

**ANNUAL MEETING
OF THE
STATE AND FEDERAL CONTRACTORS WATER AGENCY
BOARD OF DIRECTORS
February 20, 2025
11:00 am**

REMOTE LOCATIONS

Del Puerto Water District
17840 Ward Avenue
Patterson, CA 95363

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686

Solano County Water Agency
810 Vaca Valley Parkway, Suite 202
Vacaville, CA 95688

Kern County Water District Sacramento Office
Senator Hotel
1121 L Street, Suite 810
Sacramento, CA 95814

Desert Water Agency Operations Center
1200 South Gene Autry Trail
Palm Springs CA 92264

Byron-Bethany Irrigation District
7995 Bruns Road
Byron, CA 94514-1625

San Luis Delta Mendota Water Authority
842 6th Street
Los Banos, CA. 93635

Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012-2944

DCA Clarksburg Conference Room
980 9th Street, Suite 100
Sacramento, Ca 95814

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OF THE
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BOARD OF DIRECTORS
February 20, 2025
11:00 am**

Remote:

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Join the meeting now](#)

Meeting ID: 297 288 605 791

Passcode: jTPNCF

Or call in (audio only)

[+1 860-241-5247,,763850609#](tel:+18602415247763850609)

Phone conference ID: 763 850 609#

MEETING AGENDA

1.0 CALL TO ORDER (5 MIN)

- 1-1 The Board will Consider Corrections or Additions to the Agenda of Items Requiring Immediate Action that have come to the Attention of the Board after Posting the Agenda
- 1-2 Public Comment – Opportunity for members of the public to address the Agency on matters within the Agency’s jurisdiction (as required by Gov. Code Section 54954.3(a))

2.0 ACTION ITEMS (10 MIN)

- 2-1 Consider approval of Board Meeting Minutes of July 20, 2023 - (Wallace)
Recommendation: That the Board approve of the above-mentioned minutes by minute order – Attachment
- 2-2 Consider approval of a FY2025/26 budget – (Wallace)
Recommendation: That the Board approve the proposed FY2025 budget. Attachment

3.0 INFORMATION REPORTS (45 MIN)

- 3-1 CalPERS Contracts Update - (DiGennaro)
Attachment
- 3-2 Fair Political Practices Commission Form 700 Filing – (DiGennaro)

4.0 ADJOURNMENT

NOTE:

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Agency Administrator in advance of the meeting to ensure availability of the requested service or accommodation. At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

STATE AND FEDERAL CONTRACTORS WATER AGENCY BOARD OF DIRECTORS
SPECIAL MEETING
DRAFT MEETING MINUTES
July 20, 2023

Directors Present: Robert Cheng, Coachella Valley Water District
Mark Krause, Desert Water Agency
Jose Gutierrez, Westlands Water District
Randall Neudeck, Metropolitan Water District of Southern California
Thomas Pate, SCWA- DSPC
Edwin Pattison, Byron-Bethany Irrigation District
Craig Wallace, Kern County Water Agency

Staff Present: Bruce DiGennaro, SFCWA Executive Director
Julie Ramsay, SFCWA Accountant
Cathy MacLeod, MacLeod Watts, Inc.

CALL TO ORDER

Director Wallace called the meeting to order at 11:03 pm.

- 1-1 The Board will Consider Corrections or Additions to the Agenda of Items Requiring Immediate Action that have come to the Attention of the Board after Posting the Agenda
There were none.
- 1-2 Public Comment – Opportunity for members of the public to address the Agency on matters within the Agency’s jurisdiction (as required by Gov. Code Section 54954.3(a))
There were none.

ACTION ITEMS

- 2-1 Consider approval of Board Meeting Minutes of February 16, 2023
The Board adopted the February 16, 2023 minutes by unanimous vote
- 2-2 Consider disbursement of funds from Westlands Water District associated with the completion of the Lower Yolo Ranch Habitat Restoration Project
The Board approved distribution of funds as follows:
- **\$ 679,031.25 to Metropolitan Water District of Southern California;**
 - **\$1,770,517.73 to San Luis Delta Mendota Canal Authority;**
 - **\$1,092,447.11 to State Water Project Contractors Agency; and**
 - **\$ 904,094.16 to State Water Contractors.**
- 2-3 Consider schedule for future SFCWA Board meetings (Wallace)
The Board scheduled its next meeting for February 16, 2024 at 11 am.

