# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors **AGENDA NO. III-D**

**FROM:** Steve Mack, General Manager

**Meeting Date : June 2, 2011**

**Subject: APPROVAL OF CONSTRUCTION WARRANTS and PERS SIDE FUND PAYOFF**

**RECOMMENDED ACTION:** Approve warrants.

**FISCAL IMPACT:** $230,511 for the CalPERS Side Fund payoff, plus the Construction warrants

**DISCUSSION:**

In addition to the Construction Warrants, included is a warrant request for the CalPERS Side Fund payoff in the sum of $230,511. We've discussed paying off our Side Fund over the past few months. The payoff amount is based on final paperwork for the payoff received from Barbara Ware, our actuary at CalPERS. Staff originally estimated the payoff amount to be $240,000 – the actual amount is $9,489 less.

The impact of the Side Fund payoff on the Employer Share of our FY 2011-12 CalPERS retirement costs is summarized below:

| | |
|---|---|
| Projected Employer Share before 2% @ 55 Plan Amendment: | 8.623% of base wages |
| Projected Employer Share after 2% @ 55 Plan Amendment: | 11.966% of base wages |
| Employer Share after 2% @ 55 Plan Amendment <u>and</u> Side Fund payoff: | 9.539% of base wages |

As has been discussed at previous meetings, in future years beyond FY 2011-12, the Employer Share fluctuates from year to year depending on how CalPERS investments perform. In addition to the Employer Share, the District also pays the level 7% Employee Share of retirement costs in lieu of paying into Social Security.