



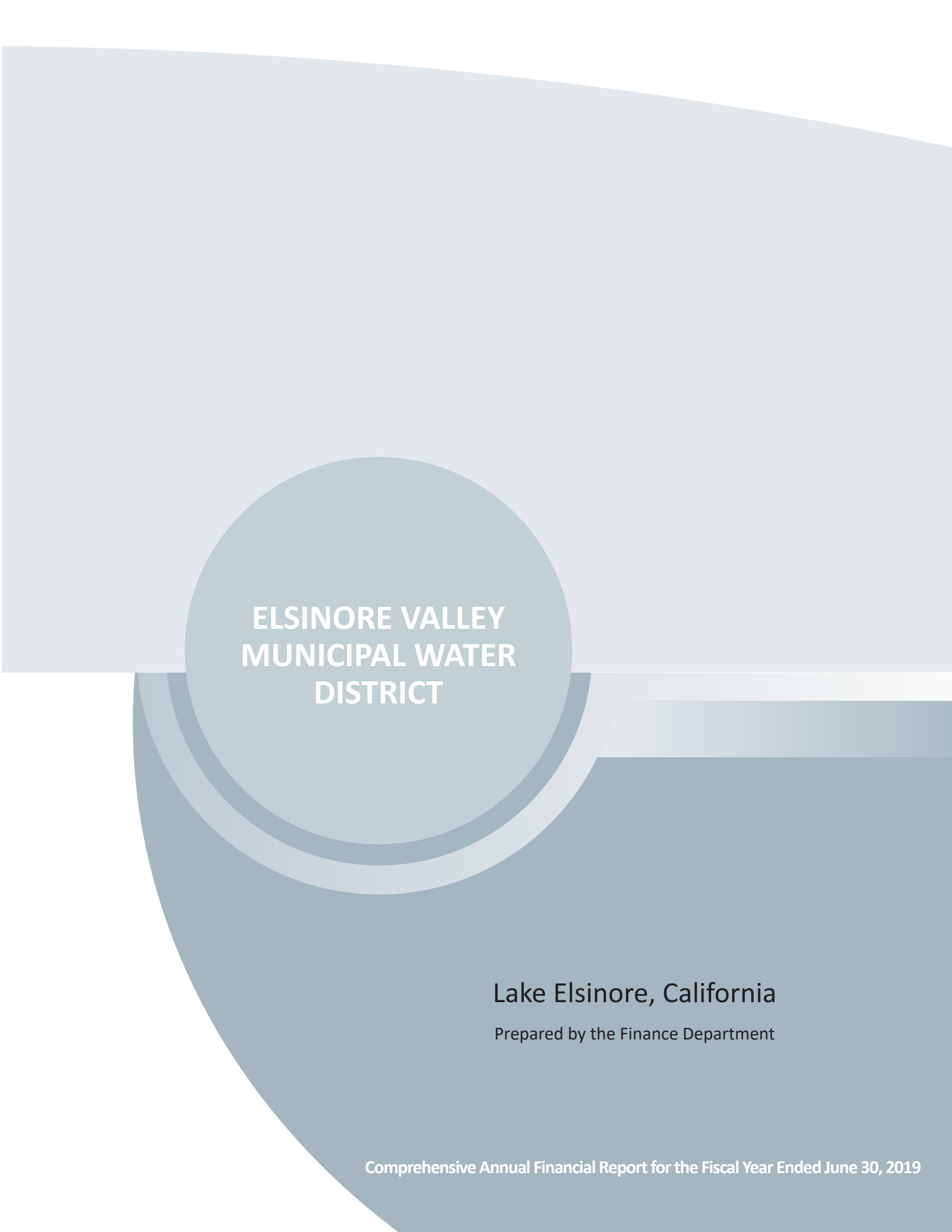
Elsinore Valley Municipal Water District

31315 Chaney Street, Lake Elsinore, CA 92530
(951) 674-3146 www.evmwd.com

Comprehensive **ANNUAL** Financial Report

For Fiscal Year Ending
June 30, 2019





**ELSINORE VALLEY
MUNICIPAL WATER
DISTRICT**

Lake Elsinore, California

Prepared by the Finance Department

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019

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Introductory Section

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

December 12, 2019

Board of Directors
Elsinore Valley Municipal Water District
31315 Chaney Street
Lake Elsinore, CA 92530

We are pleased to present the Elsinore Valley Municipal Water District's ("District") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2019.

This report was prepared by District staff following financial reporting guidelines set forth by the Governmental Accounting Standards Board. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements presented are free of any material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified "clean" opinion on the District's financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The District was incorporated on December 23, 1950, under the legal authority of the California Municipal Water District Act of 1911. This Act allows the District to supply and distribute water, treat and dispose of wastewater, make beneficial use of reclaimed water, and manage water-related recreational activities. The District provides service to a population of approximately 157,000 within 61,949 acres or 97 square miles of land located in the western portion of Riverside County and a portion of Orange County along the Ortega Highway. The District primarily provides service to the cities of Lake Elsinore, Canyon Lake, Wildomar, the California Oaks Development within the City of Murrieta, and the unincorporated communities of Lakeland Village, Meadowbrook, Rancho Capistrano/El Cariso Village, Horsethief Canyon, and Temescal Canyon. The District is a member agency of the Western Municipal Water District ("WMWD"), which is a member agency of the Metropolitan Water District of Southern California ("MWD").

The financial data presented includes information relating to certain separate legal entities whose activities are significantly controlled by the District. These include the Water Employee Services Authority ("WESA"), Elsinore Valley Water and Sewer Facilities Corporation, Elsinore Valley Municipal Water District Financing Authority, and the Meeks and Daley Water Company in which the District owns a controlling interest. WESA was established in 2003 and started providing employee services to the District and Meeks and Daley on January 1, 2008. WESA is also available to provide this service to other water and wastewater agencies. The District continues the tradition of providing high quality, professional water and wastewater services to the communities it serves.



Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

The District is governed by a five member Board of Directors (“Board”) elected by the voters within their respective divisions for staggered four-year terms. The District’s Board includes:

Darcy M. Burke, Treasurer	Division 1
Harvey R. Ryan, Director	Division 2
Jared McBride, Director	Division 3
Phil Williams, Vice President	Division 4
Andy Morris, President	Division 5

The District is not legally required to adopt and adhere to a budget or to present budgetary comparison information. However, the Board chooses to approve a bi-annual budget as a management tool, which serves as the foundation for the District’s financial planning and control. The budget is prepared by fund, function, and department. The Board does not formally amend the budget after approval.

LOCAL ECONOMY

Over the last ten years the District’s population has grown by a total of 19.4%. During this fiscal year, the number of active water meters and wastewater service connections grew by 355 (0.8%) and 270 (0.7%), respectively, compared to the prior year. The population of Riverside County increased by approximately 1.1% over the same period. The District has planned for a growth rate of 1.5% in water services and 1.9% in wastewater services for the next fiscal year. Should the actual growth rate in utility services be higher than projections, adequate water and wastewater capacities are available to meet the demand for District services.

MAJOR INITIATIVES

The District has continued to perform water and wastewater system upgrades and expansions as needed to provide safe and reliable services. Currently, the District has over 90 ongoing capital projects with total authorized costs of approximately \$121.5 million, of which, approximately \$59.9 million has been expended as of June 30, 2019 on these projects. Several noteworthy projects are described below.

Water Facilities – The District has authorized \$32.4 million for 47 smaller water related projects that have an individual authorized amount of \$3.1 million or less each. A few of the larger projects are the Lee Lake Well Conversion (\$3.1 million), the Palomar Well (\$2.6 million), the City Reservoir Repair (\$1.8 million), and the Corrosion Protection of the Lake Street Reservoir (\$1.8 million).

Wastewater Facilities – The District has authorized \$20.3 million for 23 smaller wastewater related projects that have an individual authorized amount of \$3.0 million or less each. A few of the larger projects are the MicVicar Lift Station Force Main (\$3.0 million), the Rehabilitation of the A2 Lift Station (\$2.9 million), the Recycled Pipe to Lake Elsinore (\$2.5 million), and the Replacement of the Distributed Control System (DCS) to the Supervisory Control and Data Acquisition system (SCADA) at the Regional Wastewater Reclamation Plant (\$2.0 million).

Desalter Project – Due to a high concentration of total dissolved solids (“TDS”) in imported water supplies, the District experiences elevated TDS concentrations in its recycled water effluent which affects the waste discharge permits. Therefore, the Santa Ana Regional Water Quality Control Board (“RWQCB”) requires the District to have a plan in place to offset the TDS discharge. The District’s Offset Plan indicates that capital construction of a desalter will be necessary to reduce TDS levels to meet plan goals. Staff is currently negotiating a Maximum Benefit Study with RWQCB that may potentially defer and reduce the size of the desalter project required. The District has authorized \$16.0 million for anticipated construction.

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

Regional Water Reclamation Facility Expansion Planning – The Regional Water Reclamation Facility (“RWRP”) was originally constructed in 1984 and most recently expanded in 2000-2001. Growth within the service area combined with many of the facilities reaching the end of their useful life and/or no longer meeting current regulatory requirements has necessitated additional expansion. A master plan was completed in June 2016 which included plans for the upgrade and expansion of this facility. Costs for the recommended 4.0 million gallons per day (“MGD”) Phase 1 Expansion design are estimated at \$13.1 million. \$10.0 million has been authorized to date for this project and a loan in the amount of \$6.3 million was awarded from the Clean Water State Revolving Fund (“CWSRF”).

Horsethief Canyon Water Reclamation Facility Expansion – Temescal, SAM, JBJ, and Renaissance Ranch are the new development planned northeast of the existing Horsethief Canyon development, in the northern section of the District’s service area. The development consists of approximately 1,184 residential homes with no parks or commercial areas. In order to accommodate the new development and future development, this project consists of facility improvements that include a lift station, force mains, and expansion of the District’s existing Horsethief Canyon Water Reclamation Facility. Although the project originally included both an upgrade and expansion to the plant, the project scope will now focus on upgrades only. The project is expected to be completed by December 2020, with \$8.2 million authorized to date and an estimated project cost of \$24.5 million.

Flagler Well Conversion (Near Term Project No. 1) – The purpose of the Flagler Well Conversion Project is to provide an additional source of potable water by converting existing wells, which were previously used for the Temescal Irrigation System, for potable use. The conversion allows the District to reduce its reliance on imported water. \$6.7 million has been authorized to date for this project.

In order to convert the two existing wells for potable water use, a pipeline connection was constructed to the Temescal Valley Pipeline (“TVP”). The pressure produced by the existing wells is inadequate to pump to the TVP; therefore, a booster pump system was constructed to overcome the high pressure in the TVP. Since these wells require a longer chlorine contact time, a 108,000 chlorine tank (CCT) was constructed as part of the treatment process. Additional components of the facility are disinfection equipment, ammonia injection, and supervisory control & data acquisition (“SCADA”) equipment.

The Flagler Well Facility is completely operational and the final punch item list work is in progress. The Department of Drinking Water (DDW) permits are finalized and the facility can pump water from Flagler Well 2A, Flagler Well 3A or both wells. The Facility has a total capacity of 1,200 gallons per minute (gpm).

Palomar Well Project (Near Term Project No. 2) – The purpose of the Palomar Well Project is to provide an additional source of potable water in the southern area of the District’s service area. Since this site had an existing well that did not have sanitary seals, etc. the plan was to drill a new potable well and associated wellhead facilities. Phase 1 – Palomar Well Flushing Pipelines is complete. This project constructed both sewer and storm drain to facilitate the drilling of the new well and to allow for routine maintenance. This also required the removal of several septic systems in the area. This project also completed all potable transmission water pipelines from the well site. Phase 2 – Well Drilling was completed in June 2019. Phase 3 – Wellhead Facilities will be bid in Spring 2020 for a construction start date of June 2020. This project was awarded Bureau of Reclamation (BOR) grant funding through the Drought Contingency Program (DCP). \$2.6 million has been authorized to date for this project.

Lee Lake Wells Project (Near Term Project No. 3) – The purpose of the Lee Lake Wells Project is to provide an additional source of potable water in the northern area of the District’s service area. This project has been sited on a District owned property. A borehole exploratory study and water quality testing was conducted and found to be successful from both a capacity and water quality parameters. Therefore, an in depth geotechnical study is currently being conducted. A Preliminary Design Report was received in March 2019. The project is anticipated to be constructed in two phases: Phase 1- Well Drilling is expected to begin in February 2020 and Phase 2 – Wellhead Facilities and offsite Pipelines is estimated to be bid in July of 2020. This project is part of the Santa Ana Regional Conservation Conjunctive Use Program (SARCCUP). The District has entered into an agreement with WMWD to receive \$3,044,580 in funding for this project from the DWR Proposition 84 through SAWPA. The District has authorized \$3.1 million in funding to date for this project.

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

Warm Springs Basin Well Project (Near Term Project No. 4) – The purpose of the Warm Springs Basin Well Project is to provide an additional source of potable water in the Warm Springs Basin. The Warm Springs Basin did not have a defined Basin Study and therefore a detailed Basin Study was completed in the Spring of 2018. This Basin Study identified an area where potential new wells would be feasible for both hydrogeology and water quality factors. The District identified parcels suitable for the well and secured an encroachment permit. A borehole was drilled and core samples were collected. Bedrock and non-water bearing conditions were encountered therefore staff determined that the basin was not suitable for a well and recommended the project be closed. The \$4.3 million that was authorized to date for this project was returned to its original funding source.

Near Term Water Supply Project – Population within the District’s service area is expected to increase by approximately 66% over the next 20 years. Consequently, to accommodate for this growth, water demand is expected to increase from 23,160 acre feet per year (“AFY”) to 48,800 AFY during the same time period. In addition, build out demands are estimated to be approximately 84,000 AFY. As a result, these projected growth estimates will put a considerable amount of strain on the District’s local and imported water sources.

In anticipation of this demand, a near term (three year) water supply capital project implementation strategy was developed by District staff. The intent of this program is to expedite several water supply projects that will ultimately provide a local, sustainable water supply. The projects vary in complexity and difficulty and range from studies to groundwater production wells. The District set aside \$7.2 million to fund these near term projects. This commitment is already included in the project discussions above and is spread among several different projects.

LONG-TERM FINANCIAL PLANNING

The District is heavily committed to investing into its major capital facilities and infrastructure in order to provide for continued high levels of water, wastewater, and recycled water services in the future. In addition, maintenance and replacement of current District facilities is also performed as necessary to ensure they will be available for continued future use. As costs continue to increase, the District has been required to increase rates in order to maintain its ability to provide a consistent high level of service. The District continues to analyze its long-term capital investments to determine the best means of financing these projects. Most of the projects discussed above are planned as cash (pay-as-you-go) projects.

The District continues to take advantage of low interest rate (approx. 1.7 - 1.9%) loans being offered by the Clean Water State Revolving Fund (“CWSRF”) to finance larger projects such as the RWRf upgrade and expansion projects rather than using traditional debt financing to fund these types of projects due to the amount of cost savings involved. In the event that these types of loans are no longer offered in the future, or the District does not qualify for them, the District will likely fund larger projects of these types through debt issuance.

In the past, the District has funded larger capital investments through debt financing and will continue to do so on an as needed basis. The District maintains an AA credit rating with Fitch, an AA+ rating with Standard & Poor’s, and an Aa2 rating with Moody’s. The District reviews all potential debt against its capital needs with the intent to maintain or improve its credit rating.

The District’s next fiscal year budget includes capital improvement projects with a total cost of approximately \$65.8 million with the largest of these projects being the Regional Water Reclamation Facility Upgrades Construction (\$20.0 million), Horsethief Canyon Water Reclamation Facility Expansion (\$10.0 million), Diamond Regional Lift Station Dual Force Main (\$6.0 million), Diamond Regional Lift Station (\$4.6 million), and Lee Lake Well Conversion (\$3.7 million).

Our Mission...

EVMWD will provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve.

To maintain fiscal stability, utility rates were developed to match variable costs with commodity rates, fixed costs with fixed rates, and to include a goal of Capital Replacement Program funding at 100% depreciation by fiscal year 2029-2030. The District plans to maintain Rate Stabilization Reserve funding at a minimum of 15% and a maximum of 30% of operating costs. To ensure that there is sufficient funding to implement its Capital Improvement Program, the District maintains cash flow and non-operating rate projections for all sources of project funding five years into the future.

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 the District for its CAFR for the fiscal year ending June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The District has received a Certificate of Achievement from the GFOA for the last twenty-six (26) consecutive fiscal years (fiscal years ended 1993-2018). We believe our current CAFR continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA.

We would like to express our appreciation to all members of the District's staff, particularly the members of the Finance & Accounting Department, who have participated in the preparation of this report. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the financial affairs of the District.

Sincerely,



Greg Thomas
General Manager



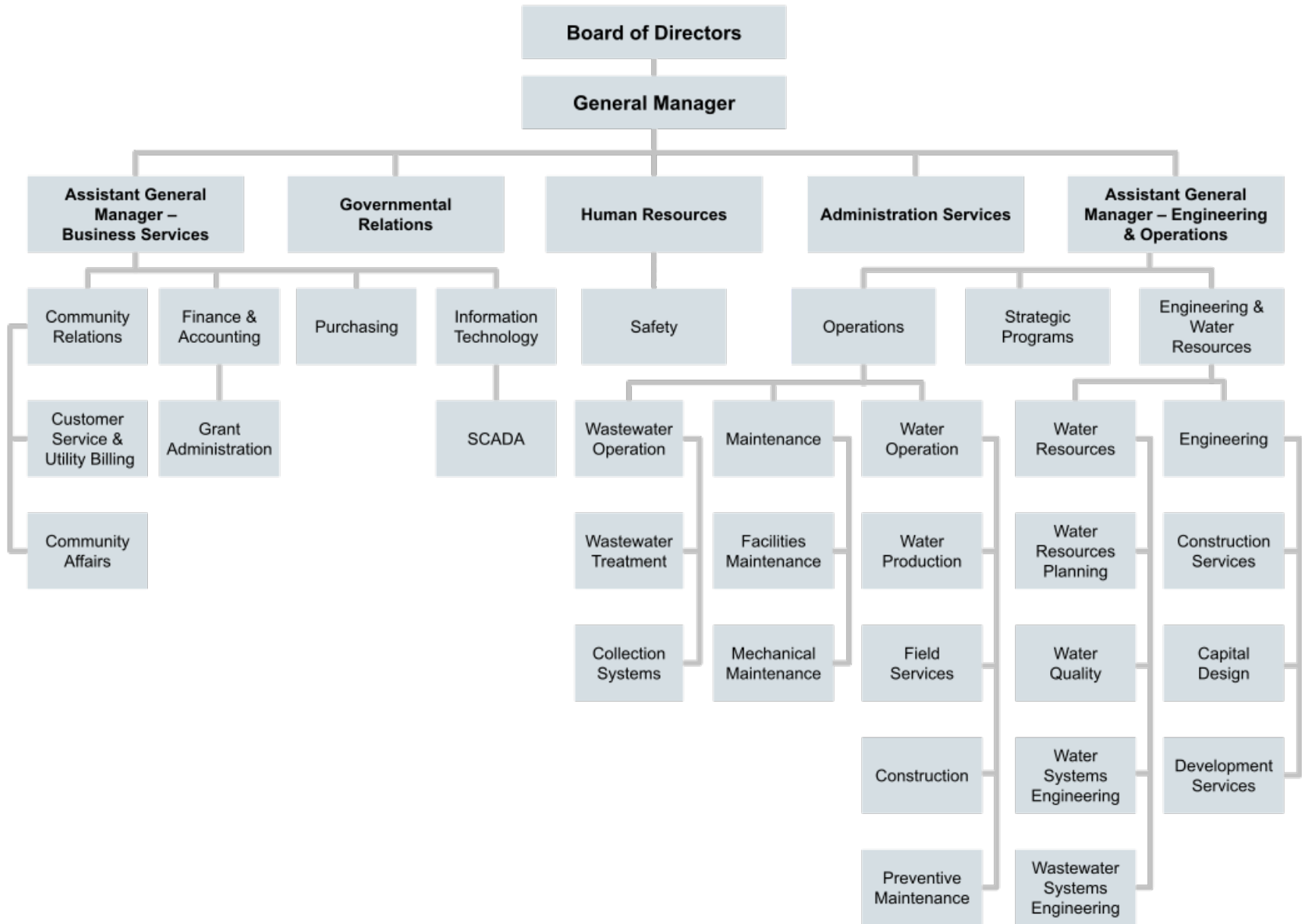
Robert A. Hartwig, CPA, MBA
Assistant General Manager - Business Services Division

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019**

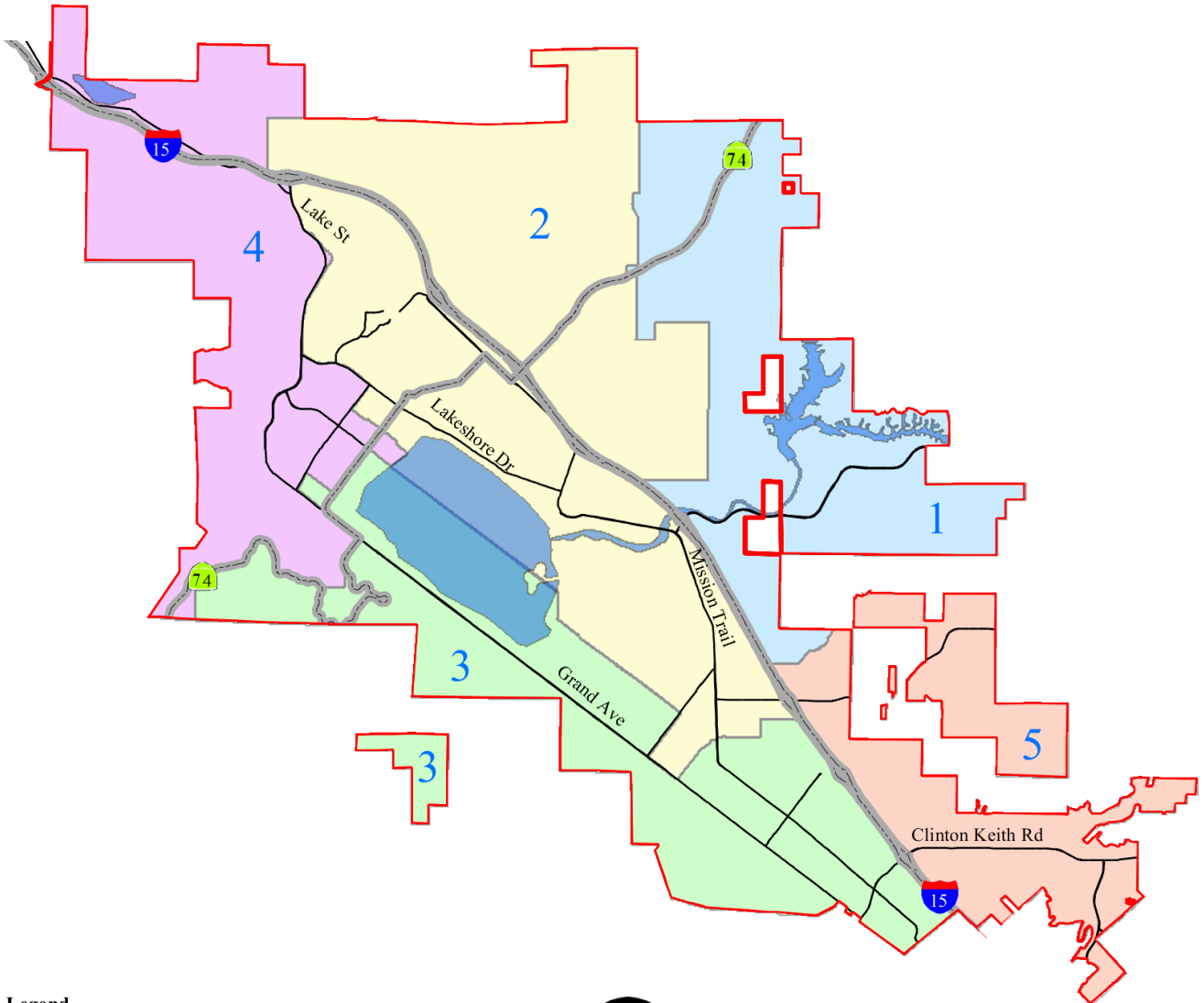
DISTRICT MANAGEMENT

Greg Thomas	General Manager
(Position Vacant)	Assistant General Manager – Engineering & Operations
Robert A. Hartwig	Assistant General Manager – Business Services
Margie Armstrong	Director of Strategic Programs
Greg Morrison	Government Relations Officer
James Ollerton	Director of Information Technology
Jase Warner	Director of Operations
Jason Dafforn	Director of Engineering & Water Resources
Jennifer Dancho	Director of Human Resources
Terese Quintanar	District Secretary/Administrative Services Supervisor









Organizational Chart



DISTRICT MAP



Legend

-  EVMWD Boundary
-  Highways
-  Waterbodies
-  Darcy M. Burke, Treasurer
-  Harvey R. Ryan, Director
-  Jared McBride, Director
-  Phil Williams, Vice President
-  Andy Morris, President



NOT TO SCALE





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**Certificate of
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Presented to

**Elsinore Valley Municipal Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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**Financial
Section**



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Independent Auditor's Report

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San Bernardino, CA 92408
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To the Board of Directors
Elsinore Valley Municipal Water District
Lake Elsinore, California

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
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Laura Arvizu, CPA

MEMBERS

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Certified Public Accountants



Report on the Financial Statements

We have audited the accompanying financial statements of the Elsinore Valley Municipal Water District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Requirements for California Special Districts*. 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 auditor's 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.

