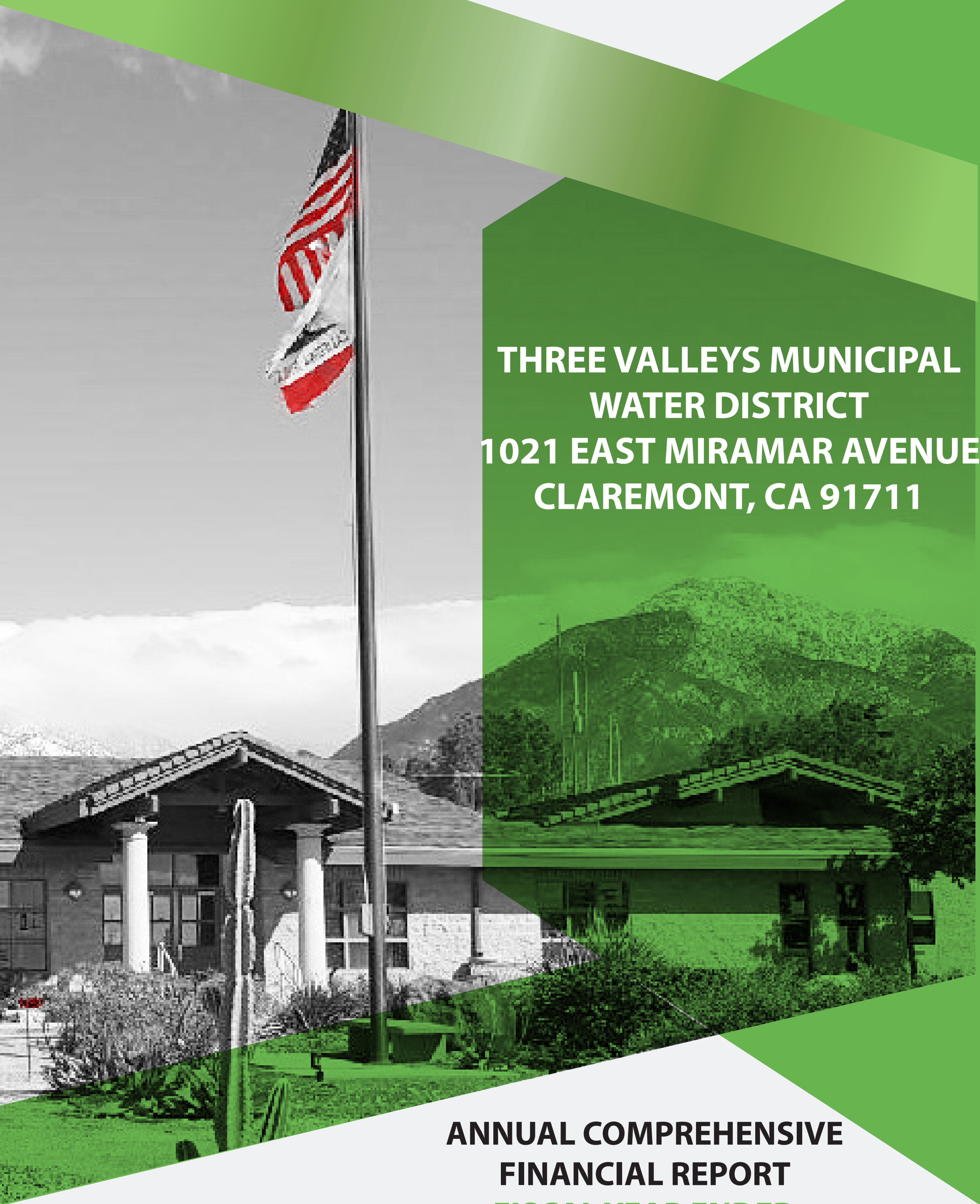
THREE VALLEYS MUNICIPAL WATER DISTRICT

1021 EAST MIRAMAR AVENUE
CLAREMONT, CA 91711



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022

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THREE VALLEYS MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

September 29, 2022

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, 2022. 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 with a fourth under construction, 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. Approximately 30% of TVMWD's total treated sales are from the Miramar Treatment Plant, while the remaining 70% is from MWD's Weymouth Treatment Plant. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY. TVMWD has water storage accounts in Six Basins (stored: approximately 1,500 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: approximately 5,400 AF; capacity: 50,000 AF).

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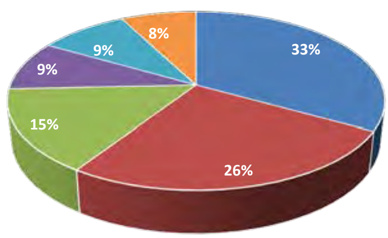
TVMWD is governed by a seven-member Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board has a combined 87 years of experience with TVMWD. TVMWD employs a team of 24 staff members who are responsible for administering the day-to-day operations of the facility 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.

For this fiscal year approximately 70% of TVMWD's treated water sales are wholesaled out of MWD's Weymouth Treatment Plant in La Verne. The remaining 30% is treated and sold out of TVMWD's Miramar Treatment Plant in Claremont to the following agencies:

City of La Verne	33%
Golden State Water Company (Claremont)	26%
Walnut Valley Water District	15%
City of Pomona	9%
Rowland Water District	9%
Golden State Water Company (San Dimas)	8%



Local Economy[1]

Los Angeles County (the County) faced significant economic impacts resulting from the Covid-19 global pandemic that began in March 2020 and continues endemically today at a much lower severity. The unprecedented economic shock almost immediately halted economic activity across most all industries and businesses which were faced with closures and mandatory quarantines. Travel restrictions were imposed, and public gatherings were prohibited. Since the structure of the County's economy is comprised of industries that require a high degree of in-person interaction and these industries were hard-hit by the pandemic, the effects more severely impacted the County as compared to all of California or the nation as a whole.

Despite the multiple surges and variants in the Covid-19 virus that took place during 2021 and early 2022, the County experienced significant improvement towards a post-pandemic new normalcy. Businesses have reopened, schools resumed in-person learning, travel has increased, and job recovery is on the rise. However, the pandemic caused some long lasting or permanent changes within industries such as a shift toward a more remote and home-based hybrid workforce, more digital delivery of electronic services, a significant increase in e-commerce, and related labor market shifts. The overall social and economic effects of these transformative changes may not be fully understood or quantified for many years. 2022 will be a year for the County's economy to continue to recover from and adapt to the disruptions caused by the pandemic, as well as to face new economic challenges. It is important to note that the economic recovery has not been consistent between all industries, with some experiencing stronger recovery than others.

The County was at the height of nearly ten years of strong economic growth prior to the pandemic. Real GDP had grown by 3.3% in 2019 but then plummeted to a negative 6.3% in 2020 due to the pandemic. Real GDP is forecasted to grow to 6.8% in 2021 in a type of spike recovery, and to normalize to 4.6% in 2022. Despite the significant growth in 2021, the GPD growth is expected to slow down over the next couple years, but signs show that the County's economy is getting back on track. Continued economic growth could be impacted by the future direction of the Covid-19 pandemic.

The effects of the ongoing War on Ukraine will have a serious impact on the County's economic condition and recovery as well as the state, national and world economies. Additionally, national fiscal and monetary policy being implemented now and in the coming years will be important determinants of overall economic performance and the inflation rate. Other economic risks that may far outweigh the Covid-19 virus are the ongoing supply chain crisis and crushing impact of the highest inflation and energy costs in 40 years. With fuel, food, building materials, and almost all other goods and services costing more in 2021 and 2022, the local and national economy are in serious risk of entering an economic recession.

The County experienced the most severe amount of job losses in early 2020 because of the pandemic. By 2021, most all the major industries in the County rebounded by experiencing significant increases in employment. In the second half of 2021, the County added jobs back at a faster rate than the rest of the state or nation. By late 2021 the unemployment rate had dropped to around 7% from a high of 21.1% in May 2020. Despite this employment recovery, total employment in the County is still below the January 2020 levels. The industries that were hardest hit such as leisure and hospitality added back the highest number of jobs. The professional and business services, leisure and hospitality, and education and health services are expected to increase the most payroll jobs over the next couple of years.

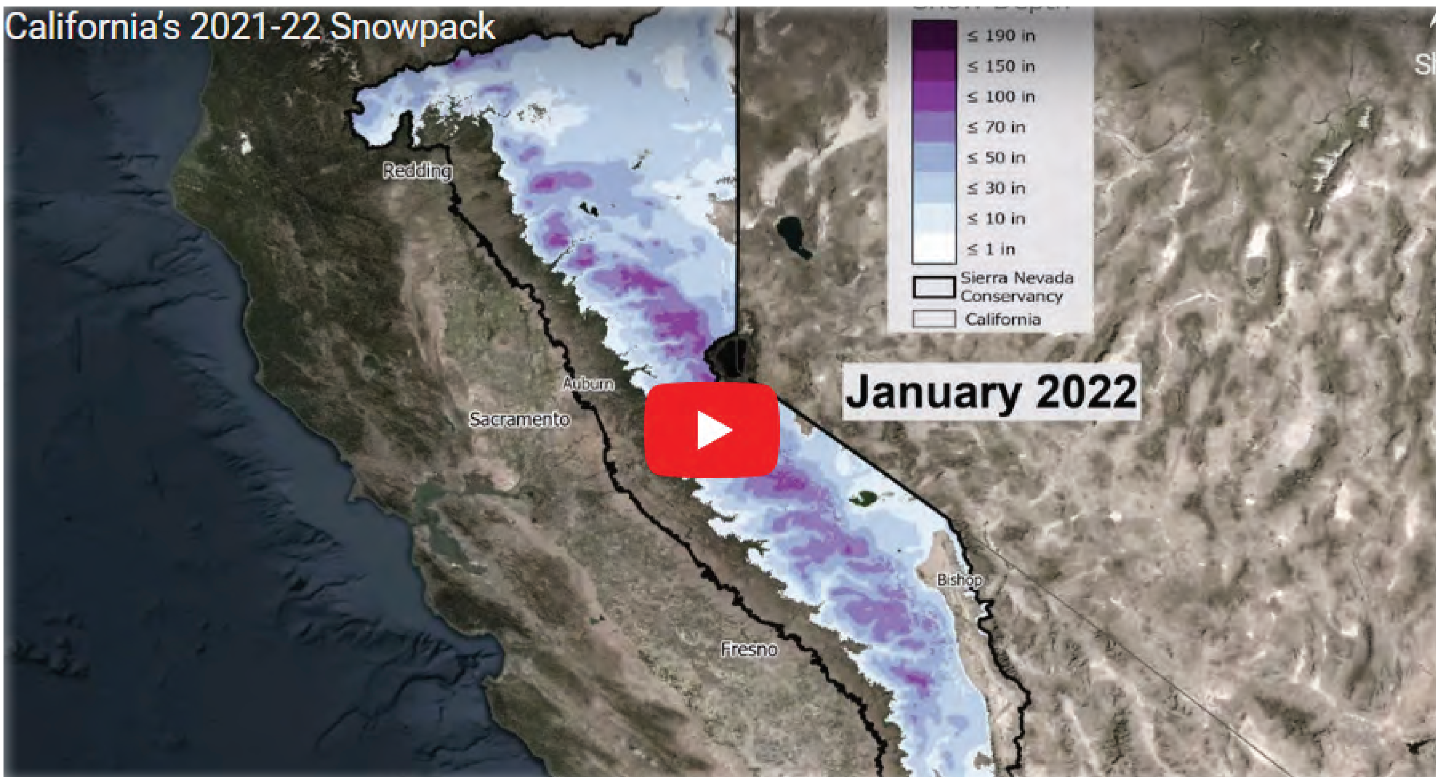
Going forward, issues such as declining county population, housing shortages and income inequality issues that existed pre-pandemic in the County have been exacerbated throughout the pandemic. The County will need to continue to focus on these issues along with other challenges as part of its economic recovery process and to help ensure economic stability and success for the future.

[1] *Source: Los Angeles County Economic Development Corporation's 2022 Economic Forecast*

Industry Outlook

California's economic performance was severely negatively impacted by the Covid-19 pandemic. Beginning in 2021, California experienced significant economic recovery from the depths of the pandemic induced downturn. The state still has many challenges to overcome before getting back to pre-pandemic economic levels. Besides the many economic issues brought on by the pandemic that California is dealing with, the state now faces its third consecutive year of drought conditions and its second extreme drought in ten years due to severe heat and lack of rain and snow. California had the driest January, February, and March 2022 on record dating back over 100 years. These drought conditions are impacting every region of the state. According to the U.S. Drought Monitor, 97% of California is in a severe drought. All 58 counties in the state are currently under a drought emergency proclamation.

The Department of Water Resources (DWR) announced that the amount of California's Sierra Nevada Snowpack was measured at 38% of the April 1 average, when it is historically at its peak. DWR's manual survey only recorded 2.5 inches of snow depth which would normally be about five feet deep at this time of year. Based on the exceptionally dry conditions in the early months of the year, DWR is forecasting a statewide snowmelt of only 44% of average.



Governor Gavin Newsom signed an executive order, N-7-22, on March 28, 2022, calling upon local water suppliers to move to Level 2 of their Water Storage Contingency Plans, which requires locally appropriate actions that will conserve water across all sectors. He would like to see local water agencies implement more aggressive water conservation measures to help drive water use savings at this critical time. Governor Newsom directed the State Water Resources Control Board to evaluate the adoption of regulations banning irrigation of non-functional turf at businesses and institutions. With the worsening of the drought and ongoing water shortages, Governor Newsom is asking all Californians to voluntarily reduce their water use by 15% and help conserve as much water as possible to make supplies last longer. These actions will help the state better prepare for continued dry conditions in the future.

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 approximately 50 percent of the supplies in average years. On January 20, 2022, the DWR announced an increase of their SWP allocation to 15% from 5% for the water year 2022, but by March 18, 2022, DWR decreased the SWP allocation back down to 5% because of the record dry start of 2022. Officials with the DWR indicated that they will continue providing water for critical health and safety needs in addition to the 5% allocation, but increased conversation and water usage cutbacks are necessary.

The dramatic swings in Southern California's climate have created many challenges for MWD to manage its water supplies for its vast service area especially those areas that rely primarily on SWP water. On February 8, 2022, MWD's Board of Directors voted to approve infrastructure investments, water transfer options and alternate delivery programs to improve resiliency and preserve limited SWP supplies for member agencies in the western portions of its service area that depend most on this drought-stricken water source. Developing innovative programs and projects will help strengthen reliability for MWD's member agencies that are more dependent on SWP supplies.

