

# Montara Water and Sanitary District

*Serving the Community of Montara and Moss Beach*

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Montara, CA 94037-0131  
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*To sensitively manage the natural resources entrusted to our care, to provide the people of Montara - Moss Beach with reliable, high – quality water, wastewater, and trash disposal at an equitable price, and to ensure the fiscal and environmental vitality of the district for future generations. Be open to providing other services desired by our community.*

# AGENDA

Regular Meeting

## District Board of Directors

8888 Cabrillo Highway  
Montara, California 94037

**July 16, 2015 at 7:30 p.m.**

(Regular Meeting)

**CALL TO ORDER**

**ROLL CALL**

**PRESIDENT'S STATEMENT**

**ORAL COMMENTS** (Items other than those on the agenda)

**PUBLIC HEARING**

**CONSENT AGENDA**

1. Approve Minutes for May 21 and May 28, 2015.
2. Approve Financial Statements for May 2015.
3. Approve Warrants for July 1, 2014.
4. SAM Flow Report for May 2015
5. Monthly Review of Current Investment Portfolio.
6. Connection Permit Applications Received.
7. Monthly Water Production Report for May 2015.
8. Rain Report.
9. Solar Energy Report.

## **OLD BUSINESS**

1. Review and Possible Action Concerning Adoption of Proposed PARS Pension Plan.
  - A. Public Participation Workshop – PARS Pension
    - i.. Introduction – Staff Report
    - ii. Public Participation – Members of the public are invited to present information regarding and discuss the pros and cons of the proposed defined benefit PARS Pension Plan for the purpose of informing the Board. No Board action will be taken under this item. The Board will consider the Plan for action under Agenda Item 1.B.
  - B. Consideration by Board and Possible Action Concerning Adoption of Proposed PARS Pension Plan.

## **NEW BUSINESS**

### **REPORTS**

1. Sewer Authority Mid-Coastside Meetings (Harvey)
2. MidCoast Community Council Meeting (Slater-Carter)
3. CSDA Report (Slater-Carter)
4. CCWD, NCCWD Committee Report (Harvey, Huber)
5. Attorney's Report (Schricker)
6. Directors' Reports
7. General Manager's Report (Heldmaier)

### **FUTURE AGENDAS**

### **ADJOURNMENT**

### **PARTICIPATION BY TELECONFERENCE**

The following Directors will participate by teleconference in all or a portion of the meeting of the Board from the following locations:

Director Dwight Wilson - Salt Lake City Marriott, 220 S. State Street, Salt Lake City.

The District has a curfew of 11:00 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.

NOTE: In accordance with the Government Code, members of the public may address the Board on specific agenda items when that matter is discussed by the Board. Any other items of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. Upon request, this agenda will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or an accommodation in order to participate in the public meeting should be made at (650) 728-3545. Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available in the District Clerk's office during normal business hours. Such documents may also be available on the District's web site ([www.mwsd.montara.org](http://www.mwsd.montara.org)) subject to staff's ability to post the documents before the meeting.



**MONTARA WATER & SANITARY**  
**DISTRICT**

**BOARD OF DIRECTORS MEETING**  
**May 21 , 2015**

**MINUTES**

**REGULAR SESSION BEGAN AT 7:31 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Directors Present: Slater-Carter, Boyd, Wilson and Huber

Directors Absent: Director Harvey arrived at 7:45 p.m.

Staff Present: General Manager, Clemens Heldmaier  
District Clerk, Judy Gromm

Others Present: District Counsel, David Schricker

**PRESIDENT'S STATEMENT –**

**ORAL COMMENTS -**

**PUBLIC HEARING-**

**CONSENT AGENDA-**

**OLD BUSINESS –**

**NEW BUSINESS-**

- 1. Review and Possible Action Concerning Leak Adjustment for 385 7<sup>th</sup> Street.**

General Manager Heldmaier reported the District received a request to consider an adjustment to the water bill and sewer service charge for 385 7<sup>th</sup> St. due to a leak. Usage records show regular water usage on a five year average was 23 HCF during those billing periods which indicates an excessive usage of 27 HCF.

50 HCF used minus 23 (average = 27 HCF excessive usage

The District has verified the leak has been fixed and high usage ended on December 8, 2014.

If determined that the excessive usage did not enter the sewer system, the customer should be assessed 23 HCF.

The recommendation is to authorize a reduction of the wet weather usage for 385 7<sup>th</sup> Street to 32 HCF. Based on last years' service charge this would result in a refund of \$707.94

Director Slater-Carter moved to authorize a reduction of the wet weather usage for 385 7<sup>th</sup> Street to 32 HCF. And to additionally refund \$707.94 for the sewer service charge. Director Wilson seconded the motion.

All Directors were in favor and the motion passed unanimously 5 – 0.

## **2. Receive Actuarial Valuation for PARS Pension Plan.**

General Manager Heldmaier reported staff was directed to examine procuring a pension program through the Public Agency Retirement System (PARS). The benefit parameters include a Defined Benefit Plan for all full-time employees based on 2% @ 62 full formula and at least 5 years of District service, and final compensation based on the highest include an employee contribution equal to at least half of the on-going normal cost of the benefit.

The District asked Bartel Associates to prepare the actuarial evaluation. Mary Beth Redding will present the actuarial evaluation tonight to the full Board. Staff will ask the full Board to consider adopting the PARS plan at the June 4 meeting.

Ms. Redding reported that PARS is not a government agency they are a private company whose business is to provide pension plans and investment opportunities for government agencies. They are basically an alternative to CalPERS, and they have more flexibility then CalPERS. This gives the District more opportunity to have a pension plan that looks the way they want it.

Bartel Associates was asked to do an actuarial evaluation on the plan so the District would be able to distinguish what this was going to cost on both of the long and short term. This is still a preliminary evaluation because there is still one piece of information that they do not know yet but this should give you enough information to help you make your decision.

The Summary included the following:

**Definitions:**

**Benefit Summary:**

Questions for the Benefit Summary Section:

Q: How is this plan different from CalPERS?

A: PARS Plan is not as generous as the old CalPERS Plan, but fairly comparable to the new CalPERS Plan.

Q: Is the 2% at 62 a fixed rate?

A: The Pension Reform Act requires 2% and no more generous than that.

Q: Does it include the number of years of service?

A: You will be able to take 2% x the years of service x the final pay. The Benefit is calculated on the last three years of pay. You will not be able to retire at earlier than 62 to receive the pension. You only count the service from now, you do not go back to any service you had before that date.

Q: Who holds the money?

A: PARS.

Q: Are they an insurance company?

A: They are an investment management company. They hold the money and an actuarial firm such as ours would do valuations every year to determine if they are holding enough money.

**Data Summary:**

**Actuarial Assumptions and Methods:**

**Funding Results:**

Questions for the Funding Results Section:

Q: How does the fund grow from \$42,000 to \$849,000?

A: Each year the cost grows with interest to make the end result of that amount. That would be total for all employees.

Q: Who covers the rate? The Board is taking on a liability here and I am wondering if you are going to cover the risk?

A: We will be looking at this on a yearly basis and make adjustments to make sure that the District is covered. I am not a PARS Representative but I can tell you they do have an array of funds and I think their track record is pretty good for averaging in the long run rates. PARS rates are more conservative than CalPERS.

Director Slater-Carter noted her concern regarding their investment strategy and is requesting a PARS Representative come and give a presentation to the Board and Public.

Ms. Redding explained the rate is never guaranteed, but there will be an actuarial study on a yearly basis to make sure that plan is adjusted if necessary.

Q: Explain the vesting period.

A: If anyone leaves before 5 years of District service, including service in the past, all they would get back is their contribution plus interest.

Q: Would that significantly change the numbers if we change the vesting period to 10 years because you want of reward employee for staying.

A: The way these plans are set up are that they are worth very little until close to retirement age. So there would be very little benefit to that and you would save very little money doing so.

Q: Can you go over the benefits if the employee leaves before 5 years.

A: If they leave before 5 years, they will get their money back with 3% interest.

Q: Are we restricted to 3% or can we be more flexible with that?

A: I will check into that.

Q: Do we have the flexibility to stop the plan?

A: The traditional answer in California is this is a vested right of the employee and you cannot stop the accruals unless you give them something in equal value.

A copy of the Actuarial Evaluation will be attached to the approved minutes.

### **3. Review and Possible Action Concerning Adoption of Water Use Restriction to Limit Outdoor Irrigation to Twice per Week.**

General Manager Heldmaier reported the State Water Resources control Board (SWRCB) has released final regulations to implement the Governors executive orders, one of them requiring a 25% reduction of potable water use in California. The draft regulations call for small water systems to either implement a 25% reduction in water use compared to 2013 or implement a restriction to outdoor irrigation to twice per week.

Legal counsel prepared an ordinance that limits outdoor irrigation to twice per week. If the Board adopt the Ordinance premises within MWSD will be allowed to irrigate outdoors only Mondays and Fridays.

Director Wilson thinks Mondays and Fridays is very restrictive. Director Wilson recommends we equalize the burden.

Greg Dieguez, Montara resident noted he would be appreciative to the flexibility to any two days to irrigate.

Director Wilson moved to adopt the next ordinance in line, an Ordinance of the MWSD Declaring Water Shortage Emergency and Prohibiting Certain Water Usage with the change of twice per week, any two days. Director Slater-Carter seconded the motion.

All Directors were in favor and the motion passed unanimously.

**4. Review and Possible Action Concerning Appointment of District Representative to Participate in San Mateo County Sea Level Rise Vulnerability Assessment Study.**

General Manager Heldmaier reported San Mateo County will assess the impacts of sea level rise and major storm events on the northern San Mateo Coastline. A kickoff meeting for invite stakeholders is scheduled for June 5.

The county has asked to identify key staff personal as well as an elected official to participate in the process.

Director Huber has agreed to be the designated representative and Director Slater-Carter has agreed to be the alternate representative.

## REPORTS

- 1. Sewer Authority Mid-Coastside Meetings – Director Harvey** reported SAM is still looking for an interim Manager. We are still searching for a new General Manager but for now Clemens is acting General Manager until we can hire.

An Engineer was hired last week to help staff.

Director Slater-Carter questioned what was happening with the SAM Budget? General Manager Heldmaier explained it will be up for approval by the SAM Board one more time. The Addendum has not been approved by the Board for distribution as of yet.

- 2. MidCoast Community Council Meeting – Director Slater-Carter** reported Big Wave was approved by the Board of Supervisors again. It is appealable to the Coastal Commission if you send a letter or you can speak at any time of the process.
- 3. CSDA Report (Slater-Carter) – Director Slater-Carter** reported the next meeting will be on August 4<sup>th</sup>. It has been requested to talk about the LAFCO Budget at the next meeting. Martha Poyatos will be attending that meeting.



4. **CCWD, NCCWD Committee Report – Director Huber** reported he had contacted Ken Coverdell and he declined the offer. Director Huber will now try to contact Glen Reynolds.
5. **Attorney’s Report (Schricker) – Mr. Schricker** reported he had attended the meeting held by the Board of Supervisors regarding the Big Wave Project. Mr. Schricker further reported he was able to respond to a comment of the public questioning the provision of water to the project.
6. **Directors Report – Director Huber** reported he and Director Slater-Carter had met with the Outreach Committee trying to formulate what kind of a message they want to present to the ratepayers regarding reinforcing the efforts the residents have made in conserving water and encourage that they continue to do so. The District will be able to manage effectively with the continued support of the community and their conservation efforts. There will be more discussion regarding this and Director Huber and Slater-Carter will be bringing more information to the Board as it develops.
7. **General Manager’s Report (Heldmaier) – General Manager Heldmaier** reported he was happy the Outreach Committee has become active. Staff has prepared a newsletter that will be sent out next week with a focus on what the Outreach Committee discussed today. There is a small piece on the water exploration the District is taking on right now along with a little sewer information. General Manager Heldmaier welcomes any further suggestions for the next newsletter.

**FUTURE AGENDAS-** Director Slater-Carter requested reports on the Sea Level Rise Vulnerability Assessment Study be included in future reports section.

**REGULAR MEETING ENDED at 8:52 P.M.**

Respectfully Submitted,

Signed \_\_\_\_\_  
Secretary

Approved on the 16<sup>TH</sup> July 2015

Signed \_\_\_\_\_  
President



**MONTARA WATER & SANITARY**  
**DISTRICT**

**FINANCE COMMITTEE MEETING**  
**MAY 28, 2015**

**MINUTES**

**MEETING BEGAN AT 2:10 p.m.**

Directors Present: Slater-Carter and Huber  
Staff Present: General Manager, Clemens Heldmaier  
District Clerk, Judy Gromm  
Others Present: District Accountant, Peter Medina  
Moss Beach Resident, Bill Kehoe

General Manager Heldmaier reported a draft had been sent to the Finance Committee last week and noted there had been a few changes mainly due to the CIP numbers that he had just received and entered into the budget. A revised copy was handed out and one is attached.

General Manager Heldmaier reviewed the Draft 15/16 Budget with the Finance Committee. Questions and answers regarding the budget are as follows:

**SEWER SIDE:**

C. Heldmaier: Due to a 15% reduction in flow numbers, revenue will decrease approximately \$245,000.

K. Slater-Carter: Does the budget before us reflect a 3% rate increase?  
C. Heldmaier: Yes  
B. Huber: Is concerned about \$245,000 less in revenue.  
P. Medina: The flows have been lower.  
C. Heldmaier: Specifically during the WWF months.  
B. Huber: Are we charging the right amount for sewer service?  
C. Heldmaier: We are triple checking the numbers but this could be due to

- residents using less water.
- B. Huber: Do we have a flawed model for charging sewer service charges?
- C. Heldmaier: Looking over the way we charge for sewer service charges would require a rate study. This is a good question, but the timing is off, we need to move forward. This is a very excepted practice and about 90% of the districts use this method.
- B. Huber: Our job is to make sure these numbers are correct. I will continue to ask the questions regarding flow numbers. Is the MWSD SAM assessment increase of 20% accurate?
- C. Heldmaier: I do not believe we will see this kind of an increase in next year's budget.
- 
- B. Huber: Questions the 20% increase for personal. Is this what the projected expenses are going to be for this fiscal year?
- P. Medina: With the addition of new staff.
- K. Slater-Carter: Questions the 20% and how the public will receive this.
- C. Heldmaier: Explained, the defined pension plan for the employees are indicated on another line item. In all actuality it will be 3%. 20% is an accumulative number.
- B. Huber: Questioned the Workman's Compensation rates.
- C. Heldmaier: Explained the rates are going down due to no accidents.
- K. Slater-Carter: Would like to reward staff for their efforts. Suggested the General Manager talk to the President of the Board.
- B. Huber: Suggests to discuss this further during the GM's review.
- B. Huber: Suggests the Defined Benefit package is not transparent on this budget.
- B. Huber : Suggested to add a line indicating a note of the defined pension plan. The way it is noted in the budget it sticks out and communicates a different message.
- P. Medina: Agrees this is not displayed properly. Peter and Clemens will sit down and adjust to reality. 20% across the board is not accurate.
- B. Huber: Is splitting the GM 50/50 between sewer and water accurate.
- C. Heldmaier: Hard question to answer at this time. This depends on future decisions. For instance, if our sewer staffing changes, I could spend more time on the sewer side.
- B. Huber: Would like to see this not as a plugged in number but more of an actual in the future.
- K. Slater-Carter: Questioned the bank fees. Perhaps we should check into this. First National Bank is a suggestion.
- C. Heldmaier: We now have online bill pay that will cost the District more money in bank fees.
- K. Slater-Carter: Office Maintenance has doubled. Why?
- C. Heldmaier: Carpets and Garage repairs as well.
- B. Huber: SAM Capital Assessment, what is this for?
- C. Heldmaier: Flow Study, Recycled Water, an addendum that was prepared

and was approved at the last SAM Board meeting.

After a discussion regarding the Sewer Budget and Capital Improvement Program, the Finance Committee will be recommending a 3% increase in sewer service charges. There were no other questions regarding the sewer side.

**WATER SIDE:**

- B. Huber: Why did water sales projection decrease?
- P. Medina: These figures are based upon projected current year. Usage went down and with increasing rates 3%, we are projecting another decrease in sales with selling less water.
- B. Huber: Property Tax, \$230,000. How did you come up with that number?
- C. Heldmaier: This is what we expect to receive in property tax revenues. The ERAF contributions have been subtracted from that amount as well. It's hard to predict if we will be getting an ERAF refund so we are not budgeting for this.

The Finance Committee had no other questions regarding the water side.

**EXECUTIVE SUMMARY:**

- B. Huber: Well written and right tone, but has suggestions regarding a few changes:  
  
Director Slater-Carter, Director Huber and District Accountant, Peter Medina went over the Executive Summary and made minor changes to the wording. The final document will be sent to the Finance Committee early next week before the distribution to the Board and Public.

**FINANCE COMMITTEE MEETING ENDED at 5:07PM**

**Respectfully Submitted,**

Signed \_\_\_\_\_  
Secretary

**Approved on the 16<sup>th</sup> of July 2015**

Signed \_\_\_\_\_  
President



# **MONTARA WATER AND SANITARY DISTRICT**



**Unaudited Financial Statements for  
May  
2015**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

**For Meeting Of: July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**SUBJECT: Unaudited Financial Statements – Executive  
Summary**

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## **Budget vs. Actual – Sewer July through May, 2015 Variances over \$2,000:**

- 4440 Inspection Fee, \$2,695 above Budget – Four (4) new sewer connection inspection fees collected in May.
- 4460 Remodel Fees, \$7,594 above Budget – One (1) permit issued in May.
- 4610 Property Tax Receipts, \$14,765 below Budget – Property tax remittance of \$2,250 was received in May. The amount was split 50/50.
- 4710 Sewer Service Charges, \$20,604 below Budget – Sewer service charges are budgeted on a smoothed twelve month basis. Budgeted variance will be eliminated as the fiscal year progresses.
- 4720 Sewer Service Refunds, Customer, \$5,078 above Budget – More leak reimbursements issued than anticipated.
- 4760, Waste Collection Revenues, \$2,696 above Budget – Every other month true up payments have been larger than anticipated.
- **Overall Total Operating Income for the period ending May 31, 2015 was \$27,571 below budget.**
- 5270 Information Systems, \$2,713 below Budget – Less activity than anticipated to date.
- 5400 Legal, \$15,544 below Budget – Less activity than anticipated to date.
- 5550, Postage, \$2,550 below Budget – Lower costs than anticipated.
- 5560 Printing & Publishing, \$2,159 below Budget – Less activity than anticipated to date.
- 5610 Accounting, \$10,348 below Budget – Appears to be a lag in billing. Bills only received through January activity.
- 5630 Consulting, \$2,361 above Budget – Strategic planning costs paid to Rauch Communication Consultants are higher than anticipated.
- 5710, San Mateo Co. Tax Roll Charges, \$2,750 below Budget – No activity to date. Charges are deducted from remittances, reconciliation to be performed in the future.
- 5800, Labor, \$4,867 below Budget – Employee benefits and worker's compensation line items have been reduced with less devoted staff.
- 6170 Claims, Property Damage, \$7,024 below Budget – Two (2) liability claim reimbursement has been issued.
- 6200 Engineering, \$37,079 above Budget – Higher costs than anticipated.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

**For Meeting Of: July 16, 2015**

**TO: BOARD OF DIRECTORS**

**FROM: Clemens H. Heldmaier, General Manager**

- 6400 Pumping, \$9,464 below Budget – Timing difference. Year-end accrual makes up difference.
- 6660 Maintenance, Collection System, \$18,337 below Budget – No activity to date.
- 6940 SAM Maintenance, Collection System, \$17,708 above Budget – The District paid Sewer Authority Mid-Coastside for lift station repairs.
- 6950 SAM Maintenance, Pumping, \$20,325 below Budget – Less expenses than anticipated to-date.
- **Overall Total Operating Expenses for the period ending May 31, 2015 were \$6,485 below Budget.**
- **Total overall Expenses for the period ending May 31, 2015 were \$45,581 below budget. For a net ordinary income of \$18,011, budgeted vs. actual. Actual net ordinary income is \$873,679.**
- 7100 Connection Fees, \$43,096 below Budget – A total of fourteen (14) connections have been issued. Seven (7) for new construction and five (7) for Remodels. **Two (2) new connection fees for remodels were sold in May.**
- 7700 Interest, Employee Loans, \$18,218 below Budget – Account is budgeted on the cash basis, and includes Principal & Interest payments, therefore leaving the Principal portion as the variance. Principal portion is reflected on the balance sheet by reducing the receivable.
- 8075 Sewer, \$62,187 above Budget – Three large bills totaling \$94,189 were paid in May for the Sewer Capital program for Spot repairs, and pump station control panel upgrades.
- 9125 PNC Equipment Lease Interest, \$31,567 below Budget – Account is budgeted on the cash basis, and includes Principal & Interest payments, therefore leaving the Principal portion as the variance. Principal portion is reflected on the balance sheet by reducing the liability.
- 9175 Capital Assessment - SAM, \$25,080 above Budget – Treatment Capital payments of \$5,280 paid each month. Payments had initially been categorized in the Capital Program. However, per review of the Sewer Authority Mid-Coastside JPA. These costs are not to be capitalized by the District.
- 9200 I-Bank Loan, \$23,078 below Budget – Account is budgeted on the cash basis, and includes Principal & Interest payments, therefore leaving the Principal portion as the variance. Principal portion is reflected on the balance sheet by reducing the liability.





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: July 16, 2015

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July through May, 2015 Variances over \$2,000:**
- 4610 Property Tax Receipts, \$195,466 above Budget – Property tax remittance of \$2,250 was received in April. The amount was split 50/50. Additional ERAF revenue collected has been allocated 100% to the Water Fund.
- 4740 Testing, Backflow, \$2,324 below Budget – Less test fees to-date than anticipated.
- 4810 Water Sales Domestic, \$145,520 below Budget – The Pillar Ridge water system operations began half way through the District's fiscal year. The budget was prepared in the belief that activities would begin at the beginning of the fiscal year.
- 4850 Water Sales Refunds, Customer, \$5,105 below Budget – Minimal activity to date.
- **Overall Total Operating Income for the period ending May 31, 2015 was \$55,851 above budget.**
- 5190 Bank Fees, \$3,762 below Budget – Lower fees than anticipated.
- 5270 Information Systems, \$2,713 below Budget – Less activity than anticipated to date.
- 5400 Legal, \$16,659 below Budget – Less activity than anticipated to date.
- 5610 Accounting, \$10,348 below Budget – Appears to be a lag in billing. Bills only received through January activity.
- 5640 Data Services, \$9,044 above Budget – This account was not budgeted for Water. In May there was a bill paid to Userware, Inc. for \$7,150 for annual project maintenance and support, and web hosting services. Minimal charges in prior months caused this account to not be flagged for a variance.
- 5690 Other Professional Services, \$19,425 above Budget – Majority of costs are associated with the Coastside County Water District/San Vicente Project which cannot be capitalized. This account was not budgeted for.
- 5720, Telephone and Internet, \$3,608 above Budget – AT&T costs have risen since the beginning of the calendar year.
- 5800 Labor, \$63,982 below Budget – The District's Water Utility has been operating short staffed for a portion of the fiscal year.
- 6170 Claims, Property Damage, \$9,163 below Budget – No claims to date.
- 6180 Communications, \$4,861 below Budget – Less activity than anticipated to date.
- 6200 Engineering, \$11,126 below Budget – The District has seen an increase in water quality engineering expenses but these costs have been



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: July 16, 2015

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

offset by lack of general engineering expenses that are not to be capitalized.

- 6320 Equipment & Tools, Expensed, \$8,176 below Budget – less purchases than anticipated.
- 6380 Meter Reading, \$9,163 below Budget – No activity to date.
- 6500 Supply, \$12,246 below Budget – Water purchases line item is lower than anticipated.
- 6600 Collection/Transmission, \$10,620 below Budget – Lower maintenance costs to date than anticipated.
- 6800 Vehicles, \$6,750 below Budget – Lower costs to date than anticipated in all categories; fuel, equipment and repairs.
- 6890 Other Operations, \$2,004 above Budget – No budget set up for account. Costs are made up of several small miscellaneous expenses.
- **Overall Total Operating Expenses for the period ending May 31, 2015 were \$71,913 below Budget.**
- **Total overall Expenses for the period ending May 31, 2015 were \$139,491 below budget. For a net ordinary income of \$195,341, budgeted vs. actual. Actual net ordinary income is \$902,973.**
- 7100 Connection Fees, \$42,528 above Budget – More Water Connections have been issued to customers than anticipated. A total of twenty (20) connections have been issued. Nineteen (19) for new construction. One (1) for remodel. **Four (4) new connections issued in May.**
- 7600 Bond Revenues, G.O. \$73,379 above Budget – GO bond revenues received from the County in April. Additional revenue anticipated to pay for G.O. Bond debt service payment.
- 8100 Water CIP, \$982,250 below Budget – The District is paying progress payments for the Alta Vista tank project. Total CIP costs are less than anticipated at this point.
- 9075 PFP Connection Expenses, \$23,039 above Budget – a portion of these costs represent payment for engineering reviews which customers have paid a deposit for. A reconciliation will be performed and revenue from the deposit will be recognized to the extent of expenditure.
- 9100 Interest Expense G.O. Bonds, \$815,134 below Budget - Budget includes Principal & Interest payments, therefore leaving the Principal portion as the variance.
- 9125 PNC Equipment Lease Interest, \$31,567 below Budget - Account is budgeted on the cash basis, and includes Principal & Interest payments, therefore leaving the Principal portion as the variance. Principal portion is reflected on the balance sheet by reducing the liability.
- 9150 SRF Loan, \$92,696 below Budget – No re-payment activity to date.



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: July 16, 2015**

**TO: BOARD OF DIRECTORS**

**FROM: Clemens H. Heldmaier, General Manager**

**RECOMMENDATION:**

This is for Board information only

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
 July 2014 through May 2015

9:41 AM  
 06/12/15  
 Accrual Basis

	Sewer		
	Jul '14 - May 15	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	29,714.55	28,875.00	839.55
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,852.00	3,300.00	-1,448.00
4420 · Administrative Fee (Remodel)	2,778.00	913.00	1,865.00
4430 · Inspection Fee (New Constr)	1,748.00	3,113.00	-1,365.00
4440 · Inspection Fee (Remodel)	4,532.00	1,837.00	2,695.00
4460 · Remodel Fees	9,244.00	1,650.00	7,594.00
Total 4400 · Fees	20,154.00	10,813.00	9,341.00
4610 · Property Tax Receipts	191,485.10	206,250.00	-14,764.90
4710 · Sewer Service Charges	1,981,264.09	2,001,868.00	-20,603.91
4720 · Sewer Service Refunds, Customer	-6,915.35	-1,837.00	-5,078.35
4760 · Waste Collection Revenues	15,984.10	13,288.00	2,696.10
Total Income	2,231,686.49	2,259,257.00	-27,570.51
Expense			
5000 · Administrative			
5190 · Bank Fees			
5200 · Board of Directors	3,579.42	2,838.00	741.42
5210 · Board Meetings	2,180.82	2,288.00	-107.18
5220 · Director Fees	2,625.00	2,288.00	337.00
Total 5200 · Board of Directors	4,805.82	4,576.00	229.82
5250 · Conference Attendance	0.00	1,837.00	-1,837.00
5270 · Information Systems	2,786.74	5,500.00	-2,713.26
5300 · Insurance			
5310 · Fidelity Bond	437.50	825.00	-387.50
5320 · Property & Liability Insurance	1,666.82	1,375.00	291.82
Total 5300 · Insurance	2,104.32	2,200.00	-95.68
5350 · LAFCO Assessment	1,754.00	1,463.00	291.00
5400 · Legal			
5420 · Meeting Attendance, Legal	5,050.00	10,087.00	-5,037.00
5430 · General Legal	7,830.00	18,337.00	-10,507.00
5440 · Litigation	0.00	0.00	0.00
Total 5400 · Legal	12,880.00	28,424.00	-15,544.00
5510 · Maintenance, Office	3,322.86	2,750.00	572.86
5540 · Office Supplies	8,671.35	8,250.00	421.35
5550 · Postage	1,113.02	3,663.00	-2,549.98
5560 · Printing & Publishing	2,369.48	3,663.00	-1,293.52
5600 · Professional Services			
5610 · Accounting	17,152.50	27,500.00	-10,347.50
5620 · Audit	10,050.00	11,913.00	-1,863.00
5630 · Consulting	12,898.56	10,538.00	2,360.56
5640 · Data Services	5,792.04	5,038.00	754.04
5650 · Labor & HR Support	2,077.50	2,068.00	9.50
5660 · Payroll Services	692.64	825.00	-132.36
5690 · Other Professional Services	10.00		
Total 5600 · Professional Services	48,673.24	57,882.00	-9,208.76

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July 2014 through May 2015

	Sewer		\$ Over Budget
	Jul '14 - May 15	Budget	
5710 · San Mateo Co. Tax Roll Charges	0.00	2,750.00	-2,750.00
5720 · Telephone & Internet	8,206.08	8,250.00	-43.92
5730 · Mileage Reimbursement	1,111.82	1,375.00	-263.18
5740 · Reference Materials	0.00	187.00	-187.00
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	12,225.13	11,979.00	246.13
5820 · Employee Benefits	29,130.00	37,862.00	-8,732.00
5830 · Disability Insurance	978.91	1,045.00	-66.09
5840 · Payroll Taxes	11,741.96	11,968.00	-226.04
5900 · Wages			
5910 · Management	76,909.79	72,534.00	4,375.79
5920 · Staff	91,832.58	89,628.00	2,204.58
5930 · Staff Certification	1,650.00	1,738.00	-88.00
5940 · Staff Overtime	3,326.54	2,189.00	1,137.54
5950 · Staff Standby	928.02		
<b>Total 5900 · Wages</b>	<b>174,646.93</b>	<b>166,089.00</b>	<b>8,557.93</b>
5960 · Worker's Comp Insurance	2,558.14	7,205.00	-4,646.86
<b>Total 5800 · Labor</b>	<b>231,281.07</b>	<b>236,148.00</b>	<b>-4,866.93</b>
<b>Total 5000 · Administrative</b>	<b>332,659.22</b>	<b>371,756.00</b>	<b>-39,096.78</b>
6000 · Operations			
6170 · Claims, Property Damage	2,139.00	9,163.00	-7,024.00
6195 · Education & Training	0.00	913.00	-913.00
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	4,587.00	-4,587.00
6220 · General Engineering	64,579.00	22,913.00	41,666.00
<b>Total 6200 · Engineering</b>	<b>64,579.00</b>	<b>27,500.00</b>	<b>37,079.00</b>
6320 · Equipment & Tools, Expensed	0.00	913.00	-913.00
6330 · Facilities			
6335 · Alarm Services	4,256.43	4,587.00	-330.57
6337 · Landscaping	1,900.00	2,200.00	-300.00
<b>Total 6330 · Facilities</b>	<b>6,156.43</b>	<b>6,787.00</b>	<b>-630.57</b>
6400 · Pumping			
6410 · Pumping Fuel & Electricity	22,622.92	32,087.00	-9,464.08
<b>Total 6400 · Pumping</b>	<b>22,622.92</b>	<b>32,087.00</b>	<b>-9,464.08</b>
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	18,337.00	-18,337.00
<b>Total 6600 · Collection/Transmission</b>	<b>0.00</b>	<b>18,337.00</b>	<b>-18,337.00</b>
6800 · Vehicles			
6810 · Fuel	510.64	737.00	-226.36
6820 · Truck Equipment, Expensed	87.43	143.00	-55.57
6830 · Truck Repairs	50.84	363.00	-312.16
<b>Total 6800 · Vehicles</b>	<b>648.91</b>	<b>1,243.00</b>	<b>-594.09</b>
6890 · Other Operations	119.00		