STABILITY. ACCURACY. TRUST.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2019, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as the accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Prior Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed an unmodified opinion in our report dated November 20, 2018. In our opinion, the summarized comparative information presented herein, as of and for the year then ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, exhibits of schedules of maturities and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The exhibits of schedule of maturities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the exhibits of schedule of maturities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 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 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 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 22, 2019

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ELSINORE VALLEY MUNICIPAL WATER DISTRICT

This discussion and analysis of the Elsinore Valley Municipal Water District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter beginning on page 1 and the District's basic financial statements.

FINANCIAL STATEMENTS

The District operates as a utility enterprise and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting. As an enterprise fund, the District's basic financial statements are comprised of two components: financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The financial statements conform to accounting principles set forth by Generally Accepted Accounting Principles ("GAAP"). The District's financial statements consist of the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

The statement of net position includes the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as net position. This statement also provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statement of revenues, expenses and changes in net position accounts for the District's revenues and expenses for the fiscal years ended June 30, 2018 and 2019. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The final required financial statement is the statement of cash flows. This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operations, non-capital financing, capital financing, and investments during the reporting period.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

FINANCIAL HIGHLIGHTS

The District's financial net position, on average, has grown by approximately 2.0% per year over the past ten years from \$534 million at June 30, 2010 to \$663 million at June 30, 2019. During the current fiscal year, the District's net position grew by \$21.9 million or (3.4%) increase from prior fiscal year. The yearly comparison of changes in net position for the prior 10 fiscal years are shown on page 91 of the Statistical Section.

STATEMENT OF NET POSITION

<u>(Dollars in Thousands)</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase / (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Assets:				
Current Assets	\$ 104,456	\$ 120,916	\$ (16,461)	-13.6%
Other Assets	160,315	132,978	27,337	20.6%
Capital Assets, Net	597,575	589,945	7,630	1.3%
Total Assets	862,346	843,839	18,506	2.2%
Deferred Outflow of Resources	11,762	14,634	(2,871)	-19.6%
Liabilities:				
Current Liabilities	24,318	24,473	(155)	-0.6%
Long-term Liabilities	185,658	192,136	(6,478)	-3.4%
Total Liabilities	209,976	216,609	(6,633)	-3.1%
Deferred Inflow of Resources	815	448	367	82.1%
Net Position:				
Net investment in capital assets	439,789	427,769	12,020	2.8%
Restricted	55,241	52,158	3,083	5.9%
Unrestricted	168,287	161,489	6,798	4.2%
Total Net Position	\$ 663,317	\$ 641,416	\$ 21,901	3.4%

Allow for rounding differences

The following explains the significant changes in net position between fiscal years 2018/2019 and 2017/2018 as shown in the above table:

- Current assets decreased by approximately \$16.5 million or (-13.6%) during the year. This was mainly the result of reinvesting cash from investments that matured during the year which had previously been classified as cash and cash equivalents (Current Asset) and investments maturing in less than a year (Current Asset) into longer term investments (Other Assets) with a maturity date of greater than one year. Cash and cash equivalents decreased by \$12.1 million and investments maturing in less than a year decreased by \$3.1 million. In addition, accounts receivable and restricted assets decreased by \$1.0 million and \$975 thousand, respectively. These decreases were partially offset by a net increase in other receivables and prepaid expenses by \$1.3 million.
- Other assets increased by approximately \$27.3 million or 20.6%. The majority of this increase was the result of investments maturing in greater than a year increasing by \$23.8 million. This increase was a combination of interest income and unrealized gains on the market value of investments (\$7.0 million) and the reinvestment of cash from investments that matured during the year (approximately \$16.2 million) which had previously been classified as cash and cash equivalents, restricted cash and investments maturing in less than a year into longer term investments (Other Assets) with a maturity date of greater than one year. In addition, the District's investment in the Santa Rosa Regional Resources Authority ("SRRRA") JPA and notes receivable from SRRRA both increased by \$2.0 million and \$1.3 million, respectively.
- Capital assets, net of depreciation increased by approximately \$7.6 million or (1.3%) during the year. This was the result of increases in capitalized assets of \$34.2 million, offset by decreases in construction in progress of \$6.8 million and depreciation of \$19.8 million.

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

- Deferred outflow of resources decreased by approximately \$2.9 million or (19.6%). This was a result of a \$2.3 million decrease in the changes in assumptions and actuarial earnings calculations for the employee pension plan as required by GASB 68, as well as a \$600 thousand decrease in bond redemption amortization as compared to the prior fiscal year.
- Total current liabilities decreased by approximately \$155 thousand or (0.6%) due to timely payments and accrual of trade payables. Last year had an increase of about \$2.5 million due primarily to the accrual of \$2.0 million in legal settlement expenses related to the Hydro Company, Inc. lawsuit.
- Net long-term liabilities decreased by approximately \$6.5 million or (3.4%). This change was mainly the result of decreases in certificates of participation (\$4.7 million), water revenue bonds (1.8 million), Advances from US Government (\$386 thousand) and amounts due within one year (\$631 thousand) due to debt service payments. In addition, the net pension liability decreased by \$1.3 million during the year. These decreases were partially offset by an increase of \$1.9 million in new SRF loans and a \$405 thousand increase in compensated absences.
- Net investment in capital assets increased by approximately \$12.0 million or 2.8% over the previous year. This change was the result of a \$7.6 million increase in capital expenditures and a \$4.4 million decrease in debt offsetting capital assets.
- Restricted net position includes amounts that are legally constrained by creditors, grantors, and contributors; and bylaws and regulations of other governments. Total restricted net position increased by approximately \$3.0 million or 5.9% primarily due to an increase of \$2.3 million in capacity fee reserves which are funds earmarked for future capital projects. In addition, the operating reserve increased by \$402 thousand which is set at 20% of the operating budget each year and customer deposits increased by \$389 thousand.
- Unrestricted net position includes amounts that have been designated for various purposes. These designations have been established and maintained to provide sound financial management and a stable and equitable rate structure. The total unrestricted net position increased by approximately \$6.8 million or 4.2% during the fiscal year due to increases of \$4.3 million in replacement reserves; \$2.7 million in reserves for encumbered projects; \$1.5 million in special revenue reserves; and \$2.9 million in other unrestricted assets. This was offset by decreases of \$3.8 million in operational reserves and \$835 thousand in debt service reserves.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As the following table shows, net position increased by \$21.9 million in fiscal year 2018/2019, an increase of 3.4% from the prior year.

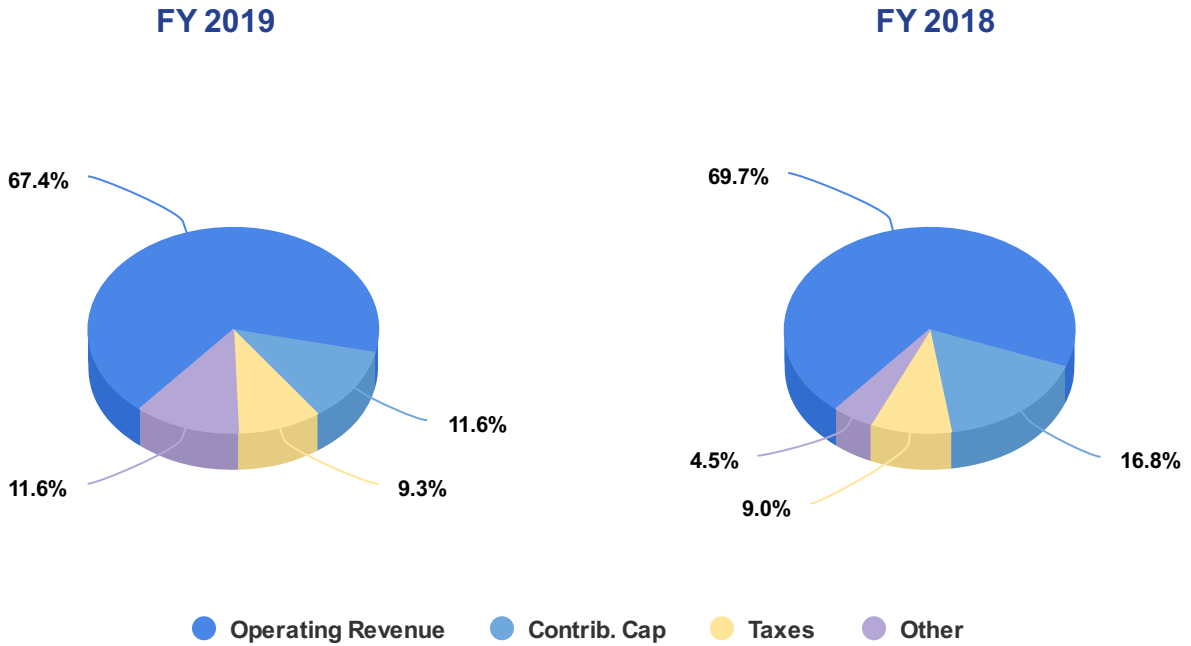
<u>(Dollars in Thousands)</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase / (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Operating Revenues:</u>				
Water Revenues	\$ 48,111	\$ 49,193	\$ (1,082)	-2.2%
Wastewater Revenues	25,333	24,046	1,287	5.4%
Recycled Water Revenues	1,043	1,147	(104)	-9.0%
Total Operating Revenues	74,487	74,386	101	0.1%
<u>Non-Operating Revenues:</u>				
Property and Other Related Taxes	10,290	9,636	654	6.8%
Standby Charges	636	618	18	3.0%
Investment Income	8,134	866	7,268	839.5%
Other Non-Operating Revenues	4,096	9,530	(5,434)	-57.0%
Total Non-Operating Revenues	23,156	20,650	2,506	12.1%
Total Revenues	97,643	95,036	2,607	2.7%
<u>Operating Expenses:</u>				
Water Purchases	20,646	18,036	2,610	14.5%
Water Operations	15,426	14,756	670	4.5%
Wastewater Operations	11,221	10,123	1,098	10.8%
Recycled Water Operations	947	948	(1)	-0.1%
General and Other Operating Expenses	14,264	14,268	(4)	0.0%
Depreciation and Amortization	20,751	19,983	768	3.8%
Total Operating Expenses	83,255	78,115	5,140	6.6%
<u>Non-Operating Expenses:</u>				
Interest Expense	3,535	3,625	(90)	-2.5%
Other Expenses	1,782	2,805	(1,023)	-36.5%
Total Non-Operating Expenses	5,317	6,430	(1,113)	-17.3%
Total Expenses	88,572	84,545	4,027	4.8%
Income/(Loss) Before Contributions	9,071	10,491	(1,420)	-13.5%
Capital Contributions	12,829	17,917	(5,088)	-28.4%
Change in Net Position	21,900	28,407	(6,507)	-22.9%
Beginning Net Position	641,416	613,008	28,407	4.6%
Ending Net Position	\$ 663,316	\$ 641,416	\$ 21,900	3.4%

Allow for rounding differences

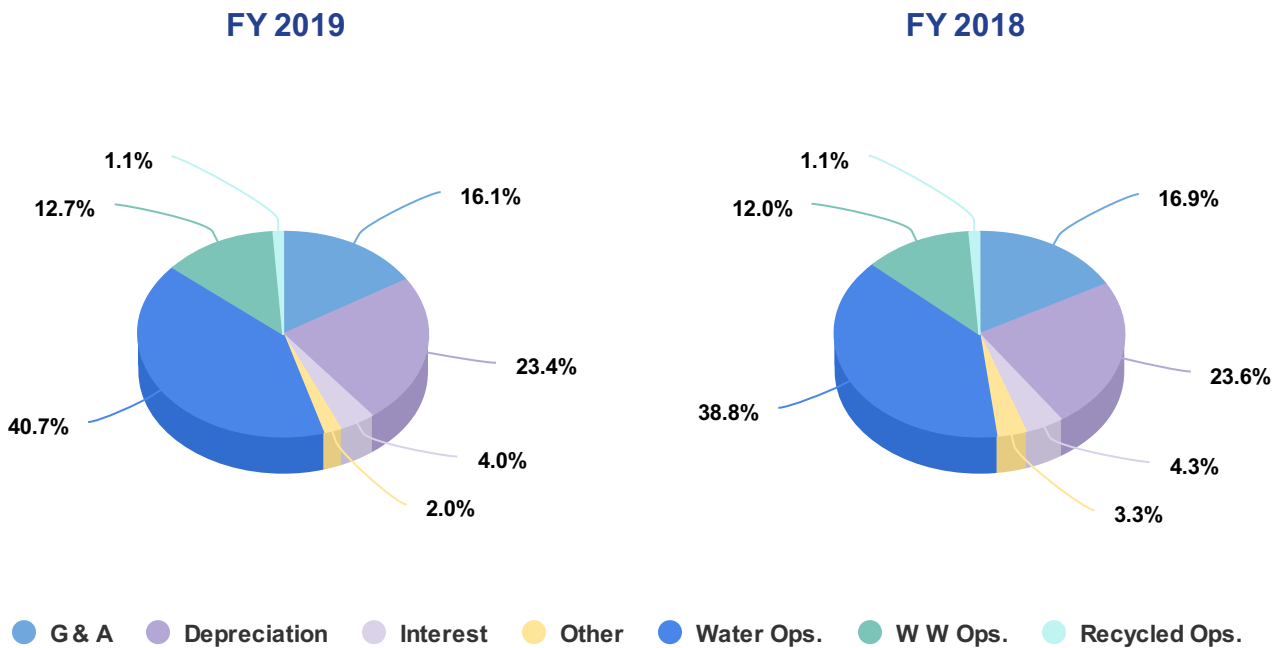
ELSINORE VALLEY MUNICIPAL WATER DISTRICT

As previously stated, the operations of the District are accounted for as an enterprise fund, which is financed and operated in a manner like a private business enterprise. The costs (expenses, including depreciation) of providing water, wastewater, and recycled water services on a continuing basis are financed or recovered primarily through user fees. The following graphs illustrate the District's major sources and uses of revenue:

SOURCE OF REVENUE



FUNCTIONAL EXPENSES



Water, wastewater, and recycled water user fees are evaluated annually based primarily upon the budget requirements for total operation, maintenance, and capital expenditures for providing water, wastewater and recycled water treatment services. Capacity fees (amounts charged for new developments) are the major source of contributed capital. These fees are reviewed annually. Capacity fees are determined based on the funding requirements for current and planned capital projects relating to system expansion. Property tax revenues, the major source of tax revenues, may be used for any general purpose of the District, however, in the past they have generally been used for the payment of debt service and for capital funding relating to repair and replacement of existing capital assets.

The following explains some of the significant differences between fiscal years 2018/2019 and 2017/2018 as shown in the table on page 4.

- Water revenues decreased by \$1.0 million or (2.2%) during the fiscal year. The overall decrease in water revenues, despite increases to both the fixed and variable water rates and an increase in overall water accounts, can be attributed to cooler than normal temperatures during the spring and a significant increase in rainfall during the winter and spring months as compared to the prior fiscal year.
- Wastewater revenues increased by \$1.3 million or 5.4% in fiscal year 2018/2019. This can be attributed to a combination of increased wastewater rates charged to customers as well as an overall increase in wastewater accounts serviced by the District. Beginning in the current fiscal year, the District updated the residential customers rate structure from a fixed monthly charge to a hybrid bill with both fixed and variable components which is based on the number of persons per household. Commercial customers are billed a fixed monthly charge and a variable charge based on water consumption.
- Recycled water revenues decreased by approximately \$104 thousand or (9.0%) from the prior year due to lower tier 3 demand. This again was the result of cooler than normal temperatures during the spring and a significant increase in rainfall during the winter and spring months as compared to the prior fiscal year.
- Non-operating revenues increased by approximately \$2.5 million or 12.1%. This was primarily the result of a \$7.3 million increase in investment income which is a combination of interest income (\$1.4 million increase); unrealized gain in the fair value of investments (\$6 million increase); and is net of banking/investment fees. In addition, there were increases in both property tax collections (6.8%) and standby charges (3.0%) during the year. These increases were largely offset by a decrease in other non-operating revenues of \$5.4 million or (57%). The majority of this decrease was related to a one time receipt of the \$6.6 million from Rancho California Water District in accordance with the Facilities Acquisition Agreement of the Santa Rosa Regional Resources Authority (SRRRA) in the previous fiscal year.
- Total operating expenses increased by approximately \$5.1 million or 6.6%. This was largely due to an increase in imported water purchases of \$2.6 million during the year resulting from lower than expected production from local water sources and the purchase of 1,800 acre feet of untreated water for Canyon Lake. Water operations increased by \$670 thousand due to increased operation costs at the wells, back basin and pumping/booster stations. Wastewater operations increased by \$1.1 million and was largely attributable to increases in planned and preventative maintenance and R&M costs as well as increased treatment costs at the treatment facilities during the year. Lastly, depreciation and amortization expense increased by \$768 thousand due to increases in capital assets being depreciated during the year of \$34.2 million. These were offset by the minimal decreases in general and other operating expenses and recycled water operations.
- Non-operating expenses decreased by approximately \$1.1 million or (17.3%). The decrease is mainly due to the net decrease of \$1.4 million in litigation settlement expenses, offset by increases in lake maintenance costs.
- Capital contributions decreased by approximately \$5.1 million or (28.4%). This was directly attributable to decreases in capital grant of \$3.1 million and capacity fees of \$2.7 million, offset by an increase of \$670 thousand in developer contributions. Capacity fees and developer contributions are directly related to, and dependent on, new development. Grant contributions are only recognized to the extent of grant related expenditures incurred during the year.

CAPITAL ASSETS AND INFRASTRUCTURE

The District provides water services to 45,662 domestic customers through 747 miles of pipeline ranging in size from 6 to 36 inches in diameter, 55 booster stations, 72 reservoirs, and 14 wells. In addition, the District provides wastewater services to 36,336 customers through 3 treatment plants, 37 lift stations, and a 409 mile collection system. The District performs routine inspections and maintenance of all facilities on a regular basis as part of its preventive maintenance program. The District also has a comprehensive facilities and resources protection program in place to ensure the integrity and continuity of its assets.

As of June 30th, 2019, the District had invested approximately \$598 million in capital assets net of accumulated depreciation, as shown below. This amount represents a net increase of \$7.6 million (1.3%) which is the combination of several factors including a decrease in construction in progress of \$6.8 million, an increase in capitalized assets of \$34.2 million, and depreciation of \$19.8 million. More detailed information about Capital Assets are presented in Note 7 of the financial statements.

The District's Capital Improvement Program is financed from a variety of sources including SRF loans, long-term debt or by cash funding through property taxes or the use of existing reserves. Replacement reserves are funded annually through transfers from the operating funds and are used to cash fund replacement and/or major refurbishment projects. Capacity fee reserves are funded through the receipt of capacity fees collected from developers for connecting to District facilities and are used to cash fund new development projects. Projects may be funded through a combination of funding sources or reserves depending upon whether the project is for replacement to accommodate growth, new development, or a combination of both.

<u>(Dollars in Thousands)</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Incr (Decr)</u>
Capital Assets Not Being Depreciated			
Land	\$ 7,572	\$ 7,572	\$ -
Construction in progress	59,895	66,654	(6,759)
Water Rights	19,815	19,815	-
Total Capital Assets Not Being Depreciated	<u>87,282</u>	<u>94,041</u>	<u>(6,759)</u>
Capital Assets Being Depreciated (Net)			
Infrastructure - Water	242,621	225,169	17,452
Infrastructure - Wastewater	257,959	259,744	(1,785)
Building & Structures	9,337	9,869	(532)
Vehicles & Equipment	75	808	(733)
Miscellaneous	302	314	(12)
Total Capital Assets Being Depreciated	<u>510,294</u>	<u>495,904</u>	<u>14,390</u>
Total Capital Assets, net	<u>\$ 597,576</u>	<u>\$ 589,945</u>	<u>\$ 7,631</u>

Allow for rounding differences

Major capital asset additions for the current fiscal year included (in millions):

- \$6.9 - AMI Phase III
- \$4.6 - 20/24" Pipeline from Waite St Tank
- \$4.5 - Developer Projects
- \$4.0 - County Water Company Consolidation
- \$1.9 - Repair Sewer Flint/Pottery
- \$1.7 - Wisconsin Pipeline Project
- \$1.5 - 16" Pipeline in Orange & Waite St

The District's fiscal year 2019-20 budget includes \$65.8 million for additions and improvements to water, recycled water, and wastewater facilities. More detailed information about the District's capital assets are presented in Note 7 of the financial statement.

LONG – TERM LIABILITIES

At June 30th, 2019, the District had approximately \$185.7 million in long-term liabilities outstanding (\$193.43 million total, less \$7.8 million due in one year), a net decrease of \$6.5 million or (3.4%) from the prior year. The total change is due to a decrease in the District's net pension liability of \$1.3 million and a decrease of \$5.2 million in other long-term liabilities. The decrease in other long-term liabilities is due to principal payments offset by the addition of a new loan and additional disbursements received on existing loans from the State of California Water Resources Control Board. More detailed information about loans is presented in Note 14 of the financial statements.

In accordance with GASB Statement No. 68 and effective for fiscal years beginning after June 15th, 2014, the District is required to include the net pension liability on the financial statements. The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The new pension liability was measured as of June 30th, 2018, using standard methods. For the measurement period ended June 30th, 2018, the total pension liability was \$98.2 million, offset by the fiduciary net position of \$73.3 million resulting in a net pension liability of \$24.9 million.

Other long-term liabilities consist of Certificates of Participation, Water Revenue Bonds, Advances from the U.S. Government, loans payable, and accrued compensated absences. The amount of debt due within one year totaled \$6.9 million. The District had an obligation of \$4.3 million at June 30th, 2019 for compensated absences relating to accrued vacation pay, sick leave and savings clause benefits with an amount due within one year of \$879 thousand. At fiscal year end, the District had no long-term material claims or judgments outstanding. More detailed information about the District's long-term liabilities are presented in Notes 8 through 15 of the financial statements.

The District issues debt in compliance with its formally-adopted debt policy. This policy includes general management, financial management, and debt and capital management. It documents the District's goals for the use of debt, especially as it relates to financing District infrastructure and project needs. The following table is the most recent rating received for the District.

Rating Agency	Date	Rating	Rating Reflects
Fitch	February 2018	AA	Strong Financial Performance; Strong Debt Service Coverage; Extraordinarily Strong Liquidity; Significant Capital Reserves
Moody's	February 2016	Aa2	Healthy Debt Service Coverage; Strong Liquidity; Strong Management of Rates and CIP; Diverse Operating Revenues
Standard & Poor's	February 2016	AA+	Strong Liquidity; Low Debt to Capitalization Level; Stable Debt Service Coverage; Comprehensive Financial Management

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board, customers, creditors and investors with a general overview of the District's accountability for the financial resources it manages. If you have any questions concerning this report or need additional financial information, contact the Elsinore Valley Municipal Water District's Finance & Accounting Department at 31315 Chaney Street, Lake Elsinore, California 92530.

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The cover features a close-up photograph of pink, beaded flower stalks in the upper left quadrant. The background is a mix of white and maroon geometric shapes, including a large white circle with a maroon border and a maroon triangle at the bottom left. The title is centered within the white circle.

