573	1,300,573	1,300,573	1,229,528	0
2025	(10,393,311)	N/A	(1,891,545)	(1,891,544)	(1,891,544)	(1,891,544)	(1,891,544)	(935,590)
<b>Total<sup>1</sup></b>		<b>\$1,900,322</b>	<b>\$129,627</b>	<b>\$(1,949,827)</b>	<b>\$(2,108,268)</b>	<b>\$(3,717,377)</b>	<b>\$(662,016)</b>	<b>\$(935,590)</b>

Amortization amounts prior to June 30, 2024 have been omitted from this exhibit. These amounts can be found in prior years' GASB 75 reports.

<sup>1</sup> Net increase (decrease) in OPEB expense

## Section 2: GASB 75 Information

### Allocation of changes in total Net OPEB liability

In addition to the amounts shown in the *Schedule of Recognition of Changes in total Net OPEB Liability*, there are changes in each system's proportionate share of the total Net OPEB Liability during the measurement period ending on June 30, 2024. The net effect of the change on the system's proportionate share of the collective Net OPEB Liability and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2024 is recognized over the same periods. These amounts are shown below. While these amounts are different for both systems, they sum to zero over the entire System.

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2024

Employer	Total Change to be Recognized	Recognition Period (Years)	2025	2026	2027	2028	2029	2030
Water System	\$(388,118)	5.78	\$(67,148)	\$(67,148)	\$(67,148)	\$(67,148)	\$(67,148)	(52,378)
Wastewater System	388,118	5.78	67,148	67,148	67,148	67,148	67,148	52,378
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2023

Employer	Total Change to be Recognized	Recognition Period (Years)	2024	2025	2026	2027	2028	2029
Water System	\$(213,738)	5.72	\$(37,367)	\$(37,367)	\$(37,367)	\$(37,367)	\$(37,367)	\$(26,903)
Wastewater System	213,738	5.72	37,367	37,367	37,367	37,367	37,367	26,903
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 75 Information

### Allocation of changes in total Net OPEB liability *(continued)*

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2022

Employer	Total Change to be Recognized	Recognition Period (Years)	2023	2024	2025	2026	2027	2028
Water System	\$110,138	5.79	\$19,022	\$19,022	\$19,022	\$19,022	\$19,022	\$15,028
Wastewater System	(110,138)	5.79	(19,022)	(19,022)	(19,022)	(19,022)	(19,022)	(15,028)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2021

Employer	Total Change to be Recognized	Recognition Period (Years)	2022	2023	2024	2025	2026	2027
Water System	\$51,971	5.83	\$8,914	\$8,914	\$8,914	\$8,914	\$8,914	\$7,401
Wastewater System	(51,971)	5.83	(8,914)	(8,914)	(8,914)	(8,914)	(8,914)	(7,401)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2020

Employer	Total Change to be Recognized	Recognition Period (Years)	2021	2022	2023	2024	2025	2026
Water System	\$227,007	5.57	\$40,755	\$40,755	\$40,755	\$40,755	\$40,755	\$23,232
Wastewater System	(227,007)	5.57	(40,755)	(40,755)	(40,755)	(40,755)	(40,755)	(23,232)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Section 2: GASB 75 Information

### Allocation of changes in total Net OPEB liability *(continued)*

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2019

Employer	Total Change to be Recognized	Recognition Period (Years)	2020	2021	2022	2023	2024	2025
Water System	\$309,477	5.57	\$55,561	\$55,561	\$55,561	\$55,561	\$55,561	\$31,672
Wastewater System	(309,477)	5.57	(55,561)	(55,561)	(55,561)	(55,561)	(55,561)	(31,672)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for June 30, 2018

Employer	Total Change to be Recognized	Recognition Period (Years)	2019	2020	2021	2022	2023	2024
Water System	\$18,165	5.52	\$3,291	\$3,291	\$3,291	\$3,291	\$3,291	\$1,710
Wastewater System	(18,165)	5.52	(3,291)	(3,291)	(3,291)	(3,291)	(3,291)	(1,710)
<b>Total for all Employers</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Section 3: Actuarial Assumptions and Methods and Appendices

## Actuarial assumptions and methods

For June 30, 2024 Measurement Date and Employer Reporting as of June 30, 2025.

