

A large, stylized graphic of a water splash in shades of blue, with various droplets and bubbles, set against a light blue gradient background. The splash originates from the top right and flows towards the bottom left.

SAWPA

CalPERS Unfunded Liability
Payment Options

CalPERS Formula

PERS 2% @ 55 - Classic

	FYE 2020	FYE 2021
PERS Employers Rate	11.12%	11.816%
Employer Paid Member Contribution (EPMC)	1.40%	0%
Unfunded Liability Payment	\$229,033	\$277,384

PERS 2% @ 62 - PEPRA

	FYE 2020	FYE 2021
PERS Employers Rate	7.191%	7.847%
Unfunded Liability Payment	\$6,095	\$11,686

UAL – Classic Members

FYE	Unfunded Liability	Discount Rate	Employer Rate	UAL Payment
2015	\$2,169,716	7.5%	12.434%	\$0
2016	\$2,247,501	7.5%	9.454%	\$87,085
2017	\$3,104,742	7.5%	9.846%	\$106,117
2018	\$3,724,430	7.375%	9.887%	\$135,256
2019	\$3,649,848	7.25%	10.411%	\$180,636
2020	\$4,461,839*	7.0%	11.12%	\$229,033

* Projected

In July 2012, we paid off our side fund of \$321,424

UAL - PEPRA Members

FYE	Unfunded Liability	Discount Rate	Employer Rate	UAL Payment
2015	\$0	7.5%	6.70%	\$0
2016	\$0	7.5%	6.724%	\$0
2017	\$6,847	7.5%	7.066%	\$57
2018	\$25,286	7.375%	7.045%	\$174
2019	\$28,087	7.25%	7.383%	\$5,486
2020	\$52,175*	7.0%	7.191%	\$6,095

* Projected

Definitions



Unfunded Liability

A liability that does not have current or projected assets to cover the liability.

Unfunded Accrued Liability (UAL)

The present value of future employer contributions for service that has already been earned.

Deferred Outflows of Resources

The consumption of net assets by the government that is applicable to a future reporting period. (prepaid items and deferred charges)

Deferred Inflows of Resources

An acquisition of net assets by the government that is applicable to a future reporting period. (deferred revenue and advance collections)

Options to Pay Down the UAL



- Option 1
 - Pay off \$2,551,673 from reserves
 - Interest savings of \$2,538,190 over amortization period
 - Lower annual payment approximately \$190,000 per year
- Option 2
 - Use Alternative Amortization Schedule
 - 15 year
 - 10 year
 - Increase annual payment amount
 - Reduce interest costs

Option 1- Pay Down the UAL

Schedule of Plan's Amortization Bases

Reason for Base	Date Established	Amortization Period	Balance 6/30/18	Payment 2018-19	Balance 6/30/19	Payment 2019-20	Balance 6/30/20	Scheduled Payment for 2020-21
SHARE OF PRE-2013 POOL UAL	06/30/13	17	\$995,357	\$77,016	\$985,366	\$79,110	\$972,510	\$80,246
NON-ASSET (GAIN)/LOSS	06/30/13	25	\$(14,944)	\$(792)	\$(15,171)	\$(1,018)	\$(15,180)	\$(1,030)
ASSET (GAIN)/LOSS	06/30/13	25	\$1,554,636	\$82,432	\$1,578,192	\$105,860	\$1,579,163	\$107,126
NON-ASSET (GAIN)/LOSS	06/30/14	26	\$1,312	\$52	\$1,350	\$72	\$1,370	\$91
ASSET (GAIN)/LOSS	06/30/14	26	\$(1,231,331)	\$(49,085)	\$(1,266,750)	\$(67,242)	\$(1,285,867)	\$(85,030)
ASSUMPTION CHANGE	06/30/14	16	\$752,049	\$41,374	\$761,895	\$56,665	\$756,613	\$71,946
NON-ASSET (GAIN)/LOSS	06/30/15	27	\$(60,302)	\$(1,627)	\$(62,840)	\$(2,508)	\$(64,645)	\$(3,381)
ASSET (GAIN)/LOSS	06/30/15	27	\$764,857	\$20,639	\$797,048	\$31,809	\$819,938	\$42,886
NON-ASSET (GAIN)/LOSS	06/30/16	28	\$(113,778)	\$(1,579)	\$(120,109)	\$(3,245)	\$(125,160)	\$(4,919)
ASSET (GAIN)/LOSS	06/30/16	28	\$955,787	\$13,263	\$1,008,973	\$27,257	\$1,051,406	\$41,319
ASSUMPTION CHANGE	06/30/16	18	\$290,704	\$5,486	\$305,379	\$11,272	\$315,096	\$17,155
NON-ASSET (GAIN)/LOSS	06/30/17	29	\$(23,572)	\$0	\$(25,222)	\$(350)	\$(26,625)	\$(708)
ASSET (GAIN)/LOSS	06/30/17	29	\$(472,726)	\$0	\$(505,817)	\$(7,027)	\$(533,955)	\$(14,193)
ASSUMPTION CHANGE	06/30/17	19	\$306,173	\$(17,773)	\$345,990	\$6,535	\$363,449	\$13,253
NON-ASSET (GAIN)/LOSS	06/30/18	30	\$70,036	\$0	\$74,938	\$0	\$80,184	\$1,095
ASSET (GAIN)/LOSS	06/30/18	30	\$(146,190)	\$0	\$(156,423)	\$0	\$(167,373)	\$(2,286)
METHOD CHANGE	06/30/18	20	\$136,321	\$(1,020)	\$146,918	\$(1,048)	\$158,286	\$2,951
ASSUMPTION CHANGE	06/30/18	20	\$479,689	\$(15,410)	\$529,207	\$(15,833)	\$582,630	\$10,863
TOTAL			\$4,244,078	\$152,976	\$4,382,924	\$220,309	\$4,461,840	\$277,384

