

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
(OTHER POST EMPLOYMENT BENEFIT PLAN)**

FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

Prepared by:

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WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Western Municipal Water District
Retirement Medical Benefits Plan
Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of Western Municipal Water District Retirement Medical Benefits Plan (the Plan) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Plan's preparation and fair presentation of the financial statements 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 Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Municipal Water District Retirement Medical Benefits Plan as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements as of June 30, 2019, were audited by White Nelson Diehl Evans LLP, whose partners and professional staff joined CliftonLarsonAllen LLP as of November 1, 2020, and has subsequently ceased operations. White Nelson Diehl Evans LLP's report dated December 9, 2019, expressed an unmodified opinion on those statements.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Plan's net OPEB liability and related ratios, schedule of employer contributions, and schedule of investment returns on pages 15-17 be presented to supplement the basic financial statements. Such information, 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.



CliftonLarsonAllen LLP

Irvine, California
December 17, 2020

**Western Municipal Water District
Retirement Medical Benefits Plan
Statements of Fiduciary Net Position
June 30, 2020 and 2019**

	2020	2019
Assets:		
Cash and investments (Note 2)	\$ 17,868,803	\$ 17,617,479
Accrued interest	-	17,511
Prepaid expenses	43,576	44,759
Total Assets	17,912,379	17,679,749
Liabilities:		
Accrued expenses	9,512	6,527
Deferred Inflow of Resources:		
Contributions received for next fiscal year	2,654	2,380
Net Position:		
Restricted for Other Postemployment Benefits	\$ 17,900,213	\$ 17,670,842

See accompanying notes to the financial statements.

**Western Municipal Water District
Retirement Medical Benefits Plan
Statements of Changes in Fiduciary Net Position
For the years ended June 30, 2020 and 2019**

	2020	2019
Additions:		
Contributions:		
Employer	\$ 729,432	\$ 729,432
Retiree	30,622	33,327
Total contributions	760,054	762,759
Investment Income:		
Net increase (decrease) in fair value of investments	(391,777)	420,822
Interest	3,053	2,455
Dividends	456,608	431,532
Total investment income	67,884	854,809
Less: Investment expense	(36,137)	(34,160)
Net Investment Income	31,747	820,649
Total Additions	791,801	1,583,408
Deductions:		
Benefits	534,127	536,005
Administrative expense	28,303	30,076
Total Deductions	562,430	566,081
Net Increase in Net Position	229,371	1,017,327
Net Position Restricted for Other Postemployment Benefits:		
Beginning of Year	17,670,842	16,653,515
End of Year	\$ 17,900,213	\$ 17,670,842

See accompanying notes to the financial statements.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 1: Summary of Significant Accounting Policies

Basis of Accounting

Western Municipal Water District Retirement Medical Benefits Plan (the Plan) financial statements are prepared using the accrual basis of accounting. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan Administration

Management of the Plan is vested in the Western Municipal Water District Board of Directors, which consists of five members who are publicly elected for a four-year term from comparably sized districts (divisions) based on population.

Investments

Investments are reported in the financial statements at fair value based on the last reported sales price published on a national exchange. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. In addition to the change in fair value, other investment income includes interest earnings and any gains or losses realized upon liquidation or sale of investments.

Tax Status

The Internal Revenue Service has determined and informed the Plan by letter dated April 20, 2007, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code. Therefore, the Plan is qualified and the related Trust Fund was tax-exempt as of June 30, 2020 and 2019.

Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash and Investments

Cash and investments as of June 30, 2020 and 2019 are classified on the financial statements as follows:

	2020	2019
Cash and investments	\$ 17,868,803	\$ 17,617,479

Cash and investments as of June 30, 2020 and 2019 consist of the following:

	2020	2019
Money Market Funds	\$ 125,253	\$ 243,848
Exchange-Traded Funds:		
Small Cap US Equity	2,593,816	2,788,548
Mid Cap US Equity	1,671,508	1,748,340
Large Cap US Equity	3,484,013	2,991,713
International Equity	1,717,427	1,721,580
Emerging Market Equity	853,596	899,509
US Core Bonds	4,805,696	4,352,868
US High Yield Bonds	863,906	907,797
International Bonds	442,212	438,918
Real Estate	824,565	900,220
International Real Estate	295,417	380,078
Other	191,394	244,060
Total Cash and Investments	\$ 17,868,803	\$ 17,617,479

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash and Investments (Continued)

Investments Authorized by the Trust Agreement

Investments of the Plan are held by the trustee and governed by provisions of the trust agreement rather than the general provisions of the California Government Code. The table below identifies the investment classes that are authorized for investments held by the trustee. The table also identifies certain provisions of the trust agreement that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Class</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Exchange-Traded Funds and/or Mutual Funds:			
Equities	No Limit	75%	No Limit
Domestic	No Limit	75%	No Limit
International	No Limit	50%	No Limit
Real Estate	No Limit	25%	No Limit
Domestic	No Limit	25%	No Limit
International	No Limit	10%	No Limit
Commodities	No Limit	25%	No Limit
Bonds	No Limit	75%	No Limit
Domestic	No Limit	75%	No Limit
International	No Limit	35%	No Limit
Cash/Money Market Funds	N/A	10%	No Limit

Rate of Return

For the years ended June 30, 2020 and 2019, the annual money-weighted rate of return on investments, net of investment expense, was 0.29% and 5.03%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or Exchange-Traded Funds. All investments are in the name of the Trust and held by a third-party custodian.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk applies to investments in debt securities.

Maturities of investments at June 30, 2020 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Money Market Funds	\$ 125,253	\$ 125,253	\$ -	\$ -	\$ -
Exchange-Traded Funds:					
US Core Bonds	4,805,696	4,805,696	-	-	-
US High Yield Bonds	863,906	863,906	-	-	-
International Bonds	<u>442,212</u>	<u>442,212</u>	-	-	-
Total	<u>\$ 6,237,067</u>	<u>\$ 6,237,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Maturities of investments at June 30, 2019 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Money Market Funds	\$ 243,848	\$ 243,848	\$ -	\$ -	\$ -
Exchange-Traded Funds:					
US Core Bonds	4,352,868	4,352,868	-	-	-
US High Yield Bonds	907,797	907,797	-	-	-
International Bonds	<u>438,918</u>	<u>438,918</u>	-	-	-
Total	<u>\$ 5,943,431</u>	<u>\$ 5,943,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash 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 is measured by the assignment of a rating by a nationally recognized statistical rating organization, Standard & Poor's and Moody's. Credit risk applies to investments in debt securities.

Credit ratings of investments at June 30, 2020 are as follows:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Fair Value</u>	<u>Ratings as of Year-End AAA</u>	<u>Not Rated</u>
Money Market Funds	N/A	\$ 125,253	\$ 125,253	\$ -
Exchange-Traded Funds:				
US Core Bonds	N/A	4,805,696	-	4,805,696
US High Yield Bonds	N/A	863,906	-	863,906
International Bonds	N/A	<u>442,212</u>	<u>-</u>	<u>442,212</u>
Total		<u>\$ 6,237,067</u>	<u>\$ 125,253</u>	<u>\$ 6,111,814</u>

Credit ratings of investments at June 30, 2019 were as follows:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Fair Value</u>	<u>Ratings as of Year-End AAA</u>	<u>Not Rated</u>
Money Market Funds	N/A	\$ 243,848	\$ 243,848	\$ -
Exchange-Traded Funds:				
US Core Bonds	N/A	4,352,868	-	4,352,868
US High Yield Bonds	N/A	907,797	-	907,797
International Bonds	N/A	<u>438,918</u>	<u>-</u>	<u>438,918</u>
Total		<u>\$ 5,943,431</u>	<u>\$ 243,848</u>	<u>\$ 5,699,583</u>

Concentration of Credit Risk

The Plan's investment policy contains no limitations on the amounts that can be invested in any one issuer. The Plan does not hold investments in any one issuer other than Mutual Funds or Exchange-Traded Funds that represent 5% or more of total investments.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash and Investments (Continued)

Fair Value Measurements

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. When quoted prices in active markets are not readily available, fair values are based on pricing models or matrices maximizing the use of observable inputs for similar securities as received by the Plan's investment manager from a third-party service provider. Level 3 inputs are significant unobservable inputs.

The hierarchy of the Plan's investments at June 30, 2020 is as follows:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Money Market Funds	\$ 125,253	\$ -	\$ -	\$ 125,253
Exchange-Traded Funds:				
Small Cap US Equity	2,593,816	-	-	2,593,816
Mid Cap US Equity	1,671,508	-	-	1,671,508
Large Cap US Equity	3,484,013	-	-	3,484,013
International Equity	1,717,427	-	-	1,717,427
Emerging Market Equity	853,596	-	-	853,596
US Core Bonds	4,805,696	-	-	4,805,696
US High Yield Bonds	863,906	-	-	863,906
International Bonds	442,212	-	-	442,212
Real Estate	824,565	-	-	824,565
International Real Estate	295,417	-	-	295,417
Other	191,394	-	-	191,394
Total Investments	\$ 17,868,803	\$ -	\$ -	\$ 17,868,803

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 2: Cash and Investments (Continued)

Fair Value Measurements (Continued)