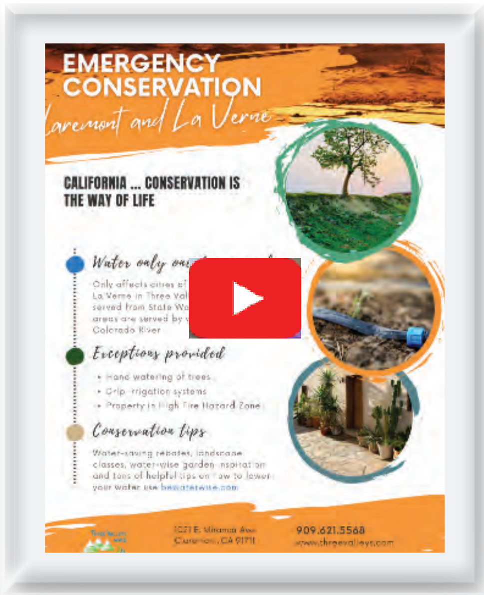
With Governor Newsom's executive order, N-7-22, issued in late March, MWD also acted on mandatory conservation necessary to generate a greater level of water savings needed to stretch the limited State Water Project supplies. The MWD Board of Directors during a special board meeting on April 27, 2022, declared a Water Shortage Emergency for the SWP dependent areas and executed an Emergency Water Conservation Program. MWD's board adopted new restrictions to reduce water use in those communities that are dependent on SWP water, affecting about six million Southern Californians, by restricting outdoor watering to one day a week. MWD worked diligently with its member agencies to help them prepare for the SWP supply reductions and resulting restrictions that went into effect June 1, 2022.

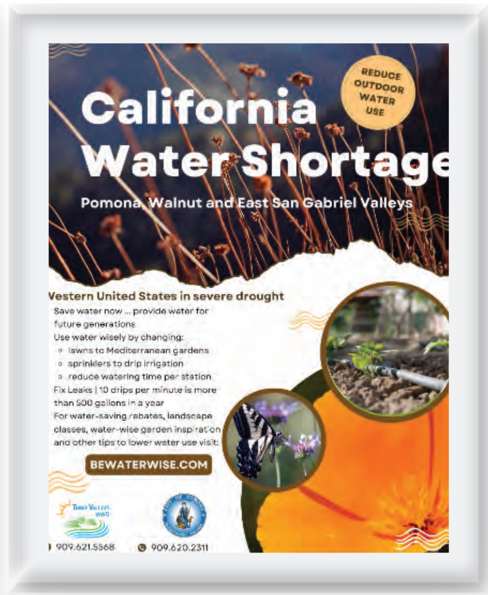
MWD is looking to make some bold and strategic investments in local water supplies, storage, and conservation and resiliency to help adapt to the ongoing dry conditions and climate change. MWD will be taking action on a first round suite of projects in February 2023. MWD is also seeking support from State and Federal partners for investments in our region to help with water supply reliability. MWD continues to strongly encourage residents and businesses to conserve water. On March 8, 2022, MWD's Board of Directors approved entering into a $10.5 million three-year agreement to expand advertising and outreach efforts that will increase the public's awareness of the drought and need to conserve water. Although the SWP dependent communities are being asked to make more significant cuts in their water usage, everyone across Southern California must reduce water usage.

Local Perspective

TVMWD along with its member agencies continued working through the challenges of the fluctuating Covid-19 pandemic over the past couple years. TVMWD followed all the necessary steps to comply with Los Angeles County restrictions, implemented safety protocols to protect its workforce, and ensured continuous delivery of safe and reliable water to its member agencies and in turn to the communities we serve.

TVMWD has been directly affected by Governor Newsom's executive order, N-7-22, issued in March of this year and the reductions in the SWP allocations. TVMWD worked closely with MWD to ensure we took the appropriate actions consistent with their Water Shortage Emergency Condition and Water Conservation Program in the SWP constrained areas specifically the Cities of La Verne and Claremont (Claremont retail water service provided by Golden State Water Company). On, April 20, 2022, TVMWD's Board of Directors approved adopting a resolution Implementing our Water Shortage Contingency Plan to Level 5 in SWP constrained areas. TVMWD notified the affected member agencies that due to the severe drought, a consumer imported demand reduction of up to 50% is necessary to make more efficient use of SWP water and ensure the supplies are maximized as much as possible. In an effort to meet the robust conservation efforts, TVMWD recommended that the SWP constrained areas reduce outdoor irrigation to one day per week by June 1, 2022. TVMWD coordinated with the impacted member agencies by providing information on necessary actions to be taken at the retail level and other outreach activities available to help with conservation.





As the worsening drought conditions continue to plague Southern California, TVMWD remains proactive in identifying projects to help secure additional reliable water supplies. TVMWD has looked toward building extraction wells for these additional water supplies. Construction of a fourth well, the MiraGrand Well, began in June 2021 and is expected to be operational by November 2022. Additionally, at the April 20, 2022 board meeting, TVMWD's Board of Directors approved a Groundwater Reliability Partnership Principles agreement with the City of Glendora and Puente Basin Water Agency for TVMWD to relaunch a groundwater reliability project in the Main San Gabriel Basin increasing local supplies by up to 6,500 AFY. Enhancing the capability to use local resources is critical in helping to provide drought resiliency now and in the future.

TVMWD staff is in the process of developing a Water Resources Master Plan that will provide a road map to continue our mission of providing a reliable high quality water supply in the most cost-effective manner. In April 2022, staff applied for a Bureau of Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) grant. This funding has been approved and will help support TVMWD with the development and update of our Drought Contingency Plan in conjunction with the Water Resources Master Plan. Staff will work with our member agencies, watermasters, and interested stakeholders to develop a robust plan. Planning for growth and preserving and strengthening the reliability of our water supplies for both future generations and for emergencies such as extreme drought or a catastrophic earthquake are primary goals for TVMWD.

TVMWD entered into an agreement with MWD in 2020 to take up to 6,500 AFY from MWD's *Pure Water Southern California Water Project* currently in the CEQA stage of project development. This project is anticipated to generate up to 160,000 AFY of advanced treated recycled water for groundwater recharge and direct potable reuse at MWD treatment plants at various locations throughout MWD's service area, including the Six Basins Groundwater Basin and TVMWD's Miramar Treatment Plant.

MAJOR INITIATIVES AND PROJECTS

TVMWD began, continued, or completed many projects and programs in FY 2021-2022. These included, but were not limited to:

Miragrand Well: The project includes the construction of the well, equipping the well and associated pipeline at TVMWD's site located at Miramar Avenue and Grand Avenue in the city of Claremont. Construction began in June 2021 and a majority of the site civil work has been completed. Extensive equipment procurement delays for the pump and motor for the well have directly impacted the completion of the mechanical activities. The MiraGrand Well will allow TVMWD to supplement its imported water with reliable local groundwater resources in the Six Basins groundwater basin. The Miragrand Well will be TVMWD's fourth groundwater production well with a groundwater production capacity of 600 gallons per minute (gpm) or 825 acre-feet per year (AFY). The project is expected to be completed by Fall 2022.

MAJOR INITIATIVES AND PROJECTS

Emerald Service Meter Cabinet: The project includes upgrade of the existing SCADA/flowmeter cabinet located on Emerald Avenue in the city of La Verne. The existing electrical service connection within the cabinet was outdated and did not meet Southern California Edison's [SCE] standards. Construction began in January 2022. New electrical conduits were installed to accommodate SCE's larger size feeders. The existing electrical cabinet was installed in the middle of the sidewalk hindering pedestrian access. As part of the project, the cabinet was relocated outside of the sidewalk to improve pedestrian access. The project was completed in June 2022.

Big Dalton Spreading Grounds Improvement Project [PM-26 Expansion]: This is a joint project between TVMWD, Los Angeles County Flood Control District (LACFCD) and the City of Glendora. The proposed Project will increase the stormwater storage capacity and imported water recharge capacity at the Big Dalton Spreading Grounds. The Project includes improvement of the spreading grounds to increase the water storage capacity from 12 to 37 acre-feet [AF] and includes pipeline and service connection improvements with Metropolitan Water District to delivering approximately 5,000 AFY of imported water. Prior to initiating a funding agreement between the agencies, TVMWD initiated a study with the Main San Gabriel Basin Watermaster to perform hydraulic modeling to demonstrate the potential benefits of the increased imported and stormwater recharge as a result of the Project. The analysis demonstrated that the additional groundwater recharge based on predicted imported water availability and future hydrology, minimal groundwater levels and quality benefits would be realized in the Glendora Groundwater Basin. TVMWD is working with LACFCD to identify any additional opportunities that would result in increased groundwater recharge that would benefit TVMWD's member agencies in the Main San Gabriel Groundwater Basin.

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 2021-2022, 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 5% to 7%, TVMWD's rates are expected to mirror those increases.

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, 2021. This was the fifteenth 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

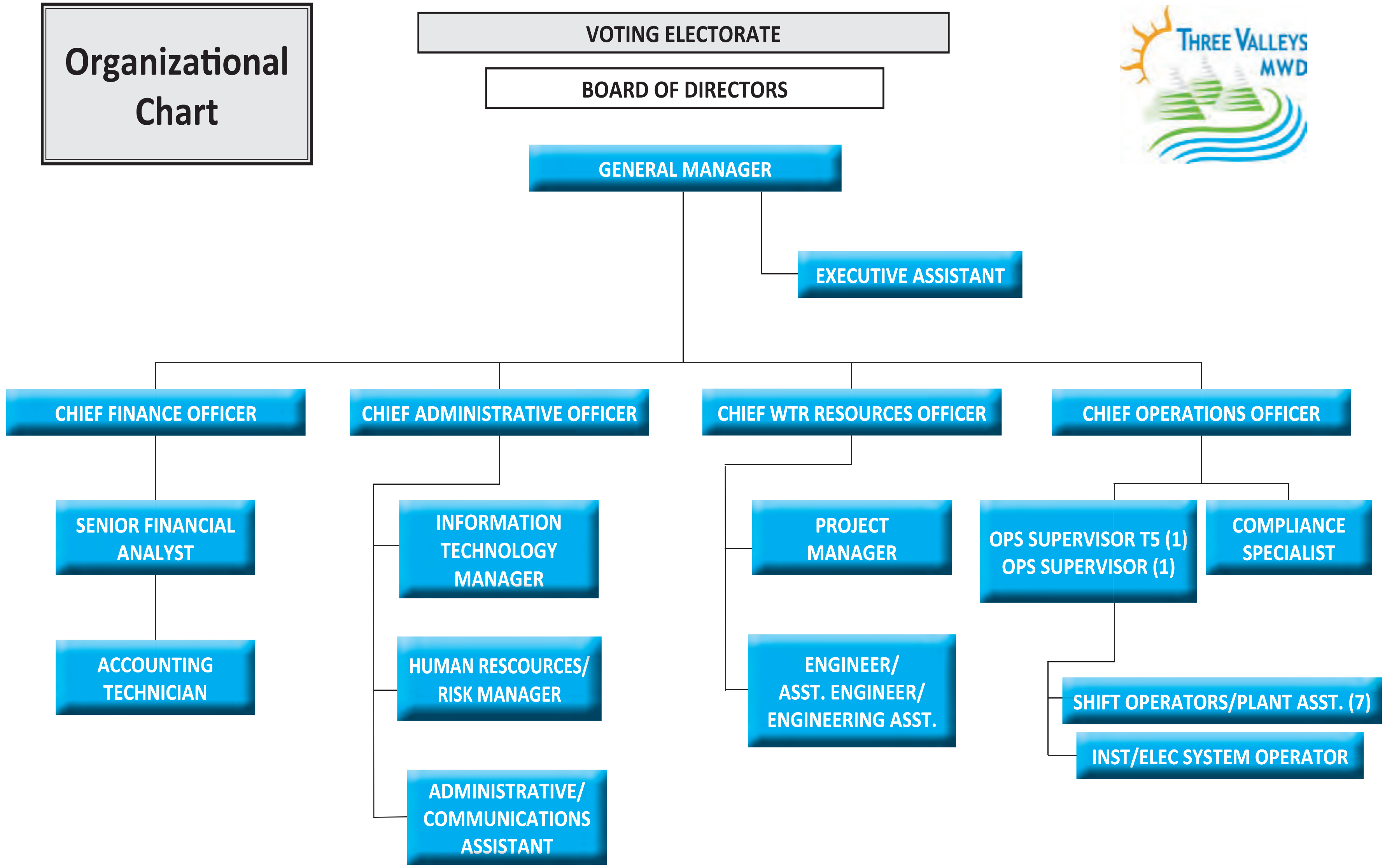
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Organizational Chart