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July 2014 through May 2015

	Jul '14 - May 15	Sewer Budget	\$ Over Budget
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	280,368.00	280,368.00	0.00
6920 · SAM Operations	572,022.00	572,022.00	0.00
6930 · SAM Prior Year Adjustment	-3,190.00		
6940 · SAM Maintenance, Collection Sys	54,371.04	36,663.00	17,708.04
6950 · SAM Maintenance, Pumping	25,512.18	45,637.00	-20,324.82
<b>Total 6900 · Sewer Authority Midcoastside</b>	<b>929,083.22</b>	<b>934,690.00</b>	<b>-5,606.78</b>
<b>Total 6000 · Operations</b>	<b>1,025,348.48</b>	<b>1,031,833.00</b>	<b>-6,484.52</b>
<b>Total Expense</b>	<b>1,358,007.70</b>	<b>1,403,589.00</b>	<b>-45,581.30</b>
Net Ordinary Income	873,678.79	855,668.00	18,010.79
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees	142,923.00	163,614.00	-20,691.00
7110 · Connection Fees (New Constr)	23,432.00	45,837.00	-22,405.00
7120 · Connection Fees (Remodel)			
<b>Total 7100 · Connection Fees</b>	<b>166,355.00</b>	<b>209,451.00</b>	<b>-43,096.00</b>
7200 · Interest Income - LAIF	8,917.11	7,337.00	1,580.11
7700 · Interest, Employee Loans	3,760.13	21,978.00	-18,217.87
<b>Total 7000 · Capital Account Revenues</b>	<b>179,032.24</b>	<b>238,766.00</b>	<b>-59,733.76</b>
<b>Total Other Income</b>	<b>179,032.24</b>	<b>238,766.00</b>	<b>-59,733.76</b>
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	815,620.99	753,434.00	62,186.99
<b>Total 8000 · Capital Improvement Program</b>	<b>815,620.99</b>	<b>753,434.00</b>	<b>62,186.99</b>
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	20,078.46	51,645.00	-31,566.54
9175 · Capital Assessment - SAM	68,080.00	33,080.00	25,080.00
9200 · I-Bank Loan	29,496.61	52,575.00	-23,078.39
<b>Total 9000 · Capital Account Expenses</b>	<b>107,655.07</b>	<b>137,220.00</b>	<b>-29,564.93</b>
<b>Total Other Expense</b>	<b>923,276.06</b>	<b>890,654.00</b>	<b>32,622.06</b>
<b>Net Other Income</b>	<b>-744,243.82</b>	<b>-651,888.00</b>	<b>-92,355.82</b>
<b>Net Income</b>	<b>129,434.97</b>	<b>203,780.00</b>	<b>-74,345.03</b>

# Montara Water & Sanitary District

## Revenue & Expenditures Budget vs. Actual - Water

July 2014 through May 2015

	Jul '14 - May 15	Water Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	29,714.55	28,875.00	839.55
4400 · Fees			
4410 · Administrative Fee (New Constr)	3,678.00	4,125.00	-447.00
4420 · Administrative Fee (Remodel)	985.00	916.74	68.26
4430 · Inspection Fee (New Constr)	3,522.00	3,894.00	-372.00
4440 · Inspection Fee (Remodel)	929.00	781.00	148.00
4460 · Remodel Fees	324.00		
<b>Total 4400 · Fees</b>	<b>9,438.00</b>	<b>9,716.74</b>	<b>-278.74</b>
4610 · Property Tax Receipts	401,715.65	206,250.00	195,465.65
4740 · Testing, Backflow	9,589.00	11,913.00	-2,324.00
4810 · Water Sales, Domestic	1,547,081.11	1,692,601.00	-145,519.89
4850 · Water Sales Refunds, Customer	-395.07	-5,500.00	5,104.93
4990 · Other Revenue	2,563.00		
<b>Total Income</b>	<b>1,999,706.24</b>	<b>1,943,855.74</b>	<b>55,850.50</b>
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	4,487.75	8,250.00	-3,762.25
5200 · Board of Directors			
5210 · Board Meetings	2,180.81	2,288.00	-107.19
5220 · Director Fees	2,625.00	2,288.00	337.00
<b>Total 5200 · Board of Directors</b>	<b>4,805.81</b>	<b>4,576.00</b>	<b>229.81</b>
5240 · CDPH Fees	14,535.10	13,750.00	785.10
5250 · Conference Attendance	2,858.42	4,587.00	-1,728.58
5270 · Information Systems	2,786.74	5,500.00	-2,713.26
5300 · Insurance			
5310 · Fidelity Bond	437.50	825.00	-387.50
5320 · Property & Liability Insurance	1,666.83	1,562.00	104.83
<b>Total 5300 · Insurance</b>	<b>2,104.33</b>	<b>2,387.00</b>	<b>-282.67</b>
5350 · LAFCO Assessment	2,376.00	2,013.00	363.00
5400 · Legal			
5420 · Meeting Attendance, Legal	5,050.00	9,163.00	-4,113.00
5430 · General Legal	51,617.50	64,163.00	-12,545.50
5440 · Litigation	0.00	0.00	0.00
<b>Total 5400 · Legal</b>	<b>56,667.50</b>	<b>73,326.00</b>	<b>-16,658.50</b>
5510 · Maintenance, Office	3,322.86	2,750.00	572.86
5520 · Meetings, Local	146.80	0.00	146.80
5530 · Memberships	16,944.94	16,500.00	444.94
5540 · Office Supplies	8,671.31	8,250.00	421.31
5550 · Postage	7,259.02	7,337.00	-77.98
5560 · Printing & Publishing	2,369.43	3,663.00	-1,293.57

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July 2014 through May 2015

	Jul '14 - May 15	Water Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	17,152.50	27,500.00	-10,347.50
5620 · Audit	10,050.00	11,913.00	-1,863.00
5630 · Consulting	27,871.25	28,875.00	-1,003.75
5640 · Data Services	9,043.93		
5650 · Labor & HR Support	2,077.50	2,068.00	9.50
5660 · Payroll Services	956.73	825.00	131.73
5690 · Other Professional Services	19,425.28		
<b>Total 5600 · Professional Services</b>	<b>86,577.19</b>	<b>71,181.00</b>	<b>15,396.19</b>
5720 · Telephone & Internet	10,944.85	7,337.00	3,607.85
5730 · Mileage Reimbursement	2,194.79	1,837.00	357.79
5740 · Reference Materials	0.00	737.00	-737.00
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	27,043.08	27,478.00	-434.92
5820 · Employee Benefits	41,568.07	69,575.00	-28,006.93
5830 · Disability Insurance	2,043.55	2,299.00	-255.45
5840 · Payroll Taxes	29,550.76	28,963.00	587.76
5900 · Wages			
5910 · Management	76,910.01	72,534.00	4,376.01
5920 · Staff	251,813.33	301,510.00	-39,696.67
5930 · Staff Certification	8,250.00	9,823.00	-1,573.00
5940 · Staff Overtime	44,509.09	39,842.00	4,667.09
5950 · Staff Standby	15,958.07	7,447.00	8,511.07
<b>Total 5900 · Wages</b>	<b>407,440.50</b>	<b>431,156.00</b>	<b>-23,715.50</b>
5960 · Worker's Comp Insurance	12,460.82	24,618.00	-12,157.18
<b>Total 5800 · Labor</b>	<b>520,106.78</b>	<b>584,089.00</b>	<b>-63,982.22</b>
<b>Total 5000 · Administrative</b>	<b>749,159.62</b>	<b>818,070.00</b>	<b>-68,910.38</b>
6000 · Operations			
6160 · Backflow Prevention	3,395.61	1,925.00	1,470.61
6170 · Claims, Property Damage	0.00	9,163.00	-9,163.00
6180 · Communications			
6185 · SCADA Maintenance	11,177.09	16,038.00	-4,860.91
<b>Total 6180 · Communications</b>	<b>11,177.09</b>	<b>16,038.00</b>	<b>-4,860.91</b>
6195 · Education & Training	3,681.23	5,500.00	-1,818.77
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	4,587.00	-4,587.00
6220 · General Engineering	8,923.75	41,250.00	-32,326.25
6230 · Water Quality Engineering	48,700.02	22,913.00	25,787.02
<b>Total 6200 · Engineering</b>	<b>57,623.77</b>	<b>68,750.00</b>	<b>-11,126.23</b>
6320 · Equipment & Tools, Expensed	3,736.68	11,913.00	-8,176.32
6330 · Facilities			
6335 · Alarm Services	662.41	418.00	244.41
6337 · Landscaping	3,000.00	3,300.00	-300.00
<b>Total 6330 · Facilities</b>	<b>3,662.41</b>	<b>3,718.00</b>	<b>-55.59</b>
6370 · Lab Supplies & Equipment	39.34	913.00	-873.66
6380 · Meter Reading	0.00	9,163.00	-9,163.00



## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July 2014 through May 2015

	Water		\$ Over Budget
	Jul '14 - May 15	Budget	
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	65,201.06	55,000.00	8,201.06
6420 · Pumping Maintenance, Generators	9,580.96	13,750.00	-4,169.04
6430 · Pumping Maintenance, General	4,296.72		
6440 · Pumping Equipment, Expensed	0.00	9,163.00	-9,163.00
<b>Total 6400 · Pumping</b>	<b>77,078.74</b>	<b>77,913.00</b>	<b>-834.26</b>
<b>6500 · Supply</b>			
6510 · Maintenance, Raw Water Mains	0.00	1,837.00	-1,837.00
6520 · Maintenance, Wells	4,572.06	4,587.00	-14.94
6530 · Water Purchases	35,442.61	45,837.00	-10,394.39
<b>Total 6500 · Supply</b>	<b>40,014.67</b>	<b>52,261.00</b>	<b>-12,246.33</b>
<b>6600 · Collection/Transmission</b>			
6610 · Hydrants	0.00	1,837.00	-1,837.00
6620 · Maintenance, Water Mains	56,381.62	45,837.00	10,544.62
6630 · Maintenance, Water Svc Lines	9,881.17	27,500.00	-17,618.83
6640 · Maintenance, Tanks	690.11	5,962.00	-5,271.89
6650 · Maint., Distribution General	10,035.89	5,962.00	4,073.89
6660 · Maintenance, Collection System	619.74		
6670 · Meters	3,456.06	4,587.00	-1,130.94
<b>Total 6600 · Collection/Transmission</b>	<b>81,064.59</b>	<b>91,685.00</b>	<b>-10,620.41</b>
<b>6700 · Treatment</b>			
6710 · Chemicals & Filtering	26,684.35	19,250.00	7,434.35
6720 · Maintenance, Treatment Equip.	1,487.21	6,875.00	-5,387.79
6730 · Treatment Analysis	18,048.18	21,087.00	-3,038.82
<b>Total 6700 · Treatment</b>	<b>46,219.74</b>	<b>47,212.00</b>	<b>-992.26</b>
<b>6770 · Uniforms</b>	8,926.26	7,788.00	1,138.26
<b>6800 · Vehicles</b>			
6810 · Fuel	5,872.27	8,250.00	-2,377.73
6820 · Truck Equipment, Expensed	1,005.36	1,837.00	-831.64
6830 · Truck Repairs	584.70	4,125.00	-3,540.30
<b>Total 6800 · Vehicles</b>	<b>7,462.33</b>	<b>14,212.00</b>	<b>-6,749.67</b>
<b>6890 · Other Operations</b>	2,003.97		
<b>Total 6000 · Operations</b>	<b>346,086.43</b>	<b>418,154.00</b>	<b>-72,067.57</b>
<b>Total Expense</b>	<b>1,095,246.05</b>	<b>1,236,224.00</b>	<b>-140,977.95</b>
<b>Net Ordinary Income</b>	<b>904,460.19</b>	<b>707,631.74</b>	<b>196,828.45</b>
<b>Other Income/Expense</b>			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	86,326.50	66,737.00	19,589.50
7120 · Connection Fees (Remodel)	2,757.00	2,662.00	95.00
7130 · Conn. Fees, PFP (New Constr)	66,106.00	34,925.00	31,181.00
7140 · Conn. Fees, PFP (Remodel)	0.00	8,338.00	-8,338.00
<b>Total 7100 · Connection Fees</b>	<b>155,189.50</b>	<b>112,662.00</b>	<b>42,527.50</b>

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July 2014 through May 2015

	Jul '14 - May 15	Water Budget	\$ Over Budget
7600 · Bond Revenues, G.O.	1,127,949.23	1,054,570.00	73,379.23
<b>Total 7000 · Capital Account Revenues</b>	<b>1,283,138.73</b>	<b>1,167,232.00</b>	<b>115,906.73</b>
Total Other Income	1,283,138.73	1,167,232.00	115,906.73
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	1,947,842.34	2,930,092.00	-982,249.66
<b>Total 8000 · Capital Improvement Program</b>	<b>1,947,842.34</b>	<b>2,930,092.00</b>	<b>-982,249.66</b>
9000 · Capital Account Expenses			
9075 · PFP Connection Expenses	23,039.21		
9100 · Interest Expense - GO Bonds	335,301.71	1,150,436.00	-815,134.29
9125 · PNC Equipment Lease Interest	20,078.43	51,645.00	-31,566.57
9150 · SRF Loan	892.50	93,588.00	-92,695.50
<b>Total 9000 · Capital Account Expenses</b>	<b>379,311.85</b>	<b>1,295,669.00</b>	<b>-916,357.15</b>
Total Other Expense	2,327,154.19	4,225,761.00	-1,898,606.81
<b>Net Other Income</b>	<b>-1,044,015.46</b>	<b>-3,058,529.00</b>	<b>2,014,513.54</b>
<b>Net Income</b>	<b>-139,555.27</b>	<b>-2,350,897.26</b>	<b>2,211,341.99</b>

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
As of May 31, 2015

	<u>Sewer</u>	<u>Water</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
<b>Sewer - Bank Accounts</b>			
Wells Fargo Operating - Sewer	602,776.39	0.00	602,776.39
<b>LAIF Investment Fund</b>			
Capital Reserve	3,789,563.62	0.00	3,789,563.62
Connection Fees Reserve	228,488.00	0.00	228,488.00
Operating Reserve	255,195.00	0.00	255,195.00
<b>Total LAIF Investment Fund</b>	<u>4,273,246.62</u>	<u>0.00</u>	<u>4,273,246.62</u>
<b>Total Sewer - Bank Accounts</b>	4,876,023.01	0.00	4,876,023.01
<b>Water - Bank Accounts</b>			
Wells Fargo Operating - Water	0.00	459,286.56	459,286.56
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	224,763.00	224,763.00
<b>Restricted Cash</b>			
Acq & Improv Fund	0.00	436.13	436.13
Connection Fees Reserve	0.00	122,488.00	122,488.00
Cost of Issuance	0.00	122.94	122.94
GO Bonds Fund	0.00	1,255,370.54	1,255,370.54
<b>Total Restricted Cash</b>	<u>0.00</u>	<u>1,378,417.61</u>	<u>1,378,417.61</u>
<b>Total Water - Bank Accounts</b>	0.00	2,460,716.17	2,460,716.17
<b>Total Checking/Savings</b>	4,876,023.01	2,460,716.17	7,336,739.18
<b>Accounts Receivable</b>			
<b>Sewer - Accounts Receivable</b>			
Accounts Receivable	6,451.47	0.00	6,451.47
<b>Total Sewer - Accounts Receivable</b>	6,451.47	0.00	6,451.47
<b>Water - Accounts Receivable</b>			
Accounts Receivable	0.00	24,642.97	24,642.97
Accounts Rec. - Backflow	0.00	9,111.51	9,111.51
Accounts Rec. - Water Residents	0.00	135,301.00	135,301.00
Unbilled Water Receivables	0.00	208,205.63	208,205.63
<b>Total Water - Accounts Receivable</b>	<u>0.00</u>	<u>377,261.11</u>	<u>377,261.11</u>
<b>Total Accounts Receivable</b>	6,451.47	377,261.11	383,712.58
<b>Other Current Assets</b>			
Maint/Parts Inventory	0.00	42,656.32	42,656.32
<b>Total Other Current Assets</b>	0.00	42,656.32	42,656.32
<b>Total Current Assets</b>	4,882,474.48	2,880,633.60	7,763,108.08
<b>Fixed Assets</b>			
<b>Sewer - Fixed Assets</b>			
General Plant	1,092,847.84	0.00	1,092,847.84
Land	5,000.00	0.00	5,000.00
<b>Other Capital Improv.</b>			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
<b>Total Other Capital Improv.</b>	<u>3,250,409.57</u>	<u>0.00</u>	<u>3,250,409.57</u>
<b>Seal Cove Collection System</b>			
<b>Sewage Collection Facility</b>			
Collection Facility - Org. Cost	1,349,064.00	0.00	1,349,064.00
Collection Facility - Other	3,991,243.33	0.00	3,991,243.33
<b>Total Sewage Collection Facility</b>	<u>5,340,307.33</u>	<u>0.00</u>	<u>5,340,307.33</u>

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
**As of May 31, 2015**

Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-6,417,969.00	0.00	-6,417,969.00
<b>Total Sewer - Fixed Assets</b>	<b>4,510,640.58</b>	<b>0.00</b>	<b>4,510,640.58</b>
<b>Water - Fixed Assets</b>			
General Plant	0.00	21,984,938.43	21,984,938.43
Land & Easements	0.00	734,500.00	734,500.00
Surface Water Rights	0.00	300,000.00	300,000.00
Water Meters	0.00	1,058,985.00	1,058,985.00
Fixed Assets - Other	0.00	48,171.78	48,171.78
Accumulated Depreciation	0.00	-7,179,767.00	-7,179,767.00
<b>Total Water - Fixed Assets</b>	<b>0.00</b>	<b>16,946,828.21</b>	<b>16,946,828.21</b>
<b>Total Fixed Assets</b>	<b>4,510,640.58</b>	<b>16,946,828.21</b>	<b>21,457,468.79</b>
<b>Other Assets</b>			
<b>Sewer - Other Assets</b>			
Due from Water Fund	1,173,739.18	0.00	1,173,739.18
Employee Loan	95,459.27	0.00	95,459.27
<b>Joint Power Authority</b>			
SAM - Orig Collection Facility	981,592.00	0.00	981,592.00
SAM - Expansion	1,705,955.08	0.00	1,705,955.08
<b>Total Joint Power Authority</b>	<b>2,687,547.08</b>	<b>0.00</b>	<b>2,687,547.08</b>
<b>Total Sewer - Other Assets</b>	<b>3,956,745.53</b>	<b>0.00</b>	<b>3,956,745.53</b>
<b>Water - Other Assets</b>			
Bond Acquisition Cost OID	0.00	67,408.40	67,408.40
Bond Issue Cost	0.00	71,973.35	71,973.35
<b>Total Water - Other Assets</b>	<b>0.00</b>	<b>139,381.75</b>	<b>139,381.75</b>
<b>Total Other Assets</b>	<b>3,956,745.53</b>	<b>139,381.75</b>	<b>4,096,127.28</b>
<b>TOTAL ASSETS</b>	<b><u>13,349,860.59</u></b>	<b><u>19,966,843.56</u></b>	<b><u>33,316,704.15</u></b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Other Current Liabilities</b>			
<b>Sewer - Current Liabilities</b>			
Interest Payable	12,268.68	0.00	12,268.68
Deposits Payable	14,417.00	0.00	14,417.00
PNC Equip. Loan - S/T	2,932.43	0.00	2,932.43
<b>Total Sewer - Current Liabilities</b>	<b>29,618.11</b>	<b>0.00</b>	<b>29,618.11</b>
<b>Water - Current Liabilities</b>			
Interest Payable	0.00	59,751.68	59,751.68
Accrued Interest	0.00	81,799.58	81,799.58
Deposits Payable	0.00	22,402.04	22,402.04
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	2,932.43	2,932.43
<b>Total Water - Current Liabilities</b>	<b>0.00</b>	<b>171,188.23</b>	<b>171,188.23</b>
<b>Payroll Liabilities</b>			
Employee Benefits Payable	1,575.17	2,300.03	3,875.20
<b>Total Payroll Liabilities</b>	<b>1,575.17</b>	<b>2,300.03</b>	<b>3,875.20</b>
<b>Total Other Current Liabilities</b>	<b>31,193.28</b>	<b>173,488.26</b>	<b>204,681.54</b>
<b>Total Current Liabilities</b>	<b>31,193.28</b>	<b>173,488.26</b>	<b>204,681.54</b>

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Accrual Basis

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
As of May 31, 2015

<b>Long Term Liabilities</b>			
<b>Sewer - Long Term Liabilities</b>			
Accrued Vacations	16,282.33	0.00	16,282.33
I-Bank Loan	866,464.43	0.00	866,464.43
PNC Equip. Loan - L/T	722,142.19	0.00	722,142.19
<b>Total Sewer - Long Term Liabilities</b>	<u>1,604,888.95</u>	<u>0.00</u>	<u>1,604,888.95</u>
<b>Water - Long Term Liabilities</b>			
Accrued Vacations	0.00	19,088.15	19,088.15
Deferred on Refunding	0.00	-261,800.00	-261,800.00
Due to Sewer Fund	0.00	1,173,739.18	1,173,739.18
GO Bonds - L/T	0.00	13,169,294.76	13,169,294.76
PNC Equip. Loan - L/T	0.00	722,142.21	722,142.21
SRF Loan Payable	0.00	609,552.51	609,552.51
<b>Total Water - Long Term Liabilities</b>	<u>0.00</u>	<u>15,432,016.81</u>	<u>15,432,016.81</u>
<b>Total Long Term Liabilities</b>	<u>1,604,888.95</u>	<u>15,432,016.81</u>	<u>17,036,905.76</u>
<b>Total Liabilities</b>	<u>1,636,082.23</u>	<u>15,605,505.07</u>	<u>17,241,587.30</u>
<b>Equity</b>			
<b>Sewer - Equity Accounts</b>			
Capital Assets Net	2,861,800.00	0.00	2,861,800.00
Fund Balance - Unrestricted	9,192,745.07	0.00	9,192,745.07
Retained Earnings	-877,787.10	0.00	-877,787.10
<b>Total Sewer - Equity Accounts</b>	<u>11,176,757.97</u>	<u>0.00</u>	<u>11,176,757.97</u>
<b>Water - Equity Accounts</b>			
Capital Assets Net	0.00	1,935,608.00	1,935,608.00
Restricted Debt Service	0.00	1,471,248.00	1,471,248.00
Unrestricted	0.00	-715,800.99	-715,800.99
Retained Earnings	0.00	877,787.10	877,787.10
<b>Total Water - Equity Accounts</b>	<u>0.00</u>	<u>3,568,842.11</u>	<u>3,568,842.11</u>
Equity Adjustment Account	407,585.42	932,051.65	1,339,637.07
Net Income	129,434.97	-139,555.27	-10,120.30
<b>Total Equity</b>	<u>11,713,778.36</u>	<u>4,361,338.49</u>	<u>16,075,116.85</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>13,349,860.59</u></u>	<u><u>19,966,843.56</u></u>	<u><u>33,316,704.15</u></u>

**Montara Water & Sanitary District**  
**Restricted and Non Restricted Cash Assets**  
 July 2014 through June 2015

on

July	August	September	October	November	December	January	February	March	April	May	June	Target Reserves
888,357.87	802,747.99	931,238.34	790,633.26	651,596.21	2,444,784.00	1,423,796.17	815,043.85	534,452.96	1,770,128.17	602,776.39		
255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00	255,195.00
4,280,646.51	4,280,646.51	4,280,646.51	4,280,646.51	4,283,549.54	4,283,550.00	4,283,549.54	4,286,604.00	3,786,604.16	3,786,604.16	3,789,563.62	3,789,563.62	1,967,000.00
228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00	228,488.00
4,764,329.51	4,764,329.51	4,764,329.51	4,764,329.51	4,767,232.54	4,767,233.00	4,767,232.54	4,770,287.00	4,270,287.16	4,270,287.16	4,273,246.62	4,273,246.62	
329,371.95	345,404.81	357,506.82	374,706.00	391,999.53	405,334.00	419,025.62	428,930.00	439,044.52	448,679.60	459,286.56		
224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00	224,763.00
398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	984,835.00
122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00	122,488.00
745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	
133,921.50	100,174.00	41,090.64	4,227.63	436.13	436.13	436.13	436.13	436.13	436.13	436.13	436.13	
122.94	122.94	122.94	122.94	122.94	122.94	122.94	122.94	122.94	122.94	122.94	122.94	
1,289,765.42	714,547.38	715,566.11	715,566.11	727,529.63	727,529.63	1,336,827.19	767,826.40	815,097.25	815,097.25	1,255,370.54	1,255,370.54	
1,423,809.86	814,844.32	756,779.69	719,916.68	728,088.70	728,088.70	1,337,386.26	768,385.47	815,656.32	815,656.32	1,255,929.61	1,255,929.61	
<b>8,151,369.19</b>	<b>7,472,826.63</b>	<b>7,555,354.36</b>	<b>7,395,085.45</b>	<b>7,284,416.98</b>	<b>9,090,939.70</b>	<b>8,692,940.59</b>	<b>7,528,146.32</b>	<b>6,804,940.96</b>	<b>8,050,251.25</b>	<b>7,336,739.18</b>		



**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
 July 2014 through June 2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	TOTAL
													Budget	\$ C
9, Office	725.00	300.00	625.00	2,950.00	1,055.00	2,212.50	1,950.00	1,412.50	237.50	1,712.50	12,880.00	31,000.00		
ocal														
ities	429.56	2,226.66	386.35	1,921.93	121.84	872.86	824.29	1,059.03	504.84	8,671.35	9,000.00			
ublishing	144.17	66.00	16.00	124.99	50.00	77.85	253.85	120.06	1,113.02	4,000.00				
il Services	273.93	177.60	308.13	248.33	9.59	68.32	85.58	1,198.00	2,369.48	4,000.00				
iting	2,800.00	4,750.00	3,325.00	1,577.50	1,000.00	650.00	3,050.00	17,152.50	30,000.00					
ting	4,450.00	5,000.00	600.00					10,050.00	13,000.00					
ervices	3,517.50	1,676.25	2,206.38	241.25	75.00	921.25	1,489.30	1,553.88	1,292.75	12,898.56	11,500.00			
i HR Support	5,380.62	336.42						5,792.04	5,500.00					
Services	75.41	54.72	52.88	53.79	116.06	56.52	1,702.50	2,077.50	2,250.00					
rofessional Services				10.00			60.03	692.64	900.00					
isional Services	75.41	8,235.34	8,020.38	11,825.55	5,585.17	2,231.29	1,492.31	1,627.77	4,595.83	3,316.41	1,727.78	48,673.24	63,150.00	
o, Tax Roll Charges														
nk Internet	49.95	664.00	653.07	639.47	664.20	656.11	130.18	1,380.18	1,337.52	1,015.46	1,015.94	8,206.08	9,000.00	
mbursement	14.63	150.00	491.76	36.27				39.48	379.68				1,500.00	
aterials													200.00	
S 457 Deferred Plan	1,322.86	1,059.91	1,067.81	1,098.61	1,051.63	1,259.15	1,109.15	1,065.71	1,069.50	1,075.86	1,044.94	12,225.13	13,065.00	
ee Benefits	4,954.06	3,277.57	6,555.14	3,277.57	2,493.79	3,184.29	2,693.79	2,693.79	3,184.29	2,693.79	29,130.00	41,298.00		
ty Insurance	89.53	90.64	90.64	90.64	90.64	90.64	113.36	113.36	113.36	113.36	100.00	978.91	1,139.00	
Taxes	1,411.01	1,158.34	928.06	789.85	738.49	870.46	1,212.16	1,164.67	1,151.16	1,175.78	1,141.98	11,741.96	13,052.00	
agement	9,125.44	6,625.44	6,625.44	8,155.39	6,625.44	6,625.44	6,625.44	6,625.44	6,625.44	6,625.44	6,625.44	76,909.79	79,129.00	
ff	8,681.22	7,980.00	8,360.00	8,740.00	8,026.56	8,854.08	8,489.12	7,699.20	8,469.12	8,469.12	8,084.16	91,892.58	97,778.00	
ff Certification	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,650.00	1,890.00	
ff Overtime	764.86	153.36	119.28	153.36	221.52	647.52	289.68	749.76	34.08	124.96	68.16	3,326.54	2,382.00	
ff Standby	176.92	233.10	25.90	181.30	310.80						928.02			
ages	18,898.44	15,141.90	15,254.72	15,694.70	15,023.52	17,988.29	15,845.04	15,224.40	15,278.64	15,369.52	14,927.76	174,646.93	181,179.00	
's Comp Insurance	26,586.37	17,449.68	17,337.33	22,100.84	23,459.42	23,486.11	18,831.09	20,061.93	20,306.45	21,753.38	19,908.47	231,281.07	257,589.00	
itive	28,594.46	29,337.84	30,472.79	40,234.09	35,569.97	32,163.61	21,188.10	28,286.92	30,116.30	29,155.43	27,537.71	332,659.22	405,539.00	



**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
 July 2014 through June 2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	Budget	TOTAL \$ C
Property Damage					814.00						1,325.00		2,139.00	10,000.00	
Training														1,000.00	
<b>Personnel</b>															
Attendance, Engineering			6,212.50	5,054.00	7,605.00	2,349.00	1,643.50	20,572.00	7,608.00	7,638.00	5,897.00		64,579.00	25,000.00	
Engineering			6,212.50	5,054.00	7,605.00	2,349.00	1,643.50	20,572.00	7,608.00	7,638.00	5,897.00		64,579.00	30,000.00	
<b>Supplies</b>															
Tools, Expensed														1,000.00	
<b>Services</b>															
Advertising	359.40	419.54	419.54	359.40	474.59	411.90	359.40	624.59	411.90	359.40	476.31		4,256.43	5,000.00	
Repairs	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00		1,900.00	2,400.00	
Fees	549.40	609.54	609.54	549.40	664.59	601.90	549.40	814.59	601.90	549.40	666.31		6,156.43	7,400.00	
<b>Energy</b>															
Gas Fuel & Electricity	2,558.39	2,504.51	2,504.51	2,542.57	2,414.36	2,236.41	2,424.40	2,683.13	1,786.32	1,833.90	1,638.93		22,622.92	35,000.00	
Lighting	2,558.39	2,504.51	2,504.51	2,542.57	2,414.36	2,236.41	2,424.40	2,683.13	1,786.32	1,833.90	1,638.93		22,622.92	35,000.00	
<b>Construction</b>															
Transmission														20,000.00	
Maintenance, Collection System														20,000.00	
Station/Transmission														20,000.00	
<b>Equipment</b>															
Equipment, Expensed										458.35	52.29		510.64	800.00	
Repairs										56.36	31.07		87.43	160.00	
Leases										50.84			50.84	400.00	
<b>Other</b>										565.55	83.36		648.91	1,360.00	
Adjustments					119.00								119.00		
Authority Midcoastside															
Collections	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00	25,488.00		280,368.00	305,853.00	
Operations	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00	52,002.00		572,022.00	624,021.00	
Year Adjustment															
Maintenance, Collection Sys					10,575.22				29,912.01						
Maintenance, Pumping															
Authority Midcoastside	77,490.00	91,373.81	77,490.00	77,490.00	88,065.22	77,490.00	77,490.00	77,490.00	107,402.01	77,490.00	25,512.18		929,083.22	1,019,874.00	

