

WEST BASIN MUNICIPAL WATER DISTRICT

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Fiscal Year Ended
June 30, 2025



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*West Basin Municipal
Water District*

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

(With comparative totals for prior year)

Prepared by:
Finance Department

17140 S. Avalon Blvd.
Carson, California 90746

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West Basin Municipal Water District

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West Basin Municipal Water District

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TO THE BOARD OF DIRECTORS AND CUSTOMERS OF WEST BASIN MUNICIPAL WATER DISTRICT:

West Basin Municipal Water District (West Basin) is pleased to present the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year 2024-25, which concluded June 30, 2025. This report is intended to provide the Board of Directors, West Basin’s customers, the public, and other stakeholders with a comprehensive financial outlook of West Basin’s operations. It is also prepared in compliance with California law requiring special districts to submit an audited annual financial report to the State Controller within seven months after the close of the fiscal year. Moreover, certain bond covenants obligate West Basin to file a financial report with the Municipal Securities Rulemaking Board (MSRB) within 270 days of fiscal year-end.

West Basin has been honored for fiscal year ended June 30, 2024, with a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This was the 18th consecutive year West Basin has achieved this prestigious award. This award attests to a report’s readability, organization, and conformity with generally accepted accounting principles and other legal requirements. We believe our current ACFR meets GFOA’s standards, and we have submitted it for consideration of another Certificate of Achievement.

The West Basin staff prepared this ACFR in conjunction with the independent auditors at Roger, Anderson, Malody & Scott, LLP, who have issued an unmodified (or “clean”) opinion on the financial statements for the year ended June 30, 2025. The independent auditors’ report appears at the beginning of the financial section. Immediately following is Management’s Discussion and Analysis (MD&A), which offers a narrative overview and analysis of the basic financial statements. The MD&A and the Notes to the Financial Statements are intended to supplement this transmittal letter and should be read in conjunction with it.

This report reflects management’s full responsibility for the completeness and reliability of the information presented to the best of our knowledge.

BOARD OF DIRECTORS

Gloria D. Gray
President

Donald L. Dear
Vice President

Scott Houston
Treasurer

Desi Alvarez
Secretary

Tommy Faavae
Director

ABOUT WEST BASIN MUNICIPAL WATER DISTRICT

West Basin Municipal Water District (West Basin), an innovative and award-winning public agency, is a special district of the State of California that provides imported drinking water, produces recycled water and provides water-use efficiency and water education programs to nearly one million residents in an approximately 185-square mile service area in coastal, southwest Los Angeles County.

West Basin is governed by an elected five-member Board of Directors, with each director serving a designated division of the District. The Board of Directors guides the mission and policy of West Basin. Directors serve four-year terms.

West Basin is a member agency of the Metropolitan Water District of Southern California (MWD), a cooperative of twenty-six member agencies including cities and water agencies. West Basin sells the imported water it purchases from Metropolitan to cities, water agencies and private water companies in its service area.

Recycled water is the cornerstone of West Basin's efforts to increase regional water reliability by augmenting local supplies. The District's award-winning Edward C. Little Water Recycling Facility in El Segundo, California and its satellite plants are the only facility network in the world that produces five types of customer tailored waters. The system produces varying qualities of water for: irrigation; industrial cooling towers; high- and low-pressure boiler feeds; and seawater barrier water for groundwater replenishment and protection. West Basin provides recycled water through nearly 600 connections to industrial, commercial and public facilities in the service area.

To protect our local (West Coast Basin) groundwater aquifer from seawater intrusion, West Basin currently provides highly purified recycled water to the Water Replenishment District of Southern California (WRD) for injection into the West Coast seawater barrier. While West Basin does not pump groundwater, the District supports it as a valuable source of water for many of the communities within our service area.

The Water for Tomorrow Program is West Basin's approach to ensuring the reliability of the regions' water future by focusing on a commitment to protecting, securing and diversifying its water supply while continuing its history of innovation and industry leadership. This includes reducing dependence while increasing the reliability of our imported water supply, expanding conservation efforts, maximizing water recycling and previously evaluating ocean water desalination as a local, drought-resilient resource.

West Basin continues to invest in staff, operations and programs to maintain high standards within our workforce the District regularly engages with the community through conservation programs, education, community partnerships, small and local business opportunities and other programs focused on providing value to our service area.

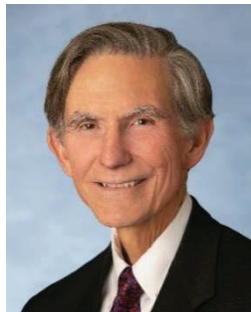
BOARD OF DIRECTORS



Gloria D. Gray
President
Division II



Donald L. Dear
Vice President
Division V



Desi Alvarez
Secretary
Division III



Scott Houston
Treasurer
Division IV



Tommy Faavae
Director
Division I

EXECUTIVE TEAM

Edward J. Caldwell – General Manager
Eric Owens – Assistant General Manager
Barkev Meserlian – Executive Manager of Strategic Programs

MANAGEMENT TEAM

Finance and Administration

Wendy O’Kelly – Chief Financial Officer
Desiree Quintero – Manager of Administration
Elisa Misenas-Fidaleo – Manager of Human Resources

Engineering and Operations

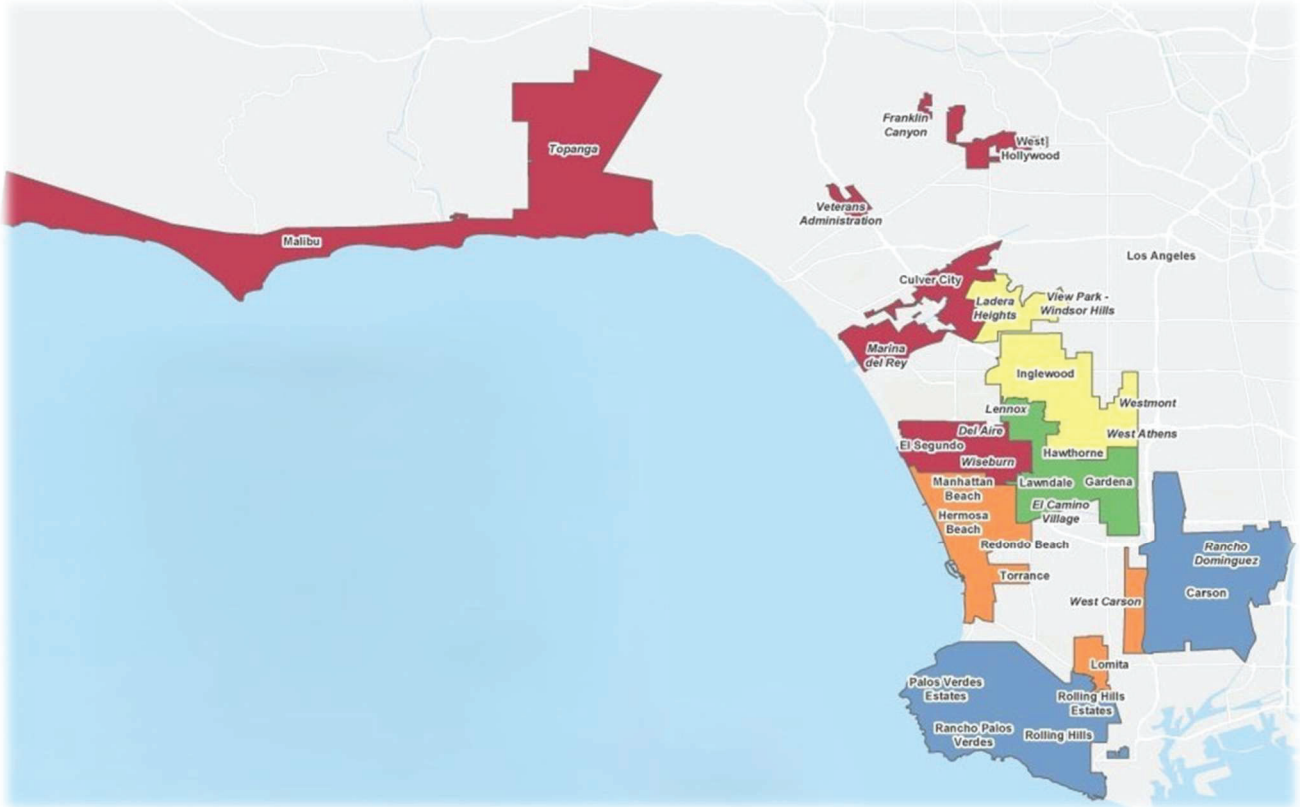
Susanna Li – Manager of Engineering
Uzi Daniel – Manager of Operations

Water Policy and Resources, and Public Information and Education

Matthew Veeh – Manager of Water Policy & Resources
Darryl Ramos-Young – Manager of Communications

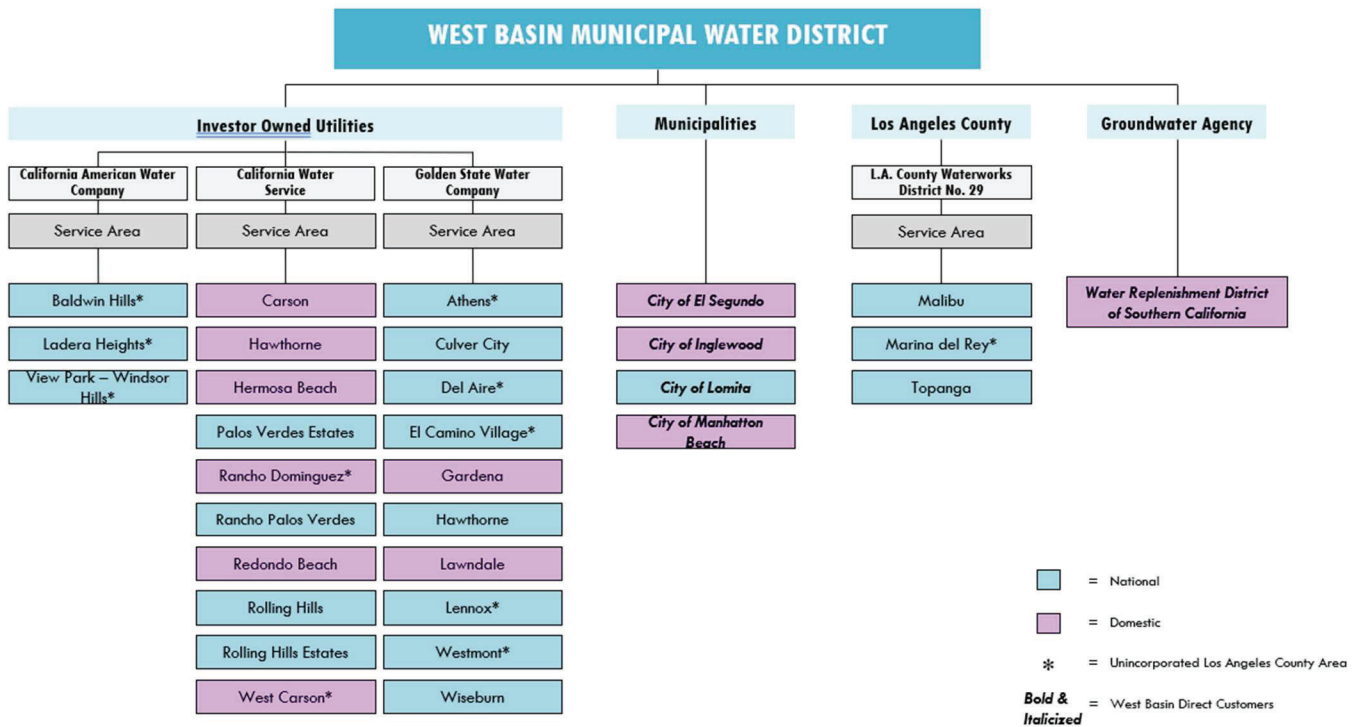
SERVICE AREA

West Basin Municipal Water District provides water to nearly one million residents across 17 cities and unincorporated areas of Los Angeles County.



STATISTICS

District Demographics	
Formed	December 17, 1947
Estimated Population	869,252
Area Served	185 Sq. Miles - 17 cities and unincorporated areas of LA County
Water Portfolio	Potable and Recycled
Avg. Residential Parcel Size	9,240 square feet
Avg. Median Income	\$92,454 – Service area
Lowest Median Income	\$26,683 – Westmont
Highest Median Income	Over \$250,000 – Rolling Hills



TYPES OF RECYCLED WATER

West Basin produces five types of customer-tailored recycled water for a variety of commercial and landscape water needs.



HISTORY

As early as 1918, water levels in local groundwater basins had dropped so low that salt water from the ocean began seeping and contaminating groundwater. Lawns in coastal Los Angeles were dying from salty water, and well water was so salty it was often undrinkable. In the 1940s, studies showed that the local groundwater aquifer was being depleted at a much faster rate than it was being recharged or refilled.

At that time, one solution to the groundwater contamination problem was to supply the region with imported water through MWD. In 1947, West Basin was formed by a vote of the people to serve as a wholesale agency to distribute imported water throughout its service area. In 1948, West Basin became a member agency of MWD, an agency that imports water from the Colorado River, and later would also import water from Northern California. For the next several decades, West Basin served its customer agencies and communities solely as a wholesale provider of imported water.

As a result of the extreme drought of the late 1980s and early 1990s, West Basin leaders decided to diversify the agency's water portfolio to include water use efficiency and water reuse to provide a more reliable supply of water for future generations. Early efforts included building the world's only water recycling facility that would convert treated sewer water into five different types of high-quality recycled water suitable for groundwater recharge, irrigation, municipal, industrial and commercial uses.

The benefits generated by the water recycling program include more affordable water rates for customers, a reliable and locally controlled supply of recycled water, reduced energy use by importing less water from hundreds of miles away, reduced wastewater and biosolids discharged to the ocean, and use of recycled water as a sustainable resource. The drought of the early 1990s also increased awareness about water conservation and resulted in West Basin's utilization of demand measurements, including conservation, as a new water supply alternative. West Basin currently offers free programs, classes, and events for residents and businesses to learn how to reduce their consumption of water and maximize water use efficiency indoors and outdoors.

Today, West Basin is an international water industry leader hosting visitors from around the globe. West Basin is focused on providing value to its customers and achieving water reliability for the region through a diverse supply of water that includes imported, recycled, desalted and conserved water. All West Basin departments contribute to the agency's efforts to meet the goals and objectives of the Board of Directors' Strategic Business Plan.

MAJOR ACCOMPLISHMENTS

Water Supply Reliability

West Basin successfully implemented Water Shortage Contingency Plan response actions, including communication protocols, in response to a Level 3 Shortage declaration. Continued support was provided for the Membrane Bioreactor Pilot Study led by Los Angeles Sanitation and Environment (LASAN). The Climate Change Vulnerability Assessment and Mitigation Plan was completed, demonstrating proactive environmental stewardship. Chemical storage tanks were assessed and prioritized for proactive replacement to prevent potential equipment failures. The agency also ensured the timely submission of the 2024–2025 Annual Water Supply and Demand Assessment in accordance with California statute and issued the 2023–2024 Annual Water Use Report. Additionally, staff provided valuable support for retrofit design, plan review, and approvals to help customers connect to recycled water systems.

Sound Financial and Resource Management

The organization completed the implementation of a new water billing system, strengthening financial operations and customer service efficiency. Staff actively participated in college and university job fairs to promote diversity and attract new talent. A new process and form were created to capture Small and Local Subcontractor spending, emphasizing equitable contracting. The District also conducted Diversity, Equity, and Inclusion training for all employees. Significant grant funding was secured through the U.S. Bureau of Reclamation, California Department of Water Resources, the California Governor’s Office of Emergency Services, and the U.S. Army Corps of Engineers.

Customer Service

The agency collaborated with purveyors to plan sampling and reporting for the U.S. Environmental Protection Agency’s UCMR 5 program, reviewing and approving results from the contract laboratory. It hosted several in-person Firescaping and California Friendly Landscape classes, coordinated the distribution of 1,450 rain barrels, and partnered with local high schools and nonprofit organizations to support these events. The agency completed 34 landscape design packages to assist residents applying for the Grass Replacement Rebate Program and delivered 35 free parkway conversions as part of the new Parkway Beautification Program, prioritizing disadvantaged and low-income communities.

Environmental Stewardship

The agency made substantial progress in environmental outreach and stakeholder engagement, particularly in the areas of conservation, regulatory awareness, and workforce development. We actively supported participation in grass replacement initiatives and a variety of water-use efficiency incentive programs, helping to reduce landscape water

demand community-wide. Concurrently, we drove awareness of the newly adopted “Making Conservation a California Way of Life” regulation, educating stakeholders on how it establishes individualized efficiency goals for urban water suppliers and encourages locally tailored conservation strategies. Through effective communication and outreach efforts, we promoted career opportunities in the water industry, building on our ongoing education and recruitment programs to attract diverse talent. Finally, by engaging stakeholders through meetings, targeted messaging, outreach events, and transparent information sharing, we increased public understanding of West Basin’s operations and reinforced trust in our programs and mission.

FINANCIAL INFORMATION

Accounting System

As required by Generally Accepted Accounting Principles for enterprise funds, accounts are maintained, and financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows. West Basin’s Finance department is responsible for the overall accounting and finance functions, which include cash management, treasury and debt management, accumulation and processing of accounting information, financial reporting, and contracts administration.

Internal Controls

West Basin’s management is charged with establishing and maintaining a robust system of internal accounting controls to safeguard assets and to ensure that financial transactions are properly recorded, fully documented, and in compliance with applicable policies and standards. In applying these controls, management exercises prudent judgment to balance costs and benefits, using cost-estimates and rationale to provide reasonable assurance of control effectiveness.

In recent audit cycles, no material weaknesses or significant deficiencies in internal controls have been identified that would warrant serious concern. Where auditors or internal reviews have offered recommendations for improvement, management has addressed them proactively to further strengthen controls and support transparency and accountability.