The hierarchy of the Plan's investments at June 30, 2019 is as follows:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Money Market Funds	\$ 243,848	\$ -	\$ -	\$ 243,848
Exchange-Traded Funds:				
Small Cap US Equity	2,788,548	-	-	2,788,548
Mid Cap US Equity	1,748,340	-	-	1,748,340
Large Cap US Equity	2,991,713	-	-	2,991,713
International Equity	1,721,580	-	-	1,721,580
Emerging Market Equity	899,509	-	-	899,509
US Core Bonds	4,352,868	-	-	4,352,868
US High Yield Bonds	907,797	-	-	907,797
International Bonds	438,918	-	-	438,918
Real Estate	900,220	-	-	900,220
International Real Estate	380,078	-	-	380,078
Other	244,060	-	-	244,060
	<u>17,617,479</u>	<u>-</u>	<u>-</u>	<u>17,617,479</u>
Total Investments	<u>\$ 17,617,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,617,479</u>

Note 3: Plan Description and Contribution Information

Membership of the Plan consisted of the following at June 30, 2020, the measurement date:

Retirees and beneficiaries receiving benefits	74
Active plan members	<u>140</u>
Total	<u><u>214</u></u>

Plan Description

The Plan is a single-employer defined benefit postemployment healthcare plan, established June 15, 2006, that provides health insurance benefits to eligible retired employees of Western Municipal Water District (Western), in accordance with Plan provisions. Article VI of the Plan assigns the authority to establish and amend the benefit provisions of the plan to Western.

Eligible participants for the Plan are based on two groups:

- a. Group 1 consists of classified and non-classified employees hired on or before December 18, 2002, who are at least fifty-five years old at retirement and have completed ten years of service. Benefits are provided for the employee and spouse.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 3: Plan Description and Contribution Information (Continued)

Plan Description (Continued)

- b. Group 2 consists of classified and non-classified employees hired after December 18, 2002, who are at least fifty-five years old at retirement and have completed ten years of service. Benefits are provided for the employee only.

Contributions

Plan members do not contribute to the Plan. The contribution requirement of the Plan is established and may be amended by Western's Board of Directors. Western contributes to the voluntary employees' beneficiary association (VEBA) trust an amount equal to the actuarially determined contribution (ADC). Administrative costs of the plan are financed through investment earnings.

Note 4: Net OPEB Liability of the Plan

The components of the net OPEB liability of the Plan at June 30, 2020 were as follows:

Total OPEB liability	\$ 18,021,353
Plan fiduciary net position	<u>17,900,213</u>
Plan's net OPEB liability	<u>\$ 121,140</u>

Plan fiduciary net position as a percentage of the total OPEB liability	99.33%
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Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of November 1, 2019, rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal level percent of pay
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Inflation	2.50%
Investment Rate of Return	7%
Healthcare Cost Trend Rate	7.5% per annum, graded down each year in .3% increments to an ultimate rate of 4.5%
Salary Increase Rate	3.00%

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 4: Net OPEB Liability of the Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates are based on the CalPERS Public Agency Miscellaneous rates. CalPERS miscellaneous rates utilize a table including 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) available on the CalPERS's website.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of November 1, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Equity	8.5%	59%
Fixed Income	3.8%	31%
Real Estate	6.7%	8%
Other	5.0%	2%

Change in Assumptions

The salary increase rate was decreased from 5.7% for the year ended June 30, 2019 to 3.0% for the year ended June 30, 2020. In addition, the medical trend rate table was reset in fiscal 2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that Plan contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Western Municipal Water District
Retirement Medical Benefits Plan
Notes to the Financial Statements
June 30, 2020 and 2019**

Note 4: Net OPEB Liability of the Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current discount rate:

	<u>1% Decrease (6%)</u>	<u>Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
Net OPEB liability (asset)	\$2,795,148	\$121,140	\$(2,074,122)

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current trend rate:

	<u>1% Decrease (6.5%) decreasing to 3.5%</u>	<u>Trend Rate (7.5%) decreasing to 4.5%</u>	<u>1% Increase (8.5%) decreasing to 5.5%</u>
Net OPEB liability (asset)	\$(2,456,588)	\$121,140	\$3,355,896

Note 5: Uncertainties due to COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of an outbreak of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, even with management’s active monitoring, it is uncertain as to the full magnitude that the pandemic will have on the value of the Plan’s investments. Management cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the Plan’s results of future investment income and financial position in fiscal year 2021.

Note 5: Subsequent Events

Events occurring after June 30, 2020 have been evaluated for possible adjustments to the financial statements or disclosure as of December 17, 2020, which is the date these financial statements were available to be issued.

