

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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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 years ended June 30, 2021 and 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 audit 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 auditor considers internal control relevant to the entity'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 entity'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, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 14 to16 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 21, 2021

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Investments:		
Money Market Funds	\$ 117,795	\$ 125,253
Exchange-Traded Funds:		
Small Cap U.S. Equity	3,221,504	2,593,816
Mid Cap U.S. Equity	3,171,014	1,671,508
Large Cap U.S. Equity	3,869,280	3,484,013
International Equity	2,534,784	1,717,427
Emerging Market Equity	1,243,699	853,596
U.S. Core Bonds	5,273,646	4,805,696
U.S. High Yield Bonds	1,264,540	863,906
International Bonds	456,800	442,212
Real Estate	1,516,671	824,565
International Real Estate	468,800	295,417
Other	106,838	191,394
Prepaid Expenses	46,523	43,576
Total Assets	23,291,894	17,912,379
LIABILITIES		
ACCRUED EXPENSES	14,528	12,166
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	\$ 23,277,366	\$ 17,900,213

See accompanying Notes to Financial Statements.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
ADDITIONS:		
CONTRIBUTIONS		
Employer	\$ 793,304	\$ 926,132
Total Contributions	793,304	926,132
INVESTMENT INCOME		
Net Increase (Decrease) in Fair Value of Investments	4,890,828	(391,777)
Interest	14	3,053
Dividends	425,127	456,608
Total Investment Income	5,315,969	67,884
Less: Investment Expense	(41,893)	(36,137)
Net Investment Income	5,274,076	31,747
Total Additions	6,067,380	957,879
DEDUCTIONS:		
BENEFITS	657,441	700,205
ADMINISTRATIVE EXPENSE	32,786	28,303
Total Deductions	690,227	728,508
NET INCREASE IN NET POSITION	5,377,153	229,371
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS:		
Beginning of Year	17,900,213	17,670,842
End of Year	\$ 23,277,366	\$ 17,900,213

See accompanying Notes to Financial Statements.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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, 2021 and 2020.

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

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 and 2020 are classified on the financial statements as follows:

	2021	2020
Cash and Investments	<u>\$ 23,245,371</u>	<u>\$ 17,868,803</u>

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Money Market Funds	\$ 117,795	\$ 125,253
Exchange-Traded Funds:		
Small Cap U.S. Equity	3,221,504	2,593,816
Mid Cap U.S. Equity	3,171,014	1,671,508
Large Cap U.S. Equity	3,869,280	3,484,013
International Equity	2,534,784	1,717,427
Emerging Market Equity	1,243,699	853,596
U.S. Core Bonds	5,273,646	4,805,696
U.S. High Yield Bonds	1,264,540	863,906
International Bonds	456,800	442,212
Real Estate	1,516,671	824,565
International Real Estate	468,800	295,417
Other	106,838	191,394
Total Cash and Investments	\$ 23,245,371	\$ 17,868,803

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.

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

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Rate of Return

For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on investments, net of investment expense, was 29.03% and 0.29%, 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.

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, 2021 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Money Market Funds	\$ 117,795	\$ 117,795	\$ -	\$ -	\$ -
Exchange Traded Funds:					
U.S. Core Bonds	5,273,646	5,273,646	-	-	-
U.S. High Yield Bonds	1,264,540	1,264,540	-	-	-
International Bonds	456,800	456,800	-	-	-
Total	<u>\$ 7,112,781</u>	<u>\$ 7,112,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

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:					
U.S. Core Bonds	4,805,696	4,805,696	-	-	-
U.S. High Yield Bonds	863,906	863,906	-	-	-
International Bonds	442,212	442,212	-	-	-
Total	<u>\$ 6,237,067</u>	<u>\$ 6,237,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021 are as follows:

Investment Type	Minimum Legal Rating	Fair Value	Ratings as of Year-End AAA	Not Rated
Money Market Funds	N/A	\$ 117,795	\$ 117,795	\$ -
Exchange Traded Funds:				
U.S. Core Bonds	N/A	5,273,646	-	5,273,646
U.S. High Yield Bonds	N/A	1,264,540	-	1,264,540
International Bonds	N/A	456,800	-	456,800
Total		<u>\$ 7,112,781</u>	<u>\$ 117,795</u>	<u>\$ 6,994,986</u>

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

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

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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.