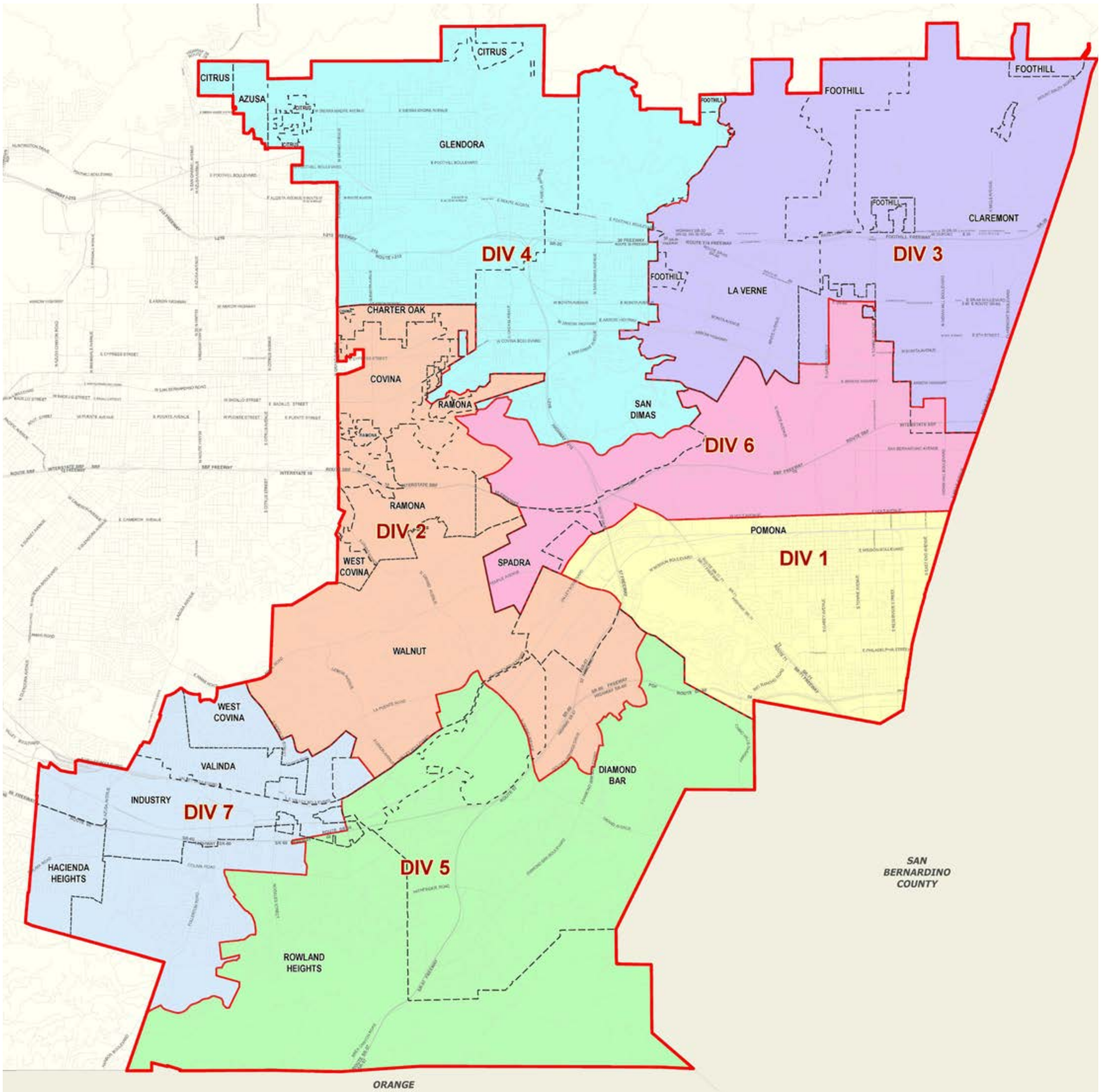


Matthew Litchfield, P.E.
General Manager

January 1, 2022
Date

FTE-24

Elective Subdivision Boundary Map



TVMWD Board of Directors

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

Director Brian Bowcock, Vice President
Division 3
Claremont, La Verne

Director Carlos Goytia, Secretary
Division 1
Southern Pomona

Director Mike Ti, Treasurer
Division 7
Rowland Heights, West Covina, City of Industry, Hacienda Heights

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

Director Bob Kuhn
Division 4
Glendora, San Dimas

Director Danielle Soto
Division 6
Northern Pomona

BOARD REPRESENTATION
(Revised at the January 5, 2022 Board Meeting)

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

2022 COMMITTEE/REPRESENTATION APPOINTMENTS
(Revised at the January 19, 2022 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 Ti	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 Bowcock
San Gabriel Valley Council of Govt's (SGV-COG)	Director Goytia	Director Soto
San Gabriel Valley Economic Partnership	Director Ti	Director Kuhn
Six Basins Watermaster(1)	Director Bowcock	Director Roberto
Southern California Water Coalition	Director Ti	Director Roberto
Walnut Valley Water District	Director De Jesus	Director Roberto
Spadra Basin Groundwater Sustainability Agency	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.

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 Three Valleys Municipal Water District (the District), as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, 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), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the financial statements, in the fiscal year ended June 30, 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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.

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

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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS, *Government Auditing Standards,* and the State Controller's Minimum Audit Standards 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, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards 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 responsive 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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, 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.

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefits schedules, as listed on the table of contents, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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.

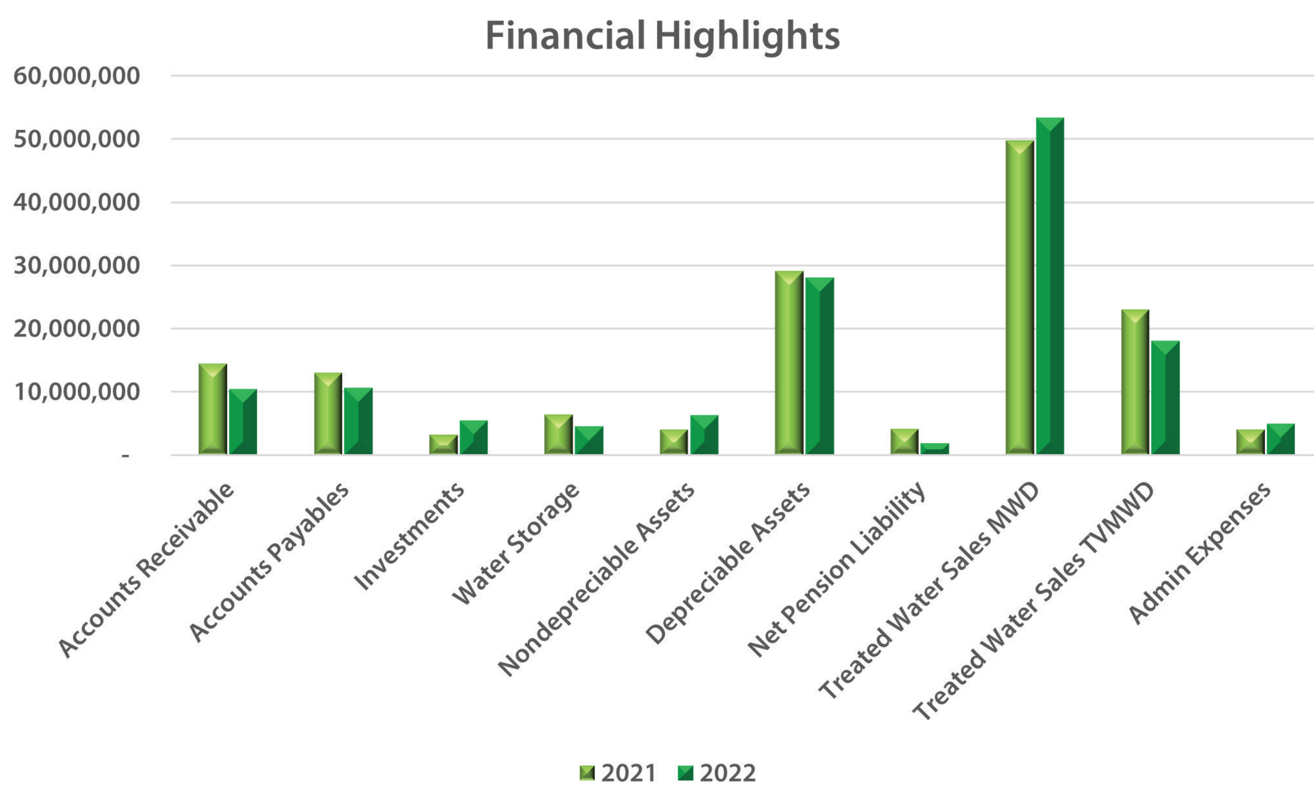
Lance, Soll & Lunghard, LLP

Brea, California
September 29, 2022

This section of TVMWD's annual financial report presents our analysis of TVMWD's financial performance during the fiscal year ended on June 30, 2022. Please read it in conjunction with the basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- Accounts receivable and accounts payable decreased $4 million and $2.4 million respectively due to lower water demands during May and June. Residents are being encouraged to use less water due to the drought.
- Total investments increased $2.3 million while water storage inventory decreased $1.8 million primarily due to the sale of stored water within Main Basin. This stored water was purchased with the intent of reselling at a higher price, serving as a different type of investment option.
- Nondepreciable assets increased $2.2 million primarily due to the construction of the MiraGrand Well. The well is expected to be completed Fall 2022.
- Depreciable assets decreased $1.1 million primarily due to depreciation and amortization of $1.7 million offset by a few additions of infrastructure and equipment.
- Net pension liability decreased $2.3 million while deferred inflows of pension related items increased $2 million. CalPERS investment income was significantly more than projected in FY 20-21, resulting in a large decrease in the amount of unfunded liability owed by TVMWD. The difference between projected and actual investment income is reflected in deferred inflows and will be recognized over the next few years.
- Treated water sales revenue from MWD and the related water purchased increased $3.6 million and $2 million respectively primarily due to a low availability of SWP water. MWD financially incentivized a shift from SWP water to CRA water, thus explaining why water purchased didn't increase as much as water revenues.
- Treated water sales revenue and the related water purchased via the Miramar Treatment Plant decreased $4.9 million and $2.6 million respectively. Since the Miramar Treatment Plant can only receive SWP water, MWD financially incentivized TVMWD to decrease production in order to reduce use of the SWP.
- Administrative expenses decreased $935,000 primarily due to a reduced pension expense due to the significant CalPERS investment income ($500,000) and no board of director elections this year ($400,000).
- 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 32-46). 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 2022 and 2021

	2022	2021	Dollar Change	Total Percent Change
Current and noncurrent assets				
Cash and cash equivalents	$ 4,687,799	$ 3,852,001	$ 835,798	22 %
Accounts receivable	10,466,625	14,511,220	(4,044,595)	(28) %
Interest receivable	21,123	10,275	10,848	106 %
Interest receivable - *restricted*	1,061	-	1,061	0 %
Taxes receivable	235,432	82,198	153,234	186 %
Other receivables	27,746	27,016	730	3 %
Loans receivable from employees	5,573	5,768	(195)	(3) %
Prepaid expenses and deposits	85,736	98,737	(13,001)	(13) %
Water storage inventory	4,600,349	6,436,853	(1,836,504)	(29) %
Investments	5,589,113	3,304,442	2,284,671	69 %
Investments - *restricted*	971,631	885,040	86,591	10 %
Capital assets				
Net Depreciable assets	28,067,558	29,128,582	(1,061,024)	(4) %
Net Nondepreciable assets	6,350,371	4,157,432	2,192,939	53 %
Total Assets	$ 61,110,117	$ 62,499,564	$ (1,389,447)	(2) %
Deferred outflows of resources				
Deferred OPEB and pension related items	$ 1,606,514	$ 1,634,985	$ (28,471)	(2) %
Current liabilities				
Accounts payable	$ 10,707,344	$ 13,069,476	$ (2,362,132)	(18) %
Accrued payroll	272,864	168,232	104,632	62 %
Accrued compensated absences	176,299	155,004	21,295	14 %
Lease payable	22,050	-	22,050	0 %
Long-term liabilities				
Accrued compensated absences	447,769	436,272	11,497	3 %
Lease payable	72,201	-	72,201	0 %
Net pension liability	1,943,186	4,246,130	(2,302,944)	(54) %
Net OPEB liability	696,323	507,145	189,177	37 %
Total Liabilities	$ 14,338,036	$ 18,582,259	$ (4,244,223)	(23) %
Deferred inflows of resources				
Deferred OPEB and pension related items	$ 2,119,671	$ 560,147	$ 1,559,524	278 %
Net Investment in capital assets	$ 34,323,678	$ 33,286,014	$ 1,037,664	3 %
Restricted for pensions	972,692	885,040	87,652	10 %
Unrestricted	10,962,554	10,821,089	141,465	1 %
Total Net Position	$ 46,258,924	$ 44,992,143	$ 1,266,781	3 %

As depicted in Table A-1, the following significant changes occurred during FY 2021-2022:

- Accounts receivable and accounts payable decreased $4 million and $2.4 million respectively due to lower water demands during May and June. Residents are being encouraged to use less water due to the drought.
- Total investments increased $2.3 million while water storage inventory decreased $1.8 million primarily due to the sale of stored water within Main Basin. This stored water was purchased with the intent of reselling at a higher price, serving as a different type of investment option.
- 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.
- Net pension liability decreased $2.3 million while deferred inflows of pension related items increased $2 million. CalPERS investment income was significantly more than projected in FY 20-21, resulting in a large decrease in the amount of unfunded liability owed by TVMWD. The difference between projected and actual investment income is reflected in deferred inflows and will be recognized over the next few years.

TABLE A-2
Condensed Statements of Revenues, Expenses and Changes in Net Position
Fiscal Years 2022 and 2021

	2022	2021	Dollar Change	Total Percent Change
Operating revenues				
Water and hydroelectric sales	$ 71,402,291	$ 72,718,737	$ (1,316,446)	(2) %
Water use and connection capacity charges	6,502,071	5,847,692	654,379	11 %
Nonoperating revenues				
Property tax revenue	2,940,933	2,858,584	82,349	3 %
Investment income	(324,563)	40,175	(364,738)	(908) %
Total Revenues	80,520,732	81,465,188	(944,456)	(1) %
Operating expenses				
Water purchases	64,350,362	64,978,664	(628,302)	(1) %
Water use and connection capacity	5,762,759	5,136,217	626,542	12 %
Water treatment and transmission	3,322,872	3,565,287	(242,415)	(7) %
Administrative expenses	4,120,212	5,055,671	(935,459)	(19) %
Depreciation	1,651,010	1,621,166	29,844	2 %
Nonoperating expenses				
Loss on sale/disposal of assets	77,941	62,868	15,073	24 %
Total Expenses	79,285,156	80,419,873	(1,134,717)	(1) %
Net income (loss) before contributions	1,235,575	1,045,315	190,260	18 %
Contributions	33,021	152,102	(119,081)	(78) %
Changes in net position	1,268,596	1,197,417	71,179	6 %
Beginning net position, as previously reported	44,992,143	43,794,726	1,197,417	3 %
Prior period adjustment	(1,816)	-	(1,816)	0 %
Beginning net position	44,990,327	43,794,726	1,195,601	3 %
Ending net position	$ 46,258,923	$ 44,992,143	$ 1,266,780	3 %

As depicted in Table A-2, the following significant changes occurred during FY 2021-2022:

- Treated water sales revenue from MWD and the related water purchased increased $3.6 million and $2 million respectively primarily due to a low availability of SWP water. MWD financially incentivized a shift from SWP water to CRA water, thus explaining why water purchased didn't increase as much as water revenues.
- Treated water sales revenue and the related water purchased via the Miramar Treatment Plant decreased $4.9 million and $2.6 million respectively. Since the Miramar Treatment Plant can only receive SWP water, MWD financially incentivized TVMWD to decrease production in order to reduce use of the SWP.
- Administrative expenses decreased $935,000 primarily due to a reduced pension expense due to the significant CalPERS investment income ($500,000) and no board of director elections this year ($400,000).

