2022

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Prepared By:
Finance Department
Margaret Moggia, CPA
Executive Manager of Finance

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, 2022

(With comparative totals for prior year)

Prepared by:
Finance Department

17140 S. Avalon Blvd.
Carson, California 90746

TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

STATISTICAL SECTION (unaudited): (continued)

17140 S. Avalon Blvd.
Carson, CA 90746

310-217-2411
www.westbasin.org

December 5, 2022

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 Financial Report for the Fiscal Year 2021-2022, which ended June 30, 2022.

The financial report 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 financial report for the fiscal year that ended on June 30, 2021. This was the 15th consecutive year that 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 annual comprehensive financial report. 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. West Basin believes our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another annual certificate.

West Basin staff prepared this financial report in conjunction with the Independent Auditors' Report issued by Roger, 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 on June 30, 2022. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative 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 882,000 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 coastal Los Angeles County.

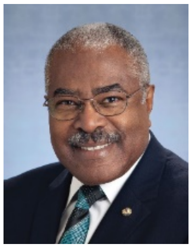
Recycled water is the cornerstone of West Basin's efforts to increase water reliability by augmenting local supplies. The District's award-winning Edward C. Little Water Recycling Facility in El Segundo, California and its satellite plants are the only facility network in the world that produces five 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 groundwater replenishment and protection. West Basin provides recycled water through more than 550 connections to industrial, commercial and public facilities in the service area.

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

In August 2017, West Basin's Board of Directors approved an updated Strategic Business Plan. In March 2019, West Basin updated its Water Reliability Program to reflect current goals through a reinvigorated 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 and other programs focused on providing value to our service area.

Board of Directors



Harold C. Williams
Immediate Past President
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
Treasurer
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

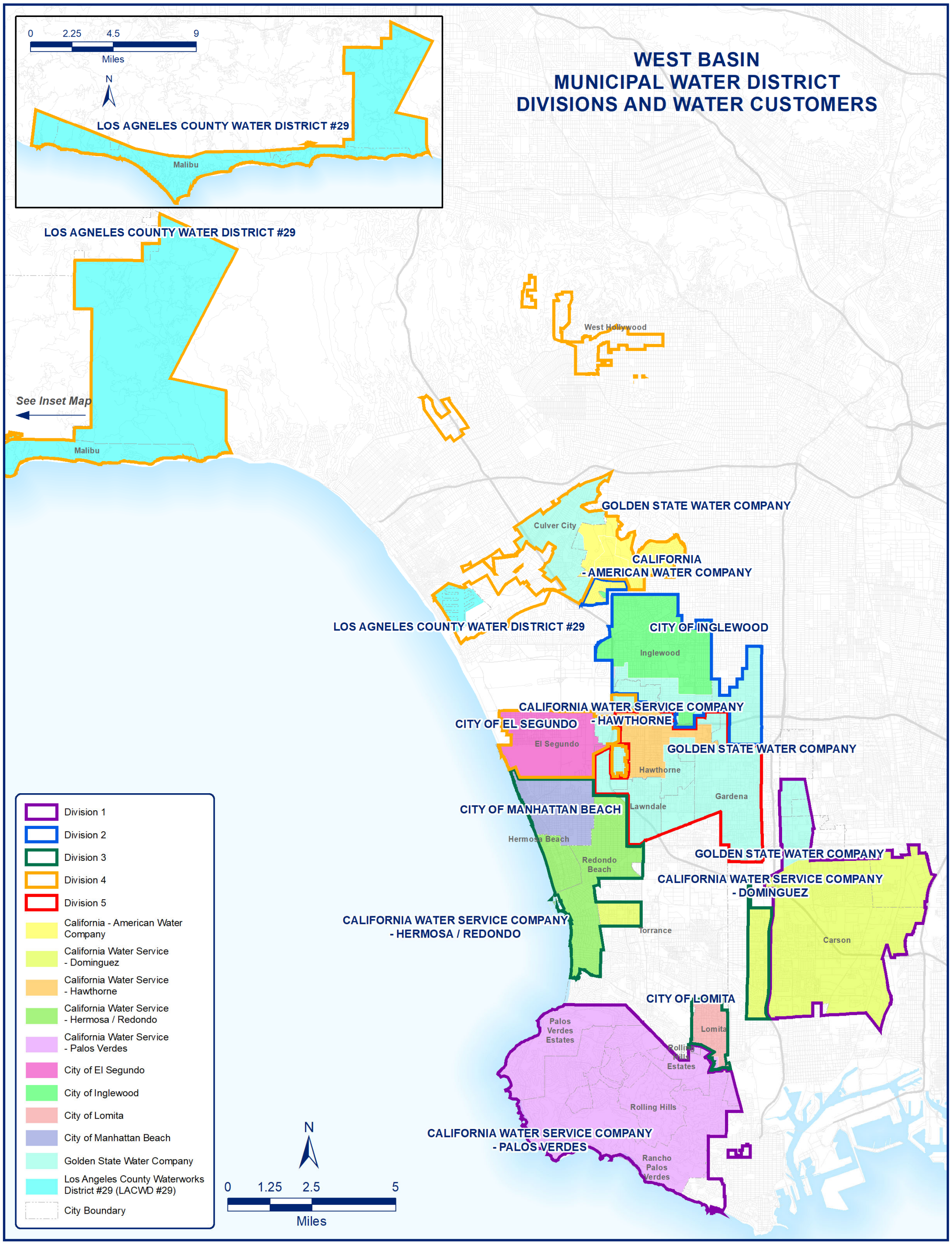
Scott Houston
Vice President
Division 4: Culver City, El Segundo, Malibu, West Hollywood, a portion of the city of Hawthorne, and the unincorporated Los Angeles County areas of Del Aire, Marina del Rey, Topanga, and Wiseburn

