



**Hidden Valley Lake Community Services District
Finance Committee Meeting
March 9, 2022 - 12:30 p.m.**

VIA TELECONFERENCE

Due to the Covid-19 pandemic and in accordance with Assembly Bill 361, which modifies government code section 54953, this meeting will be conducted via teleconference only. No physical location will be available for this meeting; however, members of the public will be able to participate in the meeting as noted below.

To Join the meeting go to www.hvllcsd.org select the [March 9, 2022, Finance Committee](#) Microsoft Teams Link select Open Microsoft Teams select Join Now

Agendas and other supporting materials are available at: www.hvllcsd.org, 19400 Hartmann Road, Hidden Valley Lake Ca. or by calling (707)987-9201 to request a copy (fees may apply for copies).

NOTICE: This meeting is being recorded for live streaming and broadcasting purposes.

- 1) **CALL TO ORDER**
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **ROLL CALL**
- 4) **APPROVAL OF AGENDA**
- 5) **DISCUSSION AND POSSIBLE RECOMMENDATION:** Monthly Financial Reports & Disbursements
- 6) **DISCUSSION AND POSSIBLE RECOMMENDATION:** Projects Update
- 7) **DISCUSSION AND POSSIBLE RECOMMENDATION:** SDRMA Proposal for Earthquake Coverage for Mainlines
- 8) **DISCUSSION AND POSSIBLE RECOMMENDATION:** OPEB Pre-Funding Comparison of CalPERS and PARS
- 9) **PUBLIC COMMENT**
- 10) **BOARD MEMBER COMMENT**
- 11) **ADJOURN**

Public records are available upon request. Board Packets are posted on our website at www.hvllcsd.org/meetings. In compliance to the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting, please contact the District Office at 987-9201 at least 48 hours prior to the scheduled meeting.

Members of the public shall be given the opportunity to comment on each agenda item before the Governing Board acts on that item, G.C. 54953.3. All other comments will be taken under Public Comment.

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>2,022,442.00</u>	<u>130,309.23</u>	<u>1,659,244.79</u>	<u>363,197.21</u>	<u>82.04</u>
TOTAL REVENUES	<u>2,022,442.00</u>	<u>130,309.23</u>	<u>1,659,244.79</u>	<u>363,197.21</u>	<u>82.04</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	814,276.00	127,622.82	917,218.15 (	102,942.15)	112.64
ADMINISTRATION	445,691.00	32,052.00	308,214.32	137,476.68	69.15
FIELD	432,267.00	30,233.94	288,986.61	143,280.39	66.85
DIRECTORS	32,708.00	2,158.54	17,968.40	14,739.60	54.94
SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00
CAPITAL PROJECTS & EQUIP	<u>297,500.00</u>	<u>0.00</u>	<u>63,689.73</u>	<u>233,810.27</u>	<u>21.41</u>
TOTAL EXPENDITURES	<u>2,022,442.00</u>	<u>192,067.30</u>	<u>1,596,077.21</u>	<u>426,364.79</u>	<u>78.92</u>
REVENUES OVER/ (UNDER) EXPENDITURES	0.00 (	61,758.07)	63,167.58 (	63,167.58)	0.00

120-SEWER ENTERPRISE FUND
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 INSPECTION FEES	500.00	200.00	700.00 (	200.00)	140.00
120-4036 DEVELOPER FEES SEWER	0.00	0.00	0.00	0.00	0.00
120-4040 LIEN RECORDING FEES	0.00	0.00	0.00	0.00	0.00
120-4045 AVAILABILITY FEES	5,500.00	4,365.00	4,992.30	507.70	90.77
120-4050 SALES OF RECLAIMED WATER	138,000.00	1,777.71	93,221.36	44,778.64	67.55
120-4111 COMM SEWER USE	61,985.00	4,829.01	42,961.32	19,023.68	69.31
120-4112 GOV'T SEWER USE	1,200.00	91.98	958.40	241.60	79.87
120-4116 SEWER USE CHARGES	1,634,882.00	118,329.19	1,075,370.02	559,511.98	65.78
120-4210 LATE FEE	22,000.00	714.34	19,687.96	2,312.04	89.49
120-4300 MISC INCOME	2,500.00	2.00	1,636.12	863.88	65.44
120-4310 OTHER INCOME	2,600.00	0.00	80.00	2,520.00	3.08
120-4320 FEMA/Caloes GRANTS	0.00	0.00	138,470.49 (	138,470.49)	0.00
120-4325 GRANTS	0.00	0.00	281,020.47 (	281,020.47)	0.00
120-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
120-4550 INTEREST INCOME	2,000.00	0.00	146.35	1,853.65	7.32
120-4580 TRANSFERS IN	151,275.00	0.00	0.00	151,275.00	0.00
120-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
120-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,022,442.00	130,309.23	1,659,244.79	363,197.21	82.04

120-SEWER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
120-5-00-5020 EMPLOYEE BENEFITS	0.00	242.57	242.57 (	242.57)	0.00
120-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5024 WORKERS' COMP INSURANCE	10,100.00	0.00	10,049.34	50.66	99.50
120-5-00-5025 RETIREE HEALTH BENEFITS	8,189.00	671.55	5,242.68	2,946.32	64.02
120-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
120-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
120-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
120-5-00-5060 GASOLINE, OIL & FUEL	20,000.00	2,743.43	15,238.89	4,761.11	76.19
120-5-00-5061 VEHICLE MAINT	18,000.00	8,795.82	19,310.44 (	1,310.44)	107.28
120-5-00-5062 TAXES & LIC	800.00	85.98	196.86	603.14	24.61
120-5-00-5074 INSURANCE	71,000.00	569.28	72,857.07 (	1,857.07)	102.62
120-5-00-5075 BANK FEES	21,000.00	2,616.73	19,929.50	1,070.50	94.90
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	11,000.00	2,672.00	8,383.94	2,616.06	76.22
120-5-00-5092 POSTAGE & SHIPPING	7,000.00	266.30	4,298.86	2,701.14	61.41
120-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
120-5-00-5121 LEGAL SERVICES	12,000.00	2,105.75	7,433.00	4,567.00	61.94
120-5-00-5122 ENGINEERING SERVICES	50,000.00	6,643.45	25,287.64	24,712.36	50.58
120-5-00-5123 OTHER PROFESSIONAL SERVICE	20,000.00	0.00	4,095.52	15,904.48	20.48
120-5-00-5126 AUDIT SERVICES	7,500.00	0.00	5,950.00	1,550.00	79.33
120-5-00-5130 PRINTING & PUBLICATION	5,000.00	329.64	2,954.27	2,045.73	59.09
120-5-00-5135 NEWSLETTER	500.00	0.00	455.00	45.00	91.00
120-5-00-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00
120-5-00-5145 EQUIPMENT RENTAL	5,000.00	181.06	3,142.90	1,857.10	62.86
120-5-00-5148 OPERATING SUPPLIES	48,000.00	4,147.20	45,565.53	2,434.47	94.93
120-5-00-5150 REPAIR & REPLACE	149,900.00	15,645.42	141,488.14	8,411.86	94.39
120-5-00-5155 MAINT BLDG & GROUNDS	8,000.00	202.50	7,662.22	337.78	95.78
120-5-00-5156 CUSTODIAL SERVICES	16,500.00	0.00	7,297.00	9,203.00	44.22
120-5-00-5157 SECURITY	600.00	132.00	456.00	144.00	76.00
120-5-00-5160 SLUDGE DISPOSAL	45,000.00	9,860.00	32,779.63	12,220.37	72.84
120-5-00-5165 TERTIARY POND MAINTENANCE	50,000.00	0.00	50,000.00	0.00	100.00
120-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
120-5-00-5191 TELEPHONE	12,000.00	1,021.41	7,911.28	4,088.72	65.93
120-5-00-5192 ELECTRICITY	95,000.00	53,922.75	90,092.22	4,907.78	94.83
120-5-00-5193 OTHER UTILITIES	2,500.00	256.62	1,824.06	675.94	72.96
120-5-00-5194 IT SERVICES	38,000.00	504.75	27,359.51	10,640.49	72.00
120-5-00-5195 ENV/MONITORING	35,000.00	3,218.00	25,529.50	9,470.50	72.94
120-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
120-5-00-5198 ANNUAL OPERATING FEES	5,000.00	0.00	5,250.00 (	250.00)	105.00
120-5-00-5310 EQUIPMENT - FIELD	1,200.00	0.00	0.00	1,200.00	0.00
120-5-00-5311 EQUIPMENT - OFFICE	3,000.00	0.00	314.75	2,685.25	10.49
120-5-00-5312 TOOLS - FIELD	1,500.00	0.00	918.51	581.49	61.23
120-5-00-5315 SAFETY EQUIPMENT	3,500.00	3,441.11	12,277.42 (	8,777.42)	350.78
120-5-00-5510 SEWER OUTREACH	0.00	0.00	0.00	0.00	0.00
120-5-00-5545 RECORDING FEES	250.00	110.00	220.00	30.00	88.00
120-5-00-5580 TRANSFERS OUT	32,237.00	7,237.50	255,203.90 (	222,966.90)	791.65
120-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
120-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
120-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5700 OVER / SHORT	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	814,276.00	127,622.82	917,218.15 (	102,942.15)	112.64

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-10-5010 SALARIES & WAGES	292,584.00	23,481.18	205,165.66	87,418.34	70.12
120-5-10-5020 EMPLOYEE BENEFITS	84,855.00	6,324.24	51,041.59	33,813.41	60.15
120-5-10-5021 RETIREMENT BENEFITS	56,902.00	2,083.68	46,705.65	10,196.35	82.08
120-5-10-5063 CERTIFICATIONS	500.00	0.00	0.00	500.00	0.00
120-5-10-5090 OFFICE SUPPLIES	4,000.00	106.28	2,146.15	1,853.85	53.65
120-5-10-5170 TRAVEL MILEAGE	2,500.00	56.62	2,346.94	153.06	93.88
120-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	762.50	3,237.50	19.06
120-5-10-5179 ADM MISC EXPENSES	350.00	0.00	45.83	304.17	13.09
TOTAL ADMINISTRATION	445,691.00	32,052.00	308,214.32	137,476.68	69.15

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
 FIELD
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-30-5010 SALARIES & WAGES	244,081.00	18,662.77	171,042.48	73,038.52	70.08
120-5-30-5020 EMPLOYEE BENEFITS	128,742.00	9,904.45	71,726.37	57,015.63	55.71
120-5-30-5021 RETIREMENT BENEFITS	50,444.00	1,541.72	42,458.56	7,985.44	84.17
120-5-30-5022 CLOTHING ALLOWANCE	2,000.00	0.00	2,501.97 (	501.97)	125.10
120-5-30-5063 CERTIFICATIONS	1,500.00	125.00	393.53	1,106.47	26.24
120-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	90.39	909.61	9.04
120-5-30-5170 TRAVEL MILEAGE	500.00	0.00	658.56 (	158.56)	131.71
120-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	114.75	3,885.25	2.87
TOTAL FIELD	432,267.00	30,233.94	288,986.61	143,280.39	66.85

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022120-SEWER ENTERPRISE FUND
DIRECTORS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-40-5010 DIRECTORS COMPENSATION	3,000.00	269.15	2,153.20	846.80	71.77
120-5-40-5020 DIRECTOR BENEFITS	230.00	6.75	61.50	168.50	26.74
120-5-40-5030 DIRECTOR HEALTH BENEFITS	24,178.00	1,882.64	14,765.81	9,412.19	61.07
120-5-40-5170 TRAVEL MILEAGE	200.00	0.00	112.11	87.89	56.06
120-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	875.78	624.22	58.39
120-5-40-5176 DIRECTOR TRAINING	3,600.00	0.00	0.00	3,600.00	0.00
TOTAL DIRECTORS	32,708.00	2,158.54	17,968.40	14,739.60	54.94

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
SPECIAL PROJECTS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-60-6009 ACCESS RD	0.00	0.00	0.00	0.00	0.00
120-5-60-6010 LNU COMPLEX - A	0.00	0.00	0.00	0.00	0.00
120-5-60-6011 LNU COMPLEX - B	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7201 REGULATORY COMPLIANCE	212,500.00	0.00	50,695.79	161,804.21	23.86
120-5-70-7202 DISASTER MITIGATION	40,000.00	0.00	12,993.94	27,006.06	32.48
120-5-70-7203 DISASTER RECOVERY	0.00	0.00	0.00	0.00	0.00
120-5-70-7205 RISK MANAGEMENT	45,000.00	0.00	0.00	45,000.00	0.00
120-5-70-7206 RECORDS RETENTION	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	297,500.00	0.00	63,689.73	233,810.27	21.41
TOTAL EXPENDITURES	2,022,442.00	192,067.30	1,596,077.21	426,364.79	78.92
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(61,758.07)	63,167.58	(63,167.58)	0.00

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>2,763,600.00</u>	<u>218,443.03</u>	<u>2,133,021.53</u>	<u>630,578.47</u>	<u>77.18</u>
TOTAL REVENUES	<u>2,763,600.00</u>	<u>218,443.03</u>	<u>2,133,021.53</u>	<u>630,578.47</u>	<u>77.18</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	984,234.00	134,157.59	835,969.33	148,264.67	84.94
ADMINISTRATION	444,891.00	32,820.76	309,191.94	135,699.06	69.50
FIELD	432,867.00	31,253.88	279,523.16	153,343.84	64.57
DIRECTORS	34,108.00	2,158.47	17,967.95	16,140.05	52.68
SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00
CAPITAL PROJECTS & EQUIP	<u>867,500.00</u>	<u>1,227.00</u>	<u>267,745.47</u>	<u>599,754.53</u>	<u>30.86</u>
TOTAL EXPENDITURES	<u>2,763,600.00</u>	<u>201,617.70</u>	<u>1,710,397.85</u>	<u>1,053,202.15</u>	<u>61.89</u>
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	16,825.33	422,623.68	(422,623.68)	0.00

130-WATER ENTERPRISE FUND
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	5,000.00	1,215.00	1,420.00	3,580.00	28.40
130-4036 DEVELOPER FEES WATER	0.00	0.00	0.00	0.00	0.00
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00
130-4039 WATER CONNECTION FEE	2,754.00	918.00	5,508.00 (	2,754.00)	200.00
130-4040 LIEN RECORDING FEES	1,200.00 (	1,668.50)	5,948.15 (	4,748.15)	495.68
130-4045 AVAILABILITY FEES	22,000.00	17,460.00	20,029.20	1,970.80	91.04
130-4110 COMM WATER USE	126,948.00	5,215.97	46,314.22	80,633.78	36.48
130-4111 BULK WATER SALES	0.00	21.28	7,335.64 (	7,335.64)	0.00
130-4112 GOV'T WATER USE	6,200.00	633.23	4,410.75	1,789.25	71.14
130-4115 WATER USE	2,462,899.00	143,360.94	1,644,693.83	818,205.17	66.78
130-4210 LATE FEE	32,000.00	769.76	32,213.88 (	213.88)	100.67
130-4215 RETURNED CHECK FEE	200.00	50.00	600.00 (	400.00)	300.00
130-4300 MISC INCOME	1,500.00	2.00	1,700.35 (	200.35)	113.36
130-4310 OTHER INCOME	1,500.00	0.00	80.00	1,420.00	5.33
130-4320 FEMA/Caloes GRANTS	0.00	0.00	117,723.29 (	117,723.29)	0.00
130-4325 GRANTS	0.00	0.00	58,496.00 (	58,496.00)	0.00
130-4330 HYDRANT METER USE DEPOSIT	0.00	0.00	9,720.00 (	9,720.00)	0.00
130-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
130-4550 INTEREST INCOME	4,052.00	0.00	226.35	3,825.65	5.59
130-4580 TRANSFER IN	97,347.00	50,465.35	176,601.87 (	79,254.87)	181.41
130-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
130-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,763,600.00	218,443.03	2,133,021.53	630,578.47	77.18
	=====	=====	=====	=====	=====

130-WATER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
130-5-00-5020 EMPLOYEE BENEFITS	0.00	242.57	564.27 (	564.27)	0.00
130-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5024 WORKERS' COMP INSURANCE	10,100.00	0.00	10,049.34	50.66	99.50
130-5-00-5025 RETIREE HEALTH BENEFITS	8,189.00	671.57	5,242.71	2,946.29	64.02
130-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
130-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
130-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
130-5-00-5060 GASOLINE, OIL & FUEL	20,000.00	2,743.43	15,238.82	4,761.18	76.19
130-5-00-5061 VEHICLE MAINT	12,500.00	3,106.39	12,615.91 (	115.91)	100.93
130-5-00-5062 TAXES & LIC	1,200.00	85.98	196.86	1,003.14	16.41
130-5-00-5074 INSURANCE	71,000.00	569.28	72,857.07 (	1,857.07)	102.62
130-5-00-5075 BANK FEES	21,000.00	2,616.71	19,936.78	1,063.22	94.94
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	28,000.00	2,672.00	26,421.94	1,578.06	94.36
130-5-00-5092 POSTAGE & SHIPPING	7,000.00	266.27	4,298.78	2,701.22	61.41
130-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
130-5-00-5121 LEGAL SERVICES	65,000.00	2,105.75	15,150.50	49,849.50	23.31
130-5-00-5122 ENGINEERING SERVICES	65,000.00	0.00	13,018.75	51,981.25	20.03
130-5-00-5123 OTHER PROFESSIONAL SERVICE	45,000.00	225.00	5,839.91	39,160.09	12.98
130-5-00-5124 WATER RIGHTS	0.00	3,931.25	4,477.76 (	4,477.76)	0.00
130-5-00-5126 AUDIT SERVICES	7,500.00	0.00	5,950.00	1,550.00	79.33
130-5-00-5130 PRINTING & PUBLICATION	7,500.00	329.64	3,372.50	4,127.50	44.97
130-5-00-5135 NEWSLETTER	500.00	0.00	455.00	45.00	91.00
130-5-00-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00
130-5-00-5145 EQUIPMENT RENTAL	10,000.00	50,646.41	57,933.24 (	47,933.24)	579.33
130-5-00-5148 OPERATING SUPPLIES	5,000.00	384.55	3,493.55	1,506.45	69.87
130-5-00-5150 REPAIR & REPLACE	168,900.00	15,632.04	143,667.03	25,232.97	85.06
130-5-00-5155 MAINT BLDG & GROUNDS	12,000.00	197.50	7,266.68	4,733.32	60.56
130-5-00-5156 CUSTODIAL SERVICES	5,000.00	0.00	1,953.50	3,046.50	39.07
130-5-00-5157 SECURITY	5,000.00	132.00	456.00	4,544.00	9.12
130-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
130-5-00-5191 TELEPHONE	11,000.00	1,021.39	7,911.16	3,088.84	71.92
130-5-00-5192 ELECTRICITY	178,000.00	40,783.75	114,571.32	63,428.68	64.37
130-5-00-5193 OTHER UTILITIES	2,500.00	256.61	1,823.99	676.01	72.96
130-5-00-5194 IT SERVICES	40,000.00	1,025.40	36,128.78	3,871.22	90.32
130-5-00-5195 ENV/MONITORING	17,000.00	965.00	9,866.50	7,133.50	58.04
130-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-00-5198 ANNUAL OPERATING FEES	33,000.00	0.00	34,612.30 (	1,612.30)	104.89
130-5-00-5310 EQUIPMENT - FIELD	1,000.00	0.00	0.00	1,000.00	0.00
130-5-00-5311 EQUIPMENT - OFFICE	1,000.00	0.00	314.75	685.25	31.48
130-5-00-5312 TOOLS - FIELD	1,500.00	0.00	1,704.90 (	204.90)	113.66
130-5-00-5315 SAFETY EQUIPMENT	3,000.00	3,437.10	12,273.32 (	9,273.32)	409.11
130-5-00-5505 WATER CONSERVATION	5,000.00	0.00	920.28	4,079.72	18.41
130-5-00-5520 HYDRANT DEPOSIT REFUND	0.00	0.00	0.00	0.00	0.00
130-5-00-5545 RECORDING FEES	250.00	110.00	220.00	30.00	88.00
130-5-00-5580 TRANSFERS OUT	115,595.00	0.00	185,165.13 (	69,570.13)	160.18
130-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
130-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
130-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
TOTAL NON-DEPARTMENTAL	984,234.00	134,157.59	835,969.33	148,264.67	84.94