### Rationale for Assumptions and Methods:

The information and analysis used in selecting each assumption and method that has a significant effect on this actuarial valuation is shown in the July 1, 2020 through June 30, 2024 Actuarial Experience Study report dated November 13, 2024, the Retiree Health assumptions letter dated November 14, 2024, and the Actuarial Funding Policy review letter dated September 14, 2022. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers.

### Economic Assumptions:

#### Net Investment Return

6.75%, net of investment and administrative expenses.

#### Discount Rate

5.58%

#### Inflation

2.50% per year

#### Payroll Growth

Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Salary Increases

The annual rate of compensation increase includes inflation at 2.50%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotional increases:

Years of Service	1955/1980 Plan Rates (%)	2013 Tier Rates (%)
Less than 1	6.25	6.50
1 – 2	6.00	6.25
2 – 3	5.00	5.25
3 – 4	3.75	4.25
4 – 5	2.50	2.75
5 – 6	1.50	1.75
6 – 10	1.25	1.25
10 – 12	1.00	1.00
12 & Over	0.75	0.75

### Demographic Assumptions:

#### Mortality

- **Pre-Retirement:**

- Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Post-Retirement Healthy Members:**

- Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

- **Post-Retirement Disabled Members:**

- Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

## Section 3: Actuarial Assumptions and Methods, and Appendices

- **Beneficiaries:**

- In pay status at time of valuation: Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- If not in pay status at time of valuation: same tables as for Post-retirement Healthy Members.

The Pub-2010 mortality tables and adjustments as shown above, with generational projection to the ages of members as of the measurement date, reasonably reflect the mortality experience of the Plan as of the measurement date. The additional generational projection is a provision made to reflect future mortality improvement.

### Retirement

Age	1955/1980 Plan Unreduced Pension <sup>1</sup> Rates (%)	1955/1980 Plan Reduced Pension Rates (%)	2013 Tier Rates (%)
52 - 53	0.00	0.00	2.00
54	50.00	7.00	2.00
55	16.00	7.00	3.00
56	16.00	7.00	3.00
57	16.00	8.00	4.00
58	16.00	8.00	4.00
59	16.00	8.00	6.00
60	16.00	10.00	6.00
61	16.00	10.00	6.00
62	20.00	N/A <sup>2</sup>	10.00
63	20.00	N/A	10.00
64	20.00	N/A	10.00
65	20.00	N/A	20.00
66 - 69	24.00	N/A	20.00
70 - 74	40.00	N/A	35.00
75 & Over	100.00	N/A	100.00

<sup>1</sup> For example, a 1955/1980 Plan member age 54 with 30 or more years of service would be eligible for an unreduced pension benefit.

<sup>2</sup> For ages 62 and over, all 1955/1980 Plan members who are eligible for retirement receive the full 2.60% per year of service accrual.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Disability Incidence

Disability rates are applicable after eight years of service.

Age	Rate (%)
25	0.000
30	0.006
35	0.016
40	0.080
45	0.126
50	0.136
55	0.146
60	0.156
65	0.166
70	0.170

### Termination

Years of Service	1955/1980 Plan Rates (%)	2013 Tier Rates (%)
Less than 1	11.30	8.00
1 – 2	6.00	4.00
2 – 3	6.00	3.75
3 – 4	3.00	3.25
4 – 5	3.00	3.00
5 – 6	2.50	2.70
6 – 7	2.50	2.60
7 – 8	2.50	2.50
8 – 9	2.50	2.30
9 – 10	1.80	2.20
10 – 11	1.80	2.10
11 – 12	1.80	2.00
12 – 13	1.80	1.90
13 – 14	1.80	1.80
14 – 15	1.60	1.70
15 & Over	1.60	1.60

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is assumed).

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Unknown Data for Participants

Same as those exhibited by members are similar known characteristics. If not specified, members are assumed to be male.

### Retirement Age for Inactive Vested Participants

59

1955/1980 Plan non-reciprocal members who are currently terminated with less than five years of service and are not vested are assumed to retire at age 65 if they decide to leave their contributions on deposit.

