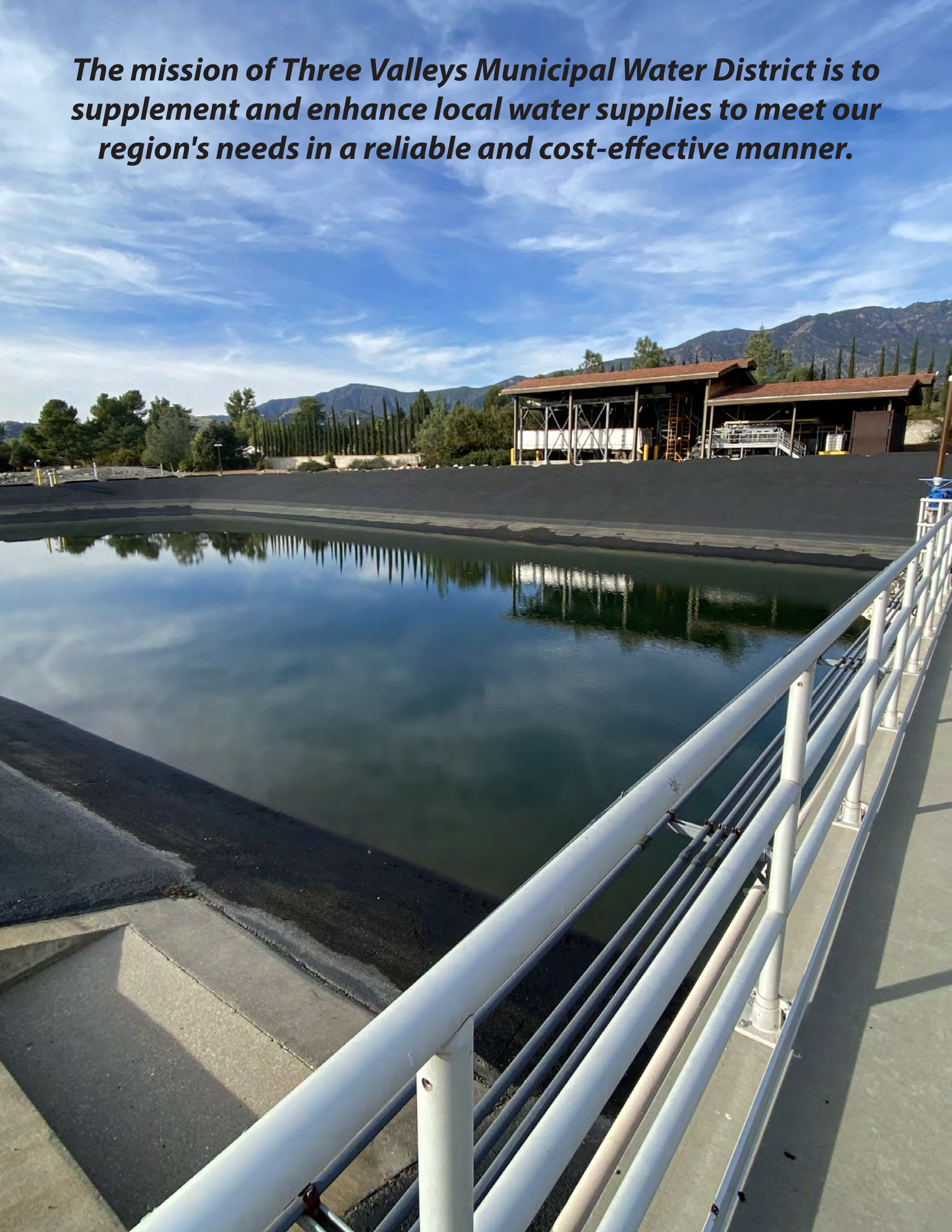
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 EAST MIRAMAR AVENUE
CLAREMONT, CA 91711

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2021

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.



Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2021

Three Valleys Municipal Water District

1021 East Miramar Avenue
Claremont, CA 91711-2052

General Manager/Chief Engineer
Matthew H. Litchfield, P.E.

Prepared by the Finance Department of
Three Valleys Municipal
Water District

THREE VALLEYS MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report
Fiscal Year Ending
June 30, 2021

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

Letter of Transmittal 1
GFOA Certificate of Achievement for Excellence in Financial Reporting 11
Organizational Chart 12
Elective Subdivision Boundary Map 13
TVMWD Board of Directors 14
Board Representation and Committee Appointments 15

FINANCIAL SECTION

Independent Auditors' Report 17
Management's Discussion and Analysis 20

Basic Financial Statements:

Statement of Net Position 24
Statement of Revenues, Expenses, and Changes in Net Position 27
Statement of Cash Flows 28
Statement of Fiduciary Net Position 30
Statement of Changes in Fiduciary Net Position 31
Notes to the Basic Financial Statements 32

REQUIRED SUPPLEMENTARY SECTION

Cost Sharing Pension Plan:

Schedule of the Plan's Proportionate Share of the Net Pension Liability 48
Schedule of Plan Contributions - California Public Employees Retirement Plan 49

OPEB Plan:

Schedule of Changes in the Net OPEB Liability and Related Ratios 50
Schedule of Contributions - OPEB 51
Schedule of Investment Returns - OPEB Trust 52

THREE VALLEYS MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report
Fiscal Year Ending
June 30, 2021

TABLE OF CONTENTS

Page
Number

STATISTICAL SECTION

Financial Trends:

Changes in Net Position – Last Ten Fiscal Years 55
Components of Net Position – Last Ten Fiscal Years 56
Operating Revenues by Source – Last Ten Fiscal Years 57
Operating Expenses by Activity – Last Ten Fiscal Years 58

Revenue Capacity:

Principal Water Customers Changes in Past Ten Years 59
Water Rates for MWD and TVMWD Water Sold – Last Ten Calendar Years 60
Standby Charge Assessment Per EDU – Last Ten Fiscal Years 61

Debt Capacity:

Ratio of Outstanding Debt – Last Ten Fiscal Years 62
Debt Coverage – Last Ten Fiscal Years 63

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years 64
Principal Employers Changes in Past Ten Years 65

Operating Information:

Personnel Trends – Last Ten Fiscal Years 66
Water Sales in Acre-Feet – Last Ten Fiscal Years 67
Miscellaneous Operating Statistics – Last Ten Fiscal Years 68

APPENDIX

Acronyms and Abbreviations 69

THREE VALLEYS MWD

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INTRODUCTORY SECTION

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September 21, 2021

To the Honorable Board of Directors and Member Agencies:

Introduction

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for Three Valleys Municipal Water District (TVMWD) for the fiscal year (FY) ended June 30, 2021. TVMWD staff, following guidelines set forth by the Governmental Accounting Standards Board (GASB), worked collectively to prepare this financial report. TVMWD is ultimately responsible for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures in this financial report. We believe the data presented is accurate in all material respects. This report is designed in a manner that we believe is necessary to enhance your understanding of TVMWD's financial position and activities.

TVMWD derives its legal power from the Municipal Water District Act of 1911, including the powers of acquisition and construction of water and hydroelectric generating facilities; acquisition and disposal of property; purchase, production, treatment, distribution, and sale of water, wastewater, and storm waters; provision, generation, delivery and sale of hydroelectric power; levying and collection of taxes; issuance of general obligation and improvement bonds; acquisition of water rights; and right of eminent domain.

State law and TVMWD bylaws require an annual audit of financial statements by an independent certified public accountant. The accounting firm of Lance, Soll & Lunghard, LLP conducted TVMWD's annual audit. Their report, providing an unmodified opinion on TVMWD's financial statements, appears in the Financial Section.

Management's discussion and analysis immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. TVMWD's Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

Agency Profile

TVMWD is a special district formed by public election in 1950 and is the area's primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26 member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver wholesale water supplies from the Colorado River and Northern California. The region served by TVMWD spans over 133 square miles and serves 13 retail member agencies that in turn serve a population of over 500,000.

TVMWD's operations consist of a conventional surface water treatment plant, a state certified laboratory, three groundwater production wells, five hydroelectric generators, residual solids removal, groundwater recharge pipelines, pump stations, and transmission pipelines. Water is treated at the Miramar Treatment Plant and wholesaled to local agencies by way of several miles of pipeline. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY.

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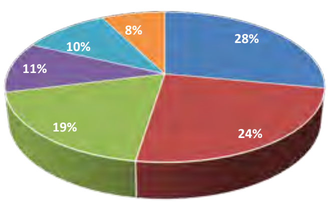
TVMWD is governed by a seven-member Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board has a combined 80 years of experience with TVMWD. TVMWD employs a team of 24 staff members who are responsible for administering the day-to-day operations of the facility and implementing strategic objectives and policies set forth by the Board. The average tenure of TVMWD employees is 10 years. This stability provides a tremendous benefit to TVMWD.

Approximately 63% of TVMWD's treated water sales are wholesaled out of MWD's Weymouth Treatment Plant in La Verne. The remaining 37% is treated and sold out of TVMWD's Miramar Treatment Plant in Claremont to the following agencies:

City of La Verne	28%
Golden State Water Company (Claremont)	24%
Walnut Valley Water District	19%
Rowland Water District	11%
Golden State Water Company (San Dimas)	10%
City of Pomona	8%



Local Economy[1]

The Covid-19 global pandemic (the pandemic), officially declared by the World Health Organization on March 11, 2020, changed the lives of everyone and negatively impacted economies around the world. Life as we knew it came to a halt as governments acted to try to curb transmission of the deadly virus. As a result, the flow of economic activity was stalled across most industries, global supply chains were disrupted due to factory closures and quarantines, travel restrictions were imposed, and public gatherings were prohibited. All these actions led to a rapid decline in consumer spending, businesses were forced to close their doors, unemployment spiked, a health crisis ensued, and a severe recession occurred.

In late 2020, the first vaccines against the Covid-19 virus began to roll out across the nation. Through the first half of 2021, mass distribution of inoculations progressed and will continue with the goal of reaching herd immunity. The restrictions imposed in early 2020 were slowly lifted in a phased approach with most all restrictions eliminated in California by mid-June 2021, allowing individuals and businesses to resume some sort of normalcy. The economic impacts of the pandemic have been highly variable depending on the segment of the population and economy involved. Economic recovery will be a slow process and may take years for a full recovery, especially for those industries and individuals that have been hit hardest by the pandemic.

Los Angeles County (the County) was at the height of nearly ten years of strong economic growth prior to the pandemic. The unemployment rate had been on a steady decline reaching a low of 4.5% through early 2020. There were strong gains in average wages, GDP growth was a little slow but consistently positive, and the chance for a recession was low.

Since the onset of the pandemic in March 2020, the County has experienced a significant economic decline. Los Angeles Mayor Eric Garcetti initiated the first emergency order for business closures across the County on March 15, 2020, due to rapidly rising infection rates. As with other jurisdictions across the nation, California Governor Gavin Newsom issued a statewide "Stay at Home" order on March 19, 2020, which forced restrictions and closures for businesses, and required individuals to remain confined at home if possible. These mandates created unprecedented job losses and profound changes in consumer patterns. This had a reversing effect on the economic growth that was occurring prior to the pandemic.

The County's population was hard hit by the pandemic with some of the highest reported infection rates with about 1 in every 10 Angelinos having contracted the virus. There have been over 1.2 million confirmed cases and nearly 25 thousand deaths in the County through June 2021. The high infection rate and business restrictions caused dramatic spikes in unemployment. Some of the County's industries that were most impacted include hospitality and tourism, the motion picture and television industry, non-essential retail, personal care services, arts and entertainment, recreation, and commercial aviation.

The County experienced the most intense amount of job losses in March and April 2020 with an estimated 716,000 jobs lost. The County's seasonally adjusted unemployment rate escalated from 4.5% in February 2020 to 21.1% in May 2020. Approximately 45% of the jobs lost in March and April have been recovered between May through December 2020. The County's current unemployment rate as of June 2021 has improved to 10.6%. The region continues to recover jobs in the wake of the pandemic but those industries that faced the most severe restrictions are still trailing behind in the recovery efforts.

The County has a large share of its economic base in industries that were severely impacted by the pandemic. Due to the nature of the pandemic, the County saw sharp declines in demand for non-essential services that required a high degree of face-to-face interaction. The mandated closures and restrictions not only caused unprecedented job loss but also led to dramatic changes in the consumption of goods and services. The Real GDP growth dropped from 3.3% in 2019 to a negative 3.0% in 2020. There is an anticipated growth rebound to 2.8% by late 2021 and a surge to 4.2% in 2022.

The County faced several difficulties that predate the pandemic such as a declining population, housing shortages and income inequality issues which will most likely have worsened since the pandemic. As far as a positive impact for the County, certain industries did have a greater demand than others over the course of the pandemic such as health care, utilities, construction, transportation of shipped goods, warehousing, and industries that support remote lifestyles. Some of these sectors may experience a continuing economic rebound as a result, while some may pull back somewhat as the general economy restarts. In general, there remains a sense of a built-up demand for more goods and services across the board, and stronger economic outcomes. The extent and duration of the County's high unemployment, economic displacement and business failures will have an impact beyond the end of the pandemic but with the reopening of the County, it is expected that Angelinos will begin adapting and participating in their pre-pandemic activities. The County is expected to once again be a vibrant hub of entertainment, food, culture, and economic activity. Most economists project the strong likelihood of a broad and sustained recovery across the region.

[1] *Source: Los Angeles County Economic Development Corporation's 2020 Economic Forecast and Industry Outlook*

Industry Outlook

California not only faced the challenges of the pandemic this past year, but also those resulting from the critically dry conditions across the state. California's unpredictable climate change continues to plague the state. The hot and dry weather has not only impacted the state's water supplies, but it has also helped to fuel the destructive wildfires in California. The state only received approximately 50% of average precipitation in the current water year and its major reservoirs are a little over half full. California is now experiencing a second consecutive year of severe drought only a few years after the 2012-2016 drought.

The Department of Water Resources (DWR) announced that the amount of California's Sierra Nevada Snowpack was measured at 59% of the April 1 average, when it is historically at its peak. The mountain snowpack normally provides California with 30% of its freshwater supply. The Southern Sierras were below average for rain and snow while snowpack in the Northern and Central parts of California received 70% of average but less than 50% of average for rain. California is currently tied for the third driest year on record.

One of the main sources where MWD imports water supplies from Northern California to Southern California is the Sacramento and San Joaquin Rivers through the State Water Project (SWP). The SWP is operated and maintained by the California DWR, who allocates water annually to each of the twenty-nine SWP contractors throughout the state. Metropolitan Water District (MWD) is the largest contractor of the SWP, receiving about 50 percent of the supplies. On March 23, 2021, the DWR announced an adjustment to its initial SWP allocation for the water year 2021 due to the statewide drought condition and to preserve existing water supplies. The DWR now expects to only deliver 5% of its requested supplies this year, a reduction from the 10% allocation announced last December. Even with this significantly reduced allocation, the DWR believes that state agencies, water suppliers, and Californians are better prepared than in the past to adapt to the dry conditions we are facing and meet the many challenges ahead.

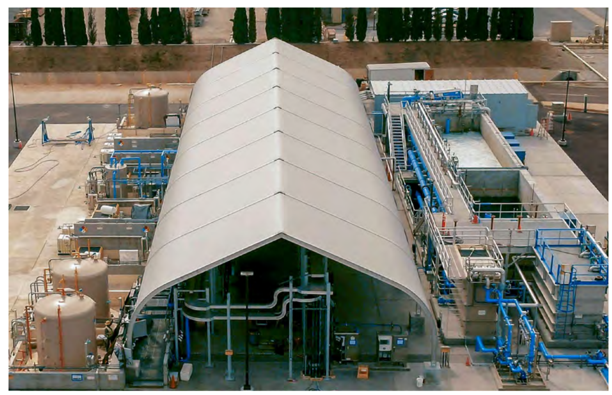

San Joaquin River Courtesy of American Rivers|jcookfisher

Throughout the pandemic, MWD's focus remained on continuing to provide the safe, reliable water supply Southern California depends on. In their 2020 Urban Water Management Plan (UWMP), MWD demonstrated its ability to meet expected water demands in the region over the next 25 years, even during drought periods. The UWMP focuses on MWD's diverse portfolio of water resources, local projects such as water recycling, storage and groundwater recovery, and short and long-term water transfers. A new state UWMP requirement introduced was to include in the UWMP, a Water Supply Contingency Plan (WSCP) detailing actions MWD would take in response to six worsening water shortage levels. Both the UWMP and WSCP were approved by MWD's board on May 12, 2021.

More than ever, MWD recognizes the importance and need to search for new reliable sources of water as the region continues to deal with persistent drought conditions. One area MWD has placed emphasis on is their Local Resources Program (LRP) which provides financial incentives for member and local agencies to develop new local water supply projects to help reduce demand on imported water and increase water supply reliability throughout Southern California. When MWD integrates these local supply projects into the full system, they are helping to secure reliable water for Southern California while decreasing the burden on their SWP conveyance infrastructure and reduce overall system costs.

On July 14, 2020, MWD's board approved funding up to $115 million in incentives for two water recycling projects in San Diego County that will ultimately provide about 5.2 billion gallons annually. The San Diego County Water Authority and its project partners will receive funding for these two projects; 1) East County Advanced Water Purification Project that will treat wastewater locally to produce purified water, which will be conveyed to Lake Jennings for later distribution and 2) The Escondido Filtration Reverse Osmosis Facility, owned and operated by the City of Escondido, will treat wastewater for agricultural irrigation. Both projects combined are projected to yield 16,000 acre-feet of water per year.

Another LRP that MWD is investing in is with Santa Monica's Sustainable Water Recycling Project. On May 11, 2021, MWD's board voted to provide the City of Santa Monica with up to $19.6 million for construction of their recycled and groundwater recovery project that will produce up to 750 million gallons of water a year for the city in an underground facility that will purify one million gallons of wastewater daily before it is injected into the Santa Monica Groundwater Basin for later use. This project is expected to produce 2,300 acre-feet per year of recycled water to groundwater to drinking water, beginning in 2023. Even though the project serves Santa Monica residents, it benefits our entire region since it will reduce some demand on our overall imported water supply and make more water available to other agencies or areas that may need it in future years.



MWD has also partnered with the Sanitation Districts of Los Angeles County in another effort to develop a drought-proof local water supply for Southern Californians. Once constructed, this project could potentially be one of the largest water recycling plants in the nation. On November 20, 2020, MWD's board took a major step forward on the path to developing this new sustainable water source from purified wastewater by approving to begin environmental planning work on the next phase of the recycled water project. That board decision will allow MWD to initiate the necessary environmental planning work, including a Program Environmental Impact Report, engineering and technical studies, and to continue public outreach. The cost for these preliminary efforts is about $30 million and is expected to take about three years. The MWD board will review the information produced and make a fully informed decision in 2024 whether to build the project. The full-scale plant would produce up to 150 million gallons of purified water daily. This would be enough to serve more than 500,000 homes. The MWD board is considering accelerating the environmental review process and project delivery methods such as design-build to bring the project online sooner.

