

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 HighMark PLUS (Active) Strategy; Individual Account

AS OF MARCH 31, 2022:

Initial Contribution:	June 2014: \$150,000
Additional Contributions:	\$1,180,000
Total Contributions:	\$1,330,000
Disbursements:	\$0
Total Investment Earnings:	\$831,339
Account Balance:	\$2,109,522

Summary of Agency's OPEB Plan

History of Contributions, Disbursements, and Total Assets as of March 31, 2022:



OPEB Actuarial Results

Demographic Study	Valuation Date June 30, 2019	Measurement Date June 30, 2020
Actives	57	57
Retirees	32	26
Total	89	83



OPEB Actuarial Results

	Valuation Date June 30, 2019 Discount Rate: 6.75%	Measurement Date June 30, 2020 Discount Rate: 6.75%
Total OPEB Liability (TOL) <i>Actuarial Accrued Liability (AAL)</i>	\$1,696,487	\$1,790,353
Fiduciary Net Position <i>Actuarial Value of Assels</i>	\$1,312,312	\$1,442,823*
Net OPEB Liability (NOL) <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$384,175	\$347,530
Funded Ratio	77.4%	80.6%
Actuarially Determined Contribution (ADC) <i>Annual Required Contribution (ARC)</i>	\$115,302 <i>For FY 2019-20</i>	\$119,039 <i>For FY 2020-21</i>
Annual Benefit Payments (Pay-as-you-Go)	\$90,985 <i>For FY 2019-20</i>	\$94,212

*As of March 31, 2022, assets at \$2,109,522 (approx. - 117.8% funded).
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 HighMark PLUS (Active) Strategy; Individual Account

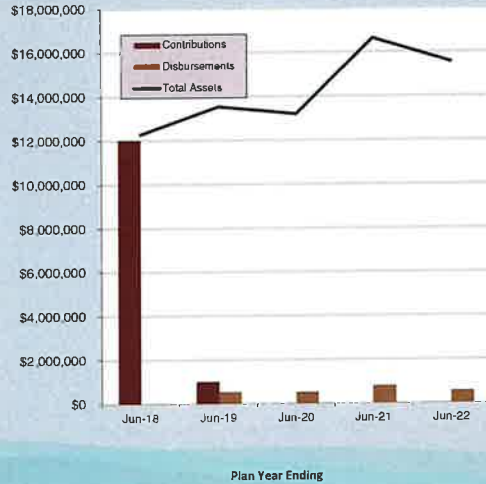
AS OF MARCH 31, 2022:

Initial Contribution: July 2017: \$1,000,000
Additional Contributions: \$12,000,000
Total Contributions: \$13,000,000
Disbursements: (\$2,553,702)
Total Investment Earnings: \$5,347,977
Account Balance: \$15,505,467



Summary of Agency's Pension Plan

Contributions, Disbursements, and Total Assets as of March 31, 2022:



Month	Contributions	Disbursements	Total Assets
Jun-18	\$12,000,000	\$0	\$12,278,123
Jun-19	\$1,000,000	\$531,042	\$13,528,081
Jun-20	\$0	\$517,312	\$13,186,800
Jun-21	\$0	\$795,933	\$15,401,641
Jun-22*	\$0	\$709,115	\$15,505,467

*Plan Year Ending June 2022 is based on 9 months of activity.



