



OPEB PRE-FUNDING PROGRAM & PENSION RATE STABILIZATION PROGRAM

April 10, 2024

Summary of Agency's OPEB Plan

Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	April 10, 2014
Plan Administrator:	District Treasurer
Current Investment Strategy:	Capital Appreciation Strategic Blend; Individual Account

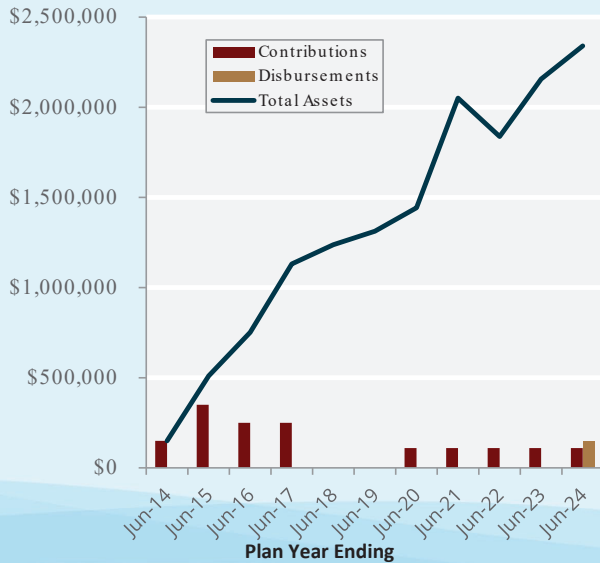
AS OF FEBRUARY 29, 2024:

Initial Contribution:	June 2014: \$150,000
Additional Contributions:	\$1,400,000
Total Contributions:	\$1,550,000
Disbursements:	\$145,712
Total Investment Earnings:	\$1,006,835
Account Balance:	\$2,340,535



Summary of Agency's OPEB Plan

History of Contributions, Disbursements, and Total Assets as of February 29, 2024:



Year	Contributions	Disbursements	Total Assets
Jun-14*	\$150,000	\$0	\$150,000
Jun-15	\$350,000	\$0	\$510,025
Jun-16	\$250,000	\$0	\$751,849
Jun-17	\$250,000	\$0	\$1,131,243
Jun-18	\$0	\$0	\$1,237,589
Jun-19	\$0	\$0	\$1,312,312
Jun-20	\$110,000	\$0	\$1,442,823
Jun-21	\$110,000	\$0	\$2,050,739
Jun-22	\$110,000	\$0	\$1,837,531
Jun-23	\$110,000	\$0	\$2,156,364
Jun-24**	\$110,000	\$145,712	\$2,340,535

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*Plan Year Ending June 2014 is based on 1 month of activity.
 **Plan Year Ending June 2024 is based on 8 months of activity.



OPEB Actuarial Results

- We have received the actuarial report by GovInvest dated August 30, 2023, with a measurement date as of June 30, 2022. In the table below, we have summarized the results.

Demographic Study	Measurement Date June 30, 2021	Measurement Date June 30, 2022
Actives	60	60
Retirees	31	33
Total	91	93

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OPEB Actuarial Results

	Measurement Date June 30, 2021 Discount Rate: 6.75%	Measurement Date June 30, 2022 Discount Rate: 6.50%
Total OPEB Liability (TOL) <i>Actuarial Accrued Liability (AAL)</i>	\$1,581,640	\$1,676,086
Fiduciary Net Position <i>Actuarial Value of Assets</i>	\$2,050,739	\$1,837,531*
Net OPEB Liability (NOL) <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	(\$469,099)	(\$161,445)
Funded Ratio	129.7%	109.6%
Actuarially Determined Contribution (ADC)	\$122,916 <i>For FY 2021-22</i>	\$52,111 <i>For FY 2022-23</i>
Annual Benefit Payments (Pay-as-you-Go)	\$107,255 <i>For FY 2021-22</i>	\$106,320 <i>For FY 2022-23</i>

*As of February 29, 2024, assets at \$2,340,535 (approx. ~139.6% funded).
Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

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Summary of Agency's Pension Plan

Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	June 8, 2017
Plan Administrator:	District Treasurer
Current Investment Strategy:	Capital Appreciation Strategic Blend; Individual Account

AS OF FEBRUARY 29, 2024:

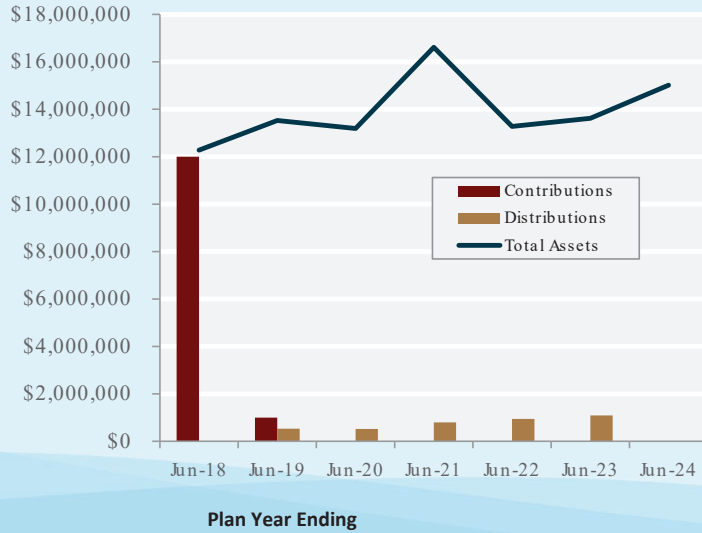
Initial Contribution:	July 2017: \$1,000,000
Additional Contributions:	\$12,000,000
Total Contributions:	\$13,000,000
Disbursements:	(\$3,882,221)
Total Investment Earnings:	\$6,313,534
Account Balance:	\$15,015,850