Discount rate used by CalPERS= 7%

Option 1 – Pay Down the UAL

- Pay off amortization bases of \$2,551,673
- Interest savings of \$2,538,190 over amortization period
- Lower annual payment approximately \$190,000 per year

- Other Options
 - Could pay off other amortization bases
 - Could pay off the total UAL



Option 1 – Pros and Cons




- Pros
 - Reduce the annual payment or continue same payment to reduce UAL quicker
 - Interest savings
 - Reduce liabilities on the balance sheet
 - Pay of UAL faster
 - Reserves earn average interest of 2.5%, liability accrues interest at 7%
- Cons
 - Lowers our total reserves
 - General Fund (100)
 - Brine Line Operating

Option 2 - Use Alternate Amortization Schedule

- 15 Year Amortization Schedule
 - Increase annual payment amount by \$125,046 for FYE 2020
 - Estimated interest savings of \$1,052,918
- 10 Year Amortization Schedule
 - Increase annual payment amount by \$272,759 for FYE 2020
 - Estimated interest savings of \$2,167,359

Option 2 – Pros and Cons



- Pros
 - Pay off UAL faster
 - Reduce liabilities on the balance sheet
 - Interest savings
- Cons
 - Is the higher payment sustainable?
 - Payment would continue to increase each year
 - Would increase our indirect costs and benefit rates
 - Would increase member agency contributions



Questions?



Task Order Approval for the Roundtable of Regions Network Coordinator

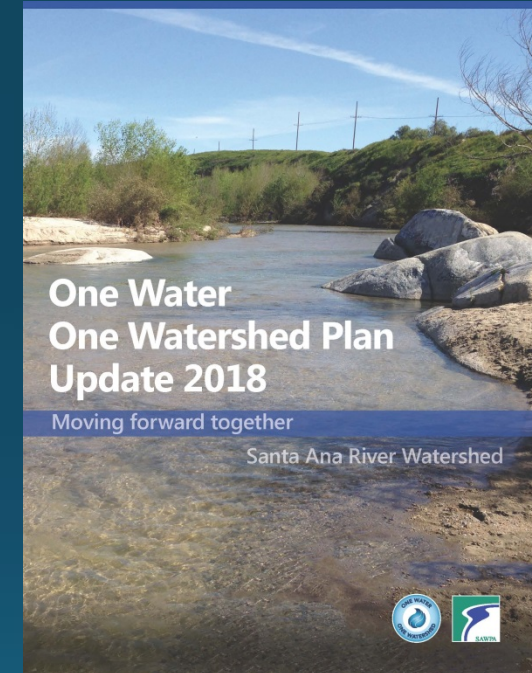


SAWPA Commission
October 15, 2019



Integrated Regional Water Management (IRWM)

- Formally began as a state-wide program in 2002 with passage of Senate Bill 1672.
- Since then, various bond measures such as Prop 1, have provided \$1.5 Billion in IRWM funding to projects that are selected through local IRWM planning in 48 regions.



The IRWM Plan in the Santa Ana River Watershed Region is the One Water One (OWOW) Watershed Plan Update 2018

IRWM Roundtable of Regions

- Began in 2006.
- Informal partnership, led by engaged staff and two co-chairs.
- Network extends limited resources and amplifies results of all participants.
- SAWPA represents OWOW on the Roundtable.