INFORMATION REPORTS

- 3-1 CalPERS Contract Options
As directed by the Board at its February 16, 2023 meeting, staff are pursuing two potential options: (1) maintaining the status quo where SFCWA continues to exist for the sole purpose of managing the existing CalPERS contracts; and (2) transferring the existing CalPERS contract obligations to one of its member agencies along with sufficient funds to cover future liabilities as well as administrative costs. The worst-case scenario (terminating the contracts) is expected to cost between \$2 and \$2.8 million dollars based

on CalPERS hypothetical termination liability calculation from 2021. Staff are in the process of calculating a less conservative, but realistic estimate of future liability based on the status of past employees. Staff will also verify how salary increases over time effect SFCWA's liability, and will look into CalPERS pre-funding trust options. It was noted that if separated employees were to roll their funds into an IRA or other non-CalPERS retirement mechanism, that would reduce the uncertainty of future liability. SFCWA can add to the benefits as an incentive for separated employees to leave the plan. Staff intends to complete its analyses and outreach to member agencies such that a decision can be made by the Board at its February 16th, 2024 meeting, if not sooner.

ADJOURNMENT

Director Wallace adjourned the meeting at 11:44 pm.

February 19, 2025

TO: Board of Directors

FROM: Bruce DiGennaro, Executive Director

RE: FY 2024/25 Revenue and Expenses, and Proposed FY 2025/26 Budget

A. FY 2024/25 Revenue and Expenses

As of January 31, 2025, SFCWA had \$3,906,632 in cash and \$192,139 in liabilities for total retained earnings of \$3,869,914. See attached Balance Sheet for details.

Revenue (interest) of \$1,692 was off-set by expenses of \$73,562 (\$54,577 for CalPERS retirement obligations and \$18,985 in administrative expenses) for a total net income of -\$71,870. See attached for details.

B. FY 2025/26 Budget

A proposed budget for FY2025/26 is attached. The budget assumes ongoing administrative costs of \$30,000 plus CalPERS payments of \$60,000 for a total expense of \$90,000.

State & Federal Contractors Water Agency

Balance Sheet

FY 2024/25 as of January 31, 2025

Dollars (\$)

		FY 2024/25 Actual
CURRENT ASSETS		
	Cash	3,908,632
		3,908,632
OTHER ASSETS		
	Deferred Outflows-Pension	153,421
		4,062,053
TOTAL ASSETS		
CURRENT LIABILITIES		
	Accounts Payable	6,240
	Deferred Inflows-Pension	11,929
		18,169
OTHER LIABILITIES		
	Net Pension Liability	173,970
		192,139
TOTAL LIABILITIES		
		3,869,914
RETAINED EARNINGS		
		4,062,053
TOTAL LIABILITIES AND EQUITY		

State & Federal Contractors Water Agency

Administration Fund

FY 2024/25 as of January 31, 2025

Dollars (\$)

		FY 2024/25 Actual
REVENUES		
	Interest	1,692
TOTAL REVENUES		1,692
CONSULTANT AND STAFF SERVICES		
	CalPERS	54,577
	CalPERS Health	-
	Executive Director	11,695
	Legal Counsel	1,829
	Accounting Support	-
	Network & Computer Support	5,461
TOTAL EXPENSES		73,562
NET INCOME		\$ (71,870)

FY 2025/26 Budget	
<u>Expenses - Program Category</u>	
	<u>Proposed FY-25/26</u>
Administration	\$ 30,000
CalPERS Pension	\$ 60,000
Habitat Implementation	\$ -
Total Expenditures	\$ 90,000
<u>Revenue and Cash</u>	
Revenue (interest)	\$ 1,500
Cash (retained earnings)	\$ 3,869,000
Subtotal	\$ 3,870,500
<u>Member Charges for FY-2019</u>	
SWPCA General Charges	\$ -
SWC Charges	\$ -
SLDMWA Charges	\$ -
Cash Reserves for funding equity	\$ -
Total Dues Revenue	\$ -
Total	\$ 3,870,500
Surplus	\$ 3,780,500

MEMORANDUM

February 19, 2025

TO: SFCWA Board
FROM: Bruce DiGennaro, Executive Director
RE: CalPERS Contracts

Two SFCWA members, Byron Bethany Irrigation District and Del Puerto Water District have indicated that they are willing to consider assuming the SFCWA CalPERS contracts with sufficient funds from SFCWA to cover estimated future liabilities and administrative costs.

I am currently working with Cathy MacLeod to develop updated estimates of SFCWA's liabilities under the two existing CalPERS contracts (Classic and PEPR). I am also contacting past SFCWA employees to explore their willingness to transfer their assets to alternative retirement accounts as a way to reduce the uncertainty of future liability. I would also like to consider adding to the benefits as an incentive for separated employees to leave the plan.

I have a request into CalPERS to discuss the process required to transfer the existing plans to an alternative entity.

If we are able to transfer the contracts, we can terminate SFCWA as an entity and distribute any remaining surplus funds to member agencies.