A primary focus of MWD is ensuring that California moves forward with the next phase of the Delta Conveyance Project which would modernize the increasingly vulnerable infrastructure that delivers our water supplies from the Northern Sierras through the Sacramento-San Joaquin Delta to Southern California. This project will increase the long-term reliability of the SWP and make it more resilient against climate extremes, rising sea levels, and catastrophic earthquakes. MWD's board voted unanimously in December 2020 to fund its share of the environmental planning and pre-construction costs which amounts to approximately $161 million over the next four years. Under Governor Newsom's administration, the Delta Conveyance Project is proposed as a single-tunnel project with two intakes and a capacity of 6,000 cubic feet-per-second. There are other alternatives still being considered in the planning process as well. MWD believes this next planning phase is critical because it will seek to develop a large system that can capture more of the water runoff from major storms as they occur, move water into storage for use during droughts, and will be more sustainable against earthquakes.

MWD remains diligent in encouraging Southern Californians to maintain their water conservation ethic. This past year MWD implemented two water saving programs that will provide rebates to its customers. The first program is for the purchase of flow-monitoring devices that provide customers real-time data on water usage through phones or tablets. The second is for premium high-efficiency toilets. Additionally, MWD launched a new campaign, "We're California Friendly®Plants", featuring whimsical, animated plant characters who bring to life in a fun way the water saving benefits of planting California friendly plants.

Local Perspective

TVMWD along with its member agencies faced many challenges of the pandemic over the last 15 months. TVMWD followed all the necessary steps to comply with the County's restrictions, implemented safety protocols to protect its workforce, and ensured continued delivery of safe and reliable water to its member agencies and in turn to the communities they serve. The pandemic did not pose a threat to the safety of TVMWD's water supplies since the virus is transmitted person-to-person, not through water according, to the Centers for Disease Control and Prevention.

TVMWD completed and received board approval on June 16, 2021, of their 2020 UWMP and the WSCP, which is mandated by state law to be developed every five years. The long-term regional strategies MWD developed for their 2020 UWMP and WSCP that impact our agency were taken into consideration during preparation of the TVMWD UWMP. TVMWD concluded we have supply capabilities sufficient to meet expected demands from 2020 through 2025 under average year, single dry-year, and multiple dry-year hydrologic conditions. Additionally, TVMWD has comprehensive plans for stages of actions it would undertake to sustain up to 50% reduction in water supplies due to drought or catastrophic events through its own WSCP in coordination with MWD's Water Supply Allocation plan.

TVMWD continues supporting MWD in advancing the Delta Conveyance improvement project to improve California's vulnerable aging water system. TVMWD believes the project is critical to ensure our region can continue to rely on this vital water source for many years to come. TVMWD has been actively participating in meetings and providing valuable input during the preparation process of MWD's Integrated Water Resources Plan. This is another critical effort by MWD to develop a long-term diversified water strategy.

TVMWD actively searches for ways to achieve its mission statement. One strategy is to develop additional groundwater storage capability within the groundwater basins that underlie TVMWD. A third extraction well, the Grand Avenue Well, was put into operation in August 2020 and construction of a fourth extraction well, the MiraGrand Well, will begin later this year with expected completion by mid-2022. These supplies will augment imported water in the Miramar system for delivery to our member agencies, a possibly critical source when normal supply levels are limited or shut down altogether.

Additionally, TVMWD is in the process of evaluating the possibility of adding new MWD spreading connections and pipelines to allow for enhancing our ability to deliver water for groundwater recharge. TVMWD continues working with MWD and our member agencies in an ongoing manner to develop water storage agreements and come up with other means to ensure our service area and region both maintain a reliable and affordable water supply. TVMWD's priorities remain to increase our ability to store and extract water, focus on regional collaborative efforts to bolster water supplies, and continue with organizational improvements. Planning for growth and preserving and strengthening our water supplies for both future generations and for emergencies such as a catastrophic earthquake are at the forefront of TVMWD's goals.

MAJOR INITIATIVES AND PROJECTS

TVMWD began, continued, or completed many projects and programs in FY 2020-2021. These included, but were not limited to:

Grand Avenue Well: Phase 2 (well equipping and pipeline design) construction began in May 2019 and was completed in mid-August 2020, with an initial production of 850 gpm (1,180 AFY). The Grand Avenue Well will enable TVMWD to take advantage of less expensive, local, reliable groundwater resources. In addition, the discharge piping and disinfection points for Wells 1 and 2 were relocated to allow flows to combine with flow from the Grand Avenue Well and enable the wells to meet contact time before reaching the finished water reservoirs thereby eliminating the wells from the Ground Water Rule.

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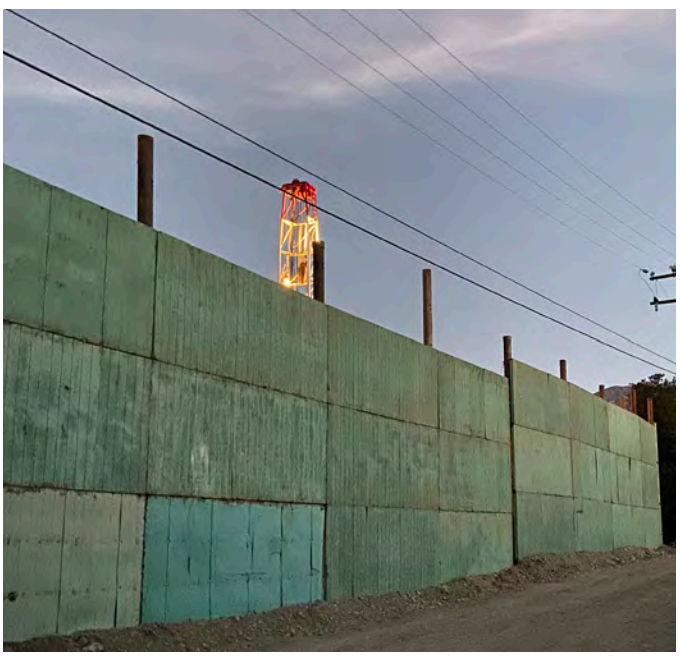
MAJOR INITIATIVES AND PROJECTS

Miragrand Well: Phase 1 (drilling) construction began in August 2020 and was completed in December 2020. Phase 2 (well equipping) design began in June 2020 and was completed in April 2021. Well equipping construction was awarded in mid-June 2021. Actual on-site construction is anticipated to begin in September 2021 and should be complete by early May 2022. The Miragrand Well will be TVMWD's fourth groundwater production well and have an anticipated production of about 600 gpm (825 AFY).


Rendering of well


Rendering of well



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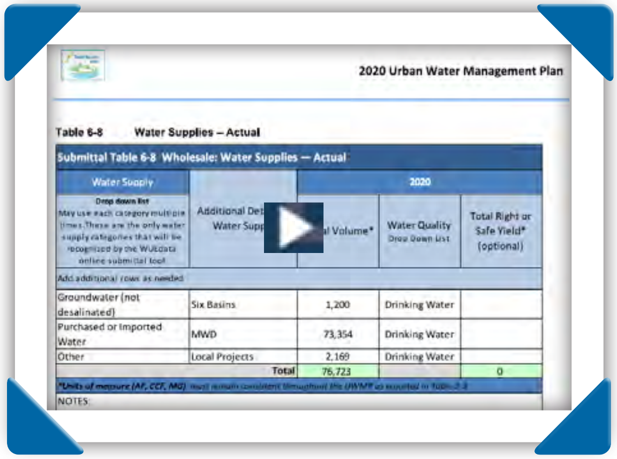
MAJOR INITIATIVES AND PROJECTS

Urban Water Management Plan: Preparation of the 2020 Urban Water Management Plan (UWMP) began in FY 19-20. The UWMP is required by California Water Code and has the intent of planning water supply reliability for the next 25 years. Water agencies evaluate the balance of supply and demand and describe how the agency will meet the needs of its water users. TVMWD partnered with some of its member agencies to create a Regional UWMP and entered into a professional services agreement with Stetson Engineering to complete the plan. The UWMP was approved by the Board in June 2021.



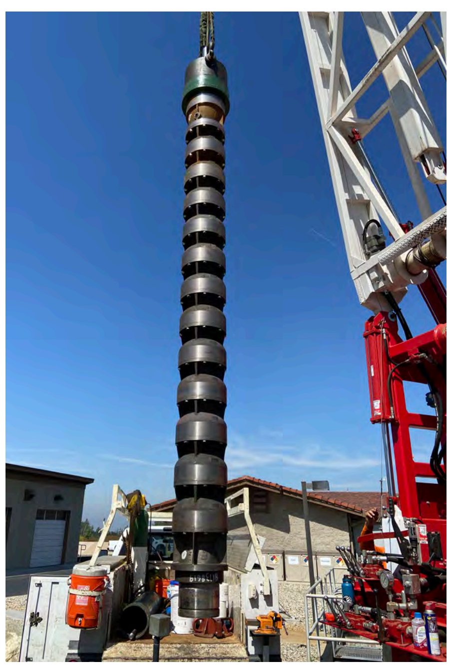
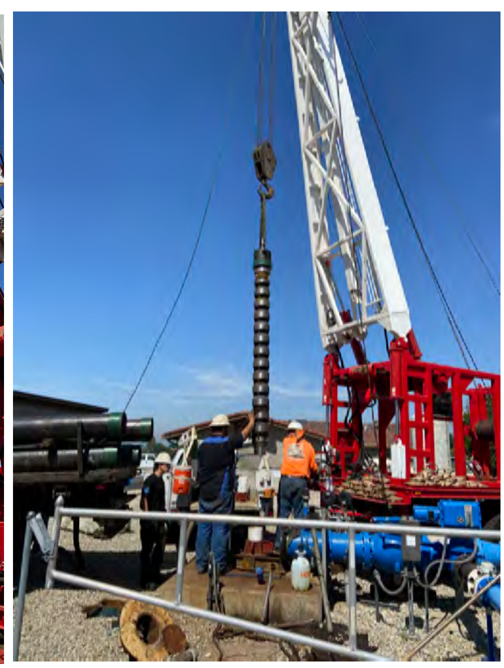
2020 Urban Water Management Plan

Table 6-8 Water Supplies – Actual

Submittal Table 6-8 Wholesale: Water Supplies — Actual				
Water Supply		2020		
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Det... Water Supp...	...l Volume*	Water Quality Drop Down List	Total Right or Safe Yield* (optional)
Add additional rows as needed				
Groundwater (not desalinated)	Six Basins	1,200	Drinking Water	
Purchased or Imported Water	MWD	73,354	Drinking Water	
Other	Local Projects	2,169	Drinking Water	
	Total	76,723		0

NOTES:

Well 1 Rehabilitation: Well 1 has not been rehabbed since construction was completed in July 2009. Staff has observed a steady decline in the pumping rate and production of the well during the recent historic drought. Well 1 production did not recover/improve after the drought compared to what was observed for Well 2. As a result, the well underwent rehabilitation to clean the well louvres and casing and perform maintenance on the motor mechanically and chemically. In addition, the well was re-developed and pump testing was conducted to determine a new appropriate pumping rate for installation of a new pump bowl assembly to maximize efficiency of the well. The well rehabilitation was completed in August 2021 and resulted in improving the well pumping rate approximately 30 percent compared to before the well rehab. This will enable TVMWD to continue to take advantage of less expensive, local, reliable groundwater resources.

Relevant Financial Policies

Internal Control Structure

TVMWD management is responsible for the establishment and maintenance of the internal control structure that ensures assets are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Financial Policies

Prior to June 30th each fiscal year, TVMWD adopts an annual appropriated budget for planning, control, and evaluation purposes. The budget includes proposed expenses and the means of financing them. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. The Board of Directors approve total budgeted appropriations and any significant amendments to the appropriations throughout the year. Formal budgetary integration is employed as a management control device during the year. The Board of Directors requires the preparation of an annual budget, but TVMWD is not legally required to report on the budget. Encumbrance accounting is used to account for commitments related to unperformed or incomplete contracts for construction and services. Consistent with the State of California Government Code, TVMWD annually adopts an investment policy that is intended to minimize credit and market risks while maintaining a competitive yield on its overall portfolio. TVMWD's cash management system is also designed to forecast revenues and expenditures accurately, and to invest surplus funds to the fullest extent possible. During FY 2020-2021, all funds were invested in accordance with this policy. These investments primarily consisted of United States Government Securities/Instrumentalities.

Long-Term Financial Planning

TVMWD's main expense is for treated and untreated water from MWD. Since MWD is forecasting rate increases in the future of 4% to 5%, TVMWD's rates are expected to mirror those increases. TVMWD's financial forecast is to continue leveraging costs so that TVMWD can offer water at a $16 discount per acre-feet below MWD for the foreseeable future.

TVMWD will continue to work towards providing a sustainable supply of water by making capital investments to enhance groundwater production capabilities during the next few years. TVMWD will utilize reserves and debt financing if necessary to pay for these projects with as little rate impact as possible. Not only will these projects improve reliability, they will also provide an avenue to decrease dependence upon MWD. Operating expenses would increase slightly with the additional infrastructure but the cost would be justifiable.

TVMWD's strategic plan includes maintaining a reserve of funds in accordance with TVMWD's Reserve Policy. The objective of reserve funds is:

- to balance short-term fluctuations in revenues/expenses without adopting unplanned significant rate increases that could severely impact ratepayers
- to provide a safety net in the event of an emergency
- to minimize external borrowing and interest expense
- to determine the most opportune time to issue debt when necessary

TVMWD's strategic plan also includes a reserve category for unfunded employee pension and OPEB liabilities. TVMWD has gone beyond what is required by establishing irrevocable trusts to accumulate and grow funds to pay these future obligations. A long-term plan for bringing down these liabilities has been established.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Contact TVMWD

This ACFR is designed to provide a general overview of TVMWD's finances and to demonstrate TVMWD's accountability for the resources it receives. If you have any questions about this report or need additional information, please contact the Finance Department at (909) 621-5568.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TVMWD for its ACFR for the fiscal year ended June 30, 2020. This was the fourteenth consecutive year that TVMWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TVMWD currently maintains the District of Distinction triennial accreditation by the Special District Leadership Foundation (SDLF) for its sound fiscal management policies and practices in district operations. The SDLF provides an independent audit review of the last three years of a district's operations to ensure prudent fiscal practices. This recognition is further proof of TVMWD's commitment towards developing a fiscally sound operation that is open and transparent.

Preparation of this report was accomplished by the combined efforts of TVMWD staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the service of TVMWD's customers. The contributions made by Esther Romero, Liz Cohn, and our auditors deserve special recognition. We would also like to thank and recognize the members of the Board of Directors for their continued support in the planning and implementation of TVMWD's fiscal policies.

Respectfully submitted,

Matthew H. Litchfield, P.E.
General Manager/Chief Engineer

James Linthicum, CPA
Chief Finance Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Three Valleys Municipal Water District
California

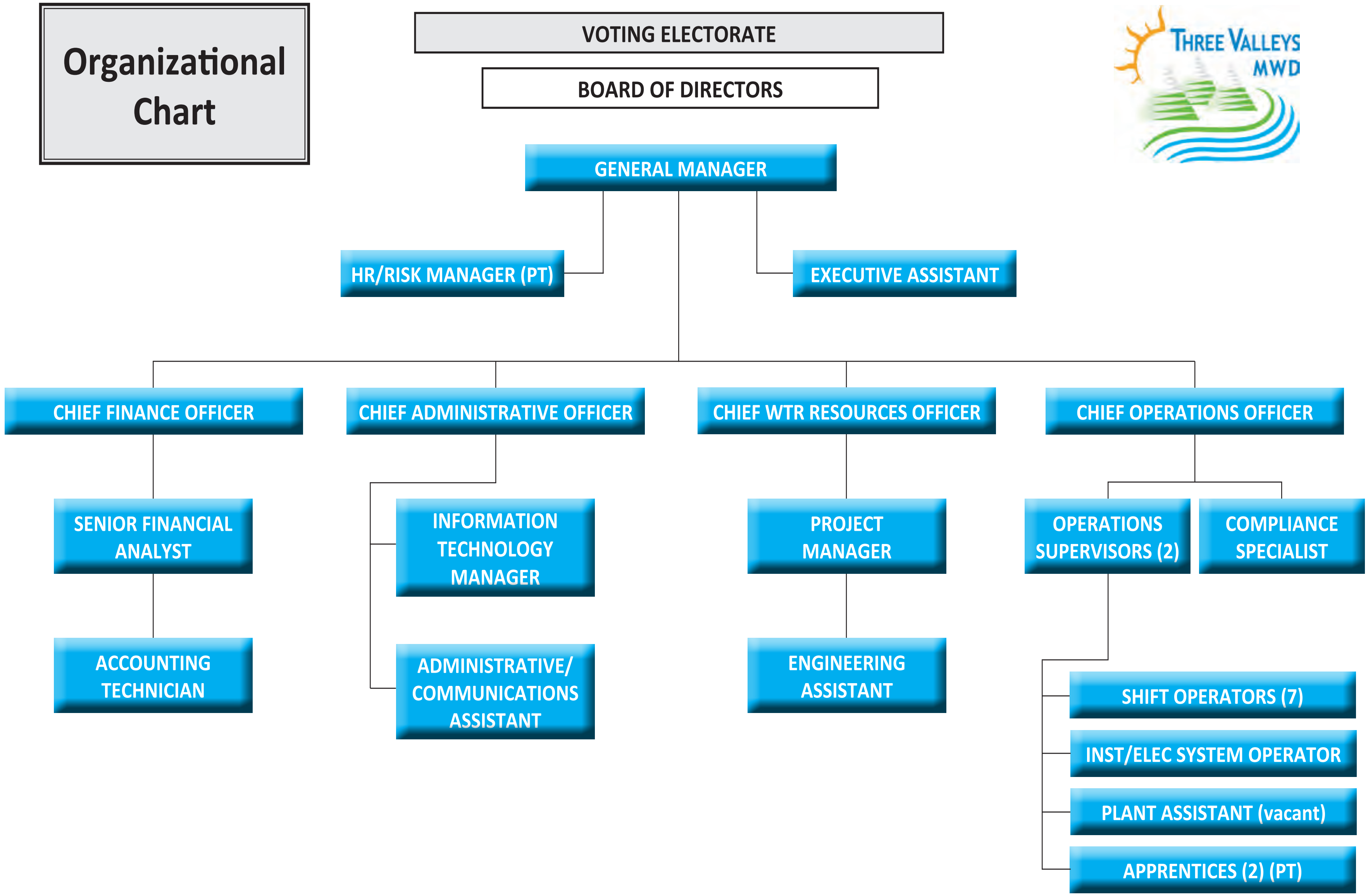
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Organizational Chart