Map of IRWM Regions



Network Coordinator

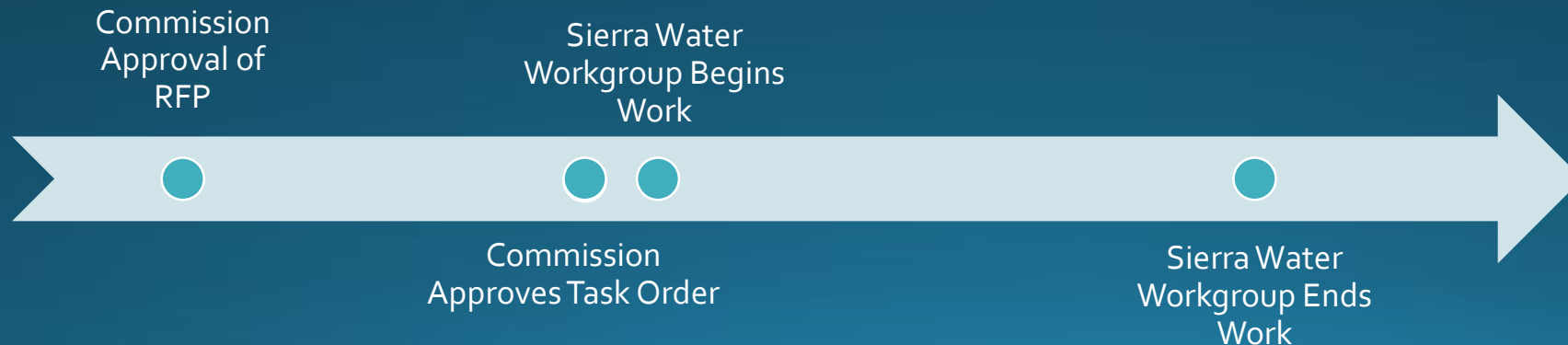


- Not a leadership position – a coordinating one
- Task Areas:
 - Maintenance of membership contact list.
 - Schedule, coordinate, and note-taking during regular participant calls.
 - Assist in development of summit for in-person Roundtable & Department of Water Resources (DWR) engagement.
 - Develop and administer annual survey of membership to support IRWM Program.



Timeline for Network Coordinator

- **December 2018** - SAWPA Commission approved:
 - Issuance of an RFP for the RoR Network Coordinator
 - Contributing \$5,816 from SAWPA's OWOW budget to the cost share agreement
- **March 19, 2019** – SAWPA Commission approves Sierra Water Workgroup Task Order (**Sole Responder to RFP**)
- **April 1, 2019 to October 15, 2019** - Sierra Water Workgroup performs according to the contract, but the company's principal becomes incapable of continuing due to major illness