Donald L. Dear
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

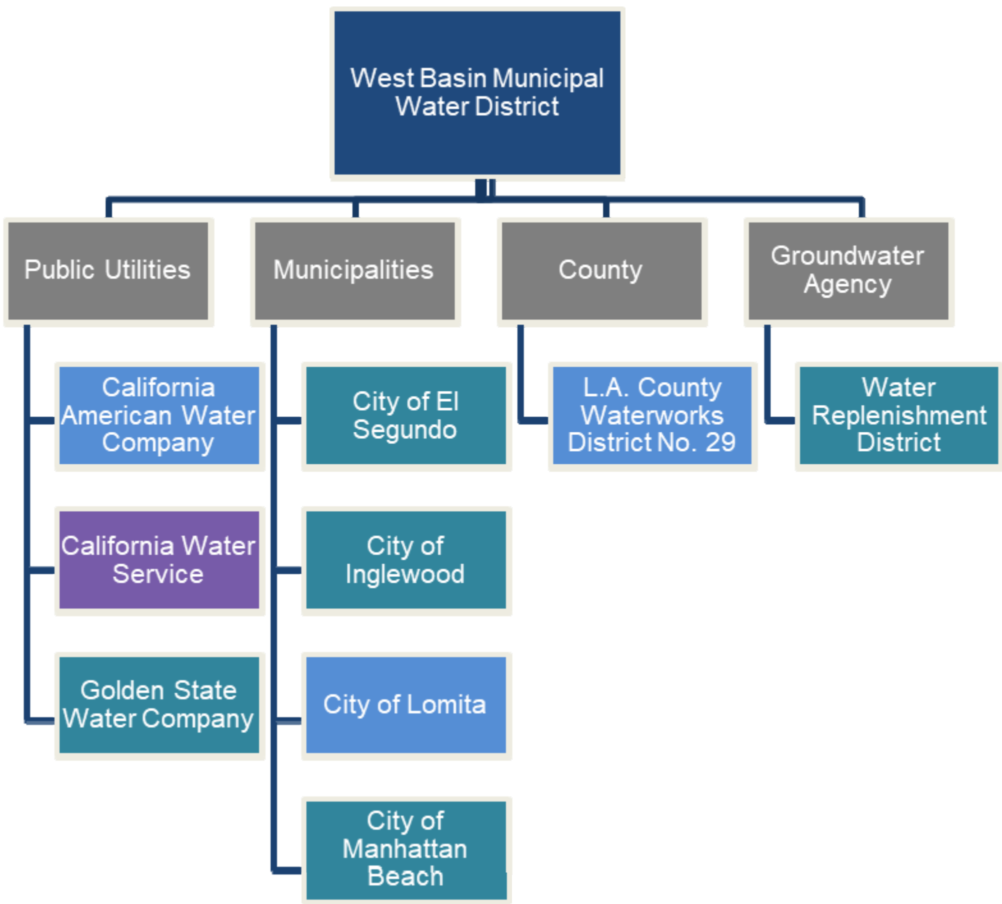
DIVISION OF BOUNDARIES

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	882,000
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	$88,125 – Service area
Lowest Median Income	$14,685 - Westmont
Highest Median Income	Over $250,000 – Manhattan Beach, Palos Verdes

