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June/July Meeting Agenda

10:00 a.m. July 19, 2024
279-666-3100 / ID 445 621 51#
Join the meeting now

The virtual meeting begins at 10:00 a.m. via MS Team link or the provided call-in number.

1. Opening Business

- a. Staffing and Administrative Updates
- b. Next FAC Meetings

2. 2024 FAC Schedule and Presentations

2024 FAC Schedule of Presentations – DRAFT		
Date	Topic	Presenter
January 23	2024 FAC Issues Matrix	Kevin Kasberg
February	Canceled	
March 22	FY 2023 Accountings	Sabir Ahmad
April 19	Spring Budget Workshop	Ed Young
May 31	2025 Reserved Works Application	Duane Stroup
June 28	Rescheduled to July 19	
July 19	True-Up for WIIN Act and FCA New Storage Projects (11:15 AM)	Sabir Ahmad Adam Nickels
August 2	PUE Allocation	Paul Hill
September 13		
October 18	Fall Budget Workshop	Ed Young
November 15	Friant Adv. Payment Pilot Program	Christiane Washington/Wilson Orvis
December 13		

Other Potential Topics for FAC Presentations:

- Future Costs and Potential Rate Impacts
- Annual O&M Cost Allocation/ Power Cost Allocation

3. True-Up for WIIN Act and FCA – Sabir Ahmad

4. New Storage Project – Adam Nickels

5. FAC Issues Matrix

2024 FAC Issues Matrix – DRAFT	
Priority Issues	
1.	Future Costs and Potential Rate Impacts
2.	Reserved Works Aging Infrastructure Account Application
3.	True-up for WIIN Act and FCA
4.	Friant Advanced Payment Pilot Program
5.	Annual Budget Review with Stakeholders
6.	Annual PUE Ratesetting Proposal
7.	FY 2023 Annual Accounting Analysis/Expedited Refunds
Tracking Issues	
1.	PL 111-11 XM Rate
2.	Folsom SOD Cost Recovery
3.	Warren Act Rates
4.	3f Tiered Pricing – Memo sent out to all FAC members on 3/27/2024
5.	San Luis Joint Use O&M Cost Reallocation Study
6.	Contractor Contact list - Request Update from Travis Buttelman
7.	Reclamation Manual Updates CMP 08-01 Received Final Response from Reclamation on 6/5/2024 RCD 03-01 Received Final Response from Reclamation on 6/12/2024
8.	WIIN Act Section 4007 Storage Projects
9.	CVPIA True-up and Accounting BPG
10.	BORWORKS Enhancements
11.	Ability-to-Pay Studies
12.	Recharacterization of Reimbursability of Costs (BGT 02-02)

6. Other Items

X.B

DEL PUERTO WATER DISTRICT
 ADMINISTRATIVE BUDGET VARIANCE REPORT
 March 1, 2024 through February 28, 2025
 9/30/2024

	Budget To Date	Actual To Date	% of Budget	\$ Over/(Under) Budget
Administrative Overhead	\$ 5,000.00	\$ 5,000.00	100.00%	\$ -
Depreciation Expense	\$ 24,028.00	\$ 24,025.84	99.99%	\$ (2.16)
Computer Upgrades	\$ 7,454.00	\$ 7,649.37	102.82%	\$ 195.37
Conservation Services	\$ 4,400.00	\$ 3,550.00	80.68%	\$ (850.00)
District Dues	\$ 71,896.00	\$ (19,292.13)	-26.83%	\$ (91,188.13)
Insurance	\$ 11,684.00	\$ 11,471.31	98.18%	\$ (212.69)
Metering Program	\$ 2,032.00	\$ 492.15	24.22%	\$ (1,539.85)
Office Expenses	\$ 8,919.00	\$ 8,305.88	93.13%	\$ (613.12)
Payroll Expenses	\$ 436,560.00	\$ 426,410.31	97.68%	\$ (10,149.69)
Professional Fees	\$ 1,529,059.00	\$ 1,648,100.58	107.79%	\$ 119,041.58
Repairs	\$ 9,026.00	\$ 2,115.80	23.44%	\$ (6,910.20)
Staff Related Expenses	\$ 13,952.00	\$ 15,049.40	107.87%	\$ 1,097.40
Utilities	\$ 8,145.00	\$ 6,729.80	82.62%	\$ (1,415.20)
Uncategorized Expenses	\$ 600.00	\$ 377.95	62.99%	\$ (222.05)
Total	\$ 2,132,755.00	\$ 2,139,986.26	100.34%	\$ 7,231.26

