

CERBT Account Update Summary

Del Puerto Water District

as of December 31, 2023



OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by MacLeod Watts, Inc.	
Valuation Date	2/28/2022
Measurement Date	2/28/2022
Total OPEB Liability (TOL)	\$678,983
Valuation Assets	\$909,135
Net OPEB Liability (NOL)	(\$230,152)
Funded Status	134%
Actuarially Determined Contribution (ADC)	\$38,054
CERBT Asset Allocation Strategy	Strategy 2
Discount Rate	5.70%

CERBT Account Summary

As of December 31, 2023	Strategy 2
Initial contribution (03/23/2009)	\$187,579
Additional contributions	\$357,246
Disbursements	(\$136,901)
CERBT expenses	(\$8,082)
Investment earnings	\$528,598
Total assets	\$928,441
Annualized net rate of return (03/23/2009-12/31/2023 = 14.77 years)	7.66%

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Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$187,579	\$0	\$38,699	(\$46)	\$226,232
2009-10	\$20,270	\$0	\$72,743	(\$306)	\$280,286
2010-11	\$9,452	\$0	\$142,739	(\$724)	\$359,316
2011-12	\$9,879	\$0	\$143,005	(\$1,143)	\$369,042
2012-13	\$16,568	\$0	\$175,483	(\$1,749)	\$417,482
2013-14	\$17,244	(\$2,401)	\$241,195	(\$2,375)	\$497,411
2014-15	\$25,349	(\$4,994)	\$238,973	(\$2,882)	\$515,037
2015-16	\$26,294	(\$7,226)	\$255,418	(\$3,318)	\$550,113
2016-17	\$45,262	(\$17,405)	\$296,362	(\$3,806)	\$618,427
2017-18	\$23,117	(\$41,604)	\$334,301	(\$4,344)	\$637,341
2018-19	\$29,104	(\$17,490)	\$380,713	(\$4,895)	\$694,816
2019-20	\$30,829	(\$13,624)	\$419,112	(\$5,505)	\$749,809
2020-21	\$33,354	(\$10,387)	\$568,107	(\$6,216)	\$921,060
2021-22	\$34,493	(\$10,553)	\$450,105	(\$6,997)	\$826,218
2022-23	\$36,031	(\$11,216)	\$480,750	(\$7,710)	\$880,965
as of 12/31/2023	\$0	\$0	\$528,598	(\$8,082)	\$928,441

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CERBT/CEPPT Investment Returns Outperform Benchmarks

Periods ended November 30, 2023

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$15,698,785,087	8.26%	0.21%	0.54%	4.93%	1.50%	5.95%	5.44%	4.86%
Benchmark		8.25%	0.16%	0.46%	4.67%	1.30%	5.71%	5.09%	4.47%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,832,069,717	7.79%	-0.08%	-0.28%	3.14%	-0.51%	4.59%	4.40%	5.82%
Benchmark		7.78%	-0.08%	-0.29%	2.99%	-0.64%	4.42%	4.12%	5.57%
CERBT Strategy 3 (Inception January 1, 2012)	\$745,595,400	7.24%	-0.24%	-0.77%	1.91%	-1.50%	3.61%	3.61%	4.30%
Benchmark		7.24%	-0.23%	-0.78%	1.83%	-1.59%	3.49%	3.34%	4.04%
CERBT Total	\$18,276,450,204								
CEPPT Strategy 1 (Inception October 1, 2019)	\$144,299,927	6.99%	0.44%	0.47%	4.38%	0.08%	-	-	3.01%
Benchmark		7.00%	0.40%	0.40%	4.14%	-0.10%	-	-	2.89%
CEPPT Strategy 2 (Inception January 1, 2020)	\$47,109,342	5.88%	0.35%	0.09%	2.79%	-1.96%	-	-	0.33%
Benchmark		5.87%	0.32%	0.02%	2.74%	-2.07%	-	-	0.22%
CEPPT Total	\$191,409,269								

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CERBT Portfolios

2022 Capital Market Assumptions	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	6.0%	5.5%	5.0%
Risk	12.1%	9.9%	8.4%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index IMI (Net)	49% ±5%	34% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	23% ±5%	41% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	20% ±5%	17% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	3% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%	0% +2%

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Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2019	10.00 basis points	-
2019-2023	10.00 basis points	25.00 basis points

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629 Prefunding Program Employers

604 CERBT and 94 CEPPT

- State of California
- 158 Cities or Towns
- 10 Counties
- 83 School Employers
- 32 Courts
- 345 Special Districts and other Public Agencies
 - (103 Water, 37 Sanitation, 34 Fire, 27 Transportation)

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 75 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in January each year

CERBT FNP Fiscal Year	Availability
<u>2019-20</u> <u>2020-21</u> <u>2021-22</u>	Available at https://www.calpers.ca.gov/cerbt
2022-23	January 2024

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Questions? Where to Get Trust Fund Information?

