2023 Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Prepared By:

Finance Department

West Basin
Municipal Water District
17140 S Avalon Blvd
Carson, CA 90746

West Basin Municipal Water District

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023
(With comparative totals for prior year)

Prepared by:
Finance Department

17140 S. Avalon Blvd.
Carson, California 90746

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www.westbasin.org

November 27, 2023

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 2022-2023, which ended June 30, 2023.

The ACFR is intended to provide the Board of Directors, West Basin's customers, the public and interested parties with a broad financial outlook of West Basin. This report is also prepared for the purpose of meeting California law requiring special districts to submit an audited annual financial report to the State Controller within seven months after the end of the fiscal year. In addition, bond covenants require West Basin to file a financial report within 270 days after the end of each fiscal year to the Municipal Securities Rulemaking Board.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to West Basin for its ACFR for the fiscal year ended June 30, 2022. This was the 16th consecutive year West Basin has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

West Basin staff prepared this ACFR in conjunction with the Independent Auditor's Report issued by Rogers, Anderson, Malody & Scott, LLP, a certified public accounting firm, and they have issued an unmodified (or "clean") opinion on West Basin's financial statements for the year ending June 30, 2023. The independent auditor's report is located at the beginning of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statement. MD&A and the Notes to the Financial Statements complement this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of West Basin. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report to the best of our knowledge.

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 approximately 885,000 residents within a 185-square mile service area. Located in the heart of Southern California's coastal plain, its service area has a Mediterranean climate, characterized by warm, dry summers and wet, cool winters with moderate precipitation.

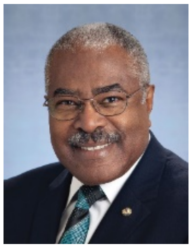
West Basin is governed by a board of five directors who are elected by the public in alternating four-year terms. West Basin is a member agency of the Metropolitan Water District of Southern California (MWD), a cooperative of twenty-six member agencies including cities and water agencies. West Basin sells the imported water it purchases from MWD to cities, water agencies, and private water companies in Los Angeles County.

Recycled water is the cornerstone of West Basin's efforts to increase water reliability by augmenting local supplies. The District's 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 different types of customer-specific recycled water. The system produces quality water for irrigation, industrial cooling towers, high and low pressure boiler feeds, and seawater barrier water for protection and groundwater replenishment. The purified recycled water that West Basin produces for the Water Replenishment District (WRD) is injected into the West Coast seawater barrier and ultimately supplements the groundwater basin. West Basin provides recycled water through more than 450 connections to industrial, commercial and public facilities in the service area and region.

Southern California's imported water supply from Northern California and the Colorado River is becoming less certain especially during times of drought. West Basin's approach to addressing the service area's water future is captured in the Water for Tomorrow Program. Water for Tomorrow brings new emphasis to West Basin's commitment to protecting, securing, and diversifying its water supply while continuing its history of innovation and industry leadership. This includes reducing dependence while increasing reliability of our imported water supply, expanding conservation efforts, maximizing water recycling, and supporting groundwater augmentation and stormwater recapture.

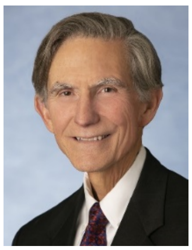
West Basin continues to invest in staff, operations and programs to maintain high standards within our workforce and reach out to the community through conservation programs, education, community partnerships, small and local business opportunities, new diversity, equity and inclusion endeavors, and other programs focused on providing value to our service area.

Board of Directors



Harold C. Williams
Treasurer
Division 1: Carson, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, and the unincorporated Los Angeles County areas of Rancho Dominguez

Gloria D. Gray
Secretary
Division 2: 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



Desi Alvarez
Vice President
Division 3: Hermosa Beach, Lomita, Manhattan Beach, Redondo Beach, a portion of the city of Torrance, and the unincorporated Los Angeles County area of West Carson

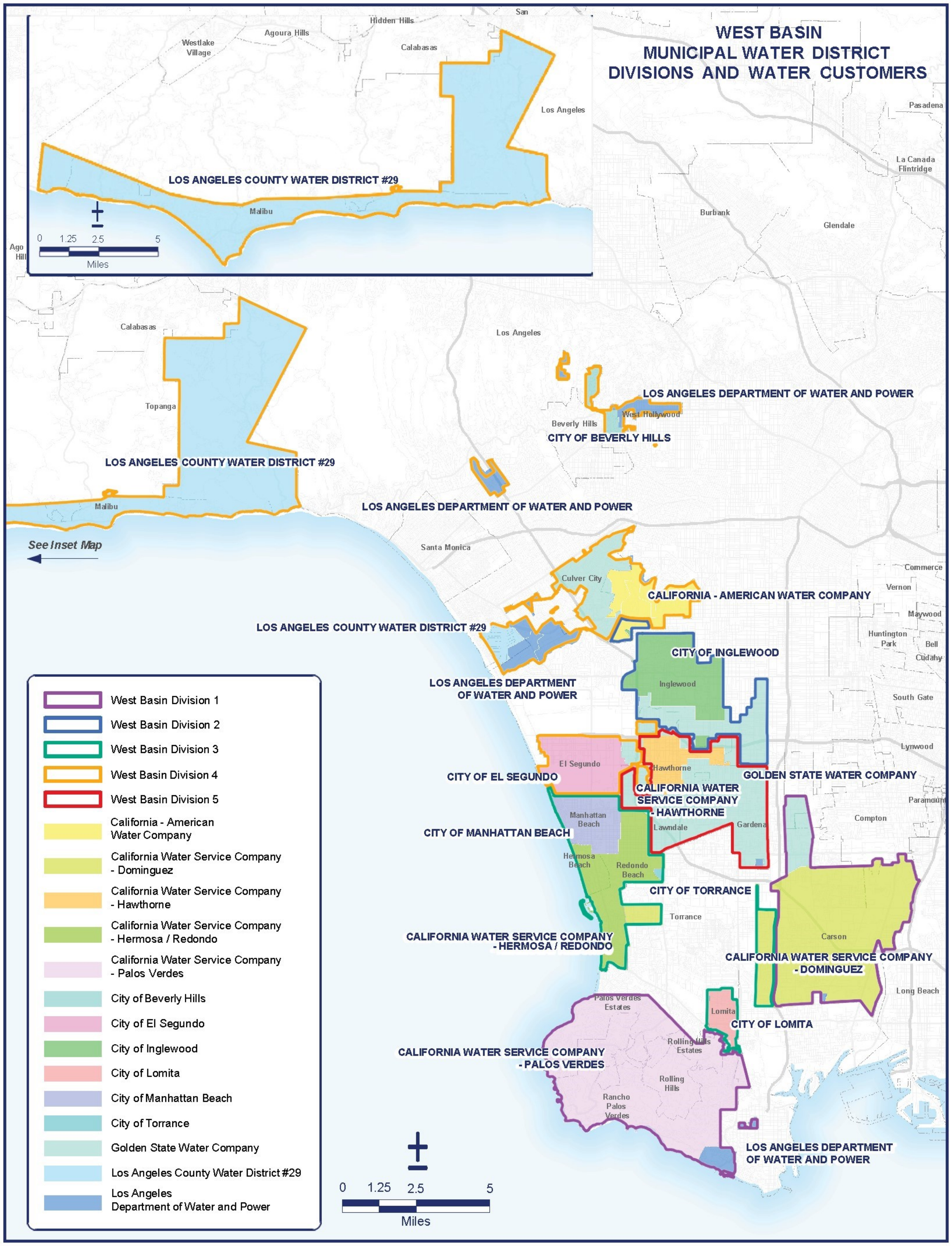
Scott Houston
President
Division 4: Culver City, El Segundo, Malibu, West Hollywood, a portion of the city of Hawthorne, and the unincorporated Los Angeles County areas of Del Aire, Marina del Rey, Topanga, and Wiseburn

Donald L. Dear
Immediate Past President
Division 5: Lawndale, portions of the cities of Gardena and Hawthorne, and the unincorporated Los Angeles County areas of El Camino Village and Lennox

SERVICE AREA

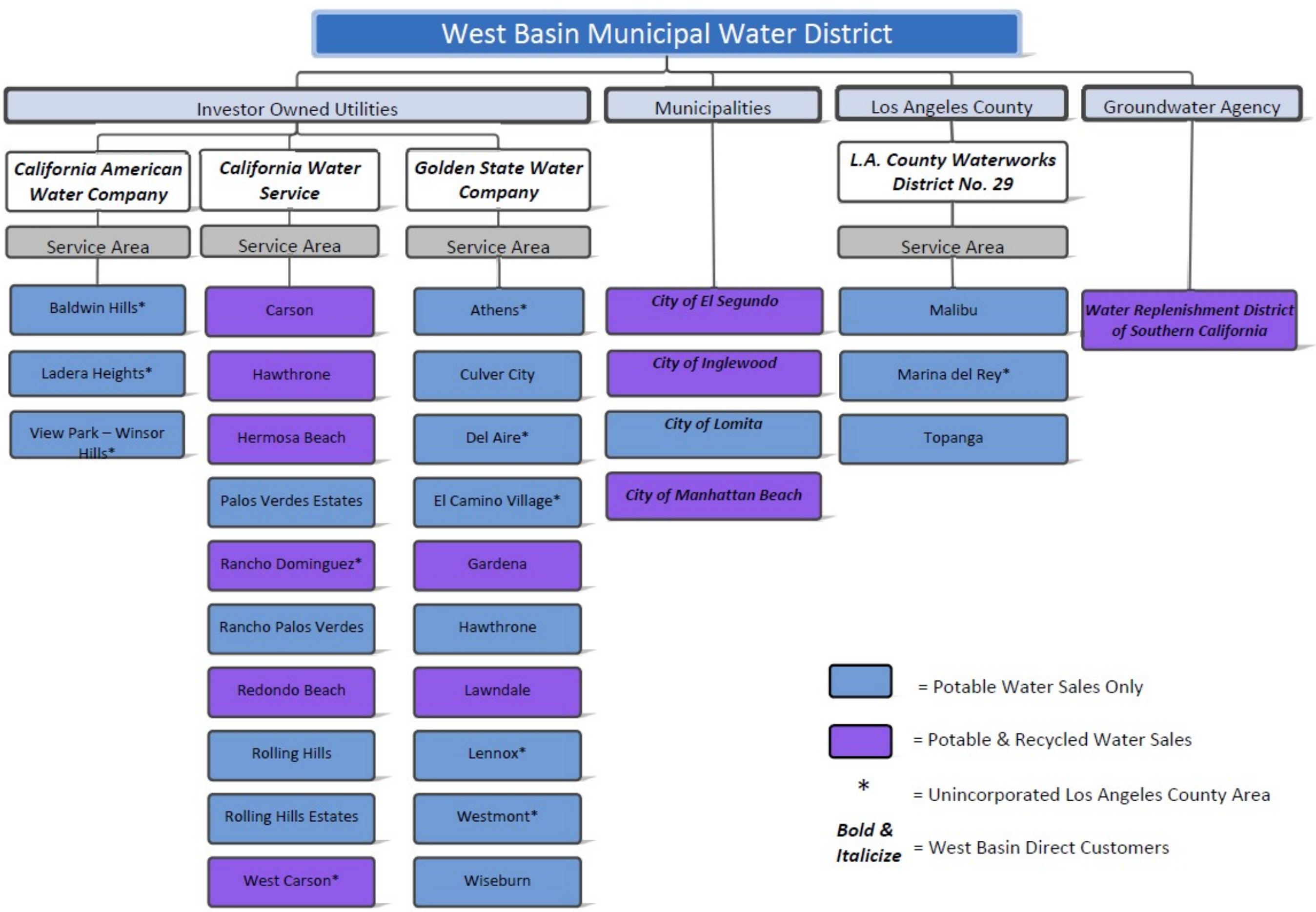
DIVISION OF BOUNDARIES

West Basin Municipal Water District serves a diverse population in 17 cities and parts of unincorporated coastal Los Angeles County.