Basic Financial Statements

STATEMENT OF NET POSITION

AS OF JUNE 30, 2019

(With Comparative Amounts for 2018)

	<u>June 2019</u>	<u>June 2018</u>
ASSETS:		
<u>Current Assets:</u>		
Cash and cash equivalents (Notes 1j and 2)	\$ 38,906,064	\$ 51,018,996
Restricted assets (Notes 1k and 2)	10,935,476	11,910,048
Investments maturing in less than a year (Notes 1n and 2)	41,382,642	44,532,306
Accounts receivable, net of allowances (Note 1l)	7,377,153	8,382,860
Other receivables	3,107,456	2,975,305
Accrued interest receivable	634	67,988
Materials and supplies inventories (Note 1m)	949,241	928,149
Prepaid expenses	1,784,690	1,087,624
Deposits	12,473	13,103
Total Current Assets	<u>104,455,829</u>	<u>120,916,379</u>
<u>Noncurrent Assets:</u>		
Investments (Notes 1n and 2)	145,608,472	121,809,987
Investment in Mutual Water Company (Note 3)	4,403,204	4,369,180
Investment in SRRRA (Note 4)	7,773,226	5,739,575
Accrued interest receivable	1,096,991	919,221
Receivable from CFD (Note 5)	133,307	140,307
Notes and contracts receivable (Note 6)	1,300,000	-
Capital assets, depreciated - net (Notes 1o and 7)	510,292,812	495,903,783
Capital assets, not depreciated (Notes 1o and 7)	87,281,762	94,040,875
Total Noncurrent Assets	<u>757,889,774</u>	<u>722,922,928</u>
Total Assets	<u>862,345,603</u>	<u>843,839,307</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized bond redemption (Note 1p)	6,546,644	7,142,144
Deferred outflows- employee pension contributions (Notes 1p and 8)	3,303,806	2,908,487
Deferred outflows- actuarial (Notes 1p and 8)	1,911,909	4,583,025
Total Deferred Outflow of Resources	<u>11,762,359</u>	<u>14,633,656</u>
LIABILITIES:		
<u>Current Liabilities:</u>		
Accounts payable and accrued expenses	7,785,761	8,454,393
Retentions payable	546,503	577,903
Customer deposits	2,825,220	2,663,850
Interest payable	1,910,443	2,032,719
Long-term liabilities due within one year (Notes 1q and 10)	7,770,926	7,140,226
Developer and other advances	1,064,611	1,160,919
Held for bondholders (Note 9)	2,414,670	2,443,420
Total Current Liabilities	<u>24,318,134</u>	<u>24,473,430</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF NET POSITION (Continued)

AS OF JUNE 30, 2019

(With Comparative Amounts for 2018)

	<u>June 2019</u>	<u>June 2018</u>
<u>Noncurrent Liabilities:</u>		
Certificates of participation payable (Notes 10 and 12)	\$ 70,893,330	\$ 75,587,336
Revenue bond payable (Notes 10 and 13)	80,705,984	82,513,383
Loans payable (Notes 10 and 14)	8,095,070	6,192,613
Advances from U.S. Government (Notes 10 and 15)	4,637,675	5,024,148
Accrued compensated absences (Notes 1q, 10 and 11)	4,260,428	3,855,102
Net pension liability (Notes 8 and 10)	24,836,475	26,103,706
Less amount due within one year (Note 10)	<u>(7,770,926)</u>	<u>(7,140,226)</u>
Total Noncurrent Liabilities	<u>185,658,036</u>	<u>192,136,062</u>
Total Liabilities	<u>209,976,170</u>	<u>216,609,492</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows-employee pension actuarial (Notes 1p and 8)	814,959	447,617
NET POSITION (Note 17)		
Net investment in capital assets	439,789,160	427,769,321
<u>Restricted for:</u>		
Rate stabilization fund	3,000,000	3,000,000
Operating reserve	11,919,851	11,518,180
Customer deposits	3,851,875	3,462,455
Debt service reserves	4,351,508	4,351,508
Capacity fees	<u>32,117,649</u>	<u>29,825,719</u>
Total Restricted Net Position	55,240,883	52,157,862
Unrestricted	<u>168,286,790</u>	<u>161,488,669</u>
Total Net Position	<u>\$ 663,316,833</u>	<u>\$ 641,415,852</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(With Comparative Amounts for the Fiscal Year Ended June 30, 2018)

	<u>June 2019</u>	<u>June 2018</u>
OPERATING REVENUES:		
Water revenues	\$ 48,111,048	\$ 49,193,038
Wastewater revenues	25,332,984	24,046,130
Recycled water revenues	1,043,280	1,146,853
Total Operating Revenues	<u>74,487,312</u>	<u>74,386,021</u>
OPERATING EXPENSES:		
Water purchases	20,646,287	18,036,267
Water operations	15,425,962	14,756,060
Wastewater operations	11,221,102	10,123,413
Recycled water operations	946,532	948,191
General and administrative	14,263,892	14,268,344
Depreciation/amortization (Notes 1o and 7)	20,751,084	19,982,645
Total Operating Expenses	<u>83,254,859</u>	<u>78,114,920</u>
Operating Income/(Loss)	<u>(8,767,547)</u>	<u>(3,728,899)</u>
NON-OPERATING REVENUES:		
<u>Property taxes: (Note 1r)</u>		
General purpose	6,867,032	6,508,824
Redevelopment	2,915,254	2,644,790
Temescal Valley Project	508,160	482,155
Total Property taxes	<u>10,290,446</u>	<u>9,635,769</u>
Standby charges	636,398	617,948
Investment Income	8,106,997	934,564
Mutual Water Company (Note 3)	27,282	(68,819)
Lease income (Note 16)	1,385,928	1,433,523
Other income	2,709,678	8,096,264
Total Nonoperating Revenues	<u>23,156,729</u>	<u>20,649,249</u>
NON-OPERATING EXPENSES:		
<u>Interest Expense:</u>		
Certificates of Participation	3,492,809	3,571,437
Bonds and Loans	41,874	53,146
Other expenses	1,782,127	2,805,062
Total Nonoperating Expenses	<u>5,316,810</u>	<u>6,429,645</u>
INCOME BEFORE CONTRIBUTIONS:	9,072,372	10,490,705
<u>Capital Contributions (Note 1t)</u>		
Capacity fees	7,335,180	10,027,212
Capital grant	25,315	3,090,355
Other contributions	5,468,114	4,799,226
Total Capital Contributions	<u>12,828,609</u>	<u>17,916,793</u>
Increase in Net Position	21,900,981	28,407,498
NET POSITION, BEGINNING OF YEAR	<u>641,415,852</u>	<u>613,008,355</u>
NET POSITION, END OF YEAR	<u>\$ 663,316,833</u>	<u>\$ 641,415,852</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(With Comparative Amounts for the Fiscal Year Ended June 30, 2018)

	<u>June 2019</u>	<u>June 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 75,889,940	\$ 77,284,721
Cash payments to employees for services	(24,056,965)	(22,596,981)
Cash payments to suppliers for goods and services	(38,018,075)	(31,167,976)
Other operating income	1,426,512	5,765,176)
Net Cash Provided By Operating Activities	15,241,412	29,284,940
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Property taxes	10,397,772	10,253,717
Property tax collection activities	(29,827)	(6,500)
Net Cash Provided By Noncapital And Related Financing Activities	10,367,946	10,247,217
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond handling fees	(469,134)	(467,473)
Proceeds from loans	2,239,657	5,001,637
Principal payments of long - term debt	(6,228,673)	(5,862,087)
Purchase, construction, and disposal of capital assets	(23,265,911)	(25,767,124)
Capacity fees	7,335,179	10,027,211
Capital grant	25,315	3,090,355
Other contributions	948,526	681,809
Interest and penalty payments	(4,653,364)	(4,671,264)
Receipts of funds held for bondholders	27,986	69,960
Payment of funds held for bondholders	(56,736)	(31,316)
Loan payments received/(issued)	(1,300,000)	250,000
Net Cash (Used For) Capital and Related Financing Activities	(25,397,155)	(17,678,292)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease income	1,385,928	1,433,523
Investment income received	5,963,188	(3,425,100)
Sale of investments and maturities	5,862,840	38,796,043
Purchase of investments	(25,537,090)	(34,606,173)
Net Cash Provided By/(Used For) Investing Activities	(12,325,134)	2,198,293
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(12,112,931)	24,052,158
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	<u>51,018,999</u>	<u>26,966,841</u>
CASH AND CASH EQUIVALENT, END OF YEAR	<u>\$ 38,906,067</u>	<u>\$ 51,018,999</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (With Comparative Amounts for the Fiscal Year Ended June 30, 2018)

	June 2019	June 2018
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH		
PROVIDED BY/(USED FOR) OPERATING ACTIVITIES:		
Operating Income/(loss)	\$ (8,767,547)	\$ (3,728,899)
<u>Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:</u>		
Depreciation/amortization	20,751,084	19,982,645
Bad debt expense - operating	220,171	174,207
Other operating income	1,426,512	5,765,176
Employee pension expense	(1,267,231)	3,574,369
<u>Changes in assets and liabilities:</u>		
(Inc)/Dec in accounts receivable	1,182,456	2,724,494
(Inc)/Dec in inventory, prepaid expenses and deposits	(717,528)	337,672
Inc/(Dec) in accounts payable, accrued expenses and deposits	(603,571)	1,830,907
Inc/(Dec) in retentions payable	(31,400)	318,858
Inc/(Dec) in accrued compensated absences	405,326	(12,996)
<u>Changes in deferred inflows and outflows:</u>		
(Inc)/Dec in deferred outflows-employee pension contributions	2,643,140	(1,681,492)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 15,241,412	\$ 29,284,940
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized gain (loss) in market value of investment	\$ 4,536,430	\$ 1,531,529
Capital contribution	4,519,589	4,117,418
Change in deferred outflows of resources, Unamortized bond redemption	(595,500)	(492,979)
Change in amortized premium/discount	(996,406)	(996,406)

Allow for rounding differences

See notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity:

The reporting entity Elsinore Valley Municipal Water District (“District”) includes the accounts of the District, Water Employee Services Authority (“WESA”) and the Elsinore Valley Water and Sewer Facilities Corporation (“Corporation”).

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (“GASB”) Statement 14, as amended by GASB 61. The District is the primary government unit. Despite being legally separate, the Corporation and WESA are so intertwined with the District that they are, in substance, part of the District’s operations. Accordingly, the balances and transactions of these component units are reported within the accounts of the District. Component units are those entities which are financially accountable to the primary government. Blended component units, although separate legal entities, are in substance part of the government’s operations. The District has accounted for the Corporation and WESA as blended component units. WESA’s Board of Directors is comprised of the District’s Board of Directors and WESA provides services almost entirely to the District. The Corporation’s Board of Directors is appointed by the District’s Board of Directors and the Corporation provides service entirely to the District.

The District was incorporated on December 23, 1950, under the provisions of the California Municipal Water District Act of 1911. The District’s 97 square mile service area lies in Western Riverside County between the cities of Corona and Temecula.

The Corporation was organized on April 21, 1980, pursuant to the NonProfit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2, of the California Corporations Code), solely for the purpose of providing financial assistance to the District. The Elsinore Valley Water and Sewer Facilities Corporation is a non-profit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in 1980. The corporation was formed solely for the purpose of providing financial assistance to the District by acquiring, constructing, improving and developing certain real and personal property for the use, benefit and enjoyment of the District. The Corporation is blended with the District’s financial statements and does not issue separate audited financial statements.

In August 2003, the Board approved an agreement for the formation of the Water Employee Services Authority and an operating agreement between the District and WESA. WESA was established as a joint powers authority between the District and Meeks and Daley Mutual Water Company (“Meeks & Daley”). The purpose of WESA is to provide professional water and wastewater employee services to both agencies. In September 2003, the Meeks and Daley Board also approved both agreements. With approval of these operating agreements, District employees were transferred to WESA. A separately issued audited financial report is available for WESA and may be obtained by contacting the District’s office.

In May 2013, the District and WESA formed the Elsinore Valley Municipal Water District Financing Authority (“EVMWDF”) to facilitate a pooled refunding of existing Community Facilities District (“CFD”) Bonds. These bonds were originally issued to finance water and sewer facilities owned and operated by the District. The formation of EVMWDF provided the ability to assist in financing or refinancing public capital improvement projects that will encourage economic development. It has been determined that EVMWDF is not a component unit of the District. A separately issued financial report is available for the Authority and may be obtained by contacting the District’s Office.

b. Basis of Accounting and Measurement Focus:

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods and services to the general public on a continuing basis (including depreciation), are financed through user fees and charges. For financial reporting purposes, all of the funds and component units of the District have been consolidated after elimination of significant inter-fund accounts and transactions. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. An enterprise fund is accounted for using the economic resources measurement focus. This means that all assets and liabilities associated with the activity (whether current or noncurrent) are included on the statement of net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The District distinguishes between operating and non-operating revenues and expenses. Operating revenues are those revenues that are generated by providing water, wastewater and recycled water services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water, wastewater and recycled water services.

c. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Restricted Resources:

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

e. Budgetary Information:

Although the District prepares and approves an annual budget, budgetary information is not presented because the District is not legally required to adopt a budget. In this situation, GAAP does not require presentation of budgetary information.

f. Claims & Judgments:

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its self-insurance program. As of June 30, 2019, in the opinion of legal counsel, the District had no material claims which would require loss provision in the financial statements.

g. Comparative Data & Reclassifications:

Comparative data for prior years have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. No reclassifications were deemed necessary in these financial statements.

h. New Effective Accounting Pronouncements:

GASB Statement No. 83, “Certain Asset Retirement Obligations.” The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019.

GASB Statement No. 88, “Certain Disclosures Related to Debt”. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of the Statement are effective for reporting periods beginning after June 30, 2019.

GASB Statement No. 90, “Majority Equity Interests -An Amendment of GASB Statements No. 14 and No. 61”. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Future Accounting Pronouncements:

GASB Statement No. 84, "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements are the fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 31, 2019.

GASB Statement No. 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 31, 2020.

GASB Statement No. 89, "Accounting for Interest Cost Incurred before the end of a Construction Period". The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for certain interest costs. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 31, 2020.

j. Cash & Cash Equivalents:

For the statement of net position and the statement of cash flows, cash and cash equivalents have been defined as demand deposits, highly liquid investments purchased with an original maturity of 90 days or less from the original date of purchase, and investments with a maturity date of 90 days or less from fiscal year end.

k. Restricted Assets:

Amounts shown as restricted assets have been restricted by either bond indenture, law, or contractual obligations to be used for specified purposes, such as servicing bonded debt and construction of capital assets.

l. Allowance for Doubtful Accounts:

The District has a policy which requires that uncollectible accounts for water, wastewater, and other services be written off 90 days after the invoice date. The Allowance for Doubtful Accounts is deducted against the Account and Note Receivable on the Statement of Net Assets. The amount of allowance for doubtful accounts is \$66,211 as of June 30, 2019 and \$34,467 as of June 30, 2018.

The amount written off is \$220,171 for June 30, 2019 and \$174,207 for June 30, 2018.

m. Inventories:

The District utilizes a standard (or average) cost method of valuing inventories consisting of materials and supplies for utility plant construction and repairs.

n. Investments:

As a governmental entity other than an external investment pool, in accordance with GASB 31, the District's investments are stated at fair value. In applying GASB 31, the District utilizes the following methods and assumptions:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio does not hold investments in:
 - (a) Items subject to involuntary participation in an external pool;
 - (b) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain or loss resulting from valuation is reported within the revenue account, "Investment Income" on the Statement of Revenues, Expenses and Changes in Net Position.

o. Capital Assets:

Capital Assets are valued at historical cost or estimated historical cost if actual cost is not available. Contributed assets are valued at acquisition value on the date contributed. The District maintains a threshold of \$10,000 for capital asset capitalization.

Depreciation of capital assets used by the District is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method with asset lives as follows:

Category	Number of Years
Reservoirs - storage	50 - 100
Source of supply	5 - 30
Pumping and water treatment facilities	40
Transmission and distribution	50
Meter and services	30
Wastewater treatment plant and collection system	5 - 50
Transportation equipment	5 - 20
Studies, Tools, Equipment (Office or Laboratory)	5 - 10

p. Deferred Outflows of Resources:

Deferred outflow of resources is defined as the current consumption of net assets that is applicable to a future reporting period while Deferred inflows of resources is defined as the current acquisition of net assets that is applicable to a future reporting period.

The District has three items that qualify as deferred outflow of resources. The first is the unamortized bond redemption costs. The bond redemption costs resulted from refunding the Series 2000 and 2007 Certificates of Participation with the Series 2016A Revenue Bonds. This amount is deferred and amortized over the remaining period of the 2016A Bonds. As of June 30, 2019, the District reported a balance of \$6.5 million in unamortized bond redemption due to the refunding.

GASB 68 took effect for fiscal years beginning after June 15, 2014. The purpose of this statement is to improve accounting and financial reporting by public agencies for pensions.

The implementation of GASB 68 created the second and third deferred outflow of resources: employee pension contributions; and changes in assumptions and actuarial earnings. As of June 30, 2019, the District reported a combined balance of \$5.2 million in deferred outflows of resources related to pensions. A more detailed description of the deferred outflows of resources related to employee pensions is discussed in Note 8.

The implementation of GASB 68 also created a deferred inflow of resources: changes in assumptions and actuarial earnings. As of June 30, 2019, the District reported a balance of \$815 thousand in deferred inflows of resources related to pensions. A more detailed description of the deferred inflows of resources related to employee pensions is discussed in Note 8.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

q. Compensated Absences:

Accumulated unpaid vacation, sick pay, and savings clause amounts are accrued when incurred. Total accrued compensated absences are \$4,260,428 and \$3,855,102 at June 30, 2019 and 2018, respectively (see Notes 10 and 11).

r. Property Taxes:

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	First Installment - November 1 Second Installment February 1
Delinquent Dates:	First Installment - December 10 Second Installment - April 10

Taxes are collected by Riverside County and are remitted to the District periodically according to the following schedule. Dates and percentages may vary slightly from year to year

December	30% Advance - First Installment
January	Balance of First Installment (to 55%)
April	10% Advance - Second Installment
May	Balance of Second Installment (to 95%)
August - September	Third Installment (to 100%)
October	Final Teeter Plan Settlement

In addition, the District has assessed property taxes to provide for payment of bond principal and interest in the improvement district. All taxes collected for debt service are maintained in separate accounts designated for payment of the debt.

s. Maintenance Costs:

All expenditures for maintenance and repair of property, including refurbishment of minor items, are charged to the appropriate maintenance expense accounts. A betterment or replacement of a unit of property is accounted for as an addition or retirement of property.

t. Capital Contributions:

Capital Contributions represent: (a) cash or capital asset additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment, and (b) costs of capital asset additions funded by grants. Depreciation of contributed capital asset additions is charged to operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The following special charges levied by the District against newly connecting customers are being accounted for as capital contributions as of June 30, 2019:

Water Facilities:

Meter Installations (by meter size)	\$ 525	to \$4,410 per service
Storage Participation Tank Charges	\$ 2,344	per capacity unit
Temescal Valley Project	\$ 2,561	per capacity unit
Pumping Plant	\$ 1,311	per capacity unit
Transmission Facilities	\$ 3,932	per capacity unit
Source of Supply	\$ 2,887	per capacity unit

Wastewater Facilities (per Equivalent Dwelling Unit):

<u>Sewer Facility</u>	Regional / Canyon Lake	Alberhill
Treatment Plant	\$ 4,013	\$ 8,313
Collection	3,787	3,787
Total	<u>\$ 7,800</u>	<u>\$ 12,100</u>
Recycled Water Facilities	\$ 665	per EDU (Equivalent Dwelling Unit)

2. CASH AND INVESTMENTS:

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

Statement of Net Position:

Current Assets:

Cash & cash equivalents	\$ 38,906,065
Restricted assets	10,935,476
Investments maturing ≤ one year	41,382,642

Noncurrent Assets:

Investments	145,608,472
Total Cash and Investments	<u>\$ 236,832,655</u>

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

Deposits with financial institutions	10,215,165
Investments (includes market value adjustment)	226,617,490
Total Cash and Investments	<u>\$ 236,832,655</u>

2. CASH AND INVESTMENTS (CONTINUED):

Cash & cash equivalents:

LAIF	\$ 104,334
CAMP	4,229,429
Investments Maturing ≤ 90 days	20,338,880
Deposits with financial institutions	10,215,165
Certificated of Deposit	4,000,000
Money Market Mutual Funds	18,257
	<u>\$ 38,906,065</u>

Investments authorized by the California Government Code and the District’s Investment Policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. The maximum percentage portfolio excludes amounts held by bond trustee that are not subject to California Government Code restrictions.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment per Issuer
State and Local Instruments	Yes	5 Years	10%	None
U.S. Treasury Obligations	Yes	5 Years	None	None
Federal Agency Securities	Yes	5 Years	40%	None
Banker’s Acceptances	Yes	180 Days	10%	30 %
Commercial Paper	Yes	270 Days	10%	None
Negotiable & Non-Negotiable CDs	Yes	None	10%	None
Repurchase Agreements	Yes	90 Days	5%	None
Medium Term Notes	Yes	5 Years	20%	None
Supranational Obligation	Yes	5 Years	10%	None
Mutual Funds	Yes	5 Years	20%	10%
Money Market Mutual Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$65M	\$65M
Local Government Investment Pools (LGIPs)	Yes	N/A	None	None
Passbook Savings	Yes	N/A	None	None

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee, are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The tables on the following pages identify certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

2. CASH AND INVESTMENTS (CONTINUED):

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	30 Years	None	None
Federal Agency Securities	5 Years	40%	None
Bankers Acceptances	180 days	10%	30%
Commercial Paper	270 days	10%	None
Non-Negotiable CDs	None	None	None
Repurchase Agreements	90 Days	5%	None
Money Market Mutual Funds	N/A	15%	10%
Investment Contracts	None	None	None
LAIF	N/A	\$65M	\$65M
Passbook Savings	N/A	None	None

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 market value is to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations. The District monitors the inherent interest rate risk in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

Investment Type	Total Amount	Weighted Average Maturity (in years)	Maturity		
			≤ 90 days	≤ one year	> one year
U.S. Treasury Obligations	\$ 69,441,640	1.0	\$ -	\$ 15,264,621	\$ 54,177,019
Federal Agency Securities	81,730,927	1.6	18,840,155	19,622,135	43,268,638
Supranationals	16,994,396	3.3	-	-	16,994,396
Medium Term Notes	35,645,871	2.3	1,498,725	2,493,726	31,653,420
Certificate of Deposit	4,002,160		-	4,002,160	-
Local Agency Bonds	3,515,000	14.4	-	-	3,515,000
	<u>211,329,994</u>		<u>\$ 20,338,880</u>	<u>\$ 41,382,642</u>	<u>\$ 149,608,472</u>
Money Market Mutual Funds	18,257	n/a			
LGIPs	4,229,429				
LAIF	104,334	n/a			
Held with Fiscal Agent:					
Money Market Mutual Funds	<u>10,935,476</u>	n/a			
Total	<u>\$ 226,617,490</u>				

2. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk:

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single investment. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issue (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of the total District's investments are as follows:

Issuer	Investments Type	Amount	%
Federal Home Loan Banks	Federal Agency	\$ 24,627,305	10.9%
Federal Home Loan Mortgage Corporation	Federal Agency	24,414,082	10.8%
Federal National Mortgage Association	Federal Agency	28,667,981	12.7%

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 nationally recognized statistical rating organization. The following is the minimum rating required by the California Government Code (where applicable), the District's investment policy, or debt agreements, and the actual rating (as rated by Moody's or S&P) as of year-end for each investment type:

Investment Type	Amount	Min Legal Rating	Not Required to be Rated	Ratings as of Year End			
				Aaa	Aa	A	Unrated
U.S. Treasury Obligations	\$ 69,441,640	N/A	\$ 69,441,640	\$ -	\$ -	\$ -	-
Federal Agency Securities	81,730,927	N/A	-	81,730,927	-	-	-
Supranationals	16,994,396	AA	-	16,994,396	-	-	-
Medium Term Notes	35,645,871	A	-	4,989,588	12,204,334	18,451,949	-
Local Agency Bonds	3,515,000	N/A	-	-	-	-	3,515,000
Certificate of Deposit	4,002,160	N/A	-	-	-	-	4,002,160
Money Market Mutual Funds	18,257	Aaa	-	18,257	-	-	-
CAMP	4,229,429	N/A	-	4,229,429	-	-	-
LAIF	104,334	N/A	-	-	-	-	104,334
<u>Held with Fiscal Agent:</u>							
Money Market Mutual	10,935,476	Aaa	-	10,935,476	-	-	-
Total	\$226,617,490		\$ 69,441,640	\$118,898,073	\$ 12,204,334	\$ 18,451,949	\$ 7,621,494

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

GASB Statement No. 40 requires the disclosure of the deposits into a financial institution that are not covered by FDIC depository insurance and are uncollateralized. As of June 30, 2019, the carrying amount of the District’s deposits was \$10,215,165 and the corresponding bank balance was \$11,143,623. The difference of \$928,458 was primarily due to outstanding warrants, wires and deposits in transit. Of the bank balance, \$250,000 was insured by FDIC depository insurance, and the remainder secured by pledged securities as discussed above.

Custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (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.

As of June 30, 2019, District investments in the following investment types were held by the safekeeping department of Bank of America utilized by the District in the management of its investments.

Investment Type	Total Amount
U.S. Treasury Obligations	\$ 69,441,640
Federal Agency Securities	81,730,927
Medium Term Notes	35,645,871
Supranationals	16,994,396
Certificate of Deposit	4,002,160
Money Market Mutual Funds	18,257

2. CASH AND INVESTMENTS (CONTINUED):

Fair Value Measurements:

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The District has the following recurring fair value measurements as of June 30, 2019:

Investment by Fair Value Level	Quoted Prices - Level 1	Observable Inputs - Level 2	Unobservable Inputs - Level 3	Total
U.S. Treasury Obligations	\$ -	\$ 69,441,640	\$ -	\$ 69,441,640
Federal Agency Securities	-	81,730,927	-	81,730,927
Medium Term Notes	-	35,645,871	-	35,645,871
Supranationals	-	16,994,396	-	16,994,396
Certificate of Deposit	-	4,002,160	-	4,002,160
Local Agency Bonds	3,515,000	-	-	3,515,000
	<u>\$ 3,515,000</u>	<u>\$ 207,814,994</u>	<u>\$ -</u>	<u>\$ 211,329,994</u>

Investments Measured at the Net Asset Value

LAIF	104,334
CAMP	4,229,429
Money Market Mutual Funds	18,257
<u>Held with Fiscal Agent:</u>	
Money Market Mutual Funds	10,935,476
Total	<u>\$ 226,617,490</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. The District does not have any securities that fall within Level 3 of the fair value hierarchy.

