MIDWAY CITY SANITARY DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING AGENDA
DISTRICT OFFICE
BOARD ROOM
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683

Tuesday, September 3, 2024
5:30 P.M.

OUR MISSION STATEMENT

THE BOARD OF DIRECTORS AND EMPLOYEES OF THE MIDWAY CITY SANITARY DISTRICT WORK DILIGENTLY TO PROVIDE SEWER AND SOLID WASTE SERVICES TO THE RESIDENTS OF THE DISTRICT. OUR TOP PRIORITY IS TO ACCOMPLISH THIS IN AN ETHICAL, EFFICIENT, AND COST-EFFECTIVE MANNER THAT WILL PROTECT THE HEALTH AND SAFETY OF THOSE WE SERVE.

In accordance with the requirements of California Government Code Section 54954.2, this Agenda is posted not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done in compliance with Section 54954.2, or as set forth on a Supplemental Agenda posted not less than 72 hours prior to the meeting.

Please Note: The District complies with the provisions of the Americans with Disabilities Act (ADA). Anyone needing special assistance please contact the District's Secretary at (714) 893-3553, at least one business day prior to the meeting so that we may accommodate you.

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE AND INVOCATION**

2. **ROLL CALL AND DECLARATION OF QUORUM**

3. **PUBLIC COMMENTS**
   All persons wishing to address the Board on specific Agenda items or matters of general interest should do so at this time. As determined by the President, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to three (3) minutes.

4. **APPROVAL OF THE MINUTES**

   A. Approve Minutes of the Regular Board of Directors Meeting on August 20, 2024

5. REPORTS

The President, General Manager, Legal Counsel, and other staff present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

A. Report of President
B. Report of General Manager
C. Report of Director of Services & Program Development
D. Report of Franchise Committee Meeting on August 26, 2024
E. Report of District Employee Luncheon on August 28, 2024
F. Report of OC San Board of Directors Meeting on August 28, 2024

6. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and will be acted upon at the same time unless separate discussion and/or action is requested by a Board Member, the public, or staff.

A. Receive and File the Register of Demands in the Amount of $461,761.29
B. Received and File the 4th Quarter 2023-2024 Fiscal Year Financial and Budget Reports
C. Approve the August 26, 2024 Franchise Committee Report

7. OLD BUSINESS - None

8. NEW BUSINESS

A. Consider Approval of $499,263 in Additional Discretionary Payments (ADP) to CalPERS Towards the District's Pension Liabilities

B. Review Results of Customer Opinion Survey

9. INFORMATIONAL ITEMS

A. 2024 Board Meeting Calendar

10. BOARD CONCERNS AND COMMENTS

11. GM/STAFF CONCERNS AND COMMENTS

12. GENERAL COUNSEL CONCERNS AND COMMENTS

13. CLOSED SESSION ITEMS

A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)
Title: Agency Designated Representatives: GM Robert Housley, Labor Counsel Joseph Larsen
Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

14. ADJOURNMENT TO TUESDAY, SEPTEMBER 17, 2024

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683

August 20, 2024

CALL TO ORDER

President M. Nguyen called the Regular Meeting of the Governing Board of the Midway City Sanitary District to order at 5:31 p.m., on Tuesday, August 20, 2024 at 14451 Cedarwood Street, Westminster, California.

ROLL CALL	
PRESENT:	Mark Nguyen Sergio Contreras Andrew Nguyen Chi Charlie Nguyen
ABSENT:	Tyler Diep
STAFF PRESENT:	Robert Housley, General Manager Ashley Davies, Dir. of Servs. & Program Development Milo Ebrahimi, District Engineer, P.E
OTHERS PRESENT:	James H. Eggart, General Counsel, Woodruff & Smart Joseph Larsen, Labor Counsel, Rutan & Tucker Terry Rains, Resident of Westminster Kathy Cruz, Realtor

PLEDGE OF ALLEGIANCE AND INVOCATION
Director S. Contreras led the Pledge of Allegiance. Director C. Nguyen conducted the Invocation.

ROLL CALL AND DECLARATION OF QUORUM
Acting Clerk of the Board, A. Davies announced a quorum.

PUBLIC COMMENTS
T. Rains addressed the Board stating that serving the residents of Westminster and Midway City should take precedence over any personal or political agendas.

PRESENTATIONS - None

APPROVAL OF MINUTES

A. Approve Minutes of the Regular Board of Directors Meeting on August 6, 2024

A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to approve the minutes of the regular meeting on August 6, 2024. The motion was approved by the following 4-0 vote:

AYES:	A. Nguyen, M. Nguyen, S. Contreras, and C. Nguyen
NAYS:	None
ABSTAIN:	None
ABSENT:	T. Diep

REPORTS

Report of President
President M. Nguyen reported that he attended the most recent Westminster City Council meeting to see if the sponsorship of the Midway City Sanitary District 85th Anniversary event would be approved. However, the majority of the time was taken up by the public comments, so the City didn't have the opportunity to speak on the matter.

Report of the General Manager
GM R. Housley reported on events occurring at the District. He also reported that he attended the SDRMA Board meeting and the Los Angelas Digital Government Summit.

Report of the Director of Services & Program Development
Director of Services & Program Development A. Davies reported on the outreach activities she will be participating in this coming week. She gave an update on SB 1383 regulations and reported that the 85th anniversary event mailers had been sent.

Report of Radio Outreach with VietLink on August 8, 2024
Director A. Nguyen and Director S. Contreras reported that they attended the recording to inform residents on SB 1383 regulations, District services, and upcoming events.

Report of Radio Outreach with Me Vietnam on August 9, 2024
President M. Nguyen and Director C. Nguyen reported that they attended the recording to inform residents on SB 1383 regulations, District services, and upcoming events.

Report of Clean-up Event at Bowling Green Park on August 10, 2024
President M. Nguyen reported that he attended the event with Director T. Diep, Director A. Nguyen, and Director C. Nguyen and shared that it was another successful one.

CONSENT CALENDAR

A. Receive and File the Register of Demands in the Amount of $786,759.04
B. Approve and File the Treasurer's Investment Report for July 2024
C. Approve a $1,000 Economic Suggestion Award to Lead Fleet Maintenance Mechanic, Raul Martinez for Making an Economic Suggestion that Reduced the Cost and Increased Operational Efficiency for the Replacement of the Firewall Protection in the Solid Waste Department's Trucks, Saving the District $26,000
D. Receive and File the Engineer Report for July 2024

E. Approve the Purchase of One (1) New 2024 Electric Pickup Truck

A motion was made by Director C. Nguyen, seconded by Director S. Contreras, to remove item 7E and approve items 7A through 7D of the Consent Calendar. The motion was approved by the following 4-0 vote:

AYES:	A. Nguyen, M. Nguyen, S. Contreras, and C. Nguyen
NAYS:	None
ABSTAIN:	None
ABSENT:	T. Diep

Director C. Nguyen asked if item 7E may lawfully be placed on the agenda under the consent calendar.

Legal Counsel, J. Eggart confirmed that it is legal for item 7E to be included in the consent calendar.

A motion was made by Director C. Nguyen, seconded by Director S. Contreras, to approve item 7E to authorize the General Manager to negotiate for and purchase one 2024 Ford F-150 Lightning 4x4 Supercrew electric pickup truck at a total cost not exceeding $90,000 and authorize the General Manager to execute all necessary documents for said purchase.. The motion was approved by the following 4-0 vote:

AYES:	A. Nguyen, M. Nguyen, S. Contreras, and C. Nguyen
NAYS:	None
ABSTAIN:	None
ABSENT:	T. Diep

OLD BUSINESS - None

NEW BUSINESS

A. Consider Sponsorship of the City of Westminster's Fall Festival

Director C. Nguyen recused himself from the matter and left the room.

A staff report and recommendations were provided to and considered by the Board. A motion was made by President M. Nguyen, seconded by Director S. Contreras, to approve District sponsorship of the City of Westminster Fall Festival at the Silver sponsor level in the amount of $1000, and to provide an in-kind service, upon request, of disposable cardboard trash cans. The motion was approved by the following 3-0 vote:

AYES:	A. Nguyen, M. Nguyen, and S. Contreras
NAYS:	None
ABSTAIN:	C. Nguyen
ABSENT:	T. Diep

Director C. Nguyen returned to the room.

B. Discussion of Exploring Opportunities for the Purchase of Additional Real Property to Meet the District's Future Needs

A staff report and presentation by GM. R. Housley were provided to and considered by the Board.

Realtor, K. Cruz addressed the Board regarding specific properties that are currently available and listed for sale in the District and the process to purchase property..

Director C. Nguyen asked T. Rains, a resident, for her thoughts on the matter.

With the approval of President M. Nguyen, T. Rains addressed the Board and requested that the District look into purchasing properties in the industrial rather than residential areas.

The Board discussed exploring the purchase of additional property and related parameters. The consensus of the Board was that the General Manager should continue to investigate potential opportunities for the District to purchase additional real estate in the industrial areas within the District and report back to the Board. No action had been taken.

INFORMATIONAL ITEMS:

A. Independent Special Districts of Orange County (ISDOC) 2024 Election Timeline

Received and File.

BOARD CONCERNS AND COMMENTS
The Directors thanked staff.

GENERAL MANAGER AND STAFF CONCERNS AND COMMENT
GM R. Housley reminded the Board of upcoming meetings.

GENERAL COUNSEL CONCERNS AND COMMENTS - None

With the consent of the full Board, General Counsel, J. Eggart convened the meeting into closed session at 6:34 P.M. for consideration for the following matter identified on the Agenda pursuant to applicable law.

CLOSED SESSIONS

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

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A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)
Title: Agency Designated Representatives: GM Robert Housley, Labor Counsel Joseph Larsen
Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

President M. Nguyen reconvened the open session portion of the meeting at 6:54 P.M.

President M. Nguyen reported that the Board had met in closed session as identified on Agenda Item 14A, and that no reportable action had been taken.

ADJOURNMENT

President M. Nguyen adjourned the meeting at 6:54 P.M. to the next Board Meeting to be held at the District on Tuesday, September 3, 2024, at 5:30 P.M.

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Andrew Nguyen, Secretary

AGENDA ITEM 6A

Date: September 03, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Mariana Sanchez, Accountant

Subject: Receive and File the Register of Demands in the Amount of $461,761.29.

BACKGROUND

The laws of the State of California governing Special Districts provide that the Midway City Sanitary District Board of Directors shall review for approval all payments made by the District.

A Register of Demands is provided at each regular Midway City Sanitary District Board Meeting describing each payment made or to be made by the district during the specified period. The report is designed to communicate fiscal activity based on adopted and approved budget appropriations.

The Treasurer has duly reviewed the demands on the attached register.

FISCAL IMPACT

The total value of demand for this period is $461,761.29. This includes expenses, payroll, and payroll-related disbursements.

Sufficient funds are available to process all payments.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors review and file the attached Register of Demands.

ATTACHMENTS

1. Disbursement Details for September 03, 2024

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on September 03, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	**15938**	**08/09/2024**	**Advanced Thermal Products, Inc**	**PO # 425NG-17**	
Bill	240873	08/01/2024		NG-17 Firewall Insulation	2,142.00
					2,142.00
Check	**15939**	**08/09/2024**	**AKM Consulting Engineers, Inc.**	**Project No. 2351831.00**	
Bill	0012965	08/06/2024		Sewer System Master Plan 07/01/24 - 07/26/24	9,695.00
					9,695.00
Check	**15940**	**08/09/2024**	**AT&T Mobility (First Net)**		
Bill	287291683611X0824	08/02/2024		July 2024	418.38
				July 2024	242.29
				July 2024	137.19
Bill	287341896497X080224	08/02/2024		July 2024	45.05
					842.91
Check	**15941**	**08/09/2024**	**Bodyworks Equip. Inc.**		
Bill	47972	08/01/2024		RR Dump Cylinder (2)	1,770.69
Bill	48011	08/06/2024		Single Link (2), Spring (10), Pressure Switch (5), Husco Control Box (1), RR Hose Tray Kit (1)	2,921.39
					4,692.08
Check	**15942**	**08/09/2024**	**City Green Consulting, LLC**	**SB1383 Program Assistance Services**	
Bill	SWC-24-25-2	06/30/2024		SB1383 Implemenation 05/01/2024 - 05/31/2024	2,420.00
					2,420.00
Check	**15943**	**08/09/2024**	**Daniels Tire Service**	**Cust # 2002338 Ref # 919462**	
Bill	200512684	08/07/2024		Recap Tires (3)	692.01
					692.01
Check	**15944**	**08/09/2024**	**Dartco Transmission Sales & Srvs.**	**Customer # 0343701 PO# Stock**	
Bill	C276063	08/01/2024		Filter Kit (12)	1,116.47
					1,116.47
Check	**15945**	**08/09/2024**	**Haaker Equipment Co.**	**Customer # 129 PO# 28599**	
Bill	C1AF10	08/02/2024		NG-12 Swivel (1)	490.61
					490.61
Check	**15946**	**08/09/2024**	**HB Staffing/Cathyjon Enterprises, Inc.**	**Client# 341347**	
Bill	4431391	08/01/2024		Engineering Asisstant (32.0) 07/22/24-07/25/24	1,261.44
				Engineering Asisstant OT (1) 07/28/24	59.13
				Project Manager (40.0) 07/22/24-07/26/24	1,892.40
					3,212.97
Check	**15947**	**08/09/2024**	**Los Angeles Truck Centers, LLC**	**PO # 28601**	
Bill	XA220584004:02	07/30/2024		NG-6 Mirror Assy (1)	1,356.06
					1,356.06
Check	**15948**	**08/09/2024**	**NVB Equipment, Inc.**	**PO# 080824**	
Bill	SQ17151	08/08/2024		NG-10 A/C Service & Repairs	899.49
					899.49
Check	**15949**	**08/09/2024**	**Orange County Sanitation District**	**MCSD July Permit Fees 2024**	
Bill	Permit Fees Jul-2024	07/31/2024		Permit Fees July-2024	41,106.31
					41,106.31
Check	**15950**	**08/09/2024**	**PSI**	**PO# 0708WASH**	
Bill	45995	07/08/2024		Ultra Extreme 55 gal Degreaser (1), Premium Purple soap 55 gal (1)	589.95
					589.95
Check	**15951**	**08/09/2024**	**Radio Bolsa Corp.**	**BS 2023_2027d**	
Bill	4360	07/31/2024		Radio talkshows (6) 20Min Recorded 07/10/24 - 07/31/24	2,000.00
					2,000.00
Check	**15952**	**08/09/2024**	**Safety-Kleen Systems, Inc.**		
Bill	95087574	07/25/2024		NGEO 15W-40 NGP (66 gals), Product Delivery Fee	1,029.76
Bill	94959183	07/25/2024		Used Oil Shop (400), Used Antifreeze (100)	27.00
Bill	95102829	07/27/2024		AF-HD ELC Oat Red 55Gal Coolant (1)	538.52
					1,595.28