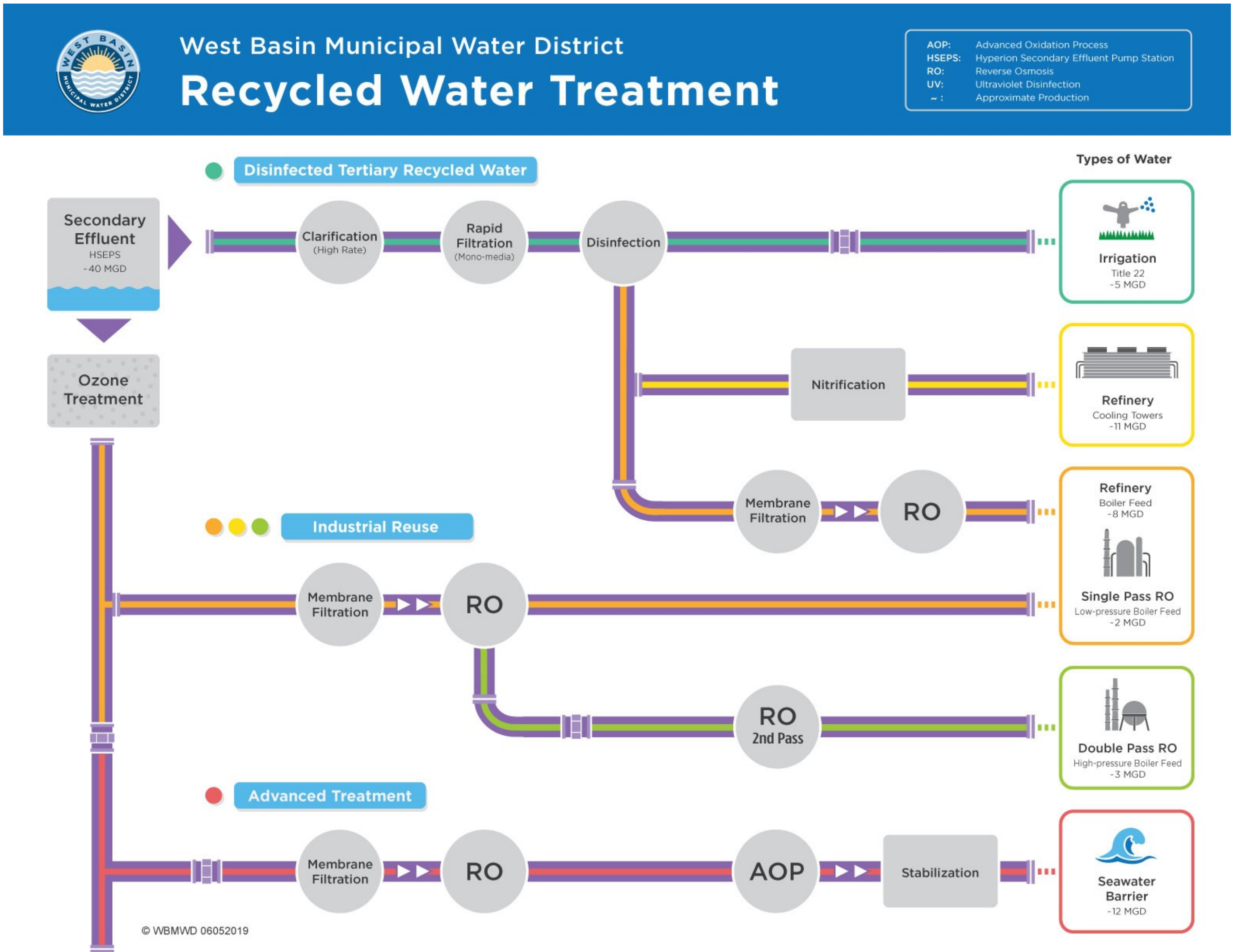


DISTRICT STATISTICS

Formed	December 17, 1947
Estimated Population	885,000
Area Served	185 square miles
	17 Cities and unincorporated areas of Los Angeles County within the 185-square miles
Water Portfolio	Potable & Recycled
Average Residential Parcel Size	9,240 square feet
Average Median Income	$92,454 – Service area
Lowest Median Income	$26,683 - Westmont
Highest Median Income	Over $250,000 – Rolling Hills



TYPES OF RECYCLED WATER PRODUCED BY WEST BASIN



HISTORY

As early as 1918, the levels in local groundwater basins were dropping so low that salt water from the ocean was seeping in 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 was to supply the region with imported water through Metropolitan. 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, 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 addition of 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 who hosts 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

- Provided support for retrofit design, plan review, and approvals to help customers connect to recycled water.
- Implemented Water Shortage Contingency Plan shortage response actions, including communication protocols, as a result of West Basin's Level 3 Shortage declaration.
- Developed updated groundwater use and annual pumping allocation analysis to highlight available basin capacity and opportunities for customer agencies to increase pumping volumes in the future.

Sound Financial and Resource Management

- Completed Standard & Poor's Operational Management Assessment Survey as part of their annual regulatory surveillance.
- Updated five-year forecast to reflect the termination of West Basin's swap, lower water sales forecast as a result of conservation efforts, and future anticipated debt service.
- Supported efforts to apply for additional state and federal project funding for West Basin's programs and projects, including low interest rate revolving fund loans, increased state and bond funding for local water supply development, and specific project appropriations for conservation and construction projects.
- Applied for $3.3 million in state funds that would allow West Basin to offer new and expanded water conservation programs, implement strategic outreach and education on non-functional turf in CII areas, and conduct valuable market research to support the above programs.
- Worked with state lobbyist and coalition partners to include recycled water, conservation, and groundwater funding amounts in state budget, water bond proposals, and infrastructure funding programs.
- Received Distinguished Budget Presentation Award from Government Finance officers Association and Operating Budget Excellence Award from California Society of Municipal Finance Officers for the Fiscal Year 2022-2023 Budget.
- Received Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association for the Fiscal Year 2021-2022 report.

Water Quality

- Monitored water quality to ensure it met water quality compliance and contractual requirements.
- Completed special studies per regulatory requirements for ocean discharge.
- Maintained good relationships with regulators and industry groups to ensure we are aware of upcoming regulations and requirements.

Customer Service

- Promptly responded to recycled water customer issues and concerns.

- Assisted with new recycled water connections and modifications as needed.

- Conducted spot chlorination work in the distribution system as a result of variable influent source water quality.

- Continued the Rain Barrel Home Delivery Program and distributed 1,500 rain barrels.

- Implemented the pilot phase of the Grass Replacement + program providing 20 free residential landscape design packages, free drought-tolerant trees, and an increased $5 per square foot rebate incentive.

- Represented West Basin's programs at over 100 community events, webinars, and networking opportunities in partnership with the South Bay Environmental Services Center.

Environmental Stewardship

- Maintained virtual offerings as part of broader education and outreach programming considering the environmental benefits of online programming.

- Worked with the SBESC to promote the Green Building Program to businesses.

- Engaged with water industry partners and legislative and regulatory advocacy groups to promote the adoption, use and funding of recycled water.

- Partnered with the Palos Verdes Peninsula Land Conservancy and distributed over 700 California native plants.

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 responsible for the establishment and maintenance of internal accounting controls that ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. To ensure that the costs of controls do not exceed the benefits obtained, management uses cost estimates and judgments to attain reasonable assurance as to the adequacy of such controls. Recent audits have not uncovered any weakness in internal control that would cause concern when a recommendation for improvements is made.

BUDGET PROCESS AND CONTROLS

Public agencies develop budgets as a performance tool to measure accountability to its stakeholders. For West Basin, the budget is developed based on meeting the priorities, goals and objectives established by the Board of Directors through its Strategic Business Plan (Plan), which was developed through a series of interviews with the Board of Directors, management, and key staff in addition to interviews with key stakeholders. The Plan provides direction for planning, budgeting, implementation, evaluation and reporting. The Plan is a "living" document in that it does not have a termination date, but it is constantly changing and evolving as the needs of West Basin change and evolve.

The budget is also used as a communication tool. Interested parties, such as bond holders, credit rating agencies, and its customers can review the budget to obtain a wide variety of information on West Basin's short- and long-term strategic planning and financial policies, as well as the current and future fiscal stability. For West Basin, the budget further demonstrates West Basin's commitment to fiscal responsibility and transparency of its operations. The budget shows how the agency will invest its revenues derived from user fees and fixed revenue sources to support its mission and programs.

The General Manager communicates the goals and the current year budget objectives to staff to ensure the budget includes the financial requirements necessary to achieve these goals and objectives. To ensure completion, the goals are also incorporated into each individual employee's performance goals. Furthermore, the high-level goals are also included in the monthly board memos to reflect the commitment to meet the Board's directives.

West Basin is not required to adopt a budget and therefore does not appropriate funds. However, as a good business practice, West Basin does prepare, adopt, monitor, and report budgeted information.

LONG-TERM FINANCIAL PLANNING

To maintain its financial strength, West Basin developed a Long-Range Financial Model. The model uses the current fiscal year budget, incorporates multiple year revenue and expense assumptions used to address anticipated operating and capital expenditures. The capital recycled water expenditures are based on the Capital Improvement Program costs. In addition, the model provides the basis for certain criteria to be incorporated into financial policy development, such as debt management, and designated fund levels. West Basin continues to monitor its assumptions and budget to actual to ensure it remains a financially healthy organization.

CREDIT RATING AND DEBT COVERAGE

As affirmed in January 2022, West Basin maintains a Aa2 rating from Moody's. In addition, AA- rating from Standards & Poor's. In order to maintain these ratings, West Basin has internally set budgeted debt coverage goals, updated financial policies and adopted rates and charges as appropriate. West Basin's Board of Directors has approved a number of financial policies to effectively manage the agency. A copy of these financial policies can be found on West Basin's website at www.westbasin.org within its Administrative Code. These efforts lend to a solid management focus on fiscal policies and metrics and have assisted West Basin to receive strong credit ratings and allow West Basin to obtain low-cost financing for its capital projects. Please refer to Table 17 of the Statistical Section for the 10-year historical information on West Basin's debt coverage.

DESIGNATED FUNDS

West Basin maintains two major types of funds, either restricted or unrestricted. Restricted funds consist of custodial accounts and bond reserves that are subject to the conditions of the respective bond financing documents. The unrestricted reserves are then designated by the Board of Directors as further described in the board-approved policy.

Designated Funds are a strong indicator of an agency's financial health. West Basin's Designated Funds Policy is sometimes referred to as a Reserve Policy and was designed to ensure West Basin has adequate funds to protect its financial health and the furtherance of West Basin's mission.

The policy does not specifically state a target amount but staff has established an internal target approach in its Long-Range Financial Plan to fund West Basin's Designated Funds. The policy allows for the fluidity of a target and will change each year based on the anticipated expenditures. The target amounts are based on West Basin's experience, the current operating budget and capital improvement program. The sum of all the core components provides an overall target amount that serves as a trigger for the Board of Directors to consider options when funding levels fall near or below the overall target.

SOURCE OF REVENUE

West Basin primarily receives its source of revenue from imported and recycled water sales. Imported water sales and charges totaled $153 million for the fiscal year ending June 30, 2023, while recycled water sales amounted to $38 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 STAFF SERVICES

West Basin currently has budgeted 50 full-time employees and 6 interns.

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

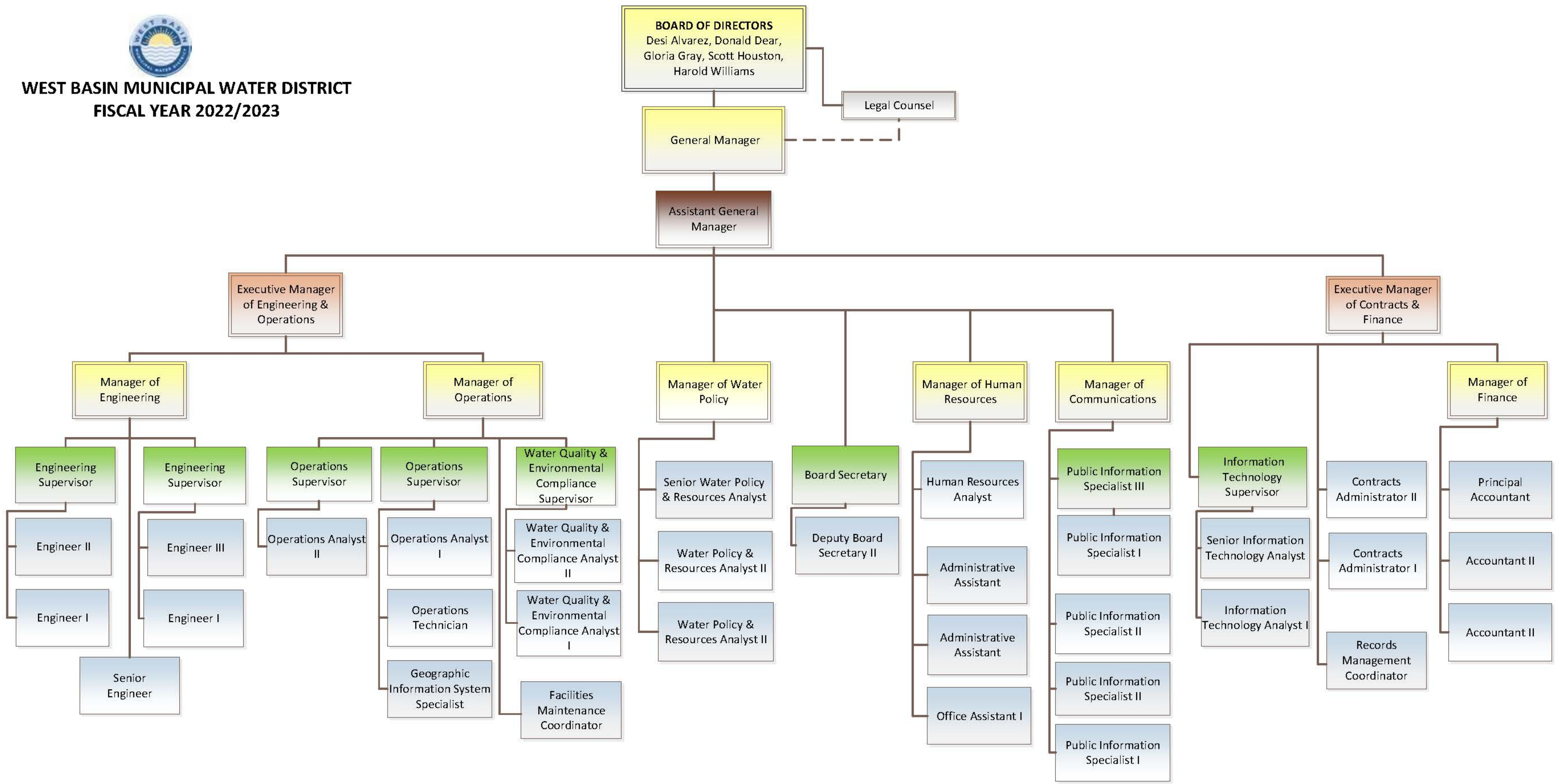
West Basin Municipal Water District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill
Executive Director/CEO

WEST BASIN MUNICIPAL WATER DISTRICT
FISCAL YEAR 2022/2023



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

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Independent Auditor's Report

Board of Directors
West Basin Municipal Water District

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, 2023, 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 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, 2023, 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* (GAS), issued by the Comptroller General of the United States 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 discussed in Note 1 of the financial statements, West Basin adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 GAS 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 GAS, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual 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 2022 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 November 27, 2023, 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, Malody & Scott, LLP.

San Bernardino, California
November 27, 2023

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 ended June 30, 2023. 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 which follow this section.

MAJOR FINANCIAL ACTIVITIES

- West Basin had a negative Change in Net Position of $10,298,297 in fiscal year 2023 due to decreases in Imported Water Sales and Standby Charges, increases in Recycled Water Cost, Pension Expenses and Other Postemployment Benefits (OPEB) expense.