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Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers

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January Meeting Notes

2:00 p.m. January 23, 2024
 279-666-3100 / ID 897 053 670#
[Click here to join the meeting](#)

The meeting began at 2:00 p.m. and ended at 11:45 a.m. with attendees in person and on-line.

Attendees (34):

Anthea Hansen – DPWD	Paul Kelley – Clear Creek	Calvin Bryant – USBR
Celia Cheung – CCWD	Ray Tarka – SLDMWA	Christiane Washington – USBR
Conrad Tona – Redding	Robert Harvie – Valley Water	Duane Stroup – USBR
Dana Jacobson – Valley Water	Scott Hutcheson – SCWA	Ed Young – USBR
David Grant – AEWSD	Shelly Murphy – Colusa County	Joseph Gagliani – USBR
Deanna Sereno – CCWD	Skye Grass – Kern-Tulare ID	Natalie Taylor – USBR
Henry McLaughlin – Fresno	Stephen Farmer – WWD	Robert Ward – USBR
Herman Williams – CCWD	Tiffany Montooth – DEID	Sabir Ahmad – USBR
Josh Watkins – Redding	Trista Madsen -SMUD	Todd Plain – USBR
Joyce Machado – DPWD	Wilson Orvis – FWA	Steve Pavich – USBR
Kevin Kasberg – CVPWA		Cynthia Calvillo – WAPA
Nicole Branum – WWD		Judith Shimek – WAPA

1. Opening Business

- a. FAC Introductions – CVPWA Members and Reclamation Staff in Attendance

The in-person attendees went around the table with introductions, as well as some of the online participants. There was no round-robin of introductions of the online participants, to get the meeting started.

- b. Reclamation Staffing Updates

Reclamation shared that Karl Stock is the new Regional Director and Ernest Conant is still on board as a Senior Advisor. Jeff Payne, the previous Deputy Regional Director of Technical Services, took a role with Westlands Water District and the Region is still determining how to backfill that position. Melinda Jones is still acting as the Deputy Regional Director, Business Services. There was no update on the permanent selection for that role. Natalie Taylor, USBR introduced a new repayment specialist in the Region, Joseph Gagliani. Todd Plain, USBR announced his role as Program Manager in the Bay-Delta Office, supporting some of Brooke White's efforts while she is on detail in the Klamath Office.

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2. 2024 FAC Schedule and Presentations

The FAC developed the following draft schedule of presentations for 2024. Some months were left open for topics as the calendar year progresses. Exact 2024 FAC dates forthcoming.

The February meeting presentation targeted the new tiered pricing model for excess water. Reclamation will work internally to determine a date and presenter on the topic. The Area Office Panel during the Water User's Conference will introduce the tiered pricing model to the larger audience, but a document of the tiered pricing model was requested by the FAC.

The March presentation will cover the FY 2023 Annual Accounting Analysis. This is a priority topic as FY 2023 rates were developed with assumed deliveries that were much lower than the actual deliveries (due to the wet water year). This discrepancy likely resulted in substantial overpayment, and contractors are eager to know about the possibility of an expedited refund to help with district cashflow.

Ed Young, the Region's Program and Budget Officer, agreed to a Spring Budget Workshop in April and a Fall Budget Workshop in October.

The 2024 Reserved Works application was targeted for May, as there is an anticipated shift in the Aging Infrastructure Account (AIA) application period. Previous years had a due date in November and the new date may be in the June or July timeframe. This shift is to better align with fiscal year planning of both Reclamation and project applicants.

The June presentation will build on previous presentations by Richard Welsh, where the FAC is interested in any potential CVP-wide cost recovery for new storage projects in the CVP that Reclamation is a participant.

The August presentation continues the FAC's interest in better understanding the implementation of the Final Cost Allocation (FCA). Previous presentations by Steve Pavich on the implementation of the FCA will be built upon with an understand of how PUE costs are allocated. Paul Hill was identified as a speaker but was not in attendance, so an invitation needs to be sent to Paul.

The November presentation will cover a pilot program happening in the Friant Division that has the goal of reducing the administrative burden of Reclamation Accounts Receivable as well as district accounting. The pilot project is just starting and will have 6 months of implementation prior to November, where a CVP-wide implementation can be evaluated. Even if the pilot is a success, it will not be a mandatory program.