	FY Budget 03/01/24-02/28/25	% of Budget	Budget Amount Remaining
	\$ 196,655.00	2.54%	\$ 191,655.00
	\$ 100,080.00	24.01%	\$ 76,054.16
	\$ 19,100.00	40.05%	\$ 11,450.63
	\$ 4,400.00	80.68%	\$ 850.00
	\$ 215,685.00	-8.94%	\$ 234,977.13
	\$ 35,050.00	32.73%	\$ 23,578.69
	\$ 5,600.00	8.79%	\$ 5,107.65
	\$ 26,045.00	31.89%	\$ 17,739.12
	\$ 1,425,924.00	29.90%	\$ 999,513.69
	\$ 4,596,925.00	35.85%	\$ 2,948,824.42
	\$ 14,970.00	14.13%	\$ 12,854.20
	\$ 36,400.00	39.19%	\$ 23,350.60
	\$ 25,250.00	26.65%	\$ 18,520.20
	\$ 1,800.00	21.00%	\$ 1,422.05
	\$ 6,795,884.00	31.91%	\$ 4,566,897.74

VARIANCE NOTES

Estimated placeholder only.

Tacking with budget.

Tracking under budget.

Tracking with budget as offset by SGMA Activity Agreement refund check for prior year.

Tacking under budget.

Tracking under budget.

Tacking under budget.

Tracking under budget.

Tracking under budget.

Tracking under budget due to unfilled position for new hire.

Tracking over budget due to timing of invoices.

Tracking under budget due to timing of invoice for parking lot resurfacing.

Tracking over budget due to unplanned vehicle repair.

Tracking under budget.

Tracking under budget.

X C

MacLeod Watts

June 17, 2024

Anthea Hansen
General Manager
Del Puerto Water District
P.O. Box 1596
Patterson, CA 95363

Re: February 29, 2024, GASB 68 Accounting Report
For the Measurement Period July 1, 2022, to June 30, 2023

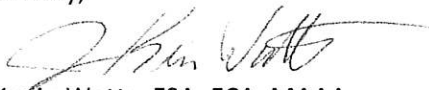
Dear Ms. Hansen:

We are pleased to enclose the results of the February 29, 2024, accounting analysis for the Del Puerto Water District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. The District's plan participates in the California Public Employees' Retirement System (CalPERS) Miscellaneous Risk Pool (the Pool).

The primary purpose of this report is to assist the District in satisfying the requirements of the cost-sharing provisions of Accounting and Financial Reporting for Pensions, Governmental Accounting Standards Board Statement 68 (GASB 68). We relied on information made public by CalPERS to help facilitate participating employers' reporting requirements. See the Summary of Data in Section 1 for a description of the information we used to develop this report. If you do not believe all the information found in that summary is accurate, please let us know as soon as possible so we can adjust the report's exhibits.

Please let us know if you have any questions or if we can be of further assistance.

Sincerely,



J. Kevin Watts, FSA, FCA, MAAA
Principal & Consulting Actuary

Enclosure

120



Del Puerto Water District
Cost Sharing Multiple-Employer Pension Plan

GASB 68 Accounting Report as of February 29, 2024
Measured as of June 30, 2023

Submitted June 2024

MacLeod Watts

121

Table of Contents

A. Executive Summary 1

B. Selected Requirements for GASB 68 2

C. Impact on Statement of Net Position..... 3

D. Pension Expense for the Measurement Period..... 4

E. Deferred Outflows & Inflows of Resources 4

F. Development of District-Specific Deferred Resources 6

G. Detail of Changes to Net Position 7

H. All Deferred Resources Established as of Measurement Date 8

I. Supplementary Information..... 10

Sensitivity of Liabilities to Changes in the Discount Rate 10

Plan Proportionate Share of Combined Safety & Miscellaneous Pools..... 10

Change in Proportionate Share of Net Pension Liability..... 10

Schedule of the Proportionate Share of Net Pension Liability 11

Schedule of Contributions 12

J. Limitation on Use..... 13

Section 1 – Summary of Data 14

Section 2 – Pool Net Position Items & Plan Proportionate Share 16

Section 3 – Pool Pension Expense Items & Plan Proportionate Share 17

Appendix 18



A. Executive Summary

This report presents certain exhibits that may be used to assist the District in satisfying GASB 68’s financial reporting requirements for cost-sharing plans. These provisions require employers sponsoring cost-sharing defined benefit pension plans to report liabilities relating to a rational proportionate share allocation of the larger multiple employer plan liabilities and assets. In addition, certain deferred recognition features of GASB 68 require the establishment and deferred recognition of outflows and inflows of resources.