- As of June 30, 2023, West Basin had a Net Asset of $557,211 for the OPEB plan.

- As of June 30, 2023, West Basin had a Net Pension Asset of $173,884 for the Public Agency Retirement System (PARS) Retirement Plan.

- As of June 30, 2023, West Basin had a Net Pension Liability of $2,835,262 for the Public Employees' (PERS) Retirement Plan.

- West Basin's imported water sales were $152,954,542 and the imported water purchases were $125,519,365 resulting in net revenue of $27,435,177.

- West Basin's recycled water sales were $38,096,891 and recycled water costs were $49,238,746 resulting in net loss of $11,141,855.

- Standby charge revenue decreased by $3,790,578. 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 $8,312,800 in capital contributions.

- In June 2004, West Basin entered into a swap agreement with Citibank for the purpose of hedging the variable interest rate that was related to one of the Adjustable Rate Refunding Certificates of Participation. The agreement was terminated as of March 1, 2023.

- Total Net Position in fiscal year 2023 is $219,591,588. Net investment in capital assets is $151,106,619.

- West Basin implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITA) in fiscal year 2023.

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.

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 20 through 58.

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 59 through 65.

Condensed Statement of Net Position

	2023	2022	Change
Assets			
Current unrestricted assets	$ 107,324,354	$ 121,182,509	$ (13,858,155)
Current restricted assets	2,223	14,821	(12,598)
Capital assets, net	379,448,180	386,435,055	(6,986,875)
Other assets	8,442,882	5,172,263	3,270,619
Total Assets	495,217,639	512,804,648	(17,587,009)
Deferred Outflows of Resources	11,031,672	9,757,435	1,274,237
Liabilities			
Current liabilities	59,598,569	55,423,113	4,175,456
Long-term liabilities	223,695,542	232,761,300	(9,065,758)
Total Liabilities	283,294,111	288,184,413	(4,890,302)
Deferred Inflows of Resources	3,363,612	4,487,785	(1,124,173)
Net Position			
Net investment in capital assets	151,106,619	150,221,479	885,140
Unrestricted	68,484,969	79,668,406	(11,183,437)
Total Net Position	$ 219,591,588	$ 229,889,885	$ (10,298,297)

STATEMENT OF NET POSITION

Current unrestricted assets decreased by $14 million largely due to a decrease in net revenue from imported water sales from $32 million in fiscal year 2022 to $27 million in fiscal year 2023 and a decrease in Standby Charge revenue from $10 million in fiscal year 2022 to $6 million in fiscal year 2023.

Total capital assets net of depreciation decreased by $7 million due to the write-off of $2.8 million from other existing capital assets that were no longer in service and $4.5 million from decommissioning of the Groundwater desalting plant.

During Fiscal Year 2023, current liabilities increased by $4 million due to the increase in the current portion of long-term debt by $3 million and an increase in accounts payable of $1.2 million. Long-term liabilities decreased by $9 million due to $9 million in principal payments made in the current year towards its outstanding bonds.

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, change 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 decreased by $10,298,297 in fiscal year 2023. The decrease 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 ($151,106,619 and $150,221,479 as of June 30, 2023 and 2022, 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.

STATEMENT OF NET POSITION

Condensed Statements of Revenue, Expenses and Changes in Net Position

	2023	2022	Change
Revenues			
Operating revenues			
Imported water sales	$ 152,954,542	$ 174,979,201	$ (22,024,659)
Recycled water sales	38,096,891	29,623,621	8,473,270
Water use efficiency	189,911	204,379	(14,468)
Monitoring revenue	5,692	5,801	(109)
Total operating revenues	191,247,036	204,813,002	(13,565,966)
Non-Operating revenues			
Standby charges	6,218,532	10,009,110	(3,790,578)
Investment income	1,820,318	-	1,820,318
Other non-operating revenues	4,596,812	3,486,386	1,110,426
Total non-operating revenues	12,635,662	13,495,496	(859,834)
Total revenue	203,882,698	218,308,498	(14,425,800)
Expenses			
Operating expenses			
Imported water purchase	125,519,365	142,723,038	(17,203,673)
Recycled water costs	49,238,746	42,718,114	6,520,632
Depreciation	27,083,888	26,921,343	162,545
Public information and education	4,614,527	2,549,856	2,064,671
Water policy	2,079,585	1,456,878	622,707
Water use efficiency	2,455,657	1,625,758	829,899
Project planning	2,729,509	2,598,495	131,014
Desalting operations	4,352	168,632	(164,280)
Monitoring	54,677	21,596	33,081
Total operating expenses	213,780,306	220,783,710	(7,003,404)
Non-Operating expenses			
Investment loss	-	1,275,710	(1,275,710)
Loss on disposition of assets	1,819,863	61,122,972	(59,303,109)
Interest expense	6,891,211	8,196,539	(1,305,328)
Settlement on litigation	2,415	9,235,644	(9,233,229)
Total non-operating expenses	8,713,489	79,830,865	(71,117,376)
Total expenses	222,493,795	300,614,575	(78,120,780)
Net Income (loss) before capital contributions	(18,611,097)	(82,306,077)	63,694,980
Capital Contributions	8,312,800	8,455,418	(142,618)
Change in Net Position	(10,298,297)	(73,850,659)	63,552,362
Net position - Beginning of year	229,889,885	303,740,544	(73,850,659)
Net position - End of year	$ 219,591,588	$ 229,889,885	$ (10,298,297)

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 decreased by $10,298,297 for the fiscal year ending June 30, 2023.

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

- Total Operating Revenues decreased by $13,565,966 from fiscal year 2022 to 2023. Imported water sales decreased by $22 million from fiscal year 2022 to 2023. The negative variance is largely attributed to lower imported water sales in the service area due to conservation messaging around 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.

- Recycled Water Costs increased by $6,520,632 from fiscal year 2022. The increase is primarily due to inflation reaching up to 7.7% during the fiscal year, thereby increasing the cost for utilities, chemicals, and sludge hauling.

- An additional $3.4 million of pension expense was recorded at year-end. The cost was allocated to all operating projects. The large expense was a result of CalPERS negative investment net return of -6.1%, which was driven primarily by the downturn of the public market that account for 79% of CalPERS' total fund. This significant loss is reflected in fiscal year 2023 pension cost calculation per Government Accounting Standard Board (GASB) #68 calculation.

- Non-operating expense decreased by $71 million due to a $9.2 million litigation settlement payout and $61 million write-off of the Ocean Desal project costs recorded in fiscal year 2022.

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:

	2023	2022	Change
Land	$ 25,211,646	$ 25,211,646	$ -
Discharge capacity	621,189	621,189	-
Water facilities	670,272,201	664,057,150	6,215,051
Building and improvements	4,707,408	4,676,307	31,101
Potable distribution system	1,241,681	1,241,681	-
Furniture, fixtures, and equipment	2,886,969	2,869,559	17,410
Construction in progress	42,611,068	34,532,326	8,078,742
Right to use - leases	1,126,847	1,126,847	-
Right to use - SBITA	285,115	13,635	271,480
Accumulated depreciation/amortization	(369,515,944)	(347,915,285)	(21,600,659)
Total capital assets	$ 379,448,180	$ 386,435,055	$ (6,986,875)

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 2023, West Basin invested $14.2 million to its existing water recycling facilities and disposed $7.3 of capital assets.

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 2023 and 2022:

	2023	2022	Change
Long-term debt			
Refunding revenue bonds	$ 227,296,976	$ 239,362,419	$ (12,065,443)
State Revolving Fund Loan	3,660,767	-	3,660,767
Other long-term liabilities			
Compensated absences	1,618,050	1,635,425	(17,375)
Lease/subscription liability	1,079,282	978,300	100,982
Net pension liability	2,835,262	-	2,835,262
Interest rate swaps	-	369,775	(369,775)
Total long-term liabilities	$ 236,490,337	$ 242,345,919	$ (5,855,582)

Refunding revenue bonds decreased by $12.1 million due to premium amortization of $3 million and principal payments of $9 million.

In fiscal year 2023, the District received $3.6 million of State Revolving Loan.

There was an increase of $2.8 million liability to West Basin's PERS plans. In fiscal year 2022, the PERS pension plan incurred an investment loss which is reflected in the GASB68 calculation in fiscal year 2023.

Interest rate swaps decreased $369,775 as a result of West Basin terminating its agreement with its counterparty as of March 1, 2023.

Notes 6, 7, and 8 in the Notes to Basic Financial Statements disclose the detail 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.

Statement of Net Position
June 30, 2023 (With comparative totals for June 30, 2022)

ASSETS

	2023	2022
CURRENT ASSETS		
Unrestricted assets:		
Cash and cash equivalents (note 2)	$ 32,642,079	$ 39,033,965
Investments (note 2)	39,895,967	44,170,818
Accounts receivable	32,894,868	36,651,305
Accrued interest receivable	181,231	173,832
Inventory	1,571,217	1,032,899
Prepaid expenses	138,992	119,690
Total unrestricted assets	107,324,354	121,182,509
Restricted assets:		
Cash and cash equivalents (note 4)	2,223	14,821
Total restricted assets	2,223	14,821
TOTAL CURRENT ASSETS	107,326,577	121,197,330
NONCURRENT ASSETS		
Other receivable	7,711,787	809,600
Capital assets, not depreciable (note 5)	68,443,903	60,365,161
Capital assets, net of depreciation (note 5)	311,004,277	326,069,894
Net pension asset (note 9)	-	1,425,228
Net pension asset - PARS (note 9)	173,884	339,305
Net OPEB asset - (note 10)	557,211	2,598,130
TOTAL NONCURRENT ASSETS	387,891,062	391,607,318
TOTAL ASSETS	495,217,639	512,804,648
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension contributions (note 9)	971,099	887,481
Deferred outflows - pension actuarial (note 9)	3,342,753	2,386,532
Deferred outflows - OPEB contributions (note 10)	385,629	540,904
Deferred outflows - OPEB actuarial (note 10)	2,638,950	1,830,196
Deferred amount on debt refunding	3,693,241	4,112,322
TOTAL DEFERRED OUTFLOWS	11,031,672	9,757,435

(Continued)

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

Statement of Net Position
June 30, 2023 (With comparative totals for June 30, 2022)

LIABILITIES AND NET POSITION

	2023	2022
CURRENT LIABILITIES		
Accounts payable and accrued expense	$ 42,941,751	$ 41,793,547
Accrued interest payable	3,862,023	4,044,947
Current portion of compensated absences (note 6)	457,179	454,957
Current portion of long-term debt (note 7)	12,164,786	9,055,000
Current portion of lease liability (note 7)	172,830	74,662
TOTAL CURRENT LIABILITIES	59,598,569	55,423,113
LONG-TERM LIABILITIES		
Compensated absences (note 6)	1,618,050	1,635,425
2016A refunding revenue bonds (note 7)	108,110,387	114,740,323
2021A refunding revenue bonds (note 7)	91,020,739	95,827,370
2022A refunding revenue bonds (note 7)	28,165,850	28,794,726
State revolving fund loan (note 7)	3,660,767	-
Lease/subscription liability (note 7)	1,079,282	978,300
Net pension liability (note 9)	2,835,262	-
Interest rate swap (note 8)	-	369,775
Subtotal	236,490,337	242,345,919
Less: current portion above	(12,794,795)	(9,584,619)
TOTAL LONG-TERM LIABILITIES	223,695,542	232,761,300
TOTAL LIABILITIES	283,294,111	288,184,413
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension actuarial (note 9)	808,832	774,239
Deferred inflows - OPEB actuarial (note 10)	2,554,780	3,713,546
TOTAL DEFERRED INFLOWS	3,363,612	4,487,785
NET POSITION		
Net investment in capital assets	151,106,619	150,221,479
Unrestricted	68,484,969	79,668,406
TOTAL NET POSITION	$ 219,591,588	$ 229,889,885

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

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023 (With comparative totals for June 30, 2022)

	2023	2022
OPERATING REVENUES		
Imported water sales	$ 152,954,542	$ 174,979,201
Recycled water sales	38,096,891	29,623,621
Water use efficiency	189,911	204,379
Monitoring revenue	5,692	5,801
TOTAL OPERATING REVENUES	191,247,036	204,813,002
OPERATING EXPENSES		
Imported water purchase	125,519,365	142,723,038
Recycled water costs	49,238,746	42,718,114
Depreciation and amortization	27,083,888	26,921,343
Public information and education	4,614,527	2,549,856
Water policy	2,079,585	1,456,878
Water use efficiency	2,455,657	1,625,758
Project planning	2,729,509	2,598,495
Desalting operations	4,352	168,632
Monitoring	54,677	21,596
TOTAL OPERATING EXPENSES	213,780,306	220,783,710
OPERATING INCOME (LOSS)	(22,533,270)	(15,970,708)
NONOPERATING REVENUES (EXPENSES)		
Standby charges	6,218,532	10,009,110
Investment income (loss)	1,820,318	(1,275,710)
Miscellaneous income (loss)	129,165	2,563,667
Noncapital grants	4,219,872	337,007
Change in fair value of interest rate swap	247,775	585,712
Loss on disposition of assets	(1,819,863)	(61,122,972)
Interest expense	(6,891,211)	(8,196,539)
Settlement on litigation	(2,415)	(9,235,644)
TOTAL NONOPERATING REVENUES (EXPENSES)	3,922,173	(66,335,369)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(18,611,097)	(82,306,077)
CAPITAL CONTRIBUTIONS		
Capital contributions	8,312,800	8,455,418
CHANGE IN NET POSITION	(10,298,297)	(73,850,659)
NET POSITION - BEGINNING OF YEAR, AS RESTATED	229,889,885	303,740,544
NET POSITION - END OF YEAR	**$ 219,591,588**	**$ 229,889,885**

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

Statement of Cash Flows
For the Year Ended June 30, 2023 (With comparative totals for June 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 194,439,169	$ 207,678,271
Cash payments to suppliers for goods and services	(175,902,430)	(181,652,893)
Cash paid for employee services and benefits	(6,571,440)	(8,753,419)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	11,965,299	17,271,959
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants received	4,219,872	337,007
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	4,219,872	337,007
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long-term debt	(9,055,000)	(7,875,000)
Principal paid on leases & SBITA liability	(170,498)	(73,134)
Proceeds from debt	3,660,767	29,039,504
Bond refunding	-	(31,590,000)
Acquisition and construction of capital assets	(21,645,396)	(20,459,831)
Interest paid on long-term debt	(9,665,497)	(9,347,909)
Capital contributions	8,312,800	8,455,418
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(28,562,824)	(31,850,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	18,066,988	17,386,484
Purchase of investments	(13,965,907)	(20,620,411)
Investment earnings	1,872,088	379,629
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	5,973,169	(2,854,298)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,404,484)	(17,096,284)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,048,786	56,145,070
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 32,644,302	$ 39,048,786
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO AMOUNTS REPORTED ON THE STATEMENT OF NET POSITION:		
Cash and cash equivalents	$ 32,642,079	$ 39,033,965
Restricted cash and cash equivalents	2,223	14,821
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 32,644,302	$ 39,048,786

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

Statement of Cash Flows
For the Year Ended June 30, 2023 (With comparative totals for June 30, 2022)

	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	$ (22,533,270)	$ (15,970,708)
Standby charges	6,218,532	10,009,110
Depreciation/amortization	27,083,888	26,921,343
Nonoperating miscellaneous income (expense)	129,165	2,563,667
Settlement on litigation	(2,415)	(9,235,644)
CHANGE IN ASSETS AND LIABILITIES:		
(Increase) decrease in receivables	(3,153,149)	(471,864)
(Increase) decrease in inventory	(538,318)	(339,742)
(Increase) decrease in prepaid expenses	(19,302)	(57,632)
(Increase) decrease in net pension asset - PERS	1,425,228	(1,425,228)
(Increase) decrease in net pension asset - PARS	165,421	(19,167)
(Increase) decrease in net OPEB asset	2,040,919	(1,782,372)
(Increase) decrease in deferred outflows - pension	(1,039,839)	(1,402,389)
(Increase) decrease in deferred outflows - OPEB	(653,479)	(932,064)
Increase (decrease) in accounts payable and accrued expenses	1,148,204	8,531,211
Increase (decrease) in compensated absences	(17,375)	87,081
Increase (decrease) in net pension liability	2,835,262	(1,586,130)
Increase (decrease) in deferred inflows - pension actuarial	34,593	224,205
Increase (decrease) in deferred inflows - OPEB actuarial	(1,158,766)	2,149,282
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 11,965,299	$ 17,262,959
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Gain (loss) on disposition of assets	$ (1,819,863)	$ (61,122,972)
Unrealized gain (loss) from investments	$ (134,878)	$ (1,606,392)
Change in fair value of interest rate swap	$ 247,775	$ 585,712
Subscription liabilities	$ 271,480	$ 13,635
Subscription acquisition	$ (271,480)	$ (13,635)

Statement of Fiduciary Net Position
June 30, 2023

	Custodial Fund
ASSETS	
Cash and cash equivalents, restricted	$ 224,819
Receivables:	
Other governments	789,609
TOTAL ASSETS	1,014,428
LIABILITIES	
Accounts payable and other liabilities	753,667
TOTAL LIABILITIES	753,667
NET POSITION	
Restricted for:	
Other governments	260,761
TOTAL NET POSITION	$ 260,761

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

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Custodial Fund
ADDITIONS	
Collections for other governments	$ 1,773,461
Total additions	1,773,461
DEDUCTIONS	
Payments to other entities	1,876,012
Total deductions	1,876,012
Net increase (decrease) in fiduciary net position	(102,551)
NET POSITION - BEGINNING OF YEAR	363,312
NET POSITION - END OF YEAR	$ 260,761

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

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's Basin's fiduciary fund financial statements include a statement of Fiduciary Net Position and a Statement of Changed in Fiduciary Net Position. West Basin has only one Fiduciary (Custodial) fund which is used to account for assets held by West Basin in a trustee capacity 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.

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 at the treatment plant. These inventories and spare parts are not held for resale. Chemical inventory values are calculated monthly based on the quantities of the chemicals left in the chemical tanks. Spare parts are being counted annually and the decrease in values will be recorded as operation & maintenance costs.

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 their fair market 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. Contributed assets are reported at acquisition cost on the date received. 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Depreciation expense aggregated $26,932,110 for the year ended June 30, 2023.

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, 2023 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 $151,778 for the year ended June 30, 2023 was included in the depreciation and amortization account.

Compensated absences - Vested or accumulated vacation, sick and personal holiday leave is recorded as an expense and liability as benefits accrue to employees.

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.

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 $8,312,800 capital recovery charge for the fiscal year ended June 30, 2023.

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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

At June 30, 2023, 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 million and purchases excess coverage with limit up to $55 million 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.

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.

At June 30, 2023, 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

GASB 68 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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

For the PARS report, the following timeframes are used:

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Other postemployment 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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amounts 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 qualifies 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.

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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Implementation of New GASB Pronouncement (GASB 96)

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96 – *Subscription Based IT Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, an end user is required to recognize a SBITA liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures for capital assets and lease liability.

2) CASH AND INVESTMENTS

Financial Statement Classification:

Unrestricted assets:		
Cash and cash equivalents	$	32,642,079
Investments		39,895,967
Restricted assets:		
Cash and cash equivalents		2,223
Custodial cash - Fiduciary fund		224,819
Total Cash and Investments	$	72,765,088

Cash and investments held by West Basin were comprised of the following at June 30, 2023:

	Maturity in Year			
	1 Year or Less	1 - 5 Years	More than 5 Years	Total
California CLASS	$ 22,578,432	$ -	$ -	$ 22,578,432
Local agency investment fund	2,122,378	-	-	2,122,378
Money market mutual fund	5,028,237	-	-	5,028,237
Deposits with financial institutions	3,140,074	-	-	3,140,074
U.S. agency securities	3,966,480	4,055,255	-	8,021,735
U.S. treasury securities	7,803,441	8,608,925	-	16,412,366
Asset-Backed securities	29,611	2,326,914	-	2,356,525
Collateralized mortgage obligations	-	2,236,350	-	2,236,350
Corporate notes	2,632,007	7,117,161	-	9,749,168
State municipal obligations	85,000	120,637	-	205,637
Supranationals	186,228	727,958	-	914,186
Total cash and investments	$ 47,571,888	$ 25,193,200	$ -	$ 72,765,088

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.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
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%
Repurchase agreements	No	1 year	None	None
Reverse repurchase agreements	No	92 days	20% of base value	None
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.

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Investment in One Issuer
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, 2023.

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	$ 22,578,432	N/A	$ 22,578,432	$ -	$ -	$ -
Local agency investment fund	2,122,378	N/A	-	-	-	2,122,378
Money market mutual funds	5,028,237	N/A	5,028,237	-	-	-
Deposits with financial institutions	3,140,074	N/A	-	-	-	3,140,074
U.S. agency securities	8,021,735	N/A	-	8,021,735	-	-
U.S. treasury securities	16,412,366	N/A	-	16,412,366	-	-
State municipal obligations	205,637	A	-	205,637	-	-
Corporate notes	9,749,168	A	275,355	-	9,473,813	-
Collateralized mortgage obligations	2,236,350	A	2,236,350	-	-	-
Supranationals	914,186	AA	186,232	-	727,954	-
Asset-backed securities	2,356,525	AA	2,356,525	-	-	-
Total	**$ 72,765,088**		**$ 32,661,131**	**$ 24,639,738**	**$ 10,201,767**	**$ 5,262,452**

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	$ 2,122,587
Federal Home Loan Mortgage Corp	U.S. Agency	4,861,382

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.

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, 2023 is 260 days at a rate of 3.01%. 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, 2023:

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
U.S. agency securities	$ -	$ 8,021,735	$ -	$ 8,021,735
U.S. treasury securities	-	16,412,366	-	16,412,366
State municipal obligations	-	205,637	-	205,637
Supranationals	-	914,185	-	914,185
Corporate notes	-	9,749,168	-	9,749,168
Collateralized mortgage obligations	-	2,236,350		2,236,350
Asset-backed securities	-	2,356,525	-	2,356,525
Total assets and liabilities reported at fair value	$ -	$ 39,895,967	$ -	$ 39,895,967

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.

4) RESTRICTED ASSETS

Restricted assets were provided by, and are to be used for, the following at June 30, 2023:

Funding source	Use	Amount
Refunding Revenue Bonds	Reserve Requirement	$ 2,223
Custodial - Fiduciary Fund	Custodial Costs	224,819

5) CAPITAL ASSETS

The investment in capital assets consists of the following at June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
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*	34,532,326	23,284,245	(15,205,503)	42,611,068
Total capital assets, not being depreciated	60,365,161	23,284,245	(15,205,503)	68,443,903
Capital assets, being depreciated/amortized:				
Building - Carson	2,343,574	-	-	2,343,574
Building improvement	2,332,733	31,101	-	2,363,834
Potable distribution system	1,241,681	-	-	1,241,681
Recycling facilities	658,471,262	13,518,143	(2,823,259)	669,166,146
Groundwater desalting facility	5,585,888	-	(4,479,833)	1,106,055
Machinery and equipment	2,715,538	17,410	-	2,732,948
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	-	-	112,115
Right to use - leases	9,556	-	-	9,556
Right to use - SBITA	13,635	271,480	-	285,115
Total capital assets, being depreciated/amortized	673,985,179	13,838,134	(7,303,092)	680,520,221
Less accumulated depreciation/amortization:				
Building - Carson	(1,398,333)	(93,743)	-	(1,492,076)
Building improvement	(1,469,083)	(229,453)	-	(1,698,536)
Potable distribution system	(713,966)	(62,084)	-	(776,050)
Recycling facilities	(338,622,518)	(26,122,026)	2,736,739	(362,007,805)
Groundwater desalting facility	(3,251,176)	(224,996)	2,746,490	(729,682)
Machinery and equipment	(2,140,254)	(198,719)	-	(2,338,973)
Furniture and fixtures	(150,208)	(1,089)	-	(151,297)
Right to use - land - leases	(40,797)	(21,962)	-	(62,759)
Right to use - infrastructure - leases	(25,113)	(12,558)	-	(37,671)
Right to use - land improvements - leases	(42,250)	(21,125)	-	(63,375)
Right to use - equipment - leases	(53,003)	(26,501)	-	(79,504)
Right to use - others - leases	(4,034)	(2,016)	-	(6,050)
Right to use - SBITA	(4,550)	(67,616)	-	(72,166)
Total accumulated depreciation/amortization	(347,915,285)	(27,083,888)	5,483,229	(369,515,944)
Total capital assets, being depreciated/amortized, net	326,069,894	(13,245,754)	(1,819,863)	311,004,277
Total capital assets, net	$ 386,435,055	$ 10,038,491	$ (17,025,366)	$ 379,448,180

*Current year disposals in Construction in progress includes the projects are no longer deemed viable and $2,148,173 is adjusted to expense account in the current year.

6) COMPENSATED ABSENCES

Changes in compensated absences for fiscal year ended June 30, 2023 were as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Current Portion
Compensated Absences	$ 1,635,425	$ 809,425	$ (826,800)	$ 1,618,050	$ 457,179

7) LONG-TERM LIABILITIES

The following amounts of long-term liabilities were outstanding as of June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Current Portion
Long-term liability					
2016A Refunding Revenue Bonds	$ 96,430,000	$ -	$ (5,345,000)	$ 91,085,000	$ 5,890,000
2016A Premium	18,310,323	-	(1,284,936)	17,025,387	-
2021A Refunding Revenue Bonds	74,900,000	-	(3,710,000)	71,190,000	3,520,000
2021A Premium	20,927,370	-	(1,096,631)	19,830,739	-
2022A Refunding Revenue Bonds	24,445,000	-	-	24,445,000	2,420,000
2022A Premium	4,349,726	-	(628,876)	3,720,850	-
State Revolving Fund Loan	-	3,660,767	-	3,660,767	161,956
Lease liability	969,225	-	(76,674)	892,551	78,256
Subscription liability	9,075	271,480	(93,824)	186,731	94,574
Total long-term liability	$ 239,362,419	$ 3,660,767	$ (12,065,443)	$ 230,957,743	$ 12,164,786

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	$ 91,085,000
Unamortized premium	17,025,387
Net liability	**$ 108,110,387**

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	$ 71,190,000
Unamortized premium	19,830,739
Net liability	**$ 91,020,739**

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	$ 24,445,000
Unamortized premium	3,720,850
Net liability	**$ 28,165,850**

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.

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. At June 30, 2023, West Basin had borrowed $3,660,767, of which all remains outstanding.

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, 2023, debt coverage (net revenues divided by total debt service) for all debt was approximately 1.36 and it was calculated based on the cash basis.

