



WEST BASIN

Municipal Water District

*Fiscal Year 2024-2025
Budget Workshop*

Customer Agency Workshop

May 1, 2024

www.westbasin.org



Workshop Agenda

1. About West Basin
2. What Charges Are On Your Bill
3. Key Budget Drivers
4. Operating Expenses
5. Capital Improvement Program
6. Revenues & Rates and Charges
7. Next Steps



About West Basin

www.westbasin.org

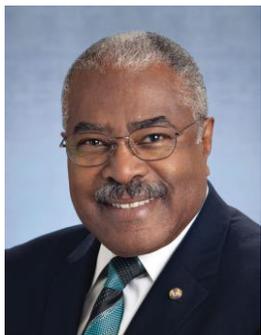


Mission



Provide a **safe** and **reliable** supply of **high-quality water** to the communities we serve.

Board of Directors



Division I

Harold C. Williams
Vice President



Division II

Gloria D. Gray
Treasurer



Division III

Desi Alvarez
President



Division IV

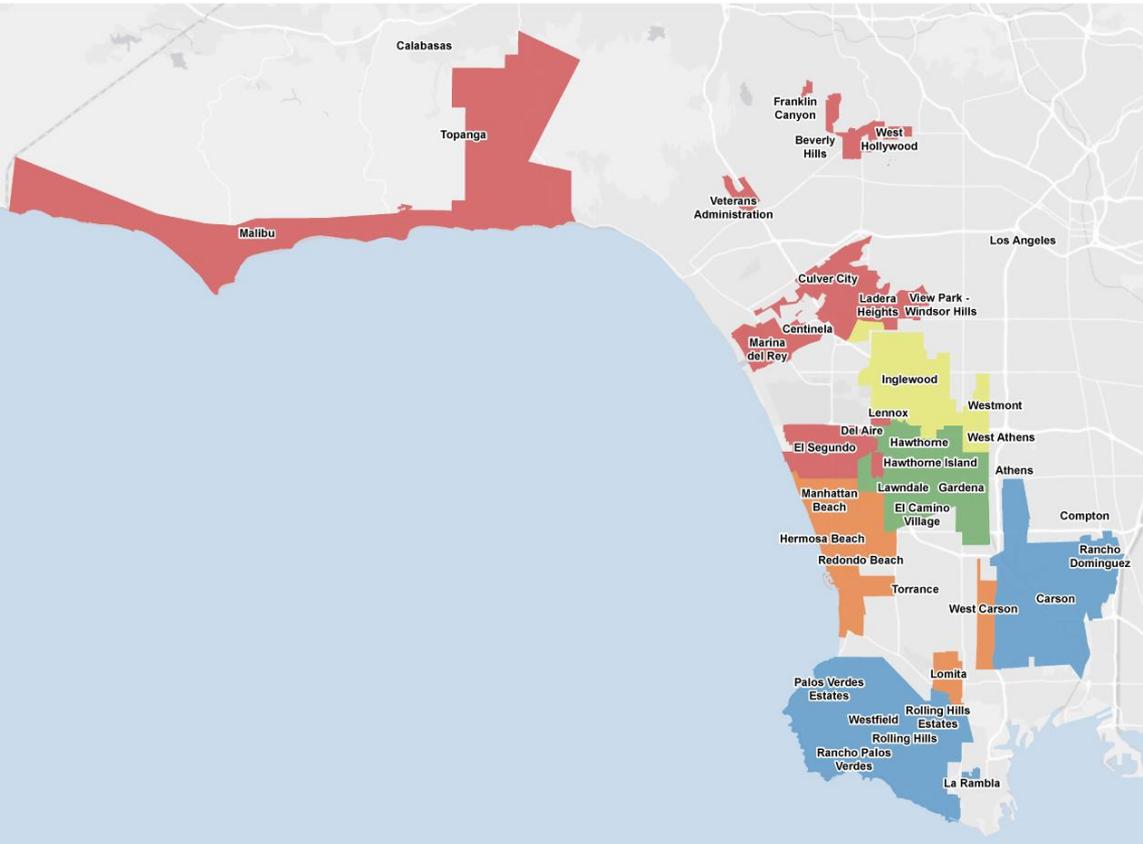
Scott Houston
Immediate Past
President



Division V

Donald L. Dear
Secretary

Service Area



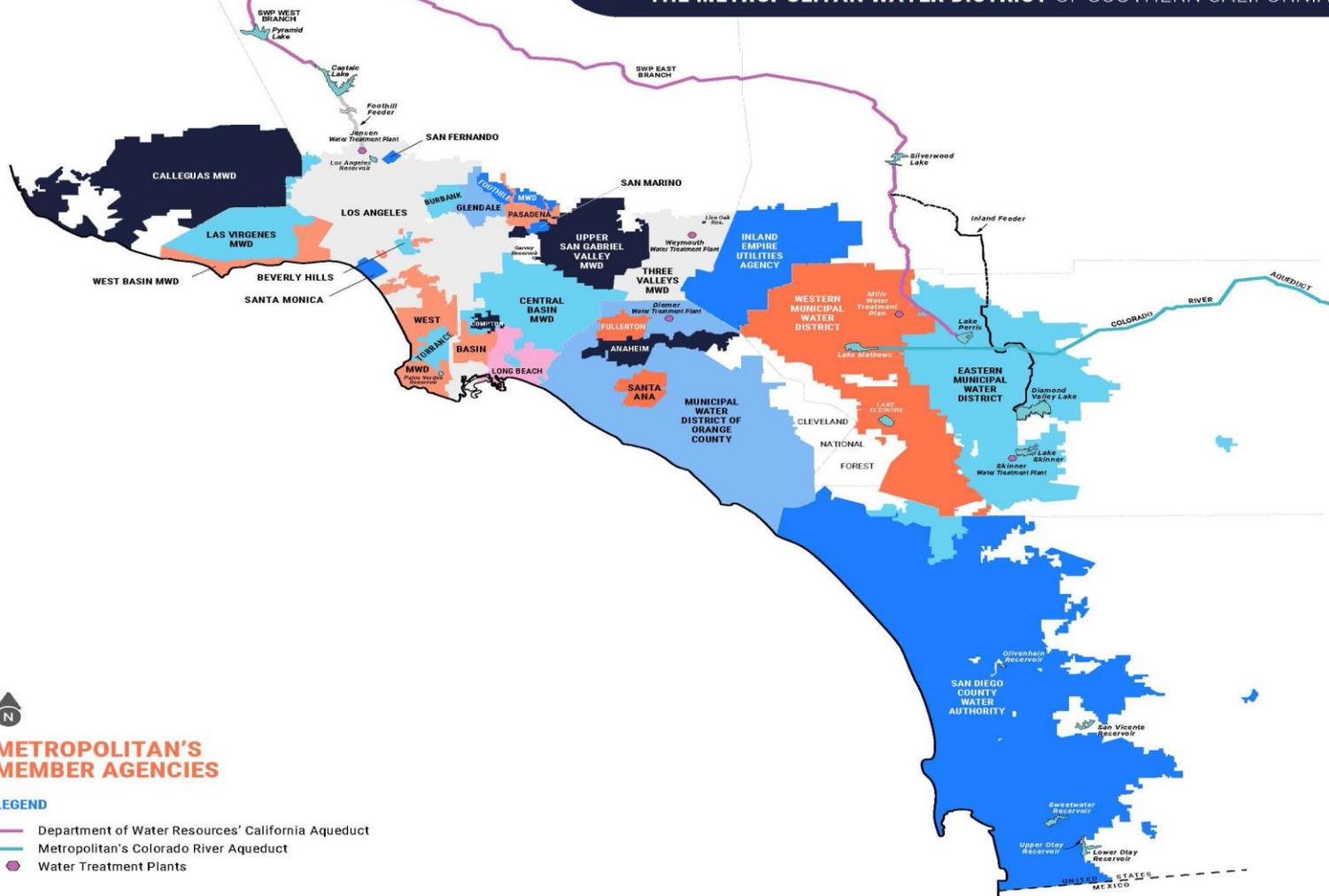
Division I
 Carson, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, and the unincorporated LA County areas of Rancho Dominguez

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

Division III
 Hermosa Beach, Lomita, Manhattan Beach, Redondo Beach, a portion of the city of Torrance, and the unincorporated LA County area of West Carson

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

Division V
 Lawndale, portions of the cities of Gardena and Hawthorne, and the unincorporated LA County area of El Camino Village and Lennox





What Charges Are On Your Bill

www.westbasin.org



What Charges Are On Your Bill

Charges from MWD

1. **MWD Full Service Treated Volumetric Rate**