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Summary of Agency's Pension Plan

History of Contributions, Disbursements, and Total Assets as of February 29, 2024:



Year	Contributions	Distributions	Total Assets
Jun-18	\$12,000,000	\$0	\$12,278,123
Jun-19	\$1,000,000	\$531,042	\$13,528,061
Jun-20	\$0	\$517,312	\$13,188,800
Jun-21	\$0	\$795,933	\$16,615,556
Jun-22	\$0	\$945,887	\$13,277,654
Jun-23	\$0	\$1,092,047	\$13,617,460
Jun-24*	\$0	\$0	\$15,015,850

*Plan Year Ending June 2024 is based on 8 months of activity.



MesaWater DISTRICT®

Pension Funding Status

As of June 30, 2022, Mesa Water District's CalPERS pension plan is funded as follows*:

Combined Miscellaneous Groups	Valuation as of June 30, 2021	Valuation as of June 30, 2022	Change
Actuarial Liability	\$53.3 M	\$56.1 M	5.3% ↑
Assets	\$43.7 M	\$39.8 M	9.1% ↓
Unfunded Liability	\$9.6 M	\$16.4 M**	71.2% ↑
Funded Ratio	82.1%	70.9%	13.7% ↓
Employer Contribution Amount	\$1.68 M (FY 22-23)	\$1.74 M (FY 23-24)	3.2% ↑
Employer Contribution Amount	---	\$2.5 M (FY 29-30)	46.6% ↑

* Data through 2029-30 from Agency's latest CalPERS actuarial valuation

** As of February 29, 2024, assets with PARS Trust at \$15,015,850 (approx. ~97.8% funded).



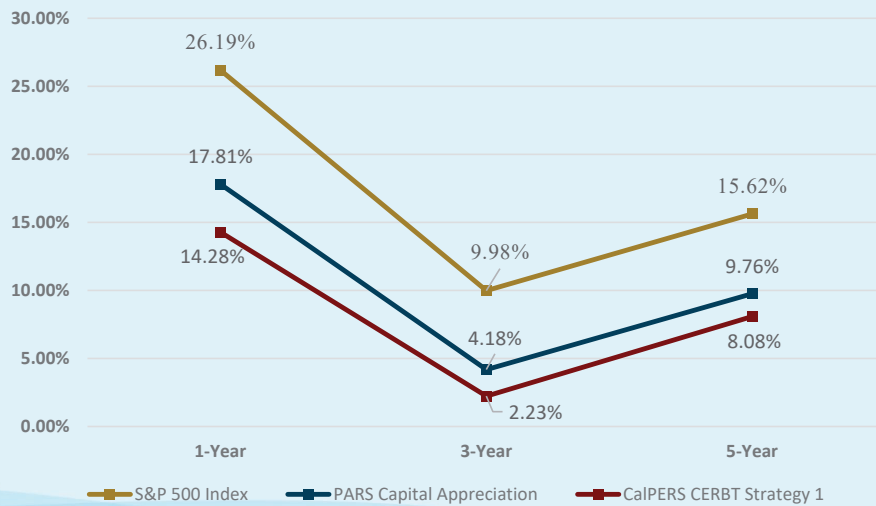
MesaWater DISTRICT®

PARS: MESA WATER DISTRICT



Annualized Return Comparison*

PARS CAPITAL APPRECIATION, CALPERS CERBT STRATEGY 1, S&P INDEX RETURNS



Discussion Highlights: Mesa Water District

- **Investment objective – Capital Appreciation**
- **Asset Allocation: PARS/Capital Appreciation (As of 12-31-2023)**
 - Allocation Target – 73.97% stocks (65-85% range), 22.0% bonds (10-30% range), 4.03% cash (0-20% range)
 - Large cap 39.40%, Mid-cap 7.98%, Small cap 9.71%, International 14.77%, REIT 2.11%
- **Performance: Mesa Water District 115 Pension**
(as of 12-31-2023) gross of investment management fees, net of fund fees
 - 3 Months: 10.40%
 - 1 Year (YTD): 17.71%
 - 3 Years: 4.02%
 - 5 Years: 9.66%
 - 08/2017 (ITD): 7.47%
- **Performance: Mesa Water District OPEB**
(as of 12-31-2023) gross of investment management fees, net of fund fees
 - 3 Months: 10.42%
 - 1 Year (YTD): 17.81%
 - 3 Years: 4.18%
 - 5 Years: 9.76%
 - 08/2014 (ITD): 7.36%
- **Asset Allocation:**
 - Modestly underweight equities
 - Favoring value style over growth
 - Recently added to Mid-Cap stocks
 - Neutral duration fixed income



Discussion Highlights: Mesa Water District

Economic Review

- Aggressive fiscal policy..supporting GDP, employment & inflationary forces
- Monetary policy changing from inflationary to restrictive with rate hikes and a pullback on QE
- Rate hikes expected to curb inflation expectations..Fed pivots to easing bias
- Yield curve inverted implying a recession is in the offing..likely to flatten as recession fears ebb
- Regional banks under duress..adding to tighter monetary conditions
- Risks: Inflation resurges..further policy mistake at the Fed; China slowing; Russian aggression in Ukraine



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