Type	Num	Date	Name	Memo	Paid Amount
Check	**15953**	**08/09/2024**	**SDRMA - Claims**	**Claim # AD2425009483-0001, Ref# C00546**	
Bill	C00546	08/05/2024		Claim Incident dated 07/01/2024	1,000.00
					1,000.00
Check	**15954**	**08/09/2024**	**SDRMA - Employee Benefits**	**Member # 7732**	
Bill	H46310	09/01/2024		September - 2024	614.09
				September - 2024	1,584.98
				September - 2024	813.70
				September - 2024	527.36
				September - 2024	453.41
				September - 2024	113.93
				September - 2024	250.81
				September - 2024	97.42
				September - 2024	98.48
				September - 2024	48.71
					4,602.89
Check	**15955**	**08/09/2024**	**Shannon Frost**	**Notary Services**	
Bill	08.08.24	08/06/2024		Notary Services (3)	30.00
					30.00
Check	**15956**	**08/09/2024**	**Snap-On Tools**	**PO# 28606**	
Bill	08072492053	08/07/2024		Plier 45 Angel (1), Grease Coupler (1)	87.00
					87.00
Check	**15957**	**08/09/2024**	**TeaLove, Inc.**	**85th Anniversary**	
Bill	001	07/16/2024		85th Anniversary refreshements - Deposit	1,220.00
					1,220.00
Check	**15958**	**08/09/2024**	**TEC Of California, Inc.**		
Bill	1455151L	07/12/2024		Wheel Speed (2), Sensor (4)	603.66
Bill	1455150L	07/12/2024		Spring Brakes (2), Filters (4), Brkt Fire (10)	1,222.25
Bill	5030090XS	07/18/2024		Adjust steering radius to NG-15	470.36
Bill	1455964L	07/19/2024		Discpad (10)	1,434.15
Bill	1456771L	07/23/2024		Extension (2), Seal Rocket (2)	336.58
Bill	1456736L	07/23/2024		Power Steering Pu,p (1) for NG-15	528.27
Bill	1456861L	07/24/2024		Relay Valve (2)	302.17
Bill	1457199L	07/25/2024		Crankcase (5)	433.57
Bill	1457855L	07/30/2024		Air Dryer (1), Core Deposit (1)	783.48
Bill	1458271L	07/31/2024		NG-17 Switch (1)	229.55
					6,344.04
Check	**15959**	**08/09/2024**	**UniFirst Corporation**		
Bill	2190211026	08/02/2024		Aug - 2024	213.08
Bill	2190211027	08/02/2024		Aug - 2024	77.27
Bill	2190211028	08/02/2024		Aug - 2024	69.66
Bill	2190211029	08/02/2024		Aug - 2024	16.23
					376.24
Check	**15960**	**08/09/2024**	**Woodcliff Corporation - Contractor**	**Project No: 202041**	
Bill	2203-Reimbu	06/30/2024		Reimb Fire Sprinkler Plan Ck Fee FER# 2 11/01/22 & 12/20/22	1,971.31
				Reimb Encroachment/Utility Grading/Fire Permits FER# 3 01/26, 04/19, 12/23/23	1,439.43
					3,410.74
Check	**15961**	**08/16/2024**	**AKM Consulting Engineers, Inc.**	**Project No. 2351909.00**	
Bill	0012972	08/12/2024		MCSD-Manholes @ Westminster & Springdale - 7/1/24 - 7/26/24	6,121.00
					6,121.00
Check	**15962**	**08/16/2024**	**Cameron Welding Supply**		
Bill	1653997-00	08/09/2024		Propane, Liquified 2.1 (2), Lenco Wood HDL Chisel & Pick (1), Long Handle Wire Brush (1)	123.72
Bill	1654880-00	08/14/2024		Acetylene, Dissolved 2.1 (1), Oxygen, Compressed (2), ER70S6 045 33#SP (33), V-Series V1-101-1 C...	694.23
					817.95
Check	**15963**	**08/16/2024**	**City of Westminster FARP**	**Acct # 1755 False Alarm Fine**	
Bill	200961	07/31/2024		False Alarm Fine - 7/27/24	100.00
					100.00
Check	**15964**	**08/16/2024**	**CR&R Incorporated**	**Acct # 63-0001259-2**	
Bill	187607	08/01/2024		Compost Event Westminster Mall 07/20/24	1,035.80
					1,035.80

Type	Num	Date	Name	Memo	Paid Amount
Check	**15965**	**08/16/2024**	**CRC Cloud**	**MCSD**	
Bill	2103096	08/12/2024		FastStone Capture software installation - Ashley's PC	75.00
					75.00
Check	**15966**	**08/16/2024**	**Daniels Tire Service**	**Cust # 2002338 Ref # 921143**	
Bill	200513366	08/14/2024		Recap Tires (5)	1,234.09
					1,234.09
Check	**15967**	**08/16/2024**	**Davis Farr LLP**	**Client No 31320**	
Bill	1837	07/31/2024		Accounting Assistance July 2024	8,242.50
					8,242.50
Check	**15968**	**08/16/2024**	**HB Staffing/Cathyjon Enterprises, Inc.**	**Client# 341347**	
Bill	4435175	08/08/2024		Engineering Asisstant (32.0) 07/29/24-08/01/24	1,261.44
				Engineering Asisstant OT (2) 07/29/24 & 08/01/24	118.26
				Project Manager (40.0) 07/29/24-08/02/24	1,892.40
					3,272.10
Check	**15969**	**08/16/2024**	**NVB Equipment, Inc.**		
Bill	SQ17232	08/15/2024		NG-9 Air Conditioning Inspection & Service	232.52
Bill	SQ17230	08/15/2024		NG-3 Air Conditioner Service & Repair	806.19
Bill	SQ17229	08/15/2024		NG-14 Air Conditioning Inspection & Service	586.55
Bill	SQ17231	08/15/2024		G-5 Air Conditioning Inspectin & Diagnosis	337.10
					1,962.36
Check	**15970**	**08/16/2024**	**Pitney Bowes/Purchase Power**	**Acct # 80000-90000-0933-5138**	
Bill	80009000093351380824	08/11/2024		Postage July-2024	100.00
				Postage Aug-2024	100.00
					200.00
Check	**15971**	**08/16/2024**	**Probolsky Research LLC**		
Bill	08-3752	07/30/2024		Customer Community Survey	15,800.00
				Customer Community Survey	15,800.00
					31,600.00
Check	**15972**	**08/16/2024**	**Rutan & Tucker, LLP**	**Account # 014843-0001**	
Bill	1001098	07/31/2024		Legal Services July-2024	1,711.00
					1,711.00
Check	**15973**	**08/16/2024**	**SoCalGas**		
Bill	19380926006 08092024	08/09/2024		Maint. Shop & Wash Rack - Aug 2024	61.66
Bill	19170926059 080924	08/09/2024		District Offices Aug 2024	28.38
					90.04
Check	**15974**	**08/16/2024**	**Southwest Patrol, Inc.**		
Bill	76450	07/31/2024		Patrol Service 7/1/24 - 7/31/24	728.00
					728.00
Check	**15975**	**08/16/2024**	**Spectrum Enterprise (Time Warner Cable)**		
Bill	188910401080724	08/07/2024		July-2024	171.54
Bill	188914501080724	08/07/2024		Aug-2024	1,349.00
					1,520.54
Check	**15976**	**08/16/2024**	**Tesco Controls, Inc.**	**Cust # MIDW/C Job # 53627R**	
Bill	0083528-IN	08/09/2024		Brookhurst Second Hydro Ranger Troubleshoot and Install - 5/28/24	2,264.00
				Troubleshoot and New Hydro Ranger and Installs - 7/22-23/24	3,283.70
					5,547.70
Check	**15977**	**08/16/2024**	**UniFirst Corporation**		
Bill	2190214276	08/09/2024		Aug - 2024	235.60
Bill	2190214277	08/09/2024		Aug - 2024	83.30
Bill	2190214278	08/09/2024		Aug - 2024	77.80
Bill	2190214279	08/09/2024		Aug - 2024	19.05
					415.75
Check	**15978**	**08/22/2024**	**Norm Reeves Ford**	**2024 Ford F-150 Lighting Flash**	
Bill	392357	08/22/2024		2024 Ford F-150 Lightning Flash (VIN# 1FT6W3L74RWG06916)	76,598.69
					76,598.69
Check	**15979**	**08/22/2024**	**AT&T (Brookhurst Lift Station)**	**Acct # 714 531-0272 115 1**	
Bill	7145310272 08/24	08/13/2024		Brookhurst Aug-2024	601.98
					601.98

Type	Num	Date	Name	Memo	Paid Amount
Check	**15980**	**08/22/2024**	**Bodyworks Equip. Inc.**		
Bill	48075	08/14/2024		NG-5 - Monoblock Valve (1)	2,201.40
Bill	48105	08/16/2024		NG-7 - 2" Bearing (9), Grabber Drive Gear (2), Idler Gear (2), In/out Cyl. Cushion Kit (2)	3,658.17
Bill	48111	08/19/2024		NG-4 - Dir.Control Valve (1)	806.46
					6,666.03
Check	**15981**	**08/22/2024**	**City of Westminster**	**Community Svs & Rec Dept Fall Festival Sponsorship**	
Bill	Fall Festival 9/2024	08/22/2024		Fall Festival Silver Sponsorship 09/26-29/24	1,000.00
					1,000.00
Check	**15982**	**08/22/2024**	**City of Westminster-Water Billing**		
Bill	8451607 0824	08/13/2024		Westminster Lift Station 06/10/24 - 08/05/24	24.62
Bill	8456005 081324	08/13/2024		Hammon Lift Station 06/11/24 - 08/06/24	19.45
					44.07
Check	**15983**	**08/22/2024**	**City of Westminster Hydrant**	**Acct #013-0012-00 Customer #045973**	
Bill	87523 08/15/24	08/15/2024		Hydrant Water Service Aug-2024	84.94
					84.94
Check	**15984**	**08/22/2024**	**HB Staffing/Cathyjon Enterprises, Inc.**	**Client# 341347**	
Bill	4438986	08/15/2024		Engineering Asistant (32.0) 08/05/24-08/09/24	1,261.44
				Engineering Asisstant OT (1.5) 08/05/24 & 08/07/24	331.16
				Project Manager (40.0) 08/05/24-08/09/24	2,207.60
				Project Manager OT (4) 08/10/24	88.70
					3,888.90
Check	**15985**	**08/22/2024**	**Insight Vision LLC**	**PO# 081224**	
Bill	41967	08/14/2024		Iris 600' System, Top manhole Roller - Adjustable Serial #: Iris - IRIS00210, Crawler - IC00215S	37,453.88
					37,453.88
Check	**15986**	**08/22/2024**	**Pre-Paid Legal Services, Inc.**	**Group #155124**	
Bill	155124 082524	08/25/2024		Prepaid Legal July-2023	33.90
					33.90
Check	**15987**	**08/22/2024**	**Raycom**	**Cust # C11374**	
Bill	101011634-1	08/21/2024		Normal Base Station Install (1), Trip Charge (1)	382.69
					382.69
Check	**15988**	**08/22/2024**	**Snap-On Tools**	**PO# 28623**	
Bill	08142492245	08/14/2024		1/4DR 72T STD S/G SWV RAT GRN (1), 10MM Rev Ratch Combo Wrench (1), 10MM 0 Offset Ratcombo FDP W...	884.68
					884.68
Check	**15989**	**08/22/2024**	**SoCal Arborists**	**MCSD Tree Service**	
Bill	01183	08/20/2024		Fan Palms (5), Kentias Palms (3), Queen Palm (1), Kind Palm (2), Seigo Palm (3), Pygmy Date Palm...	750.00
					750.00
Check	**15990**	**08/22/2024**	**SoCal Auto & Truck Parts, Inc.**		
Bill	617746	08/09/2024		WD40 12oz Spray (6), Brake Parts Cleaner (24), Impact Wrench (1), Rover Flood Light (1)	229.76
Bill	618601	08/19/2024		Rubber Grommet Kit (10), Grommet (10)	70.25
					300.01
Check	**15991**	**08/22/2024**	**Southern California Edison**	**Acct # 700884706025**	
Bill	700884706025 8/24	08/19/2024		Cedarwood 7/19/24 - 8/18/24	8,173.51
					8,173.51
Check	**15992**	**08/22/2024**	**UniFirst Corporation**		
Bill	2190217584	08/16/2024		Aug - 2024	235.60
Bill	2190217585	08/16/2024		Aug - 2024	83.30
Bill	2190217586	08/16/2024		Aug - 2024	77.80
Bill	2190217587	08/16/2024		Aug - 2024	19.05
Bill	2190191106	08/20/2024		Jun - 2024	185.00
Bill	2190191107	08/20/2024		Jun - 2024	77.24
Bill	2190191108	08/20/2024		Jun - 2024	69.66
Bill	2190191109	08/20/2024		Jun - 2024	16.23