Debt Service Requirements - The Refunding Revenue Bonds debt service requirements subsequent to June 30, 2023, 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**
2023/24	$ 11,830,000	$ 9,268,850	$ 21,098,850
2024/25	12,405,000	8,681,350	21,086,350
2025/26	13,205,000	8,057,100	21,262,100
2026/27	13,635,000	7,396,850	21,031,850
2027/28	14,390,000	6,715,100	21,105,100
2028/29	15,110,000	5,995,600	21,105,600
2029/30	15,865,000	5,240,100	21,105,100
2030/31	13,230,000	4,446,850	17,676,850
2031/32	13,890,000	3,785,350	17,675,350
2032/33	10,200,000	3,090,850	13,290,850
2033/34	10,720,000	2,580,850	13,300,850
2034/35	11,260,000	2,044,850	13,304,850
2035/36	11,830,000	1,481,850	13,311,850
2036/37	12,435,000	890,350	13,325,350
2037/38	1,240,000	268,600	1,508,600
2038/39	1,290,000	219,000	1,509,000
2039/40	1,340,000	167,400	1,507,400
2040/41	1,395,000	113,800	1,508,800
2041/42	1,450,000	58,000	1,508,000
Total	$ 186,720,000	$ 70,502,700	$ 257,222,700

7) LONG-TERM LIABILITIES (continued)

Debt Service Requirements - The State Revolving Fund Loan debt service requirements subsequent to June 30, 2023, are as follows:

	State Revolving Fund Loan		
	Principal	Interest	Total
2023/24	$ 161,956	$ 2,746	$ 164,702
2024/25	129,713	34,988	164,701
2025/26	131,010	33,691	164,701
2026/27	132,320	32,381	164,701
2027/28	133,644	31,058	164,702
2028/29	134,980	29,721	164,701
2029/30	136,330	28,371	164,701
2030/31	137,693	27,008	164,701
2031/32	139,070	25,631	164,701
2032/33	140,461	24,241	164,702
2033/34	141,865	22,836	164,701
2034/35	143,284	21,417	164,701
2035/36	144,717	19,984	164,701
2036/37	146,164	18,537	164,701
2037/38	147,626	17,076	164,702
2038/39	149,102	15,599	164,701
2039/40	150,593	14,108	164,701
2040/41	152,098	12,602	164,700
2041/42	153,620	11,081	164,701
2042/43	155,156	9,545	164,701
2043/44	156,708	7,994	164,702
2044/45	158,274	6,427	164,701
2045/46	159,857	4,844	164,701
2046/47	161,456	3,245	164,701
2047/48	163,070	1,632	164,702
Total	$ 3,660,767	$ 456,763	$ 4,117,530

7) LONG-TERM LIABILITIES (continued)

Leases Payable -

On April 1, 2021, West Basin entered into a 240-month lease as Lessee for the use of a portion of Lago Seco Park. An initial lease liability was recorded in the amount of $83,346. As of June 30, 2023, the value of the lease liability is $74,991. West Basin is required to make annual fixed payments of $4,000. The lease has an interest rate of 2.5600%. The value of the right to use asset as of June 30, 2023 of $83,346 with accumulated amortization of $9,376 is included with Land on the Capital assets note. 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.

On July 1, 2020, West Basin entered into a 409-month lease as Lessee for the use of a portion of Dominguez Channel. An initial lease liability was recorded in the amount of $428,536. As of June 30, 2023, the value of the lease liability is $395,825. West Basin is required to make annual fixed payments of $17,447. The lease has an interest rate of 2.0780%. The value of the right to use asset as of June 30, 2023 of $428,536 with accumulated amortization of $37,671 is included with Infrastructure on the Capital assets note.

On July 1, 2020, West Basin entered into a 246-month lease as Lessee for the use of 1420 Victoria Street. An initial lease liability was recorded in the amount of $364,782. As of June 30, 2023, the value of the lease liability is $318,836. West Basin is required to make monthly fixed payments of $1,767. The lease has an interest rate of 1.7720%. The value of the right to use asset as of June 30, 2023 of $364,782 with accumulated amortization of $53,383 is included with Land on the Capital assets note. West Basin has 4 extension option(s), each for 60 months.

On July 1, 2020, West Basin entered into a 73-month lease as Lessee for the use of West Torrance High School Parking. An initial lease liability was recorded in the amount of $128,512. As of June 30, 2023, the value of the lease liability is $67,699. West Basin is required to make annual fixed payments of $20,287. The lease has an interest rate of 0.6000%. The value of the right to use asset as of June 30, 2023 of $128,512 with accumulated amortization of $63,375 is included with Land Improvements on the Capital assets note. West Basin has 7 extension option(s), each for 60 months.

On July 1, 2020, West Basin entered into a 50-month lease as Lessee for the use of Copier - Wells Fargo. An initial lease liability was recorded in the amount of $112,115. As of June 30, 2023, the value of the lease liability is $31,649. West Basin Municipal Water District is required to make monthly fixed payments of $2,269. The lease has an interest rate of 0.5530%. The value of the right to use asset as of June 30, 2023 of $112,115 with accumulated amortization of $79,504 is included with Equipment on the Capital assets note.

On July 1, 2020, West Basin entered into a 56 month lease as Lessee for the use of a GRM Storage Unit. An initial lease liability was recorded in the amount of $9,556. As of June 30, 2023, the value of the lease liability is $3,551. West Basin is required to make monthly fixed payments of $170. The lease has an interest rate of 0.6000%. The value of the right to use asset as of June 30, 2023 of $9,556 with accumulated amortization of $6,050 is included with Other on the Capital assets note.

7) LONG-TERM LIABILITIES (continued)

Subscriptions Payable -

On March 6, 2023, West Basin entered into a 36-month subscription for the use of GovAccess - Website Design. An initial subscription liability was recorded in the amount of $9,692. As of June 30, 2023, the value of the subscription liability is $9,692. West Basin is required to make annual fixed payments of $5,040. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 of $9,692 with accumulated amortization of $1,032 is included with SBITA on the Capital assets note.

On August 1, 2022, West Basin entered into a 36-month subscription for the use of Microsoft - ALNG SA. An initial subscription liability was recorded in the amount of $171,775. As of June 30, 2023, the value of the subscription liability is $113,275. West Basin is required to make annual fixed payments of $58,500. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of $171,775 with accumulated amortization of $52,487 is included with SBITA on the Capital assets note.

On March 9, 2023, West Basin entered into a 36-month subscription for the use of Small Utility Enterprise Subscription. An initial subscription liability was recorded in the amount of $80,384. As of June 30, 2023, the value of the subscription liability is $52,884. West Basin is required to make annual fixed payments of $27,500. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 of $80,384 with accumulated amortization of $8,336 is included with SBITA on the Capital assets note.

On February 15, 2023, West Basin entered into a 36-month subscription for the use of Cloud Backup for Microsoft 365. An initial subscription liability was recorded in the amount of $9,629. As of June 30, 2023, the value of the subscription liability is $6,335. West Basin is required to make annual fixed payments of $3,294. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 of $9,629 with accumulated amortization of $1,212 is included with SBITA on the Capital assets note.

On July 1, 2021, West Basin entered into a 36-month subscription for the use of Sprout Social - Professional Plan. An initial subscription liability was recorded in the amount of $13,634. As of June 30, 2023, the value of the subscription liability is $4,545. West Basin is required to make annual fixed payments of $4,559. The subscription has an interest rate of 0.3147%. The value of the right to use asset as of June 30, 2023 of $13,635 with accumulated amortization of $9,099 is included with SBITA on the Capital assets note.

7) LONG-TERM LIABILITIES (continued)

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

Fiscal Year	Principal	Interest	Total
2024	$ 172,830	$ 20,515	$ 193,345
2025	148,796	17,594	166,390
2026	52,082	14,725	66,807
2027	29,405	14,022	43,427
2028	30,125	13,445	43,570
2029-2033	162,144	58,012	220,156
2034-2038	183,341	41,099	224,440
2039-2043	130,559	23,509	154,068
2044-2048	72,525	14,710	87,235
2049-2053	80,379	6,856	87,235
2054	17,096	355	17,451
Total	$ 1,079,282	$ 224,842	$ 1,304,124

8) SWAP TRANSACTION AGREEMENTS

In June 2004, the West Basin entered into a swap transaction in the original notional amount of $22,875,000 for the purpose of hedging the variable interest rate that related to one of West Basin's Adjustable-Rate Refunding Certificates of Participation at the time. This swap was executed and confirmed on June 8, 2004. In 2008, the West Basin refinanced this Adjustable Rate Refunding Revenue Certificates of Participation and the swap was amended and restated as of June 6, 2008 for the original notional amount of $22,875,000. Under the amended and restated swap transaction, West Basin pays a fixed rate of 3.662% and receives 65% of the British Bankers Association - London Interbank offered rate (BBA - LIBOR).

The agreement was terminated as of March 1, 2023.

9) 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	$ 2,835,262	$ -	$ 2,835,262
Net Pension Asset - PARS	-	173,884	173,884
Deferred Outflows - Pension Related	3,883,026	430,826	4,313,852
Deferred Inflows - Pension Related	596,613	212,219	808,832
Pension Expense	4,304,746	87,017	4,391,763

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.

9) DEFINED BENEFIT PENSION PLAN (continued)

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 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	16.170%	7.760%

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, 2023 were $913,712. The actual employer payments of $814,481 made to CalPERS by West Basin during the measurement period ended June 30, 2022 differed from West Basin's proportionate share of the employer's contributions of $1,339,397 by $524,916, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

9) DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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 probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions 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.

9) DEFINED BENEFIT PENSION PLAN (continued)

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

Asset Class[1]	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%)

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

[2] Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

Effective with the June 30, 2021, valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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.

9) DEFINED BENEFIT PENSION PLAN (continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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.

9) DEFINED BENEFIT PENSION PLAN (continued)

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)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (Asset) (c) = (a) - (b)
Balance at: 6/30/2021 (VD)	$ 24,087,283	$ 25,512,511	$ (1,425,228)
Balance at: 6/30/2022 (MD)	28,657,064	25,821,802	2,835,262
Net Changes during 2021-22	4,569,781	309,291	4,260,490

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 the June 30, 2022 and 2023 was as follows:

Proportionate Share - June 30, 2022	(0.07506%)
Proportionate Share - June 30, 2023	0.06059%
Change - Increase (Decrease)	0.13565%

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:

	Discount Rate - 1% (5.90%)	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
Plan's Net Pension Liability/(Asset)	$ 6,741,736	$ 2,835,262	$ (378,798)

9) DEFINED BENEFIT PENSION PLAN (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2021), West Basin's net pension asset was $1,425,228. For the measurement period ending June 30, 2021 (the measurement date), the Local Government incurred a pension expense of $4,304,746.

9) DEFINED BENEFIT PENSION PLAN (continued)

As of June 30, 2023, the West Basin has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 56,938	$ 38,134
Changes of Assumptions	290,532	-
Difference between Projected and Actual Earnings on Pension Plan Investments	519,344	-
Changes in employer's proportion	2,102,500	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	558,479
Pension Contributions Subsequent to Measurement Date	913,712	-
Total	$ 3,883,026	$ 596,613

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of $913,712 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:

Fiscal year ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 857,222
2025	767,502
2026	430,328
2027	317,649
2028	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2023, West Basin reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

9) DEFINED BENEFIT PENSION PLAN (continued)

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% 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 12.50% at June 30, 2022 the valuation date.

9) DEFINED BENEFIT PENSION PLAN (continued)

Employees Covered

At June 30, 2022 the valuation date, the following employees were covered by the benefit terms for the Plan:

	PARS
Inactive employees or beneficiaries currently receiving benefits	1
Terminated employees	1
Active employees	4
Total	6

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, 2022, is based on an actuarial valuation as of June 30, 2022. For the fiscal year ending June 30, 2023, West Basin's annual pension expense was $87,017.

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, 2002 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 market value assets, which is provided by PARS.

9) 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, 2022
Measurement Date	June 30, 2022
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 (PARS Moderately Conservative)	Target Allocation Measurement Date	PARS Long-Term Expected Real Rate of Return
US equity - large cap	15.50%	4.20%
US equity - mid cap	3.00%	4.20%
US equity - small cap	4.50%	4.40%
International equity	4.00%	4.60%
Emerging market equity	2.00%	4.60%
REITs	1.00%	3.70%
Short-term bond	14.00%	0.90%
Intermediate-term bond	49.25%	1.60%
High yield bond	1.75%	3.70%
Cash and equivalents	5.00%	0.10%
Total	100.00%	

Change of Assumptions

Long-term rate of return of plan asset and discount rate were updated based on newer capital market assumptions.

Discount and expected long-term rate of return on assets increased from 4.50% to 5.00%

9) 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%.

Changes in net pension liability/(asset)

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

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
Balance at 6/30/2021 (MD)	$ 1,778,802	$ 2,118,107	$ (339,305)
Changes Recognized for the Measurement Period			
• Service Cost	42,814	-	42,814
• Interest	80,748	-	80,748
• Changes of Benefit Terms	-	-	-
• Differences between Expected and Actual Experience	(130,562)	-	(130,562)
• Changes of Assumptions	(42,361)	-	(42,361)
• Contributions from the Employer	-	73,000	(73,000)
• Contributions from the Employee	-	13,315	(13,315)
• Net Investment Income	-	(264,097)	264,097
• Benefit Payments	(54,444)	(54,444)	-
• Administrative Expenses	-	(37,000)	37,000
Net Change during 2021-22	(103,805)	(269,226)	165,421
Balance at: 6/30/2022 (MD)	$ 1,674,997	$ 1,848,881	$ (173,884)

Valuation Date (VD), Measurement Date (MD)

9) 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)	$ 52,648	$ (173,884)	$ (357,253)

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability/(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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the measurement date ending June 30, 2022 from the June 30, 2022 valuation date is 8.55 years. Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

9) 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, 2021), the Plan's net pension asset was $339,305. For the measurement period ending June 30, 2021 (the measurement date), the Plan incurred a pension expense of $81,017. A complete breakdown of the pension expense is as follows:

Description	Amount
Service Cost	$ 42,814
Interest	80,748
Projected Earnings on Investments	(95,414)
Employee Contributions	(13,315)
Administrative Expenses	37,000
Recognition of deferred outflows/(inflows):	
Experience	25,232
Assumptions	(37,056)
Asset returns	47,008
Total Pension Expense	$ 87,017

As of June 30, 2023, the Plan has deferred outflows and deferred inflows of resources related to pensions as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 106,269	$ 89,375
Changes of Assumptions	69,923	122,844
Net Difference between Projected and Actual Earnings on Pension Plan Investments	197,247	-
Pension Contributions Subsequent to Measurement Date	57,387	-
Total	$ 430,826	$ 212,219

These amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of $57,387 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

9) 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
2024	$ 28,342
2025	29,540
2026	31,435
2027	71,903
2028	-
Thereafter	-

Payable to the Pension Plan

As of June 30, 2023, the Plan reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

10) 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, 2021 the valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Category	Count
Active employees	45
Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefit payments	-
Total	67

10) 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, 2022, West Basin's cash contributions were $336,214 to the California Employers' Retiree Benefit Trust (CERBT), and the estimated implicit subsidy of $49,415 resulting in total payments of $540,904. Contributions subsequent to the measurement date of $385,629 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, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal cost, level percent of pay
Asset valuation method	Fair value of assets
Discount Rate	6.20%
Inflation	2.50%
Salary Increases	3.00% - Per annum
Investment Rate of Return	6.20%
Mortality Rate	CalPERS 2017 experience assumptions; Mortality projections using MacLeod Watts Scale 2020 applied generationally from 2015
Healthcare Trend Rate	5.7% to 4.0% Step 0.10%

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.