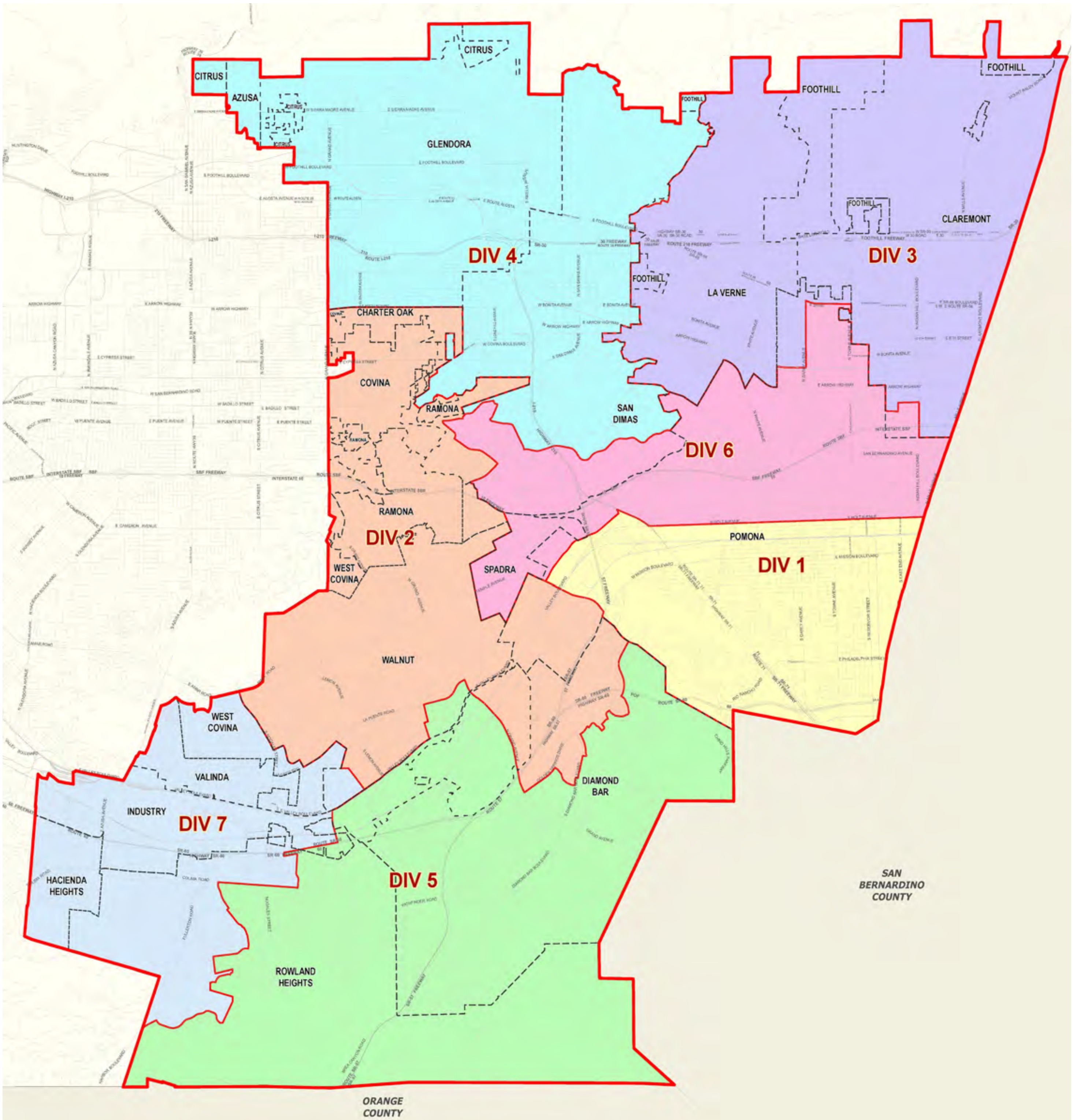


Matthew Litchfield, P.E.
General Manager

July 1, 2020
Date

FTE-25.5

Elective Subdivision Boundary Map



TVMWD Board of Directors

Director Bob Kuhn, President
Division 4
Glendora, San Dimas

Director David De Jesus, Vice President
Division 2
Walnut, Covina, West Covina,
San Dimas

Director Brian Bowcock, Treasurer
Division 3
Claremont, La Verne

Director Danielle Soto
Division 6
Northern Pomona
December 2020 - Present

Director Carlos Goytia, Secretary
Division 1
Southern Pomona

Director Jody Roberto
Division 5
Diamond Bar, City of Industry, Rowland
Heights

Director Mike Ti
Division 7
Rowland Heights, West Covina,
City of Industry, Hacienda Heights
December 2020 - Present

Director John Mendoza
Division 6
Northern Pomona
July 2020 - December 2020

Director Denise Jackman
Division 7
Rowland Heights, West Covina,
City of Industry, Hacienda Heights
July 2020 - December 2020

BOARD REPRESENTATION

(Revised at the January 6, 2021 Board Meeting)

NAME	REPRESENTING	POSITION
Bob Kuhn	**Division IV**	**President**
David De Jesus	**Division II**	**Vice President**
Brian Bowcock	**Division III**	**Treasurer**
Carlos Goytia	**Division I**	**Secretary**
Jody Roberto	**Division V**	**Director**
Danielle Soto	**Division VI**	**Director**
Mike Ti	**Division VII**	**Director**

2021 COMMITTEE/REPRESENTATION APPOINTMENTS

(Revised at the January 20, 2021 Board Meeting)

COMMITTEE/BOARD	REPRESENTATIVE	ALTERNATE
ACWA Region 8 Delegate	Director Bowcock	Director Kuhn
ACWA/JPIA Representative	Director Bowcock	Director Kuhn
Chino Basin Watermaster(1)	Director Kuhn	Director De Jesus
City of Pomona	Director Goytia	Director Soto
Main San Gabriel Basin Watermaster	Director Bowcock	Director Soto
MWD Board Representative	Director De Jesus	------
PWR Joint Water Line Commission	Director Goytia	Director Roberto
Rowland Water District	Director Ti	Director Roberto
San Gabriel Basin WQA(1)(2)	Director Kuhn	Director Bowcock
San Gabriel Valley Chamber of Commerce	Direcor Roberto	Director Goytia
San Gabriel Valley Council of Govt's (SGV-COG)(3)	Director Goytia	Director Roberto
San Gabriel Valley Economic Partnership (SGVEP)	Director Roberto	Director Kuhn
Six Basins Watermaster(1)	Director Bowcock	Director Roberto
Southern California Water Coalition	Director Bowcock	Director Soto
Walnut Valley Water District	Director De Jesus	Director Roberto
Spadra Basin GSA	Director Goytia	Director Roberto

(1)Both the representative and alternate will attend these meetings due to voting requirements.
(2)Resolution No. 18-09-831 was submitted to the San Gabriel Valley Water Quality Authority to appoint a delegate and alternate to serve for a four year term.
(3)For CY 2021 TVMWD will be on hiatus.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Three Valleys Municipal Water District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Three Valleys Municipal Water District as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the date of the financial statements.

To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate tin the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. According, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the plan's proportionate share of the net pension liability, the schedule of plan contributions – California Public Employees Retirement Plan, the schedule of changes in Net OPEB liability and related ratios, the schedule of contributions - OPEB, and the schedule of investment returns – OPEB Trust on pages 19-22 and 47-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
September 21, 2021

This section of TVMWD's annual financial report presents our analysis of TVMWD's financial performance during the fiscal year ended on June 30, 2021. Please read it in conjunction with the basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- Accounts receivable and accounts payable increased $1.4 and $1 million, respectively, as a result of higher water demands during May and June.
- Treated water sales revenue and the related water purchased increased considerably in 2021. The increase in sales and purchases is evidence of the critically dry conditions across the state.
- Water storage inventory decreased as a result of $2.3 million of sales.
- Total Nondepreciable Assets decreased $3.8 million mainly due to the completion of the Grand Avenue Well.
- Total Depreciable Assets increased $4.3 million primarily due to the completion of the Grand Avenue Well and Building Improvements.
- TVMWD's overall financial position improved slightly, remaining stable and healthy.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to TVMWD's basic financial statements, which are comprised of two components: Basic Financial Statements (pages 24-31) and Notes to the Basic Financial Statements (pages 32-45). This report also includes other supplementary information in addition to the basic financial statements.

Required Financial Statements

The financial statements of TVMWD report information about TVMWD using the accrual basis of accounting; accordingly, all of the current year's revenues and expenses are accounted for regardless of when the cash is received or paid. This accounting treatment is similar to the methods used by private sector companies and aids in answering the question of whether TVMWD, as a whole, has improved or deteriorated as a result of this year's activities.

The Statement of Net Position (pages 24-25) includes all of TVMWD's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of TVMWD and assessing the liquidity and financial flexibility of TVMWD.

The Statement of Revenues, Expenses and Changes in Net Position (page 27) includes all of the current year revenues and expenses. This statement measures the success of TVMWD's operations over the past year and can be used to determine whether TVMWD has successfully recovered all of its costs through user fees and other charges.

The Statement of Cash Flows (pages 28-29) reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. This statement demonstrates where the cash came from, how the cash was used, and how much the change in cash was during the fiscal year.

The Statement of Fiduciary Net Position (page 30) includes all of TVMWD's OPEB investments in resources (assets).

The Statement of Changes in Fiduciary Net Position (page 31) provides the basis for evaluating the changes in investments and contributions to the OPEB trust.

These statements are one of many different ways to measure TVMWD's financial health or financial position. Over time, increases or decreases in TVMWD's net position are one of the indicators of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in TVMWD's property tax base, investment income, grant opportunities, and other operational measures to help assess the overall financial health of TVMWD.

TABLE A-1
Condensed Statement of Net Position
Fiscal Years 2021 and 2020

	2021	2020	Dollar Change	Total Percent Change
Current and noncurrent assets				
Cash and cash equivalents	$ 3,852,001	$ 1,568,103	$ 2,283,898	146 %
Accounts receivable	14,511,220	13,076,573	1,434,647	11 %
Interest receivable	10,275	13,779	(3,504)	(25) %
Interest receivable - *restricted*	-	1	(1)	(100) %
Taxes receivable	82,198	45,387	36,811	81 %
Other receivables	27,016	75,575	(48,559)	(64) %
Loans receivable from employees	5,768	5,989	(221)	(4) %
Prepaid expenses and deposits	98,737	81,005	17,732	22 %
Water storage inventory	6,436,853	8,777,755	(2,340,902)	(27) %
Investments	3,304,442	2,798,896	505,546	18 %
Investments - *restricted*	885,040	649,070	235,970	36 %
Capital assets				
Net Depreciable assets	29,128,582	24,790,744	4,337,838	17 %
Net Nondepreciable assets	4,157,432	7,914,694	(3,757,262)	(47) %
Total Assets	$ 62,499,564	$ 59,797,571	$ 2,701,993	5 %
Deferred outflows of resources				
Deferred OPEB and pension related items	$ 1,634,985	$ 1,410,961	$ 224,024	16 %
Current liabilities				
Accounts payable	$ 13,069,476	$ 12,059,503	$ 1,009,973	8 %
Accrued payroll	168,232	177,332	(9,100)	(5) %
Accrued compensated absences	155,004	145,920	9,084	6 %
Long-term liabilities				
Accrued compensated absences	436,272	316,812	119,460	38 %
Net pension liability	4,246,130	3,846,454	399,676	10 %
Net OPEB liability	507,145	288,523	218,622	76 %
Total Liabilities	$ 18,582,259	$ 16,834,544	$ 1,747,715	10 %
Deferred inflows of resources				
Deferred OPEB and pension related items	$ 560,147	$ 579,262	$ (19,115)	(3) %
Investment in capital assets	$ 33,286,014	$ 32,705,438	$ 580,576	2 %
Restricted for pensions	885,040	649,072	235,968	36 %
Unrestricted	10,821,089	10,440,216	380,873	4 %
Total Net Position	$ 44,992,143	$ 43,794,726	$ 1,197,416	3 %

As depicted in Table A-1, the following significant changes occurred during FY 2020-2021:

- Accounts receivable and accounts payable increased $1.4 and $1 million, respectively, as a result of higher water demands during May and June.
- Water storage inventory decreased as a result of $2.3 million of sales.
- More information about water storage inventory is presented in Note 1 of the Notes to the Basic Financial Statements for the changes in water storage inventory.

TABLE A-2
Condensed Statements of Revenues, Expenses and Changes in Net Position
Fiscal Years 2021 and 2020

	2021	2020	Dollar Change	Total Percent Change
Operating revenues				
Water and hydroelectric sales	$ 72,718,737	$ 63,885,142	$ 8,833,595	14 %
Water use and connection capacity charges	5,847,692	5,402,513	445,179	8 %
Nonoperating revenues				
Property tax revenue	2,858,584	2,625,061	233,523	9 %
Investment income	40,175	341,434	(301,259)	(88) %
Total Revenues	81,465,188	72,254,150	9,211,038	13 %
Operating expenses				
Water purchases	64,978,664	58,056,004	6,922,660	12 %
Water use and connection capacity	5,136,217	4,754,664	381,553	8 %
Water treatment and transmission	3,565,287	3,167,888	397,399	13 %
Administrative expenses	5,055,671	4,444,970	610,701	14 %
Depreciation	1,621,166	1,551,136	70,030	5 %
Nonoperating expenses				
Loss on sale/disposal of assets	62,868	38,360	24,508	64 %
Total Expenses	80,419,873	72,013,022	8,406,851	12 %
Net income (loss) before contributions	1,045,315	241,128	804,187	334 %
Contributions	152,102	218,649	(66,547)	(30) %
Changes in net position	1,197,417	459,777	737,640	160 %
Beginning net position	43,794,726	43,334,949	459,777	1 %
Ending net position	$ 44,992,143	$ 43,794,726	$ 1,197,417	3 %

As depicted in Table A-2, the following significant changes occurred during FY 2020-2021:

- Treated water sales revenue and the related water purchased increased considerably in 2021. The increase in sales and purchases is evidence of the critically dry conditions across the state.

TABLE A-3
Capital Assets
Fiscal Years 2021 and 2020

	2021	2020	Dollar Change	Total Percent Change
Nondepreciable Assets				
Land	$ 1,633,704	$ 1,633,704	$ -	0 %
Water Share	301,000	301,000	-	0 %
Construction in Progress	2,222,728	5,979,990	(3,757,262)	(63) %
Total Nondepreciable Assets	4,157,432	7,914,694	(3,757,262)	(47) %
Depreciable Assets				
Building	8,058,943	7,659,512	399,431	5 %
Furniture, Fixtures, & Equipment	1,129,578	952,854	176,724	19 %
Infrastructure	62,637,005	57,479,567	5,157,438	9 %
Land Improvements	1,448,951	1,310,768	138,183	11 %
Vehicles	608,148	608,148	-	0 %
Total Depreciable Assets	73,882,625	68,010,849	5,871,776	9 %
Less Accumulated Depreciation	(44,754,043)	(43,220,105)	(1,533,938)	4 %
Net Depreciable Assets	29,128,582	24,790,744	4,337,838	17 %
Total Capital Assets, Net	$ 33,286,014	$ 32,705,438	$ 580,576	2 %

As depicted in Table A-3, the following significant changes occurred during FY 2020-2021:

- Total Nondepreciable Assets decreased $3.8 million mainly due to the completion of the Grand Avenue Well.
- Total Depreciable Assets increased $4.3 million primarily due to the completion of the Grand Avenue Well and Building Improvements.
- More information about TVMWD's capital assets is presented in Note 3 of the Notes to the Basic Financial Statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

<u>ASSETS</u>	
Current assets	
Cash and cash equivalents *(Note 2)*	$ 3,852,001
Accounts receivable *(Note 1)*	14,511,220
Interest receivable	10,275
Investments *(Note 2)*	247,669
Investments - restricted *(Note 1)*	885,040
Taxes receivable *(Note 1)*	82,198
Other receivables	27,016
Loans receivable from employees *(Note 1)*	5,768
Prepaid expenses *(Note 1)*	71,839
Deposits *(Note 1)*	17,922
Water storage inventory *(Note 1)*	6,436,853
Total current assets	26,147,801
Noncurrent assets	
Advance dues deposit *(Note 1)*	8,976
Investments *(Note 2)*	3,056,773
Capital assets *(Note 3)*	
Depreciable assets, net	29,128,582
Nondepreciable assets	4,157,432
Total noncurrent assets	36,351,763
TOTAL ASSETS	$ 62,499,564
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred pension related items *(Note 7)*	1,136,515
Deferred OPEB related items *(Note 9)*	498,470
Total deferred outflows of resources	$ 1,634,985

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION (continued)
June 30, 2021

LIABILITIES	
Current liabilities	
Accounts payable	$ 13,069,476
Accrued payroll	168,232
Current portion of accrued compensated absences *(Note 1)*	155,004
Total current liabilities	13,392,712
Noncurrent liabilities	
Accrued compensated absences, net of current portion *(Note 1)*	436,272
Net pension liability *(Note 7)*	4,246,130
Net OPEB *(Note 9)*	507,145
Total noncurrent liabilities	5,189,547
TOTAL LIABILITIES	$ 18,582,259
DEFERRED INFLOWS OF RESOURCES	
Deferred pension related items *(Note 7)*	283,242
Deferred OPEB related items *(Note 9)*	276,905
Total deferred inflows of resources	$ 560,147
NET POSITION	
Investment in capital assets	33,286,014
Restricted for pensions	885,040
Unrestricted	10,821,089
TOTAL NET POSITION	$ 44,992,143

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THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2021

OPERATING REVENUES	
Water sales - MWD	$ 49,668,485
Water and hydroelectric sales - Miramar	23,050,252
Water use and connection capacity charges	5,847,692
Total operating revenues	78,566,429
OPERATING EXPENSES	
Water purchases - MWD	49,953,126
Water purchases - Miramar	15,025,538
Water use and connection capacity	5,136,217
Water treatment and distribution	3,565,287
Administrative expenses	5,055,671
Depreciation	1,621,166
Total operating expenses	80,357,005
OPERATING LOSS	(1,790,576)
NONOPERATING REVENUES (EXPENSES)	
Property tax revenue	2,858,584
Investment income	40,175
Loss on sale/disposal of assets	(62,868)
Net nonoperating revenues	2,835,891
NET INCOME BEFORE CONTRIBUTIONS	1,045,315
CONTRIBUTIONS *(Note 1)*	152,102
CHANGES IN NET POSITION	1,197,417
NET POSITION AT BEGINNING OF YEAR	43,794,726
NET POSITION AT END OF YEAR	$ 44,992,143

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 79,521,243
Cash payments to suppliers of goods or services	(72,002,834)
Cash payments to employees for services	(5,245,940)
Net cash provided by operating activities	2,272,469
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from property taxes	2,821,773
Net cash provided by noncapital financing activities	2,821,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from contributions	152,102
Acquisitions of capital assets	(462,530)
Cost of construction in progress additions	(1,802,080)
Net cash used by capital and related financing activities	(2,112,508)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments in government securities	(2,218,086)
Proceeds from sales of investments in government securities	1,390,303
Investment income	129,947
Net cash provided by investing activities	$ (697,836)

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2021

NET INCREASE (DECREASE)		
IN CASH AND CASH EQUIVALENTS	$	2,283,898
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,568,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	3,852,001
RECONCILIATION OF INCOME FROM OPERATIONS TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	$	(1,790,576)
Adjustments to reconcile income from operations		
to net cash provided by operating activities:		
Depreciation		1,621,166
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(1,434,647)
(Increase) decrease in other receivables		48,559
(Increase) decrease in loans receivable from employees		221
(Increase) decrease in prepaid expenses		(18,511)
(Increase) decrease in deposits		779
(Increase) decrease in water storage inventory		2,340,902
Increase (decrease) in accounts payable		1,009,973
Increase (decrease) in accrued payroll		(9,100)
Increase (decrease) in accrued OPEB liability and related items		37,609
Increase (decrease) in accrued compensated absences		128,544
Increase (decrease) in net pension liability and related items		337,550
Net cash provided by operating activities	$	2,272,469
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$	3,852,001
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Loss on sale/disposal of assets		(62,868)
Changes in fair value of investments		(86,268)

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
OTHER POST EMPLOYMENT BENEFITS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

ASSETS:	
Mutual funds *(Note 9)*	$ 1,150,585
TOTAL ASSETS	$ 1,150,585
NET POSITION RESTRICTED FOR OPEB BENEFITS	
Restricted for OPEB benefits	$ 1,150,585
TOTAL NET POSITION RESTRICTED FOR OPEB BENEFITS	$ 1,150,585

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
OTHER POST EMPLOYMENT BENEFITS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

ADDITIONS:	
Employers' contributions	$ -
Investment Income:	
Interest and dividends	18,526
Net appreciation in fair value of investments	173,522
Less: investment expense	3,614
Net investment income	188,434
TOTAL ADDITIONS	188,434
DEDUCTIONS:	
Administrative expenses	2,635
TOTAL DEDUCTIONS	2,635
CHANGE IN NET POSITION	185,799
NET POSITION RESTRICTED FOR OPEB BENEFITS:	
BEGINNING OF YEAR	964,786
END OF YEAR	$ 1,150,585

See accompanying independent auditors' report and notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

TVMWD wholesales potable and non-potable water to its member agencies which include Golden State Water Company, serving Claremont and San Dimas; Rowland Water District; Walnut Valley Water District; the Boy Scouts of America; California State Polytechnic University, Pomona; Mount San Antonio College; Pomona-Walnut-Rowland Joint Water Line; Valencia Heights Water Company; Covina Irrigating Company; Suburban Water Systems; and the cities of Covina, Glendora, La Verne and Pomona.

