

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

Wednesday, September 2, 2020 – 8:00 a.m.

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

<https://attendee.gotowebinar.com/register/5358689129851754000>

(Dial-in instructions are provided after registering at the link above)

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Roll Call

**Executive
Assistant**

Item 3 – Additions to Agenda [Government Code Section 54954.2(b)(2)]

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 4 – Reorder Agenda

Kuhn

Item 5 – Public Comment (Government Code Section 54954.3)

Kuhn

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Item 6 – Presentation – [enc]

Linthicum

Mr. Jayson Schmitt from Chandler Asset Management will provide the Board with an economic and investment portfolio update.

Item 7 – General Manager’s Report

Litchfield

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

7.A – Employee Health Care Costs CY 2021 – [enc]

Galarneau

The Board will be provided a summary of JPIA’s health care premiums for the upcoming year. The Board may direct staff to return this item to the September 16, 2020 Board meeting for consideration of approval.

7.B – Projects Summary Update

Peralta

The Board will be given an update of ongoing District projects.

Item 8 – Closed Session

Kuhn

8.A - Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830 (Consolidated with Case No. CPF-12-512466)

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-16-515282

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CGC-17-563350

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-18-516389

8.B – Public Employee Performance Evaluation (Government Code Section 54957)

Title: Matthew Litchfield, General Manager

Item 9 – Future Agenda Items

Kuhn

Item 10 – Adjournment and Next Meeting

Kuhn

The Board will adjourn to a regular Board Meeting on Wednesday, September 16, 2020 at 8:00 a.m.

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting

Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.

Three Valleys Municipal Water District

Period Ending July 31, 2020

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



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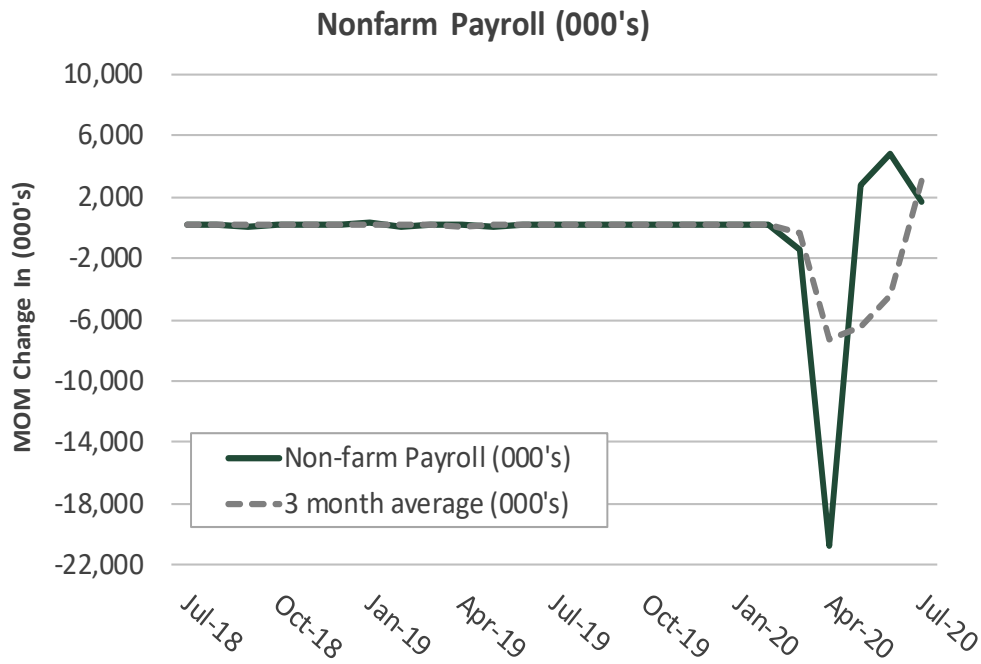
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

Section 1 | Economic Update

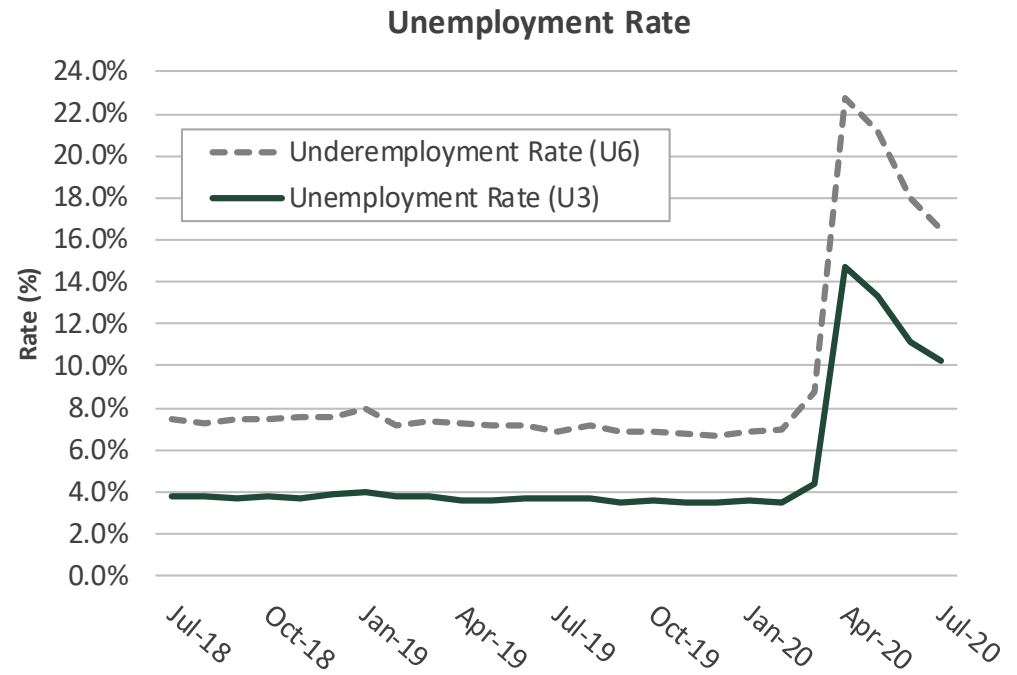
Economic Update

- The second quarter was likely the low point for economic activity and the consensus forecast calls for a fairly strong rebound in activity in the current quarter and a slowing pace in improvement thereafter. However, the outlook remains uncertain, particularly amid ongoing US COVID-19 outbreaks. We believe the outlook for economic activity is dependent on the course of the pandemic, the amount of additional fiscal relief from the government, and the timeline for a vaccine. Notably, the effects of the pandemic continue to weigh heavily on the labor market. Year-to-date, the S&P 500 index is up modestly as the US equity market has largely recovered its pandemic-fueled decline and the worst of the economic data appears to be in the rearview mirror.
- As expected, the Federal Open Market Committee kept the fed funds target rate unchanged at their July meeting in a range of 0.0% to 0.25%. The Fed extended its emergency lending programs through the end of 2020, a three-month extension, and will continue to use its balance sheet to support the flow of credit and stability of financial markets. Fed Chair Powell indicated that the Fed is more cautious about the downside risks to the economy and less concerned about the upside and potential threat of inflation. In his words, the Fed's job is to "hope for the best and plan for the worst." In our view, this suggests that policy rates are likely to remain low until employment is clearly back on track.
- The Treasury yield curve flattened in July, with short-term rates anchored near 0.0% and the yield on 10-year Treasuries down 13 basis points. On a year-to-date basis, the yield on 2-year Treasuries was down 146 basis points to 0.11% and the yield on 10-year Treasuries was down about 139 basis points to 0.53% at the end of July. In August, the Treasury yield curve has steepened, driven by an increase in longer-term rates. We believe a wave of new Treasury issuance to fund the growing fiscal deficit has put upward pressure on longer-term rates this month. Inflation expectations have also started to creep higher. Nevertheless, Treasury yields remain very low on a historical basis.

Employment



Source: US Department of Labor



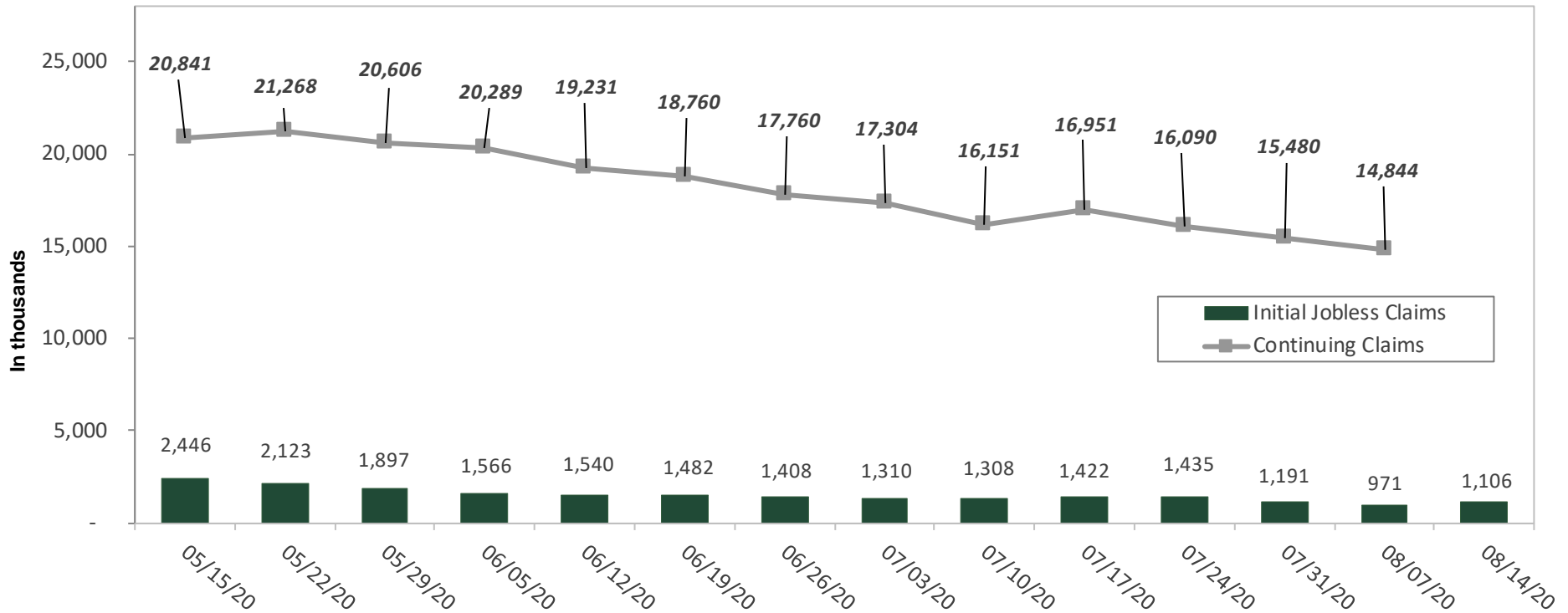
Source: US Department of Labor

U.S. nonfarm payrolls were better than expected, increasing by 1,763,000 in July versus expectations of 1,480,000. Private payrolls increased by 1,462,000 and government payrolls increased by 301,000. The unemployment rate declined to 10.2% in July (versus expectations of 10.6%) from 11.1% in June. However, the participation rate edged down to 61.4% from 61.5%. Furthermore, workers who classified themselves as employed but absent from work in the July survey understated the unemployment rate by about 1%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained very high but eased to 16.5% in July from 18.0% in June.



