

OPEB PRE-FUNDING PROGRAM & PENSION RATE STABILIZATION PROGRAM

April 23, 2025

Summary of Agency's OPEB Plan

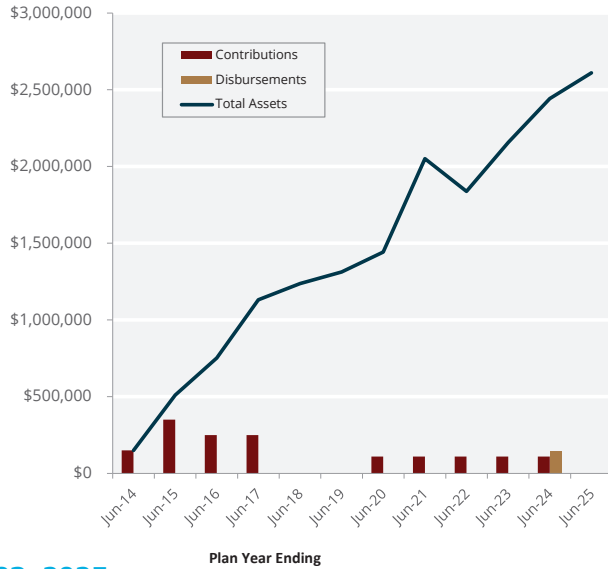
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	April 10, 2014
Plan Administrator:	District Treasurer
Current Investment Strategy:	Capital Appreciation Strategic Blend; Individual Account

AS OF FEBRUARY 28, 2025:

Initial Contribution:	June 2014: \$150,000
Additional Contributions:	\$1,400,000
Total Contributions:	\$1,550,000
Disbursements:	(\$145,712)
Net Investment Earnings:	\$1,206,081
Account Balance:	\$2,610,369

Summary of Agency's OPEB Plan

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF FEBRUARY 28, 2025:



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	\$2,442,592
Jun-25**	\$0	\$0	\$2,610,369

*Plan Year Ending June 2014 is based on 1 month of activity.
 **Plan Year Ending June 2025 is based on 8 months of activity.



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OPEB Actuarial Results

- We have received the actuarial report by *Foster & Foster* dated October 18, 2024, with a measurement date as of June 30, 2023. In the table below, we have summarized the results.

Demographic Study	Measurement Date June 30, 2022	Measurement Date June 30, 2023
Actives	60	58
Retirees	33	44
Total	93	102



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OPEB Actuarial Results

	Measurement Date June 30, 2022 Discount Rate: 6.50%	Measurement Date June 30, 2023 Discount Rate: 6.25%
Total OPEB Liability (TOL) <i>Actuarial Accrued Liability (AAL)</i>	\$1,676,086	\$1,748,570
Fiduciary Net Position <i>Actuarial Value of Assets</i>	\$1,837,531*	\$2,156,364*
Net OPEB Liability (NOL) <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	(\$161,445)	(\$407,794)
Funded Ratio	109.6%	123.3%
Actuarially Determined Contribution (ADC)	\$52,111 <i>For FY 2022-23</i>	\$52,248 <i>For FY 2023-24</i>
Annual Benefit Payments (Pay-as-you-Go)	\$106,320 <i>For FY 2022-23</i>	\$104,993 <i>For FY 2023-24</i>

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*As of February 28, 2025, assets at \$2,610,369 (approx. **149.3%** funded assuming no change to TOL).
Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.



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 28, 2025:

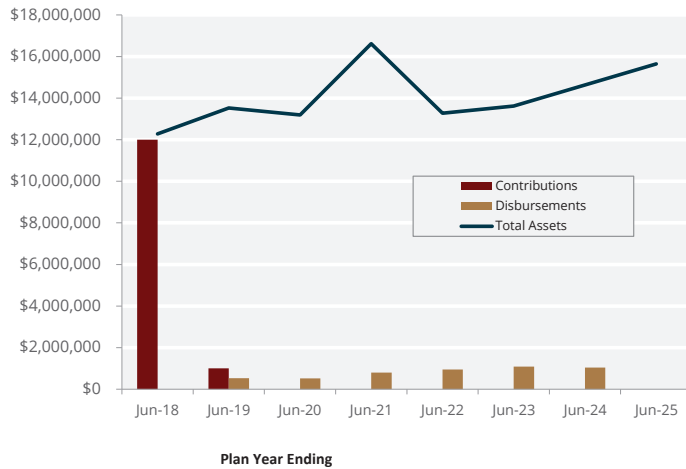
Initial Contribution:	July 2017: \$1,000,000
Additional Contributions:	\$12,000,000
Total Contributions:	\$13,000,000
Disbursements:	(\$4,924,799)
Net Investment Earnings:	\$7,571,921
Account Balance:	\$15,647,121

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Summary of Agency's Pension Plan

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF FEBRUARY 28, 2025:



Year	Contributions	Disbursements	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	\$1,042,578	\$14,630,925
Jun-25*	\$0	\$0	\$15,647,121

*Plan Year Ending June 2025 is based on 8 months of activity.