Budget Process and Controls

Public agencies craft budgets not just as financial blueprints, but as a performance tool to uphold accountability to stakeholders. At West Basin, the budget is structured around the priorities, goals, and objectives defined by the Board of Directors in its Strategic Business Plan. That Plan was shaped through extensive interviews with Board members, management, key staff, and external stakeholders, ensuring it reflects a broad and informed perspective. The Strategic Business Plan then guides every phase of the process — planning, budgeting, implementation, evaluation, and reporting.

Because the environment in which West Basin operates is dynamic, the Plan is designed as a “living” document: it has no fixed end date and is regularly refined as the agency’s needs evolve. The budget also functions as a key communication tool: bondholders, credit rating agencies, customers, and other parties can review it to gain insight into West Basin’s short- and long-term strategies, financial policies, and overall fiscal stability. In this way, the budget underscores the agency’s commitment to fiscal responsibility and operational transparency.

Practically speaking, the budget illustrates how revenues from user fees and fixed funding sources will be invested in mission-critical programs. To ensure alignment, the General Manager disseminates the Board’s strategic goals and the current year’s budget objectives to staff so that the proposed budget supports attainment of those goals. High-level objectives also appear in the monthly Board memos, reinforcing accountability to the Board’s directives. As best practice, West Basin prepares, adopts, monitors, and reports on budget performance quarterly to the Board of Directors.

Long-Term Financial Planning

Over the years, West Basin has taken a proactive approach to managing its financial health striking a balance between meeting both short-term and long-term operating and capital needs. This approach encompasses:

- Adopting an annual operating budget
- Maintaining a five-year financial forecast
- Developing robust financial policies
- Establishing a target debt coverage level

These tools demand a strategic and collaborative approach to ensure West Basin meets its long-term goals in a fiscally responsible manner.

Credit Rating and Debt Coverage

West Basin currently holds a Aa3 credit rating from Moody’s and a AA- rating from Standard & Poor’s. To preserve these high credit standings, West Basin has internally established debt coverage targets, periodically revised its financial policies, and adjusted rates and charges when necessary. The Board of Directors has formally adopted comprehensive financial policies, which are publicly accessible via West Basin’s website under the Administrative Code. These deliberate fiscal practices underscore West Basin’s strong managerial discipline and transparency, and they play a critical role in securing favorable financing terms for its capital projects. For a decade-long historical view of the agency’s debt coverage performance, see Table 17 in the Statistical Section.

Designated Funds

West Basin’s financial structure includes both restricted and unrestricted funds. Restricted funds encompass custodial accounts and bond reserves, which are governed by the terms and conditions articulated in the underlying bond financing agreements. The unrestricted reserves are annually designated by the Board of Directors under the authority of the Board-approved policy, which is itself subject to periodic review and revision.

These Designated Funds—often termed the Reserve Policy—are a key indicator of the agency’s fiscal strength and resilience. The policy is intended to preserve West Basin’s ability to sustain operations, withstand financial stress, and support its mission over the long term. Although the policy does not prescribe rigid target balances, staff develop internally based benchmarks through the Long-Range Financial Plan. Each year, these benchmarks are recalibrated based on the forecasted operating budget, capital improvement program, and historic financial experience.

The cumulative total of the core reserve components constitutes an overall threshold. This threshold triggers Board review and action if fund balances approach or dip below the target level, thereby promoting corrective measures in a proactive manner. Through this structured but flexible approach, West Basin maintains the discipline and adaptability necessary to uphold strong financial stewardship.

Source of Revenue

West Basin primarily receives its source of revenue from imported and recycled water sales. Imported water sales and charges totaled \$178 million for the fiscal year ending June 30, 2025, while recycled water sales amounted to \$49 million for the same period. More detailed information regarding West Basin’s revenues is presented in the statistical section Table 6: Payors-Potable Water Sales and Table 7: Payors-Recycled Water Sales.

Water Rates

West Basin establishes rates and charges annually through a resolution by the Board of Directors. The statistical section provides more detailed information about the rates under Table 11: Average Water Rates Per Acre-Foot (Last 10 Fiscal Years) and Table 12: Imported Water Rates.

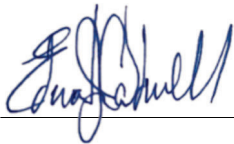
West Basin Personnel

West Basin currently employs 50 full-time employees in the operations, planning, communications and engineering departments, accounting, and administration fields.

Acknowledgements

We would like to thank the members of the Board of Directors for their continued support in the completion of this document and the implementation of projects throughout the year and recognize members of the finance staff who contributed to this report.

Respectfully,



Edward J. Caldwell
General Manager



Wendy O. Kelly
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**West Basin Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

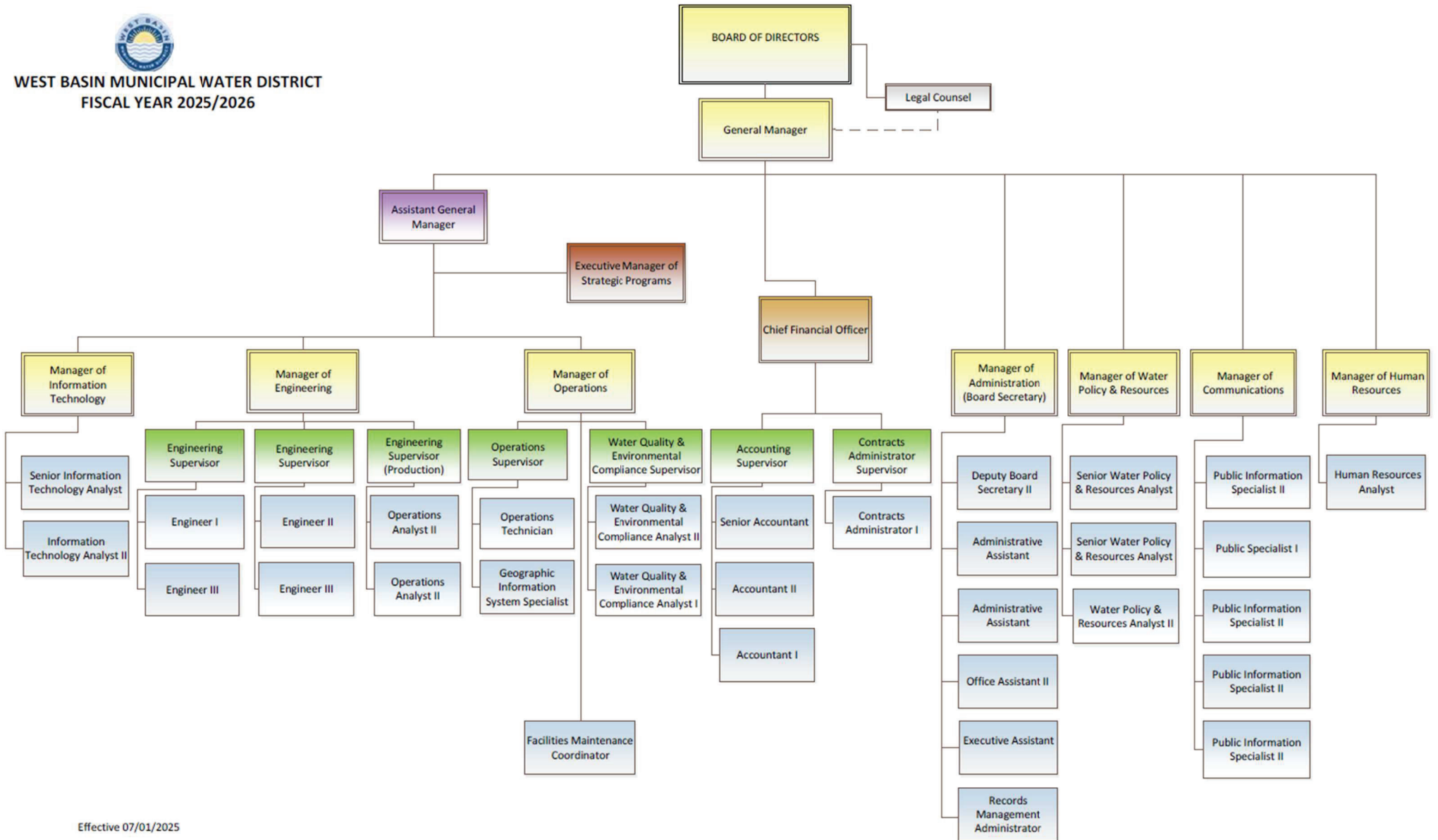
June 30, 2024

Christopher P. Morill

Executive Director/CEO



WEST BASIN MUNICIPAL WATER DISTRICT
FISCAL YEAR 2025/2026



Effective 07/01/2025

Independent Auditor's Report

Board of Directors
West Basin Municipal Water District
Carson, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary fund of the West Basin Municipal Water District (West Basin) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise West Basin's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary fund of West Basin as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and state regulations governing Special Districts.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2025, West Basin adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Basin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the schedules listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited West Basin’s 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 West Basin's internal control over financial reporting and compliance.

Rogers, Anderson, Malochy & Scott, LLP.

San Bernardino, California
December 12, 2025

West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

The following Management's Discussion and Analysis (MD&A) of the financial performance of the West Basin Municipal Water District (or "West Basin") provides an introduction to the financial statement of West Basin for the fiscal year that ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the introductory section, the basic financial statements, and related notes that follow this section.

MAJOR FINANCIAL ACTIVITIES

- West Basin's imported water sales were \$178,258,539 and the imported water purchases were \$143,339,874 resulting in net revenue of \$34,918,665.
- West Basin's recycled water sales were \$48,540,781 and recycled water costs were \$52,618,388 resulting in net loss of \$4,077,607.
- West Basin had a positive Change in Net Position of \$9,135,737 in fiscal year 2025 due to increased operating revenues and a decrease in recycled water costs.
- As of June 30, 2025, West Basin had a Net Asset of \$788,505 for the Other Post-Employment Benefits (OPEB) Plan, a Net Pension Asset of \$201,717 for the Public Agency Retirement System (PARS) Retirement Plan and a Net Pension Liability of \$3,641,461 for the Public Employees' (PERS) Retirement Plan. Standby charge revenue decreased by \$285,187. Due to the 2017 class action lawsuit contesting West Basin's standby charge, this charge will undergo a phased reduction and eventually be eliminated by 2030.
- West Basin received \$8,083,334 in capital contributions.
- Total Net Position in fiscal year 2025 is \$223,232,176. Net investment in capital assets is \$148,900,298.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of West Basin using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of West Basin's Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources with the difference between the four reported as Net Position. Net Position is displayed in the following categories: Net Investment in Capital Assets and Unrestricted Net Position. This statement provides the basis for evaluating the capital structure of West Basin and assessing the liquidity and financial flexibility of West Basin.

West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

The Statement of Revenues, Expenses and Changes in Net Position present information that shows the results of West Basin financial performance during the year. All of the current year's revenues and expenses are accounted for in this statement. The Statement measures the success of West Basin's operations over the past year and determines whether West Basin has recovered its costs through user fees and other charges.

The Statement of Cash Flows provides information regarding West Basin's cash receipts, cash disbursements and net changes in cash resulting from operating, non-capital financing, capital financing and investing activities. This statement provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements as well as a description of the accounting policies used to prepare the financial statements. It also presents material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The Notes to the Financial Statements can be found on pages 19 through 55.

REQUIRED SUPPLEMENTARY INFORMATION

The required supplementary information provides additional information for West Basin's PARS, PERS and OPEB programs. It can be found on pages 55 through 62.

Statement of Net Position (as of June 30)

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets			
Current unrestricted assets	\$116,613,584	\$103,042,106	\$ 13,571,478
Current restricted assets	2,443	2,932	(489)
Capital assets, net	359,741,147	367,978,550	(8,237,403)
Other assets	3,120,206	8,093,017	(4,972,811)
Total Assets	<u>479,477,380</u>	<u>479,116,605</u>	<u>360,775</u>
Deferred Outflows of Resources	<u>7,703,107</u>	<u>9,483,196</u>	<u>(1,780,089)</u>
Liabilities			
Current liabilities	60,009,155	65,268,837	(5,259,682)
Long-term liabilities	201,259,106	205,885,833	(4,626,727)
Total Liabilities	<u>261,268,261</u>	<u>271,154,670</u>	<u>(9,886,409)</u>
Deferred Inflows of Resources	<u>2,680,050</u>	<u>3,348,692</u>	<u>(668,642)</u>
Net Position			
Net investment in capital assets	148,900,298	153,982,926	(5,082,628)
Restricted for pensions OPEB	990,222	1,139,925	(149,703)
Unrestricted	73,341,656	58,973,588	14,368,068
Total Net Position	<u>\$223,232,176</u>	<u>\$214,096,439</u>	<u>\$ 9,135,737</u>

West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

STATEMENT OF NET POSITION

Current unrestricted assets increased by \$14 million largely due to an overall increase in total revenues from \$214 million in fiscal year 2024 to \$236 million in fiscal year 2025 and a \$7 million increase in operating expenses from \$223 million in fiscal year 2024 to \$230 million in fiscal year 2025.

Total capital assets net of depreciation and amortization decreased by \$8 million due to the expiration of leases. The remaining is attributed to the current year's depreciation.

During fiscal year 2025, current liabilities decreased by \$11 million due to a decrease in accounts payable by \$6 million and a \$5 million decrease in current portion of long-term debt. Long-term liabilities decreased by \$1.4 million due to principal payments made in the current year towards its outstanding bonds and a \$12 million draw on the State Revolving Fund Loan.

Net Position measures West Basin's financial health or financial position. Over time, increases or decreases in West Basin's net position are indicators of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, changes in population, new or changed government legislation, etc. The Condensed Statement of Net Position shows that Assets and Deferred Outflows of West Basin net of Liabilities and Deferred Inflows increased by \$9 million in fiscal year 2025. The increase in Net Position is also shown in Condensed Statements of Revenue, Expense, and Changes in Net Position.

A large portion of West Basin's net position (\$148,900,298 and \$153,982,926 as of June 30, 2025 and 2024, respectively) reflects the West Basin's net investment in capital assets (net of accumulated depreciation) less any related debts used to acquire those assets that are still outstanding. West Basin uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

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West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

Statements of Revenue, Expenses and Changes in Net Position (for the year ended June 30)

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues			
Operating revenues			
Imported water sales	\$ 178,258,539	\$ 158,584,269	\$ 19,674,270
Recycled water sales	48,540,781	38,939,562	9,601,219
Water use efficiency	237,853	319,706	(81,853)
Monitoring revenue	16,201	8,274	7,927
Total operating revenues	<u>227,053,374</u>	<u>197,851,811</u>	<u>29,201,563</u>
Non-Operating revenues			
Standby charges	5,576,479	5,861,666	(285,187)
Investment income	3,340,455	3,766,232	(425,777)
Other non-operating revenues	287,842	6,994,003	(6,706,161)
Total non-operating revenues	<u>9,204,776</u>	<u>16,621,901</u>	<u>(7,417,125)</u>
Total revenue	<u>236,258,150</u>	<u>214,473,712</u>	<u>21,784,438</u>
Expenses			
Operating expenses			
Imported water purchase	143,339,874	130,718,907	12,620,967
Recycled water costs	52,618,388	56,770,189	(4,151,801)
Depreciation	25,136,067	26,360,350	(1,224,283)
Public information and education	4,197,479	3,879,363	318,116
Water policy	1,716,581	2,012,011	(295,430)
Water use efficiency	1,803,262	2,029,632	(226,370)
Project planning	637,072	926,478	(289,406)
Monitoring	44,340	26,514	17,826
Total operating expenses	<u>229,493,063</u>	<u>222,723,444</u>	<u>6,769,619</u>
Non-Operating expenses			
(Gain)/loss on disposition of assets	-	(612,961)	612,961
Interest expense	5,712,684	6,255,687	(543,003)
Total non-operating expenses	<u>5,712,684</u>	<u>5,642,726</u>	<u>69,958</u>
Total expenses	<u>235,205,747</u>	<u>228,366,170</u>	<u>6,839,577</u>
Net Income (loss) before capital contributions	<u>1,052,403</u>	<u>(13,892,458)</u>	<u>14,944,861</u>
Capital Contributions	<u>8,083,334</u>	<u>8,397,309</u>	<u>(313,975)</u>
Change in Net Position	<u>9,135,737</u>	<u>(5,495,149)</u>	<u>14,630,886</u>
Net position - Beginning of year	<u>214,096,439</u>	<u>219,591,588</u>	<u>(5,495,149)</u>
Net position - End of year	<u>\$ 223,232,176</u>	<u>\$ 214,096,439</u>	<u>\$ 9,135,737</u>

West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position reflects that West Basin's net position increased by \$9,135,737 for the fiscal year ending June 30, 2025.

A closer examination of the sources of changes in net position reveals that:

- Total Operating Revenues increased by \$29,201,563 from fiscal year 2024 to 2025. Imported water sales increased by \$19,674,270 from fiscal year 2024 to 2025. The increase in imported water sales was due to an 11% rate increase of the imported water from Metropolitan Water District (MWD) from the fiscal year 2024 to 2025, and a 10% increase of West Basin's Reliability Service Charge from fiscal year 2024 to 2025.
- Imported Water Purchase increased by \$9,601,219 due to the rate increase from MWD.
- Recycled Water Costs decreased by \$4,151,801 from fiscal year 2024. The decrease is primarily due to lower recycled water production during fiscal year 2025, which reduced variable operating costs such as chemicals, energy, and maintenance, as well as several non-recurring repair and maintenance activities that were completed in fiscal year 2024 and did not repeat in fiscal year 2025.

Non-operating expenses increased by \$70 thousand due to a gain on the disposition of assets in fiscal year 2024 and a decrease in interest expense of \$543 thousand in fiscal year 2025.

WEST BASIN MUNICIPAL WATER DISTRICT CAPITAL AND INTANGIBLE ASSETS

Capital Assets include land, discharge capacity rights, water facilities, potable distribution system, education center, buildings and improvements, furniture, fixtures, equipment, construction in progress and intangible right-to-use assets.