In accordance with GASB 72, certain investments that were measured at Net Asset Value (“NAV”) per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net position.

Investment Pools:

The District is a voluntary participant in the Local Agency Investment Fund (“LAIF”) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are mortgage-backed securities, other asset backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. For withdrawals over \$10,000,000, LAIF requires at least 24-hour notice. Also, there is a \$5,000 minimum and a limit of 15 transactions per month.

2. CASH AND INVESTMENTS (CONTINUED):

The District 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 (of which the Agency is a member), which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.

3. INVESTMENT IN COMMON STOCK – MUTUAL WATER COMPANY:

The Meeks and Daley Water Company (“Meeks and Daley”) is a mutual water company whose purpose is to provide non-potable water to its shareholders based upon the number of shares owned. The District owns shares in Meeks and Daley and considers this as an investment in common stock, accounting for it under the equity method.

As of June 30, 2019, the District owned 468,457 shares of voting common stock representing an ownership interest of approximately 57.9 percent. The carrying value of the District’s investment approximates its share of the underlying equity in the net position of the company. Meeks and Daley’s reported assets of \$7,660,960, liabilities of \$67,629 and a net income of \$82,416 for the year ended June 30, 2019.

The District recorded an income of \$27,282 from its investment in the Meeks and Daley for the year ended June 30, 2019, which increased its investment balance from \$4,369,180 to \$4,403,204.

Separate audited financial statements for the Company can be obtained from the District at 31315 Chaney Street, Lake Elsinore, CA 92530.

4. INVESTMENT IN JOINT VENTURE - SRRRA:

On November 12, 2015, the District, under Section 6500 of the Government Code of the State of California, entered into a Joint Exercise of Powers Agreement between Rancho California Water District (“RCWD”) and Western Municipal Water District (“WMWD”); to create the Santa Rosa Regional Resources Authority (“SRRRA”). SRRRA was created as a public agency, separate from its Member Agencies, for the ownership, operation, maintenance, and administration of the Santa Rosa Water Reclamation Facilities (“SRWRF”), on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts.

The Member Agencies will have the capacity and recycled effluent rights on the facilities. Each Member Agency shall own and have the right to control, transfer and derive all financial benefit from the treated wastewater and recycled water produced by the Facilities for treatment, less any amount consumed during the operation of the Facilities.

Until such time as SRWRF is conveyed from RCWD to the SRRRA, annual budgeting shall occur pursuant to the terms of the Facilities Acquisition Agreement. Thereafter, budgeting shall occur in accordance with the Joint Exercise of Powers Agreement for SRRRA. Budgeting will occur in four sections; general operating, non-operating, capital projects and specific projects. Each Member Agency shall be responsible for paying its corresponding share of these budgeted amounts payable on agreed terms and dates.

The District has an explicit, measurable right to the net resources of SRRRA and considers this as an investment in a joint venture, accounting for it under the equity method.

Separate audited financial statements for the Company can be obtained from the Rancho California Water District at 42135 Winchester Road, Temecula, CA 92590. The summary as of June 30, 2019 and 2018 are as follows:

	<u>June 2019</u>	<u>June 2018</u>
Total Assets	\$ 70,118,446	\$ 61,965,440
Total Liabilities	66,873,033	59,797,548
Total Net Position	<u>\$ 3,245,413</u>	<u>\$ 2,167,892</u>
Increase/(Decrease) in Net Position	<u>\$ 1,077,521</u>	<u>\$ 1,693,335</u>

5. RECEIVABLE FROM CFDs:

The Receivable from CFD represents the amount owed to the District from the 2016 Special Tax Refunding Bonds. In fiscal year 2016, property tax receipts totaling \$140,307 from CFD 2003-1 Watermark were improperly applied to CFD 2004-1 Woodmoor. The misapplied funds were inadvertently included in the funds determined to be available for the refunding of the original CFD 2004-1 Woodmoor Bonds. As a result, the 2016 Special Tax Refunding Bonds will repay the District these funds through the annual assessment of administration expenses for the remaining life of the bonds (22 years). Payments commenced in fiscal year 2017/2018 and the balance as of June 30, 2019 is \$133,307.

6. NOTES & CONTRACTS RECEIVABLE:

	<u>2019</u>	<u>2018</u>
Original receivable was in the amount of \$2,500,000 due from the City of Corona per the agreement dated December 1, 2008 for the sale of agreed upon assets in the Coldwater Basin in Temescal Canyon. The assets within Coldwater Basin included in this sale are related to the No. 2 Line, The Riverside MWD WR 19b Connection and miscellaneous pipelines and service laterals. The note is billed annually on November 1st in the amount of \$250,000 with final payment due December 1, 2018.	\$ -	\$ 250,000
As part of the Joint Exercise of Powers Agreement for Santa Rosa Regional Resources Authority (SRRRA), the District is required to contribute to the cost of rehabilitation projects. SRRRA received an SRF loan for a major portion of the cost of the rehabilitation project, however for various reasons there has been significantly delays in receiving SRF reimbursements. For cash flow purposes, and in order for SRRRA to be able to pay its contractors timely, the member agencies have advanced funds to SRRRA. These funds will be returned to its member agencies upon completion of the rehabilitation projects.	1,300,000	-
Less current portion of the receivable	<u>-</u>	<u>(250,000)</u>
Total Notes and Contracts Receivable	<u>\$ 1,300,000</u>	<u>\$ -</u>

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

7. CAPITAL ASSETS:

	Balance June 30, 2018	Additions	Retirements/ Transfers	Balance June 30, 2019
Capital Assets Not Being Depreciated:				
Land	\$ 7,572,493	\$ -	\$ -	\$ 7,572,493
Construction in Progress	66,653,702	27,810,616	(34,569,729)	59,894,589
Water Rights	19,814,681	-	-	19,814,681
Total Capital Assets Not Being Depreciated	94,040,876	27,810,616	(34,569,729)	87,281,763
Capital Assets Being Depreciated:				
Infrastructure - Water	393,246,299	28,127,500	-	421,373,799
Infrastructure - Wastewater	381,784,604	6,227,754	-	388,012,358
Buildings and Structures	23,138,318	14,204	-	23,152,522
Vehicles and Equipment	6,939,937	154,677	(395,077)	6,699,537
Miscellaneous	1,308,732	45,593	-	1,354,325
Total Capital Assets Being Depreciated	806,417,890	34,569,728	(395,077)	840,592,541
Less Accumulated Depreciation:				
Infrastructure - Water	(168,077,694)	(10,675,382)	-	(178,753,076)
Infrastructure - Wastewater	(122,041,054)	(8,012,562)	-	(130,053,616)
Buildings and Structures	(13,269,204)	(546,643)	-	(13,815,847)
Vehicles and Equipment	(6,131,624)	(834,913)	341,947	(6,624,590)
Miscellaneous	(994,531)	(58,069)	-	(1,052,600)
Total Accumulated Depreciation	(310,514,107)	(20,127,569)	341,947	(330,299,729)
Total Capital Assets Being Depreciated, Net	495,903,783	14,442,159	(53,130)	510,292,812
Capital Assets, Net	<u>\$ 589,944,659</u>	<u>\$ 42,252,775</u>	<u>\$ (34,622,859)</u>	<u>\$ 597,574,575</u>

	Amount Authorized	Expenditures June 30, 2019	Unexpended Commitments
Major components of Construction Work In Progress (CIP):			
Water Facilities	\$ 32,377,939	\$ 19,288,386	\$ 13,089,553
Wastewater Facilities	20,254,251	12,260,819	7,993,432
Salt Removal Projects (Desalter)	15,998,853	631	15,998,222
Regional Water Reclamation Facility Expansion	9,991,630	6,626,421	3,365,209
Horsethief Treatment Plant Expansion	8,162,737	2,839,825	5,322,912
Flagler Well Conversion	6,708,408	6,728,476	(20,068)
Warm Springs Basin Well	4,256,979	360,496	3,896,483
Wildomar Sewer System Improvements	3,871,551	3,356,924	514,627
Diamond Regional Lift Station	3,600,000	943,516	2,656,484
Skymeadows Pump Station	3,550,000	775,177	2,774,823
SARCCUP Wells	3,426,498	24,552	3,401,946
Regional Water Reclamation Facility Upgrades	3,265,996	3,150,209	115,787
RRCWRF Yard Piping Modifications	3,242,109	1,856,993	1,385,116
Other Facilities	2,847,420	1,682,161	1,165,259
Total Major Components of CIP	<u>\$ 121,554,371</u>	<u>\$ 59,894,586</u>	<u>\$ 61,659,785</u>

Allow for rounding differences

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. 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.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

General Information about the Pension Plan

Plan Description:

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (“CalPERS”). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2017, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

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 depending on the plan, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following; the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan operates under the provisions of the California Public Employees’ Retirement Law (“PERL”), the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan’s authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases, require approval by the CalPERS Board.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Inactive before January 1, 2008	Miscellaneous Active & Classic On or Before January 1, 2013	New Members On or After January 1, 2013
Hire Date			
Benefit Formula	2.0% @ 55	2.7% @ 55	2.0% @ 62
Benefit Vesting	5 years service	5 years service	5 years service
Vesting Schedule	monthly for life	monthly for life	monthly for life
Payments Retirement Age	50 - 63	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.1% to 2.4%	2.0 % to 2.7%	1.0% to 2.0%
Required Employee Contribution Rates	7.00%	8.00%	6.75%
Required Employer Contribution Rates	12.20%	12.20%	12.20%
Employer Payment of Unfunded Liability	12.77%	12.77%	12.77%

Employees Covered:

At June 30, 2019, the following employees were covered by the benefit terms:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	259
Active employees	150
Total	554

Contribution Description:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1st following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contribution.

Employer Contributions to the Plan for the fiscal year ended June 30, 2019, were \$3,303,806.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability:

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CALPERS’ Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. 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, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011 including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at CalPERS’ website at www.calpers.ca.gov under Forms and Publications.

Change of Assumptions:

In 2018, the accounting discount rate remained at 7.15% which resulted in a net decrease of \$682,360 in net pension liability and an increase of \$1,703,725 in pension expense.

Discount Rate:

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

The table below reflects 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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 -10 (2)	Real Return Years 11+ (3)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	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 system's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments;
Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (2) An expected inflation of 2.0% used for this period
- (3) An expected inflation of 2.92% used for this period

Pension Plan Fiduciary Net Position:

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2017	\$ 93,839,849	\$ 67,736,143	\$ 26,103,706
Beginning of Year Adjustment	-	-	-
Adjusted Balance at: 6/30/2017	93,839,849	67,736,143	26,103,706
Changes Recognized for the Measurement Period:			
Service Cost	2,466,139	-	2,466,139
Interest on the Total Pension Liability	6,593,931	-	6,593,931
Differences between Expected and Actual Experience	(287,200)	-	(287,200)
Net Plan to Plan Resource Movement	-	(169)	169
Changes of Assumptions	(682,360)	-	(682,360)
Contributions- employer	-	2,907,458	(2,907,458)
Contributions- employee	-	1,041,634	(1,041,634)
Net Investment Income	-	5,714,814	(5,714,814)
Benefit Payments, including Refunds of Employee Contributions	(3,761,071)	(3,761,071)	-
Administrative Expense	-	(105,552)	105,552
Other Miscellaneous Income/(Expense) ⁽¹⁾	-	(200,444)	200,444
Net Changes during 2017-2018	4,329,439	5,596,670	(1,267,231)
Balance at: 6/30/2018	\$ 98,169,288	\$ 73,332,813	\$ 24,836,475

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability / (Asset)	\$39,078,751	\$24,836,475	\$13,187,893

(1) During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) N0.75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPED plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Subsequent Events:

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources:

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Expected Average Remaining Service Lifetime (“EARSL”):

The EARSL for the Plan for measurement period ending the June 30, 2018 measurement is 2.9 years, which was obtained by dividing the total service years of 1,590 (the sum of remaining service lifetimes of the active employees) by 554 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to -0-. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Pension Expense/(Income) for Measurement Period ended June 30, 2018

As of the start of the measurement period (July 1, 2017), the net pension liability was \$26,103,706.

For the measurement period ending June 30, 2018 (the measurement date), the Authority incurred a pension expense/(income) of \$4,678,685 for the Plan. A complete breakdown of the pension expense is as follows:

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 2,466,139
Interest on the Total Pension Liability	6,593,931
Recognized Differences between Expected and Actual Experience	(366,921)
Recognized Changes of Assumptions	1,703,725
Net Plan to Plan Resource Movement	169
Employee Contributions	(1,041,634)
Projected Earnings on Pension Plan Investments	(4,832,792)
Recognized Differences between Projected and Actual Earnings on Plan Investments	(149,928)
Administrative Expense	105,552
Other Miscellaneous (Income)/Expense (1)	200,444
Total Pension Expense/(Income)	<u>\$ 4,678,685</u>

(1) During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) NO.75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPED plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

The following table represents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2019. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the District.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 3,303,806	\$ -
Differences between Expected and Actual Experience	-	(367,896)
Changes in Assumptions	1,745,120	(447,063)
Net Difference between Projected and Actual Earnings on Pension Plan Investment	166,789	-
Total	<u>\$ 5,215,715</u>	<u>\$ (814,959)</u>

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

\$3,303,806 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 ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources (net amount of \$1,096,950) related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2019	\$ 2,045,940
2020	(112,324)
2021	(660,260)
2022	(176,406)
2023	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2019, the Authority reported a payable of \$115,864 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

9. COMMUNITIES FACILITIES DISTRICT BONDS:

The District currently has six outstanding Community Facilities District (CFD) Bonds. These CFD bonds are not reported as a liability in the accompanying financial statements. Thus, the District has no liability for the CFD bonds in the event of default by the property owners. The District's only obligation is to act as an agent remitting to bondholders' amounts collected from property owners.

A Reserve Fund was established for CFD 1999-1, 2002-1, 2003-1, 2003-2 in an amount equal to the reserve requirement as of the closing date of the bonds. These reserves are to be used solely in the event of any deficiency at any time for the purpose of making any principal, interest or premium payments. A Reserve Fund was not established for CFD 1998-2 since the District is the sole bondholder.

To take advantage of low interest rates in 2014 the District formed the Elsinore Valley Municipal Water District Financing Authority (Authority) to help facilitate a pooled refunding of existing CFD bonds. The Authority assists the District in financing or refinancing public capital improvement projects, financing relating to the encouragement of economic development, and the stimulation of public revenues. The Authority is able to issue bonds for the purpose of completing a pooled refinancing of the CFD Bonds.

On December 22, 1998, CFD 1998-2 was formed in order to finance, in part, the acquisition and construction of water and sewer improvements necessary to provide service for nine parcels representing approximately 368 acres in the Wildomar area. The District provided a cash contribution to the project, which is anticipated to be reimbursed through an additional facilities charge on undeveloped property within the benefit area. Bonds in the amount of \$5,500,000 were issued on February 9, 2000, with repayment being provided by a special tax to be placed on each parcel of taxable property. The District purchased the bonds and is still the sole bondholder. These unrated bonds are shown as part of the District's total investments and are set to expire September 1, 2030. The outstanding balance as of June 30, 2019 is \$3,515,000.

9. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

On June 23, 1999, CFD 1999-1 was formed to provide tax-exempt financing for public sewer improvements and payment of water and sewer connection fees for approximately 81 acres located in the City of Murrieta. Bonds in the amount of \$4,000,000 were issued on January 4, 2000. In December 2006, CFD 1999-1 was refunded through the issuance of 2006 Special Tax Refunding Bonds. Bonds in the amount of \$4,315,000 were issued on December 28, 2006. In June 2016, the outstanding bonds were refunded through the private placement of the 2016 Special Tax Refunding Bonds. Bonds in the amount of \$2,673,000 were issued on June 22, 2016, with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2029 and the outstanding balance as of June 30, 2019 is \$2,381,000.

On June 27, 2002, CFD 2002-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees, as well as, Lake Elsinore Unified School District's capacity and school facilities fees for approximately 31.95 acres located in the unincorporated area known as Wildomar. Bonds in the amount of \$2,240,000 were issued May 26, 2004. In February 2014, CFD 2002-1 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$1,818,000 were issued on February 20, 2014 by Elsinore Valley Municipal Water District Financing Authority (Authority) with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2019 is \$1,520,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On August 14, 2003, CFD 2003-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 64.5 acres located in the City of Lake Elsinore. Bonds in the amount of \$4,410,000 were issued September 23, 2004. In February 2014, CFD 2003-1 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$3,634,000 were issued on February 20, 2014 by the Authority with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2019 is \$3,043,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On July 10, 2003, CFD 2003-2 was formed to provide financing for the construction and acquisition of public facilities for approximately 135 acres located in the City of Murrieta. Bonds in the amount of \$1,985,000 were issued March 23, 2004. In February 2014, CFD 2003-2 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$1,340,000 were issued on February 20, 2014 by the Authority with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2019 is \$1,113,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On December 20, 2004, CFD 2004-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 62.3 acres located in the City of Lake Elsinore. Bonds in the amount of \$2,130,000 were issued December 30, 2009. In June 2016, the outstanding bonds were refunded through the private placement of the 2016 Special Tax Refunding bonds. Bonds in the amount of \$1,461,000 were issued on June 22, 2016, with repayment being provided by a special tax to be placed on each parcel of taxable property. The bond will expire September 1, 2039 and the outstanding balance as of June 30, 2019 is \$1,382,000.

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

9. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

As of June 30, 2019, the available funds for each CFD are as follows:

CFD #	Amount
1998-2	\$ 812,222
1999-1	359,651
2004-1	162,466
2014-1	1,080,330
	<u>\$ 2,414,669</u>

10. LONG TERM LIABILITIES:

Long-Term Liabilities for the year-ended June 30, 2019 are as follows:

	Balance at June 30, 2018	Additions/ Amortizations	Deletions	Balance at June 30, 2019	Amounts Due In One Year
Certificates of Participation	\$ 75,587,336	\$ (144,006)	\$ 4,550,000	\$ 70,893,330	\$ 4,770,000
Water Revenue Bonds	82,513,385	(852,399)	955,000	80,705,986	1,010,000
Direct Borrowings:					
Loans Payable	6,192,613	2,239,657	337,200	8,095,070	725,592
Advances from U.S. Government	5,024,148	-	386,473	4,637,675	386,473
Total Long-Term Debt, net of Unamortized Premium	169,317,482	1,243,252	6,228,673	164,332,061	6,892,065
Net Pension Liability	26,103,706	4,329,439	5,596,670	24,836,475	-
Accrued Compensated Absences	3,855,101	1,819,314	1,413,987	4,260,428	878,861
Total Long-Term Liabilities	<u>\$ 199,276,289</u>	<u>\$ 7,392,005</u>	<u>\$ 13,239,330</u>	<u>\$ 193,428,964</u>	<u>\$ 7,770,926</u>

Total future long-term debt maturities as of June 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 6,892,065	\$ 4,538,241	\$ 11,430,306
2021	7,217,485	4,342,766	11,560,251
2022	7,521,205	4,052,246	11,573,451
2023	7,845,171	3,747,481	11,592,652
2024	7,928,071	3,427,640	11,355,711
2025-2029	45,212,597	11,831,607	57,044,204
2030-2034	50,857,325	3,971,520	54,828,845
2035-2039	18,220,333	402,223	18,622,556
2040	38,492	693	39,185
Total	151,732,744	36,314,417	188,047,161
Unamortized Premium/ Discount	12,599,315	-	12,599,315
Total	<u>\$ 164,332,059</u>	<u>\$ 36,314,417</u>	<u>\$ 200,646,476</u>

Allow for rounding differences

11. EMPLOYEE SAVINGS CLAUSE PLAN:

WESA has two “savings clause” plans; one that is administered for the benefit of the Employee Association (“EA”) for employees hired prior to January 1, 2012 and the other for the benefit of the Management Team Association (“MTA”) for employees hired prior to January 1, 2013. EA employees hired after January 1, 2012 and MTA employees hired after January 1, 2013 are not eligible for the employee savings clause benefit. Both plans credit employees with 160 hours of savings allowance upon completion of 60 months of active service. Beginning with the 63rd month of active service, employees are credited with an additional 40 hours and receive 40 hours of additional savings clause accrual for each 12 months of active service thereafter, to a maximum total of 800 hours. Employees are paid the savings benefit at the rate of pay the employees were earning on their last day of employment with WESA.

Effective January 1, 2018, employees were granted the option to cash out their savings clause early, without the ability or right to continue to earn any additional savings clause and/or to receive any savings clause at retirement or termination. The balance accrued is reported with the compensated absences balance. The amount under this plan was \$1,492,553 and \$1,488,395 as of June 30, 2019 and June 30, 2018, respectively.

12. CERTIFICATES OF PARTICIPATION:

	<u>2019</u>	<u>2018</u>
COPs Series 2002, partial advance refunding of the 1992A Certificates of Participation totaling \$23,715,000, dated November 20, 2002. Interest payable semi-annually on July 1 and January 1, at 5.375%. Principal amounts are payable annually on each July 1, ranging from \$2,815,000 in July 2013 and \$3,855,000 in July 2019.	\$ 3,855,000	\$ 7,515,000
COPs Series 2008B, refunding of 2005 and 1995A Certificates of Participation totaling \$54,655,000, dated October 28, 2008. The interest rate is variable with resets on a weekly basis and reported at the rate in effect on June 30 (1.50%). Principal amounts are payable annually on each July 1, ranging from \$7,795,000 in July 2030 to \$9,105,000 in July 2034 with final payment of \$5,240,000 in July 2035.	47,465,000	47,465,000
COPs Series 2011A, refinancing of a U.S. Bureau of Reclamation Advance totaling \$25,485,000, dated May 25, 2011. The interest rate is variable with resets on a weekly basis and reported at the rate in effect on June 30 (1.50%). Principal amounts are payable annually on each July 1, ranging from \$770,000 in July 2013 to \$1,445,000 in July 2035.	19,760,000	20,650,000
Total Certificates of Participation Payable	<u>71,080,000</u>	<u>75,630,000</u>
Unamortized Premium/Discount on issue	<u>(186,670)</u>	<u>(42,664)</u>
Net Certificates of Participation Payable	<u>\$ 70,893,330</u>	<u>\$ 75,587,336</u>

12. CERTIFICATES OF PARTICIPATION (CONTINUED):

Future long-term certificates of participation maturities as of June 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 4,770,000	\$ 1,111,978	\$ 5,881,978
2021	945,000	994,650	1,939,650
2022	970,000	980,475	1,950,475
2023	1,000,000	965,925	1,965,925
2024	1,025,000	950,925	1,975,925
2025-2029	5,595,000	4,514,775	10,109,775
2030-2034	39,580,000	3,349,125	42,929,125
2035-2036	17,195,000	358,200	17,553,200
Total	<u>\$ 71,080,000</u>	<u>\$ 13,226,053</u>	<u>\$ 84,306,053</u>

Allow for rounding differences

The Certificates of Participation (“COP”) were issued by the Elsinore Valley Water and Sewer Facilities Corporation (“Corporation”) to assist the District in financing various construction projects and to advance refund prior debt issues. The COP’s are payable solely from installment payments to be made by the District. The District is obligated to make annual installment payments from any and all lawfully available revenues. The District has covenanted to budget and annually appropriate sufficient sums to pay all required installment payments when due.

On November 20, 2002, the Corporation issued Refunding COP Series 2002 consisting of \$23,715,000 in Certificates at an interest rate of 5.375%. The proceeds were used to advance refund the term certificates of the Refunding COP Series 1992A. A portion of the proceeds was placed in an irrevocable escrow fund with an escrow bank to provide the remaining debt service payments on the refunded debt. The advance refunding met the requirements of an in-substance defeasance and that portion of the COPs were removed from the District’s financial statements. Principal repayment for the 2002 COP commenced in July 2013 and will continue through July 2019.

Payments are secured by a pledge of net water and sewer revenues. In the event of default, the Trustee can not declare that the principal and interest on the bonds be due and payable immediately. However, provisions for the application of moneys after all fees and expenses of the Trustee have been paid, will be applied in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due, in order of due date, 2) unpaid principal then due, in order of due dates, and 3) to be held for future principal and interest payments not yet due.