TABLE A-3
Capital Assets
Fiscal Years 2022 and 2021

	2022	2021	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	4,415,667	2,222,728	2,192,939	99 %
Total Nondepreciable Assets	6,350,371	4,157,432	2,192,939	53 %
Depreciable Assets				
Building	8,058,943	8,058,943	-	0 %
Furniture, Fixtures, & Equipment	1,250,914	1,129,578	121,336	11 %
Intangible Right to Use Lease - Equipment	200,849	-	200,849	0 %
Infrastructure	62,803,006	62,637,005	166,001	0 %
Land Improvements	1,448,951	1,448,951	-	0 %
Vehicles	608,148	608,148	-	0 %
Total Depreciable Assets	74,370,811	73,882,625	488,186	1 %
Less Accumulated Depreciation	(46,303,253)	(44,754,043)	(1,549,210)	3 %
Net Depreciable Assets	28,067,558	29,128,582	(1,061,024)	(4) %
Total Capital Assets, Net	$ 34,417,929	$ 33,286,014	$ 1,131,915	3 %

As depicted in Table A-3, the following significant changes occurred during FY 2021-2022:

- Nondepreciable assets increased $2.2 million primarily due to the construction of the MiraGrand Well. The well is expected to be completed Fall 2022.
- Depreciable assets decreased $1.1 million primarily due to depreciation and amortization of $1.7 million offset by a few additions of infrastructure and equipment.
- More information about TVMWD's capital assets is presented in Note 4 of the Notes to the Basic Financial Statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Current assets	
Cash and cash equivalents *(Note 3)*	$ 4,687,799
Accounts receivable *(Note 1)*	10,466,625
Interest receivable	21,123
Interest receivable - restricted (Note 1)	1,061
Investments *(Note 3)*	683,462
Investments - restricted *(Note 1)*	971,631
Taxes receivable *(Note 1)*	235,432
Other receivables	27,746
Loans receivable from employees *(Note 1)*	5,573
Prepaid expenses *(Note 1)*	66,786
Deposits *(Note 1)*	18,950
Water storage inventory *(Note 1)*	4,600,349
Total current assets	21,786,537
Noncurrent assets	
Investments *(Note 3)*	4,905,651
Capital assets *(Note 4)*	
Depreciable assets, net	28,067,558
Nondepreciable assets	6,350,371
Total noncurrent assets	39,323,580
TOTAL ASSETS	$ 61,110,117

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension related items *(Note 10)*	1,111,562
Deferred OPEB related items *(Note 12)*	494,952
Total deferred outflows of resources	$ 1,606,514

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

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION (continued)
June 30, 2022

LIABILITIES	
Current liabilities	
Accounts payable	$ 10,707,344
Accrued payroll	272,864
Current portion of accrued compensated absences *(Note 1)*	176,299
Current portion of lease payables *(Note 5)*	22,050
Total current liabilities	11,178,557
Noncurrent liabilities	
Accrued compensated absences, net of current portion *(Note 1)*	447,769
Lease payable, net of current portion *(Note 5)*	72,201
Net pension liability *(Note 10)*	1,943,186
Net OPEB *(Note 12)*	696,323
Total noncurrent liabilities	3,159,479
TOTAL LIABILITIES	$ 14,338,036
DEFERRED INFLOWS OF RESOURCES	
Deferred pension related items *(Note 10)*	1,979,155
Deferred OPEB related items *(Note 12)*	140,516
Total deferred inflows of resources	$ 2,119,671
NET POSITION	
Net Investment in capital assets	34,323,678
Restricted for pensions	972,692
Unrestricted	10,962,554
TOTAL NET POSITION	$ 46,258,924

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

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THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

OPERATING REVENUES	
Water sales - MWD	$ 53,276,541
Water and hydroelectric sales - Miramar	18,125,750
Water use and connection capacity charges	6,502,071
Total operating revenues	77,904,362
OPERATING EXPENSES	
Water purchases - MWD	51,909,651
Water purchases - Miramar	12,440,711
Water use and connection capacity	5,762,759
Water treatment and distribution	3,322,872
Administrative expenses	4,120,212
Depreciation and amortization	1,651,010
Total operating expenses	79,207,215
OPERATING LOSS	(1,302,853)
NONOPERATING REVENUES (EXPENSES)	
Property tax revenue	2,940,933
Investment income	(324,563)
Loss on sale/disposal of assets	(77,941)
Net nonoperating revenues	2,538,429
NET INCOME BEFORE CONTRIBUTIONS	1,235,576
CONTRIBUTIONS *(Note 1)*	33,021
CHANGES IN NET POSITION	1,268,597
NET POSITION:	
NET POSITION AT BEGINNING OF YEAR	44,992,143
Prior period adjustment *(Note 2)*	(1,816)
Beginning of year, as restated	44,990,327
NET POSITION AT END OF YEAR	$ 46,258,924

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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 83,784,731
Cash payments to suppliers of goods or services	(75,134,499)
Cash payments to employees for services	(5,186,047)
Net cash provided by operating activities	3,464,185
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from property taxes	2,787,699
Net cash provided by noncapital financing activities	2,787,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from contributions	33,021
Acquisitions of capital assets	(359,308)
Cost of construction in progress additions	(2,382,065)
Net cash used by capital and related financing activities	(2,708,352)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments in government securities	(3,130,014)
Proceeds from sales of investments in government securities	495,123
Investment income	(72,843)
Net cash provided by investing activities	$ (2,707,734)

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

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$	835,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,852,001
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	4,687,799
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	$	(1,302,853)
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation		1,651,010
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		4,044,595
(Increase) decrease in other receivables		(730)
(Increase) decrease in loans receivable from employees		195
(Increase) decrease in prepaid expenses		5,053
(Increase) decrease in deposits		(1,028)
(Increase) decrease in water storage inventory		1,836,504
(Increase) decrease in advance dues deposit		8,976
Increase (decrease) in accounts payable		(2,362,132)
Increase (decrease) in accrued payroll		104,632
Increase (decrease) in lease payable		(27,058)
Increase (decrease) in accrued OPEB liability and related items		56,307
Increase (decrease) in accrued compensated absences		32,792
Increase (decrease) in net pension liability and related items		(582,078)
Net cash provided by operating activities	$	3,464,185
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$	4,687,799
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Loss on sale/disposal of assets		(77,941)
Changes in fair value of investments		(263,627)

THREE VALLEYS MUNICIPAL WATER DISTRICT
OTHER POST EMPLOYMENT BENEFITS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

ASSETS:	
Mutual funds ***(Note 12)***	$ 1,010,518
Interest receivable ***(Note 12)***	3,689
TOTAL ASSETS	1,014,207
NET POSITION	
Restricted for OPEB benefits	1,014,207
TOTAL NET POSITION	$ 1,014,207

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, 2022

ADDITIONS:	
Employers' contributions	$ -
Investment Income:	
Interest and dividends	19,696
Net depreciation in fair value of investments	(149,340)
Less: investment expense	(3,892)
Net investment income	(133,536)
TOTAL ADDITIONS	(133,536)
DEDUCTIONS:	
Administrative expenses	2,842
TOTAL DEDUCTIONS	2,842
CHANGE IN NET POSITION	(136,378)
NET POSITION RESTRICTED FOR OPEB BENEFITS:	
BEGINNING OF YEAR	1,150,585
END OF YEAR	$ 1,014,207

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 10.

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, 2022, 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, 2022, 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, 2021	2,257	$ 420,746	8,265	$ 6,016,107
Acquired	329	473,464	-	22,910
Used or Sold	(1,043)	(231,166)	(2,877)	(2,101,712)
Ending Balance at June 30, 2022	**1,543**	**$ 663,044**	**5,388**	**$ 3,937,305**

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 assets 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 assets 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.

Classification of Revenues and Expenses

As an enterprise (proprietary) fund, TVMWD classifies its revenues and expenses into the following classifications: operating

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 – PRIOR PERIOD ADJUSTMENT

TVMWD's financial statements have been updated to conform to newly adopted GASB Statement No. 87, Leases. As a result of compliance with GASB Statement No. 87, TVMWD has restated net position by $1,816 to reflect the balance of net position as of June 30, 2022.

This schedule reflects the Right-to-Use Leased Assets and Liabilities added to the statement of net position as of June 30, 2022 for three lease agreements.

Net Capital Assets	$	18,973
Lease Payable		(20,789)
	$	(1,816)

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

As of June 30, 2022, the carrying amount of TVMWD's cash deposits was $4,601,163 and the bank balances were $4,697,065. 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, 2022:

Type		Fair Value
Cash and cash equivalents		
Cash	$	4,601,163
Money Market Funds		8,698
California Asset Management Trust		11,611
Local Agency Investment Fund		66,327
Total cash and cash equivalents		4,687,799
Investments		
US Treasury Notes		3,462,773
US Corporate Notes		1,099,155
Federal Agency Securities		782,537
Asset Backed Security		189,468
Supranational		55,180
Mutual Funds*		1,982,149
Total investments		7,571,262
Total cash and cash equivalent and investments	$	12,259,061

*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.

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

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.

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.

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, 2022, 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	$ 8,698	$ 8,698	$ -	$ -
US Treasury Notes	3,462,773	344,231	1,657,151	1,461,391
US Corporate Notes	1,099,155	139,481	260,914	698,760
Federal Agency Securities	782,537	199,751	394,338	188,448
Asset Backed Security	189,468	-	88,059	101,409
Supranational	55,180	-	-	55,180
Mutual Funds	1,982,149	1,982,149	-	-
California Asset Management Trust	11,611	11,611	-	-
Local Agency Investment Fund	66,327	66,327	-	-
Total	$7,657,898	$2,752,248	$2,400,462	$2,505,188

NOTE 3 – 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, 2022, 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+	10.21%
US Corporate Notes	A2	A	2.59%
US Corporate Notes	A2	A-	2.23%
US Corporate Notes	A1	A	2.21%
US Corporate Notes	A3	A+	2.13%
US Corporate Notes	Aa2	AA	1.08%
US Corporate Notes	A1	AA	0.99%
US Corporate Notes	A1	A+	0.91%
US Corporate Notes	Aaa	AA+	0.91%
US Corporate Notes	A2	A+	0.06%
Supranational	Aaa	AAA	0.72%
Asset Backed Security	NR	AAA	0.95%
Asset Backed Security	Aaa	NR	0.94%
Asset Backed Security	Aaa	AAA	0.57%
Money Market Fund	Aaa	AAA	0.11%
Mutual Funds	Aaa	AAA	25.93%
California Asset Management Trust	NR	AAAm	0.15%
Local Agency Investment Fund	NR	NR	0.87%

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, 2022:

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	$ 3,462,773	$ -	$ 3,462,773	$ -
US Corporate Notes	1,099,155	-	1,099,155	-
Federal Agency Securities	782,537	-	782,537	-
Asset Backed Security	189,468	-	189,468	-
Supranational	55,180	-	55,180	
Mutual Funds	1,982,149	-	1,982,149	-
California Asset Management Trust	11,611	-	11,611	-
Local Agency Investment Fund	66,327	-	66,327	-
Totals	$7,649,200	$ -	$7,649,200	$ -
Investments Measured at Amortized Cost				
Money Market Fund	8,698			
Total Investments	$7,657,898			

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 3 – 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, 2022, none of TVMWD's deposits or investments were exposed to custodial credit risk.

NOTE 4 – CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2022 is as follows:

	Beginning Balance 06/30/2021	Restated Balance 06/30/2021	Additions	Retirements*	Transfers	Ending Balance 06/30/2022
Capital assets, not being depreciated:						
Land	$ 1,633,704	$ 1,633,704	$ -	$ -	$ -	$ 1,633,704
Water Share	301,000	301,000	-	-	-	301,000
Construction in progress	2,222,728	2,222,728	2,382,065	-	(189,126)	4,415,667
Total capital assets, not being depreciated	4,157,432	4,157,432	2,382,065	-	(189,126)	6,350,371
Capital assets, being depreciated:						
Building and Building Improvement	8,058,943	8,058,943	-	-	-	8,058,943
Furniture, Fixtures, and Equipment	1,129,578	1,129,578	121,336	-	-	1,250,914
Intangible Right to Use Lease - Equipment	-	200,849	-	-	-	200,849
Infrastructure	62,637,005	62,637,005	237,972	(261,097)	189,126	62,803,006
Land Improvements	1,448,951	1,448,951	-	-	-	1,448,951
Vehicles	608,148	608,148	-	-	-	608,148
Total capital assets, being depreciated	73,882,625	74,083,474	359,308	(261,097)	189,126	74,370,811
Less accumulated depreciation and amortization:						
Building and Building Improvement	6,716,033	6,716,033	43,464	-	-	6,759,497
Furniture, Fixture and Equipment	850,914	850,914	38,916	-	-	889,830
Intangible Right to Use Lease - Equipment	-	81,356	26,102	-	-	107,458
Infrastructure	35,457,966	35,457,966	1,478,963	(183,156)	-	36,753,773
Land Improvement	1,263,651	1,263,651	13,222	-	-	1,276,873
Vehicles	465,479	465,479	50,343	-	-	515,822
Total accumulated depreciation and amortization	44,754,043	44,835,399	1,651,010	(183,156)	-	46,303,253
Total capital assets, being depreciated, net	29,128,582	29,248,075	(1,291,702)	(77,941)	189,126	28,067,558
Total capital assets, net	$ 33,286,014	$ 33,405,507	$ 1,090,363	$ (77,941)	$ -	$ 34,417,929

*Replacement of Well 1 turbine pump bowls and shaft, Control Room PLC, and water pumps.

Depreciation expense for the year totaled $1,651,010.

NOTE 5 – LEASES

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Canon Image Runner V5550i & 4551	03/02/2017	60 months	1,451	4.00%	$79,043	$ -
Mail Machine, meter & scale	04/17/2017	63 months	117	4.00%	6,670	-
Canon Plotter TX-4000	06/05/2018	60 months	268	4.00%	$14,616	3,208
Canon Image Runner DX5860i & 4761i	09/23/2021	60 months	1,845	4.00%	100,520	91,043
Total Lease Agreements						$94,251

The lease agreements for the printers and mail machine began March 2, 2017, April 17, 2017, June 5, 2018 and September 23, 2021, respectively, for a term of five years at a fixed interest rate of 4%. The leases are renewable and TVMWD will not acquire the equipment at the end of the five years. At June 30, 2022 two lease agreements concluded and will not be renewed.

A summary of the principal and interest amounts for the leases is as follows:

Year Ending June 30	Principal	Interest
2023	$22,050	$3,370
2024	19,610	2,531
2025	20,409	1,732
2026	21,240	901
2027	10,942	128
TOTAL	$94,251	$8,662

NOTE 6 – RIGHT-TO-USE LEASE ASSET

Amortization of Right-to-Use Leased Assets

TVMWD has a lease payable of $94,251 for intangible right to use equipment. Due to the implementation of GASB Statement No. 87, the leases for equipment met the criteria of a lease; thus, requiring them to be recorded by TVMWD. The assets for this lease payable will be amortized over the lease term of five years. TVMWD will not aquire the equipment at the end of the five years. There are no residual value guarantees in the lease provisions. The leases will end in 2023 and 2027, respectively.