The following is a summary of capital assets:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Land	\$ 25,211,646	\$ 25,211,646	\$ -
Discharge capacity	621,189	621,189	-
Water facilities	673,966,862	672,847,576	1,119,286
Building and improvements	4,775,126	4,775,126	-
Potable distribution system	1,241,681	1,241,681	-
Furniture, fixtures, and equipment	3,292,357	3,135,719	156,638
Construction in progress	67,016,360	51,562,366	15,453,994
Right to use - leases	1,173,922	1,126,847	47,075
Right to use - SBITA	647,724	647,724	-
Accumulated depreciation/amortization	<u>(418,205,720)</u>	<u>(393,191,324)</u>	<u>(25,014,396)</u>
Total capital assets	<u>\$ 359,741,147</u>	<u>\$ 367,978,550</u>	<u>\$ (8,237,403)</u>

West Basin Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025

West Basin continued its internal review of the Capital Asset accounts at year-end; capital assets no longer in service will be disposed of at the year-end. In 2025, West Basin invested \$17 million to construction in progress and \$1.1 million to its existing water recycling facilities.

Additional information regarding Capital and Intangible right-to-use assets can be found in Note 5 in Notes to Basic Financial Statements.

WEST BASIN MUNICIPAL WATER DISTRICT LONG-TERM LIABILITIES

The following is a summary of the long-term liabilities for the years 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Long-term debt			
Refunding revenue bonds	\$ 197,041,091	\$ 212,456,534	\$ (15,415,443)
State Revolving Fund Loan	15,617,195	3,660,767	11,956,428
Other long-term liabilities			
Compensated absences	1,734,803	1,700,259	34,544
Lease/subscription liability	1,037,642	1,155,415	(117,773)
Net pension liability	3,641,461	3,692,278	(50,817)
Total long-term liabilities	<u>\$ 219,072,192</u>	<u>\$ 222,665,253</u>	<u>\$ (3,593,061)</u>

Refunding revenue bonds decreased by \$15.4 million due to premium amortization of \$3 million and principal payments of \$12.5 million.

In fiscal year 2025, the District had \$15.6 million of State Revolving Loan outstanding, which increased by \$12 million from fiscal year 2024.

There was a decrease of \$50,817 in liability to West Basin's PERS plans. In fiscal year 2025, the PERS pension plan reported in its FY 22-23 valuation a 6.9% investment return, which was slightly higher than the forecasted 6.8%. The result of the higher investment return is reflected in the GASB 68 calculation for fiscal year 2025.

Notes 6, 7, and 8 in the Notes to Basic Financial Statements disclose the details of all long-term liabilities.

CONDITION AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any conditions that would have a significant impact on West Basin's financial position, net position, or operating results in terms of past, present and future.

CONTACTING WEST BASIN'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with an overview of West Basin's financial operations and overall financial condition. If you have questions about this report or need additional financial information, please contact Finance department at West Basin.

West Basin Municipal Water District

Statement of Net Position

June 30, 2025 (With comparative totals for June 30, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Unrestricted assets:		
Cash and cash equivalents (note 2)	\$ 48,120,228	\$ 30,156,136
Investments (note 2)	28,029,266	41,710,739
Accounts receivable	37,643,187	28,667,111
Accrued interest receivable	250,973	368,125
Inventory	2,261,659	1,761,212
Prepaid expenses	308,271	378,783
Total unrestricted assets	<u>116,613,584</u>	<u>103,042,106</u>
Restricted assets:		
Cash and cash equivalents (note 4)	<u>2,443</u>	<u>2,932</u>
Total restricted assets	<u>2,443</u>	<u>2,932</u>
TOTAL CURRENT ASSETS	<u>116,616,027</u>	<u>103,045,038</u>
NONCURRENT ASSETS		
Other receivable	2,129,984	6,953,092
Capital assets, not depreciable (note 5)	92,849,195	77,395,201
Capital assets, net of depreciation (note 5)	266,891,952	290,583,349
Net pension asset - PARS (note 8)	201,717	150,555
Net OPEB asset - (note 9)	788,505	989,370
TOTAL NONCURRENT ASSETS	<u>362,861,353</u>	<u>376,071,567</u>
TOTAL ASSETS	<u>479,477,380</u>	<u>479,116,605</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension contributions (note 8)	919,228	915,636
Deferred outflows - pension actuarial (note 8)	1,627,906	2,734,268
Deferred outflows - OPEB contributions (note 9)	502,673	400,628
Deferred outflows - OPEB actuarial (note 9)	1,798,221	2,158,504
Deferred amount on debt refunding	2,855,079	3,274,160
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,703,107</u>	<u>9,483,196</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

Statement of Net Position

June 30, 2025 (With comparative totals for June 30, 2024)

LIABILITIES AND NET POSITION

	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Accounts payable and accrued expense	\$ 38,810,046	\$ 44,824,043
Accrued interest payable	3,386,023	3,665,374
Current portion of compensated absences (note 6)	779,523	689,681
Current portion of long-term debt (note 7)	16,823,182	15,817,411
Current portion of lease liability (note 7)	210,381	272,328
TOTAL CURRENT LIABILITIES	<u>60,009,155</u>	<u>65,268,837</u>
LONG-TERM LIABILITIES		
Compensated absences (note 6)	1,734,803	1,700,259
2016A refunding revenue bonds (note 7)	93,470,515	100,935,451
2021A refunding revenue bonds (note 7)	81,622,478	86,404,109
2022A refunding revenue bonds (note 7)	21,948,098	25,116,974
State revolving fund loan (note 7)	15,617,195	3,660,767
Lease/subscription liability (note 7)	1,037,642	1,155,415
Net pension liability (note 8)	3,641,461	3,692,278
Subtotal	<u>219,072,192</u>	<u>222,665,253</u>
Less: current portion above	<u>(17,813,086)</u>	<u>(16,779,420)</u>
TOTAL LONG-TERM LIABILITIES	<u>201,259,106</u>	<u>205,885,833</u>
TOTAL LIABILITIES	<u>261,268,261</u>	<u>271,154,670</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension actuarial (note 8)	483,771	589,536
Deferred inflows - OPEB actuarial (note 9)	2,196,279	2,759,156
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,680,050</u>	<u>3,348,692</u>
NET POSITION		
Net investment in capital assets	148,900,298	153,982,926
Restricted for pensions and OPEB	990,222	1,139,925
Unrestricted	<u>73,341,656</u>	<u>58,973,588</u>
TOTAL NET POSITION	<u>\$ 223,232,176</u>	<u>\$ 214,096,439</u>

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2025 (With comparative totals for June 30, 2024)

	2025	2024
OPERATING REVENUES		
Imported water sales	\$ 178,258,539	\$ 158,584,269
Recycled water sales	48,540,781	38,939,562
Water use efficiency	237,853	319,706
Monitoring revenue	16,201	8,274
 TOTAL OPERATING REVENUES	 227,053,374	 197,851,811
OPERATING EXPENSES		
Imported water purchase	143,339,874	130,718,907
Recycled water costs	52,618,388	56,770,189
Depreciation and amortization	25,136,067	26,360,350
Public information and education	4,197,479	3,879,363
Water policy	1,716,581	2,012,011
Water use efficiency	1,803,262	2,029,632
Project planning	637,072	926,478
Monitoring	44,340	26,514
 TOTAL OPERATING EXPENSES	 229,493,063	 222,723,444
 OPERATING INCOME (LOSS)	 (2,439,689)	 (24,871,633)
NONOPERATING REVENUES (EXPENSES)		
Standby charges	5,576,479	5,861,666
Investment income (loss)	3,340,455	3,766,232
Miscellaneous income (loss)	194,359	223,154
Noncapital grants	93,483	6,770,849
Gain (loss) on disposition of assets	-	612,961
Interest expense	(5,712,684)	(6,255,687)
 TOTAL NONOPERATING REVENUES (EXPENSES)	 3,492,092	 10,979,175
 NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 1,052,403	 (13,892,458)
CAPITAL CONTRIBUTIONS		
Capital contributions	8,083,334	8,397,309
 CHANGE IN NET POSITION	 9,135,737	 (5,495,149)
NET POSITION		
BEGINNING OF YEAR	214,096,439	219,591,588
 END OF YEAR	 \$ 223,232,176	 \$ 214,096,439

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

Statement of Cash Flows

For the Year Ended June 30, 2025 (With comparative totals for June 30, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 228,788,396	\$ 208,736,189
Cash payments to suppliers for goods and services	(198,674,086)	(185,069,842)
Cash paid for employee services and benefits	(11,301,046)	(8,195,876)
	<u>18,813,264</u>	<u>15,470,471</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
	<u>18,813,264</u>	<u>15,470,471</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants received	93,483	6,770,849
	<u>93,483</u>	<u>6,770,849</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES		
	<u>93,483</u>	<u>6,770,849</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long-term debt	(12,513,331)	(11,830,000)
Principal paid on leases and SBITA liabilities	(286,519)	(300,110)
Proceeds from disposition of capital assets	-	1,150,000
Proceeds from debt	12,064,759	-
Acquisition and construction of capital assets	(16,729,918)	(15,051,516)
Interest paid on long-term debt	(8,583,397)	(9,043,697)
Capital contributions	8,083,334	8,397,309
	<u>(17,965,072)</u>	<u>(26,678,014)</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
	<u>(17,965,072)</u>	<u>(26,678,014)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	17,362,858	16,079,596
Purchase of investments	(4,320,729)	(17,901,814)
Investment earnings	3,979,799	3,773,678
	<u>17,021,928</u>	<u>1,951,460</u>
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
	<u>17,021,928</u>	<u>1,951,460</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,963,603	(2,485,234)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>30,159,068</u>	<u>32,644,302</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 48,122,671</u>	<u>\$ 30,159,068</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO AMOUNTS REPORTED ON THE STATEMENT OF NET POSITION:		
Cash and cash equivalents	\$ 48,120,228	\$ 30,156,136
Restricted cash and cash equivalents	2,443	2,932
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 48,122,671</u>	<u>\$ 30,159,068</u>

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

Statement of Cash Flows

For the Year Ended June 30, 2025 (With comparative totals for June 30, 2024)

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (2,439,689)	\$ (24,871,633)
Standby charges	5,576,479	5,861,666
Depreciation/amortization	25,136,067	26,360,350
Nonoperating miscellaneous income (expense)	194,359	223,154
CHANGE IN ASSETS AND LIABILITIES:		
(Increase) decrease in receivables	(4,035,816)	4,799,558
(Increase) decrease in inventory	(500,447)	(189,995)
(Increase) decrease in prepaid expenses	70,512	(239,791)
(Increase) decrease in net pension asset - PARS	(51,162)	23,329
(Increase) decrease in net OPEB asset	200,865	(432,159)
(Increase) decrease in deferred outflows - pension	1,102,770	663,948
(Increase) decrease in deferred outflows - OPEB	258,238	465,447
Increase (decrease) in accounts payable and accrued expenses	(6,013,997)	1,882,292
Increase (decrease) in compensated absences	34,544	82,209
Increase (decrease) in net pension liability	(50,817)	857,016
Increase (decrease) in deferred inflows - pension actuarial	(105,765)	(219,296)
Increase (decrease) in deferred inflows - OPEB actuarial	(562,877)	204,376
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 18,813,264</u>	<u>\$ 15,470,471</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Gain (loss) on disposition of assets	<u>\$ -</u>	<u>\$ 612,961</u>
Unrealized gain (loss) from investments	<u>\$ (621,304)</u>	<u>\$ 25,044</u>
Subscription liabilities	<u>\$ 168,746</u>	<u>\$ 376,243</u>
Subscription acquisition	<u>\$ (168,746)</u>	<u>\$ (376,243)</u>

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

**Statement of Fiduciary Net Position
June 30, 2025**

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents, restricted	\$ 265,775
Receivables:	
Other governments	<u>1,575</u>
TOTAL ASSETS	<u>267,350</u>
LIABILITIES	
Accounts payable and other liabilities	<u>5,000</u>
TOTAL LIABILITIES	<u>5,000</u>
NET POSITION	
Restricted for:	
Other governments	<u>262,350</u>
TOTAL NET POSITION	<u><u>\$ 262,350</u></u>

The accompanying notes are an integral part of these financial statements.

West Basin Municipal Water District

**Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025**

	<u>Custodial Fund</u>
ADDITIONS	
Collections for other governments	\$ 56,173
Total additions	<u>56,173</u>
DEDUCTIONS	
Payments to other entities	<u>77,158</u>
Total deductions	<u>77,158</u>
Net increase (decrease) in fiduciary net position	(20,985)
NET POSITION	
BEGINNING OF YEAR	<u>283,335</u>
END OF YEAR	<u>\$ 262,350</u>

The accompanying notes are an integral part of these financial statements.

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West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and description of West Basin - West Basin Municipal Water District (West Basin) was incorporated on December 17, 1947, which operates under the authority of Division 20 of the California Water Code for the purpose of providing water and related services to the properties within West Basin. West Basin is governed by a five-member Board of Directors elected by the voters in the area where each serve a four-year term.

The mission of West Basin is to provide a safe and reliable supply of high-quality water to the communities we serve. West Basin's customers consist of nine agencies, private and public, within its 185-square mile service area plus two additional agencies outside its service area. West Basin provides drinking and recycled water and water efficiency programs to its customers.

Basis of accounting

Enterprise Fund - West Basin's enterprise financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

West Basin uses an enterprise fund to record its activities. An enterprise fund is a type of proprietary fund used to account for operations where the costs of providing services to the general public on a continuing basis are recovered primarily through user fees and charges.

West Basin distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from producing and delivering water to the customers and providing education and conservation services to the community. Revenues not meeting this definition are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund - West Basin's fiduciary fund financial statements include a statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. West Basin has only one Fiduciary (Custodial) fund. This fund is used to administer assets held by West Basin for the Greater Los Angeles County Region Integrated Regional Water Management Program (GLAC IRWMP). IRWMP is an organization comprised of 16 public agencies.

West Basin uses the "economic resources focus" and the accrual basis of accounting, where revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Estimates - The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Actual results could defer from those estimates.

Cash and cash equivalents - For purposes of the statements of cash flows, West Basin considers all investment instruments that can be converted into cash immediately to be cash equivalents.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments - Investments are stated at their fair value which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Inventory - Inventory consists primarily of chemicals and spare parts used in operations at the treatment plant. These inventories are held for consumption in the course of operations and not held for resale. Inventories are valued at cost using the first-in, first-out method and are reported under the consumption method, whereby inventory is expensed as items are used. Chemical inventories are measured monthly based on quantities remaining in chemical tanks. Spare parts are counted annually, and any decrease in value is recorded as operation and maintenance expense in the period of use.

Capital assets - Capital assets include land, buildings, building improvements, furniture, machinery and equipment, water treatment plants, pump stations, capacity rights, distribution systems and all other tangible, intangible, donated, and lease assets that are used in operations and that have initial minimum useful lives extending beyond three (3) fiscal years.

To be considered for capitalization, an asset must meet the following requirements:

- Be acquired (purchased, constructed, donated, or leased) and used in operations and not for investment or sale.
- Have an economic minimum useful life of at least 3 years or extends the economic minimum useful life of an existing asset by at least three (3) years.
- The cost of each asset/component unit of the asset must be greater than or equal to \$10,000.
- Assets that are donated to West Basin will be recorded at acquisition value at the time of donation. Those assets can only be capitalized if they are used in operations and meet the minimum useful life and threshold requirements.
- In some instances, other agencies may acquire or construct capital assets and ask West Basin to maintain them. The agency that owns the assets should report and capitalize them. If ownership of the assets is difficult to establish (e.g. sidewalks), the agency responsible for managing the assets (e.g. maintenance) should report and capitalize them.

If the capitalization dollar threshold is not met, exceptions may be taken into consideration if a group of similar assets were purchased all together (e.g., purchased all new furniture at once). In this case, even the individual component of the various assets within the group may have different minimum useful life (e.g., tables have 20-year life vs chairs have 10-year life), the group of the assets will be capitalized as a single asset with the shortest minimum useful life (e.g., new furniture, 10 years).

All purchased or constructed capital assets are reported at historical cost. Donated capital assets or donated works of art and similar items are reported at acquisition value on the date received rather than fair value. Replacements, refurbishments and other capital outlays that significantly extend the useful life of an asset by at least three years and the cost of the individual project are \$10,000 or more are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is calculated on the straight-line method over the assets' estimated useful lives:

	<u>Useful Life</u>
Water facilities	3 - 75 year
Buildings and improvements	3 - 40 year
Furniture, fixtures, and equipment	3 - 10 year

Depreciation expense aggregated \$24,840,617 for the year ended June 30, 2025.

Construction in progress includes District facility expansions and major replacements projects that are currently on-going and have not been completed in the current fiscal year.

Amortization - Bond premiums and the deferred amount on refunding are being amortized on the straight-line method over periods not to exceed debt maturities. Amortization expense on bond premiums and deferred amounts on refunding aggregated \$2,591,362 for the year ended June 30, 2025 was included in interest expense. Right-to-use assets such as lease assets and SBITA that meet West Basin's requirement to be capitalized are amortized over the shorter of the useful life or the underlying agreements' terms. West Basin uses the straight-line method to amortize its right-to-use assets. Amortization expense of lease assets and subscription-based information technology arrangements (SBITA) aggregated \$295,450 for the year ended June 30, 2025 was included in the depreciation and amortization account.

Compensated absences - Vested or accumulated vacation, sick, and personal holiday leave are recorded as expenses and liabilities as the benefits accrue to employees. The liability for compensated absences is measured in accordance with GASB Statement No. 101, *Compensated Absences*, which requires recognition of leave when earned and when it is probable that the benefits will be paid or settled.

Employees are eligible to be paid for 100% of accrued sick leave up to a maximum of 960 hours upon separation. In addition, employees may elect to receive payment annually for any hours accrued in excess of the 960-hour maximum. Vacation leave accruals are based on the employee's length of continuous service, with maximum accrual limits ranging from 240 to 400 hours, depending on years of service.

Prior year data - Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived. West Basin may reclassify certain prior year information to conform with current year presentations.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital contributions - Capital contributions may include capital contributions and capital recovery charges.

Capital grants and contributions - West Basin may receive grants and donated assets from other entities/agencies for several ongoing projects.

Capital recovery charges (recycling operations) - West Basin receives fixed payments from major recycled water customers to cover the cost of recycled water facilities that were exclusively constructed to meet their recycling needs. West Basin receives \$8,083,334 capital recovery charge for the fiscal year ended June 30, 2025.

Net position flow assumption - It is West Basin's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Risk management - West Basin is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. It is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The ACWA-JPIA board is composed of representatives from a number of water districts, including the West Basin Municipal Water District.

As of June 30, 2025, West Basin participated in the self-insurance programs of the Insurance Authority as follows:

Property loss - Covered up to replacement value with a \$25,000 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 \$1,000 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.

General liability, Automobile, Employment Practices and Public Officials Liability - Broad coverage against third-party claims for the Agency, its directors, employees, and volunteers. Covered up to the following limits: the JPIA pools for first \$5,000,000 and purchases excess coverage with limit up to \$55,000,000 with aggregated policy limits.

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 Agency Revenue.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Dishonesty Crime Supplement Liability - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence, West Basin has a \$1,000 deductible.

Fidelity bond - The Insurance Authority has pooled self-insurance up to \$100,000. West Basin has a \$1,000 deductible.

As of June 30, 2025, West Basin also had insurance coverage with Alliant Insurance for crime up to \$3,000,000 with a \$2,500 deductible.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes.

For the CalPERS report, the following timeframes are used:

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

For the PARS report, the following timeframes are used:

Valuation Date (VD)	June 30, 2024
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other post-employment benefits (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of West Basin's plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes.

For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

Deferred outflows/inflows of resources - In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses/expenditures) until then. West Basin has five items that qualify for reporting in this category: the deferred outflows on pension contributions, the deferred outflows on OPEB contributions, the deferred outflows – pension actuarial, the deferred outflows – OPEB actuarial, and the deferred amount on debt refunding.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as inflow of resources (revenue) until that time. West Basin has two items that qualify for reporting in this category: deferred inflow – pension actuarial and deferred inflows – OPEB actuarial.

Fair value measurements - Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect West Basin's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include West Basin's own data.

Current Accounting Pronouncements – West Basin implemented the following Governmental Accounting Standards Board (GASB) pronouncements during the fiscal year ended June 30, 2025:

GASB Statement No. 101 – *Compensated Absences*: West Basin reviewed its compensated absences policies and accrual methodology to ensure compliance with GASB 101. The evaluation confirmed that leave types meeting the criteria for recognition—those attributable to past service, accumulating, and more likely than not to be used or paid—were properly identified. The calculation methodology was refined to reflect current pay rates and to include applicable salary-related costs. See “Compensated Absences” in Note 1 and Note 6 for additional details.

Future Accounting Pronouncements - The following new pronouncements may have an effect on West Basin when implemented:

Government Accounting Standards Board Statement No. 103

GASB Statement No. 103, *Financial Reporting Model Improvements* is effective for periods beginning after June 15, 2025.

Government Accounting Standards Board Statement No. 104

GASB Statement No. 104, *Disclosures of Certain Capital Assets* is effective for fiscal years beginning after June 15, 2025.

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

2) CASH AND INVESTMENTS (continued)

Financial Statement Classification:

Unrestricted assets:	
Cash and cash equivalents	\$ 48,120,228
Investments	28,029,266
Restricted assets:	
Cash and cash equivalents	2,443
Custodial cash - Fiduciary fund	265,775
Total Cash and Investments	<u>\$ 76,417,712</u>

Cash and investments held by West Basin were comprised of the following at June 30, 2025:

	Maturity in Year		
	1 Year or Less	1 - 5 Years	Total
California CLASS	\$ 43,405,933	\$ -	\$ 43,405,933
Local agency investment fund	750,340	-	750,340
Money market mutual fund	713,363	-	713,363
Deposits with financial institutions	3,518,810	-	3,518,810
U.S. agency securities	-	3,946,520	3,946,520
U.S. treasury securities	346,759	10,209,648	10,556,407
Asset-Backed securities	-	1,912,517	1,912,517
Collateralized mortgage obligations	1,151,409	2,653,771	3,805,180
Corporate notes	2,878,979	3,377,111	6,256,090
State municipal obligations	75,000	-	75,000
Supranationals	-	1,477,552	1,477,552
	<hr/>	<hr/>	<hr/>
Total cash and investments	\$ 52,840,593	\$23,577,119	\$ 76,417,712

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

2) CASH AND INVESTMENTS (continued)

Investments authorized by the California government code and West Basin's investment policy - The table below identifies the investment types that are authorized for West Basin by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of West Basin, rather than the general provision of the California Government Code or West Basin's investment policy.

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer*</u>
U.S. treasury obligations	Yes	5 year	None	None
U.S. agency securities	Yes	5 year	None	None
Bankers' acceptances	Yes	180 days	15%	5%
California municipal obligations	Yes	5 year	10%	5%
State municipal obligations	Yes	5 year	10%	5%
Commercial paper	Yes	270 days	25%	5%
Negotiable certificates of deposit	Yes	5 year	30%	5%
Medium-term notes	Yes	5 year	30%	5%
Mutual funds	No	N/A	20%	10%
Money market mutual funds	Yes	N/A	20%	None
Asset-backed and Mortgage-backed securities	Yes	5 year	20%	5%
Local agency investment fund	Yes	N/A	None	\$75m**
Supranationals	Yes	5 year	30%	None
Joint Powers Authority Pool	Yes	N/A	None	None

*Based on State law or investment policy requirements, whichever is more restrictive.

**LAIF's maximum allowed investment.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

2) CASH AND INVESTMENTS (continued)

Investments authorized by debt agreements - Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or West Basin's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Investment in One Issuer</u>
Cash	None	None	None
U.S. treasury obligations	None	None	None
U.S. agency securities	None	None	None
Bankers' acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	N/A	None	None
Guaranteed investment contracts	30 year	None	None
Negotiable Certificates of deposit	360 days	None	None
Local agency investment fund	None	None	None
State Municipal Obligations	None	None	None
Deposit Accounts	None	None	None

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

In accordance with the Investment Policy, West Basin manages its exposure to interest rate risk by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flows and liquidity needed for operations and the payments of debt service.

Information about the sensitivity of the fair values of West Basin's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of West Basin's investments by maturity as of June 30, 2025.

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

2) CASH AND INVESTMENTS (continued)

Disclosure relating to credit risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In accordance with the Investment Policy, West Basin only purchases investments that are rated “A” or higher by at least one nationally recognized statistical rating organization. Presented below is the actual rating as of the year end for each investment under current assets and restricted assets.

Authorized Investment Type	Amount	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A	Not Rated
California CLASS	\$ 43,405,933	N/A	\$ 43,405,933	\$ -	\$ -	\$ -
Local agency investment fund	750,340	N/A	-	-	-	750,340
Money market mutual funds	713,363	N/A	713,363	-	-	-
Deposits with financial institutions	3,518,810	N/A	-	-	-	3,518,810
U.S. agency securities	3,946,520	N/A	-	3,946,520	-	-
U.S. treasury securities	10,556,407	N/A	-	10,556,407	-	-
State municipal obligations	75,000	A	-	75,000	-	-
Corporate notes	6,256,090	A	-	-	6,256,090	-
Collateralized mortgage obligations	3,805,180	AA	1,083,780	2,721,400	-	-
Supranationals	1,477,552	AA	1,477,552	-	-	-
Asset-backed securities	1,912,517	AA	1,912,517	-	-	-
Total	\$ 76,417,712		\$ 48,593,145	\$ 17,299,327	\$ 6,256,090	\$ 4,269,150

Concentration of credit risk - Concentration of credit is the risk of loss attributed to the magnitude of West Basin’s investment in a single issue.

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	U.S. Agency	\$ 1,872,499
Federal Home Loan Mortgage Corp	U.S. Agency	2,074,021

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, West Basin 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g. broker) West Basin will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and West Basin’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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% 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% of the secured public deposits.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

2) CASH AND INVESTMENTS (continued)

Investment in state investment pool - West Basin is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of West Basin's investment in this pool is reported in the accompanying financial statements at amounts based upon West Basin's pro-rata share of the fair value provided by 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. The weighted average maturity of the LAIF portfolio as of June 30, 2025 is 254 days at a rate of 4.24%. Currently, LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

Investment in the California Cooperative Liquid Assets Securities System - West Basin is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS). California CLASS is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. The fair value of West Basin's investment in this pool is reported in the accompanying financial statements.

3) FAIR VALUE MEASUREMENT

West Basin categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles. West Basin has the following recurring fair value measurements as of June 30, 2025:

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
U.S. agency securities	\$ -	\$ 3,946,520	\$ -	\$ 3,946,520
U.S. treasury securities	-	10,556,407	-	10,556,407
State municipal obligations	-	75,000	-	75,000
Supranationals	-	1,477,552	-	1,477,552
Corporate notes	-	6,256,090	-	6,256,090
Collateralized mortgage obligations	-	3,805,180	-	3,805,180
Asset-backed securities	-	1,912,517	-	1,912,517
Total investments reported at fair value	\$ -	\$ 28,029,266	\$ -	\$ 28,029,266

U.S. Agencies, U.S. Treasuries, State Municipal Obligations, Supranationals, Corporate Notes, Collateralized Mortgage Obligations, and Asset-backed Securities are valued using a variety of techniques such as matrix pricing, market corroborated pricing inputs such as yield curves and indices, and other market-related data and classified in Level 2 of the fair value hierarchy.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

4) RESTRICTED ASSETS

Restricted assets were provided by, and are to be used for, the following as of June 30, 2025:

<u>Funding source</u>	<u>Use</u>	<u>Amount</u>
Refunding Revenue Bonds	Reserve Requirement	\$ 2,443
Custodial - Fiduciary Fund	Custodial Costs	265,775

5) CAPITAL ASSETS

The investment in capital assets consists of the following as of June 30, 2025:

	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>
Capital assets, not being depreciated:				
Land - Recycling facilities	\$ 23,541,078	\$ -	\$ -	\$ 23,541,078
Land - Carson	1,670,568	-	-	1,670,568
Discharge Capacity	621,189	-	-	621,189
Construction in progress	51,562,366	16,567,846	(1,113,852)	67,016,360
Total capital assets, not being depreciated	<u>77,395,201</u>	<u>16,567,846</u>	<u>(1,113,852)</u>	<u>92,849,195</u>
Capital assets, being depreciated/amortized:				
Building - Carson	2,343,574	-	-	2,343,574
Building improvement	2,431,552	-	-	2,431,552
Potable distribution system	1,241,681	-	-	1,241,681
Recycling facilities	672,847,576	1,119,286	-	673,966,862
Machinery and equipment	2,981,698	156,638	-	3,138,336
Furniture and fixtures	154,021	-	-	154,021
Right to use - land - leases	448,128	-	-	448,128
Right to use - infrastructure - leases	428,536	-	-	428,536
Right to use - land improvements - leases	128,512	-	-	128,512
Right to use - equipment - leases	112,115	65,972	(112,115)	65,972
Right to use - other leases	9,556	102,774	(9,556)	102,774
Right to use - SBITA	647,724	-	-	647,724
Total capital assets, being depreciated/amortized	<u>683,774,673</u>	<u>1,444,670</u>	<u>(121,671)</u>	<u>685,097,672</u>
Less accumulated depreciation/amortization:				
Building - Carson	(1,585,819)	(93,743)	-	(1,679,562)
Building improvement	(1,878,631)	(127,168)	-	(2,005,799)
Potable distribution system	(838,134)	(62,084)	-	(900,218)
Recycling facilities	(385,591,172)	(24,338,582)	-	(409,929,754)
Machinery and equipment	(2,540,052)	(217,951)	-	(2,758,003)
Furniture and fixtures	(152,386)	(1,089)	-	(153,475)
Right to use - land - leases	(84,721)	(21,961)	-	(106,682)
Right to use - infrastructure - leases	(50,227)	(12,556)	-	(62,783)
Right to use - land improvements - leases	(84,501)	(21,125)	-	(105,626)
Right to use - equipment - leases	(106,005)	(13,932)	112,115	(7,822)
Right to use - other leases	(8,066)	(8,338)	9,556	(6,848)
Right to use - SBITA	(271,610)	(217,538)	-	(489,148)
Total accumulated depreciation/amortization	<u>(393,191,324)</u>	<u>(25,136,067)</u>	<u>121,671</u>	<u>(418,205,720)</u>
Total capital assets, being depreciated/amortized, net	<u>290,583,349</u>	<u>(23,691,397)</u>	<u>-</u>	<u>266,891,952</u>
Total capital assets, net	<u>\$ 367,978,550</u>	<u>\$ (7,123,551)</u>	<u>\$ (1,113,852)</u>	<u>\$ 359,741,147</u>

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

6) COMPENSATED ABSENCES

Changes in compensated absences for fiscal year ended June 30, 2025 were as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Current Portion
Compensated Absences	\$ 1,700,259	\$ 34,544	\$ -	\$ 1,734,803	\$ 779,523

7) LONG-TERM LIABILITIES

The following amounts of long-term liabilities were outstanding as of June 30, 2025:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Current Portion
Long-term liability					
2016A Refunding Revenue Bonds	\$ 85,195,000	\$ -	\$ (6,180,000)	\$ 79,015,000	\$ 6,490,000
2016A Premium	15,740,451	-	(1,284,936)	14,455,515	1,284,936
2021A Refunding Revenue Bonds	67,670,000	-	(3,685,000)	63,985,000	6,715,000
2021A Premium	18,734,109	-	(1,096,631)	17,637,478	1,096,631
2022A Refunding Revenue Bonds	22,025,000	-	(2,540,000)	19,485,000	-
2022A Premium	3,091,974	-	(628,876)	2,463,098	628,876
State Revolving Fund Loan	3,660,767	12,064,759	(108,331)	15,617,195	607,739
Lease liability	814,295	168,746	(70,829)	912,212	84,951
Subscription liability	341,120	-	(215,690)	125,430	125,430
Total long-term liability	\$ 217,272,716	\$ 12,233,505	\$ (15,810,293)	\$ 213,695,928	\$17,033,563

2016A Refunding Revenue Bonds - On October 27, 2016, West Basin issued Series 2016A Refunding Revenue Bonds in the amount of \$112,875,000 to advance refund the callable portions (approximately \$98 million) of the 2008B Refunding Revenue Certificates of Participation and repay the outstanding balance of the 2010A Adjustable-Rate Revenue Certificates of Participation.

The 2016A Refunding Revenue Bonds have interest rates ranging from 2.0% to 5.0% with maturities through August 2036. This liability is presented in the accompanying statement of net position net of unamortized discounts and premiums as follows:

Bonds outstanding	\$ 79,015,000
Unamortized premium	14,455,515
Net liability	\$ 93,470,515

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

7) LONG-TERM LIABILITIES (continued)

2021A Refunding Revenue Bonds - On June 9, 2021, West Basin issued Series 2021A Refunding Revenue Bonds in the amount of \$74,900,000 to refund the outstanding balance of the 2011A and 2011B refunding revenue bonds and the outstanding balance of the Commercial Paper.

The 2021A Refunding Revenue Bonds have interest rates ranging from 4.0% to 5.0% with maturities through August 2041. This liability is presented in the accompanying statement of net position net of unamortized discounts and premiums as follows:

Bonds outstanding	\$ 63,985,000
Unamortized premium	17,637,478
Net liability	<u>\$ 81,622,478</u>

2022A Refunding Revenue Bonds - On February 9, 2022, West Basin issued Series 2022A Refunding Revenue Bonds in the amount of \$24,445,000 to refund the outstanding balance of the 2012A refunding revenue bond.

The 2022A Refunding Revenue Bonds have a 5% interest rate with maturities through August 2029. This liability is presented in the accompanying statement of net position net of unamortized discounts and premiums as follows:

Bonds outstanding	\$ 19,485,000
Unamortized premium	2,463,098
Net liability	<u>\$ 21,948,098</u>

There is no principal due in the June 30, 2026 fiscal year.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,712,424. This difference is being amortized on a straight-line basis as interest expense (interest on debt). The District refunded the Series 2012A to reduce its total debt service payments by \$5,383,431 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt, less any prior funds on hand) of \$5,087,374.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

7) LONG-TERM LIABILITIES (continued)

State Revolving Fund Loan - On October 5, 2016, West Basin entered into an agreement to obtain a low interest federal pass-through loan from the State Water Resources Control Board which would allow West Basin to borrow up to \$23,803,808 at 1.0% from October 5, 2016 through August 1, 2048 for Carson Regional Water Recycling Facility Phase II B Expansion Project. As of June 30, 2025, West Basin had borrowed \$15,725,526 and made payments of \$108,331.

Debt Coverage - West Basin has pledged revenues, net of specified operating expenses, as security for debt service associated with indebtedness incurred to finance various capital facilities of West Basin. The bonds are payable solely from net revenues and are payable through fiscal year 2042. For the year ended June 30, 2025, debt coverage (net revenues divided by total debt service) for all debt was approximately 1.85 and it was calculated based on the cash basis.

Debt Service Requirements - The Refunding Revenue Bonds debt service requirements subsequent to June 30, 2025, are as follows. This schedule is obtained from the Official Statements for the Refunding Revenue Bonds, 2016A, 2021A and 2022A.

Refunding Revenue Bonds			
	Principal	Interest	Total
2026	\$ 13,205,000	\$ 8,057,100	\$ 21,262,100
2027	13,635,000	7,396,850	21,031,850
2028	14,390,000	6,715,100	21,105,100
2029	15,110,000	5,995,600	21,105,600
2030	15,865,000	5,240,100	21,105,100
2031 - 2035	59,300,000	15,948,750	75,248,750
2036 - 2040	28,135,000	3,027,200	31,162,200
2041 - 2042	2,845,000	171,800	3,016,800
Total	\$ 162,485,000	\$ 52,552,500	\$ 215,037,500

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West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

7) LONG-TERM LIABILITIES (continued)

Debt Service Requirements - The State Revolving Fund Loan debt service requirements subsequent to June 30, 2025, are as follows:

	State Revolving Fund Loan		
	Principal	Interest	Total
2026	\$ 607,739	\$ 126,011	\$ 733,750
2027	583,655	150,095	733,750
2028	589,492	144,258	733,750
2029	595,387	138,363	733,750
2030	601,341	132,409	733,750
2031 - 2035	3,098,116	570,634	3,668,750
2036 - 2040	3,256,151	412,599	3,668,750
2041 - 2045	3,422,248	246,502	3,668,750
2046 - 2049	2,863,066	71,934	2,935,000
Total	\$ 15,617,195	\$ 1,992,805	\$ 17,610,000

Commercial paper program – In October 2018, the District entered into a tax-exempt commercial paper program. In October 2021, the District extended the program until October 2027. The agreement has extended up to \$30,000,000 in credit to West Basin. West Basin pays a letter of credit fee of 30 basis points on the unutilized portion of the commercial paper. As of June 30, 2025, there was no commercial paper outstanding.