Initial Claims for Unemployment

Initial Claims For Unemployment May 15, 2020 - August 14, 2020



Source: US Department of Labor

In the most recent week, initial jobless claims increased by 1,106,000, which was higher than the prior week level of 971,000. The level of continuing unemployment claims (where the data is lagged by one week) remained very high in the week of August 7th at about 14.8 million but was down from the prior week level of nearly 15.5 million. Although continuing jobless claims have declined from the peak of nearly 25 million in early May, they remain well above the 2019 average of 1.7 million.

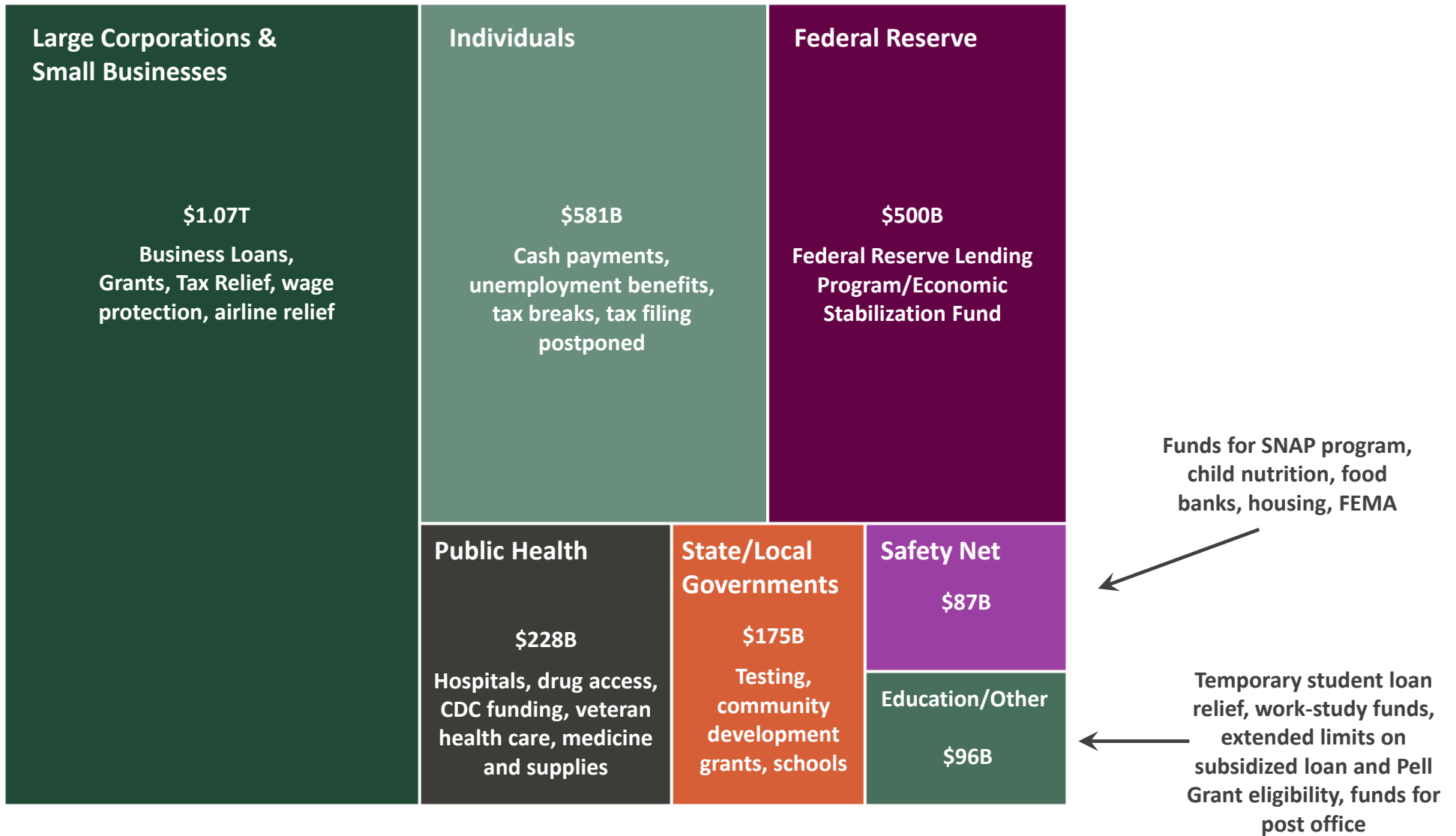


Unprecedented Fed Intervention

Fed Action	Details
Rate Cuts	<ul style="list-style-type: none"> • Cut fed funds target rate by 1.50% to 0.00-0.25% • Discount window rate lowered to 0.25% • Fractional reserve requirement 0% • Interest on Excess Reserves cut to 0.10%
TSY/Agency MBS Purchases	<ul style="list-style-type: none"> • Purchases in the amounts needed to ensure smooth market functioning
Repo Operations	<ul style="list-style-type: none"> • \$1.5 trillion+ short-term repo facilities to provide liquidity
Commercial Paper Funding Facility (CPFF)	<ul style="list-style-type: none"> • Purchases of Tier 1 CP*
Primary Dealer Credit Facility (PDCF)	<ul style="list-style-type: none"> • Loans to Primary Dealers up to 3 months
Money Market Mutual Fund Liquidity Facility (MMLF)	<ul style="list-style-type: none"> • Liquidity to MMFs in form of loans to banks to purchase assets from MMFs
FX Swap Lines	<ul style="list-style-type: none"> • Temporary lending to boost circulation of dollars worldwide
Primary Market Corporate Credit Facility (PMCCF)	<ul style="list-style-type: none"> • Purchases of investment grade corporate debt directly from issuers**
Secondary Market Corporate Credit Facility (SMCCF)	<ul style="list-style-type: none"> • Purchases of investment grade debt and ETFs (IG and HY) in the secondary market
Term ABS Loan Facility (TALF)	<ul style="list-style-type: none"> • Loans to investors to buy highest-rated ABS, CMBS and CLOs to support consumer and business credit
Municipal Liquidity Facility	<ul style="list-style-type: none"> • Up to \$500 billion in lending to states and municipalities via debt security purchases from states, counties, and cities
Main Street Lending Program	<ul style="list-style-type: none"> • Up to \$600 billion in loan purchases from small- and mid-sized businesses
Paycheck Protection Program Liquidity Facility (PPP)	<ul style="list-style-type: none"> • Liquidity to participating financial institutions through term financing backed by PPP loans to small businesses

*CP issuers that were Tier 1 as of March 17, 2020 and were subsequently downgraded to no lower than Tier 2 may be eligible on a one-time basis. **Issuers that were rated at least Baa3/BBB- as of March 22, 2020 and were subsequently downgraded to no lower than Ba3/BB- may be eligible.

CARES Act and Other Fiscal Stimulus: \$2.7 Trillion and Counting

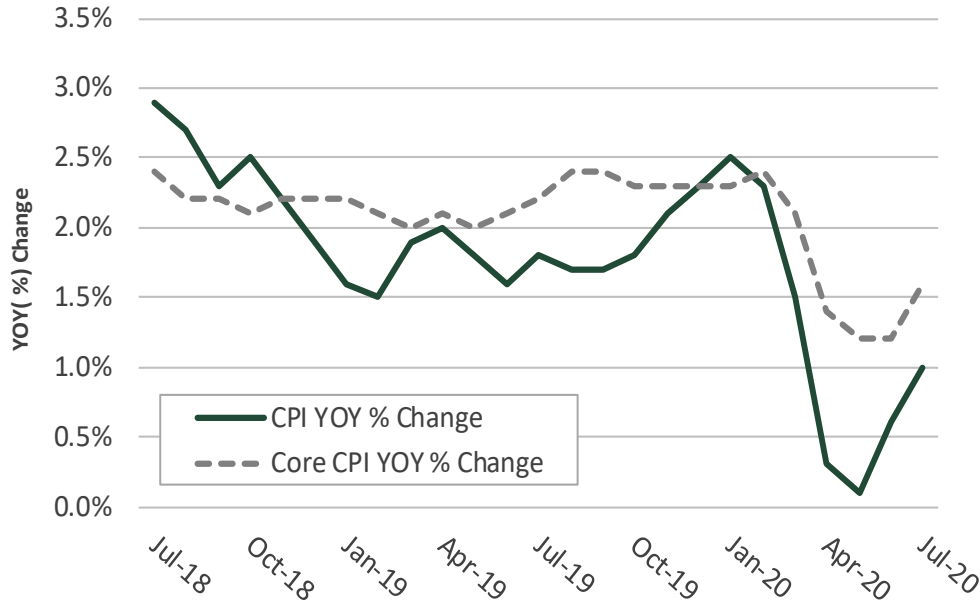


Source: U.S. Congress



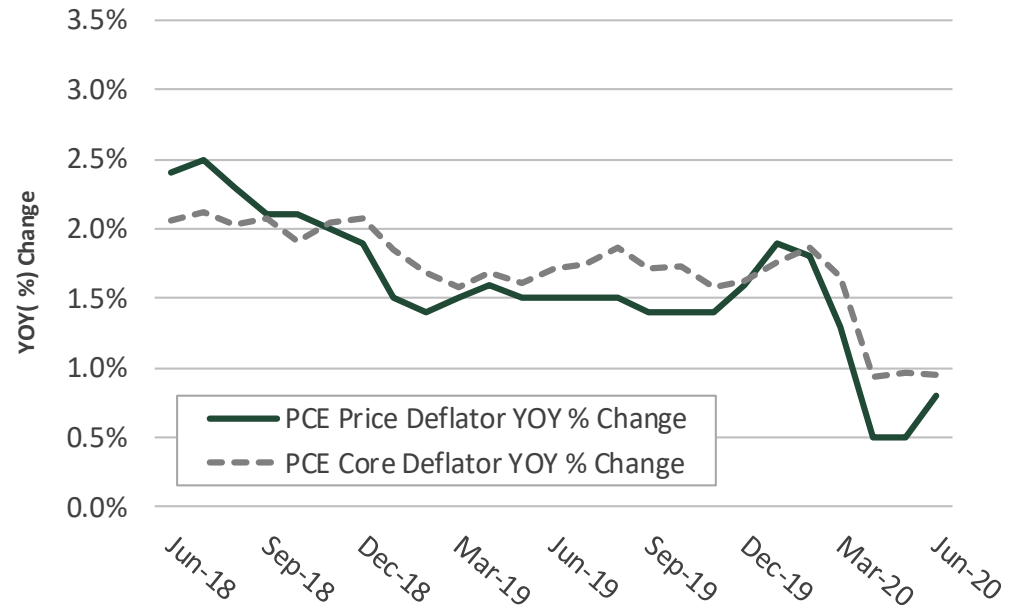
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)