### Percent Married/Domestic Partnership

For all active and inactive vested participants: 75% of male members and 50% of female members are assumed to elect spouse/domestic partner HIB coverage at retirement.

For retired participants: Actual data included in census.

Based on past practice this is not necessarily the same as the percent married/domestic partnership assumption used in the pension valuation. Some of those members may not elect HIB spouse/domestic partner coverage upon retirement due to the additional cost to the member.

### Age of Spouse/Domestic Partner

For all active and inactive vested participants, male participants are assumed to have a female spouse who is 2 years younger than the participant and female participants are assumed to have a male spouse who is 2 years older than the participant.

### Future Benefit Accruals

1.0 year of service per year.

We have not applied the 0.040 years of additional service for each year of employment, applied in the pension valuation to anticipate conversion of unused sick leave, based on our understanding of the HIB plan provisions.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Actuarial Funding Policy:

#### Actuarial Cost Method

Entry Age Cost Method. Entry Age is the age at the member's hire date. Actuarial Accrued Liability is calculated on an individual basis and is based on costs allocated as a level percentage of compensation. The Normal Cost is calculated on an individual basis where the Entry Age Normal Cost is calculated as the sum of the individual Normal Costs.

#### Actuarial Value of Assets

Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market returns and the expected returns on the market value, and are recognized over a five-year period. The actuarial value of assets (AVA) is limited by a 30% corridor; the AVA cannot be less than 70% of MVA, nor greater than 130% of MVA.

#### Valuation Value of Assets

The proportion of the Actuarial Value of Assets allocated to the HIB plan, based on the proportion of the MVA attributable to the HIB plan.

#### Amortization Method

Level percent of payroll

#### Remaining Amortization Period

Plan changes, assumption changes, and experience gains/losses prior to July 1, 2011 are amortized over separate decreasing 30-year amortization periods. On or after July 1, 2011, through June 30, 2021, plan changes are amortized over separate decreasing 15-year periods; assumption changes are amortized over separate decreasing 25-year periods; and experience gains/losses and retiree health assumption changes are amortized over separate decreasing 20-year periods. On or after July 1, 2021, assumption changes from the experience study or interim review of the economic assumptions are amortized over 20 years.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Expected Remaining Service Lives

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

### Retiree Health Assumptions

#### Participation

Of future eligible retirees, 95% are assumed to enroll in the HIB plan, while 70% are assumed to enroll in the EBMUDERS Health Plan.

All current pensioners and beneficiaries with a retiree health insurance cash subsidy were valued.

For deferred vested members, we assume an election equal to 65% of the future retiree election percent.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Average HIB Subsidy

The enrollment percent of 70% is used to estimate the proportion of future retirees expected to participate in the EBMUD medical insurance plans (Kaiser, Blue Cross, Sutter Health Plus<65, and UHC Medicare Advantage PPO 65+). The difference between the 95% of all future retirees expected to be provided with an HIB subsidy and 70% (i.e. 25%) is what we used to anticipate future retirees who receive reimbursement for medical expenses through the HIB plan without being enrolled in an EBMUD medical insurance plan. The HIB subsidy may be used to defray any other allowed health benefits (e.g., Medicare Part B premiums, dental costs) in addition to medical premiums. For current retirees, we have used the HIB on record. For the expected 95% future retirees who received an HIB, we have assumed, based on the average HIB on record for current retirees at 100% vesting level, that:

- Retirees at 100% vesting level under age 65 with single HIB coverage will receive an average \$439 monthly benefit as of July 1, 2024,
- Retirees at 100% vesting level under age 65 with spouse HIB coverage will receive an average \$520 monthly benefit as of July 1, 2024,
- Retirees at 100% vesting level age 65 and over with single HIB coverage will receive an average \$439 monthly benefit as of July 1, 2024, and
- Retirees at 100% vesting level age 65 and over with spouse HIB coverage will receive an average \$539 monthly benefit as of July 1, 2024.

The maximum (100% vesting level) monthly HIB subsidy is \$450 for a retiree with single coverage and \$550 for a retiree with spouse/domestic partner coverage.