Leases Payable

West Basin has entered into various leases for land, land improvements, and various infrastructure and equipment. The lease terms range from 50 to 409 months with interest rates ranging from .553% to 2.560%. Monthly payments range from \$170 to \$2,269 and annual payments range from \$4,000 to \$20,287. As of June 30, 2025, the total lease liability was \$912,212. The value of the various right to use assets was \$1,173,922 with accumulated amortization totaling \$289,761, included in the capital asset Note 5.

In addition, certain lease agreements have the following extension options:

- *Land lease*: West Basin has 6 extension option(s), each for 60 months. The Lessor had a termination period of 36 months as of the lease commencement.
- *Land lease*: West Basin has 4 extension option(s), each for 60 months.
- *Land improvements lease*: West Basin has 7 extension option(s), each for 60 months.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

7) LONG-TERM LIABILITIES (continued)

Subscriptions Payable

West Basin has entered into various subscription-based information technology arrangements. All arrangements are for 36 months with interest rates ranging from 2.18% to 3.74%. Annual payments range from \$1,924 to \$58,500. As of June 30, 2025, the total liability for these was \$125,430. The value of the right to use assets was \$647,724 with accumulated amortization totaling \$489,148, included with SBITA in the capital asset Note 5.

Debt service requirements to maturity for the lease and subscription liabilities:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 210,381	\$ 19,030	\$ 229,411
2027	62,466	14,643	77,109
2028	63,379	13,872	77,251
2029	64,314	13,086	77,400
2030	53,549	12,292	65,841
2031 - 2035	170,281	51,512	221,793
2036 - 2040	192,657	33,684	226,341
2041 - 2045	78,734	19,105	97,839
2046 - 2050	75,571	11,665	87,236
2051 - 2054	66,310	3,480	69,790
Total	<u>\$ 1,037,642</u>	<u>\$ 192,369</u>	<u>\$ 1,230,011</u>

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West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN

The pension plans and related deferred inflows and outflows of resources are summarized as follows:

	PERS - Misc	PARS	Total
Net pension liability - PERS	\$ 3,641,461	\$ -	\$ 3,641,461
Net pension asset - PARS	-	201,717	201,717
Deferred outflows - pension related	2,472,915	74,219	2,547,134
Deferred inflows - pension related	471,279	12,492	483,771
Pension expense	1,724,755	89,498	1,814,253

CalPERS Plan:

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. West Basin sponsors two miscellaneous plans. Benefit provisions under the Plan are established by State statute and West Basin resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 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.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

The Plan's provisions and benefits in effect as of June 30, 2025 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employer contribution rates	18.32%	8.18%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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 1 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 contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2025 were \$919,228.

Net Pension Liability

West Basin'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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age actuarial cost method
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that 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.

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

8) DEFINED BENEFIT PENSION PLAN (continued)

Subsequent Events

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

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, 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 the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows West Basin’s proportionate share of the Plan’s net pension liability over the measurement period.

	Increase (decrease)		
Proportionate Share of Total Pension Liability (a)	Proportionate Share of Fiduciary Net Position (b)	Proportionate Share of Net Pension Liability (Asset) (c) = (a) - (b)	
Balance at: 6/30/2023 (VD)	\$ 31,450,661	\$ 27,758,383	\$ 3,692,278
Balance at: 6/30/2024 (MD)	34,852,738	31,211,277	3,641,461
Net change during 2023-24	<u>\$ 3,402,077</u>	<u>\$ 3,452,894</u>	<u>\$ (50,817)</u>

Valuation Date (VD), Measurement Date (MD).

The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. West Basin’s proportionate share of the net pension liability for the miscellaneous plan as of June 30, 2023 and 2024 measurement dates was as follows:

Proportionate share - June 30, 2023	0.07384%
Proportionate share - June 30, 2024	0.07529%
Change - increase (decrease)	0.00145%

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

8) DEFINED BENEFIT PENSION PLAN (continued)

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

The following presents West Basin's proportionate share of the net pension liability of the miscellaneous plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	<u>Discount Rate - 1%</u> <u>(5.90%)</u>	<u>Current Discount</u> <u>Rate (6.90%)</u>	<u>Discount Rate + 1%</u> <u>(7.90%)</u>
Plan's Net Pension Liability/(Asset)	\$ 8,344,503	\$ 3,641,461	\$ (229,835)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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 lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2023), West Basin's net pension liability was \$3,692,278. For the measurement period ending June 30, 2024 (the measurement date), the West Basin incurred a pension expense of \$1,724,755.

As of June 30, 2025, the West Basin has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between Expected and Actual Experience	\$ 314,838	\$ 12,285
Changes of Assumptions	93,593	-
Difference between Projected and Actual Earnings on Pension Plan Investments	209,634	-
Changes in employer's proportion	935,622	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	458,994
Pension Contributions Subsequent to Measurement Date	919,228	-
Total	<u>\$ 2,472,915</u>	<u>\$ 471,279</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$919,228 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal year ended June 30:</u>	<u>Deferred outflows/(inflows) of resources</u>
2026	\$ 604,670
2027	523,043
2028	26,534
2029	(71,839)
2030	-
Thereafter	-
Total	<u>\$ 1,082,408</u>

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Payable to the Pension Plan

As of June 30, 2025, West Basin reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

PARS Plan:

General Information about the Pension Plan

Plan Description

West Basin has established a defined benefit, single-employer retirement plan that provides a pension benefit for full time elected or appointed Directors:

Tier I: Members retired from West Basin after July 1, 2002 and assumed office prior to January 1, 2013, who are at least age 50 with 5 or more years of continuous service, who have not been a CalPERS member prior to January 1, 2003.

Tier II: Members retired from West Basin after July 1, 2002 and assumed office prior to January 1, 2013, who have assumed office on or after January 1, 1995, who are at least age 55 with 12 or more years of continuous service, and who are not eligible for another District retiree benefit.

Tier III: Members assumed office on or after January 1, 2013, who are at least age 52 with 5 or more years of continuous service, and who have not been a CalPERS member prior to January 1, 2003.

This plan is administered for West Basin through a third-party administrator, PARS. Copies of PARS' annual financial report may be obtained from its executive office at 4350 Von Karman Ave. Suite 100, Newport Beach, California 92660.

Benefits Provided

The pension benefit for Tier I members starts at 2% of the highest annual salary for 12 consecutive months of employment with West Basin at age 50, increases by 0.1% for each year after age of 50, and capped at 3% at 60. For Tier II members, the benefit is increased by a 2% annual Cost of Living Adjustment (COLA) after retirement with the annual Supplemental benefit of \$5,000. West Basin contributes to each benefit on behalf of the eligible directors. For Tier III members, the benefit starts at 1.7% of the highest annual compensation paid during any 36 consecutive months, capped at 2.5% at age 67. The Tier III members contribute up to 50% of the normal cost which was 19.75% as of June 30, 2024 the valuation date.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Employees Covered

As of June 30, 2024 the valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>PARS</u>
Inactive employees or beneficiaries currently receiving benefits	2
Active employees	<u>4</u>
Total	<u><u>6</u></u>

Contribution Description

West Basin's funding policy is to make the contribution as determined by the Plan's actuary. The Plan's annual pension cost for the measurement period ending June 30, 2024. For the fiscal year ending June 30, 2025, West Basin's annual pension expense was \$89,498.

Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) method. The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits.

The initial unfunded AAL for the original multiple employer plan was amortized over 20 years as of July 1, 2022 as a level percentage of expected payroll. Subsequent gains or losses are amortized over 15 years, and plan amendments, methods and assumption changes are amortized over 20 years. The maximum combined amortization period is 30 years. As of June 30, 2006, all West Basin Municipal Water District bases were combined into a single fresh start base amortized over 16 years, which was the remaining period of the initial UAL.

Plan funded status is based on the excess of (1) Actuarial Accrued Liability over (2) Plan assets. Actuarial assets are equal to fair value assets, which is provided by PARS.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 68
Asset valuation method	Fair value of assets
Actuarial assumptions	
Discount rate	5.00%
Expected return on plan assets	5.00%
Inflation	2.50%
Mortality rate table	2021 CalPERS experience study with generational mortality improvement using 80% of scale MP-2020.

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.85%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Discount rate

The discount rate used to measure the total pension liability (asset) was 5.00%. West Basin chose a moderately conservative investment strategy when setting up the plan. The current 5.00% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 5.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 0.25% of assets. An investment return excluding administrative expenses would have been 5.25%.

Change in net pension liability/(asset)

The following table shows the change in net pension liability/(asset) recognized over the measurement period:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c)=(a)-(b)
Balance at 6/30/2023 (MD)	\$ 1,752,906	\$ 1,903,461	\$ (150,555)
Changes recognized for the measurement period			
Service cost	50,669	-	50,669
Interest	88,753	-	88,753
actual experience	(4,024)	-	(4,024)
Contributions from the employer	-	57,997	(57,997)
Contributions from the employee	-	12,290	(12,290)
Net investment income	-	152,009	(152,009)
Benefit payments	(57,012)	(57,012)	-
Administrative expenses	-	(35,736)	35,736
Net change	78,386	129,548	(51,162)
Balance at: 6/30/2024 (MD)	\$ 1,831,292	\$ 2,033,009	\$ (201,717)

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

8) DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 5.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.00 percent) or 1 percentage-point higher (6.00 percent) than the current rate:

	Discount Rate - 1% (4.00%)	Current Discount Rate (5.00%)	Discount Rate + 1% (6.00%)
PARS plan's net pension liability/(asset)	\$ 31,970	\$ (201,717)	\$ (392,062)

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

Gains and losses related to changes in total pension liability/(asset) 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 average expected remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2023), the Plan's net pension asset was \$150,555. For the measurement period ending June 30, 2024 (the measurement date), the Plan incurred a pension expense of \$89,498. A complete breakdown of the pension expense is as follows:

<u>Description</u>	<u>Amount</u>
Service cost	\$ 50,669
Interest	88,753
Projected earnings on investments	(93,226)
Employee contributions	(12,290)
Administrative expenses	35,736
Recognition of deferred outflows/(inflows):	
Experience	(2,142)
Assumptions	(13,593)
Asset returns	35,591
Total Pension Expense	\$ 89,498

As of June 30, 2025, the Plan has deferred outflows and deferred inflows of resources related to pensions as follows:

<u>Description</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	\$ 10,220
Changes of assumptions	-	2,272
Net difference between projected and actual earnings on pension plan investments	74,219	-
Pension contributions subsequent to measurement date	-	-
Total	\$ 74,219	\$ 12,492

These amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. The District did not make any contributions subsequent to the measurement date; accordingly, no deferred outflows of resources were reported for contributions subsequent to the measurement date.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

8) DEFINED BENEFIT PENSION PLAN (continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2026	\$ 21,751
2027	62,219
2028	(9,684)
2029	(12,559)
2030	-
Thereafter	-
Total	<u>\$ 61,727</u>

Payable to the Pension Plan

As of June 30, 2025, the Plan reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

West Basin Municipal Water District provides postretirement medical benefits to employees who retire directly from West Basin under CalPERS under a single employer defined benefit post-employment benefits plan. To be eligible for District-paid healthcare benefits, retirees must be at least age 55 with 10 years of District service at retirement or meet the eligibility requirement of age 50 and the Rule of 75 (age plus CalPERS service equals 75, with a minimum of 5 years District service). For eligible retirees, West Basin pays the full medical and dental premiums, plus a reimbursement for out-of-pocket medical, dental, and vision expenses up to the active employees' reimbursement caps. Benefit provisions are established and amended by the Board of Directors.

Employees Covered

As of the June 30, 2023 valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Category	Count
Active employees	42
Inactive employees or beneficiaries currently receiving benefits	25
Total	<u>67</u>

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Contributions

The Plan and its contribution requirements are established by District's Administrative Code and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the measurement period ended June 30, 2024, West Basin's cash contributions were \$434,293 to the California Employers' Retiree Benefit Trust (CERBT), and the estimated implicit subsidy of \$68,380 resulting in total payments of \$502,673. Contributions subsequent to the measurement date of \$502,673 reported with deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year.

Net OPEB liability/(asset)

West Basin's net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal cost, level dollar
Asset valuation method	Fair value of assets
Discount rate	6.15%
Inflation	2.5% per year
Salary increases	3.00% per year
Investment rate of return	6.15%
Mortality rate	CalPERS 2021 experience assumptions; Mortality projections using MacLeod Watts Scale 2022 applied generationally from 2015
Healthcare trend rate	6.5% in 2025, fluctuating down to 3.9% by 2075

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate</u>
TIPS	5%	1.30%
Fixed income	23%	2.20%
Global equity	49%	4.50%
Global real estate (REIT's)	20%	3.90%
Commodities	3%	1.20%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability/(asset) was 6.15%. The projection of cash flows used to determine the discount rate assumed that West Basin contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset).

Changes in the OPEB Liability/(asset)

The changes in the net OPEB liability/(asset) for the Plan are as follows:

	<u>Increases (decreases)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance at June 30, 2024			
(Measurement date June 30, 2023)	\$ 13,416,107	\$ 14,405,477	\$ (989,370)
Changes for the year:			
Service cost	520,390	-	520,390
Interest	842,848	-	842,848
Plan experience differences	833,400	-	833,400
Contributions - employer	-	400,628	(400,628)
Net investment income	-	1,599,868	(1,599,868)
Benefit payments	(463,319)	(463,319)	-
Administrative expenses	-	(4,723)	4,723
Net change	<u>1,733,319</u>	<u>1,532,454</u>	<u>200,865</u>
Balance at June 30, 2025			
(Measurement date June 30, 2024)	<u>\$ 15,149,426</u>	<u>\$ 15,937,931</u>	<u>\$ (788,505)</u>

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) of West Basin if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	<u>1% Decrease</u> 5.15%	<u>Current discount rate</u> 6.15%	<u>1% Increase</u> 7.15%
Net OPEB Asset	\$ 1,252,375	\$ (788,505)	\$ (2,453,062)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/(asset) of West Basin if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	<u>1% Decrease</u>	<u>Current healthcare cost trend rates</u>	<u>1% Increase</u>
Net OPEB Asset	\$ (2,608,334)	\$ (788,505)	\$ 1,480,082

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability/(asset) and fiduciary net position are recognized in OPEB expense systematically over time.

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

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

Difference between projected and actual trust earnings	5 years straight-line recognition
All other amounts	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years. (8.08 years for the June 30, 2024 measurement period).

West Basin Municipal Water District

**Notes to Financial Statements
For the Year Ended June 30, 2025**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, West Basin recognized OPEB expense of \$398,899. A complete breakdown of the OPEB expense(income) is as follows:

<u>Description</u>	<u>Amount</u>
Service cost	\$ 520,390
Interest	842,848
Projected earnings on investments	(883,864)
Administrative expenses	4,723
Recognition of deferred outflows/(inflows):	
Plan experience	(351,232)
Assumption changes	224,905
Investment experience	41,129
Total OPEB expense (income)	\$ 398,899

As of fiscal year ended June 30, 2025, West Basin reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 502,673	\$ -
Changes of assumptions	945,432	255,582
Differences between expected and actual experience	730,256	1,940,697
Net difference between projected and actual earnings on OPEB plan investments	122,533	-
Total	\$ 2,300,894	\$ 2,196,279

West Basin Municipal Water District

Notes to Financial Statements For the Year Ended June 30, 2025

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The \$502,673 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) during the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (249,214)
2027	220,593
2028	(226,488)
2029	(154,386)
2030	(49,206)
Thereafter	60,643
Total	<u>\$ (398,058)</u>

10) COMMITMENTS AND CONTINGENCIES

West Basin has entered into various contracts for the purchase of materials, construction of the utility plant, professional and nonprofessional services. Certain amounts are based on the contractor's estimated cost to complete. As of June 30, 2025, the total unpaid amount on these contracts is \$35 million.