The impact to the District’s Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. As of the end of your fiscal year, the District’s Net Position related to the pension plan can be summarized as follows:

Items	For Reporting At Fiscal Year Ending February 29, 2024
Total Pension Liability	\$ 4,055,295
Fiduciary Net Position	3,129,873
Net Pension Liability (Asset)	\$ 925,422
Deferred (Outflows) of Resources	(375,554)
Deferred Inflows of Resources	20,409
Impact on Statement of Net Position	\$ 570,277
 Pension Expense, FYE 2024	 \$ 211,354

Development of the District’s pension expense can be found in Section D. The remaining report exhibits are meant to help the District prepare disclosures required by GASB 68.



B. Selected Requirements for GASB 68

Government Accounting Standards Board Statement 68 requires public employers to comply with specific accounting and financial reporting standards with respect to the recognition and calculation of pension obligations. Under GASB 68, employers that participate in a defined benefit pension plan are required to record the net pension liability, pension expense, and deferred resources related to pensions in their financial statements as part of their financial position.

Important Dates

GASB 68 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total pension liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the District's most recent year-end. In addition, the net pension liability is required to be measured as of a date no earlier than the end of the District's prior fiscal year (the "Measurement Date").

The following dates were used for this report:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022, to June 30, 2023
Fiscal Year End	February 29, 2024

Recognition of Plan Changes and Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

Timing of recognition: Changes in the total pension liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

Amortization periods: The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual trust earnings:	5-year straight-line amortization
All other amounts:	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. ¹

¹ In determining the EARSL, all active, retired and inactive members are counted, with the latter two groups having 0 remaining service years.



C. Impact on Statement of Net Position

The District's Net Position related to pensions is developed in the exhibit below.

For Reporting at Fiscal Year End <i>Measurement Date</i>	2/28/2023 <i>6/30/2022</i>	2/29/2024 <i>6/30/2023</i>	Change During Period
Total Pension Liability	3,745,152	4,055,295	310,143
Fiduciary Net Position	2,906,357	3,129,873	223,516
Net Pension Liability (Asset)	838,795	925,422	86,627
<i>Deferred (Outflows) Inflows Due to:</i>			
Assumption Changes	(85,952)	(55,872)	30,080
Plan Experience	(5,563)	(39,943)	(34,380)
Investment Experience	(153,646)	(149,833)	3,813
Changes in Proportions	(25,636)	(20,841)	4,795
Differences between actual contributions and proportionate share of contributions	25,155	6,399	(18,756)
Deferred Contributions	(91,339)	(95,055)	(3,716)
Net Deferred (Outflows) Inflows	(336,981)	(355,145)	(18,164)
Impact on Statement of Net Position	501,814	570,277	68,463

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 2023	501,814
Pension Expense (Income)	211,354
Employer Contributions During Fiscal Year	(142,891)
Impact on Statement of Net Position, FYE 2024	570,277

Pension Expense

Deterioration (Improvement) in Net Position	68,463
Employer Contributions During Fiscal Year	142,891
Pension Expense (Income), FYE 2024	211,354



D. Pension Expense for the Measurement Period

The District's Pension Expense is developed below.

For Reporting at Fiscal Year End February 29, 2024 <i>Measurement Period June 30, 2022 thru June 30, 2023</i>	Del Puerto Water District
<i>Immediately Recognized Pension Expense Items:</i>	
Service Cost	93,823
Cost of Plan Changes	31
Interest Cost	264,882
Expected Earnings on Assets	(203,833)
Employee Contributions	(40,718)
Net Plan to Plan Resource Movement	(4)
Administrative Expense	2,168
Pension Expense Before Recognition of Deferred Outflows & Inflows of Resources	116,349
<i>Recognition of Net Deferred OutFlows (Inflows) of Resources:</i>	
Assumption Changes	32,866
Plan Experience	21,927
Investment Experience	30,287
Change in Proportions	19,620
Difference between actual contributions and proportionate share of contributions	(9,695)
Recognition of Deferred Outflows & Inflows	95,005
Pension Expense, FYE 2024	211,354



E. Deferred Outflows & Inflows of Resources

As of the measurement date the District’s deferred outflows and inflows of resources are:

Plan: Del Puerto Water District Plan ID: 3904 27123	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 55,872	\$ -
Differences Between Expected and Actual Experience	47,276	7,333
Net Difference Between Projected and Actual Earnings on Investments	149,833	-
Differences in Proportions	20,841	-
Differences Between Actual and Proportionate Share of Contributions	6,677	13,076
Deferred Contributions	95,055	-
Total	\$ 375,554	\$ 20,409

Of the amount reported as deferred outflows of resources, the amount resulting from contributions made to the trust subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows and inflows of resources will be recognized in future periods as shown below.