A summary of the amortization for the leases is as follows:

Year Ending June 30	Amortization
2023	$23,027
2024	20,104
2025	20,104
2026	20,104
2027	10,052
TOTAL	$93,391

NOTE 7 – 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.

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 $1,468,185 of open contracts as of June 30, 2022.

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to date as of June 30, 2022	Remaining Commitment
MiraGrand Well	$2,962,907	$2,099,329	$863,578
Bonanza Springs Study	1,002,628	398,021	604,607

NOTE 8 – 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 Errors and Omissions: 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 $5 million per claim up to $5 million aggregate.

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

NOTE 9 – 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 2021-2022 was 11,241 acre-feet. These sales occurred in the same manner as would occur with any TVMWD member agency. TVMWD expects sales to CIC to decrease to comply with MWD drought guidelines.

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 2021 and 2022 were $777 and $799, 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 2021-2022, total water sales revenue, capacity charges and fixed

NOTE 9 – RELATED PARTY TRANSACTIONS (continued)

charges from CIC was $9,115,961. TVMWD allows its member agencies approximately 45 days to pay for monthly water purchases. As such, TVMWD had a receivable outstanding at June 30, 2022 from CIC for June 2022 capacity charges and fixed charges in the amounts of $20,408. This receivable, due in August 2022, was paid by CIC in July 2022.

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, 2022.

NOTE 10 – PENSION PLAN

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 10 – PENSION PLAN (continued)

The Plan's provisions and benefits in effect at June 30, 2022, 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	10.88%	7.59%

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, 2022, the contributions recognized as reductions to net pension liability for the Plan were as follows:

Contributions - employer	$560,009
Contributions - employee (paid by employer)	$0

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

As of June 30, 2022, 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	$1,943,186

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, 2022 the fair value of all assets held in the trust amounted to $972,692 (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, 2021 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, 2020 rolled forward to June 30, 2021 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, 2021 was as follows:

Proportion - June 30, 2021	0.035930%

For the year ended June 30, 2022, TVMWD recognized pension expense of $48,725. At June 30, 2022, 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	$630,803	$0
Differences between actual and expected experience	217,907	0
Changes in assumptions	0	0
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	262,852	0
Difference between actual and proportionate share	0	(282,857)
Net differences between projected and actual earnings on plan investments	0	(1,696,298)
Total	$1,111,562	$(1,979,155)

NOTE 10 – PENSION PLANS (continued)

The $630,803 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, 2023. 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
2022	$(312,839)
2023	(340,995)
2024	(375,793)
2025	(468,769)
2026	-
Remaining	-
Total	$(1,498,396)

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 3.7 years.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. Both the June 30, 2020 total pension liability and the June 30, 2021 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 2020 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 10 – 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[2,4]	Real Return Years 11+[3,4]
Public 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, Liquidity is included in Short-Term Investments; Inflation Assets are included in both Public Equity and Fixed Income.
[2]An expected inflation of 2.00% used for this period.
[3]An expected inflation of 2.92% used for this period.
[4]Figures are based on the previous ALM of 2017.

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%
$ 4,773,661	$ 1,943,186	$ (396,729)

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, 2022, TVMWD reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 11 – 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 $6,000 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 $7,222,019 at June 30, 2022.

TVMWD has implemented GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since neither Program above is a defined benefit pension or OPEB plan that meets GASB 67 or 74 criteria, 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 11 – 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 $110,015 at June 30, 2022.

TVMWD has implemented GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the plan above is not a defined benefit pension or OPEB plan that meets GASB 67 or 74 criteria, the assets and related liabilities are not shown on the statement of net position.

NOTE 12 – 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, 2022, TVMWD Retiree Benefits Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	13
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	24
Total	37

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, 2022, TVMWD's average contribution rate was 1.76% of covered-empoyee 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, 2022:

Asset Class	Target Allocation
Mutual Funds-Equity	47%
Mutual Funds-Fixed Income	47%
Cash and Equivalents	6%
Total	**100%**

Rate of return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (11.85)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The components of the Net OPEB Liability at June 30, 2022 were as follows:

Total OPEB Liability	$1,710,530
Plan fiduciary net position	(1,014,207)
TVMWD's net OPEB Liability	$ 696,323
Plan fiduciary net position as a percentage of the total OPEB liability	59%

Deferred outflows and inflows of resources related to OPEB as of June 30, 2022 were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$123,284	$6,878
Changes in assumptions	282,457	133,638
Net differences between projected and actual earnings on OPEB investments	89,211	0
Total	$494,952	$140,516

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
2023	$63,512
2024	63,826
2025	45,696
2026	117,826
2027	63,576
Thereafter	-
Total	$354,436

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 5.7 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, 2022. 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%
$ 876,615	$ 696,323	$ 541,775

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%
$ 603,286	$ 696,323	$ 802,028

NOTE 12 – 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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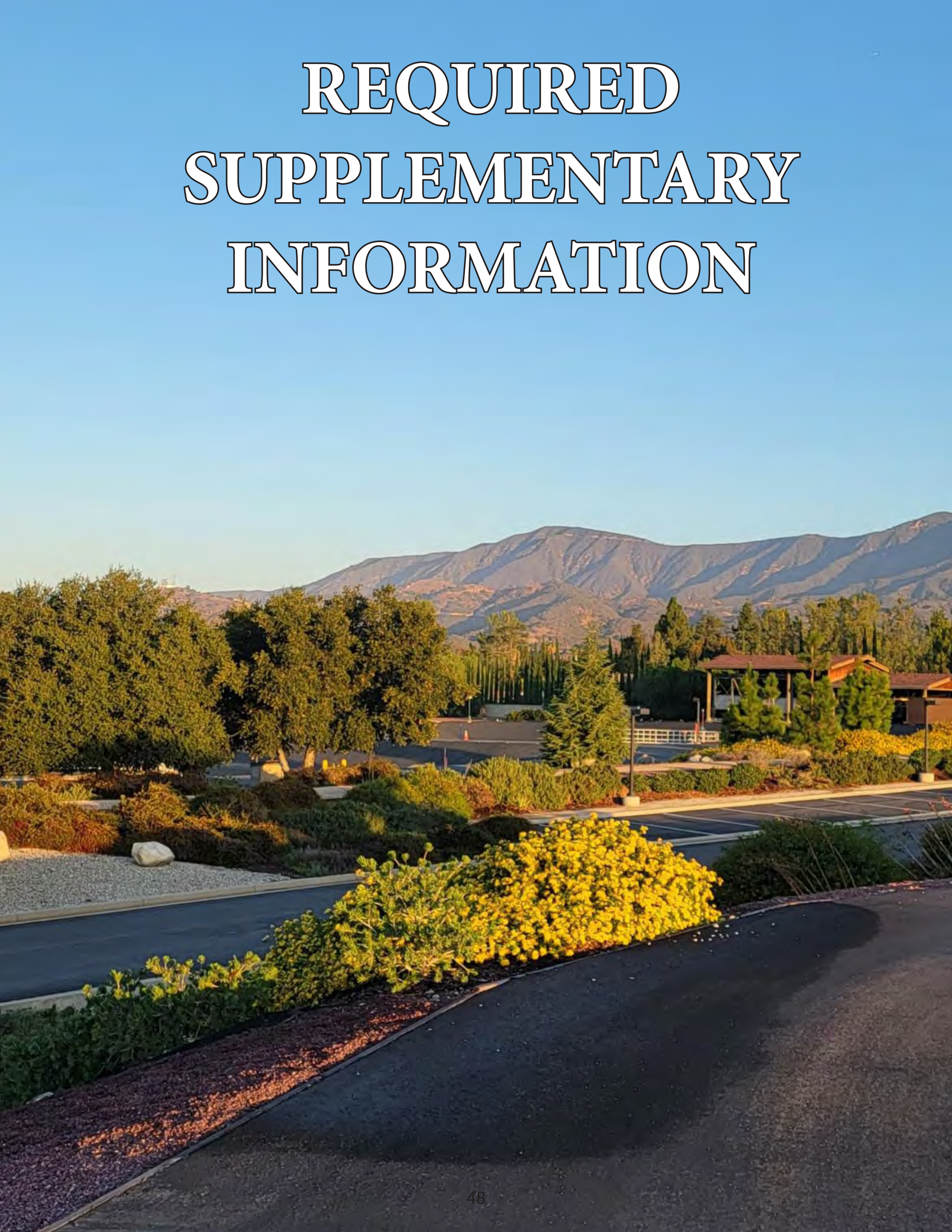
REQUIRED SUPPLEMENTARY INFORMATION



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
2022	0.035930%	$ 1,943,186	$ 2,891,728	67.20%	90.94%
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 eight 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, 2022[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
2022	$ 630,803	$ (630,803)	$ -	$ 3,181,568	19.83%	6/30/2020
2021	$ 560,009	$ (560,009)	$ -	$ 2,863,454	19.56%	6/30/2019
2020	$ 485,393	$ (485,393)	$ -	$ 2,743,774	17.69%	6/30/2018
2019	$ 426,711	$ (426,711)	$ -	$ 2,750,395	15.51%	6/30/2017
2018	$ 363,282	$ (363,282)	$ -	$ 2,662,296	13.65%	6/30/2016
2017	$ 324,213	$ (324,213)	$ -	$ 2,539,815	12.77%	6/30/2015
2016	$ 286,627	$ (286,627)	$ -	$ 2,419,392	11.85%	6/30/2014
2015	$ 272,007	$ (272,007)	$ -	$ 2,400,313	11.33%	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 eight 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, 2022[1]

FISCAL YEAR	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 59,377	$ 50,376	$ 48,909	$ 35,365	$ 34,335	$ 22,989
Interest	88,487	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	(95,064)	(85,295)	(53,555)	(47,588)	(41,611)	(23,007)
Net changes in total OPEB liability	52,800	404,421	(211,937)	71,998	309,370	206,751
Total OPEB liability - beginning	$ 1,657,730	$1,253,309	$1,465,246	$1,393,247	$1,083,877	$ 877,126
Total OPEB liability - ending (a)	$ 1,710,530	$1,657,730	$1,253,309	$1,465,245	$1,393,247	$1,083,877
Plan fiduciary net position						
Contributions-employer	$ 95,064	$ 85,295	$ 53,555	$ 47,588	$ 41,611	$ 138,561
Net investment income	(136,378)	185,799	38,250	55,386	45,031	52,341
Benefit payments	(95,064)	(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	(136,378)	185,799	35,897	53,174	42,873	166,738
Plan fiduciary net position-beginning	1,150,585	964,786	928,889	875,715	832,842	666,104
Plan fiduciary net position-ending(b)	$ 1,014,207	$1,150,585	$ 964,786	$ 928,889	$ 875,715	$ 832,842
Net OPEB liability	$ 696,323	$ 507,145	$ 288,523	$ 536,357	$ 517,532	$ 251,035
Plan fiduciary net position as a percentage of the total OPEB liability	59%	69%	77%	63%	63%	77%
Covered-employee payroll	$ 3,181,568	$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	21.89%	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, 2022[(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
2022	$85,926	$ (95,064)	$ (9,138.0)	$3,181,568	2.70%	4/1/2021
2021	$83,411	$ (85,295)	$ (1,884.0)	$2,863,454	2.91%	4/1/2021
2020	$38,993	$ (48,157)	$ (9,163.6)	$2,743,774	1.42%	7/1/2019
2019	$47,588	$ (30,971)	$ 16,617.0	$2,750,395	1.73%	7/1/2017
2018	$41,611	$ (27,470)	$ 14,141.0	$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 April 1, 2021 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
2022	(11.85)%
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

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.

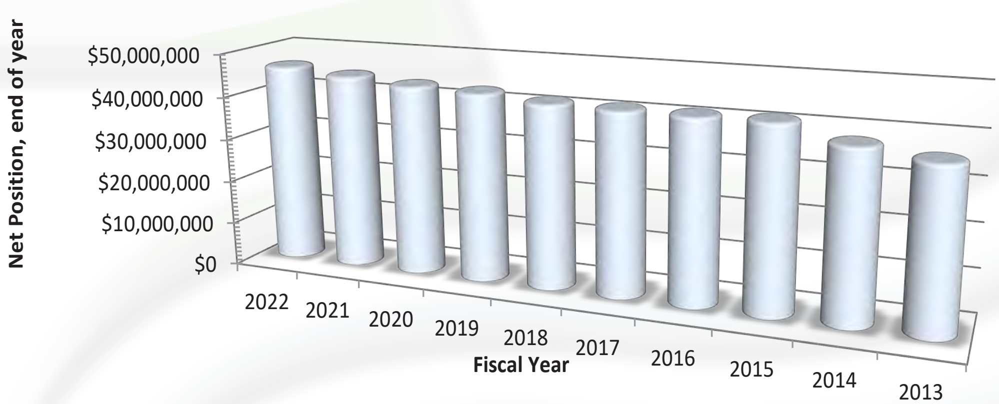
SCHEDULE 1

Three Valleys Municipal Water District

Changes in Net Position

Last Ten Fiscal Years

	FISCAL YEAR									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Operating revenues (see Schedule 3)	$ 77,904,362	$ 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
Operating expenses (see Schedule 4)	79,207,215	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
Total operating income (loss)	(1,302,853)	(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)
Nonoperating revenues (expenses)										
Property tax revenue	2,940,933	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
Sublease income	-	-	-	-	-	-	-	5,775,000	821,303	832,593
Investment income	(324,563)	40,175	341,434	513,710	3,089	25,793	226,747	136,976	236,128	72,974
Intergovernmental grants revenue	-	-	-	-	-	-	6,121	46,924	115,962	-
Intergovernmental grants expense	-	-	-	-	-	-	(6,121)	(46,924)	(115,962)	-
Interest expense	-	-	-	-	-	-	-	-	(29,787)	(221,353)
Amortization of deferred bond costs/refunding	-	-	-	-	-	-	-	-	(195,647)	(183,225)
Reimbursements revenue	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(77,941)	(62,868)	(38,360)	(52,553)	(40,400)	(88,421)	(40,173)	(12,109)	(104,254)	(3,296.81)
Other non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	2,538,429	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
Net income before contributions and change in accounting principle	1,235,576	1,045,315	241,128	1,100,911	233,373	508,038	(245,111)	5,480,952	827,857	1,607,343
Contributions	33,021	152,102	218,649	98,500	2,000	5,250	111,150	618,666	1,742,423	-
Change in net position	1,268,597	1,197,417	459,777	1,199,411	235,373	513,288	(133,961)	6,099,618	2,570,280	1,607,343
Net Position, beginning of year	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
Prior period adjustment	(1,816) [5]	-	-	-	-	(471,438) [4]	-	(2,570,344) [3]	(613,501) [2]	(50,495) [1]
Net Position, end of year, as restated (see Schedule 2)	**$ 46,258,924**	**$ 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**



[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 87.