Basis of Accounting and Financial Statement Presentation

TVMWD uses proprietary fund accounting which is similar to the principles applied to a business in the private sector. TVMWD utilizes the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange like transactions are recognized when the exchange takes place. The measurement focus is on determination of net income, net position and cash flows.

TVMWD's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments". GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.

The other post-employment benefits plan trust fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

TVMWD's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less from the date of acquisition.

Restricted Investments and Interest Receivable

Amounts shown as restricted are associated with an irrevocable trust established to collect and invest additional funds for TVMWD's pension plan as explained in Note 7.

Accounts Receivable

TVMWD grants unsecured credit to its member agencies. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts. All receivables are considered collectible as of June 30, 2021, thus no allowance is reflected on the statement of net position.

Property Taxes

Property tax in California is levied in accordance with Article 13A of the State Constitution at 1% of county-wide assessed valuations. Taxes are collected by Los Angeles County for each fiscal year on taxable real and personal property which is situated within TVMWD as of the preceding January 1. For assessment and collection purposes, property is classified as either secured or unsecured. Taxes receivable at year-end are related to property taxes collected by Los Angeles County which have not been received by TVMWD as of June 30. All taxes receivable are considered collectible as of June 30, 2021, thus no allowance is reflected on the statement of net position.

Loans Receivable from Employees

TVMWD offers interest free loans to full-time employees for the initial purchase and/or upgrades for technology (computers, tablets, smart phones) eligible under the program. TVMWD deems all loans receivable to be collectible.

Prepaid Expenses and Deposits

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items or deposits in the financial statements.

Water Storage Inventory

TVMWD maintains storage of untreated water within Main San Gabriel Basin and Six Basins. This stored water is intended for future benefit of TVMWD and its member agencies. Payments made reflect costs applicable to future accounting periods and are recorded at cost as inventory in the financial statements. Cost is determined using the weighted average method.

	Six Basins		Main San Gabriel Basin	
	Acre-Feet	Amount	Acre-Feet	Amount
Beginning Balance at July 1, 2020	2,926	$ 471,143	11,411	$ 8,306,612
Acquired	1,303	286,199	-	-
Used or Sold	(1,972)	(336,596)	(3,146)	(2,290,505)
Ending Balance at June 30, 2021	**2,257**	**$ 420,746**	**8,265**	**$ 6,016,107**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any realized or unrealized gains or losses upon the liquidation or sale of investments.

Capital Assets

Capital assets purchased and/or constructed are capitalized at historical cost. TVMWD's capitalization policy dollar threshold is $5,000. Depreciation has been provided using the straight-line method over the following useful lives:

Category	Useful Life (years)
Building and Building Improvements	10-40
Infrastructure	5-40
Land Improvements	10-20
Furniture, Fixture and Equipment	3-20
Vehicles	5-10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

TVMWD's employees earn vacation, sick, compensatory and universal leave in varying amounts depending primarily on length of service. Accumulated vacation, compensatory and universal leave time is accrued at year-end to account for TVMWD's obligation to the employees for amounts owed. The current portion of accrued compensated absences is based on a rolling 3-year annual average of leave cashed out by the employee. Sick leave can be accumulated without limit. Any unused sick leave is treated as additional service time in the calculation of the employee's retirement plan.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Net OPEB Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by PARS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net investment in capital assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - The restricted component of net position consists of constraints placed on assets used through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Sometimes TVMWD will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is TVMWD's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Revenues and Expenses

As an enterprise (proprietary) fund, TVMWD classifies its revenues and expenses into the following classifications: operating revenues, operating expenses, nonoperating revenues and nonoperating expenses. Operating revenues and expenses are defined as revenues realized by TVMWD in exchange for providing its primary services for water treatment and transmission, hydroelectric sales and water use and connection capacity charges. Non-operating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources. Non-operating expenses include those related to bond costs and amortization expenses.

Contributions

Contributions are comprised of federal, state, and local grants and of project reimbursements from member agencies. The portion of the grants and reimbursements used for capital purposes are reflected as capital contributions in the statement of revenues, expenses and changes in net position. The funds are reimbursable contributions, whereas TVMWD first pays for the project and then the granting agency reimburses TVMWD for its eligible expenditures.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

As of June 30, 2021, the carrying amount of TVMWD's cash deposits was $3,752,733 and the bank balances were $3,911,564. The bank balances were fully insured and/or collateralized with securities held by the pledging financial institutions in TVMWD's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure an agency's cash deposits by pledging government securities with a value of 110% of an agency's deposits. California law also allows institutions to secure agency deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits.

TVMWD's Treasurer may waive the collateral requirement for deposits that are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local government agency.

Cash and cash equivalents and investments are presented on the Statement of Net Position as follows as of June 30, 2021:

Type	Fair Value
Cash and cash equivalents	
Cash	$ 3,752,733
Money Market Funds	20,677
California Asset Management Trust	11,581
Local Agency Investment Fund	67,010
Total cash and cash equivalents	3,852,001
Investments	
US Treasury Notes	1,851,423
Federal Agency Securities	849,149
US Corporate Notes	474,006
Asset Backed Security	69,842
Supranational	60,022
Mutual Funds*	2,035,625
Total investments	5,340,067
Total cash and cash equivalent and investments	$ 9,192,068

*Mutual Funds consist of funds with irrevocable trusts for pension and OPEB liabilities.

Local Agency Investment Fund

TVMWD is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of TVMWD's investment in this pool is reported in the accompanying financial statements at amounts based on TVMWD's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio.) The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the SEC and is not rated. Deposits and withdrawals in LAIF are made based on one dollar and not fair value.

California Asset Management Program (CAMP)

TVMWD is a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Code Section 53601(p). CAMP is directed by a Board of Trustees which is made up of experienced local government finance directors and treasurers.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

TVMWD contracts the services of an external investment manager to assist in the management of TVMWD's investment portfolio. The external manager is granted the discretion to purchase and sell investment securities in accordance with TVMWD's investment policy. For security purposes, physical custody of the securities is maintained by a separate banking institution.

TVMWD's investment policy limits certain concentrations of investments. It is empowered by the California Government Code 53601 to invest in a variety of securities. Investment options under the code include the following:

1) Direct obligations of the United States Government, its agencies, and instruments to which the full faith and credit of the United States government is pledged, or obligations to the payment of which the full faith and credit of the United States is pledged;

2) Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions;

3) With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper, and repurchase agreements with certain limitations;

4) Medium term notes (5 years or less) issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States;

5) Mutual funds investing in the securities and obligations authorized by TVMWD's investment policy and share in money market mutual funds;

6) County, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money judgments; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district;

7) Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association;

8) Money market funds regulated by the Securities and Exchange Commission (SEC) in which investments consist of the investments mentioned in points 1, 2, 3, and 4 above.

Funds held in the pension and OPEB trusts are governed by the trust agreements rather than by TVMWD's investment policy.

Investments

TVMWD 's investment policy limits investment maturities to five years or less as a means of managing its exposure to fair value losses arising from increasing rates. As June 30, 2021, TVMWD had the following investment maturities:

		Investment Maturities (In Years)		
Investment Type	**Fair Value**	**Less than 1**	**1 to 3**	**3 to 5**
Money Market Funds	$ 20,677	$ 20,677	$ -	$ -
US Treasury Notes	1,851,423	225,240	615,349	1,010,834
Federal Agency Securities	849,149	20,149	504,144	324,856
US Corporate Notes	474,006	-	345,278	128,728
Asset Backed Security	69,842	2,281	37,581	29,980
Supranational	60,022	-	-	60,022
Mutual Funds	2,035,625	2,035,625	-	-
California Asset Management Trust	11,581	11,581	-	-
Local Agency Investment Fund	67,010	67,010	-	-
Total	$5,439,335	$2,382,563	$1,502,352	$1,554,420

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO's).

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by NRSROs. It is TVMWD's policy to limit its investments in these investment types to rated "A" or better issued by NRSROs, including raters S&P's and Moody's Investors Service. As of June 30, 2021, TVMWD's credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities With Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investment with Interest Rate Risk
Federal Agency Securities	Aaa	AA+	15.61%
US Corporate Notes	A2	A-	2.48%
US Corporate Notes	A1	A+	2.01%
US Corporate Notes	A2	A	1.79%
US Corporate Notes	Aa1	AA+	1.34%
US Corporate Notes	A1	AA	0.92%
US Corporate Notes	A3	A+	0.18%
Supranational	Aaa	AAA	1.10%
Asset Backed Security	Aaa	NP	0.49%
Asset Backed Security	Aaa	AAA	0.48%
Asset Backed Security	NR	AAA	0.32%
Money Market Fund	Aaa	AAA	0.38%
Mutual Funds	Aaa	AAA	37.42%
California Asset Management Trust	NR	AAAm	0.21%
Local Agency Investment Fund	NR	NR	1.23%

It is not necessary to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, therefore it is not disclosed.

Fair Value Measurements

TVMWD categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

TVMWD has the following recurring fair value measurements as of June 30, 2021:

Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Un-observable Inputs (Level 3)
US Treasury Notes	$ 1,851,423	$ -	$ 1,851,423	$ -
Federal Agency Securities	849,149	-	849,149	-
US Corporate Notes	474,006	-	474,006	-
Asset Backed Security	69,842	-	69,842	-
Supranational	60,022	-	60,022	
Mutual Funds	2,035,625	-	2,035,625	-
California Asset Management Trust	11,581	-	11,581	-
Local Agency Investment Fund	67,010	-	67,010	-
Totals	$5,418,658	$ -	$5,418,658	$ -
Investments Measured at Amortized Cost				
Money Market Fund	20,677			
Total Investments	$5,439,335			

Securities and mutual funds classified in Level 1 of the fair value hierarchy are valued using priced quoted in active markets for those securities and mutual funds. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing model. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques.

Concentration of Credit Risk

TVMWD's policy is that assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. According to GASB 40, there is potential concentration of credit risk if more than 5% of the entity's investments are with any one issuer. The following investments are considered exposed to concentration of credit risk as shown in the Credit Quality Distribution for Securities Table:

- Federal National Mortgage Association
- Federal Home Loan Mortgage Corporation
- Federal Home Loan Bank
- Government of United States

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside agency. TVMWD's policy is to diversify its investments by security type and institution. As of June 30, 2021, none of TVMWD's deposits or investments were exposed to custodial credit risk.

NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2021 is as follows:

	Beginning Balance 06/30/2020	Additions	Retirements*	Transfers	Ending Balance 06/30/2021
Capital assets, not being depreciated:					
Land	$ 1,633,704	$ -	$ -	$ -	$ 1,633,704
Water Share	301,000	-	-	-	301,000
Construction in progress	5,979,990	1,802,080	-	(5,559,342)	2,222,728
Total capital assets, not being depreciated	7,914,694	1,802,080	-	(5,559,342)	4,157,432
Capital assets, being depreciated:					
Building and Building Improvement	7,659,512	68,652	(25,442)	356,221	8,058,943
Furniture, Fixtures, and Equipment	952,854	177,377	(50,483)	49,830	1,129,578
Infrastructure	57,479,567	216,501	(74,171)	5,015,108	62,637,005
Land Improvements	1,310,768	-	-	138,183	1,448,951
Vehicles	608,148	-	-	-	608,148
Total capital assets, being depreciated	68,010,849	462,530	(150,096)	5,559,342	73,882,625
Less accumulated depreciation for:					
Building and Building Improvement	6,680,853	41,940	(6,760)	-	6,716,033
Furniture, Fixture and Equipment	823,312	33,899	(6,297)	-	850,914
Infrastructure	34,060,640	1,471,497	(74,171)	-	35,457,966
Land Improvement	1,251,581	12,070	-	-	1,263,651
Vehicles	403,719	61,760	-	-	465,479
Total accumulated depreciation	43,220,105	1,621,166	(87,228)	-	44,754,043
Total capital assets, being depreciated, net	24,790,744	(1,158,636)	(62,868)	5,559,342	29,128,582
Total capital assets, net	$ 32,705,438	$ 643,444	$ (62,868)	$ -	$ 33,286,014

*Replacement of SCADA servers and the backwash recovery structure pump, motor, sluice gates, actuators and valves.

Depreciation expense for the year totaled $1,621,166.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Litigation

TVMWD is subject to claims and litigation from outside parties in the ordinary course of operations. After consultation with legal counsel, TVMWD believes the ultimate outcome of such matters, if any, will not materially affect its financial conditions.

Grant Awards

Grant funds received by TVMWD are subject to optional audits by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grant. Management of TVMWD believes that such disallowances, if any, would not be significant.

Operating Leases

TVMWD leases office equipment under non-cancelable leases. Total costs for such leases were $29,623 for the year ended June 30, 2021. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2022	32,157
2023	3,438
Total	**$ 64,115**

Contracts

TVMWD usually has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems and other TVMWD activities. The financing of such contracts is provided primarily from TVMWD encumbered reserves. TVMWD has committed to approximately $3,600,735 of open contracts as of June 30, 2021.

The following material construction commitments existed at June 30, 2021:

Project Name	Contract Amount	Expenditures to date as of June 30, 2021	Remaining Commitment
MiraGrand Well	$3,146,655	$182,044	$2,964,611
Bonanza Springs Study	1,002,628	370,751	631,877
Well #1 Rehabailitation	172,091	167,844	4,247

NOTE 5 – POOLED ARRANGEMENTS

TVMWD is a member of the ACWA/JPIA, a risk-pooling, self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of ACWA/JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Members of ACWA/JPIA share the costs of professional risk management, claims administration and excess insurance. TVMWD participates in the property, liability and worker's compensation programs of ACWA/JPIA as follows:

Property: Insured up to replacement value. Includes Boiler and Machinery, Mechanical, Electrical and Pressure Equipment, Vehicles, Mobile Equipment and Watercraft. The pooled layer is up to $100,000 per occurrence and excess insurance coverage up to $500 million.

General, Auto and Public Officials: The pooled layer is up to $5 million per occurrence and excess insurance coverage of up to $55 million.

Workers' Compensation: The pooled layer is up to $2 million per occurrence and excess insurance coverage up to $4 million.

Cyber: Financial losses resulting from data breaches and other cyber events. Limit $3 million per claim up to $5 million aggregate.

Settlements have not exceeded insurance coverage in each of the past three fiscal years.

NOTE 6 – RELATED PARTY TRANSACTIONS

Covina Irrigating Company (CIC)

TVMWD wholesales potable and non-potable water to its member agencies, one of which is Covina Irrigating Company (CIC). CIC is a wholesale water supplier that provides water to the City of Covina, City of Glendora, Golden State Water Company, Suburban Water Systems, Valencia Heights Water Company and Valley County Water District. The President/CEO of CIC is David De Jesus. Mr. De Jesus is also a voter elected member of the Board of Directors for TVMWD.

TVMWD began selling water to CIC in November 2015. The amount of water sold to CIC for FY 2020-2021 was 6,010 acre-feet. These sales occurred in the same manner as would occur with any TVMWD member agency. TVMWD expects sales to CIC to continue in the future.

TVMWD's rates are set annually for the calendar year and approved by the TVMWD Board of Directors. The rate charged to CIC is the same rate charged to any TVMWD member agency. The rates for 2020 and 2021 were $755 and $777, respectively, per acre foot. The pipeline used to deliver water to CIC is owned by San Gabriel Valley Municipal Water District (SGVMWD). SGVMWD charges a fee of $5 per acre foot, so TVMWD (and ultimately CIC) was also responsible for this fee. For FY 2020-2021, total water sales revenue, capacity charges and fixed

NOTE 6 – RELATED PARTY TRANSACTIONS (Continued)

charges from CIC was $4,799,111. TVMWD allows its member agencies approximately 45 days to pay for monthly water purchases. As such, TVMWD had receivables outstanding at June 30, 2021 from CIC for May and June 2021 water sales, capacity charges and fixed charges in the amounts of $1,034,887 and $457,771, respectively. The receivables were due and paid by CIC in July and August 2021, respectively.

SGV-COG Joint Powers Agreement

On June 9, 2008, TVMWD, San Gabriel Valley Municipal Water District and Upper San Gabriel Valley Municipal Water District entered into a Joint Exercise of Powers Agreement to create the San Gabriel Water District Joint Powers Authority which was required to participate as a single Member on the San Gabriel Valley Council of Governments.

The San Gabriel Valley Council of Governments (the "Council") is a Joint Powers Authority formed pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500, et seq.). The purpose of the Council is to provide a means for the Members to engage in regional and cooperative planning and coordination of government services and responsibilities to assist the Members in the conduct of their affairs. In addition, the Council provides a regional organization for the review of federal, state, and/or regional projects and studies which involve the use of federal, state and/or regional funds, in various forms.

The Members of the Council are 30 incorporated cities, the unincorporated communities in Los Angeles County Supervisorial Districts 1, 4, and 5, and 1 seat for the San Gabriel Water District Joint Powers Authority.

As a Member of the Council, TVMWD has limited financial liability as outlined in the Council's Fourth Amended and Restated Joint Exercise of Powers Agreement adopted on December 19, 2017. The debts, liabilities and obligations of the Council are debts, liabilities or obligations of the Council alone. No Member of the Council shall be responsible, directly or indirectly, for any obligation, debt or liability of the Council whatsoever, to the fullest extend allowed by law. No Member of the Council shall be responsible for the debts or liabilities of any other Member solely by reason of membership on the Council. Implementation agreements to provide for the design and/or construction of projects with other Members or other agencies shall provide for indemnification of the individual Members of the Council who are not parties to the contracts. TVMWD has no debt, liabilities or obligations associated with the Council as of June 30, 2021.

NOTE 7 – PENSION PLANS

Plan Descriptions

All qualified permanent, probationary and part-time vested employees are eligible to participate in TVMWD's miscellaneous employee pension plan (the Plan), a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. TVMWD sponsors a plan with two tiers:

- Tier 1 – 2%@55 for employees with CalPERS membership prior to December 31, 2012, and since this date have not had a break in service of greater than six months.
- Tier 2 – 2%@62 for employees new to CalPERS since January 1, 2013 or who have had a break in service of greater than six months.

Benefit provisions under the Plan are established by State statute and TVMWD resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website (www.calpers.ca.gov).

