

RESOLUTION 2022-14

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
AMENDING THE DISTRICT'S POLICIES AND
PROCEDURES MANUAL TO ADD POLICY 5046: OTHER
POST-EMPLOYMENT BENEFITS FUNDING**

WHEREAS, on March 18, 2009 the Board of Directors of the Beaumont-Cherry Valley Water District adopted Resolution 2009-05, establishing a Policies and Procedures Manual applicable to Board of Directors and District staff; and

WHEREAS, it has been recommended by financial consultants that the District adopt a formal written pension and Other Post-Employment Benefits (OPEB) funding policy; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the District and to establish said policy; and

WHEREAS, the Board of Directors has reviewed and considered the addition of Policy 5046 to the BCVWD Policies and Procedures Manual attached as Exhibit A and finds the policy relevant and acceptable,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Beaumont-Cherry Valley Water District that the BCVWD Policies and Procedures Manual is amended to include Policy 5046 as attached hereto as Exhibit A.

ADOPTED this 11 day of May, 2022, by the following vote:

AYES: Hoffman, Covington, Stawson, Ramirez, Williams
NOES:
ABSTAIN:
ABSENT:

ATTEST:



Director Lona Williams, President of the Board of Directors of the Beaumont-Cherry Valley Water District



Director David Hoffman, Secretary to the Board of Directors of the Beaumont-Cherry Valley Water District

Attachment – Exhibit A

EXHIBIT A

POLICY TITLE: OTHER POST EMPLOYMENT BENEFITS (OPEB) FUNDING POLICY
POLICY NUMBER: 5046

5046.1 **Purpose.** The purpose of this Other Post-Employment Benefits (“OPEB”) Funding Policy is to provide reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner.

5046.2 **Background.**

5046.3 **Policy.**

It is the District's policy to fund the OPEB Trust annually with \$104,000, through the end of Fiscal Year 2024.

The District will engage an OPEB actuarial consultant to calculate the Actuarially Determined Contribution (ADC) of the District's OPEB based on biennial actuarial valuations. The ADC will include the normal cost for current service and amortization of the under-funded liability. The normal cost is the current year cost of the program to provide the benefit for current employees in the future. The normal cost will be calculated using the entry age normal cost method using appropriate economic and non-economic assumptions approved by the District.

The District will review the actuarial valuations to validate the completeness and accuracy of the employee census data and the reasonableness of the actuarial assumptions. Actuarial valuations involve estimates and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

5046.4 **Policy Review.** The District shall review this Policy annually with the Finance and Audit Committee to determine if any changes to this Policy should be recommended to the Board due to changes in the practices, activities, or circumstances of the District.