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
 ADMINISTRATION
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-10-5010 SALARIES & WAGES	292,584.00	23,481.40	205,166.63	87,417.37	70.12
130-5-10-5020 EMPLOYEE BENEFITS	84,855.00	6,324.18	51,040.28	33,814.72	60.15
130-5-10-5021 RETIREMENT BENEFITS	56,902.00	2,083.62	46,705.25	10,196.75	82.08
130-5-10-5063 CERTIFICATIONS	200.00	0.00	0.00	200.00	0.00
130-5-10-5090 OFFICE SUPPLIES	4,000.00	792.68	2,862.33	1,137.67	71.56
130-5-10-5170 TRAVEL MILEAGE	2,000.00	138.88	2,429.13 (	429.13)	121.46
130-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	762.50	3,237.50	19.06
130-5-10-5179 ADM MISC EXPENSES	350.00	0.00	225.82	124.18	64.52
130-5-10-5505 WATER CONSERVATION	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	444,891.00	32,820.76	309,191.94	135,699.06	69.50

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
 FIELD
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-30-5010 SALARIES & WAGES	244,081.00	19,259.80	162,684.85	81,396.15	66.65
130-5-30-5020 EMPLOYEE BENEFITS	128,742.00	9,916.72	71,377.21	57,364.79	55.44
130-5-30-5021 RETIREMENT BENEFITS	50,444.00	1,577.36	41,374.26	9,069.74	82.02
130-5-30-5022 CLOTHING ALLOWANCE	2,000.00	0.00	2,501.95 (	501.95)	125.10
130-5-30-5063 CERTIFICATIONS	600.00	0.00	150.00	450.00	25.00
130-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	90.38	909.62	9.04
130-5-30-5170 TRAVEL MILEAGE	2,000.00	0.00	844.51	1,155.49	42.23
130-5-30-5175 EDUCATION / SEMINARS	4,000.00	500.00	500.00	3,500.00	12.50
TOTAL FIELD	432,867.00	31,253.88	279,523.16	153,343.84	64.57

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
 DIRECTORS
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-40-5010 DIRECTORS COMPENSATION	3,000.00	269.10	2,152.80	847.20	71.76
130-5-40-5020 DIRECTOR BENEFITS	230.00	6.75	61.50	168.50	26.74
130-5-40-5030 DIRECTOR HEALTH BENEFITS	24,178.00	1,882.62	14,765.77	9,412.23	61.07
130-5-40-5080 MEMBERSHIP & SUBSCRIPTION	0.00	0.00	0.00	0.00	0.00
130-5-40-5170 TRAVEL MILEAGE	200.00	0.00	112.11	87.89	56.06
130-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	875.77	624.23	58.38
130-5-40-5176 DIRECTOR TRAINING	5,000.00	0.00	0.00	5,000.00	0.00
TOTAL DIRECTORS	34,108.00	2,158.47	17,967.95	16,140.05	52.68

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

130-WATER ENTERPRISE FUND
SPECIAL PROJECTS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-60-6010 LNU COMPLEX - A	0.00	0.00	0.00	0.00	0.00
130-5-60-6011 LNU COMPLEX - B	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-70-7201 REGULATORY COMPLIANCE	0.00	0.00	0.00	0.00	0.00
130-5-70-7202 DISASTER MITIGATION	30,000.00	0.00	12,993.92	17,006.08	43.31
130-5-70-7203 DISASTER RECOVERY	0.00	0.00	0.00	0.00	0.00
130-5-70-7204 RELIABLE WATER SUPPLY	837,500.00	1,227.00	254,751.55	582,748.45	30.42
130-5-70-7205 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-70-7206 RECORDS RETENTION	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	867,500.00	1,227.00	267,745.47	599,754.53	30.86
TOTAL EXPENDITURES	2,763,600.00	201,617.70	1,710,397.85	1,053,202.15	61.89
REVENUES OVER/(UNDER) EXPENDITURES	0.00	16,825.33	422,623.68	(422,623.68)	0.00

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

215-RECA REDEMPTION 1995-2
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>293,494.00</u>	<u>144,963.93</u>	<u>155,566.14</u>	<u>137,927.86</u>	<u>53.00</u>
TOTAL REVENUES	<u>293,494.00</u>	<u>144,963.93</u>	<u>155,566.14</u>	<u>137,927.86</u>	<u>53.00</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	<u>293,494.00</u>	<u>45,055.50</u>	<u>290,903.92</u>	<u>2,590.08</u>	<u>99.12</u>
TOTAL EXPENDITURES	<u>293,494.00</u>	<u>45,055.50</u>	<u>290,903.92</u>	<u>2,590.08</u>	<u>99.12</u>
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	99,908.43	(135,337.78)	135,337.78	0.00

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

215-RECA REDEMPTION 1995-2
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
215-4525 PRO-RATA BOND PAYMENT FEE	1,994.00	0.00	0.00	1,994.00	0.00
215-4530 TAXES, ASSMT & BOND PROCEEDS	275,000.00	126,433.52	133,462.71	141,537.29	48.53
215-4540 DELINQUENT ASSESSMENTS	5,250.00	10,676.37	12,105.60 (	6,855.60)	230.58
215-4541 DELINQ PENALTY & INTEREST	5,520.00	7,854.04	9,719.46 (	4,199.46)	176.08
215-4542 DELINQ ASSMT MONTHLY PENALTY	4,530.00	0.00	0.00	4,530.00	0.00
215-4550 INTEREST INCOME	1,200.00	0.00	278.37	921.63	23.20
215-4580 TRANSFERS IN	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	293,494.00	144,963.93	155,566.14	137,927.86	53.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

215-RECA REDEMPTION 1995-2
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
215-5-00-5075 BANK FEES	0.00	0.00	0.00	0.00	0.00
215-5-00-5123 OTHER PROFESSIONAL SERVICE	8,263.00	0.00	5,672.92	2,590.08	68.65
215-5-00-5125 BOND PREMIUM	0.00	0.00	0.00	0.00	0.00
215-5-00-5522 INTEREST ON LONG-TERM DEBT	93,231.00	45,055.50	93,231.00	0.00	100.00
215-5-00-5580 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
215-5-00-5590 COST OF ISSUANCE	0.00	0.00	0.00	0.00	0.00
215-5-00-5599 PRINCIPAL PMT	192,000.00	0.00	192,000.00	0.00	100.00
215-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	293,494.00	45,055.50	290,903.92	2,590.08	99.12
TOTAL EXPENDITURES	293,494.00	45,055.50	290,903.92	2,590.08	99.12
REVENUES OVER/(UNDER) EXPENDITURES	0.00	99,908.43	(135,337.78)	135,337.78	0.00

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

218-CIEDB REDEMPTION FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>170,746.00</u>	<u>18,274.00</u>	<u>160,840.25</u>	<u>9,905.75</u>	<u>94.20</u>
TOTAL REVENUES	<u>170,746.00</u>	<u>18,274.00</u>	<u>160,840.25</u>	<u>9,905.75</u>	<u>94.20</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	<u>170,746.00</u>	<u>0.00</u>	<u>170,416.23</u>	<u>329.77</u>	<u>99.81</u>
TOTAL EXPENDITURES	<u>170,746.00</u>	<u>0.00</u>	<u>170,416.23</u>	<u>329.77</u>	<u>99.81</u>
REVENUES OVER/(UNDER) EXPENDITURES	0.00	18,274.00	(9,575.98)	9,575.98	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

218-CIEDB REDEMPTION FUND
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
218-4030 WATER CAPACITY FEES	54,822.00	18,274.00	101,644.00 (	46,822.00)	185.41
218-4115 WATER USE CIEDB	0.00	0.00	0.00	0.00	0.00
218-4550 INTEREST INCOME	400.00	0.00	167.64	232.36	41.91
218-4580 TRANSFERS IN	115,524.00	0.00	59,028.61	56,495.39	51.10
218-4596 USER/NEW DEVELOPMT PORTION	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	170,746.00	18,274.00	160,840.25	9,905.75	94.20

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

218-CIEDB REDEMPTION FUND
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
218-5-00-5092 POSTAGE & SHIPPING	0.00	0.00	0.00	0.00	0.00
218-5-00-5522 INTEREST ON LONG-TERM DEBT	52,035.00	0.00	52,035.24 (	0.24)	100.00
218-5-00-5580 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
218-5-00-5595 CIEDB LOAN ANNUAL FEE	4,816.00	0.00	4,485.80	330.20	93.14
218-5-00-5599 PRINCIPAL PMT	113,895.00	0.00	113,895.19 (	0.19)	100.00
218-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	170,746.00	0.00	170,416.23	329.77	99.81
TOTAL EXPENDITURES	170,746.00	0.00	170,416.23	329.77	99.81
=====	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	0.00	18,274.00 (	9,575.98)	9,575.98	0.00
=====	=====	=====	=====	=====	=====

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

219-USDA SOLAR LOAN
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>32,250.00</u>	<u>7,237.50</u>	<u>32,242.77</u>	<u>7.23</u>	<u>99.98</u>
TOTAL REVENUES	<u>32,250.00</u>	<u>7,237.50</u>	<u>32,242.77</u>	<u>7.23</u>	<u>99.98</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	<u>32,238.00</u>	<u>7,237.50</u>	<u>32,237.50</u>	<u>0.50</u>	<u>100.00</u>
TOTAL EXPENDITURES	<u>32,238.00</u>	<u>7,237.50</u>	<u>32,237.50</u>	<u>0.50</u>	<u>100.00</u>
REVENUES OVER/ (UNDER) EXPENDITURES	12.00	0.00	5.27	6.73	43.92

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: FEBRUARY 28TH, 2022

219-USDA SOLAR LOAN
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
219-4300 MISC INCOME	0.00	0.00	0.00	0.00	0.00
219-4550 INTEREST INCOME	12.00	0.00	5.27	6.73	43.92
219-4580 TRANSFERS IN	32,238.00	7,237.50	32,237.50	0.50	100.00
TOTAL REVENUES	32,250.00	7,237.50	32,242.77	7.23	99.98
	=====	=====	=====	=====	=====

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: FEBRUARY 28TH, 2022

219-USDA SOLAR LOAN
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
219-5-00-5092 POSTAGE & SHIPPING	0.00	0.00	0.00	0.00	0.00
219-5-00-5522 INTEREST ON LONG-TERM DEBT	14,738.00	7,237.50	14,737.50	0.50	100.00
219-5-00-5523 INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00
219-5-00-5580 TRANSFER OUT	0.00	0.00	0.00	0.00	0.00
219-5-00-5599 PRINCIPAL PMT	17,500.00	0.00	17,500.00	0.00	100.00
TOTAL NON-DEPARTMENTAL	32,238.00	7,237.50	32,237.50	0.50	100.00
TOTAL EXPENDITURES	32,238.00	7,237.50	32,237.50	0.50	100.00
REVENUES OVER/(UNDER) EXPENDITURES	12.00	0.00	5.27	6.73	43.92

*** END OF REPORT ***



**Hidden Valley Lake Community Services District
Financial Activity, Cash and Investment Summary
As of February 28, 2022
(Rounded and Unaudited)**

	Operating Checking	Money Market	LAIF	Bond Trustee	Total All Cash/Investment Accounts
	West America Bank 1010	West America Bank 1130	State Treasurer 1133	US Bank 1200	
Financial Activity of Cash/Investment Accounts in General Ledger [1]					
Beginning Balances	\$ 1,101,976	\$ 1,280,423	\$ 628,239	\$ 175,015	\$ 3,185,654
Cash Receipts					
Utility Billing Deposits	\$ 399,175		\$ -	\$ -	
Electronic Fund Deposits	\$ -	\$ -	\$ -	\$ -	
Other Deposits		\$ 69	\$ 362	\$ 1	
Total Cash Receipts	\$ 399,175	\$ 69	\$ 362	\$ 175,016	
Cash Disbursements					
Accounts Payable Checks issued	\$ 235,778	\$ -	\$ -	\$ -	
Electronic Fund/Bank Draft Disbursements	\$ 129,054	\$ -	\$ -	\$ -	
Payroll Checks issued - net	\$ 66,997	\$ -	\$ -	\$ -	
Bank Fees	\$ 5,233	\$ -	\$ -	\$ -	
Other Disbursements	\$ -	\$ -	\$ -	\$ -	
Total Disbursements	\$ 437,062	\$ -	\$ -	\$ -	
Transfers Between Accounts					
Transfers In	\$ 50,465	\$ -	\$ -	\$ -	
Transfers Out	\$ -	\$ 50,465	\$ -	\$ -	
Total Transfers Between Accounts	\$ 50,465	\$ 50,465	\$ -	\$ -	
Ending Balances in General Ledger	\$ 1,114,555	\$ 1,230,027	\$ 628,601	\$ 175,016	\$ 3,148,198
Reconciling Adjustments to Financial Institutions [2]	\$ -	\$ -	\$ -	\$ -	
Financial Institution Ending Balances	\$ 1,139,375	\$ 1,230,027	\$ 628,601	\$ 175,016	\$ 3,173,018

Ending Balances General Ledger Distribution by District Funds

100 Operating	-	-	-	-	-
120 Wastewater Operating	231,742	629	72,610	-	304,981
130 Water Operating	846,886	2,579	108,209	-	957,674
140 Flood Enterprise	(257)	-	-	-	(257)
215 2016 Sewer Refinancing Bond	(48,849)	131,130	94,961	175,016	352,257
218 2002 CIEDB Loan	18,274	68,394	12,535	-	99,204
219 2012 USDA Solar COP	-	8,372	884	-	9,256
313 Wastewater Operating Reserve	66,759	11,303	59,147	-	137,209
314 Wastewater CIP	-	484,899	95,634	-	580,533
319 2012 USDA Solar COP Reserve	-	31,342	-	-	31,342
320 Water CIP	-	311,374	-	-	311,374
325 Water Operating Reserve	-	180,005	-	-	180,005
350 2002 CIEDB Loan Reserve	-	-	184,621	-	184,621
Total Ending Balances in General Ledger	1,114,555	1,230,027	628,601	175,016	3,148,198

[1] From General Ledger activity by Financial Institution accounts with District Fund accounts consolidated. Checking and Money Market accounts are with West America Bank, Local Agency Investment Account (LAIF) is held by the State Treasurer on behalf of the District and US Bank is the Bond Trustee for the the 2016 Refunding >>>>>>>. All cash accounts have been reconciled to the ending Financial Institution statements.

[2] See Reconciliation Detail Summary for details

Disaster Reimbursements (Federal & State)						
Year of event	Disaster	Project	Description	Completion	Reimbursed?	Reimbursements
2017	4301	LHHVA01	Pump&Dump	100%	100%	\$ 214,133.04
2017	4301	LKHVB01	Repair&Labor	100%	100%	\$ 16,748.90
2017	4308	LKHVA81	Pump&Dump	100%	100%	\$ 390,533.63
2017	4308	LKHVB81	Repair&Labor	100%	100%	\$ 5,317.17
2017	4308	LKHVF83	Repair&Labor	100%	100%	\$ 652,310.53
2019	4434	100063	Pump&Dump	100%	100%	\$ 916,723.31
2019	4434	100118	Repair	100%	100%	\$ 13,101.71
2019	4434	100126	Repair&Labor	100%	100%	\$ 39,032.81
2019	4434	101502	Repair&Labor	100%	100%	\$ 33,321.19
2019	4434	100138	Repair: Chip seal the WWTP Access Road	100%	90%	\$ 110,730.00
2020	4482 COVID-19	138890	Materials: Purchased for disinfection, and infection prevention methods	100%	0%	\$ 11,095.33
2020	4558 LNU Complex Fire	Cat B 100% (FEMA)	Emergency protective measures -FireBreak	100%	100%	\$ 36,245.32
2020	4558 LNU Complex Fire	Cat B 75% (FEMA) 18.75% (CalOES)	Emergency protective measures -Chipping & Spreading	100%	96%	\$ 143,437.00
2020	4558 LNU Complex Fire	Cat B 100% (FEMA)	Continuity of Operations - Generators - Smoke Soot and Ash	100%	100%	\$ 20,747.18
2020	4558 LNU Complex Fire	Cat B 75% (FEMA) 18.75% (CalOES)	Continuity of Operations - Generators - Smoke Soot and Ash	100%	94%	\$ 44,690.95

Totals:	\$ 2,648,168.07
Actual:	\$ 2,648,168.07

Access Road
7/2 Requested update of closeout status of this project. Response: "The other projects are still being worked on by Cal OES Recovery Closeout team."
3/3/22 Received a request for clarification from the closeout team.

COVID19
12/21 Deposited \$11,095.33

Debris Removal & Generators
9/3 Deposited \$236,187.45 (\$112,500 + \$20,747.18 + \$36,245.32 + \$30,937 + \$35,757.95)
9/7 Deposited \$8,933

Federally funded, non-disaster projects (HMGP)					
Related Disaster	Project	Description	Completion	Reimbursed?	Reimbursement
4344	512	LHMP: Writing the Plan	100%	95%	\$ 74,404.00
4382	112	Unit 9 Tank: Replacing this tank	0%	0%	\$ 1,300,000.00
4407/4431	57	Generators: Installing at Booster Stations	0%	0%	\$ 748,048.00
4558	398	Defensive Space, Ignition Resistant Construction (DSIRC)	0%	0%	\$ 1,400,000.00
4558	428	Water Mains Planning	0%	0%	\$ 500,000.00

Totals:	\$ 4,022,452.00
Actual:	\$ 74,404.00

LHMP

7/2 Inquired on the status of this project. Response: "This project is in FEMA closeout and with FEMA, so soon as we hear back – which can take a little time – we will let you know. In the meantime I will keep this on my radar."

Unit 9 Tank

10/12 On-site Cultural Site Survey conducted.

1/21 Notified CalOES of CEQA NOE from county, and change of plans.

1/25 Currently working through the definition of "ground-breaking" with FEMA & CalOES.

2/3 Received CalOES letter that FEMA is "ready to obligate"

2/9 Received FEMA approval letter (See Attached)

2/18 Welcome Call - Discussed procurement

2/23 Kick-off Call - Discussed procurement

Generators

7/27 Responded to final edits requests for Generator re-submittal

8/12 Planning Partners (environmental consultant) completed edits to the environmental checklist of the subapplication

8/24 Submitted updated environmental checklist to CalOES.

10/6 Confirmed Authorized Agent info.

11/2 Responded to RFI

3/1 Responded to RFI

Defensive Space, Ignition Resistant Construction (DSIRC)

6/3 Discussed project with Tribal leader

7/27 On-site project walk-thru with tribal leader

10/6 Confirmed Authorized Agent info.

