

WALNUT VALLEY WATER DISTRICT

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AGENDA

SPECIAL BOARD MEETING THURSDAY, SEPTEMBER 21, 2023 4:00 P.M.

Agenda materials are available for public review at <https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/>.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the District office, located at: 271 S. Brea Canyon Road, Walnut, CA.

1. Flag Salute
2. Roll Call: Mr. Hilden____ Ms. Kwong____ Ms. Lee____ Mr. Tang____ Mr. Woo____

3. Public Comment President Hilden

The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.

A. **Agenda Items** - Any person desiring to address the Board of Directors on any Agenda item may do so at the time the item is considered on the Agenda by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.

B. **Non-Agenda Items** - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.

4. [Establish PARS 115 Pension Trust- Resolution No. 09-23-726](#)
A. Discussion B. Action Taken

5. [Overview of Financial Plan and Rates](#) (Information Only)

6. Other

Adjournment

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation to participate in a meeting may request such modification or accommodation from the District's General Manager's Office at (909) 595-1268 Ext. 201. Notification forty-eight (48) hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

I, Lucie Cazares, CMC, Walnut Valley Water District, do hereby certify, under penalty of perjury under the laws of the State of California that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at 271 S. Brea Canyon Road, Walnut, CA., and uploaded to the Walnut Valley Water District website <https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/>

Date Posted: September 20, 2023

Lucie Cazares, CMC, Executive Secretary

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: September 21, 2023
SUBJECT: Establish PARS 115 Pension Trust– Resolution No. 09-23-726

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors:

1. Approve Resolution No. 09-23-726 Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS).
2. Authorize the General Manager to execute an Agreement for Administrative Services with PARS.

Background Information

The District is facing a growing pension liability. To reduce this liability, the District is considering making additional payments to CalPERS as well as prefunding its pension costs. Prefunding means setting aside money now to pay for future pension payments. The PARS 115 Pension Trust is a low-cost, turnkey solution that can help the District prefund its pension costs.

The PARS 115 Pension Trust allows the District to contribute funds that can be invested at a greater rate than is currently allowed through the District's Investment Policy. The funds held in the trust are irrevocably committed to funding pension costs. This means that the funds can only be used to pay for pension-related expenses, such as reimbursing the District for annual CalPERS pension expenses or making additional one-time payments directly to CalPERS.

The PARS 115 Pension Trust is managed by PARS, a leading provider of pension trust services to public agencies. PARS has over 39 years of experience in the pension trust industry and has helped over 500 public agencies set up 115 trusts, with \$7.0 billion in assets under administration. The District has been using PARS for the OPEB 115 trust since 2013 and is familiar with the high quality service that PARS provides.

The PARS 115 Pension Trust is established with no additional fees imposed for the creation of the trust. Fees will only be assessed if and when the District contributes funds to the PARS Trust. The Trust would be funded based on the Source and Application of Funds and at the Director's approval of said Source and Application. If and when the District starts adding funds to the trust, the District will be charged nominal administrative fees, which have historically been covered by interest revenue.

Attachment:
09-23-726 PARS Resolution

RESOLUTION NO. 09-23-726

RESOLUTION OF THE GOVERNING BOARD OF THE WALNUT VALLEY WATER DISTRICT APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, the Walnut Valley Water District (the “District”) is currently participating in the Public Agencies Post-Retirement Health Care Plan Trust for the prefunding of its retiree health benefits and other post-employment benefits other than pension benefits (“OPEB”); and

WHEREAS, the District desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation, with such funds to be held in trust for the exclusive purpose of making future contributions of the District’s required pension contributions and, at the District’s discretion, any employer contributions in excess of such required contributions; and

WHEREAS, PARS has made available the Public Agencies Post-Employment Benefits Trust (the “Program”) for the purpose of pre-funding both pension obligations and/or OPEB obligations as specified in the District’s plans, policies and/or applicable collective bargaining agreements; and

WHEREAS, the District is eligible to participate in the Program, which is a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the District can manage the pre-funding of its pension and OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS, the District’s adoption and operation of the Program has no effect on any current or former employee’s entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlements, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the District’s funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the District reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Governing Board of the District hereby adopts the Public Agencies Post-Employment Benefits Trust, effective _____, 2023; and
2. The Governing Board of the District hereby appoints the General Manager, or his/her successor or his/her designee as the District’s Plan Administrator for the Program; and
3. The District’s Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the District and to take whatever additional actions are necessary to maintain the District’s participation in the Program and to maintain compliance with any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the District’s Program; and
4. The Governing Board of the District, in accordance with Section 3.3 of the Public Agencies Post-Retirement Health Care Plan Trust adopted effective December 17, 2012, hereby authorizes the withdrawal of the District from said trust and directs the transfer of assets held in said trust on the District’s behalf to the OPEB Account established in the name of the District under the Public Agencies Post-Employment Benefits Trust, adopted herewith.

**PASSED AND ADOPTED AT A SPECIAL MEETING OF THE WALNUT VALLEY
WATER DISTRICT held on September 21, 2023, by the following roll call vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

Edwin Hilden
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors