



moulton niguel water district

South Orange County
Wastewater Authority
Unfunded Liability Update

Finance and Information Technology Board Meeting
September 19, 2018

SOCWA Proposed Allocation

Agency	Allocation %	Allocated Pension	Allocated OPEB	Total
Moulton Niguel Water District	45.27%	\$ 6,071,000	\$ 2,988,000	\$ 9,059,000
South Coast Water District	18.36%	2,462,000	1,212,000	3,674,000
City of Laguna Beach	10.62%	1,424,000	701,000	2,125,000
City of San Juan Capistrano	10.33%	1,385,000	682,000	2,067,000
Santa Margarita Water District	9.93%	1,332,000	656,000	1,988,000
El Toro Water District	3.57%	479,000	236,000	715,000
Irvine Ranch Water District	0.77%	103,000	51,000	154,000
City of San Clemente	0.67%	90,000	44,000	134,000
Emerald Bay Services District	0.46%	62,000	30,000	92,000
Trabuco Canyon Water District	0.01%	1,000	1,000	2,000
Total	99.99%	\$ 13,409,000	\$ 6,601,000	\$ 20,010,000

Important Dates

- June 2017 – SOCWA presents FY 15-16 supplemental schedules
 - MNWD questions allocation of \$9.0M unfunded liability
 - No allocation methodology identified
 - SOCWA Board approves FY 15/16 audit without schedules
 - MNWD did not vote to approve audit excluding schedules
- June 2017 – Joint Legislative Audit Committee approves audit of SOCWA
 - Review of unfunded pension liability included in scope
- December 2017 – SOCWA Board approves FY 16/17 audit without schedules
 - MNWD did not vote to approve audit excluding schedules
- March 2018 - State audit report said member agencies not liable for \$18.0M unfunded pension and other postemployment liabilities per JPA
 - No allocation methodology from SOCWA staff or State audit



Next Steps

- MNWD requested SOCWA staff engage actuary
- SOCWA staff engaged two actuarial firms:
 - NyHart
 - Bartel and Associates, LLC
- SOCWA staff provided use audit data for the past 5 years
 - MNWD requested data to go back to capture changed conditions
 - Data was obtained from 1990 forward
- Actuaries recommend dollar-averaged labor cost method from 2002 - forward