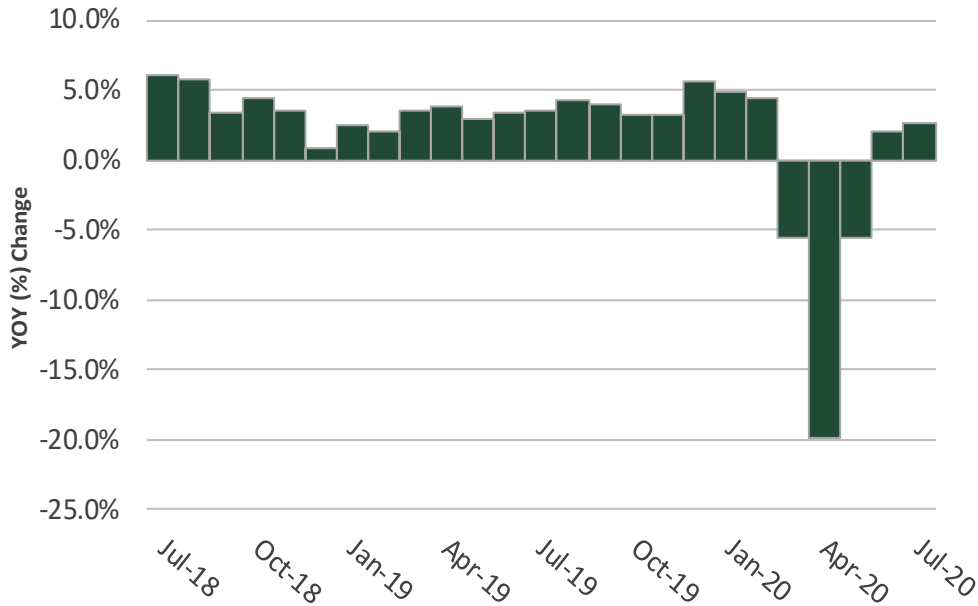
Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.0% year-over-year in July, versus up 0.6% in June. Core CPI (CPI less food and energy) was up 1.6% year-over-year in July, versus up 1.2% in June. The Personal Consumption Expenditures (PCE) index was up 0.8% year-over-year in June, versus up just 0.5% year-over-year in May. Core PCE, which is the Fed's primary inflation gauge, was up 0.9% year-over-year in June, versus up 1.0% year-over-year in May. Both CPI and PCE are running meaningfully lower than pre-pandemic levels, indicating that the effect of the pandemic has been deflationary.



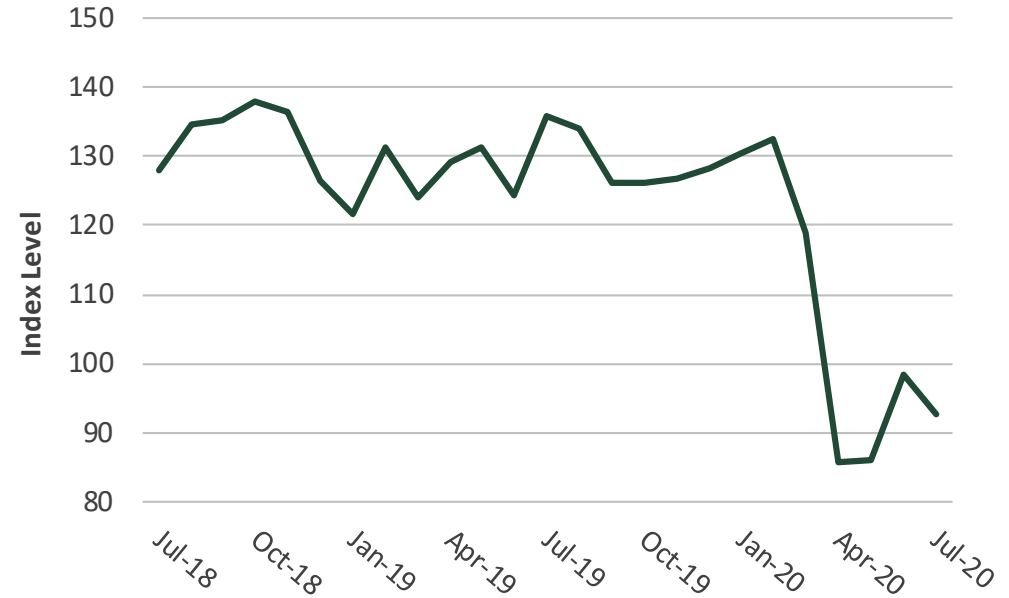
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence



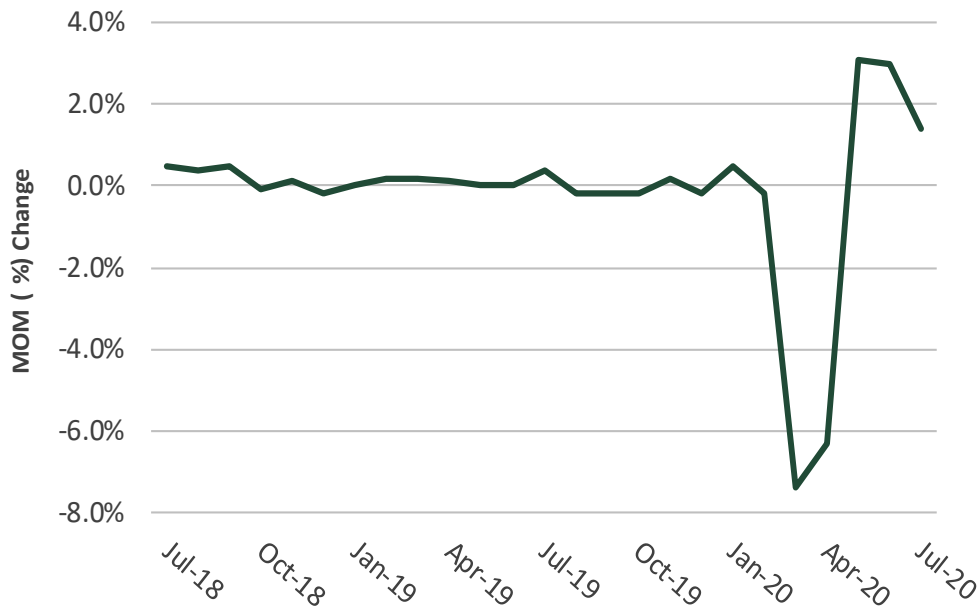
Source: The Conference Board

Retail sales were softer than expected in July. Nevertheless, on a year-over-year basis, retail sales were up 2.7% in July, an improvement from 2.1% in June. On a month-over-month basis, retail sales were up just 1.2% in July, following an 8.4% increase in June. Excluding autos and gas, retail sales were up 1.5% in July, which was better than expected. Spending at electronics and appliance stores jumped nearly 23% in July. Spending on clothing, restaurants, health & personal care, and online retail also increased in July. The Consumer Confidence index fell to 92.6 in July from 98.3 in June. There were large declines in California, Florida and Texas where virus cases were increasing rapidly.



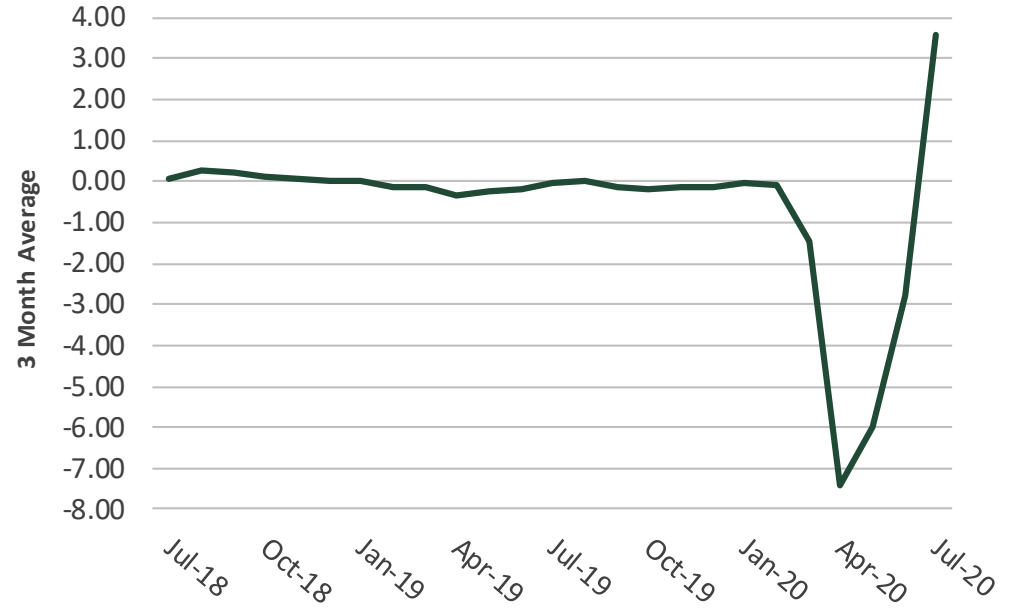
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

Chicago Fed National Activity Index (CFNAI)



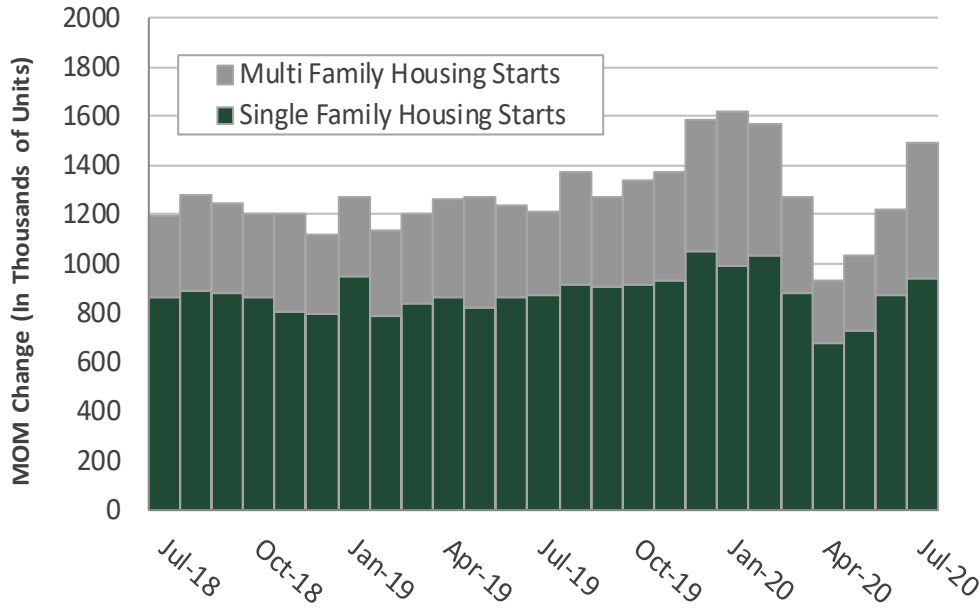
Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) rose 1.4% in July, following a 3.0% increase in June. On a year-over-year basis, the LEI was down 6.8% in July versus down 7.7% in June. According to the Conference Board, the post-pandemic recovery appears to be "losing steam" and the pace of economic growth is likely to weaken through year-end. The Chicago Fed National Activity Index (CFNAI) declined to 1.18 in July from 5.33 in June. However, on a 3-month moving average basis, the CFNAI improved to +3.59 in July from -2.78 in June, which is above the -0.7 recessionary level for the first time since February.



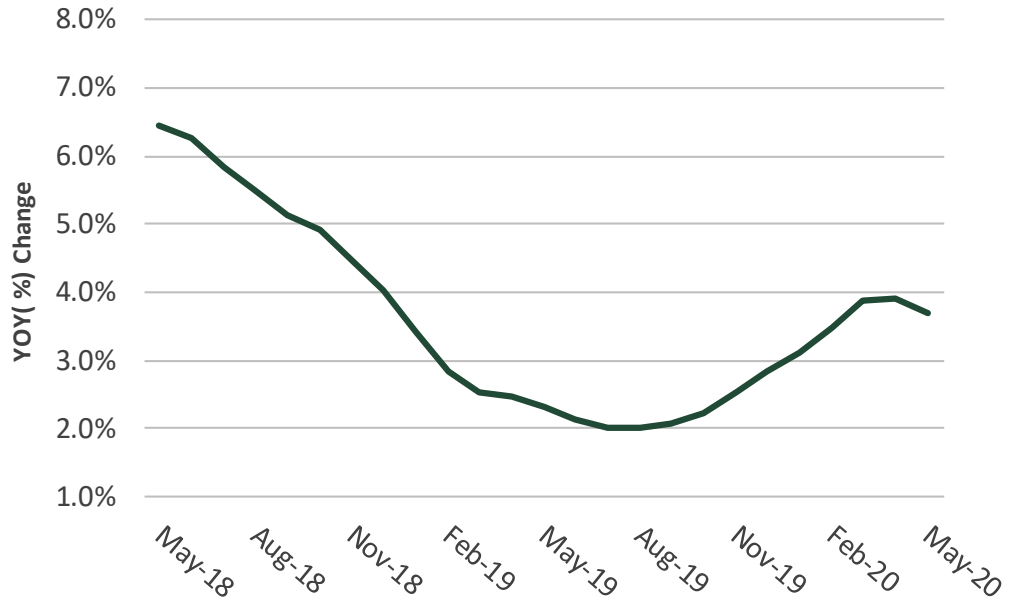
Housing

Housing Starts



Source: US Department of Commerce

S&P/Case-Shiller 20 City Composite Home Price Index

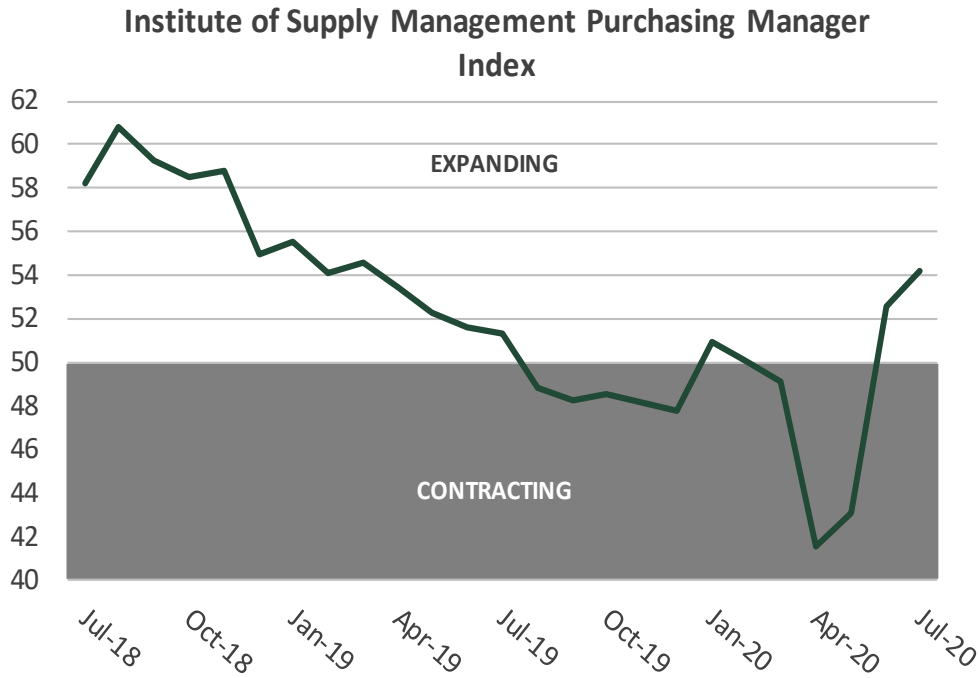


Source: S&P

Total housing starts surged nearly 23% in July to an annual pace of 1,496,000. Single family starts rose 8.2% to an annualized rate of 940,000, while multi-family starts soared 58.4% to an annualized rate of 556,000. On a year-over-year basis, housing starts were up 23.4% in July, with single family starts up 7.4% year-over-year, and multi-family starts up 65.0%. Meanwhile, permits were up 18.8% in July on a month-over-month basis, to an annualized rate of 1,495,000. According to the Case-Shiller 20-City home price index, home prices were up 3.7% year-over-year in May versus up 3.9% year-over-year in April. Home prices have been generally resilient despite the weak economic backdrop and we believe low inventory and low mortgage rates continue to support prices.



Manufacturing



Source: Institute for Supply Management



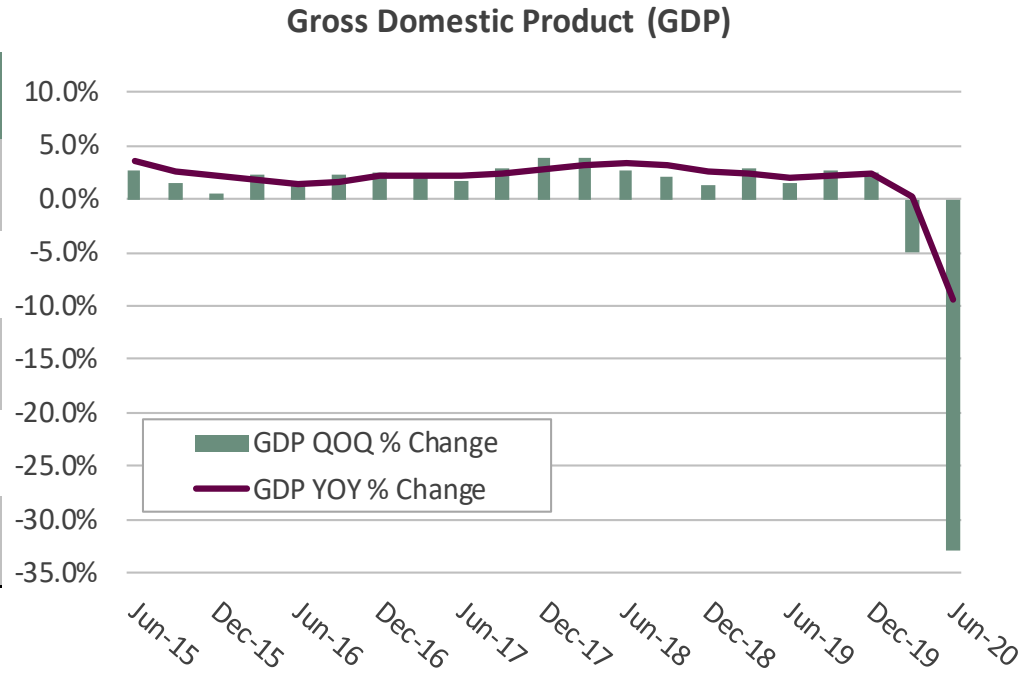
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index improved to 54.2 in July from 52.6 in June. New orders rose five points to 61.5. The reading above 50.0 suggests that the manufacturing sector is expanding. The Industrial Production index was down 8.2% year-over-year in July, versus down 11.0% in June. On a month-over-month basis, the Industrial Production index increased 3.0% in July, following a 5.7% increase in June. Capacity Utilization improved to 70.6% in July from 68.5% in June, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved, following a deep contraction.