11/3 Responded to RFI

12/1 Notification of FEMA submission

Water Mains Planning

5/21 Submitted RFI response

9/27 Submitted RFI response

State Funded projects (Prop 1, Prop 68)					
Funding Agency	Project	Description	Completion	Reimbursed?	Reimbursement
DWR/IRWM	206	I & I	75%	59%	\$ 375,000.00
DWR/IRWM	205	Unit 9 Tank	10%	0%	\$ 450,000.00
Totals:					\$ 825,000.00
Actuals:					\$ 222,375.00

I&I, Unit 9 Tank

12/20 **I & I:** Received reimbursement of \$198,659.47

1/14 **I & I:** Agendized Coastland proposal of North Shore CT easement repair/replacement for \$17,113

1/19 **I & I:** Delivered Notice to Proceed to Coastland Engineering

2/1 **I & I:** Grant Agreement amendment signed

2/24 **I & I:** Submitted quarterly progress report and reimbursement request for \$10,393.65

12/1 **Unit 9 Tank:** Submitted quarterly progress report

12/13 **Unit 9 Tank:** Received notification of LC CDD representative's departure on 12/15

12/15 **Unit 9 Tank:** Recieved Notice of Exemption (NOE) from planning committee

12/16 **Unit 9 Tank:** Received notification of Grading and Building permit requirements.

1/14 **Unit 9 Tank:** Agendized Coastland proposal of Final Design and bid documentation for \$115,852

1/19 **Unit 9 Tank:** Delivered Notice to Proceed to Coastland Engineering

1/25 **Unit 9 Tank:** New survey discussion, and geotechnical site visit schedule

2/22 **Unit 9 Tank:** Confirmed no legal challenges to NOE

AMI

11/15 CivicSpark Fellow Thomas scheduled start date.
11/15 600 Radios delivered
12/8 Began training Lisa S on AMI data management
12/15 244 Meters have been added to BeaconAMA since 11/15 for a total of 422
12/21 On-site meeting with Badger. New IR Tool delivered, and utilized
1/5 Order for 600 meters, radios & stakes placed (96 LTE MS). Endpoint delivery date 4/2022.
1/11 Book 7 (151 meters) replacement has begun. Troubleshooting missed reads.
1/24 Development of Town Hall agenda
2/2 Development of Town Hall marketing flyer
2/4 BeaconAMA training scheduled for billing staff
2/14 Staff training, EyeOnWater and BeaconAMA
3/3 AMI Town Hall presentation
3/4 Submitted request for Fiscal Recovery Funding for \$286,131.12 (See attached - FRF request)

FLASHES

11/18 Conducted FLASHES Town Hall
11/19 Submitted Multi-Benefit Water-Energy Resilience Project (FLASHES) to DWR Drought Relief funding program
12/7 Fostering support from CBIA, PIF, AGC
1/7 Discussing FLASHES expansion to Middletown water.
1/10 Researching USDA funding opportunities
1/13 DR4482 HMGP NOI submitted
1/14 MIP Comment letter submitted to CPUC
1/26 Ad Hoc meeting with Trane
2/2 Review of the letter of commitment amendment
2/4 Developing response to HMGP NOI RFI
2/8 Meeting scheduled with HMGP representative
2/10 Withdrawal from HMGP funding program
3/11 Ad Hoc meeting scheduled
3/15 Meeting with CPUC scheduled

Drought & COVID Relief Funding

9/27 Submitted \$8M Emergency Intertie project to DWR Small Community Drought Relief Funding program
10/6 Submitted \$22M Water Main Replacment project to DWR Small Community Drought Relief Funding program
10/15 Submitted Covid Relief Funding application for \$56K
10/29 Notification of DWR Multibenefit Drought Relief Funding
11/1 Response from Drought Relief Funding Engineer, Alena. Emergency Intertie application is the 28th application, and the Water Main Replacement application is the 43rd. Alena is currently on the 21st application, and expects to complete 15 applications in the month of November.
12/9 Drought Task Force mtg - Spring Valley, CLO to receive Drought Relief Funding for a new well
12/9 M A T H - Meeting to discuss the effects of drought in the M'town area, and the status of the cannabis industry.
12/16 Received notification of Covid Relief Funding allocation of \$116,992
1/4 Received clarification request for application terms.
1/11 Research USDA funding opportunities
1/14 Agendized the allocation plan of Covid Relief funding.
2/4 Agendized the allocation plan re-work
3/4 Submitted request for Fiscal Recovery Funding for \$48,150.14 (See attached - FRF request)

SCADA

11/10 Meeting to review condition assessment data, and discuss recommendation. Summary of deficiencies illustrated with color-coded scoring system
12/10 Meeting to discuss ANSI/ISA 18.2 life cycle and SCADA alarm strategy
2/17 SCADA Master Plan review meeting

Other activities

11/3 Meeting with homeowners regarding localized flooding, and mitigation
11/15 Meeting to discuss GSA with water rights attorney Peter Kiel
12/27 Reached consensus with HVLA that a cooperative effort for Parks&Rec project is not viable at this time.
12/29 Meeting with attorney to discuss Ordinance 59.1
2/3 Submittal of Moonridge Rd documents to SDRMA
2/22 Received revised sewer Ordinance
2/22 Reviewed SGA memorandum

IRWM/DWR

2/2 Submitted Project Interest Form (PIF) to be added to the WestSideSAC IRWM project list.
3/9 Scheduled to present proposed PIF for inclusion to IRWM Project list

USDA

1/10 Submitted request to RDApply program
1/21 Researching possible funding combination with DWR Drought relief.

CalFire

1/20 Submitted request for Fire Prevention Grant tracking number
2/1 Received response to Partner Commitment letter
2/9 Submitted grant application for \$667,261.

Potential projects (LHMP)					
Priority	Funding Agency	Project	Description	Costs	Notes
1	HMGP (FEMA)	SCADA	Technology refresh	\$ 1,000,000	Initial Feasibility discussions underway, Joined Demand Response program to qualify for rebates
1	HMGP (FEMA)	Tanks	Replace wooden tanks	\$ 5,400,000	Subapplication submitted for one tank only, 4558 - NOI
1	HMPG (FEMA)	I & I	Pipe-bursting	\$ 1,000,000	Grant funds awarded for first pipe-bursting
1		RRP, ERP	Requirement of AWIA of 2018	\$ 200,000	Due 3/21, Possible 4482-NOI opportunity
1	HMGP (FEMA)	Water	Correlators, AirVacs, Lines, Meters	\$ 5,500,000	ESCOs can support energy savings projects
2		WMP	Water Master Plan	\$ 100,000	This is 20 years old. Is a reference document for grant applications
2	HMGP (FEMA)	WWTP	EQ Basin, Sludge Beds	\$ 6,000,000	Every flooding disaster in the last 4 years has damaged a portion of the WWTP. Possible developed contributions.
2		SWP	Stormwater Master Plan	\$ 200,000	This is 20 years old. Opportunity for regional benefits.
2		Stormwater	Implement Stormwater Master Plan Improvements	\$ 10,000,000	Phase 1 - Culverts in the Flood detention basin, previous NOI accepted for this activity
2	HMGP (FEMA)	Well	Drill a new well	4000000	Water Resilience, Contamination Mitigation, possible developer assistance
2	FMAG (FEMA)	Fuels Mitigation	Defensible Space, Concrete detention basin, masonry buildings	\$ 400,000	Possible 4558-NOI opportunity
2	FMAG (FEMA)	Hydrants	Improvements	\$ 4,100,000	Previous NOI accepted for this activity
2	PDM (FEMA)	GIS	Fully develop database, O&M	\$ 400,000	Management, maintenance, and communications tool
3		PAP	Public Awareness Program	\$ 200,000	Disaster preparedness, response and recovery
3	HMGP (FEMA)	CL2 valve	Automatic shut-off valve	\$ 50,000	Operator Safety, RMP improvement list
3	HMGP (FEMA)	CL2 Analyzers	Chlorination Basin improvements	\$ 100,000	Flow-based treatment process will streamline WWTP
3	HMGP (FEMA)	Earthquake	Retrofits	\$ 5,000,000	
3		Levee	Certification	TDB	Opportunity for regional benefits, flood insurance
3		Dam	Inundantion Mitigation	TDB	Infrastructure improvements



FEMA

February 9, 2022

Mark S. Ghilarducci
Director
Governor's Authorized Representative
California Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, California 95655

Reference: Application Approval, HMGP DR-4382-112-2R
Hidden Valley Lake Community Services
Water Storage Mitigation Project
FIPS Code: 033-33549, Supplement 54

Dear Mr. Ghilarducci:

We approve and issue Hazard Mitigation Grant Program (HMGP) funds for the Hidden Valley Lake Community Services, HMGP DR-4382-112-2R, Water Storage Mitigation Project.

The total project cost is \$1,850,207. As shown in the enclosed Obligation Report - Supplement 54, we are obligating \$1,387,655.25 for the 75 percent Federal share; the 25 percent non-Federal share is \$462,551.75. These funds are available in SmartLink for immediate and eligible disbursements. The following is a summary of the approved funding:

Total Project Cost:	Federal Share (75%):	Non-Federal Share (25%):
\$1,850,207	\$1,387,655.25	\$462,551.75

This HMGP project approval and obligation of funds are subject to the following conditions:

- 1. Scope of Work (SOW)** – The Hidden Valley Lake Community Services is to replace its existing Unit 9 redwood water storage tank (150,000 gallons) with two 250,000-gallon bolted steel tanks at 16393 Eagle Rock Road, Lake County, California. To provide defensible space around the tanks, 23 trees will be removed, and fuel reduction activities will extend 100 feet from the structures.
- 2. Project Completion Date** – The work schedule included with the project application indicates that the project completion date is August 4, 2024. Please inform the sub-recipient that work completed after this date is not eligible for federal funding, and that federal funds may be de-obligated for work completed outside the completion date when there is no approved time extension.

3. **Project Closeout** – Within 120 days of project completion, all project funds must be liquidated and final closeout documentation for the project must be submitted to FEMA. Please note the project must comply with Code of Federal Regulations Title 2, Part 200 reporting requirements at the time of closeout.
4. **Record of Environmental Considerations (REC)** – FEMA has determined that the Proposed Action is covered by the Region IX Programmatic Environmental Assessment (PEA) under Repairing, Realigning, or Otherwise Modifying Roads, Trails, Utilities, and Rail Lines (Section 2.3.4), Constructing New Facilities or Relocating Existing Facilities (Section 2.3.5), and Mechanical and Hand Clearing of Vegetation (Section 2.5.1). These categories cover the construction of the above project elements and, therefore, the Proposed Action is consistent with these PEA categories. A list of Typical Best Management Practices (BMP) is attached. Compliance with the BMPs appropriate for this scope of work is a condition of funding. Please reference the enclosed REC for further information.
5. **Standard Conditions** – This project approval is subject to the enclosed *Standard Mitigation Grant Program (HMGP) Conditions*, amended August 2018. Please note that federal funds may be de-obligated for work that does not comply with these conditions.

If you have any questions or need further assistance please contact Aaron Lim, Hazard Mitigation Assistance Specialist, by email aaron.lim@fema.dhs.gov, or phone (510) 627-7036.

Sincerely,

Kathryn Lipiecki
Director, Mitigation Division
FEMA Region 9

Enclosures (4):

Obligation Report - Supplement 54
Project Management Report
Record of Environmental Consideration (REC)
Standard Mitigation Grant (HMGP) Conditions

cc:

Jennifer Hogan, State Hazard Mitigation Officer, California Governor's Office of Emergency Services
June Cochrane, Hazard Mitigation Grants Specialist, California Governor's Office of Emergency Services
Robert McCord, Chief, Hazard Mitigation Assistance Branch, FEMA Region 9



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hvicsd.org

March 4, 2022

Supervisor Moke Simon
255 North Forbes St.
Lakeport, CA 95453

Dear Supervisor Simon

On behalf of Hidden Valley Lake Community Services District, I am contacting you to respectfully request assistance for our District's unmet needs stemming from the COVID-19 pandemic, sourced from the American Rescue Plan Act's (ARPA)'s Coronavirus Local Fiscal Recovery Fund.

As you and fellow County leaders discuss priorities for the second and final tranche of the Local Fiscal Recovery Fund, I ask that you consider the Independent Special District in your district, Hidden Valley Lake Community Service District. ARPA gives the County that authority. The district would deeply appreciate assistance in responding to ongoing COVID-19 impacts and the assurance that we can continue to provide essential local services to our shared constituency.

Specifically, ARPA gives counties the authority to transfer Fiscal Recovery Fund monies to special purpose units of state and local government for the *same eligible uses* as cities and counties. Among others, these uses include:

- pandemic-related expenditures,
- revenue losses,
- economic impacts,
- premium pay for essential workers, and
- necessary investments in water, wastewater, and broadband services.

Hidden Valley Lake Community Services District provides 7500 residents in Hidden Valley Lake with water and wastewater services. While the 2021-2022 State Budget provided some important new avenues for COVID-19 relief to California's special districts, the Hidden Valley Lake Community Services District still has **\$1,834,281.26** in *unmet* needs that are eligible for the Fiscal Recovery Fund.

The district's request takes all available funding into consideration. We have no remaining avenues to request relief and are not receiving other state or federal funding for these purposes. Moreover, if we are not able to recover some funding, Hidden Valley Lake Community Services District may need to consider significantly delaying much-needed capital improvements to the community. ARPA grants



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hvlcsd.org

definitive authority to counties to transfer Local Fiscal Recovery Fund monies to special districts to address these needs for the communities we serve.

We look forward to working with you and your staff on this issue and appreciate your consideration. Please contact me at dwhite@hvlcsd.org and 707-533-3498 to speak further about this request to help the district continue providing essential public services to your constituents. I stand ready to be a resource and answer questions or provide additional information.

Thank you,

A handwritten signature in blue ink that reads "Dennis".

Dennis White
General Manager

CC: Carol Hutchinson, County of Lake, County Administrative Officer
carol.huchingson@lakecountyca.gov; Matthew Rothstein, County of Lake, Deputy
County Administrative Officer matthew.rothstein@lakecountyca.gov

Fiscal Recovery Fund Request	
Revenue Loss	\$ -
Covid response	\$ 48,150.14
Economic Impact	\$ 286,131.12
Premium Pay	\$ -
Necessary Investment	\$ 1,500,000.00
	\$ 1,834,281.26

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: March 9, 2022

AGENDA ITEM: SDRMA Proposal for Earthquake Coverage of Mainlines

Mainlines Earthquake Coverage Quote

Total Insured Value: \$22,300,029

Limits: \$5M/\$5M per occurrence/per aggregate

Premium: \$137,425.75

Deductible: 5% per unit subject to a minimum of \$25k (*a unit means per structure)

The broker would not quote the total cost for all lines (\$22M) and offered only a total \$5M per occurrence. SDRMA has no other members that cover underground pipes

Property Assets Earthquake Coverage Quote(6/16/2021)

Total Insured Value: \$13,592,310

Limit: \$13,592,310

2021-22 Premium: \$49,246.31

Alliant Property Appraisal Update:

Staff submitted a Letter of Engagement with Alliant Appraisal Services on November 10, 2021. Appraisal was completed on December 13, 2021. The Appraisal Report was expected to be provided by February 25, 2022, in order to present to the committee in March. The latest correspondence on March 1, 2022, from Alliant noted the draft report was pending final review. It is noted on the agreement that the report will be delivered within 90 days after the completion of the inspection, which would be March 13, 2022.

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: March 9, 2022

AGENDA ITEM: OPEB Pre-Funding Comparison of CalPERS and PARS

RECOMMENDATIONS: Consider staff's recommendation to partner with PARS for the establishment of a Section 115 Trust to fund Other Post-Employment Benefits ("OPEB"). While the PARS trust option costs significantly higher than CERBT, PARS's Capital Appreciation strategy has outperformed CERBT's Strategy 1, net of fees over 10 years. PARS ability to offer in person meetings, provide consultation on Trust offers and a direct access with a designated portfolio manager at HighMark to assist with investment decisions weighed heavily on staff's recommendation.

Following the Committee's recommendation on a contribution amount staff will present a District resolution with recommended guidelines for committee review and recommendation to the Board.

According to the Districts Strategic Plan, the District has determined "Financial Stability" to be a top goal for the District. Establishing a Section 115 Trust to prefund the OPEB Obligations is a key strategy for successful implementation of the goal. Either vendor presented would be beneficial to the District in addressing the increasing liability and gaining financial stability. Starting somewhere is better than not starting at all.

FINANCIAL IMPACT: There are no startup costs to establish and administer the Trust beyond staff time.

BACKGROUND: The District faces rising unfunded retiree medical costs and will continue to do so until a strategy is put into place to mitigate the ever-increasing costs. As of the latest June 30, 2020, valuation for OPEB, the District's total OPEB Liability was at \$1,284,608 million. Since the District pays on a pay as you go basis, this means that as the retiree population grows, the cost of retiree benefit costs also grows proportionately. With a pay as you go basis, there are no assets to offset liabilities that accumulate over the working lifetime of employees.

Staff asked MacLeod Watts to provide an Actuarially Determined Contribution (ADC) as determined in our OPEB valuation to confirm the District would be on target with an annual contribution of \$25,000 for 4 years for a total contribution of \$100,000. According to MacLeod Watts *an annual contribution to the trust of \$25,000 per year – when added to the retiree benefit payments – would fall short of the ADC each year. However, all OPEB trust contributions are good contributions and will definitely reduce the OPEB liability to be reported, just less so that if the full ADC amount is contributed.*

During the October 12, 2021, Finance Committee meeting, the Districts obligations, and strategies to address the OPEB Liability were discussed. The Committee directed staff to provide options and invite Macleod Watts to attend the November Finance Committee meeting to review the Other Post-Employment Benefits Actuarial Analysis.

On December 14, 2021, the Finance Committee received a presentation on California Employers Retiree Benefit Trust (“CERBT”) from CalPERS. On January 11, 2022, PARS presented the Section

115 Trust OPEB Prefunding Program. The committee requested a comparison be provided for further review.

Staff conducted research on Section 115 Trust providers and selected the two most equitable and established providers: California Public Employees’ Retirement System (“CalPERS”) and Public Agency Retirement Services (“PARS”).

The CERBT and PARS both provide IRS Section 115 Trusts, and each has many years of experience in providing these services.

PARS is a for profit entity which utilizes US Bank as a Trustee and HighMark Capital Management as an Investment Manager. The administrative fee to participate in the PARS Trust program total 60 basis points (0.60% of assets held). The CERBT is a self-funded, not for profit trust fund in which participating employers pay for all administrative and investment expenses. Currently, CERBT expenses are 0.10% which consists of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and recordkeeping fees to administer individual employer accounts.

Both plans offer diversified investment portfolios, with each providing a range of expected investment rate of return and corresponding investment return volatility so that employers can match the risk of their portfolio with the liquidity needs of their OPEB plan. PARS provides five model strategy investment options, as well as the ability to customize strategies. The five strategies can be actively or passively managed. The CERBT offers three asset allocation strategies, each with both active and passive components. When comparing investment returns for the actively managed PARS plan and the CERBT plans, using the strategies with the most comparable asset allocation, investment returns are relatively similar, with gross returns for PARS slightly higher than the CERBT plans.

CalPERS offers 19 years of experience in the California Employers Retiree Benefit Trust (“CERBT”), a multiple-employer OPEB irrevocable trust fund administered by CalPERS, with more than 550 participating public employers and approximately \$15 billion in assets under management. CERBT offers three (3) investment strategy options ranging in risk tolerance levels. While Strategy 1 invests nearly 60% of assets in equity (i.e. stocks), Strategy 3 invests nearly 50% in fixed income, such as bonds, for a more conservative investment approach.

Fiduciary responsibility is assumed by the CalPERS Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.

Participating employers select one of the three available options with CalPERS based on their investment goals and risk tolerance, and a funding policy.