2. **MWD Readiness-To-Serve (RTS) Charge:**

West Basin collects this charge based on volumetric rate from its retailers on behalf of MWD.

3. **MWD Capacity Charge (CC):**

West Basin collects this charge from its retailers on behalf of MWD. The charge for each agency is a fixed monthly rate based on the allocation formula from MWD.

What Charges Are On Your Bill

Charges from West Basin

1. West Basin's Reliability Service Charge (Assessed on potable rates)

- West Basin Potable Water Rate Formula
 - MWD Full Service Treated Volumetric Rate
 - + MWD RTS Rate
 - + West Basin Reliability Service Charge
 - West Basin Potable Tier 1

2. West Basin's Recycled Water Rates

- Irrigation recycled water rate
- Advanced treated recycled water rate

3. Fixed Service Charge

Helps fund the following reliability programs:

- Public Information and Education
- Water Policy and Resources Development



Key Budget Drivers



Key Budget Drivers for Fiscal Year 2024-25

1. Lower demand for potable water in FY 2022-23 and FY 2023-24 resulted in:
 - a) Lower than budgeted revenue collection of West Basin's Reliability Service Charge in both years.
 - b) Under-collection of MWD's RTS from retailers.
2. Recycled water sales were lower than budgeted. The costs of maintaining the aging facilities, chemicals, and utilities increased.
3. West Basin's Standby Charge revenue phased out through FY 2030-31.
4. Decrease in West Basin's Reserve Balance and Debt Coverage.
5. Net Revenue is not sufficient to cover CIP and R&R Costs.