For the Fiscal Year Ending February 29	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ 83,553
2026	54,069
2027	118,167
2028	4,301
2029	-
Thereafter	-

Note that the future recognition schedule shown above assumes the District’s proportionate share of the Pool’s deferred outflows and inflows of resources does not change.



127

F. Development of District-Specific Deferred Resources

The District established two District-specific deferred resources as of the end of your fiscal year. The development of these deferred resources is shown below.

Deferred Resource Established Due to a Change in Proportions

Losses (gains) are generated if the District’s proportionate share of the Pool changes from the prior year or if, as in the case of CalPERS, different proportionate share percentages apply to liabilities, assets and deferred resources. The development of the change in proportions as of the end of the measurement period appears below.

Plan: Del Puerto Water District Plan ID: 3904 27123	Misc Pool	Proportionate Share Percentage	Proportionate Share	Plan Reported Amount	Proportionate Share Impact
Total Pension Liability, 6/30/2022	(21,449,898,398)	0.017870%	(3,833,097)	(3,745,152)	87,945
Fiduciary Net Position, 6/30/2022	16,770,671,339	0.017690%	2,966,732	2,906,357	(60,375)
<i>Net deferred outflows & inflows due to:</i>					
Assumption Changes, 6/30/2022	479,484,592	0.018507%	88,738	85,952	(2,786)
Plan Experience, 6/30/2022	31,032,344	0.018507%	5,743	5,563	(180)
Investment Experience, 6/30/2022	857,110,099	0.018507%	158,624	153,646	(4,978)
Net Deferred Items, 6/30/2022	1,367,627,035	0.018507%	253,105	245,161	(7,944)
<i>Items arising from differences in proportions:</i>					
Benefit Payments	1,067,334,918	-0.000180%			(1,921)
Loss (Gain) Due to Assumption Changes	-	-0.000637%			-
Loss (Gain) Due to Plan Experience	303,271,782	-0.000637%			(1,931)
Loss (Gain) Due to Investment Results	116,155,594	-0.000817%			(949)
Impact Due to Change in Proportion					14,825

Deferred Resource Established Due to Contribution Differences

Losses (gains) are generated if the District’s actual contributions to the Pool differ from the District’s proportionate share of contributions allocated by the Pool. For the period ending June 30, 2023, the following deferred resource was established:

Item	Del Puerto Water District
Pool Employer Contributions	735,524,264
Proportionate Share Percentage	0.017690%
Plan Proportionate Share Contributions	130,114
Actual Contribution	139,175
Difference	9,061



G. Detail of Changes to Net Position

Del Puerto Water District 3904 27123	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)	Deferred Resource Outflows (Inflows) Due to:						Impact on Statement of Net Position (e)=(c)-(d)	
				Assumption Changes	Plan Experience	Investment Experience	Change in Proportions	Actual vs. allocated share of contributions	Deferred Contributions		(d) TOTAL Deferred Resources
Balance at Fiscal Year Ending 2/28/2023 <i>Measurement Date 6/30/2022</i>	3,745,152	2,906,357	838,795	85,952	5,563	153,646	25,636	(25,155)	91,339	336,981	501,814
Change in Proportions Adjustment on Beginning Items	87,945	60,375	27,570	2,786	180	4,978	19,626			27,570	-
Changes During the Period:											
Service Cost	93,823		93,823								93,823
Interest Cost	264,882		264,882								264,882
Expected Investment Income		203,833	(203,833)								(203,833)
Employer Contributions		130,114	(130,114)					9,061		9,061	(139,175)
Contributions by Employees		40,718	(40,718)								(40,718)
Changes of Benefit Terms	31	4	31								31
Net Plan to Plan Resource Movement			(4)								(4)
Administrative Expense		(2,168)	2,168								2,168
Benefit Payments	(190,733)	(188,812)	(1,921)				(1,921)			(1,921)	-
Assumption Changes											-
Plan Experience	54,195	(20,548)	54,195	(32,866)	56,126	21,497	(1,931)			54,195	-
Investment Experience			20,548		(21,927)	(30,287)	(949)			20,548	-
Recognized Deferred Resources							(19,620)	9,695	(91,339)	(186,344)	186,344
Employer Contributions in Fiscal Year									95,055	95,055	(95,055)
Net Changes in Fiscal Year 2023-2024	310,143	223,516	86,627	(30,080)	34,380	(3,813)	(4,795)	18,756	3,716	18,164	68,463
Balance at Fiscal Year Ending 2/29/2024 <i>Measurement Date 6/30/2023</i>	4,055,295	3,129,873	925,422	55,872	39,943	149,833	20,841	(6,399)	95,055	355,145	570,277