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (or 52 for members hired on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1959 Survivor Benefit (level 4) if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service.

The cost of living adjustments for the plan are applied as specified by the California Public Employees' Retirement Law (PERL).

NOTE 7 – PENSION PLANS (continued)

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
CalPERS membership date	Prior to 1/1/13	On or after 1/1/13
Benefit Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contributions rates	7%	6.75%
Required employer contributions rates	11.031%	7.732%

Contributions

Section 20814(c) of the California PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as reductions to net pension liability for the Plan were as follows:

Contributions - employer	$485,393
Contributions - employee (paid by employer)	$0

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources

As of June 30, 2021, TVMWD reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	$4,246,130

TVMWD established an irrevocable trust through PARS in an effort to reduce the pension liability and to stabilize pension costs. The trust will enable TVMWD to meet future contribution requirements to CalPERS. As of June 30, 2021 the fair value of all assets held in the trust amounted to $885,040 (including accrued interest), which in essence reduces the net pension liability.

TVMWD's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. TVMWD's proportion of the net pension liability was based on a projection of TVMWD's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. TVMWD's proportionate share of the net pension liability for the Plan as of June 30, 2020 was as follows:

Proportion - June 30, 2020	0.039025%

For the year ended June 30, 2021, TVMWD recognized pension expense of $897,559. At June 30, 2021, TVMWD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$560,009	$0
Differences between actual and expected experience	218,816	0
Changes in assumptions	0	(30,285)
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	231,552	0
Difference between actual and proportionate share	0	(252,957)
Net differences between projected and actual earnings on plan investments	126,138	0
Total	$1,136,515	$(283,242)

NOTE 7 – PENSION PLANS (continued)

The $560,009 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2021	$42,396
2022	109,070
2023	81,299
2024	60,499
2025	-
Remaining	-
Total	$293,264

Deferred inflows and outflows are recognized in expense systematically over time. The recognition in expense for the net difference between projected and actual earnings on plan investments is 5 years and all other amounts are recognized over expected average remaining service lifetime of 3.8 years.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2019 total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	varies by entry age and service
Investment Rate of Return	7.15%(1)
Mortality	(2)
Post Retirement Benefit Increase	2.50%

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions and Methods

CalPERS implemented a new amortization policy effective June 30, 2019. The policy reduces the actuarial amortization gains and losses from 30 years to 20 years. The new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, non-investment gains and losses and investment gains and losses.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) andthe long-term (11^+ years) using a building-block approach.

NOTE 7 – PENSION PLANS (continued)

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of 1%.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class[1]	Assumed Asset Allocation	Real Return Years 1-10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%

[1]In the CalPERS' ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2]An expected inflation of 2.00% used for this period.
[3]An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount

The following presents TVMWD's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each tier, as well as what the TVMWD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Net Pension Liability		
Discount Rate-1% 6.15%	Current Discount Rate 7.15%	Discount Rate+1% 8.15%
$ 6,902,712	$ 4,246,130	$ 2,051,079

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

Payable to the Pension Plan

At June 30, 2021, TVMWD reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

NOTE 8 – DEFERRED COMPENSATION PLANS

457 Deferred Compensation Savings Plan

TVMWD participates in two 457 Deferred Compensation Programs (Programs) administered by Lincoln Financial Services and CalPERS. Both plans qualify as defined contribution pension plans. The purpose is to provide deferred compensation for employees that elect to participate in the Programs. Generally, eligible employees may voluntarily defer receipt of a portion of their salary until termination, retirement, death or unforeseen emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. TVMWD matches employee contributions up to $4,800 per year. The plan is authorized and may be amended by the Board of Directors. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, TVMWD is in compliance with this legislation. Therefore, these assets are not the legal property of TVMWD and are not subject to claims of TVMWD's general creditors. Fair value of all plan assets held in trust by the two TVMWD plans amounted to $8,433,099 at June 30, 2021.

TVMWD has implemented GASB Statement 32, Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since TVMWD has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the statement of net position.

401(a) Defined Contribution Plan

TVMWD participates in a 401(a) plan (a defined contribution plan), administered by Lincoln Financial Services. The purpose of this plan is to provide an additional option for employees who fully contribute to the 457 Plan. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The plan is authorized and may be amended by the Board of Directors.

NOTE 8 – DEFERRED COMPENSATION PLANS (continued)

Accordingly, TVMWD is in compliance with this legislation. Therefore, these assets are not the legal property of TVMWD and are not subject to claims of TVMWD's general creditors. Fair value of all plan assets held in trust by TVMWD plan amounted to $104,333 at June 30, 2021.

TVMWD has implemented GASB Statement 32, Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since TVMWD has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

Plan Administration

TVMWD administers the Retiree Benefits Plan—a single-employer defined benefit plan that is used to provide post employment benefits other than pensions (OPEB) for all TVMWD permanent full-time employees.

Management of the TVMWD Retiree Benefits Plan is vested in the Board of Directors (the Board), which consists of seven members elected by the registered voters residing within TVMWD's boundaries.

Plan membership

At June 30, 2021, TVMWD Retiree Benefits Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	23
Total	34

Benefits

TVMWD offers continued medical coverage to employees who retire from TVMWD at age 50 or older with a minimum of 10 years of service. The retired employee may continue medical coverage through either their own personal medical insurance or ACWA/JPIA. For eligible retirees hired prior to January 1, 2005, TVMWD provides 50% (plus an additional 10% for each additional year of service at retirement in excess of 10 years – not to exceed 100%) of the lesser of $355 per month or the cost for single medical coverage. For eligible retirees hired on or after January 1, 2005 with 10 years of TVMWD service, TVMWD provides 50% (plus an additional 5% for each additional year of service at retirement in excess of 10 years – not to exceed 100%) of the lesser of $355 per month or the cost for single medical coverage. For employees retiring on or after January 1, 2015, the monthly benefits cap increased from $355 to $600. Employees retiring on or after January 1, 2015 may cover dependents, but the retiree must pay the entire dependents premiums. Retirees must pay the portion of the coverage, if any not covered by their benefits. Employees retiring on or after December 5, 2018, may claim dental and vision premiums in addition to medical premiums, not to exceed the $600 cap. The dental and vision plans must be obtained by the retirees on their own. This plan is authorized and may be amended by the Board of Directors.

Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to pre-fund benefits as determined annually by the Board. Plan members are not required to contribute to the plan. Any additional amounts for pre-funding are deposited into an irrevocable trust from which funds can only be used to pay for retiree medical coverage. Separate financial statements for the irrevocable trust may be obtained by writing to PARS at 4350 Von Karman Ave., Suite 100 Newport Beach, CA 92660-2043 or by visiting the PARS website at www.pars.org. For the year ended June 30, 2021, TVMWD's average contribution rate was 1.76% of covered-employee payroll.

Investments

TVMWD's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following was the Board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Mutual Funds-Equity	50%
Mutual Funds-Fixed Income	45%
Cash and Equivalents	5%
Total	**100%**

Rate of return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 3.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The components of the Net OPEB Liability at June 30, 2021 were as follows:

Total OPEB Liability	$1,657,730
Plan fiduciary net position	(1,150,585)
TVMWD's net OPEB Liability	$ 507,145
Plan fiduciary net position as a percentage of the total OPEB liability	69%

Deferred outflows and inflows of resources related to OPEB as of June 30, 2021 were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$149,188	$9,171
Changes in assumptions	349,282	178,184
Net differences between projected and actual earnings on OPEB investments	0	89,550
Total	$498,470	$276,905

Amounts reported as deferred outflows and inflows will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2022	$25,016
2023	24,040
2024	24,354
2025	6,224
2026	78,355
Thereafter	63,576
Total	$221,565

Deferred inflows and outflows are recognized in expense systematically over time. The recognition in expense for the net difference between projected and actual earnings on plan investments is 5 years and all other amounts are recognized over expected average remaining service lifetime of 6.7 years.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of April 1, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2021. The following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.00%, average, including inflation
Investment rate of return	5.3%, net of trust investment and administrative fees. At 6-30-2020 the rate was 6.15%
Healthcare cost trend rates	5.7% in 2022, down to 4% by 2076 in periodic steps of .1

Mortality rates were based on the RP-2014 Employee and Health Annuitant Mortality Tables.

Discount rate

The discount rate used to measure the total OPEB liability was 5.3%. The projection of cash flows used to determine the discount rate assumed that TVMWD's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of TVMWD, as well as what TVMWD's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (4.3%) or 1% point higher (6.3%) than the current discount rate:

Net OPEB Liability		
1% Decrease 4.3%	Discount Rate 5.3%	1% Increase 6.3%
$ 683,606	$ 507,145	$ 356,083

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of TVMWD, as well as what TVMWD's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.7% decreasing to 4.7%) or 1% point higher (5.7% increasing to 6.7%) than the current healthcare cost trend rates:

Net OPEB Liability		
1% Decrease 4.7%	Healthcare Cost Trend Rate 5.7%	1% Increase 6.7%
$ 416,980	$ 507,145	$ 609,587

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return of 5.3% on OPEB plan investments was calculated the following way:

1. The expected return of each asset class is determined through a combination of historical rates of returns, valuation projections, and economic expectations. Expected rates of return are provided by Wilshire Associates Incorporated and HighMark proprietary research. Expected rates of return are developed and annually reviewed by HighMark's Asset Allocation Committee.

2. With thirty year forecasts for U.S. Treasuries, Wilshire's ten year forecast for U.S. Treasuries is used as the assumed return for the first ten years of the thirty year period. Over the following twenty years (years 11-thirty) U.S. Treasuries are assumed to return a historical long run (1926-2014) risk premium over inflation. The resulting combination of the assumed return on U.S. Government bonds over the two periods becomes HighMark's thirty year forecast. All other taxable fixed income asset classes are derived from the expected return on U.S. Treasuries plus a credit or term premium consistent with those of the ten year forecasts.

3. With thirty year forecasts for global equity, Wilshire's ten year forecast for global equity is used as the assumed return for the first ten years of the thirty year period. Over the following twenty years (years 11-30) global equities are assumed to return historical long run (1926-2014) risk premiums over cash. The return on cash over this period is derived from the ten and thirty year cash assumptions. The resulting combination of the assumed global equity returns over the two periods becomes HighMark's thirty year forecast.

4. Returns reflect the reinvestment of dividends, interests, and other distributions.

5. An expected return is than calculated by weighting the returns for each asset class according to the exposure as determined by HighMark's current strategic allocation.

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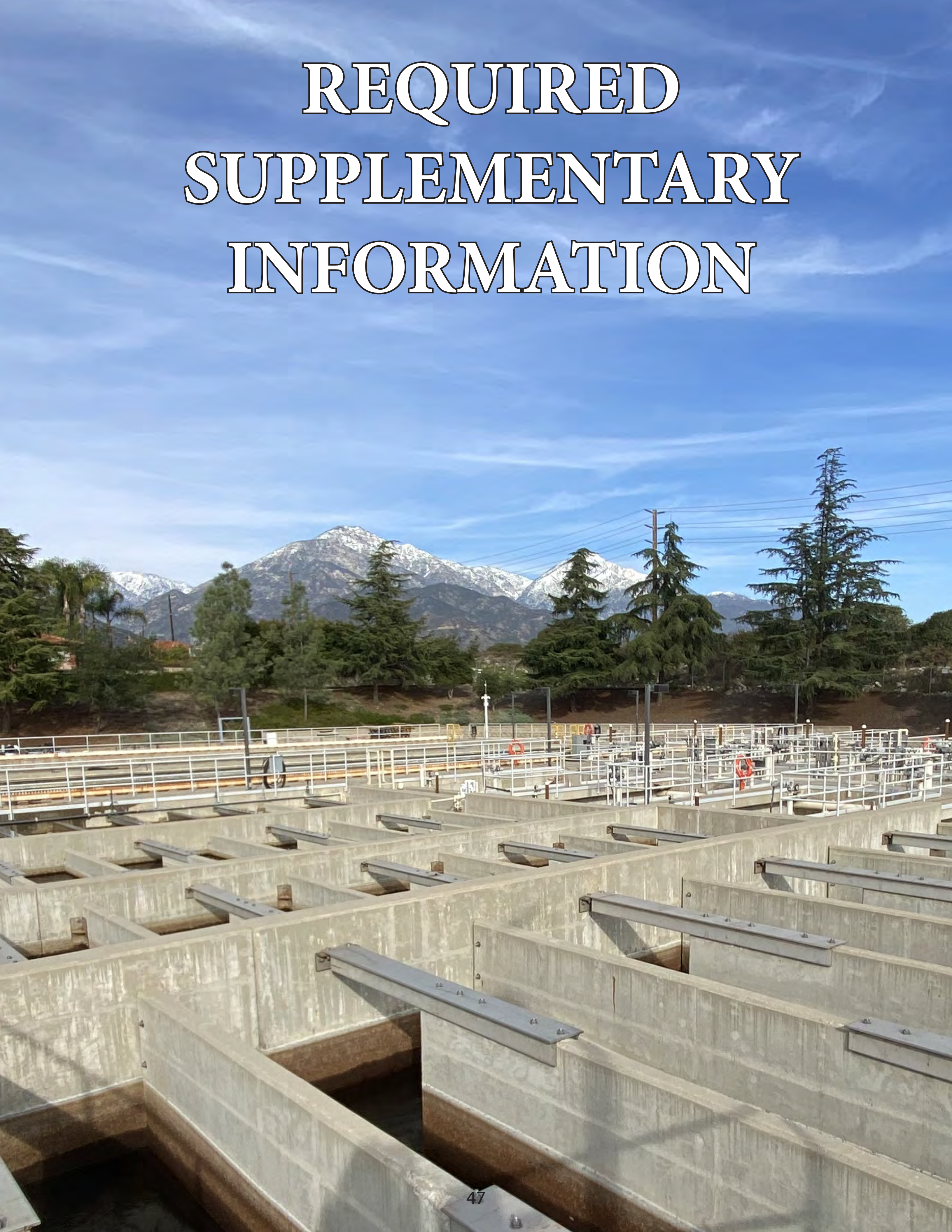
REQUIRED SUPPLEMENTARY INFORMATION



SCHEDULE 1

Three Valleys Municipal Water District
Miscellaneous Cost-Sharing Pension Plan
Schedule of the Plan's Proportionate Share of the Net Pension Liability
As of June 30, For The Last Ten Fiscal Years [(1)]

FY	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
2021	0.039025%	$ 4,246,130	$ 2,743,774	154.76%	78.73%
2020	0.037537%	$ 3,846,454	$ 2,750,395	139.85%	77.98%
2019	0.035826%	$ 3,452,268	$ 2,662,296	129.67%	78.94%
2018	0.035482%	$ 3,518,869	$ 2,539,815	138.55%	75.38%
2017	0.034127%	$ 2,953,009	$ 2,419,392	122.06%	75.87%
2016	0.031250%	$ 2,145,000	$ 2,400,313	89.36%	79.82%
2015	0.033104%	$ 2,059,901	$ 2,287,837	90.04%	78.40%

Notes to Schedule:
Benefit Changes: None.

[(1)] Historical information is required only for the measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

NOTE: Accounting standard require presentation of 10 years of information. However the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: CalPERS GASB 68 Accounting Valuation Report

SCHEDULE 2

Three Valleys Municipal Water District
Miscellaneous Cost-Sharing Pension Plan
Schedule of the Plan Contributions - California Public Employees Retirement Plan
For the Year Ended June 30, 2021[1]

FY	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll	Valuation date
2021	$ 560,009	$ (560,009)	$ -	$ 2,891,728	19.366%	6/30/2019
2020	$ 485,393	$ (485,393)	$ -	$ 2,743,774	17.691%	6/30/2018
2019	$ 426,711	$ (426,711)	$ -	$ 2,750,395	15.515%	6/30/2017
2018	$ 363,282	$ (363,282)	$ -	$ 2,662,296	13.645%	6/30/2016
2017	$ 324,213	$ (324,213)	$ -	$ 2,539,815	12.765%	6/30/2015
2016	$ 286,627	$ (286,627)	$ -	$ 2,419,392	11.847%	6/30/2014
2015	$ 272,007	$ (272,007)	$ -	$ 2,400,313	11.332%	6/30/2013

Note to Schedule:

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll and direct rate smoothing
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	varies by entry age and service
Investment rate of return	7.15%
Retirement age	50-63 for 2% @ 55 and 52-67 for 2% @ 62
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of scale MP 2016 by Society of Actuaries. For more details on this table, please refer to the December 2017 experience study report.

[1] Historical information is required only for the measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

NOTE: Accounting standard require presentation of 10 years of information. However the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: CalPERS GASB 68 Accounting Valuation Report

SCHEDULE 3

Three Valleys Municipal Water District
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021[1]

FISCAL YEAR	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 50,376	$ 48,909	$ 35,365	$ 34,335	$ 22,989
Interest	77,554	73,742	84,221	65,379	63,032
Differences between expected and actual experience	99,602	(13,757)	-	110,332	-
Changes of assumptions	262,184	(267,276)	-	140,935	143,737
Benefit payments	(85,295)	(53,555)	(47,588)	(41,611)	(23,007)
Net changes in total OPEB liability	404,421	(211,937)	71,998	309,370	206,751
Total OPEB liability - beginning	$1,253,309	$1,465,246	$1,393,247	$1,083,877	$ 877,126
Total OPEB liability - ending (a)	$1,657,730	$1,253,309	$1,465,245	$1,393,247	$1,083,877
Plan fiduciary net position					
Contributions-employer	$ 85,295	$ 53,555	$ 47,588	$ 41,611	$ 138,561
Net investment income	185,799	38,250	55,386	45,031	52,341
Benefit payments	(85,295)	(53,555)	(47,588)	(41,611)	(23,007)
Administrative expense	-	(2,353)	(2,212)	(2,158)	(1,157)
Net changes in plan fiduciary net position	185,799	35,897	53,174	42,873	166,738
Plan fiduciary net position-beginning	964,786	928,889	875,715	832,842	666,104
Plan fiduciary net position-ending (b)	$1,150,585	$ 964,786	$ 928,889	$ 875,715	$ 832,842
Net OPEB liability	$ 507,145	$ 288,523	$ 536,357	$ 517,532	$ 251,035
Plan fiduciary net position as a percentage of the total OPEB liability	69%	77%	63%	63%	77%
Covered-employee payroll	$2,863,454	$2,743,774	$2,750,395	$2,662,296	$2,539,815
TVMWD's net OPEB liability as a percentage of covered-employee payroll	17.71%	10.52%	19.50%	19.44%	9.88%

[1] Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Note: Accounting standard require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: OPEB Actuarial Valuation

SCHEDULE 4

Three Valleys Municipal Water District
Schedule of Contributions - OPEB
For the Year Ended June 30, 2021[1]

FY	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a Percentage of Covered-Employee Payroll	Valuation date
2021	$83,411	$ (85,295)	$ (1,884)	$2,863,454	2.91%	4/1/2021
2020	$38,993	$ (48,157)	$ (9,164)	$2,743,774	1.42%	7/1/2019
2019	$47,588	$ (30,971)	$ 16,617	$2,750,395	1.73%	7/1/2017
2018	$41,611	$ (27,470)	$ 14,141	$2,662,296	1.56%	7/1/2017
2017	$39,410	$ (39,410)	$ -	$2,539,815	1.55%	7/1/2015

Note to Schedule:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Fair value
Inflation	2.50%
Healthcare cost trend rates	5.7% in 2022 down to 4% by 2076 in periodic steps of 0.1
Salary increases	3.00% per year
Investment rate of return	5.30%
Retirement age	CalPERS: From 50 to 75
Mortality	CalPERS 2017 Experience Study

[1] Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

SOURCE: OPEB July 1, 2019 Acturarial Valuation Report

SCHEDULE 5

Three Valleys Muncipal Water District
Schedule of Investment Returns - OPEB Trust
Last Ten Fiscal Years[1]

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2021	19.26%
2020	3.89%
2019	6.07%
2018	6.15%
2017	7.94%

[1] Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Note: Accounting standard require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: TVMWD - Finance Department

STATISTICAL SECTION

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATISTICAL SECTION
For the Year Ended June 30, 2021

This part of TVMWD's ACFR presents detailed information as a context for understanding what the information in the accompanying financial statements and notes to the basic financial statements says about TVMWD's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how TVMWD's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting TVMWD's ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of TVMWD's current levels of outstanding debt and TVMWD's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which TVMWD's financial activities take place and to help make comparisons over time and with other agencies.