**Western Municipal Water District
Retirement Medical Benefits Plan
Required Supplementary Information
Last Ten Fiscal Years**

Schedule of Changes in the Plan's Net OPEB Liability and Related Ratios

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability				
Service cost	\$ 803,311	\$ 785,273	\$ 666,940	\$ 623,308
Interest	1,337,944	1,357,315	1,096,161	1,013,738
Differences between expected and actual experience	(3,591,478)	-	1,544,082	(88,561)
Changes of assumptions	1,526,814	(1,742,305)	847,628	-
Benefit payments	(730,827)	(659,277)	(461,986)	(419,334)
Net change in total OPEB liability	(654,236)	(258,994)	3,692,825	1,129,151
Total OPEB liability - beginning	18,675,589	18,934,583	15,241,758	14,112,607
Total OPEB liability - ending (a)	\$ 18,021,353	\$ 18,675,589	\$ 18,934,583	\$ 15,241,758
 Plan fiduciary net position				
Contributions - employer	\$ 729,432	\$ 729,432	\$ 708,338	\$ 717,100
Contributions - retiree	30,622	33,327	36,511	-
Net investment income	31,747	820,649	1,265,227	1,489,318
Benefit payments	(534,127)	(536,005)	(498,497)	(419,334)
Administrative expense	(28,303)	(30,076)	(27,625)	(19,909)
Net change in plan fiduciary net position	229,371	1,017,327	1,483,954	1,767,175
Plan fiduciary net position - beginning	17,670,842	16,653,515	15,169,561	13,402,386
Plan fiduciary net position - ending (b)	\$ 17,900,213	\$ 17,670,842	\$ 16,653,515	\$ 15,169,561
 Plan's net OPEB liability - ending (a) - (b)	\$ 121,140	\$ 1,004,747	\$ 2,281,068	\$ 72,197
 Plan fiduciary net position as a percentage of the total OPEB liability	99.33%	94.62%	87.95%	99.53%
 Covered-employee payroll	18,274,778	15,921,966	14,663,027	14,589,576
 Plan's net OPEB liability as a percentage of covered-employee payroll	0.66%	6.31%	15.56%	0.49%

Notes to Schedule:

Benefit Changes

There were no changes in benefits.

Changes of Assumptions

From fiscal year June 30, 2017 to June 30, 2018:

(a) updated the census data collection date from July 1 to November 1, (b) updated the participation to assume that all PPO plan participants will elect the PPO 200 plan upon retirement, and (c) updated the annual medical per capita costs based on updated premium rates and census data.

From fiscal year June 30, 2018 to June 30, 2019:

Salary increase rate changed from 3.0% to 5.70%.

From fiscal year June 30, 2019 to June 30, 2020:

Salary increase rate changed from 5.7% to 3.0% and the medical trend rate table was reset in fiscal 2021.

GASB 74 was implemented in fiscal year 2016-17; therefore, only four years are shown in this schedule.

**Western Municipal Water District
Retirement Medical Benefits Plan
Required Supplementary Information
Last Ten Fiscal Years**

Schedule of Employer Contributions

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 729,432	\$ 729,432	\$ 530,291	\$ 507,895
Contributions in relation to the actuarially determined contribution	729,432	729,432	708,338	717,100
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (178,047)</u>	<u>\$ (209,205)</u>
Covered-employee payroll	18,274,778	15,921,966	\$ 14,663,027	\$ 14,589,576
Contributions as a percentage of covered-employee payroll	3.99%	4.58%	4.83%	4.92%

Notes to Schedule:

Valuation date	11/1/2019	11/1/2017	11/1/2017	7/1/2016
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Methods and assumptions used to determine contribution rates:

	Entry age normal level percent of pay			
	Fair value of assets			
Actuarial cost method				
Asset valuation method				
Inflation	2.50%	2.50%	2.75%	2.75%
Healthcare cost trend rates	(1)	(1)	(1)	(1)
Salary increases	3.00%	5.70%	3.00%	3.00%
Investment rate of return	7.00%	7.00%	7.00%	7.00%
Retirement age	55 years	55 years	55 years	55 years
Mortality	(3)	(2)	(2)	(2)

- (1) 7.5% per annum, graded down each year in .3% decrements to an ultimate rate of 4.5%
- (2) Mortality rates are based on the CalPERS Public Agency Miscellaneous rates. CalPERS miscellaneous rates utilize a table including 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 Experience Study report (based on CalPERS demographic data from 1997 to 2011) available on the CalPERS's website.
- (3) Mortality rates are based on the CalPERS Public Agency Miscellaneous rates. CalPERS miscellaneous rates utilize a table including 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) available on the CalPERS's website.

GASB 74 was implemented in fiscal year 2016-17; therefore, only four years are shown in this schedule.

**Western Municipal Water District
Retirement Medical Benefits Plan
Required Supplementary Information
Last Ten Fiscal Years**

Schedule of Investment Returns

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Annual money-weighted rate of return, net of investment expense	0.29%	5.03%	8.36%	10.82%

Notes to Schedule:

GASB 74 was implemented in fiscal year 2016-17; therefore, only four years are shown in this schedule.