129

H. All Deferred Resources Established as of Measurement Date

GASB 68 requires the establishment and future recognition of deferred resources. Some of these deferred resources are established by the Pool (e.g., those related to assumption changes, plan experience, investment experience) and the District's plan is allocated a proportionate share of these deferred resources. Other deferred resources are established by the District (e.g., those related to a change in proportions and those related to a difference between actual and proportionate share of contributions). A list of the deferred resources established as of the measurement date appears below.

Measurement Date: June 30, 2023

Date Created	Deferred Resource			Balance as of Jun 30, 2023	Recognition of Deferred Outflow(Inflow):					
	Cause	Initial Amount	Period (Yrs)		Annual Recognition	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)
6/30/2022	Assumption Changes *	121,604	3.70	32,866	32,866	32,866	23,006	-	-	-
6/30/2020	Plan Experience *	14,320	3.80	3,768	-	3,016	-	-	-	-
6/30/2021	Plan Experience *	31,288	3.70	8,456	5,920	8,456	-	-	-	-
6/30/2022	Plan Experience *	(15,961)	3.70	(4,314)	(7,333)	(4,314)	(3,019)	-	-	-
6/30/2023	Plan Experience *	56,126	3.80	14,770	41,356	14,770	14,770	14,770	11,816	-
6/30/2019	Investment Earnings Different than Expected *	13,091	5.00	2,618	-	2,619	-	-	-	-
6/30/2020	Investment Earnings Different than Expected *	55,613	5.00	11,123	11,121	11,123	11,121	-	-	-
6/30/2021	Investment Earnings Different than Expected *	(423,866)	5.00	(84,773)	(169,547)	(84,773)	(84,773)	-	-	-
6/30/2022	Investment Earnings Different than Expected *	485,101	5.00	97,020	291,061	97,020	97,020	97,020	97,021	-
6/30/2023	Investment Earnings Different than Expected *	21,497	5.00	4,299	17,198	4,299	4,299	4,299	4,299	4,301

Continued on following page

**All Deferred Resources Established as of Measurement Date
 (Concluded)**

Measurement Date: June 30, 2023

Date Created	Cause	Deferred Resource			Balance as of Jun 30, 2023	Recognition of Deferred Outflow(Inflow):					
		Initial Amount	Period (Yrs)	Annual Recognition		2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)	Thereafter
6/30/2020	Change in Proportions	18,885	3.80	4,970	-	3,975	-	-	-	-	-
6/30/2021	Change in Proportions	37,179	3.70	10,048	7,035	10,048	7,035	-	-	-	-
6/30/2022	Change in Proportions	6,274	3.70	1,696	2,882	1,696	1,696	1,186	-	-	-
6/30/2023	Change in Proportions	14,825	3.80	3,901	10,924	3,901	3,901	3,901	3,122	-	-
6/30/2020	Contribution Different Than Proportionate Share	(14,254)	3.80	(3,751)	-	(3,001)	-	-	-	-	-
6/30/2021	Contribution Different Than Proportionate Share	(8,726)	3.70	(2,358)	(1,652)	(2,358)	(1,652)	-	-	-	-
6/30/2022	Contribution Different Than Proportionate Share	(24,864)	3.70	(6,720)	(11,424)	(6,720)	(6,720)	(4,704)	-	-	-
6/30/2023	Contribution Different Than Proportionate Share	9,061	3.80	2,384	6,677	2,384	2,384	2,384	1,909	-	-

* The amount of this deferred resource is based on the plan's current proportionate share. If the plan's proportionate share changes in the future, then the plan's proportionate share of this deferred resource will change.



131

I. Supplementary Information

Sensitivity of Liabilities to Changes in the Discount Rate

Plan liabilities are inversely related to changes in the discount rate used in the actuarial valuation. The chart below demonstrates the sensitivity of the Total Pension Liability and Net Pension Liability to a plus or minus 1% change in the discount rate.

