

# June 30, 2024 OPEB Valuation Review

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Calaveras County Water District  
June 2024



**GovInvest**  
The Financial Forecasting Authority

Version 1.1

# Agenda

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# OPEB Valuation

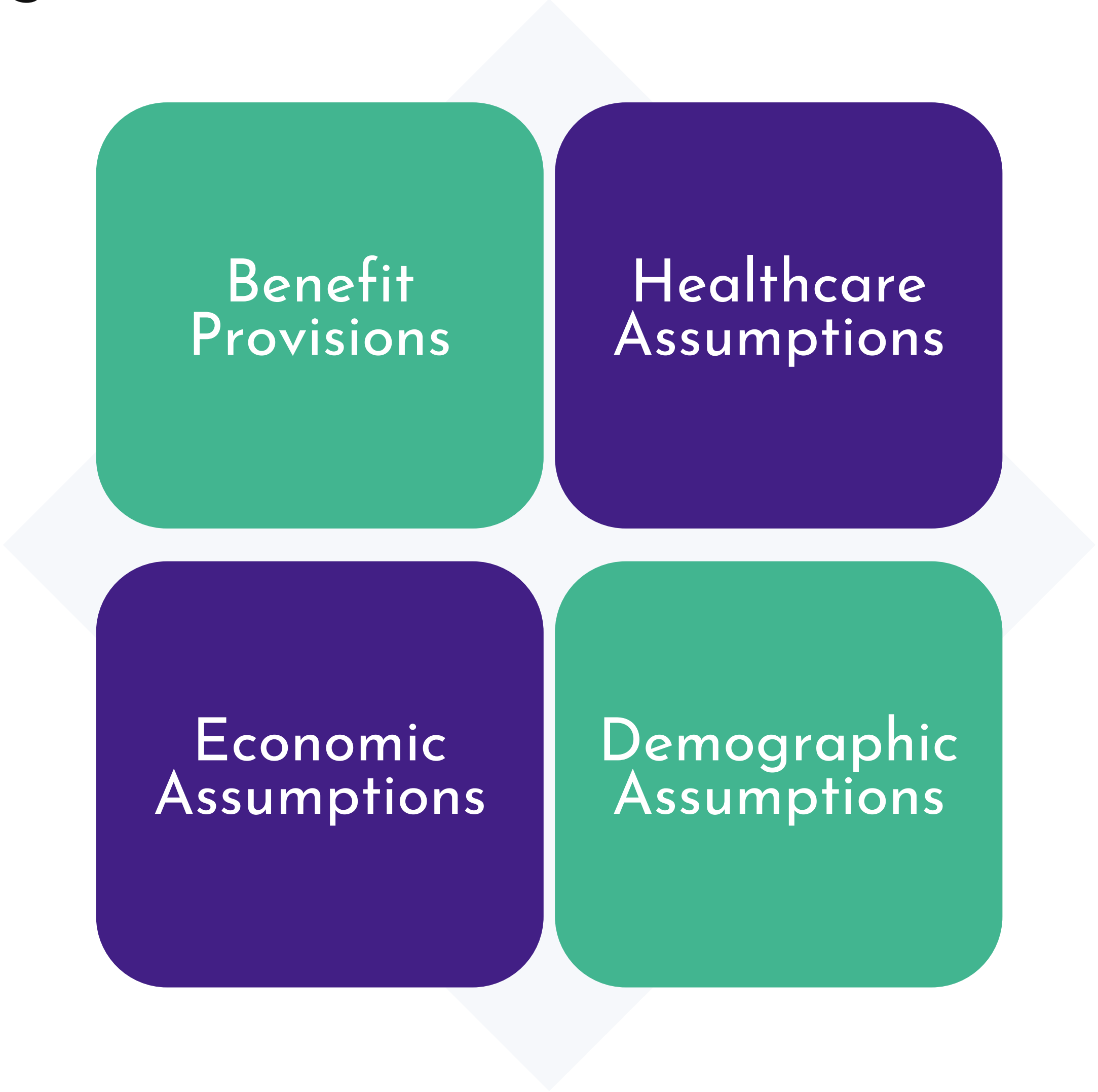
## Basics

# OPEB

- OPEB stands for Other Post-Employment Benefits, which means all benefits provided to employees at **retirement** that are not pensions
- Includes the following for the District:
  - Retiree health benefits
  - Retiree dental benefits
  - Retiree vision benefits
- Excludes: pensions