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West Basin Municipal Water District

**Required Supplementary Information
Last Ten Fiscal Years**

**Schedule of the Plan's Proportionate Share of the Net Pension Liability and
Related Ratios – CalPERS**

Measurement date	Employer's proportion of the collective net pension liability (asset) ¹	Employer's proportionate share of the collective net pension liability (asset)	Covered payroll	Employer's proportionate share of the collective net pension liability (asset) as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability (asset)
June 30, 2015	0.01910%	\$ 1,311,119	\$ 4,335,349	30.24%	78.40%
June 30, 2016	0.02226%	1,926,502	4,389,575	43.89%	74.06%
June 30, 2017	0.00752%	745,354	4,586,588	16.25%	73.31%
June 30, 2018	0.00672%	647,679	5,522,647	11.73%	75.26%
June 30, 2019	0.01038%	1,063,331	5,501,582	19.33%	75.26%
June 30, 2020	0.01458%	1,586,130	5,255,691	30.18%	75.10%
June 30, 2021	(0.02635%)	(1,425,228)	5,786,304	-24.63%	88.29%
June 30, 2022	0.02455%	2,835,262	5,818,680	48.73%	76.68%
June 30, 2023	0.02960%	3,692,278	6,020,717	61.33%	76.21%
June 30, 2024	0.03003%	3,641,461	5,994,455	60.75%	78.08%

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West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years

Schedule of Plan Contributions – CalPERS

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 622,460	\$ (622,460)	\$ -	\$ 4,389,575	14.18%
June 30, 2017	613,167	(2,226,416)	(1,613,249)	4,586,588	48.54%
June 30, 2018	659,118	(659,118)	-	5,522,647	11.93%
June 30, 2019	684,280	(684,280)	-	5,501,582	12.44%
June 30, 2020	569,830	(569,830)	-	5,255,691	10.84%
June 30, 2021	775,866	(775,866)	-	5,786,304	13.41%
June 30, 2022	814,481	(814,481)	-	5,818,680	14.00%
June 30, 2023	913,712	(913,712)	-	6,020,717	15.18%
June 30, 2024	857,639	(857,639)	-	5,994,455	14.31%
June 30, 2025	919,228	(919,228)	-	6,538,475	14.06%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years

Schedule of Changes in Net Pension Liability and Related Ratios – PARS

Measurement date	June 30,			
	2024	2023	2022	2021
Total Pension Liability -				
• Service cost	\$ 50,669	\$ 49,433	\$ 42,814	\$ 69,623
• Interest	88,753	84,813	80,748	82,617
• Differences between expected and actual experience	(4,024)	-	(130,562)	-
• Changes of assumptions	-	-	(42,361)	139,845
• Benefit payments, including refunds of employee contributions	(57,012)	(56,337)	(54,444)	(34,653)
Net Change in Total Pension liability	78,386	77,909	(103,805)	257,432
Total Pension Liability - beginning	1,752,906	1,674,997	1,778,802	1,521,370
Total Pension Liability - ending (a)	1,831,292	1,752,906	1,674,997	1,778,802
Plan Fiduciary Net Position				
• Contributions from the employer	57,997	57,387	73,000	72,000
• Contributions from the employee	12,290	6,322	13,315	12,931
• Net investment income	152,009	76,784	(264,097)	252,121
• Administrative expenses	(35,736)	(29,576)	(37,000)	(25,800)
• Benefit payments, including refunds of employee contributions	(57,012)	(56,337)	(54,444)	(34,653)
Net Change in Fiduciary Net Position	129,548	54,580	(269,226)	276,599
Plan Fiduciary Net Position - beginning	1,903,461	1,848,881	2,118,107	1,841,508
Plan Fiduciary Net Position - ending (b)	2,033,009	1,903,461	1,848,881	2,118,107
Net Pension Liability/(Asset) - ending (a) - (b)	\$ (201,717)	\$ (150,555)	\$ (173,884)	\$ (339,305)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.0%	108.6%	110.4%	119.1%
Covered Payroll	\$ 141,353	\$ 159,799	\$ 166,681	\$ 174,109
Plan Net Pension Liability as a Percentage of Payroll	-142.7%	-94.2%	-104.3%	-194.9%

Notes to schedule:

Changes in Benefit Terms: None

Changes in Assumptions: None

West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years

Schedule of Changes in Net Pension Liability and Related Ratios – PARS (continued)

June 30,					
2020	2019	2018	2017	2016	2015
\$ 68,638	\$ 66,639	\$ 75,190	\$ 73,000	\$ 77,000	\$ 75,000
74,493	68,121	72,180	65,268	68,175	61,470
305,526	-	(128,778)	-	(179,554)	-
(269,808)	-	(9,787)	-	-	-
<u>(15,529)</u>	<u>(15,224)</u>	<u>(14,926)</u>	<u>(14,633)</u>	<u>(14,346)</u>	<u>(18,745)</u>
163,320	119,536	(6,121)	123,635	(48,725)	117,725
1,358,050	1,238,514	1,244,635	1,121,000	1,169,725	1,052,000
<u>1,521,370</u>	<u>1,358,050</u>	<u>1,238,514</u>	<u>1,244,635</u>	<u>1,121,000</u>	<u>1,169,725</u>
62,000	61,000	78,000	76,000	87,000	90,583
6,935	13,049	7,921	12,712	5,372	-
73,669	106,699	50,895	88,081	26,278	21,327
(39,010)	(26,960)	(38,243)	(22,240)	(36,201)	(23,956)
<u>(15,529)</u>	<u>(15,224)</u>	<u>(14,926)</u>	<u>(14,633)</u>	<u>(14,346)</u>	<u>(18,745)</u>
88,065	138,564	83,647	139,920	68,103	69,209
1,753,443	1,614,879	1,531,232	1,391,312	1,323,209	1,254,000
<u>1,841,508</u>	<u>1,753,443</u>	<u>1,614,879</u>	<u>1,531,232</u>	<u>1,391,312</u>	<u>1,323,209</u>
<u>\$ (320,138)</u>	<u>\$ (395,393)</u>	<u>\$ (376,365)</u>	<u>\$ (286,597)</u>	<u>\$ (270,312)</u>	<u>\$ (153,484)</u>
121.0%	129.1%	130.4%	123.0%	124.1%	113.1%
\$ 193,883	\$ 184,906	\$ 167,478	\$ 179,740	\$ 168,909	\$ 139,328
-165.1%	-213.8%	-224.7%	-159.5%	-160.0%	-110.2%

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West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years

Schedule of Plan Contributions – PARS

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 87,000	\$ (87,000)	\$ -	\$ 168,909	51.51%
June 30, 2017	76,000	(76,000)	-	179,740	42.28%
June 30, 2018	78,000	(78,000)	-	167,478	46.57%
June 30, 2019	61,000	(61,000)	-	184,906	32.99%
June 30, 2020	62,000	(62,000)	-	193,883	31.98%
June 30, 2021	72,000	(72,000)	-	174,109	41.35%
June 30, 2022	73,000	(73,000)	-	166,681	43.80%
June 30, 2023	57,387	(57,387)	-	159,799	35.91%
June 30, 2024	57,997	(57,997)	-	141,353	41.03%
June 30, 2025	47,464	-	47,464	153,669	0.00%

Notes to Schedule:

Valuation date: June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Straight-line amortization over a closed 5-year period.
Asset valuation method	Fair value of assets
Discount rate	5.00%
Inflation	2.50%
Salary increases	Aggregate 3% annually; individual increase are the lesser of 5% and inflation.
Investment rate of return	5.0%, net of pension plan investments expense, including inflation
Mortality	CalPERS 2021 Experience Study with generational mortality improvement using 80% of scale MP-2020.

West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years*

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

Measurement date	June 30,			
	2024	2023	2022	2021
Total OPEB Liability				
• Service cost	\$ 520,390	\$ 658,434	\$ 683,295	\$ 507,332
• Interest	842,848	830,648	825,256	809,926
• Plan experience differences	833,400	(769,874)	(1,048,014)	(760,361)
• Changes of assumptions	-	122,919	-	1,542,246
• Benefit payments	(463,319)	(330,258)	(367,155)	(376,728)
Net change in Total OPEB Liability	1,733,319	511,869	93,382	1,722,415
Total OPEB Liability - beginning	13,416,107	12,904,238	12,810,856	11,088,441
Total OPEB Liability - ending (a)	15,149,426	13,416,107	12,904,238	12,810,856
Plan Fiduciary Net Position				
• Contributions - employer	400,628	385,629	540,904	525,729
• Net investment income	1,599,868	892,588	(2,117,348)	3,360,424
• Benefit payments	(463,319)	(330,258)	(367,155)	(376,728)
• Administrative expenses	(4,723)	(3,931)	(3,938)	(4,638)
• Other	-	-	-	-
Net change in Plan Fiduciary Net Position	1,532,454	944,028	(1,947,537)	3,504,787
Plan Fiduciary Net Position - beginning	14,405,477	13,461,449	15,408,986	11,904,199
Plan Fiduciary Net Position - ending (b)	15,937,931	14,405,477	13,461,449	15,408,986
Net OPEB Liability/(Asset) - ending (a) - (b)	\$ (788,505)	\$ (989,370)	\$ (557,211)	\$ (2,598,130)
Plan fiduciary net position as a percentage of the total OPEB liability	105.20%	107.37%	104.32%	120.28%
Covered-employee payroll	\$ 5,968,874	\$ 6,029,811	\$ 5,768,307	\$ 5,696,201
Net OPEB liability as a percentage of covered-employee payroll	-13.21%	-16.41%	-9.66%	-45.61%

Notes to schedule:

Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in the schedule.

The following assumptions were changed from the prior valuation:

Discount rate: Decreased from 6.2% to 6.15%, based on updated projected benefit cash flows applied to the short and long term expected return on trust assets provided by CalPERS.

MacLeod Watts Scale 2022.

Medical trend: Updated the base healthcare trend scale from Getzen Model 2021 b to Getzen Model 2023, as published by the Society of Actuaries.

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years*

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios (continued)

June 30,			
2020	2019	2018	2017
\$ 501,946	\$ 575,615	\$ 534,301	\$ 406,900
754,736	811,988	735,231	616,794
-	(1,020,285)	-	(207,291)
(112,152)	(780,809)	282,757	895,541
<u>(368,456)</u>	<u>(269,960)</u>	<u>(242,988)</u>	<u>(181,950)</u>
776,074	(683,451)	1,309,301	1,529,994
<u>10,312,367</u>	<u>10,995,818</u>	<u>9,686,517</u>	<u>8,156,523</u>
<u>11,088,441</u>	<u>10,312,367</u>	<u>10,995,818</u>	<u>9,686,517</u>
368,456	615,957	616,651	410,213
406,373	667,630	748,339	891,549
(368,456)	(269,960)	(242,988)	(181,950)
(5,632)	(2,272)	(5,020)	(4,504)
-	-	(12,420)	-
<u>400,741</u>	<u>1,011,355</u>	<u>1,104,562</u>	<u>1,115,308</u>
<u>11,503,458</u>	<u>10,492,103</u>	<u>9,387,541</u>	<u>8,272,233</u>
<u>11,904,199</u>	<u>11,503,458</u>	<u>10,492,103</u>	<u>9,387,541</u>
<u>\$ (815,758)</u>	<u>\$ (1,191,091)</u>	<u>\$ 503,715</u>	<u>\$ 298,976</u>
107.36%	111.55%	95.42%	96.91%
\$ 5,266,105	\$ 5,135,869	\$ 5,679,646	\$ 5,038,972
-15.49%	-23.19%	8.87%	5.93%

West Basin Municipal Water District

Required Supplementary Information Last Ten Fiscal Years*

Schedule of OPEB Plan Contributions

Fiscal year	Actuarially determined contribution	Contributions in relation to the contractually determined contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of employee covered payroll
June 30, 2018	\$ 596,625	\$ (616,651)	\$ (20,026)	\$ 5,679,646	10.86%
June 30, 2019	615,957	(615,957)	-	5,135,869	11.99%
June 30, 2020	440,474	(368,456)	72,018	5,266,105	7.00%
June 30, 2021	453,711	(525,729)	(72,018)	5,696,201	9.23%
June 30, 2022	467,287	(540,904)	(73,617)	5,768,307	9.38%
June 30, 2023	385,629	(385,629)	-	6,029,811	6.40%
June 30, 2024	400,628	(400,628)	-	5,968,874	6.71%
June 30, 2025	502,673	(502,673)	-	7,164,908	7.02%

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2025 were from the June 30, 2023 actuarial valuation.

Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in the schedule.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age normal cost, level percent of pay
Amortization Methodology	Level percent of payroll open 30 year period (30 years remaining)
Asset Valuation method	Fair value of assets
Inflation	2.50%
Payroll growth	3.00%
Investment rate of return	6.15%
Healthcare trend	6.5% in 2025 to 3.9% in 0.1% steps
Retirement age	50 to 75 years
Mortality	CalPERS 2021 Experience Assumptions; Mortality

West Basin Municipal Water District

Statistical Section

This part of West Basin’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about West Basin’s overall financial health.

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West Basin Municipal Water District

**Table 1: Net Position
Last Ten Fiscal Years (In Thousands)**

<u>Fiscal Year Ended June 30</u>	<u>Net Investment In Capital Assets</u>	<u>Restricted</u> (5)	<u>Unrestricted</u>	<u>Total Net Position</u>	
2016	\$ 175,437	\$ 153	\$ 58,993	\$ 234,583	
2017	180,967	270	74,416	255,653	
2018	197,595	287	72,548	270,430	(1)
2019	224,356	376	59,959	284,691	
2020	223,890	1,586	69,204	294,680	
2021	207,047	1,136	95,558	303,741	(2)
2022	150,221	2,937	76,731	229,889	(3)
2023	151,107	731	67,754	219,592	(4)
2024	153,983	1,140	58,973	214,096	(4)
2025	148,900	990	73,342	223,232	

(1) Fiscal year 2018 beginning Net Position was restated due to the implementation of GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

(2) Fiscal year 2021 Net Position was restated in fiscal year 2022 due to the implementation of GASB No. 87 Leases.

(3) A decrease in net investment in capital assets is due to the write-off of \$61 million in Ocean Desal project costs previous included in the construction in progress account. The decrease in unrestricted net position is largely due to a 9.2 million litigation settlement from West Basin's Standby Program.

(4) Negative changes in net position in fiscal years 2023 and 2024 were due to a decrease in standby charges and an increase in recycled water costs.

(5) Represents the total of District's Net Pension and OPEB assets.

West Basin Municipal Water District

**Table 2: Changes in Net Position
Last Ten Fiscal Years (In Thousands)**

Fiscal Year Ended June 30	Operating Revenue (Loss)			Nonoperating Revenue (Loss)			
	Operating Revenues (1)	Operating Expenses (2)	Operating Revenue (Loss) (3)	Standby Charges	Investment Income (4)	Grant Income Misc. Inc (Exp) Loss on Disposal (5)	Interest Expense (6)
2016	\$ 177,192	\$ 177,763	\$ (571)	\$ 9,655	\$ 506	\$ (3,630)	\$ (9,859)
2017	191,123	185,573	5,550	9,614	458	2,139	(8,161)
2018	204,923	193,347	11,576	10,038	848	(3,508)	(11,418)
2019	209,132	201,498	7,634	10,030	1,819	826	(10,860)
2020	205,282	205,034	248	9,987	2,209	697	(10,604)
2021	203,201	206,216	(3,015)	10,052	556	(1,050)	(10,072)
2022	204,813	220,784	(15,971)	10,009	(1,276)	(67,457)	(8,197)
2023	191,247	213,780	(22,533)	6,219	1,820	2,526	(6,891)
2024	197,852	222,723	(24,871)	5,862	3,766	7,607	(6,257)
2025	227,053	229,493	(2,440)	5,576	3,340	289	(5,713)

(1) Further detail is shown on Table 3 - "Operating Revenues by Source".

(2) Further detail is shown on Table 4 - "Operating Expenses by Source".

(3) Operating losses in fiscal years 2021 to 2024 were due to the increases in Recycled Water Costs.

(4) Investment Income increased due to increases in interest rates and the duration of the investments. In Fiscal Year 2022, due to the U.S. economy and stock market struggling for most of the year, West Basin incurred a \$1.6 million unrealized investment loss.

(5) In Fiscal Year 2022, West Basin wrote off the \$61 million Ocean Deal project from its Construction in Progress account.

(6) The interest expenses change by the fiscal year based on the payment structure pre-set for the existing debts.

(7) Further detail is shown on Table 5 - "Capital Contributions by Source" with explanations of the nature of these contributions.

West Basin Municipal Water District

Table 2: Changes in Net Position (continued)
Last Ten Fiscal Years (In Thousands)

Nonoperating Revenue (Loss)				
Change in Fair Value of Swap (Nonhedged)	Total Nonoperating Revenue (Loss)	Income (Loss) Before Contributions	Capital Contributions (7)	Change in Net Position
\$ -	\$ (3,330)	\$ (3,901)	\$ 7,302	\$ 3,401
713	4,763	10,313	10,758	21,071
806	(3,234)	8,342	5,909	14,251
(96)	1,719	9,353	4,908	14,261
(111)	2,178	2,426	7,562	9,988
479	(35)	(3,050)	12,110	9,060
586	(66,335)	(82,306)	8,455	(73,851)
248	3,922	(18,611)	8,313	(10,298)
(1)	10,978	(13,893)	8,397	(5,496)
-	3,492	1,052	8,083	9,135

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West Basin Municipal Water District

**Table 3: Operating Revenues by Source
Last Ten Fiscal Years (In Thousands)**

Fiscal Year Ended June 30	Water Sales					Total
	Water and Monitoring	Water Recycling	Desalting	Conservation		
	(1)	(2)	(3)			
2016	\$ 136,338	\$ 39,539	\$ 815	\$ 500	\$ 177,192	
2017	145,048	45,401	281	393	191,123	
2018	155,312	49,444	76	91	204,923	
2019	162,280	46,518	268	66	209,132	
2020	161,574	43,429	144	135	205,282	
2021	164,016	38,645	428	112	203,201	
2022	174,985	29,624	(4) -	204	204,813	
2023	152,960	(5) 38,097	-	190	191,247	
2024	158,592	(5) 38,940	-	320	197,852	
2025	178,274	(6) 48,541	-	238	227,053	

(1) Includes potable water sales, Capacity Charge, Fixed Service Charge, Monitoring Revenue, and all other related adjustments.

(2) Includes recycled water sales and incentives from Metropolitan Water District of Southern California Local Resource Programs (LRP) which offers a \$250 incentive per acre-foot of the recycled water sold. This incentive ended March 31, 2020. Explanation of the fluctuations in recycled water sales is on Table 10 - "Recycled Water Sales in Acre-Feet".

(3) Sales were down between 2017 through 2020 due to the facility being shut down for major repairs. In Fiscal Year 2022 the District entered into an agreement to sell the Desalter and the Desalter was no longer in operation.

(4) Sales of recycled water were greatly reduced due to poor quality influent water.

(5) Imported water sales decreased due to conservation messaging during the state-wide drought, a significant level of rain from December 2022 through April 2023, and a shutdown of the Metropolitan Water District Upper Feeder Pipeline in September 2022.

(6) Demand for Imported water remained flat, although the sales increased due to rate increases from Metropolitan Water District and West Basin Municipal Water District.