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

SOURCE: TVMWD - Finance Department

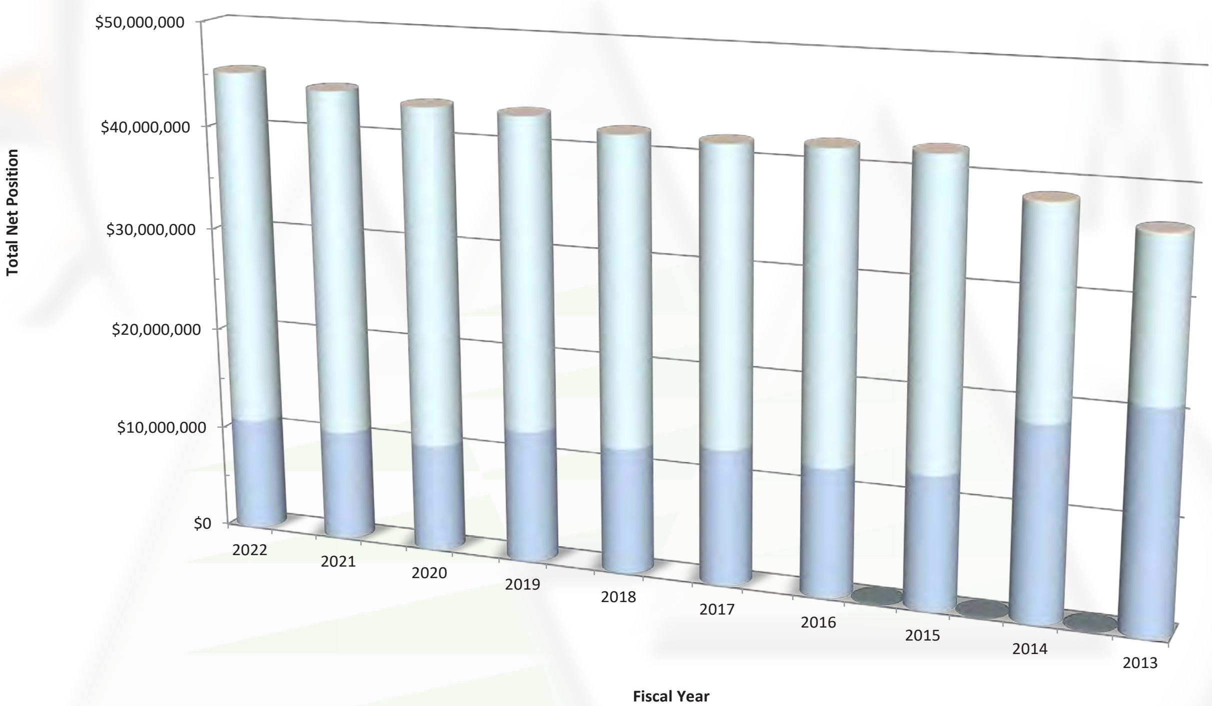
SCHEDULE 2

Three Valleys Muncipal Water District

Components of Net Position

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	$ 34,323,678	$ 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	$ 15,073,992
Restricted for debt service	-	-	-	-	-	-	-	-	225,000	227,163
Restricted for pensions	972,692	885,040	649,072	415,437	341,101	338,096	-	-	-	-
Unrestricted	10,962,554	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
Total Net Position	$ 46,258,924	$ 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



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

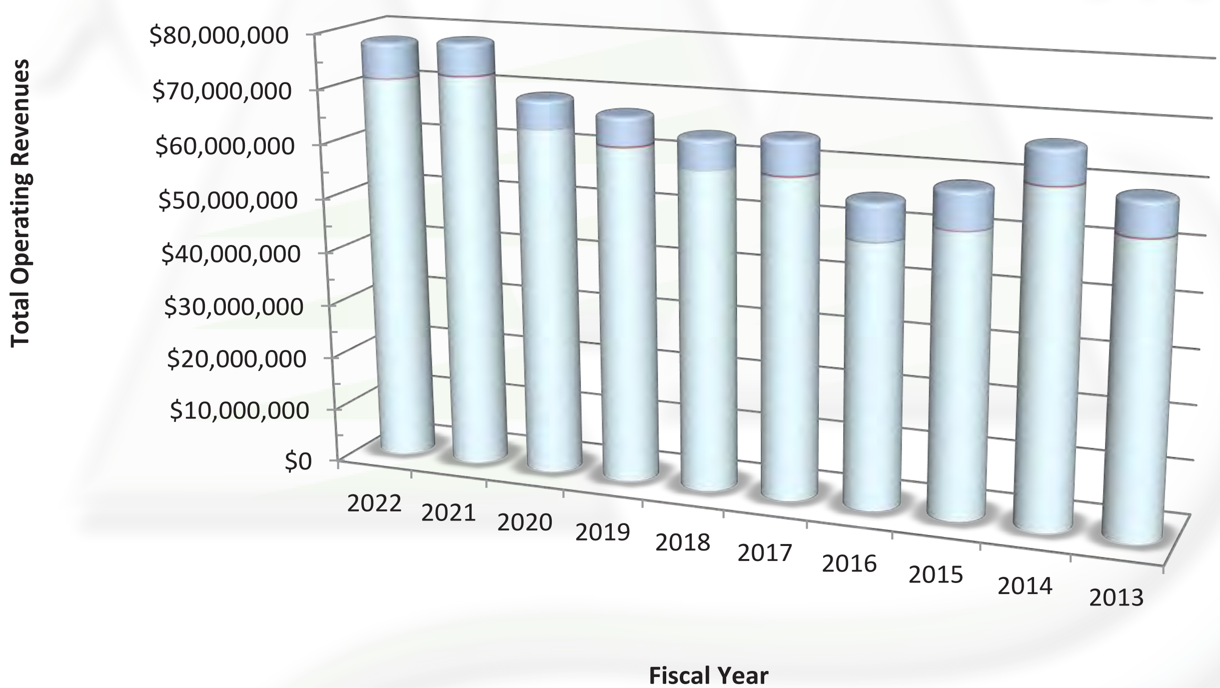
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

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
2022	$ 71,268,988	$ 133,303	$ 6,502,071	**$ 77,904,362**
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**



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

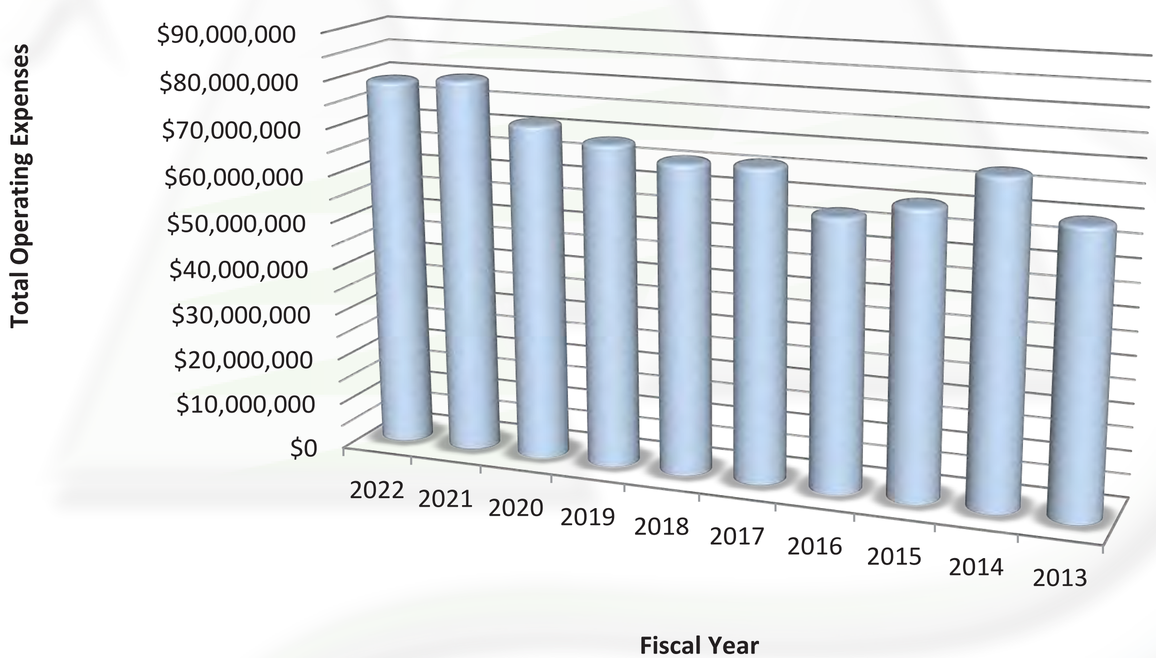
NOTE: Revenues in prior years may be reclassified to conform to current year presentation.

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
2022	$ 64,350,362	$ 3,322,872	$ 5,762,759	$ 4,120,212	$ 1,651,010	**$ 79,207,215**
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**



[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

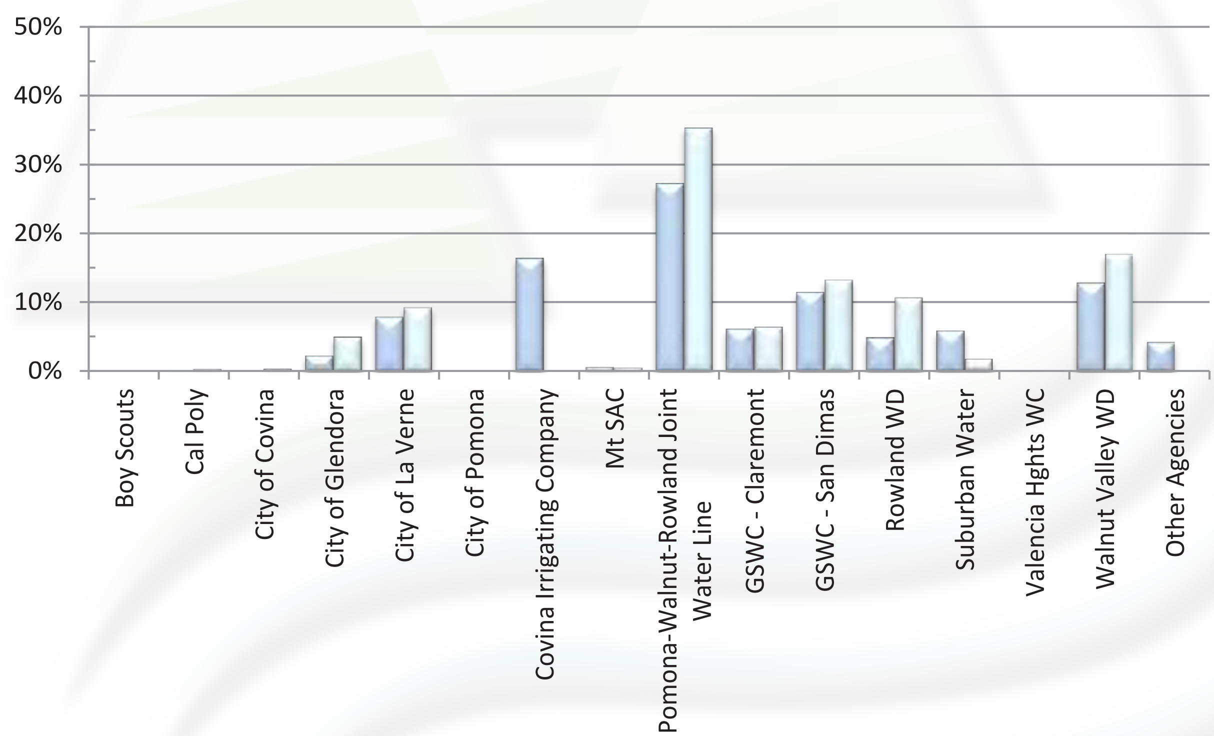
SCHEDULE 5

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 2022	Percentage of total	Acre-Feet Sold FY 2013	Percentage of total
Boy Scouts of America - Firestone Reservation	26	**0.04%**	35	**0.05%**
California State Polytechnic University, Pomona	97	**0.14%**	202	**0.31%**
City of Covina	24	**0.03%**	239	**0.36%**
City of Glendora	1,567	**2.28%**	3,299	**5.03%**
City of La Verne	5,411	**7.88%**	6,083	**9.27%**
City of Pomona	0	**0.00%**	-	**0.00%**
Covina Irrigating Company	11,241	**16.37%**	-	**0.00%**
Mt. San Antonio College	401	**0.58%**	341	**0.52%**
Pomona-Walnut-Rowland Joint Water Line	18,658	**27.16%**	23,140	**35.28%**
Golden State Water Company - Claremont	4,246	**6.18%**	4,222	**6.44%**
Golden State Water Company - San Dimas	7,854	**11.44%**	8,691	**13.25%**
Rowland Water District	3,368	**4.90%**	7,017	**10.70%**
Suburban Water Systems	4,035	**5.88%**	1,158	**1.77%**
Valencia Heights Water Company	77	**0.11%**	2	**0.00%**
Walnut Valley Water District	8,802	**12.82%**	11,172	**17.02%**
Other Agencies	2,876	**4.19%**	-	**0.00%**
	68,683	**100.00%**	65,601	**100.00%**