# OPEB Valuation Components

<h3>Benefit Provisions</h3> <ul style="list-style-type: none"><li>▪ Eligibility to qualify for benefits at retirement (service or disability)</li><li>▪ Benefits offered (medical/Rx, dental, vision, and so on)</li><li>▪ Employer subsidy provided</li></ul>	<h3>Healthcare Assumptions</h3> <ul style="list-style-type: none"><li>▪ Employer health plan and coverage election at retirement</li><li>▪ Rate of increase in future healthcare costs</li></ul>
<h3>Economic Assumptions</h3> <ul style="list-style-type: none"><li>▪ Discount rate for present-value calculations</li></ul>	<h3>Demographic Assumptions</h3> <ul style="list-style-type: none"><li>▪ Terminations prior to retirement</li><li>▪ Rate of disablement</li><li>▪ Retirement rate once eligible</li><li>▪ Mortality assumption</li></ul>



# Valuation Results

The background of the slide features a complex financial chart. It includes a grid of horizontal and vertical dashed lines. Overlaid on this grid are several data series: a prominent blue line that starts high on the left and trends downwards towards the right; a red line that starts low on the left and trends upwards towards the right; and a series of vertical bars in alternating blue and orange colors, resembling a candlestick or bar chart. The overall aesthetic is professional and data-driven, with a dark blue color palette.

# Summary of Valuation Results

Measurement Date (MD)	6/30/2023	6/30/2022	6/30/2021
Fiscal Year Ending Financial Disclosure	6/30/2024	6/30/2023	6/30/2022
Valuation Date	6/30/2023	6/30/2021	6/30/2021
Discount Rate	6.00%	6.00%	7.00%
Total OPEB Liability (TOL)	\$ 17,337,267	\$ 18,814,847	\$ 14,847,133
Fiduciary Net Position (FNP)	(11,390,899)	(10,639,808)	(12,838,482)
Net OPEB Liability (NOL)	\$ 5,946,368	\$ 8,175,039	\$ 2,008,651
Funded Ratio	65.7%	56.6%	86.5%

Actuarially Determined Contribution (ADC) <sup>1</sup>	FY 2023/24	FY 2022/23	FY 2021/22
\$ amount	\$ 1,365,193	\$ 577,267	\$ 606,965
As % of covered-employee payroll	20.3%	13.5%	13.9%

# Changes Since Prior Valuation

	Description of Changes	Impact
Normal Course of Business	<ul style="list-style-type: none"><li>Actual versus expected benefit payments</li></ul>	Increase in liability
Input Changes	<ul style="list-style-type: none"><li>Changes in the data (census and other inputs)</li><li>Updated healthcare costs (premiums and claims)</li><li>Actual trend rate</li></ul>	Reduction in liability Increase in liability Reduction in liability
Assumptions	<ul style="list-style-type: none"><li>Updated assumptions</li></ul>	Reduction in liability



# Comparison of Gains and Losses

## Current Year

Results as of June 30, 2023 for FYE 2024

Actuarial (gain) / loss attributable to:

Discount Rate Change	\$	0
Demographic experience		(3,031,000)
Healthcare cost		1,103,000
Assumption changes		(26,000)
Actual versus Expected Benefit Payments		15,000
Trend		(345,000)
Total actuarial (gain) / loss	\$	(2,284,000)