Gross Domestic Product (GDP)

Components of GDP	9/19	12/19	3/20	6/20
Personal Consumption Expenditures	1.8%	1.1%	-4.8%	-25.1%
Gross Private Domestic Investment	0.3%	-0.6%	-1.6%	-9.4%
Net Exports and Imports	0.0%	1.5%	1.1%	0.7%
Federal Government Expenditures	0.3%	0.3%	0.1%	1.2%
State and Local (Consumption and Gross Investment)	0.1%	0.2%	0.1%	-0.4%
Total	2.6%	2.4%	-5.0%	-32.9%

Source: US Department of Commerce

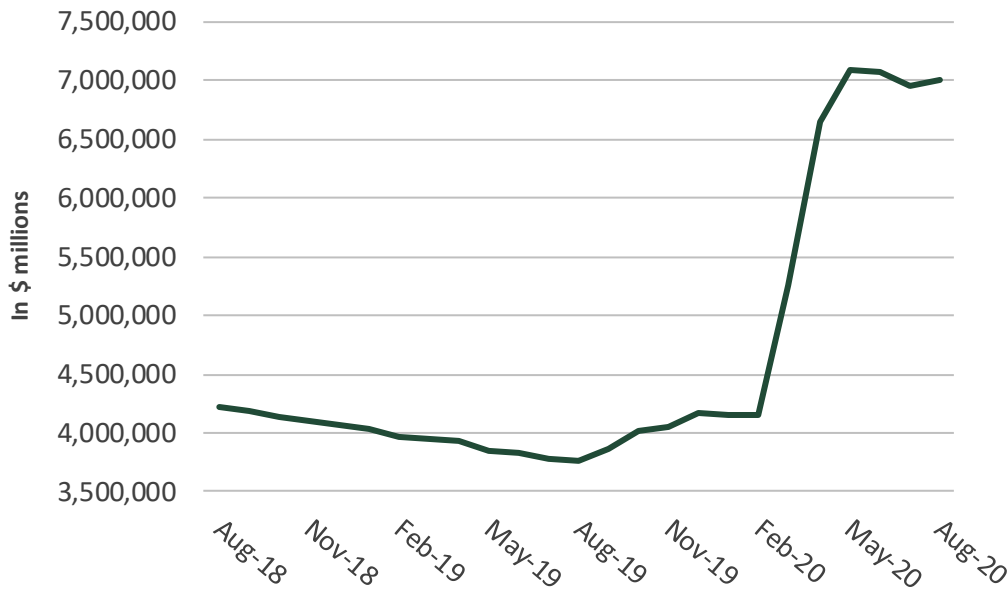


Source: US Department of Commerce

US gross domestic product (GDP) declined at an annual rate of 32.9% in the second quarter, just slightly less negative than the consensus forecast of -35.0% but the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 34.6% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a fairly strong rebound in consumer spending and overall economic activity in the third quarter, and a slowing pace of improvement in activity thereafter. According to the National Bureau of Economic Research, the US economy officially entered a recession in February 2020, following a 128-month economic expansion. Economic data remains weak but is showing early signs of improvement, which suggests that the recession (which is the period between the peak of economic activity and the trough) may technically already be over.

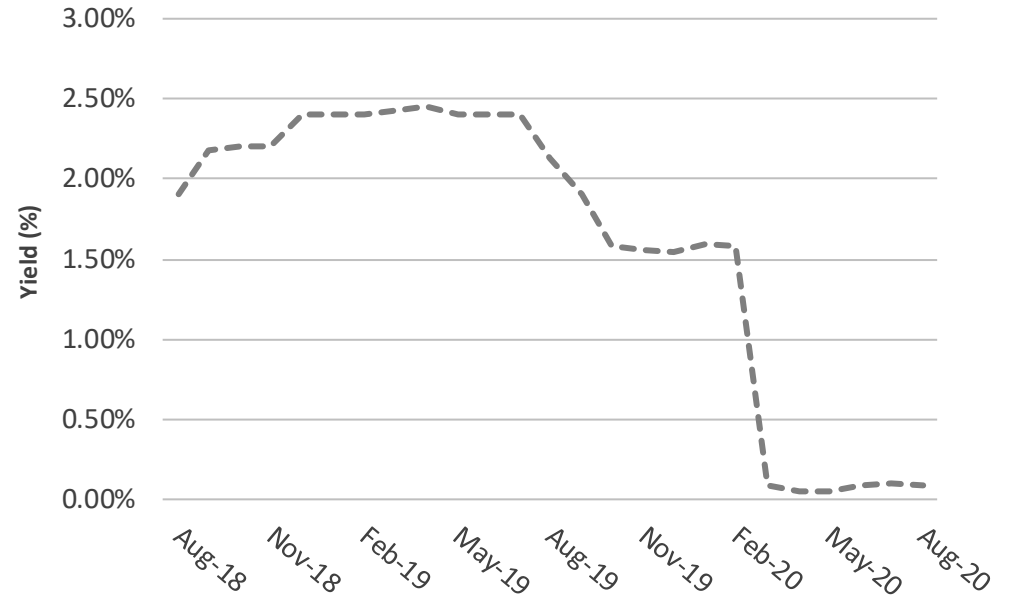
Federal Reserve

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

Effective Federal Funds Rate



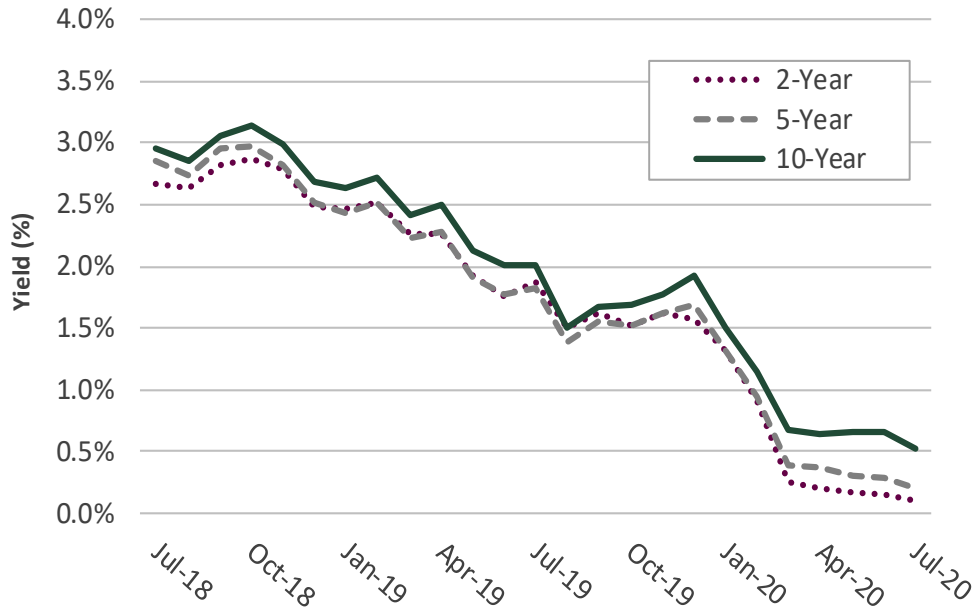
Source: Bloomberg

The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility in order to provide liquidity to the commercial paper, money markets, and the municipal bond markets. The Fed has established the Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility to support the corporate bond market. The Term Asset-Backed Securities Loan Facility has been established to enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration. The Fed has established the Paycheck Protection Program Liquidity Facility and Fed’s Main Street Lending Facility to support the flow of credit to businesses. The Fed established the Municipal Liquidity Facility to purchase short-term debt directly from US states, counties, and cities. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions.



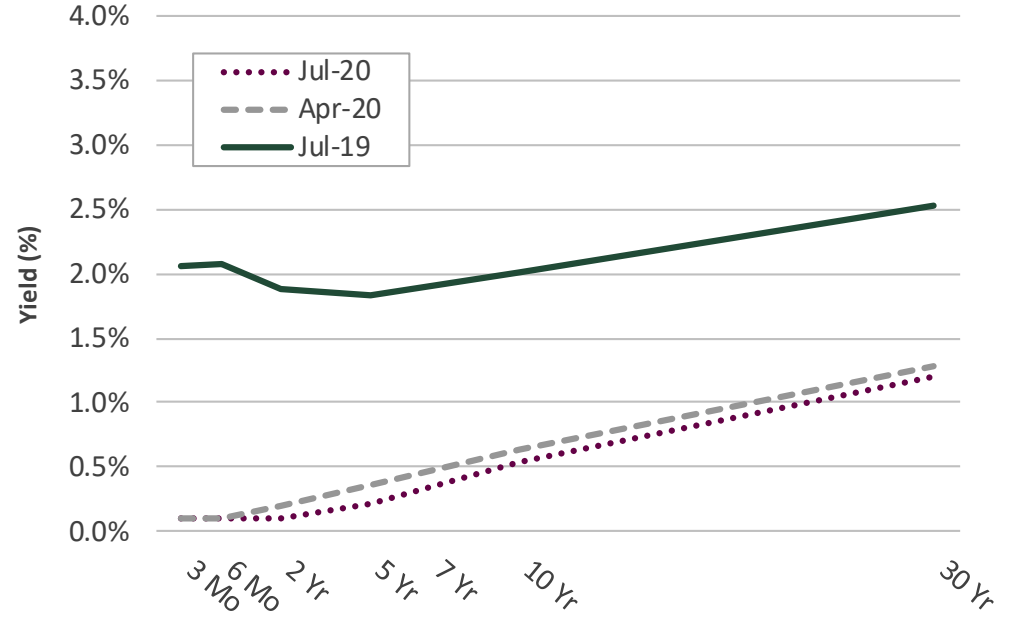
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At July month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 198 basis points, the 2-year Treasury yield was down 177 basis points, and the 10-Year Treasury yield was down 149 basis points, year-over-year. Much of the spread movement was in the month of March 2020, with the Fed cutting rates by a total of 150 basis points and concerns about a global recession and a flight to safe-haven assets driving down yields across the curve.