Sensitivity of Liabilities Del Puerto Water District	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Total Pension Liability	4,603,756	4,055,295	3,603,864
Increase (Decrease)	548,461		(451,431)
% Increase (Decrease)	13.5%		-11.1%
Net Pension Liability (Asset)	1,473,883	925,422	473,991
Increase (Decrease)	548,461		(451,431)
% Increase (Decrease)	59.3%		-48.8%

Plan Proportionate Share of Combined Safety & Miscellaneous Pools

The exhibit below shows the plan’s proportionate share of the combined safety and miscellaneous risk pools.

As of the Measurement Date June 30, 2023	Combined Pool*	Plan Proportionate Share	% of Pool
Total Pension Liability	52,441,984,274	4,055,295	0.007733%
Fiduciary Net Position	39,966,633,692	3,129,873	0.007831%
Net Pension Liability (Asset)	12,475,350,582	925,422	0.007418%
Employer Contributions	1,623,130,269	139,175	0.008574%

* Total for the combined safety & miscellaenous pools

Change in Proportionate Share of Net Pension Liability

The exhibit below shows the change in the proportionate share of net pension liability from the beginning to the end of the measurement period.

Change in Proportionate Share of Net Pension Liability	Del Puerto Water District
Pool	Misc
Proportion - June 30, 2022	0.0179%
Proportion - June 30, 2023	0.0185%
Change - Increase (Decrease)	0.0006%



Supplementary Information
 (Continued)

Schedule of the Proportionate Share of Net Pension Liability

The exhibit below shows the proportionate share of the net pension liability and related ratios.

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.018507%	0.017926%	0.017591%	0.016560%	0.016035%	0.015499%	0.016160%	0.014890%
Proportionate share of the net pension liability (asset)	\$ 925,422	\$ 838,795	\$ 334,021	\$ 698,501	\$ 642,133	\$ 584,119	\$ 603,400	\$ 517,245
Covered-employee payroll	796,796	734,848	627,630	545,388	466,277	431,861	435,546	395,740
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	116.14%	114.15%	53.22%	128.07%	137.71%	135.26%	138.54%	130.70%
Plan fiduciary net position as a percentage of the total pension liability	77.18%	77.60%	90.06%	77.61%	77.88%	78.78%	76.38%	77.22%



**Supplementary Information
 (Concluded)**

Schedule of Contributions

The exhibit below shows the District's contributions to the ratio of contributions to covered payroll.

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 142,891	\$ 134,786	\$ 120,218	\$ 105,631	\$ 86,724	\$ 37,258	\$ 42,158	\$ 30,360
Contributions in relation to contractually required contribution	142,891	134,786	120,218	105,631	86,724	37,258	42,158	30,360
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 932,958	\$ 773,456	\$ 692,037	\$ 618,161	\$ 498,958	\$ 431,861	\$ 435,546	\$ 395,740
Contributions as a percentage of covered-employee payroll	15.32%	17.43%	17.37%	17.09%	17.38%	8.63%	9.67%	7.67%

134



J. Limitation on Use

This report presents exhibits based on our understanding of the reporting requirements of GASB 68 concerning cost-sharing pension plans and the operation of the Miscellaneous Pool of the California Public Employees' Retirement System. We believe these results are appropriate for use in the development of financial reporting requirements for the District's plan. However, MacLeod Watts does not practice public accounting and, therefore, these results should be reviewed and approved by the District's auditors. For the convenience of the District, we have included in an Appendix certain exhibits and information found in reports made public by CalPERS. We made no effort to audit these exhibits or to determine their appropriateness for inclusion in the District's financial disclosures.

MacLeod Watts



Section 1 – Summary of Data

The development of the report exhibits relied on certain information provided by the District or obtained in publicly available documents related to the Plan’s Pool. We relied on this information without audit, although certain pieces of the information (e.g., the Plan’s proportionate share percentage) were obtained from audited sources. The District should review this information for accuracy and report any items that the District does not believe are accurate.

Items Reported as of the Prior Fiscal Year

Items	Del Puerto Water District
Total Pension Liability	(3,745,152)
Fiduciary Net Position	2,906,357
Net Deferred Outflows (Inflows) of Resources Due To:	
Assumption Changes	85,952
Plan Experience	5,563
Investment Results	153,646
Changes in Proportions	25,636
Differences between actual contributions and proportionate share of contributions	(25,155)
Deferred Contributions	91,339

Proportionate Share Percentages Used to Allocate Pool Items

Items	Del Puerto Water District
Total Pension Liability %	0.017870%
Fiduciary Net Position %	0.017690%
"Other" %	0.018507%

Note: The Other percentage is not published by CalPERS. Each employer derives this percentage as the ratio of their Net Pension Liability to the Pool’s Net Pension Liability. The Other percentage is used to allocate the pool’s deferred resources.