The reserve requirement for the 2002 COP was replaced by the purchase of a surety bond from Financial Guaranty Insurance Corporation (“FGIC”). In the event that the District does not have sufficient funds to pay principal and interest on the COP, the FGIC will guarantee the payment of principal and interest up to \$2,371,500, an amount equal to the previous reserve requirement for the 2002 COP. The surety bond will expire on the earlier of July 1, 2019 or when all 2002 COPs have been retired.

In 2008, FGIC entered into a Reinsurance Agreement with MBIA Insurance Corporation (“MBIA”) to reinsure certain insurance policies issued by FGIC. Under the Reinsurance Agreement, MBIA agreed, for as long as the Reinsurance Agreement remains in place, to pay claims in accordance with the existing FGIC policies. In 2009, MBIA assigned its rights, interests and obligations under the Reinsurance Agreement to MBIA Insurance Corp. of Illinois, who has since changed its name to National Public Finance Guarantee Corporation (“NPFGC”).

12. CERTIFICATES OF PARTICIPATION (CONTINUED):

On October 28, 2008, the Corporation issued Refunding COP Series 2008B in the amount of \$54,665,000 at variable interest rates, calculated and paid on a weekly basis. The proceeds were utilized to refund the variable rate COP Series 2005. COP Series 2005 was issued to finance water and wastewater improvements as well as refunding COP Series 1995A. Principal repayment for the 2008B COP commenced July 2009 and continued through July 2015 bringing the principal balance down to \$47,465,000. No additional principal payments are due and payable from 2016 through 2029. Principal payments will begin again in July 2030 for a six-year period. The interest rate at June 30, 2019 was 1.50%. The average annual interest rate experienced in the fiscal year was 1.30% and actual interest paid was \$625,576 for fiscal year ended June 30, 2019.

Pursuant to the Reserve Requirement of the 2008B COPs, a Reserve Fund was established and amounts deposited with the Trustee on the Closing Date of the Bonds. The District shall maintain the Reserve Fund until all required 2008B installment payments, and interest thereon, are paid in full pursuant to the 2008B Installment Sale Agreement and until the first date upon which the Series B Certificates are no longer outstanding.

In connection with the issuance of the COP Series 2008B, the District executed a Letter of Credit and Reimbursement Agreement between the District and US Bank National Association. The Letter of Credit with US Bank expired February 2014 and a new letter of credit and reimbursement agreement was established with Bank of America, N.A. The new letter of credit with Bank of America is set to expire in January 2020. It is subject to termination and extension upon the occurrence of certain events.

Payments for the 2008B Certificates are secured by a pledge of net water and sewer revenues. No event of default shall constitute the immediate payment of principal and interest except for events defined as automatic acceleration events. Upon such events, the Letter of Credit Bank may terminate the Letter of Credit and direct the Trustee to draw upon the Letter of Credit to purchase all outstanding 2008B Certificates for the account of the Bank and pay all fees accrued and payable to the Bank.

On May 25, 2011, the Corporation issued Refunding COP Series 2011A in the amount of \$25,485,000 at variable interest rates, calculated and paid on a weekly basis. The proceeds were utilized to repay the District's loan from the Bureau of Reclamation for the Temescal Valley Pipeline. The issuance of the 2011A COP provided a more cost effective manner of paying for the Temescal Valley Pipeline. Principal repayment for the 2011A COP commenced July 2012 and will continue through July 2035. The interest rate at June 30, 2019 was 1.50%. The average interest rate experienced in the fiscal year was 1.30% and actual interest paid was \$260,431 for fiscal year ended June 30, 2019.

In connection with the issuance of the Series 2011A COP, the District executed a Letter of Credit and Reimbursement Agreement between the District and Union Bank, N.A. The Letter of Credit was set to expire in May 2018, but was extended in accordance with its terms to May 24, 2021. It is subject to termination and extension upon the occurrence of certain events.

Payments for the 2011A Certificates are secured by a pledge of net water and sewer revenues. Under certain events of default the Letter of Credit Bank can require all obligations to become immediately due and payable from immediately available funds.

13. WATER REVENUE BONDS PAYABLE:

	2019	2018
Water Revenue Bonds, Series 2016A totaling \$71,660,000, dated April 14, 2016, issued to advance refund the 2007A and 2008A Certificates of Participation. Interest is payable semi-annually on July 1 and January 1, with rates ranging from 2.00% in 2016 to 5.00% in 2019 and beyond. Principal amounts are payable annually on each July 1, ranging from \$910,000 in July 2017 up to \$8,060,000 in July 2029 with a final payment of \$310,000 in July 2034.	\$ 67,920,000	\$ 68,875,000
Total Water Revenue Bonds Payable	67,920,000	68,875,000
Unamortized Premium/Discount on issue	12,785,985	13,638,384
Net Water Revenue Bonds Payable	<u>\$ 80,705,985</u>	<u>\$ 82,513,384</u>

Future long-term water revenue bond maturities as of June 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 1,010,000	\$ 3,370,750	\$ 4,380,750
2021	5,120,000	3,217,500	8,337,500
2022	5,385,000	2,954,875	8,339,875
2023	5,665,000	2,678,625	8,343,625
2024	5,960,000	2,388,000	8,348,000
2025-2029	34,750,000	7,025,500	41,775,500
2030-2034	9,720,000	516,250	10,236,250
2035	310,000	7,750	317,750
Total	<u>\$ 67,920,000</u>	<u>\$ 22,159,250</u>	<u>\$ 90,079,250</u>

On May 6, 2013, the Elsinore Valley Municipal Water District Financing Authority (“Authority”) was established to assist the District in the financing and refinancing of public capital improvement projects through the issuance and refunding of District indebtedness. The debt issued by the Authority is payable solely from installment payments made by the District. The District is obligated to make annual installment payments from any and all lawfully available revenues. The District has covenanted to budget and annually appropriate sufficient sums to pay all required installment payments when due.

On April 14, 2016, the Authority issued the 2016A Water Revenue Bonds in the amount of \$71,660,000 with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund the District’s 2007A and 2008A Certificates of Participation and placed in an irrevocable escrow fund with an escrow bank to provide the remaining debt service payments on the refunded debt.

The COP series 2007A, consisting of \$75,720,000 in certificates with interest rates ranging from 4.25% to 5.00% were issued on August 7, 2007. The proceeds were utilized to finance the acquisition and construction of water and sewer system improvements. The outstanding balance at the time of refunding was \$62,355,000 with cash held in reserves of \$5.9 million.

The Refunding COP Series 2008A, in the amount of \$65,665,000 with interest rates ranging from 4.25% to 5.00%, were originally issued on August 14, 2008. The net proceeds were utilized to refund the District’s variable rate 2000A Certificates which were issued to finance water and wastewater improvements. The outstanding balance at the time of refunding was \$65,665,000 with cash held in reserves of \$6.5 million.

13. WATER REVENUE BONDS PAYABLE (CONTINUED):

The refunding met the requirements of a legal defeasance and both COPs were removed from the District’s financial statements. The District utilized the cash held in reserves of \$12.4 million and contributed an additional \$39.1 million to the refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$8,067,165. This amount is being netted against the new debt and being amortized over the remaining life of the refunding debt. The total savings in cash flow was \$35.2 million and the economic gain or net present value savings at 1.957% was \$21.5 million. Principal repayment for the revenue bonds commenced July 1, 2016 and continue through July 2034. There is no reserve requirement.

In the event of default, the Trustee can not declare that the principal and interest on the bonds be due and payable immediately. However, provisions for the application of moneys after all fees and expenses of the Trustee have been paid, will be applied in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due, in order of maturity, 2) unpaid principal then due, in order of due dates, and 3) to be held for future principal and interest payments not yet due.

14. LOANS PAYABLE - Direct Borrowings:

	2019	2018
State of California Water Resources Control Board – Division of Clean Water Programs. Original loan amount of \$5,000,000 used for the Regional Wastewater Reclamation Plant expansion. Imputed interest of 1.81% with annual principal and interest payments of \$251,316 through February 28, 2023. Balance is net of discount being amortized.	\$ 961,269	\$ 1,190,976
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$2,347,026 was used for the Advanced Metering Infrastructure Phase III project. Interest accrues at a rate of 1.7% with annual principal payments ranging from \$107,493 in December 2018 to \$136,598 in December 2037.	2,239,533	1,798,183
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$3,057,346 authorized for the Regional Water Reclamation Facility Expansion and Upgrade Design with \$500,000 of principal forgiveness. A total amount of \$1,571,364 was disbursed as of June 30, 2019. Interest accrues at a rate of 1.8% upon the final disbursement request and project completion date of October 30, 2019. Payments begin October 2019 and continue through October 2028.	1,571,364	1,398,864
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$6,295,834 authorized for the Regional Water Reclamation Facility Expansion and Upgrade Design with \$500,000 of principal forgiveness. A total amount of \$2,669,628 was disbursed as of June 30, 2019. Interest accrues at a rate of 1.8% upon the final disbursement request and project completion date of March 30, 2019. Payments begin March 2020 and continue through March 2029.”	2,669,628	1,804,590
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$4,328,807 authorized for the Regional Water Reclamation Facility Supervisory Control and Data Acquisition (SCADA) Implementation with \$2,164,403 of principal forgiveness. A total amount of \$653,276 was disbursed as of June 30, 2019. Interest accrues at a rate of 1.8% upon the final disbursement request and project completion date of June 30, 2020. Payments begin December 2020 and continue through December 2039.	653,276	-
Total Loans Payable	\$ 8,095,070	\$ 6,192,613

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

14. LOANS PAYABLE - Direct Borrowings (CONTINUED):

Future long-term maturities as of June 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 725,592	\$ 55,513	\$ 781,105
2021	766,012	130,616	896,628
2022	779,732	116,896	896,628
2023	793,698	102,931	896,629
2024	556,598	88,715	645,313
2025-2029	2,935,232	291,332	3,226,564
2030-2034	784,380	106,145	890,525
2035-2039	715,333	36,273	751,606
2040	38,492	693	39,185
Total	<u>\$ 8,095,070</u>	<u>\$ 929,114</u>	<u>\$ 9,024,184</u>

Allow for rounding differences

EVMWD has five outstanding loans through direct borrowing from the California Clean Water State Revolving Fund. All outstanding loans, with the exception of one (see below), are secured by a pledge of net revenues with an Enterprise and Reserve Fund being established for each loan. In the event of default, immediate repayment of funds plus accrued interest and penalties is required. Interest shall accrue on all amounts due at the highest legal rate of interest from the date of notice of termination to the date monies are received by the State Board. Any fraud or misuse of public funds will terminate the agreements and require the repayment of all funds.

The Regional Wastewater Reclamation Plan expansion loan is secured by a pledge of connection fees and other charges determined on an annual basis. In the event of default, repayment of the current balance and all penalty assessments are due immediately. Any breach affecting Tax Exempt Status requires reimbursement to the state equal to any damages paid by or loss incurred by the State due to the breach.

15. ADVANCES FROM U.S. GOVERNMENT - Direct Borrowings:

In 1986, the District entered into a contract with the federal government under the provisions of Public Law 984, to provide funding for a portion of the Lake Management Project. The project was completed as of May 10, 1995. A summary of the total U.S. Bureau of Reclamation funding for the Lake Management Project is as follows:

Total Bureau funding (Lake Management)	\$ 26,000,000
Less: Non-repayable grant portion	<u>(9,405,500)</u>
Total loan proceeds	<u>\$ 16,594,500</u>
Distribution of loan proceeds:	
Agricultural component — non-interest bearing	\$ 4,894,000
Repayable grant component — non-interest bearing	9,405,500
Recreational, fish, and wildlife component — interest bearing at 10.875% per annum	<u>2,295,000</u>
Total loan proceeds	<u>\$ 16,594,500</u>

The loan proceeds are repayable in 40 annual installments varying from \$4,682 to \$606,389. In addition, interest at 10.875% was due on the recreational, fish and wildlife component. This component was fully repaid in 2007. Repayment of the loan commenced May 1, 1992. Principal of \$11,956,825 has been repaid as of June 30, 2019, with a current unpaid balance of \$4,637,675. The unpaid balance is non-interest bearing. Pursuant to the agreement, the District maintains reserve funds in an amount not to exceed \$90,000.

Future long-term advances from the U.S. government as of June 30, 2019 are as follows:

Fiscal Year	Principal
2020	\$ 386,473
2021	386,473
2022	386,473
2023	386,473
2024	386,473
2025-2029	1,932,365
2030-2031	<u>772,945</u>
Total	<u>\$ 4,637,675</u>

16. LEASE INCOME:

The District leases the exclusive right to use the Railroad Canyon Reservoir for boating, fishing and water sports to the Canyon Lake Property Owner’s Association. On March 10, 2017, the fifth amendment to Railroad Canyon Reservoir lease agreement was executed extending the current lease agreement through December 31, 2066. The terms of the amended lease contain an option for an additional forty-four year extension, on the same terms and conditions, with the right to exercise the option to extend at any time prior to the expiration date of the current lease.

A payment is due for each quarter beginning September 1st as compensation for minimum water level maintenance in Canyon Lake. The quarterly payment is calculated by adding to the Agreement’s Payment Base a cost of living adjustment based on the Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Riverside-Orange County, CA Area published by the U.S. Bureau of Labor Statistics. Cost of living adjustments are cumulative. The amount recorded as revenue for the fiscal year 2018/ 2019 is \$1,385,928.

Minimum future rentals as of June 30, 2019 are as follows:

Fiscal Year	Lease Income
2020	1,544,254
2021	1,587,494
2022	1,630,356
2023	1,674,375
2024	1,707,863
2025-2066	112,991,304
Total	<u>\$ 121,135,646</u>

17. NET POSITION:

The following is a detailed breakdown of net position. Also shown below is a listing of the designations of unrestricted net position.

	2019	2018
Capital Assets (Net)	\$ 597,574,576	\$ 589,944,659
Less: Debt offsetting capital assets	(157,785,416)	(162,175,338)
Net investment in capital assets	439,789,160	427,769,321
Restricted Net Position	55,240,883	52,157,862
Unrestricted Net Position	168,286,790	161,488,669
Total Net Position	<u>\$ 663,316,833</u>	<u>\$ 641,415,852</u>

Allow for rounding differences

17. NET POSITION (CONTINUED):

Although not legally restricted, unrestricted net position has been designated for various purposes. These designations have been established and maintained to provide sound financial management and a stable and equitable rate structure. The June 30, 2019 and June 30, 2018 unrestricted net position amounts consist of the following:

	<u>2019</u>	<u>2018</u>
Debt Services Reserves	\$ 32,062,045	\$ 32,896,762
Reserve For Encumbered Projects	67,504,918	64,784,330
Special Revenue Reserve	24,414,732	22,906,877
Other Unrestricted Net Position	9,815,969	6,922,730
Operational Reserve	17,440,780	21,238,835
Replacement Reserve	<u>17,048,347</u>	<u>12,739,135</u>
 Total Unrestricted Net Position	 <u>\$ 168,286,790</u>	 <u>\$ 161,488,669</u>

Allow for rounding differences

18. CONDENSED COMPONENT UNIT:

Below is the condensed component unit information for the Water Employee Services Authority (WESA) and the Elsinore Valley Water and Sewer Facilities Corporation (Sewer Corp). Both component units are considered blended component units for the fiscal year ended June 30, 2019, and are included in the District's financial statements.

CONDENSED STATEMENT OF NET POSITION

	WESA	SEWER CORP	TOTAL
ASSETS:			
Current Assets	\$ 2,096,068	\$ 8,923,559	\$ 11,019,627
Noncurrent Assets	23,817,286	62,157,364	85,974,650
Total Assets	<u>25,913,354</u>	<u>71,080,923</u>	<u>96,994,277</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>5,215,715</u>	<u>-</u>	<u>5,215,715</u>
LIABILITIES:			
Current Liabilities	1,811,360	4,957,593	6,768,953
Noncurrent Liabilities	28,218,041	66,123,330	94,341,371
Total Liabilities	<u>30,029,401</u>	<u>71,080,923</u>	<u>101,110,324</u>
DEFERRED INFLOWS OF RESOURCES	<u>814,959</u>	<u>-</u>	<u>814,959</u>
NET POSITION			
Unrestricted	<u>\$ 284,708</u>	<u>\$ -</u>	<u>\$ 284,708</u>

CONDENSED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	WESA	SEWER CORP	TOTAL
Operating Revenue	\$ 24,579,903	\$ -	\$ 24,579,903
Operating Expenses	(24,579,903)	(115,335)	(24,695,238)
Net Operating Income	-	(115,335)	(115,335)
Non-Operating Revenue	-	8,734,544	8,734,544
Non-Operating Expenses	-	(8,619,209)	(8,619,209)
Contributed Capital	-	-	-
Change in Net Position	-	-	-
Net Position, Beginning of Year	<u>284,708</u>	<u>-</u>	<u>284,708</u>
Net Position, End of Year	<u>\$ 284,708</u>	<u>\$ -</u>	<u>\$ 284,708</u>

CONDENSED STATEMENT OF CASH FLOW

	WESA	SEWER CORP	TOTAL
NET CASH PROVIDED (USED) BY:			
Operating activities	\$ 82,875	\$ -	\$ 82,875
Investing activities	-	(359,899)	(359,899)
Capital and related financing activities	-	359,899	359,899
Net increase in cash and cash equivalents	<u>82,875</u>	<u>-</u>	<u>82,875</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>949,623</u>	<u>-</u>	<u>949,623</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 1,032,498</u>	<u>\$ -</u>	<u>\$ 1,032,498</u>

Allow for rounding differences

19. CONTINGENCIES:

Grant:

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Legal:

The District is involved in various legal proceedings from time to time in the normal course of business. In management's opinion, the District is not involved in any legal proceeding that will have a material adverse effect on the financial position or changes in financial position of the District.

20. RISK MANAGEMENT:

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA).

Description of JPIA:

JPIA is an intergovernmental risk-pooling self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Self-Insurance Programs of JPIA:

At June 30, 2019, the District's participation in the self-insurance programs of JPIA is as follows:

Property Loss: Insured up to replacement value with a \$5,000 deductible per occurrence on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$1,000 deductible per occurrence and actual cash value on scheduled vehicles with a \$500 deductible per occurrence. JPIA is self-insured up to \$100,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,000 depending on type of equipment.

Workers' Compensation: Insured for statutory limits, and Employer's Liability is insured up to \$2,000,000 per accident and \$2,000,000 per disease. JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased. The District's retrospective allocation point is \$250 per occurrence.

General, Automobile, Employment Practices & Public Officials' Liability: Broad coverage against third-party claims for the District, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for the first \$5,000,000 and purchases excess coverage with limit up to \$60,000,000 with aggregated policy limits. The District retrospective allocation point is \$50,000 per occurrence.

In addition to the above, the District has also purchased insurance coverage through JPIA as follows:

Dam Failure Liability Addendum covering Railroad Canyon and Lee Lake Liability: Insured up to \$5,000,000 per occurrence with a \$50,000 retention.

Cyber Liability: Including Cyber Security up to \$3,000,000 per occurrence and \$5,000,000 Aggregate Limit. Cyber Liability Deductible varies from \$10,000 to \$50,000 depending on District Revenue.

Employee Dishonesty/Crime Supplement: Insured up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty which covers all employees, the Board of Directors, and the Treasurer. Insured up to \$100,000 per occurrence with a \$1,000 deductible for forgery or alteration. Insured up to \$100,000 per occurrence with a \$1,000 deductible for computer fraud. JPIA is self-insured up to \$100,000 per loss.

Underground Storage Tank Liability covering three (3) underground storage tanks at 31315 Chaney Street: Insured up to \$3,000,000 Each Pollution incident and Aggregate Limit; \$750,000 Aggregate Claims Expense, with a \$10,000 deductible. JPIA is self-insured up to \$500,000.

Separate financial statements of JPIA can be obtained at 2100 Professional Drive, Roseville, CA 95661 or <http://www.acwajpia.com/FinancialStatements.aspx>.

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

20. RISK MANAGEMENT (CONTINUED):

For the past six fiscal years, the District had no settlements exceeding insurance coverage for these categories of risk. At June 30, 2019, in the opinion of legal counsel, the District had no material claims which would require loss provision in the financial statements and therefore no claims liability has been recorded.

21. JOINT VENTURE - BCGSA:

The Bedford-Coldwater Groundwater Sustainability Authority (“BCGSA”) was organized on February 28, 2018 under Section 6500 of the Government code of the State of California and pursuant to the Joint Exercise of Powers Agreement by and among the District, the City of Corona (“Corona”), and the Temescal Valley Water District (“TVWD”) for the management of the Bedford-Coldwater Sub-Basin of the Elsinore Basin. BCGSA was formed with the purpose and intent of jointly fulfilling the role and legal obligations of a Groundwater Sustainability Agency (“GSA”) as required by the Sustainable Groundwater Management Act (“SGMA”), including complying with SGMA and ensuring sustainable groundwater management throughout the Bedford-Coldwater Sub-Basin of the Elsinore Basin (“Sub-Basin”) so that the Members may collaboratively and cost-effectively develop, adopt, and implement a Groundwater Sustainability Plan (“GSP”) for the Sub-Basin in accordance with pertinent regulatory timelines.

The Authority may represent the Members, as appropriate, in discussions and transactions with other local agencies, to include (but not limited to) the development of inter-basin coordination agreements with other GSAs in Riverside County, and agreements with other local agencies or GSAs as may be required to ensure compliance with SGMA for the Sub-Basin.

Pursuant to the Joint Powers Agreement, each member provides an equal contribution to the operating fund, which is used to pay all administrative, operating and other expenses incurred. The rate or amount of the contributions is established in the annual Operating Budget and based upon an equal contribution by each member. The District acts as the Administering Member of BCGSA providing all administrative and financial services.

Separate audited financial statements for the Company can be obtained from the District at 31315 Chaney Street, Lake Elsinore, CA 92530. The summary as of June 30, 2019 is as follows:

	<u>June 2019</u>
Total Assets	\$ 110,767
Total Liabilities	<u>110,767</u>
Total Net Position	\$ -
Increase Decrease in Net Position	<u>\$ -</u>

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**Required
Supplementary
Information**

**Schedule of Changes in Net Pension Liability and Related Ratios Ended June 30th
Last 10 Years⁽³⁾**

Measurement Period	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:					
Service Cost	\$ 2,466,139	\$ 2,636,694	\$ 2,449,304	\$ 2,408,523	\$ 2,458,216
Interest	6,593,931	6,285,034	5,933,814	5,551,505	5,183,730
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(682,360)	5,623,164	-	(1,469,076)	-
Difference Between Expected and Actual Experience	(287,200)	(579,128)	(219,718)	(286,905)	-
Benefit Payments, Including Refunds of Employee Contributions	(3,761,071)	(3,332,206)	(3,036,730)	(2,489,673)	(2,327,994)
Net Change in Total Pension Liability	4,329,439	10,633,558	5,126,670	3,714,374	5,313,952
Total Pension Liability - Beginning	93,839,849	83,206,291	78,079,621	74,365,247	69,051,295
Total Pension Liability - Ending (a)	\$ 98,169,288	\$ 93,839,849	\$ 83,206,291	\$ 78,079,621	\$ 74,365,247
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 2,907,458	\$ 2,742,846	\$ 2,656,957	\$ 2,500,495	\$ 2,232,962
Contributions - Employee	1,041,634	979,078	972,455	967,375	1,026,237
Net Investment Income	5,714,814	6,761,115	340,453	1,296,452	8,461,126
Benefit Payments, Including Refunds of Employee Contributions	(3,761,071)	(3,332,206)	(3,036,730)	(2,489,673)	(2,327,994)
Net Plan to Plan Resource Movement	(169)	(2,059)	-	-	-
Administrative Expense	(105,552)	(89,585)	(36,433)	(67,288)	-
Other Miscellaneous Income/ (Expense) (1)	(200,444)				
Net Change in Fiduciary Net Position	5,596,670	7,059,189	896,702	2,207,361	9,392,331
Plan Fiduciary Net Position - Beginning (2)	67,736,143	60,676,954	59,780,252	57,572,891	48,180,560
Plan Fiduciary Net Position - Ending (b)	\$ 73,332,813	\$ 67,736,143	\$ 60,676,954	\$ 59,780,252	\$ 57,572,891
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 24,836,475	\$ 26,103,706	\$ 22,529,337	\$ 18,299,369	\$ 16,792,356
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	72.18%	72.92%	76.56%	77.42%
Covered Payroll	\$ 12,085,954	\$ 12,560,469	\$ 12,648,198	\$ 12,307,222	\$ 11,676,322
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	205.50%	207.82%	178.12%	148.69%	143.82%

(1) During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) NO.75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPED plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

(2) Includes any beginning of year adjustment.