### Projected HIB Subsidy Increase

We have projected the HIB medical benefit to increase with medical trend until it reaches the limits described in the Summary of Plan Provisions. The benefit limits are projected to remain unchanged at the current levels of \$450/\$550.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Health Care Cost Trend Rates

Trend is to be applied to premium for shown fiscal year to calculate next fiscal year's projected premium.

First Fiscal Year (July 1, 2024 through June 30, 2025):

Plan	Anthem Blue Cross PPO, Under Age 65	Sutter Health Plus HMO, Under Age 65	Kaiser HMO Under Age 65	Kaiser Senior Advantage	UHC Medicare Advantage PPO
Trend rate to be applied to 2024-2025 Fiscal Year premium	8.56%	10.50%	5.81%	9.08%	14.69%

The fiscal year trend rates are based on the following calendar year trend rates:

Approximate Trends for Fiscal Year	Trend Rates Applied to Premium for Calendar Year		Trend Rates Applied to Premium for Calendar Year		
	Non-Medicare Trend Rate (%)	Medicare Trend Rate (%)	Non-Medicare Trend Rate (%)	Medicare Trend Rate (%)	
2025-2026	7.125	6.875	2025	7.25	7.00
2026-2027	6.875	6.625	2026	7.00	6.75
2027-2028	6.625	6.375	2027	6.75	6.50
2028-2029	6.375	6.125	2028	6.50	6.25
2029-2030	6.125	5.875	2029	6.25	6.00
2030-2031	5.875	5.625	2030	6.00	5.75
2031-2032	5.625	5.375	2031	5.75	5.50
2032-2033	5.375	5.125	2032	5.50	5.25
2033-2034	5.125	4.875	2033	5.25	5.00
2034-2035	4.875	4.625	2034	5.00	4.75
2035-2036	4.625	4.500	2035	4.75	4.50
2036 and later	4.500	4.500	2036	4.50	4.50

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Medical Carrier Election

Medical Carrier	Election (%)
<b>Non-Medicare Medical Carrier</b>	
• Kaiser HMO	70
• Anthem Blue Cross PPO	25
• Sutter Health Plus HMO	5
<b>Medicare Medical Carrier</b>	
• Kaiser Senior Advantage HMO (High Option)	67
• UHC Medicare Advantage PPO	33

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Actuarial Assumptions and Methods for Implicit Subsidy Calculation

#### Carrier Election and Monthly Premiums — Participants Under Age 65:<sup>1</sup>

These monthly premiums apply to the 70% of future retirees assumed to enroll in an EBMUDERS medical insurance plan.

##### 2024 Calendar Year

Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	\$931.22	\$1,862.44	\$931.22
Anthem Blue Cross PPO	981.81	1,963.62	981.81
Sutter Health Plus HMO	977.00	1,954.00	977.00

##### 2025 Calendar Year

Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	\$971.29	\$1,942.58	\$971.29
Anthem Blue Cross PPO	1,079.99	2,159.98	1,079.99
Sutter Health Plus HMO	1,115.80	2,231.60	1,115.80

##### 2024 - 2025 Calendar Year

Carrier <sup>2</sup>	Election Percentage Rate (%)	Single Party	Married/With Domestic Partner	Eligible Survivor
Kaiser HMO	70	\$951.26	\$1,902.51	\$951.26
Anthem Blue Cross PPO	25	1,030.90	2,061.80	1,030.90
Sutter Health Plus HMO	5	1,046.40	2,092.80	1,046.40

<sup>1</sup> We only use monthly premiums for participants under age 65 to determine the implicit subsidy.

<sup>2</sup> We assume 0% of future retirees will enroll in the Kaiser CDHP, Sutter CDHP, and Blue Cross CDHP plans.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Implicit Subsidy:

Retiree under age 65 and active health insurance premiums have been underwritten together. Under GASB 74, the health care costs must be valued as if the under age 65 retirees had been underwritten separately from the actives. Any excess of the retiree only per capita costs over the blended active/retiree premiums is the implicit subsidy. The tables below show the annual implicit subsidies for sample ages under different carriers. No implicit subsidy exists for retirees over age 65.

The adjustment of per capita premium medical costs for age and gender and spouse/domestic partner status, are in accordance with Actuarial Standard of Practice (ASOP) No. 6. The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs retired) from Segal's claims data warehouse.