Section 1 - Summary of Data
 (Concluded)

Contributions to the Pool

Plan	Covered Payroll		Contributions			
	Jul 2022 thru Jun 2023	Mar 2023 thru Feb 2024	Jul 2022 thru Feb 2023	Jul 2022 thru Jun 2023	Jul 2023 thru Feb 2024	Mar 2023 thru Feb 2024
Del Puerto Water District, 3904 27123	796,796	932,958	91,339	139,175	95,055	142,891

In addition, we assumed the District's contributions to the trust were at least equal to their legally required contributions.

Pool Accounting Report

Certain information was used from the publicly available GASB 68 accounting report for the Miscellaneous Risk Pool as of the Measurement Date of June 30, 2023. The items used can be found in the related exhibits within this report. The Expected Average Remaining Service Lifetime (EARSL) for the June 30, 2023, Measurement Date was 3.8 years.



137

Section 2 - Pool Net Position Items & Plan Proportionate Share

The items impacting net position that are a proportionate share of the pool are shown below.

Net Position Items As of June 30, 2023	Del Puerto Water District
Pool	Misc
<i>Pool Net Position Items:</i>	
Total Pension Liability	22,693,312,153
Fiduciary Net Position	17,692,895,076
<i>Net Deferred Outflows (Inflows) of Resources:</i>	
Due to Assumptions Changes	301,897,706
Due to Plan Experience	215,822,170
Due to Investment Experience	809,612,518
<i>Plan Proportionate Share %:</i>	
Of Total Pension Liability	0.017870%
Of Fiduciary Net Position	0.017690%
Of Deferred Resources	0.018507%
<i>Plan Net Position Items:</i>	
Total Pension Liability	4,055,295
Fiduciary Net Position	3,129,873
<i>Net Deferred Outflows (Inflows) of Resources:</i>	
Due to Assumptions Changes	55,872
Due to Plan Experience	39,942
Due to Investment Experience	149,834



Section 3 - Pool Pension Expense Items & Plan Proportionate Share

The items impacting pension expense that are a proportionate share of the pool are shown below.

Pension Expense Items During the Measurement Period	Del Puerto Water District
Pool	Misc
<i>Pool Pension Expense Items:</i>	
Service Cost	(525,033,498)
Cost of Plan Changes	(172,170)
Interest Cost	(1,482,271,223)
Projected Earnings on Assets	1,152,251,744
Employee Contributions	230,175,787
Net Plan to Plan Resource Movement	20,255
Administrative Expense	(12,257,801)
<i>Recognized Deferred Resources Due to:</i>	
Assumption Changes	177,586,886
Plan Experience	118,481,956
Investment Experience	163,653,175
<i>Plan Proportionate Share %:</i>	
Of Liability Related Expense Items	0.017870%
Of Asset Related Expense Items	0.017690%
Of Recognized Deferred Resources	0.018507%
<i>Plan Share of Pension Expense Items:</i>	
Service Cost	(93,823)
Cost of Plan Changes	(31)
Interest Cost	(264,882)
Projected Earnings on Assets	203,833
Employee Contributions	40,718
Net Plan to Plan Resource Movement	4
Administrative Expense	(2,168)
<i>Recognized Deferred Resources Due to:</i>	
Assumption Changes	32,866
Plan Experience	21,928
Investment Experience	30,288



Appendix

Some General Definitions

Total pension liability is 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 GASB 68.

Fiduciary net position is the fair value of trust assets that are irrevocably set aside to provide pension payments in accordance with plan benefit terms and that are legally protected from creditors of the employer and plan administrator.

Net pension liability is the liability of employers to employees for benefits provided through a defined benefit pension plan. The net pension liability (or asset if trust assets exceed the total pension liability) is the difference between the Total Pension Liability and the Fiduciary Net Position as of the Measurement Date.

Deferred Outflows & Inflows of Resources (pension related) are changes in the Total Pension Liability and the Fiduciary Net Position that are scheduled for recognition in future periods. GASB 68 provides for certain changes in liabilities and assets to be recognized in future Pension Expense. These include increases or decreases in the Total Pension Liability due to assumption changes, or plan experience; increases or decreases in Fiduciary Net Position due to investment earnings being better or worse than assumed. For cost-sharing multiple employer plans, increases or decreases in the Net Pension Liability due to changes in proportion from the prior period and actual contributions to the trust differing from the employer's proportionate share of the pool contributions also generate deferred resources.