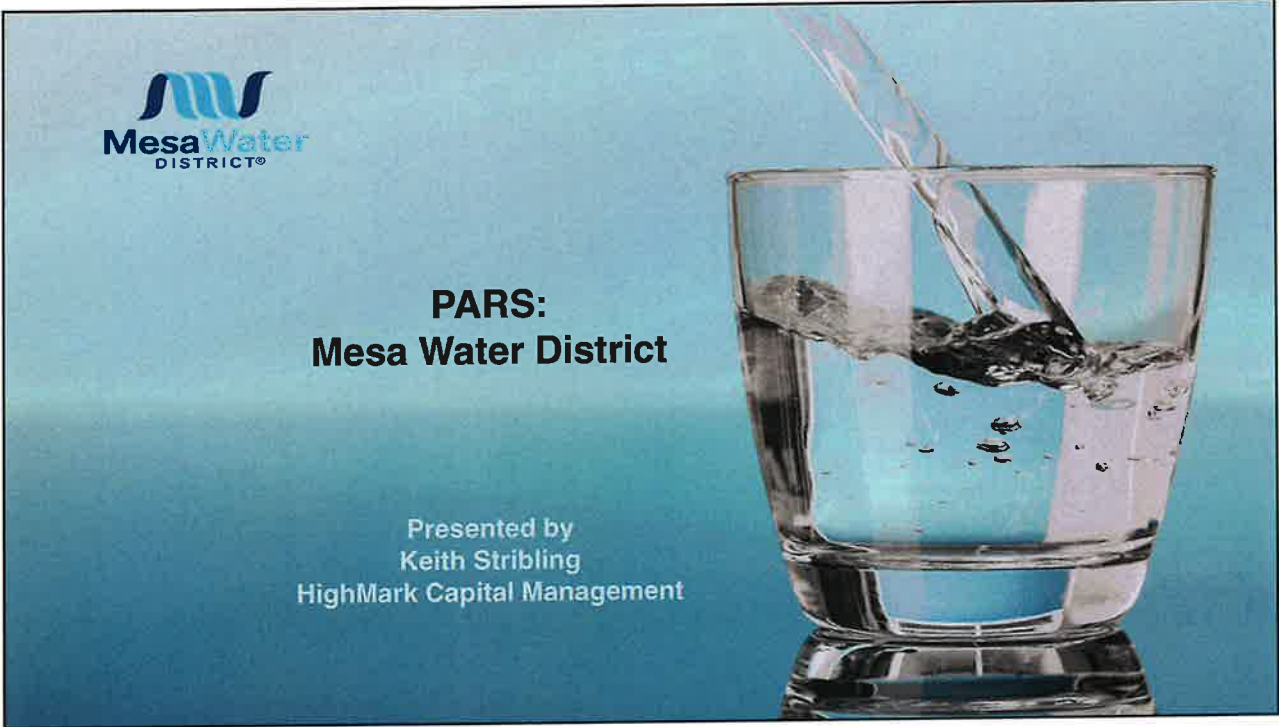
Pension Funding Status

As of June 30, 2020, Mesa Water District's CalPERS pension plan is funded as follows*:

Combined Miscellaneous Groups	Valuation as of June 30, 2019	Valuation as of June 30, 2020	Change
Actuarial Liability	\$48.5 M	\$50.2 M	3.3% ↑
Assets	\$35.9 M	\$36.3 M	1.1% ↑
Unfunded Liability	\$12.6 M	\$13.9 M	9.7% ↑
Funded Ratio	73.9%	72.3%	2.2% ↓
Employer Contribution Amount	\$1.3 M (FY 20-21)	\$1.5 M (FY 21-22)	11.8% ↑
Employer Contribution Amount	---	\$2.1 M (FY 27-28)	38.3% ↑

* Data through 2027-28 from Agency's latest CalPERS actuarial valuation.

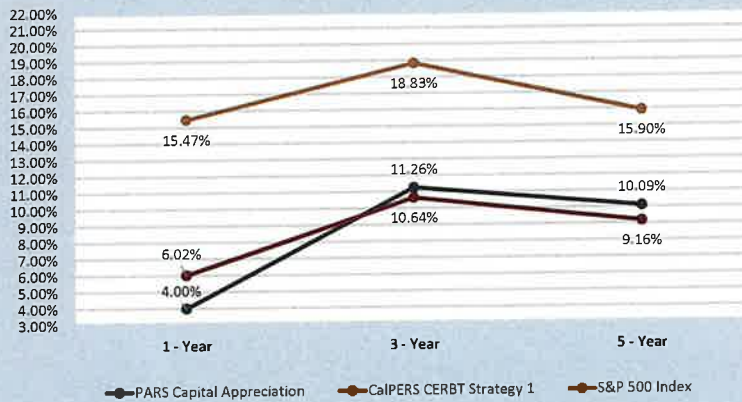




Annualized Return Comparison*

As of March 31, 2022

PARS CAPITAL APPRECIATION, CALPERS CERBT STRATEGY 1, S&P 500 INDEX RETURNS



*Please refer to the attached disclosures for additional information regarding returns information presented on this page



Disclosures

- All returns are presented gross of investment management fees and net of embedded fees as of 3/31/2022
- PARS/Highmark Capital Appreciate returns are based on Capital Appreciation Portfolio as provided by HighMark Capital Management
- CalPERS CERBT Strategy 1 returns provided by CalPERS
- S&P 500 Index returns are based on the S&P 500 Index fund



Discussion Highlights: Mesa Water District

Investment objective – Mesa Water District - OPEB

Asset Allocation: PARS/Capital Appreciation HM Plus (Active)
 Allocation Target – 75.03% stocks (65-85% range), 19.47% bonds (10-30% range), 5.51% cash (0-20% range)
 Large cap 41.00%, Mid-cap 7.07%, Small cap 11.08%, International 13.84%, REIT 2.04%

Performance: Mesa Water District (OPEB)
 (as of 3-31-2022 gross of investment management fees, net of fund fees)

3-Months (YTD):	-5.02%
6-Months:	-4.5%
12-Months:	4.00%
3-Years:	11.26%
5-Years:	10.09%
Inception to Date (8-1-2014):	8.54%

Investment objective – Mesa Water District – PENSION

Asset Allocation: PARS/Capital Appreciation HM Plus (Active)
 Allocation Target – 75.74% stocks (65-85% range), 19.85% bonds (10-30% range), 4.41% cash (0-20% range)
 Large cap 41.25%, Mid-cap 7.15%, Small cap 11.21%, International 14.00%, REIT 2.14%

Performance: Mesa Water District (Pension)
 (as of 3-31-2022 gross of investment management fees, net of fund fees)

3-Months (YTD):	-5.04%
6-Months:	-5.9%
12-Months:	3.85%
3-Years:	11.19%
Inception to Date (8-1-2017):	9.52%

Asset Allocation:
 Recently lowered equities
 Favoring value style over growth
 Recently lowered high yield
 Short duration fixed income



Discussion Highlights: Mesa Water District

Economic Review

- Aggressive fiscal policy
- Monetary policy still easy but changing with pullback on QE
- Rate hikes expected to curb inflation expectations
- Vaccines & now antiviral pills...even as covid surges possible light at the end of the covid tunnel?
- Infrastructure bill passes Congress
- Eventually global economies will improve
- Steepening yield curve
- Risks: Inflation...still more covid hurdles; Fed tapering & Russian aggression with Ukraine & NATO; China slowing