10) 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:

Asset Class	Target Allocation	Long-term expected real rate
TIPS	5%	1.30%
Fixed Income	23%	2.20%
Global Equities	49%	4.50%
REIT's	20%	3.90%
Commodities	3%	1.20%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability/(asset) was 6.20%. 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:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022			
(Measurement Date June 30, 2021)	$ 12,810,856	$ 15,408,986	$ (2,598,130)
Changes for the year:			
• Service Cost	683,295	-	683,295
• Interest	825,256	-	825,256
• Plan experience differences	(1,048,014)	-	(1,048,014)
• Contributions - employer	-	540,904	(540,904)
• Net investment income	-	(2,117,348)	2,117,348
• Benefit payments	(367,155)	(367,155)	-
• Administrative expenses	-	(3,938)	3,938
Net Changes	93,382	(1,947,537)	2,040,919
Balance at June 30, 2023			
(Measurement Date June 30, 2022)	$ 12,904,238	$ 13,461,449	$ (557,211)

10) 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, 2022:

	1% Decrease 5.20%	Current Discount Rate 6.20%	1% Increase 7.20%
Net OPEB Asset	$ 1,459,414	$ (557,211)	$ (2,180,047)

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, 2022:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Asset	$ (2,328,182)	$ (557,211)	$ 1,681,423

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. (8.55 years at June 30, 2022).

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

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

For the fiscal year ended June 30, 2023, West Basin recognized OPEB expense of $614,303. A complete breakdown of the OPEB expense(income) is as follows:

Description	Amount
Service Cost	$ 683,295
Interest	825,256
Projected Earnings on Investments	(960,621)
Administrative Expenses	3,938
Recognition of deferred outflows/(inflows):	
Plan Experience	(361,716)
Assumption Changes	221,031
Investment Experience	203,120
Total OPEB Expense (Income)	$ 614,303

As of fiscal year ended June 30, 2023, West Basin reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 385,629	$ -
Changes of assumptions	1,500,664	472,584
Differences between expected and actual experience	-	2,082,196
Net difference between projected and actual earnings on OPEB plan investments	1,138,286	-
Total	$ 3,024,579	$ 2,554,780

The $385,629 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
2024	$ 72,828
2025	46,204
2026	(117,812)
2027	351,995
2028	(95,087)
Thereafter:	(173,958)

11) 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. At June 30, 2023, the total unpaid amount on these contracts is $119 million.

12) CHANGE IN ACCOUNTING PRINCIPLE

West Basin's beginning net position for the year ended June 30, 2022, was restated to $303,740,543 due to the implementation of GASBS No. 96, *Subscription Based IT Arrangements.*

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, 2014	0.02076%	$ 1,259,725	$ 3,867,694	32.57%	85.90%
June 30, 2015	0.01910%	1,311,119	4,335,349	30.24%	87.60%
June 30, 2016	0.02226%	1,926,502	4,389,575	43.89%	84.60%
June 30, 2017	0.00752%	745,354	4,586,588	16.25%	95.20%
June 30, 2018	0.00672%	647,679	5,522,647	11.73%	96.30%
June 30, 2019	0.01038%	1,063,331	5,501,582	19.33%	94.70%
June 30, 2020	0.01458%	1,586,130	5,255,691	30.18%	92.75%
June 30, 2021	(0.02635%)	(1,425,228)	5,786,304	-24.63%	105.92%
June 30, 2022	0.02455%	2,835,262	5,818,680	48.73%	90.11%

[1] Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

** 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.*

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, 2015	$ 711,101	$ (711,101)	$ -	$ 4,335,349	16.40%
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%

Notes to Schedule:

Change in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (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. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

** 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.*

Required Supplementary Information
For the Year Ended June 30, 2023
Last Ten Fiscal Years*

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

	June 30,			
Measurement date	**2022**	**2021**	**2020**	**2019**
TOTAL PENSION LIABILITY				
Service Cost	$ 42,814	$ 69,623	$ 68,638	$ 66,639
Interest	80,748	82,617	74,493	68,121
Difference between Expected and Actual Experience	(130,562)	-	305,526	-
Changes of Assumptions	(42,361)	139,845	(269,808)	-
Benefit Payments, Including Refunds of Employee Contributions	(54,444)	(34,653)	(15,529)	(15,224)
Net Change in Total Pension Liability	(103,805)	257,432	163,320	119,536
Total Pension Liability - Beginning	1,778,802	1,521,370	1,358,050	1,238,514
Total Pension Liability - Ending (a)	1,674,997	1,778,802	1,521,370	1,358,050
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	73,000	72,000	62,000	61,000
Contributions - Employee	13,315	12,931	6,935	13,049
Investment Income	(264,097)	252,121	73,669	106,699
Administrative Expense	(37,000)	(25,800)	(39,010)	(26,960)
Benefit Payments, Including Refunds of Employee Contributions	(54,444)	(34,653)	(15,529)	(15,224)
Net Change in Fiduciary Net Position	(269,226)	276,599	88,065	138,564
Plan Fiduciary Net Position - Beginning	2,118,107	1,841,508	1,753,443	1,614,879
Plan Fiduciary Net Position - Ending (b)	1,848,881	2,118,107	1,841,508	1,753,443
PLAN NET PENSION LIABILITY - Ending (a) - (b)	$ (173,884)	$ (339,305)	$ (320,138)	$ (395,393)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.4%	119.1%	121.0%	129.1%
Covered Payroll	$ 166,681	$ 174,109	$ 193,883	$ 184,906
Plan Net Pension Liability as a Percentage of Payroll	-104.3%	-194.9%	-165.1%	-213.8%

Notes to schedule:

Changes in Benefit Terms: None

Changes in Assumptions: None

** 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.*

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

	June 30,				
	2018	**2017**	**2016**	**2015**	**2014**
	$ 75,190	$ 73,000	$ 77,000	$ 75,000	$ 73,000
	72,180	65,268	68,175	61,470	55,000
	(128,778)	-	(179,554)	-	-
	(9,787)	-	-	-	-
	(14,926)	(14,633)	(14,346)	(18,745)	-
	(6,121)	123,635	(48,725)	117,725	128,000
	1,244,635	1,121,000	1,169,725	1,052,000	924,000
	1,238,514	1,244,635	1,121,000	1,169,725	1,052,000
	78,000	76,000	87,000	90,583	115,000
	7,921	12,712	5,372	-	-
	50,895	88,081	26,278	21,327	102,000
	(38,243)	(22,240)	(36,201)	(23,956)	(33,000)
	(14,926)	(14,633)	(14,346)	(18,745)	-
	83,647	139,920	68,103	69,209	184,000
	1,531,232	1,391,312	1,323,209	1,254,000	1,070,000
	1,614,879	1,531,232	1,391,312	1,323,209	1,254,000
	$ (376,365)	$ (286,597)	$ (270,312)	$ (153,484)	$ (202,000)
	130.4%	123.0%	124.1%	113.1%	119.2%
	$ 167,478	$ 179,740	$ 168,909	$ 139,328	$ 143,680
	-224.7%	-159.5%	-160.0%	-110.2%	-140.6%

Required Supplementary Information
For the Year Ended June 30, 2023
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, 2015	$ 92,026	$ (92,026)	$ -	$ 139,328	66.05%
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%

Notes to Schedule:

Valuation date:	June 30, 2022

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	Market 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	4.50%, net of pension plan investments expense, including inflation
Mortality	CalPERS 2021 Experience Study with generational mortality improvement using 80% of scale MP-2020.

** 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.*

Required Supplementary Information
For the Year Ended June 30, 2023
Last Ten Fiscal Years*

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

	June 30,					
Measurement date	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability						
Service Cost	$ 683,295	$ 507,332	$ 501,946	$ 575,615	$ 534,301	$ 406,900
Interest on the Total OPEB Liability	825,256	809,926	754,736	811,988	735,231	616,794
Actual and expected experience difference	(1,048,014)	(760,361)	-	(1,020,285)	-	(207,291)
Changes in assumptions	-	1,542,246	(112,152)	(780,809)	282,757	895,541
Benefit payments	(367,155)	(376,728)	(368,456)	(269,960)	(242,988)	(181,950)
Net change in Total OPEB Liability	93,382	1,722,415	776,074	(683,451)	1,309,301	1,529,994
Total OPEB Liability - beginning	12,810,856	11,088,441	10,312,367	10,995,818	9,686,517	8,156,523
Total OPEB Liability - ending (a)	12,904,238	12,810,856	11,088,441	10,312,367	10,995,818	9,686,517
Plan Fiduciary Net Position						
Contribution - employer	540,904	525,729	368,456	615,957	616,651	410,213
Net investment income	(2,117,348)	3,360,424	406,373	667,630	748,339	891,549
Benefit payments	(367,155)	(376,728)	(368,456)	(269,960)	(242,988)	(181,950)
Administrative expense	(3,938)	(4,638)	(5,632)	(2,272)	(5,020)	(4,504)
Other	-	-	-	-	(12,420)	-
Net change in Plan Fiduciary Net Position	(1,947,537)	3,504,787	400,741	1,011,355	1,104,562	1,115,308
Plan Fiduciary Net Position - beginning	15,408,986	11,904,199	11,503,458	10,492,103	9,387,541	8,272,233
Plan Fiduciary Net Position - ending (b)	13,461,449	15,408,986	11,904,199	11,503,458	10,492,103	9,387,541
Net OPEB Liability/(Asset) - ending (a) - (b)	$ (557,211)	$ (2,598,130)	$ (815,758)	$ (1,191,091)	$ 503,715	$ 298,976
Plan fiduciary net position as a percentage of the total OPEB liability	104.32%	120.28%	107.36%	111.55%	95.42%	96.91%
Covered-employee payroll	$ 5,768,307	$ 5,696,201	$ 5,266,105	$ 5,135,869	$ 5,679,646	$ 5,038,972
Net OPEB liability as a percentage of covered-employee payroll	-9.66%	-45.61%	-15.49%	-23.19%	8.87%	5.93%

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:

Trust rate of return and discount rate: Decreased from 7.1% to 6.2% reflecting updated long-term rates of return provided by CalPERS in March 2022.

General inflation rate: Decreased from 2.75% to 2.5% per year.

Salary increase: Decreased from 3.25% to 3.0% per year.

Mortality improvement: Updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2020.

Medical trend: Updated the base healthcare trend scale from Getzen Model 2019 B to Getzen Model 2022 B, 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.*

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%

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2022 were from the June 30, 2021 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 over a closed 30 year period (18 years remaining)
Asset Valuation Method	Market value of assets
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.2% per annum. Assumes investing in California Employers' Retiree Benefit Trust assets allocation Strategy 1
Healthcare Trend	5.7% in 2021 to 4.00% in steps of 0.05% - 0.10%
Retirement Age	50 to 75 years
Mortality	CalPERS 2017 Experience Assumptions; Mortality projection using MacLeod Watts Scale 2020 generationally

** 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.*

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.

Contents **Page**

Financial Trends

These schedules contain information to help the reader understand how West Basins' financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand West Basins' revenue sources.

Debt Capacity

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

Demographic Information

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

Operating Information

These schedules contain information about West Basins' operations and infrastructure data to help the reader understand how West Basin's financial report relates to the services that West Basin Provides and the activities it performs.

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

Fiscal Year Ended June 30	Net Investment In Capital Assets	Unrestricted	Total Net Position	
2014	$ 175,455	$ 64,098	$ 239,553	(1)
2015	155,923	75,248	231,171	(2)
2016	175,437	59,146	234,583	
2017	180,967	74,686	255,653	
2018	197,595	72,835	270,430	(3)
2019	224,356	60,335	284,691	
2020	223,890	70,790	294,680	
2021	207,048	96,693	303,741	(4)
2022	150,221	79,668	229,889	(5)
2023	151,107	68,485	219,592	(6)

(1) In fiscal year 2014, West Basin adopted GASB No. 65 Items Previously Reported as Assets and Liabilities, resulting in a prior year adjustment of $3.5M to write off all bond issuance costs.

(2) Fiscal year 2015 beginning Net Position was restated for two reasons: (1) A prior year adjustment of $0.9M liability was recorded due to the implementation of GASB No. 68 Accounting and Financial Reporting for Pensions. (2) A prior year adjustment of $9.2M was made to reduce the capital assets that are no longer in service.

(3) Fiscal year 2018 beginning Net Position was restated (increased by $525,823) due to the implementation of GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

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

(5) 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.

(6) A negative change in net position of $10 million in fiscal year 2023 was due to a decrease in imported water sales and standby charges, along with an increase in recycled water costs, pension expenses and Other Postemployment Benefit (OPEB) expense.

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

	Operating Revenue (Loss)			Nonoperating Revenue (Loss)			
Fiscal Year Ended June 30	Operating Revenues	Operating Expenses	Operating Revenue (Loss)	Standby Charges	Investment Income	Grant Income Misc. Inc (Exp) Loss on Disposal	Interest Expense
	(1)	(2)	(3)		(4)	(5)	(6)
2014	$ 179,224	$ 180,710	$ (1,486)	$ 9,683	$ 234	$ 274	$ (10,651)
2015	178,584	183,273	(4,689)	9,741	295	(120)	(11,139)
2016	191,123	177,763	13,360	9,655	506	(3,630)	(9,859)
2017	204,923	185,573	19,350	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)

(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 year 2022 and 2023 were due to the decrease in Imported Water Sales and increase in Recycled Water Cost.