Type	Num	Date	Name	Memo	Paid Amount
					763.88
Check	**15993**	**08/22/2024**	**Void check**		
					0.00
Check Total					**$292,223.04**
ACH Payment	**2252709**	**08/12/2024**	**SoCalGas**	**Acct # 021-760-4610 6**	
Bill	02176046106 0724	07/31/2024		CNG Station July-2024 (11,850)	8,718.84
					8,718.84
ACH Payment	**90280812202**	**08/12/2024**	**Chevron Texaco (Wex Bank)**	**Acct # 0496-00-525172-3**	
Bill	98884605	07/31/2024		July-2024	244.09
				July-2024	228.02
				July-2024	165.93
				July-2024	778.65
					1,416.69
ACH Payment	**1002707026**	**08/12/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	07/22/24 - 08/04/24	08/04/2024		Earned Period 07/22/24 - 08/04/24	1,795.83
				Earned Period 07/22/24 - 08/04/24	3,226.58
				Earned Period 07/22/24 - 08/04/24	3,554.15
				Earned Period 07/22/24 - 08/04/24	1,314.78
					9,891.34
ACH Payment	**1002707027**	**08/12/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	07/22/24 - 08/04/24	08/04/2024		Earned Period 07/22/24 - 08/04/24	1,683.99
				Earned Period 07/22/24 - 08/04/24	3,025.65
				Earned Period 07/22/24 - 08/04/24	3,332.83
				Earned Period 07/22/24 - 08/04/24	1,232.90
					9,275.37
ACH Payment	**1002707028**	**08/12/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	07/22/24 - 08/04/24	08/04/2024		Earned Period 07/22/24 - 08/04/24	127.64
				Earned Period 07/22/24 - 08/04/24	229.32
				Earned Period 07/22/24 - 08/04/24	252.60
				Earned Period 07/22/24 - 08/04/24	93.44
					703.00
ACH Payment		**08/12/2024**		**Funds Transfer 457(b) OBRA-PST**	
				Funds Transfer 457(b) OBRA-PST	1,017.00
					1,017.00
ACH Payment		**08/12/2024**		**Funds Transfer 457(b) Salary Reduction**	
				Funds Transfer 457(b) Salary Reduction	4,241.15
					4,241.15
ACH Payment		**08/12/2024**		**Funds Transfer 457(b) Roth**	
				Funds Transfer 457(b) Roth	2,996.64
					2,996.64
ACH Payment	**FY25M1015**	**08/20/2024**	**Paychex**	**Acct # Y4807254**	
Bill	6083922	08/05/2024		Time & Attendance Aug 2024	401.38
					401.38
ACH Payment	**1002714882**	**08/23/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	08/05/24 - 08/18/24	08/18/2024		Earned Period 08/05/24 - 08/18/24	1,777.58
				Earned Period 08/05/24 - 08/18/24	3,294.30
				Earned Period 08/05/24 - 08/18/24	3,518.04
				Earned Period 08/05/24 - 08/18/24	1,301.42
					9,891.34
ACH Payment	**1002714883**	**08/23/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	08/05/24 - 08/18/24	08/18/2024		Earned Period 08/05/24 - 08/18/24	1,703.54
				Earned Period 08/05/24 - 08/18/24	3,157.08
				Earned Period 08/05/24 - 08/18/24	3,371.50
				Earned Period 08/05/24 - 08/18/24	1,247.21
					9,479.33
ACH Payment	**1002714884**	**08/23/2024**	**CalPERS-Retirement**	**6882866561**	
Bill	08/05/24 - 08/18/24	08/18/2024		Earned Period 08/05/24 - 08/18/24	126.34
				Earned Period 08/05/24 - 08/18/24	234.13
				Earned Period 08/05/24 - 08/18/24	250.04
				Earned Period 08/05/24 - 08/18/24	92.49
					703.00
ACH Payment		**08/23/2024**		**Funds Transfer 457(b) Salary Reduction**	
				Funds Transfer 457(b) Salary Reduction	4,048.21
					4,048.21

Type	Num	Date	Name	Memo	Paid Amount
ACH Payment		**08/23/2024**		**Funds Transfer 457(b) Roth**	
				Funds Transfer 457(b) Roth	3,132.81
					3,132.81
ACH Payment	**FY25M1016**	**08/25/2024**	**WEX Health Inc**	**Customer ID 45927**	
Bill	0002000875-IN	07/31/2024		Monthly HRA Admin Fee July 2024	30.00
				Monthly HRA Admin Fee July - 2024	48.00
					78.00
ACH Payment	**1002714959**	**08/26/2024**	**CalPERS-Fiscal Services Division**	**GASB 68**	
Bill	100000017644506	08/14/2024		GASB 68 Reporting Services Fee, CalPERS	1,050.00
					1,050.00
ACH Payments Total					**$67,044.10**
Payroll		**08/21/2024**		**Employee Payroll**	**102,494.15**
Payroll Total					**$102,494.15**
Total Disbursements					**$461,761.29**

Type	Num	Date	Name	Memo	Paid Amount
Transfers					
Transfer		**08/09/2024**		**Funds Transfer - Clean Energy Inv# SWC-24-25-3**	
				Funds Transfer - Clean Energy Inv# SWC-24-25-3	4,444.00
					4,444.00
Transfer		**08/16/2024**		**Funds Transfer from US Bank MM to Chk**	
				Funds Transfer from US Bank MM to Chk	40,000.00
					40,000.00
Transfer		**08/23/2024**		**Funds Transfer LAIF to US Bank Chk**	
				Funds Transfer LAIF to US Bank Chk	400,000.00
					400,000.00
Transfers Total					**$444,444.00**

AGENDA ITEM 6B

Date:	September 3, 2024
To:	Board of Directors
From:	Robert Housley, General Manager
Prepared by:	Robert Housley, General Manager
Subject:	Receive and File the 4th Quarter 2023-2024 Fiscal Year Financial and Budget Reports

BACKGROUND

Quarterly, the Midway City Sanitary District legislative body reviews its financial and budget reports. The reports were prepared by the Finance Department and reviewed by the General Manager and Department Heads.

DISCUSSION

The 4th quarter financial and budget reports are in line with approved budgeted items and in accordance with District policies and procedures.

FISCAL IMPACT

Informational report only. No fiscal impact.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors receive and file the 4th quarter financial and budget reports.

ATTACHMENTS

1. Statement of Net Assets [yellow]
2. Statement of Revenue Expenses and Changes in Net Position [green]
3. Budget vs. Actual [purple]

Midway City Sanitary District
Statement of Net Assets
As of June 30, 2024

	Jun 30, 24	Jun 30, 23	$ Change
ASSETS			
Current Assets			
Checking/Savings			
1000.00 · Cash in Checking - US 9028	203,061.06	543,745.82	-340,684.76
1020.00 · Money Market - US 6913	32,508.23	977,176.90	-944,668.67
1030.00 · Petty Cash	300.00	300.00	0.00
1035.00 · HRA Reserve Fund - WEX	10,649.16	2,878.09	7,771.07
1037.00 · Escrow Account - CBB 4618	0.00	142,992.30	-142,992.30
1040.00 · Local Agency Investment Fund			
1040.10 · Operating	10,305,507.89	9,513,535.71	791,972.18
1040.20 · Midway City	2,117,442.58	2,037,548.97	79,893.61
1040.30 · Buildings, Equip & Facilities	3,073,607.48	3,819,885.37	-746,277.89
1040.40 · Lift Stations & Sewer Lines	30,948,299.04	30,793,481.33	154,817.71
1040.50 · CNG Station & Facilties	2,022,786.03	1,947,820.17	74,965.86
1040.60 · Vehicle Replacement	2,328,957.17	3,577,570.33	-1,248,613.16
1040.80 · LAIF Market Gain/(Loss)	-187,132.54	-784,212.47	597,079.93
Total 1040.00 · Local Agency Investment Fund	50,609,467.65	50,905,629.41	-296,161.76
1050.00 · California CLASS			
1050.10 · Prime Fund Account, Operating	1,746,422.09	0.00	1,746,422.09
1050.20 · CalRecycle SB 1383 Grant Funds	275,921.10	0.00	275,921.10
Total 1050.00 · California CLASS	2,022,343.19	0.00	2,022,343.19
1070.00 · CalTRUST			
1070.10 · CalTRUST Medium-Term Fund	1,532,350.48	1,532,350.48	0.00
1070.20 · CalTRUST Market Gain/(Loss)	-78,010.06	-86,969.03	8,958.97
Total 1070.00 · CalTRUST	1,454,340.42	1,445,381.45	8,958.97
1090.00 · 115 Trust Fund, Restricted			
1090.10 · CEPPT Trust Related to Pensions	4,575,000.00	4,575,000.00	0.00
1090.20 · CEPPT Trust Market Gain/(Loss)	765,915.13	346,960.54	418,954.59
Total 1090.00 · 115 Trust Fund, Restricted	5,340,915.13	4,921,960.54	418,954.59
Total Checking/Savings	59,673,584.84	58,940,064.51	733,520.33
Other Current Assets			
2005.00 · Accrued Receivables	320,185.74	290,203.08	29,982.66
2010.00 · Taxes Receivable	164,213.87	160,600.36	3,613.51
2015.00 · Interest Receivable	575,146.56	413,182.30	161,964.26
2600.00 · Inventory			
2600.20 · Pump Inventory	329,195.65	329,195.65	0.00
2600.10 · Parts Inventory	160,603.20	135,266.15	25,337.05
Total 2600.00 · Inventory	489,798.85	464,461.80	25,337.05
2700.00 · Prepaid Items			
2700.30 · Prepaid Expense	2,668.00	0.00	2,668.00
Total 2700.00 · Prepaid Items	2,668.00	0.00	2,668.00
Total Other Current Assets	1,552,013.02	1,328,447.54	223,565.48

Midway City Sanitary District
Statement of Net Assets
As of June 30, 2024

	Jun 30, 24	Jun 30, 23	$ Change
Total Current Assets	61,225,597.86	60,268,512.05	957,085.81
Fixed Assets			
3500.00 · Land	92,948.00	92,948.00	0.00
3510.00 · Construction Work In Progress			
3510.02 · WIP Board Room Furniture	7,650.39	0.00	7,650.39
3500.03 · WIP Technology	29,523.91	0.00	29,523.91
3500.04 · WIP Solar Project	669,573.85	0.00	669,573.85
3510.00 · Construction Work In Progress - Other	6,570,140.95	3,670,848.51	2,899,292.44
Total 3510.00 · Construction Work In Progress	7,276,889.10	3,670,848.51	3,606,040.59
3520.00 · Buildings & Improvements	906,409.40	906,409.40	0.00
3530.00 · Lift Stations	5,582,673.12	5,582,673.12	0.00
3540.00 · Gravity Lines & Force Mains	17,818,984.25	17,818,984.25	0.00
3550.00 · Resident Containers	857,689.02	857,689.02	0.00
3560.00 · CNG Station & Facilities	3,459,268.18	3,459,268.18	0.00
3570.00 · Solid Waste Trash Trucks	6,377,415.26	5,019,135.23	1,358,280.03
3580.00 · Other Vehicles			
3580.10 · Administration Vehicles	63,387.30	63,387.30	0.00
3580.20 · Solid Waste Vehicles	167,559.58	165,249.21	2,310.37
3580.30 · Sewer Trucks & Vehicles	1,253,860.45	1,223,647.19	30,213.26
Total 3580.00 · Other Vehicles	1,484,807.33	1,452,283.70	32,523.63
3590.00 · Other Equipment			
3590.10 · Office Furniture & Equipment	193,840.19	64,770.46	129,069.73
3590.20 · Garage Facilities	88,726.39	88,726.39	0.00
3590.30 · Garage Equipment & Vehicles	161,985.14	161,985.14	0.00
3590.40 · Solid Waste Equipment - Other	58,325.84	58,325.84	0.00
3590.50 · Sewer Equipment - Other	693,089.46	685,214.46	7,875.00
Total 3590.00 · Other Equipment	1,195,967.02	1,059,022.29	136,944.73
3600.00 · Accumlated Depreciation			
3600.10 · Accumulated Depreciation Admin	-2,035,746.48	-2,073,887.35	38,140.87
3600.20 · Accumulated Depreciation Garage	-12,847.20	-12,847.20	0.00
3600.30 · Accum Depreciation Solid Waste	-4,778,846.86	-4,809,060.12	30,213.26
3600.40 · Accumulated Depreciation Sewer	-9,132,842.77	-9,102,629.51	-30,213.26
Total 3600.00 · Accumlated Depreciation	-15,960,283.31	-15,998,424.18	38,140.87
Total Fixed Assets	29,092,767.37	23,920,837.52	5,171,929.85
Other Assets			
6500.00 · Deferred Outflows from Pension	3,092,001.00	2,134,820.00	957,181.00
6510.00 · Deferred Outflows from OPEB	918,372.00	1,879,200.00	-960,828.00
Total Other Assets	4,010,373.00	4,014,020.00	-3,647.00
TOTAL ASSETS	**94,328,738.23**	**88,203,369.57**	**6,125,368.66**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			

Midway City Sanitary District
Statement of Net Assets
As of June 30, 2024

	Jun 30, 24	Jun 30, 23	$ Change
Accounts Payable			
5000.00 · Accounts Payable	970,537.36	559,432.55	411,104.81
5002.00 · Retentions Payable	7,523.30	142,992.30	-135,469.00
Total Accounts Payable	978,060.66	702,424.85	275,635.81
Credit Cards			
5005.00 · US Bank Cal Card	2,265.48	2,952.91	-687.43
Total Credit Cards	2,265.48	2,952.91	-687.43
Other Current Liabilities			
5010.00 · Accrued Expenses			
5010.10 · Payroll	70,621.81	69,651.18	970.63
5010.20 · 457(b) Deferred Compensation	0.00	0.52	-0.52
5010.30 · OC San CFC Charge	-5,719.88	0.00	-5,719.88
5010.40 · Group Insurance	16.95	16.95	0.00
5010.00 · Accrued Expenses - Other	0.00	-552.00	552.00
Total 5010.00 · Accrued Expenses	64,918.88	69,116.65	-4,197.77
Total Other Current Liabilities	64,918.88	69,116.65	-4,197.77
Total Current Liabilities	1,045,245.02	774,494.41	270,750.61
Long Term Liabilities			
6020.00 · Compensated Absences	317,739.30	264,377.55	53,361.75
6520.00 · Deferred Inflows from Pension	262,753.00	61,731.00	201,022.00
6530.00 · Deferred Inflows from OPEB	552,829.00	1,732,662.00	-1,179,833.00
6540.00 · Net Pension Liability	998,527.00	611,954.00	386,573.00
6550.00 · Net OPEB Liability	-551,556.00	-847,810.40	296,254.40
Total Long Term Liabilities	1,580,292.30	1,822,914.15	-242,621.85
Total Liabilities	2,625,537.32	2,597,408.56	28,128.76
Equity			
4000.00 · Net Position	85,331,463.87	84,176,904.67	1,154,559.20
4100.00 · Restricted	274,497.14	41,804.02	232,693.12
Net Income	6,097,239.90	1,387,252.32	4,709,987.58
Total Equity	91,703,200.91	85,605,961.01	6,097,239.90
TOTAL LIABILITIES & EQUITY	**94,328,738.23**	**88,203,369.57**	**6,125,368.66**

Midway City Sanitary District
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year 2023-2024 Qtr 4