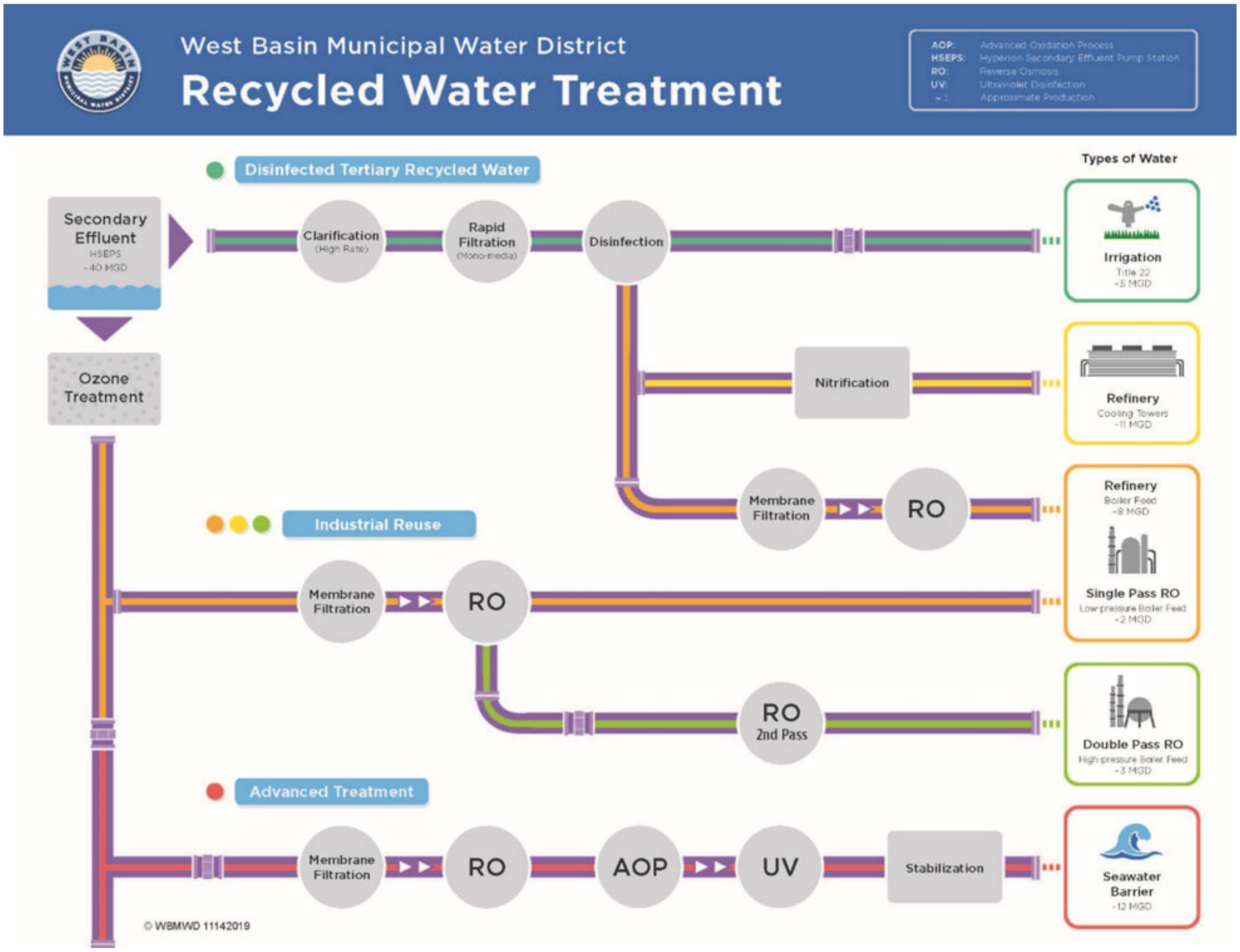


= Potable Water Sales Only

= Potable & Recycled Water Sales

= Potable, Recycled and Desalted Water Sales

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 inspections of 22 future recycled water sites.

- Developed supply and demand models for West Basin's water suppliers. Models will be used to increase data sharing and coordination of short and long-term water supply planning efforts.

Sound Financial and Resource Management

- Issued Refunding Revenue Bonds, Series 2022A in February. Refunding achieved a net present value savings of approximately $5.1 million at a net interest cost of 1.54%.

- Maintained credit ratings from Moody's at Aa2 and S&P at AA- in January 2022.

- 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 2021-2022 Budget.

- Received Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association for the Fiscal Year 2021-2022 report.

Water Quality

- Completed water quality monitoring to ensure it meets water quality compliance and contractual requirements.

- Completed special studies per regulatory requirements for ocean discharge.

- Met all permit and regulatory requirements with no issued Notices of Violation.

Customer Service

- Maintained quality service to purveyors with frequent communication, scheduled check-ins by West Basin staff, and maintenance of emergency contact lists.

- Consistently updated District communication platforms to keep the public aware of District activities.

- Continued the Rain Barrel Home Delivery Program and distributed 1,200 rain barrels.

- Provided 1,500 free water efficiency kits and 200 clothes washer rebates to local residents.

