



**SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The San Bernardino Valley Municipal Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all Board and Workshop meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

**BOARD OF DIRECTORS WORKSHOP –
WAGES, BENEFITS & INSURANCE
THURSDAY, APRIL 28, 2022 – 2:00 P.M.**

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the April 28, 2022, meeting of the San Bernardino Valley Municipal Water District online and by telephone as follows:

Dial-in Info: (877) 853 5247 US Toll-free

Meeting ID: 828 9058 7631

PASSCODE: 3802020

<https://sbvmwd.zoom.us/j/82890587631>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District’s consideration by sending them to comments@sbvmwd.com with the subject line “Public Comment Item #” (insert the agenda item number relevant to your comment) or “Public Comment Non-Agenda Item”. Submit your written comments by 6:00 p.m. on Wednesday, April 27, 2022. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your “identifier” during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS' WORKSHOP - WAGES, BENEFITS AND INSURANCE

AGENDA

2:00 PM Thursday, April 28, 2022

CALL TO ORDER

1) INTRODUCTIONS

2) PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

3) DISCUSSION ITEMS

3.1 Review Compensation Levels and Cost of Living Adjustment for Fiscal Year 2022/2023(Page 3)

[Staff Memo - Review Compensation Levels and Cost of Living Adjustment for Fiscal Year 2022/2023](#)

[Bureau of Labor Statistics Consumer Price Index - Urban Wage Earners and Clerical Workers - Riverside, San Bernardino, Ontario, California as of March 31, 2022](#)

[Approved Job Position and Salary Range Table Effective July 1, 2021](#)

[Approved Salary Schedule Effective July 1, 2021](#)

[SBVMWD Ordinance 78 - Confirming Compensation of Directors](#)

[Richard Babbe Inflation Presentation](#)

3.2 Review Draft Resolution Paying Employer Paid Member Contributions for Employees hired on or after July 1, 2011(Page 22)

[Staff Memo - Review Draft Resolution Paying Employer Paid Member Contributions for Employees hired on or after July 1, 2011.docx](#)

[Draft Resolution Paying EPMC - Employees Hired on or After July 1, 2011 for FY 2022-2023.docx](#)

4) ADJOURNMENT

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.



DATE: April 28, 2022

TO: Board of Directors Workshop – Wages, Benefits, and Insurance

FROM: Heather Dyer, CEO/General Manager
Cindy Saks, Chief Financial Officer
Karen Resendez, Human Resources and Risk Manager

SUBJECT: Review Compensation Levels and Cost of Living Adjustment for Fiscal Year 2022/2023

Staff Recommendation

In anticipation of the 2022-2023 fiscal year budget process and release of the 12-month change in the Consumer Price Index – for Urban and Clerical Workers (CPI) in the Riverside-San Bernardino-Ontario area as of March 31, 2022, staff is asking the Board to:

1. Provide direction to staff for a Cost of Living Adjustment (COLA) for all thirty one (31) full time employees – three (3) options are provided for consideration; and adjust the Salary Schedule by the COLA amount to be effective July 1, 2022.
2. Revise the Job Position and Salary Range Table to reflect the CEO/General Manager as a flat salary rate to comply with California Code of Regulations (CCR), Section 570.5.
3. Consider increase to Director daily per diem rate to be effective July 1, 2022.

Background and Discussion

Cost of Living Adjustment

The Board of Directors of Valley District has historically relied on March 31st data from the Bureau of Labor Statistics Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers as a basis for any potential Cost of Living Adjustment (COLA) to the District's salary schedule. The CPI is an objective measure of the average change in prices over time in a fixed market basket of goods and services that people buy for day-to-day living (food, clothing, shelter, fuel, transportation, medical costs, good and services, etc.). By using the Riverside-San Bernardino-Ontario area, we acknowledge the local impact of inflation to Valley District staff in order to maintain their current standard of living and buying power.

For the 12-month period ending March 31, 2022, the Riverside-San Bernardino-Ontario area CPI shows a 9.9% overall increase; food prices rose by 8.1%, energy prices jumped 38.6%, and all other items rose by 6.9%. Nationally, the CPI rose 8.5% over the same period. This is an increase in consumer prices not seen since 1981.

Since 2018, Valley District has provided employees with a COLA that matched the CPI increase for the 12-month period ending March 31st. This was not the case in years prior to 2018. The compensation study approved and implemented by the Board in July 2021 corrected for the historical practices which led to Valley District falling behind the market pay for our workforce. Based on the results of the compensation study, Valley District staff pay was raised last year to the average market salary for each position as a way to stay competitive with other employers in our area.

Due to the very tight labor market and high inflationary pressures, staff believes that a COLA is necessary to at least partly counteract the effects of rising prices and maintain our competitive position in the labor market. That said, due to the historic and volatile economic conditions related to this year's CPI of 9.9%, it is difficult to analyze the drivers behind the current inflationary conditions and predict if they are transitory in nature. For this reason, our investment advisor, Mr. Richard Babbe, will be present at the workshop to present a brief overview of his analysis of the economic conditions influencing the CPI number so the Board can be best informed when making a decision for FY 22/23. Another point of reference for the discussion is the recent COLA adjustment made by U.S. Social Security Administration of 6%.

Following are three options for consideration and discussion. These options are based on feedback from other nearby public and private employers, our financial advisors, the consultant we used last year to complete our Classification and Compensation study, and the expertise of our in-house staff. Staff believes that providing some level of a COLA to the District's compensation will offset impacts of inflation for our employees, help Valley District remain competitive overall, and keep pace with changing economic conditions.

Option 1. Consider a 9.9% COLA effective July 1, 2022 for all thirty one full time employees. Since 2018, Valley District has provided employees with a COLA that matched the CPI increase for the 12-month period ending March 31st. Providing 9.9% would continue this practice. The increase for fiscal year 2022-2023 in salary and benefits for this option of 9.9% would be \$506,000.

Option 2. A more measured approach would be to spread the potential COLA over the fiscal year in a two-step process to assess if inflationary conditions improve over the next 6-7 months. For instance, the Board could consider a 6% COLA effective July 1, 2022 and then in January 2023 re-evaluate CPI through the end of December 2022 to determine if an additional COLA is necessary and the appropriate amount. This option would differ from the prior years' practice and provides for evaluation of economic conditions at the end of the year – with consideration to inflation continuing in an upward direction, becoming flat, or moving to a downward trajectory. Staff is aware of at least one other agency using this methodology to deal with the very high CPI in the Inland Empire. If CPI remained at or near current levels at the end of 2022 and the Board decided on a second COLA at or near 3.9%, then the increase for FY 2022-2023 in salary and benefits for this option would approximately be \$406,000. However, this cost would be split over the fiscal year with a 6% COLA effective July 1, 2022 (\$306,000) and potentially an additional \$100,000 cost if another COLA was deemed warranted in January 2023. Or, if inflation has decreased by January 2023, then there could be less or no additional cost based on the economic conditions at that time.