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
 July 2014 through June 2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	Budget	TOTAL \$ C
	77,490.00	94,481.60	86,816.55	85,635.97	99,682.17	82,677.31	82,107.30	101,559.72	117,398.23	88,076.85	109,422.78		1,025,348.48	1,125,634.00	
	106,084.46	123,819.44	117,289.34	125,870.06	135,252.14	114,840.92	103,295.40	129,848.64	147,514.53	117,232.28	136,960.49		1,358,007.70	1,581,173.00	
	-98,645.09	-118,118.85	-126,745.52	-120,930.11	-110,592.52	1,090,283.44	-93,005.72	-27,864.67	-140,707.66	749,257.55	-129,252.06		873,678.79	933,480.00	
<b>Revenues</b>															
Fees															
- tion Fees (New Constr)	44,622.00			22,967.00		45,934.00		6,433.00	22,967.00				142,923.00	178,488.00	
- tion Fees (Remodel)	8,271.00	3,809.00						9,190.00			2,162.00		23,432.00	50,000.00	
- ction Fees	52,893.00	3,809.00	3,809.00	22,967.00		45,934.00		6,433.00	32,157.00		2,162.00		166,355.00	228,488.00	
- ome - LAIF		2,903.03			3,054.62			2,959.46					8,917.11	8,000.00	
- mployee Loans	368.50	363.21	357.92	352.60	347.27	341.92	336.55	331.16	325.76	320.34	314.90		3,760.13	23,974.00	
- ount Revenues	53,261.50	363.21	7,069.95	23,319.60	347.27	49,330.54	336.55	6,764.16	35,442.22	320.34	2,476.90		179,032.24	260,462.00	
	53,261.50	363.21	7,069.95	23,319.60	347.27	49,330.54	336.55	6,764.16	35,442.22	320.34	2,476.90		179,032.24	260,462.00	
<b>ment Program</b>															
- rovement Program		20,129.50	23,058.00	25,914.25	35,950.45	19,300.44	578,617.66	17,006.55	1,455.00	94,189.14			815,620.99	821,923.00	
		20,129.50	23,058.00	25,914.25	35,950.45	19,300.44	578,617.66	17,006.55	1,455.00	94,189.14			815,620.99	821,923.00	
<b>Expenses</b>															
- ment Lease Interest	1,860.12	1,853.70	1,846.66	1,839.61	1,832.54	1,825.46	1,818.35	1,811.23	1,804.09	1,796.94	1,789.76		20,078.46	56,340.00	
- assessment - SAM	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00	5,280.00		58,080.00	36,000.00	
- ount Expenses	16,283.02						13,213.59						29,496.61	52,575.00	
	23,423.14	7,133.70	7,126.66	7,119.61	7,112.54	7,105.46	20,311.94	7,091.23	7,084.09	7,076.94	7,069.76		107,655.07	144,915.00	
	23,423.14	7,133.70	7,126.66	7,119.61	7,112.54	7,105.46	20,311.94	7,091.23	7,084.09	7,076.94	7,069.76		107,655.07	144,915.00	
	29,838.36	-6,770.49	-20,186.21	-6,858.01	-32,679.52	6,274.63	-39,275.83	-578,944.73	11,351.58	-8,211.60	-98,782.00		-744,243.82	-706,376.00	
	-68,806.73	-124,889.34	-146,931.73	-127,788.12	-143,272.04	1,096,568.07	-132,281.55	-606,809.40	-129,356.08	741,045.95	-228,034.06		129,434.97	227,104.00	

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
 July 2014 through June 2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	Budget	TOTAL \$ '0
2,667.67	2,667.67	2,667.67	2,667.67	2,667.67	2,667.67	2,667.67	2,667.67	2,667.67	2,707.73	2,707.73	2,957.73		29,714.55	31,500.00	
ive Fee (New Constr)															
ive Fee (Remodel)			1,363.00	463.00	926.00	2,667.67	463.00	463.00					3,678.00	4,500.00	
ee (New Constr)			522.00	463.00									985.00	1,000.00	
ee (Remodel)			1,337.00	437.00	874.00		437.00	437.00					3,522.00	4,250.00	
es			492.00	437.00					324.00				929.00	850.00	
			3,714.00	1,800.00	1,800.00	900.00	900.00	900.00	324.00				9,438.00	10,600.00	
ceipts	339.38	263.72	219.20	20,121.71	88,570.07	212,802.23	10,707.43	67,567.18	1,124.73				401,715.65	225,000.00	
w	802.00		2,121.00		3,333.00			3,333.00					9,589.00	13,000.00	
estic	245,713.61	54,614.47	152,862.17	152,025.55	115,428.97	144,444.97	129,914.41	143,565.35	135,979.37	144,803.29			1,547,081.11	1,846,473.00	
unds, Customer					-45.07			-350.00					-395.07	-6,000.00	
					572.00			1,991.00					2,563.00		
	249,522.66	57,282.14	159,507.56	158,833.42	140,018.35	218,921.62	360,814.87	147,522.51	146,819.08	209,587.28	150,876.75		1,999,706.24	2,120,573.00	
ectors	387.19	430.34	433.45	353.70	328.38	409.32	293.43	430.09	441.55	510.41	469.89		4,487.75	9,000.00	
leetings															
r Fees			250.00	125.00	250.00	375.00	250.00	125.00		103.92	375.00		2,180.81	2,500.00	
1 Expenses			187.50	337.50	375.00	150.00	262.50	225.00	450.00	300.00	187.50		2,625.00	2,500.00	
of Directors			437.50	664.39	500.00	400.00	512.50	350.00	450.00	403.92	562.50		4,805.81	5,000.00	
Attendance															
Systems			620.39	9,328.98	1,433.14	734.89	70.00	681.00	2,437.12				14,535.10	15,000.00	
Bond			495.00	420.00	567.50	90.00	949.49	210.00	54.75				2,786.74	6,000.00	
y & Liability Insurance															
nce			1,666.83					437.50					1,666.83	1,700.00	
essment													2,104.33	2,600.00	
j Attendance, Legal													2,376.00	2,200.00	
			312.50	437.50	1,437.50	750.00	662.50	487.50					5,050.00	10,000.00	

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
 July 2014 through June 2015

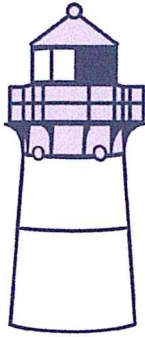
	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	TOTAL
													Budget	\$ 0
Legal		4,260.00	2,112.50	11,175.00	4,220.00	8,687.50	2,162.50	3,562.50	5,550.00	1,400.00	8,487.50		51,617.50	70,000.00
		4,572.50	2,550.00	12,612.50	4,970.00	9,162.50	2,162.50	4,225.00	6,037.50	1,400.00	8,975.00		56,667.50	80,000.00
		300.00	300.00	300.00	1,660.00	300.00	300.00	250.00	86.36	350.00	76.50		3,322.86	3,000.00
		423.94	429.56	2,272.73	457.52	323.99	121.83	872.87	824.27	1,059.02	1,837.09		16,944.94	18,000.00
	50.00	144.15	750.40	215.10	606.43	601.23	540.00	543.29	592.77	1,212.90	2,002.75		10,003.57	9,000.00
		273.92	177.60	177.60	308.14	248.32		9.58	68.31	85.57	1,197.99		7,259.02	8,000.00
		2,800.00	375.00	4,750.00	3,325.00	1,577.50	1,000.00	650.00	3,050.00				2,369.43	4,000.00
		4,450.00	3,517.50	1,676.25	12,546.09	600.00	241.25	921.25	1,489.29	6,186.87	1,292.75		17,152.50	30,000.00
		375.00	375.00	375.00	780.00	375.00	375.00	375.00	-1,327.50	375.00	7,150.00		10,050.00	13,000.00
	75.42	54.70	316.90	52.90	53.81	53.81	116.06	56.54	60.03	60.03	60.03		27,871.25	31,500.00
		450.42	3,229.70	8,659.40	11,825.57	18,187.41	7,414.06	2,368.79	4,595.82	5,801.90	8,877.78		9,043.93	2,250.00
		210.40	877.87	1,087.82	989.65	894.47	1,620.10	357.57	1,337.51	1,463.10	1,238.40		2,077.50	900.00
		92.43	220.73	422.15	703.94	49.14	65.52	61.43	72.83	449.29	57.33		956.73	800.00
		2,530.05	2,421.08	2,294.18	2,501.81	2,298.40	2,481.39	2,396.40	2,532.59	2,466.47	2,390.89		19,425.28	77,650.00
	6,023.96	180.90	175.88	181.30	181.30	181.30	181.30	222.56	280.52	280.52	177.97		86,577.19	80,000.00
	3,420.45	2,717.81	2,268.36	2,331.86	2,116.06	2,489.41	2,918.79	2,774.05	2,902.54	2,860.40	2,751.03		2,043.08	29,971.00
		9,125.46	6,625.46	6,625.46	6,625.46	8,155.41	6,625.46	6,625.46	6,625.46	6,625.46	6,625.46		41,568.07	75,902.00
	27,127.84	23,437.76	20,985.03	24,626.68	21,513.90	24,734.45	24,597.52	22,485.51	24,304.56	24,734.18	23,285.90		27,043.08	29,971.00
	550.00	550.00	450.00	550.00	550.00	550.00	550.00	550.00	2,450.00	750.00	750.00		41,568.07	75,902.00
	7,114.24	3,664.91	3,664.88	3,107.27	3,389.71	4,556.10	4,223.46	4,925.97	2,919.74	3,476.20	3,466.61		2,043.55	2,510.00
	1,247.60	1,248.45	1,049.32	941.81	951.42	1,154.90	2,157.91	1,675.40	1,873.11	1,804.85	1,853.30		2,043.55	2,510.00
	45,165.14	35,526.58	32,774.69	35,851.22	33,030.49	39,150.86	38,154.35	36,262.34	38,172.87	37,390.69	35,961.27		29,550.76	31,600.00
		40,846.37	37,513.11	49,328.35	45,133.04	48,653.58	47,810.28	44,247.66	47,427.66	50,148.43	51,858.70		76,910.01	79,129.00
		57,139.60	40,846.37	37,513.11	49,328.35	45,133.04	48,653.58	47,810.28	47,427.66	50,148.43	51,858.70		281,813.33	328,917.00
				4,284.66			4,074.45		4,101.71				8,250.00	10,710.00
													44,509.09	43,468.00
													15,958.07	8,120.00
													407,440.50	470,344.00
													12,460.82	26,853.00
													520,106.78	637,180.00





**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
 July 2014 through June 2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul '14 - Jun 15	Budget	TOTAL
Construction Fees, PFP (New Construction)	7,576.00		12,592.00						19,854.00		26,084.00		66,106.00	38,100.00	
Construction Fees, PFP (Remodel)			12,592.00			29,984.00	6,289.00	-18,943.00	37,603.00		27,583.00		155,189.50	122,900.00	
Construction Fees	60,091.50		12,592.00			29,984.00	6,289.00	-18,943.00	37,603.00		27,583.00		155,189.50	122,900.00	
Construction Fees, G.O.	2,633.14		1,082.94	1,082.94	10,880.82	605,724.68	13,503.22	47,270.85	440,273.29	440,273.29	6,580.29		1,127,949.23	1,150,436.00	
Construction Revenues	62,714.64		12,592.00	1,082.94	10,880.82	635,708.68	19,792.22	28,327.85	37,603.00	440,273.29	34,163.29		1,283,138.73	1,273,336.00	
Construction Revenues	62,714.64		12,592.00	1,082.94	10,880.82	635,708.68	19,792.22	28,327.85	37,603.00	440,273.29	34,163.29		1,283,138.73	1,273,336.00	
Construction Program	1,200.00	34,547.50	59,083.36	36,863.01	34,605.00	26,397.94	560,873.36	29,566.20	656,107.45	14,287.25	494,311.27		1,947,842.34	3,196,463.00	-1
Construction Program	1,200.00	34,547.50	59,083.36	36,863.01	34,605.00	26,397.94	560,873.36	29,566.20	656,107.45	14,287.25	494,311.27		1,947,842.34	3,196,463.00	-1
Construction Expenses		5,111.07		2,042.51	5,873.13					9,095.00	917.50		23,039.21		
Construction Expenses		5,111.07		2,042.51	5,873.13					9,095.00	917.50		23,039.21		
Construction - GO Bonds	1,860.12	188,745.44	1,846.66	1,839.61	1,832.54	1,825.45	1,818.35	1,811.23	1,804.09	1,796.93	1,789.76		335,301.71	1,150,436.00	
Construction - GO Bonds	1,860.12	188,745.44	1,846.66	1,839.61	1,832.54	1,825.45	1,818.35	1,811.23	1,804.09	1,796.93	1,789.76		335,301.71	1,150,436.00	
Construction - Lease Interest		1,853.69								892.50			20,078.43	56,340.00	
Construction - Lease Interest		1,853.69								892.50			20,078.43	56,340.00	
Construction Expenses	1,860.12	175,710.20	1,846.66	3,882.12	7,705.67	1,825.45	1,818.35	168,367.50	1,804.09	11,784.43	2,707.26		379,311.85	1,308,866.00	
Construction Expenses	1,860.12	175,710.20	1,846.66	3,882.12	7,705.67	1,825.45	1,818.35	168,367.50	1,804.09	11,784.43	2,707.26		379,311.85	1,308,866.00	
Construction Expenses	3,060.12	210,257.70	60,930.02	40,745.13	42,310.67	28,223.39	562,691.71	197,933.70	657,911.54	26,071.68	497,018.53		2,327,154.19	4,505,329.00	-2
Construction Expenses	3,060.12	210,257.70	60,930.02	40,745.13	42,310.67	28,223.39	562,691.71	197,933.70	657,911.54	26,071.68	497,018.53		2,327,154.19	4,505,329.00	-2
Construction Expenses	59,654.52	-210,257.70	-48,338.02	-39,662.19	-31,429.85	607,485.29	-542,899.49	-169,605.85	-620,308.54	414,201.61	-462,855.24		-1,044,015.46	-3,231,993.00	2
Construction Expenses	59,654.52	-210,257.70	-48,338.02	-39,662.19	-31,429.85	607,485.29	-542,899.49	-169,605.85	-620,308.54	414,201.61	-462,855.24		-1,044,015.46	-3,231,993.00	2
Construction Expenses	249,078.25	-222,778.63	30,259.09	-6,111.23	-15,206.21	731,588.43	-271,578.32	-139,264.90	-613,144.00	542,344.31	-426,229.32		-141,042.53	-2,459,996.00	2
Construction Expenses	249,078.25	-222,778.63	30,259.09	-6,111.23	-15,206.21	731,588.43	-271,578.32	-139,264.90	-613,144.00	542,344.31	-426,229.32		-141,042.53	-2,459,996.00	2



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier'.

**SUBJECT: SAM Flow Report for May 2015**

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The Sewer Authority Mid-Coastside (SAM) has prepared the following attached reports for the SAM Board of Directors and the California Regional Water Quality Control Board:

- Flow Report for May 2015.
- Collection System Monthly Overflow Report – May 2015.

The Average Daily Flow for Montara was 0.256 MGD in May 2015. There was one reportable overflow due to mechanical and one reportable overflow due to other in May in the Montara System. SAM indicates there were 0.26 inches of rain in May 2015.

## RECOMMENDATION:

Review and file.

Attachments



# Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, May 2015

Attachment D

May 2015

	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	1	0	0	1	0
Wet Weather	0	0	0	0	0
Other	1	0	0	1	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
		<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

12 Month Moving Total

	Total	HMB	GCSD	MWSD	SAM
Roots	4	0	1	3	0
Grease	2	2	0	0	0
Mechanical	3	0	0	2	1
Wet Weather	1	1	0	0	0
Other	4	2	0	2	0
<b>Total</b>	<b>14</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>1</b>
		<b>36%</b>	<b>7%</b>	<b>50%</b>	<b>7%</b>

Reportable SSOs

	Total	HMB	GCSD	MWSD	SAM
May 2015	2	0	0	2	0
12 Month Moving Total	14	5	1	7	1

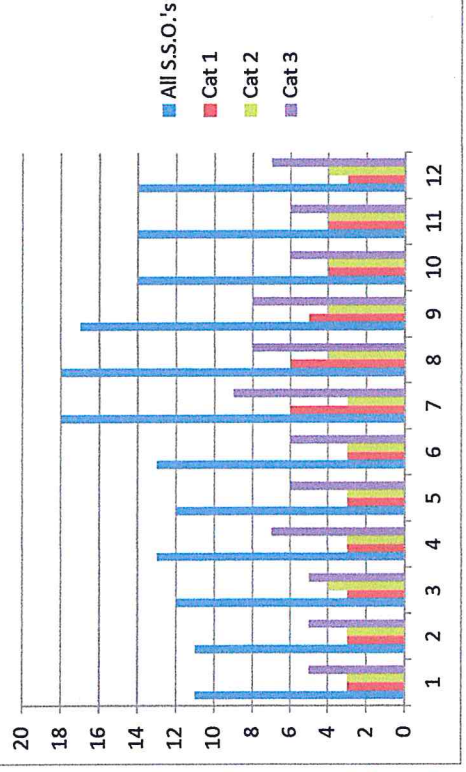
SSOs / Year / 100 Miles

	Total	HMB	GCSD	MWSD	SAM
May 2015	1.9	0.0	0.0	7.4	0.0
12 Month Moving Total	13.4	13.5	3.0	25.9	13.7
Category 1	2.9	2.7	0.0	3.7	13.7
Category 2	3.8	8.1	0.0	3.7	0.0
Category 3	6.7	2.7	3.0	18.5	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Jun-14	24,683	11,422	0	36,105	6.8
Jul-14	24,195	23,571	898	48,664	9.2
Aug-14	29,987	18,644	0	48,631	9.2
Sep-14	18,330	24,438	1,545	44,313	8.4
Oct-14	36,513	2,217	379	39,109	7.4
Nov-14	24,566	1,319	3,334	29,219	5.5
Dec-14	35,635	2,604	0	38,239	7.2
Jan-15	7,981	18,083	22,222	48,286	9.1
Feb-15	4,134	14,324	21,170	39,628	7.5
Mar-15	5,127	10,476	18,072	33,675	6.4
Apr-15	4,069	24,727	25,006	53,802	10.2
May-15	5,273	22,269	29,550	57,092	10.8
<b>Annual ft</b>	<b>220,493</b>	<b>174,094</b>	<b>122,176</b>	<b>516,763</b>	
<b>Annual Mi.</b>	<b>41.8</b>	<b>33.0</b>	<b>23.1</b>		<b>97.9</b>

12 Month Moving SSO Totals Through April 2015



# Attachment A

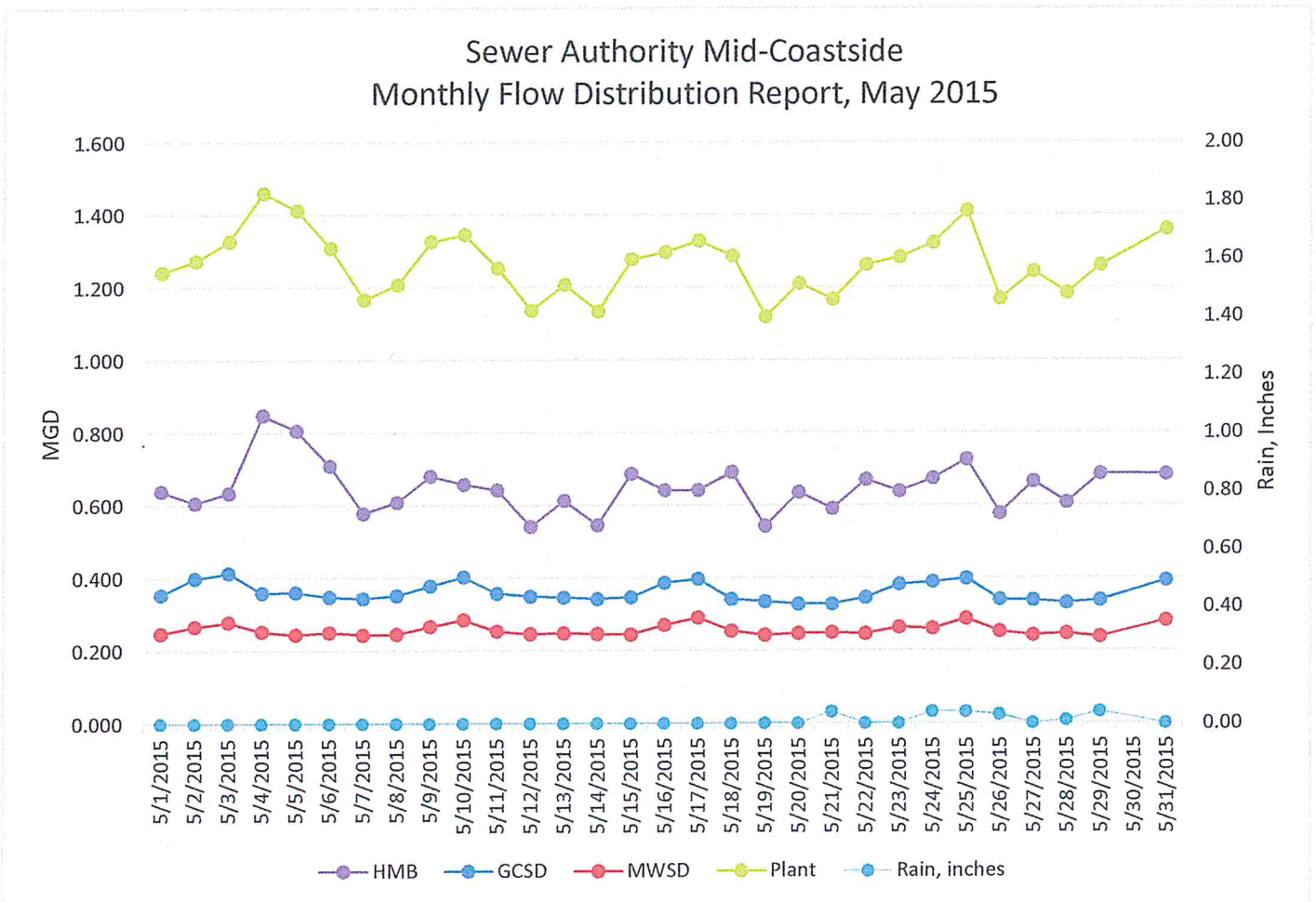
## Flow Distribution Report Summary For May 2015

The daily flow report figures for the month of May 2015 have been converted to an Average Daily Flow (ADF) for each Member Agency. The results are attached for your review.

\*Influent flow is calculated using the mid-plant flow meter less process water and trucked in waste

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.649	51.3%
Granada Community Services District	0.361	28.5%
Montara Water and Sanitary District	<u>0.256</u>	<u>20.2%</u>
Total	1.266	100.0%



# Sewer Authority Mid-Coastside

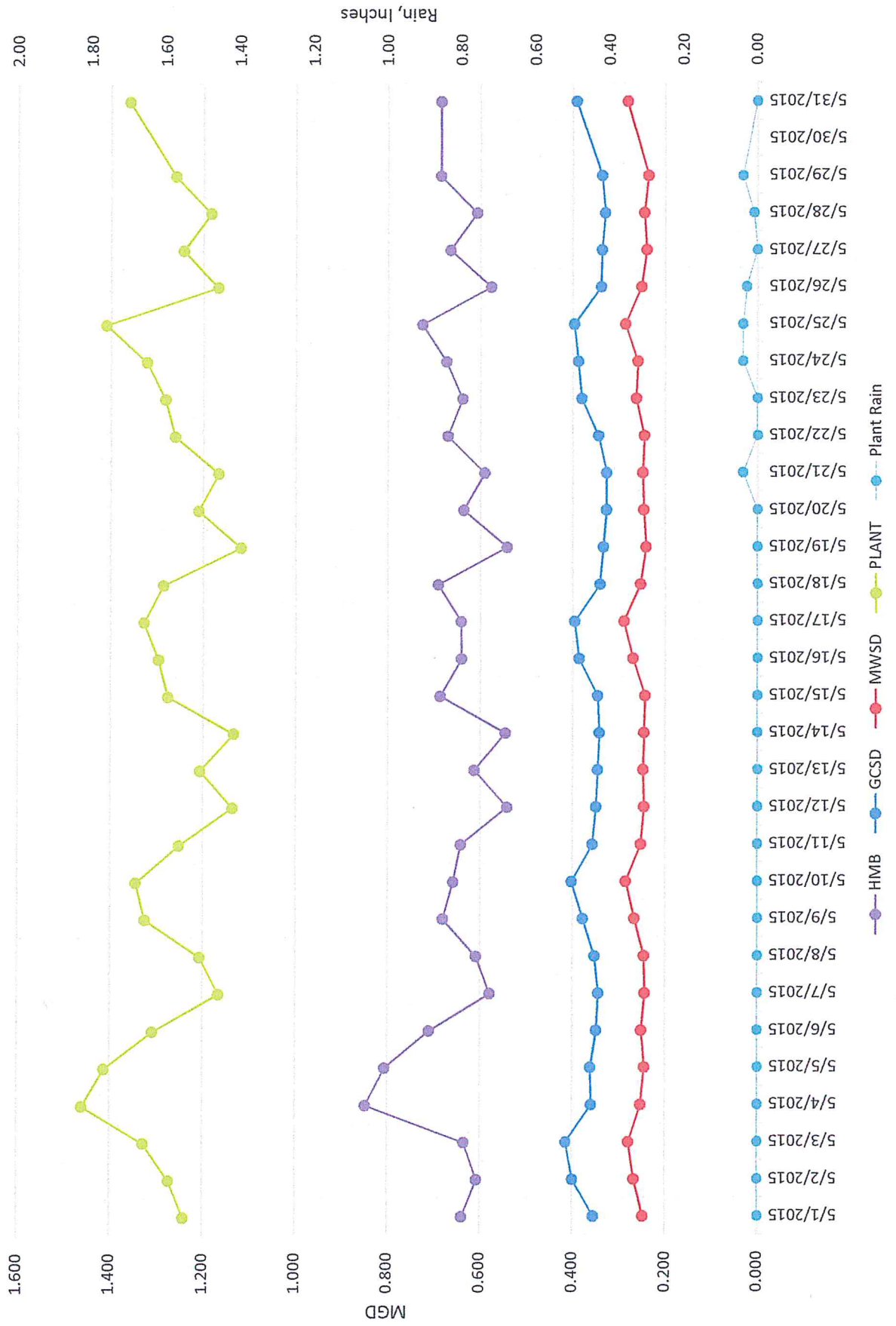
## Monthly Flow Distribution Report

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
5/1/2015	0.639	0.354	0.248	1.242	0.00	0.00	0.00
5/2/2015	0.607	0.399	0.267	1.273	0.00	0.00	0.00
5/3/2015	0.635	0.414	0.279	1.328	0.00	0.00	0.00
5/4/2015	0.848	0.359	0.253	1.461	0.00	0.00	0.00
5/5/2015	0.806	0.361	0.245	1.413	0.00	0.00	0.00
5/6/2015	0.710	0.348	0.251	1.309	0.00	0.00	0.00
5/7/2015	0.579	0.344	0.244	1.167	0.00	0.00	0.00
5/8/2015	0.609	0.352	0.246	1.207	0.00	0.00	0.00
5/9/2015	0.681	0.378	0.267	1.326	0.00	0.00	0.00
5/10/2015	0.658	0.402	0.285	1.345	0.00	0.00	0.00
5/11/2015	0.642	0.357	0.253	1.252	0.00	0.00	0.00
5/12/2015	0.542	0.349	0.246	1.137	0.00	0.00	0.00
5/13/2015	0.613	0.346	0.248	1.208	0.00	0.00	0.00
5/14/2015	0.546	0.342	0.246	1.134	0.00	0.00	0.00
5/15/2015	0.687	0.346	0.244	1.277	0.00	0.00	0.00
5/16/2015	0.641	0.386	0.270	1.297	0.00	0.00	0.00
5/17/2015	0.642	0.396	0.290	1.328	0.00	0.00	0.00
5/18/2015	0.691	0.341	0.254	1.286	0.00	0.00	0.00
5/19/2015	0.542	0.334	0.242	1.119	0.00	0.00	0.00
5/20/2015	0.636	0.327	0.247	1.211	0.00	0.00	0.00
5/21/2015	0.591	0.327	0.249	1.167	0.04	0.01	0.03
5/22/2015	0.671	0.345	0.246	1.262	0.00	0.00	0.00
5/23/2015	0.639	0.381	0.263	1.283	0.00	0.00	0.01
5/24/2015	0.674	0.388	0.260	1.322	0.04	0.01	0.02
5/25/2015	0.726	0.397	0.287	1.410	0.04	0.04	0.04
5/26/2015	0.577	0.339	0.252	1.169	0.03	0.03	0.06
5/27/2015	0.665	0.337	0.241	1.243	0.00	0.00	0.01
5/28/2015	0.608	0.330	0.246	1.184	0.01	0.00	0.05
5/29/2015	0.686	0.337	0.237	1.260	0.04	0.02	0.04
5/31/2015	0.685	0.392	0.282	1.359	0.00	0.00	0.00
<b>Totals</b>	<b>19.473</b>	<b>10.818</b>	<b>7.688</b>	<b>37.980</b>	<b>0.20</b>	<b>0.11</b>	<b>0.26</b>

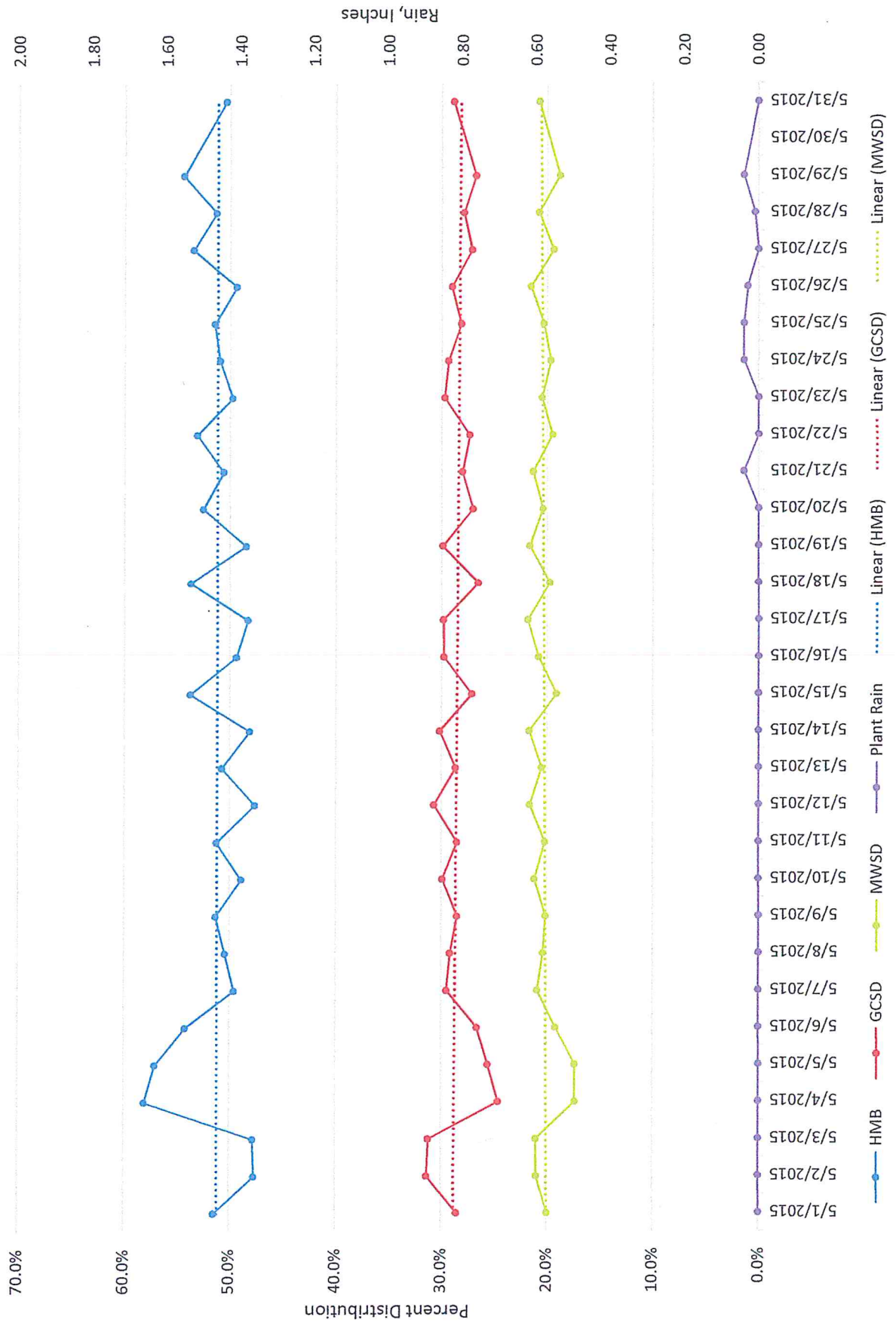
### Summary

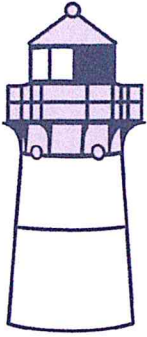
	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.542	0.327	0.237	1.119
<b>Average</b>	<b>0.649</b>	<b>0.361</b>	<b>0.256</b>	<b>1.266</b>
Maximum	0.848	0.414	0.290	1.461
<b>Distribution</b>	<b>51.3%</b>	<b>28.5%</b>	<b>20.2%</b>	<b>100.0%</b>

# Sewer Authority Mid-Coastside Monthly Flow Distribution Report, May 2015



# Percent Distribution May 2015





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review of Current Investment Portfolio**

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The District's Investment Policy and Guidelines requires that the Board review the status of the current investment portfolio. The following summarizes the status of these accounts:

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for May 2015 was 0.299%.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

## RECOMMENDATION:

District staff attempts to cash manage idle funds in LAIF as long as possible before transferring to the Wells Fargo checking accounts for disbursements.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Connection Permit Applications Received**

As of July 16, 2015 the following new Sewer Connection Permit applications were received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of July 16, 2015 the following new Water (Private Fire Sprinkler) Connection Permit applications were received since the last report:

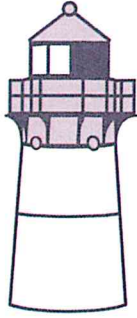
Date of Application	Property Owner	Site Address	Home Size
6/24/2015	Noto Yoshiaki	25 Bernal	SFD

As of July 16, 2015 the following new Water Connection Permit applications were received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
6/24/2015	Noto Yoshiaki	25 Bernal		SFD

**RECOMMENDATION:**

No action is required. This is for Board information only.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16<sup>th</sup>, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

## **SUBJECT: Monthly Water Production Report**

The attached two charts summarize the monthly water production for the District. The first shows a consolidated report from all sources by month. The second shows each water source the District uses, both wells and surface water. The production is shown in gallons of water produced.