Note: Deferred Resources are generated by events that have already occurred. It is the recognition of those events that is deferred.

Net Position Impact of the plan on the employer's Net Position is the Net Pension Liability plus Deferred Outflows of Resources and minus Deferred Inflows of Resources.

Pension expense is the cost of pension benefits which is recognized in the current period. The Pension Expense can be derived as:

1. The cost of plan benefits attributed to service in the current period and the passage of time plus a recognized portion of deferred outflows and inflows of resources, or
2. The employer contribution to the trust during the current period plus the deterioration, or minus the improvement, in the Net Position of the plan during the period.

Covered-Employee Payroll

Covered-Employee Payroll [reported by CalPERS] is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.



Appendix
 (Continued)

Expected Average Remaining Service Lifetime (EARSL)²

The EARSL for PERF C for the June 30, 2023, measurement date is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Notes to Schedule of Plan Contributions

The GASB 68 Accounting Valuation Reports for the Miscellaneous and Safety Risk Pools rely on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2022, annual funding valuations. The census data and benefit provisions underlying the liabilities were prepared as of that date and certified by the CalPERS Actuarial Office as part of the annual funding valuation. The June 30, 2022, liabilities, rolled forward to June 30, 2023, and used for the accounting valuations are based on actuarial assumptions adopted by the CalPERS Board of Administration.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2021 Funding Valuation Report, Section 2
Asset Valuation Method	Market Value with Direct Rate Smoothing. For details, see June 30, 2021 Funding Valuation
Inflation	Price: 2.30% Wage: 2.80%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.80%
Investment Rate of Return	6.8% Net of Pension Plan Investment and Administrative Expenses: includes inflation.
Retirement Age	The probabilities of Retirement are based on the Nov. 2021 CalPERS Experience Study for the period from 2000 to 2019.
Mortality	The probabilities of mortality are based on the Nov. 2021 CalPERS Experience Study based on data observed from 2000 to 2019. Pre-retirement and post-retirement mortality rates are projected generationally for future years using 80% of Scale MP-2020 published by the Society of Actuaries.

The actuarial methods and assumptions applied to set the *actuarially determined contributions* for Fiscal Year 2023-2024 were derived from the June 30, 2021, funding valuation report.

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS).³ A full description of the pension plan benefit provisions, assumptions for funding purposes (not accounting purposes) and membership information is listed in the Annual Actuarial Valuation Reports. Benefit details can be found in Appendix B of Section 2 of the Miscellaneous Risk Pool and Safety Risk Pool Actuarial Valuation Reports. These reports are publicly available on CalPERS' website under Forms and Publications.

² See page 7 in the CalPERS GASB 68 Accounting Report prepared for the Miscellaneous and/or Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension plan, Measurement Date of June 30, 2023.

³ CalPERS provides service and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on compensation and years of credited service. Members with five or more years of PERS service are eligible to retire at age 50 with statutorily reduced benefits (age 52 for miscellaneous PEPRA members). Different requirements apply for disability and death benefits.



141

**Appendix
 (Concluded)**

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability.⁴ The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.⁵

Discount Rate⁶

The discount rate used to measure the total pension liability was 6.90 percent.⁷ In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. This discount rates used to discount liabilities was informed by the long-term projected portfolio return. This table shows the current target allocations by asset class.⁸

Asset Class	Assumed Asset Allocation	Real Return Years 10 ^{-1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield Bonds	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-2022 Asset Liability Management study

⁴ See pages 4 and 5, CalPERS Actuarial Valuation Report as of June 30, 2021 prepared for the Agency in the Miscellaneous and/or Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension plan.

⁵ Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

⁶ See page 5 in the CalPERS GASB 68 Accounting Valuation Report prepared for the Miscellaneous and/or Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension plan, Measurement Date of June 30, 2023.

⁷ To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS prepared analysis in accordance with GASB 68 requirements. Based on its analysis, CalPERS concluded that none of the tested plans run out of assets and, as such, that the current actuarially determined discount rate is adequate and use of the municipal bond rate calculation was not necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

⁸ Current allocation of trust investments by asset class and expected returns are found on page 58 of the CalPERS Schedule of Employer Allocations as of and for the Year Ended June 30, 2023.



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