West Basin Municipal Water District

**Table 4: Operating Expenses by Source
Last Ten Fiscal Years (In Thousands)**

<u>Fiscal Year Ended June 30</u>	<u>Source of Supply & Monitoring</u>	<u>Water Recycling Costs</u>	<u>Desalting Operations</u>	<u>Public Information and Education</u>	<u>Water Policy and Conservation</u>
	(1)	(2)	(3)		
2016	\$ 114,271	\$ 32,770	\$ 881	\$ 2,477	\$ 2,436
2017	118,289	35,651	592	2,754	3,001
2018	125,745	34,828	475	3,201	3,257
2019	132,387	37,576	774	2,988	2,784
2020	131,450	38,951	816	3,989	4,415
2021	131,137	38,031	934	3,759	3,909
2022	142,745	42,718	169	2,550	3,083
2023	125,574	49,239	4	4,615	4,535
2024	130,746	56,770	-	3,879	4,043
2025	143,385	52,618	-	4,198	3,520

(1) Includes water purchases from the Metropolitan Water District of Southern California (MWD), Capacity Charges, and Readiness-to-Serve Charge and monitoring program costs. MWD rate adjustments are passed on to West Basin customers. Explanation of the fluctuations in source of supply is in Table 8 - "All Water Sold in Acre-Feet".

(2) Represents West Basin's costs to operate and maintain its recycling facilities. Costs increases from FY 2022 to 2024 were due to inflation, poor water quality and increased material and supply costs.

(3) Represents West Basin's costs to operate and maintain its brackish desalting facility. Costs were minimal in FY 2022 and FY 2023 due to the Board's decision to decommission the facility. Desalter facility was sold to Water replenishment District (WRD) in FY 2024.

(4) In Fiscal Year 2018, Project Planning was created to capture costs such as district-wide planning and cancelled capital projects.

(5) Fiscal Year 2016 to 2025 amounts only represent depreciation expense; amortization expenses are included in Interest Expense.

West Basin Municipal Water District

**Table 4: Operating Expenses by Source (continued)
Last Ten Fiscal Years (In Thousands)**

<u>Project Planning</u>	<u>Depreciation and Amortization</u>	<u>Total Operating Expenses</u>
(4)	(5)	
\$ -	\$ 24,928	\$ 177,763
-	25,286	185,573
653	25,188	193,347
1,343	23,646	201,498
1,310	24,103	205,034
1,978	26,468	206,216
2,598	26,921	220,784
2,730	27,084	213,780
926	26,360	222,723
637	25,136	229,493

West Basin Municipal Water District

**Table 5: Capital Contributions by Source
Last Ten Fiscal Years (In Thousands)**

<u>Fiscal Year Ended June 30</u>	<u>Recycling Operations</u>	<u>U.S. Army Corps of Engineers</u>	<u>California Department of Water Resources</u>	<u>Other</u>	<u>Total</u>
	(1)	(2)	(3)	(4)	
2016	\$ 7,156	\$ -	\$ 6	\$ 140	\$ 7,302
2017	7,075	1,641	720	1,322	10,758
2018	5,909	-	-	-	5,909
2019	4,805	-	66	37	4,908
2020	7,457	-	61	44	7,562
2021	8,385	-	-	3,725	12,110
2022	8,313	-	-	142	8,455
2023	8,313	-	-	-	8,313
2024	8,397	-	-	-	8,397
2025	8,083	-	-	-	8,083

(1) West Basin receives fixed payments from major recycled water customers based on the contracts' terms. The capital contributions of recycled water facilities are intended to cover the construction and major repair and replacement costs.

(2) Represents a grant with the U.S. Army Corps of Engineers for the Harbor-South Bay Water Recycling Project. To date, the total contributions received was \$35M.

(3) West Basin received grants from the California Department of Water Resources (DWR) to assist with the design and construction of the expansion to the Edward C. Little Water Recycling Facility as well as seawater desalination project.

(4) Included the contributions from other agencies such as Los Angeles Department of Water & Power, Marathon (formerly Tesoro), Southern California Edison (SCE), and Metropolitan Water District of Southern California and the value of \$3.6M donated pipelines in Fiscal Year 2021.

West Basin Municipal Water District

**Table 6: Payors – Potable Water Sales
Current Year and Nine Years Prior (In Thousands)**

Tables below show potable water sales to principal customers of West Basin
(excluding the Fixed Service Charge, Capacity Charges and late penalties)

2025		
Customer	<u>in US \$</u>	<u>%</u>
California Water Service (CalWater)	\$ 78,340	46.5%
Golden State Water Company (GSWC)	25,675	15.2%
Water Replenishment District (WRD)	12,463	7.4%
Los Angeles County Water Works (LA County)	13,739	8.2%
City of El Segundo	11,887	7.1%
City of Inglewood	12,768	7.6%
City of Manhattan Beach	7,835	4.6%
City of Lomita	3,446	2.0%
California American Water Company (CAWC)	<u>2,395</u>	<u>1.4%</u>
Total	<u>\$168,548</u>	<u>100.0%</u>

2016		
Customer	<u>in US \$</u>	<u>%</u>
California Water Service (CalWater)	\$ 62,700	47.1%
Golden State Water Company (GSWC)	31,494	23.6%
Los Angeles County Water Works (LA County)	9,840	7.4%
City of El Segundo	9,741	7.3%
City of Inglewood	8,304	6.2%
Water Replenishment District (WRD)	4,588	3.4%
City of Manhattan Beach	4,300	3.2%
City of Lomita	1,705	1.3%
California American Water Company (CAWC)	<u>516</u>	<u>0.4%</u>
Total	<u>\$133,188</u>	<u>100.0%</u>

West Basin Municipal Water District

**Table 7: Payors – Recycled Water Sales
Current Year and Nine Years Prior (In Thousands)**

Tables below show recycled water sales to principal customers of West Basin (excluding LRP rebate)

2025		
Customer	<u>in US \$</u>	<u>%</u>
City of El Segundo	\$ 14,069	29.2%
California Water Service (CalWater)	10,689	22.1%
Water Replenishment District (WRD)	11,039	22.9%
City of Torrance	8,245	17.1%
L.A. Dept of Water & Power	1,415	2.9%
City of Inglewood	1,347	2.8%
City of Manhattan Beach	631	1.3%
Golden State Water Company (GSWC)	826	1.7%
Total	<u>\$ 48,261</u>	<u>100.0%</u>

2016		
Customer	<u>in US \$</u>	<u>%</u>
City of El Segundo	\$ 10,743	33.1%
Water Replenishment District (WRD)	8,274	25.5%
California Water Service (CalWater)	7,007	21.6%
City of Torrance	4,086	12.6%
L.A. Dept of Water & Power	898	2.8%
City of Inglewood	761	2.3%
Golden State Water Company (GSWC)	406	1.3%
City of Manhattan Beach	281	0.9%
Total	<u>\$ 32,456</u>	<u>100.0%</u>

West Basin Municipal Water District

**Table 8: All Water Sold in Acre-Feet
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Potable Water			Total Potable Water	Recycled	All Water Sold	Groundwater (Info Only) (5)
	Imported		Desalting				
	Non- Interruptible	Saltwater Barrier					
(1)	(2)	(3)	(4)				
2016	103,638	3,681	779	108,098	35,003	143,101	31,635
2017	103,333	6,563	284	110,179	36,330	146,509	27,642
2018	106,601	7,740	50	114,390	37,060	151,451	33,917
2019	108,365	8,674	238	117,277	33,192	150,469	27,569
2020	105,686	6,950	124	112,760	34,340	147,099	28,667
2021	103,955	5,138	362	109,455	33,920	143,375	32,676
2022	103,601	11,880	-	115,481	24,466	139,947	30,726
2023	88,530	6,465	-	94,996	29,140	124,135	32,557
2024	83,887	9,932	-	93,819	27,497	121,316	36,941
2025	86,884	8,974	-	95,858	30,892	126,750	42,636

(1) The decline in non-interruptible potable sales over the years was largely due to water conservation messaging and related projects such as grass replacements and low-flow appliances.

(2) Saltwater Barrier sales are affected by fluctuations in recycled water injections and repairs performed by Los Angeles County. Lower injection of recycled water results in a higher demand for imported water.

(3) The Desalting operation was shut down during portions of Fiscal Year 2017 to 2021 due to major rehabilitations. West

(4) In Fiscal Year 2022 and 2024, the decrease in sales were due to poor quality source water and unexpected operation shutdowns.

(5) West Basin does not sell Groundwater. This information is included in the table above only for analysis. West Basin's deliveries of non-interruptible and saltwater barrier water are affected by the amount of groundwater pumped.

West Basin Municipal Water District

**Table 9: All Water Sales to Customers in Acre-Feet
Last Ten Fiscal Years**

	2016	2017	2018	2019
California Water Service (CalWater)	57,367	58,216	60,431	60,213
Water Replenishment District (WRD) (1)	17,358	19,577	20,788	18,412
City of El Segundo	16,782	16,482	16,335	17,078
Golden State Water Company (GSWC)	25,791	24,272	21,830	24,211
Los Angeles County Water Works (LA County)	7,932	8,414	8,809	7,839
City of Inglewood	7,458	7,127	8,117	8,261
City of Torrance	4,012	5,037	6,685	5,887
City of Lomita	1,374	1,549	1,416	1,520
City of Manhattan Beach	3,738	4,582	4,788	4,794
California American Water Company (CAWC)	415	428	1,397	1,426
L.A. Dept of Water & Power	874	825	855	829
Total (2)	143,101	146,509	151,451	150,470

(1) Sales decreased due to well & pipeline repairs in Fiscal Year 2016 and 2021. From Fiscal Year 2022 to 2024, sales decreased due to poor quality source water for recycled water.

(2) In Fiscal Year 2020, West Basin sales declined to the City of Inglewood due to their adding a new groundwater well and to the City of El Segundo purchasing less recycled water. From Fiscal Year 2022 to 2024, overall sales decreased due to increased messaging of a state-wide drought, poor quality source water received for recycled water, and longer rain period in 2023.

West Basin Municipal Water District

**Table 9: All Water Sales to Customers in Acre-Feet (continued)
Last Ten Fiscal Years**

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
59,581	59,974	57,819	51,472	48,677	49,633
20,034	16,132	13,545	13,736	16,093	17,638
14,953	14,952	17,823	15,320	15,527	15,622
23,607	21,909	21,507	17,646	14,458	14,686
7,856	8,753	8,571	6,965	6,944	7,663
6,205	7,094	7,238	6,416	6,659	7,826
5,424	5,447	5,082	5,053	5,056	4,982
2,004	2,093	1,986	1,812	1,831	1,918
4,868	5,135	4,718	4,039	4,454	4,705
1,696	1,004	844	1,017	1,027	1,339
<u>870</u>	<u>882</u>	<u>813</u>	<u>659</u>	<u>591</u>	<u>737</u>
<u>147,098</u>	<u>143,375</u>	<u>139,947</u>	<u>124,135</u>	<u>121,316</u>	<u>126,749</u>

West Basin Municipal Water District

**Table 10: Recycled Water Sales in Acre-Feet
Last Ten Fiscal Years**

Table below shows recycled water accounts and sales for the last ten fiscal years identified by the four largest purchasers and others.

Fiscal Year Ended June 30	Number of Accounts	Chevron Refinery	Torrance Refinery	Marathon Refinery	Total Refineries	West Coast Barrier	Disinfected Tertiary	Total
		(1)	(1)	(1)	(2)	(3)	(5)	
2016	424	8,290	3,596	(4) 5,183	17,070	13,677	4,256	35,003
2017	436	8,978	4,725	5,571	19,273	13,014	4,043	36,330
2018	475	8,454	6,231	4,751	19,436	13,047	4,577	37,060
2019	434	9,061	5,532	4,803	19,395	9,738	4,059	33,192
2020	446	8,006	5,128	4,014	17,148	13,084	4,107	34,340
2021	468	8,737	5,098	4,487	18,322	10,995	4,604	33,921
2022	469	8,999	4,695	4,882	18,576	1,665	4,224	24,466
2023	469	8,694	4,769	5,048	18,510	7,271	3,359	29,140
2024	477	8,791	4,758	4,550	18,099	6,161	3,237	27,497
2025	481	8,581	4,641	4,990	18,212	8,665	4,015	30,892

(1) Chevron refinery is located in the city of El Segundo, Torrance Refining Company (formerly Exxon Mobil Refinery) is located in Torrance, and Marathon (formerly Tesoro) is located in Carson.

(2) Recycled Water Sales include deliveries to refineries for nitrification, low and high pressure boiler feed. In Fiscal Year 2020, sales to all refineries were decreased due to a combination of poor water quality during the 1st two quarters and the impact of COVID-19 pandemic on travel during the 4th quarter of the fiscal year.

(3) Reduction in sales in Fiscal Year 2022 was due to a sewage spill at the Hyperion Reclamation Treatment Plant.

(4) Sales to the Torrance Refining Company decreased in Fiscal Year 2016 due to refurbishment of the biofilters.

(5) Sales of Disinfected Tertiary recycled water are affected by the amount of precipitation and addition/deletion of recycled water customers.

West Basin Municipal Water District

**Table 11: Average Water Rates Per Acre-Foot
Last Ten Fiscal Years**

Type of Water	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Purchased from MWD (1)										
Non-interruptible	\$1,242	\$1,301	\$1,343	\$1,370	\$1,380	\$1,423	\$1,469	\$1,544	\$1,641	\$1,804
Saltwater Barrier	1,242	1,301	1,343	1,370	1,380	1,423	1,469	1,544	1,641	1,804
West Basin Recycled Water (2)										
Recycled - Disinfected Tertiary	\$1,005	\$1,069	\$1,105	\$1,151	\$1,186	\$1,255	\$1,294	\$1,520	\$1,649	\$1,836
Recycled - Disinfected Tertiary- Outside Service Area	1,047	1,111	1,147	1,193	1,228	1,297	1,336	1,562	1,691	1,936
Recycled - Barrier	605	618	836	896	961	1,031	1,104	1,174	1,223	1,274
Recycled - Low Pressure Boiler Feed	1,233	1,297	1,333	1,379	1,075	1,128	1,170	1,207	1,333	1,512
Recycled - High Pressure Boiler Feed	1,589	1,653	1,689	1,735	856	893	933	956	1,132	1,334
Recycled - Nitrified	985	1,049	1,085	1,131	1,166	1,118	1,170	1,231	1,344	1,607
West Basin Desalting Plant (3)										
Desalted Water	\$1,048	\$1,078	\$1,106	\$1,133	\$1,158	\$1,186	\$1,224	\$0	\$0	\$0

(1) Non-interruptible and Saltwater Barrier rates include Metropolitan Water District of Southern California (MWD) commodity charge, West Basin's reliability service charge, and the MWD's Readiness-to-Serve (RTS) Charge. The rates presented above represent the average rates for the period due to MWD changing its rates effective January 1st each year.

(2) Some of the recycled water rates are established by the agreements.

(3) Desalter plan is no longer in operation starting in fiscal year 2023.

West Basin adopts its water rates annually by resolution.

West Basin Municipal Water District

**Table 12: Imported Water Rates
For the Years Ended June 30, 2024 and 2025**

West Basin's Imported Water Rates include the passing-through rates from the Metropolitan Water District of Southern California (MWD).

	MWD <u>Commodity</u>	MWD <u>Readiness-to-Serve Charge</u>	West Basin Reliability <u>Service Charge</u>	<u>Total</u>
Fiscal Year Ended June 30, 2024				
<i>July 1, 2023 to December 31, 2023</i>				
Non-Interruptible & Barrier (Tier 1)	\$1,209	\$121	\$275	\$1,605
Non-Interruptible & Barrier (Tier 2)	1,418	121	275	1,814
<i>January 1, 2024 to June 30, 2024</i>				
Non-Interruptible & Barrier (Tier 1)	\$1,256	\$146	\$275	\$1,677
Non-Interruptible & Barrier (Tier 2)	1,455	146	275	1,876
Fiscal Year Ended June 30, 2025				
<i>July 1, 2024 to December 31, 2024</i>				
Non-Interruptible & Barrier (Tier 1)	\$1,256	\$149	\$303	\$1,708
Non-Interruptible & Barrier (Tier 2)	1,455	149	303	1,907
<i>January 1, 2025 to June 30, 2025</i>				
Non-Interruptible & Barrier (Tier 1)	\$1,395	\$201	\$303	\$1,899
Non-Interruptible & Barrier (Tier 2)*	-	-	-	-

West Basin Municipal Water District

**Table 13: Outstanding Debt to Capital Assets
Last Ten Fiscal Years (In Thousands)**

Table below provides an overview of the ratio of the total capital assets to debt outstanding as of fiscal year-end. Total long-term (LT) debt includes certificates of participation, revenue bonds, commercial paper line, leases, subscriptions, and state loans.

Fiscal Year Ended June 30	TOTAL DEBT				CAPITAL ASSETS				Total Debt/ Capital Assets	
	Certificates of Participation & Revenue Bonds	Leases & CP	State SBITA	Total Debt	Capitalized Assets	Construction- in-Progress	Leases & SBITA	Total Capital Assets		
	(1)	(2)	(3)		(4)	(5)	(3)			
2016	\$295,831	-	-	-	\$295,831	\$599,282	\$79,015		\$678,297	0.44
2017	292,377	-	-	-	292,377	611,438	88,061		699,499	0.42
2018	279,300	-	-	-	279,300	611,756	109,785		721,541	0.39
2019	265,972	-	-	-	265,972	617,574	132,592		750,166	0.35
2020	252,232	10,000	-	-	262,232	684,791	74,983		759,774	0.35
2021	255,419	-	-	-	255,419	692,320	82,130		774,450	0.33
2022	239,362	-	978	-	240,340	698,678	34,532	1,140	734,350	0.33
2023	227,297	-	1,079	3,661	232,037	704,940	42,611	1,412	748,963	0.31
2024	212,457	-	1,155	3,661	217,273	704,940	51,562	1,775	758,277	0.29
2025	197,041	-	1,038	15,617	213,696	709,109	67,016	1,822	777,947	0.27

(1) Premiums on outstanding revenue bonds and certificates of participation have been included in the outstanding debt along with the outstanding principal balances.

(2) A Commercial Paper Program was established in October 2018, however, the first draw occurred in July 2019. In fiscal year 2021 the balance was fixed out in conjunction with the 2021 refunding transaction.