(4) In Fiscal Year 2019, 2020 and 2023, 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 the most part of the year, West Basin incurred a $1.6 million unrealized investment loss.

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

(6) The interest expenses declined in Fiscal Year 2016, 2022 and 2023 due to the refunding transactions.

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

Nonoperating Revenue (Loss)				
Change in Fair Value of Swap (Nonhedged)	Total Nonoperating Revenue (Loss)	Income (Loss) Before Contributions	Capital Contributions	Change in Net Position
			(7)	
$ -	$ (462)	$ (1,948)	$ 7,663	$ 5,715
-	(1,225)	(5,914)	7,302	1,388
-	(3,330)	10,030	10,758	20,788
713	4,763	24,113	5,909	30,022
806	(3,234)	8,342	4,908	13,250
(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)

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

	Water Sales					
Fiscal Year Ended June 30	Water and Monitoring		Water Recycling		Desalting	Conservation	Total
	(1)		(2)		(3)	(4)	
2014	$ 135,310		$ 42,151		$ 790	$ 973	$ 179,224
2015	136,762		40,386		700	736	178,584
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	(5)	-	204	204,813
2023	152,960	(6)	38,097		-	190	191,247

(1) Includes non-interruptible, seawater barrier, and Capacity Charge (CC). In Fiscal Year 2015, the monitoring revenues were grouped within this line item.

(2) Includes recycled 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 was not in operation.

(4) Monitoring revenue was grouped with Conservation in the prior years. In Fiscal Year 2015, it was reclassed to group with water revenue.

(5) West Basin received poor quality influent water during the majority of the fiscal year. As a result, sales of recycled water were greatly reduced.

(6) Imported water sales decreased due to conservation messaging around 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.

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

Fiscal Year Ended June 30	Source of Supply & Monitoring	Water Recycling Costs	Desalting Operations	Public Information and Education	Water Policy and Conservation
	(1)	(2)	(3)	(4)	(4)
2014	$118,117	$32,683	$811	$6,004	$ 2,302
2015	116,723	34,512	870	2,906	3,163
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

(1) Includes water purchases from Metropolitan Water District of Southern California, Capacity Charges, and Readiness-to-Serve Charge. MWD rate adjustments are passed on to West Basin customers. In Fiscal Year 2015, monitoring program costs were added to this line item. Explanation of the fluctuations in source of supply is on Table 8 - "All Water Sold in Acre-Feet".

(2) Represents West Basin's costs to operate and maintain its recycling facilities. Costs were higher in FY 2022 and 2023 due to inflation and poor water quality, which 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.

(4) Prior to fiscal year 2015, Conservation cost was included in Public Information and Education. In Fiscal Year 2015, monitoring expense was reclassed to be grouped with source of supply.

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

(6) Fiscal Year 2016 to 2021 amounts only represent depreciation expense; amortization expenses are included in Interest Expense.

(2-5) Fiscal Year 2023 costs were also higher due to increases in pension and OPEB expenses.

(Continued)

Project Planning (5)	Depreciation and Amortization (6)	Total Operating Expenses
$ -	$20,793	$180,710
-	25,099	183,273
-	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

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

Fiscal Year Ended June 30	Recycling Operations (1)	U.S. Army Corps of Engineers (2)	California Department of Water Resources (3)	Other (4)	Total
2014	$ 7,296	$ -	$ -	$ 9,151	$ 16,447
2015	7,240	-	-	423	7,663
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

(1) West Basin receives fixed payments from major recycled water customers based on contract terms. The capital costs of recycled water facilities are intended to cover the construction costs. Certain fixed payments will continue to Fiscal Year 2027. In Fiscal Year 2018, a contract with a major recycled customer expired. In Spring 2020, this contract was renewed, resulting in a full year of capital contributions in Fiscal Year 2021. In March 2021, the District renewed another refinery agreement to pay for current and future construction projects.

(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) West Basin received 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. In Fiscal Year 2014, West Basin received a capital reimbursement of $8.3M from NRG for the facilities and pipelines built to meet their recycled water demand. In Fiscal Year 2021, West Basin was donated two constructed pipelines valued at $3,569,000.

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 Meter Charges, Capacity Charges and late penalties).

	2023	
Customer	in US $	%
California Water Service (CalWater)	$ 70,018	48.5%
Golden State Water Company (GSWC)	26,625	18.5%
Los Angeles County Water Works (LA County)	10,710	7.4%
City of El Segundo	9,582	6.6%
City of Inglewood	9,104	6.3%
Water Replenishment District (WRD)	8,128	5.6%
City of Manhattan Beach	5,768	4.0%
City of Lomita	2,793	1.9%
California American Water Company (CAWC)	1,552	1.1%
Total	$ 144,280	100.0%

	2014	
Customer	in US $	%
California Water Service (CalWater)	$ 71,587	52.4%
Golden State Water Company (GSWC)	18,038	13.2%
Los Angeles County Water Works (LA County)	11,405	8.3%
Water Replenishment District (WRD)	10,489	7.7%
City of Inglewood	9,270	6.8%
City of El Segundo	9,117	6.7%
City of Manhattan Beach	3,999	2.9%
City of Lomita	2,019	1.5%
California American Water Company (CAWC)	752	0.6%
Total	$ 136,676	100.0%

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).

	2023	
Customer	in US $	%
City of El Segundo	$ 11,077	28.6%
California Water Service (CalWater)	9,027	23.3%
Water Replenishment District (WRD)	8,592	22.2%
City of Torrance	6,685	17.3%
L.A. Dept of Water & Power	1,618	4.2%
City of Inglewood	759	2.0%
City of Manhattan Beach	481	1.2%
Golden State Water Company (GSWC)	480	1.2%
Total	$ 38,719	100.0%

	2014	
Customer	in US $	%
City of El Segundo	$ 9,455	29.6%
Water Replenishment District (WRD)	7,151	22.4%
California Water Service (CalWater)	6,876	21.6%
City of Torrance	5,986	18.8%
L.A. Dept of Water & Power	886	2.8%
City of Inglewood	742	2.3%
Golden State Water Company (GSWC)	525	1.6%
City of Manhattan Beach	277	0.9%
Total	$ 31,898	100.0%

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

This table presents a summary of water sold by West Basin MWD. Except for groundwater, West Basin delivers potable and recycled water to its customers within its service area and to two (2) additional customers outside its service area. Imported water is purchased from Metropolitan Water District of Southern California (MWD), however, West Basin produces and delivers potable desalted water and recycled water. The groundwater is delivered by a neighboring agency.

	Potable Water						
	Imported						
Fiscal Year Ended June 30	Non-Interruptible (1)	Saltwater Barrier (2)	Desalting (3)	Total Potable Water	Recycled (4)	All Water Deliveries	Groundwater (*Info Only*) (5)
2014	111,659	9,285	817	121,761	36,720	158,481	42,294
2015	105,540	7,354	690	113,584	35,251	148,835	39,096
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

(1) The decline in non-interruptible potable sales over the years was largely due to the 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 sales and repairs performed by Los Angeles County. Because of lower injection of recycled water to the Saltwater Barrier, more imported water was injected in Fiscal Year 2022 to meet demand.

(3) The Desalting operation was shut down during portions of Fiscal Year 2017 to 2021 due to major rehabilitations. West Basin Board made the decision to decommission the facility in March 2022.

(4) In Fiscal Year 2022 and 2023, the decrease in sales were due to poor quality source water.

(5) Groundwater does not represent water deliveries from West Basin. 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.

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

The following table presents a summary of all water sales by West Basin to each retail agency for the last ten fiscal years. Water sales included imported (non-interruptible and saltwater barrier), and recycled and desalted.

	2014	2015	2016	2017	2018
California Water Service (CalWater)	70,679	70,361	57,367	58,216	60,431
Water Replenishment District (WRD) (1)	21,657	19,757	17,358	19,577	20,788
City of El Segundo	16,681	17,387	16,782	16,482	16,335
Golden State Water Company (GSWC)	16,516	12,622	25,791	24,272	21,830
Los Angeles County Water Works (LA County)	10,090	9,182	7,932	8,414	8,809
City of Inglewood	9,028	8,174	7,458	7,127	8,117
City of Torrance	6,529	5,270	4,012	5,037	6,685
City of Lomita	1,788	1,463	1,374	1,549	1,416
City of Manhattan Beach	3,849	3,496	3,738	4,582	4,788
California American Water Company (CAWC)	667	238	415	428	1,397
L.A. Dept of Water & Power	998	886	874	825	855
Total (2)	158,482	148,836	143,101	146,509	151,451

(1) Sales decreased due to well & pipeline repairs in Fiscal Year 2016 and 2021. In Fiscal Year 2022 and 2023, sales decreased due to poor quality source water for recycled water.

(2) Overall sales decreased in Fiscal Year 2015 and 2016 due to local residents' response towards conservation/water efficiency programs to address drought conditions. 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 Segundo purchasing less recycled water. In Fiscal Year 2022 and 2023, 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.

2019	2020	2021	2022	2023
60,213	59,581	59,974	57,819	51,472
18,412	20,034	16,132	13,545	13,736
17,078	14,953	14,952	17,823	15,320
24,211	23,607	21,909	21,507	17,646
7,839	7,856	8,753	8,571	6,965
8,261	6,205	7,094	7,238	6,416
5,887	5,424	5,447	5,082	5,053
1,520	2,004	2,093	1,986	1,812
4,794	4,868	5,135	4,718	4,039
1,426	1,696	1,004	844	1,017
829	870	882	813	659
150,470	147,098	143,375	139,947	124,135

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 (1)	Torrance Refinery (1)		Marathon Refinery (1)	Total Refineries (2)	West Coast Barrier (3)	Disinfected Tertiary (5)	Total
2014	394	7,891	6,167		5,572	19,630	12,372	4,718	36,720
2015	404	8,635	4,887	(4)	5,024	18,546	12,403	4,302	35,251
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)	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

(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) Sales decreased in Fiscal Years 2019 and 2021 due to repair work performed by LA County Sanitation District that impacted injections into West Coast Barrier. 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 2015 and 2016 due to refurbishment of the biofors. Sales decreased in Fiscal Year 2022 and 2023 due to damaged membranes caused by poor quality source water.

(5) Sales of Disinfected Tertiary recycled water are affected by the amount of precipitation and addition/deletion of recycled water customers. Sales in Fiscal Years 2020 and 2021 increased due to the addition of Dominguez Tech Center, SoFi Stadium, and Hollywood Park. Due to the long rain period in fiscal year 2023, the demand for irrigation water was low.

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

Type of Water	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Purchased from MWD (1)										
Non-interruptible	$1,132	$1,188	$1,242	$1,301	$1,343	$1,370	$1,380	$1,423	$1,469	$1,544
Saltwater Barrier	1,132	1,188	1,242	1,301	1,343	1,370	1,380	1,423	1,469	1,544
West Basin Recycled Water (2)										
Recycled - Disinfected Tertiary	$ 908	$ 955	$1,005	$1,069	$1,105	$1,151	$1,186	$1,255	$1,294	$1,520
Recycled - Disinfected Tertiary - Outside Service Area	950	997	1,047	1,111	1,147	1,193	1,228	1,297	1,336	1,562
Recycled - Barrier	578	586	605	618	836	896	961	1,031	1,104	1,174
Recycled - Low Pressure Boiler Feed (3)	1,136	1,183	1,233	1,297	1,333	1,379	1,075	1,128	1,170	1,207
Recycled - High Pressure Boiler Feed (3)	1,492	1,539	1,589	1,653	1,689	1,735	856	893	933	956
Recycled - Nitrified (3)	888	935	985	1,049	1,085	1,131	1,166	1,118	1,170	1,231
West Basin Desalting Plant (4)										
Desalted Water	$ 978	$1,019	$1,048	$1,078	$1,106	$1,133	$1,158	$1,186	$1,224	$0

(1) MWD Water rates are comprised of three components: 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) West Basin Recycled Water Rates exclude MWD's Local Resources Program incentive of $250 per acre-foot of recycled water sold. For Disinfected Tertiary water sales within and outside West Basin's service area, rate decreases as the volume of recycled water purchases increases. Rates shown above are for purchases of 0 - 25 AF per month.

(3) West Basin negotiated an amendment to certain recycled water refinery agreements in both fiscal years 2020 and 2021, lowering the average rate for Boiler Feed and Nitrified recycled water.

West Basin adopts its water rates annually by resolution.

Table 12: Imported Water Rates
For the Years Ended June 30, 2022 and 2023

Tables below delineate the fiscal years ended June 30, 2022 and 2023 water rates for West Basin and Metropolitan Water District of Southern California (MWD).