Environmental Stewardship

- Participated in the California Water Efficiency Partnership's Program Committee and Research & Evaluation Committee.

- Provided 1,500 free water efficiency kits and 200 clothes washer rebates to local residents.

- Utilized the 2021 Water Shortage Contingency Plan and implemented Shortage Level 1 in July 2021 and Shortage Level 3 in November 2021.

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

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 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 updated rates 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 $175 million for the fiscal year ending June 30, 2022, while recycled water sales amounted to $30 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 49 full-time employees, 1 full-time limited term 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,

Margaret Moggia

Margaret Moggia
Executive Manager of Finance

This page intentionally left blank.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

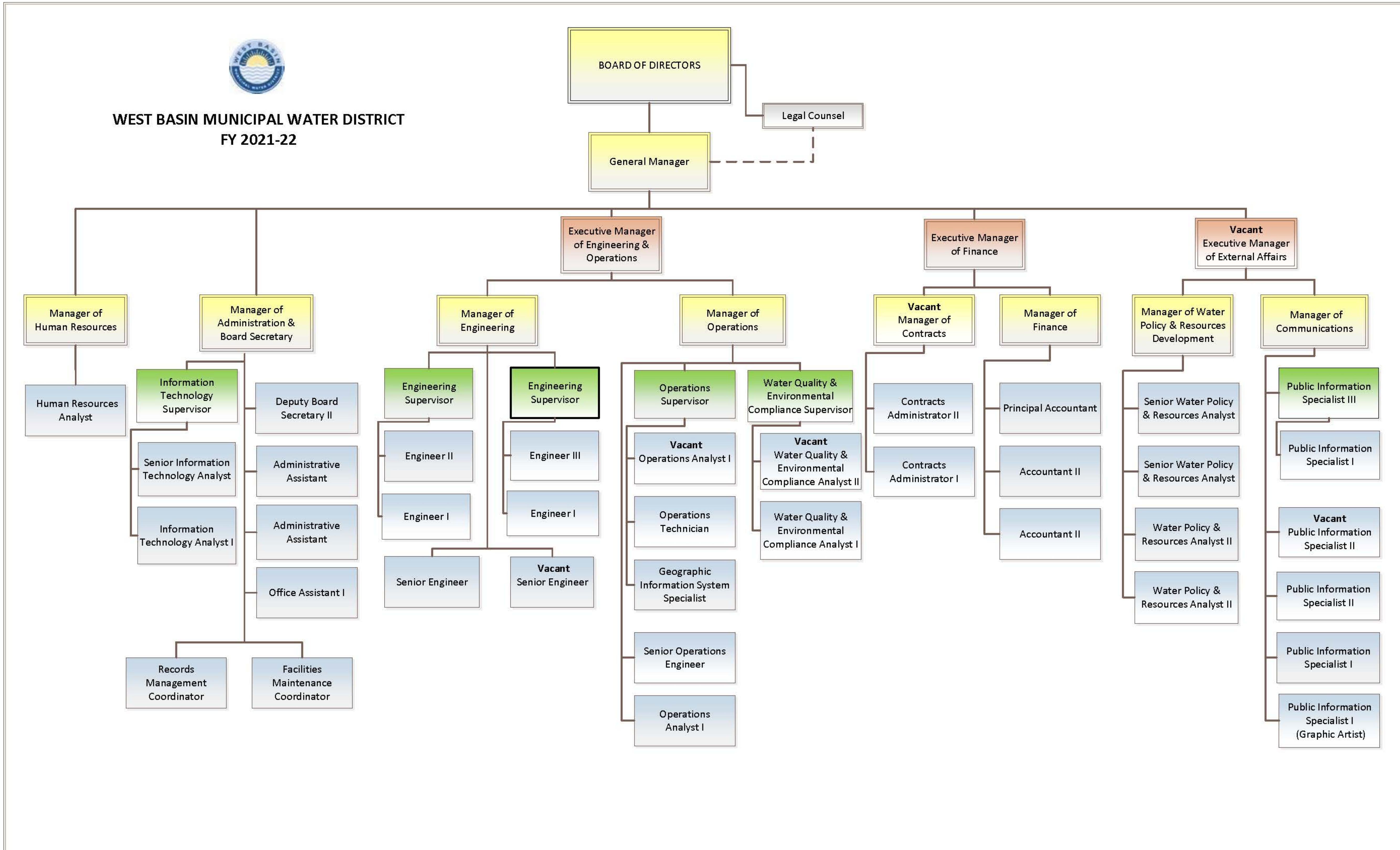
West Basin Municipal Water District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