Option 3. Provide a 6% COLA effective July 1, 2022. This would provide a measure of relief from inflation for employees, though it may cause Valley District to fall behind market salaries like past years when the COLA was not matched to CPI. If the Board decided to apply a 6% COLA to the salary schedule, the increase for fiscal year 2022-2023 in salary and benefits for this option would be \$306,000.

CEO/General Manger - Update to Flat Annual Salary Amount

For the purposes of determining the amount of compensation earnable in retirement, CCR §570.5 requires CalPERS member agencies to have a Publicly Available Pay Schedule which identifies all positions participating in the retirement system, contains the corresponding pay rate(s) assigned and which was approved and adopted by the governing body.

Until the second amendment in August of 2021, the CEO/General Manager's pay had been set at rates equivalent to a step on pay range 43A, which complied with the CalPERS requirement. When the employment contract was initiated in December 2019 pay was set at step 1 and with the second contract amendment in February 2021 pay was set at step 3 and continued at Step 3 when the COLA was applied and approved effective July 1, 2021.

On August 17, 2021, the Board approved a total compensation increase for the CEO/General Manager, including an increase to base salary which had the effect of providing an exact pay rate not listed on the approved Salary Schedule on Range 43A.

Revising the Job Position and Salary Range Table to reflect the CEO/General Manager as a flat rate and which incorporates the COLA effective July 1, 2022, will comply with the above-referenced CalPERS requirement.

Director Daily Per Diem

Ordinance 76 adopted September 6, 2016, set the Director daily per diem rate at \$299 and provided for an automatic annual increase not to exceed 5% of the daily per diem rate. The Board adopted Ordinance 78 on March 7, 2017, which maintained the current daily per diem rate at \$299 and eliminated automatic increases. Every year staff requests direction from the Board as to an increase in Director daily per diem rate, which remained at \$299. The Board elected not to increase the rate since 2016.

In consideration of the 9.9% CPI, and as the Director daily per diem rate of \$299 per day of service has been the same since 2016, staff is asking if the Board wants to consider and discuss an increase to the Director daily per diem rate to be effective July 1, 2022. Per California Water Code section 20202, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted. A 5% increase would be \$14.95 per day of service, which would bring the daily per diem to \$313.95. The increase for fiscal year 2022-2023 in directors' fees based on 5 directors and 10 meetings per month would be \$9,000.

District Strategic Plan Application

Valley District Strategy #5 includes attracting and supporting top talent. Ensuring competitive pay overall which keeps pace with changing economic conditions and ensuring pay differentials are maintained between job roles is key to this strategy.

Fiscal Impact:

As applied to the FY 2021-2022 currently approved salary schedule, for every 1% of COLA increase, the total of all annual cost of salaries and benefits of Valley District would increase by approximately \$51,000. If the Board desires to make a change compensation levels and salary schedule through a COLA and if the Board desires to make a change to the Directors' daily per

diem rate, staff will include any increase in the fiscal year 2022/2023 general fund budget which will be formally adopted by the Board at a future meeting.

Attachments:

1. Bureau of Labor Statistics Consumer Price Index – Urban Wage Earners and Clerical Workers – Riverside, San Bernardino, Ontario, California as of March 31, 2022.
2. Approved Job Position and Salary Range Table effective July 1, 2021
3. Approved Salary Schedule effective July 1, 2021
4. Ordinance 78 – Confirming Compensation of Directors
5. Richard Babbe Inflation Presentation



Databases, Tables & Calculators by Subject

Change Output Options:

From: 2020 To: 2022 [GO](#)

include graphs include annual averages

[More Formatting Options](#)

Data extracted on: April 13, 2022 (6:06:40 PM)

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Series Id: CWURS49CSA0,CWUSS49CSA0

Not Seasonally Adjusted

Series Title: All items in Riverside-San Bernardino-Ontario, CA, urban wage earners and clerical workers, not seasonally adjusted

Area: Riverside-San Bernardino-Ontario, CA

Item: All items

Base Period: DECEMBER 2017=100

Download: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2020	107.580		107.425		107.490		108.055		108.684		109.021		108.117	107.512	108.722
2021	110.204		111.823		113.749		115.129		116.254		117.840		114.496	112.223	116.768
2022	119.557		122.861												

12-Month Percent Change

Series Id: CWURS49CSA0,CWUSS49CSA0

Not Seasonally Adjusted

Series Title: All items in Riverside-San Bernardino-Ontario, CA, urban wage earners and clerical workers, not seasonally adjusted

Area: Riverside-San Bernardino-Ontario, CA

Item: All items

Base Period: DECEMBER 2017=100

Download: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2020	3.4		2.5		1.3		2.1		2.1		2.1		2.2	2.3	2.1
2021	2.4		4.1		5.8		6.5		7.0		8.1		5.9	4.4	7.4
2022	8.5		9.9												

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone:1-202-691-5200_ Telecommunications Relay Service:7-1-1_ www.bls.gov [Contact Us](#)



San Bernardino Valley Municipal Water District

Job Position and Salary Range Table

Effective Date: July 1, 2021

Revised Dates: September 7, 2021 and January 4, 2022

Job Position	Salary Range	Salary Range		# of FTE's Authorized Positions	# of FTE's Filled
		amount per Month			
		Low	High		
Accounting Manager	30	11,295	15,409	1	-
Administrative Services Manager	30	11,295	15,409	1	1
Administrative Specialist	14	5,470	7,404	1	1
Associate Engineer	24A	8,736	11,903	1	1
Business System Analyst	22	7,885	10,728	1	1
CEO / General Manager	43A	21,335	29,209	1	1
Chief Engineer - Deputy General Manager	39A	17,526	23,983	1	1
Chief Financial Officer - Deputy General Manager	39A	17,526	23,983	1	1
Chief Information Officer	37	15,618	21,358	1	1
Chief Water Resources - Deputy General Manager	39A	17,526	23,983	1	1
Electrical and Mechanical Maintenance Technician	16	5,986	8,117	1	1
Electrical and Mechanical Maintenance Technician II	19A	6,984	9,499	1	1
Environmental Compliance and Permitting Program Manager	30	11,295	15,409	1	1
Executive Director, Upper SAR Sustainable Resources Alliance	34A	13,877	18,966	1	1
Geospatial Services Program Manager	30A	11,558	15,771	1	1
Human Resources / Risk Manager	30	11,295	15,409	1	-
Lead Electrical and Mechanical Maintenance Technician	23A	8,377	11,401	1	1
Lead Water Systems Operator	21A	7,669	10,430	2	1
Manager of Water Resources	33	12,965	17,711	1	1
Preserve System Program Manager	30	11,295	15,409	1	1
Principal Engineer	31	11,823	16,145	1	-
Project Manager II	27A	10,022	13,664	1	1
Senior Administrative Assistant	12	5,073	6,888	1	1
Senior Project Manager	30A	11,558	15,771	1	1
Strategic Communications Manager	31A	12,063	16,468	1	1
Water Conservation Program Manager	30	11,295	15,409	1	1
Water Operations Manager	31A	12,063	16,468	1	1
Water Resources Senior Planner	30	11,295	15,409	1	1
Water Systems Operator I	13A	5,409	7,326	2	2
Water Systems Operator II	18A	6,718	9,123	2	2
Total FTE Count				33	29
Effective Date: July 1, 2021					
Cost of Living Adjustment effective date: July 1, 2021 = 4.1%					
Presented and Adopted by the Board on June 15, 2021					
<i>Revised to add Human Resources / Risk Manager on September 7, 2021</i>					
<i>Revised to add One Additional Lead Water Systems Operator on January 4, 2022</i>					