(3) West Basin implemented GASB No. 87 Leases in fiscal year 2022 and GASB No. 96 Subscription-Based Information Technology Arrangements (SBITA) in fiscal year 2023.

(4) See details at "General Operating Information".

(5) Amounts include all of West Basin's Construction-in-Progress projects.

West Basin Municipal Water District

**Table 14: Debt Per Capita
Last Ten Fiscal Years**

Table below provides an overview of the ratio of the total debt outstanding as compared to West Basin's service area total population as of fiscal year-end.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Total LT</u> <u>Debt</u>	<u>West Basin</u> <u>Population</u>	<u>Debt Per Capita</u>
	(1)		
2016	\$295,831,000	877,798	\$337
2017	292,377,000	881,392	332
2018	279,300,000	882,000	317
2019	265,972,000	882,000	302
2020	262,232,000	882,000	297
2021	255,419,000	882,000	290
2022	240,340,000	882,000	272
2023	232,037,000	885,000	262
2024	217,273,000	887,000	245
2025	213,696,000	869,252	246

(1) Numbers are rounded to the nearest thousand.

West Basin Municipal Water District

**Table 15: Annual Debt Payments to Operating Expenses
Last Ten Fiscal Years (In Thousands)**

Fiscal Year Ended June 30	Principal Payments	Interest Payments	Lease & SBITA	State Loan	Total Debt Payments	Operating Expenses	Ratio Debt/ Expenses	Bond Refunding
	(1)	(1)	(3) & (4)	(5)			(6)	(Info Only)
2016	\$15,370	\$13,031	\$-	\$-	\$28,401	\$177,763	0.16	-
2017	9,290	(2) 12,120	-	-	\$21,410	185,573	0.12	27,309
2018	10,610	12,739	-	-	\$23,349	193,347	0.12	-
2019	11,000	12,161	-	-	\$23,161	201,498	0.11	-
2020	11,425	11,827	-	-	\$23,252	205,034	0.11	-
2021	11,835	10,556	-	-	\$22,391	206,216	0.11	79,600
2022	7,875	(2) 9,348	73	-	\$17,296	220,784	0.08	31,590
2023	9,055	9,665	170	-	\$18,890	213,780	0.09	-
2024	11,830	9,044	300	-	\$21,174	222,723	0.10	-
2025	12,513	8,583	287	-	\$21,383	229,493	0.09	-

(1) Data obtained from the Statement of Cash Flows.

(2) Payments decreased due to the refunding transactions.

(3) West Basin implemented GASB No. 87 Leases in fiscal year 2022.

(4) West Basin implemented GASB No.96 SBITA in fiscal year 2023. The payment in fiscal year 2023 includes both payment of lease and SBITA.

(5) West Basin received a \$3.6M state revolving loan in June 2023. No interest and principal payments were required in fiscal years 2023 and 2024.

(6) The ratio changes based on the refunding opportunities in any given year and how the existing bonds payment schedules were constructed.

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West Basin Municipal Water District

**Table 16: Standby Charge and Capital Recovery Charges
Last Ten Fiscal Years (In Thousands)**

Standby Charges and Fixed Capital Recovery Charges are both revenues to West Basin. West Basin uses these revenues to pay the debt incurred for the construction or improvement to its recycled water facilities. The table below shows the information on these revenues as compared to debt payments.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Standby</u> <u>Charge</u>	<u>Capital Recovery</u> <u>Charge</u>	<u>Total</u>	<u>Debt Payment</u> <u>Cash Basis</u>	<u>% of</u> <u>Debt Payment</u>
	(1)	(2)			
2016	9,655	7,156	16,811	28,401	59%
2017	9,614	7,075	16,689	21,410	78%
2018	10,038	5,909	15,947	23,349	68%
2019	10,030	4,908	14,938	23,161	64%
2020	9,987	7,562	17,549	23,252	75%
2021	10,052	8,420	18,472	22,391	82%
2022	10,009	8,455	18,464	17,296	107%
2023	6,219	8,313	14,532	18,890	77%
2024	5,862	8,397	14,259	21,174	67%
2025	5,576	8,083	13,659	21,383	64%

(1) Considered for approval annually by the Board, the Standby Charge is imposed by West Basin on land owners within its service area. The charge is collected by means of the property owner's tax bill through the County of Los Angeles. The Standby Charge was designed to help drought-proof the area through construction of recycled water distribution and treatment facilities. Starting in fiscal year 2023, the Standby Charge is undergo a phased reduction and will be eliminated by fiscal year 2030.

(2) Capital Recovery Charges are paid by Marathon/Tesoro, Chevron, Torrance Refining Company, and Los Angeles Department of Water and Power. The charges are used to repay the cost of the treatment and distribution facilities that were constructed for the delivery of recycled water to these entities. Amounts are based on contractual terms. These fixed revenues are reported as Capital Contribution in the basic financial statements, see Table 5 - "Capital Contribution By Source".

West Basin Municipal Water District

Table 17: Debt Coverage
Last Ten Fiscal Years (In Thousands)

	2016	2017	2018	2019	2020
Changes in Net Position (1)	\$3,401	\$21,071	\$14,251	\$14,261	\$9,988
Add: Interest Expense	9,859	8,161	11,418	10,860	10,604
Add: Depreciation/Amortization	24,928	25,286	25,188	23,646	24,103
Less: Non-cash items (2)	3,652	(636)	3,436	(308)	(358)
Net Revenues for Coverage	<u>\$41,840</u>	<u>\$53,882</u>	<u>\$54,293</u>	<u>\$48,459</u>	<u>\$44,337</u>
Parity Debt Service	\$13,646	\$17,821	\$19,422	\$22,912	\$23,292
2003A Bonds	-	-	-	-	-
2008A Bonds	799	728	493	-	-
2010A Bonds	250	213	170	394	439
2011A Rev Bonds	1,437	4,907	5,218	5,210	5,219
2011B Rev Bonds	2,993	2,993	2,993	2,993	2,993
2012A Rev Bonds	4,390	4,387	4,390	4,390	4,391
2013A Rev Bonds	3,777	287	-	-	-
2016A Rev Bonds	-	4,306	6,158	9,925	10,250
2021A Rev Bonds	-	-	-	-	-
2022A Rev Bonds	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
Reserve Fund Earnings	(2)	(6)	(9)	(14)	(7)
Total Net Senior Debt Service	<u>\$13,644</u>	<u>\$17,815</u>	<u>\$19,413</u>	<u>\$22,898</u>	<u>\$23,285</u>
Debt Coverage	<u>3.07</u>	<u>3.02</u>	<u>2.80</u>	<u>2.12</u>	<u>1.90</u>
Subordinate Debt Service	\$9,058	\$5,774	\$4,120	\$460	\$171
2003B Bonds	-	-	-	-	-
2008B Bonds	9,058	5,774	4,120	343	-
2018 Commercial Paper	-	-	-	117	-
Reserve Fund Earnings	-	-	(1)	(1)	-
Total Net Subordinate Debt Service	<u>\$9,058</u>	<u>\$5,774</u>	<u>\$4,119</u>	<u>\$459</u>	<u>\$171</u>
Debt Coverage	<u>3.11</u>	<u>6.25</u>	<u>8.47</u>	<u>55.66</u>	<u>123.07</u>
All-In Debt Coverage	<u>1.84</u>	<u>2.28</u>	<u>2.31</u>	<u>2.07</u>	<u>1.89</u>
Cash Available for Additional Subordinate Debt Service, Capital Projects and Other Purposes	\$19,138	\$30,293	\$30,761	\$25,102	\$20,881

(1) See Table 2 - "Changes in Net Position" for more detail.

(2) Non-cash items represent assets contributed from the U.S. Army Corps of Engineers, unrealized gains/losses, changes in fair value of swap instruments, loss on disposition of assets, and nonroutine litigation

(3) Starting in fiscal year 2023, the debt coverage calculation was changed to a cash basis.

West Basin Municipal Water District

**Table 17: Debt Coverage (continued)
Last Ten Fiscal Years (In Thousands)**

2021	2022	2023	2024	2025
		(3)	(3)	(3)
\$9,060	(\$73,851)	(\$10,298)	(\$5,495)	\$9,136
10,072	8,197	6,891	6,256	5,713
26,468	26,921	27,084	26,360	25,136
(2,476)	71,379	1,707	512	(621)
<u>\$43,124</u>	<u>\$32,646</u>	<u>\$25,384</u>	<u>\$27,633</u>	<u>\$39,364</u>
\$23,264	\$22,019	\$18,581	\$20,803	\$21,231
-	-	-	-	-
-	-	-	-	-
415	287	65	-	-
5,218	-	-	-	-
2,927	-	-	-	-
4,389	2,696	-	-	-
-	-	-	-	-
10,231	10,172	10,033	10,297	10,440
84	7,087	7,295	6,924	7,001
-	1,777	1,188	3,582	3,645
-	-	-	-	145
-	-	(3)	(12)	(12)
<u>\$23,264</u>	<u>\$22,019</u>	<u>\$18,578</u>	<u>\$ 20,791</u>	<u>\$ 21,219</u>
<u>1.85</u>	<u>1.48</u>	<u>1.37</u>	<u>1.33</u>	<u>1.85</u>
\$177	\$116	\$100	\$100	\$97
-	-	-	-	-
-	-	-	-	-
177	116	100	100	97
-	-	-	-	-
<u>\$177</u>	<u>\$116</u>	<u>\$100</u>	<u>\$100</u>	<u>\$97</u>
<u>112.20</u>	<u>91.61</u>	<u>68.03</u>	<u>68.30</u>	<u>186.94</u>
<u>1.84</u>	<u>1.47</u>	<u>1.36</u>	<u>1.32</u>	<u>1.85</u>
\$19,683	\$10,511	\$6,706	\$6,742	\$18,048

West Basin Municipal Water District

**Table 18: Ten Largest Employers Within West Basin Service Area
Calendar Year 2024 and Nine Years Prior**

Employer	2024	Rank	2015	Rank
	Number of Employees (1)		Number of Employees	
Boeing Satellite Systems Inc.	14,403	1	2,959	5
Space Exploration Technologies	7,428	2	4,781	2
Raytheon Space & Airborne System	4,321	3	5,189	1
Sony Pictures Entertainment	3,900	4	3,200	3
Northrop Grumman Corporation	2,649	5	2,960	4
Aerospace Corporation	2,522	6	2,711	6
Amazon Studios	2,089	7	-	N/A
Apple	2,058	8	-	N/A
Westfield Shoppingtown-Fox Hills	2,000	9	-	N/A
Mattel Inc.	1,785	10	1,674	8
Palos Verdes Peninsula Unified School District	1,627	11	1,970	7
Chevron Products Company	1,216	12	1,103	9

Total Employment Within West Basin's Service Area (2):

Not Available

Percentage of Each Employer of Total Employment Within West Basin Service Area (2):

Not Available

(1) Most current available data.

(2) West Basin service area includes 17 cities and parts of unincorporated coastal Los Angeles County. The total employment within our service area is not available therefore West Basin can not provide each employer's percentage of the total employment.

West Basin Municipal Water District

**Table 19: Population and Economic Statistics
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>West Basin Population</u>	<u>LA County Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
	(1)	(2)	(2)	(2)	(3)
2016	877,798	10,137,915	\$ 563,907,868	\$ 55,624	5.3%
2017	870,000	10,163,507	593,741,110	58,419	3.7%
2018	882,000	10,105,518	628,808,732	62,224	4.8%
2019	882,000	10,039,107	653,482,910	65,094	4.5%
2020	882,000	9,943,046	678,829,092	68,272	19.6%
2021	882,000	9,811,842	727,459,778	74,141	10.3%
2022	882,000	9,721,138	720,740,528	74,142	5.2%
2023	885,000	Not Available	Not Available	Not Available	5.3%
2024	887,000	Not Available	Not Available	Not Available	6.7%
2025	869,252	Not Available	Not Available	Not Available	6.4%

(1) Data obtained from Water Policy and Resource Development Department.

(2) Data obtained from the Bureau of Economic Analysis. Information for Calendar year 2023 through 2024 is not available.

(3) Data obtained from the State of California Employment Development Department for Los Angeles County.

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West Basin Municipal Water District

Demographics

Service Area

Estimated Total Population Served	869,252
Area	185 square miles

Division I - Represented by Tommy Faavae

Carson, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills Estates, Rolling Hills, and unincorporated Los Angeles County area of Rancho Dominguez

Division II - Represented by Director Gloria D. Gray

Inglewood, portions of the cities of Gardena and Hawthorne, and the unincorporated Los Angeles County areas of Ladera Heights, View Park-Windsor Hills, West Athens, and Westmont

Division III - Represented by Director Desi Alvarez

Hermosa Beach, Lomita, Manhattan Beach, Redondo Beach, and a portion of the city of Torrance and the unincorporated Los Angeles County area of West Carson

Division IV - Represented by Director Scott Houston

Culver City, El Segundo, Malibu, West Hollywood, a portion of the city of Hawthorne, and the unincorporated Los Angeles County areas of Del Aire, Marina del Rey, Topanga, and Wiseburn

Division V - Represented by Director Donald L. Dear

Lawndale, portions of the cities of Gardena and Hawthorne, and the unincorporated Los Angeles County areas of El Camino Village and Lennox

Customers

Number of Direct Customers	11
----------------------------	----

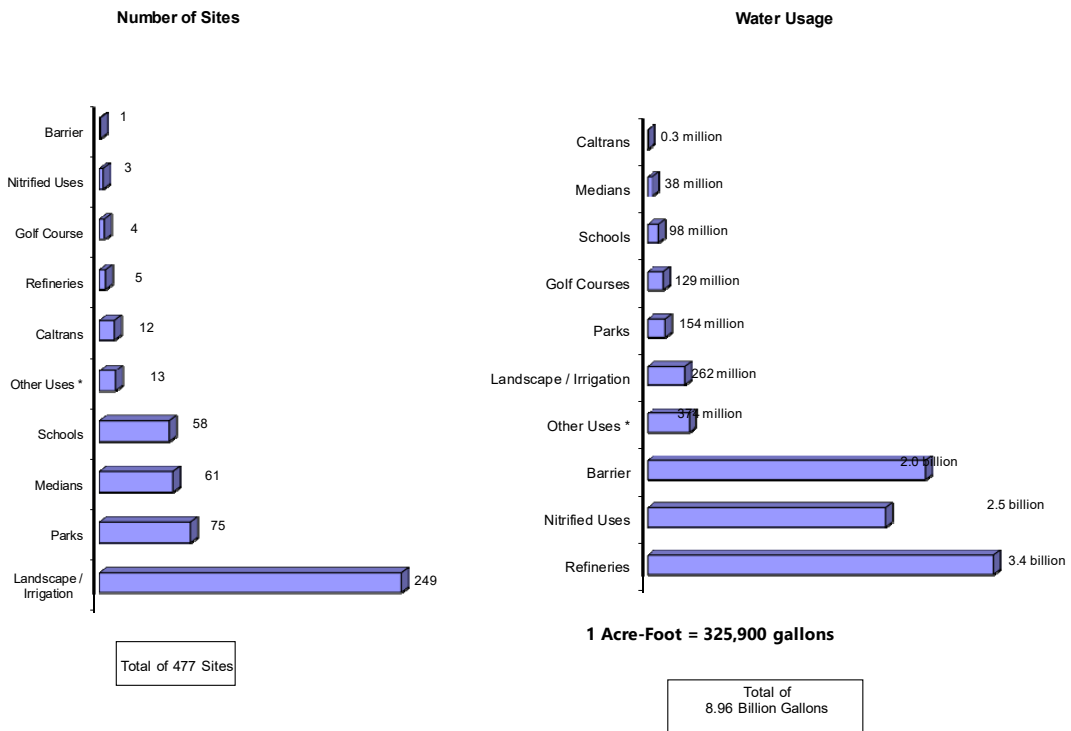
West Basin's direct customers are comprised of cities and retail water agencies that purchase potable non-interruptible water and recycled water for further sales to the end-user or use in the seawater barrier.

Annual Water Deliveries

Potable Water	86,884 acre-feet
Recycled Water	30,891 acre-feet

West Basin Municipal Water District

Recycled Water Users Fiscal Year Ended June 30, 2025



Other Uses *

- Cemetery use
- Multi-industrial / irrigation use
- Construction use
- College use
- Draining / Sump Pumps use

West Basin Municipal Water District

General Operating Information Fiscal Year Ended June 30, 2025

Number of Budgeted Full-Time Personnel

2016	43
2017	49
2018	56
2019	56
2020	56
2021	56
2022	50
2023	50
2024	52
2025	52

Certifications and Licenses Held by District Employees

Certified Public Accountant	1
Licensed attorneys	1
Professional Engineer	7
Masters Degree	24
Certified Professional Public Buyer	1
Electrical Journeyman Certification	1
State Water Certification:	
Distribution Operator	4
Treatment Plant Operator	9

West Basin Municipal Water District

General Operating Information (continued) Fiscal Year Ended June 30, 2025

Capital Assets (In Thousands)

	Recycling Facilities	Desalting	Machinery & Equipment	Construction- in-Progress	Admin. Facility	Leases & SBITA (1)	West Basin Capital Assets (2)
2016	\$ 585,211	\$ 4,079	\$ 3,625	\$ 79,015	\$ 6,367		\$ 678,297
2017	597,046	4,079	3,941	88,061	6,372		699,499
2018	597,661	4,079	3,484	109,785	6,532		721,541
2019	602,250	5,304	3,519	132,592	6,501		750,166
2020	669,343	5,346	3,601	74,983	6,501		759,774
2021	676,223	5,586	4,010	82,130	6,501		774,450
2022	682,633	5,586	3,957	34,532	6,502	1,140	734,350
2023	693,328	1,106	3,974	42,611	6,532	1,412	748,963
2024	697,010	-	4,223	51,562	6,600	1,775	761,170
2025	698,129	-	4,380	67,016	6,600	1,822	777,947

(1) West Basin implemented GASB No. 87 Leases in fiscal year 2022 and GASB No. 96 SBITA in fiscal year 2023.

(2) Excludes accumulated depreciation. The decrease in Capital Assets in fiscal year 2022 was the result of assets written-off.