Key Budget Drivers: Reliability Service Charge

The Reliability Service Charge (RSC) is the only volumetric source of revenue West Basin earns from its potable water sales. Lower demand for potable water in FY 2022-23 and FY 2023-24 caused decreases in RSC revenues.

| FY 2022-23 | |
|------------|---------------|
| Budget | \$27,242,000 |
| Actual | \$23,176,260 |
| Difference | (\$4,065,740) |

| FY 2023-24 | |
|------------|---------------|
| Budget | \$26,675,000 |
| Projection | \$23,027,400 |
| Difference | (\$3,647,600) |

Key Budget Drivers: MWD Readiness-To-Serve Charge

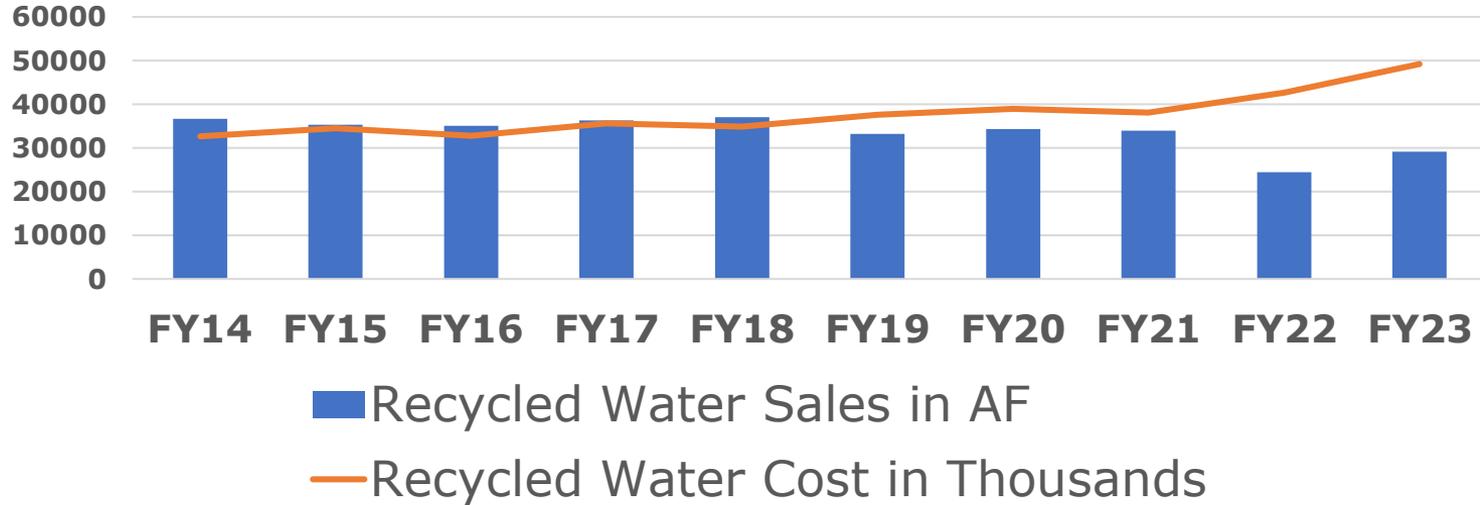
- MWD assigns and requires each member agency to collect a pre-calculated Readiness-to-Serve (RTS) Charge. Each member agency can decide how to collect the RTS fees from its customers. West Basin currently converts the total charge into a cost/AF metric and bills its retailers based on actual potable water sales.
- Lower than budgeted potable water sales in FY 2022-23 and FY 2023-24 resulted in under-collection of RTS charges from retailers.
- Staff recommends converting the RTS charge to a Fixed Monthly Charge in FY 2024-25.

| | FY 2022-23 Actual | FY 2023-24 Projection |
|-------------------------|-------------------|-----------------------|
| MWD Required Payment | \$11,788,885 | \$12,828,354 |
| WB Total Collected | \$9,852,208 | \$11,029,292 |
| Under-collection of RTS | (\$1,936,677) | (\$1,799,062) |

Key Budget Drivers: Recycled Water Sales and Costs

Recycled water sales and the costs of maintaining aging recycled water facilities have become more unpredictable.