	Jul '23 - Jun 24	Jul '22 - Jun 23	$ Change
Income			
7000.00 · Operating Revenues			
7010.00 · Trash & Sewer Collection Fees			
400.01 · Service Fees - Wholly Exempt	0.00	0.00	0.00
7010.00 · Trash & Sewer Collection Fees - Other	7,661,692.80	7,318,538.08	343,154.72
Total 7010.00 · Trash & Sewer Collection Fees	7,661,692.80	7,318,538.08	343,154.72
7020.00 · Add'l Container & Service Fees	12,538.20	15,410.39	-2,872.19
7030.00 · Franchise Fees	1,356,400.50	1,246,183.83	110,216.67
7040.00 · Plan Check & Inspection Fees	60,167.24	50,984.93	9,182.31
7050.00 · Connection Fees	16,330.91	19,501.90	-3,170.99
Total 7000.00 · Operating Revenues	9,107,129.65	8,650,619.13	456,510.52
8000.00 · Non-Operating Revenues			
8010.00 · Property Tax Secured	1,307,154.36	1,298,523.24	8,631.12
8020.00 · Property Tax Unsecured	39,394.87	38,604.76	790.11
8030.00 · Property Tax Supplemental	34,530.45	56,348.50	-21,818.05
8040.00 · Homeowner's Prop Tax Relief	5,300.96	5,764.91	-463.95
8050.00 · Public Utility & Reg. Railroad	64,111.98	64,479.71	-367.73
8060.00 · Pass-thru County of Orange	516,479.11	413,629.42	102,849.69
8070.00 · Pass-thru City of Westminster	3,566,260.85	3,371,929.33	194,331.52
8080.00 · Investment Income	3,179,658.24	1,322,304.79	1,857,353.45
8090.00 · Interest on Unapportioned Taxes	20,798.66	9,822.06	10,976.60
8100.00 · Other Revenue			
8100.10 · Mattress Recycling	7,492.17	6,826.50	665.67
8100.20 · Scrap Metals & Recycables	9,741.79	8,939.90	801.89
8100.30 · Used Oil Recycling	650.00	648.00	2.00
8100.40 · CalRecycle Curbside Program	0.00	25.56	-25.56
8100.50 · Renewable Fuel RINS/LCFS	15,212.11	13,224.27	1,987.84
8100.60 · Waste Disposal Agreement	205,013.15	187,682.80	17,330.35
8100.70 · Grants & Agreements	274,786.00	0.00	274,786.00
8100.75 · Sponsorships	9,500.00	0.00	9,500.00
8100.80 · Miscellaneous Other Revenue	13,405.62	1,899.03	11,506.59
Total 8100.00 · Other Revenue	535,800.84	219,246.06	316,554.78
8150.00 · Gain/Loss on Disposal of Assets	0.00	-4,919.84	4,919.84
Total 8000.00 · Non-Operating Revenues	9,269,490.32	6,795,732.94	2,473,757.38
Total Income	18,376,619.97	15,446,352.07	2,930,267.90
Gross Profit	18,376,619.97	15,446,352.07	2,930,267.90
Expense			
7500.00 · Personnel & Benefits			
7510.00 · Salaries & Wages	3,027,418.02	2,642,049.57	385,368.45
7520.00 · Medicare	42,384.91	37,952.67	4,432.24
7530.00 · CalPERS Retirement			
7530.10 · PERS Pension Expense GASB 68	1,421,113.00	3,982,095.00	-2,560,982.00
7530.20 · PERS Contra Account GASB 68	-1,790,699.00	-269,780.00	-1,520,919.00

	Jul '23 - Jun 24	Jul '22 - Jun 23	$ Change
7530.00 · CalPERS Retirement - Other	301,846.35	267,398.25	34,448.10
Total 7530.00 · CalPERS Retirement	-67,739.65	3,979,713.25	-4,047,452.90
7535.00 · CalPERS CEPPT Trust Reimb	1,488,751.00	0.00	1,488,751.00
7550.00 · Group Insurance			
7550.10 · Health Benefits	718,861.77	646,555.80	72,305.97
7550.20 · Health Reimbursement Agreement	32,688.93	26,215.82	6,473.11
7550.30 · Life & AD&D	16,589.76	15,196.24	1,393.52
7550.40 · Dental Benefits	32,360.64	29,081.02	3,279.62
7550.50 · Vision Benefits	3,252.41	3,156.62	95.79
Total 7550.00 · Group Insurance	803,753.51	720,205.50	83,548.01
7560.00 · Group Insurance Retirees			
7560.10 · Contra Account GASB 75	77,249.40	-236,809.00	314,058.40
7560.00 · Group Insurance Retirees - Other	194,228.39	179,507.75	14,720.64
Total 7560.00 · Group Insurance Retirees	271,477.79	-57,301.25	328,779.04
7565.00 · CalPERS OPEB Trust Reimb	-193,795.82	0.00	-193,795.82
7570.00 · Workers' Compensation	179,557.95	83,423.26	96,134.69
7575.00 · Uniforms & Laundry Service	20,234.00	14,525.82	5,708.18
7580.00 · Employee Reimbursements	11,294.13	9,668.41	1,625.72
Total 7500.00 · Personnel & Benefits	5,583,335.84	7,430,237.23	-1,846,901.39
7600.00 · Operating Expenses			
7605.00 · Election Costs	0.00	91,109.98	-91,109.98
7610.00 · Board Meeting Expenses	9,052.72	5,420.64	3,632.08
7615.00 · Office Expenses	18,906.53	9,733.77	9,172.76
7620.00 · Operating & Office Expenses	20,519.15	25,380.93	-4,861.78
7625.00 · LAFCO	21,507.79	19,152.59	2,355.20
7630.00 · Services & Supplies			
7630.10 · Alarm Services	9,905.00	4,046.00	5,859.00
7630.20 · Banking Services & Fees	6,424.49	4,976.98	1,447.51
7630.30 · GPS Services	32,214.99	41,451.44	-9,236.45
7630.40 · Janitorial Services & Supplies	10,644.42	9,804.90	839.52
7630.50 · Landscape Services	1,000.00	0.00	1,000.00
7630.60 · Payroll Services	22,159.28	17,786.85	4,372.43
7630.70 · Postage & Postage Machine	3,615.83	3,081.31	534.52
7630.80 · Wash & Detail Fleet & Vehicles	25,510.00	20,710.00	4,800.00
Total 7630.00 · Services & Supplies	111,474.01	101,857.48	9,616.53
7635.00 · Printing & Publications	3,340.65	0.00	3,340.65
7640.00 · Permits Fees Testing & Taxes	25,706.87	22,117.75	3,589.12
7645.00 · Memberships Dues & Subscrptions	12,614.42	11,467.00	1,147.42
7650.00 · Education Training & Travel Exp	54,436.34	28,896.02	25,540.32
7655.00 · Education & Training	22,203.32	11,085.71	11,117.61
7660.00 · Employee Awards & Recognition	36,767.75	39,311.60	-2,543.85
7665.00 · Medical Exams & Testing	4,029.90	4,539.19	-509.29
7670.00 · Property & Liability Insurance	476,588.28	371,159.28	105,429.00

Midway City Sanitary District
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year 2023-2024 Qtr 4

	Jul '23 - Jun 24	Jul '22 - Jun 23	$ Change
7675.00 · Claims Expenses	4,794.67	1,511.01	3,283.66
7680.00 · Gasoline & Diesel Fuel	18,988.65	20,482.29	-1,493.64
7685.00 · Tonnage Disposal Fees			
7685.10 · Trash (Black Cart)	1,463,757.80	1,339,673.46	124,084.34
7685.20 · Recycables (Blue Cart)	0.00	0.00	0.00
7685.30 · Organics (Green Cart)	1,095,390.57	1,014,044.73	81,345.84
Total 7685.00 · Tonnage Disposal Fees	2,559,148.37	2,353,718.19	205,430.18
7690.00 · Containers/Carts			
7690.10 · Black Carts	93,509.75	98,825.47	-5,315.72
7690.20 · Blue Carts	89,593.88	146,531.63	-56,937.75
7690.30 · Green Carts	32,113.88	48,230.20	-16,116.32
Total 7690.00 · Containers/Carts	215,217.51	293,587.30	-78,369.79
7695.00 · Tools & Equipment	31,094.63	36,789.34	-5,694.71
Total 7600.00 · Operating Expenses	3,646,391.56	3,447,320.07	199,071.49
7700.00 · Repairs & Maintenance			
7700.05 · Buildings & Facilities	10,921.66	4,388.05	6,533.61
7700.10 · CNG Facilities	32,775.81	39,365.39	-6,589.58
7700.15 · Vehicles	6,410.45	18,347.77	-11,937.32
7700.20 · Trash Trucks	129,595.31	224,817.84	-95,222.53
7700.25 · Vactor Trucks	25,331.04	15,781.51	9,549.53
7700.30 · Tires	75,541.32	91,984.86	-16,443.54
7700.35 · Restock Parts & Supplies	213,699.18	242,839.12	-29,139.94
7700.40 · Lift Station No. 1 Willow	64.70	0.00	64.70
7700.45 · Lift Station No. 2 Hammon	1,078.18	2,001.84	-923.66
7700.50 · Lift Station No. 3 Westminster	827.07	2,877.68	-2,050.61
7700.55 · Lift Station No. 4 Brookhurst	700.00	2,200.00	-1,500.00
7700.60 · Lift Station Maintenance	60,157.07	64,448.58	-4,291.51
7700.65 · Manholes	60,429.63	8,715.43	51,714.20
7700.70 · Sewer Lines	151,953.00	28,510.48	123,442.52
7700.75 · CCTV Inspection & Cleaning	1,010,822.43	0.00	1,010,822.43
7700.80 · Generators	10,259.05	0.00	10,259.05
7700.85 · Hazardous Waste Used/Mixed Oil	615.15	647.00	-31.85
Total 7700.00 · Repairs & Maintenance	1,791,181.05	746,925.55	1,044,255.50
7725.00 · Professional & Tech Services			
7725.10 · Audit & Financial Services	25,000.01	19,490.00	5,510.01
7725.20 · Engineering & Consulting	337,749.60	188,555.00	149,194.60
7725.30 · Legal Services Personnel	44,933.80	13,014.00	31,919.80
7725.40 · Legal Services General Counsel	120,261.30	115,639.82	4,621.48
7725.50 · Information Technology	77,851.67	53,324.10	24,527.57
7725.70 · Prof & Consulting Services	67,419.02	19,387.00	48,032.02
7725.80 · SCADA System	5,490.31	10,092.57	-4,602.26
7725.90 · Temporary Personnel	35,212.25	63,602.50	-28,390.25
Total 7725.00 · Professional & Tech Services	713,917.96	483,104.99	230,812.97

Midway City Sanitary District
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year 2023-2024 Qtr 4

	Jul '23 - Jun 24	Jul '22 - Jun 23	$ Change
7750.00 · Community Outreach & Programs			
7750.05 · Community & District Events	62,058.91	22,357.83	39,701.08
7750.10 · District Calendar	43,571.43	44,595.41	-1,023.98
7750.20 · Media & Program Development	41,690.00	28,797.30	12,892.70
7750.25 · Clean-up Events	20,288.80	13,856.00	6,432.80
7750.30 · Organics, Compost & SB1383 Exp	60,754.10	31,710.83	29,043.27
7750.35 · Fats Oil Grease (FOG) Program	17,075.00	17,400.00	-325.00
Total 7750.00 · Community Outreach & Programs	245,438.24	158,717.37	86,720.87
7800.00 · Utilities			
7800.10 · Electricity	120,746.27	106,168.65	14,577.62
7800.20 · Natural Gas	115,670.79	176,873.01	-61,202.22
7800.40 · Phone & Internet	51,123.12	34,782.01	16,341.11
7800.50 · Mobile Phone	7,588.25	4,204.72	3,383.53
7800.60 · Television	1,310.00	1,113.18	196.82
7800.70 · Underground Service Alerts	266.25	418.15	-151.90
7800.80 · Water & Sewer	2,410.74	3,586.53	-1,175.79
Total 7800.00 · Utilities	299,115.42	327,146.25	-28,030.83
7900.00 · Depreciation & Amortization	0.00	1,465,648.29	-1,465,648.29
Total Expense	12,279,380.07	14,059,099.75	-1,779,719.68
Net Income	**6,097,239.90**	**1,387,252.32**	**4,709,987.58**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24	FY 2023-24	PERCENT of
		ACTUAL	BUDGET	BUDGET
SUMMARY				
1	**REVENUES**			
2	Trash & Sewer Collection Fees	7,661,693	**7,531,651**	**101.7%**
3	Franchise Fees	1,356,401	**1,200,000**	**113.0%**
4	Property Taxes	1,471,291	**1,485,235**	**99.1%**
5	Pass-Thru Property Tax Funds	4,082,740	**3,600,000**	**113.4%**
6	Investment Income	3,179,658	**2,726,428**	**116.6%**
7	Other Revenue Sources	624,837	**283,500**	**220.4%**
8	**TOTAL REVENUES**	**$ 18,376,620**	**$ 16,826,814**	**109.2%**
9	**EXPENSES**			
10	Salaries and Wages	3,027,418	**3,112,000**	**97.3%**
11	Benefits	1,229,435	**1,786,200**	**68.8%**
12	Tonnage Fees	2,559,148	**2,650,000**	**96.6%**
13	Repairs and Maintenance	779,743	**874,000**	**89.2%**
14	Depreciation & Amortization Expense	1,519,900	**1,519,900**	**100.0%**
15	Other Operating Expenses	4,683,635	**$ 4,587,008**	**102.1%**
16	**TOTAL EXPENSES**	**$ 13,799,280**	**$ 14,529,108**	**95.0%**
17	Net Resources Over/(Under) Expenses	4,577,340	**2,297,706**	
18	**ACTUAL/BUDGET**	**$ 18,376,620**	**$ 16,826,814**	