Strategy 1 portfolio has a higher allocation to equities than bonds and other assets compared with CERBT Strategy 2 and Strategy 3. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

Strategy 2 portfolio has a moderate allocation to equities, bonds and other assets compared with CERBT Strategy 1 and Strategy 3. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

Strategy 3 portfolio has a lower allocation to equities than bonds and other assets compared with CERBT Strategy 1 and Strategy 2. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%

PARS serves as the trust administrator and consultant, and contracts with US Bank to serve as the trustee for plan assets, and HighMark Capital Management for investment management. PARS has 37 years of experience, 2000 plans under management, over 1000 Public Agency clients and over 430 115 Trust clients with \$6.6 billion in assets under management. US Bank has over 158 years of experience and \$50 trillion in assets under management. HighMark Capital Management has over 100 years of industry experience with \$18.8 billion in assets under management.

PARS offers five (5) investment strategy options with varying degrees of risk tolerance. Its Capital Appreciation option has a higher risk tolerance with investments in equity ranging from 65-85% and its Conservative model has the lowest risk tolerance with 60-95% in fixed income. PARS and HighMark Capital Management offer fees based on asset levels. For the Authority's level of assets, the fee for PARS is 25 basis points (0.25%) and 35 basis points (0.35%) for HighMark Capital Management; a total cost of 60 basis points (0.60%)

NET PERFORMANCE FEE ANALYSIS (As of December 31, 2021)

Over 1 Year

Over 3 Years

Over 5 Years

Over 10 Years

PARS/HIGHMARK		PARS/HIGHMARK		PARS/HIGHMARK		PARS/HIGHMARK	
Capital Appreciation	14.96%	Capital Appreciation	17.30%	Capital Appreciation	12.15%	Capital Appreciation	10.83%
25% Fixed Income/Cash		25% Fixed Income/Cash		25% Fixed Income/Cash		25% Fixed Income/Cash	
minus weighted PARS administration fee	(-)0.25%	minus weighted PARS administration fee	(-)0.25%	minus weighted PARS administration fee	(-)0.25%	minus weighted PARS administration fee	(-)0.25%
minus weighted HighMark investment management fee	(-)0.35%	minus weighted HighMark investment management fee	(-)0.35%	minus weighted HighMark investment management fee	(-)0.35%	minus weighted HighMark investment management fee	(-)0.35%
1-Year Net Return	14.36%	3-Year Net Return	16.70%	5-Year Net Return	11.55%	10-Year Net Return	10.23%

CALPERS CERBT		CALPERS CERBT		CALPERS CERBT		CALPERS CERBT	
Strategy 1	13.72%	Strategy 1	16.22%	Strategy 1	11.26%	Strategy 1	9.54%
(30% Fixed Income/Cash)		(30% Fixed income/Cash)		(30% Fixed Income/Cash)		(30% Fixed Income/Cash)	

Minus fees (-)0.10%	Minus fees (-)0.10%	Minus fees (-)0.10%	Minus fees (-)0.10%
1-Year Net Return 13.63%	3-Year Net Return 16.21%	5-Year Net Return 11.17%	10-Year Net Return 9.43%

Attached:

CERBT Strategy 1-3

CalPERS Annual Report

MacLeod Watts OPEB Prefunding Illustration

Net Performance Fee Analysis

PARS 115 Trust Team Statistics

PARS Annual Report not available prior to posting - possible hand carry

CalPERS Presentation

PARS Presentation

CERBT Strategy 1

January 31, 2022



Objective

The CERBT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 2 and Strategy 3, this portfolio has a higher allocation to equities than bonds and other assets. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 1	Annual Operating Ratio
\$14,303,095,259	0.10%

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	59%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	25%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

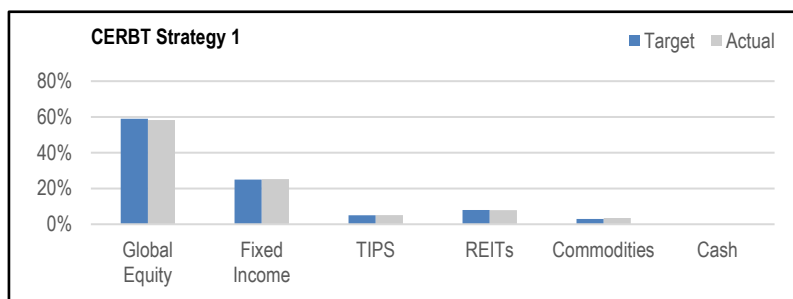
¹ Allocations were approved by the Board at the May 2018 Investment Committee meeting.

Portfolio Benchmark

The CERBT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 1 Performance as of January 31, 2022

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (June 1, 2007)
Gross Return ^{1,3}	-4.07%	-3.03%	0.19%	9.54%	12.27%	9.97%	8.61%	6.04%
Net Return ^{2,3}	-4.08%	-3.05%	0.14%	9.45%	12.18%	9.88%	8.50%	5.97%
Benchmark Returns	-4.09%	-3.07%	0.10%	9.37%	12.02%	9.65%	8.26%	5.63%
Standard Deviation ⁴	-	-	-	-	12.35%	10.83%	9.48%	12.64%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.

CERBT Strategy 1



January 31, 2022

General Information

Information Accessibility

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.¹

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

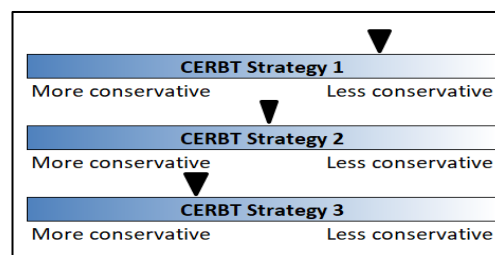
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Retiree Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



¹ Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.

CERBT Strategy 2

January 31, 2022



Objective

The CERBT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 3, this portfolio has a moderate allocation to equities, bonds and other assets. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 2	Annual Operating Ratio
\$1,934,483,957	0.10%

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	40%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	43%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	4%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

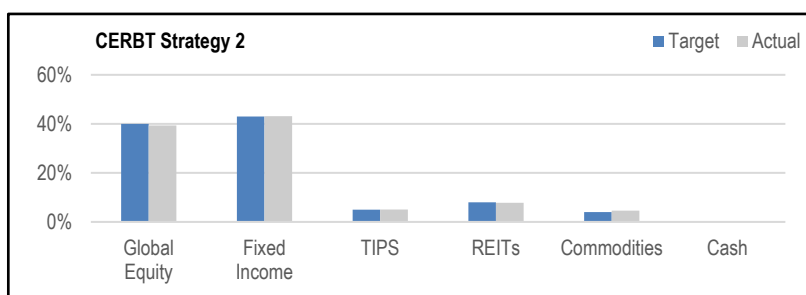
¹ Allocations were approved by the Board at the May 2018 Investment Committee meeting.

Portfolio Benchmark

The CERBT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 2 Performance as of January 31, 2022

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2011)
Gross Return ^{1,3}	-3.54%	-2.70%	0.08%	6.90%	10.53%	8.56%	7.28%	7.95%
Net Return ^{2,3}	-3.55%	-2.72%	0.03%	6.80%	10.43%	8.47%	7.17%	7.84%
Benchmark Returns	-3.57%	-2.73%	0.01%	6.76%	10.34%	8.27%	6.96%	7.67%
Standard Deviation ⁴	-	-	-	-	9.59%	8.42%	7.55%	7.78%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.

CERBT Strategy 2



January 31, 2022

General Information

Information Accessibility

The CERBT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published.

CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.¹

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 2 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

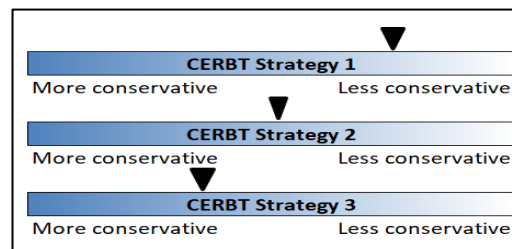
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Retiree Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations ¹	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



¹ Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.

CERBT Strategy 3

January 31, 2022



Objective

The CERBT Strategy 3 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 2, this portfolio has a lower allocation to equities than bonds and other assets. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CERBT Strategy 3	Annual Operating Ratio
\$854,080,466	0.10%

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 3 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	22%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	49%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	16%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	5%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

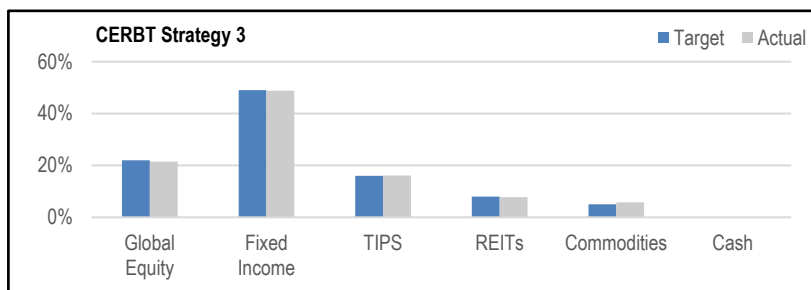
¹ Allocations were approved by the Board at the May 2018 Investment Committee meeting.

Portfolio Benchmark

The CERBT Strategy 3 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation to a particular asset class based on market, economic, or other considerations.



CERBT Strategy 3 Performance as of January 31, 2022

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2012)
Gross Return ^{1,3}	-2.91%	-2.17%	0.41%	5.21%	8.94%	7.12%	5.98%	6.24%
Net Return ^{2,3}	-2.92%	-2.19%	0.36%	5.12%	8.84%	7.03%	5.87%	6.14%
Benchmark Returns	-2.94%	-2.18%	0.39%	5.14%	8.79%	6.89%	5.66%	5.95%
Standard Deviation ⁴	-	-	-	-	7.35%	6.46%	5.91%	5.94%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.

CERBT Strategy 3



January 31, 2022

General Information

Information Accessibility

The CERBT Strategy 3 portfolio consists of assets managed internally by CalPERS and/or by external advisors. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published.

CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CERBT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CERBT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, Treasury Inflation-Protected Securities, and Commodities.¹

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as recordkeeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CERBT Strategy 3 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits (OPEB). CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations. Further, CalPERS will not make up the difference between an employer's CERBT assets and the actual cost of OPEB provided to an employer's plan members.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

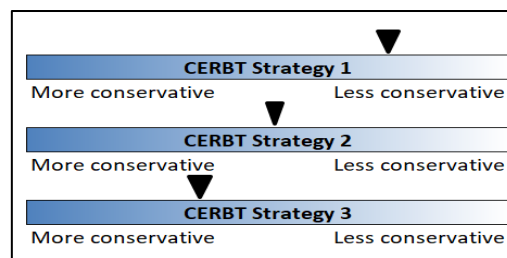
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Retiree Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Projected risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations ¹	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
Treasury Inflation-Protected Securities	5%	5%	16%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	4%	5%



¹ Since June 2018 SSGA has passively managed all CERBT asset classes. Previously Fixed Income, TIPS and Commodity asset classes were managed internally by CalPERS.

Prefunding Programs Annual Status Report

Item 5e, Attachment 2
Page 1 of 9

California Employers' Retiree Benefit Trust (CERBT)
California Employers' Pension Prefunding Trust (CEPPT)
Supplemental Income Plan (SIP)

Prepared for: Finance and Administration Committee Report Period Ending June 30, 2021

Executive Summary

This review provides the fiscal year (FY) 2020-21 annual status program reports for the California Employers' Retiree Benefit Trust (CERBT), California Employers' Pension Prefunding Trust (CEPPT) and Supplemental Income Plan (SIP) prefunding programs. The report provides information updates by program on the strategies, improvements, population, and investments.

California Employers' Retiree Benefit Trust (CERBT)

Program Overview

The CERBT Fund is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. This program is available to public agencies to prefund future retiree benefits such as health, vision, dental, and life insurance. CERBT is the largest public employer OPEB trust fund in the state of California. Attributes of the CERBT program's success are excellent investment management, low total participation cost, personal direct service support, financial reporting compliance with governmental accounting standards, and uncomplicated administrative processes.

Program Update

Program Improvements

Program improvements made in 2020-21 to promote more efficient and effective operation performance and increase service delivery to employers were:

- Added CERBT Program to myCalPERS to provide automated self-service account capabilities and improve program transparency with employers and CalPERS team.
- Increased customer outreach by providing quarterly account updates to all contracted employers.
- Automated the contribution payment process to improve consistency, internal controls, and streamlined operations.
- Utilized virtual technology to move workshops online leading to increased participation and more frequent offerings throughout the year.
- Distributed "end-of-year" summary reports via email to all agency contacts with personalized demographic statistics.

Employer Retention

Participating employers receive year-round communication, education outreach services, and quarterly account update reports to support retention. CalPERS team members conducted semi-annual workshops virtually and annual administration webinars.

Programs Annual Status Report

Prepared for: Finance and Administration Committee Period Ending June 30, 2021

Participating employers also receive tailored reports that provide information on program developments, improvements, performance results, and account information for stakeholder communication and reporting requirements. The 99% retention is attributed to the program advantages and service delivery. In this fiscal year, one employer contract terminated, and four existing employer contracts merged into two.

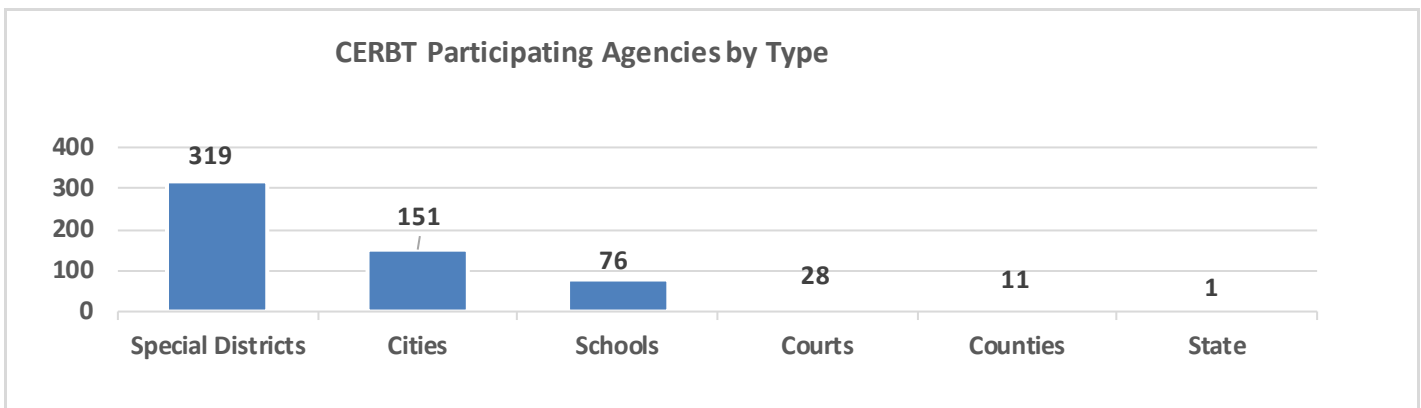
Participating Employer Enrollments and Contributions

During FY 2020-21, CERBT contracted employers increased to 586 employers. Since 2007, the program continues to grow while retaining 99% of the employer participants. When comparing the latest two fiscal years shown in the table below, the percentage of assets under management (AUM) increased by 34% and the number of participating employers increased by 2%.

FY	Participating Employers	Employer Net Contributions	Plan members	AUM
FY 2020-21	586	\$9.4 billion	1,160,317	\$15.7 billion
FY 2019-20	572	\$8.5 billion	1,149,497	\$11.7 billion

CERBT Participating Employers by Agency Type and New Agencies

Special districts represent the highest proportion of participating employers in CERBT followed by cities. The table below provides the names of the 16 new contracting employers added to the program for FY 2020-21. The new agencies contributed \$8.4 million in contributions to the program.



New Agencies: City of Maywood, City of San Marino, Dehesa School District, Fallbrook Union High School District, Fremont Union High School District, Liberty Union High School District, Morongo Bason Transit Authority, Pleasanton Unified School District, Quartz Hill Water District, Regional Housing Authority, Robla Elementary School District, San Diego County Law Library, San Gabriel Valley Municipal Water District, Scotts Valley Fire Protection District, South Bay Regional Public Communications Authority, Town of Portola Valley.

Fund Assets and Cumulative Net Contributions

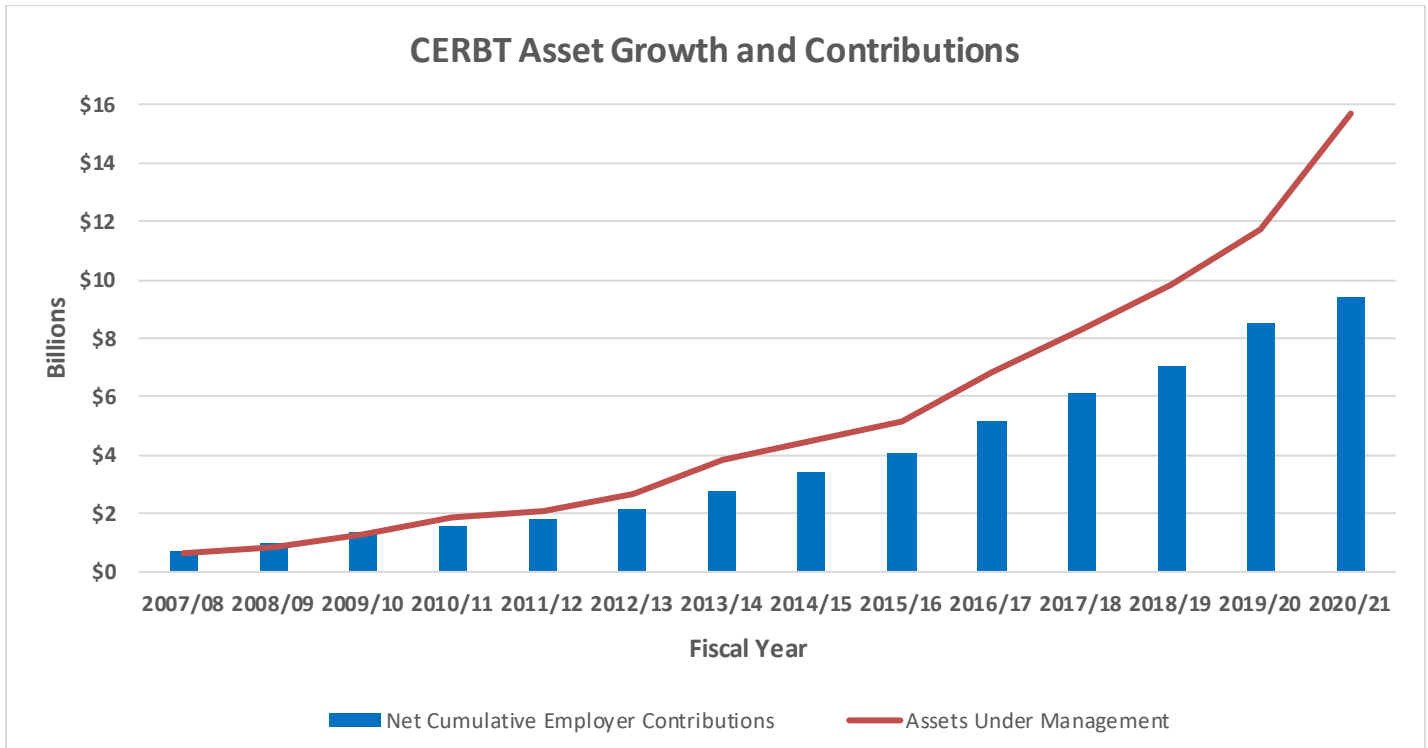
During FY 2020-21, CERBT assets increased to \$15.7 billion in assets under management, an increase of \$4 billion. During the same period, employer cumulative net contributions were \$9.4 billion, an increase of \$900 million. The table below shows the CERBT asset growth in billions and contributions since 2007.