Pension Funding Status

As of June 30, 2023, Mesa Water District's CalPERS pension plan is funded as follows*:

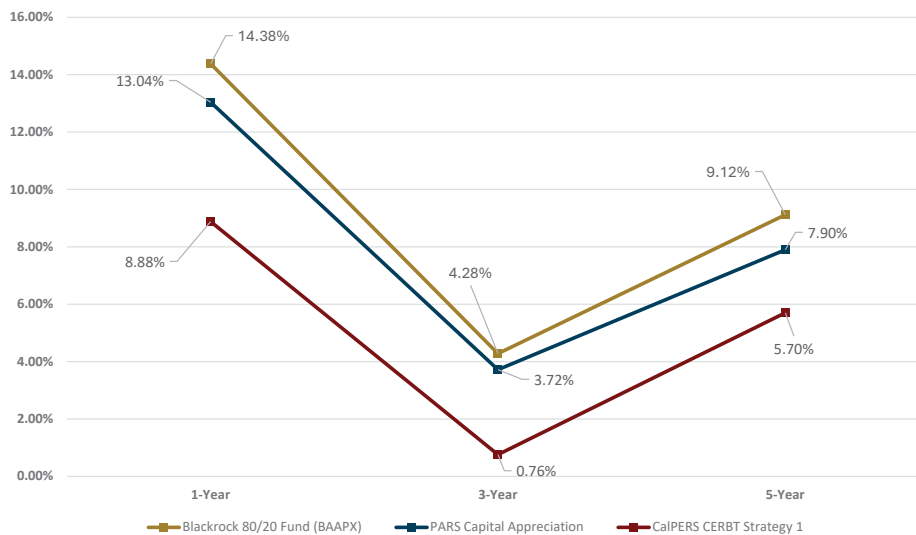
Combined Miscellaneous Groups	Valuation as of June 30, 2022	Valuation as of June 30, 2023	Change
Actuarial Liability	\$56.1 M	\$58.9 M	4.9% ↑
Assets	\$39.8 M	\$41.3 M	3.8% ↑
Unfunded Liability	\$16.4 M	\$17.6 M	7.7% ↑
Funded Ratio	70.9%	70.1%	1.1% ↓
Employer Contribution Amount	\$1.7 M (FY 23-24)	\$1.9 M (FY 24-25)	11.3% ↑
Employer Contribution Amount	---	\$2.7 M (FY 30-31)	41.0% ↑

* Data through 2030-31 from Agency's latest CalPERS actuarial valuation



Annualized Return Comparison

PARS CAPITAL APPRECIATION, CALPERS CERBT STRATEGY 1, BLACKROCK 80/20 FUND (BAAPX) AS OF DECEMBER 31, 2024



Investment Discussion Highlights: Mesa Water District

Investment objective – Capital Appreciation

- **Asset Allocation: PARS/Capital Appreciation (As of 12-31-2024)**
- Allocation Target – 76.2% stocks (65-85% range), 20.8% bonds (10-30% range), 3.0% cash (0-20% range)
- Large cap 52.40%, Small cap 2.65%, International 11.5%, REIT 5.9%, Infrastructure 3.5%

Asset Allocation:

- Modestly overweight equities
- Added Infrastructure
- Removed mid cap; reduced small cap stocks
- Neutral duration fixed income



Investment Discussion Highlights: Mesa Water District

Performance: Mesa Water District 115 Pension

(as of 12-31-2024) gross of investment management fees, net of fund fees

- 3 Months: -0.98%
- 1 Year (YTD): 13.21%
- 3 Years: 3.74%
- 5 Years: 7.96%
- 08/2017 (ITD): 8.23%

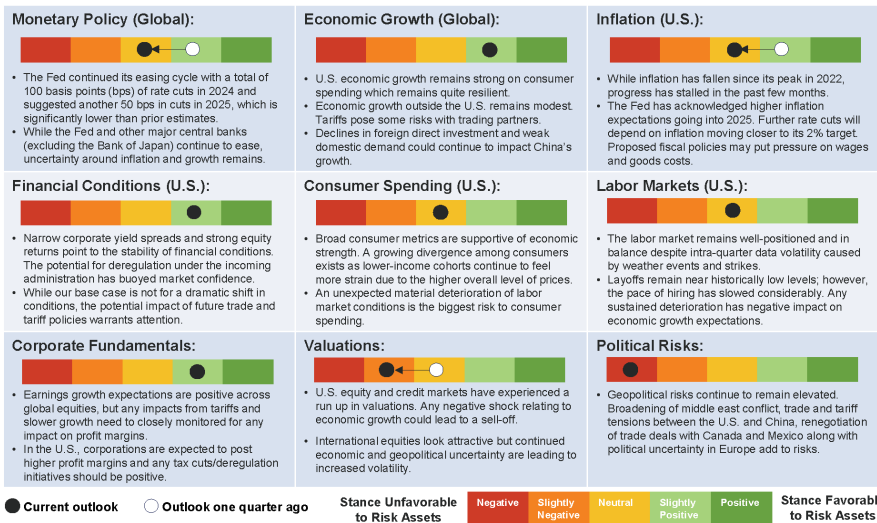
Performance: Mesa Water District 115 OPEB

(as of 12-31-2024) gross of investment management fees, net of fund fees

- 3 Months: -1.00%
- 1 Year (YTD): 13.08%
- 3 Years: 3.80%
- 5 Years: 7.96%
- 08/2014 (ITD): 8.16%



Factors to Consider Over the Next 6-12 Months



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (December 31, 2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.



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Additional Disclosures

Assets under management as of 6/30/2024 represent the assets managed by PFM asset Management LLC (PFMAM). As of 10/1/2024 PFMAM and U.S. Bancorp Asset Management, Inc. (USBAM) formerly separately registered investment advisers consolidated into one legal entity and one registered investment adviser with the SEC, with USBAM as the continuing legal entity and registered investment adviser.

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