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

MONTHLY SALARY SCHEDULE

(DOLLARS PER MONTH)

BUDGET 4.1 % INCREASE FOR FY 2021-2022

EFFECTIVE JULY 1, 2021

Board of Director Per Diem Rate is \$299.00 per day for each days attendance Effective September 6, 2016.

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Merit Step A	Merit Step B	Merit Step C
		One year After Step 1	Three Years After Step 1	Five Years After Step 1	Seven Years After Step 1	Ten Years After Step 1			
1	3,073	3,230	3,399	3,568	3,750	3,931	4,029	4,130	4,233
1A	3,100	3,256	3,424	3,594	3,775	3,969	4,068	4,170	4,274
2	3,190	3,359	3,529	3,697	3,891	4,072	4,174	4,278	4,385
2A	3,217	3,386	3,554	3,734	3,916	4,113	4,216	4,321	4,429
3	3,333	3,502	3,683	3,865	4,061	4,267	4,374	4,483	4,595
3A	3,411	3,594	3,762	3,956	4,150	4,358	4,467	4,579	4,693
4	3,476	3,657	3,838	4,034	4,229	4,448	4,559	4,673	4,790
4A	3,568	3,750	3,943	4,138	4,347	4,553	4,667	4,783	4,903
5	3,723	3,916	4,113	4,319	4,527	4,759	4,878	5,000	5,125
5A	3,750	3,943	4,138	4,347	4,566	4,788	4,908	5,030	5,156
6	3,815	4,008	4,214	4,423	4,645	4,876	4,998	5,123	5,251
6A	3,879	4,072	4,280	4,501	4,720	4,955	5,079	5,206	5,336
7	4,021	4,229	4,437	4,655	4,891	5,137	5,265	5,397	5,532
7A	4,113	4,319	4,540	4,759	5,007	5,250	5,381	5,516	5,654
8	4,204	4,423	4,645	4,876	5,110	5,360	5,494	5,631	5,772
8A	4,294	4,513	4,734	4,980	5,225	5,470	5,607	5,747	5,891
9	4,358	4,578	4,813	5,045	5,298	5,541	5,680	5,822	5,967
9A	4,490	4,720	4,955	5,199	5,445	5,697	5,839	5,985	6,135
10	4,566	4,798	5,045	5,287	5,530	5,794	5,939	6,087	6,240
10A	4,734	4,980	5,225	5,470	5,723	5,986	6,136	6,289	6,446
11	4,798	5,045	5,287	5,541	5,794	6,070	6,222	6,377	6,537
11A	4,864	5,110	5,360	5,615	5,866	6,143	6,297	6,454	6,615
12	5,073	5,325	5,579	5,830	6,108	6,396	6,556	6,720	6,888
12A	5,122	5,374	5,626	5,890	6,168	6,455	6,616	6,782	6,951
13	5,287	5,541	5,794	6,070	6,348	6,648	6,814	6,985	7,159
13A	5,409	5,661	5,926	6,204	6,504	6,803	6,973	7,147	7,326
14	5,470	5,735	5,999	6,274	6,575	6,875	7,047	7,223	7,404
14A	5,601	5,866	6,143	6,431	6,730	7,043	7,219	7,400	7,585
15	5,770	6,047	6,324	6,623	6,936	7,259	7,440	7,626	7,817
15A	5,890	6,168	6,455	6,767	7,080	7,414	7,599	7,789	7,984
16	5,986	6,274	6,564	6,875	7,200	7,537	7,725	7,919	8,117
16A	6,130	6,419	6,718	7,043	7,379	7,728	7,921	8,119	8,322
17	6,215	6,515	6,815	7,140	7,475	7,825	8,021	8,221	8,427
17A	6,407	6,718	7,032	7,356	7,704	8,075	8,277	8,484	8,696
18	6,540	6,851	7,177	7,511	7,872	8,245	8,451	8,662	8,879
18A	6,718	7,043	7,379	7,728	8,088	8,472	8,684	8,901	9,123
19	6,851	7,177	7,525	7,872	8,245	8,640	8,856	9,077	9,304
19A	6,984	7,319	7,669	8,028	8,412	8,821	9,042	9,268	9,499
20	7,177	7,525	7,872	8,257	8,640	9,061	9,288	9,520	9,758
20A	7,345	7,691	8,065	8,449	8,846	9,265	9,497	9,734	9,977
21	7,475	7,836	8,209	8,590	9,012	9,446	9,682	9,924	10,172
21A	7,669	8,039	8,425	8,821	9,241	9,685	9,927	10,175	10,430
22	7,885	8,269	8,652	9,071	9,505	9,962	10,211	10,466	10,728
22A	7,931	8,318	8,713	9,120	9,566	10,022	10,273	10,529	10,793
23	8,099	8,498	8,893	9,325	9,769	10,237	10,493	10,755	11,024
23A	8,377	8,786	9,206	9,639	10,106	10,587	10,852	11,123	11,401

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

MONTHLY SALARY SCHEDULE

(DOLLARS PER MONTH)

BUDGET 4.1 % INCREASE FOR FY 2021-2022

EFFECTIVE JULY 1, 2021

Board of Director Per Diem Rate is \$299.00 per day for each days attendance Effective September 6, 2016.