		FY 2023-24	FY 2023-24	PERCENT of
		ACTUAL	BUDGET	BUDGET
REVENUES				
1	**OPERATING REVENUES**			
2	Trash & Sewer Collection Fees	7,661,693	**7,531,651**	**101.7%**
3	Additional Container & Service Fees	12,538	**14,500**	**86.5%**
4	Franchise Fees	1,356,401	**1,200,000**	**113.0%**
5	Sewer Plan Check & Inspection Fees	60,167	**55,000**	**109.4%**
6	Sewer Connection Fees	16,331	**14,000**	**116.6%**
7	**OPERATING REVENUES**	**$ 9,107,130**	**$ 8,815,151**	**103.3%**
8	**NON-OPERATING REVENUES**			
9	Property Tax Secured	1,307,154	**1,336,200**	**97.8%**
10	Property Tax Unsecured	39,395	**40,000**	**98.5%**
11	Property Tax Supplemental	34,530	**30,000**	**115.1%**
12	Homeowner's Property Tax Relief	5,301	**6,000**	**88.3%**
13	Public Utility Tax & Reg. Railroad	64,112	**64,110**	**100.0%**
14	Pass thru Property Taxes County of Orange	516,479	**400,000**	**129.1%**
15	Pass thru Property Taxes City of Westminster	3,566,261	**3,200,000**	**111.4%**
16	Investment Income	3,179,658	**2,726,428**	**116.6%**
17	Interest on Undistributed Taxes	20,799	**8,925**	**233.0%**
18	Other Revenue	535,801	**200,000**	**267.9%**
19	Gain/(Loss) on Disposal of Capital Assets	-	**-**	**0.0%**
21	**NON-OPERATING REVENUES**	**$ 9,269,490**	**$ 8,011,663**	**115.7%**
22	**TOTAL REVENUES**	**$ 18,376,620**	**$ 16,826,814**	**109.2%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24	FY 2023-24	PERCENT of
		ACTUAL	BUDGET	BUDGET
BOARD OF DIRECTORS				
23	Directors' Fees (salaries)	106,800	**115,000**	**92.9%**
24	Medicare	1,507	**1,600**	**94.2%**
25	Group Insurance	97,888	**120,000**	**81.6%**
26	Workers' Compensation Insurance	809	**400**	**202.2%**
27	Director Reimbursements	-	**-**	**0.0%**
28	Board Meeting Expenses	9,053	**7,500**	**120.7%**
29	Operating Expense	4,092	**5,000**	**81.8%**
30	Services & Supplies	3,609	**4,750**	**76.0%**
31	Board Development & Travel Expenses	14,456	**45,000**	**32.1%**
32	**TOTAL BOARD OF DIRECTORS**	**$ 238,213**	**$ 299,250**	**79.6%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24 ACTUAL	FY 2023-24 BUDGET	PERCENT of BUDGET
ADMINISTRATION				
33	Salaries & Wages	1,027,118	**1,200,000**	**85.6%**
34	Medicare	14,327	**17,000**	**84.3%**
35	CalPERS Retirement	(24,103)	**150,000**	**-16.1%**
36	CalPERS CEPPT Trust Reimbursement	512,995	**-**	**0.0%**
37	Group Insurance	193,389	**229,500**	**84.3%**
38	Group Insurance - Retirees	120,764	**90,000**	**134.2%**
39	Group Insurance Retirees Trust Reimbursement	(86,011)	**(90,000)**	**95.6%**
40	Workers' Compensation Insurance	8,791	**4,200**	**209.3%**
41	Uniforms & Laundry Services	3,291	**2,850**	**115.5%**
42	Employee Reimbursements	3,842	**5,500**	**69.9%**
43	Unemployment Benefits	-	**-**	**0.0%**
43	Office Expenses & Supplies	18,606	**17,500**	**106.3%**
44	Operating Expenses	7,953	**20,000**	**39.8%**
45	Local Govt. Formation Commission (LAFCO)	21,508	**21,508**	**100.0%**
46	Services & Supplies	49,619	**46,500**	**106.7%**
47	Printing & Publications	3,341	**3,500**	**95.4%**
48	Permits Fees Testing & Taxes	1,547	**3,500**	**44.2%**
49	Memberships Dues & Subscriptions	11,492	**15,000**	**76.6%**
50	Staff Development & Travel	36,295	**50,000**	**72.6%**
51	Education & Training	7,473	**7,000**	**106.8%**
52	Employee Awards Incentives & Recognition	36,768	**50,000**	**73.5%**
53	Medical Exams & Testing	707	**2,000**	**35.3%**
54	Property & Liability Insurance	105,000	**106,000**	**99.1%**
55	Claims Expense	(324)	**-**	**0.0%**
56	Gasoline & Diesel Fuel	2,830	**4,000**	**70.7%**
57	Repairs & Maintenance	3,200	**10,000**	**32.0%**
58	Audit & Financial Services	25,000	**25,000**	**100.0%**
59	Legal Services Personnel	44,934	**55,000**	**81.7%**
60	Legal Services General Counsel	120,261	**125,000**	**96.2%**
61	Information Technology	70,259	**70,000**	**100.4%**
62	Professional & Consulting Services	52,325	**55,000**	**95.1%**
63	Temporary Personnel	32,546	**50,000**	**65.1%**
64	Community Outreach & District Events	62,059	**125,000**	**49.6%**
65	District Calendar	43,571	**43,600**	**99.9%**
66	Media & Program Development	41,690	**60,000**	**69.5%**
67	Newsletters	-	**-**	**0.0%**
68	Utilities	45,026	**35,000**	**128.6%**
69	Depreciation & Amortization Expenses	75,000	**75,000**	**100.0%**
70	**TOTAL ADMINISTRATION**	**$ 2,693,089**	**$ 2,684,158**	**100.3%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24	FY 2023-24	PERCENT of
		ACTUAL	BUDGET	BUDGET
FLEET MAINTENANCE				
71	Salaries & Wages	388,024	**357,000**	**108.7%**
72	Medicare	5,434	**5,000**	**108.7%**
73	CalPERS Retirement	(9,608)	**50,000**	**-19.2%**
74	CalPERS CEPPT Trust Reimbursement	337,078	**-**	**0.0%**
75	Group Insurance	75,640	**100,000**	**75.6%**
76	Group Insurance Retirees	7,285	**10,000**	**72.9%**
77	Group Insurance Retirees Trust Reimbursement	(5,209)	**(10,000)**	**52.1%**
78	Workers' Compensation Insurance	21,572	**9,000**	**239.7%**
79	Uniforms & Laundry Services	4,183	**4,500**	**92.9%**
80	Employee Reimbursements	1,029	**2,000**	**51.4%**
81	Services & Supplies	3,541	**4,500**	**78.7%**
82	Staff Development & Travel Expenses	1,926	**5,000**	**38.5%**
83	Education & Training	7,109	**7,000**	**101.6%**
84	Medical Exams & Testing	680	**800**	**85.1%**
85	Property & Liability Insurance	79,399	**80,000**	**99.2%**
86	Gasoline & Diesel Fuel	3,628	**6,000**	**60.5%**
87	Tools & Equipment	31,095	**40,000**	**77.7%**
88	Repairs & Maintenance	13,291	**15,000**	**88.6%**
89	Hazardous Waste Used/Mixed Oil	615	**3,000**	**20.5%**
90	Information Technology	938	**3,000**	**31.3%**
91	Utilities	1,094	**2,500**	**43.7%**
92	Depreciation & Amortization Expenses	6,900	**6,900**	**100.0%**
93		**$ 975,643**	**$ 701,200**	**139.1%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24	FY 2023-24	PERCENT of
		ACTUAL	BUDGET	BUDGET
SOLID WASTE				
94	Salaries & Wages	1,048,751	**1,000,000**	**104.9%**
95	Medicare	14,715	**18,000**	**81.8%**
96	CalPERS Retirement	(20,184)	**190,000**	**-10.6%**
97	CalPERS CEPPT Trust Reimbursement	204,241	**-**	**0.0%**
98	Group Insurance	319,601	**335,000**	**95.4%**
99	Group Insurance Retirees	95,677	**76,000**	**125.9%**
100	Group Insurance Retirees Trust Reimbursement	(68,434)	**(76,000)**	**90.0%**
101	Workers' Compensation Insurance	118,000	**54,000**	**218.5%**
102	Uniforms & Laundry Services	9,461	**12,000**	**78.8%**
103	Employee Reimbursements	3,908	**6,000**	**65.1%**
104	Operating Expenses	2,210	**6,000**	**36.8%**
105	Services & Supplies	45,704	**66,500**	**68.7%**
106	Staff Development & Travel Expenses	-	**10,000**	**0.0%**
107	Education & Training	3,243	**10,000**	**32.4%**
108	Medical Exams & Testing	1,568	**5,000**	**31.4%**
109	Property & Liability Insurance	198,189	**200,000**	**99.1%**
110	Claims Expense	4,119	**10,000**	**41.2%**
111	Gasoline & Diesel Fuel	3,172	**7,500**	**42.3%**
112	Tonnage Fees Trash (black cart)	1,463,758	**1,550,000**	**94.4%**
113	Tonnage Fees Recycling (blue cart)	-	**-**	**0.0%**
114	Tonnage Fees Organics (green cart)	1,095,391	**1,100,000**	**99.6%**
115	Refuse, Recycling, and Organic Containers	215,218	**300,000**	**71.7%**
116	Repairs, Maintenance, Tires, and Restock Parts	415,111	**440,000**	**94.3%**
117	Repairs & Maintenance CNG Facilities	32,776	**75,000**	**43.7%**
118	Information Technology	2,750	**30,000**	**9.2%**
119	Professional & Consulting Services	7,588	**60,000**	**12.6%**
120	Clean-up Events	20,289	**30,000**	**67.6%**
121	Organics & Compost Giveaway	60,754	**40,000**	**151.9%**
122	Utilities	89,098	**85,000**	**104.8%**
123	Natural Gas Fuel CNG Facilities	104,617	**140,000**	**74.7%**
124	Depreciation & Amortization Expenses	850,000	**850,000**	**100.0%**
125	**TOTAL SOLID WASTE**	**$ 6,341,291**	**$ 6,630,000**	**95.6%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24 ACTUAL	FY 2023-24 BUDGET	PERCENT of BUDGET
SEWER DEPARTMENT				
126	Salaries & Wages	456,726	**440,000**	**103.8%**
127	Medicare	6,402	**6,000**	**106.7%**
128	CalPERS Retirement	(13,844)	**125,000**	**-11.1%**
129	CalPERS CEPPT Trust Reimbursement	434,437	**-**	**0.0%**
130	Group Insurance	117,234	**140,000**	**83.7%**
131	Group Insurance Retirees	47,751	**40,000**	**119.4%**
132	Group Insurance Retirees Trust Reimbursement	(34,142)	**(40,000)**	**85.4%**
133	Workers' Compensation Insurance	30,386	**15,500**	**196.0%**
134	Uniforms & Laundry Services	3,299	**4,000**	**82.5%**
135	Employee Reimbursements	2,516	**3,000**	**83.9%**
136	Operating Expenses	6,564	**6,000**	**109.4%**
137	Services & Supplies	9,001	**11,000**	**81.8%**
138	Permits Fees Testing & Taxes	24,160	**25,000**	**96.6%**
139	Memberships Dues & Subscriptions	1,122	**2,500**	**44.9%**
140	Staff Development & Travel Expenses	1,759	**10,000**	**17.6%**
141	Education & Training	4,378	**10,000**	**43.8%**
142	Medical Exams & Testing	1,074	**1,000**	**107.4%**
143	Property and Liability Insurance	94,000	**94,000**	**100.0%**
144	Claims Expense	1,000	**10,000**	**10.0%**
145	Gasoline & Diesel Fuel	9,359	**9,500**	**98.5%**
146	Repairs & Maintenance	163,412	**250,000**	**65.4%**
147	Emergency Repairs	151,953	**150,000**	**101.3%**
148	Engineering & Consulting	337,750	**500,000**	**67.5%**
149	Professional & Consulting Services	10,172	**500,000**	**2.0%**
150	Information Technology	9,395	**15,000**	**62.6%**
151	CCTV and Cleaning of District Sewer Lines	1,010,822	**1,200,000**	**84.2%**
152	Fats, Oils & Grease (FOG) Program	17,075	**25,000**	**68.3%**
153	Resident Lateral Assistance Program	-	**9,000**	**0.0%**
154	Utilities	49,281	**55,000**	**89.6%**
155	Natural Gas Fuel CNG Station	10,000	**10,000**	**100.0%**
156	Depreciation & Amortization Expenses	588,000	**588,000**	**100.0%**
157	**TOTAL SEWER**	**$ 3,551,044**	**$ 4,214,500**	**84.3%**

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL

Q4 FY 2023-2024

		FY 2023-24 ACTUAL	FY 2023-24 BUDGET	PERCENT of BUDGET
MIDWAY CITY SANITARY DISTRICT				
158	**REVENUES**	**$ 18,376,620**	**$ 16,826,814**	**109.2%**
159	**EXPENSES**	**$ 13,799,280**	**$ 14,529,108**	**95.0%**
160	**REVENUES - EXPENSES =**	**$ 4,577,340**	**$ 2,297,706**	

		FY 2023-24 ACTUAL	FY 2023-24 BUDGET	PERCENT of BUDGET
161	Sewer System Department	3,551,044	4,214,500	84.3%
162	Solid Waste Department	6,341,291	6,630,000	95.6%
163	Fleet Maintenance Department	975,643	701,200	139.1%
164	Administration Department	2,693,089	2,684,158	100.3%
165	Board of Directors	238,213	299,250	79.6%
166	**TOTAL SUMMARY BY DEPT**	**$ 13,799,280**	**$ 14,529,108**	**95.0%**

		FY 2023-24 ACTUAL	FY 2023-24 BUDGET	PERCENT of BUDGET
CAPITAL OUTLAY & IMPROVEMENTS BUDGET				
167	***District Offices & Yard***			
168	Solar Project Construction	669,574	**735,000**	**91.1%**
169	District Building Project Construction	2,899,292	**3,362,000**	**86.2%**
170	District Buildings Facility, Features, & Furnishings	174,861	**250,000**	**69.9%**
171	District Buildings Technology	29,524	**52,000**	**56.8%**
172	New Class C Vehicles	32,524	**32,549**	**99.9%**
173	***Fleet Maintenance***			
174	None			
175	***Solid Waste***			
176	3 New Side Loader Trash Trucks	1,358,280	**1,400,000**	**97.0%**
177	Rebuilt Engines & Packers for CNG Trash Trucks	-	**60,000**	**0.0%**
178	***Sewer***		**-**	
179	Plan and Document Scanner and Plotter	-	**10,000**	**0.0%**
180	SCADA Upgrade	7,875	**-**	**0.0%**
180	***Miscellaneous***		**-**	
181	Payments Towards Unfunded Liabilities	1,488,751	**1,488,751**	**100.0%**
182	Payment Towards 115 CEPPT Trust	-	**-**	**0.0%**
183	**TOTAL CAPITAL OUTLAY & IMPROVEMENTS**	**$ 6,660,681**	**$ 7,390,300**	**90.1%**

AGENDA ITEM 6C

Date: September 3, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Ashley Davies, Director of Services and Program Development

Subject: Approve the August 26, 2024 Franchise Committee Report

BACKGROUND
The Midway City Sanitary District Franchise Committee met with CR&R on August 26, 2024 at 12:00 PM.