Prefunding Programs Annual Status Report

Prepared for: Finance and Administration Committee Period Ending June 30, 2021

Item 5e, Attachment 2

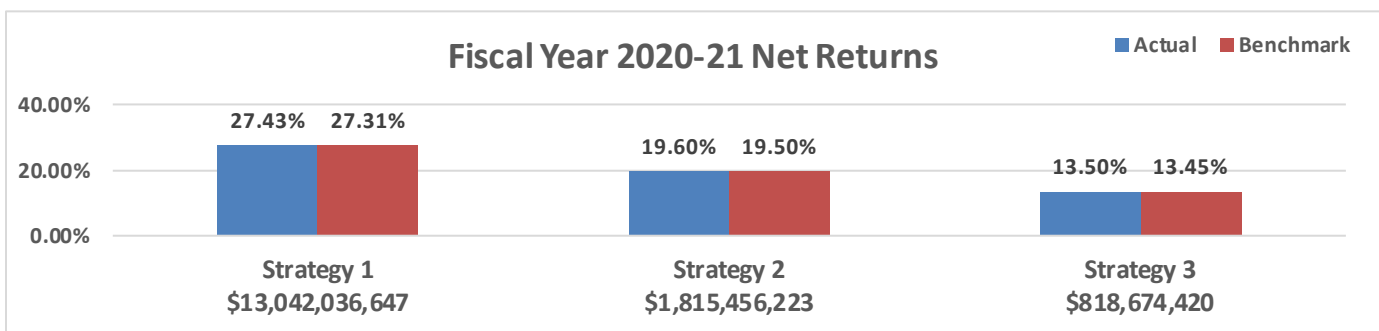
Page 3 of 9



Prepared for: Finance and Administration Committee - Period Ending June 30, 2021

Investment Performance

The CERBT Fund returns net of fees for the 12 months ending June 30, 2021, as compared to their respective benchmarks is shown in the chart below. CERBT Strategy 1 posted the highest returns, which are primarily attributable to a higher allocation to global equities. Global equities was the strongest performing asset class during the previous fiscal year.



Asset Allocation Strategies

Each strategy offers a distinctly different long-term expected return and return volatility. Strategy 1 has the highest long-term expected rate of return and return volatility while Strategy 3 has the lowest long-term expected rate of return and return volatility.

Prefunding Programs Annual Status Report

Prepared for: Finance and Administration Committee Period Ending June 30, 2021

Item 5e, Attachment 2
Page 4 of 9

Strategy Options	Expected Rate of Return	Standard Deviation
Strategy 1	7.59%	11.83%
Strategy 2	7.01%	9.24%
Strategy 3	6.22%	7.28%

California Employers' Pension Prefunding Trust (CEPPT)

Program Overview

California Employers' Pension Prefunding Trust Fund (CEPPT) is CalPERS's newest program that became operational in July 2019. CEPPT is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. Even those not contracted with CalPERS are potentially eligible to participate. CEPPT also offers excellent investment management, low total participation cost, personal direct service support, and financial reporting compliance with governmental accounting standards.

Program Update

Program Improvements

Program developments made to promote more efficient and effective operation performance and increase service delivery to employers were:

- Added CEPPT Program to myCalPERS to provide automated self-service account capabilities and improve program transparency with employers and CalPERS team.
- Increased customer outreach by providing quarterly account updates to all contracted employers.
- Automated the contribution payment process to improve consistency, internal controls and streamlined operations.
- Utilized virtual technology to move workshops online leading to increased participation and more frequent offerings throughout the year.
- Added 28 new employers to the CEPPT, increasing participation by 187%.

Participating Employer Enrollments and Contributions

The CEPPT program provides employers an opportunity to save money by investing now for their future pension contributions, by using investment earnings to offset future pension expenses.

As of June 30, 2021, CEPPT contracted employers increased to 43 employers. Since 2019, the program continues to grow while retaining 100% of the employer participants. When comparing the last two fiscal years, shown in the table below, the percentage of assets under management (AUM) increased by 427% and the number of participating employers increased by 187%. Since inception, program team members have

Prefunding Programs Annual Status Report

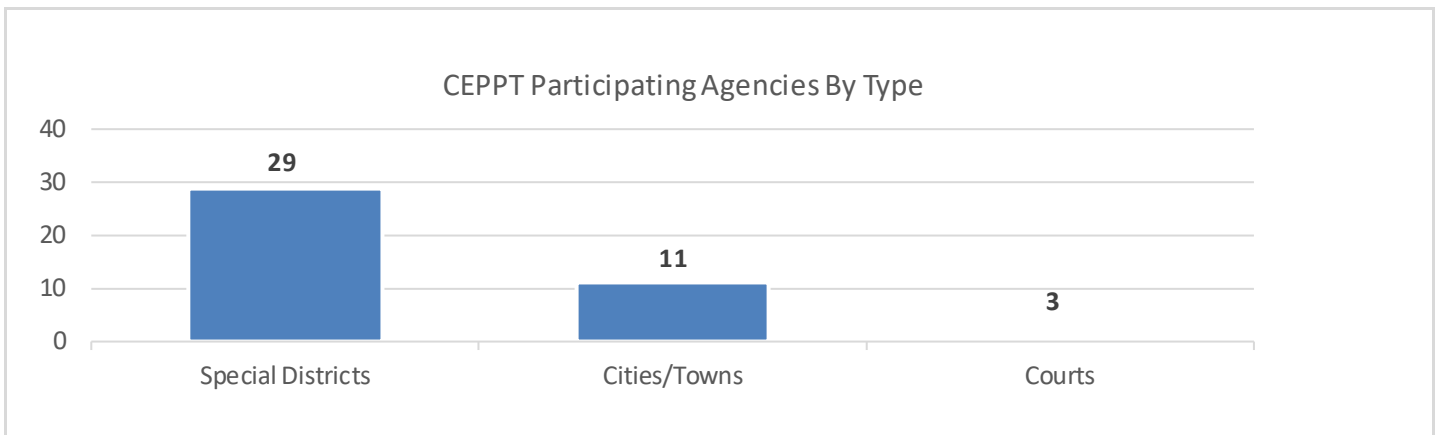
Prepared for: Finance and Administration Committee Period Ending June 30, 2021

hosted in person and virtual workshops to communicate the advantages of the CEPPT program and increased customer outreach by phone calls and emails.

	Total Participating Employers	Net Contributions	AUM
FY 2020-21	43	\$54.6 million	\$58 million
FY 2019-20	15	\$10.5 million	\$11 million

CEPPT Participants by Agency Type and New Agencies

Special districts represent the highest proportion of participating agencies in CEPPT. The table below provides the names of the 28 new contracting employers added to the CEPPT in FY 2020-21. The new employers contributed \$36 million in contributions to the program.



New Employers: Auburn Area Recreation and Park District, Beaumont-Cherry Valley Recreation and Park District, Butte County Mosquito and Vector Control District, Chino Basin Water Conservation District, City of Belvedere, City of Burbank, City of Hayward, City of Laguna Woods, City of Maywood, City of Santa Fe Springs, City of Shasta Lake, City of Sierra Madre, El Dorado County Transit Authority, Golden Sierra Job Training Agency, Los Angeles County Development Authority, Morongo Basin Transit Authority, Sacramento Area Council of Governments, Salinas Valley Solid Waste Authority, San Diego County Law Library, San Gabriel Valley Council of Governments, San Mateo County Law Library, Santa Clara County Housing Authority, Scotts Valley Fire Protection District, Shasta Regional Transportation Agency, Sierra-Sacramento Valley Emergency Medical Services Agency, South Placer Municipal Utility District, Trabuco Canyon Water District, Truckee Fire Protection District

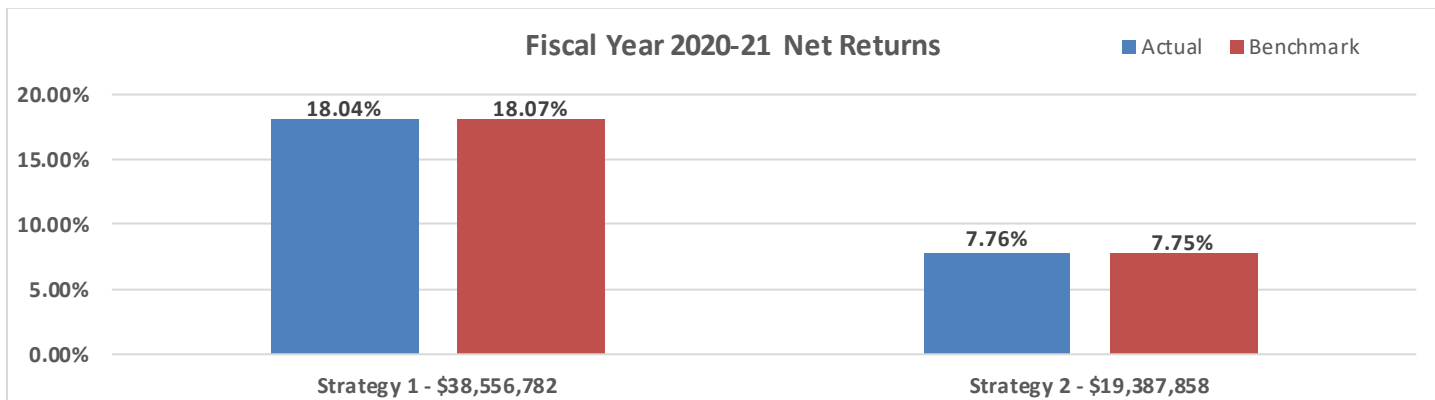
Investment Performance

The CEPPT Fund returns net of fees since their funding dates, as compared to their respective benchmarks is shown in the chart below. The performance inception date for Strategy 1 is October 1, 2019; the performance inception date for Strategy 2 is January 1, 2020.

Prefunding Programs Annual Status Report

Prepared for: Finance and Administration Committee Period Ending July 31, 2021

Item 5e, Attachment 2
Page 6 of 9



Asset Allocations Strategies

Each strategy offers a distinctly different long-term expected return and return volatility. Strategy 1 has the highest long-term expected rate of return and return volatility while Strategy 2 has the lowest long-term expected rate of return and return volatility.

Strategy Options	Expected Rate of Return	Standard Deviation
Strategy 1	5.00%	8.2%
Strategy 2	4.00%	5.2%

Supplemental Income Plan (SIP)

Program Overview

The Supplemental Income Plan (SIP) program offers two deferred compensation plans—the CalPERS 457 and the Supplemental Contributions Plan (SCP). The CalPERS 457 Plan was established in 1995 and is referenced in section 21670 of the California Public Employees’ Retirement Law (PERL). The CalPERS 457 Plan is a deferred compensation supplemental retirement income plan that is available to employees of local public agencies and schools that contract with CalPERS for this plan. The CalPERS Supplemental Contributions Program (SCP) was established in 1999 and is referenced in section 22970 of the PERL. The SCP is an after-tax supplemental contributions program available to state employees, as well as active judges who are members of the Judge’s Retirement System I and II.

Program Update

Program Improvements

Below are program improvements made in 2020-21 to promote more efficient and effective operation performance and increase service delivery to employers:

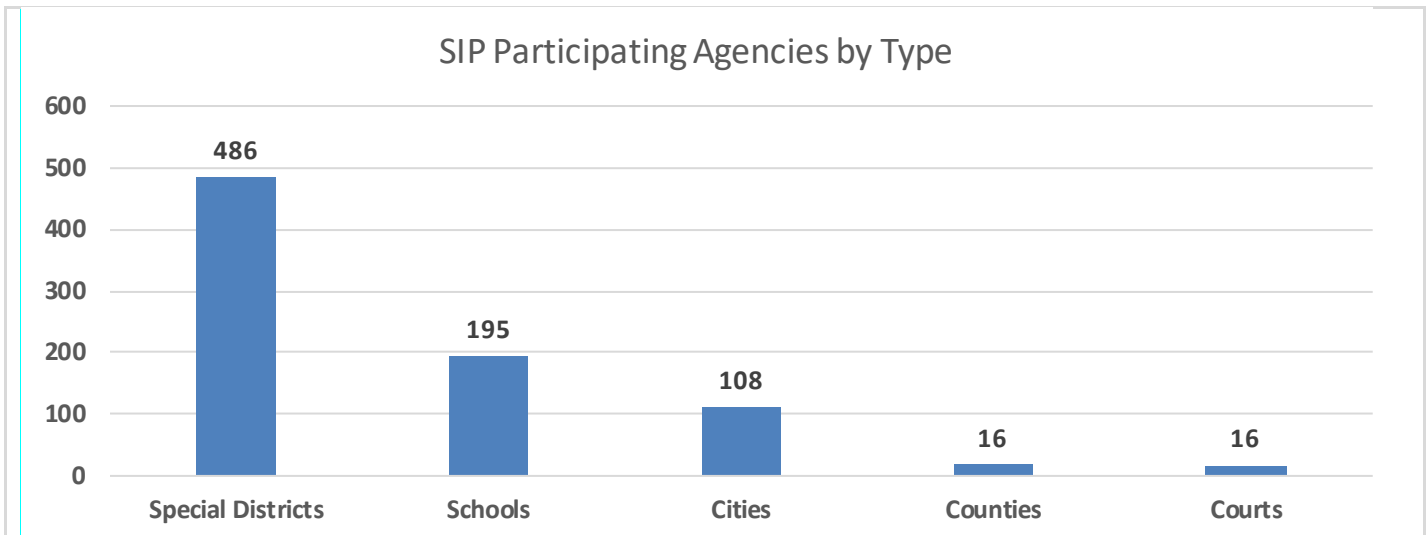
- Created and distributed an “end-of-year” annual summary email to all contracting agencies with personalized agency participant demographic statistics.
- Conducted ongoing Roth awareness campaign resulting in 229 agency Roth provisions adopted since implementation, 875 participant accounts created, and \$5.89 million in assets under management since inception in 2019.
- Created and distributed “ready-to-use” digital material to contracting agencies that enables agencies greater ease in promoting the CalPERS plan to their employees.
- Expanded social media outreach on Facebook, Twitter and LinkedIn featuring CalPERS 457 Plan offerings and participant services.
- Implemented “Go Green” campaign to sign up participants for future electronic campaign efforts to increase engagement and enrollments in the CalPERS 457 Plan.
- Distributed education materials to assist participants who took coronavirus-related distributions (CRDs).

Employer Retention

SIP team members have a proactive agency retention program that utilizes both internal communication methods and in-person or teleconference outreach meetings to ensure quality customer service at the agency level. For FY 2020-21, SIP team members conducted teleconference plan reviews with 30 of the contracting employers. Also, the SIP team created and distributed a “end-of-year” annual summary email to all contracting agencies with personalized agency participant demographic statistics.

In addition, SIP’s third-party administrator, Voya Financial, provides participant education and field services to all SIP contracting employers. This ensures that at the participant level all active and prospective participants have a venue to learn about SIP and have their questions answered. For FY 2020-21, Voya team members conducted limited in-person plan reviews due to the travel restrictions associated with the pandemic. However, a strategic telephone, conference call and webinar campaign yielded substantial support to 457 Plan participants. Voya team members conducted 592 in-person account reviews, 5,483 telephone account reviews, 425 group presentations, and 42 webinars.

There is a total of 821 employers participating in the SIP program. Special districts represent the highest proportion of participating agencies in SIP followed by schools and school employers. The table below provides a breakout of participating agency types along with a list of new agencies (7) for FY 2020-21.



New Employers: California Interscholastic Federation-Central Section, Hilton Creek Community Services District, Housing Authority of the County of Butte, Lancaster School District, Kern High School District, Fresno County Fire Protection District, Graton Fire Protection District

Participant Enrollments and Contributions

During FY 2020-21 SIP employer participants remained consistent with the previous fiscal year at 821. Assets under management increased to \$2.30 billion, an increase of \$420 million. During the same period, the table below shows participant cumulative net contributions were \$117.1 million, an increase of \$3.2 million. When comparing the latest two fiscal years shown in the table below, the percentage of AUM increased by 22%.

FY	Participating Employers	Participant Contributions	Plan members	AUM
FY 2020-21	*821	\$117.1 million	38,236	\$2.30 billion
FY 2019-20	*821	\$113.9 million	38,482	\$1.88 billion

*During FY 2020-21 there were seven new agency adoptions. However, there were also seven agency terminations. The net result is a zero gain/loss compared to previous year.

Investment Update

Fund Assets and Cumulative Net Contributions

During FY 2020-21, SIP assets increased to \$2.30 billion in AUM, an increase of \$420 million. During the same period, participant cumulative net contributions were \$117.1 million an increase of \$3.2 million.

CalPERS Target Retirement Date Fund Highlights

Returns were between 12.56% and 38.40% before fees for the 12 months ending June 30, 2021, and all underperformed their respective benchmarks by between -0.02 and -0.08 basis points on a gross basis.

The CalPERS Target Retirement Date Funds and Core Fund returns before fees for the 12 months ending June 30, 2021, as compared to their respective benchmarks is shown in the table below.

Fund	Assets	Gross Return	Benchmark	Excess
TARGET RETIREMENT DATE FUNDS				
Income	\$120,043,194	12.56%	12.59%	-0.02%
2015	\$98,915,984	13.54%	13.57%	-0.03%
2020	\$186,901,904	18.45%	18.48%	-0.03%
2025	\$226,851,996	23.47%	23.51%	-0.03%
2030	\$212,922,742	28.65%	28.69%	-0.04%
2035	\$131,504,118	34.08%	34.12%	-0.04%
2040	\$124,293,439	38.40%	38.44%	-0.04%
2045	\$69,373,303	38.40%	38.44%	-0.04%
2050	\$38,840,389	38.40%	38.44%	-0.04%
2055	\$13,828,356	38.40%	38.44%	-0.04%
2060	\$7,125,569	38.36%	38.44%	-0.08%

Fund	Assets	Gross Return	Benchmark	Excess
CORE FUNDS				
US Equity Index Fund	\$708,652,119	44.27%	44.16%	0.10%
International Equity Index Fund	\$78,613,247	36.98%	37.18%	-0.20%
Real Assets Fund	\$11,985,631	31.07%	31.16%	-0.09%
Intermediate-Term Bond Index Fund	\$64,304,296	-0.36%	-0.33%	-0.03%
Short-Term Bond Index Fund	\$40,088,573	0.39%	0.44%	-0.05%
Short-Term Investment Fund	\$109,453,489	0.15%	0.09%	0.05%

On October 1, 2020 the annual glide path rebalance was applied to the Target Retirement Date Funds , which moves certain funds to a slightly more conservative allocation.

MacLeod Watts

Hidden Valley Lake Community Services District Other Post-Employment Benefit Prefunding Illustrations

On these two pages, we've prepared three charts showing the OPEB Actuarial Accrued Liability. This is also referred to as the Total OPEB Liability for GASB accounting purposes. These charts also show normal costs (a.k.a. service cost) and development of the Actuarially Determined Contribution levels ("ADCs") for fiscal years ending June 30, 2022 and June 30, 2023. **The results in the three charts differ only by the assumed long-term return on trust assets**, which in turn, depends on the specific investment/allocation strategy selected by the District if a trust is established. We have illustrated assumed returns of 4%, 5% and 6%.

Each chart ends with the *estimated* District contribution that would need to be made to the OPEB trust in these years to satisfy the ADC level of funding for that year. The reason these trust contributions are estimates is because the retiree benefit payments for the year are also estimates. If total benefit payments for the year are lower, then the amount to pay to the trust would be slightly higher. If total retiree benefits are higher, then the trust contribution would be slightly less.