Recycled Water Sales in AF vs Cost



Key Budget Drivers: Standby Charge Revenue

- West Basin’s Standby Charge is scheduled to sunset in FY 2030-31. Standby charge revenue pays a portion of the annual debt service and is included in the annual debt coverage ratio calculation.
- West Basin will be required to continue paying down \$107M of outstanding principal and interest from previous bond issuances between FY 2030-31 and FY 2041-42, following the elimination of the standby charge.
- The district needs to consider how to continue making debt payments once standby charge revenues are no longer available.

| FY 2023-24 | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 | Total Revenue |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|---------------|
| \$5,879,000 | \$5,751,000 | \$7,631,947 | \$7,631,947 | \$7,631,947 | \$7,631,947 | \$7,631,947 | \$0 | \$49,789,735 |

Key Budget Drivers: Reserve Levels and Debt Coverage

West Basin's Reserves (Total Cash & Investments) and Days Cash on Hand have both declined in the past three years.

| | FY 2020-21 Actual | FY 2021-22 Actual | FY 2022-23 Actual |
|------------------------|----------------------|----------------------|----------------------|
| Reserves | \$96,709,612 | \$82,204,783 | \$72,538,046 |
| Average Daily Spending | \$862,411 | \$807,886 | \$945,723 |
| Days Cash on Hand | 112 | 102 | 77 |
| Debt Coverage Ratio | 1.84 | 1.47 | 1.36 |

*** The Target Debt Coverage Ratio is 1.75 per the West Basin Strategic Plan.**

Key Budget Drivers: Funding of CIP and R&R Costs

- West Basin does not currently have a Capital Funding Policy in place
- Current Net Revenues after paying debt service is not sufficient to cover needed CIP and R&R projects
- West Basin has been using its cash reserves to cover the shortfall.

| | FY 2021-22 Actual | FY 2022-23 Actual | FY 2023-24 Projection |
|--|-------------------|-------------------|-----------------------|
| Net Revenue | \$32,646,600 | \$25,383,686 | \$27,335,421 |
| Debt Payment | (17,379,377) | (18,519,669) | (20,903,900) |
| Available Funding for CIP Spending (Net Revenue–Debt Payment) | 15,267,223 | 6,864,017 | 6,431,521 |
| Actual CIP/R&R Spending | (20,459,831) | (21,645,396) | (17,000,000) |
| CIP/R&R Funding Shortfall | (4,972,438) | (14,781,197) | (10,568,480) |
| Annual CIP/R&R Budget | \$59,689,000 | \$45,614,598 | \$38,826,409 |



Expenses



FY 2024-25 Proposed Expenses

| Category | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|--------------------------------------|-----------------------|---------------------------|----------------------------|----------------------|
| Recycled Water Operations | \$53,851,981 | \$57,519,100 | \$56,204,589 | (\$1,314,511) |
| Board Services | 442,740 | 654,000 | 1,516,868 | 862,868 |
| Conservation | 1,951,683 | 3,150,455 | 2,447,709 | (702,746) |
| Public Information and Education | 3,511,052 | 4,859,793 | 4,956,549 | 96,756 |
| Technical Planning | 916,009 | 5,215,398 | 1,143,918 | (4,071,480) |
| Water Policy & Resources Development | 1,891,221 | 1,316,106 | 2,306,104 | 989,998 |
| Groundwater Monitoring | 11,100 | 60,502 | 20,814 | (39,289) |
| Overhead | 222,496 | 574,036 | 1,291,883 | 717,847 |
| Total Expenses | \$62,798,282 | \$73,349,390 | \$69,888,434 | (\$3,460,956) |

West Basin Workforce Levels Remain Flat

| Department | FTEs FY 2023-24 Adopted Budget | FTEs FY 2024-25 Proposed Budget |
|----------------------------------|--------------------------------------|---------------------------------------|
| Operations | 11 | 11 |
| Engineering | 8 | 8 |
| Board Services | 7 | 7 |
| Finance & Contracts | 7 | 7 |
| Public Information & Education | 7 | 7 |
| Water Resources & Planning | 4 | 4 |
| Executive Management | 3 | 3 |
| Information Technology | 3 | 3 |
| Human Resources | 2 | 2 |
| Total Full-Time Employees | 52 | 52 |

Operating Expense: Recycled Water Operations

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|----------------------------------|--------------------------|---------------------------------|----------------------------------|----------------------|
| Chemicals | \$16,306,289 | \$20,584,775 | \$18,176,370 | (\$2,408,405) |
| Contract Operations | 11,610,184 | 11,028,100 | 11,456,100 | 428,000 |
| Utilities | 11,150,297 | 11,209,100 | 9,797,700 | (1,411,400) |
| Facility Maintenance | 5,821,574 | 4,562,815 | 5,255,241 | 692,426 |
| Solids Management | 2,110,645 | 2,434,000 | 2,541,550 | 107,550 |
| Lab Services | 606,533 | 680,193 | 774,843 | 94,650 |
| Secondary Effluent | 187,272 | 352,850 | 345,500 | (7,350) |
| Permits/Treatment Surcharge | 238,188 | 220,606 | 287,199 | 66,593 |
| Other Misc. Costs | 844,267 | 1,186,565 | 1,333,155 | 146,590 |
| Labor and Benefits | 3,705,493 | 3,644,630 | 3,912,473 | 267,843 |
| Overhead Allocation | 1,271,239 | 1,615,466 | 2,324,458 | 708,992 |
| Recycled Water Operations | \$53,851,981 | \$57,519,100 | \$56,204,589 | (\$1,314,511) |