In attendance were:
MCSD Board Director, Tyler Diep
MCSD Board Director, Charlie Chi Nguyen
MCSD Director of Services & Program Development
CR&R, Sr. Sustainability Manager, Mike Carey

The following items were discussed:

1. CR&R will be sending 60-day notices to 50 businesses informing customers to sign up for organics/recycling service or apply for a waiver.

2. CR&R will continue following up with Organics customers that need waivers. MCSD will assist in some cases.

3. CR&R will update the Committee on compliance for Organics and Recycling at the next Committee meeting. If compliance is not higher than 75% MCSD will send out their own letter for customers to comply.

The next Franchisee Committee meeting is planned for October 28, 2024, at 12:00 PM.

FINANCIAL IMPACT
No fiscal impact.

STAFF RECOMMENDATION
Staff recommends that the Board of Directors approve the franchise committee report.

ATTACHMENTS
None.

AGENDA ITEM 8A

Date:	September 3, 2024
To:	Board of Directors
From:	Robert Housley, General Manager
Prepared by:	Robert Housley, General Manager
Subject:	Consider Approval of $499,263 in Additional Discretionary Payments (ADP) to CalPERS Towards the District's Pension Liabilities

BACKGROUND

The Midway City Sanitary District (District) provides a defined benefit pension benefit to its employees through CalPERS, which manages and administers the program. Annually, CalPERS prepares annual actuarial analyses to determine the District's pension liability and annual required contributions for the plans. The actuarial valuations are based on current employees' accrued benefit, former employees who are vested but have yet to retire, and retired employees.

One of the District's core strategies is long-term financial stability. As part of that strategy, the District has historically chosen to pay its unfunded liabilities early and in full.

DISCUSSION

The most recent CalPERS retirement annual valuation reports became available in August 2024.

CalPERS administers the District's three (3) retirement groups:

Tier 1	3%@60	Hired on or before March 21, 2010 (classic employees)
Tier 2	2%@55	Hired on or after March 22, 2010 (classic employees)
PEPRA	2%@62	Hired on or after January 1, 2013

Pension Plan Funding Status

A summary of the District's employer contribution, pension liability, and current funding status for the District's three plans are shown below and can be found in the valuation reports.

	2025-26 Employer Contributions	2025-26 Employee Contributions	June 30, 2023 Funding Ratio	Unfunded Accrued Liability
Tier 1 (3%@60)	17.39%	8.00%	91.00%	$466,785
Tier 2 (2%@55)	12.58%	7.00%	91.90%	$12.556
PEPRA (2%@62)	7.96%	7.75%	90.03%	$19,922
Total Unfunded Accrued Liability				$499,263

FISCAL IMPACT
The fiscal impact is $499,263.

The additional discretionary payments has the potential to save $423,597 in interest.

Funding Source
In 2018, the District established a 115 CEPPT Trust Fund (Trust Fund) to help mitigate pension costs and payments. As of August 22, 2024, the value of the District's Trust Fund is $5,586,680. If approved, the additional discretionary payments will be paid using the Trust Fund and not from current operational funds.

STAFF RECOMMENDATION
Staff recommends that the Board of Directors approve an additional discretionary payment of $499,263 to pay the District's unfunded pension liabilities.

ATTACHMENTS
1. CalPERS First Tier Annual Valuation Report as of June 30, 2023 (pink)
2. CalPERS Second Tier Annual Valuation Report as of June 30, 2023
3. CalPERS PEPRA Plan Annual Valuation Report as of June 30, 2023 (orange)

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

July 2024

Miscellaneous First Tier Plan of the Midway City Sanitary District (CalPERS ID: 6882866561)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2025-26	17.39%	$33,134
Projected Results		
2026-27	*17.4%*	*$36,000*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now “clickable.” This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

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

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

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

Questions

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

Sincerely,

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

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

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

California Public Employees' Retirement System

Actuarial Valuation for the Miscellaneous First Tier Plan of the Midway City Sanitary District
as of June 30, 2023

(CalPERS ID: 6882866561)
(Rate Plan ID: 8583)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Plan Specific Information
for the
Miscellaneous First Tier Plan
of the
Midway City Sanitary District

(CalPERS ID: 6882866561)
(Rate Plan ID: 8583)

Table of Contents — Section 1

Actuarial Certification

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

Actuarial Methods and Assumptions

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

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

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

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous First Tier Plan of the Midway City Sanitary District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Midway City Sanitary District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the Miscellaneous First Tier Plan of the Midway City Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the Miscellaneous First Tier Plan of the Midway City Sanitary District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

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

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

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

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

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

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	17.33%	17.39%
Unfunded Accrued Liability (UAL) Contribution Amount	$50,760	$33,134
Paid either as		
Option 1) 12 Monthly Payments of	$4,230.00	$2,761.17
Option 2) Annual Prepayment in July	$49,117	$32,062

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	8.00%	8.00%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	17.4%	$36,000
2027-28	17.4%	$39,000
2028-29	17.4%	$41,000
2029-30	17.4%	$44,000
2030-31	17.4%	$44,000

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$18,689,899	$19,190,404
Market Value of Assets (MVA)	17,460,452	17,463,068
Unfunded Accrued Liability (UAL) [AL – MVA]	$1,229,447	$1,727,336
Funded Ratio [MVA ÷ AL]	93.4%	91.0%

Summary of Valuation Data — Page 26

	June 30, 2022	June 30, 2023
Active Member Count	12	11
Annual Covered Payroll	$1,119,204	$988,468
Transferred Member Count	0	0
Separated Member Count	9	9
Retired Members and Beneficiaries Count	43	43

Changes Since the Prior Year's Valuation

Benefits

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

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

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

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

Liabilities and Contributions

Determination of Required Contributions

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

Contribution Components

Two components comprise required contributions:

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

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

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

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

Required Employer Contributions

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

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	**17.39%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	**$33,134**
Paid either as	
1) Monthly Payment	**$2,761.17**
Or	
2) Annual Prepayment Option*	**$32,062**

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

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

For Member Contribution Rates see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	24.32%	24.39%
Surcharge for Class 1 Benefits[2]		
a) FAC 1	0.82%	0.83%
Plan's Total Normal Cost	25.14%	25.22%
Offset Due to Employee Contributions[3]	7.81%	7.83%
Employer Normal Cost	17.33%	17.39%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

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

Member Contribution Rates

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

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

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

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

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 8583. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	**Fiscal Year 2024-25**	**Fiscal Year 2025-26**
Projected Payroll for the Contribution Year	$2,280,727	$2,580,148
Estimated Employer Normal Cost	$277,246	$285,777
Required Payment on Amortization Bases	$53,981	$35,439
Estimated Total Employer Contributions	$331,227	$321,216
Estimated Total Employer Contribution Rate (illustrative only)	14.52%	12.45%

Breakdown of Entry Age Accrued Liability

Active Members	$6,678,804
Transferred Members	0
Separated Members	399,855
Members and Beneficiaries Receiving Payments	12,111,745
Total	$19,190,404

Allocation of Plan's Share of Pool's Experience

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

1.	Plan's Accrued Liability	$19,190,404
2.	Projected UAL Balance at 6/30/2023	1,318,099
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2023 for Asset Share	1,318,099
5.	Pool's Accrued Liability[1]	23,349,910,053
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2023[1]	5,227,602,209
7.	Pool's 2022-23 Investment (Gain)/Loss[1]	114,855,623
8.	Pool's 2022-23 Non-Investment (Gain)/Loss[1]	360,116,330
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	113,271
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	295,966
11.	Plan's New (Gain)/Loss as of 6/30/2023: (9) + (10)	409,237
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	113,271

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

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

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$1,727,336
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$17,463,068

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

Funded Status – Funding Policy Basis

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

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	$20,219,393	$20,424,255
2. Entry Age Accrued Liability	18,689,899	19,190,404
3. Market Value of Assets (MVA)	17,460,452	17,463,068
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$1,229,447	$1,727,336
5. Funded Ratio [(3) ÷ (2)]	93.4%	91.0%

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

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

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$21,464,439	$19,190,404	$17,282,287
2. Market Value of Assets (MVA)	17,463,068	17,463,068	17,463,068
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$4,001,371	$1,727,336	($180,781)
4. Funded Ratio [(2) ÷ (1)]	81.4%	91.0%	101.0%

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

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $33,134. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$142,207	$33,134	0	$33,134	$175,341
20 year funding horizon	$142,207	$33,134	$8,841	$41,975	$184,182
15 year funding horizon	$142,207	$33,134	$15,833	$48,967	$191,174
10 year funding horizon	$142,207	$33,134	$30,582	$63,716	$205,923
5 year funding horizon	$142,207	$33,134	$76,437	$109,571	$251,778

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

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$476,320	2022-23	$0
2020-21	$150,921	2023-24[2]	$1,390,844
2021-22	$0		

[2] Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 8583 Results					
Normal Cost %	17.39%	17.4%	17.4%	17.4%	17.4%	17.4%
UAL Payment	$33,134	$36,000	$39,000	$41,000	$44,000	$44,000

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

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

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

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	1	280,527	289,908	0	0	0	0
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	1	1,037,572	1,072,269	0	0	0	0
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	113,271	0	120,973	0	129,199	2,777
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	295,966	0	316,092	0	337,586	30,357
Total						**1,727,336**	**1,362,177**	**437,065**	**0**	**466,785**	**33,134**

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

			Alternative Schedules			
	Current Amortization Schedule		20 Year Amortization		15 Year Amortization	
Date	Balance	Payment	Balance	Payment	Balance	Payment
6/30/2025	466,785	33,134	466,785	41,975	466,785	48,967
6/30/2026	464,285	35,911	455,148	41,975	447,922	48,968
6/30/2027	458,744	38,688	442,719	41,975	427,775	48,967
6/30/2028	449,957	41,465	429,445	41,975	406,259	48,967
6/30/2029	437,702	44,243	415,269	41,975	383,280	48,968
6/30/2030	421,743	44,243	400,129	41,975	358,738	48,968
6/30/2031	404,699	44,242	383,959	41,975	332,527	48,968
6/30/2032	386,497	44,243	366,690	41,975	304,533	48,967
6/30/2033	367,056	44,242	348,246	41,975	274,637	48,967
6/30/2034	346,294	44,243	328,548	41,975	242,708	48,968
6/30/2035	324,119	44,242	307,511	41,975	208,607	48,968
6/30/2036	300,438	44,242	285,043	41,975	172,187	48,968
6/30/2037	275,147	44,243	261,047	41,975	133,290	48,967
6/30/2038	248,135	44,243	235,420	41,975	91,749	48,967
6/30/2039	219,285	44,242	208,050	41,975	47,383	48,968
6/30/2040	188,475	44,242	178,819	41,975		
6/30/2041	155,570	44,242	147,600	41,975		
6/30/2042	120,427	44,242	114,258	41,976		
6/30/2043	82,895	44,242	78,648	41,975		
6/30/2044	42,811	44,242	40,617	41,975		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**857,076**		**839,501**		**734,513**
Interest Paid		**390,291**		**372,716**		**267,728**
Estimated Savings				**17,575**		**122,563**

Employer Contribution History

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

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	12.657%	$73,313
06/30/2015	2017 - 18	12.698%	82,413
06/30/2016	2018 - 19	13.439%	84,662
06/30/2017	2019 - 20	14.398%	0
06/30/2018	2020 - 21	15.445%	9,679
06/30/2019	2021 - 22	15.25%	8,445
06/30/2020	2022 - 23	15.25%	15,212
06/30/2021	2023 - 24	17.26%	0
06/30/2022	2024 - 25	17.33%	50,760
06/30/2023	2025 - 26	17.39%	33,134

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	$12,874,457	$10,618,477	$2,255,980	82.5%	$1,232,502
06/30/2015	13,627,681	12,410,777	1,216,904	91.1%	1,265,806
06/30/2016	13,783,162	11,604,084	2,179,078	84.2%	1,253,529
06/30/2017	14,403,112	14,302,562	100,550	99.3%	1,295,490
06/30/2018	15,554,722	15,079,381	475,341	96.9%	1,328,106
06/30/2019	16,192,843	15,593,763	599,080	96.3%	1,305,487
06/30/2020	16,954,297	16,366,215	588,082	96.5%	1,272,790
06/30/2021	18,164,306	19,836,711	(1,672,405)	109.2%	1,277,362
06/30/2022	18,689,899	17,460,452	1,229,447	93.4%	1,119,204
06/30/2023	19,190,404	17,463,068	1,727,336	91.0%	988,468

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	17.4%	17.4%	17.4%	17.4%	17.4%
UAL Contribution	$52,000	$88,000	$140,000	$210,000	$296,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	17.7%	18.1%	18.4%	18.7%	19.1%
UAL Contribution	$0	$0	$0	$0	$0

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

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

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	17.39%	17.4%
UAL Contribution	$33,134	$138,000
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	17.39%	17.4%
UAL Contribution	$33,134	$87,000

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	31.86%	25.22%	20.18%
b) Accrued Liability	$21,464,439	$19,190,404	$17,282,287
c) Market Value of Assets	$17,463,068	$17,463,068	$17,463,068
d) Unfunded Liability/(Surplus) [(b) - (c)]	$4,001,371	$1,727,336	($180,781)
e) Funded Ratio	81.4%	91.0%	101.0%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	26.45%	25.22%	23.03%
b) Accrued Liability	$19,799,764	$19,190,404	$17,848,134
c) Market Value of Assets	$17,463,068	$17,463,068	$17,463,068
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,336,696	$1,727,336	$385,066
e) Funded Ratio	88.2%	91.0%	97.8%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	25.63%	25.22%	24.84%
b) Accrued Liability	$19,641,041	$19,190,404	$18,778,042
c) Market Value of Assets	$17,463,068	$17,463,068	$17,463,068
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,177,973	$1,727,336	$1,314,974
e) Funded Ratio	88.9%	91.0%	93.0%

Maturity Measures

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

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

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$10,888,370	$12,111,745
2. Total Accrued Liability	$18,689,899	$19,190,404
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	58%	63%

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

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

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	12	11
2. Number of Retirees	43	43
3. Support Ratio [(1) ÷ (2)]	0.28	0.26

Maturity Measures (continued)

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

Asset Volatility Ratio

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

Liability Volatility Ratio

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

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	$17,460,452	$17,463,068
2. Payroll	$1,119,204	$988,468
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	15.6	17.7
4. Accrued Liability	$18,689,899	$19,190,404
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	16.7	19.4