We can briefly summarize the results as follows, based on the three assumed annual trust returns:

- At 4% per year, the trust contributions would be close to \$120,000 per year.
- At 5% per year, the trust contributions would be close to \$100,000 per year.
- At 6% per year, the trust contributions would be roughly \$80,000 per year.

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	4.00%	4.00%
Actuarial Accrued Liability	1,116,653	1,232,844
Market Value of Assets	-	116,463
Unfunded Actuarial Accrued Liability	1,116,653	1,116,381
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	26.1695	25.4138
Actuarially Determined Contribution (ADC)		
Normal Cost	96,298	99,187
Amortization of Unfunded Liability	42,670	43,928
Interest to end of year	5,559	5,725
Total ADC	144,527	148,840
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 116,463	\$ 115,345

MacLeod Watts

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	5.00%	5.00%
Actuarial Accrued Liability	964,625	1,064,926
Market Value of Assets	-	96,779
Unfunded Actuarial Accrued Liability	964,625	968,147
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	23.0153	22.4428
Actuarially Determined Contribution (ADC)		
Normal Cost	76,986	79,296
Amortization of Unfunded Liability	41,912	43,138
Interest to end of year	5,945	6,122
Total ADC	124,843	128,556
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 96,779	\$ 95,061

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	6.00%	6.00%
Actuarial Accrued Liability	841,193	928,535
Market Value of Assets	-	80,577
Unfunded Actuarial Accrued Liability	841,193	847,958
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	20.4011	19.9662
Actuarially Determined Contribution (ADC)		
Normal Cost	62,053	63,915
Amortization of Unfunded Liability	41,233	42,470
Interest to end of year	6,197	6,383
Total ADC	109,483	112,768
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 81,419	\$ 79,273

NET PERFORMANCE FEE ANALYSIS

As of December 31, 2021

Over 1 Year		Over 3 Years		Over 5 Years		Over 10 Years	
PARS/HIGHMARK		PARS/HIGHMARK		PARS/HIGHMARK		PARS/HIGHMARK	
Capital Appreciation (25% Fixed Income/Cash)	14.96%	Capital Appreciation (25% Fixed Income/Cash)	17.30%	Capital Appreciation (25% Fixed Income/Cash)	12.15%	Capital Appreciation (25% Fixed Income/Cash)	10.83%
minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%
minus weighted HighMark investment management fee	(-) 0.35%	minus weighted HighMark investment management fee	(-) 0.35%	minus weighted HighMark investment management fee	(-) 0.35%	minus weighted HighMark investment management fee	(-) 0.35%
1-Year Net Return	14.36%	3-Year Net Return	16.70%	5-Year Net Return	11.55%	10-Year Net Return	10.23%

CALPERS CERBT		CALPERS CERBT		CALPERS CERBT		CALPERS CERBT	
Strategy 1 (30% Fixed Income/Cash)	13.72%	Strategy 1 (30% Fixed Income/Cash)	16.22%	Strategy 1 (30% Fixed Income/Cash)	11.26%	Strategy 1 (30% Fixed Income/Cash)	9.54%
minus fees	(-) 0.10%	minus fees	(-) 0.10%	minus fees	(-) 0.10%	minus fees	(-) 0.10%
1-Year Net Return	13.63%	3-Year Net Return	16.12%	5-Year Net Return	11.17%	10-Year Net Return	9.43%

* Subject to change due to rebalancing; fees are based on assets under \$5 million.
Past performance does not guarantee future results.

PARS 115 TRUST TEAM

Trust Administrator & Consultant

PUBLIC AGENCY RETIREMENT SERVICES
PARS
TRUSTED SOLUTIONS. LASTING RESULTS.

- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

37	2,000+	1,000+	430+	500 K+	\$6.6B
Years of Experience (1984-2021)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguards plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

158	\$5.0T
Years of Experience (1863-2021)	Assets under Administration

Investment Manager



- Investment sub-advisor to trustee, U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

102	\$18.8B
Years of Experience (1919-2021)	Assets under Management/Advisement

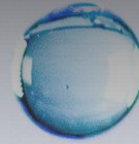
PUBLIC AGENCY RETIREMENT SERVICES
PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

PARS 115 Trust – OPEB Prefunding Program & Pension Rate Stabilization Program (PRSP)
December 21, 2021

CONTACTS



Rachael Sanders, CEBS
Senior Manager, Consulting
(800) 540-6369 x121
rsanders@pars.org

PARS 115 TRUST TEAM

Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

37 Years of Experience (1984-2021)	2,000+ Plans under Administration	1,000+ Public Agency Clients	430+ 115 Trust Clients	500 K+ Plan Participants	\$6.6B Assets under Administration
---	--	---	-------------------------------------	---------------------------------------	---

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguards plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

158 Years of Experience (1863-2021)	\$5.0T Assets under Administration
--	---

Investment Manager



- Investment sub-advisor to trustee, U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

102 Years of Experience (1919-2021)	\$18.8B Assets under Management/Advisement
--	---

115 TRUST – OPEB/PENSION CLIENT LIST

Updated December 2021

CITIES & TOWNS (139)

Alameda
 Alhambra
 Anaheim
 Atherton
 Atwater
 Bakersfield
 Beaumont
 Bell Gardens
 Benicia
 Beverly Hills
 Brea
 Brisbane
 Burlingame
 Camarillo
 Capitola
 Carmel
 Chino Hills
 Chula Vista
 Claremont
 Colma
 Commerce
 Corcoran
 Coronado
 Costa Mesa
 Covina
 Crescent City
 Cudahy
 Cupertino
 Cypress
 Daly City
 Del Rey Oaks
 Dinuba
 Duarte
 Dublin
 El Cajon
 El Centro
 El Segundo
 Elk Grove
 Emeryville
 Escondido
 Fairfax
 Fairfield
 Fountain Valley
 Fullerton
 Galt
 Garden Grove
 Gilroy
 Glendale
 Goleta
 Grass Valley
 Half Moon Bay
 Healdsburg
 Hemet
 Hercules
 Hermosa Beach
 Huntington Beach
 Indian Wells
 Indio
 La Habra
 La Mesa
 La Quinta
 La Verne
 Laguna Niguel
 Lake Forest
 Lakewood
 Lemon Grove
 Livermore
 Lodi
 Los Alamitos
 Los Altos Hills

Mammoth Lakes
 Manhattan Beach
 Merced
 Monrovia
 Morgan Hill
 Napa
 National City
 Norco
 Norwalk
 Novato
 Oakley
 Orinda
 Oroville
 Pacifica
 Palmdale
 Palo Alto
 Pasadena
 Perris
 Pico Rivera
 Piedmont
 Pinole
 Pittsburg
 Placentia
 Pleasanton
 Port Hueneme
 Rancho Cucamonga
 Redding
 Redwood City
 Rialto
 Richmond
 Riverside
 Rohnert Park
 Rolling Hills
 Rosemead
 Ross

Salinas
 San Anselmo
 San Jacinto
 San Leandro
 San Ramon
 Santa Ana
 Santa Clara
 Santa Clarita
 Sausalito
 Selma
 Solana Beach
 Stanton
 Stockton
 Taft
 Temecula
 Temple City
 Thousand Oaks
 Tiburon
 Tustin
 Twentynine Palms
 Union City
 Upland
 Vallejo
 Villa Park
 Walnut
 West Covina
 West Sacramento
 Westminster
 Winters
 Woodland
 Woodside
 Yountville
 Yuba City
 Yucca Valley

COUNTIES (31)

Alpine
 Amador
 Calaveras
 Colusa
 Contra Costa
 Humboldt
 Imperial
 Inyo
 Kern
 Kings
 Lake
 Lassen
 Mariposa
 Merced
 Mono
 Monterey
 Napa
 Nevada
 Placer
 Plumas
 Riverside
 San Benito
 Shasta
 Siskiyou
 Solano
 Sonoma
 Sutter
 Trinity
 Tulare
 Yolo
 Yuba

115 TRUST – OPEB/PENSION CLIENT LIST

Updated December 2021

SPECIAL DISTRICTS (108)

Agoura Hills/Calabasas Community Center Authority
Alameda County Mosquito Abatement District
Beach Cities Health District
Bighorn-Desert View Water Agency
Bodega Bay Public Utilities District
Calaveras County Water District
California Joint Powers Insurance Authority
California Joint Powers Risk Management Authority
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Coastline Regional Occupational Program
Coastside Fire Protection District
Conejo Recreation & Park District
Contra Costa County EEs' Retirement Association
Contra Costa Mosquito and Vector Control District
Crestline Village Water District
Delta Diablo
Desert Recreation District
East Bay Regional Park District
East Contra Costa Fire Protection District
East Orange County Water District
Eastern Sierra Community Services District
Eastern Sierra Transit Authority
El Dorado Hills County Water (& Fire) District
Fallbrook Public Utility District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District
Goleta Cemetery District
Goleta West Sanitary District
Great Basin Unified Air Pollution Control District
Greater Vallejo Recreation District
Hayward Area Recreation & Park District
Hesperia Fire Protection District
Housing Authority of the County of Butte
Housing Authority of the County of Contra Costa
Housing Authority of the County of San Bernardino
Housing Authority of the County of Santa Cruz
Humboldt Bay Fire Joint Powers Authority
Humboldt Bay Municipal Water District

Humboldt No. 1 Fire Protection District
Menlo Park Fire Protection District
Mesa Water District
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
Mid-Peninsula Water District
Mojave Desert Air Quality Management District
Montecito Fire Protection District
Monterey Bay Unified Air Pollution Control District
Moraga-Orinda Fire Protection District
Mosquito & Vector Mgmt Dist. of Santa Barbara Co.
Mountains Recreation and Conservation Authority
Municipal Pooling Authority
Municipal Water District of Orange County
Napa County Mosquito Abatement District
Nevada County Consolidated Fire District
North Central Fire Protection District
Northern Salinas Valley Mosquito Abatement District
Novato Sanitary District
Orange County Fire Authority
Orange County LAFCO
Orange County Mosquito and Vector Control District
Orange County Water District
Orchard Dale Water District
Public Agency Risk Sharing Authority of CA (PARSAC)
Pebble Beach Community Services District
Placentia Library District
Placer County Air Pollution Control District
Placer County Resource Conservation District
Rancho Cucamonga Fire Protection District
Rancho Murieta Community Services District
Regional Housing Authority
Rowland Water District
Sacramento Area Flood Control Agency
San Andreas Sanitary District
San Elijo Joint Powers Authority
San Mateo County Mosquito & Vector Control District
Santa Barbara County Law Library
Santa Cruz Regional 9-1-1 JPA
Santa Fe Irrigation District

Sewer Authority Mid-Coastside
Shasta Valley Cemetery District
South Coast Water District
South Montebello Irrigation District
South Orange County Wastewater Authority
South Placer Fire Protection District
Southern Marin Fire Protection District
State Water Contractors
Superior Court of CA, County of Imperial
Superior Court of CA, County of Inyo
Superior Court of CA, County of Kern
Superior Court of CA, County of Marin
Superior Court of CA, County of Merced
Superior Court of CA, County of Orange
Superior Court of CA, County of San Mateo
Superior Court of CA, County of Shasta
Superior Court of CA, County of Siskiyou
Superior Court of CA, County of Sonoma
Sweetwater Springs Water District
Three Valleys Municipal Water District
Twentynine Palms Water District
Ventura Regional Sanitation District
Walnut Valley Water District
West Bay Sanitary District
West County Wastewater District
Western Riverside Council of Governments
Yorba Linda Water District
Zone 7 Water Agency

EDUCATION DISTRICTS (3)

Shasta County Office of Education
Sonoma County Office of Education
Intelcom

115 TRUST – OPEB/PENSION CLIENT LIST

Updated December 2021

SCHOOL DISTRICTS (52)

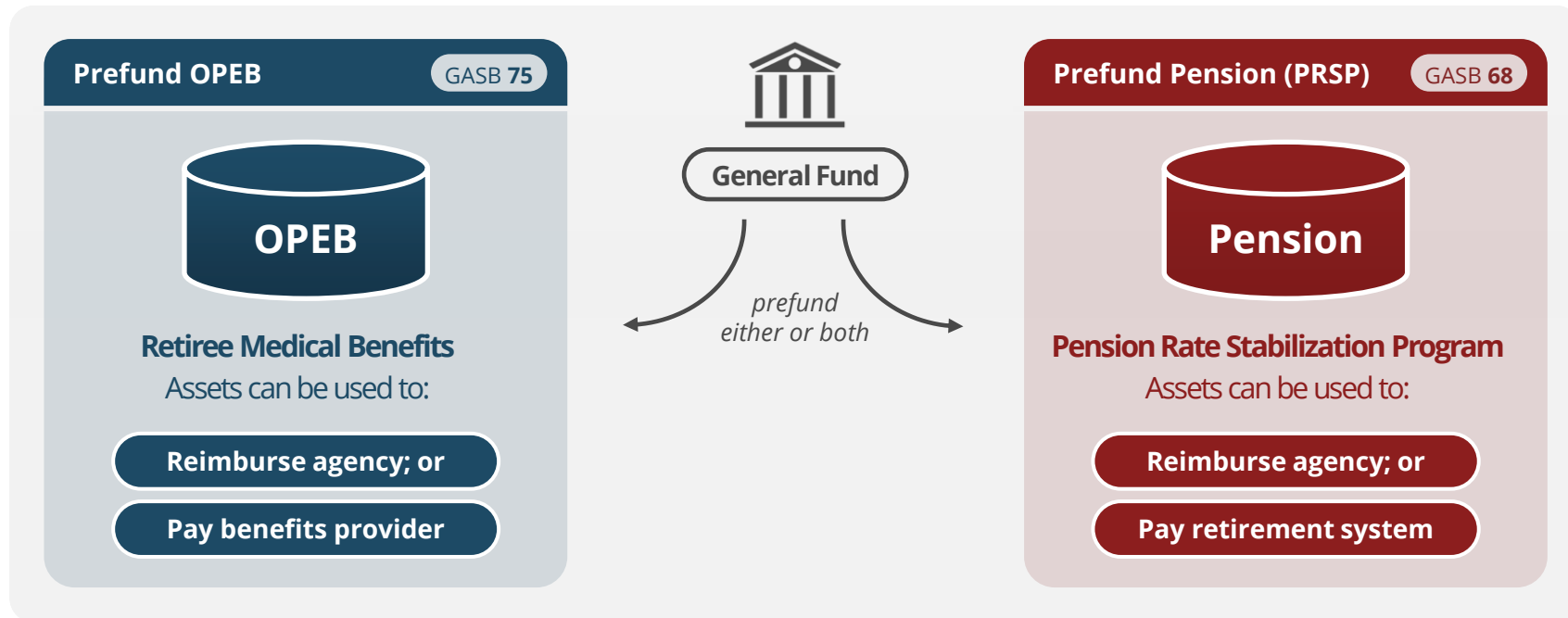
Alisal Union School District
Alta Loma School District
Auburn Union School District
Bass Lake Joint Union Elementary School District
Bellflower Unified School District
Beverly Hills Unified School District
Brea Olinda Unified School District
Calistoga Joint Unified School District
Campbell Union High School District
Compton Unified School District
Corning Union Elementary School District
Coronado Unified School District
Cotati-Rohnert Park Unified School District
El Dorado Union High School District
El Monte Union High School District
Folsom Cordova Unified School District
Fontana Unified School District
Fowler Unified School District
Hermosa Beach City School District
Hesperia Unified School District
Hughes-Elizabeth Lakes Union Elementary School District
John Swett Unified School District
Lakeside Union School District (San Diego)
Lemon Grove School District
Lindsay Unified School District
Madera Unified School District
Manteca Unified School District
Moreno Valley Unified School District
Napa Valley Unified School District
Natomas Unified School District
Newport-Mesa Unified School District

Ocean View School District (Ventura)
Ontario-Montclair School District
Orcutt Union School District
Palmdale School District
Placer Union High School District
Porterville Unified School District
Poway Unified School District
Red Bluff Joint Union High School District
Red Bluff Union Elementary School District
River Delta Unified School District
Riverdale Joint Unified School District
San Bruno Park School District
San Dieguito Union High School District
San Marino Unified School District
Santa Barbara Unified School District
Santa Rita Union School District
Trona Joint Unified School District
Visalia Unified School District
Westside Union School District
Whittier City School District
Wilsona School District

COMMUNITY COLLEGE DISTRICTS (18)

Allan Hancock CCD	Rancho Santiago CCD
Citrus CCD	Rio Hondo CCD
Coast CCD	San Bernardino CCD
Grossmont-Cuyamaca CCD	San Luis Obispo County CCD (Cuesta)
Hartnell CCD	Shasta-Trinity-Tehama Joint CCD
Imperial CCD	State Center CCD
Marin CCD	Victor Valley CCD
Palo Verde CCD	West Valley-Mission CCD
Pasadena Area CCD	Yosemite CCD

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

OPEB and Pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center



Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



Flexible Investing

Allows separate investment strategies for OPEB and Pension subaccounts.



Anytime Access

Trust funds are available anytime; OPEB for OPEB and Pension for Pension.



Economies-of-Scale

OPEB and Pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

The

PARS OTHER POST-EMPLOYMENT BENEFITS PROGRAM

for prefunding retiree medical obligations

OPEB ACTUARIAL RESULTS

Data from 2021 Audited Financials Valuation Date: June 30, 2020	Pay-as-you-Go Discount Rate: 2.45%	Percent Change	Prefunding Discount Rate: 6.45%
Total OPEB Liability (TOL)	\$1,600,339	40-48% ▼	?
Fiduciary Net Position	\$0	--	\$0
Net OPEB Liability (NOL)	\$1,600,339	40-48% ▼	?
Service Cost for FY 2020-21	\$176,637	--	?
Annual Benefit Payments (Pay-as-you-Go) for FY 2020-21	\$32,845	--	\$32,845

Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

WHY PREFUND OPEB OBLIGATIONS?

- Greater expected rate of return (discount rate) which lowers your liabilities
- Contributions into trust are “assets” that offset liabilities on financial statements
- GASB 68 – Pension liabilities listed as line item on Balance Sheet in 2015
GASB 75 – OPEB liabilities listed as line item on Balance sheet in 2018
- GFOA recommends prefunding OPEB and considers it “best practice” (January 2012)
- Credit rating companies look more favorably on agencies who adopt an Irrevocable Trust and prefund
 - At least 4 agencies have improved credit rating
 - Higher credit rating means lower borrowing costs
- OPEB assets are accessible for OPEB expenses at any time
- Prefunding has no downside other than market fluctuation (similar to pension)

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations

BACKGROUND – PENSION

- Since 2015, GASB 68 has required disclosing Net Pension Liability on financial statements as a line item on the balance sheet
- Before the concept of pension prefunding, the only way to reduce retirement system unfunded liabilities was to send additional contributions in excess of annual required employer contributions
- Pension trust prefunding assets can be transferred to the retirement system at the Agency's direction, which can help offset future rate increases (i.e., pension rate stabilization).

CalPERS Changes

CalPERS has announced changes directly affecting unfunded liability amounts and employer contributions:

Lowering of Discount Rate ¹

7.0%
▼
6.8%

CalPERS is lowering the discount rate from 7.0% to 6.8%. The impact will be reflected in the June 30, 2021 valuation reports.

¹ Contributions from policy changes beginning FY 23-24.

Shortened Amortization Period ²

30 years
▼
20 years

New actuarial liabilities are amortized over 20 years instead of 30, increasing required annual employer contribution amounts*

² 5-year ramp up in payments beginning FY 15-16 with full impact in FY 19/20.