WEST BASIN MUNICIPAL WATER DISTRICT
FY 2021-22
BOARD OF DIRECTORS
Legal Counsel
General Manager
Executive Manager of Engineering & Operations
Executive Manager of Finance
Vacant
Executive Manager of External Affairs
Manager of Human Resources
Human Resources Analyst
Manager of Administration & Board Secretary
Information Technology Supervisor
Senior Information Technology Analyst
Information Technology Analyst I
Deputy Board Secretary II
Administrative Assistant
Administrative Assistant
Office Assistant I
Records Management Coordinator
Facilities Maintenance Coordinator
Manager of Engineering
Engineering Supervisor
Engineer II
Engineer I
Engineering Supervisor
Engineer III
Engineer I
Senior Engineer
Vacant
Senior Engineer
Manager of Operations
Operations Supervisor
Vacant
Operations Analyst I
Operations Technician
Geographic Information System Specialist
Senior Operations Engineer
Operations Analyst I
Water Quality & Environmental Compliance Supervisor
Vacant
Water Quality & Environmental Compliance Analyst II
Water Quality & Environmental Compliance Analyst I
Vacant
Manager of Contracts
Contracts Administrator II
Contracts Administrator I
Manager of Finance
Principal Accountant
Accountant II
Accountant II
Manager of Water Policy & Resources Development
Senior Water Policy & Resources Analyst
Senior Water Policy & Resources Analyst
Water Policy & Resources Analyst II
Water Policy & Resources Analyst II
Manager of Communications
Public Information Specialist III
Public Information Specialist I
Vacant
Public Information Specialist II
Public Information Specialist II
Public Information Specialist I
Public Information Specialist I (Graphic Artist)

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

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and state regulations governing Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 8 of the financial statements, West Basin adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. 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 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, 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 2021 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 30, 2022, 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 30, 2022

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, 2022. 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 $73,850,659 in fiscal year 2022 due to the write-off of $61 million for the ocean desalination project costs and settlement costs towards the Standby Charge lawsuit of $9.2 million.

- As of June 30, 2022, West Basin had a Net Asset of $2,598,130 for the Other Postemployment Benefits (OPEB) program.

- As of June 30, 2022, West Basin had a Net Pension Asset of $1,425,228 for the PERS program and had a Net Pension Asset of $339,305 for the PARS program.

- West Basin's potable water and monitoring revenue was $174,985,002 and the potable water and monitoring expense was $142,744,634 resulting in net revenue of $32,240,368.

- West Basin's water recycling revenue was $29,623,621 and water recycling cost was $42,718,114.

- West Basin issued 2022A Refunding Revenue Bonds for the amount of $24,445,000 in February 2022 to refund its 2012A Refunding Revenue Bonds.

- On October 27, 2016, pursuant to GASB 53, West Basin terminated hedge accounting and the balance of the deferral account was cleared on the termination date. The change in fair value of the swaps from the refunding date is reported in the Statement of Revenues, Expenses and Changes in Net Position. On June 30, 2022, the change in fair value during the fiscal year resulted in a gain of $585,712.

- Capital Contribution decreased from $12,109,530 in fiscal year 2021 to $8,455,418 in fiscal year 2022.

- Total Net Position in fiscal year 2022 was $229,889,914. Net investment in capital assets was $150,221,508.

- West Basin implemented GASB Statement No. 87, *Leases* in fiscal year 2022.

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 59.

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 60 through 65.

Condensed Statement of Net Position

	2022	2021	Change
Assets			
Current unrestricted assets	$ 121,182,509	$ 132,169,159	$ (10,986,650)
Current restricted assets	14,821	2,027,688	(2,012,867)
Capital assets, net	385,464,320	452,966,659	(67,502,339)
Intangible assets, net	956,127	1,038,272	(82,145)
Other assets	5,172,263	3,594,437	1,577,826
Total Assets	512,790,040	591,796,215	(79,006,175)
Deferred Outflows of Resources	9,757,435	10,791,529	(1,034,094)
Liabilities			
Current liabilities	55,423,113	44,888,187	10,534,926
Long-term liabilities	232,746,663	251,844,686	(19,098,023)
Total Liabilities	288,169,776	296,732,873	(8,563,097)
Deferred Inflows of Resources	4,487,785	2,114,298	2,373,487
Net Position			
Net investment in capital assets	150,221,508	207,048,481	(56,826,973)
Unrestricted	79,668,406	96,692,092	(17,023,686)
Total Net Position	$ 229,889,914	$ 303,740,573	$ (73,850,659)

STATEMENT OF NET POSITION

Current unrestricted assets decreased by $10,986,650 largely due to a $9.2 million litigation settlement for West Basin's Standby Charge program.

Total capital assets net of depreciation decreased by $67,502,339 due to the write-off of the Ocean Desal project costs and other existing capital assets that were no longer in service. In 2022, West Basin's Board voted to discontinue pursuit of ocean desalination, therefore life to date cost of $61 million was written off from the Construction in Progress account causing the decrease in capital assets.

