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Charles L. Cesena

Directors
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October 1, 2026

TO: LOCSD Board of Directors

FROM: Greg Kwolek, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: **Agenda Item 8G – 10/01/2026 Board Meeting**
Adopt Resolution of Intention to Amend the District's Pension Contract with the California Public Employees' Retirement System to Incorporate Public Employees' Pension Reform Act Provisions

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt Resolution 2026-33 to Amend the District's Pension Contract with the California Public Employees' Retirement System to incorporate Public Employees' Pension Reform Act provisions.

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Proposed Motion: I move the Board of Directors adopt Resolution 2026-33, Resolution of Intention to amend the District's contract with the California Public Employees' Retirement System to incorporate language reflecting the applicable provisions of the Public Employees' Pension Reform Act of 2013.

DISCUSSION

CalPERS notified the District requesting an amendment to the District's existing pension contract to incorporate standard contract language reflecting provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA). The District's current CalPERS contract, last adopted in 2009, does not contain the PEPRA language applicable to employees who are PEPRA members. The proposed amendment would update the language of the District's contract to accurately reflect the retirement provisions currently applicable to PEPRA members. PEPRA members are employees who joined the CalPERS system after January 1, 2013.

PEPRA established changes to public employee retirement benefits, including new benefit formulas and retirement age provisions for employees who meet the definition of a PEPRA member. CalPERS implemented these provisions beginning in 2013. At the time PEPRA was implemented, CalPERS did not require contracting agencies to formally amend their pension contracts to incorporate the new PEPRA language. Since that time, CalPERS has been working with contracting agencies to update their contracts to include the applicable PEPRA provisions.

The first step in the amendment process is for the Board of Directors to adopt a Resolution of Intention to approve the proposed contract amendment. Following adoption of the Resolution of Intention, the District will complete the remaining steps identified by CalPERS, including adoption of the final resolution and execution of the amended contract at a future Board meeting.

FISCAL IMPACT

There is no fiscal impact associated with the proposed contract amendment. CalPERS has confirmed that the amendment will not affect employer or employee contribution costs or retirement benefits. The amendment is intended solely to update the District's contract language to reflect the PEPRA provisions already applicable to PEPRA members.

ATTACHMENTS
Resolution 2026-33 – Resolution of Intention
Exhibit Amendment to Contract to include PEPRA language
CON-12 Certification of Governing Body's Action

RESOLUTION 2026-33

RESOLUTION OF INTENTION

TO APPROVE AN AMENDMENT TO CONTRACT

BETWEEN THE

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AND THE

BOARD OF DIRECTORS
LOS OSOS COMMUNITY SERVICES DISTRICT

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To include Public Employees' Pension Reform Act language.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By:_____
Presiding Officer

_____
Title

_____
Date adopted and approved

(Amendment)
CON-302 (Rev. 4/96)

CalPERS

EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the Board of Administration California Public Employees' Retirement System and the Board of Directors Los Osos Community Services District

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective November 1, 1999, and witnessed October 25, 1999, and as amended effective November 10, 2003, June 6, 2005, and September 4, 2009, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

A. Paragraphs 1 through 12 are hereby stricken from said contract as executed, effective September 4, 2009, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members, age 62 for new local miscellaneous members, age 50 for classic local safety members, and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after November 1, 1999, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:

   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

   (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

   (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Local Fire Fighters (herein referred to as local safety members);

   b. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   a. POLICE EMPLOYEES.

6. The percentage of final compensation to be provided for classic local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

7. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).

8. The percentage of final compensation to be provided for classic local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full).

9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).

10. Public Agency elected and elects to be subject to the following optional provisions:

    a. Section 21024 (Military Service Credit as Public Service).

    b. Section 21335 (3% Cost-of-Living Allowance, base year 1999).

    c. Section 21623.5 ($2,000 Retired Death Benefit).

    d. Section 20965 (Credit for Unused Sick Leave).

    e. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).

    f. Section 20042 (One-Year Final Compensation) for classic members only.

    g. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.

11. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

12. Public Agency shall also contribute to said Retirement System as follows:

    a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.

b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

13. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY_____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
LOS OSOS COMMUNITY
SERVICES DISTRICT

BY_____
PRESIDING OFFICER

_____
Witness, Date

Attest:

_____
Clerk

PLEASE DO NOT SIGN "EXHIBIT ONLY"

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

Certification of Governing Body's Action

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

_____ of the
(governing body)

_____
(public agency)

on _____.
(date)

_____
Clerk/Secretary

_____
Title