PENSION FUNDING STATUS

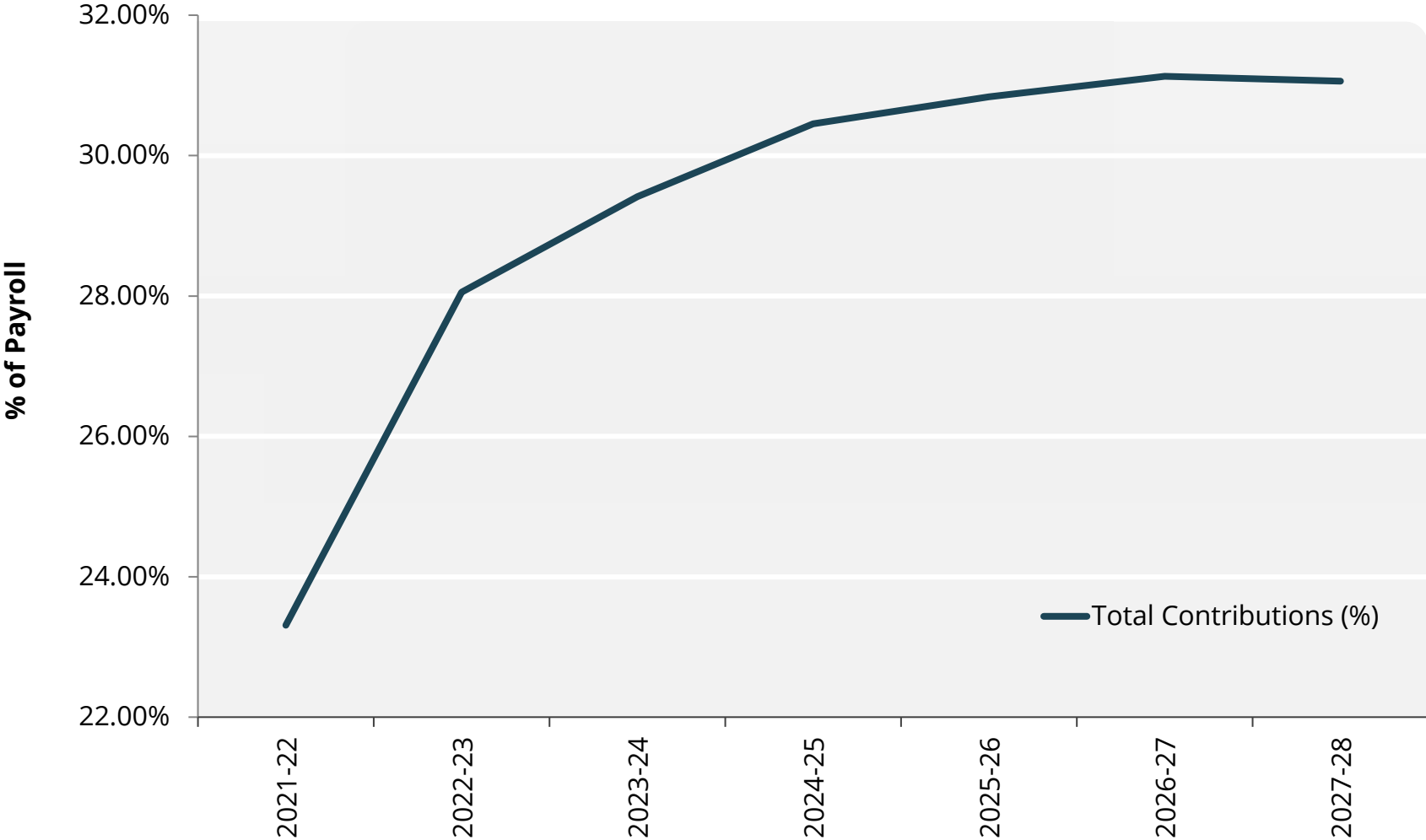
As of June 30, 2020, Hidden Valley Lake CSD's CalPERS pension plan is funded as follows:

Miscellaneous Employees*	Valuation as of June 30, 2019	Valuation as of June 30, 2020	Change
Actuarial Liability	\$6.3 M	\$6.7 M	5.6% ↑
Assets	\$4.7 M	\$5.0 M	5.0% ↑
Unfunded Liability	\$1.6 M	\$1.7 M	7.4% ↑
Funded Ratio	74.8%	74.3%	0.6% ↓
Employer Contribution Amount	\$193,110 (FY 20-21)	\$216,828 (FY 21-22)	12.3% ↑
Employer Contribution Amount – Projected *	---	\$261,587 (FY 27-28)	20.6% ↑

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

PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

Projected misc. contributions increase from \$217K to \$262K* (20.6% ↑)



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

WHY PREFUND PENSION OBLIGATIONS?

1. Complete Local Control over Assets

City has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. Pension Rate Stabilization

Assets can be transferred to the retirement system at the City's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. Diversification

Allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund; spread the risk vs. sending additional money to CalPERS

INVESTMENT FLEXIBILITY

- Agency maintains oversight of the investment manager and the portfolio's risk tolerance level
- Investment restrictions that apply to the general fund (CA Government Code 53601) are not applicable to assets held in The PARS Section 115 Irrevocable Trust
- Assets held in The PARS Section 115 Irrevocable Trust can be invested per Government Code Sections 53216 (Pension) and 53620 (OPEB)
- Investments can be diversified and invested in a prudent fashion
- Investments can be tailored to the Agency's unique demographics and needs
- Increased risk diversification



Diversified Investing

Assets held in The PARS Section 115 Irrevocable Trust can be diversely invested in a prudent fashion per Government Code Sections 53216 (Pension) and 53620 (OPEB).

GOV § 53216 (Pension)

GOV § 53620 (OPEB)



SIMPLE INVESTMENT APPROACH

1. Input Phase

- Target discount rate
- Risk tolerance
- Investment philosophy
- Asset allocation
- Timing on use of funds

2. Model Portfolios

Strategy	Equity
Capital Appreciation	65-85%
Balanced	50-70%
Moderate	40-60%
Moderately Conservative	20-40%
Conservative	5-20%

3. Dedicated Portfolio Manager

- Makes recommendation
- Fiduciary responsibility
- Drafts investment policy
- Annual on-site reviews
- Cell phone access

HIGHMARK CAPITAL MANAGEMENT

As of September 30, 2021

ACTIVE PORTFOLIO RETURNS

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	23.25%	11.22%	11.42%	11.12%
Balanced	50-70%	19.24%	10.30%	10.11%	9.83%
Moderate	40-60%	15.94%	9.54%	8.93%	8.72%
Moderately Conservative	20-40%	9.83%	7.80%	6.61%	6.64%
Conservative	5-20%	5.40%	6.58%	4.95%	4.97%

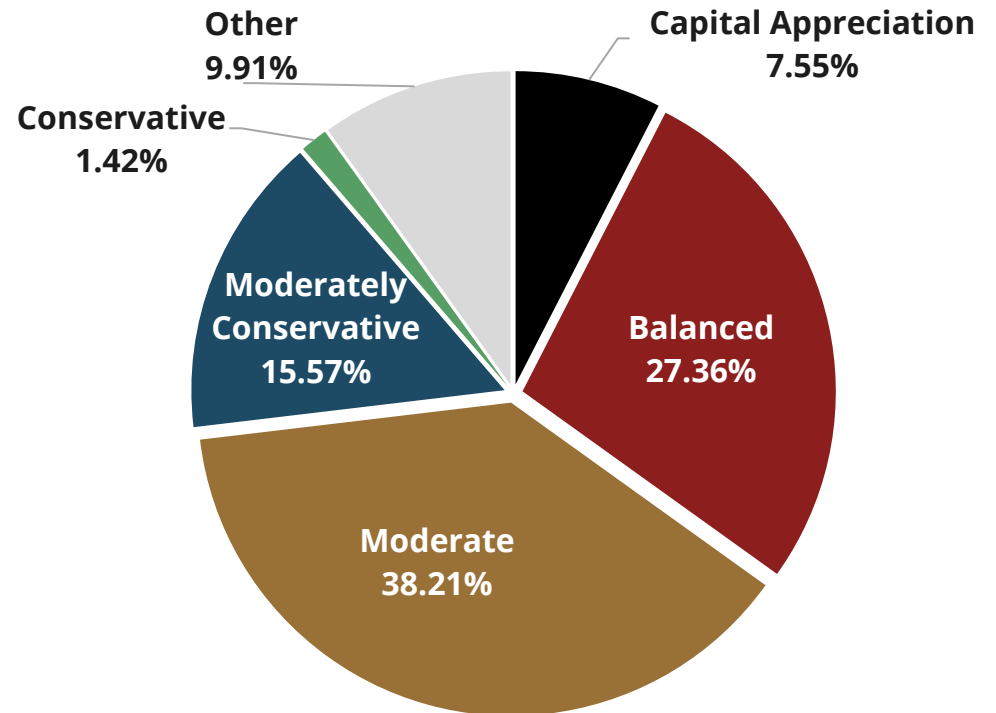
* Past performance does not guarantee future results.

OPEB STRATEGY ALLOCATION – CLIENTS

As of September 30, 2021

HIGHMARK CAPITAL MANAGEMENT

Strategy	Allocation (%)
Capital Appreciation (65-85% Equity)	7.55%
Balanced (50-70% Equity)	27.36%
Moderate (40-60% Equity)	38.21%
Mod. Conservative (20-40% Equity)	15.57%
Conservative (5-20% Equity)	1.42%
Other (Custom)	9.91%
TOTAL	100.00%



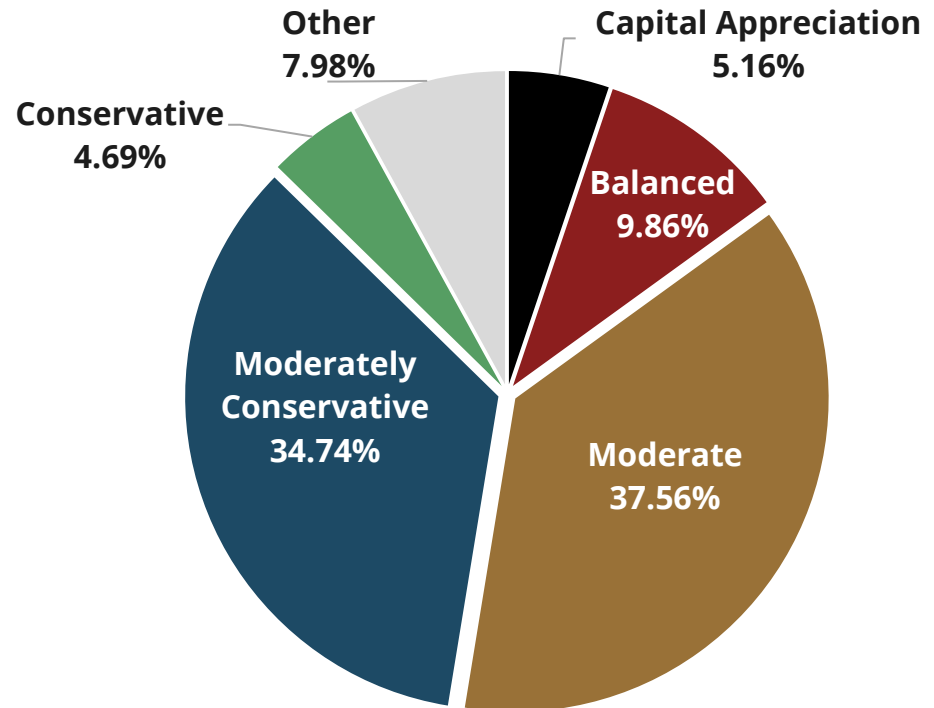
Active Platform: 57% / Passive Platform: 43%

PRSP STRATEGY ALLOCATION – CLIENTS

As of September 30, 2021

HIGHMARK CAPITAL MANAGEMENT

Strategy	Allocation (%)
Capital Appreciation (65-85% Equity)	5.16%
Balanced (50-70% Equity)	9.86%
Moderate (40-60% Equity)	37.56%
Mod. Conservative (20-40% Equity)	34.74%
Conservative (5-20% Equity)	4.69%
Other (Custom)	7.98%
TOTAL	100.00%



Active Platform: 52% / Passive Platform: 48%

PROGRAM FEES

As of September 30, 2021

Trust Administration/Consulting Fees*



Plan Set-Up Fee:

None

Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

Discretionary Trustee/Investment Management Fees**



Plan Set-Up Fee:

None

Ongoing Fees:

0.35%	for assets under \$5 million
0.25%	for assets \$5-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.

** Subject to change due to rebalancing, as fees are waived for plan assets in First American Funds (money market)

SAMPLE PENSION FUNDING POLICIES

1. Contribute 50% of a given year's realized year end surplus to address pension liability
2. Contribute full amount of annual PERS employer cont., allowing anytime access to trust assets
3. Contribute funds to stabilize PERS employer Misc. and Safety rates through FY 23-24
4. "One equals five plan" - \$1M contribution for 5 years will save taxpayers \$5M over 25 years
5. Contribute Employer contribution equal to the 2.8% discount rate (as opposed to the standard 7.5% rate), with difference going into the Section 115 Trust
6. Maintain a 15% general fund reserve and target add 'l cont. over and above that threshold
7. Earmark a portion of a local sales tax to be set aside for unfunded pension liabilities
8. Use ongoing savings from prepaying CalPERS unfunded liability vs. higher monthly payments
9. Use one-time revenue source & lower the minimum General Fund Reserve level (30% → 20%)

STEPS TO IMPLEMENTATION

- 1 Board adopts resolution authorizing Agency to join PARS Combo Trust and appoints Plan Administrator (PA)
- 2 Agency sends signed copy of resolution to PARS
- 3 PARS sends set of signature-ready documents to Agency
- 4 PARS coordinates meeting with Agency and Highmark Capital Management to discuss investment options and select strategy
- 5 Agency signs documents and returns to PARS
- 6 PARS works with Trustee/U.S. Bank to establish account
- 7 PARS notifies Agency account is ready and includes Contribution Instructions
- 8 Agency makes Contribution using Transmittal Form
- 9 PARS and Highmark conduct annual reviews (unless more frequently desired)

PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q3 2021

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

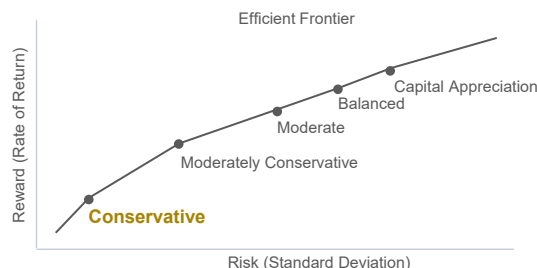
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	16%
Fixed Income	60 – 95%	80%	83%
Cash	0 – 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	-0.19%
Blended Benchmark*,**	-0.07%
Year To Date*	1.45%
Blended Benchmark*,**	1.26%
1 Year	5.40%
Blended Benchmark**	4.34%
3 Year	6.58%
Blended Benchmark**	5.94%
5 Year	4.95%
Blended Benchmark**	4.46%
10 Year	4.97%
Blended Benchmark**	4.27%

Index Plus Composite (Passive)

Current Quarter*	-0.17%
Blended Benchmark*,**	-0.07%
Year To Date*	1.01%
Blended Benchmark*,**	1.26%
1 Year	4.11%
Blended Benchmark**	4.34%
3 Year	6.19%
Blended Benchmark**	5.94%
5 Year	4.44%
Blended Benchmark**	4.46%
10 Year	4.43%
Blended Benchmark**	4.27%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% Bloomberg US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Govt, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Yr Corp./Govt, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Govt, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%
2020	9.03%

Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%
2020	8.56%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

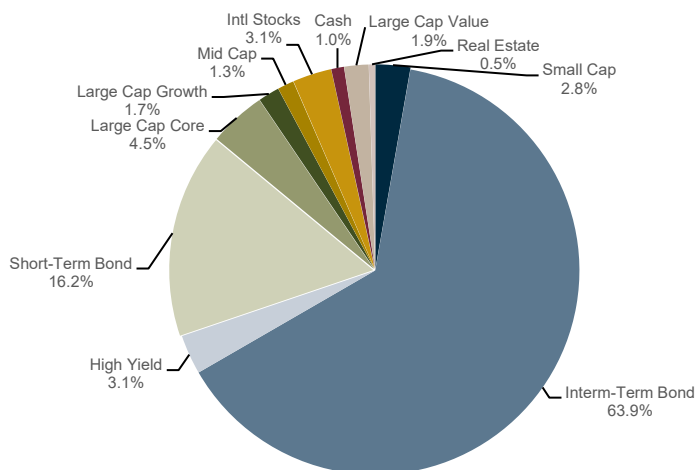
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
Vanguard High-Yield Corp Adm
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 26
Average Tenure (Years): 14

Manager Review Group

Number of Members: 8
Average Years of Experience: 20
Average Tenure (Years): 9

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q3 2021

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

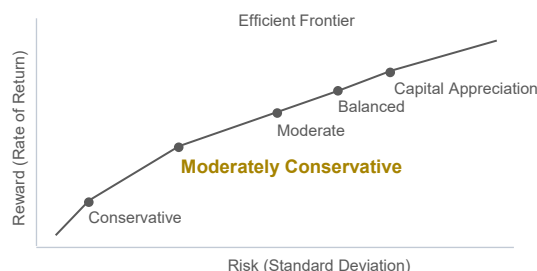
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	32%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	-0.58%	Current Quarter*	-0.32%
Blended Benchmark**, **	-0.21%	Blended Benchmark**, **	-0.21%
Year To Date*	3.36%	Year To Date*	3.16%
Blended Benchmark**, **	3.25%	Blended Benchmark**, **	3.25%
1 Year	9.83%	1 Year	8.50%
Blended Benchmark**	8.83%	Blended Benchmark**	8.83%
3 Year	7.80%	3 Year	7.52%
Blended Benchmark**	7.57%	Blended Benchmark**	7.57%
5 Year	6.61%	5 Year	6.11%
Blended Benchmark**	6.34%	Blended Benchmark**	6.34%
10 Year	6.64%	10 Year	6.15%
Blended Benchmark**	6.20%	Blended Benchmark**	6.20%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% Bloomberg US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%
2016	4.94%	2016	5.42%
2017	9.56%	2017	8.08%
2018	-2.60%	2018	-2.33%
2019	13.73%	2019	13.53%
2020	10.76%	2020	9.74%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

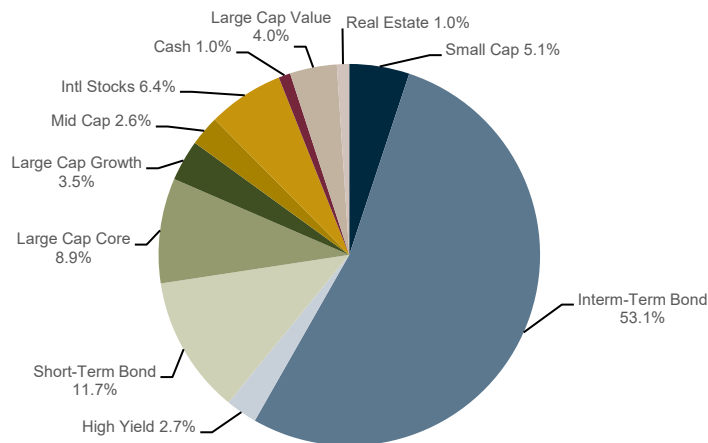
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
Vanguard High-Yield Corp Adm
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderately Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 26
Average Tenure (Years): 14