Recycled Water Chemical Expenses

Proposed Fiscal Year 2024-2025 Budget

| | |
|-----------------------------------|---------------------|
| Bulk & Mini Bulk Chemicals | \$15,617,953 |
| Specialty Chemicals | 1,057,961 |
| Membrane Cleaning Chemicals | <u>1,500,432</u> |
| Total Processing Chemicals | \$18,176,353 |

Estimated 11.70% decrease

- Mainly due to stabilization of and some lower chemical unit costs
- Reduced Ferric Chloride costs due to optimization efforts from Veolia

Recycled Water Utilities

Proposed Fiscal Year 2024-2025 Budget

| | |
|------------------------------|---------------------------|
| Electricity | \$9,624,000 |
| Gas | 52,000 |
| Potable Water | 20,000 |
| Telecommunication | <u>101,000</u> |
| Total Facilities Maintenance | <u>\$9,797,700</u> |

Estimated 12.6% decrease

- Due to lower direct energy charges
- Decrease the amount of potable water usage at JMMCRWRP

Operating Expense: Technical Planning

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|---|--------------------------|---------------------------------|----------------------------------|----------------------|
| Technical Planning Studies | \$ - | \$2,912,905 | \$ - | (\$2,912,905) |
| Cost of Service Study | 230,000 | 300,000 | - | (300,000) |
| Bulk Chemical Storage Condition Assessment | - | 173,476 | 330,550 | 157,074 |
| Emergency Response Planning | 6,009 | - | - | - |
| Climate Change Plan | - | - | 150,000 | 150,000 |
| Salt and Nutrient Management Plan Support | - | - | - | - |
| | | | | |
| West Basin Labor, Benefits, and Overhead | \$680,000 | 1,829,017 | 663,368 | (1,165,649) |
| Technical Planning | \$916,009 | \$5,215,398 | \$1,143,918 | (\$4,071,480) |

Operating Expense: Technical Planning - Continued

Bulk Chemical Storage Condition Assessment - \$330,550

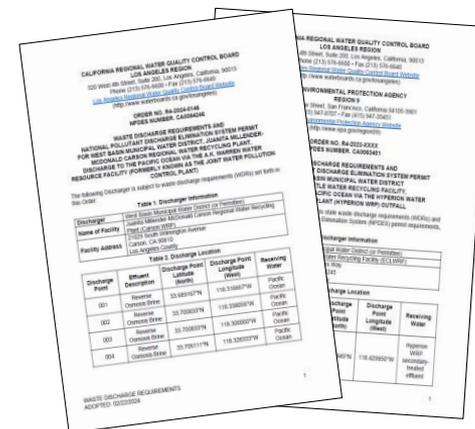
Purpose: The assessment would (a) determine the remaining useful life of West Basin's chemical storage tanks located at each of the West Basin plants, and (b) develop a prioritized repair/replacement program.



2,375-gal sodium bisulfite tanks at CNTP

Climate Change Plan - \$150,000

Purpose: To develop a Climate Change Effects Vulnerability Assessment and Mitigation Plan (Climate Change Plan), in accordance with the latest guidelines and requirements set forth by Los Angeles Regional Water Quality Control Board (LARWQCB) NPDES permits.



Operating Expense: Water Use Efficiency/Conservation

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|---|--------------------------|---------------------------------|----------------------------------|--------------------|
| Grass Removal | \$449,000 | \$1,020,000 | \$500,000 | (\$520,000) |
| Outreach Support | 161,725 | 175,000 | 175,000 | - |
| Rain Barrel Program | 123,860 | 128,000 | 128,000 | - |
| Commercial, Industrial, and Institutional Water Efficiency Program | 47,000 | 50,000 | 50,000 | - |
| Public Agency Landscape Design | 15,000 | 50,000 | 30,000 | (20,000) |
| Regional Water Efficiency Partnership | - | 150,000 | 138,200 | (11,800) |
| Parkway Beautification Program | 50,000 | - | 150,000 | 150,000 |
| Low-Income Direct Install Program | 100,000 | 83,600 | - | (83,600) |
| Firescaping Program | 1,098 | 4,500 | 7,500 | 3,000 |
| District Labor and Benefits | 750,000 | 1,020,907 | 782,495 | (238,412) |
| Overhead Allocation | 254,000 | 468,448 | 486,514 | 18,066 |
| Water Use Efficiency | \$1,951,683 | \$3,150,455 | \$2,447,709 | (\$702,746) |