(3) Measurement period 2013-2014 (fiscal year 2015) was the 1st year of implementation, therefore, only five years are shown.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Schedule of Plan Contributions for the Measurement Periods Ended June 30⁽¹⁾
Last 10 Years⁽⁵⁾

Employer Fiscal Year End	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (2)	(4) \$	2,907,458	\$ 2,742,846	\$ 2,656,957	\$ 2,500,495	\$ 2,232,962
Contributions in Relation to the Actuarially Determined Contribution (2)	(3,303,806)	(2,907,458)	(2,742,846)	(2,656,957)	(2,500,495)	(2,232,962)
Contribution Deficiency (Excess)	<u>\$ (3,303,806)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (3)	\$ 13,200,674	\$ 12,085,954	\$ 12,560,469	\$ 12,648,098	\$ 12,307,222	\$ 11,676,322
Contributions as a Percentage of Covered Payroll (3)	25.03%	24.06%	21.84%	21.01%	20.32%	19.12%

(1) As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may chose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

(3) Includes one year's payroll growth using 3.0 percent payroll assumption

(4) Information not available

(5) Measurement period 2013-2014 (fiscal year 2015) was the 1st year of implementation, therefore, only six years are shown.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2015 Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of Retirement of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

Other Information:

For changes to previous' year's information, refer to past GASB 68 reports.

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**Supplementary
Information**

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

**SCHEDULE OF MATURITIES OF
CERTIFICATES OF PARTICIPATION PAYABLE**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽²⁾</u>	<u>Principal Balance⁽¹⁾</u>
Elsinore Valley Water and Sewer Facilities Corporation, 2002 - Partially Refunded 1992 - Original Issue \$23,715,000					
07/01/17	5.375	\$ 3,475,000	\$ 295,356	\$ 3,770,356	\$ 7,515,000
01/01/18	5.375	-	201,966	201,966	7,515,000
07/01/18	5.375	3,660,000	201,966	3,861,966	3,855,000
01/01/19	5.375	-	103,603	103,603	3,855,000
07/01/19	5.375	3,855,000	103,603	3,958,603	-
Elsinore Valley Water and Sewer Facilities Corporation, 2008B - Refunding of 2005A - Original Issue \$54,655,000 (2)					
07/01/17	0.890	\$ -	\$ 422,439	\$ 422,439	\$ 47,465,000
07/01/18	1.300	-	617,045	617,045	47,465,000
07/01/19	1.500	-	711,975	711,975	47,465,000
07/01/20	1.500	-	711,975	711,975	47,465,000
07/01/21	1.500	-	711,975	711,975	47,465,000
07/01/22	1.500	-	711,975	711,975	47,465,000
07/01/23	1.500	-	711,975	711,975	47,465,000
07/01/24	1.500	-	711,975	711,975	47,465,000
07/01/25	1.500	-	711,975	711,975	47,465,000
07/01/26	1.500	-	711,975	711,975	47,465,000
07/01/27	1.500	-	711,975	711,975	47,465,000
07/01/28	1.500	-	711,975	711,975	47,465,000
07/01/29	1.500	-	711,975	711,975	47,465,000
07/01/30	1.500	7,795,000	711,975	8,506,975	39,670,000
07/01/31	1.500	8,105,000	595,050	8,700,050	31,565,000
07/01/32	1.500	8,450,000	473,475	8,923,475	23,115,000
07/01/33	1.500	8,770,000	346,725	9,116,725	14,345,000
07/01/34	1.500	9,105,000	215,175	9,320,175	5,240,000
07/01/35	1.500	5,240,000	78,600	5,318,600	-

(1) Rounded to the nearest Dollar

(2) Interest payment is calculated using the interest rate in effect at 6/30/18 & 6/30/19 for 2020 forward

**SCHEDULE OF MATURITIES OF
CERTIFICATES OF PARTICIPATION PAYABLE (Continued)**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
Elsinore Valley Water and Sewer Facilities Corporation, 2011A - Refi of TVP USBR Loan Original Issue \$25,485,000 (2)					
07/01/17	0.89%	\$ 865,000	\$ 191,484	\$ 1,056,484	\$ 20,650,000
07/01/18	1.300	890,000	268,450	1,158,450	19,760,000
07/01/19	1.500	915,000	296,400	1,211,400	18,845,000
07/01/20	1.500	945,000	282,675	1,227,675	17,900,000
07/01/21	1.500	970,000	268,500	1,238,500	16,930,000
07/01/22	1.500	1,000,000	253,950	1,253,950	15,930,000
07/01/23	1.500	1,025,000	238,950	1,263,950	14,905,000
07/01/24	1.500	1,055,000	223,575	1,278,575	13,850,000
07/01/25	1.500	1,085,000	207,750	1,292,750	12,765,000
07/01/26	1.500	1,120,000	191,475	1,311,475	11,645,000
07/01/27	1.500	1,150,000	174,675	1,324,675	10,495,000
07/01/28	1.500	1,185,000	157,425	1,342,425	9,310,000
07/01/29	1.500	1,220,000	139,650	1,359,650	8,090,000
07/01/30	1.500	1,255,000	121,350	1,376,350	6,835,000
07/01/31	1.500	1,290,000	102,525	1,392,525	5,545,000
07/01/32	1.500	1,330,000	83,175	1,413,175	4,215,000
07/01/33	1.500	1,365,000	63,225	1,428,225	2,850,000
07/01/34	1.500	1,405,000	42,750	1,447,750	1,445,000
07/01/35	1.500	1,445,000	21,675	1,466,675	-

(1) Rounded to the nearest Dollar

(2) Interest payment is calculated using the interest rate in effect at 6/30/18 & 6/30/19 for 2020 forward

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

**SCHEDULE OF MATURITIES OF
WATER REVENUE BONDS PAYABLE**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
Elsinore Valley Municipal Water District Financing Authority, 2016A Water Revenue Bonds - Refunding of 2007A and 2008A - Original Issue \$71,660,000					
07/01/17	4.000	\$ 910,000	\$ 1,730,750	\$ 2,640,750	\$ 68,875,000
01/01/18	4.000	-	1,717,100	1,717,100	68,875,000
07/01/18	5.000	955,000	1,717,100	2,672,100	67,920,000
01/01/19	5.000	-	1,698,000	1,698,000	67,920,000
07/01/19	5.000	1,010,000	1,698,000	2,708,000	66,910,000
01/01/20	5.000	-	1,672,750	1,672,750	66,910,000
07/01/20	5.000	5,120,000	1,672,750	6,792,750	61,790,000
01/01/21	5.000	-	1,544,750	1,544,750	61,790,000
07/01/21	5.000	5,385,000	1,544,750	6,929,750	56,405,000
01/01/22	5.000	-	1,410,125	1,410,125	56,405,000
07/01/22	5.000	5,665,000	1,410,125	7,075,125	50,740,000
01/01/23	5.000	-	1,268,500	1,268,500	50,740,000
07/01/23	5.000	5,960,000	1,268,500	7,228,500	44,780,000
01/01/24	5.000	-	1,119,500	1,119,500	44,780,000
07/01/24	5.000	6,270,000	1,119,500	7,389,500	38,510,000
01/01/25	5.000	-	962,750	962,750	38,510,000
07/01/25	5.000	6,595,000	962,750	7,557,750	31,915,000
01/01/26	5.000	-	797,875	797,875	31,915,000
07/01/26	5.000	6,930,000	797,875	7,727,875	24,985,000
01/01/27	5.000	-	624,625	624,625	24,985,000
07/01/27	5.000	7,290,000	624,625	7,914,625	17,695,000
01/01/28	5.000	-	442,375	442,375	17,695,000
07/01/28	5.000	7,665,000	442,375	8,107,375	10,030,000
01/01/29	5.000	-	250,750	250,750	10,030,000
07/01/29	5.000	8,060,000	250,750	8,310,750	1,970,000
01/01/30	5.000	-	49,250	49,250	1,970,000
07/01/30	5.000	485,000	49,250	534,250	1,485,000
01/01/31	5.000	-	37,125	37,125	1,485,000
07/01/31	5.000	445,000	37,125	482,125	1,040,000
01/01/32	5.000	-	26,000	26,000	1,040,000
07/01/32	5.000	380,000	26,000	406,000	660,000
01/01/33	5.000	-	16,500	16,500	660,000
07/01/33	5.000	350,000	16,500	366,500	310,000
01/01/34	5.000	-	7,750	7,750	310,000
07/01/34	5.000	310,000	7,750	317,750	-

(1) Rounded to the nearest Dollar

**SCHEDULE OF MATURITIES OF
LOANS PAYABLE**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Original Loan \$5,000,000					
02/28/18	1.814	\$ 225,614	\$ 25,702	\$ 251,316	\$ 1,190,976
02/28/19	1.814	229,707	21,609	251,316	961,269
02/28/20	1.814	233,875	17,441	251,316	727,394
02/28/21	1.814	238,118	13,198	251,316	489,276
02/28/22	1.814	242,439	8,877	251,316	246,837
02/28/23	1.814	246,837	4,479	251,316	-
State of California Water Resources Control Board - Original Loan \$2,347,026					
12/31/17	1.700	\$ -	\$ -	\$ -	\$ 1,798,183
12/31/18	1.700	107,493	31,426	138,920	2,239,533
12/31/19	1.700	100,848	38,072	138,920	2,138,685
12/31/20	1.700	102,562	36,358	138,920	2,036,123
12/31/21	1.700	104,306	34,614	138,920	1,931,818
12/31/22	1.700	106,079	32,841	138,920	1,825,739
12/31/23	1.700	107,882	31,038	138,920	1,717,857
12/31/24	1.700	109,716	29,204	138,920	1,608,140
12/31/25	1.700	111,581	27,338	138,920	1,496,559
12/31/26	1.700	113,478	25,442	138,920	1,383,081
12/31/27	1.700	115,407	23,512	138,920	1,267,674
12/31/28	1.700	117,369	21,550	138,920	1,150,304
12/31/29	1.700	119,365	19,555	138,920	1,030,940
12/31/30	1.700	121,394	17,526	138,920	909,546
12/31/31	1.700	123,457	15,462	138,920	786,089
12/31/32	1.700	125,556	13,364	138,920	660,533
12/31/33	1.700	127,691	11,229	138,920	532,842
12/31/34	1.700	129,861	9,058	138,920	402,981
12/31/35	1.700	132,069	6,851	138,920	270,912
12/31/36	1.700	134,314	4,605	138,920	136,598
12/31/37	1.700	136,598	2,322	138,920	-

(1) Rounded to the nearest Dollar

(2) Preliminary debt schedule. Figures subject to change. Current balance equal to amount disbursed to date.

**SCHEDULE OF MATURITIES OF
LOANS PAYABLE (Continued)**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Estimated Loan \$2,557,346 (3)					
06/30/18	1.800	\$ -	\$ -	\$ -	\$ 1,398,864
06/30/19	1.800	-	-	-	1,571,364(2)
10/30/19	1.800	144,824	-	144,824	1,426,540
10/30/20	1.800	147,431	25,678	173,109	1,279,109
10/30/21	1.800	150,085	23,024	173,109	1,129,023
10/30/22	1.800	152,787	20,322	173,109	976,237
10/30/23	1.800	155,537	17,572	173,109	820,700
10/30/24	1.800	158,336	14,773	173,109	662,364
10/30/25	1.800	161,186	11,923	173,109	501,177
10/30/26	1.800	164,088	9,021	173,109	337,090
10/30/27	1.800	167,041	6,068	173,109	170,048
10/30/28	1.800	170,048	3,061	173,109	-
State of California Water Resources Control Board - Estimated Loan \$5,795,834 (3)					
06/30/18	1.800	\$ -	\$ -	\$ -	\$ 1,804,590
06/30/19	1.800	-	-	-	2,669,628(2)
03/30/20	1.800	246,046	-	246,046	2,423,582
03/30/21	1.800	250,474	43,624	294,099	2,173,108
03/30/22	1.800	254,983	39,116	294,099	1,918,125
03/30/23	1.800	259,573	34,526	294,099	1,658,552
03/30/24	1.800	264,245	29,854	294,099	1,394,307
03/30/25	1.800	269,001	25,098	294,099	1,125,306
03/30/26	1.800	273,843	20,255	294,099	851,462
03/30/27	1.800	278,773	15,326	294,099	572,689
03/30/28	1.800	283,791	10,308	294,099	288,899
03/30/29	1.800	288,899	5,200	294,099	-

(1) Rounded to the nearest Dollar

(2) Preliminary debt schedule. Figures subject to change. Current balance equal to amount disbursed to date.

(3) Loan amount authorized. See Note 14.

**SCHEDULE OF MATURITIES OF
LOANS PAYABLE (Continued)**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Estimated Loan \$2,164,404 (3)					
06/30/19	1.800	\$ -	\$ -	\$ -	\$ 653,276(2)
12/31/19	1.800	-	-	-	653,276
12/31/20	1.800	27,426	11,759	39,185	625,850
12/31/21	1.800	27,920	11,265	39,185	597,930
12/31/22	1.800	28,423	10,763	39,185	569,507
12/31/23	1.800	28,934	10,251	39,185	540,573
12/31/24	1.800	29,455	9,730	39,185	511,118
12/31/25	1.800	29,985	9,200	39,185	481,133
12/31/26	1.800	30,525	8,660	39,185	450,608
12/31/27	1.800	31,074	8,111	39,185	419,534
12/31/28	1.800	31,634	7,552	39,185	387,900
12/31/29	1.800	32,203	6,982	39,185	355,697
12/31/30	1.800	32,783	6,403	39,185	322,914
12/31/31	1.800	33,373	5,812	39,185	289,541
12/31/32	1.800	33,974	5,212	39,185	255,568
12/31/33	1.800	34,585	4,600	39,185	220,983
12/31/34	1.800	35,208	3,978	39,185	185,775
12/31/35	1.800	35,841	3,344	39,185	149,934
12/31/36	1.800	36,486	2,699	39,185	113,447
12/31/37	1.800	37,143	2,042	39,185	76,304
12/31/38	1.800	37,812	1,373	39,185	38,492
12/31/39	1.800	38,492	693	39,185	-

(1) Rounded to the nearest Dollar

(2) Preliminary debt schedule. Figures subject to change. Current balance equal to amount disbursed to date.

(3) Loan amount authorized. See Note 14.

**SCHEDULE OF MATURITIES OF
U.S. BUREAU OF RECLAMATION ADVANCES PAYABLE**

June 30, 2019 and 2018

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
U.S. Bureau of Reclamation - Lake Management Project - Original Advance \$16,594,500					
05/01/18		\$ 386,473	-	\$ 386,473	\$ 5,024,148
05/01/19		386,473	-	386,473	4,637,675
05/01/20		386,473	-	386,473	4,251,202
05/01/21		386,473	-	386,473	3,864,729
05/01/22		386,473	-	386,473	3,478,256
05/01/23		386,473	-	386,473	3,091,783
05/01/24		386,473	-	386,473	2,705,310
05/01/25		386,473	-	386,473	2,318,837
05/01/26		386,473	-	386,473	1,932,364
05/01/27		386,473	-	386,473	1,545,891
05/01/28		386,473	-	386,473	1,159,418
05/01/29		386,473	-	386,473	772,945
05/01/30		386,473	-	386,473	386,472
05/01/31		386,472	-	386,472	-

(1) Rounded to the nearest Dollar

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Statistical Section

Total Phosphorus			
Sample No.	Sample Description	Concentration (mg/L)	Standard Error
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Statistical SECTION

This part of Elsinore Valley Municipal Water District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

90 **FINANCIAL TRENDS**

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

93 **REVENUE CAPACITY**

These schedules contain information to help the reader assess the District's most significant local revenue source, charges for services, and the property tax.

102 **DEBT CAPACITY**

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

106 **DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

109 **OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u> ⁽²⁾	<u>2014</u> ⁽³⁾
NET POSITION					
Net investment in capital assets	\$ 285,171,276	\$ 330,620,265	\$ 334,449,334	\$ 346,436,891	\$ 353,090,158
Restricted	107,636,063	70,574,808	66,173,551	62,321,631	57,979,711
Unrestricted	<u>141,613,523</u>	<u>157,024,070</u>	<u>169,223,043</u>	<u>170,834,107</u>	<u>159,272,415</u>
TOTAL NET POSITION	<u>\$ 534,420,862</u>	<u>\$ 558,219,143</u>	<u>\$ 569,845,928</u>	<u>\$ 579,592,629</u>	<u>\$ 570,342,284</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
NET POSITION					
Net investment in capital assets	\$ 356,641,697	\$ 407,432,038	\$ 416,010,569	\$ 427,769,322	\$ 439,789,160
Restricted	55,144,571	42,947,105	49,833,001	52,157,863	55,240,883
Unrestricted	<u>164,601,667</u>	<u>140,810,860</u>	<u>147,164,785</u>	<u>161,488,668</u>	<u>168,286,791</u>
TOTAL NET POSITION	<u>\$ 576,387,935</u>	<u>\$ 591,190,003</u>	<u>\$ 613,008,355</u>	<u>\$ 641,415,853</u>	<u>\$ 663,316,834</u>

Allow for rounding differences

(1) 2011 - Net position restated

(2) 2013 - Net position restated due to retroactively applied GASB 65

(3) 2014 - Net position restated to apply GASB 68

Source: Elsinore Valley Municipal Water District

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUES										
Water Revenues	\$ 42,779,396	\$ 39,981,819	\$ 41,552,294	\$ 45,076,540	\$ 48,018,729	\$ 44,456,826	\$ 46,387,145	\$ 44,164,018	\$ 49,193,038	\$ 48,111,048
Wastewater Revenues	20,095,882	20,228,555	20,399,307	21,379,577	22,831,226	23,368,664	21,961,717	22,261,812	24,046,130	\$ 25,332,984
Recycled Water Revenues	-	-	-	-	-	-	939,750	1,036,047	1,146,853	\$ 1,043,280
Total Operating Revenues	62,875,278	60,210,374	61,951,601	66,456,117	70,849,955	67,825,490	69,288,612	67,461,877	74,386,021	74,487,312
NON-OPERATING REVENUES										
Property Taxes	7,799,352	7,970,226	7,259,320	7,556,448	7,613,764	8,239,146	8,510,208	9,133,430	9,635,769	10,290,446
Standby Charges	833,424	867,870	788,119	884,932	964,603	913,699	680,793	595,492	617,948	636,398
Investment Income	5,467,913	2,777,723	2,006,145	555,805	1,626,111	1,610,326	2,453,021	126,852	934,564	8,106,997
Other Non-Operating Revenues	5,698,440	2,769,356	2,231,248	2,804,570	2,913,949	2,859,651	2,387,901	296,438	9,460,968	4,122,888
Total Non-Operating Revenues	19,799,129	14,385,175	12,284,832	11,801,755	13,118,427	13,622,822	14,031,923	10,152,212	20,649,249	23,156,729
Total Revenues	82,674,407	74,595,549	74,236,433	78,257,872	83,968,382	81,448,312	83,320,535	77,614,089	95,035,270	97,644,041
OPERATING EXPENSES										
Water Purchases	12,545,460	12,776,304	15,401,145	18,352,085	17,892,769	16,306,497	15,452,140	16,266,623	18,036,267	20,646,287
Water Operations	12,691,185	14,323,357	13,667,701	14,559,163	14,517,118	14,660,805	15,165,860	16,047,064	14,756,060	15,425,962
Wastewater Operations	10,227,038	10,942,166	11,674,513	12,294,717	12,829,515	13,460,542	11,876,091	11,250,489	10,123,413	11,221,102
Recycled Water Operations	-	-	-	-	-	-	1,340,151	976,330	948,191	946,532
General and Administrative	7,994,794	10,185,825	8,909,361	9,005,299	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892
Depreciation and Amortization	13,767,027	15,666,722	17,716,565	22,363,524	19,483,896	19,520,795	19,626,434	19,894,657	19,982,645	20,751,084
Total Operating Expenses	57,225,504	63,894,374	67,369,285	76,574,788	73,826,073	74,624,425	73,707,309	74,996,510	78,114,920	83,254,859

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NON-OPERATING EXPENSES										
Interest Expense	\$ 10,473,817	\$ 7,307,509	\$ 5,000,322	\$ 8,030,063	\$ 7,687,073	\$ 7,379,384	\$ 6,561,178	\$ 3,552,038	\$ 3,624,583	\$ 3,534,683
Other Expenses	1,469,492	2,152,994	2,225,212	3,071,781	2,288,392	1,845,509	2,166,692	1,597,944	2,805,062	1,782,127
Total Non-Operating Expenses	<u>11,943,309</u>	<u>9,460,503</u>	<u>7,225,534</u>	<u>11,101,844</u>	<u>9,975,465</u>	<u>9,224,893</u>	<u>8,727,870</u>	<u>5,149,982</u>	<u>6,429,645</u>	<u>5,316,810</u>
Total Expenses	<u>69,168,813</u>	<u>73,354,877</u>	<u>74,594,819</u>	<u>87,676,632</u>	<u>83,801,538</u>	<u>83,849,318</u>	<u>82,435,179</u>	<u>80,146,492</u>	<u>84,544,565</u>	<u>88,571,669</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	13,505,594	1,240,672	(358,386)	(9,418,760)	166,844	(2,401,006)	885,356	(2,532,403)	10,490,705	9,072,372
CAPITAL CONTRIBUTIONS	<u>6,479,939</u>	<u>5,176,921</u>	<u>7,228,291</u>	<u>19,165,463</u>	<u>9,212,426</u>	<u>8,446,656</u>	<u>13,916,712</u>	<u>24,350,755</u>	<u>17,916,793</u>	<u>12,828,609</u>
CHANGE IN NET POSITION	<u>\$ 19,985,533</u>	<u>\$ 6,417,593</u>	<u>\$ 6,869,905</u>	<u>\$ 9,746,703</u>	<u>\$ 9,379,270</u>	<u>\$ 6,045,650</u>	<u>\$ 14,802,068</u>	<u>\$ 21,818,352</u>	<u>\$ 28,407,498</u>	<u>\$ 21,900,981</u>

Allow for rounding differences

Source: Elsinore Valley Municipal Water District

SCHEDULE OF CAPACITY FEE REVENUES

Last Ten Fiscal Years

Fiscal Year	Water Capacity Revenues						Wastewater Capacity Revenues						Percent Change
	Storage	Temescal Valley Project	Pumping Plant	Transmission Facilities	Water Supply Facilities	Administration	Canyon Lake Wastewater Capital	Regional Plant Capacity	Wastewater Capital	Southern Wastewater Capital	Recycled	Total	
2019	\$ 472,046	\$ 845,622	\$ 515,722	\$ 1,090,152	\$ 673,981	\$ 21,529	\$ 117,625	\$ 576,556	\$ 2,606,595	\$ -	\$ 416,722	\$ 7,336,550	(26.8)%
2018	476,706	1,033,276	706,267	1,489,247	963,954	26,187	192,041	1,626,074	2,917,838	-	595,620	10,027,210	(31.7)
2017	723,788	1,191,779	926,864	2,146,548	1,374,392	41,426	70,775	2,692,052	4,693,149	-	821,974	14,682,747	45.9
2016	578,306	996,254	735,449	1,561,475	923,076	29,874	85,887	1,765,762	2,721,685	-	664,029	10,061,797	56.4
2015	(11,028)	581,173	512,455	1,156,193	697,766	24,181	70,095	1,416,906	1,477,388	-	508,245	6,433,374	(4.6)
2014	334,674	486,545	474,359	1,166,808	623,930	22,774	57,214	1,166,514	2,044,242	8,051	356,344	6,741,455	(26.4)
2013	375,958	488,959	575,460	1,592,705	1,001,021	30,005	18,582	1,741,462	2,877,270	143,371	319,517	9,164,310	29.8
2012	261,088	431,289	368,787	891,648	565,307	15,616	-	1,423,753	2,612,522	38,057	453,320	7,061,387	154.4
2011	103,606	151,588	147,184	368,751	237,142	7,052	93,136	522,530	843,116	134,458	167,564	2,776,127	(44.5)
2010	120,755	227,225	296,733	732,717	532,235	14,180	-	999,913	1,692,639	111,911	273,890	5,002,198	(28.9)

Source: Elsinore Valley Municipal Water District

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten Fiscal Years

Fiscal Year	Water Produced (AF) ⁽¹⁾	Water Consumed (AF) ⁽¹⁾	Water Unbilled (AF)	Average Percent Unbilled	Wastewater Treated (AF)	Total Direct Rate			
						Base Rate ⁽²⁾	Usage Rate ⁽³⁾	Base Rate ⁽⁵⁾	Usage Rate ⁽⁵⁾
2019	23,961	22,949	1,012	4.2 %	8,739	\$ 26.27	\$ 2.84	\$ 20.29	\$ 6.93
2018	23,160	22,491	669	2.9	8,331	23.77	2.78	45.87	-
2017	21,952	20,278	1,674	7.6	8,742	21.27	2.77	43.50	-
2016	20,194	19,291	903	4.5	7,818	21.08	2.75	43.50	-
2015	23,710	22,891	819	3.5	8,408	16.58	2.85	43.50	-
2014	26,055	25,375	680	2.6	8,241	15.78	2.78	43.50	-
2013	25,126	24,596	530	2.1	8,053	14.82	2.56	42.00	-
2012	23,249	23,292	(43)	(0.2)	8,224	14.35	2.56	42.00	-
2011	23,748	23,046	702	3.2	9,082	14.35	2.56	42.00	-
2010	24,413	24,509	(96)	(0.4)	8,456	13.85	2.32	42.75	-

(1) Data shown is for Elsinore Division only; Production adjusted per correction from WMWD for FY2009 & FY2010.