	MWD	Readiness-to-Serve Charge	West Basin Reliability Service Charge	Total
Fiscal Year Ended June 30, 2022				
July 1, 2021 to December 31, 2021				
Non-Interruptible & Barrier (Tier 1)	$1,104	$100	$245	$1,449
Non-Interruptible & Barrier (Tier 2)	1,146	100	245	1,491
January 1, 2022 to June 30, 2022				
Non-Interruptible & Barrier (Tier 1)	$1,143	$100	$245	$1,488
Non-Interruptible & Barrier (Tier 2)	1,185	100	245	1,530
Fiscal Year Ended June 30, 2023				
July 1, 2022 to December 31, 2022				
Non-Interruptible & Barrier (Tier 1)	$1,143	$100	$257	$1,500
Non-Interruptible & Barrier (Tier 2)	1,185	100	257	1,542
January 1, 2023 to June 30, 2023				
Non-Interruptible & Barrier (Tier 1)	$1,209	$121	$257	$1,587
Non-Interruptible & Barrier (Tier 2)	1,418	121	257	1,796

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

	TOTAL DEBT					CAPITAL ASSETS			
Fiscal Year Ended June 30	Certificates of Participation & Revenue Bonds (1)	CP (2)	Lease & SBITA (3)	State Loan	Total Debt	Capitalized Assets (4)	Construction-in-Progress (5)	Leases & SBITA (3)	Total Capital Assets
2014	$329,755	-	-	-	$329,755	$590,272	$63,152	-	$653,424
2015	312,682	-	-	-	312,682	590,732	75,144	-	665,876
2016	295,831	-	-	-	295,831	599,282	79,015	-	678,297
2017	292,377	-	-	-	292,377	611,438	88,061	-	699,499
2018	279,300	-	-	-	279,300	611,756	109,785	-	721,541
2019	265,972	-	-	-	265,972	617,574	132,592	-	750,166
2020	252,232	10,000	-	-	262,232	684,791	74,983	-	759,774
2021	255,419	-	-	-	255,419	692,320	82,130	-	774,450
2022	239,362	-	978	-	240,326	698,678	34,532	1,140	734,350
2023	227,297	-	1,079	3,661	232,037	704,940	42,611	1,412	748,963

(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.

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.

Fiscal Year Ended June 30	Total LT Debt (1)	West Basin Population	Debt Per Capita
2014	$ 329,755,000	870,219	$ 378.93
2015	312,682,000	874,219	357.67
2016	295,831,000	877,798	337.01
2017	292,377,000	881,392	331.72
2018	279,300,000	882,000	316.67
2019	265,972,000	882,000	301.56
2020	262,232,000	882,000	297.32
2021	255,419,000	882,000	289.59
2022	240,340,000	882,000	272.49
2023	232,037,000	885,000	262.19

(1) Numbers are rounded to the nearest thousand.

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

Fiscal Year Ended June 30	Bond Refunding	Principal Payments		Interest Payments	Lease & SBITA		State Loan		Total Debt Expense	Operating Expenses	Ratio Debt/ Expenses
	(Info Only)	(1)		(1)							(6)
2014	$ -	$ 5,760	(2)	$ 10,478	$ -		$-		$ 16,238	$ 180,710	0.09
2015	-	15,592		13,569	-		-		29,161	183,273	0.16
2016	-	15,370		13,031	-		-		28,401	177,763	0.16
2017	27,309	9,290	(2)	12,120	-		-		21,410	185,573	0.12
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	79,600	11,835		10,556	-		-		22,391	206,216	0.11
2022	31,590	7,875	(2)	9,348	73	(3)	-		17,296	220,784	0.08
2023	-	9,055		9,665	170	(4)	-	(5)	18,890	213,780	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 year 2023.

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

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

Standby Charges and Fixed Capital Revenues are both revenues to West Basin. West Basin uses the revenue to pay the debt incurred for the construction and improvement of its recycled water facilities. For the past ten years, bonds were issued to finance the recycled water projects. The table below shows the information on these revenues as compared to debt payments.

Fiscal Year Ended June 30	Standby Charge (1)	Capital Recovery Charge (2)	Total	Debt Payment Cash Basis (3)	% of Debt Payment
2014	$ 9,683	$ 7,296	$ 16,979	$ 16,238	105%
2015	9,741	7,240	16,981	29,161	58%
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%

(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".

(3) During fiscal year 2012, West Basin refunded its 2003A Refunding Revenue Certificates of Participation which resulted in a lower debt payment in fiscal year 2014 and a higher debt payment in fiscal year 2013. Breakdown is shown on Table 15-"Annual Debt Service to Expenses".

(4) Excludes the amount of bond refunding in any given year.

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

	2014	2015	2016	2017	2018
Changes in Net Position (1)	$ 14,499	$ 1,749	$ 3,401	$ 21,071	$ 14,251
Add: Interest Expense	10,651	11,139	9,859	8,161	11,418
Add: Depreciation/Amortization	20,793	25,099	24,928	25,286	25,188
Less: Non-cash items (2)	(550)	764	3,652	(636)	3,436
Net Revenues for Coverage	$ 45,393	$ 38,751	$ 41,840	$ 53,882	$ 54,293
Parity Debt Service	$ 17,205	$ 17,695	$ 13,646	$ 17,821	$ 19,422
2003A Bonds	-	-	-	-	-
2008A Bonds	1,169	899	799	728	493
2010A Bonds	197	219	250	213	170
2011A Rev Bonds	1,788	1,792	1,437	4,907	5,218
2011B Rev Bonds	2,993	2,993	2,993	2,993	2,993
2012A Rev Bonds	4,220	4,389	4,390	4,387	4,390
2013A Rev Bonds	6,838	7,403	3,777	287	-
2016A Rev Bonds	-	-	-	4,306	6,158
2021A Rev Bonds	-	-	-	-	-
2022A Rev Bonds	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
Reserve Fund Earnings	**170**	**(1)**	**(2)**	**(6)**	**(9)**
Total Net Senior Debt Service	**$ 17,375**	**$ 17,694**	**$ 13,644**	**$ 17,815**	**$ 19,413**
Debt Coverage	**2.62**	**2.19**	**3.07**	**3.02**	**2.80**
Subordinate Debt Service	$ 8,993	$ 9,017	$ 9,058	$ 5,774	$ 4,120
2003B Bonds	-	-	-	-	-
2008B Bonds	8,993	9,017	9,058	5,774	4,120
2018 Commercial Paper	-	-	-	-	-
Reserve Fund Earnings	-	-	-	-	(1)
Total Net Subordinate Debt Service	$ 8,993	$ 9,017	$ 9,058	$ 5,774	$ 4,119
Debt Coverage	**3.13**	**2.34**	**3.11**	**6.25**	**8.47**
All-In Debt Coverage	**1.73**	**1.45**	**1.84**	**2.28**	**2.31**
Cash Available for Additional Subordinate Debt Service, Capital Projects and Other Purposes	$ 19,025	$ 12,040	$ 19,138	$ 30,293	$ 30,761

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

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

(3) In fiscal year 2023 the debt coverage calculation was changed to cash basis.

(Continued)

2019	2020	2021	2022	2023
				(3)
$ 14,261	$ 9,988	$ 9,060	$ (73,851)	$ (10,298)
10,860	10,604	10,072	8,197	6,891
23,646	24,103	26,468	26,921	27,084
(308)	(358)	(2,466)	71,379	1,707
$ 48,459	$ 44,337	$ 43,134	$ 32,646	$ 25,384
$ 22,912	$ 23,292	$ 23,264	$ 22,019	$ 18,581
-	-	-	-	-
-	-	-	-	-
394	439	415	287	65
5,210	5,219	5,218	-	-
2,993	2,993	2,927	-	-
4,390	4,391	4,389	2,696	-
-	-	-	-	-
9,925	10,250	10,231	10,172	10,033
-	-	84	7,087	7,295
-	-	-	1,777	1,888
-	-	-	-	-
(14)	**(7)**	**-**	**-**	**(3)**
$ 22,898	**$ 23,285**	**$ 23,264**	**$ 22,019**	**$ 18,578**
2.12	**1.90**	**1.85**	**1.48**	**1.37**
$ 460	$ 171	$ 177	$ 116	$ 100
-	-	-	-	-
343	-	-	-	-
117	-	177	116	100
(1)	-	-	-	-
$ 459	$ 171	$ 177	$ 116	$ 100
55.66	**123.07**	**112.20**	**91.61**	**68.03**
2.07	**1.89**	**1.84**	**1.47**	**1.36**
$ 25,102	$ 20,881	$ 19,693	$ 10,511	$ 6,706

Table 18: Ten Largest Employers Within West Basin Service Area
Calendar Year 2022 and Nine Years Prior

Employer	2022 Number of Employees (1)	Rank	2013 Number of Employees	Rank
Boeing Satellite Systems Inc.	12,440	1	5,229	4
Northrop Grumman Corporation	12,394	2	11,082	1
Space Exploration Technologies	6,277	3	-	N/A
Raytheon Space & Airborne System	6,000	4	6,117	2
Sony Pictures Entertainment	3,000	5	6,000	3
Aerospace Corporation	2,783	6	2,580	6
Amazon Studios	2,500	7	-	N/A
Mattel, Inc.	1,660	8	1,857	7
Apple	1,500	9	-	N/A
Riot Games	1,500	9	-	N/A
Westfield Shoppingtown-Fox Hills	1,500	9	-	N/A
Palos Verdes Peninsula Unified School District	1,372	10	1,380	8

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.

Table 19: Population and Economic Statistics
Last Ten Calendar Years

Calendar Year	West Basin Population	LA County Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate
	(1)	(2)	(2)	(2)	(3)
2014	870,219	10,069,036	$ 512,846,779	$ 50,730	8.2%
2015	874,219	10,170,292	544,324,900	53,521	6.6%
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	Not Available	Not Available	5.2%
2023	885,000	Not Available	Not Available	Not Available	5.3%

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

(2) Data obtained from the Bureau of Economic Analysis. Information for Calendar year 2022 through 2023 is not available.

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

Demographics

Service Area

Estimated Total Population Served	885,000
Area	185 square miles

Division I - Represented by Harold C. Williams
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

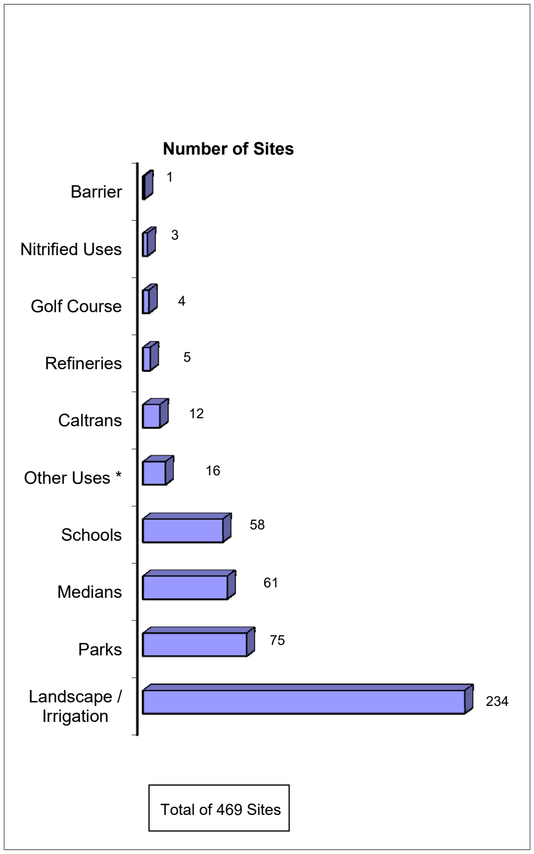
West Basin's direct customers are comprised of cities and retail water agencies that purchase potable non-interruptible water and recycled water for further sales to the end-user or use in the seawater barrier.

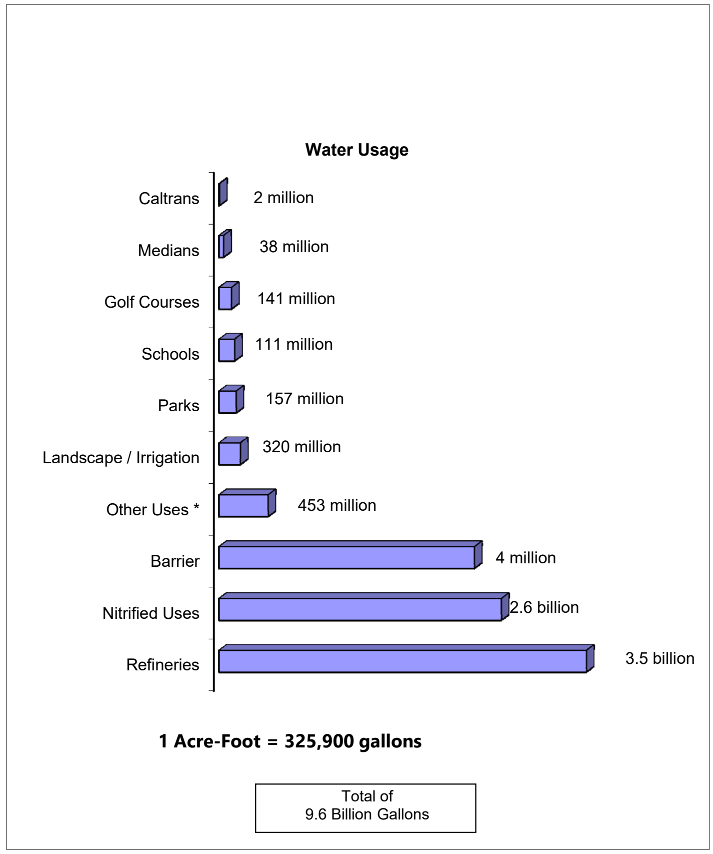
Annual Water Deliveries

Potable Water	94,996 acre-feet
Recycled Water	29,140 acre-feet

Recycled Water Users

Fiscal Year Ended June 30, 2023





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

Number of Budgeted Full-Time Personnel

2014	40
2015	41
2016	43
2017	49
2018	56
2019	56
2020	56
2021	56
2022	50
2023	50

Certifications and Licenses Held by District Employees

Professional Engineer	6
Electtrical Journeyman Certification	1
Certified Public Accountant	2
Licensed attorneys	1
Masters Degree	17
State Water Certification:	
Distribution Operator	4
Treatment Plant Operator	7

General Operating Information (continued)
Fiscal Year Ended June 30, 2023

Capital Assets (In Thousands)

	Recycling Facilities	Desalting	Machinery & Equipment	Construction-in-Progress	Admin. Facility	Leases & SBITA (1)	West Basin Capital Assets (2)
2014	$ 576,537	$ 4,041	$ 3,349	$ 63,152	$ 6,345	-	$ 653,424
2015	576,941	4,059	3,376	75,144	6,356	-	665,876
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	682,634	5,586	3,957	34,532	6,502	1,140	734,350
2023	693,328	1,106	3,974	42,611	6,502	1,412	748,963

(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.