Water Use Efficiency/Conservation - Continued

- **Grass Replacement - \$500,000**
 - Rebates for residents, businesses and public agencies for grass replacement
- **Rain Barrels - \$128,000**
 - Five annual rain barrel giveaway events, one within each Division
- **Public Agency Landscape Design - \$30,000**
 - Free landscape design services for local cities and other public agencies
- **CII Water Efficiency Program - \$50,000**
- **Parkway Beautification Program- \$150,000**
- **Regional Water Efficiency Program - \$138,200**
 - Partnership with Las Virgenes MWD and LA County Waterworks to provide various water efficiency measures and resources in the northern parts of the service area

Operating Expense: Public Information and Education*

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|---|--------------------------|---------------------------------|----------------------------------|-----------------|
| Water Harvest | \$150,000 | \$184,000 | \$183,000 | (\$1,000) |
| Art Contest | 11,199 | 12,500 | 13,500 | 1,000 |
| Water Exploration – School Tours | 170,242 | 220,000 | 248,400 | 28,400 |
| Education | 116,606 | 135,000 | 106,000 | (29,000) |
| Outreach | 120,000 | 275,300 | 324,665 | 49,365 |
| | | | | |
| District Labor and Benefits | 2,041,800 | 2,633,726 | 2,459,269 | (174,457) |
| Overhead Allocation | 901,205 | 1,399,267 | 1,621,715 | 222,448 |
| Public Information and Education | \$3,511,052 | \$4,859,793 | \$4,956,549 | \$96,756 |

*Funded through Fixed Service Charge

Public Information and Education - Continued



Water Harvest - \$183,000

- Annual event in October for members of the community. Tours of the Edward C. Little Water Recycling Facility are given throughout the day, with educational stations and informational booths.

Student Art Contest - \$13,500

- Local art contest where students advance to compete in Metropolitan's "Being Water Wise Is..." competition.

Water Exploration - \$248,400

- Field trip program that offers free bus transportation to Edward C. Little Facility to local K-12 schools; also includes in-school assembly program

Education - \$106,000

- Water Star Conservation Kits, School Newsletters, Teach and Test Program, Workforce Development initiatives

Outreach - \$324,665

- Community engagement and communications efforts for District initiatives and programs

Operating Expense: Water Policy and Resources*

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|---|--------------------------|---------------------------------|----------------------------------|------------------|
| Legislative Advocacy Services | \$294,000 | \$325,400 | \$325,400 | \$ - |
| Water Supply and Demand Assessment Report | 7,330 | 15,000 | 15,000 | - |
| New Retailer Regulation Support | - | 10,000 | 30,000 | 20,000 |
| Grant Development | - | 30,000 | 30,000 | - |
| Water Bottle Filling Station Sponsorship | 21,000 | 35,000 | 35,000 | - |
| Legislator of the Year Award | 1,337 | - | 2,000 | 2,000 |
| | | | | |
| District Labor and Benefits | 1,046,510 | 614,610 | 1,117,850 | 503,240 |
| Overhead Allocation | 521,044 | 296,096 | 750,854 | 454,758 |
| Water Policy and Resources Development | \$1,891,221 | \$1,326,106 | \$2,306,104 | \$979,998 |

*Funded through Fixed Service Charge

Water Policy and Resources Development - Continued

- **Legislative Advocacy - \$325,400**

- State and Federal advocacy services needed to represent the interests of West Basin, its retailers, and the community at large

- **New Retailer Regulation Support - \$30,000**

- Assistance program intended to help retail agencies comply with pending statewide conservation regulatory requirements

- **Water Bottle Filling Station - \$35,000**

- Continue to provide local organizations, including municipalities and schools, with funding to install indoor and outdoor water bottle filling stations

- **Grant Development - \$30,000**

- Pursue funding opportunities to promote water conservation programs and conduct market research meant to support those programs

District Overhead: Board Services

| | FY 2023-24 Projection | FY 2023-24 Adopted Budget | FY 2024-25 Proposed Budget | Variance |
|--|--------------------------|---------------------------------|----------------------------------|------------------|
| Directors Expenses | \$353,593 | \$480,000 | \$554,268 | \$74,268 |
| Strategic Planning and Manager Discussion | - | 30,000 | 45,000 | 15,000 |
| General Administration | 89,147 | 144,000 | 117,600 | (26,400) |
| Election Expense | - | - | 800,000 | 800,000 |
| Board Services | \$442,740 | \$654,000 | \$1,516,868 | \$862,868 |



Capital Improvement Program

www.westbasin.org



FY 2024-25 CIP Cash Funding

| | Option 1: 0% increase | Option 2: 5% increase | Option 3: 10% increase | Option 4: 15% increase |
|----------------------------|-----------------------|-----------------------|------------------------|------------------------|
| Total Revenues | \$98,156,238 | \$99,452,526 | \$100,743,018 | \$101,955,208 |
| Total Expenses | (72,448,638) | (72,448,638) | (72,448,638) | (72,448,638) |
| Adjusted/Removed Expenses | (2,560,204) | (2,560,204) | (2,560,204) | (2,560,204) |
| Total Debt Payments | (22,699,335) | (22,699,335) | (22,699,335) | (22,699,335) |
| Revenues - Expenses | \$448,061 | \$1,744,349 | \$3,034,841 | \$4,247,031 |
| FY 2024-25 CIP Budget | (42,380,495) | (42,380,495) | (42,380,495) | (42,380,495) |
| Cash Deficit | (\$41,932,434) | (\$40,636,146) | (\$39,345,654) | (\$38,133,464) |