(2) Rate shown is for 3/4" meters. See Table VI for additional meter sizes and rates.

(3) Outdoor Use Rate, per CCF (748 gallons)

(4) Single Family Residential, 4 person household

(5) Beginning FY2019 the sewer rate changed from a fixed rate structure to a mixed rate structure (fixed & variable). This variable rate is charged per person in the household.

Source: Elsinore Valley Municipal Water District

WATER AND SEWER RATES

Last Ten Fiscal Years

WATER RATES

<u>Fixed Meter Charge:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
3/4"	\$ 13.85	\$ 14.35	\$ 14.35	\$ 14.82	\$ 15.78	\$ 16.58	\$ 21.08	\$ 21.27	\$ 23.77	\$ 26.27
1"	23.55	24.40	24.40	25.19	26.83	28.18	33.06	33.36	37.16	41.29
1-1/2"	45.71	47.36	47.36	48.91	52.09	54.70	63.01	63.58	70.63	78.85
2"	73.41	76.06	76.06	78.55	83.65	87.85	98.95	99.84	110.79	123.91
3"	138.50	143.50	143.50	148.20	157.83	165.76	212.76	214.67	237.96	266.59
4"	231.30	239.65	239.65	247.49	263.58	276.82	380.48	383.90	425.37	476.87
6"	461.21	477.86	477.86	493.51	525.59	551.98	961.51	970.16	1,074.63	1,205.35
8"	738.21	764.86	764.86	789.91	841.26	883.49	1,680.31	1,695.43	1,877.83	2,106.55
Variable Service Charge:										
User Rate (per ccf)	\$ 2.32	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.78	\$ 2.85	\$ 2.75	\$ 2.77	\$ 2.78	\$ 2.84
Power Zone (per ccf)	\$ 0.41	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.26	\$ 0.29	\$ 0.29	\$ 0.29
<u>SEWER RATES</u>										
Fixed Service Charge	\$ 42.75	\$ 42.00	\$ 42.00	\$ 42.00	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 45.87	\$ 20.29
Variable (per person)	-	-	-	-	-	-	-	-	-	6.93

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - ELSINORE WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019 and 2010

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	589	\$ 1,135,102	2.36 %
2. City of Lake Elsinore	Government	1,201	719,794	1.50
3. Farm Mutual Water Company	Water Company	307	455,179	0.95
4. City of Murrieta	Government	196	423,957	0.88
5. Tuscany Hills Landscape & Rec Corp	Property Owners Association	217	401,729	0.84
6. Canyon Lake POA	Property Owners Association	615	400,925	0.83
7. Greer Ranch Community Association	Property Owners Association	210	391,717	0.81
8. Shore Pointe Association	Property Owners Association	134	314,851	0.65
9. Rosetta Canyon Community Assoc	Property Owners Association	156	305,737	0.64
10. Gleiberman Properties	Apartment Complex	63	207,903	0.43
Total		<u>3,688</u>	<u>\$ 4,756,894</u>	<u>9.89 %</u>

Fiscal Year Ended June 30, 2010

1. Lake Elsinore Unified School District	School District	913	\$ 1,509,111	3.51 %
2. City of Lake Elsinore	Government	322	545,086	1.27
3. Tuscany Hills Homeowner's Association	Property Owners Association	293	541,444	1.26
4. The Colony at California Oaks	Property Owners Association	236	412,952	0.96
5. Pardee Homes	Developer	274	401,109	0.93
6. City of Murrieta	Government	251	395,519	0.92
7. Canyon Lake Property Owners Association	Property Owners Association	205	360,396	0.84
8. Greer Ranch Community Association	Property Owners Association	241	359,353	0.84
9. The Farm Mutual Water Company	Water Company	307	339,493	0.79
10. Rosetta Canyon Community Association	Property Owners Association	137	274,045	0.64
Total		<u>3,179</u>	<u>\$ 5,138,508</u>	<u>11.96 %</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - TEMESCAL WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019 and 2010

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. California Meadows HOA	Property Owners Association	27	\$ 39,384	0.08 %
2. Glen Ivy RVPOA	Property Owners Association	44	27,846	0.06
3. Butterfield Estates HOA	Property Owners Association	19	19,016	0.04
4. Werner Corp	Sand & Gravel Mfg.	3	7,141	0.01
5. Bledsoe Construction	Business	7	6,453	0.01
6. Resident	Residence	4	5,783	0.01
7. Glen Ivy Village Inc	Property Owners Association	6	4,185	0.01
8. Daylight Recovery Services	Business	2	4,162	0.01
9. Resident	Residence	2	3,919	0.01
10. Coldwell Banker	Business	2	3,328	0.01
Total		<u>116</u>	<u>\$ 121,217</u>	<u>0.25 %</u>

Fiscal Year Ended June 30, 2010

1. LMT Management, Inc.	Golf Course	658	\$ 506,637	1.18%
2. Werner Corporation	Sand & Gravel Mfg.	232	190,524	0.44
3. Cemex USA	Sand & Gravel Mfg.	163	139,827	0.33
4. Glen Ivy RVPOA	Property Owners Association	40	80,696	0.19
5. Western Waste Industries	Landfill	65	56,693	0.13
6. CMS/Butterfield	Property Owners Association	28	55,256	0.13
7. California Meadows HOA	Property Owners Association	21	44,593	0.10
8. Kenneth Holt	Agriculture	48	39,805	0.09
9. Tom's Farm	Produce Retailer	22	28,621	0.07
10. Richard Sweeney	Golf Club	30	24,095	0.06
Total		<u>1,307</u>	<u>\$ 1,166,747</u>	<u>2.72%</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - WASTEWATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019 and 2010

Fiscal Year Ended June 30, 2019

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. Cottonwood Canyon Hills HOA	Property Owner Association	\$ 290,756	1.15 %
2. Lake Elsinore Unified School District	School District	258,927	1.02
3. Links at Summerly	Golf Course	182,029	0.72
4. City of Lake Elsinore	City	131,848	0.52
5. Lake Elsinore Casino	Casino	114,752	0.45
6. Amanda Park Partners	Apartment Complex	105,854	0.42
7. Gleiberman Properties	Apartment Complex	86,953	0.34
8. Ridgestone Apartments	Apartment Complex	85,830	0.34
9. Oak Springs Ranch, LLC.	Property Owner Association	84,736	0.33
10. Wildomar Senior Partners	Apartment Complex	73,613	0.29
		Total	
		\$ 1,415,298	5.58 %

Fiscal Year Ended June 30, 2010

1. Lake Elsinore Unified School District	School District	\$ 185,243	0.92 %
2. Amanda Park Partners	Apartment Complex	178,225	0.88
3. Santa Rosa Apartments	Apartment Complex	151,970	0.75
4. Cottonwood Canyon Hills HOA	Property Owner Association	138,197	0.68
5. Fairfield Ramsgate LP	Developer	113,516	0.56
6. Wildomar Senior Partners	Apartment Complex	89,621	0.44
7. Inland Valley Medical Center	Regional Hospital	81,918	0.41
8. Harbor Grand Apartments	Apartment Complex	75,118	0.37
9. River's Edge Apartment Broadstone	Apartment Complex	72,361	0.36
10. Pardee Homes	Developer	69,808	0.35
		Total	
		\$ 1,155,977	5.72 %

Source: Elsinore Valley Municipal Water District

WATER RATE COMPARISON FOR 20 CCF PER MONTH
As of June 30, 2019

	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100+
City of Escondido								188.14
City of San Diego								161.73
Rainbow Municipal Water District								154.60
Valley Center Municipal Water District								145.17
Western Municipal Water District (March East)								143.02
Farm Mutual Water Company								106.97
Western Municipal Water District (Murrieta)								105.77
Western Municipal Water District (Rainbow)							92.42	
Western Municipal Water District (Riverside)							90.55	
Elsinore Valley Municipal Water District						84.75		
Temescal Valley Water District						80.77		
Rancho California Water District (Santa Rosa Division)					77.78			
City of Riverside (Outside City Limits)					70.34			
City of Corona					69.62			
Eastern Municipal Water District					64.08			
Eastern Municipal Water District (San Jacinto)			50.42					
Rancho California Water District (Rancho Division)		47.47						
City of Riverside (Inside City Limits)		42.19						

CCF = Hundred Cubic Feet

1 CCF = 748 Gallons

20 CCF = 14,960 Gallons

20 CCF = Approximately 500 Gallons per Day

Includes power zone 2 charge

Based on Single-family Residential Customer with a 3/4 inch Meter

Source: Elsinore Valley Municipal Water District

MONTHLY WASTEWATER SERVICE CHARGE COMPARISON

As of June 30, 2019

	\$20	\$30	\$40	\$50	\$60	\$70	\$80
Western Municipal Water District (Riverside, Perris, Cajalco)						71.03	
City of Escondido					69.47		
Valley Center Municipal Water District				56.45			
Rainbow Municipal Water District				55.07			
Elsinore Valley Municipal Water District (1)(2)			48.01				
City of San Diego			47.71				
City of Corona			45.60				
City of Riverside			42.96				
Western Municipal Water District (treated by RCWD)			42.58				
Rancho California Water District			42.50				
Western Municipal Water District (treated by EMWD)			42.10				
Lee Lake Water District		37.45					
Eastern Municipal Water District (Perris Valley)		36.60					
Farm Mutual Water Company		32.00					
Eastern Municipal Water District (Temecula Valley)		31.80					
Eastern Municipal Water District (Sun City)	27.90						
Eastern Municipal Water District (San Jacinto)	27.00						

(1) Does Not Include Capital Surcharge

(2) Based on a 4 person household

Source: Elsinore Valley Municipal Water District

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Secured				Unsecured			
	Taxes Levied	Taxes Collected	Delinquency		Taxes Levied	Taxes Collected	Delinquency	
			Amount	Percent			Amount	Percent
2019	\$ 6,370,831	\$ 6,322,771	\$ 48,060	0.8%	\$ 276,247	\$ 277,612	\$ (1,365)	(0.5)%
2018	6,036,883	5,932,781	104,102	1.7	264,093	260,763	3,330	1.3
2017	5,780,886	5,696,716	84,170	1.5	264,788	258,933	5,855	2.2
2016	5,537,429	5,479,710	57,719	1.0	246,421	220,435	25,986	10.5
2015	5,249,007	5,178,459	70,548	1.3	244,250	225,753	18,497	7.6
2014	4,761,376	4,539,234	222,142	4.7	245,852	229,879	15,974	6.5
2013	4,602,744	4,371,641	231,103	5.0	243,208	200,342	42,866	17.6
2012	4,534,157	4,092,269	441,888	9.7	249,330	225,215	24,115	9.7
2011	4,690,793	4,270,129	420,664	9.0	251,240	219,161	32,079	12.8
2010	4,789,252	4,194,931	594,321	12.4	267,632	235,499	32,133	12.0

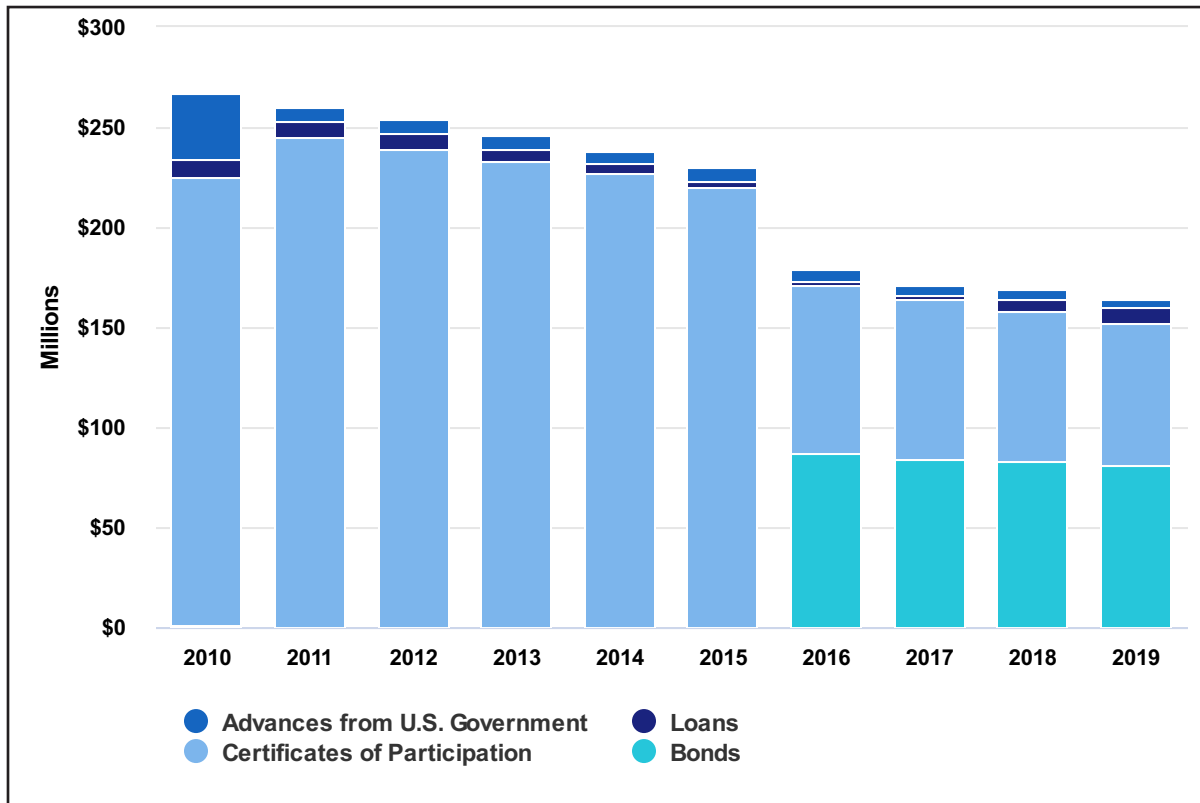
Source: County of Riverside
Elsinore Valley Municipal Water District

Note: Total taxes collected do not include prior year, supplemental, or EWD taxes collected

OUTSTANDING DEBT PER CUSTOMER BY TYPE

Last Ten Fiscal Years

Fiscal Year	Bonds	Certificates of Participation	Loans	Advances from U.S. Government	Total	Per Customer*
2019	\$ 80,705,986	\$ 70,893,330	\$ 8,095,070	\$ 4,637,675	\$ 164,332,061	2,012
2018	82,513,384	75,587,336	6,192,613	5,024,148	169,317,481	2,106
2017	84,275,784	80,071,342	1,416,590	5,410,621	171,174,337	2,149
2016	87,003,183	84,350,348	1,638,183	5,797,094	178,788,808	2,296
2015	-	219,687,192	3,684,401	6,183,567	229,555,160	2,995
2014	-	226,625,290	4,884,683	6,570,040	238,080,013	3,148
2013	-	233,278,388	6,051,720	6,956,513	246,286,621	3,310
2012	-	239,422,174	7,176,670	7,342,986	253,941,830	3,478
2011	285,448	244,684,589	7,760,317	7,729,459	260,459,813	3,721
2010	556,345	224,330,116	8,736,480	33,433,800	267,056,741	3,841



COMPUTATION OF DEBT COVERAGE RATIOS

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES:										
Water Revenues	\$ 42,779,396	\$ 39,981,819	\$ 41,552,294	\$ 45,076,540	\$ 48,018,729	\$ 44,456,826	\$ 46,387,145	\$ 44,164,018	\$ 49,193,038	\$ 48,111,048
Sewer Revenues	20,095,882	20,228,555	20,399,307	21,379,577	22,831,226	23,368,664	21,961,717	22,261,812	24,046,130	25,332,984
Recycled Water Revenues	-	-	-	-	-	-	939,750	1,036,047	1,146,853	1,043,280
Property Taxes - General Purpose	5,358,968	5,452,808	4,734,507	5,299,387	5,240,713	5,815,315	5,890,345	6,225,970	6,508,824	6,867,032
Property Taxes - Redevelopment	1,647,190	1,417,964	1,817,164	1,761,239	1,868,517	1,972,079	2,186,033	2,415,096	2,644,790	2,915,254
Property Taxes - Temescal Valley Project	482,470	742,375	707,648	495,822	504,533	451,752	433,830	492,364	482,155	508,160
Standby Charges	833,424	867,870	788,119	884,932	964,603	913,699	680,793	595,492	617,948	636,398
Capacity Fees	5,002,197	2,776,126	7,061,387	9,164,310	6,741,455	6,433,375	10,061,797	14,682,746	10,027,211	7,335,180
Investment Income	5,465,110	2,775,959	2,005,609	563,761	1,626,111	1,610,326	2,453,021	126,852	934,561	8,106,997
Grants	1,077,211	2,295,041	-	7,000	112,299	286,910	817,868	6,906,333	3,090,355	25,315
Lease Income	1,161,254	1,241,053	1,326,196	1,417,622	1,455,795	1,445,901	1,453,542	1,520,603	1,433,523	1,385,928
Return of Principal	51,822	52,673	52,674	54,614	56,619	58,685	-	-	-	-
Transfer From (To) Rate Stabilization Fund	(6,500,047)	718,286	2,191,658	1,181,240	(3,306,178)	906,149	(42,352) ⁽²⁾	4,333,915 ⁽²⁾	(10,812,292) ⁽⁴⁾	4,256,563
Other	3,482,802	1,476,569	989,562	1,465,076	1,526,852	1,417,250	1,019,731	(1,156,661)	8,096,263	2,709,678
Total Gross Revenues	80,937,679	80,027,098	83,626,125	88,751,120	87,641,274	89,136,931	94,243,220	103,604,587	97,409,359	109,233,817
MAINTENANCE AND OPERATION COSTS:										
Water Purchases	12,545,460	12,776,304	15,401,145	18,352,085	17,892,769	16,306,497	15,452,140	16,266,623	18,036,267	20,646,287
Water Operations	12,691,185	14,323,357	13,667,701	14,559,163	14,517,118	14,660,805	15,165,860	16,047,064	14,756,060	15,425,962
Sewer Operations	10,227,038	10,942,166	11,674,513	12,294,717	12,829,515	13,460,542	11,876,091	11,250,489	10,123,413	11,221,102
Recycled Water Operations	-	-	-	-	-	-	1,340,151	976,330	948,191	946,532
General and Administrative Maintenance & Operation Obligations	7,994,794	10,185,825	8,909,361	9,005,299	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892
Other	2,271,146	2,386,944	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473
Total Maintenance and Operations Costs	46,942,343	52,498,251	51,979,765	57,497,823	57,069,674	57,394,874	56,603,790	57,025,072	61,252,271	64,644,375
Net Revenue	33,995,336	27,528,847	31,646,360	31,253,297	30,571,600	31,742,057	37,639,430	46,579,515	36,157,088	44,589,442

COMPUTATION OF DEBT COVERAGE RATIOS (Continued)

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OBLIGATIONS										
EXPENDITURES:										
Principal	\$ 5,604,999	\$ 5,993,548	\$ 5,829,797	\$ 7,353,365	\$ 7,727,405	\$ 8,038,324	\$ 7,768,644 (3)	\$ 6,261,316	\$ 7,400,717	\$ 9,401,363
Interest	8,991,536	8,771,546	8,287,228	8,030,063	7,687,073	7,379,384	6,561,178	3,552,038	3,624,583	3,534,683
Total Obligation Expenditures	<u>14,596,535</u>	<u>14,765,094</u>	<u>14,117,025</u>	<u>15,383,428</u>	<u>15,414,478</u>	<u>15,417,708</u>	<u>14,329,822</u>	<u>9,813,354</u>	<u>11,025,300</u>	<u>12,936,046</u>
NET REVENUE AFTER OBLIGATION EXPENDITURES	<u>\$ 19,398,801</u>	<u>\$ 12,763,753</u>	<u>\$ 17,529,335</u>	<u>\$ 15,869,869</u>	<u>\$ 15,157,122</u>	<u>\$ 16,324,349</u>	<u>\$ 23,309,608</u>	<u>\$ 36,766,161</u>	<u>\$ 25,131,788</u>	<u>\$ 31,653,396</u>
DEBT SERVICE COVERAGE RATIO	<u>233%</u>	<u>186%</u>	<u>224%</u>	<u>203%</u>	<u>198%</u>	<u>206%</u>	<u>263%</u>	<u>475%</u>	<u>328%</u>	<u>345%</u>
ALTERNATIVE DEBT SERVICE COVERAGE RATIO (1)	<u>191%</u>	<u>152%</u>	<u>174%</u>	<u>144%</u>	<u>154%</u>	<u>162%</u>	<u>187%</u>	<u>255%</u>	<u>209%</u>	<u>288%</u>

Allow for rounding differences

(1) Excludes capacity fees, and grants

(2) Includes transfers from (to) drought, turf replacement, and excess power surcharge reserves

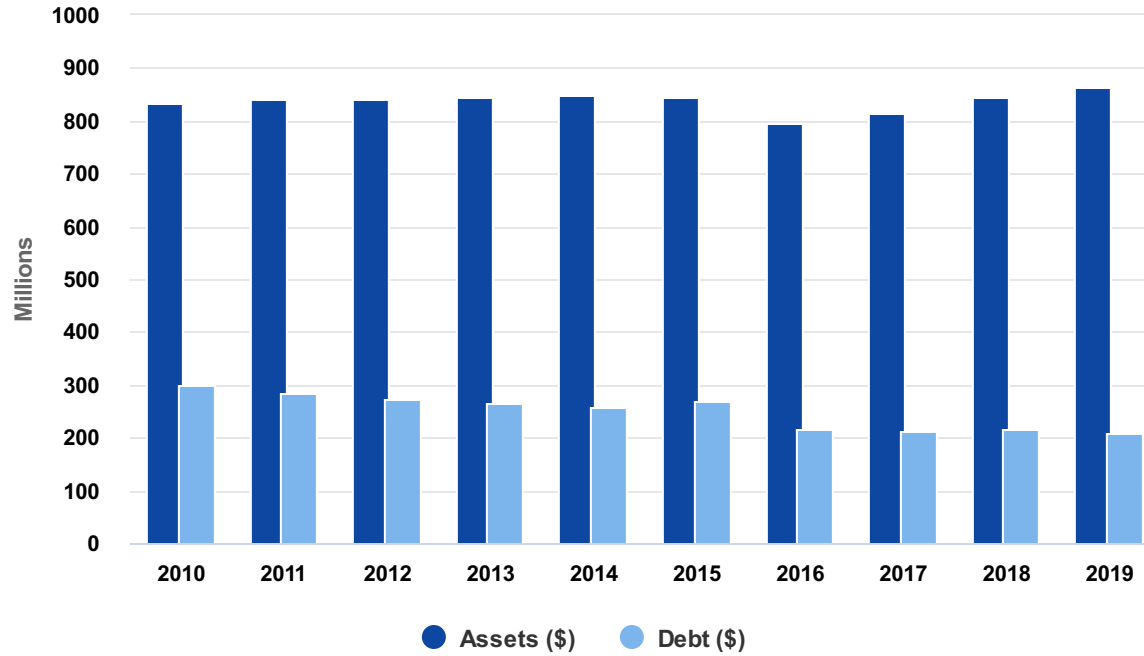
(3) Excludes early prepayment on loans and COPs

(4) FY 2018 Transfers from (to) Rate stabilization was updated to include the net transfers (in)/from the Sta Rosa (RCWD) Capital

Source: Elsinore Valley Municipal Water District

Total Debt to Assets Ratio

Last Ten Fiscal Years



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assets (\$)	\$ 832	\$ 843	\$ 842	\$ 846	\$ 848	\$ 846	\$ 797	\$ 813	\$ 844	\$ 862
Debt (\$)	\$ 298	\$ 285	\$ 272	\$ 266	\$ 259	\$ 268	\$ 215	\$ 213	\$ 217	\$ 210
Debt as % of Assets	35.8%	33.8%	32.3%	31.4%	30.5%	31.7%	27.0%	26.2%	25.7%	24.4%

(1) FY 2013 figures updated to reflect prior period adjustment to expense bond issuance costs in accordance with GASB 65.

Source: Elsinore Valley Municipal Water District

POPULATION WITHIN DISTRICT BOUNDARIES

Last Ten Calendar Years

Year	City of Lake Elsinore	% of Growth	City of Canyon Lake	% of Growth	City of Murrieta ⁽¹⁾	% of Growth	City of Wildomar ⁽²⁾	% of Growth	Unincorporated Riverside County ⁽¹⁾	% of Growth	Total Population	% of Growth
2019	62,949	(0.7)%	11,285	2.4 %	19,529	(0.1)%	36,066	(0.6)%	26,863	5.2 %	156,692	0.6%
2018	63,365	2.1	11,018	1.2	19,546	0.0	36,287	1.4	25,527	1.3	155,743	1.5
2017	62,092	1.8	10,891	2.0	19,543	0.1	35,782	1.7	25,199	3.1	153,507	1.8
2016	61,006	4.4	10,681	(2.0)	19,529	0.1	35,168	3.0	24,452	(6.2)	150,836	1.2
2015	58,426	3.0	10,901	0.7	19,512	0.8	34,148	1.3	26,072	8.9	149,059	3.1
2014	56,718	2.3	10,826	0.5	19,351	0.4	33,718	1.6	23,938	4.4	144,551	2.1
2013	55,430	4.5	10,768	0.7	19,269	0.9	33,174	1.4	22,919	31.8 (3)	141,560	6.5
2012	53,024	1.0	10,689	0.4	19,091	1.4	32,719	0.5	17,391	(0.1)	132,914	0.7
2011	52,503	3.0	10,647	(5.1)	18,827	1.1	32,543	1.7	17,407	(5.2)	131,927	0.6
2010	50,983	1.4	11,225	0.9	18,629	1.1	32,006	2.2	18,355	(2.4)	131,198	1.0

(1) Projected population within District boundary. Data restated from 2009 forward to account for the number of multi-family residential units.