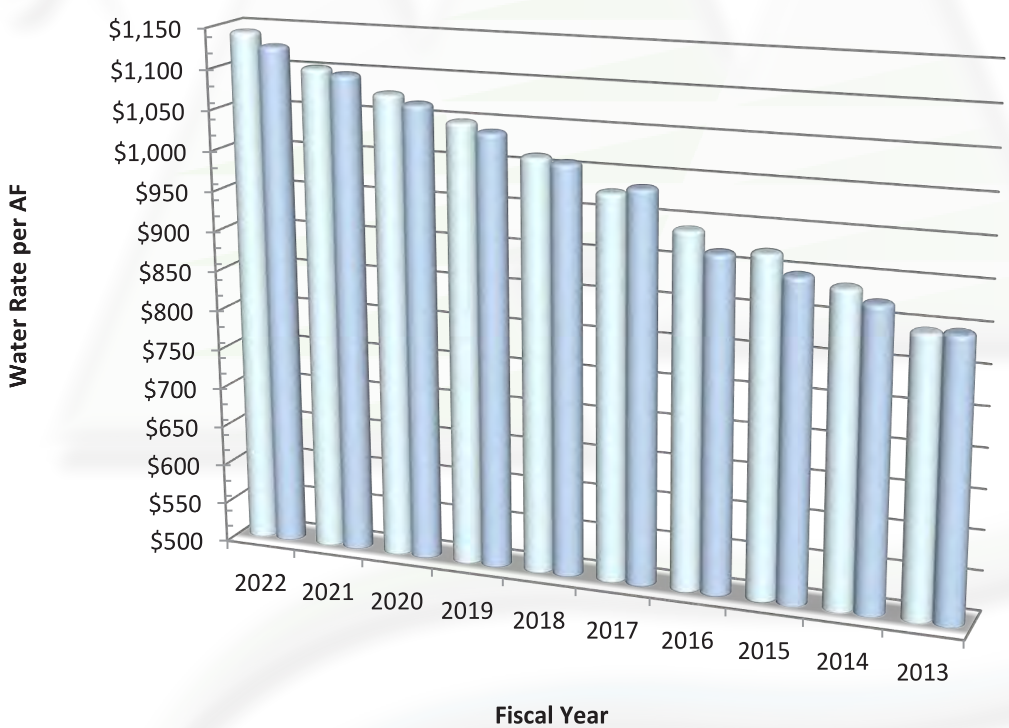


SOURCE: TVMWD - Finance Department

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
2022	**$ 1,143**	**$ (16)**	**$ 1,127**
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**



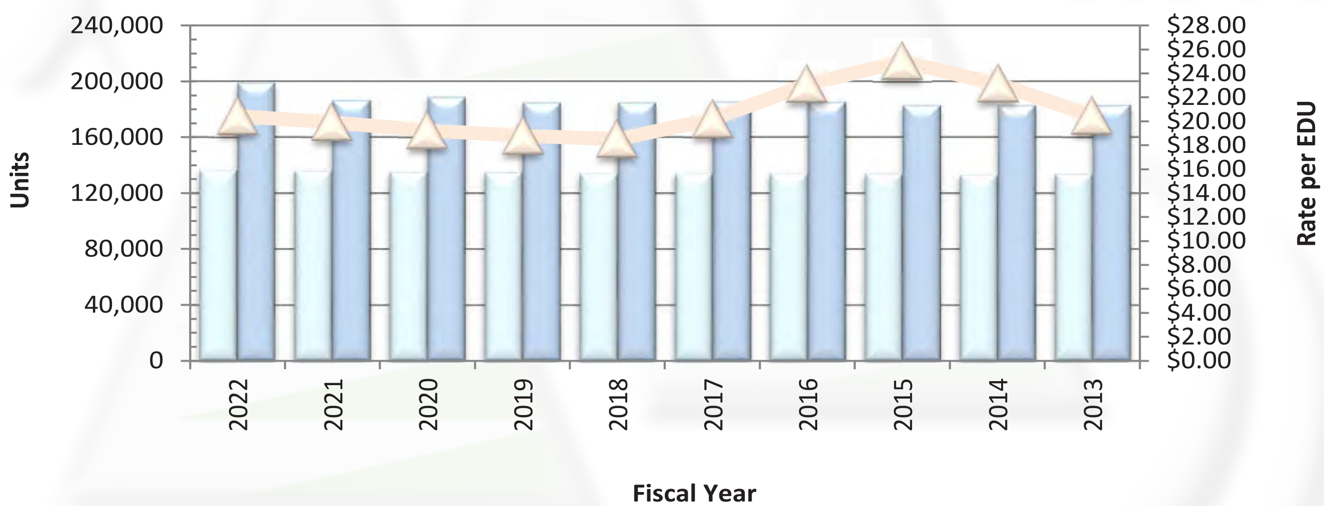
Note: All amounts are per acre foot.

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]
2022	136,367	198,835	$20.43
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



[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

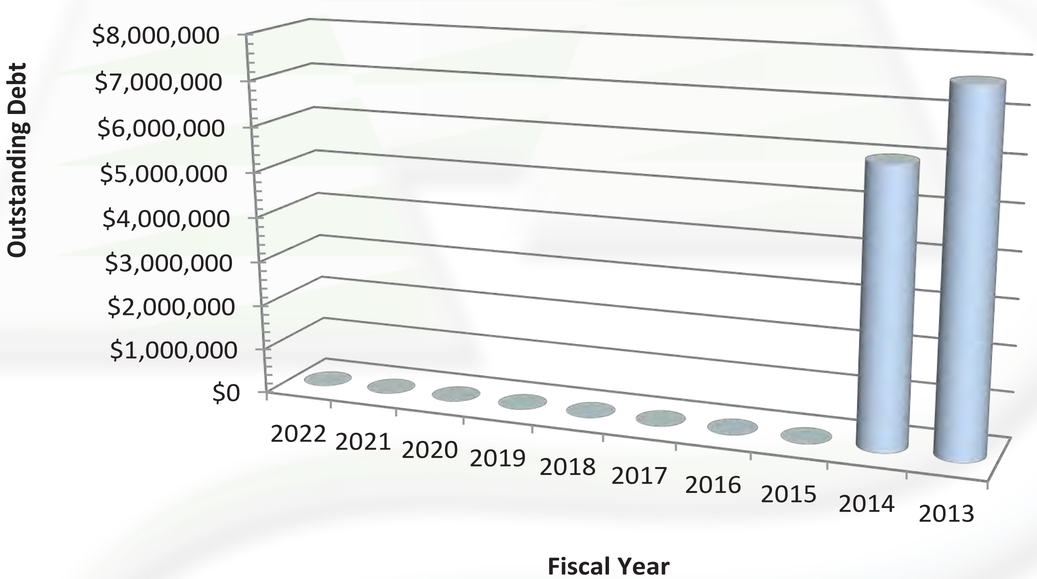
SCHEDULE 8

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
2022	**$ -**	**$ -**	$ -	0.00%
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%



SOURCE: TVMWD - Finance Department

SCHEDULE 9

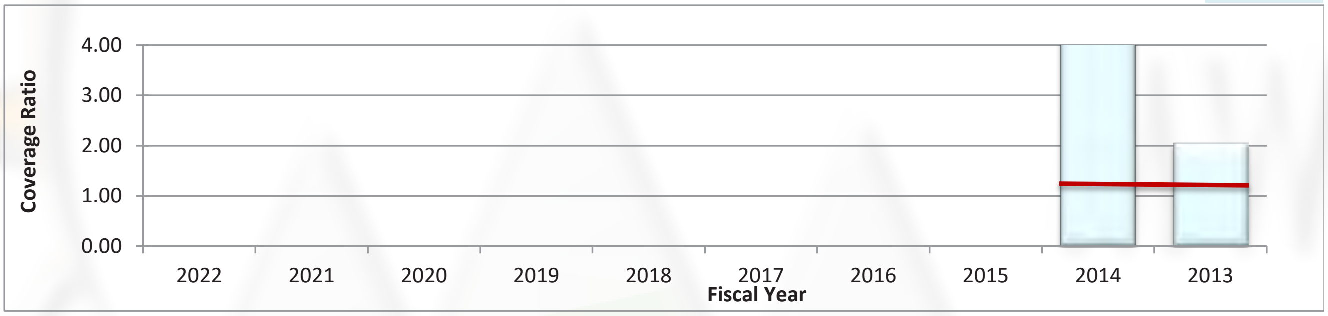
Three Valleys Municipal Water District

Debt Coverage

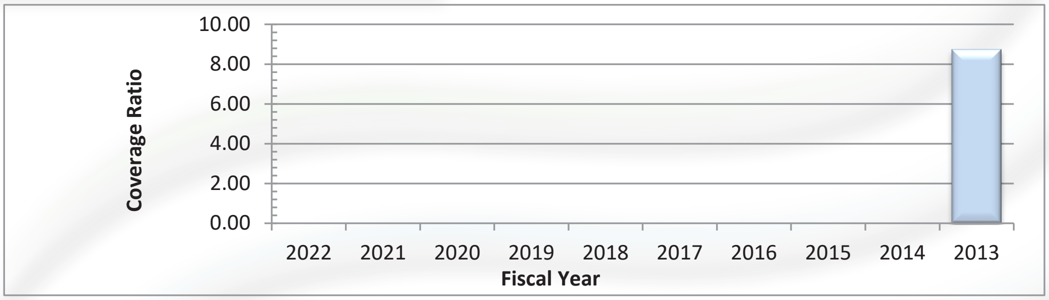
Last Ten Fiscal Years

2003 COP

Fiscal Year	Revenues[1]	Expenses[2]	Net Available Revenue	Debt Service		Total	Coverage Ratio[3]
				Principal	Interest		
2022	$80,442,791	$77,556,205	$ 2,886,586	$ -	$ -	$ -	0.00
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



Fiscal Year	Unencumbered Cash and Cash Equivalents	Debt Service		Total	Coverage Ratio[3]
		Principal	Interest		
2022	$ 4,687,799	$ -	$ -	$ -	**0.00**
2021	3,852,001	-	-	-	**0.00**
2020	1,568,103	-	-	-	**0.00**
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**



[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.

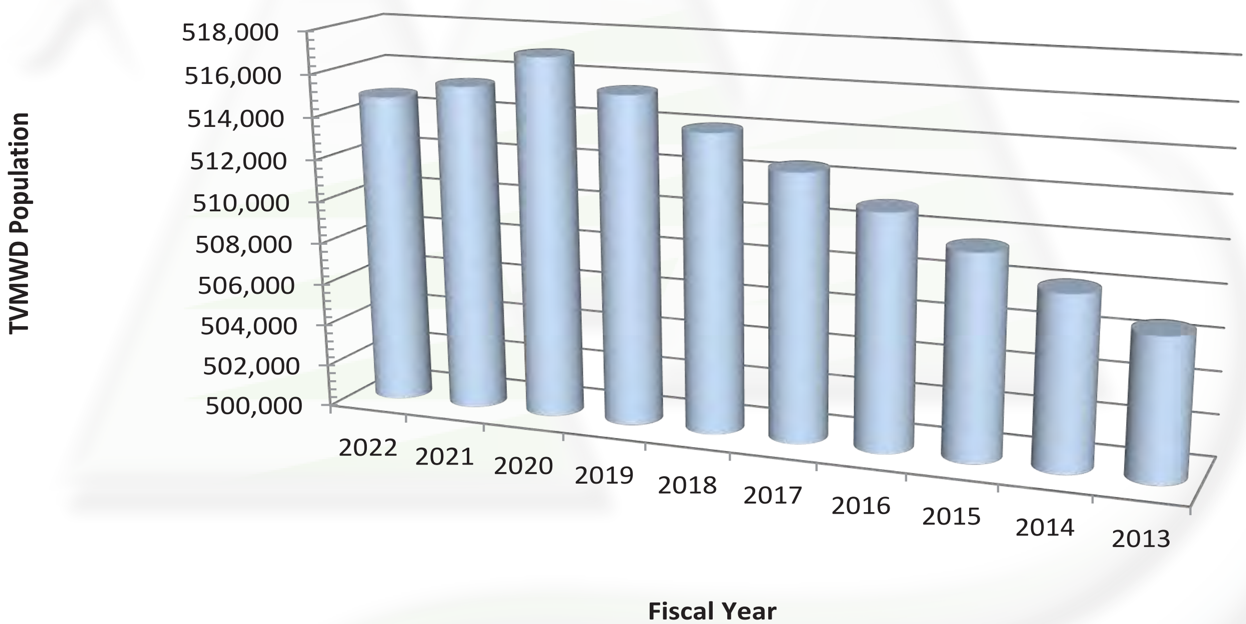
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 10

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

		County of Los Angeles			
Fiscal Year	**TVMWD Population Estimate[1]**	**Unemployment Rate**	**Population**	**Personal Income (in thousands)**	**Personal Income per Capita**
2022	514,778	6.4%	9,860,000	609,636,061	59,482
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



[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.

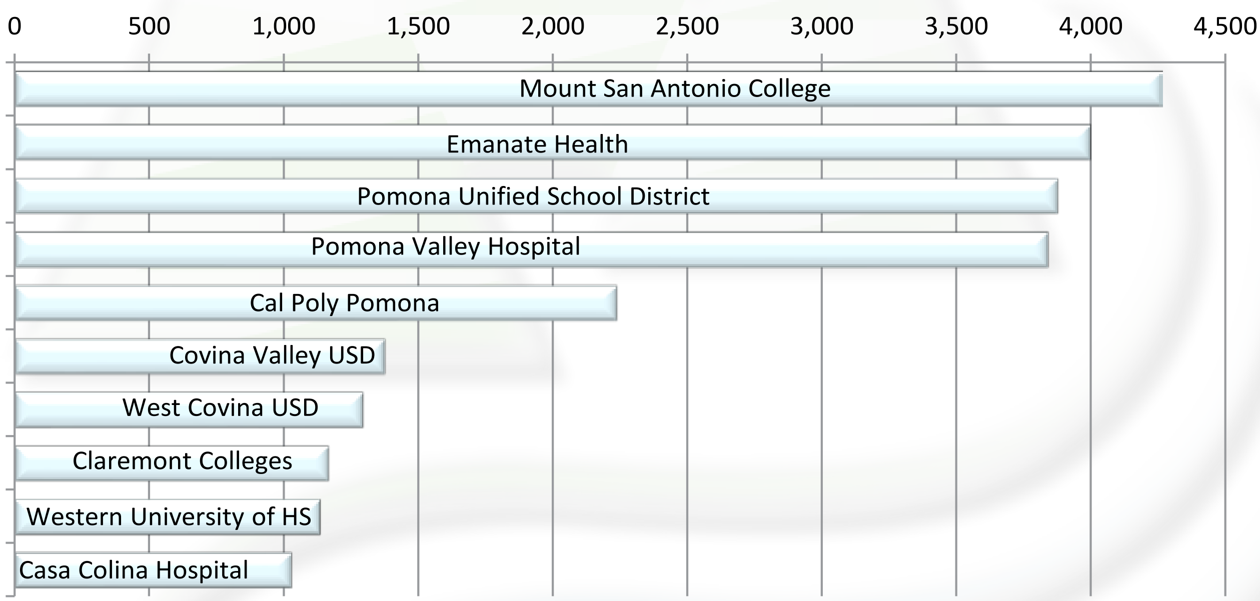
NOTE: Certain economic indicators such as unemployment rate and personal income are not calculated separately for TVMWD. Therefore, TVMWD has chosen to use the County of Los Angeles data, which is representative of the conditions and experiences of TVMWD.