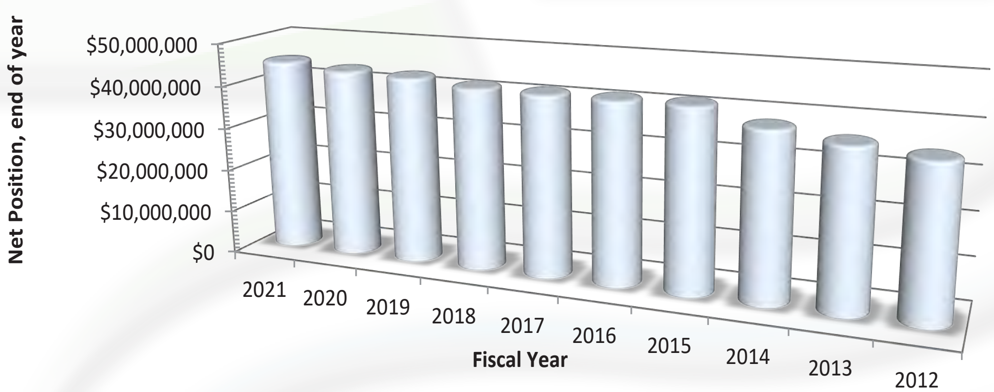
Operating Information

These schedules contain information about TVMWD's operations and resources to help the reader understand how TVMWD's financial information relates to the services TVMWD provides and the activities it performs.

SCHEDULE 1

Three Valleys Municipal Water District
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues (see Schedule 3)	$ 78,566,429	$ 69,287,655	$ 67,239,719	$ 64,251,879	$ 65,041,248	$ 55,387,218	$ 58,657,568	$ 66,759,939	$ 59,240,205	$ 50,665,608
Operating expenses (see Schedule 4)	80,357,005	71,974,662	69,081,691	66,272,700	66,736,601	57,910,157	61,091,237	68,546,823	60,088,682	53,638,803
Total operating income (loss)	(1,790,576)	(2,687,007)	(1,841,972)	(2,020,821)	(1,695,353)	(2,522,939)	(2,433,669)	(1,786,884)	(848,477)	(2,973,195)
Nonoperating revenues (expenses)										
Property tax revenue	2,858,584	2,625,061	2,481,726	2,291,505	2,266,019	2,091,254	2,014,754	1,886,998	1,958,128	1,783,167
Sublease income	-	-	-	-	-	-	5,775,000	821,303	832,593	832,946
Investment income	40,175	341,434	513,710	3,089	25,793	226,747	136,976	236,128	72,974	311,222
Intergovernmental grants revenue	-	-	-	-	-	6,121	46,924	115,962	-	-
Intergovernmental grants expense	-	-	-	-	-	(6,121)	(46,924)	(115,962)	-	-
Interest expense	-	-	-	-	-	-	-	(29,787)	(221,353)	(327,853)
Amortization of deferred bond costs/refunding	-	-	-	-	-	-	-	(195,647)	(183,225)	(221,097)
Reimbursements revenue	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(62,868)	(38,360)	(52,553)	(40,400)	(88,421)	(40,173)	(12,109)	(104,254)	(3,297)	(2,338.71)
Other non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	2,835,891	2,928,135	2,942,883	2,254,194	2,203,391	2,277,828	7,914,621	2,614,741	2,455,820	2,376,046
Net income before contributions and change in accounting principle	1,045,315	241,128	1,100,911	233,373	508,038	(245,111)	5,480,952	827,857	1,607,343	(597,149)
Contributions	152,102	218,649	98,500	2,000	5,250	111,150	618,666	1,742,423	-	-
Change in net position	1,197,417	459,777	1,199,411	235,373	513,288	(133,961)	6,099,618	2,570,280	1,607,343	(597,149)
Net Position, beginning of year	43,794,726	43,334,949	42,135,538	41,900,165	41,858,315	41,992,276	38,463,002	36,506,223	34,949,375	36,894,832
Prior period adjustment	-	-	-	-	(471,438) [5]	-	(2,570,344) [4]	(613,501) [3]	(50,495) [2]	(1,348,308) [1]
Net Position, end of year, as restated (see Schedule 2)	**$ 44,992,143**	**$ 43,794,726**	**$ 43,334,949**	**$ 42,135,538**	**$ 41,900,165**	**$ 41,858,315**	**$ 41,992,276**	**$ 38,463,002**	**$ 36,506,223**	**$ 34,949,375**



[1] Prior Period Adjustment related to removal of prepaid pension asset.
[2] Prior Period Adjustment related to change in accounting principle.
[3] Prior Period Adjustment related to removal of MWD assets.
[4] Prior Period Adjustment related to GASB 68.
[5] Prior Period Adjustment related to GASB 75.

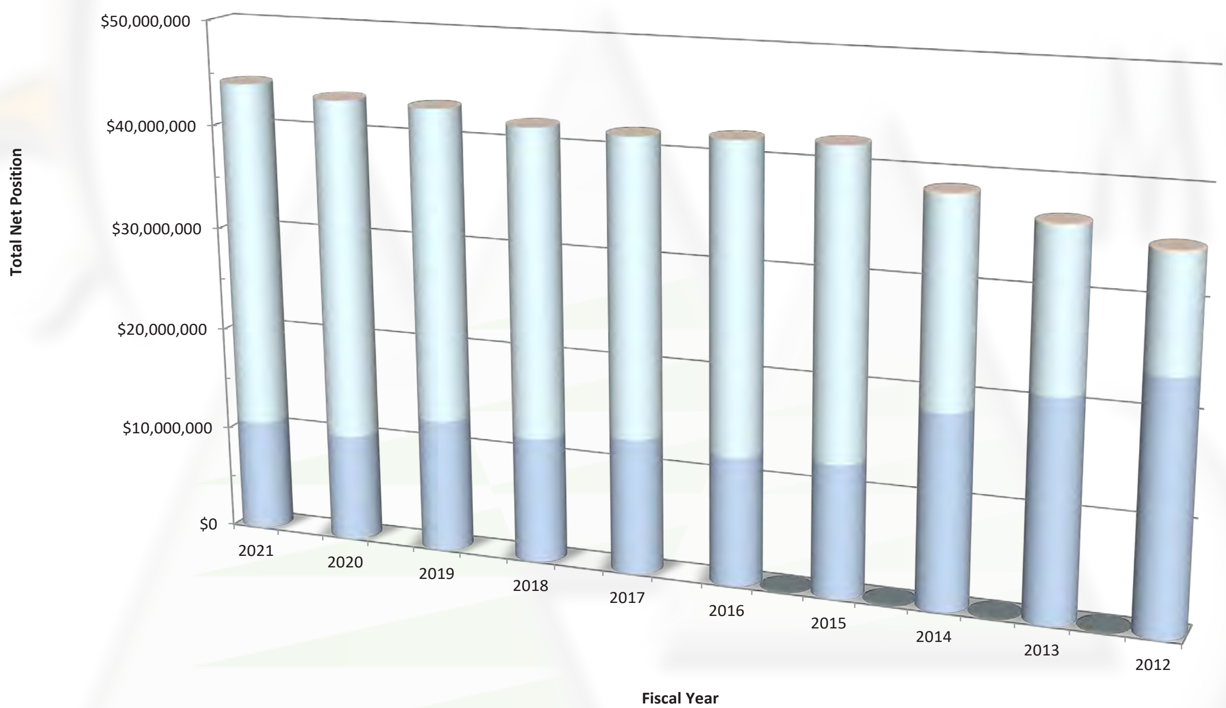
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 2

Three Valleys Muncipal Water District
Components of Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	$ 33,286,014	$ 32,705,438	$ 29,990,254	$ 29,558,377	$ 28,369,643	$ 29,354,853 [1]	$ 29,078,712 [1]	$ 19,483,706 [1]	$ 15,073,992	$ 10,791,926
Restricted for debt service	-	-	-	-	-	-	-	225,000	227,163	227,203
Restricted for pensions	885,040	649,072	415,437	341,101	338,096	-	-	-	-	-
Unrestricted	10,821,089	10,440,216	12,929,258	12,236,060	13,192,426	12,503,462	12,913,564	18,754,296	21,205,068	23,930,246
Total Net Position	$ 44,992,143	$ 43,794,726	$ 43,334,949	$ 42,135,538	$ 41,900,165	$ 41,858,315	$ 41,992,276	$ 38,463,002	$ 36,506,223	$ 34,949,375



[1] Increase due to significant increase in capital assets and construction in progress during fiscal year.

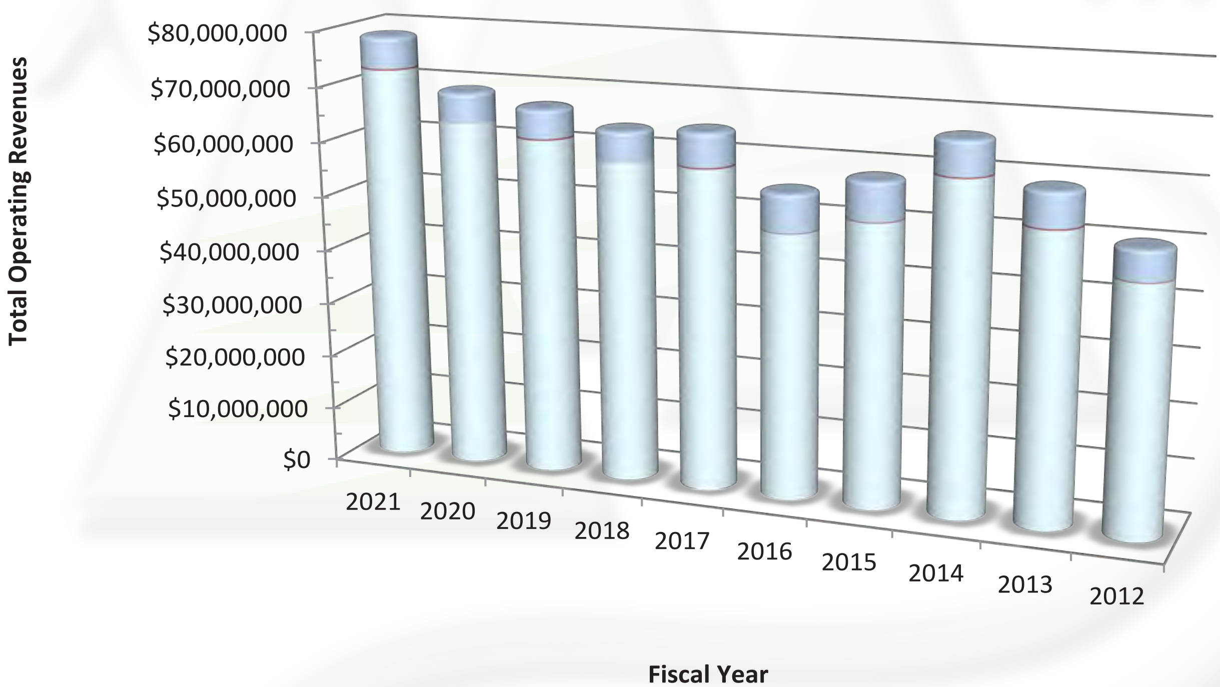
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 3

Three Valleys Muncipal Water District
Operating Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Water Sales[1]	Hydroelectric Sales	Water Use and Connection Charges	Total Operating Revenues
2021	$ 72,508,611	$ 210,126	$ 5,847,692	**$ 78,566,429**
2020	63,852,311	32,831	5,402,513	**69,287,655**
2019	61,659,318	215,037	5,365,364	**67,239,719**
2018	58,728,537	23,870	5,499,472	**64,251,879**
2017	58,662,799	204,856	6,173,593	**65,041,248**
2016	48,374,543	98,142	6,914,533	**55,387,218**
2015	51,527,963	122,614	7,006,991	**58,657,568**
2014	60,281,711	190,561	6,287,667	**66,759,939**
2013	52,729,124	196,465	6,314,616	**59,240,205**
2012	45,097,918	117,593	5,450,097	**50,665,608**



[1] Water sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

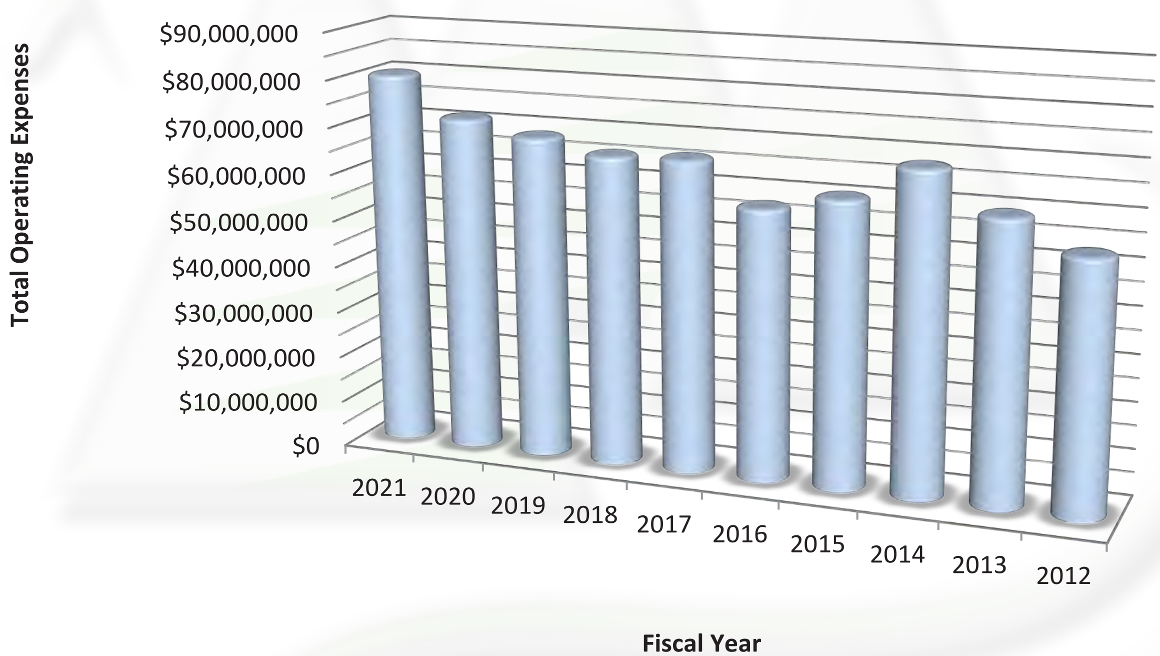
NOTE: Revenues in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 4

Three Valleys Municipal Water District
Operating Expenses by Activity
Last Ten Fiscal Years

Fiscal Year	Water Purchases[1]	Water Treatment and Distribution	Water Use and Connection	General and Administration	Depreciation	Total Operating Expenses
2021	$ 64,978,664	$ 3,565,287	$ 5,136,217	$ 5,055,671	$ 1,621,166	**$ 80,357,005**
2020	58,056,004	3,167,888	4,754,664	4,444,970	1,551,136	**71,974,662**
2019	55,670,169	2,848,109	4,720,544	4,321,058	1,521,811	**69,081,691**
2018	52,987,129	2,891,079	4,887,541	3,928,897	1,578,054	**66,272,700**
2017	52,807,504	2,891,120	5,490,812	3,639,407	1,907,758	**66,736,601**
2016	43,514,064	2,543,649	6,323,886	3,304,582	2,223,976	**57,910,157**
2015	46,955,630	2,711,483	6,182,531	3,210,145	2,031,448	**61,091,237**
2014	55,401,389	2,648,714	5,254,027	3,347,977	1,894,716	**68,546,823**
2013	47,625,454	2,402,677	4,863,177	3,206,754	1,990,620	**60,088,682**
2012	41,371,120	2,316,509	4,645,695	3,377,341	1,928,138	**53,638,803**



[1] Water purchases will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

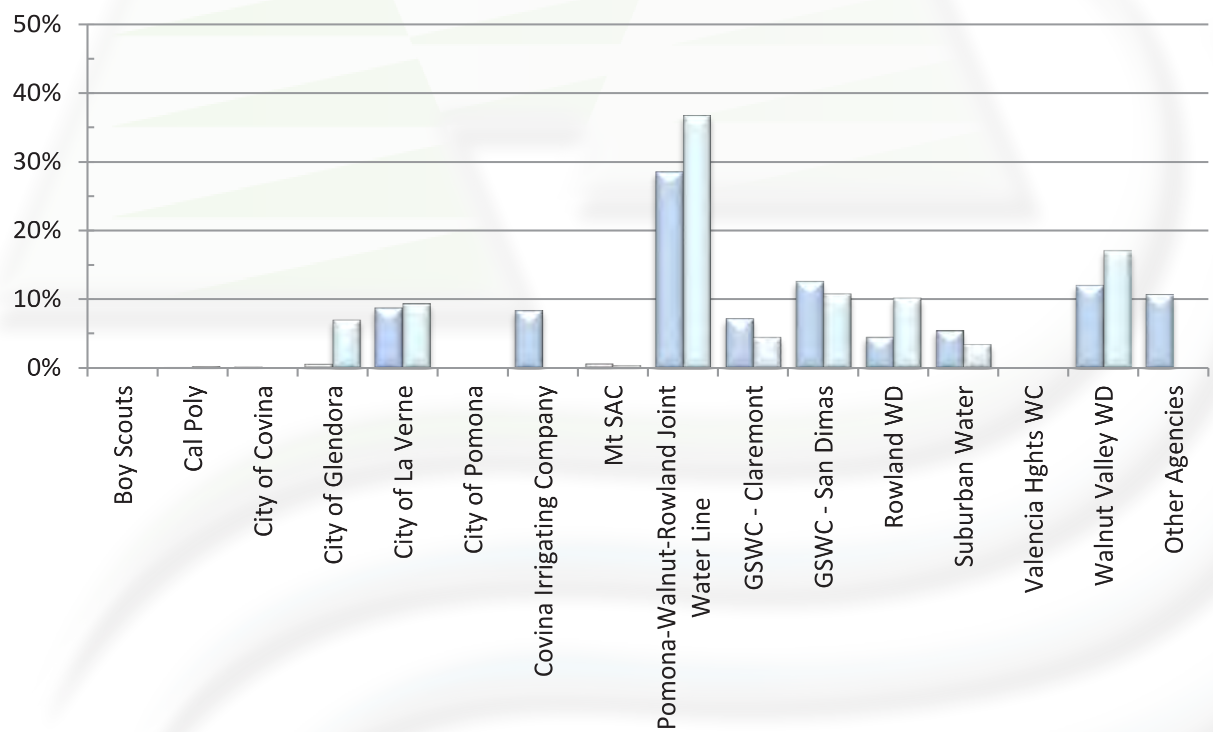
NOTE: Expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 5