Section 2 | Account Profile

Objectives

Investment Objectives

The investment objectives of the District, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Compliance

Three Valleys Municipal Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Municipal Securities/ Local Agency Bonds	Bonds issued by TVMWD; Issued by local agency within the state of California, including pooled investment accounts sponsored by the state of California, County Treasurers, or Joint Power Agencies	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Banker's Acceptances	"A" rated or higher by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer must be organized and operating within the US, have AUM >\$500 mil	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Certificates of Deposits/Time Deposit	Collateralized/ FDIC insured	Complies
Money Market Mutual Funds	"AAA" rated by 2 NRSROs; 20% maximum; 10% per fund	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA" rated or higher by a NRSRO; 20% maximum; 5% max per issuer	Complies
Local Agency Investment Fund - LAIF	Max program limitation	Complies
Repurchase Agreements	102% Collateralized; 1year max maturity	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Max Per Issuer	5% of portfolio per issuer (except U.S. Government, Agencies/GSEs, Supranationals, Money Market Mutual Funds, LAIF, LGIP)	Complies
Maximum maturity	5 years	Complies

Portfolio Characteristics

Three Valleys Municipal Water District

	7/31/2020		4/30/2020
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.62	2.76	2.79
Average Modified Duration	2.54	2.52	2.52
Average Purchase Yield	n/a	2.26%	2.25%
Average Market Yield	0.15%	0.27%	0.60%
Average Quality**	NR	AA/Aa1	AA/Aa1
Total Market Value		2,840,945	3,317,575

*ICE BAML 1-5 Year US Treasury/Agency Index

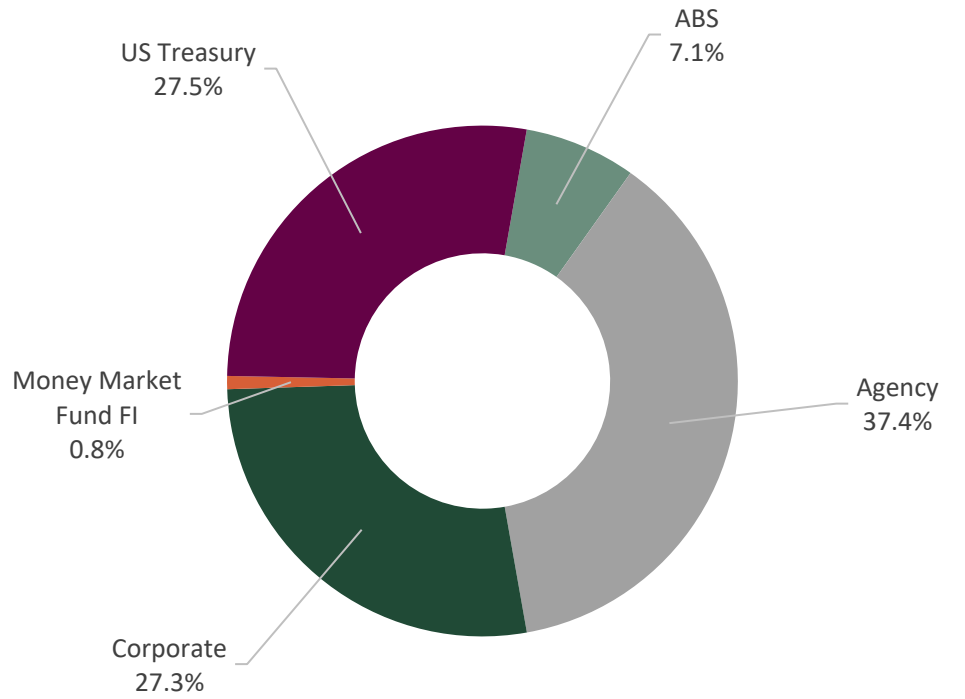
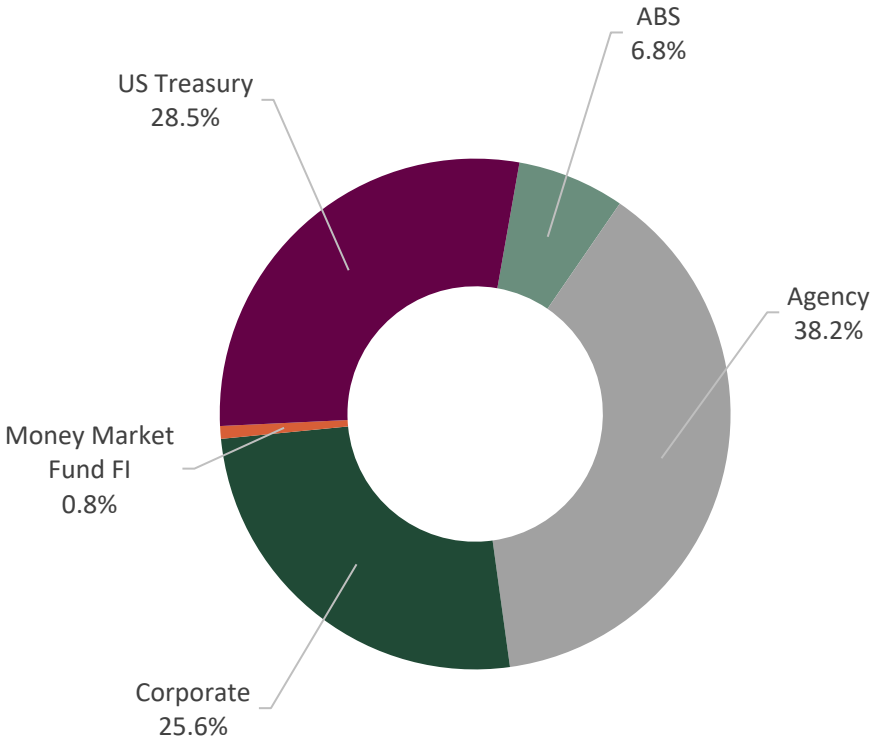
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

Three Valleys Municipal Water District

July 31, 2020

April 30, 2020



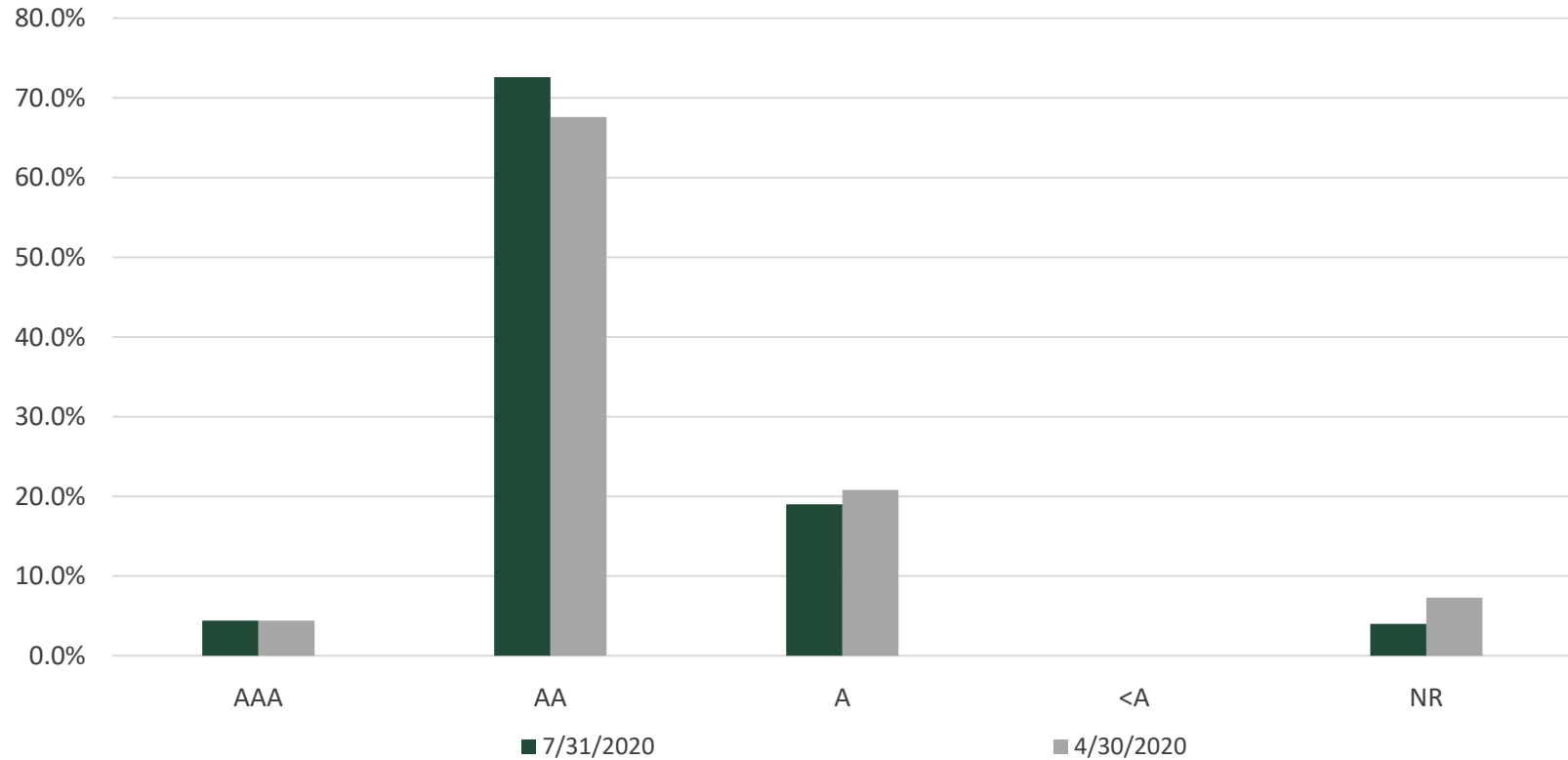
Issuers

Three Valleys Municipal Water District – Account #10065

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	28.52%
Federal Home Loan Bank	Agency	13.51%
Federal Home Loan Mortgage Corp	Agency	10.02%
Federal Farm Credit Bank	Agency	7.56%
Federal National Mortgage Association	Agency	7.15%
IBM Corp	Corporate	4.61%
Paccar Financial	Corporate	3.87%
Apple Inc	Corporate	3.74%
Charles Schwab Corp/The	Corporate	3.71%
John Deere ABS	ABS	3.17%
Berkshire Hathaway	Corporate	2.87%
JP Morgan Chase & Co	Corporate	2.74%
Chubb Corporation	Corporate	2.66%
Nissan ABS	ABS	2.66%
State Street Bank	Corporate	1.43%
Honda ABS	ABS	0.97%
First American Govt Oblig Fund	Money Market Fund FI	0.81%
TOTAL		100.00%