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, 2021 is as follows:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Exchange-Traded Funds:				
Small Cap U.S. Equity	\$ 3,221,504	\$ -	\$ -	\$ 3,221,504
Mid Cap U.S. Equity	3,171,014	-	-	3,171,014
Large Cap U.S. Equity	3,869,280	-	-	3,869,280
International Equity	2,534,784	-	-	2,534,784
Emerging Market Equity	1,243,699	-	-	1,243,699
U.S. Core Bonds	5,273,646	-	-	5,273,646
U.S. High Yield Bonds	1,264,540	-	-	1,264,540
International Bonds	456,800	-	-	456,800
Real Estate	1,516,671	-	-	1,516,671
International Real Estate	468,800	-	-	468,800
Other	106,838	-	-	106,838
Total Investments				
Subject to the				
Fair Value Hierarchy	<u>\$ 23,127,576</u>	<u>\$ -</u>	<u>\$ -</u>	23,127,576
Money Market Funds*				117,795
Total Investments				<u>\$ 23,245,371</u>

* Not subject to fair value hierarchy.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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
Exchange-Traded Funds:				
Small Cap U.S. Equity	\$ 2,593,816	\$ -	\$ -	\$ 2,593,816
Mid Cap U.S. Equity	1,671,508	-	-	1,671,508
Large Cap U.S. Equity	3,484,013	-	-	3,484,013
International Equity	1,717,427	-	-	1,717,427
Emerging Market Equity	853,596	-	-	853,596
U.S. Core Bonds	4,805,696	-	-	4,805,696
U.S. 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 Subject to the Fair Value Hierarchy	<u>\$ 17,743,550</u>	<u>\$ -</u>	<u>\$ -</u>	17,743,550
Money Market Funds*				125,253
Total Investments				<u>\$ 17,868,803</u>

* Not subject to fair value hierarchy.

NOTE 3 PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

Membership of the Plan consisted of the following at June 30, 2021, the measurement date:

Retirees and Beneficiaries Receiving Benefits	80
Active Plan Members	149
Total	<u>229</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.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

Plan Description (Continued)

Eligible participants for the Plan are based on two groups:

- a. Group 1 consists of classified and nonclassified employees hired on or before December 18, 2002, who are at least 55 years old at retirement and have completed 10 years of service. Benefits are provided for the employee and spouse.
- b. Group 2 consists of classified and nonclassified employees hired after December 18, 2002, who are at least 55 years old at retirement and have completed 10 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, 2021 were as follows:

Total OPEB Liability	\$ 20,802,566
Plan Fiduciary Net Position	23,277,367
Plan's Net OPEB Liability	<u>\$ (2,474,801)</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	111.90%
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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, 2021, 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 0.3% increments to an ultimate rate of 4.5%
Salary Increase Rate	3.00%

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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%	64.0%
Fixed Income	2.8%	28.5%
Real Estate	6.7%	7.0%
Other	5.0%	0.5%

Change in Assumptions

The salary increase rate was decreased from 3.0% for the year ended June 30, 2020, to 1.5% for the year ended June 30, 2021. 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 FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB Liability (Asset)	\$ 673,535	\$ (2,474,801)	\$ (5,045,210)

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:

	1% Decrease (6.5%) Decreasing to 3.5%)	Trend Rate (7.5%) Decreasing to 4.5%)	1% Increase (8.5%) Decreasing to 5.5%)
Net OPEB Liability (Asset)	\$ (5,612,993)	\$ (2,474,801)	\$ 1,487,145