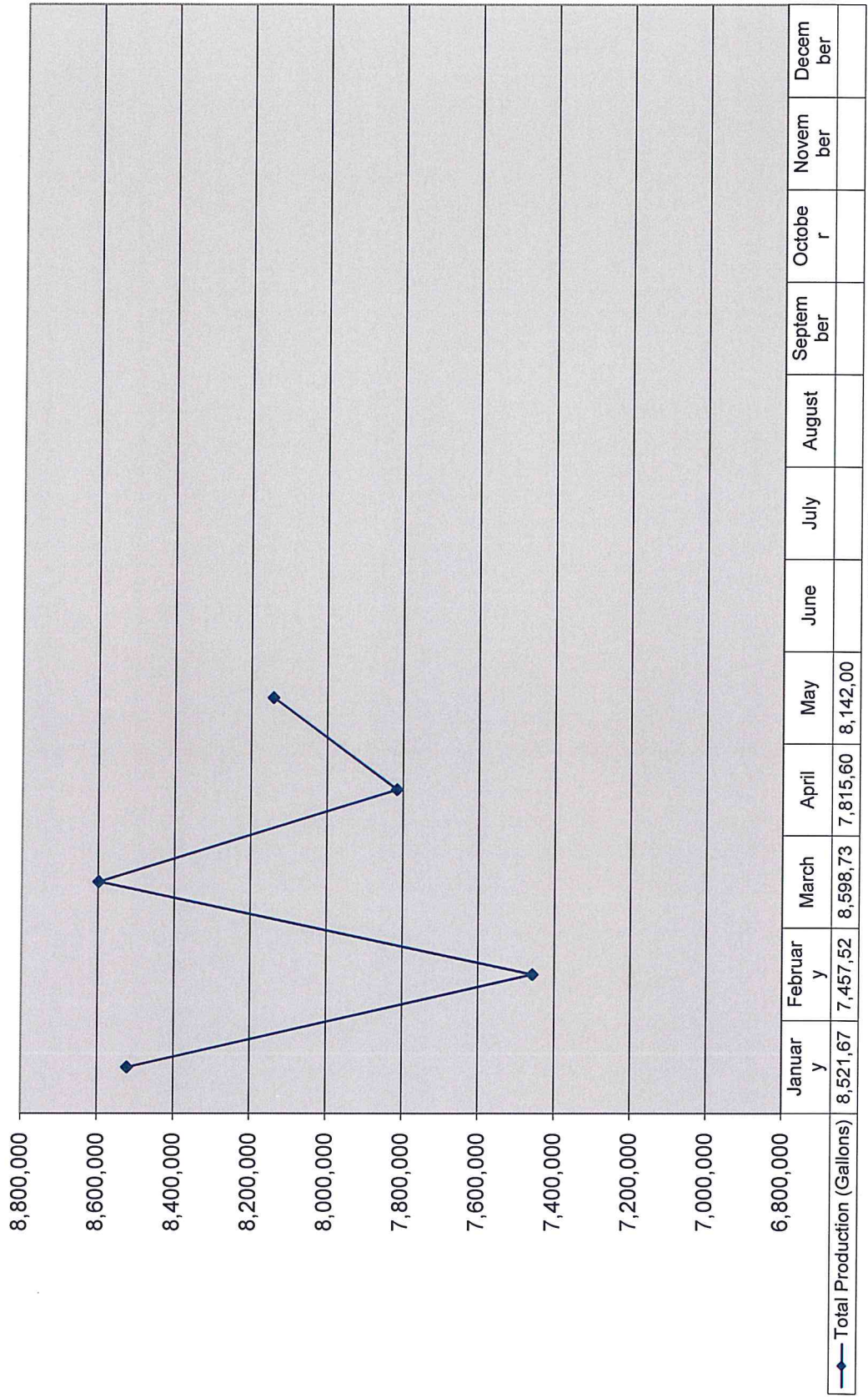
### RECOMMENDATION:

No action is required. This information is presented for the Board's information only.

Attachments

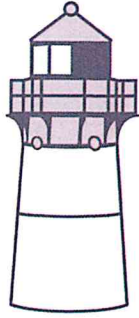


Total Production 2015(Gallons)



GALLONS





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16<sup>th</sup>, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier'. The signature is stylized and written in a cursive-like font.

**SUBJECT: Rain Report**

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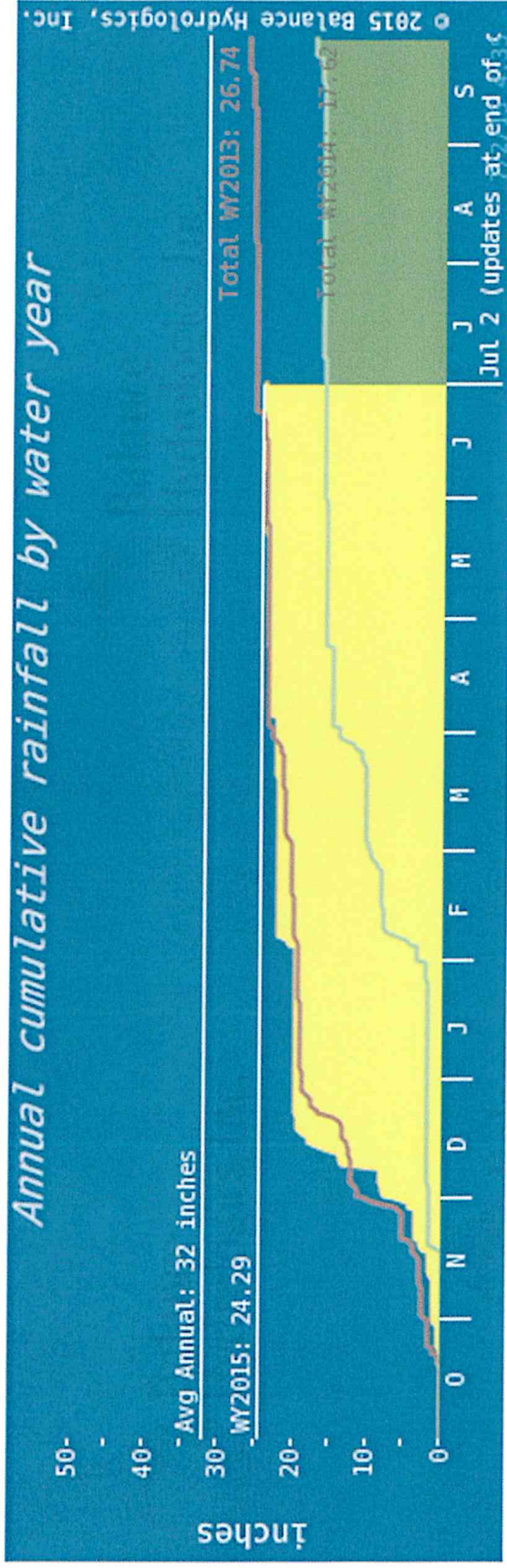
The attached chart shows the monthly rainfall at the Alta Vista Treatment Plant for the current and prior fiscal years along with the seven year average of rainfall.

RECOMMENDATION:

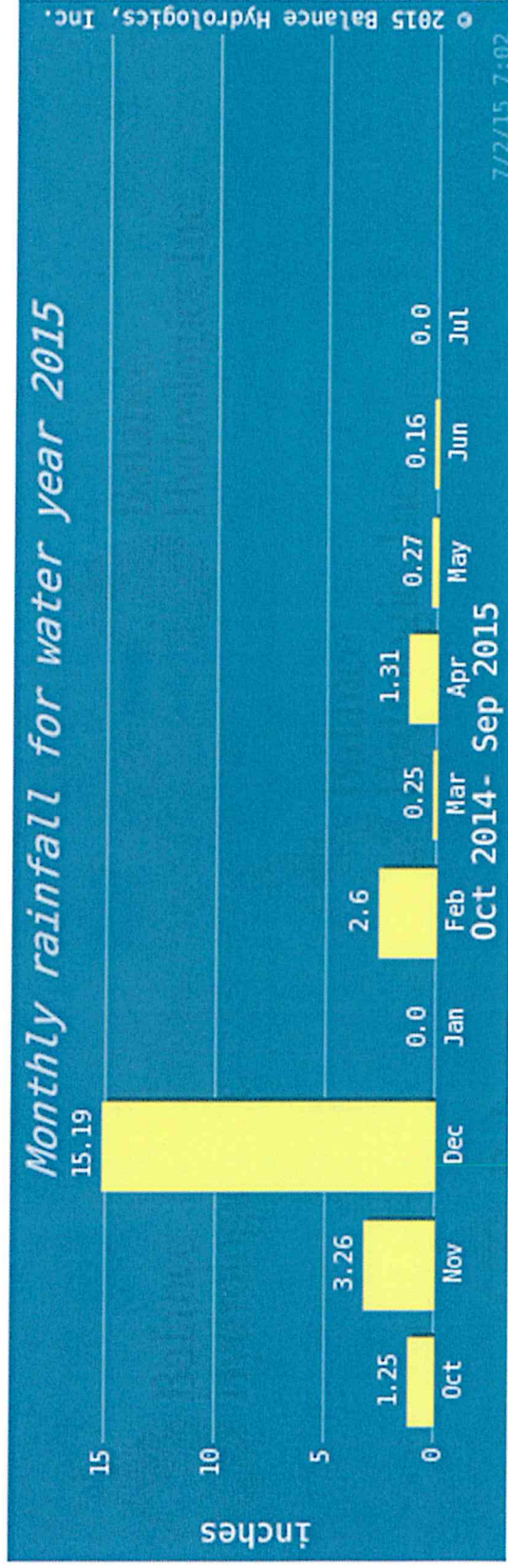
No action is required. This is presented for the Board's information only.

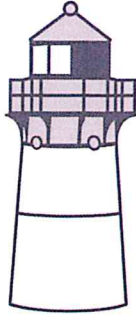
Attachment

# Annual Cumulative Rainfall



# Monthly Rainfall Report Oct 2014 – Sept 2015





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16<sup>th</sup>, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Monthly Solar Energy Report**

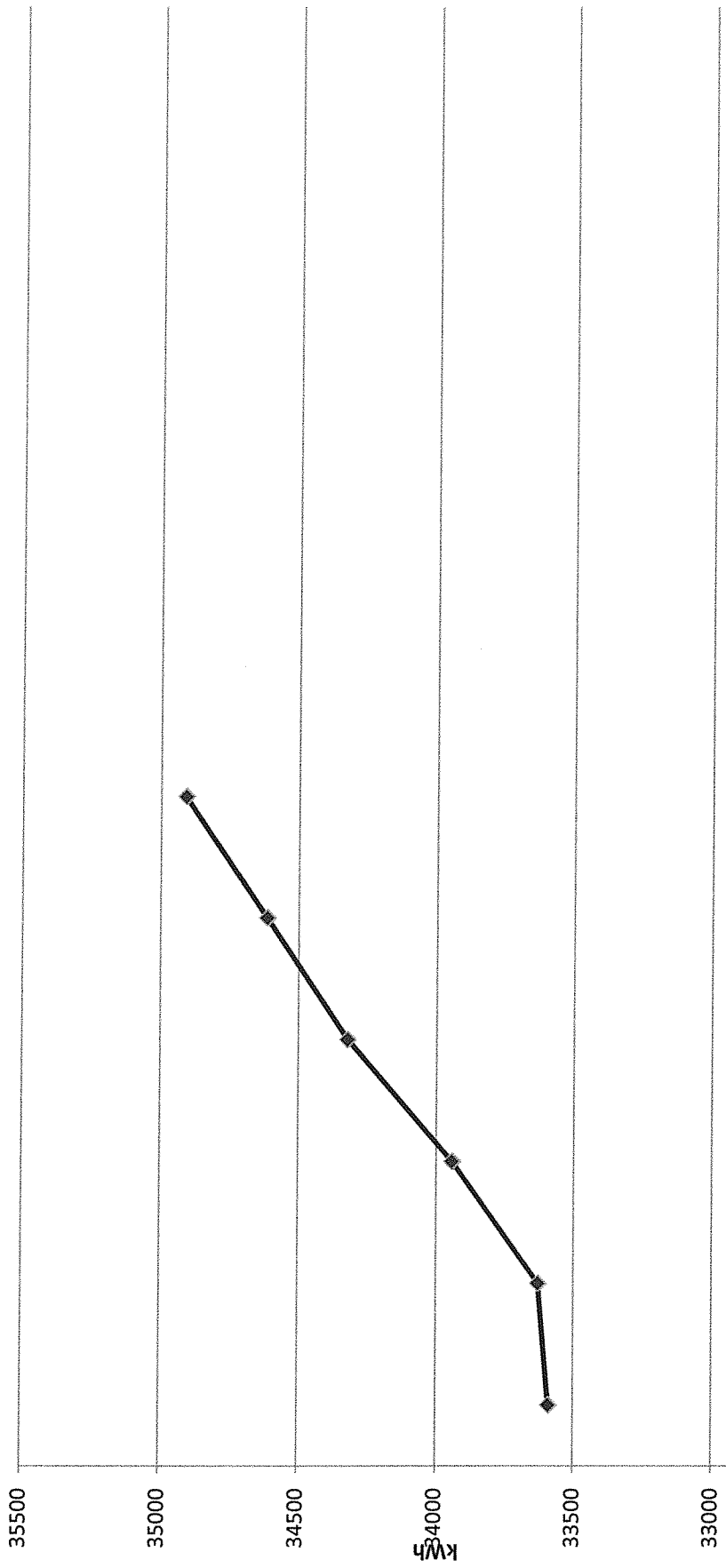
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 34908 kWh and saved 59302 lbs of CO<sub>2</sub>.

**RECOMMENDATION:**

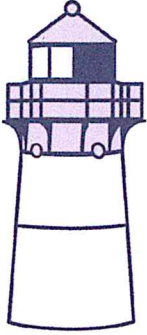
No action is required. This information is presented for the Board's information only.

Attachments

## SOLAR ENERGY PRODUCED IN 2015 (kWh)



2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	33588	33627	33941	34321	34613	34908						



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning  
Adoption of Proposed PARS Pension Plan.**

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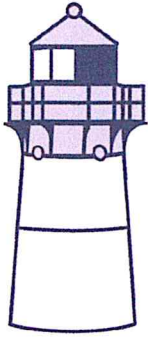
This item was brought to the Board for consideration in open session on June 4, 2015. Members of the Public raised concerns that the Board wished to further review and address in a workshop style meeting. Staff invited representatives from PARS, Bartel (actuarial firm), and Austris Rungis, the District's labor consultant to present the details and financial implications of the suggested defined benefit plan. Following the initial presentations questions from board and public will be addressed. As final step an action item has been noticed to allow for board decision on the adoption of the plan.

Staff was directed to examine procuring an pension program through the Public Agency Retirement System (PARS). The benefit parameters include a Defined Benefit Plan for all full-time employees based on 2% @ 62 full formula and at least five (5) years of District service, and final compensation based on the highest average consecutive thirty six (36) months (3 years) of compensation with the District. Parameters include an employee contribution equal to at least half of the on-going normal cost of the benefit.

The PARS plan offers flexibility in investment, benefit, and design choices; security in safeguarding assets; control at the District level; service from an experienced and dedicated team; and integrity on a long term commitment to helping serve the public interest. The PARS Trust is administered by PARS using US Bank as the Trustee. US Bank was chartered in 1863 and is the 5<sup>th</sup> largest commercial bank in the United States. HighMark Capital Management (a wholly owned subsidiary of Union Bank) will serve as investment manager.

PARS offers Defined Benefit Plans under the Internal Revenue Code (IRC) 401(a) for over 600 member agencies and over 1,200 different retirement plans under their administration. Some of the local agencies utilizing PARS plans include City of Pacifica, City of Brisbane and City of San Carlos. Under PARS, the ability to design a more flexible plan that meets the specific needs of the District and its employees was possible. It also offers the District more stability in the attraction and retention of its valuable employees and fiscal constraints otherwise mandated under the CalPERS plan. In considering the PARS retirement alternative, staff reviewed benefit options based on Board direction





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **July 16, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager  
and requested a full actuarial through Bartel Associates. The results of the valuation were earlier made available for public review.

At the last meeting the actuarial valuation for the PARS Plan for the District was received. The plan provisions are:

- a. All full-time employees are included in the plan employed on or after July 1, 2015;
- b. Benefit service is based on District years of service credit earned after July 1, 2015; purchases of past service credit rendered prior to July 1, 2015 is available but must be paid for by the employee;
- c. Vesting service is 5 years of District service;
- d. Employee contribution of 50% is required;
- e. Final average compensation is the average of the highest thirty-six (36) months of compensation (not to exceed amounts prescribed by CA Govt Code Section 7522.10(c));
- f. Employee is eligible for the benefit upon meeting the minimum age of 62, completing 5 years service with the District;
- g. No disability benefit under this plan, other than the return of the employee contribution with 3% interest per annum;
- h. The plan provides a pre-retirement death benefit to spouses or registered domestic partners of the employees who met the age and service condition for retirement;
- i. Employees who terminate employment with the District but do not meet vesting requirements will receive a refund of their contributions with 3% interest per annum;
- j. The Plan is a life-only annuity;
- k. The Plan payment will increase by 2% annually for cost of living.

## RECOMMENDATION:

Staff recommends to the Board of Directors adoption of the Public Agency Retirement System (PARS) Defined Benefit Plan Resolution.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND ADOPTING PUBLIC AGENCY RETIREMENT SYSTEM TRUST AND DEFINED BENEFIT PLAN AND APPOINTING GENERAL MANAGER AS PLAN ADMINISTRATOR**

**WHEREAS**, this Board has determined that it is in the best interest of the Montara Water and Sanitary District ("District") and its employees to provide a defined benefit plan for eligible employees; and

**WHEREAS**, the District is eligible to be a member of the Public Agency Retirement System ("PARS") Trust, which has made available a defined benefit plan qualifying under the relevant sections of the Internal Revenue Code and the California Government Code;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD, MONTARA WATER AND SANITARY DISTRICT, A PUBLIC AGENCY IN THE COUNTY OF SAN MATEO, CALIFORNIA, AS FOLLOWS:**

1. The PARS Trust, including the Montara Water and Sanitary District PARS Defined Benefit Plan ("Plan") is hereby approved and adopted effective July 1, 2015.

2. Pursuant to Internal Revenue Code Section 414(h)(2) this Board hereby authorizes the District to "pick up" employee contributions to the Plan on behalf of Plan participants.

3. The General Manager or his/her successor or his/her designee is hereby appointed as the District's Plan Administrator.

4. The District's Plan Administrator is hereby authorized and directed to execute all necessary or appropriate documents on behalf of the District to maintain the District's participation in the PARS Trust and implement the Plan and to take such additional actions likewise necessary or appropriate to maintain PARS' compliance with pertinent regulations issued or as may be issued in administering the Plan.

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President, District Board  
Montara Water and Sanitary District

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND ADOPTING PUBLIC AGENCY RETIREMENT SYSTEM TRUST AND DEFINED BENEFIT PLAN AND APPOINTING GENERAL MANAGER AS PLAN ADMINISTRATOR**

COUNTERSIGNED:

\_\_\_\_\_  
Secretary, Montara Water and Sanitary District

\* \* \* \*

I HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a Regular Meeting thereof held on the 16<sup>th</sup> day of July 2015, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

\_\_\_\_\_  
Secretary, Montara Water and Sanitary District

## AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services (hereinafter "PARS") and the Montara Water and Sanitary District ("Agency").

WHEREAS, Agency is desirous of retaining PARS, as Trust Administrator to the PARS Trust, to provide administrative and consulting services with respect to the Montara Water and Sanitary District PARS Defined Benefit Plan ("Plan");

NOW THEREFORE, THE PARTIES AGREE:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for Services will be remitted directly from Plan assets unless otherwise stated in Exhibit 1B. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge

liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non-performance of Services to the extent such non-performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner, and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Suspension of Contributions.** In the event contributions are suspended, either temporarily or permanently, prior to the complete discharge of PARS' obligations under this Agreement, PARS reserves the right to bill the Agency for Services under this Agreement at the rates indicated in PARS' standard fee schedule in effect at the time the Services are provided, subject to the terms established in Section 3 of this Agreement. Before any such Services are performed, PARS will provide the Agency with written notice of the subject Services, terms, and an estimate of the fees therefore.
7. **Records.** During the term of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of the Agency access to all records and material relating to the calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
8. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
9. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
10. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of PARS or Agency's, as the case may be, acts, errors or omissions with respect to the performance of their respective duties hereunder.

11. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.
12. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
13. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
14. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
15. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Board of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
16. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. Mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
  - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
  - (B) To Agency: Montara Water and Sanitary District; 8888 Cabrillo Highway, Montara, CA 94037; Attention: General ManagerNotices shall be deemed given on the date received by the addressee.
17. **Term of Agreement.** This Agreement shall remain in effect for the period beginning July 1, 2015 and ending June 30, 2018 ("Term"). This Agreement will continue unchanged for successive twelve-month periods following the Term unless either party gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term.

18. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
19. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
20. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement, the prevailing party therein shall be entitled to receive its reasonable attorney's fees.
21. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
22. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
23. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

**AGENCY:**

BY:

\_\_\_\_\_  
Clemens Heldmaier

TITLE:

\_\_\_\_\_  
General Manager

DATE: \_\_\_\_\_

**PARS:**

BY:

\_\_\_\_\_  
Tod Hammeras

TITLE:

\_\_\_\_\_  
Chief Financial Officer

DATE: \_\_\_\_\_

## EXHIBIT 1A

### SERVICES

PARS will provide the following services for the Montara Water and Sanitary District PARS Defined Benefit Plan:

1. Plan Installation Services:

- (A) Assisting appropriate Agency personnel to finalize Plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan document must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below;
- (D) Upon Agency authorization, preparing and submitting application to the Internal Revenue Service for a determination that the Plan is qualified (the application fee and any legal fees incurred associated with the filing of the application shall be paid by the Agency). Such fees will not be charged to the Agency without prior authorization by the Plan Administrator.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Trust Program ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, including the allocation of employer/employee contributions, distributions, investment activity and expenses (if applicable), based upon information received from the Agency and/or Trustee;
- (C) Acting as ongoing liaison between the Participant and the Agency in regard to distribution payments, which shall include use by the Participants of toll-free telephone communication to PARS;
- (D) Producing benefit illustrations and processing enrollments;
- (E) Coordinating the processing of Participant distribution payments pursuant to authorized written Agency certification of distribution eligibility, authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (F) Directing Trustee to liquidate Plan assets (if necessary) and make Participant distribution payments, and providing required tax filings regarding said distribution payments;



- (G) Notifying the Trustee of the amount of Plan assets available for further investment and management, or, the amount of Plan assets necessary to be liquidated in order to fund Participant distribution payments;
  - (H) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
  - (I) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
  - (J) Preparing and submitting an annual report of Plan activity to Participants and to the Agency;
  - (K) Coordinating and selecting a licensed actuary to perform actuarial valuation on a periodic basis to comply with state and federal laws (the actuarial certification fee for which shall be paid by the Agency);
  - (L) Preparing and submitting the Annual Report of Financial Transactions to the California State Controller, as required by law, for the PARS Trust Program, including the required certified audit of the PARS Trust.
3. Plan Compliance Services: Preparing draft amendments and other associated documents to the Plan or Trust, as required by federal and state regulatory agencies, to be reviewed and approved by Agency's legal counsel. As directed by the Agency, PARS shall coordinate the filings of any Plan amendments and restatements with the corresponding federal and state regulatory agencies.
4. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B

FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

- (A) An optional IRS Letter of Determination fee payable directly to the Internal Revenue Service (IRS) based on current IRS rates at the time of filing;
- (B) A one-time set-up fee upon implementation of Plan of \$3,000.00 ("Set-up Fee"), which shall be paid directly by the Agency to PARS;
- (C) A monthly fee of \$750.00 ("Monthly Fee") commencing on July 1, 2015 which shall be paid directly by the Agency to PARS, and subject to an annual 3% increase every July 1<sup>st</sup> beginning in 2016;
- (D) A fee equal to actuarial expenses charged to PARS by an outside contractor for an actuarial valuation of the Agency's Plan ("Actuarial Valuation Fee");
- (E) A fee equal to the out of pocket costs charged to PARS by an outside contractor for formatting contribution data to a suitable electronic format, charged only if the contribution data received by PARS from the Agency is not sent electronically (Excel, CSV, TXT, or other approved format) ("Data Processing Fee");
- (F) A fee equal to any IRS application fees and or legal fees incurred related to any federal or state required Plan compliance changes. Such fees will not be charged to the Agency without prior authorization by the Plan Administrator.

EXHIBIT 1C

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Participant Data (Submitted By Agency)
  - (A) Participant's Legal Name
  - (B) Participant's Position
  - (C) Participant's Birth Date
  - (D) Participant's Hire Date
  - (E) Participant's Salary
  - (F) Years of Agency Service
  - (G) Retirement Date
2. Contribution Data – (Submitted By Agency)
  - (A) Agency Name
  - (B) Employee's Legal Name
  - (C) Employee's Social Security Number
  - (D) Payroll Date
  - (E) Employee Contribution Amount
3. Executed Legal Documents (Submitted by Agency)
  - (A) Certified Resolution
  - (B) PARS Trust Adoption Agreement
  - (C) Plan Document
  - (D) Trustee Investment Forms
4. Application for PARS Benefit Form (Submitted by Agency)
5. Completed Enrollment Forms (Submitted by Participant)
  - (A) Enrollment Form
  - (B) Beneficiary Designation Form
  - (C) Tax Withholding Request Form
  - (D) Proof of Age
6. Other information pertinent to the Services as reasonably requested by PARS.

# PARS Defined Benefit Plan

## Montara Water and Sanitary District

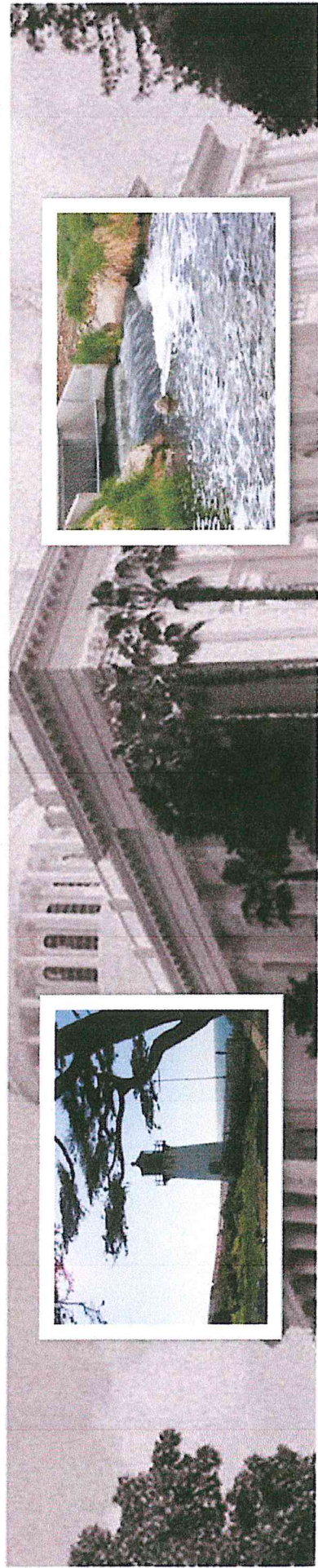
July 16, 2015



PUBLIC  
AGENCY  
RETIREMENT  
SERVICES

**PARS**

TRUSTED SOLUTIONS. LASTING RESULTS.