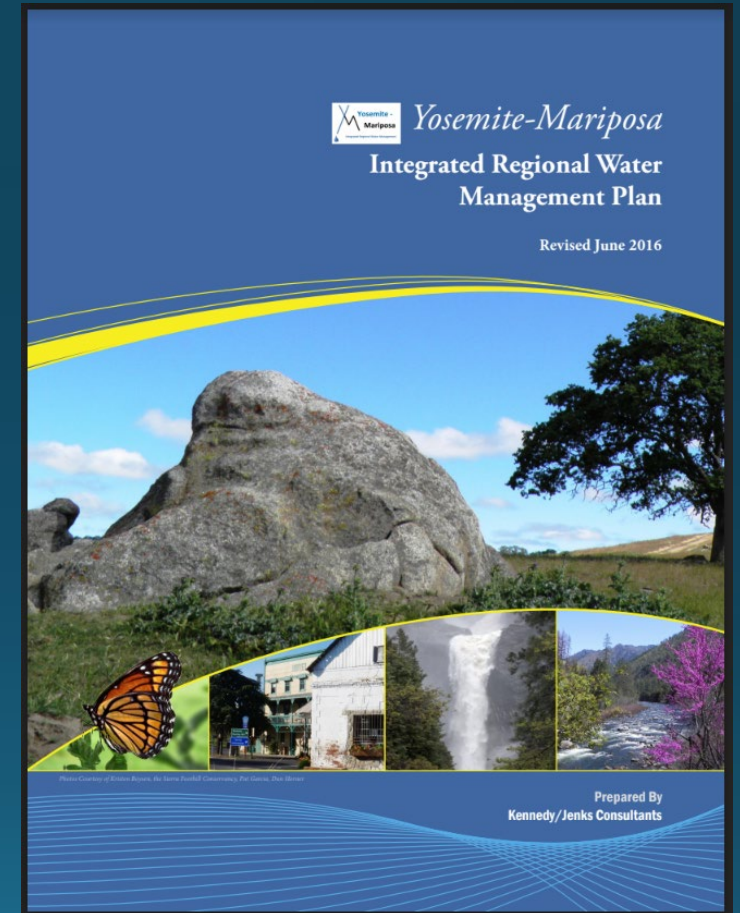
Sierra Water Workgroup

- The owner/principal of the prime consultant, Sierra Water Workgroup, is no longer able to complete the scope of work for the RFP's eventual task order due to a major illness.
- The SWW proposal included Jodie Monaghan as part of the consultant team. Ms. Monaghan also works as a consultant as JM Consultants, and is prepared to complete the remaining scope of work.



JM Consultants – Firm Profile

- Original Sub-consultant to Sierra Water Workgroup.
- Experience in IRWM Planning and Regional Efforts.
 - Yosemite-Mariposa Integrated Regional Water Management Plan.
 - Proposition 1 Disadvantaged Communities and Tribal Involvement Project for the Mountain Counties IRWM Region.
 - Sacramento Water Conservation Advisory Group.



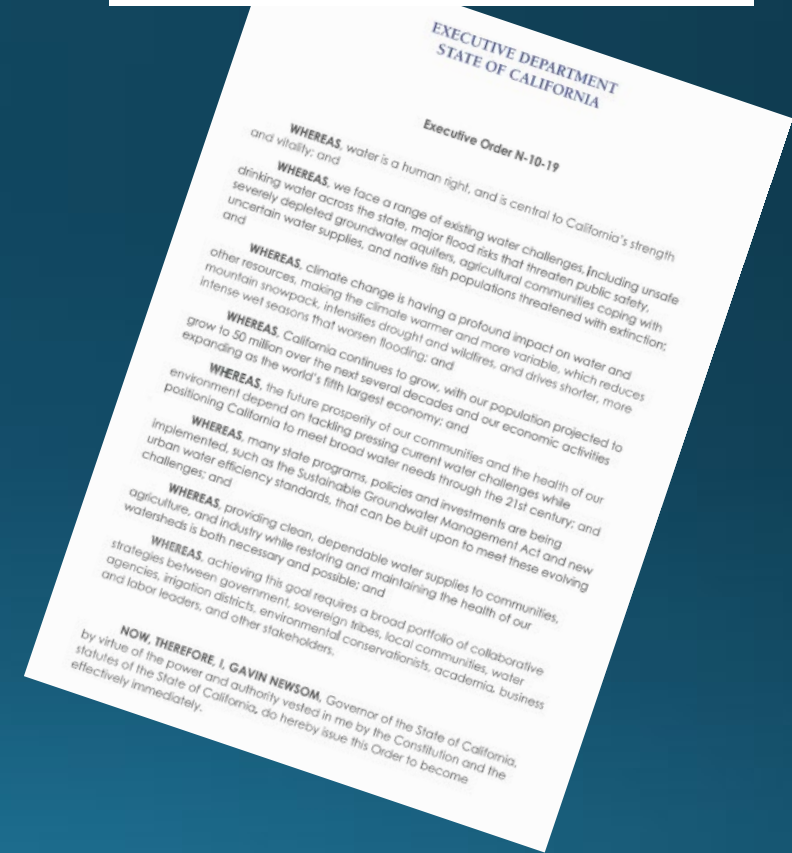
Budget Considerations

- Task Order with JM Consultants to be funded by same 14 contributing partners who committed to the original Roundtable of Regions Network Coordinator RFP.
- The project budget is unchanged. JM Consultants will complete the original scope of work with the funds remaining from the original contract with SWW.
- Work period for JM Consultants will be October 15, 2019 to June 30, 2020.

Cost Category	Total Amount	SAWPA Share
Total Project Costs	\$84,454	\$5,816
Sierra Water Workgroup Costs	\$30,000	\$2,066
JM Consultant Costs	\$54,454	\$3,750

How SAWPA benefits

- Roundtable is a trusted partner to DWR & Association of California Water Agencies (ACWA)
 - Instrumental in changes to the IRWM Program that benefit the watershed.
 - Roundtable engaged with DWR and the Water Resilience Portfolio.
- Supporting the Network Coordinator is a statewide role for SAWPA.
- Roundtable partners thankful for SAWPA stepping up as contract lead.



Recommendation

SAWPA Commission authorize the General Manager to execute an Agreement for Services and Task Order No. JMC373-01 with JM Consultants in the amount of \$54,454 to serve as Network Coordinator consultant for the California IRWM Roundtable of Regions.