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Merit Step A	Merit Step B	Merit Step C
		One year After Step 1	Three Years After Step 1	Five Years After Step 1	Seven Years After Step 1	Ten Years After Step 1			
24	8,532	8,941	9,373	9,819	10,298	10,790	11,060	11,336	11,620
24A	8,736	9,157	9,601	10,057	10,538	11,053	11,329	11,613	11,903
25	8,990	9,421	9,877	10,345	10,851	11,367	11,651	11,942	12,241
25A	9,216	9,659	10,129	10,611	11,126	11,666	11,958	12,257	12,563
26	9,325	9,781	10,249	10,742	11,259	11,800	12,095	12,397	12,707
26A	9,566	10,034	10,514	11,017	11,547	12,111	12,414	12,724	13,042
27	9,781	10,262	10,755	11,270	11,810	12,389	12,699	13,016	13,342
27A	10,022	10,514	11,017	11,547	12,100	12,688	13,005	13,330	13,664
28	10,262	10,766	11,281	11,823	12,399	13,001	13,326	13,659	14,001
28A	10,514	11,030	11,558	12,111	12,699	13,311	13,644	13,985	14,334
29	10,755	11,281	11,823	12,399	12,988	13,624	13,965	14,314	14,672
29A	11,006	11,547	12,100	12,688	13,300	13,948	14,297	14,654	15,020
30	11,295	11,849	12,423	13,024	13,650	14,309	14,667	15,033	15,409
30A	11,558	12,122	12,712	13,324	13,972	14,645	15,011	15,386	15,771
31	11,823	12,399	13,001	13,638	14,297	14,992	15,367	15,751	16,145
31A	12,063	12,651	13,263	13,912	14,584	15,292	15,674	16,066	16,468
32	12,389	12,988	13,624	14,286	14,981	15,714	16,107	16,510	16,922
32A	12,723	13,350	13,997	14,669	15,390	16,133	16,536	16,950	17,373
33	12,965	13,601	14,261	14,958	15,679	16,446	16,857	17,279	17,711
33A	13,276	13,923	14,597	15,319	16,062	16,842	17,263	17,695	18,137
34	13,516	14,178	14,874	15,594	16,350	17,144	17,573	18,012	18,462
34A	13,877	14,560	15,269	16,014	16,794	17,612	18,052	18,504	18,966
35	14,249	14,945	15,679	16,434	17,239	18,079	18,531	18,994	19,469
35A	14,538	15,244	15,991	16,772	17,587	18,452	18,913	19,386	19,871
36	14,862	15,594	16,350	17,144	17,982	18,860	19,332	19,815	20,310
36A	15,233	15,978	16,759	17,574	18,441	19,340	19,824	20,319	20,827
37	15,618	16,385	17,181	18,019	18,909	19,833	20,329	20,837	21,358
37A	15,978	16,759	17,587	18,441	19,340	20,290	20,797	21,317	21,850
38	16,338	17,144	17,982	18,860	19,784	20,746	21,265	21,796	22,341
38A	16,783	17,612	18,465	19,376	20,326	21,324	21,857	22,404	22,964
39	17,144	17,982	18,860	19,784	20,759	21,778	22,322	22,881	23,453
39A	17,526	18,393	19,293	20,231	21,226	22,271	22,828	23,398	23,983
40	17,923	18,811	19,725	20,696	21,706	22,775	23,344	23,928	24,526
40A	18,415	19,329	20,266	21,262	22,307	23,400	23,985	24,585	25,199
41	18,884	19,822	20,781	21,802	22,871	24,001	24,601	25,216	25,846
41A	19,340	20,290	21,285	22,332	23,437	24,577	25,191	25,821	26,467
42	19,809	20,781	21,802	22,871	24,001	25,177	25,806	26,452	27,113
42A	20,313	21,309	22,367	23,458	24,614	25,826	26,472	27,133	27,812
43	20,805	21,837	22,907	24,025	25,213	26,449	27,110	27,788	28,483
43A	21,335	22,390	23,484	24,635	25,849	27,123	27,801	28,496	29,209
44	21,837	22,919	24,047	25,224	26,462	27,770	28,464	29,176	29,905
44A	22,390	23,495	24,649	25,863	27,134	28,480	29,192	29,922	30,670

ORDINANCE NO. 78**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT CONFIRMING WITHOUT CHANGE COMPENSATION FOR DIRECTORS' SERVICES AND REPEALING FUTURE AUTOMATIC INCREASES**

WHEREAS, the compensation of the Directors of the San Bernardino Valley Municipal Water District for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, was last fixed by Ordinance No. 76, effective November 5, 2016; and

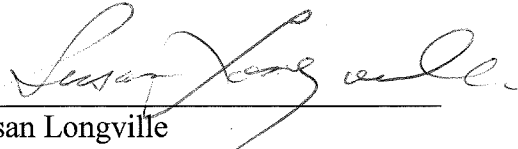
WHEREAS, the Board now desires to eliminate and repeal the automatic annual increase provisions for director compensation without changing the current director compensation established by Ordinance No. 76;

NOW, THEREFORE, BE IT ORDAINED by the Board of the San Bernardino Valley Municipal Water District as follows:

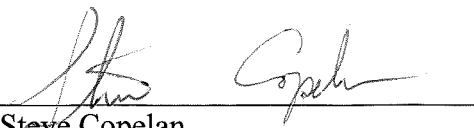
1. Commencing on the effective date of this Ordinance, each Director shall continue to receive compensation for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, in the amount of \$299.00, not to exceed a total of ten (10) days in any calendar month, together with reimbursement for actual and necessary expenses incurred in the performance of official duties pursuant to written policy adopted by the Board pursuant to California Water Code sections 20201.5 and 71255.

2. This Ordinance shall become effective sixty (60) days from the date of its final passage, and shall supersede the provisions of Ordinance No. 76. As of the effective date of this Ordinance, Ordinance No. 76 shall be of no further force or effect.

ENACTED: 3-7-17, 2017.


Susan Longville
President

ATTEST:


Steve Copelan
Secretary

Inflation Discussion

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Inflation at a 40-year High

Other Inflation Measures

Core CPI: 6.5%

R-SB-O CPI: 10.0%

R-SB-O Core CPI: 6.9%

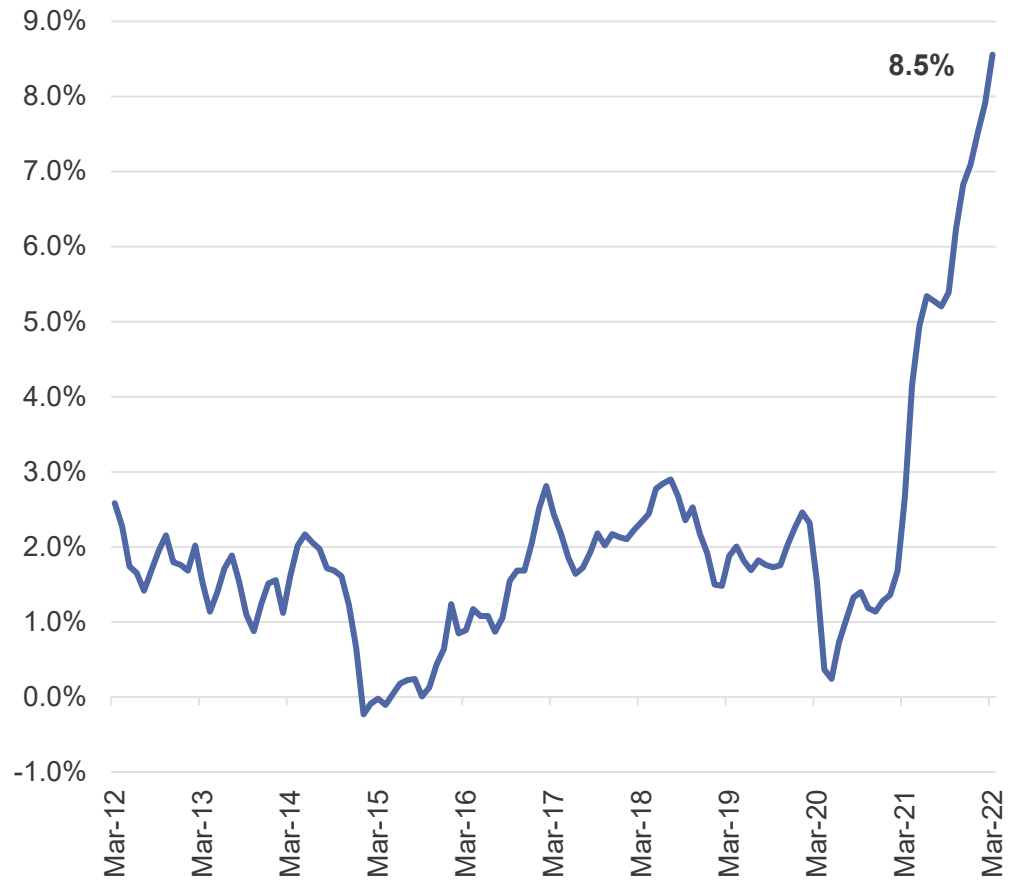
PCE: 6.4%

Core PCE: 5.4%

PPI: 11.2%

CA CCCI: 22.5%

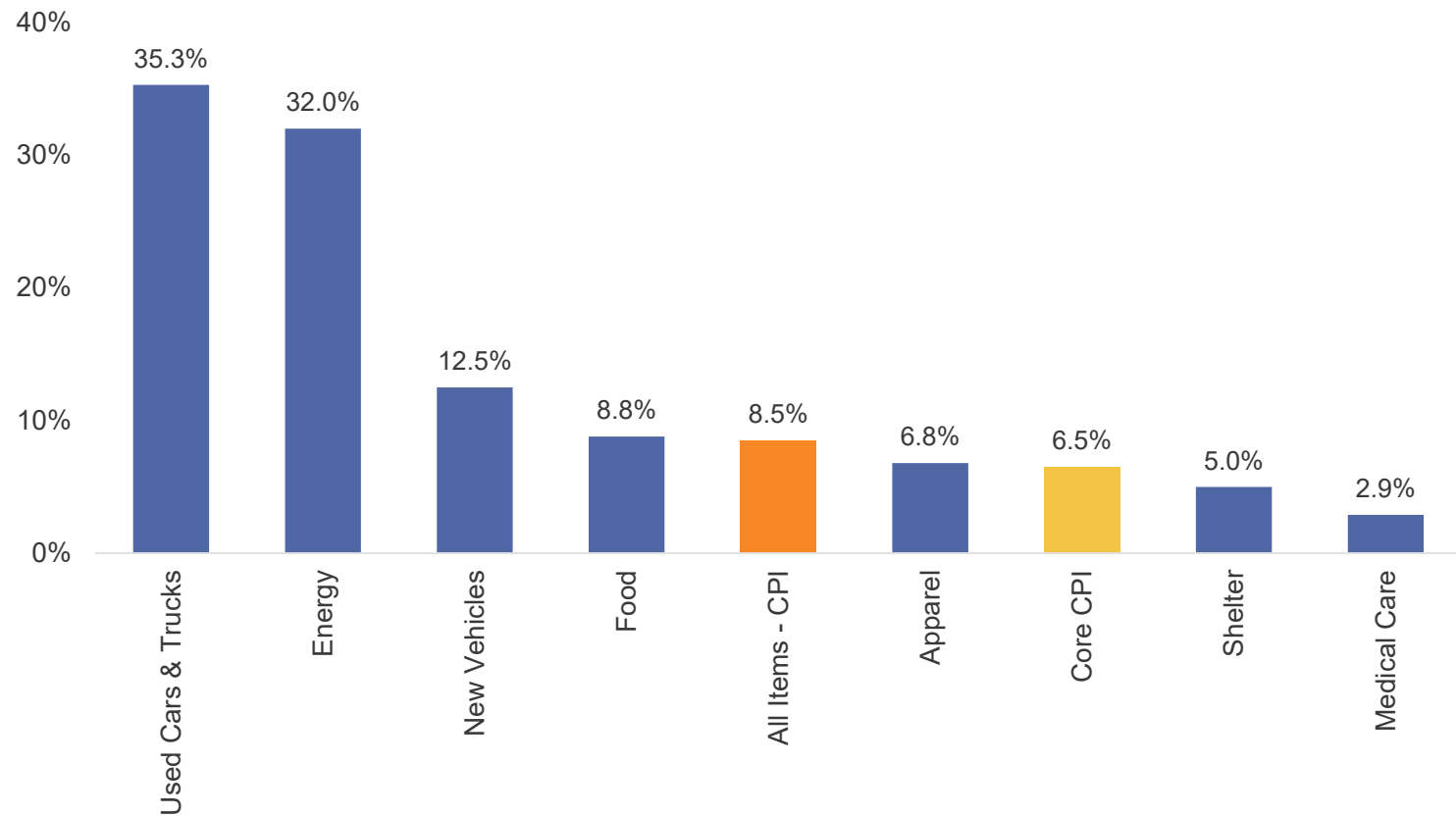
Consumer Price Index % Change YoY



Source: CPI (consumer Price Index) and PPI (Producer Price Index) BLS.gov, data as of March 2022. PCE (Person Consumption Expenditures) bea.gov as of February 2022. CA CCCI (CA Department of Governmental Services Construction Cost) dgs.ca.gov as of March 2022.

Inflation Driven by Several Categories

Key Consumer Price Index Components
% Change YoY



Source: CPI (consumer Price Index) and PPI (Producer Price Index) BLS.gov, data as of March 2022. PCE (Person Consumption Expenditures) bea.gov as of February 2022. CA CCCI (CA Department of Governmental Services Construction Cost) dgs.ca.gov as of March 2022.