2024 FAC Schedule of Presentations – DRAFT from 01/23/24		
Date	Topic	Presenter
January 23	2024 FAC Issues Matrix	Kevin Kasberg
February	3f Tiered Pricing	TBD
March	FY 2023 Accountings	Sabir
April	Spring Budget Workshop (FY25 Presidents Budget Request)	Ed Young
May	2025 Reserved Works Application	Stroup
June	New Storage Projects	Nickels
July		
August	PUE Allocation	Paul Hill
September		
October	Fall Budget Workshop	Ed Young
November	Friant Adv. Payment Pilot Program	Washington/Orvis
December		

Other potential topics that were identified, but not scheduled include:

- BDO Funding Plan
- Future Costs and Potential Rate Impacts
- Annual O&M Cost Allocation

3. FAC Issues Matrix

The FAC Issues Matrix from 2023 was presented in the meeting agenda and modifications to the matrix are discussed below. Topics with an updated provided in this January meeting are detailed within the table.

New Priority Issues (See Agenda Item #2 for details on these topics)

- Tiered Pricing for 3f Water
- Friant Advanced Payment Pilot Program
- FY 2023 Annual Accounting Analysis

2023 Priority Issues Moved to Tracking Issues

- PL 111-11 XM Rate. The FAC’s engagement with development of the XM rate dates to the law’s passing in 2009. The XM rate was officially put in use with the FY 2023 water rates and will be used hereafter. This topic is moved from priority

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to tracking as the XM rate methodology is complete but will be tracked for any changes and discussed on an annual basis as part of the annual rate review.

- Folsom SOD Recovery. Folsom SOD cost recovery was a priority issue in 2023 as recovery began in the FY 2023 water rates. It is moved to tracking as there will future additions included in the Folsom SOD rate, but the level of engagement occurring prior to the first year of recovery will be lower going forward.
- Warren Act Rates: Warren Act Rates had some changes that were implemented in the FY 2023 Rates and will be kept on tracking for any updates.

2024 FAC Issues Matrix – DRAFT	
Priority Issues	
1. Future Costs and Potential Rate Impacts	
2. Tiered Pricing for 3f Water	See Agenda Item #2 for more detail. The FAC brought up many questions about how revenues are applied, such how they offset pooled water marketing costs versus individual contractor construction obligations. Other questions on the actual tiered rate costs and priority of excess water between contractors and non-CVP contractors. Timing is an issue, as excess water may be on the near horizon. One benefit of using article 3f over 215 is there is limits on volume and timing in 215, whereas 3f is more flexible. 3f also uses existing contracts, whereas 215 needs a separate contract to be developed and approved. Contractors requested written documentation.
3. BDO Funding Plan	
4. Reserved Works Aging Infrastructure Account Application	See Agenda Item #2 for more detail.
5. True-up for WIIN Act and FCA	Sabir updated that the solicitor Carter Brown is writing an opinion on providing credits to contractors that have overpaid through the contract conversions. There will not be a movement of actual funds from the storage account to any other accounts of the CVP contractors. Any overpayment will be an offset to existing and future obligations. Reclamation plans to have a technical meeting for those contractors that have a credit. For contractors that have an underpayment, Reclamation will have similar engagement. The written opinion will come in the next few weeks and letters to those contractors with underpayment or overpayment will follow. Friant Division has requested a separate meeting due to their unique scenario on this topic.
6. Friant Advanced Payment Pilot Program	See Agenda Item #2 for more detail. Wilson Orvis and Christiane Washington are the leads on this effort and are developing an SOP to be shared in November.
7. Annual Budget Review with Stakeholders	Reclamation has agreed to hold two budget workshops in calendar year 2024, a Spring and Fall Budget Workshop to be held in April and October.
8. FY 2023 Annual Accounting Analysis	See Agenda Item #2 for more detail.

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Tracking Issues
<p>1. Trinity PUD Assessment Collection Reclamation sent a letter to stop paying TPUD payment in FY 2024, it will be collected through water marketing and reconciled in the Annual Accounting Analysis.</p>
2. PL 111-11 XM Rate
3. Folsom SOD Cost Recovery
4. Warren Act Rates
5. San Luis Joint Use O&M Cost Reallocation Study
6. Contractor Contact list
<p>7. Reclamation Manual Updates PEC 05-03 is going to have a workshop, updated revisions, and extended comment period.</p>
8. WIIN Act Section 4007 Storage Projects
<p>9. CVPIA True-up and Accounting BPG Will there be a CVP-wide reconciliation of restoration fund payments, contractor by contractor?</p>
10. CVPIA Program Evaluations
<p>11. BORWORKS Enhancements The FAC brought up the benefit of BORWORKS reporting out YTD deliveries. Errors in delivery report persist.</p>
12. Ability-to-Pay Studies
13. Remediation of 2014-2019 costs
14. Recharacterization of Reimbursability of Costs (BGT 02-02)

4. Other Items

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