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.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
TOTAL OPEB LIABILITY					
Service Cost	\$ 810,090	\$ 803,311	\$ 785,273	\$ 666,940	\$ 623,308
Interest	1,294,035	1,337,944	1,357,315	1,096,161	1,013,738
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(3,591,478)	-	1,544,082	(88,561)
Changes of Assumptions	1,367,534	1,526,814	(1,742,305)	847,628	-
Retiree Contributions	-	-	-	-	-
Benefit Payments	(690,446)	(730,827)	(659,277)	(461,986)	(419,334)
Net Change In Total OPEB Liability	2,781,213	(654,236)	(258,994)	3,692,825	1,129,151
Total OPEB Liability - Beginning	18,021,353	18,675,589	18,934,583	15,241,758	14,112,607
Total OPEB Liability - Ending (a)	<u>\$ 20,802,566</u>	<u>\$ 18,021,353</u>	<u>\$ 18,675,589</u>	<u>\$ 18,934,583</u>	<u>\$ 15,241,758</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 793,304	\$ 926,132	\$ 852,704	\$ 671,827	\$ 717,100
Contributions - Retiree	33,005	30,622	33,327	36,511	-
Net Investment Income	5,274,077	31,747	820,649	1,265,227	1,489,318
Benefit Payments	(690,446)	(730,827)	(659,277)	(461,986)	(419,334)
Administrative Expense	(32,786)	(28,303)	(30,076)	(27,625)	(19,909)
Net Change In Plan Fiduciary Net Position	5,377,154	229,371	1,017,327	1,483,954	1,767,175
Plan Fiduciary Net Position - Beginning	17,900,213	17,670,842	16,653,515	15,169,561	13,402,386
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,277,367</u>	<u>\$ 17,900,213</u>	<u>\$ 17,670,842</u>	<u>\$ 16,653,515</u>	<u>\$ 15,169,561</u>
Plan's Net OPEB Liability - Ending (a) - (b)	<u>\$ (2,474,801)</u>	<u>\$ 121,140</u>	<u>\$ 1,004,747</u>	<u>\$ 2,281,068</u>	<u>\$ 72,197</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	111.90%	99.33%	94.62%	87.95%	99.53%
Covered-Employee Payroll	18,207,627	18,274,778	15,921,966	14,663,027	14,589,576
Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll	-13.59%	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%.

From fiscal year June 30, 2020 to June 30, 2021:

Salary increase rate changed from 3.0% to 1.5%.

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

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarially Determined Contribution	\$ 793,304	\$ 926,132	\$ 852,704	\$ 493,780	\$ 419,334
Contributions in Relation to the					
Actuarially Determined Contribution	793,304	926,132	852,704	671,827	717,100
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (178,047)</u>	<u>\$ (297,766)</u>
Covered-Employee Payroll	\$ 18,207,627	\$ 18,274,778	\$ 15,921,966	\$ 14,663,027	\$ 14,589,576
Contributions as a Percentage of Covered-Employee Payroll	4.36%	5.07%	5.36%	4.58%	4.92%

Notes to Schedule:

Valuation Date	11/1/2019	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%	2.50%	2.75%	2.75%
Healthcare Cost Trend Rates	(1)	(1)	(1)	(1)	(1)
Salary Increases	1.50%	3.00%	5.70%	3.00%	3.00%
Investment Rate of Return	7.00%	7.00%	7.00%	7.00%	7.00%
Retirement Age	55 years	55 years	55 years	55 years	55 years
Mortality	(3)	(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 five years are shown in this schedule.

**WESTERN MUNICIPAL WATER DISTRICT
RETIREMENT MEDICAL BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS**

	<u>6/30/2021</u>	<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	29.03%	0.29%	5.03%	8.36%	10.82%

Notes to Schedule:

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

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