# PARS Overview

- PARS - Public Agency Retirement Services
- Third largest multiple employer public retirement system in California
- 600+ member agencies
- 1,400+ retirement plans under PARS administration
- Over 375,000 public employee participants
- Over \$1.7 Billion in trust assets
- Headquarters in Orange County, California

# What PARS Does



- Specializes exclusively in retirement plan consulting and administration for public agencies since 1983
- Assists in plan design setup and implementation
- Performs “turn-key” plan administration
- Partners with high quality legal counsel, actuaries and CPA’s

# PARS Program Team

	 <b>PARS</b>		
<b>Role</b>	<b>TRUST ADMINISTRATOR AND CONSULTANT</b> <ul style="list-style-type: none"> <li>• Recordkeeping/account valuations</li> <li>• Monitor Contributions/process distributions</li> <li>• Handles all agency/participant inquiries</li> <li>• Ongoing plan compliance</li> <li>• Coordinate Actuarial Valuation</li> </ul>	<b>TRUSTEE</b> <ul style="list-style-type: none"> <li>• Safeguard plan assets</li> <li>• Oversight protection</li> <li>• Plan Fiduciary</li> <li>• Custodian of assets</li> </ul>	<b>INVESTMENT MANAGER</b> <ul style="list-style-type: none"> <li>• An investment sub-advisor to U.S. Bank</li> <li>• Open architecture</li> </ul>
<b>Experience</b>	31 years (1984 - 2015)	152 years (1863 - 2015)	96 years (1919 - 2015)
<b>Number of plans under administration</b>	1,200+ plans for 600+ public agencies		
<b>Dollars under administration</b>	More than \$1.7 billion	More than \$80 billion	More than \$15.2 billion under management

# Proposed Plan Design

**Type of Plan:** 401(a) Tax-Qualified Defined Benefit

**Plan Effective Date:** July 1, 2015

**Benefit Level:** 2% at 62

(2.00% x Final Pay<sup>1</sup> x District Service<sup>2</sup> payable at Age 62)

<sup>1</sup> Per PEPPRA, Final Pay is the highest average 36 months not to exceed \$117,020 in 2015)

**Eligibility:** Age 62 with 5 Years of District Service<sup>2</sup>

<sup>2</sup>District Service includes years with the District earned AFTER July 1, 2015



# Employee Demographics

Valuation Date	July 1, 2015
Active Participant Count	7
Retired Participant Count	0
Valuation Payroll	\$539,000
Active Average Age	43.9
Active Average District Service	5.9
Active Average Benefit Service	0.0

# Annual Pension Cost

Valuation Date	June 30, 2015	
	Discount Rate	7.00%
Employer Normal Cost	\$37,546	\$41,862
Projected Payroll	\$539,132	\$539,132
<b>Total Employer Cost (% of total pay)</b>	6.96%	7.76%
Employee Contribution Rate (% of PEPPRA-limited pay)	7.50%	8.25%
		6.00%
		\$46,030
		\$539,132
		8.54%
		9.25%

# **PARS Plan Administration**

# Ongoing Administration



- PARS will provide “turn-key” administrative services including:
  - Coordinating the initial actuarial valuations and future legally required updates in conformance with California Government Code Sections 7504 & 7507 and GASB 68
  - Fielding Participant and Agency information requests
  - Calculating benefit amounts and payment options
  - Coordinating with PARS Trustee on benefit distributions
  - Preparing monthly Agency and annual Participant statements

# State and Federal Compliance



- Coordinating annual audit of PARS Trust by independent CPA firm
- Preparing annual State Controller's Report
- Complying with all State and Federal mandates
- Advising Agency of ongoing compliance and qualification issues
- Plan document restatement and remedial amendments

# PARS Plan Investments

# Investment Options

- PARS Agencies can utilize any investment deemed prudent by the Trustee for retirement plan purposes
- Most PARS Agencies utilize HighMark Capital Management, a wholly owned subsidiary of Union Bank and sub-advisor to US Bank as the Investment Manager
- PARS Agencies can also utilize their preferred investment manager under a Directed Trustee arrangement

# HighMark Investment Pools



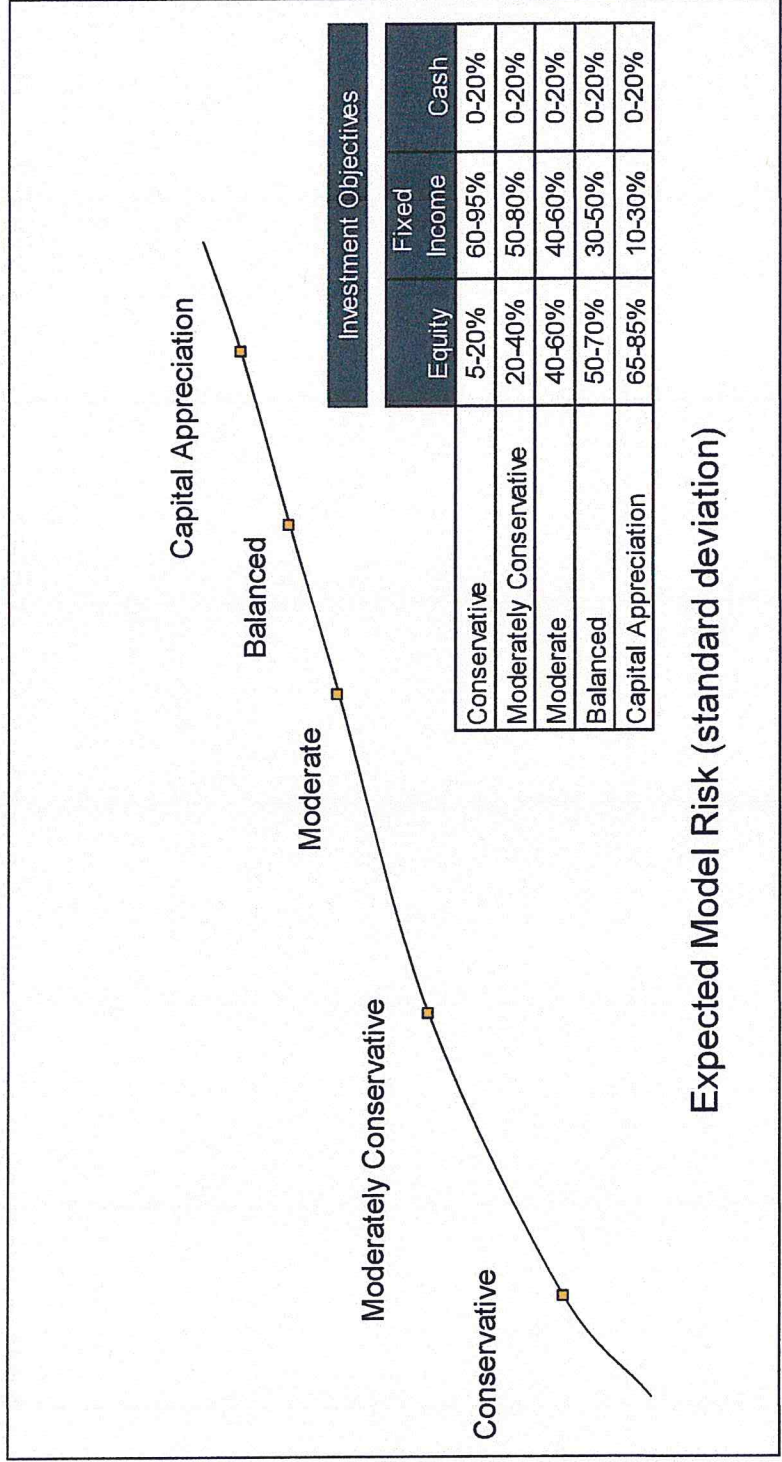
## Efficient Frontier:

Equity

Fixed Income

Cash

Expected Model Return





# Historical PARS Returns

Portfolio Name	Equity Allocation	1-Year Return	3-Year Return	5-Year Return	10 Year Return
Conservative HighMark Plus	15%	4.45%	4.64%	5.18%	5.14%
Moderately Conservative HighMark Plus	30%	5.14%	6.17%	6.74%	5.74%
Moderate HighMark Plus	50%	5.92%	7.99%	8.21%	5.94%
Balanced HighMark Plus	60%	6.12%	9.16%	9.10%	-----
Capital Appreciation HighMark Plus	70%	7.24%	10.58%	9.83%	-----

- Through March 31, 2015
- Returns greater than 1 year are annualized
- Past performance is not a predictor or guarantee of future results.

# Contact PARS

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Ext. 142

RACHAEL SANDERS, Supervisor, Client Services

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Ext. 121

PATRICK PACHECO, Senior Vice President, Administrative Operations

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Ext. 118



PARS DIVERSIFIED PORTFOLIOS  
**CONSERVATIVE**  
 AS OF MARCH 31, 2015

**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**

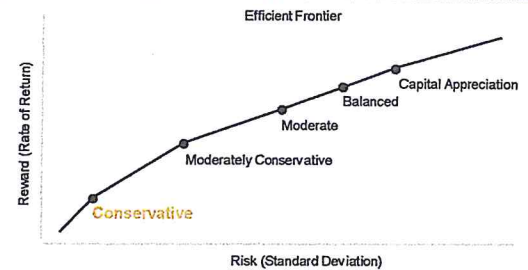
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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%	15%
Fixed Income	60 – 95%	80%	80%
Cash	0 – 20%	5%	5%

**ANNUALIZED TOTAL RETURNS**

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

HighMark Plus (Active)		Index Plus (Active)	
Current Quarter*	1.85%	Current Quarter*	1.45%
Blended Benchmark**	1.47%	Blended Benchmark**	1.47%
Year To Date*	1.85%	Year To Date*	1.45%
Blended Benchmark*	1.47%	Blended Benchmark*	1.47%
1 Year	4.45%	1 Year	4.40%
Blended Benchmark	4.84%	Blended Benchmark	4.84%
3 Year	4.64%	3 Year	4.23%
Blended Benchmark	4.07%	Blended Benchmark	4.07%
5 Year	5.18%	5 Year	4.89%
Blended Benchmark	4.49%	Blended Benchmark	4.49%
10 Year	5.14%	10 Year	4.70%
Blended Benchmark	4.53%	Blended Benchmark	4.53%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM FREE, 2% MSCI EAFE, 52.25% BC US Agg, 25.75% ML 1-3 Yr US Corp/Govt, 2% US High Yield Master II, 0.5% Wiltshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE, 40% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 15% S&P 500, 40% ML 1-3Yr Corp/Govt, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

**ANNUAL RETURNS**

HighMark Plus (Active)		Index Plus (Passive)	
2008	-9.04%	2008	-6.70%
2009	15.59%	2009	10.49%
2010	8.68%	2010	7.67%
2011	2.19%	2011	3.70%
2012	8.45%	2012	6.22%
2013	3.69%	2013	3.40%
2014	3.88%	2014	4.32%

**PORTFOLIO FACTS**

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	07/2004	Inception Data	07/2004
No of Funds in Portfolio	20	No of Funds in Portfolio	14

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.



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800.582.4734  
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**ABOUT THE ADVISER**

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.2 billion in assets under management. 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

**Kevin Churchill, CFA®, CFP®**  
Senior Portfolio Manager  
Investment Experience: since 1996  
HighMark Tenure: since 2012  
Education: MS, Seattle University; BS, University of Puget Sound

**Salvatore "Tony" Milazzo III, CFA®**  
Senior Portfolio Manager  
Investment Experience: since 1991  
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

**Matthew Webber, CFA®**  
Senior Portfolio Manager  
Investment Experience: since 1995  
HighMark Tenure: since 2011  
Education: BA, University of California, Santa Barbara

**Anne Wimmer, CFA®**  
Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2007  
Education: BA, University of California, Santa Barbara

**Asset Allocation Committee**  
Number of Members: 14  
Average Years of Experience: 26  
Average Tenure (Years): 14

**Manager Review Committee**  
Number of Members: 7  
Average Years of Experience: 23  
Average Tenure (Years): 11

**SAMPLE HOLDINGS**

**HighMark Plus (Active)**

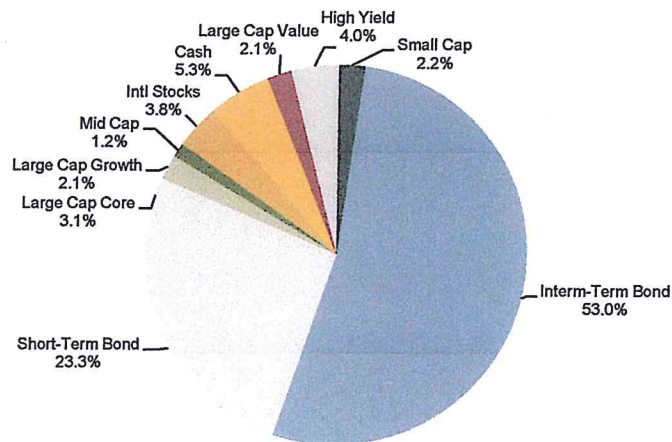
- Columbia Contrarian Core Z
- T. Rowe Price Growth Stock
- Columbia Small Cap Value II Z
- T. Rowe Price New Horizons
- Nationwide Baird International Equities
- Nationwide HighMark Bond
- Vanguard Short-Term Invest-Grade Adm
- Loomis Sayles Value Y
- PIMCO Total Return
- Dodge & Cox International Stock
- MFS International Growth I
- Sentinel Common Stock I
- First American Prime Obligation Z
- TIAA-CREF Mid Cap Value
- Ivy Mid Cap Growth
- Harbor Capital Appreciation
- Schroder Emerging Market Equity
- Dodge & Cox Stock
- SPDR Euro Stoxx 50 ETF
- PIMCO High Yield

**Index Plus (Passive)**

- iShares S&P 500
- iShares S&P 500/Value
- iShares S&P 500/Growth
- iShares S&P Small Cap 600 Value
- iShares S&P Small Cap 600 Growth
- iShares MSCI EAFE
- iShares Russell Midcap Value
- iShares Russell Midcap Growth
- iShares Barclays Aggregate Bond
- Vanguard Short-Term Invest-Grade Adm
- First American Prime Obligation Z
- SPDR Euro Stoxx 50 ETF
- SPDR Barclays High Yield Bond ETF
- Vanguard FTSE Emerging Markets ETF

*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: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

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. As of March 31, 2015, the blended rate is 0.58%. US Bank pays HighMark 80% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.35% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. 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 Free 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 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 Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month 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, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. 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.



PARS DIVERSIFIED PORTFOLIOS  
**MODERATELY CONSERVATIVE**  
 AS OF MARCH 31, 2015

**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**

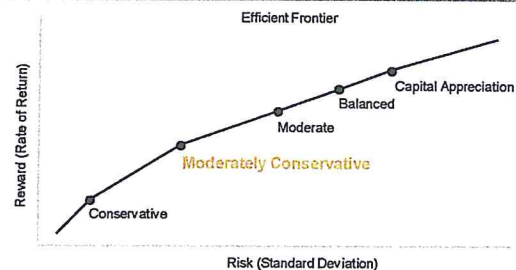
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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 and moderate capital appreciation. 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%	29%
Fixed Income	50 - 80%	65%	68%
Cash	0 - 20%	5%	3%

**ANNUALIZED TOTAL RETURNS**

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

HighMark Plus (Active)		Index Plus (Active)	
Current Quarter*	2.10%	Current Quarter*	1.75%
Blended Benchmark**	1.73%	Blended Benchmark**	1.73%
Year To Date*	2.10%	Year To Date*	1.75%
Blended Benchmark*	1.73%	Blended Benchmark*	1.73%
1 Year	5.14%	1 Year	5.60%
Blended Benchmark	6.07%	Blended Benchmark	6.07%
3 Year	6.17%	3 Year	5.92%
Blended Benchmark	6.05%	Blended Benchmark	6.05%
5 Year	6.74%	5 Year	6.45%
Blended Benchmark	6.28%	Blended Benchmark	6.28%
10 Year	5.74%	Inception To Date (119-Mos.)	5.38%
Blended Benchmark	5.27%	Blended Benchmark	5.30%

\*Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM FREE, 4% MSCI EAFE, 49.25% BC US Agg, 14% ML 1-3 Yr US Corp/Govt, 1.75% US High Yield Master II, 1% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE, 25% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 30% S&P 500, 25% ML 1-3Yr Corp/Govt, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

**ANNUAL RETURNS**

HighMark Plus (Active)		Index Plus (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%

**PORTFOLIO FACTS**

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	08/2004	Inception Data	05/2005
No of Funds in Portfolio	20	No of Funds in Portfolio	14

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.



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## SAMPLE HOLDINGS

### HighMark Plus (Active)

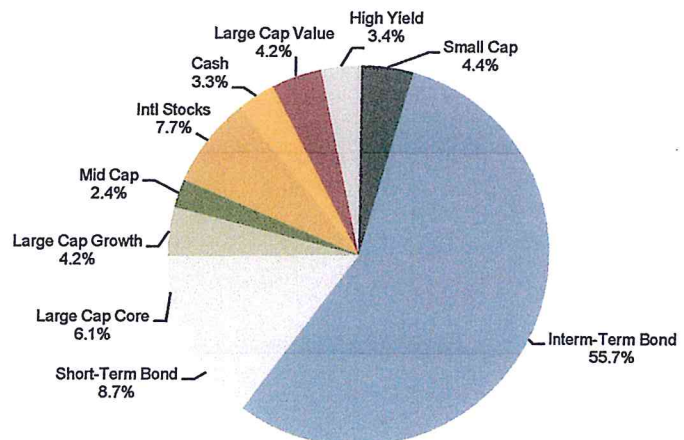
Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
Columbia Small Cap Value II Z  
T. Rowe Price New Horizons  
Nationwide Baird International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
Loomis Sayles Value Y  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
Sentinel Common Stock I  
First American Prime Obligation Z  
TIAA-CREF Mid Cap Value  
Ivy Mid Cap Growth  
Harbor Capital Appreciation  
Schroder Emerging Market Equity  
Dodge & Cox Stock  
SPDR Euro Stoxx 50 ETF  
PIMCO High Yield

### Index Plus (Passive)

iShares S&P 500  
iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares S&P Small Cap 600 Value  
iShares S&P Small Cap 600 Growth  
iShares MSCI EAFE  
iShares Russell Midcap Value  
iShares Russell Midcap Growth  
iShares Barclays Aggregate Bond  
Vanguard Short-Term Invest-Grade Adm  
First American Prime Obligation Z  
SPDR Euro Stoxx 50 ETF  
SPDR Barclays High Yield Bond ETF  
Vanguard FTSE Emerging Markets ETF

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## STYLE



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### ABOUT THE ADVISER

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### 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

#### Kevin Churchill, CFA®, CFP®

Senior Portfolio Manager  
Investment Experience: since 1996  
HighMark Tenure: since 2012  
Education: MS, Seattle University; BS, University of Puget Sound

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 1991  
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  
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Education: BA, International Christian University, Tokyo

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Investment Experience: since 1995  
HighMark Tenure: since 2011  
Education: BA, University of California, Santa Barbara

#### Anne Wimmer, CFA®

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

### Asset Allocation Committee

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

### Manager Review Committee

Number of Members: 7  
Average Years of Experience: 23  
Average Tenure (Years): 11

### 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

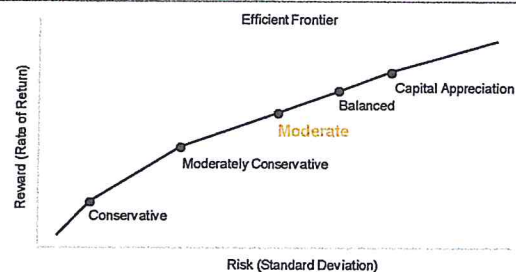
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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 growth of principal and income. 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%	49%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	3%

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

HighMark Plus (Active)		Index Plus (Active)	
Current Quarter*	2.39%	Current Quarter*	2.00%
Blended Benchmark**	1.93%	Blended Benchmark**	1.93%
Year To Date*	2.39%	Year To Date*	2.00%
Blended Benchmark*	1.93%	Blended Benchmark*	1.93%
1 Year	5.92%	1 Year	6.37%
Blended Benchmark	7.22%	Blended Benchmark	7.22%
3 Year	7.99%	3 Year	8.13%
Blended Benchmark	8.55%	Blended Benchmark	8.55%
5 Year	8.21%	5 Year	8.31%
Blended Benchmark	8.37%	Blended Benchmark	8.37%
10 Year	5.94%	Inception To Date (107-Mos.)	5.69%
Blended Benchmark	6.00%	Blended Benchmark	5.86%

\*Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Govt, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%

### PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	10/2004	Inception Data	05/2006
No of Funds in Portfolio	20	No of Funds in Portfolio	14

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.



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**SAMPLE HOLDINGS**

**HighMark Plus (Active)**

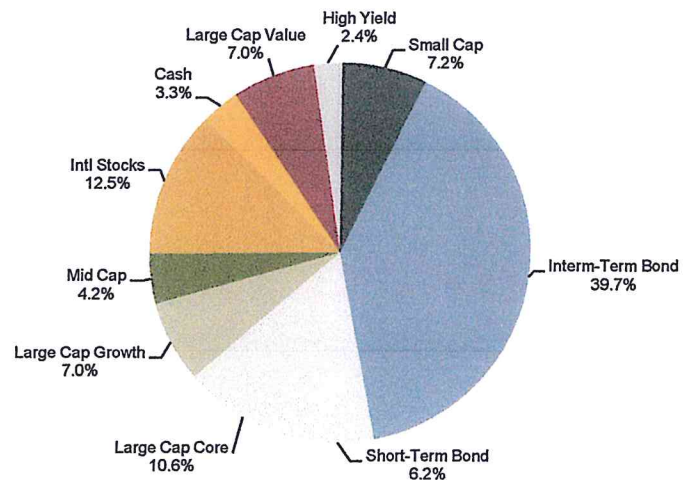
- Columbia Contrarian Core Z
- T. Rowe Price Growth Stock
- Columbia Small Cap Value II Z
- T. Rowe Price New Horizons
- Nationwide Bailard International Equities
- Nationwide HighMark Bond
- Vanguard Short-Term Invest-Grade Adm
- Loomis Sayles Value Y
- PIMCO Total Return
- Dodge & Cox International Stock
- MFS International Growth I
- Sentinel Common Stock I
- First American Prime Obligation Z
- TIAA-CREF Mid Cap Value
- Ivy Mid Cap Growth
- Harbor Capital Appreciation
- Schroder Emerging Market Equity
- Dodge & Cox Stock
- SPDR Euro Stoxx 50 ETF
- PIMCO High Yield

**Index Plus (Passive)**

- iShares S&P 500
- iShares S&P 500/Value
- iShares S&P 500/Growth
- iShares S&P Small Cap 600 Value
- iShares S&P Small Cap 600 Growth
- iShares MSCI EAFE
- iShares Russell Midcap Value
- iShares Russell Midcap Growth
- iShares Barclays Aggregate Bond
- Vanguard Short-Term Invest-Grade Adm
- First American Prime Obligation Z
- SPDR Euro Stoxx 50 ETF
- SPDR Barclays High Yield Bond ETF
- Vanguard FTSE Emerging Markets ETF

*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: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

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. As of March 31, 2015, the blended rate is 0.58%. 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 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio 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 \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. 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 Free 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 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 Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month 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, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. 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.

**ABOUT THE ADVISER**

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.2 billion in assets under management. 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

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**Asset Allocation Committee**  
 Number of Members: 14  
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 Average Tenure (Years): 14

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### WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

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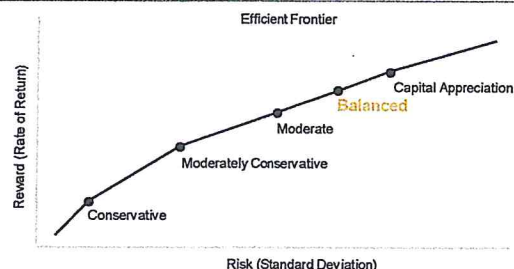
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The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund 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%	58%
Fixed Income	30 – 50%	35%	39%
Cash	0 – 20%	5%	3%

### ANNUALIZED TOTAL RETURNS

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

HighMark Plus (Active)		Index Plus (Active)	
Current Quarter*	2.62%	Current Quarter*	2.06%
Blended Benchmark**	2.04%	Blended Benchmark**	2.04%
Year To Date*	2.62%	Year To Date*	2.06%
Blended Benchmark*	2.04%	Blended Benchmark*	2.04%
1 Year	6.12%	1 Year	6.66%
Blended Benchmark	7.84%	Blended Benchmark	7.84%
3 Year	9.16%	3 Year	9.16%
Blended Benchmark	9.85%	Blended Benchmark	9.85%
5 Year	9.10%	5 Year	9.13%
Blended Benchmark	9.52%	Blended Benchmark	9.52%
Inception to Date (102-Mos.)	5.50%	Inception to Date (90-Mos.)	4.85%
Blended Benchmark	6.13%	Blended Benchmark	5.41%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM FREE, 7% MSCI EAFE, 27% BC US Agg, 6.75% ML 1-3 Yr US Corp/Gov't, 1.25% US High Yield Master II, 2% Wishire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE, 5% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 60% S&P 500, 5% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%

### PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	10/2006	Inception Data	10/2007
No of Funds in Portfolio	20	No of Funds in Portfolio	14

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## SAMPLE HOLDINGS

### HighMark Plus (Active)

Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
Columbia Small Cap Value II Z  
T. Rowe Price New Horizons  
Nationwide Bailard International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
Loomis Sayles Value Y  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
Sentinel Common Stock I  
First American Prime Obligation Z  
TIAA-CREF Mid Cap Value  
Ivy Mid Cap Growth  
Harbor Capital Appreciation  
Schroder Emerging Market Equity  
Dodge & Cox Stock  
SPDR Euro Stoxx 50 ETF  
PIMCO High Yield

### Index Plus (Passive)

iShares S&P 500  
iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares S&P Small Cap 600 Value  
iShares S&P Small Cap 600 Growth  
iShares MSCI EAFE  
iShares Russell Midcap Value  
iShares Russell Midcap Growth  
iShares Barclays Aggregate Bond  
Vanguard Short-Term Invest-Grade Adm  
First American Prime Obligation Z  
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SPDR Barclays High Yield Bond ETF  
Vanguard FTSE Emerging Markets ETF

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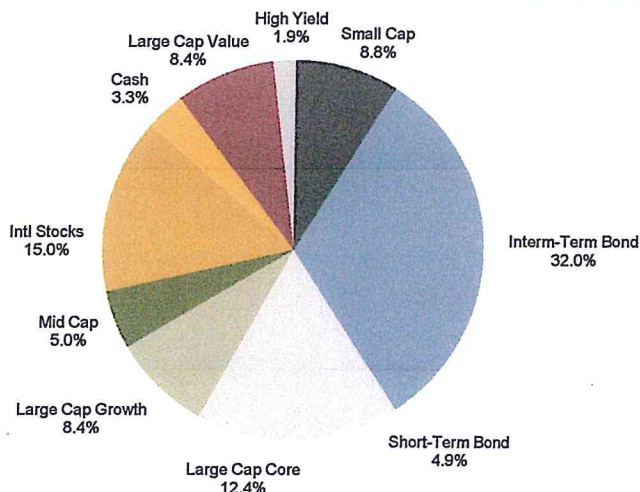
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The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of March 31, 2015, the blended rate is 0.58%. 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 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio 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 \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. 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.

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## WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

### Comprehensive Investment Solution

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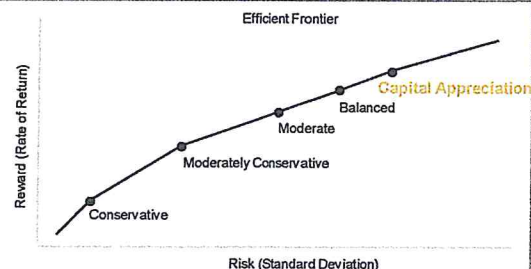
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### Risk Management

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

The primary goal of the Capital Appreciation objective is 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%	73%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	3%

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

Current Quarter*	2.48%
Blended Benchmark**	2.19%
Year To Date*	2.48%
Blended Benchmark*	2.19%
1 Year	7.24%
Blended Benchmark	8.39%
3 Year	10.58%
Blended Benchmark	11.30%
5 Year	9.83%
Blended Benchmark	10.53%
Inception To Date (75-Mos.)	12.20%
Blended Benchmark	13.19%

\* Returns less than 1-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 FREE, 10.25% MSCI EAFE, 16% BC US Agg, 3% ML 1-3 Yr US Corp/Gov't, 1% US High Yield Master II, 2% Wilshire REIT, and 5% Citi 1 Mth T-Bill.

## ANNUAL RETURNS

2008	N/A%
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%

## PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	01/2009	Inception Data	N/A
No of Funds in Portfolio	20	No of Funds in Portfolio	14

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.



350 California Street  
Suite 1600  
San Francisco, CA 94104  
800.582.4734  
www.highmarkcapital.com

## SAMPLE HOLDINGS

### HighMark Plus (Active)

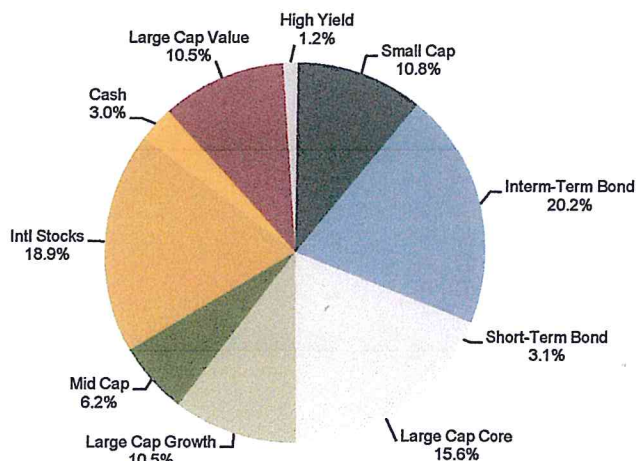
Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
Columbia Small Cap Value II Z  
T. Rowe Price New Horizons  
Nationwide Baird International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
Loomis Sayles Value Y  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
Sentinel Common Stock I  
First American Prime Obligation Z  
TIAA-CREF Mid Cap Value  
Ivy Mid Cap Growth  
Harbor Capital Appreciation  
Schroder Emerging Market Equity  
Dodge & Cox Stock  
SPDR Euro Stoxx 50 ETF  
PIMCO High Yield

### Index Plus (Passive)

iShares S&P 500  
iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares S&P Small Cap 600 Value  
iShares S&P Small Cap 600 Growth  
iShares MSCI EAFE  
iShares Russell Midcap Value  
iShares Russell Midcap Growth  
iShares Barclays Aggregate Bond  
Vanguard Short-Term Invest-Grade Adm  
First American Prime Obligation Z  
SPDR Euro Stoxx 50 ETF  
SPDR Barclays High Yield Bond ETF  
Vanguard FTSE Emerging Markets ETF

*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: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Capital Appreciation active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

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. As of March 31, 2015, the blended rate is 0.58%. 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 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio 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 \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. 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 Free 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 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 Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month 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, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. 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.

