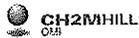


SEMSWA Retirement Plan Update

October 25, 2006



Developing Comparisons

- Arapahoe County
- Denver's Waste Management Division
- City of Fort Collins Utility
- City of Littleton Utility
- Arapahoe County Water and Wastewater Authority
- Urban Drainage and Flood Control District
- CH2M HILL OMI



PERA Participants

- Baca Grande Water & Sanitation District
- Beulah Water Works District
- East Larimer County Water District
- Green Mountain Water & Sanitation District
- Left Hand Water District
- Longs Peak Water District
- Mountain Water & Sanitation District
- Park Center Water District
- Pine Drive Water District
- Steamboat II Water & Sanitation District
- Tabernash Meadows Water & Sanitation District



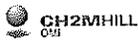
Options Being Considered

- Social Security—Join or not?
- Plan options
 - Colorado PERA
 - SEMSWA-specific Defined Benefit plan to mimic current Arapahoe County formula
 - Defined Contribution plan



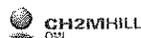
Social Security Issue

- Could choose not to participate and provide a "qualified plan" for employees. That means:
 - PERA
 - Defined Benefit plan or Defined Contribution plan that provides benefit equal to OASS
- Social Security OASS requires 6.2% contribution from employee and employer (12.4% total)



Arapahoe County Plan

- Currently a 6% employee contribution plus 6% employer contribution. Both those will increase to 8.0% by 2010
- Arapahoe County currently covers employees under Social Security
- Arapahoe County formula: Benefit = 2.5% x years of service x final average monthly compensation



4/1/04
INCREASES
APPROVALS

Arapahoe County Contributions

	Employee Rate	Employer Base Rate
2006	6.00%	6.00%
2007	6.50%	6.50%
2008	7.00%	7.00%
2009	7.50%	7.50%
2010	8.00%	8.00%



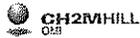
PERA Information

- Formula:
 - Benefit = 2.5% x employees "highest average salary" x years of service
- 5 year vesting
- Automatic cost of living adjustment of 3% annually after retirement
- Benefits reduced for Social Security recipients



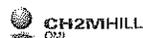
PERA Information

- Employer contribution currently 10.0%, but will move up to 15.5% by 2013, then level off again to 10.0%
- Employee contribution is 8.0%, and projected to hold at that amount through 2013
- Usually replaces Social Security for participating employees



PERA Contribution Rates 2006 through 2014

	Employee Rate	Employer Base Rate	Total Employer Cost
2006	8.00%	10.00%	10.50%
2007	8.00%	10.00%	11.00%
2008	8.00%	10.00%	11.90%
2009	8.00%	10.00%	12.80%
2010	8.00%	10.00%	13.70%
2011	8.00%	10.00%	14.60%
2012	8.00%	10.00%	15.50%
2013	8.00%	10.00%	13.00%
2014 **	8.00%	10.00%	10.00%



Next Steps

- Board feedback/questions
- Make a determination on further investigation of PERA and Social Security participation
- Complete the comparisons
- Complete employee benefit comparability and employer cost evaluations
 - PERA
 - Defined Contribution plan (with and without Social Security)
- Update employees
- Present to Board for approval

10/25/06
BOARD REPORT

SEMSWA Mailing

Approx 60,000 property addresses

2 COLOR- Double sided 60,000 Quantity (not including postage)

Small Post Card (4.25" x 5.5") = \$ 5,678

Large post Card (5" X 8.5") = \$ 6,126

Fold over sheet (8.5" x 11") = \$ 7,795

4 COLOR- Double sided 60,000 Quantity (not including postage)

Small Post Card (4.25" x 5.5") = \$ not quoted

Large post Card (5" X 8.5") = \$ 6,982 \$856 more than 2 color

Fold over sheet (8.5" x 11") = \$ 8,123 \$328 more than 2color

POSTAGE

Presort Standard Rate (mails approx 4 - 5 days)

Small & large postcard will be approx .230 cents each

60000X .230 = \$1380 12,000⁰

Presort First Class will be approx 2- 4 days

Small postcard will be approx .27-.29 each

Large postcard will be .33- .34 each

Fold over 8.5" x11" will be .34 cents each