## Prior Year

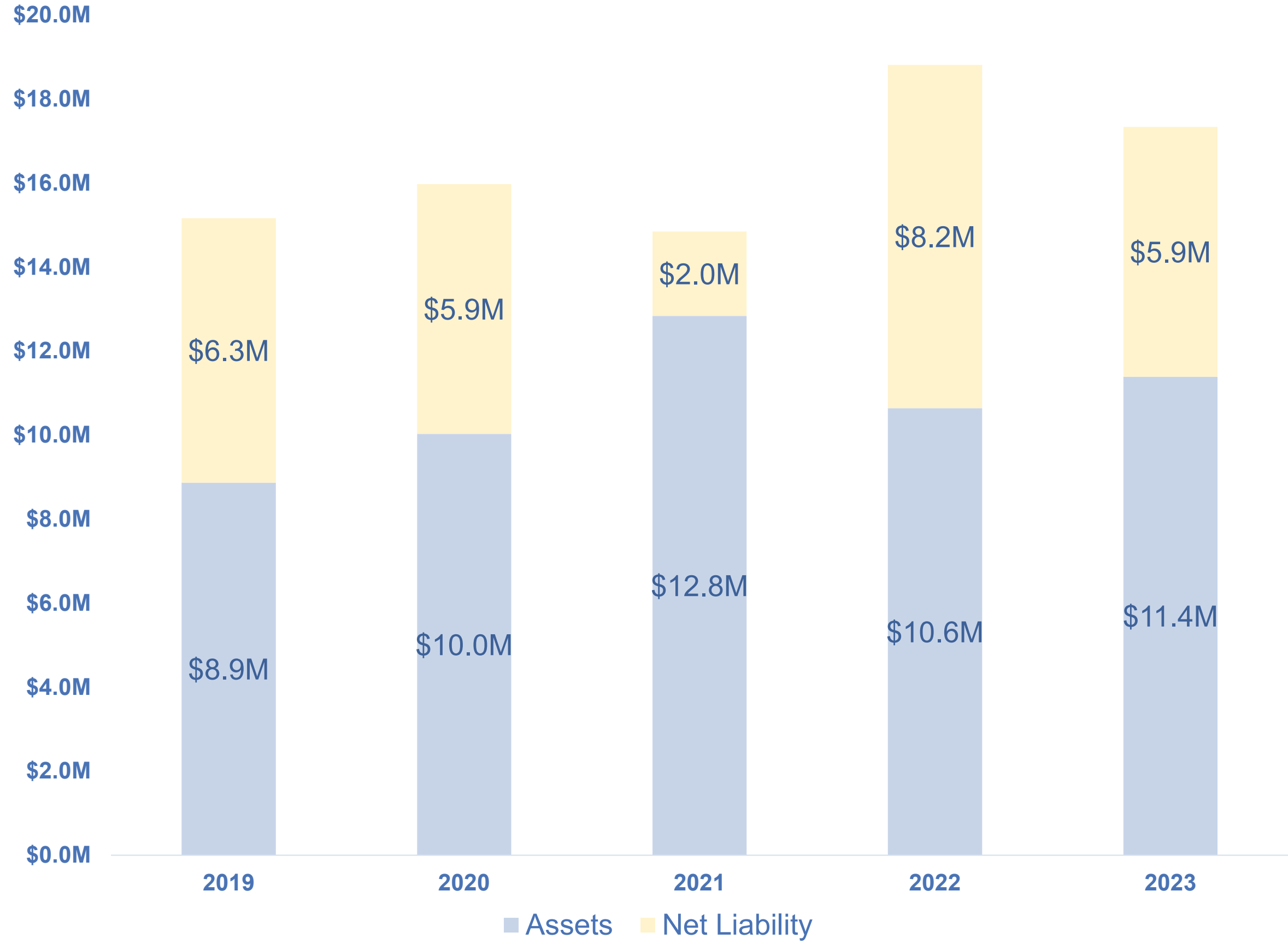
Results as of June 30, 2022 for FYE 2023

Actuarial (gain) / loss attributable to:

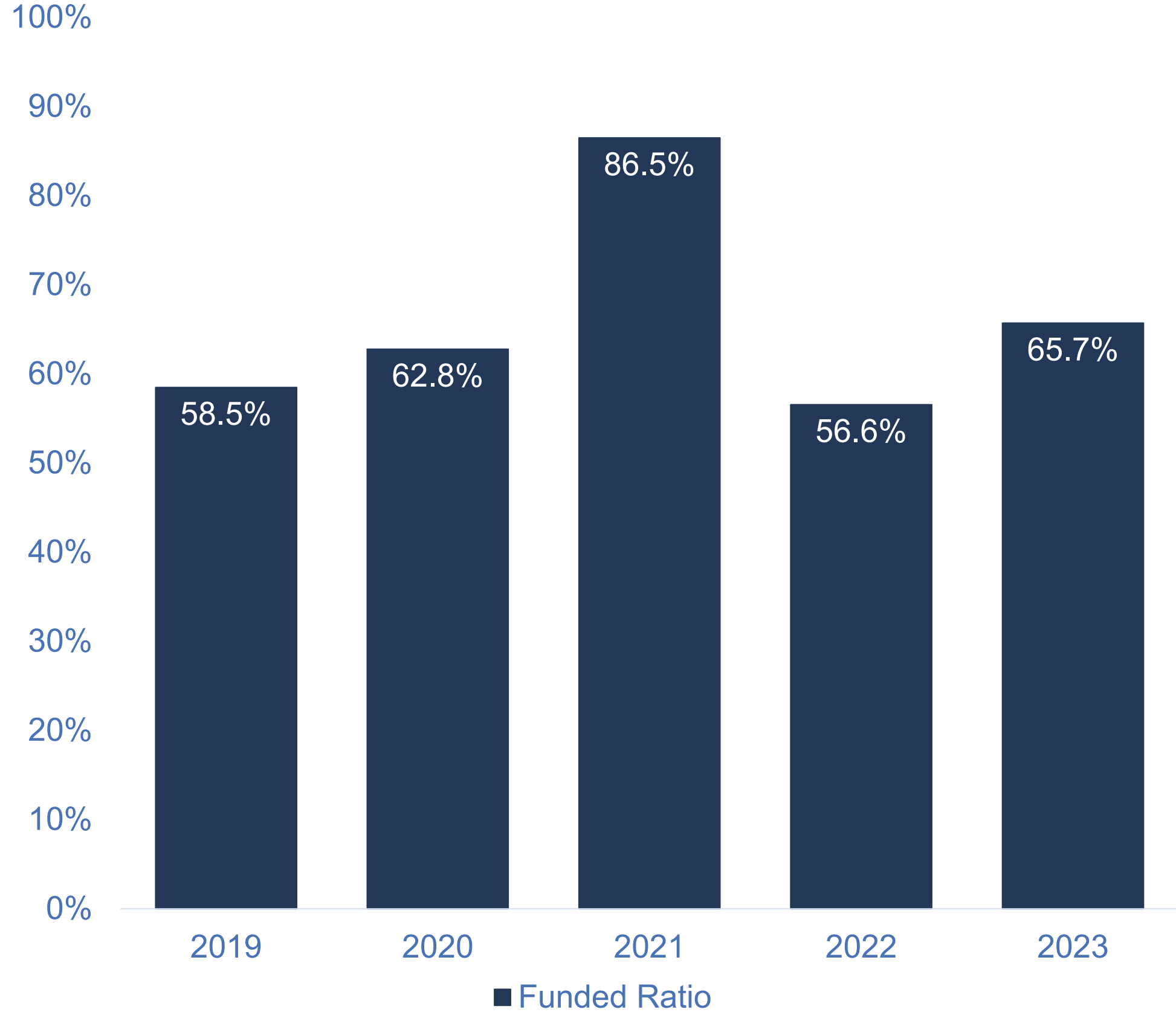
Discount Rate Change	\$	2,031,000
Demographic experience		0
Healthcare cost		0
Assumption changes		0
Actual versus Expected Benefit Payments		72,000
Trend		1,294,000
Total actuarial (gain) / loss	\$	3,397,000