During Fiscal Year 2022, total liabilities decreased by $8,563,097 because of the refunding of eligible bonds, and scheduled principal payments on 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 fell short in Liabilities and Deferred Inflows by $73,850,659 in 2022. 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 ($150,221,508 and $207,048,481 as of June 30, 2022 and 2021, 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

	2022	2021	Change
Revenues			
Operating revenues			
Water and monitoring	$ 174,985,002	$ 164,016,244	$ 10,968,758
Water recycling revenue	29,623,621	38,645,372	(9,021,751)
Water conservation	204,379	111,704	92,675
Desalting revenue	-	427,455	(427,455)
Total operating revenues	204,813,002	203,200,775	1,612,227
Non-Operating revenues			
Standby charges	10,009,110	10,051,886	(42,776)
Investment income (loss)	-	555,658	(555,658)
Other non-operating revenues	3,486,386	870,526	2,615,860
Total non-operating revenues	13,495,496	11,478,070	2,017,426
Total revenue	218,308,498	214,678,845	3,629,653
Expenses			
Operating expenses			
Source of supply and monitoring	142,744,634	131,137,033	11,607,601
Water recycling costs	42,718,114	38,031,146	4,686,968
Depreciation	26,839,198	26,468,469	370,729
Amortization	82,145	-	82,145
Public information and education	2,549,856	3,758,544	(1,208,688)
Water policy and conservation	3,082,636	3,908,762	(826,126)
Project planning	2,598,495	1,977,879	620,616
Desalting operations	168,632	934,359	(765,727)
Total operating expenses	220,783,710	206,216,192	14,567,518
Non-Operating expenses			
Investment loss	1,275,710	-	1,275,710
Other non-operating expenses	-	288,645	(288,645)
Loss on disposition of assets	61,122,972	1,152,307	59,970,665
Interest expense	8,196,539	10,071,518	(1,874,979)
Settlement on litigation	9,235,644	-	9,235,644
Total non-operating expenses	79,830,865	11,512,470	68,318,395
Total expenses	300,614,575	217,728,662	82,885,913
Net Income (loss) before capital contributions	(82,306,077)	(3,049,817)	(79,256,260)
Capital Contributions	8,455,418	12,109,530	(3,654,112)
Change in Net Position	(73,850,659)	9,059,713	(82,910,372)
Net position - Beginning of year	303,740,573	294,680,860	9,059,713
Net position - End of year	$ 229,889,914	$ 303,740,573	$ (73,850,659)

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 changed during the fiscal year. Net position decreased by $73,850,659 for the fiscal year ending June 30, 2022.

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

- Water and Monitoring revenues increased by $10,968,758 from fiscal year 2021 to 2022. West Basin sold $7.4 million more potable water to West Coast barrier in fiscal year 2022 due to an incident that occurred at the Hyperion Water Reclamation Plant, the facility where West Basin receives its source water for its recycled water program. The incident impacted West Basin's production of recycled water most notably to the barrier. West Basin injected 7,000 AF more potable water to the West Coast barrier than the budgeted flow.

- West Basin's water recycling revenue decreased by $9,021,751 from fiscal year 2021. There is a $9.5 million decrease in recycled water sales to the West Coast Barrier due to the spill incident at Hyperion Water Reclamation Plant. West Basin stopped the production of the recycled water to the Barrier and used potable water as the supplement.

- There was no revenue from Desalting project. West Basin's Board voted to discontinue the operation of the Desalting plant in 2022.

- Non-operating revenue increased by $2,615,860 due to the receipt of $2,376,445 in Covid Relief Funds from the California Department of Finance.

- Source of supply and monitoring expense increased by $11,607,601. To continue delivery to the West Coast Barrier, subsequent to the spill incident, West Basin purchased potable water from Metropolitan Water District to blend with recycled water for the customer to inject into the West Coast Barrier.

- Water recycling costs increased by $4,686,968. West Basin's recycling facility takes the raw water from the Hyperion Water Reclamation Plant to produce fit-for-purpose recycled water. Due to the spill incident at Hyperion, the raw water quality was worse than normal, therefore additional repairs and maintenance work needed to be performed at West Basin's recycling treatment plant to keep the equipment up and running.

- Costs for district wide studies and cancelled construction project costs are recorded into Project planning. The total cost for fiscal year 2022 is $2,598,495.

- Investment loss of $1,275,710 was due to the U.S. economy and stock market struggles that started in September 2021 and continued through June 2022.

