



Wastewater Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled Water



Energy Production



Biosolids Reuse

# FY24/25 Cost-of-Living Adjustment and Applicable Percentage Increase

Board of Directors Meeting  
July 17, 2024

# FY24/25 Cost-of-Living Adjustment and CalPERS Contributions



- All three Bargaining Unit MOUs and employment agreements for unrepresented employees provide for an annual Cost-of-Living Adjustment (COLA)
  - Based on SF Bay Area's April-to-April Consumer Price Index (CPI) for SF/Bay Area Wage Earners—**4.0%** for April 2023-to-April 2024
  - P&T and MA MOUs: COLA range = 2.0%-5.0%
  - O&M MOU (pending Board approval): COLA range = 3.0%-5.0%
- Staff incorporated FY24/25 COLA in adopted FY24/25 Budget (annual labor cost increase of \$471k)
- No changes to CalPERS contribution rates for FY24/25
  - 55% of employees are PEPRA members

# FY24/25 “Applicable Percentage” Adjustment for Classic 2<sup>nd</sup> Tier Members



- MOUs provide an Applicable Percentage benefit
  - Classic Second Tier Members: Hired after June 30, 2012, or hired on or after January 1, 2013, with reciprocity recognized under CalPERS
- District contributes to 401(a) plans for these employees
  - Amount equal to Applicable Percentage of the employee’s pensionable compensation with District
  - Difference between Employer Total Normal Cost percentages for each fiscal year for the 2.5% @ 55 and 2.0% @ 55 formulas
    - Actuarially determined annually by CalPERS

- **FY24/25 Applicable Percentage = 1.62%**, which is +0.04% higher than FY23/24 value (1.58%)
  - Estimated annual labor cost increase = \$1,008

# Recommended Actions

- Adopt Resolution approving updated Salary Schedules incorporating FY24/25 annual COLA as provided for in Bargaining Unit MOUs and employment agreements for unrepresented employees
- Adopt Resolution approving Applicable Percentage as provided for in Bargaining Unit MOUs