SOURCES: LAEDC 2022 Economic Forecast and Industry Outlook

SCHEDULE 11

Three Valleys Municipal Water District
Principal Employers Changes in Past Ten Years
Calendar Year 2021

Employer	Number of Employees FY 2021	Percentage of Total Employment	Number of Employees FY 2012	Percentage of Total Employment
Mount San Antonio College	4,265	2.2%	3,103	1.6%
Emanate Health	4,000	2.1%	3,500	1.8%
Pomona Unified School District	3,878	2.0%	2,961	1.5%
Pomona Valley Hospital	3,842	2.0%	2,980	1.5%
Cal State Polytechnic University Pomona	2,240	1.1%	2,154	1.1%
Covina Valley Unified School District	1,378	0.7%	1,882	1.0%
West Covina Unified School District	1,296	0.7%	1,277	0.7%
Claremont Colleges	1,169	0.6%	3,600	1.8%
Western University of Health Sciences	1,137	0.6%		
Casa Colina Hospital and Centers	1,031	0.5%		
Lanterman Development Center			976	0.5%
Glendora Unified School District	734	0.4%	658	0.3%



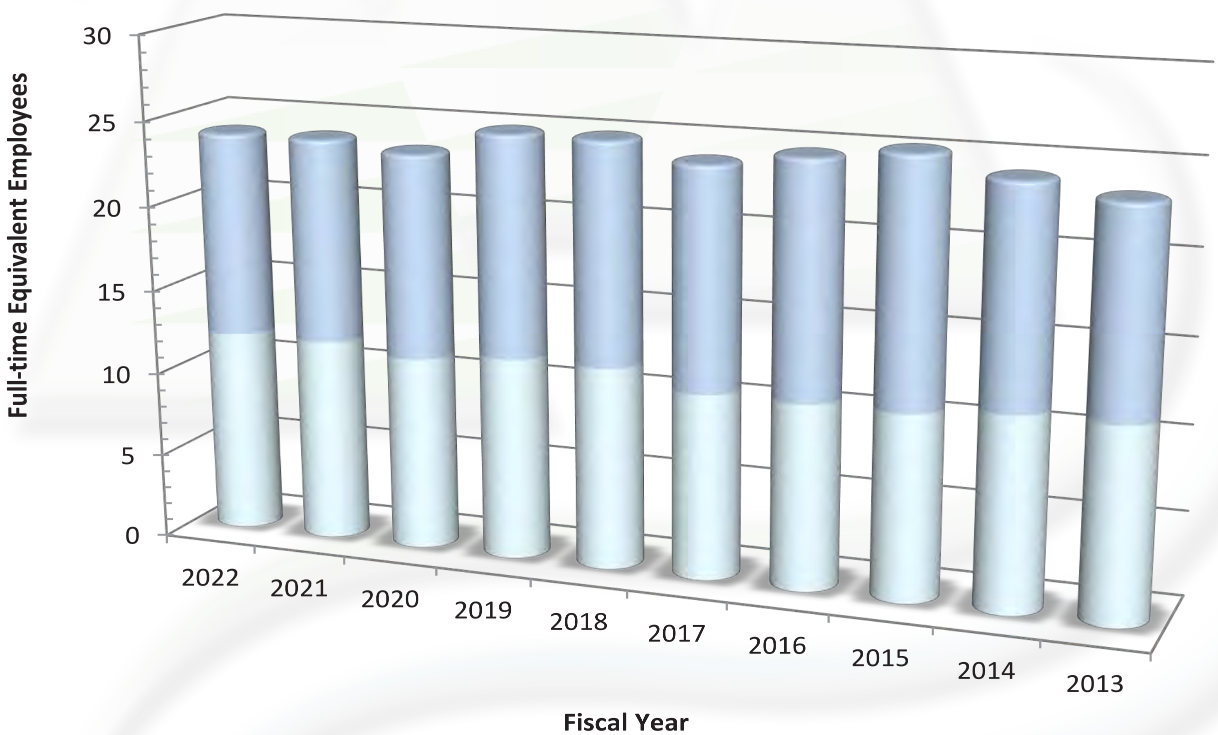
NOTE: The percentage of total employment is based on an estimate of 195,000 jobs in TVMWD's area.

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
2022	**12.00**	**12.00**	24.00
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

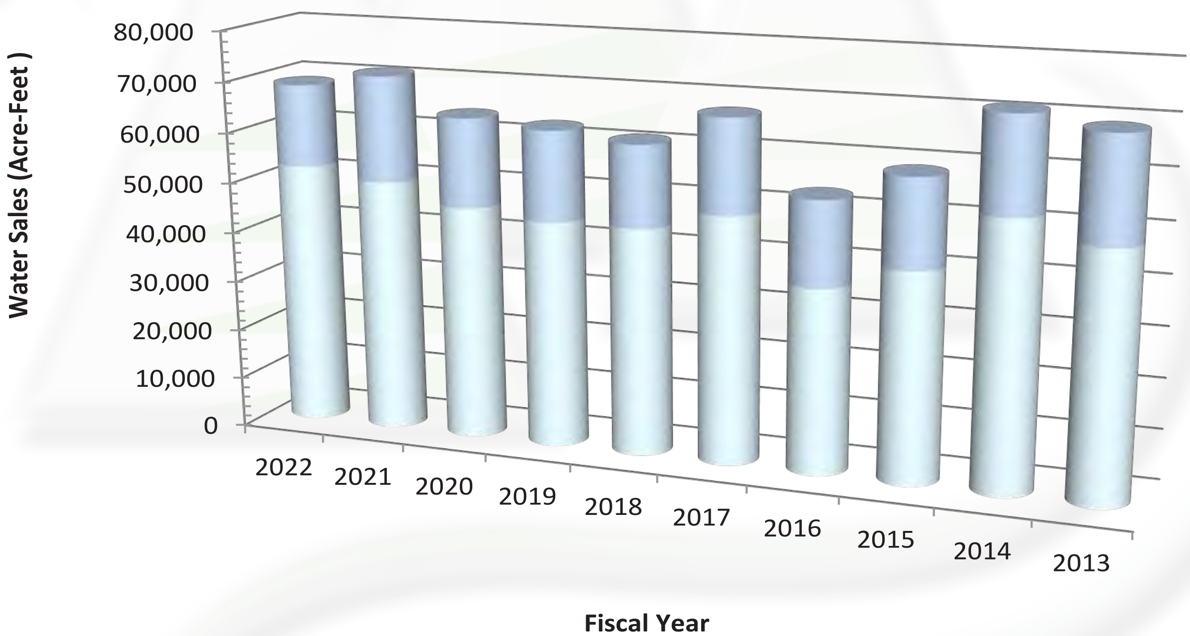


SOURCE: TVMWD - Finance Department

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
2022	52,450	16,233	68,683
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



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

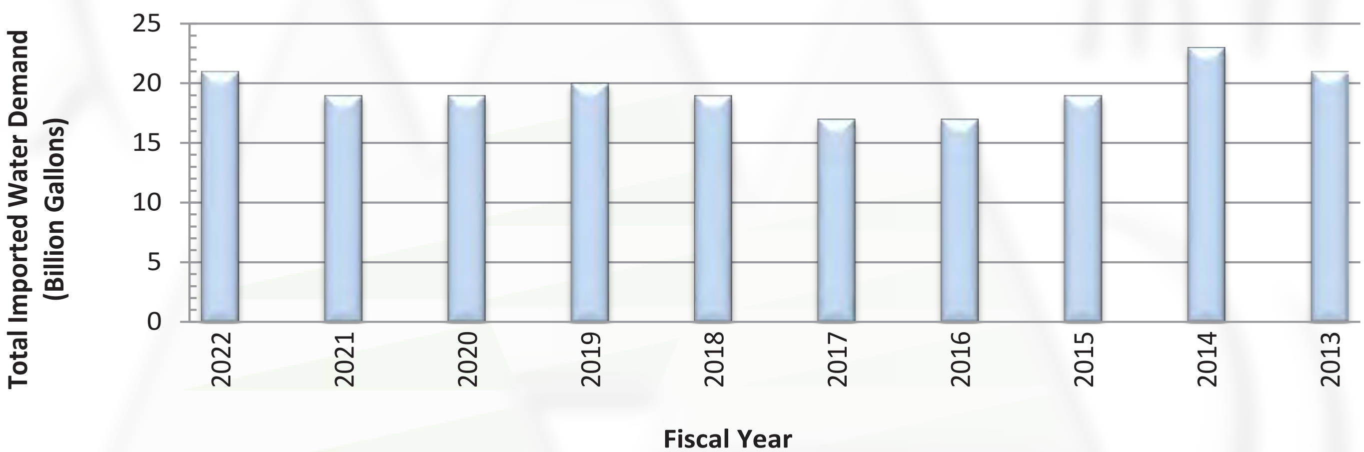
SCHEDULE 14

Three Valleys Muncipal Water District

Miscellaneous Operating Statistics

Last Ten Fiscal Years

	FISCAL YEAR									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
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)	43,052	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858
Imported (Billion gallons)	**21**	**19**	**19**	**20**	**19**	**17**	**17**	**19**	**23**	**21**
Total water demand	43,052	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858



	FISCAL YEAR									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
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	19,017	17,660	17,865	16,191	18,591	16,710	17,458	18,791	20,508
Annual production (billion gallons)	7	6	5	6	5	6	5	6	6	7
Number of connections	13	13	13	13	13	13	13	12	12	12
Hydroelectric Facilities										
Number of generating stations	5	5	5	5	5	5	5	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
- CAMP – California Asset Management Program
- County – Los Angeles County
- 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
- LACFCD – Los Angeles County Flood Control District
- 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
- SCE – Southern California Edision
- 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
- SWP – State Water Project
- TVMWD – Three Valleys Municipal Water District

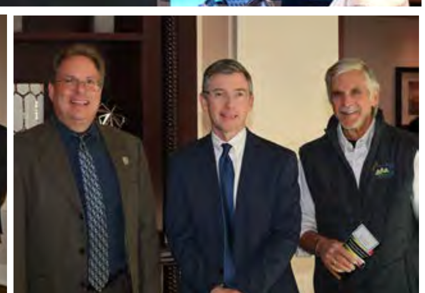
EVENTS AND ACTIVITIES

FACILITIES TOUR

OUTREACH

MWD

LEADERSHIP BREAKFAST

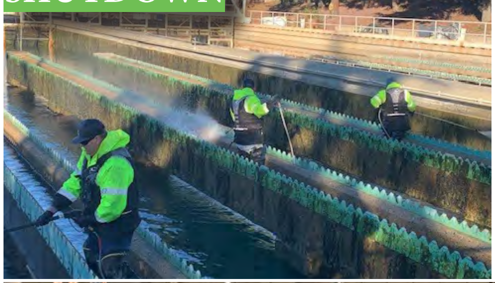
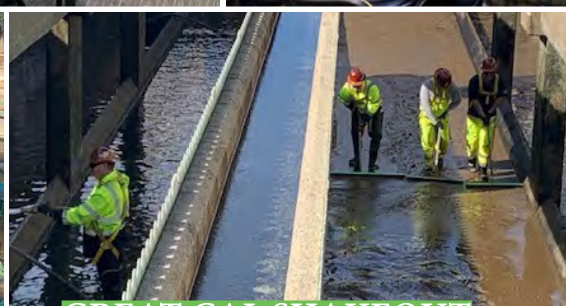
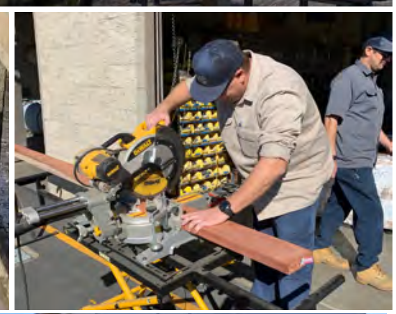
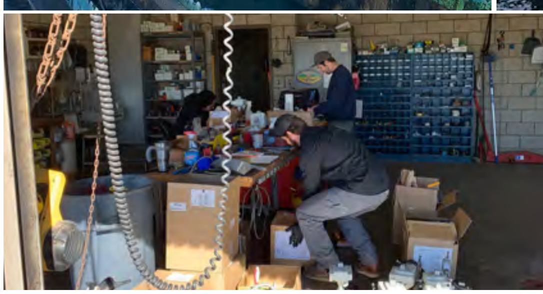


REACH CAMP CERTIFICATES



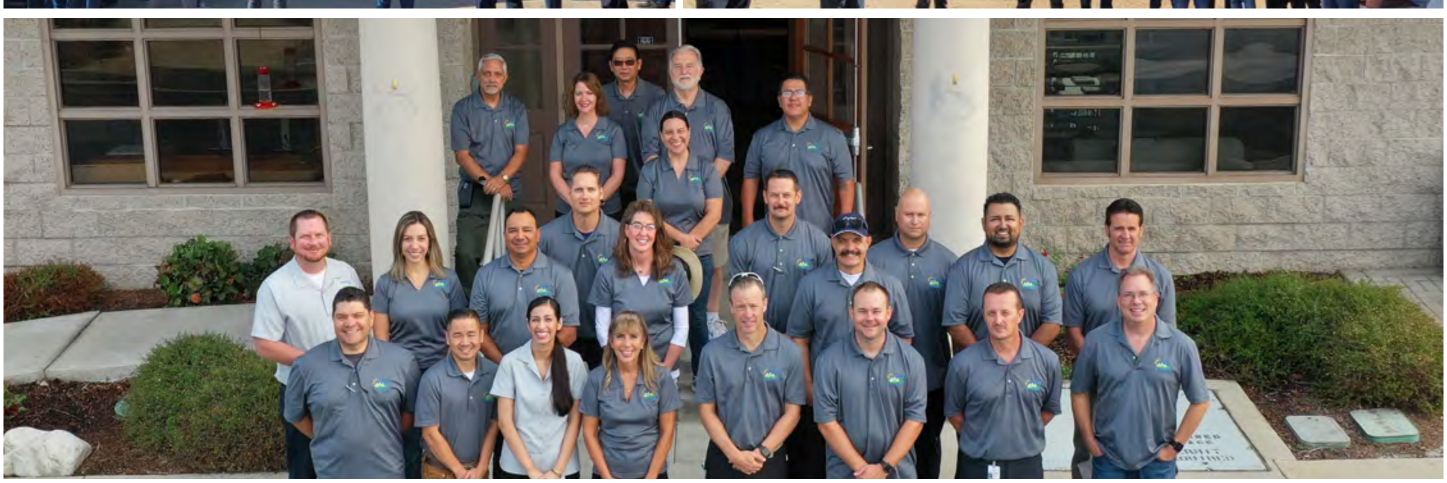

SEMS/NIMS TRAINING


SHUTDOWN

GREAT CAL SHAKEOUT





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