Amounts shown in the tables below are for both retirees and spouses, at selected ages:

#### Kaiser HMO

Annual Blended Active/Retiree Premium: \$11,415

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	\$13,965	\$14,746	\$2,550	\$3,331
55	15,758	16,007	4,343	4,592
60	18,144	17,353	6,729	5,938
64	22,050	18,839	10,635	7,424

#### Sutter Health Plus HMO

Annual Blended Active/Retiree Premium: \$12,557

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	\$13,643	\$14,406	\$1,086	\$1,849
55	15,395	15,638	2,838	3,081
60	17,725	16,953	5,168	4,396
64	21,542	18,404	8,985	5,847

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Anthem Blue Cross PPO

Annual Blended Active/Retiree Premium: \$12,371

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	\$13,596	\$14,356	\$1,225	\$1,985
55	15,342	15,584	2,971	3,213
60	17,664	16,894	5,293	4,523
64	21,468	18,341	9,097	5,970

### Weighted Average Costs – Use for future retirees

Annual Blended Active/Retiree Premium: \$11,711

Age	Annual Per Capita Costs Male	Annual Per Capita Costs Female	Annual Implicit Subsidy Rates Male	Annual Implicit Subsidy Rates Female
50	\$13,857	\$14,632	\$2,146	\$2,921
55	15,637	15,884	3,926	4,173
60	18,004	17,219	6,293	5,508
64	21,880	18,693	10,169	6,982

## Section 3: Actuarial Assumptions and Methods, and Appendices

### **Assumption Changes Since Prior Valuation:**

The following assumptions were changed since the prior valuation:

- The discount rate was changed from 5.23% to 5.58%.
- Per capita health costs, used to calculate the implicit subsidy, were updated based on more recent data.
- The average HIB subsidy levels for future retirees were updated.
- The future trend for projecting medical costs below the subsidy limit were updated.
- The retirement, disability, termination, mortality and salary increase assumptions were updated based on the July 1, 2020 through June 30, 2024 Actuarial Experience Study dated November 13, 2024.
- The percentage of male participants who elect HIB coverage for their spouses/domestic partners was increased from 70% to 75%, while that for female participants was increased from 35% to 50%.
- Additionally, the spousal participation rate for coverage in an EBMUDERS health plan was changed from 70% to 50% for males and from 35% to 30% for females. The participation assumptions related to coverage in an EBMUDERS health plan are unique to the GASB valuations which include the liabilities associated with the implicit subsidy.
- The spouse age difference for male participants and their female spouses/domestic partners was decreased from 3 years to 2.
- For deferred vested members, the assumed participation rate was increased from 50% to 65% of the future retiree election percentage.

Per the plan's funding policy, the impact of the year-to-year retiree healthcare assumption changes (such as updates to the average HIB subsidy and future trend assumptions) are amortized as part of the annual experience gain/loss.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Appendix A: Table 1 – Projection of Plan Fiduciary Net Position – for use in the calculation of discount rate as of June 30, 2024 (\$ in thousands)

Year Beginning July 1,	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (e) = (a) + (b) – (c) – (d) + (e)
2024	\$71,420	\$15,174	\$13,596	\$79	\$4,871	\$77,790
2025	77,790	15,178	13,815	80	5,294	84,368
2026	84,368	15,403	13,996	81	5,740	91,433
2027	91,433	12,924	14,281	83	6,123	96,117
2028	96,117	12,940	14,389	83	6,436	101,021
2029	101,021	11,889	14,411	83	6,731	105,147
2030	105,147	11,140	14,571	84	6,979	108,612
2031	108,612	11,023	14,621	84	7,207	112,137
2032	112,137	8,394	14,696	85	7,354	113,103
2033	113,103	7,472	14,717	85	7,387	113,160
2044	76,967	3,741	15,916	92	4,781	69,482
2045	69,482	3,449	15,829	91	4,269	61,279
2046	61,279	3,261	15,850	92	3,708	52,306
2047	52,306	3,225	15,733	91	3,105	42,813
2048	42,813	3,280	15,788	91	2,465	32,679
2049	32,679	2,974	15,491	90	1,780	21,853
2050	21,853	2,695	15,268	88	1,048	10,240
2051	10,240	2,291	14,850	86	264	0
2052	0	1,604	14,185	82	0	0
2053	0	1,079	13,632	79	0	0
2103	0	0	18	0	0	0
2104	0	0	13	0	0	0
2105	0	0	9	0	0	0
2106	0	0	6	0	0	0
2107	0	0	4	0	0	0

## Section 3: Actuarial Assumptions and Methods, and Appendices

Note that in preparing the projections in the table above, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.

