

FINANCIAL MANAGEMENT INCREASED EFFICIENCIES



Agenda

- Current Accounts
- Fee Structure
- Returns
- Benefits
- Recommendation
- Questions

Strategic Plan Goals

- Provide an Abundant, Local, Reliable and Safe Water Supply
- Perpetually Renew and Improve Our Infrastructure
- Be Financial Responsible and Transparent
- Increase Favorable Opinion of Mesa Water
- Attract, Develop and Retain Skilled Employees
- Provide Excellent Customer Service
- Actively Participate in Regional and Statewide Water Issues



Mesa Water

- Financially Strong
- AAA ratings

**STANDARD
& POOR'S**

FitchRatings



Current Accounts

- Pension / OPEB Trust
 - Managed by Highmark Capital
 - Custodian is U.S. Bank
 - PARS holds Section 115 Letter
- MWRRC
 - Managed by Capital Group
 - Custodian is New York Bank
- Operating Reserves
 - Managed by Mesa Water District Chief Financial Officer
 - Custodian is U.S. Bank



Current Fee Structure

Fund Type	Balance	Current Fees
Pension/OPEB Trust	\$16,780,000	\$81,851
MWRRC	\$45,600,000	\$305,064
Operating Reserves	\$25,000,000	\$12,500
Total	\$87,380,000	\$399,415

- Assumed December 31, 2024 Balances



Future Fee Structure

Fund Type	Balance	Current Fees
Pension/OPEB Trust	\$16,780,000	\$115,470
MWRRC	\$45,600,000	\$270,408
Operating Reserves	\$25,000,000	\$94,500
Total	\$87,380,000	\$480,378

- Assumed December 31, 2024 Balances

7 | March 13, 2024



Current Returns – One Year

Fund Type	Rate of Return	Return
Pension/OPEB Trust	10.80%	\$1,812,240
MWRRC	11.27%	\$5,139,120
Operating Reserves	1.43%	\$357,500
Total		\$7,308,860

8 | March 13, 2024



Expected Returns – One Year

Fund Type	Rate of Return	Return
Pension/OPEB Trust	11.27%	\$1,891,106
MWRRC	11.27%	\$5,139,120
Operating Reserves	2.50%	\$625,000
Total		\$7,655,226

Fee & Return Comparison

Current Fees	Future Fees	Difference
\$399,415	\$480,378	(\$80,963)

Current Returns	Future Returns	Difference
\$7,308,860	\$7,655,226	\$346,366
Total		\$265,403

Recommendation

Direct staff to agendize at a future meeting a detailed plan to transition the Pension Trust, Other Post-Employment Benefits Trust, and General Reserves.

QUESTIONS?