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	55%	0.49	11.0	11.1
06/30/2018	52%	0.47	11.4	11.7
06/30/2019	57%	0.43	11.9	12.4
06/30/2020	60%	0.39	12.9	13.3
06/30/2021	57%	0.36	15.5	14.2
06/30/2022	58%	0.28	15.6	16.7
06/30/2023	63%	0.26	17.7	19.4

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

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

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

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

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

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

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$30,542,396	$23,326,488
2. Market Value of Assets (MVA)	17,463,068	17,463,068
3. Unfunded Termination Liability [(1) – (2)]	$13,079,328	$5,863,420
4. Funded Ratio [(2) ÷ (1)]	57.2%	74.9%

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

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

Funded Status – Low-Default-Risk Basis

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

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

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$8,919,253
b) Transferred Members	0
c) Separated Members	615,726
d) Members and Beneficiaries Receiving Payments	14,603,212
e) Total	$24,138,191
2. Market Value of Assets (MVA)	17,463,068
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$6,675,123
4. Unfunded Accrued Liability – Funding Policy Basis	1,727,336
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$4,947,787

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

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

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

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

2 If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

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

	June 30, 2022	June 30, 2023
Active Members		
Counts	12	11
Average Attained Age	53.4	54.5
Average Entry Age to Rate Plan	33.0	33.3
Average Years of Credited Service	19.1	19.7
Average Annual Covered Pay	$93,267	$89,861
Annual Covered Payroll	$1,119,204	$988,468
Present Value of Future Payroll	$6,694,654	$5,362,946
Transferred Members	0	0
Separated Members	9	9
Retired Members and Beneficiaries*		
Counts	43	43
Average Annual Benefits	$22,683	$24,676
Total Annual Benefits	$975,357	$1,061,083

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

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

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

	Benefit Group			
Member Category	**Misc**	**Misc**	**Misc**	
Demographics				
Actives	No	Yes	No	
Transfers/Separated	Yes	Yes	No	
Receiving	Yes	Yes	Yes	
Benefit Provision				
Benefit Formula	2% @ 55	3% @ 60		
Social Security Coverage	No	No		
Full/Modified	Full	Full		
Employee Contribution Rate		8.00%		
Final Average Compensation Period	One Year	One Year		
Sick Leave Credit	Yes	Yes		
Non-Industrial Disability	Standard	Standard		
Industrial Disability	No	No		
Pre-Retirement Death Benefits				
Optional Settlement 2	Yes	Yes		
1959 Survivor Benefit Level	No	No		
Special	No	No		
Alternate (firefighters)	No	No		
Post-Retirement Death Benefits				
Lump Sum	$2,000	$2,000	$2,000	
Survivor Allowance (PRSA)	No	No	No	
COLA	2%	2%	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

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

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

July 2024

Miscellaneous Second Tier Plan of the Midway City Sanitary District (CalPERS ID: 6882866561)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2025-26	12.58%	$889
Projected Results		
2026-27	*12.6%*	*$960*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

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

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

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

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

Questions

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

Sincerely,

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

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

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

California Public Employees' Retirement System

Actuarial Valuation for the Miscellaneous Second Tier Plan of the Midway City Sanitary District
as of June 30, 2023

(CalPERS ID: 6882866561)
(Rate Plan ID: 8584)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Plan Specific Information
for the
Miscellaneous Second Tier Plan
of the
Midway City Sanitary District

(CalPERS ID: 6882866561)
(Rate Plan ID: 8584)

Table of Contents — Section 1

Actuarial Certification

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

Actuarial Methods and Assumptions

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

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

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

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Second Tier Plan of the Midway City Sanitary District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Midway City Sanitary District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the Miscellaneous Second Tier Plan of the Midway City Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the Miscellaneous Second Tier Plan of the Midway City Sanitary District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

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

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

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

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

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

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	12.52%	12.58%
Unfunded Accrued Liability (UAL) Contribution Amount	$1,170	$889
Paid either as		
Option 1) 12 Monthly Payments of	$97.50	$74.08
Option 2) Annual Prepayment in July	$1,132	$860

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	7.00%	7.00%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	12.6%	$960
2027-28	12.6%	$1,000
2028-29	12.6%	$1,100
2029-30	12.6%	$1,200
2030-31	12.6%	$1,200

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$423,909	$514,788
Market Value of Assets (MVA)	396,465	473,070
Unfunded Accrued Liability (UAL) [AL – MVA]	$27,444	$41,718
Funded Ratio [MVA ÷ AL]	93.5%	91.9%

Summary of Valuation Data — Page 26

	June 30, 2022	June 30, 2023
Active Member Count	2	1
Annual Covered Payroll	$109,190	$68,087
Transferred Member Count	0	0
Separated Member Count	0	0
Retired Members and Beneficiaries Count	0	1

Changes Since the Prior Year's Valuation

Benefits

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

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

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

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

Liabilities and Contributions

Determination of Required Contributions

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

Contribution Components

Two components comprise required contributions:

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

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

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

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

Required Employer Contributions

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

Required Employer Contributions	**Fiscal Year 2025-26**
Employer Normal Cost Rate	**12.58%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	**$889**
Paid either as	
1) Monthly Payment	**$74.08**
Or	
2) Annual Prepayment Option*	**$860**

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

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

For Member Contribution Rates see the following page.

Development of Normal Cost as a Percentage of Payroll	**Fiscal Year 2024-25**	**Fiscal Year 2025-26**
Base Total Normal Cost for Formula	18.81%	18.87%
Surcharge for Class 1 Benefits[2]		
a) FAC 1	0.64%	0.64%
Plan's Total Normal Cost	19.45%	19.51%
Offset Due to Employee Contributions[3]	6.93%	6.93%
Employer Normal Cost	12.52%	12.58%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

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

Member Contribution Rates

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

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

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

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

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 8584. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	**Fiscal Year 2024-25**	**Fiscal Year 2025-26**
Projected Payroll for the Contribution Year	$2,280,727	$2,580,148
Estimated Employer Normal Cost	$277,246	$285,777
Required Payment on Amortization Bases	$53,981	$35,439
Estimated Total Employer Contributions	$331,227	$321,216
Estimated Total Employer Contribution Rate (illustrative only)	14.52%	12.45%

Breakdown of Entry Age Accrued Liability

Active Members	$182,141
Transferred Members	0
Separated Members	0
Members and Beneficiaries Receiving Payments	332,647
Total	$514,788

Allocation of Plan's Share of Pool's Experience

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

1.	Plan's Accrued Liability	$514,788
2.	Projected UAL Balance at 6/30/2023	30,711
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2023 for Asset Share	30,711
5.	Pool's Accrued Liability[1]	23,349,910,053
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2023[1]	5,227,602,209
7.	Pool's 2022-23 Investment (Gain)/Loss[1]	114,855,623
8.	Pool's 2022-23 Non-Investment (Gain)/Loss[1]	360,116,330
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	3,068
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	7,939
11.	Plan's New (Gain)/Loss as of 6/30/2023: (9) + (10)	11,007
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	3,068

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

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

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$41,718
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$473,070

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

Funded Status – Funding Policy Basis

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

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	$595,383	$646,270
2. Entry Age Accrued Liability	423,909	514,788
3. Market Value of Assets (MVA)	396,465	473,070
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$27,444	$41,718
5. Funded Ratio [(3) ÷ (2)]	93.5%	91.9%

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

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

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$589,702	$514,788	$452,822
2. Market Value of Assets (MVA)	473,070	473,070	473,070
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$116,632	$41,718	($20,248)
4. Funded Ratio [(2) ÷ (1)]	80.2%	91.9%	104.5%

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

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $889. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$8,940	$889	0	$889	$9,829
20 year funding horizon	$8,940	$889	$240	$1,129	$10,069
15 year funding horizon	$8,940	$889	$428	$1,317	$10,257
10 year funding horizon	$8,940	$889	$825	$1,714	$10,654
5 year funding horizon	$8,940	$889	$2,058	$2,947	$11,887

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

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP
2019-20	$11,584
2020-21	$3,307
2021-22	$0

Fiscal Year	ADP
2022-23	$0
2023-24[2]	$32,406

[2] Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 8584 Results					
Normal Cost %	12.58%	12.6%	12.6%	12.6%	12.6%	12.6%
UAL Payment	$889	$960	$1,000	$1,100	$1,200	$1,200

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

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

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

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	1	6,363	6,576	0	0	0	0
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	1	24,348	25,163	0	0	0	0
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	3,068	0	3,277	0	3,500	75
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	7,939	0	8,479	0	9,056	814
Total						**41,718**	**31,739**	**11,756**	**0**	**12,556**	**889**

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

			Alternative Schedules			
	Current Amortization Schedule		20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2025	12,556	889	12,556	1,129	12,556	1,317
6/30/2026	12,491	964	12,243	1,129	12,049	1,317
6/30/2027	12,344	1,040	11,909	1,129	11,507	1,317
6/30/2028	12,109	1,115	11,552	1,129	10,928	1,317
6/30/2029	11,780	1,190	11,171	1,129	10,310	1,317
6/30/2030	11,352	1,191	10,764	1,129	9,650	1,317
6/30/2031	10,893	1,191	10,329	1,129	8,945	1,317
6/30/2032	10,402	1,190	9,865	1,129	8,192	1,317
6/30/2033	9,880	1,191	9,369	1,129	7,388	1,317
6/30/2034	9,321	1,190	8,839	1,129	6,529	1,317
6/30/2035	8,725	1,190	8,273	1,129	5,612	1,317
6/30/2036	8,089	1,192	7,669	1,129	4,633	1,318
6/30/2037	7,407	1,191	7,024	1,129	3,586	1,317
6/30/2038	6,680	1,191	6,335	1,130	2,469	1,318
6/30/2039	5,903	1,190	5,598	1,129	1,275	1,318
6/30/2040	5,074	1,192	4,812	1,130		
6/30/2041	4,187	1,190	3,971	1,129		
6/30/2042	3,242	1,191	3,074	1,129		
6/30/2043	2,232	1,191	2,116	1,129		
6/30/2044	1,153	1,191	1,093	1,130		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**23,060**		**22,583**		**19,758**
Interest Paid		**10,504**		**10,027**		**7,202**
Estimated Savings				**477**		**3,302**

Employer Contribution History

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

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	8.880%	$194
06/30/2015	2017 - 18	8.921%	298
06/30/2016	2018 - 19	9.409%	1,709
06/30/2017	2019 - 20	10.221%	1,771
06/30/2018	2020 - 21	11.031%	2,739
06/30/2019	2021 - 22	10.88%	822
06/30/2020	2022 - 23	10.87%	307
06/30/2021	2023 - 24	12.47%	0
06/30/2022	2024 - 25	12.52%	1,170
06/30/2023	2025 - 26	12.58%	889

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	$84,154	$80,250	$3,904	95.4%	$144,962
06/30/2015	124,708	118,784	5,924	95.2%	157,933
06/30/2016	167,169	148,285	18,884	88.7%	165,629
06/30/2017	223,385	206,236	17,149	92.3%	174,615
06/30/2018	288,653	260,347	28,306	90.2%	182,040
06/30/2019	354,745	341,630	13,115	96.3%	193,480
06/30/2020	341,405	329,304	12,101	96.5%	106,784
06/30/2021	413,940	453,486	(39,546)	109.6%	105,721
06/30/2022	423,909	396,465	27,444	93.5%	109,190
06/30/2023	514,788	473,070	41,718	91.9%	68,087

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	12.6%	12.6%	12.6%	12.6%	12.6%
UAL Contribution	$1,400	$2,400	$3,800	$5,700	$8,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	12.8%	13.1%	13.3%	13.6%	13.8%
UAL Contribution	$0	$0	$0	$0	$0

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

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

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	12.58%	12.6%
UAL Contribution	$889	$3,700
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	12.58%	12.6%
UAL Contribution	$889	$2,400

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	24.55%	19.51%	15.67%
b) Accrued Liability	$589,702	$514,788	$452,822
c) Market Value of Assets	$473,070	$473,070	$473,070
d) Unfunded Liability/(Surplus) [(b) - (c)]	$116,632	$41,718	($20,248)
e) Funded Ratio	80.2%	91.9%	104.5%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	20.46%	19.51%	17.81%
b) Accrued Liability	$531,140	$514,788	$473,043
c) Market Value of Assets	$473,070	$473,070	$473,070
d) Unfunded Liability/(Surplus) [(b) - (c)]	$58,070	$41,718	($27)
e) Funded Ratio	89.1%	91.9%	100.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	19.84%	19.51%	19.20%
b) Accrued Liability	$524,259	$514,788	$506,012
c) Market Value of Assets	$473,070	$473,070	$473,070
d) Unfunded Liability/(Surplus) [(b) - (c)]	$51,189	$41,718	$32,942
e) Funded Ratio	90.2%	91.9%	93.5%

Maturity Measures

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

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

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$0	$332,647
2. Total Accrued Liability	$423,909	$514,788
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	0%	65%

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

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

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	2	1
2. Number of Retirees	0	1
3. Support Ratio [(1) ÷ (2)]	N/A	1.00

Maturity Measures (continued)

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

Asset Volatility Ratio

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

Liability Volatility Ratio

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

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	$396,465	$473,070
2. Payroll	$109,190	$68,087
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	3.6	6.9
4. Accrued Liability	$423,909	$514,788
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	3.9	7.6

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0%	N/A	1.2	1.3
06/30/2018	0%	N/A	1.4	1.6
06/30/2019	0%	N/A	1.8	1.8
06/30/2020	0%	N/A	3.1	3.2
06/30/2021	0%	N/A	4.3	3.9
06/30/2022	0%	N/A	3.6	3.9
06/30/2023	65%	1.00	6.9	7.6

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

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

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

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

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

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

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$794,388	$576,624
2. Market Value of Assets (MVA)	473,070	473,070
3. Unfunded Termination Liability [(1) – (2)]	$321,318	$103,554
4. Funded Ratio [(2) ÷ (1)]	59.6%	82.0%

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

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

Funded Status – Low-Default-Risk Basis

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

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

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$268,696
b) Transferred Members	0
c) Separated Members	0
d) Members and Beneficiaries Receiving Payments	410,160
e) Total	$678,856
2. Market Value of Assets (MVA)	473,070
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$205,786
4. Unfunded Accrued Liability – Funding Policy Basis	41,718
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$164,068

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

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

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

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

[2] If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

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

	June 30, 2022	June 30, 2023
Active Members		
Counts	2	1
Average Attained Age	54.1	45.7
Average Entry Age to Rate Plan	43.1	34.7
Average Years of Credited Service	10.5	11.0
Average Annual Covered Pay	$54,595	$68,087
Annual Covered Payroll	$109,190	$68,087
Present Value of Future Payroll	$852,391	$719,752
Transferred Members	0	0
Separated Members	0	0
Retired Members and Beneficiaries*		
Counts	0	1
Average Annual Benefits	$0	$23,148
Total Annual Benefits	$0	$23,148