Revenues



FY 2024-25 Revenues with Reliability Service Charge - 4 Options

| Category | Option 1 (0% increase) | Option 2 (5% increase) | Option 3 (10% increase) | Option 4 (15% increase) |
|---|---------------------------|----------------------------|----------------------------|----------------------------|
| Recycled Water Sales | \$50,749,058 | \$50,900,146 | \$51,045,838 | \$51,194,228 |
| WB RSC from Potable water | 22,495,000 | 23,640,200 | 24,785,000 | 25,848,800 |
| Standby Revenue | 5,751,000 | 5,751,000 | 5,751,000 | 5,751,000 |
| Fixed Service Charge - Public Information & Education | 4,956,549 | 4,956,549 | 4,956,549 | 4,956,549 |
| Grants | 4,780,092 | 4,780,092 | 4,780,092 | 4,780,092 |
| Fixed Payment - Refineries | 4,117,424 | 4,117,424 | 4,117,424 | 4,117,424 |
| Investment Income | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Fixed Service Charge - Water Policy | 2,306,104 | 2,306,104 | 2,306,104 | 2,306,104 |
| MWD MAAP Funding | 296,550 | 296,550 | 296,550 | 296,550 |
| Water recycling revenue from Torrance O&M Reimbursement | 198,761 | 198,761 | 198,761 | 198,761 |
| Monitoring revenue | 5,700 | 5,700 | 5,700 | 5,700 |
| Total Revenue | \$98,156,238 | \$99,452,526 | \$100,743,018 | \$101,955,208 |

FY 2024-25 RSC & Potable Tier 1 Rates - 4 Options

Projected retail potable sales as 80,000 AF and WRD Dominguez Gap Barrier sales as 1,800 AF

| MWD Water Rate/AF | 7/1/2024 - 12/31/2024 Option 1 | 7/1/2024 - 12/31/2024 Option 2 | 7/1/2024 - 12/31/2024 Option 3 | 7/1/2024 - 12/31/2024 Option 4 |
|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Tier 1 | \$1,256 | \$1,256 | \$1,256 | \$1,256 |
| RTS | 149 | 149 | 149 | 149 |
| Total MWD Water Rate/AF | \$1,405 | \$1,405 | \$1,405 | \$1,405 |
| WB RSC Increase % | 0% | 5% | 10% | 15% |
| West Basin RSC/AF | 275 | 289 | 303 | 316 |
| WB Tier 1 Rate/AF | \$1,680 | \$1,694 | \$1,708 | \$1,721 |

| MWD Water Rate/AF | 1/1/2025 - 06/30/2025 Option 1 | 1/1/2025 - 06/30/2025 Option 2 | 1/1/2025 - 06/30/2025 Option 3 | 1/1/2025 - 06/30/2025 Option 4 |
|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Tier 1 | \$1,395 | \$1,395 | \$1,395 | \$1,395 |
| RTS | 191 | 191 | 191 | 191 |
| Total MWD Water Rate/AF | \$1,586 | \$1,586 | \$1,586 | \$1,586 |
| WB RSC Increase % | 0% | 5% | 10% | 15% |
| West Basin RSC/AF | 275 | 289 | 303 | 316 |
| WB Tier 1 Rate/AF | \$1,861 | \$1,875 | \$1,889 | \$1,902 |
| Total RSC Revenue | \$22,495,000 | \$23,640,200 | \$24,785,000 | \$25,848,800 |

FY 2024-25 Recycled Water Rates - 4 Options

| Recycled Irrigation | Option 1 | Option 2 | Option 3 | Option 4 |
|---|-----------------|-----------------|-----------------|-----------------|
| Inside Service Area (Non-Tiered) | \$1,803 | \$1,817 | \$1,831 | \$1,845 |
| Outside Service Area (Tiered Rate) | \$1,903 | \$1,917 | \$1,931 | \$1,945 |

| | |
|--|----------------------------------|
| Advanced Treated Recycled Water | Established by agreements |
|--|----------------------------------|

Removal of Tiered Rate Structure for Recycled Water Customers

Staff reviewed the current existing agreements and recommends:

1. Tiered rate should not be applied to the Recycled Irrigation within West Basin Service area
2. Tiered rate should not be applied to the current existing agreements with the refineries
3. Tiered rate should only be applied if contractually required

West Basin Fixed Service Charges

Includes the operation costs from Public Information/Education and Water Policy.