Ukraine Invasion Has Put Additional Pressure on Supply Chains and Commodity Prices

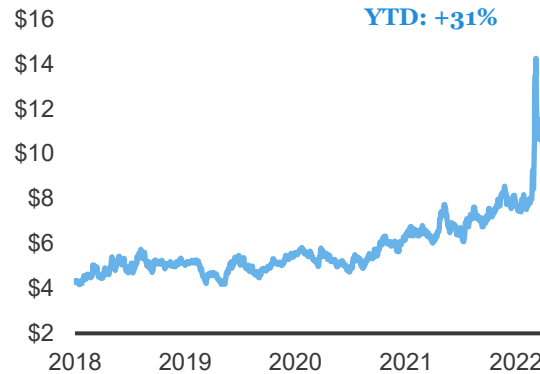
Energy

WTI Crude Oil (per barrel)



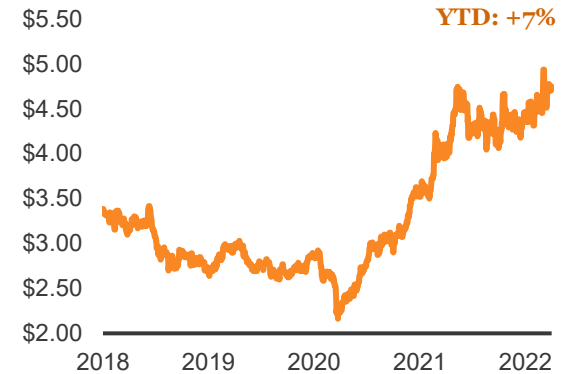
Agriculture

Wheat (per bushel)



Industrial Metals

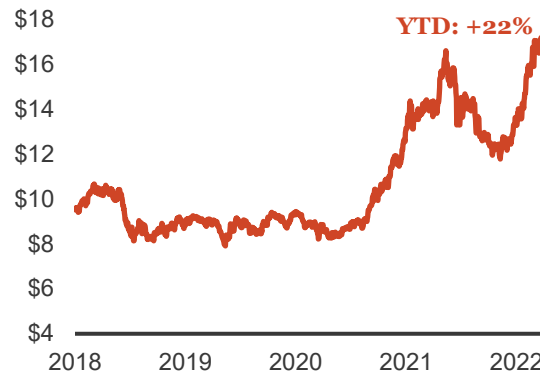
Copper (per lb.)



Retail Gasoline (per gallon)



Soybean (per bushel)



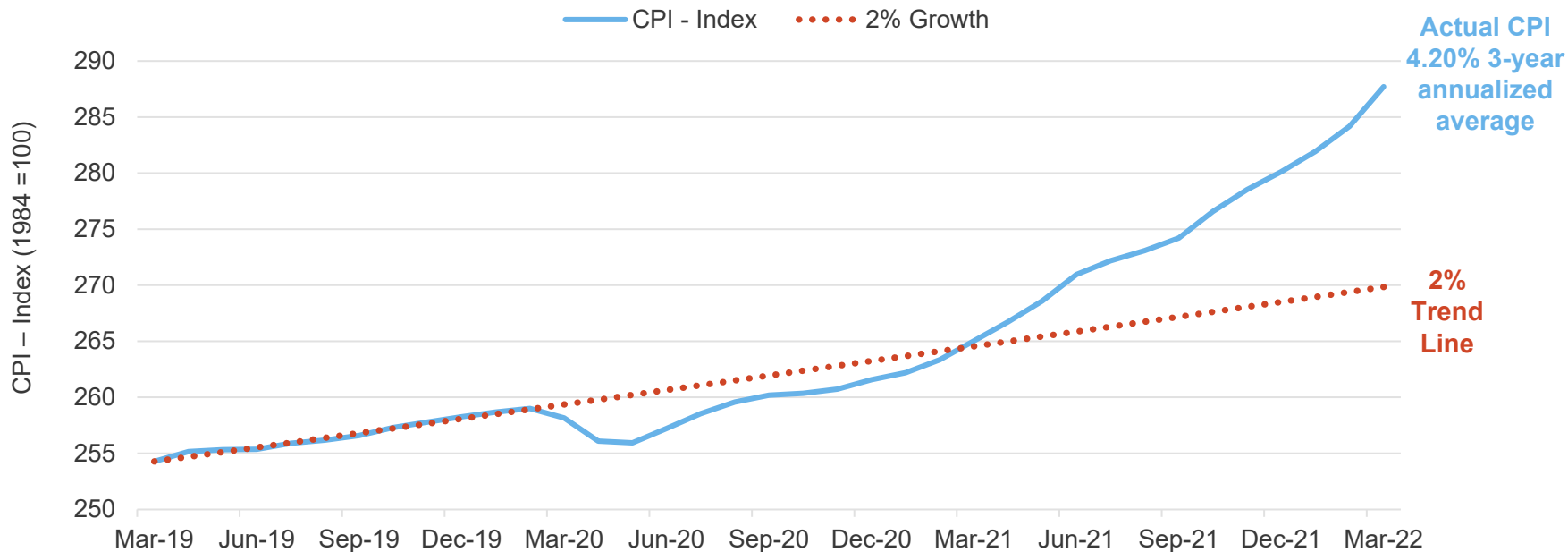
Aluminum (per metric ton)



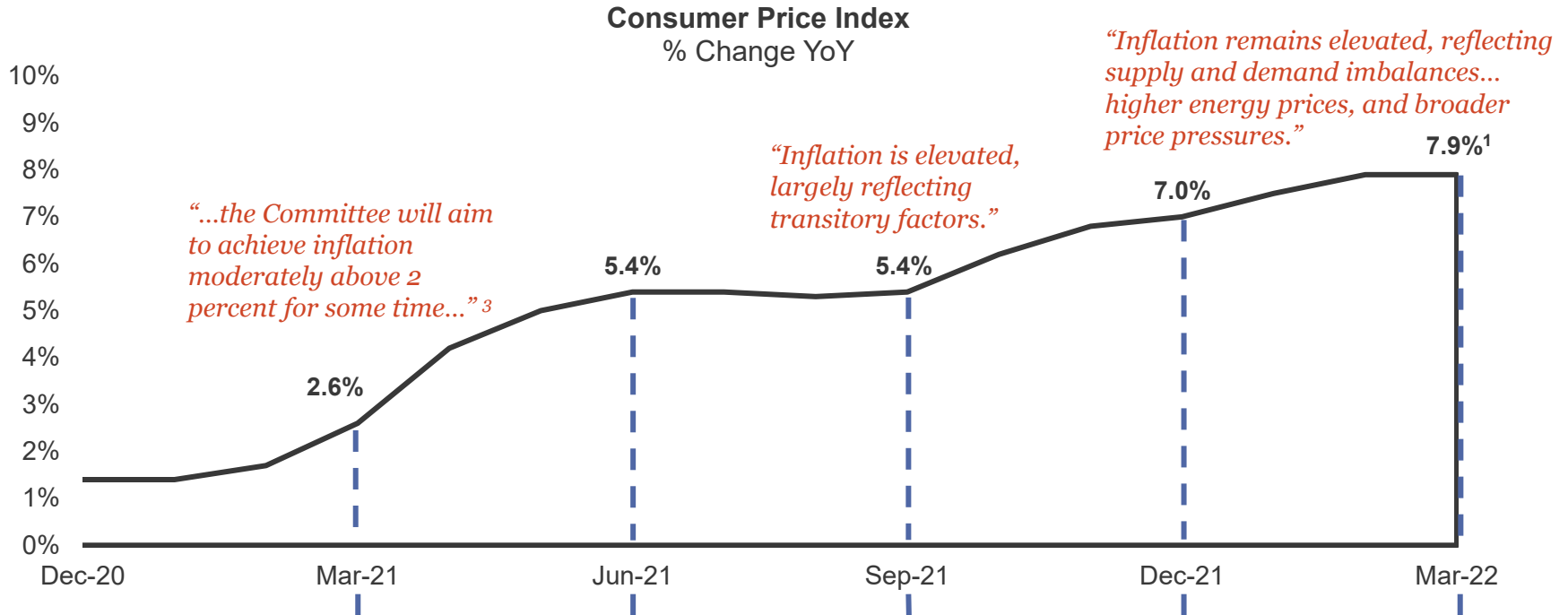
Source: Bloomberg, as of 3/31/2022.