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.2 billion in assets under management. 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

#### Kevin Churchill, CFA®, CFP®

Senior Portfolio Manager  
Investment Experience: since 1996  
HighMark Tenure: since 2012  
Education: MS, Seattle University; BS, University of Puget Sound

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 1991  
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

#### Matthew Webber, CFA®

Senior Portfolio Manager  
Investment Experience: since 1995  
HighMark Tenure: since 2011  
Education: BA, University of California, Santa Barbara

#### Anne Wimmer, CFA®

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

### Asset Allocation Committee

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

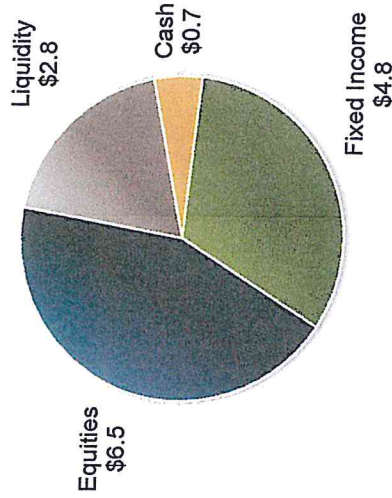
### Manager Review Committee

Number of Members: 7  
Average Years of Experience: 23  
Average Tenure (Years): 11

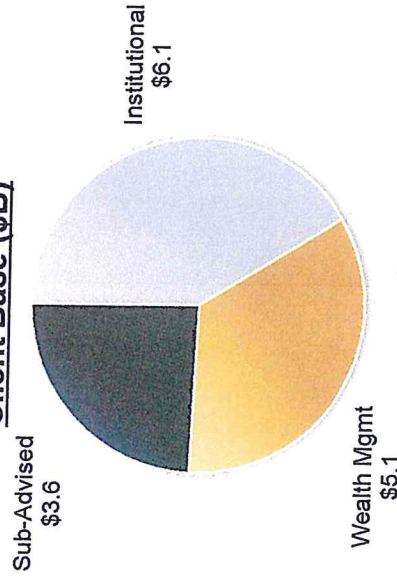
# FIRM OVERVIEW

Assets Under Management as of 9/30/2014  
\$14.8 Billion

**Asset Class (\$B)**



**Client Base (\$B)**

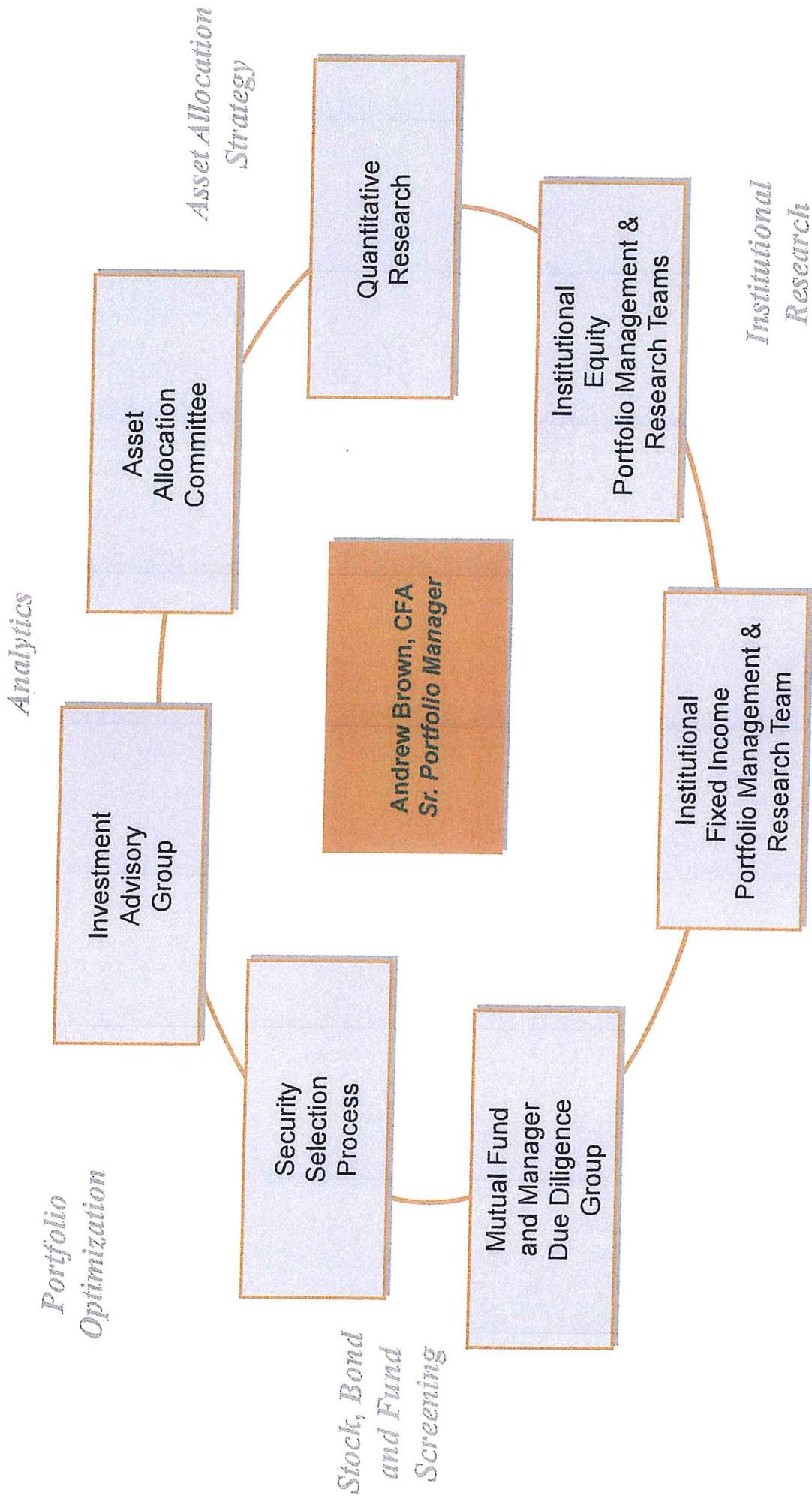


- With its predecessors, HighMark has been focused exclusively on investment management of client's assets since 1919.\*
- Registered Investment Adviser with more than \$14.8 billion in assets under management.
- 48 investment professionals with an average of 21 years investment experience.
- 25 professionals hold the Chartered Financial Analyst® (CFA) designation.
- In-house investment research capabilities and access to top-tier investment managers.

\*Including predecessor organizations. HighMark Capital Management, Inc., registered with the SEC as an investment adviser on August 7, 1998. All data as of September 30, 2014

# OUR INVESTMENT CAPABILITIES

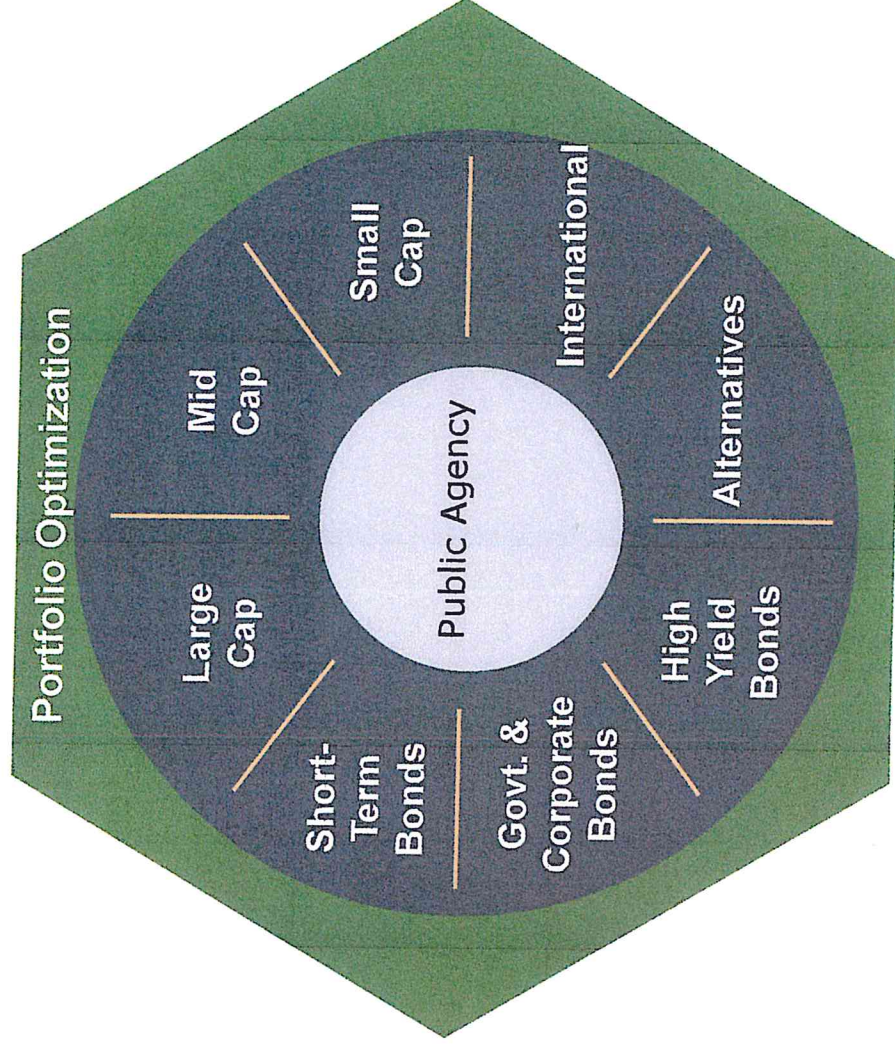
Our Senior Portfolio Managers are supported by deep investment resources and unique processes.



## SERVICES OFFERED

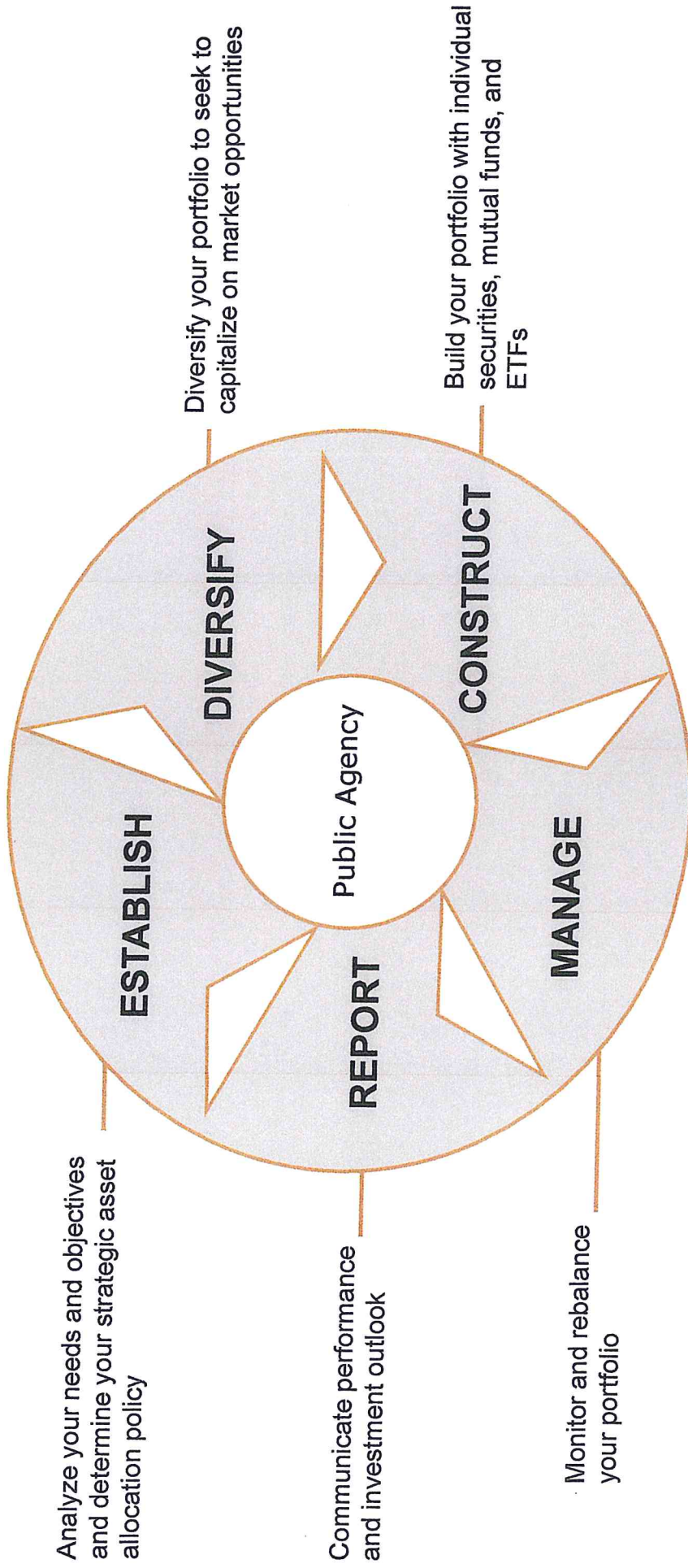
### Key Features:

- Assistance with Investment Policy Statement
- Strategic and tactical asset allocation
- Diversified portfolio of holdings; flexible investment options that include access to individual securities, mutual funds, and index-based securities
- Access to rigorously screened, top tier money managers
- Comprehensive investment reporting



## OUR FIVE-STEP RELATIONSHIP PROCESS

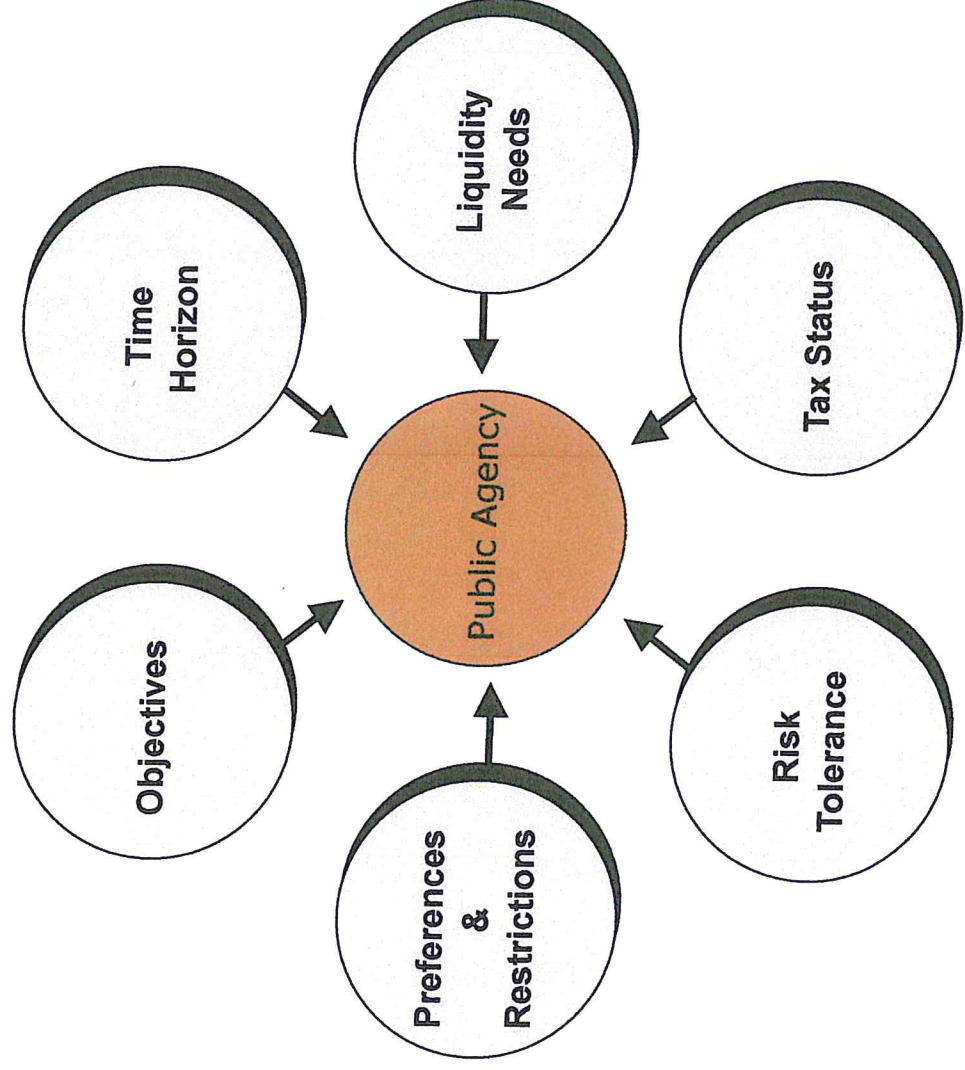
HighMark dedicates itself to meeting the investment expectations of each client and delivering value at every step of the investment relationship.





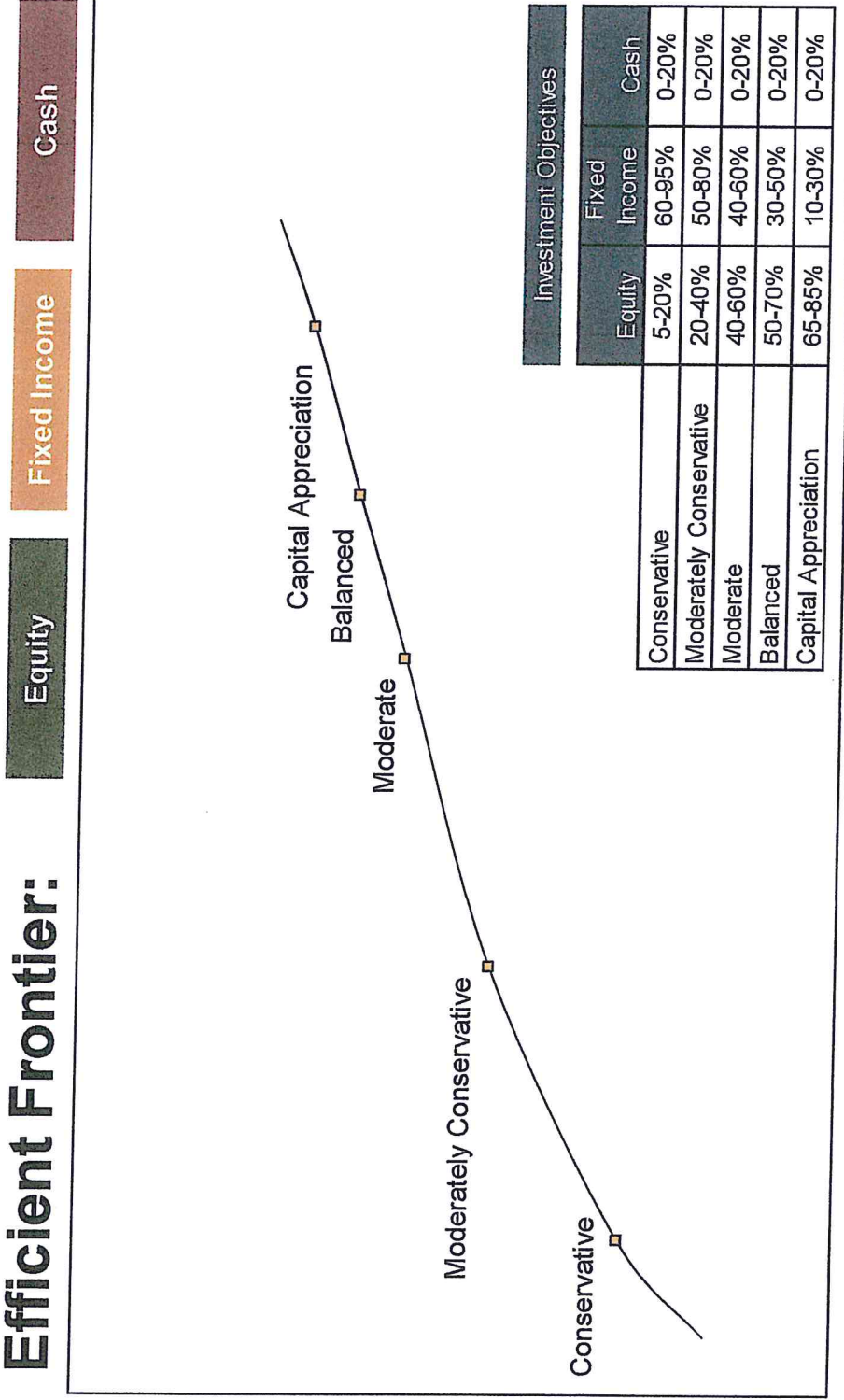
## 1. ESTABLISH: ANALYZE YOUR NEEDS AND OBJECTIVES

Every client is unique. We customize investment strategies to each client's specific situation and needs.



# 1. ESTABLISH: DETERMINE YOUR STRATEGIC ASSET ALLOCATION STRATEGY

## Efficient Frontier:

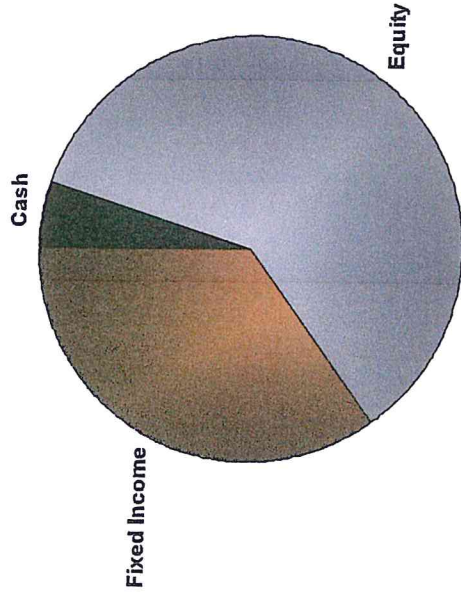


## Expected Model Risk (standard deviation)

Each Investment Objective is a hypothetical construct only and does not reflect actual investment decisions or recommendations. Past performance is no indication of future results. Please refer to page entitled 'Disclosures' at the back of this presentation for more information.

## 2. DIVERSIFY: TACTICAL ASSET ALLOCATION

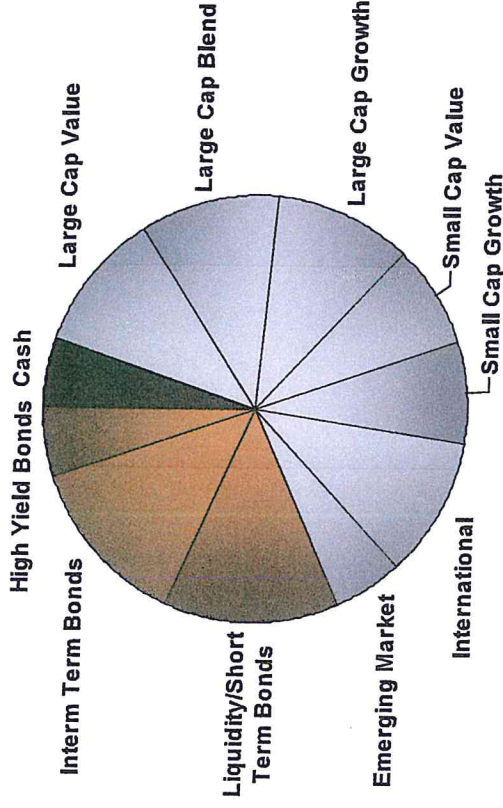
### Strategic Asset Allocation



*Strategic Asset Allocation is the foundation of portfolio management.*

- Optimizes the long-term allocation of your portfolio across key asset classes
- Aligned with your individual goals and objectives
- Rooted in empirical observations supported by financial, economic, and investment theory

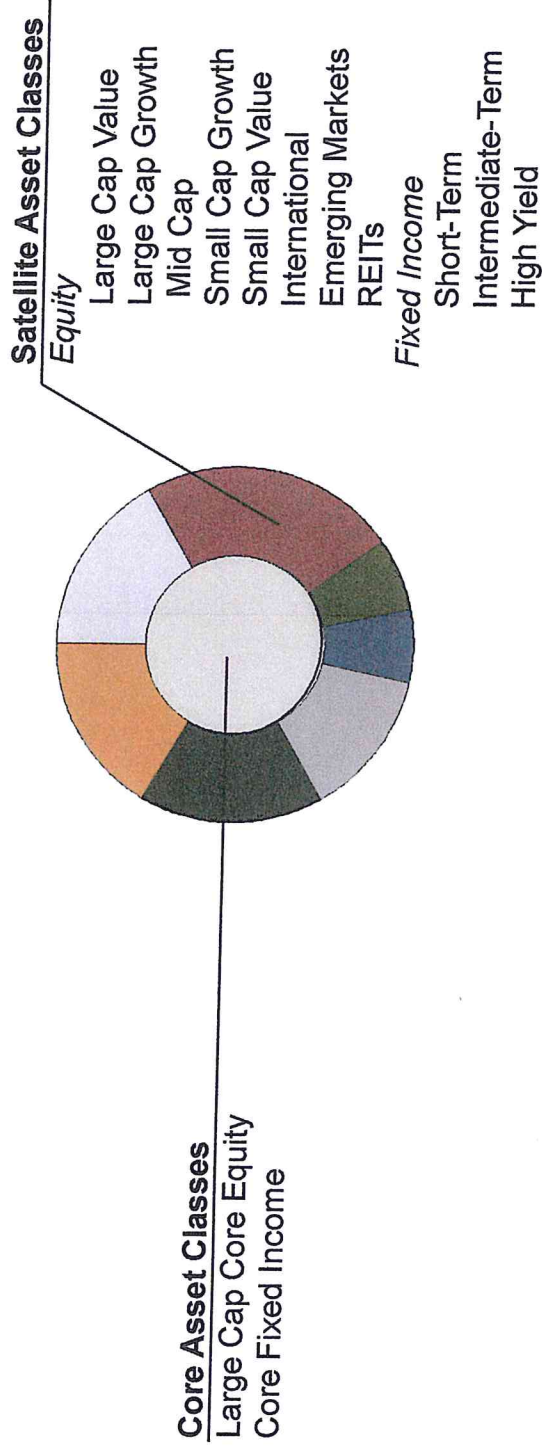
### Tactical Asset Allocation



*Tactical Asset Allocation exploits opportunities frequently overlooked as sources for excess return.*

- Logical extension of Strategic Asset Allocation
- Skews the direction, size, expected value, and duration of the portfolio
- Sector selection, style rotation, and currency inputs identify opportunities to achieve additional return above strategic asset allocation

## 2. DIVERSIFY: TACTICAL ALLOCATION WITHIN ASSET CLASSES



### Advantages of Tactical Asset Allocation:

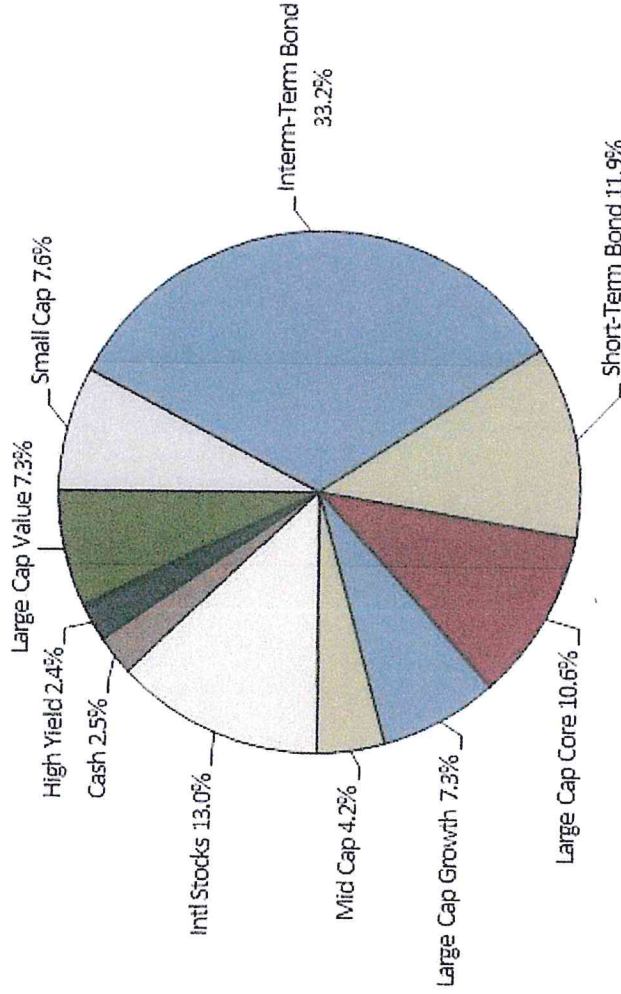
- Asset class, style, sector, and country differentials are regularly large
- Opportunities persist due to misguided behavioral tendencies
- Fundamental factors can identify opportunities to enhance returns
- Disciplined investment strategies can exploit these opportunities
- Serves as a logical extension of strategic asset allocation

### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

#### Moderate Objective

Strategic Ranges	
Equity	40-60%
Fixed Income	40-60%
Cash	0-20%
Tactical Allocation	
Equity	50.00%
Fixed Income	47.50%
Cash	2.50%

Asset Allocation	
<b>Equity</b>	
Large Cap Core	10.60%
Large Cap Value	7.30%
Large Cap Growth	7.30%
Mid Cap Value	2.10%
Mid Cap Growth	2.10%
Small Cap Value	3.80%
Small Cap Growth	3.80%
International	7.30%
Tactical - Europe	2.20%
Emerging Markets	3.50%
<b>Fixed Income</b>	
Interm-Term	33.20%
Short-Term	11.90%
High Yield	2.40%
<b>Cash</b>	<b>2.50%</b>



\*Each strategy represented in the Sample Portfolio is a hypothetical construct only and does not reflect actual investment decisions or recommendations. Past performance is no indication of future results. Please refer to page entitled 'Disclosures' at the back of this presentation for more information. Data is as of 12.22.2014.

### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

PARS Moderate	Actively Managed Mutual Funds Fund Name	Ticker
------------------	--	--------

Equity	<60% equity		
Large Cap Core	5.80%	SMGIX	Columbia Contrarian Core Z
	4.80%	SICWX	Sentinel Common Stock Fund
Large Cap Value	4.40%	LSGIX	Loomis Sayles Value Y
	2.90%	DODGX	Dodge & Cox Stock
Large Cap Growth	3.65%	HACAX	Harbor Capital Appreciation Instl
	3.65%	PRGFX	T. Rowe Price Growth Stock
Mid Cap Value	2.10%	TIMVX	TIAA-CREF Mid-Cap Value Inst.
Mid Cap Growth	2.10%	IYMIX	Ivy Mid Cap Growth I
Small Cap Value	3.80%	NSVAX	Columbia Small Cap Value II Z
Small Cap Growth	3.80%	PRNHX	T. Rowe Price New Horizons
International	3.30%	NWHNX	Nationwide Bailard International Equities Fund
	2.00%	DODFX	Dodge & Cox International Stock
	2.00%	MQGIX	MFS International Growth I
Tactical - Europe	2.20%	FEZ	SPDR EURO STOXX 50 ETF
Emerging Markets	3.50%	SEMINX	Schroder Emerging Market Equity Inv
	<b>50.00%</b>		
<b>Fixed Income</b>			
Short Term Bond	11.90%	VFSUX	Vanguard Short-Term Investment-Grade Adm
Interm Term Bond	16.60%	PTRRX	PIMCO Total Return Instl
	16.60%	NWJJX	Nationwide HighMark Bond Fund
High-Yield	2.40%	PHIYX	PIMCO High Yield Instl
	<b>47.50%</b>		
<b>Cash</b>	2.50%	FPZXX	First American Prime Obligation Z
<b>TOTAL</b>	<b>100.00%</b>		

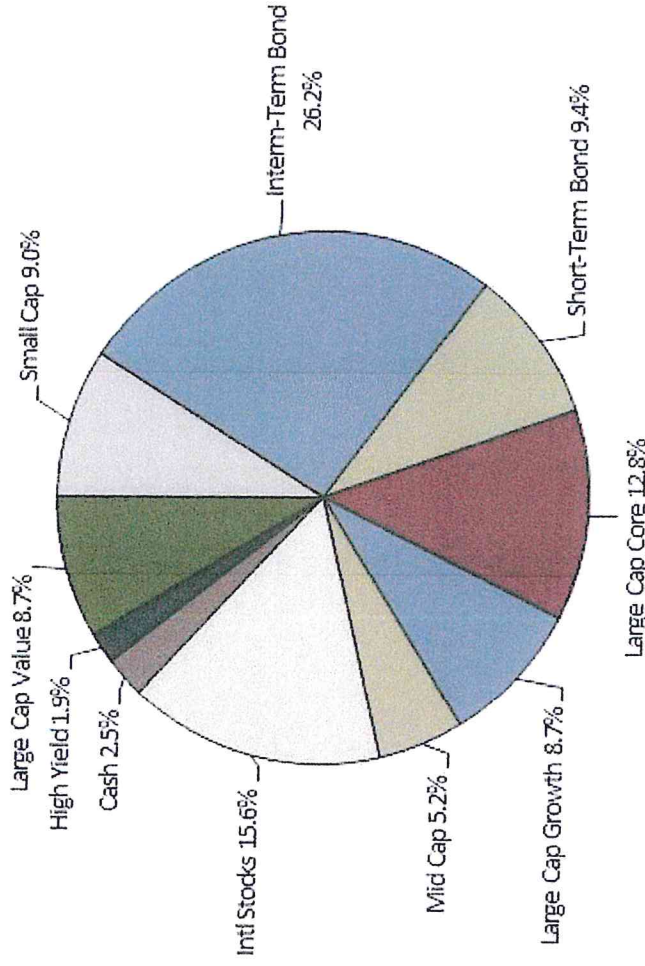
Securities shown here may change from time to time, at the discretion of HighMark. Please refer to page entitled 'Disclosures' at the back of this presentation for more information.

### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

#### Balanced Objective

Strategic Ranges	
Equity	50-70%
Fixed Income	30-50%
Cash	0-20%
Tactical Allocation	
Equity	60.00%
Fixed Income	37.50%
Cash	2.50%

Asset Allocation	
<b>Equity</b>	
Large Cap Core	12.80%
Large Cap Value	8.70%
Large Cap Growth	8.70%
Mid Cap Value	2.60%
Mid Cap Growth	2.60%
Small Cap Value	4.50%
Small Cap Growth	4.50%
International	8.80%
Tactical - Europe	2.60%
Emerging Markets	4.20%
<b>Fixed Income</b>	
Interm-Term	26.20%
Short-Term	9.40%
High Yield	1.90%
<b>Cash</b>	2.50%



\*Each strategy represented in the Sample Portfolio is a hypothetical construct only and does not reflect actual investment decisions or recommendations. Past performance is no indication of future results. Please refer to page entitled 'Disclosures' at the back of this presentation for more information. Data is as of 12.22.2014.

### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

PARS Balanced	Ticker	Actively Managed Mutual Funds Fund Name
------------------	--------	--

Equity	50-70% equity	
Large Cap Core	7.00%	SMGIX Columbia Contrarian Core Z
	5.80%	SICWX Sentinel Common Stock Fund
Large Cap Value	5.20%	LSGIX Loomis Sayles Value Y
	3.50%	DODGX Dodge & Cox Stock
Large Cap Growth	4.35%	HACAX Harbor Capital Appreciation Instl
	4.35%	PRGFX T. Rowe Price Growth Stock
Mid Cap Value	2.60%	TIMVX TIAA-CREF Mid-Cap Value Inst.
Mid Cap Growth	2.60%	IYMIK Ivy Mid Cap Growth I
Small Cap Value	4.50%	NSVAX Columbia Small Cap Value II Z
Small Cap Growth	4.50%	PRNHX T. Rowe Price New Horizons
International	4.00%	NWHNX Nationwide Bailand International Equities Fund
	2.40%	DODFX Dodge & Cox International Stock
Tactical - Europe	2.40%	MOGIX MFS International Growth I
Emerging Markets	2.60%	FEZ SPDR EURO STOXX 50 ETF
	<u>4.20%</u>	SEMNX Schroder Emerging Market Equity Inv
	<b>60.00%</b>	
<b>Fixed Income</b>		
Short Term Bond	9.40%	VFSUX Vanguard Short-Term Investment-Grade Adm
Interm Term Bond	13.10%	PTTRX PIMCO Total Return Instl
	13.10%	NWJJX Nationwide HighMark Bond Fund
High-Yield	<u>1.90%</u>	PHIYX PIMCO High Yield Instl
	<b>37.50%</b>	
Cash	2.50%	FPZXX First American Prime Obligation Z
<b>TOTAL</b>	<b>100.00%</b>	

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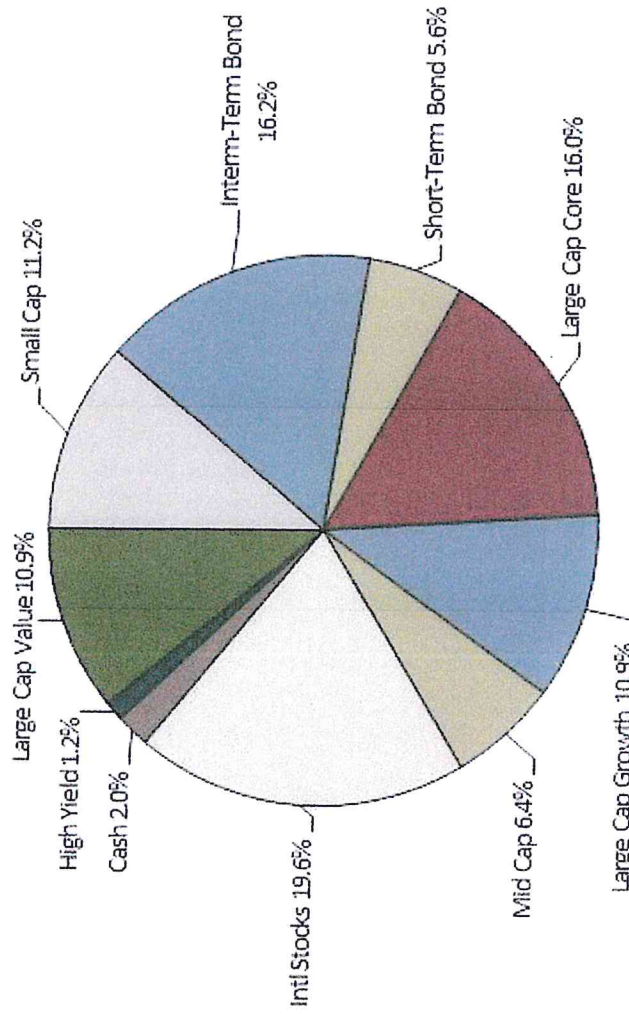


### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

#### Capital Appreciation Objective

Strategic Ranges	
Equity	65-85%
Fixed Income	10-30%
Cash	0-20%
Tactical Allocation	
Equity	75.00%
Fixed Income	23.00%
Cash	2.00%

Asset Allocation	
<b>Equity</b>	
Large Cap Core	16.00%
Large Cap Value	10.90%
Large Cap Growth	10.90%
Mid Cap Value	3.20%
Mid Cap Growth	3.20%
Small Cap Value	5.60%
Small Cap Growth	5.60%
International	11.00%
Tactical - Europe	3.30%
Emerging Markets	5.30%
<b>Fixed Income</b>	
Interm-Term	16.20%
Short-Term	5.60%
High Yield	1.20%
<b>Cash</b>	<b>2.00%</b>



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### 3. CONSTRUCT YOUR PORTFOLIO: SAMPLE PORTFOLIO

PARS Capital Appreciation	Ticker	Actively Managed Mutual Funds Fund Name
---------------------------	--------	---

Equity	65-85% equity	
Large Cap Core	8.80%	SMGIX Columbia Contrarian Core Z
	7.20%	SICWX Sentinel Common Stock Fund
Large Cap Value	6.50%	LSGIX Loomis Sayles Value Y
	4.40%	DODGX Dodge & Cox Stock
Large Cap Growth	5.45%	HACAX Harbor Capital Appreciation Instl
	5.45%	PRGFX T. Rowe Price Growth Stock
Mid Cap Value	3.20%	TIMVX TIAA-CREF Mid-Cap Value Inst.
Mid Cap Growth	3.20%	IYMIX Ivy Mid Cap Growth I
Small Cap Value	5.60%	NSVAX Columbia Small Cap Value II Z
Small Cap Growth	5.60%	PRNHX T. Rowe Price New Horizons
International	5.00%	NWHNX Nationwide Bailard International Equities Fund
	3.00%	DODFX Dodge & Cox International Stock
Tactical - Europe	3.00%	MQGIX MFS International Growth I
Emerging Markets	3.30%	FEZ SPDR EURO STOXX 50 ETF
	5.30%	SEMINX Schroder Emerging Market Equity Inv
	<b>75.00%</b>	
<b>Fixed Income</b>		
Short Term Bond	5.60%	VFSUX Vanguard Short-Term Investment-Grade Adm
Interm Term Bond	8.10%	PTRRX PIMCO Total Return Instl
	8.10%	NWJXX Nationwide HighMark Bond Fund
High-Yield	<u>1.20%</u>	PHIYX PIMCO High Yield Instl
	<b>23.00%</b>	
Cash	2.00%	FPZXX First American Prime Obligation Z
<b>TOTAL</b>	<b>100.00%</b>	

Securities shown here may change from time to time, at the discretion of HighMark. Please refer to page entitled 'Disclosures' at the back of this presentation for more information.



## 4. MANAGE: RISK MANAGEMENT

- Experienced Portfolio Management Team
  - Andrew Brown, CFA
  - Skilled at aligning client objectives with investment strategies
  - Upfront and regular dialogue with a local portfolio manager ensures strategy is consistent with risk profile and investment objectives
- Disciplined investment process and research methodology
  - Quantitative analysis and modeling supports asset allocation decisions
  - Non-index investments have clear buy/sell process
  - Fundamental stock review
  - Credit monitoring
  - Rigorous mutual fund selection and monitoring approach
- Structured portfolio management methodology
  - Periodic rebalancing back to target to prevent asset allocation and style drift
  - Objectives-based solutions
  - Automated compliance module identifies deviations from guidelines

## 5. REPORT: RESPONSIVE AND PROACTIVE CLIENT COMMUNICATION

HighMark's dedicated investment team continuously seeks to add value to our relationship with your organization.

- Integrated client service program established with PARS over the last 18 years
- We have a tradition of interactive client service to maintain a strong relationship
- Local portfolio manager
- You benefit from face-to-face meetings and scheduled conference calls with your client service team and portfolio management team
- You receive regular communications in a variety of formats
  - Account holdings and transactions
  - Quarterly performance evaluation reports
  - Investment outlook and economic updates

# CRITICAL PERFORMANCE DECISIONS

← Areas where HighMark adds value →

## Investment Strategy & Planning

- Objective Based Strategy
- Customized
- Flexible
- Monitored
- Rebalanced
- Unique Client Considerations

## Strategic & Tactical Asset Allocation Decisions

- Stocks vs. Bonds
- Domestic vs. International
- Large vs. Small Capitalization Equities
- Value vs. Growth Equity Styles
- Short vs. Long Term Bonds

## Portfolio Construction Decisions

- Active vs. Passive Management
- Sector Selection
- Security Selection
- Manager Selection

# DISCLOSURES

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. Union Bank, 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.**

This unaudited information is approved for one-on-one presentations only and is not intended for reproduction or distribution or to provide specific investment advice to any individual. Individual account management and construction will vary depending on each client's investment needs and objectives.

Unless otherwise specified, performance shown for individual mutual funds are net of expense ratios, which includes fees charged by ETFs or funds, but gross of HighMark's overall investment management fee to the account. HighMark and its affiliates do not receive compensation for the use of any non-proprietary fund.

Some information provided herein was obtained from third party sources deemed to be reliable; HighMark and its affiliates make no representations or warranties with respect to the timeliness, accuracy, or completeness of the information provided. Any information provided is subject to change without notice.

Each strategy represented in the Sample Portfolios are a hypothetical construct only and does not reflect actual investment decisions or recommendations. It does not reflect the liquidity constraints of actual fund investing or the impact that material economic and market factors may have on an investment adviser's decision-making. Investors cannot invest in the Sample or Alternative Portfolio and actual investment results may differ materially. The Sample Portfolios do not reflect the deduction of advisory fees, brokerage, commissions, or any other actual client expenses, which would reduce investor returns. Advisory fees are described in the Form ADV, Part 2A and are available upon request. The portfolios do not reflect the reinvestment of dividends, distributions, and other earnings.

A portfolio's Expected Return (comprised of capital appreciation and income/dividends) is calculated in two steps:

- (1) The expected return of each asset class in a given portfolio is determined through a combination of examining historical rates of return with expected returns. Historical rates of return (analyzed over a number of years) are provided by Ibbotson Associates. Expected rates of return are developed by HighMark's Asset Allocation Committee, which incorporates a one year forecast for market returns, the asset class' beta, and a risk-free rate (generally, the T-Bill rate).
  - (2) The expected return for the overall portfolio is derived by taking the weighted average of each respective asset class' expected return.
- Expected returns generated are before taxes and any fees. The Standard Deviation for an asset class represents its possible divergence of the actual return for an asset class from its Expected Return. It measures the potential magnitude of any positive over performance or negative underperformance of an asset class from its Expected Return.

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HighMark Capital Management, Inc.  
 Composite Performance Presentation  
 PARS Tax Exempt Moderate HighMark Plus Composite  
 January 1, 2005 through December 31, 2013

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return (%)	Internal Dispersion (%)	Number of Portfolios	As of December 31	
						Total Composite Assets (\$M)	% of Firm Assets
2013	13.06	12.66	13.06	0.97	20	265.51	1.83%
2012	12.25	11.85	10.27	0.79	18	226.43	1.29%
2011	0.55	0.18	3.09	0.65	15	191.09	1.22%
2010	12.42	12.02	10.23	1.14	12	127.66	0.77%
2009	21.47	21.04	16.01	2.34	11	73.96	0.44%
2008	-22.88	-23.16	-18.41	1.28	7	24.86	0.15%
2007	5.88	5.50	6.16	n/a	6	25.15	0.12%
2006	8.83	8.44	9.99	n/a	<6	7.27	0.04%
2005	6.08	5.70	3.66	n/a	<6	0.68	0.00%

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Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The PARS Tax Exempt Moderate HighMark Plus Composite includes all institutional portfolios invested in actively managed mutual funds. The strategy is to provide current income and moderate capital appreciation. Under normal conditions, allocation ranges are: Equity 40%-60%, Fixed Income 40%-60%, and Cash 0%-20%. The composite was created in April 2009.

Effective 10/1/12, the benchmark changed to 26.5% S&P 500 Index, 7.5% Russell 2000 Index, 6% MSCI EAFE Index, 5% Russell MidCap Index, 3.25% MSCI EM Free Index, 33.5% Barclays Capital Aggregate Bond Index, 10% Merrill Lynch 1-3 Year Corporate/Government Index, 1.5% Merrill Lynch US High Yield Master II Index, 1.75% Vtishire REIT Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. Prior to 10/1/12, the benchmark was 43% S&P 500 Index, 2% Russell 2000 Index, 5% MSCI EAFE Index, 15% Merrill Lynch 1-3 Year Corporate/Government Index, 30% Barclays Capital Aggregate Bond Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. The index was changed to reflect added strategy investments in Mid Cap and REITs. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. Prior to April 2007, the blended benchmark for the PARS Tax Exempt Moderate HighMark Plus Composite was as follows: 50% S&P 500 Index, 15% Merrill Lynch 1-3 Year Corporate/Government Index, 30% Barclays Capital Aggregate Bond Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. Beginning April 2007, MSCI EAFE Index and Russell Index were added to the blended benchmarks due to enhancements in the investment process which were designed to increase diversification through exposure to small cap and international equities.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.; investment advisory fees are described in Part 2 of HighMark's Form ADV, which is available upon request.

The standard management fee is 0.36%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For the years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36 month period ended as of 12/31/11: Composite: 9.79 12/31/12: Composite 9.21 Benchmark: 7.56 12/31/13: Composite: 7.50 Benchmark: 6.20. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

Past performance does not guarantee future results. Securities investments involve risk, including the possible loss of the principal amount invested. Investments are not deposits of the adviser's parent or any of the adviser's affiliates, and are NOT FDIC insured.

HighMark Capital Management, Inc.  
 Composite Performance Presentation  
 PARS Tax Exempt Balanced HighMark Plus Composite  
 January 1, 2007 through December 31, 2013

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return (%)	Internal Dispersion (%)	Number of Portfolios	As of December 31		
						Total Composite Assets (\$M)	% of Firm Assets	Total Firm Assets (\$B)
2013	16.61	16.19	16.07	0.64	15	121.82	0.84%	14.53
2012	13.25	12.85	11.86	0.25	12	88.73	0.51%	17.50
2011	-0.46	-0.82	2.91	0.45	8	71.39	0.46%	15.65
2010	14.11	13.71	11.49	n/a	6	54.05	0.32%	16.68
2009	21.36	20.93	18.36	n/a	<6	36.57	0.22%	16.82
2008	-25.72	-25.99	-22.53	n/a	7	14.64	0.09%	17.01
2007	5.41	5.03	5.96	n/a	<6	11.33	0.05%	21.22

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HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars. The PARS Tax Exempt Moderately Aggressive HighMark Plus Composite includes all institutional portfolios invested in actively managed mutual funds. The strategy is to provide growth of principal and income. Under normal conditions, allocation ranges are: Equity 50%-70%, Fixed Income 30%-50%, and Cash 0%-20%. The composite was created in April 2009. The composite name was changed from PARS Tax Exempt Moderately Aggressive HighMark Plus to PARS Tax Exempt Balanced HighMark Plus in May 2013.

Effective 10/1/12, the benchmark changed to 32.0% S&P 500 Index, 9.0% Russell 2000 Index, 7.0% MSCI EAFE Index, 6.0% Russell MidCap Index, 4.0% MSCI EM Free Index, 27.0% Barclays Capital Aggregate Bond Index, 6.75% Merrill Lynch 1-3 Year Corporate/Government Index, 1.25% Merrill Lynch US High Yield Master II Index, 2.0% Wilshire REIT Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. Prior to 10/1/12, the benchmark was 51% S&P 500 Index, 3% Russell 2000 Index, 6% MSCI EAFE Index, 5% Merrill Lynch 1-3 Year Corporate/Government Index, 30% Barclays Capital Aggregate Bond Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. The index was changed to reflect added strategy investments in Mid Cap and REITs. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. Prior to April 2007, the blended benchmark for the PARS Tax Exempt Moderately Aggressive HighMark Plus Composite was as follows: 60% S&P 500 Index, 5% Merrill Lynch 1-3 Year Corporate/Government Index, 30% Barclays Capital Aggregate Bond Index, and 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. Beginning April 2007, MSCI EAFE Index and Russell Index were added to the blended benchmarks due to enhancements in the investment process which were designed to increase diversification through exposure to small cap and international equities.

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**Past performance does not guarantee future results. Securities investments involve risk, including the possible loss of the principal amount invested. Investments are not deposits of the adviser's parent or any of the adviser's affiliates, and are NOT FDIC insured.**



HighMark Capital Management, Inc.  
 Composite Performance Presentation  
 PARS Tax Exempt Capital Appreciation HighMark Plus Composite  
 January 1, 2009 through December 31, 2013

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return (%)	Internal Dispersion (%)	Number of Portfolios	As of December 31		Total Firm Assets (\$B)
						Total Composite Assets (\$M)	% of Firm Assets	
2013	20.33	19.90	20.62	n/a	<6	26.76	0.18%	14.53
2012	13.87	13.46	13.39	n/a	<6	21.85	0.12%	17.50
2011	-1.35	-1.70	-0.24	n/a	<6	17.87	0.11%	15.65
2010	12.95	12.54	14.63	n/a	<6	14.36	0.09%	16.68
2009	23.77	23.34	25.80	n/a	<6	11.30	0.07%	16.82

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The benchmark is 39.5% S&P 500 Index, 10.5% Russell 2000 Index, 10.25% MSCI EAFE Index, 7.5% Russell MidCap Index, 5.25% MSCI EM Free Index, 16% Barclays Capital Aggregate Bond Index, 3% Merrill Lynch 1-3 Year Corporate/Government Index, 1% Merrill Lynch US High Yield Master II Index, 2% Wilshire REIT Index, 5% Citigroup 1 Month T-Bill Index, rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

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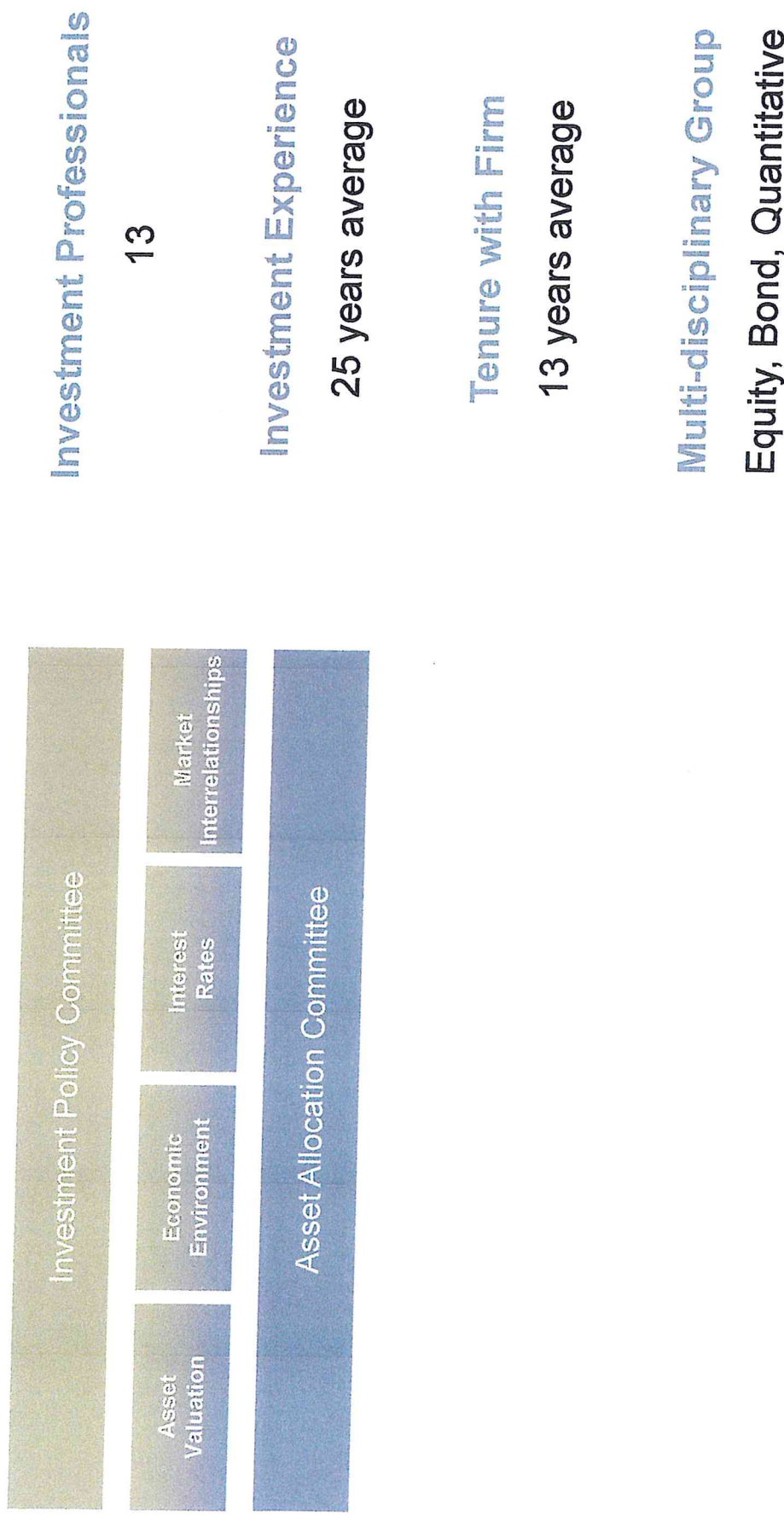
The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For the years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36 month period ended as of 12/31/11: Composite: 15.70 Benchmark: 12.60 Benchmark: 12.47 12/31/12: Composite: 10.21 Benchmark: 10.11. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

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**ADDITIONAL INFORMATION**

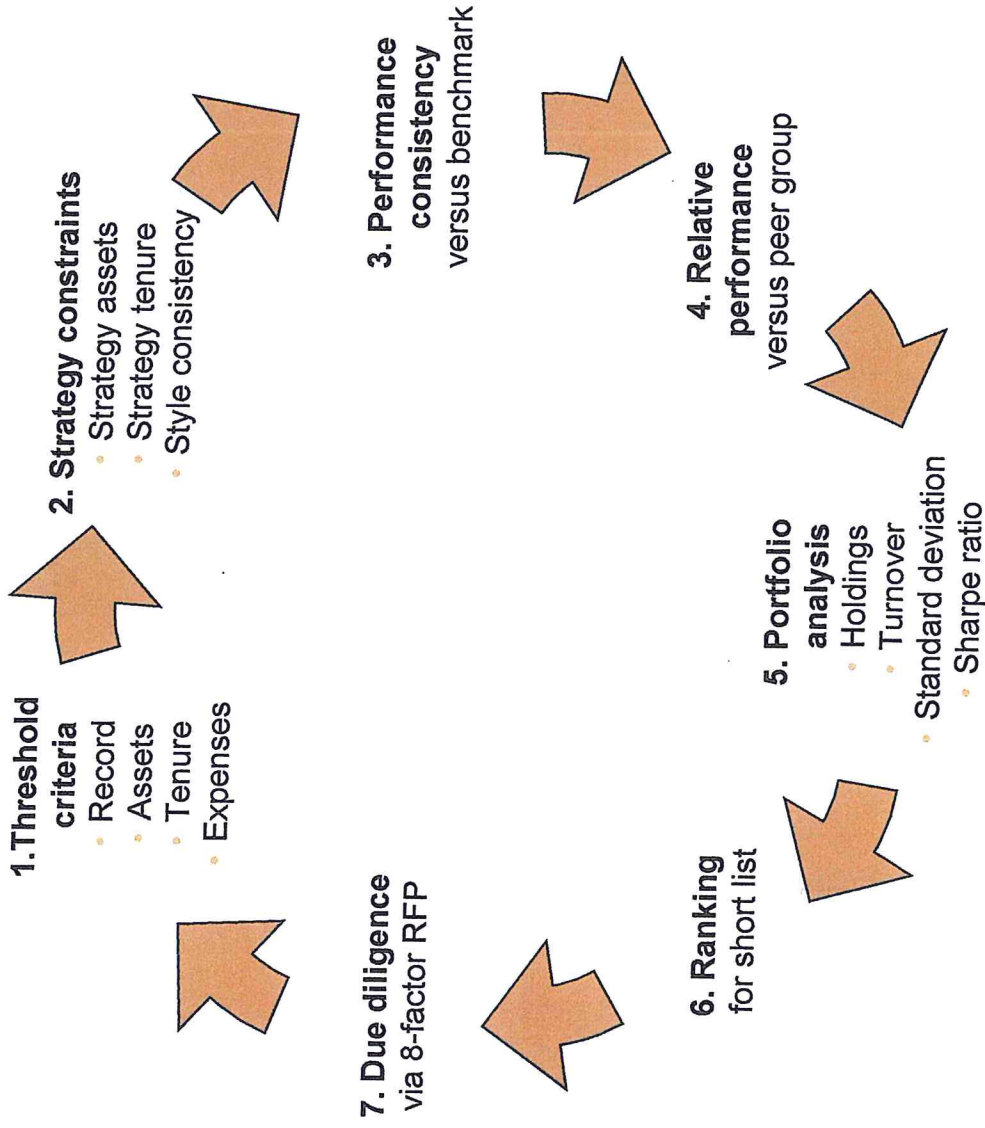
## ASSET ALLOCATION COMMITTEE

Seek to identify investment opportunities using fundamental indicators to enhance returns over time through active asset allocation and investment selection without significantly increasing risk



# MANAGER DUE DILIGENCE

HighMark uses a disciplined process with seven separate screens to identify, select, and monitor managers for specific investment mandates.



## INVESTMENT BIOGRAPHY



### **Andrew Brown, CFA, Vice President and Senior Portfolio Manager**

Andrew Brown joined HighMark Capital Management, the investment management subsidiary of MUFG Union Bank, N.A., in November of 1997. As Senior Portfolio Manager, Andrew is responsible for managing investment portfolios on behalf of high net worth investors, trusts, retirement plans, foundations, and not-for-profit organizations. In addition, he is a member of HighMark's Manager Review Committee (MRC). Andrew began his career in the investment management industry in 1994. Prior to joining HighMark, Andrew's work experience includes three years as a Japanese Equity Specialist at Wako Securities (America). His duties there included designing and implementing a marketing program to sell Japanese stocks to institutional investors. He also performed securities analysis for Japanese equities and made buy/sell recommendations on Nikkei 225 and OTC equities.

Andrew received a Bachelor of Arts degree in International Relations, concentrating in Asia-Politics/Economy, from the University of Southern California, and a Master's degree in Business Administration with an emphasis in Finance/Marketing from the University of Southern California. In addition, Andrew is a CFA charterholder.



**MONTARA WATER AND SANITARY DISTRICT  
PARS RETIREMENT PLAN**

**BARTEL  
ASSOCIATES, LLC**

**June 30, 2015 Actuarial Valuation  
Preliminary Results**

*Presented by* **Mary Elizabeth Redding, Assistant Vice President & Actuary**  
*Prepared by* **Katherine Moore, Associate Actuary**  
**John Bartel, President, Reviewing Actuary**  
**Bartel Associates, LLC**

May 21, 2015

**AGENDA**

<u>Topic</u>	<u>Page</u>
Definitions	1
Benefit Summary	2
Data Summary	3
Actuarial Assumptions and Methods	4
Funding Results	6

## DEFINITIONS

### ■ PVPB – Present Value of all Projected Benefits

- Expected benefit payments modeled based on:
  - Plan benefit provisions
  - Current employee/retiree population
  - Actuarial assumptions: Retirement/termination, future salary increases, longevity
  - Discounted to measurement date using discount rate (rate invested assets are expected to earn in the long-term future).

### ■ AAL – Actuarial Accrued Liability

- Discounted value at measurement date (valuation date) of benefits “earned” through measurement date
- \$0 for District since no past service counted for benefits.

### ■ NC – Normal Cost

- Value of benefits “earned” during year after measurement date
- Benefits “earned” in proportion to expected payroll over employee’s working lifetime.



## BENEFIT SUMMARY

■ Eligibility	■ Age 62 with 5 years District service
■ Retirement Benefit	■ 2% x Final Pay x benefit service payable at 62 ■ Final Pay is highest average 36 months limited to PEPR limit (\$117,020 in 2015)
■ Service	■ Benefit service is years with District after 7/1/15
■ Death Benefits	■ After 5 years District service – spousal benefit
■ Termination	■ Refund of employee contributions with 3% interest, or ■ Deferred formula benefit calculated at termination
■ Disability	■ Same as termination
■ Employee Contributions	■ ½ of Normal Cost. ■ Calculated as % of pay up to PEPR pay limit. ■ Will depend on discount rate and other actuarial assumptions. ■ Recalculated in each actuarial valuation
■ Service Buy-back	■ Employees may purchase credit for District service before 7/1/2015 by paying the full actuarial cost.
■ COLA	■ 2% increases per year after retirement
■ Benefit Form	■ Single life annuity, spousal continuation benefits paid by retiree



**DATA SUMMARY**

**Participant Statistics**

	<b>6/30/14</b>
■ Actives	
• Count	7
• Average Age	43.9
• Average District Service	5.9
• Average Benefit Service	0.0
• Total Payroll	539,000



**ACTUARIAL ASSUMPTIONS**

<b>Assumption</b>	<b>June 30, 2015 Valuation</b>
■ Valuation Date	<ul style="list-style-type: none"> <li>■ June 30, 2015</li> <li>■ Determines contributions for fiscal years 2015/16 &amp; 2016/17</li> </ul>
■ Investments	■ To be selected
■ Discount Rate	<ul style="list-style-type: none"> <li>■ 6.0%, 6.5% and 7.0% to illustrate possible costs</li> <li>■ Rate to be determined after investment fund is selected</li> <li>■ Net of investment expenses</li> </ul>
■ Payroll Increase	<ul style="list-style-type: none"> <li>■ Merit Increases – CalPERS 1997-2011 Experience Study</li> <li>■ Aggregate payroll increase – 3.25%</li> </ul>
■ Mortality, Withdrawal, Disability and Retirement	<ul style="list-style-type: none"> <li>■ CalPERS 1997-2011 Experience Study</li> <li>■ Mortality projected fully generational with Scale MP2014</li> </ul>





## ACTUARIAL METHODS

Method	June 30, 2015 Valuation
■ Actuarial Cost Method	■ Entry Age Normal
■ Administrative Expenses	■ Allowance for administrative expense, if paid from Trust assets, to be added to actuarially determined contribution. Assumed \$0 for fiscal years 15/16 and 16/17 (i.e., all costs paid by District)
■ Future New Entrants	■ Closed group, no new hires
■ Employer Accounting	■ Governed by GASB Statement 68, first applicable for the District 6/30/16. Accounting results will differ from those in this funding report.



## FUNDING RESULTS

### Actuarial Obligations

	6/30/15 Valuation		
■ Discount Rate	7.00%	6.50%	6.00%
■ Present Value of Benefits			
• Active Employees	\$ 729,052	\$ 849,004	\$ 993,243
• Retirees	<u>0</u>	<u>0</u>	<u>0</u>
• Total	729,052	849,004	993,243
■ Actuarial Accrued Liability			
• Total	0	0	0
■ Actuarial Value of Assets	<u>0</u>	<u>0</u>	<u>0</u>
■ Unfunded AAL	0	0	0
■ Funded Ratio	N/A	N/A	N/A
■ Employer Normal Cost (middle of year payment)	\$37,546	41,862	46,030



**FUNDING RESULTS**

**Annual Actuarially Determined Contribution (ADC)**

■ Discount Rate	6/30/15 Valuation for 15/16 and 16/17 Contributions		
	7.00%	6.50%	6.00%
■ ADC - \$			
• Normal Cost (Employer)	\$ 37,546	\$ 41,862	\$ 46,030
• Administrative expenses paid from Trust	<u>0</u>	<u>0</u>	<u>0</u>
• Total	37,546	41,862	46,030
■ Projected Payroll (unlimited)	539,132	539,132	539,132
■ Employee Contribution Rate (% of PEPRRA-limited pay)	7.50%	8.25%	9.25%
■ Total Employer Cost (% total pay)	6.96%	7.76%	8.54%



Clemens,

Here are the questions I pulled from the minutes tape for the June 4th meeting. There were more statements than questions and many of the questions were answered on the spot by Austris, Dwight or by you.