| Public Information Education | Water Policy | Total |
|------------------------------|--------------|-------------|
| \$4,956,549 | \$2,306,103 | \$7,262,652 |

| Agency Name | 3-Year Ave Potable Deliveries (AF) | Annual Charge | Monthly Charge |
|--|------------------------------------|--------------------|------------------|
| California American Water Co. | 955 | \$65,102 | \$5,425 |
| California Water Service - Dominguez | 21,220 | 1,446,748 | 120,562 |
| California Water Service - Hawthorne | 3,348 | 228,268 | 19,022 |
| California Water Service - Hermosa Redondo | 9,372 | 638,995 | 53,250 |
| California Water Service - Palos Verdes | 16,574 | 1,130,033 | 94,169 |
| City of El Segundo | 6,666 | 454,498 | 37,875 |
| City of Inglewood | 6,201 | 422,786 | 35,232 |
| City of Lomita | 1,964 | 133,888 | 11,157 |
| City of Manhattan Beach | 4,356 | 296,975 | 24,748 |
| Golden State Water | 19,942 | 1,359,656 | 113,305 |
| L.A. Co. Water Works District No. 29 | 8,097 | 552,017 | 46,001 |
| WRD - Dominguez Gap Barrier | 7,828 | 533,687 | 44,474 |
| TOTAL | 106,523 | \$7,262,652 | \$605,221 |

Pass-through Revenue: MWD Capacity Charge – Calendar Year 2025

West Basin collects on behalf of MWD for their Capacity Charge for providing distribution capacity use during peak demands.

| Agency Name | 3-Year Maximum Daily Peak (CFS) | Annual Charge | Monthly Charge |
|------------------------------|---------------------------------|--------------------|------------------|
| California American Water | 4.1 | \$48,448 | \$4,037 |
| Cal Water – Dominguez | 42.8 | 510,372 | 42,531 |
| Cal Water - Hawthorne | 6.8 | 81,144 | 6,762 |
| Cal Water - Hermosa Redondo | 18.4 | 219,564 | 18,297 |
| Cal Water - Palos Verdes | 38.9 | 464,196 | 38,683 |
| City of El Segundo | 14.6 | 174,696 | 14,558 |
| City of Inglewood | 11.9 | 141,768 | 11,814 |
| City of Lomita | 3.7 | 44,268 | 3,689 |
| City of Manhattan Beach | 8.1 | 96,060 | 8,005 |
| Golden State Water | 35.7 | 426,492 | 35,541 |
| L.A. Co. Water Works Dist 29 | 16.7 | 199,404 | 16,617 |
| Water Replenishment District | 36.1 | 430,188 | 35,849 |
| Total | | \$2,836,600 | \$236,383 |



FY 2024-25 Reliability Service Charge Options



Methodology Used in the FY 2024-25 Reliability Service Charge

1. Change potable water sales for FY 2024-25 from 82,000 AF to 80,000 AF. Change potable water sales to WRD for the Dominguez Gap Barrier from 2,500 AF to 1,800 AF

Potable Water sales may be reduced by ~ \$800K in FY 2024-25 due to these reductions

2. Reduced/Removed \$2,560,204 budget expense from 4/6/24 Budgeted Expenses
3. Further reduction of expenses will affect West Basin's operation and services the district can provide

| FY2023-24 Budget | FY2024-25 Original Budget | FY2024-25 Current Budget | FY2024-25 Reduced/Removed |
|------------------|---------------------------|--------------------------|---------------------------|
| \$73,445,296 | \$72,448,638 | \$69,888,434 | (\$2,560,204) |

FY 2024-25 Reliability Service Charge Options

| | Option 1: 0% increase | Option 2: 5% increase | Option 3: 10% increase | Option 4: 15% increase |
|--|-----------------------|-----------------------|------------------------|------------------------|
| Total Revenues | \$98,156,238 | \$99,452,526 | \$100,743,018 | \$101,955,208 |
| Total Expenses | 72,448,638 | 72,448,638 | 72,448,638 | 72,448,638 |
| Adjusted/Removed Expenses | (2,560,204) | (2,560,204) | (2,560,204) | (2,560,204) |
| Debt Coverage Ratio | 1.25 | 1.30 | 1.36 | 1.41 |
| RSC FY 2024-25 Rate | 275 | 289 | \$303 | \$316 |
| FY 2024-25 RSC \$ Increase | \$0 | \$14 | \$28 | \$41 |
| FY 2024-25 RSC % Increase | 0% | 5% | 10% | 15% |
| Expense Reduction Required to Meet Debt Coverage of 1.50 | (5,700,000) | (4,500,000) | (3,200,000) | (1,900,000) |

West Basin's FY 2023-24 RSC rate is \$275 per AF



Next Steps



Next Steps

| Workshop / Meeting | Date (Subject to change) | Time |
|---|------------------------------------|-------------|
| Workshop #3 – CIP/R&R and Funding Options | May 15, 2024 | 10:00 AM |
| As Needed | May 30, 2024 | 10:00 AM |



Connect with us
www.westbasin.org



West Basin



@WestBasin



@WestBasin



West Basin Municipal
Water District