Inflation Accelerated Coming Out of Pandemic

Inflation Trends



Federal Reserve Policy Has Lagged Surging Inflation



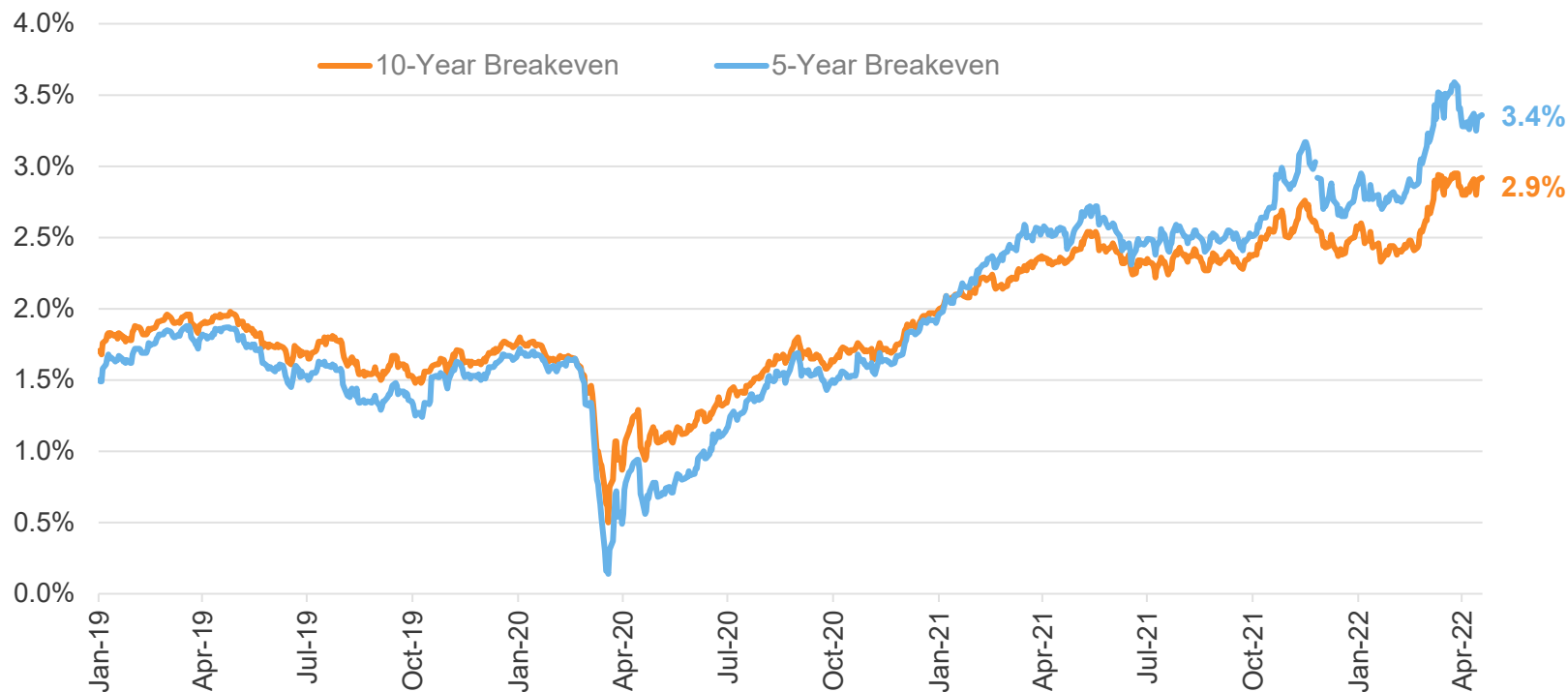
Indicators	Mar 2021	Jun 2021	Sept 2021	Dec 2021	Mar 2022
Unemployment Rate	6.0%	5.9%	4.7%	3.9%	3.6%
2-Year Treasury Yield ¹	0.16%	0.25%	0.28%	0.73%	2.34%
Fed Projections					
# of 2022 Rate Hikes ²	0	0	0	3	7

Source: Bloomberg, data as of 4/01/2022.

1. March's CPI is assumed to remain unchanged from February's CPI reading of 7.9%; Treasury yields are as of month-end.
2. Calculated using the 2022 median Federal Funds rate from the FOMC Summary of Economic Projections. Assumes 0.25% rate hikes.
3. Quotes are sourced directly from FOMC press release statements.

The Markets Expect Inflation to Moderate Over Time

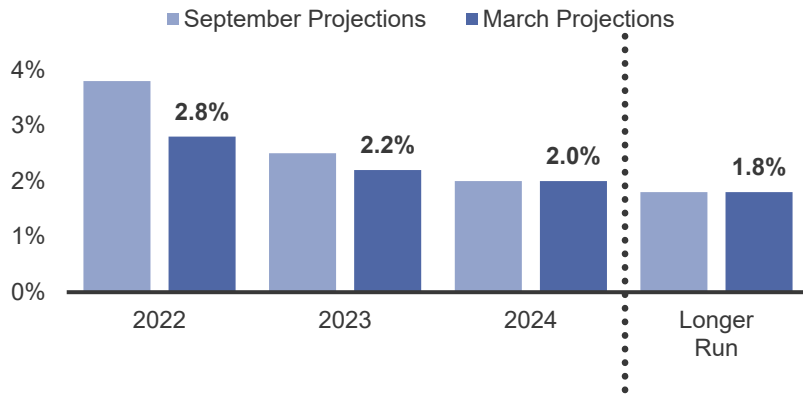
Treasury Breakeven Rates



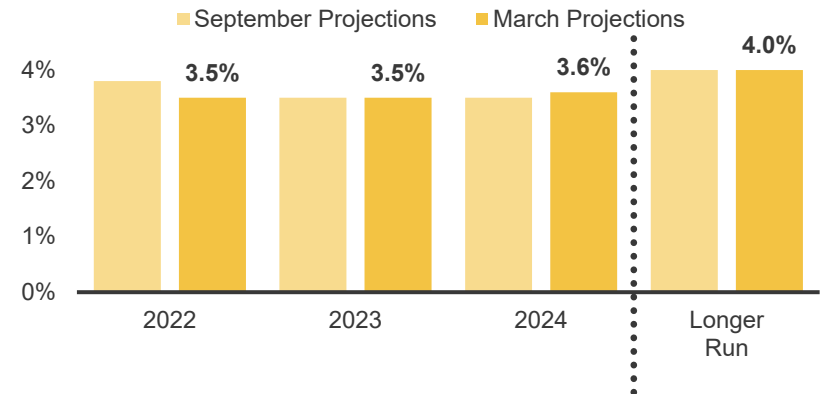
The breakeven inflation rate represents a measure of expected inflation derived from Treasury Constant Maturity Securities and 10-Year Treasury Inflation-Indexed Constant Maturity Securities. The latest value implies what market participants expect inflation to be in the next 5 or 10 years, on average.