#### QUESTIONS FROM PARS AGENDA ITEM JUNE 4, 2015

FROM:

Mr. Dieguez

- 1 Why are there no other alternatives?
- 2 What is the risk of investment?
- 3 Why would the District take a risk on 6-1/2 to 7% for the rest of time?

Mr. Kehoe

- 1 How far out of line is the District compared to other agencies regarding benefits?
- 2 We know this won't work, why are we considering this?

Director Slater-Carter

- 1 Are there any other ways to meet our employees desire for retirement and not put this District at risk in the future?
- 2 Can we talk to other agencies about this?
- 3 .36% management fee cost in the document, are there other management fees?
- 4 Are there opportunities for other management costs in there?
- 5 Are there additional costs that have not been mentioned in the document?
- 6 Who owns the assets?
- 7 Where are the assets housed?

Director Huber

- 1 What is the risk exposure under a defined benefit plan if there was a stock market correction?
- 2 What is the difference in the defined benefit vs. defined contribution and can we structure a defined contribution plan that is equally enticing to future employees?

Director Boyd:

- 1 Is Highmark the only one to administer this fund?
- 2 What is their reputation? How well have they done?

**Gregg DIÉGUEZ**  
P.O. Box 370404  
Montara, Calif. 94037-0404  
(650) 544-0714  
gadieguez@gmail.com

July 5, 2015

Dear MWSD Board Member:

You will recall from the last two Board meetings that I had reservations about the degree of research that had been done in preparation for the adoption of a Defined Benefit Plan (a "Plan") for district employees. I have since performed some research on the matter, holding discussions with town managers, investment managers, etc. In the attached document, I have recorded a list of questions which are an appropriate start for the completion of Due Diligence in adopting a Defined Benefit plan for district employees.<sup>1</sup>

The consensus regarding an appropriate decision-making process, given the magnitude and risks of such a Plan, is to augment the attached document with further questions as your research may discover, and then, for each question, to provide a written answer. For each answer, provide a verifiable source, such as a citation to a publication, court finding, investment prospectus, etc. The completed set of questions and answers will then underpin a final decision table, which lists all decision criteria, alternatives, and the ranking or finding for each alternative on each decision criterion.

As my time and your interest permit, I am available to assist in this process. I realize that performing a fiduciary responsibility in the public trust is significant effort.

Thank you for your efforts on behalf of the Water District.

Sincerely,

---

<sup>1</sup> In the printed version, you will note blue text, which indicates a reference link to a source for supporting evidence. If you desire the electronic copy of this document, please provide me your email address and I shall forward it to you.

Submitted by Montana Resident Gregg Dlaguz

## Unanswered Questions re MWSD Pension Plan

MWSD is proposing to enter into a defined benefit pension plan for its employees as one way to retain and compensate valued employees. Since this is a multi-million dollar, long term decision, standards of due diligence, fiduciary responsibility, and public trust would appear incumbent on the Board. Below are lists of pertinent questions related to the proposed decision which would be normally addressed. In order to evidence proper due diligence, I am requesting that the answers to these (and other) questions regarding the proposed pension plan be recorded here TOGETHER with citations of the verifiable sources for each answer (e.g. Page X, paragraph Y of the contract with PARS), and posted for public review on the MWSD website.

### Impact of Plan on MWSD

1. What fees were netted from expected returns analyzed by Bartel? If none, then the analysis needs to be rerun with lower expected returns.
2. As mentioned in the Bartel projections, new GASB accounting standards will apply in June, 2016 and will show different results. What will the accounting results be under the new standards?
3. Has any Board member, or advisor thereto, prepared calculations independent of the sales agents of PARS to audit the adequacy and impact of PARS plans on MWSD? If so, where are the calculation methodology and results available for review? *[Note that the PARS actuary refused to disclose this material, citing proprietary software - which is not an excuse for failure to disclose and to allow the Board to perform an audit of their claims]*
4. Is it legal for MWSD to offer PARS plans? Others have been prohibited.
5. Note alternative retirement plans designs are available, including Hybrid plans: <http://www.pars401k.com/overview.htm>
6. Does anyone on the Board, any advisor of the Board, any family member of a Board member and/or any MWSD employee have a relationship with PARS? Have all the above attested in writing as to the absence of same?
7. What is the projected future annual (per year) pension funding requirement to MWSD in 2035 under the Plan? Under what set of assumptions and conditions? In 2025? In 2045?
8. What is the total projected future pension obligation to MWSD in 2035 under the Plan? Under what set of assumptions and conditions? (in other words, how many years of future payments of what amount will be required to fulfill all pensioner obligations?) In 2025? In 2045?

### Impact of Plan on Employees

1. The PARS presentation says 7 employees totaling \$539,000 salary eligible for the pension plan. The "transparent" website says MWSD has 12 employees (in 2014) including 3 part time. The total of those 12 in 2014 was just shy of \$564,064.... if all are eligible. Which employees are excluded from pension plan?
2. Does the district plan to add employees, and will they get pension benefits? If yes, then why is this not in the forecast?
3. Can retirees select from non-Highmark funds which have lower expenses and better performance?
4. Is the PARS plan non-portable?<sup>i</sup> Is that to motivate employee retention?

5. Why are the planned retirement benefits based on only 3 years earnings, as opposed to 35, like Social Security?
6. Are future social security or PARS Plan benefits reduced when both are present? Yes, See SSA Publication No. 05-10007.
7. Are distributions to the employees tax-exempt? (unlike social security) It appears NO.
8. Are contributions made by employees tax-exempt?
9. Can employees make additional annual contributions and gain further reduction of the current year's taxable income?

### **Vetting of Plan Manager & Investments**

1. Who, and how, is auditing the claims of the selling agency (PARS and/or Bartel) with respect to financial impact of the defined benefit plan upon MWSD?
2. Has any other firm consulted with or presented to MWSD regarding potential retirement plans? If not, why not? How can a proper decision be made without consideration of other major investment providers?
3. What public agency, city or town clients does PARS have in San Mateo and Santa Clara counties?
4. What do the financial directors of PARS clients in San Mateo and Santa Clara counties say about the firm and its services?
5. What is the past performance of PARS defined benefit plans with its clients in San Mateo and Santa Clara counties?
6. What are **PARS** fees for: plan administration? Investments? Individual service fees? Any others? Where are these disclosed, and if not, why not?
  - a. What are the administrative fees in this PARS plan? (e.g.:The City is required by California law to have an independent actuarial valuation of our PARS plan every three years at a cost of \$6,750. PARS also charges an administrative fee of \$1,800 per year.)
  - b. Does the new MWSD budget include these fees?
7. What are all the **Highmark** fees attendant to the MWSD plan? Some fees are mentioned in the Highmark materials (listed below), of which only 60 basis points is disclosed therein:
  - a. Management fee: 0.36%
  - b. Advisory fees
  - c. Trading expenses: presumably  $0.60 - .36 = 0.24\%$
  - d. Platform fees
  - e. Administrative fees
  - f. Distribution fees
  - g. Other
8. Is there a CDSC (contingent deferred sales charge)" on investments in Highmark PARS funds, as there is for other Highmark funds?
9. Is there a commission or "sales load fee" on initial investments in Highmark PARS funds, as there is for other Highmark funds?
10. Why are the quoted historical Highmark returns 'Net of Fees' calculated net of "model investment management fees" but not actual fees incurred? Or net of fees specified in the contract to be signed?
11. Why are Highmark performance data GIPS verified only through 2011 when data presented extend through 2013? Where is the 2014 data?

12. Has Bartel Associates LLC ever received compensation from PARS, or is it scheduled to receive compensation in the future as a result of MWSD adoption of the proposed plan?
13. How do the Highmark fees & expenses of 60 basis points (0.60%) compare to other investment alternatives? Partial answer: \*Vanguard Target Retirement Funds average expense ratio: 0.17%.
14. Who has conducted a review of PARS financial statements and SEC filings and what issues were uncovered that could affect a plan decision to use them? [there are no annual reports or SEC filings referenced on their website]
15. What evidence exists that Highmark has corrected the money laundering exposures which caused problems previously?
16. Have the PARS Highmark funds been acquired by Nationwide insurance? Why? What is the effect on the PARS plan? Are the disclosures in the PARS sales materials current (e.g. management, track record, fees & expenses)?
17. Is the Japanese ownership of Union Bank, which holds the Highmark Funds, of concern?<sup>1</sup>
18. Where do Union Bank and Highmark stand in rankings of fund performance and stewardship? Preliminary answer: not listed.

## Risks

1. How is the risk of the plan assessed and documented?
2. As shown in the table of Prudential Insurance Annuity funds, the vast majority of those annuities that have existed for over 10 years have failed to attain 7% returns, and that is BEFORE EXPENSES. What evidence was used to predict the returns presented in the Bartel projections?
3. Given that diversification is valuable in portfolio management, is MWSD restricted to a) just one Highmark fund, and b) to only the Highmark funds in the packet provided?
4. According to the Santa Clara Grand Jury report "*Dropping down to a more conservative 6.2% investment rate (still higher than the 6.1% average for the last ten years) is recommended by many leading economists and recognized financial experts.*" Why are no risk-testing assumptions below 6.0% being considered for the MWSD plan?
5. Why is the PARS presentation limited to the 2015 valuation issue, when the larger liability to MWSD will be 20 years hence when current employees are due benefits and the next generation of workers is also accruing future benefits?
6. In the face of nationwide pension funding deficiencies in almost every state and city, and 98% of California cities, why has the MWSD Board chosen a defined benefit plan and not evaluated a defined contribution plan?
7. What controls are being put in place, and how are they documented and enforced, to prevent the three most often cited reasons for unfunded pension liability: a) market losses (ROI lower than the assumed rate), b) retroactive benefit enhancements, and c) other accumulated actuarial assumption changes (e.g., longer life expectancy, demographic changes).

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<sup>1</sup> Note that neither Highmark, nor Union Bank, appear on the Top 100 lists of mutual fund families or "Best" fund families based on a Web Search.

8. How will PARS and MWSD avoid the underfunding that has plagued CalPERS and virtually all State & Local retirement plans?<sup>ii</sup> What controls are in place to prevent underfunding of MWSD retirement plan obligations?
9. Are there any conditions under which MWSD can adjust the mandatory contribution of the Defined Benefit plans? If any, what is that flexibility?
10. What controls are in place to prevent “dumping” of junk bonds, sub-prime mortgages, or securities from the holdings of the entities managing the retirement plan into the portfolio supporting the MWSD plan?
11. Why has the Board not evaluated 401K plans, which are the most popular form of retirement account today?
12. Given that innumerable public agencies have experienced major financial issues with their unfunded defined benefit pension liabilities, what changes to the proposed plan have mitigated what amount of that potential risk experienced by so many others?
13. Is it not a conflict of interest for an MWSD employee to be the Plan Manager?

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<sup>i</sup> The PARS plan is not portable, so employees who terminate prior to reaching age 55 do not get any benefits from PARS. <http://www.cityofbelvedere.org/DocumentCenter/View/1760>

<sup>ii</sup> A comprehensive assessment of state underfunding is <http://www.pewtrusts.org/en/research-and-analysis/analysis/2014/04/08/the-fiscal-health-of-state-pension-plans-funding-gap-continues-to-grow>  
A list of all Calif. Cities and their pension health as of 2013 is <http://californiapolicycenter.org/california-city-pension-burdens/>



Submitted by Montar Resident Gregg Diagona

## Unanswered Questions re MWSD Pension Plan

Updated July 11, 2015

MWSD is proposing to enter into a defined benefit pension plan for its employees as one way to retain and compensate valued employees. Since this is a multi-million dollar, long term decision, standards of due diligence, fiduciary responsibility, and public trust would appear incumbent on the Board. Below are lists of pertinent questions related to the proposed decision which would be normally addressed. In order to evidence proper due diligence, I am requesting that the answers to these (and other) questions regarding the proposed pension plan be recorded here TOGETHER with citations of the verifiable sources for each answer (e.g. Page X, paragraph Y of the contract with PARS), and posted for public review on the MWSD website.

### Impact of Plan on MWSD

1. What fees were netted from expected returns analyzed by Bartel? If none, then the analysis needs to be rerun with lower expected returns.
2. As mentioned in the Bartel projections, new GASB accounting standards will apply in June, 2016 and will show different results. What will the accounting results be under the new standards?
3. Has any Board member, or advisor thereto, prepared calculations independent of the sales agents of PARS to audit the adequacy and impact of PARS plans on MWSD? If so, where are the calculation methodology and results available for review? *[Note that the PARS actuary refused to disclose this material, citing proprietary software - which is not an excuse for failure to disclose and to allow the Board to perform an audit of their claims]*
4. Is it legal for MWSD to offer PARS plans? [Others have been prohibited.](#)
5. Note alternative retirement plans designs are available, including Hybrid plans: <http://www.pars401k.com/overview.htm>
6. Does anyone on the Board, any advisor of the Board, any family member of a Board member and/or any MWSD employee have a relationship with PARS? Have all the above attested in writing as to the absence of same?
7. What is the projected future annual (per year) pension funding requirement to MWSD in 2035 under the Plan? Under what set of assumptions and conditions? In 2025? In 2045?
8. What is the total projected future pension obligation to MWSD in 2035 under the Plan? Under what set of assumptions and conditions? (in other words, how many years of future payments of what amount will be required to fulfill all pensioner obligations?) In 2025? In 2045?
9. [What is the annual cost of the actuarial valuation \(an essential part of plan management not performed by PARS per section 5 of the Agreement\) mentioned in Exhibit 1A, section 2 \(K\)? Is this included in the budgeted costs of the plan?](#)

### Impact of Plan on Employees

1. The PARS presentation says 7 employees totaling \$539,000 salary eligible for the pension plan. The ["transparent" website](#) says MWSD has 12 employees (in 2014) including 3 part time. The total of those 12 in 2014 was just shy of \$564,064.... if all are eligible. Which employees are excluded from pension plan?

2. Does the district plan to add employees, and will they get pension benefits? If yes, then why is this not in the forecast?
3. Can retirees select from non-Highmark funds which have lower expenses and better performance?
4. Is the PARS plan non-portable?<sup>i</sup> Is that to motivate employee retention?
5. Why are the planned retirement benefits based on only 3 years earnings, as opposed to 35, like Social Security?
6. Are future social security or PARS Plan benefits reduced when both are present? Yes, See SSA Publication No. 05-10007.
7. Are distributions to the employees tax-exempt? (unlike social security) [It appears NO.](#)
8. Are contributions made by employees tax-exempt?
9. Can employees make additional annual contributions and gain further reduction of the current year's taxable income?

### **Vetting of Plan Manager & Investments**

1. Who, and how, is auditing the claims of the selling agency (PARS and/or Bartel) with respect to financial impact of the defined benefit plan upon MWSD?
2. Has any other firm consulted with or presented to MWSD regarding potential retirement plans? If not, why not? How can a proper decision be made without consideration of other major investment providers?
3. What public agency, city or town clients does PARS have in San Mateo and Santa Clara counties?
4. What do the financial directors of PARS clients in San Mateo and Santa Clara counties say about the firm and its services?
5. What is the past performance of PARS defined benefit plans with its clients in San Mateo and Santa Clara counties?
6. What are **PARS** fees for: plan administration? Investments? Individual service fees? Any others? Where are these disclosed, and if not, why not?
  - a. What are the administrative fees in this PARS plan? (e.g.:The City is required by California law to have an independent actuarial valuation of our PARS plan every three years at a cost of \$6,750. PARS also charges an administrative fee of \$1,800 per year.)  
**UPDATE: it would appear that PARS ongoing fees are \$9,000 annually, plus an unspecified actuarial fee, and certain other fees contingent on the IRS and other conditions. Source: Exhibit 1B of the proposed AGREEMENT FOR ADMINISTRATIVE SERVICES.**
  - b. Does the new MWSD budget include these fees?
7. What are all the **Highmark** fees attendant to the MWSD plan? Some fees are mentioned in the Highmark materials (listed below), of which only 60 basis points is disclosed therein:
  - a. Management fee: 0.36%
  - b. Advisory fees
  - c. Trading expenses: presumably  $0.60 - .36 = 0.24\%$
  - d. Platform fees
  - e. Administrative fees
  - f. Distribution fees
  - g. Other

8. Is there a CDSC (contingent deferred sales charge) on investments in Highmark PARS funds, [as there is for other Highmark funds](#)?
9. Is there a commission or "sales load fee" on initial investments in Highmark PARS funds, [as there is for other Highmark funds](#)?
10. Why are the quoted historical Highmark returns 'Net of Fees' calculated net of "model investment management fees" but not actual fees incurred? Or net of fees specified in the contract to be signed?
11. Why are Highmark performance data GIPS verified only through 2011 when data presented extend through 2013? Where is the 2014 data?
12. Has Bartel Associates LLC ever received compensation from PARS, or is it scheduled to receive compensation in the future as a result of MWSD adoption of the proposed plan?
13. How do the Highmark fees & expenses of 60 basis points (0.60%) compare to other investment alternatives? Partial answer: \*Vanguard Target Retirement Funds average expense ratio: 0.17%.
14. Who has conducted a review of PARS financial statements and SEC filings and what issues were uncovered that could affect a plan decision to use them? [\[there are no annual reports or SEC filings referenced on their website\]](#)
15. What evidence exists that Highmark has corrected [the money laundering exposures](#) which caused problems previously?
16. [Have the PARS Highmark funds been acquired by Nationwide insurance?](#) Why? What is the effect on the PARS plan? Are the disclosures in the PARS sales materials current (e.g. management, track record, fees & expenses)?
17. Is the Japanese ownership of Union Bank, which holds the Highmark Funds, of concern?<sup>1</sup> Update: materials for the 7/16/15 MWSD Board Meeting now list USBank as the Plan Trustee. USBank has [been cited for low reputation](#) (see link).
18. Where do Union Bank and Highmark stand in rankings of fund performance and [stewardship](#)? Preliminary answer: not listed. Added note: if Highmark has \$15 billion in assets under management, it would rank 87<sup>th</sup>, but 'US Bank' and it are not in the [top 100 list](#). 'US Bancorp' is ranked 70<sup>th</sup>, if that's the proper name, and it's 1.77% the size of Vanguard, to name a leading low-cost Mutual Fund Family.
19. UPDATE: Slide 12

PARS Agencies can also utilize their preferred investment manager under a Directed Trustee arrangement

implies MWSD could pick another investment manager, is this correct and how would it affect expenses to MWSD?

## Risks

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2. As shown in the table of [Prudential Insurance Annuity funds](#), the vast majority of those annuities that have existed for over 10 years have failed to attain 7% returns, and that is

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<sup>1</sup> Note that neither Highmark, nor Union Bank, appear on the Top 100 lists of mutual fund families or ["Best" fund families](#) based on a Web Search.

BEFORE EXPENSES. What evidence was used to predict the returns presented in the Bartel projections?

a. UPDATE: Slide 14 shows all Highmark funds with 10 Year Returns at under

Unless otherwise specified, performance shown for individual mutual funds are net of expense ratios, which includes fees charged by ETFs or funds, but gross of HighMark's overall investment management fee to the account. HighMark and its affiliates do not receive compensation for the use of any non-proprietary fund.

5.95%, and this is presumably BEFORE expenses, which highlights the risk issue.

b. Note that on slide 18, Highmark discloses that returns are before certain expenses. What are returns NET of those expenses?

3. Given that diversification is valuable in portfolio management, is MWSD restricted to a) just one Highmark fund, and b) to only the Highmark funds in the packet provided?
4. According to the Santa Clara Grand Jury report "*Dropping down to a more conservative 6.2% investment rate (still higher than the 6.1% average for the last ten years) is recommended by many leading economists and recognized financial experts.*" Why are no risk-testing assumptions below 6.0% being considered for the MWSD plan?
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7. What controls are being put in place, and how are they documented and enforced, to prevent the three most often cited reasons for unfunded pension liability: a) market losses (ROI lower than the assumed rate), b) retroactive benefit enhancements, and c) other accumulated actuarial assumption changes (e.g., longer life expectancy, demographic changes).
8. How will PARS and MWSD avoid the [underfunding that has plagued CalPERS and virtually all State & Local retirement plans?](#)<sup>ii</sup> What controls are in place to prevent underfunding of MWSD retirement plan obligations?
9. Are there any conditions under which MWSD can adjust the mandatory contribution of the Defined Benefit plans? If any, what is that flexibility?
10. What controls are in place to prevent "dumping" of junk bonds, sub-prime mortgages, or securities from the holdings of the entities managing the retirement plan into the portfolio supporting the MWSD plan?
11. Why has the Board not evaluated 401K plans, which are the [most popular form of retirement account today?](#)
12. Given that innumerable public agencies have experienced major financial issues with their unfunded defined benefit pension liabilities, what changes to the proposed plan have mitigated what amount of that potential risk experienced by so many others?
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<sup>ii</sup> A comprehensive assessment of state underfunding is <http://www.pewtrusts.org/en/research-and-analysis/analysis/2014/04/08/the-fiscal-health-of-state-pension-plans-funding-gap-continues-to-grow>  
A list of all Calif. Cities and their pension health as of 2013 is <http://californiapolicycenter.org/california-city-pension-burdens/>

# Questionnaire

1. What are your primary reasons for leaving?

*Cost of living in District versus pay. New job offers retirement.*

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2. What did you find most satisfying about your job?

*Great place to learn, co-workers, the area in general.*

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3. What did you find most frustrating about your job?

*Sometimes the intercommunication, or miscommunication.*

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4. Were there any company policies or procedures that made your work more difficult?

*No.*

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5. Would you consider returning to this company in the future?

*Yes, if economics of situation worked.*

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6. Would you recommend this company to a friend as a good place to work?

*Yes, in fact have done so.*

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7. Is there anything the company could have done to prevent you from leaving?

*Adjust pay to appropriate levels and add benefits.*

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## Questionnaire

1. What are your primary reasons for leaving? *Other job. Different experience*
2. What did you find most satisfying about your job? *Laid back, more free atmosphere  
work freely, independent judgement required*
3. What did you find most frustrating about your job? *Personalities*
4. Were there any company policies or procedures that made your work more difficult? *No*
5. Would you consider returning to this company in the future? *Definitely, Hopefully as Supervisor*
6. Would you recommend this company to a friend as a good place to work? *Yes*
7. Is there anything the company could have done to prevent you from leaving?  
*Honestly. Being able to live here, even with the current housing program is  
difficult. A Calpers ~~ret~~ retirement plan would have prevented me  
from leaving.*

## Questionnaire

1. What are your primary reasons for leaving?

New job, new area, more opportunities, benefits, higher pay  
Stronger retirement - 2.5% @ 62 Cal-Pers  
SCWD - \$4.00/hr more - Assistant operator to start

2. What did you find most satisfying about your job?

Variety of the job

3. What did you find most frustrating about your job?

Responsibility of being on-call every 3 weeks

4. Were there any company policies or procedures that made your work more difficult?

None

5. Would you consider returning to this company in the future?

Yes

6. Would you recommend this company to a friend as a good place to work?

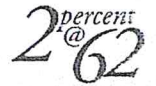
Yes - Nick Carrington recommended by Jack

7. Is there anything the company could have done to prevent you from leaving?

No - the operations need is clear of what needs to be done



PERCENTAGE OF FINAL COMPENSATION



Age	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67+
Benefit Factor	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.20	2.30	2.40	2.50
Years of Service	Percentage of Final Compensation															
5	5.00	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.00	12.50
6	6.00	6.60	7.20	7.80	8.40	9.00	9.60	10.20	10.80	11.40	12.00	12.60	13.20	13.80	14.40	15.00
7	7.00	7.70	8.40	9.10	9.80	10.50	11.20	11.90	12.60	13.30	14.00	14.70	15.40	16.10	16.80	17.50
8	8.00	8.80	9.60	10.40	11.20	12.00	12.80	13.60	14.40	15.20	16.00	16.80	17.60	18.40	19.20	20.00
9	9.00	9.90	10.80	11.70	12.60	13.50	14.40	15.30	16.20	17.10	18.00	18.90	19.80	20.70	21.60	22.50
10	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	24.00	25.00
11	11.00	12.10	13.20	14.30	15.40	16.50	17.60	18.70	19.80	20.90	22.00	23.10	24.20	25.30	26.40	27.50
12	12.00	13.20	14.40	15.60	16.80	18.00	19.20	20.40	21.60	22.80	24.00	25.20	26.40	27.60	28.80	30.00
13	13.00	14.30	15.60	16.90	18.20	19.50	20.80	22.10	23.40	24.70	26.00	27.30	28.60	29.90	31.20	32.50
14	14.00	15.40	16.80	18.20	19.60	21.00	22.40	23.80	25.20	26.60	28.00	29.40	30.80	32.20	33.60	35.00
15	15.00	16.50	18.00	19.50	21.00	22.50	24.00	25.50	27.00	28.50	30.00	31.50	33.00	34.50	36.00	37.50
16	16.00	17.60	19.20	20.80	22.40	24.00	25.60	27.20	28.80	30.40	32.00	33.60	35.20	36.80	38.40	40.00
17	17.00	18.70	20.40	22.10	23.80	25.50	27.20	28.90	30.60	32.30	34.00	35.70	37.40	39.10	40.80	42.50
18	18.00	19.80	21.60	23.40	25.20	27.00	28.80	30.60	32.40	34.20	36.00	37.80	39.60	41.40	43.20	45.00
19	19.00	20.90	22.80	24.70	26.60	28.50	30.40	32.30	34.20	36.10	38.00	39.90	41.80	43.70	45.60	47.50
20	20.00	22.00	24.00	26.00	28.00	30.00	32.00	34.00	36.00	38.00	40.00	42.00	44.00	46.00	48.00	50.00
21	21.00	23.10	25.20	27.30	29.40	31.50	33.60	35.70	37.80	39.90	42.00	44.10	46.20	48.30	50.40	52.50
22	22.00	24.20	26.40	28.60	30.80	33.00	35.20	37.40	39.60	41.80	44.00	46.20	48.40	50.60	52.80	55.00
23	23.00	25.30	27.60	29.90	32.20	34.50	36.80	39.10	41.40	43.70	46.00	48.30	50.60	52.90	55.20	57.50
24	24.00	26.40	28.80	31.20	33.60	36.00	38.40	40.80	43.20	45.60	48.00	50.40	52.80	55.20	57.60	60.00
25	25.00	27.50	30.00	32.50	35.00	37.50	40.00	42.50	45.00	47.50	50.00	52.50	55.00	57.50	60.00	62.50
26	26.00	28.60	31.20	33.80	36.40	39.00	41.60	44.20	46.80	49.40	52.00	54.60	57.20	59.80	62.40	65.00
27	27.00	29.70	32.40	35.10	37.80	40.50	43.20	45.90	48.60	51.30	54.00	56.70	59.40	62.10	64.80	67.50
28	28.00	30.80	33.60	36.40	39.20	42.00	44.80	47.60	50.40	53.20	56.00	58.80	61.60	64.40	67.20	70.00
29	29.00	31.90	34.80	37.70	40.60	43.50	46.40	49.30	52.20	55.10	58.00	60.90	63.80	66.70	69.60	72.50
30	30.00	33.00	36.00	39.00	42.00	45.00	48.00	51.00	54.00	57.00	60.00	63.00	66.00	69.00	72.00	75.00
31	31.00	34.10	37.20	40.30	43.40	46.50	49.60	52.70	55.80	58.90	62.00	65.10	68.20	71.30	74.40	77.50
32	32.00	35.20	38.40	41.60	44.80	48.00	51.20	54.40	57.60	60.80	64.00	67.20	70.40	73.60	76.80	80.00
33	33.00	36.30	39.60	42.90	46.20	49.50	52.80	56.10	59.40	62.70	66.00	69.30	72.60	75.90	79.20	82.50
34	34.00	37.40	40.80	44.20	47.60	51.00	54.40	57.80	61.20	64.60	68.00	71.40	74.80	78.20	81.60	85.00
35	35.00	38.50	42.00	45.50	49.00	52.50	56.00	59.50	63.00	66.50	70.00	73.50	77.00	80.50	84.00	87.50
36	36.00	39.60	43.20	46.80	50.40	54.00	57.60	61.20	64.80	68.40	72.00	75.60	79.20	82.80	86.40	90.00
37	37.00	40.70	44.40	48.10	51.80	55.50	59.20	62.90	66.60	70.30	74.00	77.70	81.40	85.10	88.80	92.50
38	38.00	41.80	45.60	49.40	53.20	57.00	60.80	64.60	68.40	72.20	76.00	79.80	83.60	87.40	91.20	95.00
39	39.00	42.90	46.80	50.70	54.60	58.50	62.40	66.30	70.20	74.10	78.00	81.90	85.80	89.70	93.60	97.50
40	40.00	44.00	48.00	52.00	56.00	60.00	64.00	68.00	72.00	76.00	80.00	84.00	88.00	92.00	96.00	100.00

PERCENTAGE OF FINAL COMPENSATION

2.7%  
@55

Age	50	51	52	53	54	55+
Benefit Factor	2.00	2.14	2.28	2.42	2.56	2.70
Years of Service	Percentage of Final Compensation					
5	10.00	10.70	11.40	12.10	12.80	13.50
6	12.00	12.84	13.68	14.52	15.36	16.20
7	14.00	14.98	15.96	16.94	17.92	18.90
8	16.00	17.12	18.24	19.36	20.48	21.60
9	18.00	19.26	20.52	21.78	23.04	24.30
10	20.00	21.40	22.80	24.20	25.60	27.00
11	22.00	23.54	25.08	26.62	28.16	29.70
12	24.00	25.68	27.36	29.04	30.72	32.40
13	26.00	27.82	29.64	31.46	33.28	35.10
14	28.00	29.96	31.92	33.88	35.84	37.80
15	30.00	32.10	34.20	36.30	38.40	40.50
16	32.00	34.24	36.48	38.72	40.96	43.20
17	34.00	36.38	38.76	41.14	43.52	45.90
18	36.00	38.52	41.04	43.56	46.08	48.60
19	38.00	40.66	43.32	45.98	48.64	51.30
20	40.00	42.80	45.60	48.40	51.20	54.00
21	42.00	44.94	47.88	50.82	53.76	56.70
22	44.00	47.08	50.16	53.24	56.32	59.40
23	46.00	49.22	52.44	55.66	58.88	62.10
24	48.00	51.36	54.72	58.08	61.44	64.80
25	50.00	53.50	57.00	60.50	64.00	67.50
26	52.00	55.64	59.28	62.92	66.56	70.20
27	54.00	57.78	61.56	65.34	69.12	72.90
28	56.00	59.92	63.84	67.76	71.68	75.60
29	58.00	62.06	66.12	70.18	74.24	78.30
30	60.00	64.20	68.40	72.60	76.80	81.00
31	62.00	66.34	70.68	75.02	79.36	83.70
32	64.00	68.48	72.96	77.44	81.92	86.40
33	66.00	70.62	75.24	79.86	84.48	89.10
34	—	72.76	77.52	82.28	87.04	91.80
35	—	—	79.80	84.70	89.60	94.50
36	—	—	—	87.12	92.16	97.20
37	—	—	—	—	94.72	99.90
38	—	—	—	—	—	102.60