### Notes

1. Amounts are in \$000's and may not total exactly due to rounding.
2. Years 2034-2043 and 2054-2102, have been omitted from this table.
3. Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2024); plus employer contributions to the unfunded actuarial accrued liability; plus contributions to fund each year's annual administrative expenses reflecting a 20-year amortization schedule; plus implicit subsidy payments for current plan members as shown on the next page, based on Illustration 2 of Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Contributions are assumed to occur halfway through the year, on average.
4. Column (c): Projected benefit payments have been determined in accordance with paragraphs 43-47 of GASB Statement No. 74, and are based on the closed group of active, inactive vested, retired participants, and beneficiaries as of June 30, 2024. The projected benefit payments reflect the health care trend assumptions used in the June 30, 2024 funding valuation report. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 48 of GASB Statement No. 74, the long-term expected rate of return on Plan investments of 6.75% was applied to periods of projected benefit payments through June 30, 2051, and the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.93%) was applied to periods after June 30, 2051, to determine the discount rate of 5.58%. See the following pages for details.
5. Column (d): Projected administrative expenses are calculated as approximately 0.11% of the projected beginning Plan Fiduciary Net Position amount. The 0.11% portion was based on the actual fiscal year 2023/2024 administrative expenses as a percentage of the beginning Plan Fiduciary Net Position amount as of July 1, 2023. Administrative expenses are assumed to occur halfway through the year, on average.
6. Column (e): Projected investment earnings are based on the assumed investment rate of return on Plan investments of 6.75% per annum.

## Section 3: Actuarial Assumptions and Methods, and Appendices

7. As illustrated in the Table 1 above, the Plan Fiduciary Net Position was projected to be available to make projected future benefit payments for current Plan members through June 30, 2051. In other words, the projected 'cross-over date' when projected benefits are not covered by projected assets (before reflecting contributions and investment earnings) occurs between June 30, 2051 and June 30, 2052. Therefore, the long-term expected rate of return on Plan investments of 6.75% per annum was applied to periods of projected benefit payments through June 30, 2051. Benefit payments after June 30, 2051 were discounted at 3.93%, the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
8. The blended discount rate used for calculating total OPEB liability is based on a model developed by our Actuarial Technology and Systems unit. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Appendix A: Table 2 – Projection of contributions – Implicit subsidy only (\$ in thousands)

Year Beginning July 1,	Projected Payroll for Current Plan Members (a)	Projected Payroll for Future Plan Members <sup>1</sup> (b) = (c) – (a)	Total Projected Payroll <sup>2</sup> (c)	Total Implicit Subsidy Contributions = Implicit Subsidy Benefit Payments (d)	Implicit Subsidy Contributions Related to Payroll of Future Plan Members <sup>3</sup> (e) = (b) x 0.69%	Implicit Subsidy Contributions for Current Plan Members <sup>4</sup> (f) = (d) - (e)
2024	\$273,428	\$0	\$273,428	\$3,300	\$0	\$3,300
2025	267,120	14,511	281,631	3,282	100	3,182
2026	261,472	28,608	290,080	3,286	197	3,089
2027	255,516	43,266	298,782	3,421	299	3,123
2028	248,945	58,801	307,746	3,418	406	3,012
2029	242,695	74,284	316,978	3,352	513	2,840
2030	236,114	90,373	326,488	3,453	624	2,830
2031	229,681	106,601	336,282	3,443	736	2,708
2032	223,037	123,334	346,371	3,501	851	2,650
2033	216,643	140,118	356,762	3,510	967	2,544
2044	137,104	356,738	493,842	5,412	2,461	2,950
2045	129,041	379,616	508,657	5,465	2,619	2,846
2046	121,382	402,535	523,917	5,628	2,777	2,851
2047	113,582	426,053	539,634	5,675	2,940	2,735
2048	105,913	449,910	555,823	5,896	3,104	2,792
2049	98,235	474,263	572,498	5,770	3,272	2,498
2050	90,343	499,330	589,673	5,734	3,445	2,289
2051	82,510	524,853	607,363	5,517	3,621	1,895
2052	74,764	550,820	625,584	5,058	3,801	1,257
2053	67,016	577,335	644,352	4,728	3,984	744

<sup>1</sup> Future plan members assumed to enter plan at the end of the year.