Quality Distribution

Three Valleys Municipal Water District
 July 31, 2020 vs. April 30, 2020



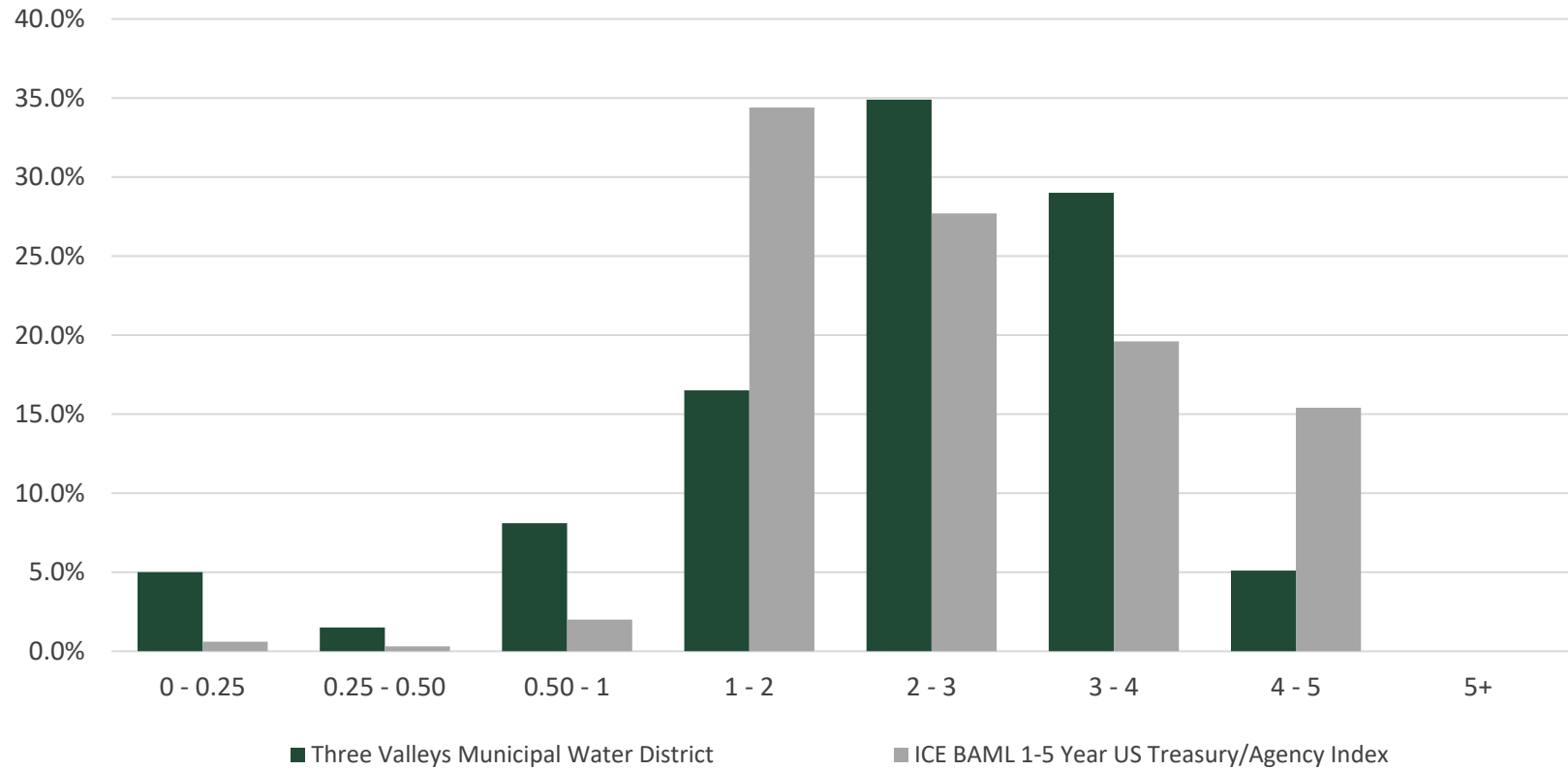
	AAA	AA	A	<A	NR
07/31/20	4.4%	72.6%	19.0%	0.0%	4.0%
04/30/20	4.4%	67.6%	20.8%	0.0%	7.3%

Source: S&P Ratings



Duration Distribution

**Three Valleys Municipal Water District
Portfolio Compared to the Benchmark as of July 31, 2020**



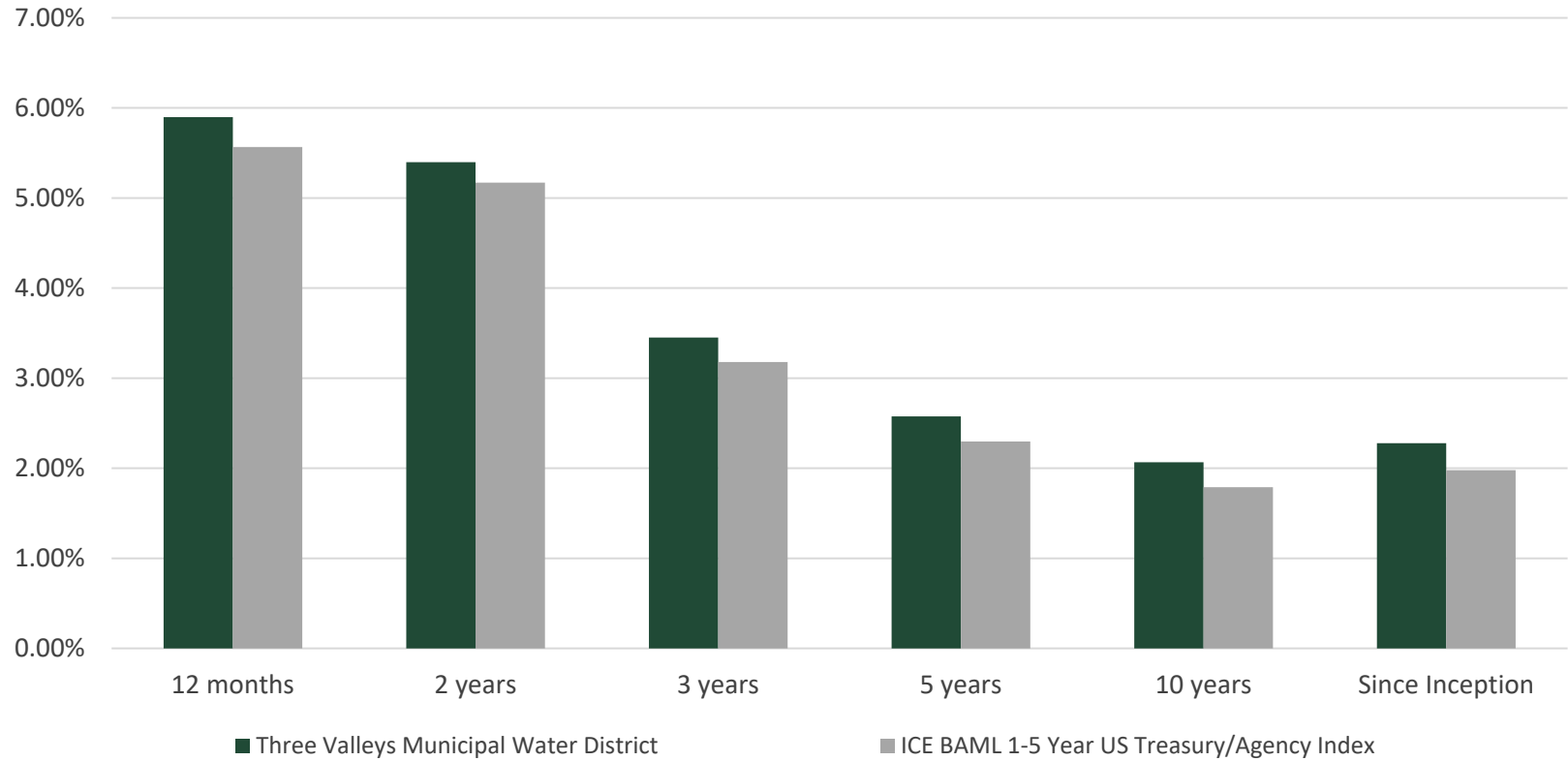
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	5.0%	1.5%	8.1%	16.5%	34.9%	29.0%	5.1%	0.0%
Benchmark*	0.6%	0.3%	2.0%	34.4%	27.7%	19.6%	15.4%	0.0%

*ICE BAML 1-5 Year US Treasury/Agency Index



Investment Performance

Three Valleys Municipal Water District Total Rate of Return Annualized Since Inception 04/30/2009



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Three Valleys Municipal Water District	0.80%	5.90%	5.40%	3.45%	2.57%	2.07%	2.28%
ICE BAML 1-5 Year US Treasury/Agency Index	0.36%	5.57%	5.17%	3.18%	2.30%	1.79%	1.98%

Total rate of return: A measure of a portfolio’s performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Section 3 | Portfolio Holdings