- Loss on disposition of assets increased from $1,152,307 in fiscal year 2021 to $61,122,972 in fiscal year 2022. In 2022, West Basin's Board voted to discontinue pursuit of ocean desalination, therefore life to date cost of $61 million was written off from the Construction in Progress account.

- Settlement on litigation resulted in payments of $9,235,644 from the 2017 class action lawsuit contesting West Basin' standby charge. The standby charge will undergo a phased reduction and eventual elimination of this revenue by 2030.

- Capital Contributions decreased by $3,654,112. In 2021, West Basin received two donated recycled water pipelines with the total value of $3,569,000 from other agencies.

WEST BASIN MUNICIPAL WATER DISTRICT CAPITAL AND INTANGIBLE ASSETS

On June 30, 2022, West Basin investment in capital assets totaled $733,209,858 and leased assets totaled $956,127.

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

Leased Assets include land, infrastructure, land improvement and equipment.

The following is a summary of capital assets:

	2022	2021	Change
Land	$ 25,211,646	$ 25,211,646	$ -
Discharge capacity	621,189	621,189	-
Water facilities	664,057,150	657,647,297	6,409,853
Building and improvements	4,676,307	4,676,307	-
Potable distribution system	1,241,681	1,241,681	-
Furniture, fixtures, and equipment	2,869,559	2,922,384	(52,825)
Construction in progress	34,532,326	82,130,218	(47,597,892)
Total capital assets	$ 733,209,858	$ 774,450,722	$ (41,240,864)

West Basin continued its internal review of the Capital Asset accounts at year-end. Capital assets that were no longer in service will be disposed of at the year-end. In 2022, West Basin invested $21 million into its water recycling facility capital projects and disposed of $62 million ($61 million was for the Ocean Desal project) from its Construction in Progress projects and existing assets that are no longer in service. The net decrease of $41,240,864 is shown in the table above.

West Basin implemented GASB No. 87 *Leases* in fiscal year 2022. The following is a summary of intangible right to use assets:

	2022	2021	Change
Intangible right to use assets:			
Land	$ 448,129	$ 448,129	$ -
Infrastructure	428,536	428,536	-
Land improvements	128,512	128,512	-
Equipment	112,115	112,115	-
Accumulated amortization	(161,165)	(79,020)	(82,145)
Total Intangible right to use assets, net	$ 956,127	$ 1,038,272	$ (82,145)

Additional information regarding Capital and Intangible 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 2022 and 2021:

	2022	2021	Change
Long-term debt			
Refunding revenue bonds	$ 239,362,419	$ 255,419,210	$ (16,056,791)
Other long-term liabilities			
Compensated absences	1,635,425	1,548,344	87,081
Lease liability	963,662	1,036,796	(73,134)
Net pension liability	-	1,586,130	(1,586,130)
Interest rate swaps	369,775	955,487	(585,712)
Total long-term liabilities	$ 242,331,281	$ 260,545,967	$ (18,214,686)

As of June 30, 2022, West Basin had $242,331,281 in total long-term liabilities, including compensated absences, long-term debt, net pension liability, leased liability and interest rate swaps. Notes 6, 7, 8 and 9 in the Notes to Basic Financial Statements disclose the detail of all long-term liabilities.

In February 2022, West Basin issued Series 2022A Refunding Revenue Bonds in the amount of $24,445,000 to refund the outstanding balance of the 2012A. In addition, West Basin had two separate refunding revenue bonds (series 2016A, series 2021A) and a $30,000,000 Tax - Exempt Commercial Paper Program in fiscal year 2022. The commercial paper has yet to be issued. Note 7 in the Notes to Basic Financial Statements disclose the detail of the transaction.

Due to the stock market boom in 2021 which resulted in investment gain, West Basin's PERS and PARS programs both had net pension assets at the end of fiscal year 2022. Please see Note 10 in the Notes to Basic Financial Statements for details.

West Basin has one outstanding swap at the end of the fiscal year with the total notional amount of $8 million. On the refunding date, October 27, 2016, pursuant to GASB 53, West Basin terminated hedge accounting and the balance of the deferral account was cleared on the termination date. Change in fair value of the swaps from the refunding date is reported in the statement of activities as investment revenue or loss. On June 30, 2022, the change during the fiscal year resulted in a revenue gain of $585,712. Note 9 in the Notes to Basic Financial Statements disclose the detail of the swap.

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 EXECUTIVE MANAGER OF FINANCE

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 Margaret Moggia, Executive Manager of Finance, at West Basin.