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

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

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

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

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

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

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

July 2024

PEPRA Miscellaneous Plan of the Midway City Sanitary District (CalPERS ID: 6882866561)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications*" and select *"View All*". In the search box, enter *"Risk Pool*" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions and the PEPRA member contribution rate for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	7.96%	$1,416	7.75%
Projected Results			
2026-27	*8.0%*	*$1,500*	*TBD*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

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

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

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

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

Questions

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

Sincerely,

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

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

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

California Public Employees' Retirement System

Actuarial Valuation for the PEPRA Miscellaneous Plan of the Midway City Sanitary District
as of June 30, 2023

(CalPERS ID: 6882866561)
(Rate Plan ID: 26759)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Midway City Sanitary District

(CalPERS ID: 6882866561)
(Rate Plan ID: 26759)

Table of Contents — Section 1

Actuarial Certification

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

Actuarial Methods and Assumptions

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

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

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

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Midway City Sanitary District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Midway City Sanitary District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the PEPRA Miscellaneous Plan of the Midway City Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Midway City Sanitary District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

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

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

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

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

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

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	7.87%	7.96%
Unfunded Accrued Liability (UAL) Contribution Amount	$2,051	$1,416
Paid either as		
Option 1) 12 Monthly Payments of	$170.92	$118.00
Option 2) Annual Prepayment in July	$1,985	$1,370

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	7.75%	7.75%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	8.0%	$1,500
2027-28	8.0%	$1,700
2028-29	8.0%	$1,800
2029-30	8.0%	$1,900
2030-31	8.0%	$1,900

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$571,194	$820,761
Market Value of Assets (MVA)	519,239	741,220
Unfunded Accrued Liability (UAL) [AL – MVA]	$51,955	$79,541
Funded Ratio [MVA ÷ AL]	90.9%	90.3%

Summary of Valuation Data — Page 26

	June 30, 2022	June 30, 2023
Active Member Count	16	20
Annual Covered Payroll	$871,001	$1,318,455
Transferred Member Count	0	0
Separated Member Count	1	1
Retired Members and Beneficiaries Count	0	0

Changes Since the Prior Year's Valuation

Benefits

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

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

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

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

Liabilities and Contributions

Determination of Required Contributions

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

Contribution Components

Two components comprise required contributions:

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

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

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

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

Required Employer Contributions

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

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	**7.96%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	**$1,416**
Paid either as	
1) Monthly Payment	**$118.00**
Or	
2) Annual Prepayment Option*	**$1,370**

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

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

For Member Contribution Rates see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	15.62%	15.71%
Surcharge for Class 1 Benefits[2]		
None	0.00%	0.00%
Plan's Total Normal Cost	15.62%	15.71%
Offset Due to Employee Contributions[3]	7.75%	7.75%
Employer Normal Cost	7.87%	7.96%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

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

Member Contribution Rates

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

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

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023, valuation.

		Basis for Current Rate		Rates Effective July 1, 2025			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26759	Miscellaneous PEPRA Level	15.43%	7.75%	15.71%	0.28%	No	7.75%

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 26759. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	Fiscal Year 2024-25	Fiscal Year 2025-26
Projected Payroll for the Contribution Year	$2,280,727	$2,580,148
Estimated Employer Normal Cost	$277,246	$285,777
Required Payment on Amortization Bases	$53,981	$35,439
Estimated Total Employer Contributions	$331,227	$321,216
Estimated Total Employer Contribution Rate (illustrative only)	14.52%	12.45%

Breakdown of Entry Age Accrued Liability

Active Members	$816,000
Transferred Members	0
Separated Members	4,761
Members and Beneficiaries Receiving Payments	0
Total	$820,761

Allocation of Plan's Share of Pool's Experience

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

1.	Plan's Accrued Liability	$820,761
2.	Projected UAL Balance at 6/30/2023	62,075
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2023 for Asset Share	62,075
5.	Pool's Accrued Liability[1]	23,349,910,053
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2023[1]	5,227,602,209
7.	Pool's 2022-23 Investment (Gain)/Loss[1]	114,855,623
8.	Pool's 2022-23 Non-Investment (Gain)/Loss[1]	360,116,330
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	4,808
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	12,658
11.	Plan's New (Gain)/Loss as of 6/30/2023: (9) + (10)	17,466
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	4,808

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

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

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$79,541
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$741,220

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

Funded Status – Funding Policy Basis

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

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	$2,119,333	$3,202,277
2. Entry Age Accrued Liability	571,194	820,761
3. Market Value of Assets (MVA)	519,239	741,220
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$51,955	$79,541
5. Funded Ratio [(3) ÷ (2)]	90.9%	90.3%

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

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

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$1,014,945	$820,761	$668,059
2. Market Value of Assets (MVA)	741,220	741,220	741,220
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$273,725	$79,541	($73,161)
4. Funded Ratio [(2) ÷ (1)]	73.0%	90.3%	111.0%

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

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $1,416. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$134,630	$1,416	0	$1,416	$136,046
20 year funding horizon	$134,630	$1,416	$375	$1,791	$136,421
15 year funding horizon	$134,630	$1,416	$674	$2,090	$136,720
10 year funding horizon	$134,630	$1,416	$1,303	$2,719	$137,349
5 year funding horizon	$134,630	$1,416	$3,260	$4,676	$139,306

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

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP
2019-20	$6,874
2020-21	$1,775
2021-22	$0

Fiscal Year	ADP
2022-23	$0
2023-24[2]	$65,501

[2] Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 26759 Results					
Normal Cost %	7.96%	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Payment	$1,416	$1,500	$1,700	$1,800	$1,900	$1,900

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

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

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

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	1	8,573	8,860	0	0	0	0
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	1	53,502	55,291	0	0	0	0
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	4,808	0	5,135	0	5,484	118
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	12,658	0	13,519	0	14,438	1,298
Total						**79,541**	**64,151**	**18,654**	**0**	**19,922**	**1,416**

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

			Alternative Schedules			
	Current Amortization Schedule		20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2025	19,922	1,416	19,922	1,791	19,922	2,090
6/30/2026	19,813	1,534	19,426	1,792	19,117	2,090
6/30/2027	19,575	1,652	18,895	1,791	18,257	2,090
6/30/2028	19,199	1,769	18,329	1,792	17,339	2,090
6/30/2029	18,676	1,887	17,723	1,791	16,358	2,090
6/30/2030	17,996	1,887	17,077	1,791	15,310	2,090
6/30/2031	17,269	1,888	16,387	1,791	14,191	2,090
6/30/2032	16,492	1,887	15,650	1,791	12,996	2,090
6/30/2033	15,663	1,887	14,863	1,791	11,720	2,090
6/30/2034	14,778	1,888	14,023	1,792	10,357	2,090
6/30/2035	13,832	1,889	13,125	1,792	8,901	2,089
6/30/2036	12,820	1,887	12,166	1,792	7,347	2,089
6/30/2037	11,742	1,888	11,141	1,791	5,688	2,090
6/30/2038	10,590	1,889	10,048	1,792	3,915	2,089
6/30/2039	9,358	1,888	8,879	1,791	2,022	2,090
6/30/2040	8,043	1,888	7,632	1,792		
6/30/2041	6,639	1,889	6,299	1,791		
6/30/2042	5,138	1,887	4,876	1,791		
6/30/2043	3,537	1,888	3,357	1,792		
6/30/2044	1,826	1,887	1,733	1,791		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**36,575**		**35,828**		**31,347**
Interest Paid		**16,653**		**15,906**		**11,425**
Estimated Savings				**747**		**5,228**

Employer Contribution History

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

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	6.555%	$123
06/30/2015	2017 - 18	6.533%	147
06/30/2016	2018 - 19	6.842%	406
06/30/2017	2019 - 20	6.985%	1,520
06/30/2018	2020 - 21	7.732%	1,626
06/30/2019	2021 - 22	7.59%	441
06/30/2020	2022 - 23	7.47%	1,970
06/30/2021	2023 - 24	7.68%	0
06/30/2022	2024 - 25	7.87%	2,051
06/30/2023	2025 - 26	7.96%	1,416

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	$6,335	$6,617	($282)	104.5%	$81,266
06/30/2015	25,603	24,257	1,346	94.7%	124,439
06/30/2016	50,234	44,756	5,478	89.1%	131,935
06/30/2017	79,977	76,926	3,051	96.2%	185,131
06/30/2018	126,858	118,010	8,848	93.0%	197,780
06/30/2019	190,504	183,563	6,941	96.4%	382,828
06/30/2020	281,022	271,974	9,048	96.8%	523,974
06/30/2021	425,527	468,372	(42,845)	110.1%	530,269
06/30/2022	571,194	519,239	51,955	90.9%	871,001
06/30/2023	820,761	741,220	79,541	90.3%	1,318,455

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Contribution	$2,200	$3,700	$6,000	$8,900	$13,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	8.2%	8.4%	8.6%	8.3%	8.5%
UAL Contribution	$0	$0	$0	$0	$0

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

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

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	7.96%	8.0%
UAL Contribution	$1,416	$5,900
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	7.96%	8.0%
UAL Contribution	$1,416	$3,700

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	19.65%	15.71%	12.71%
b) Accrued Liability	$1,014,945	$820,761	$668,059
c) Market Value of Assets	$741,220	$741,220	$741,220
d) Unfunded Liability/(Surplus) [(b) - (c)]	$273,725	$79,541	($73,161)
e) Funded Ratio	73.0%	90.3%	111.0%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.56%	15.71%	14.29%
b) Accrued Liability	$860,662	$820,761	$745,105
c) Market Value of Assets	$741,220	$741,220	$741,220
d) Unfunded Liability/(Surplus) [(b) - (c)]	$119,442	$79,541	$3,885
e) Funded Ratio	86.1%	90.3%	99.5%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.98%	15.71%	15.46%
b) Accrued Liability	$837,115	$820,761	$805,646
c) Market Value of Assets	$741,220	$741,220	$741,220
d) Unfunded Liability/(Surplus) [(b) - (c)]	$95,895	$79,541	$64,426
e) Funded Ratio	88.5%	90.3%	92.0%

Maturity Measures

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

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

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$0	$0
2. Total Accrued Liability	$571,194	$820,761
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	0%	0%

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

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

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	16	20
2. Number of Retirees	0	0
3. Support Ratio [(1) ÷ (2)]	N/A	N/A

Maturity Measures (continued)

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

Asset Volatility Ratio

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

Liability Volatility Ratio

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

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	$519,239	$741,220
2. Payroll	$871,001	$1,318,455
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	0.6	0.6
4. Accrued Liability	$571,194	$820,761
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	0.7	0.6

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0%	N/A	0.4	0.4
06/30/2018	0%	N/A	0.6	0.6
06/30/2019	0%	N/A	0.5	0.5
06/30/2020	0%	N/A	0.5	0.5
06/30/2021	0%	N/A	0.9	0.8
06/30/2022	0%	N/A	0.6	0.7
06/30/2023	0%	N/A	0.6	0.6

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

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

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

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

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

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

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$1,138,772	$695,029
2. Market Value of Assets (MVA)	741,220	741,220
3. Unfunded Termination Liability [(1) – (2)]	$397,552	($46,191)
4. Funded Ratio [(2) ÷ (1)]	65.1%	106.6%

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

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

Funded Status – Low-Default-Risk Basis

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

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

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$1,253,200
b) Transferred Members	0
c) Separated Members	4,761
d) Members and Beneficiaries Receiving Payments	0
e) Total	$1,257,961
2. Market Value of Assets (MVA)	741,220
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$516,741
4. Unfunded Accrued Liability – Funding Policy Basis	79,541
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$437,200

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

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

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

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

[2] If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

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

	June 30, 2022	June 30, 2023
Active Members		
Counts	16	20
Average Attained Age	40.8	41.1
Average Entry Age to Rate Plan	37.5	37.6
Average Years of Credited Service	3.3	3.6
Average Annual Covered Pay	$54,438	$65,923
Annual Covered Payroll	$871,001	$1,318,455
Present Value of Future Payroll	$9,700,281	$15,112,141
Transferred Members	0	0
Separated Members	1	1
Retired Members and Beneficiaries*		
Counts	0	0
Average Annual Benefits	$0	$0
Total Annual Benefits	$0	$0

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

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

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

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

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

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

AGENDA ITEM 8B

Date: September 3, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Ashley Davies, Director of Services and Program Development

Subject: Review Results of Customer Opinion Survey

BACKGROUND

In February of 2024, the Outreach Committee recommended the District begin a search for a company to conduct a customer satisfaction survey. The objective of the survey was to assess customer satisfaction, identify areas for improvement, and gain insights into the effectiveness of our outreach strategies. Staff commissioned Probolsky Research, a market research firm, to conduct a comprehensive survey within the District's jurisdiction. The survey was conducted over a three-week period in July 2024.

DISCUSSION

Adam Probolsky of Probolsky Research will provide analysis of the results from the customer opinion survey to the Board. The Board will receive the report and the Outreach Committee will use the results to help guide future outreach efforts within the District. The customer survey results will support informed decision-making and continuous improvement efforts in all areas.

The full report prepared by Probolsky Research on the results of the customer opinion survey has been uploaded to the District's website and can be accessed at the following link: https://www.midwaycitysanitaryca.gov/customer-opinion-survey

FISCAL IMPACT

There is no fiscal impact.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors receive and file the survey results from the 2024 customer survey.

ATTACHMENTS

None.

2024 Board Meeting Calendar

JANUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

MARCH

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30 / 31

APRIL

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29/ 30

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Board Meetings
Outreach Committee Meetings
Calendar Committee Meetings
Franchise Committee Meetings
ISDOC Qrtly Luncheon
Clean-up event

Special Events/Conferences

2/3	MCSD Open House
2/10	WM Tet Festival
3/23	WM Bunny Hop Event
4/15-17	CSDA Leadership Conference
4/20	WM Earth Day Event
5/6-9	WasteExpo Conference
5/21-22	CSDA Legislative Days
7/17	WM Safety Day Sigler Park
7/20	Compost Event
9/9-12	CSDA Annual Conference
9/14	85th Anniversary

Holiday - Office Closed

1/1	New Year's Day
2/19	President's Day
5/27	Memorial Day
7/4	Independence Day
9/2	Labor Day
11/28	Thanksgiving Day
12/25	Christmas Day

Revised August 29, 2024