Manager Review Group

Number of Members: 8
Average Years of Experience: 20
Average Tenure (Years): 9

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

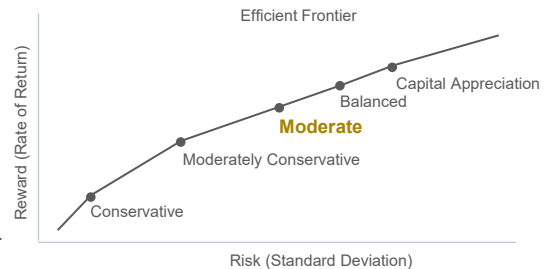
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	53%
Fixed Income	40 - 60%	45%	46%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	-1.05%
Blended Benchmark**,**	-0.41%
Year To Date*	6.00%
Blended Benchmark**,**	6.22%
1 Year	15.94%
Blended Benchmark**	15.32%
3 Year	9.54%
Blended Benchmark**	9.40%
5 Year	8.93%
Blended Benchmark**	8.73%
10 Year	8.72%
Blended Benchmark**	8.63%

Index Plus Composite (Passive)

Current Quarter*	-0.54%
Blended Benchmark**,**	-0.41%
Year To Date*	6.19%
Blended Benchmark**,**	6.22%
1 Year	14.77%
Blended Benchmark**	15.32%
3 Year	9.10%
Blended Benchmark**	9.40%
5 Year	8.34%
Blended Benchmark**	8.73%
10 Year	8.35%
Blended Benchmark**	8.63%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% Bloomberg US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp./Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%
2020	12.92%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%
2020	11.23%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

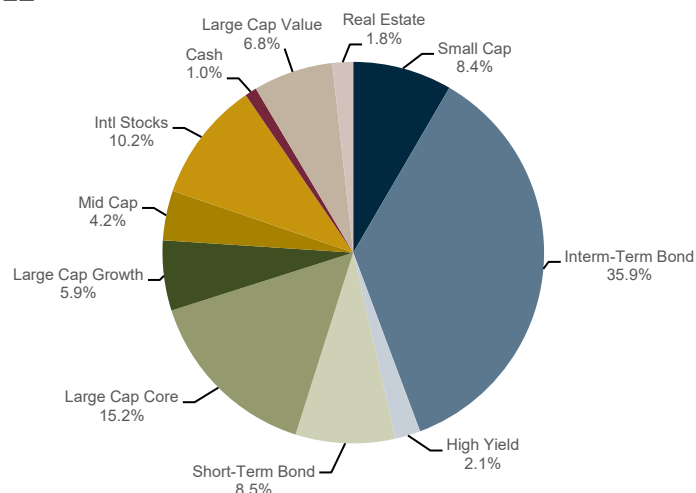
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
Vanguard High-Yield Corp Adm
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 26
Average Tenure (Years): 14

Manager Review Group

Number of Members: 8
Average Years of Experience: 20
Average Tenure (Years): 9

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS BALANCED

Q3 2021

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

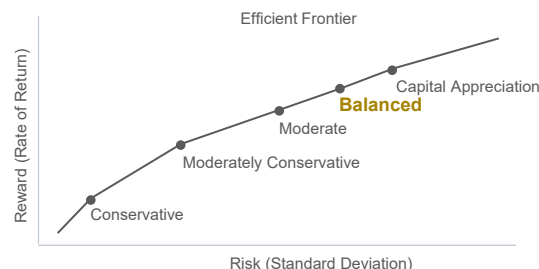
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	63%
Fixed Income	30 – 50%	35%	36%
Cash	0 – 20%	5%	1%

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)

Current Quarter*	-1.30%
Blended Benchmark*, **	-0.52%
Year To Date*	7.34%
Blended Benchmark*, **	7.71%
1 Year	19.24%
Blended Benchmark**	18.65%
3 Year	10.30%
Blended Benchmark**	10.30%
5 Year	10.11%
Blended Benchmark**	9.94%
10 Year	9.83%
Blended Benchmark**	9.87%

Index Plus Composite (Passive)

Current Quarter*	-0.66%
Blended Benchmark*, **	-0.52%
Year To Date*	7.68%
Blended Benchmark*, **	7.71%
1 Year	17.93%
Blended Benchmark**	18.65%
3 Year	9.89%
Blended Benchmark**	10.30%
5 Year	9.45%
Blended Benchmark**	9.94%
10 Year	9.44%
Blended Benchmark**	9.87%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% Bloomberg US Agg, 6.75% ICE BofA 1-3 Yr Corp/Govt, 1.25% ICE BofA US High Yield Master II, 2% Wishire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Govt, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%
2020	14.06%

Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.25%
2017	13.39%
2018	-5.05%
2019	19.59%
2020	12.07%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2006
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

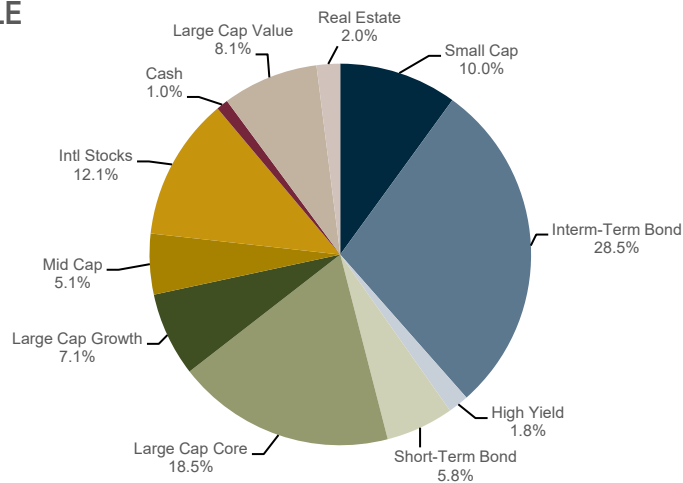
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
Vanguard High-Yield Corp Adm
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 26
Average Tenure (Years): 14

Manager Review Group

Number of Members: 8
Average Years of Experience: 20
Average Tenure (Years): 9

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q3 2021

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

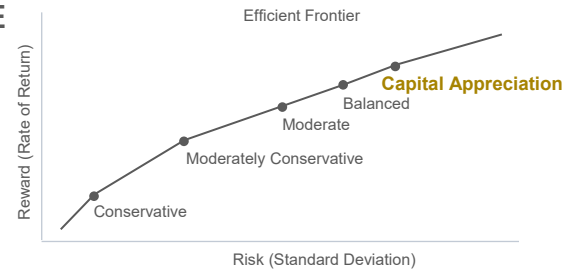
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	79%
Fixed Income	10 - 30%	20%	20%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

Current Quarter*	-1.38%
Blended Benchmark*,**	-0.68%
Year To Date*	9.30%
Blended Benchmark*,**	9.72%
1 Year	23.25%
Blended Benchmark**	23.46%
3 Year	11.22%
Blended Benchmark**	11.42%
5 Year	11.42%
Blended Benchmark**	11.58%
10 Year	11.12%
Blended Benchmark**	11.44%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% Bloomberg US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%

PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	20

HOLDINGS

HighMark Plus (Active)

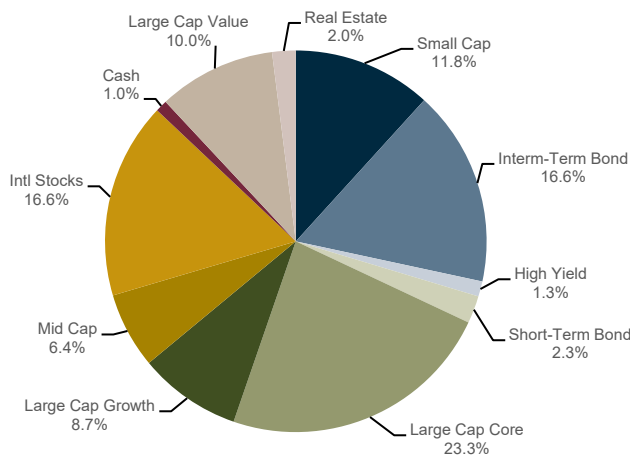
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation – Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
Vanguard High-Yield Corp Adm
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Capital Appreciation active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 26
Average Tenure (Years): 14

Manager Review Group

Number of Members: 8
Average Years of Experience: 20
Average Tenure (Years): 9

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

CalPERS Prefunding Programs

California Employers Retiree Benefit Trust
(CERBT)

Hidden Valley Lake Community Services District

Hidden Valley Lake CSD's OPEB Liabilities

OPEB Actuarial Valuation Report by MacLeod Watts

Valuation Date	6/30/2020
Total Participants (Actives + Retirees = Total Participants)	10 + 3 = 13
Discount Rate (Assumed Rate of Return)	2.45%
Total OPEB Liability	\$1,284,609
OPEB Trust Assets	\$0
Net OPEB Liability (Balance Sheet)	\$1,284,609
Funded Status	0%

Why Should You Prefund OPEB?

Increase investment income

- Outperform County Treasury & LAIF
- Build a larger base of assets to increase earnings

Reduce unfunded liabilities
and contributions

- Trust assets reduce liabilities
- Higher discount rates reduce liabilities and contributions

Prudent financial
management

- Improves financial reporting outcomes
- Contributes to preserving positive credit ratings

CERBT Customer: Then and Now

Initial contribution: 6/21/2010

OPEB Funding Policy: Contribute 100% of ADC

Fiscal Year Ending	6/30/2008 (Pay-Go)	6/30/2019 (Prefund)
Discount Rate	4.25%	7.28%
Total OPEB Liability	\$7,869,000	\$4,323,267
Cumulative CERBT Contributions	\$0	\$1,690,878
Net Investment Income Generated	\$?	\$1,039,384
CERBT Assets	\$0	\$2,715,805
Net OPEB Liability	\$7,869,000	\$1,607,462
Funded Status	0%	63%

Hidden Valley Lake CSD's Discount Rate Sensitivity

	-1% 1.45%	Current 2.45%	+1% 3.45%
Net OPEB Liability	\$1,526,937	\$1,284,609	\$1,092,657
\$ Increase (Decrease)	\$242,328	-	(\$191,962)
% Increase (Decrease)	18.9%	-	-14.9%

You Control Your Participation

- Choose your preferred portfolio option
- Contributions
 - Are always voluntary and never required
- Withdrawals/Liquidity
 - Seek reimbursement for:
 - Pay-Go Costs/Retiree Premium Payments
 - Implicit Subsidies
- Choose outside consulting OPEB actuary
 - Discount rate
 - Amortization schedule

Flexible Funding Options

- Actuarial Determined Contribution (ADC) funding method
 - 100% of ADC, net of Pay-Go or reimburse Pay-Go costs
 - Other percentage of ADC/Increasing contributions
- Other funding methods
 - Contribute fixed dollar amount annually
 - Initial contribution with future contributions undetermined
 - Ad-hoc: contribute any reserve, surplus, or one-time funds

CERBT Employer B: Cash Flow Scenario

Measurement Date	Total OPEB Liability	Cumulative CERBT Contributions	Cumulative Investment Earnings (Net)	CERBT Assets	Funded Status
1/1/2007	\$2,092,000	\$0	\$0	\$0	0%
7/1/2009	\$2,433,000	\$410,325	(\$11,364)	\$398,690	16%
7/1/2011	\$2,911,800	\$442,184	\$159,666	\$600,412	21%
7/1/2013	\$2,896,300	\$2,867,340	\$443,773	\$3,303,315	114%
7/1/2015	\$4,070,113	\$2,818,433	\$1,046,979	\$3,848,650	95%
7/1/2017	\$4,347,552	\$3,218,457	\$1,517,410	\$4,712,349	108%
6/30/2019	\$5,022,717	\$3,218,457	\$2,210,325	\$5,396,685	107%
6/30/2020	\$5,250,601	\$3,218,457	\$2,403,216	\$5,584,932	106%

Advantages of the CERBT

- **Investment policy and management services by CalPERS**
 - Unmatched resources and economies of scale
 - Most broadly diversified portfolios
 - No socially conscious divestment
- **Lowest total participation cost**
 - Not-for-profit makes us always the least expensive option
- **Excellent customer service**
 - 24/7/365 availability of Customer Outreach and Support staff
 - Account updates and plan reviews based on agency preference and frequency
- **Simple administration**
 - Join or leave at anytime and zero costs
- **GASB compliance**
 - Private Letter Ruling
 - No audit findings; 100% GASB 74 and 84 Compliant

CERBT OPEB Prefunding Experience

- Section 115 of the Internal Revenue Code
- Largest OPEB Trust Provider in the country
- More than 580 CA public agencies prefund with CERBT
- ~\$17B in CERBT assets under management

589 CERBT Employers

- State of California
- 153 Cities or Towns
- 10 Counties
- 78 School Employers
- 28 Courts
- 320 Special Districts and other Public Agencies
 - (98 Water, 34 Sanitation, 33 Fire, 25 Transportation)

18 CalPERS Prefunding Employers

- Big Bear City Community Services District
- Brooktrails Township Community Services District
- Castroville Community Services District
- Clear Creek Community Services District
- Cosumnes Community Services District
- Denair Community Services District
- Dublin San Ramon Services District
- El Dorado Hills Community Services District
- Groveland Community Services District
- Heritage Ranch Community Services District
- Jurupa Community Services District
- Kensington Police Protection and Community Services District
- Marinwood Community Services District
- McCloud Community Services District
- Nipomo Community Services District
- Northstar Community Services District
- Tamalpais Community Services District
- Templeton Community Services District

CERBT Investment Portfolios

Portfolios	Strategy 1	Strategy 2	Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

CERBT Portfolio Details

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

CERBT Investment Returns Outperform Benchmarks

Periods Ended October 31, 2021

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$14,399,345,943	3.74%	2.00%	3.32%	27.36%	14.55%	11.27%	9.22%	6.38%
Benchmark		3.74%	1.97%	3.27%	27.15%	14.27%	10.92%	8.89%	5.96%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,959,703,865	2.99%	1.27%	2.85%	20.31%	12.83%	9.44%	7.83%	8.45%
Benchmark		2.99%	1.25%	2.82%	20.13%	12.61%	9.12%	7.52%	8.16%
CERBT Strategy 3 (Inception January 1, 2012)	\$858,241,907	2.34%	0.73%	2.65%	14.84%	11.04%	7.63%	-	6.65%
Benchmark		2.33%	0.73%	2.63%	14.71%	10.86%	7.36%	-	6.35%
CERBT Total	\$17,217,291,715								

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points of assets under management
- ZERO cost to join CERBT and setup account

Sample Fee Rate Illustration

Asset Value on Deposit*	All-Inclusive Fee Rate	Annual Cost
\$100,000	10 Basis Points	\$100

- *Asset values shown assume the amount is deposited on the first day of a 12-month calendar year and remains constant the entire 12 months ending on the last day with the exact same amount. No investment gains/losses, or contribution additions/withdrawals are experienced at any time during the 12 months.
- There are **no** additional fees of any kind. No set-up, joining, renewal, contribution, disbursement, termination fees. No minimum contribution amount.

Excellent Customer Service

- Direct access to CERBT team members
 - Via desk and mobile lines and email
- Account update/plan review based on your preferred schedule and frequency
- Timely trust communication and program updates
- Program email address for all inquiries/requests
- CERBT fund workshops & webinars
- Online record keeping website

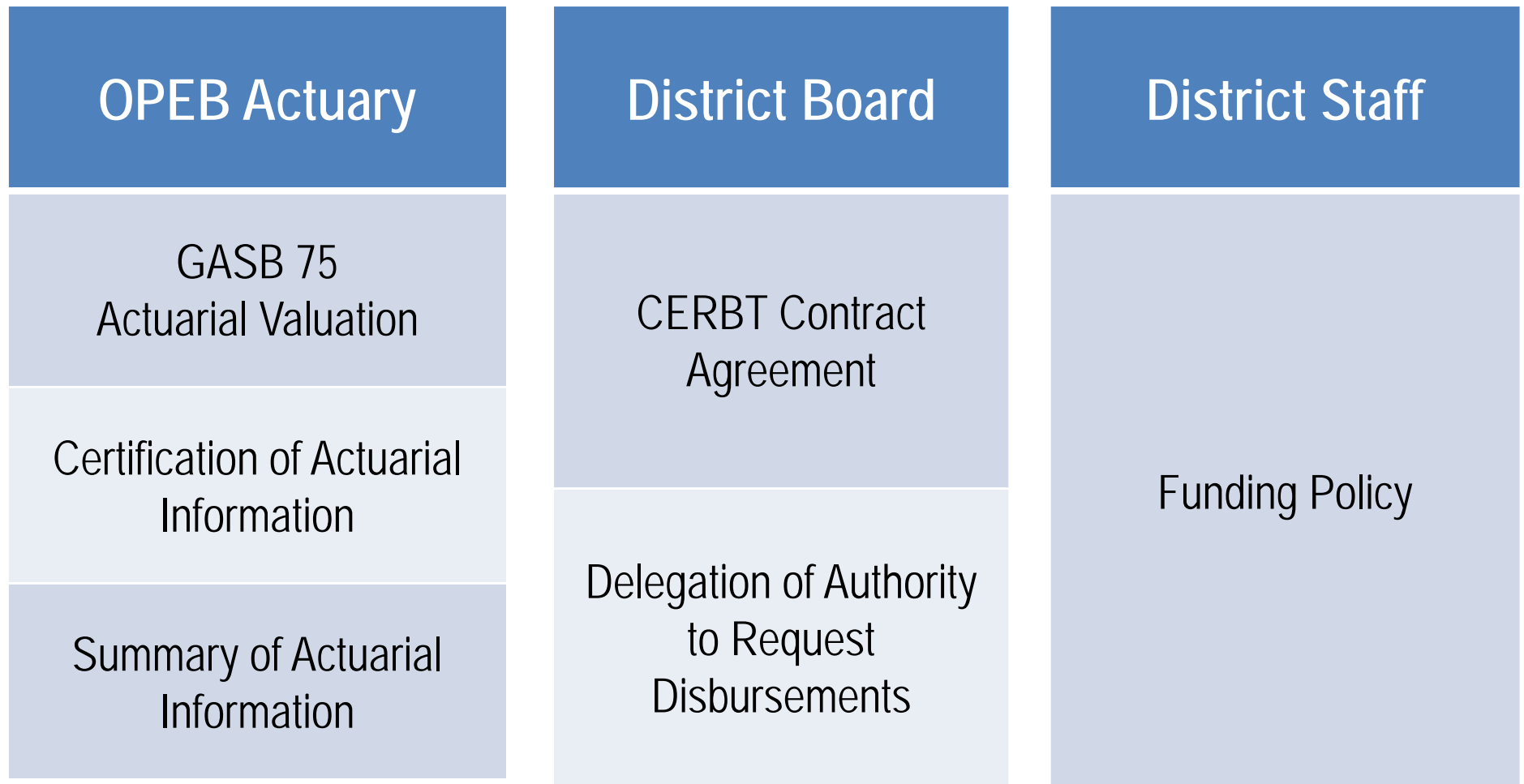
Financial Reporting

CERBT Delivers

GASB 74 Compliant Reporting

GASB 75 Compliance Data and Support

Uncomplicated Contracting Process



Next Steps?

Option A: Pay-as-you-Go

- Most expensive option
- Rely 100% on current and future operating budget

Option B: Set-up Trust No Funding Yet

- **Free to set-up**
- No assets = No fees
- Adhoc funding or TBD in future budget cycle

Option C: Set-up Trust & Contribute

- **Free to set-up**
- Employer contributes after they join

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Jasper Jacobs	Outreach & Support Analyst	Jasper.Jacobs@calpers.ca.gov	(916) 795-0432	(916) 717-3886
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	