Holdings Report

As of July 31, 2020

Three Valleys Municipal Water District - Account #10065

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	1,850.62	07/11/2017 1.83%	1,850.49 1,850.58	100.15 0.53%	1,853.31 1.50	0.07% 2.73	Aaa / NR AAA	1.21 0.11
47788CAC6	John Deere Owner Trust 2018-A A3 2.660% Due 04/18/2022	13,989.57	02/21/2018 2.68%	13,988.57 13,989.16	100.70 0.48%	14,087.45 16.54	0.50% 98.29	Aaa / NR AAA	1.72 0.32
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	27,210.51	05/22/2018 3.03%	27,209.92 27,210.24	101.31 0.35%	27,567.48 29.58	0.97% 357.24	NR / AAA AAA	1.80 0.49
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	72,944.20	07/18/2018 3.10%	72,938.67 72,941.26	101.51 0.29%	74,044.12 99.85	2.61% 1,102.86	Aaa / NR AAA	2.29 0.54
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.060% Due 03/15/2023	73,915.19	07/17/2018 3.08%	73,912.80 73,914.16	101.96 0.36%	75,365.63 100.52	2.66% 1,451.47	Aaa / AAA NR	2.62 0.72
TOTAL ABS		189,910.09	3.04%	189,900.45 189,905.40	0.34%	192,917.99 247.99	6.80% 3,012.59	Aaa / AAA Aaa	2.30 0.58
Agency									
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	30,000.00	08/30/2016 1.33%	29,705.70 29,938.76	101.01 0.15%	30,301.53 158.44	1.07% 362.77	Aaa / AA+ AAA	1.03 1.02
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	100,000.00	10/27/2016 1.50%	99,391.00 99,854.24	101.46 0.14%	101,463.00 435.42	3.59% 1,608.76	Aaa / AA+ AAA	1.19 1.17
3130AABG2	FHLB Note 1.875% Due 11/29/2021	50,000.00	12/28/2016 2.10%	49,485.00 49,860.93	102.30 0.14%	51,151.40 161.46	1.81% 1,290.47	Aaa / AA+ AAA	1.33 1.31
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	100,000.00	01/27/2017 2.03%	101,596.70 100,467.80	103.21 0.16%	103,210.50 118.75	3.64% 2,742.70	Aaa / AA+ AAA	1.45 1.43
3133EAYP7	FFCB Note 1.950% Due 07/19/2022	100,000.00	07/28/2017 1.92%	100,138.00 100,054.55	103.43 0.20%	103,425.30 65.00	3.64% 3,370.75	Aaa / AA+ AAA	1.97 1.94
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	100,000.00	09/27/2018 3.03%	98,785.00 99,259.03	107.30 0.21%	107,296.40 320.83	3.79% 8,037.37	Aaa / AA+ AAA	2.88 2.78
313383YJ4	FHLB Note 3.375% Due 09/08/2023	100,000.00	02/26/2019 2.57%	103,413.00 102,337.93	109.73 0.22%	109,734.50 1,340.63	3.91% 7,396.57	Aaa / AA+ NR	3.11 2.94
3133EDBU5	FFCB Note 3.500% Due 12/20/2023	100,000.00	01/16/2019 2.74%	103,486.00 102,396.38	110.87 0.27%	110,872.00 398.61	3.92% 8,475.62	Aaa / AA+ AAA	3.39 3.22
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	100,000.00	06/18/2019 1.96%	104,323.00 103,352.58	109.74 0.34%	109,741.40 375.35	3.88% 6,388.82	Aaa / AA+ NR	3.87 3.68
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	100,000.00	10/21/2019 1.69%	105,547.00 104,665.93	110.15 0.39%	110,145.30 1,102.08	3.92% 5,479.37	Aaa / AA+ AAA	4.12 3.88

Holdings Report

Three Valleys Municipal Water District - Account #10065

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	22,000.00	03/24/2020 0.95%	22,571.34 22,530.05	105.05 0.38%	23,110.58 153.08	0.82% 580.53	Aaa / NR AAA	4.54 4.36
3135G03U5	FNMA Note 0.625% Due 04/22/2025	100,000.00	04/27/2020 0.67%	99,768.00 99,780.11	101.04 0.40%	101,044.30 168.40	3.56% 1,264.19	Aaa / AA+ AAA	4.73 4.65
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	20,000.00	07/21/2020 0.48%	19,900.40 19,900.89	99.86 0.40%	19,972.10 1.67	0.70% 71.21	Aaa / AA+ AAA	4.98 4.92
TOTAL Agency		1,022,000.00	1.95%	1,038,110.14 1,034,399.18	0.26%	1,081,468.31 4,799.72	38.24% 47,069.13	Aaa / AA+ Aaa	2.92 2.81
Corporate									
857477AS2	State Street Bank Note 2.550% Due 08/18/2020	40,000.00	06/28/2017 1.86%	40,839.20 40,012.45	100.09 0.73%	40,034.24 461.83	1.43% 21.79	A1 / A AA-	0.05 0.05
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	75,000.00	02/06/2017 2.16%	75,353.25 75,016.71	100.33 0.40%	75,244.35 421.67	2.66% 227.64	A3 / A A	0.26 0.17
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.200% Due 03/15/2021	80,000.00	03/23/2018 2.69%	78,880.00 79,766.49	101.06 0.22%	80,850.72 664.89	2.87% 1,084.23	Aa2 / AA A+	0.62 0.54
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	125,000.00	12/28/2017 2.60%	122,780.00 124,005.85	103.94 0.32%	129,929.50 1,092.36	4.61% 5,923.65	A2 / A NR	2.11 2.05
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	75,000.00	10/30/2018 3.73%	72,801.00 73,716.65	103.57 0.51%	77,679.08 99.07	2.74% 3,962.43	A2 / A- AA-	2.46 1.43
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	100,000.00	06/01/2018 3.31%	97,163.00 98,481.91	105.33 0.41%	105,332.90 44.17	3.71% 6,850.99	A2 / A A	2.49 2.34
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	100,000.00	11/29/2018 3.49%	95,565.00 97,240.14	105.74 0.31%	105,735.70 586.67	3.74% 8,495.56	Aa1 / AA+ NR	2.76 2.67
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	100,000.00	09/10/2018 3.37%	100,142.00 100,087.40	108.45 0.58%	108,445.40 1,624.44	3.87% 8,358.00	A1 / A+ NR	3.02 2.85
TOTAL Corporate		695,000.00	2.98%	683,523.45 688,327.60	0.41%	723,251.89 4,995.10	25.63% 34,924.29	A1 / A+ A+	1.96 1.76

Holdings Report

As of July 31, 2020

Three Valleys Municipal Water District - Account #10065

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Money Market Fund FI									
31846V203	First American Govt Obligation Fund Class Y	22,930.46	Various 0.01%	22,930.46 22,930.46	1.00 0.01%	22,930.46 0.00	0.81% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		22,930.46	0.01%	22,930.46	0.01%	0.00	0.00	Aaa	0.00
US Treasury									
912828N30	US Treasury Note 2.125% Due 12/31/2022	100,000.00	01/31/2018 2.54%	98,109.37 99,071.01	104.83 0.12%	104,828.10 184.78	3.70% 5,757.09	Aaa / AA+ AAA	2.42 2.36
9128284D9	US Treasury Note 2.500% Due 03/31/2023	200,000.00	04/29/2019 2.29%	201,578.13 201,071.94	106.33 0.12%	212,656.20 1,680.33	7.54% 11,584.26	Aaa / AA+ AAA	2.67 2.58
912828XT2	US Treasury Note 2.000% Due 05/31/2024	50,000.00	07/25/2019 1.83%	50,384.77 50,303.95	107.03 0.16%	53,515.60 169.40	1.89% 3,211.65	Aaa / AA+ AAA	3.84 3.70
912828XX3	US Treasury Note 2.000% Due 06/30/2024	225,000.00	08/26/2019 1.43%	230,932.62 229,792.38	107.14 0.17%	241,075.13 391.30	8.50% 11,282.75	Aaa / AA+ AAA	3.92 3.78
9128282Y5	US Treasury Note 2.125% Due 09/30/2024	180,000.00	11/12/2019 1.77%	183,009.38 182,567.17	108.08 0.18%	194,547.60 1,285.45	6.89% 11,980.43	Aaa / AA+ AAA	4.17 3.99
TOTAL US Treasury		755,000.00	1.91%	762,806.45	0.15%	3,711.26	43,816.18	Aaa	3.32
TOTAL PORTFOLIO		2,684,840.55	2.26%	2,698,369.09	0.27%	13,754.07	128,822.19	Aaa	2.52
TOTAL MARKET VALUE PLUS ACCRUALS						2,840,945.35			

Section 4 | Transactions



As of July 31, 2020

Transaction Ledger

Three Valleys Municipal Water District - Account #10065

April 30, 2020 through July 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/23/2020	3137EAEU9	20,000.00	FHLMC Note 0.375% Due: 07/21/2025	99.502	0.48%	19,900.40	0.00	19,900.40	0.00
Subtotal			20,000.00				19,900.40	0.00	19,900.40	0.00
TOTAL ACQUISITIONS			20,000.00				19,900.40	0.00	19,900.40	0.00
DISPOSITIONS										
Sale	06/09/2020	3135G0K69	100,000.00	FNMA Note 1.25% Due: 05/06/2021	100.904	1.18%	100,904.00	114.58	101,018.58	840.45
Sale	06/09/2020	3137EAEC9	70,000.00	FHLMC Note 1.125% Due: 08/12/2021	101.016	1.33%	70,711.20	255.94	70,967.14	874.23
Sale	06/09/2020	912828T34	100,000.00	US Treasury Note 1.125% Due: 09/30/2021	101.188	1.48%	101,187.50	215.16	101,402.66	1,640.35
Sale	06/10/2020	00440EAT4	50,000.00	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due: 11/03/2020	100.528	2.16%	50,264.00	118.19	50,382.19	243.67
Sale	06/10/2020	037833AK6	25,000.00	Apple Inc Note 2.4% Due: 05/03/2023	105.467	3.49%	26,366.75	61.67	26,428.42	2,092.41
Sale	06/10/2020	48128BAB7	50,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due: 01/15/2023	103.756	3.73%	51,878.00	598.53	52,476.53	2,783.16
Sale	06/10/2020	69371RP59	25,000.00	Paccar Financial Corp Note 3.4% Due: 08/09/2023	107.774	3.37%	26,943.50	285.69	27,229.19	1,920.62
Sale	06/10/2020	808513AT2	25,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due: 01/25/2023	105.501	3.31%	26,375.25	248.44	26,623.69	1,776.53
Subtotal			445,000.00				454,630.20	1,898.20	456,528.40	12,171.42
TOTAL DISPOSITIONS			445,000.00				454,630.20	1,898.20	456,528.40	12,171.42

Important Disclosures

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.




Benchmark Disclosures

ICE BAML 1-5 Year US Treasury/Agency Index

The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: September 2, 2020
Subject: Employee Health Care Costs CY 2021

For Action Fiscal Impact Funds Budgeted
 Information Only Cost Estimate:

Staff Recommendation:

No Action Necessary – Informational Item Only

Medical	Employees pay 0- 10% of medical premiums for individual/couple/family.
Dental	Delta Dental PPO or DeltaCare HMO. Premiums 100% paid by TVMWD.
Vision	Vision Service Plan (VSP). Premiums 100% paid by TVMWD.
EAP	Anthem Employee Assistance Program. Premiums 100% paid by TVMWD.

TVMWD will continue to provide \$400/EE or \$800/EE+1 or family to the HSA plan of those that enroll in CDHP.

Discussion:

The 2021 Employee Benefits Renewal has been finalized in partnership with ACWA JPIA.

Summary of 2021 rate changes:

- Anthem PPOs **0%** aggregate increase
- Anthem HMOs **7.6%** increase
- Kaiser **8.84%** aggregate increase
- Delta Dental PPO and HMO **no change**

- Vision Service Plan (VSP) **no change**
- NEW: Anthem Employee Assistance Program **7%** decrease

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

None

NA/WG