Fed's Pivot on Inflation and Interest Rates

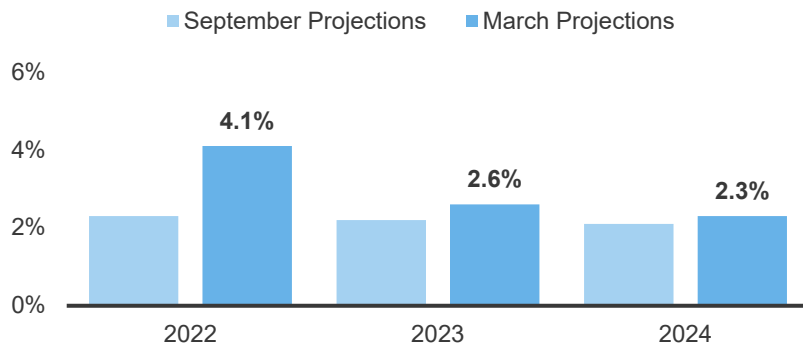
Change in Real GDP



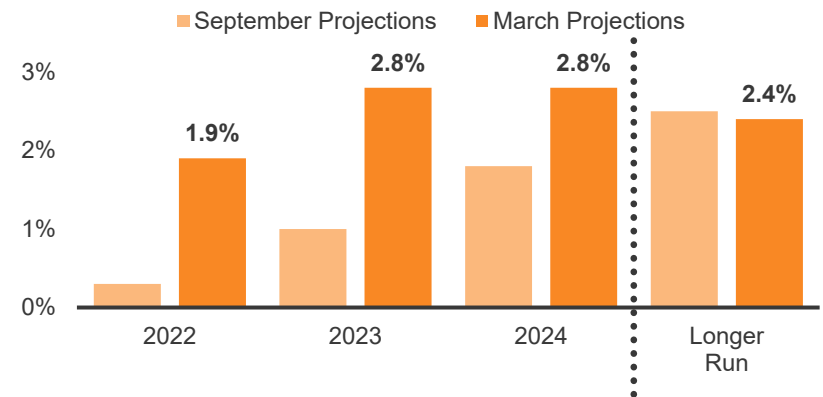
Unemployment Rate



Core PCE Inflation



Federal Funds Rate



Source: Federal Reserve, latest economic projections as of March 2022.

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DATE: April 28, 2022

TO: Board of Directors Workshop – Wages, Benefits, and Insurance

FROM: Heather Dyer, CEO/General Manager
Karen Resendez, Human Resources and Risk Manager

SUBJECT: Review Draft Resolution Paying Employer Paid Member Contributions for Employees hired on or after July 1, 2011

Staff Recommendation

Direct Staff to place the Resolution as presented on an upcoming Board agenda for consideration.

Summary

CalPERS completes an annual actuarial report each year. A new resolution will be brought to the Board to approve the percentage Valley District will pay for the coming fiscal year. Based on the latest information from CalPERS, Valley District's total contribution percentage changed slightly for 2nd Tier employees at 16% (10.48% Employer + 5.52% Employee for fiscal year 22-23), while the employees' contribution increased to 1.48% of salary which is slightly more than the prior year rate of 1.47% of salary. This resolution formalizes the Board's policy of contributing a maximum of 16% of salary for 2nd Tier employees to continue to minimize future 2nd Tier pension cost impacts.

Background

On May 17, 2011, the Board adopted Resolution 982 amending Valley District's contract with CalPERS to implement a 2nd Tier benefit formula for employee pensions. In recognition of the desire to minimize future 2nd Tier pension cost impacts, the Board set the maximum combined (Employer and Employee) contribution rate for Valley District at 16% that would apply to employees hired on or after July 1, 2011, and before January 1, 2013, and those who later join Valley District as CalPERS Classic employees. There are currently eleven (11) District employees that are covered by the 2nd Tier program, an increase from nine (9) in 2021-2022.

A 3rd Tier was established through AB 340 which created the Public Employees' Pension Reform Act (PEPRA). Any employee hired on or after January 1, 2013 who meets the definition of a new member to CalPERS is required to contribute at least 50 percent of the total normal cost. Under

PEPRA, the new 3rd Tier benefit formula requires an employee's contribution rate of 7.5 of reportable compensation. There are currently nine (9) District employees that are covered by the 3rd Tier program.

District Strategic Plan Application

Valley District Strategy #5 includes attracting and supporting top talent. Ensuring competitive pay overall which keeps pace with changing economic conditions is key to this strategy.

Fiscal Impact:

The percentage Valley District pays towards the CalPERS Member Contributions will remain the same as in the prior fiscal year.

Attachments:

1. Draft Resolution Paying EPMC - Employees Hired on or After July 1, 2011 for FY 2022-2023

RESOLUTION NO. XXX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY MUNICIPAL WATER
DISTRICT FOR PAYING EMPLOYER PAID MEMBER
CONTRIBUTIONS TO CALIFORNIA PUBLIC
EMPLOYEES RETIREMENT SYSTEM FOR EMPLOYEES
HIRED ON OR AFTER JULY 1, 2011**

WHEREAS, the governing body of the San Bernardino Valley Municipal Water District (District) has the authority to implement Government Code Section 20691 as it applies to District Employees; and

WHEREAS, the governing body of District has a written labor policy or agreement which specifically provides for some of the normal member contributions to California Public Employees Retirement System (CalPERS) to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of District of a Resolution authorizing payments to CalPERS of Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of District has identified the following conditions for the purpose of its election to pay EPMC,

- **For local miscellaneous employees hired on or after July 1, 2011 and before January 1, 2013:** Effective July 1, 2022 through June 30, 2023, District shall pay 5.52 % of the normal contributions as EPMC, for all local miscellaneous employees of SBVMWD hired on or after July 1, 2011 and before January 1, 2013.
- **For local miscellaneous employees hired on or after January 1, 2013:** All local miscellaneous employees hired on or after January 1, 2013, as defined under Government Code section 7522.04(f), will not be eligible to receive EPMC.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of District hereby elects to pay EPMC for employees hired on or after July 1, 2011, as set forth above.

RESOLVED FURTHER that the effective date of this Resolution shall be July 1, 2022.

ADOPTED this day of xx 2022

ATTEST:

Paul Kielhold, President

Heather Dyer, Secretary