Three Valleys Municipal Water District
Prinicpal Water Customers Changes in Past Ten Years
Current Fiscal Year and Nine Years Ago

Member Agency	Acre-Feet Sold FY 2021	Percentage of total	Acre-Feet Sold FY 2012	Percentage of total
Boy Scouts of America - Firestone Reservation	17	**0.02%**	21	**0.03%**
California State Polytechnic University, Pomona	79	**0.11%**	166	**0.28%**
City of Covina	151	**0.21%**	1	**0.00%**
City of Glendora	417	**0.59%**	4,228	**7.03%**
City of La Verne	6,274	**8.79%**	5,659	**9.40%**
City of Pomona	-	**0.00%**	-	**0.00%**
Covina Irrigating Company	6,010	**8.42%**	-	**0.00%**
Mt. San Antonio College	460	**0.64%**	277	**0.46%**
Pomona-Walnut-Rowland Joint Water Line	20,368	**28.54%**	22,090	**36.71%**
Golden State Water Company - Claremont	5,152	**7.22%**	2,718	**4.52%**
Golden State Water Company - San Dimas	9,024	**12.64%**	6,524	**10.84%**
Rowland Water District	3,230	**4.52%**	6,127	**10.18%**
Suburban Water Systems	3,917	**5.49%**	2,062	**3.43%**
Valencia Heights Water Company	9	**0.01%**	-	**0.00%**
Walnut Valley Water District	8,621	**12.08%**	10,306	**17.12%**
Other Agencies	7,654	**10.72%**	-	**0.00%**
	71,383	**100.00%**	60,179	**100.00%**

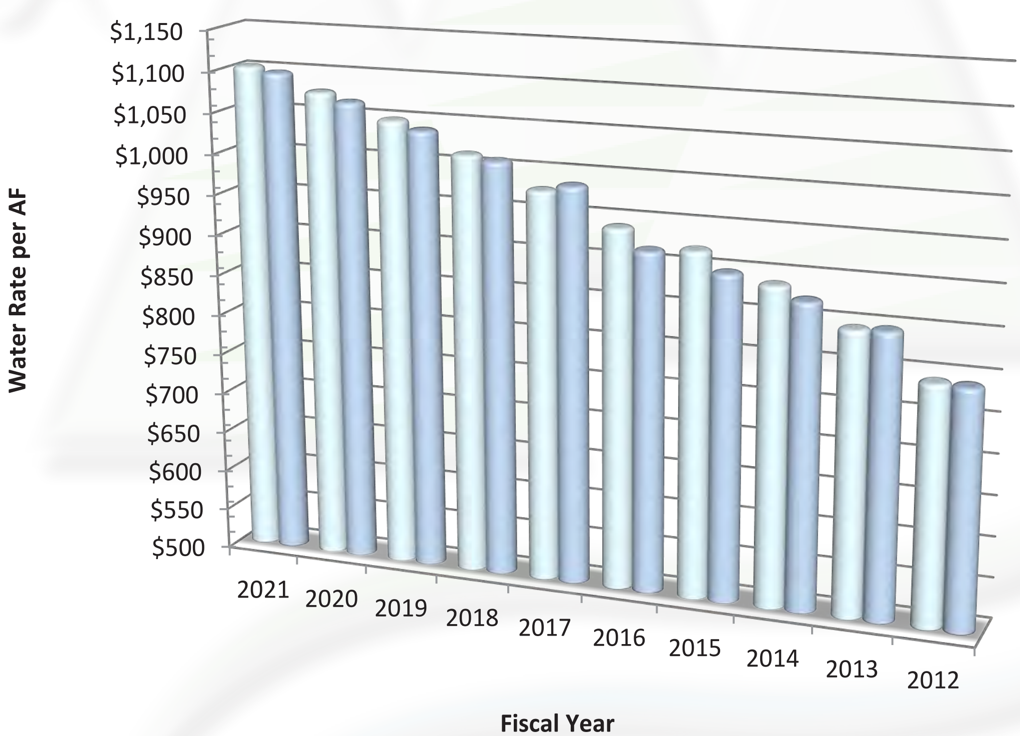


SOURCE: TVMWD - Finance Department

SCHEDULE 6

Three Valleys Muncipal Water District
Water Rates for MWD and TVMWD Water Sold
Last Ten Calendar Years

Calendar Year	MWD Water Rate	Surcharge / Discount	TVMWD Water Rate
2021	**$ 1,104**	**$ (6)**	**$ 1,098**
2020	**$ 1,078**	**$ (10)**	**$ 1,068**
2019	**1,050**	**(10)**	**1,040**
2018	**1,015**	**(5)**	**1,010**
2017	**979**	**8**	**987**
2016	**942**	**(24)**	**918**
2015	**923**	**(24)**	**899**
2014	**890**	**(15)**	**875**
2013	**847**	**2**	**849**
2012	**794**	**(1)**	**793**



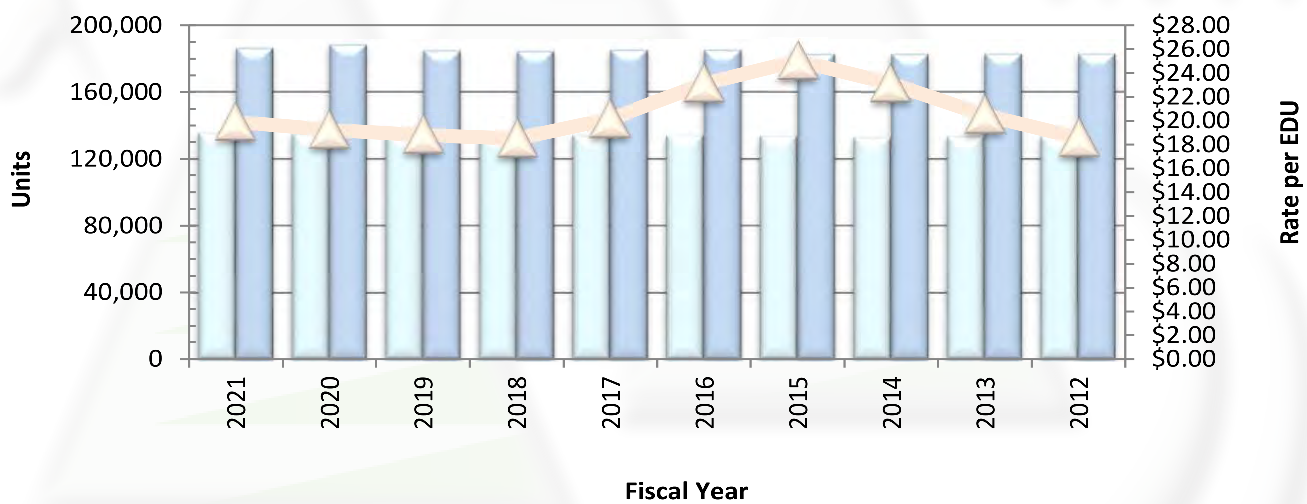
Note: All amounts are per acre foot.

SOURCE: TVMWD - Finance Department

SCHEDULE 7

Three Valleys Municipal Water District
Standby Charge Assessment Per Equivalent Dwelling Unit (EDU)
Last Ten Fiscal Years

Fiscal Year	Parcels[1]	EDUs[2]	Rate per EDU[3]
2021	135,607	186,373	$19.90
2020	134,850	188,427	$19.23
2019	134,530	184,693	$18.79
2018	134,019	184,484	$18.51
2017	133,986	185,153	$20.16
2016	133,949	185,144	$23.09
2015	133,653	182,768	$25.02
2014	132,918	182,732	$23.11
2013	133,421	182,902	$20.46
2012	133,406	182,893	$18.54



[1] All parcels in service area including residential, commercial, vacant and industrial. Excluded parcels are public streets, right-of-ways, easements and public property.

[2] EDUs are assigned to each parcel in proportion to the estimated benefit it receives from the availability of water service. A Single Family Residential parcel, the basic unit for calculating the Assessment, is defined as 1.0 EDU. Other land uses are assigned proportional EDUs.

[3] MWD imposed a Readiness to Serve (RTS) charge on TVMWD to pay for capital improvements at MWD. TVMWD adopted a Standby Charge to pass the RTS charge through, at cost, to property owners within its service area. In the years prior to FY 06/07, the Standby Charge rate per EDU remained unchanged, even though TVMWD did not collect the full amount of its RTS obligation. In FY 06/07, TVMWD raised the rate per EDU to capture the entire cost of the RTS charge, and eliminated a monthly charge it had imposed on member agencies for the difference.

SOURCE: TVMWD - Finance Department

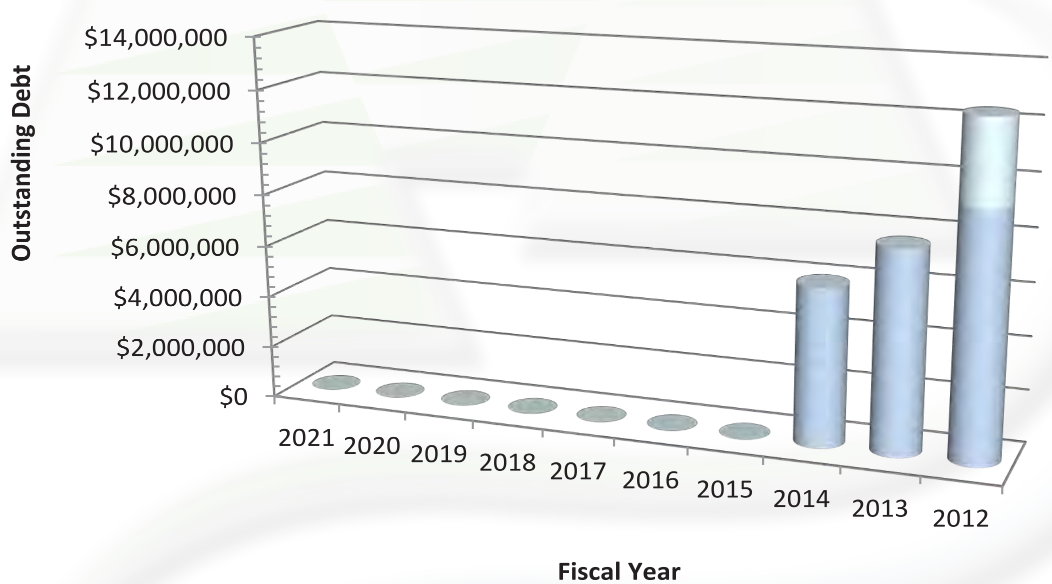
SCHEDULE 8

Three Valleys Muncipal Water District

Ratio of Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Certificates of Participation	Installment Sales Agreement	Per Capita	Outstanding Debt as a Share of Personal Income
2021	**$ -**	**$ -**	$ -	0.00%
2020	**-**	**-**	-	0.00%
2019	**-**	**-**	-	0.00%
2018	**-**	**-**	-	0.00%
2017	**-**	**-**	-	0.00%
2016	**-**	**-**	-	0.00%
2015	**-**	**-**	-	0.00%
2014	**6,000,000**	**-**	11.81	0.02%
2013	**7,654,353**	**-**	15.11	0.03%
2012	**9,266,129**	**3,167,070**	24.61	0.05%



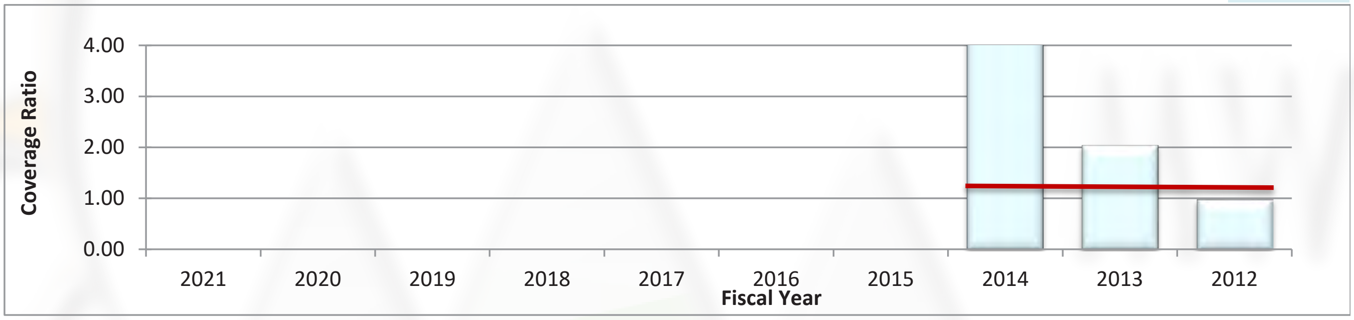
SOURCE: TVMWD - Finance Department

SCHEDULE 9

Three Valleys Municipal Water District
Debt Coverage
Last Ten Fiscal Years

2003 COP

Fiscal Year	Revenues[1]	Expenses[2]	Net Available Revenue	Debt Service		Total	Coverage Ratio[3]
				Principal	Interest		
2021	$81,402,319	$78,735,839	$ 2,666,480	$ -	$ -	$ -	0.00
2020	72,215,790	70,423,525	1,792,265	-	-	-	0.00
2019	70,182,603	67,559,880	2,622,723	-	-	-	0.00
2018	66,505,460	64,694,646	1,810,814	-	-	-	0.00
2017	67,243,154	64,828,844	2,414,310	-	-	-	0.00
2016	57,668,990	55,692,302	1,976,688	-	-	-	0.00
2015	66,619,113	59,059,789	7,559,324	-	-	-	0.00
2014	69,716,076	66,652,107	3,063,969	-	29,787	29,787	102.86
2013	62,100,603	58,098,062	4,002,541	1,850,000	104,599	1,954,599	2.05
2012	53,590,604	51,710,665	1,879,939	1,735,000	166,310	1,901,310	0.99



Fiscal Year	Unencumbered Cash and Cash Equivalents	Debt Service		Total	Coverage Ratio[3]
		Principal	Interest		
2021	$ 3,852,001	$ -	$ -	$ -	
2020	1,568,103	-	-	-	
2019	3,968,050	-	-	-	**0.00**
2018	1,803,767	-	-	-	**0.00**
2017	5,068,989	-	-	-	**0.00**
2016	3,728,324	-	-	-	**0.00**
2015	2,315,773	-	-	-	**0.00**
2014	3,509,585	-	-	-	**0.00**
2013	2,643,326	146,289	156,269	302,558	**8.74**
2012	3,937,407	139,286	161,543	300,829	**13.09**

[1] Revenues include operating and non-operating revenues less GSWC interest payments.
[2] Expenses include operating and non-operating expenses less depreciation, amortization and interest.
[3] Bond covenant debt coverage ratio of 1.15 is now 0 because debt has been fully repaid.

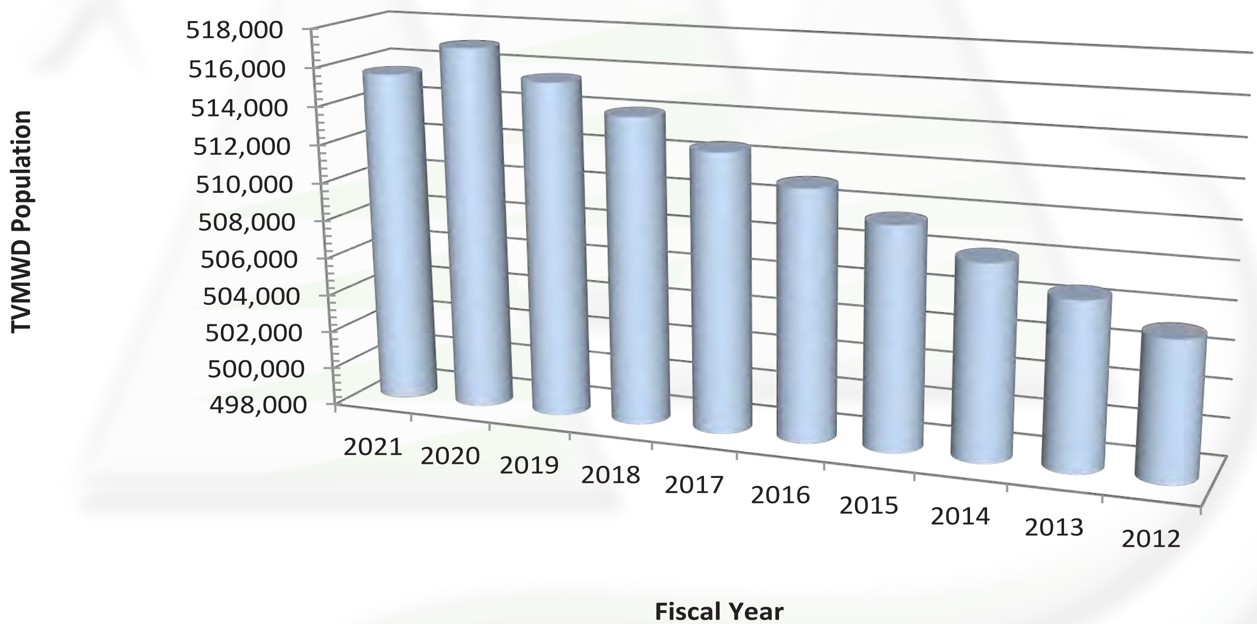
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 10

Three Valleys Municipal Water District
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	TVMWD Population Estimate[1]	County of Los Angeles: Unemployment Rate	Population	Personal Income (in thousands)	Personal Income per Capita
2021	515,477	9.3%	10,080,000	620,179,106	60,511
2020	517,066	13.6%	10,382,000	630,904,482	61,557
2019	515,575	4.4%	10,382,000	619,749,000	60,469
2018	514,089	4.6%	10,328,000	602,632,000	58,818
2017	512,607	4.7%	10,278,000	585,515,000	57,168
2016	511,129	5.2%	10,215,000	563,908,000	54,577
2015	509,655	6.6%	10,179,000	549,073,000	53,521
2014	508,186	8.2%	10,125,000	514,517,000	50,730
2013	506,721	9.8%	10,056,400	483,579,000	48,140
2012	505,260	10.9%	9,990,000	486,734,000	48,818



[1] Population estimate is based on TVMWD's population for years 2010 and 2021; the estimate is a percentage of the increase projected for the County of Los Angeles.