# Historical Unfunded Liability and Funded Ratio

Historical Funding



Historical Funded Ratios



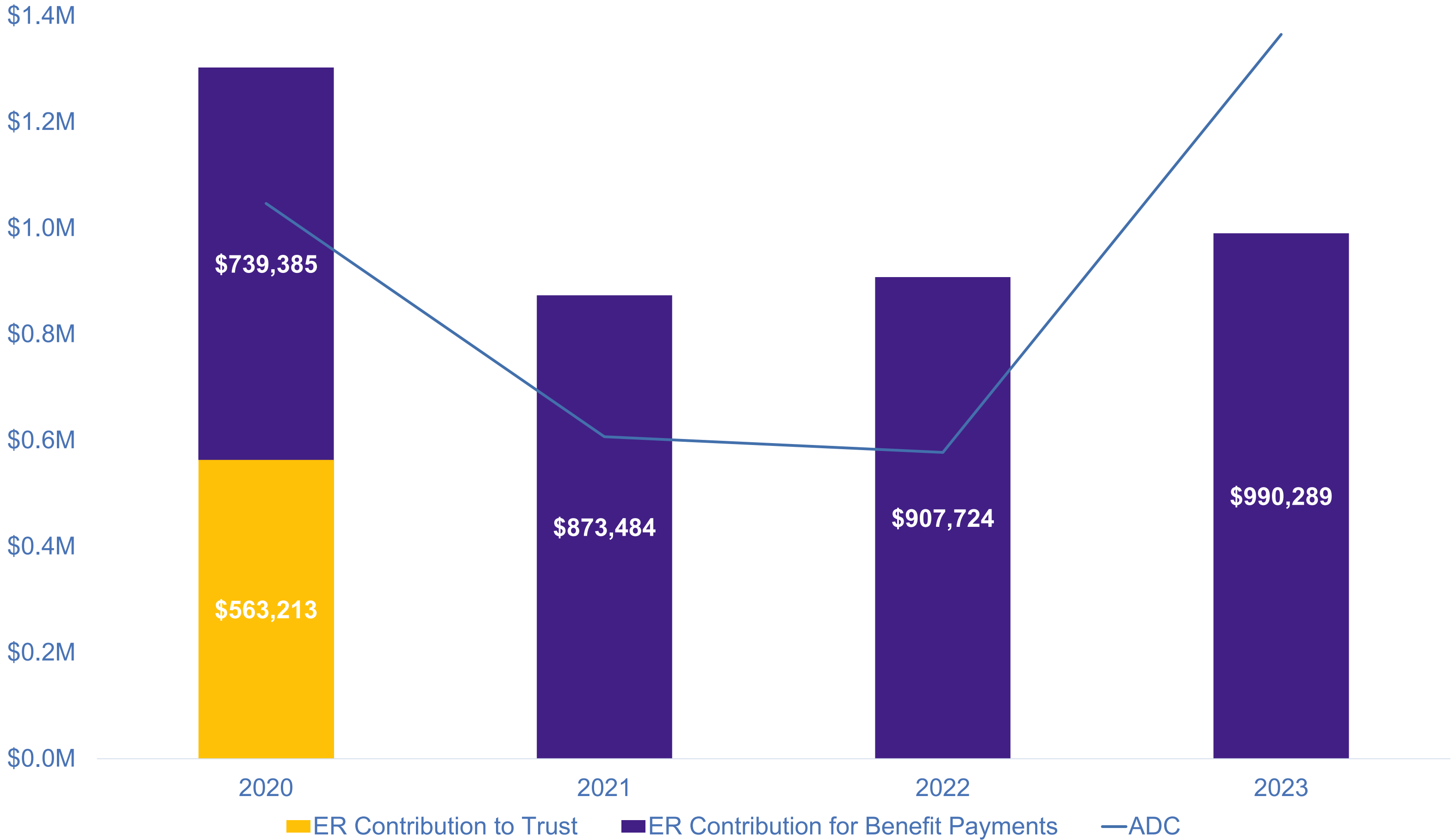
# Actuarially Determined Contribution



Actuarially Determined Contribution (ADC) is the recommended contribution that, if paid on an ongoing basis, is expected to provide sufficient resources to fund (a) future service (normal) cost (the cost for benefits earned during the year) and (b) the amortized unfunded liabilities (the cost for benefits earned in prior years).

# Employer Contribution and ADC

Employer Contributions and ADC



FYE	ADC
2019	\$ 851,958
2020	\$ 1,105,921
2021	\$ 1,046,475
2022	\$ 606,965
2023	\$ 577,267
2024	\$ 1,365,193

# Alternate Scenario



# Results w/o Benefit Change

## Comparison of Results: prior plan benefits vs. new plan benefits

Valuation as of June 30, 2023 for FYE 2024	Old Plan	New Plan	Change
Total OPEB Liability	\$17,913,927	\$17,337,267	(\$576,660)
Present Value of Future Benefits	\$25,503,014	\$22,394,312	(\$3,108,702)
Service (Normal) Cost	\$669,353	\$463,438	(\$205,915)
ADC for 2024/2025	\$1,407,910	\$1,112,827	(\$294,363)

# Q&A



# THANK YOU

The purpose of this presentation is to summarize the valuation results. The content of this presentation may not be modified, reproduced, or provided to third parties, either in whole or in part, without our permission. GovInvest is not responsible for the usage, inference, or misinterpretation of this presentation by third parties.

Results presented in this report are based on the June 30, 2023 OPEB valuation. Refer to the Calaveras County Water District GASB 75 Disclosures for the Fiscal Year Ending June 30, 2024 for complete information on substantive plan provisions and actuarial methods and assumptions.

For questions on the content of this presentation, please contact our Support Team ([support@govinvest.com](mailto:support@govinvest.com)).