(2) City of Wildomar incorporated in 2008

(3) Projection methods were revised from 2013 forward to account for service accounts with multiple units, i.e. multi-family

Sources: - State of California Department of Finance - Cities of Lake Elsinore, Canyon Lake, Murrieta, Wildomar, and Unincorporated Riverside County

- www.cityofwildomar.org

- Elsinore Valley Municipal Water District

ECONOMIC STATISTICS

Last Ten Calendar Years

Year	Personal Income (1)	Per Capita Personal Income (2)	Riverside County Unemployment Rate (3)
2019	\$ 7,691,697	\$ 49,088	3.5%
2018	7,372,998	47,341	3.7
2017	7,552,804	46,821	5.5
2016	7,132,651	45,219	6.3
2015	6,886,537	44,200	6.8
2014	6,793,790	44,158	8.2
2013	6,692,931	44,138	10.3
2012	6,632,502	44,506	12.2
2011	6,426,619	43,447	13.5
2010	6,229,282	42,347	13.7

(1) Projected Personal Income within District boundary - in thousands

(2) Occupation Employment Statistics (OES) for Riverside and San Bernardino Counties for the 1st Quarter of 2015

(3) Bureau of Labor Statistics, Department of Labor

Sources: Employment Development Department, State of California, and Elsinore Valley Municipal Water District

TEN LARGEST PRINCIPAL EMPLOYERS IN RIVERSIDE COUNTY

FISCAL YEAR ENDED JUNE 30, 2019 and 2010

Employer	2010 ⁽¹⁾			2019 ⁽²⁾		
	Rank	Employees	% of Total Labor Force	Rank	Employees	% of Total Labor Force
County of Riverside	1	18,456	2.0 %	1	21,215	2.0 %
March Air Reserve Base	2	8,600	0.9	2	9,000	0.8
University of California, Riverside	3	7,321	0.8	3	8,735	0.8
Kaiser Permanente Riverside Medical Center	9	3,600	0.4	4	5,592	0.5
Corona-Norco Unified School District				5	4,989	0.5
Pechanga Resort & Casino	8	4,000	0.4	6	4,683	0.4
Riverside Unified School District	6	5,099	0.6	7	4,335	0.4
Hemet Unified School District				8	4,302	0.4
Eisenhower Medical Center				9	3,743	0.3
Moreno Valley Unified School District				10	3,684	0.3
Stater Bros. Markets	4	6,900	0.8			
Walmart	5	6,550	0.7			
Abbot Vascular (Formerly Guidant Corporation)	7	4,500	0.5			
Temecula Valley Unified School District	10	2,752	0.3			
Total		67,778	7.4 %		70,278	6.4 %

Sources:

(1) County of Riverside - Note: Only the top ten employers that provided data to the Business Press annual census are listed.

(2) County Economic Redevelopment Agency

MISCELLANEOUS STATISTICS - ELSINORE WATER DIVISION

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
WATER PRODUCTION SOURCES (AF)										
Wells (Ground Storage)	3,659	1,715	2,973	3,437	5,521	6,440	4,384	3,861	2,747	2,593
Back Basin Water Treatment Plant	2,446	1,201	661	1,851	2,931	2,060	1,803	413	-	1,086
Canyon Lake Water Treatment Plant	2,473	3,659	2,252	27	948	2,510	435	2,460	1,215	922
MWD (Purchased Water) (1),(2)	15,836	17,173	17,929	19,800	16,821	12,699	13,572	15,218	19,198	16,991
TOTAL WATER PRODUCTION	24,414	23,748	23,815	25,115	26,221	23,709	20,194	21,952	23,160	21,592
WATER SALES & USES (AF)	24,509	23,046	23,292	24,596	25,434	22,891	19,291	20,278	22,500	20,574
% OF UNACCOUNTABLE WATER	0.4%	3.0%	2.2%	2.1%	3.0%	3.5%	4.5%	7.6%	2.8%	4.7%
CANYON LAKE WATER PURCHASES (AF)	-	1,841	-	-	-	-	-	-	-	1,800
RECYCLED WATER SALES (AF)	420	484	669	531	595	747	690	864	872	918
CONJUNCTIVE USE PROGRAM (AF)	-	(2,571)	(3,038)	(2,285)	1,990	5,051	1,068	-	(4,370)	(417)
PEAK DAILY PRODUCTION (MG)	33.3	29.7	45.3	45.7	38.1	41.2	29.4	56.3	47.0	46.8
AVERAGE DAILY PRODUCTION (MG)	22.90	21.20	20.70	22.40	23.00	20.80	17.70	19.20	20.30	18.90
TOTAL DAILY PRODUCTION CAPACITY (MG)	60.20	60.20	60.20	60.20	61.70	63.60	63.60	63.60	63.60	63.60
STORAGE CAPACITY (MG)	88.40	89.20	91.90	91.90	91.90	89.60	90.10	90.10	90.10	90.10
UNTREATED OPEN RESERVOIR CAPACITY (MG)	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531
NUMBER OF STORAGE FACILITIES	68	68	75	75	74	69	70	70	70	70
MILES OF PIPE IN SERVICE	663	665	697	697	700	703	703	725	731	735
ACTIVE BOOSTER STATIONS	48	48	54	54	52	50	51	54	53	53
ACTIVE WATER PRODUCTION WELLS	10	10	10	10	10	10	10	10	10	12
WATER METERS	38,281	38,510	40,527	41,250	41,858	42,393	42,957	43,858	44,558	44,892
RECYCLED WATER METERS	38	68	73	78	83	83	114	116	115	115
POPULATION SERVED (3)	128,383	129,122	130,423	139,332	142,300	146,752	148,533	151,203	153,453	154,402
ACREAGE SERVED	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948
TOTAL AUTHORIZED DISTRICT EMPLOYEES	170	169	167	168	163	164	164	164	169	169

(1) Does not include purchases for Canyon Lake

(2) Imported water adjusted for FY2009 & FY2010 per correction received from WMWD

(3) Data restated from 2009 forward to account for a revised estimate calculation

AF = Acre Feet

MG = Million Gallons

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - TEMESCAL WATER DIVISION

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016 ⁽⁴⁾	2017	2018	2019
<u>WATER PRODUCTION SOURCES (AF)</u>										
Wells (Ground Storage)	1,551	1,056	1,085	2,159	2,757	1,956	306	548	500	214
Lee Lake (Surface Water)	166	298	704	-	-	-	-	-	-	-
Other	-	342	-	-	-	-	-	-	-	-
Imported - MWD	-	-	-	-	-	-	46	12	71	350
TOTAL WATER PRODUCTION (AF)	1,717	1,696	1,789	2,159	2,757	1,956	352	560	571	564
PALM AVENUE PRODUCTION (AF)	750	-	8	-	-	708	-	560	869	-
TOTAL ANNUAL WATER SALES (AF)	1,707	1,695	1,551	1,785	2,158	1,936	327	541	542	515
% of UNACCOUNTABLE WATER (1)	0.6%	0.0%	13.3%	17.3%	21.7%	1.0%	7.1%	3.4%	5.1%	8.7%
PEAK DAILY PRODUCTION(MG) (2)	7.0	8.1	13.4	6.9	3.9	7.4	4.6	14.4	4.7	7.5
AVERAGE DAILY PRODUCTION (MG)	2.2	1.9	1.4	1.2	1.9	2.3	0.3	1.0	0.5	0.5
TOTAL DAILY PRODUCTION CAPACITY (MGD)	7.2	7.4	7.4	7.4	8.6	2.2	2.2	2.2	2.2	2.0
STORAGE CAPACITY (MG)	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3
UNTREATED OPEN RESERVOIR CAPACITY (MG)	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0
NUMBER OF STORAGE FACILITIES	3	3	3	3	3	3	3	2	2	2
MILES OF PIPE IN SERVICE (3)	64	65	65	65	66	50	50	12	12	12
ACTIVE BOOSTER STATIONS	3	3	3	2	4	3	3	2	2	2
ACTIVE WATER PRODUCTION WELLS	13	13	13	13	13	11	11	2	2	2
ACTIVE WATER BASINS	6	6	6	6	6	6	6	6	6	6
WATER METERS	780	771	760	753	751	751	722	760	770	770
POPULATION SERVED	2,815	2,805	2,492	2,228	2,251	2,307	2,303	2,303	2,290	2,290
NON POTABLE ACREAGE SERVED	1,088	1,088	1,088	1,088	1,088	1,088	-	-	-	-

(1) Does not include Palm Ave.

(2) Increased peak daily production amounts are due to Palm Ave. production. This water is transferred to WMWD.

(3) Miles of pipe in service revised for FY2010 to correct error

(4) Reduced production result of Agricultural portion of the Temescal Water Division being sold off in March 2015

AF = Acre Feet

MG = Million Gallons

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Wastewater Services</u>										
Regional	20,530	20,671	21,133	21,891	22,387	22,899	23,548	24,344	24,907	25,146
Railroad Canyon (1)	4,494	4,490	4,493	4,496	4,513	4,520	4,528	4,537	4,553	4,561
Southern (2)	4,564	4,574	4,575	4,577	4,577	4,577	4,577	4,577	4,577	4,577
Horsethief Canyon	2,047	2,054	2,054	2,054	2,054	2,054	2,055	2,052	2,052	2,052
Total	31,635	31,789	32,255	33,018	33,531	34,050	34,708	35,510	36,089	36,336
<u>Equivalent Dwelling Units</u>										
Regional	28,244	29,021	29,626	30,577	31,067	31,586	32,241	33,325	34,607	35,025
Railroad Canyon (1)	4,806	4,898	4,894	4,897	4,913	4,920	4,928	4,937	4,953	4,961
Southern (2)	5,017	5,064	5,069	5,086	5,086	5,086	5,086	5,078	5,079	5,079
Horsethief Canyon	2,071	2,097	2,097	2,097	2,097	2,097	2,098	2,052	2,052	2,052
Total	40,138	41,080	41,686	42,657	43,163	43,689	44,353	45,392	46,691	47,117
<u>Treatment Plant Capacity (MGD) (3)</u>										
Regional	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Railroad Canyon	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Horsethief Canyon	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
<u>Average Daily Flows (MG)</u>										
Regional	5.600	6.064	5.454	5.270	5.443	5.757	5.278	6.023	5.641	5.950
Railroad Canyon	0.775	0.800	0.698	0.702	0.754	0.641	0.569	0.705	0.696	0.696
Southern	0.807	0.868	0.820	0.849	0.803	0.754	0.795	0.734	0.768	0.768
Horsethief Canyon	0.380	0.376	0.370	0.368	0.357	0.354	0.337	0.342	0.333	0.331
Total	7.562	8.108	7.342	7.189	7.357	7.506	6.979	7.804	7.438	7.745

MG = Million Gallons

Services = Customer accounts with wastewater service

(1) Approximately 10% of Canyon Lake Sewer accounts are located in Eastern Municipal Water District

(2) Treatment for Southern Wastewater Division is contracted with Rancho California Water District

(3) All Treatment is Tertiary

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS (Continued)

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Design Peak Hourly Flows (MG)</u>										
Regional	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60
Railroad Canyon	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Horsethief Canyon	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70
<u>Average Daily Peak (MG)</u>										
Regional	6.430	7.100	6.263	5.959	6.427	6.427	5.880	7.048	6.478	6.863
Railroad Canyon	0.830	1.180	1.037	0.950	0.875	0.875	0.720	0.842	0.841	0.804
Horsethief Canyon	0.400	0.520	0.475	0.459	0.449	0.449	0.440	0.463	0.412	0.428
Total	7.660	8.800	7.775	7.368	7.751	7.751	7.040	8.353	7.731	8.095
<u>% of Capacity Used</u>										
Regional	70.0	75.8	68.2	6.9	68.0	72.0	66.0	75.3	70.5	74.4
Railroad Canyon	64.6	66.7	58.2	58.5	62.8	53.4	47.4	58.8	58.0	58.0
Horsethief Canyon	76.0	75.1	74.0	73.6	71.4	70.8	67.3	68.4	66.6	66.2
<u>Miles of Pipe in Service</u>										
Regional	270.0	282.6	291.8	291.8	296.8	296.8	300.0	313.3	305.4	306.8
Railroad Canyon	50.1	52.5	48.9	48.9	48.9	48.9	48.9	49.2	46.2	46.2
Southern	38.2	38.2	36.8	36.8	36.8	36.8	36.8	36.8	36.8	36.8
Horsethief Canyon	18.1	19.0	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7
Total	376.4	392.3	396.2	396.2	401.2	401.2	404.4	418.0	407.1	408.5
<u>Number of Lift Stations</u>										
Regional	26	26	26	28	28	28	28	29	29	29
Railroad Canyon	6	6	6	6	6	6	6	6	6	6
Horsethief Canyon	2	2	2	2	2	2	2	2	2	2
Total	34	34	34	36	36	36	36	37	37	37
<u>Recycled Water Production (MG)</u>										
Regional	2,046.1	2,298.0	2,118.6	2,044.4	1,986.6	2,101.3	1,926.6	2,198.3	2,059.0	2,172
Railroad Canyon	283.2	271.3	277.6	262.8	275.1	234.1	207.8	257.4	254.0	254.0
Horsethief Canyon	139.0	145.4	136.2	133.1	130.2	129.3	122.9	124.9	121.5	121.2
Total	2,468.3	2,714.7	2,532.4	2,440.3	2,391.9	2,464.7	2,257.3	2,580.6	2,434.5	2,546.9

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Water:</u>										
Administration	6.5	6.5	7.5	7.5	6.0	6.0	6.0	6.0	3.0	3.0
Water Resources Administration	-	-	-	-	1.0	2.0	2.0	2.0	1.0	1.0
Water Resources Planning	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Water Quality	11.5	11.0	9.0	8.0	5.0	5.0	5.0	5.0	5.0	5.0
Water Systems	-	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Electrical Maintenance	6.0	6.0	6.0	6.0	6.0	-	-	-	-	-
Field Services	-	-	8.0	8.0	11.0	11.0	11.0	11.0	8.0	8.0
Preventive Maintenance	9.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Construction	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	11.0	11.0
Mechanical Maintenance	7.0	7.0	9.0	9.0	9.0	11.0	11.0	11.0	12.0	12.0
Facilities Maintenance	9.0	9.0	8.0	8.0	5.0	5.0	5.0	5.0	5.0	5.0
Water Production	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Water Treatment	4.0	4.0	-	-	-	-	-	-	-	-
<u>Wastewater:</u>										
Administration	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater Systems	-	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Industrial Waste/Pretreatment	2.0	3.0	-	-	-	-	-	-	-	-
Wastewater Collections	11.0	11.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0
Wastewater Treatment	15.0	13.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
<u>Engineering:</u>										
Administration	3.0	3.0	4.0	5.0	4.0	4.0	4.0	4.0	3.0	8.0
Strategic Programs	-	-	-	-	6.0	2.0	2.0	2.0	2.0	2.0
Capital Design/Construction & Development Services	10.0	10.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY (Continued)

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>General and Administrative:</u>										
Administration	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	11.0	5.0
Legislative & Community Affairs	3.0	3.0	3.0	3.0	3.0	5.0	5.0	5.0	-	-
Government Relations	-	-	-	-	-	-	-	-	1.0	1.0
Human Resources/Safety	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	5.0	5.0
<u>Business Services</u>										
Administration	-	-	-	-	3.0	1.0	1.0	1.0	2.0	3.0
Finance & Accounting	12.0	12.0	13.0	13.0	11.0	11.0	11.0	11.0	13.0	13.0
Customer Service	11.0	11.0	13.0	13.0	14.0	14.0	14.0	14.0	-	-
Community Relations	-	-	-	-	-	-	-	-	18.0	18.0
Meter	8.0	8.0	6.0	6.0	-	-	-	-	-	-
Purchasing/Warehousing	4.0	4.0	4.0	4.0	-	4.0	4.0	4.0	4.0	4.0
Information Technology	5.0	5.0	5.0	6.0	6.0	9.0	9.0	9.0	10.0	10.0
Total	170.0	168.5	166.5	167.5	163.0	164.0	164.0	164.0	169.0	169.0

Source: Elsinore Valley Municipal Water District

WATER AND WASTEWATER PREMISES⁽¹⁾

Last Ten Fiscal Years

Year	Water			Wastewater					% of Wastewater vs. Water
	Elsinore	Temescal	Total Water	Regional	Railroad Canyon	Southern	Horsethief Canyon	Total Wastewater	
2019	43,853	712	44,565	25,068	4,149	4,575	2,052	35,844	80.4 %
2018	43,591	712	44,303	24,837	4,136	4,575	2,052	35,600	80.4
2017	42,885	713	43,598	24,166	4,120	4,575	2,052	34,913	80.1
2016	41,917	714	42,631	23,348	4,114	4,575	2,055	34,092	80.0
2015	41,344	755	42,099	22,797	4,102	4,575	2,054	33,528	79.6
2014	40,816	755	41,571	22,289	4,095	4,575	2,054	33,013	79.4
2013	40,218	755	40,973	21,699	4,086	4,573	2,054	32,412	79.1
2012	39,522	755	40,277	21,009	4,085	4,573	2,054	31,721	78.8
2011	37,516	754	38,270	19,996	4,084	4,573	2,054	30,707	80.2
2010	37,312	761	38,073	19,751	4,083	4,571	2,054	30,459	80.0

⁽¹⁾Premise = A distinct property to which the District provides water and/or wastewater service.

Source: Elsinore Valley Municipal Water District

ACTIVE METERS ⁽¹⁾ BY METER SIZE - ENTIRE DISTRICT

Last Ten Fiscal Years

Meter Size	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
3/4"	36,317	36,514	38,262	38,968	39,560	40,080	40,650	41,292	42,041	42,293
1"	1,480	1,486	1,707	1,711	1,719	1,727	1,763	2,015	2,035	2,069
1-1/2"	358	360	375	376	384	390	399	410	409	426
2"	777	790	814	817	815	816	832	854	837	860
3"	49	49	48	48	48	48	55	58	50	59
4"	56	56	57	57	57	57	73	78	60	78
6"	14	16	14	14	14	14	11	16	15	17
8"	8	8	8	10	10	10	6	9	9	9
Other	2	2	2	2	2	2	2	2	2	2
Totals	39,061	39,281	41,287	42,003	42,609	43,144	43,791	44,734	45,458	45,813
Increase (Decrease)	314	220	2,006 (2)	716	606	535	647	943	724	355
% Change	0.8	0.6	5.1	1.7	1.4	1.3	1.5	2.2	1.6	0.8

Source: Elsinore Valley Municipal Water District

(1) - Includes Potable, Non-Potable and Recycled Water Meters

(2) - Includes addition of approximately 1,600 Elsinore Water District customers

SCHEDULE OF IMPORTED WATER COSTS (PER ACRE FOOT)

Last Ten Fiscal Years

Calendar Year	MWD	MWD	WMWD	Total	MWD	Total	WMWD	EMWD	% of
	Untreated Rate-Tier 1 ⁽¹⁾	Untreated Rate-Tier 2 ⁽¹⁾	Admin Surcharge	Imported Water Costs Untreated-Tier 1	Treated Surcharge	Imported Water Costs Treated-Tier 1	Pipeline Surcharge ⁽²⁾	Surcharge ⁽²⁾	Rate Increase
2019	731.00	817.00	22.02	753.02	319.00	1,072.02	14.88	11.00	3.4 %
2018	695.00	781.00	21.38	716.38	320.00	1,036.38	14.45	11.00	3.7
2017	666.00	760.00	20.76	686.76	313.00	999.76	13.76	11.00	3.9
2016	594.00	728.00	20.16	614.16	348.00	962.16	13.10	11.00	2.1
2015	582.00	714.00	19.57	601.57	341.00	942.57	12.72	11.00	3.7
2014	593.00	735.00	19.00	612.00	297.00	909.00	12.35	11.00	5.0
2013	593.00	743.00	18.45	611.45	254.00	865.45	12.00	11.00	6.5
2012	560.00	686.00	18.45	578.45	234.00	812.45	3.50	11.00	7.4
2011	527.00	652.00	12.30	539.30	217.00	756.30	3.50	11.00	6.4
2010	484.00	594.00	9.75	493.75	217.00	710.75	3.50	11.00	21.4

(1) In January 2003, MWD implemented a new two-tiered commodity rate structure

(2) The District pays either the WMWD Pipeline Surcharge (\$13.76) or the EMWD (\$11.00) surcharge depending upon which connection is used to import water in addition to the total imported water cost-tier 1

MWD Metropolitan Water District of Southern California

EMWD Eastern Municipal Water District

WMWD Western Municipal Water District

Source: Elsinore Valley Municipal Water District

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**Data
Section**

DISTRICT EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Covered Payroll	\$ 10,555,613	\$ 10,977,158	\$ 10,755,416	\$ 11,336,235	\$ 11,676,322	\$ 12,307,222	\$ 12,648,098	\$ 12,560,469	\$ 12,085,954	\$ 13,200,674 ⁽³⁾
Employer contributions	1,663,744	1,712,033	1,927,567	2,099,215	2,232,962	2,500,495	2,656,957	2,742,846	2,907,458	3,303,806 ⁽³⁾
Employer contribution rate	16.951%	15.911%	18.690%	18.460%	19.124%	20.323%	21.019%	21.871%	24.057%	25.028%
Employer paid employee contributions	284,490	289,227	361,987	36,519	10,253	10,465	10,320	10,420	9,875	10,320
Employer paid employee contributions rate	2.7%	2.6%	3.4%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total PERS contribution	1,948,234	2,001,260	2,289,554	2,135,734	2,243,215	2,510,960	2,667,277	2,753,266	2,917,333	3,314,126
Total contributions expressed as a percentage of annual covered payroll	18.5%	18.2%	21.3%	18.8%	19.2%	20.4%	21.1%	21.9%	24.1%	25.1%
Funded Ratio	80.3%	80.9%	80.3%	72.7%	83.4%	80.4%	77.7%	81.4%	78.1%	(1)
Actuarial Value of Assets	40,014,300	44,147,436	48,400,143	48,081,812	57,572,891 ⁽²⁾	59,780,252 ⁽²⁾	60,676,954 ⁽²⁾	67,736,143 ⁽²⁾	73,332,813 ⁽²⁾	(1)
Actuarial Accrued Liability Entry Age	49,855,928	54,553,706	60,276,523	66,098,457	69,051,295 ⁽⁴⁾	74,365,247 ⁽⁴⁾	78,079,621 ⁽⁴⁾	83,206,291 ⁽⁴⁾	93,839,849 ⁽⁴⁾	(1)
Unfunded actuarial accrued liability	9,841,628	10,406,270	11,876,380	18,016,645	16,792,356	18,299,369	22,529,337	26,103,706	24,836,475	(1)
Unfunded actuarial accrued liability as a percent of payroll	93.2%	94.8%	110.4%	158.9%	143.8%	148.7%	178.1%	207.80%	205.50%	(1)
Normal cost	11.328%	11.217%	11.502%	11.559%	12.056%	12.023%	12.417%	12.297%	12.126%	12.203%

(1) Information not available

(2) Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2018

(3) Information from District Financial Report, as of June 30, 2019

(4) Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2018

Source: Elsinore Valley Municipal Water District and California Public Employees' Retirement System (CalPERS)

ASSESSED VALUATION OF TAXABLE PROPERTY WITHIN THE DISTRICT
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>	<u>Percent Change</u>
2019	\$ 14,944,680,499	\$ 134,066,120	\$ 15,078,746,619	7.2%
2018	13,929,748,871	135,323,188	14,065,072,059	5.5
2017	13,198,752,201	135,011,969	13,333,764,170	6.4
2016	12,394,604,722	134,577,017	12,529,181,739	6.6
2015	11,620,114,190	133,947,841	11,754,062,031	11.2
2014	10,437,685,697	135,314,622	10,573,000,319	3.9
2013	10,039,498,908	138,576,094	10,178,075,002	(1.4)
2012	10,182,807,916	141,507,428	10,324,315,344	1.0
2011	10,075,507,324	143,893,216	10,219,400,540	(4.9)
2010	10,605,520,638	142,393,688	10,747,914,326	(15.5)

Source: County of Riverside

CAPITAL EXPENDITURES

Last 10 Fiscal Years