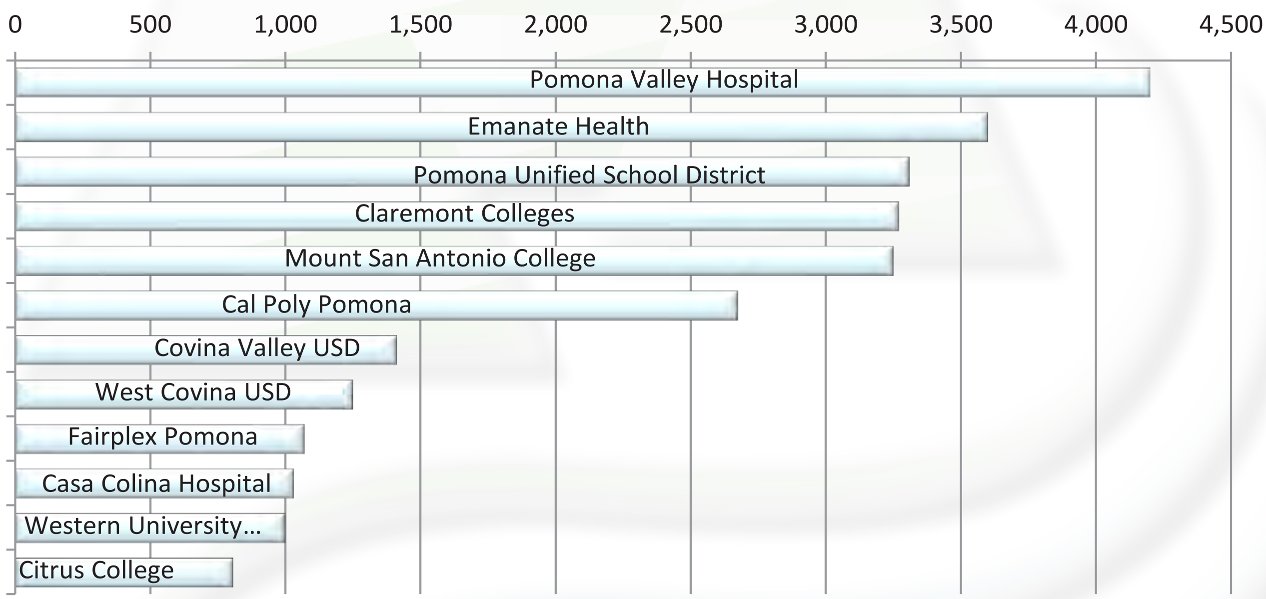
NOTE: Certain economic indicators such as unemployment rate and personal income are not calculated separately for TVMWD. Therefore, TVMWD has chosen to use the County of Los Angeles data, which is representative of the conditions and experiences of TVMWD.

SOURCES: LAEDC 2021 Economic Forecast and Industry Outlook

SCHEDULE 11

Three Valleys Municipal Water District
Principal Employers Changes in Past Ten Years
Calendar Year 2020

Employer	Number of Employees FY 2020	Percentage of Total Employment	Number of Employees FY 2011	Percentage of Total Employment
Pomona Valley Hospital	4,200	2.2%	2,800	1.4%
Emanate Health	3,600	1.8%	3,500	1.8%
Pomona Unified School District	3,310	1.7%	3,076	1.6%
Claremont Colleges	3,270	1.7%	3,000	1.5%
Mount San Antonio College	3,250	1.7%	2,775	1.4%
Cal State Polytechnic University Pomona	2,675	1.4%	2,100	1.1%
Covina Valley Unified School District	1,412	0.7%	1,073	0.6%
West Covina Unified School District	1,251	0.6%	1,492	0.8%
Fairplex Pomona	1,071	0.5%		0.0%
Casa Colina Hospital and Centers	1,031	0.5%		0.0%
Western University of Health Sciences	1,000	0.5%		0.0%
Citrus Community College	807	0.4%	566	0.3%
Lanterman Development Center		0.0%	1,072	0.5%



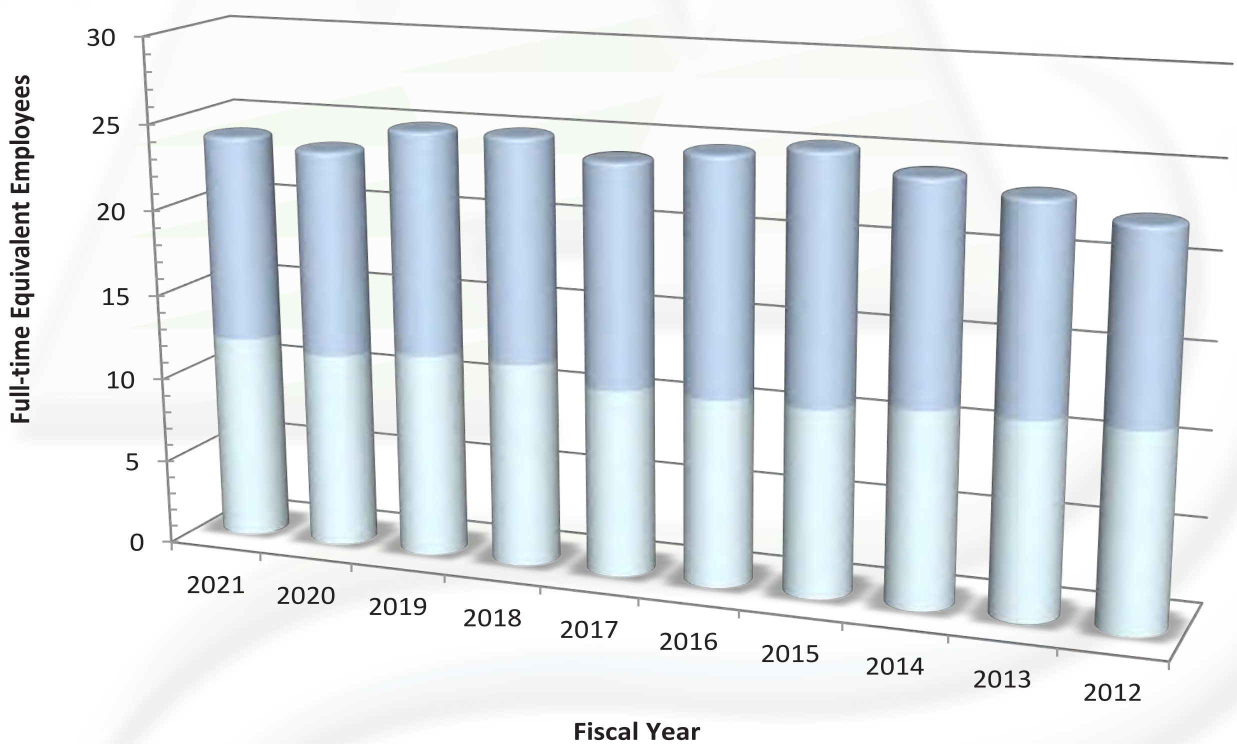
NOTE: The percentage of total employment is based on an estimate of 195,000 jobs in TVMWD's area.

SOURCE: City websites served by TVMWD

SCHEDULE 12

Three Valleys Muncipal Water District
Personnel Trends
Last Ten Fiscal Years

Fiscal Year	Full-time Equivalent Employees by Department		
	Administration	**Operations**	**TOTAL**
2021	**12.00**	**12.00**	24.00
2020	**11.50**	**12.00**	23.50
2019	**12.00**	**13.00**	25.00
2018	**12.00**	**13.00**	25.00
2017	**11.00**	**13.00**	24.00
2016	**11.00**	**13.75**	24.75
2015	**11.00**	**14.33**	25.33
2014	**11.50**	**12.75**	24.25
2013	**11.50**	**12.00**	23.50
2012	**11.50**	**11.00**	22.50

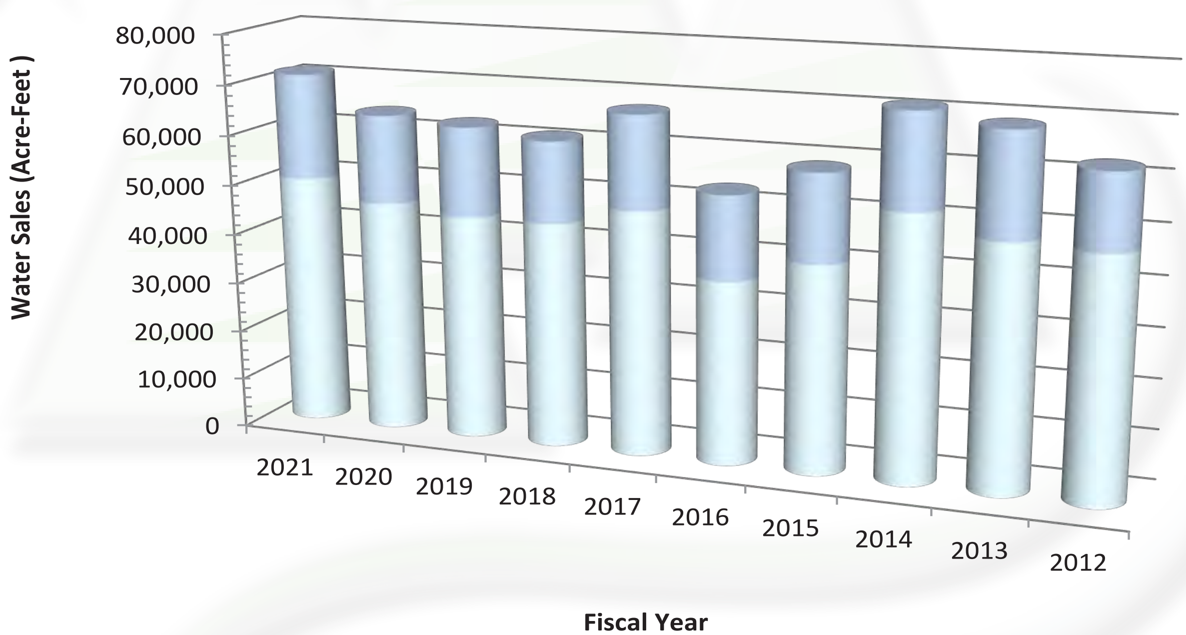


SOURCE: TVMWD - Finance Department

SCHEDULE 13

Three Valleys Muncipal Water District
Water Sales in Acre-Feet
Last Ten Fiscal Years

Fiscal Year	Total MWD acre-feet sold	Total Miramar acre-feet sold	Total acre-feet sold
2021	50,394	20,989	71,383
2020	46,539	17,660	64,199
2019	45,098	17,865	62,963
2018	45,186	16,191	61,377
2017	49,013	18,591	67,604
2016	36,739	16,710	53,449
2015	41,512	17,458	58,970
2014	52,718	18,791	71,509
2013	48,659	20,508	69,167
2012	47,985	14,870	62,855



Note: Water Sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

SOURCE: TVMWD - Finance Department

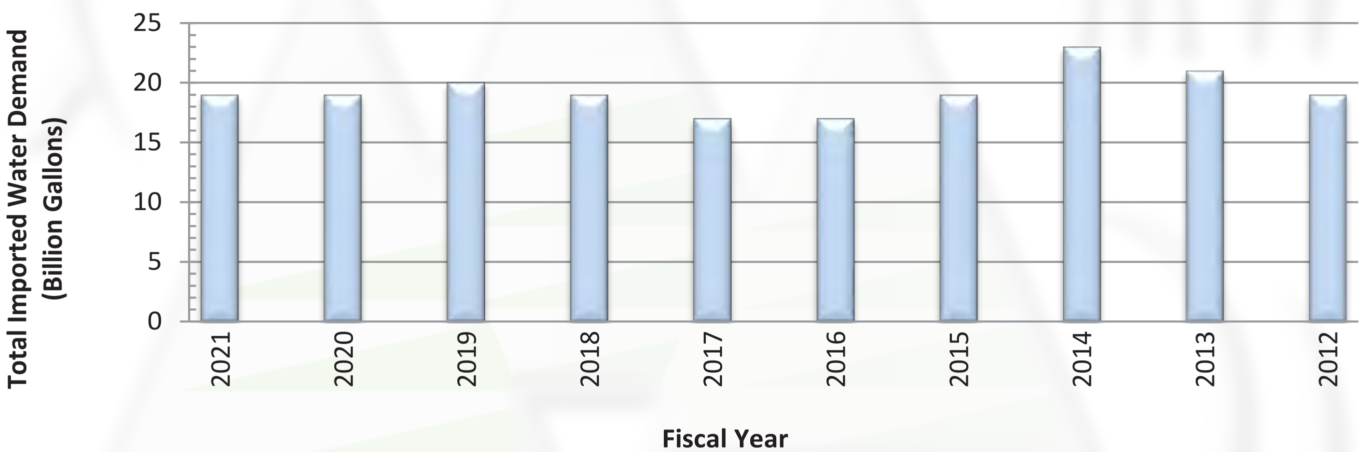
SCHEDULE 14

Three Valleys Muncipal Water District

Miscellaneous Operating Statistics

Last Ten Fiscal Years

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
TVMWD's SERVICE AREA:										
Number of member agencies	13	13	13	13	13	13	13	13	13	13
Number of cities/communities	16	16	16	16	16	16	16	16	16	16
Approximate Area (in square miles)	133	133	133	133	133	133	133	133	133	133
Number of connections (imported)	20	20	20	20	20	20	20	20	20	20
System capacity										
Imported (Acre-feet)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Imported (Billion gallons)	26	26	26	26	26	26	26	26	26	26
Water Demand										
Imported (Acre-feet)	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858	59,471
Imported (Billion gallons)	**19**	**19**	**20**	**19**	**17**	**17**	**19**	**23**	**21**	**19**
Total water demand	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858	59,471



	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
MIRAMAR WATER TREATMENT PLANT AND PIPELINES:										
Length of pipeline (in miles)	10	10	10	10	10	10	10	10	10	10
Annual production (Acre-feet)	19,017	17,660	17,865	16,191	18,591	16,710	17,458	18,791	20,508	14,870
Annual production (billion gallons)	6	5	6	5	6	5	6	6	7	5
Number of connections	13	13	13	13	13	13	12	12	12	12
Hydroelectric Facilities										
Number of generating stations	5	5	5	5	5	5	3	3	3	3

Note: Service area demands are met by MWD and the Miramar Water Treatment Plant and Pipelines.

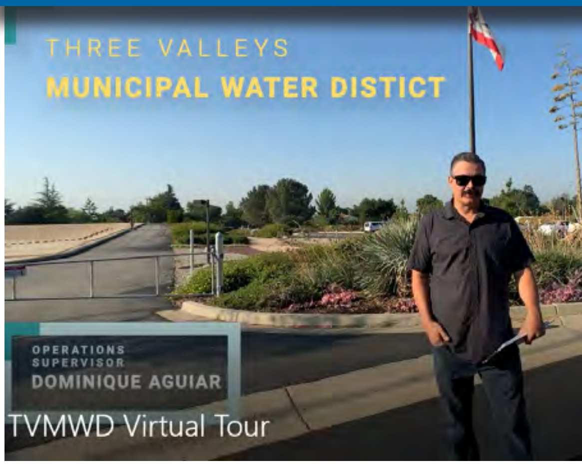
SOURCE: TVMWD - Finance Department

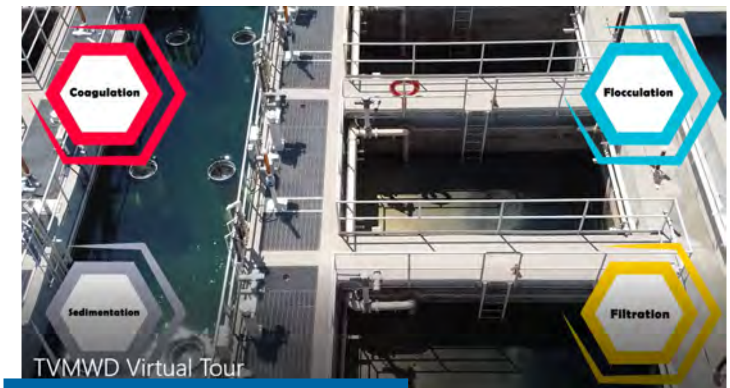
ACRONYMS AND ABBREVIATIONS

- ACFR – Annual Comprehensive Financial Report
- ACWA/JPIA – Association of California Water Agencies /Joint Power Insurance Authority
- AF – Acre-Feet
- AFY – Acre-Feet per Year
- CalPERS – California Public Employees Retirement System
- DWR – Department of Water Resources
- EDU – Equivalent Dwelling Unit
- FY – Fiscal Year
- GASB – Governmental Accounting Standards Board
- GDP – Gross Domestic Product
- GFOA – Government Finance Officers Association
- GPM – Gallons per Minute
- GSWC – Golden State Water Company
- IRP – Integrated Water Resources Plan
- JWL – Joint Water Line
- LAEDC – Los Angeles County Economic Development Corporation
- LAIF – Local Agency Investment Fund
- MWD – Metropolitan Water District of Southern California
- NRSROs – Nationally Recognized Statistical Rating Organizations
- OPEB – Other Post-Employment Benefits
- PERL – Public Employees' Retirement Law
- RTS – Readiness-to-Serve
- S&P – Standard & Poor's
- SDLF – Special District Leadership Foundation
- SEC – Securities and Exchange Commission
- SGV-COG – San Gabriel Valley Council of Governments
- SGVMWD – San Gabriel Valley Municipal Water District
- TVMWD – Three Valleys Municipal Water District
- UWMP – Urban Water Management Plan

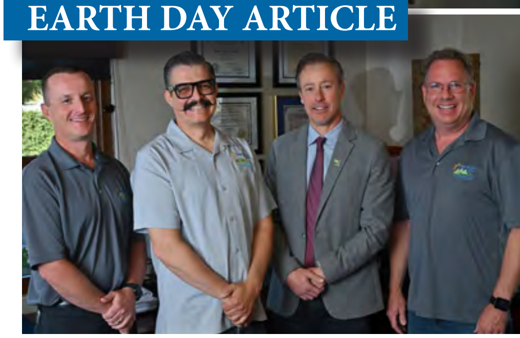
EVENTS AND ACTIVITIES

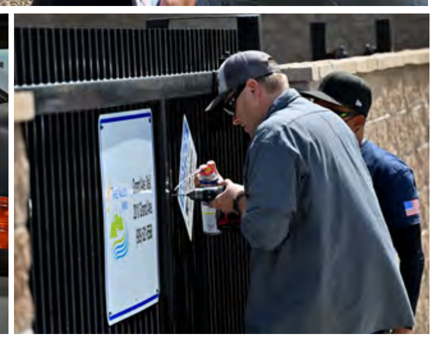
TREATMENT PLANT VITURAL TOUR VIDEO



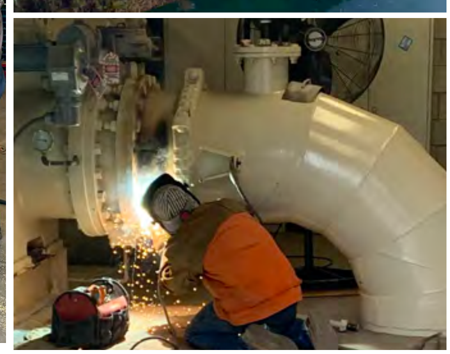


EARTH DAY ARTICLE



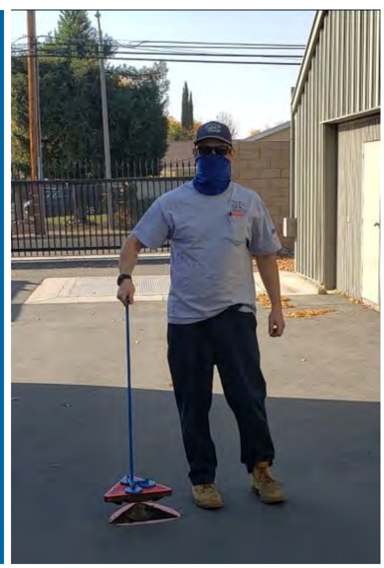


SHUTDOWN



DISTRICTS 2, 4, 5, 6, 7 ADMINISTRATION OF OATH

Mr. Ryan Sonnenberg is the recipient of the JPIA H.R. LaBounty Safety Award - Fall 2020



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