<sup>2</sup> Initial payroll based on June 30, 2024 funding valuation. Future payrolls are projected with assumed annual 3.00% increase.

<sup>3</sup> Normal cost rate adjusted for timing of implicit subsidy benefit of 2013 Tier members.

<sup>4</sup> Numbers may not add up due to rounding.

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Appendix A: Table 3 – Projection of contributions and benefit payments – Total (\$ in thousands)

Year Beginning July 1,	Contributions for Current Plan Members Prefunding (a)	Contributions for Current Plan Members Implicit Subsidy (b)	Contributions for Current Plan Members Total Contributions (c) = (a) + (b)	Benefit Payments Cash Subsidy (HIB Subsidy) (d)	Benefit Payments Implicit Subsidy (e) = column (d) from Table 2	Benefit Payments Total Benefit Payments (f) = (d) + (e)
2024	\$11,874	\$3,300	\$15,174	\$10,296	\$3,300	\$13,596
2025	11,996	3,182	15,178	10,533	3,282	13,815
2026	12,314	3,089	15,403	10,710	3,286	13,996
2027	9,801	3,123	12,924	10,860	3,421	14,281
2028	9,928	3,012	12,940	10,971	3,418	14,389
2029	9,049	2,840	11,889	11,059	3,352	14,411
2030	8,310	2,830	11,140	11,118	3,453	14,571
2031	8,315	2,708	11,023	11,178	3,443	14,621
2032	5,744	2,650	8,394	11,195	3,501	14,696
2033	4,928	2,544	7,472	11,207	3,510	14,717
2044	791	2,950	3,741	10,504	5,412	15,916
2045	603	2,846	3,449	10,364	5,465	15,829
2046	410	2,851	3,261	10,222	5,628	15,850
2047	490	2,735	3,225	10,058	5,675	15,733
2048	488	2,792	3,280	9,892	5,896	15,788
2049	476	2,498	2,974	9,721	5,770	15,491
2050	406	2,289	2,695	9,534	5,734	15,268
2051	396	1,895	2,291	9,333	5,517	14,850
2052	347	1,257	1,604	9,127	5,058	14,185
2053	335	744	1,079	8,904	4,728	13,632

## Section 3: Actuarial Assumptions and Methods, and Appendices

### Appendix B: Definition of terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

Term	Definition
<b>Actuarially Determined Contribution:</b>	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
<b>Assumptions or actuarial assumptions:</b>	The estimates on which the cost of the Plan is calculated including: <ol style="list-style-type: none"> <li>a. Investment return — the rate of investment yield that the Plan will earn over the long-term future;</li> <li>b. Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates;</li> <li>c. Retirement rates — the rate or probability of retirement at a given age;</li> <li>d. Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.</li> </ol>
<b>Covered payroll:</b>	The payroll of the employees that are provided OPEB benefits
<b>Discount rate:</b>	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: <ol style="list-style-type: none"> <li>a. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and</li> <li>b. the actuarial present value of projected benefit payments that are not included in (a) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher</li> </ol>
<b>Entry age actuarial cost method:</b>	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
<b>Health care cost trend rates:</b>	The rate of change in per capita health costs over time
<b>Net OPEB Liability:</b>	The Total OPEB Liability less the Plan Fiduciary Net Position
<b>Plan Fiduciary Net Position:</b>	Market Value of Assets
<b>Real rate of return:</b>	The rate of return on an investment after removing inflation
<b>Service cost:</b>	The amount of contributions required to fund the benefit allocated to the current year of service.
<b>Total OPEB Liability:</b>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 75.
<b>Valuation date:</b>	The date at which the actuarial valuation is performed

5927799v1/10419.009