Statement of Net Position
June 30, 2022 (With comparative totals for June 30, 2021)

ASSETS

	2022	2021
CURRENT ASSETS		
Unrestricted assets:		
Cash and cash equivalents (note 2)	$ 39,033,965	$ 54,117,382
Investments (note 2)	44,170,818	42,592,230
Accounts receivable	36,651,305	34,389,292
Accrued interest receivable	173,832	315,040
Inventory	1,032,899	693,157
Prepaid expenses	119,690	62,058
Total unrestricted assets	121,182,509	132,169,159
Restricted assets:		
Cash and cash equivalents (note 4)	14,821	2,027,688
Total restricted assets	14,821	2,027,688
TOTAL CURRENT ASSETS	121,197,330	134,196,847
NONCURRENT ASSETS		
Other receivable	809,600	2,458,541
Capital assets, not depreciable (note 5)	60,365,161	107,963,053
Capital assets, net of depreciation (note 5)	325,099,159	345,003,606
Intangible assets, net of amortization (note 5)	956,127	1,038,272
Net pension asset (note 10)	1,425,228	-
Net pension asset - PARS (note 10)	339,305	320,138
Net OPEB asset - (note 11)	2,598,130	815,758
TOTAL NONCURRENT ASSETS	391,592,710	457,599,368
TOTAL ASSETS	512,790,040	591,796,215
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension contributions (note 10)	887,481	847,866
Deferred outflows - pension actuarial (note 10)	2,386,532	1,023,758
Deferred outflows - OPEB contributions (note 11)	540,904	525,729
Deferred outflows - OPEB actuarial (note 11)	1,830,196	922,307
Deferred amount on debt refunding	4,112,322	7,471,869
TOTAL DEFERRED OUTFLOWS	9,757,435	10,791,529

(Continued)

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

Statement of Net Position
June 30, 2022 (With comparative totals for June 30, 2021)

LIABILITIES AND NET POSITION

	2022	2021
CURRENT LIABILITIES		
Accounts payable and accrued expense	$ 41,793,547	$ 33,262,336
Accrued interest payable	4,044,947	2,924,569
Current portion of compensated absences (note 6)	454,957	753,148
Current portion of long-term debt (note 7)	9,055,000	7,875,000
Current portion of lease liability (note 8)	74,662	73,134
TOTAL CURRENT LIABILITIES	55,423,113	44,888,187
LONG-TERM LIABILITIES		
Compensated absences (note 6)	1,635,425	1,548,344
2012A refunding revenue bonds (note 7)	-	37,269,950
2016A refunding revenue bonds (note 7)	114,740,323	121,225,259
2021A refunding revenue bonds (note 7)	95,827,370	96,924,001
2022A refunding revenue bonds (note 7)	28,794,726	-
Lease liability (note 8)	963,663	1,036,797
Net pension liability (note 10)	-	1,586,130
Interest rate swaps (note 9)	369,775	955,487
Subtotal	242,331,282	260,545,968
Less: current portion above	(9,584,619)	(8,701,282)
TOTAL LONG-TERM LIABILITIES	232,746,663	251,844,686
TOTAL LIABILITIES	288,169,776	296,732,873
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension actuarial (note 10)	774,239	550,034
Deferred inflows - OPEB actuarial (note 11)	3,713,546	1,564,264
TOTAL DEFERRED INFLOWS	4,487,785	2,114,298
NET POSITION		
Net investment in capital assets	150,221,508	207,048,481
Unrestricted	79,668,406	96,692,092
TOTAL NET POSITION	$ 229,889,914	$ 303,740,573

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, 2022 (With comparative totals for June 30, 2021)

	2022	2021
OPERATING REVENUES		
Water and monitoring	$ 174,985,002	$ 164,016,244
Water recycling revenue	29,623,621	38,645,372
Water conservation	204,379	111,704
Desalting revenue	-	427,455
TOTAL OPERATING REVENUES	204,813,002	203,200,775
OPERATING EXPENSES		
Sources of supply and monitoring	142,744,634	131,137,033
Water recycling costs	42,718,114	38,031,146
Depreciation	26,839,198	26,468,469
Amortization	82,145	-
Public information and education	2,549,856	3,758,544
Water policy and conservation	3,082,636	3,908,762
Project planning	2,598,495	1,977,879
Desalting operations	168,632	934,359
TOTAL OPERATING EXPENSES	220,783,710	206,216,192
OPERATING INCOME (LOSS)	(15,970,708)	(3,015,417)
NONOPERATING REVENUES (EXPENSES)		
Standby charges	10,009,110	10,051,886
Investment income (loss)	(1,275,710)	555,658
Miscellaneous income	2,563,667	104,967
Noncapital grants	337,007	286,357
Change in fair value of interest rate swap	585,712	479,202
Loss on disposition of assets	(61,122,972)	(1,152,307)
Interest expense	(8,196,539)	(10,071,518)
Miscellaneous expense	-	(288,645)
Settlement on litigation	(9,235,644)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(66,335,369)	(34,400)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(82,306,077)	(3,049,817)
CAPITAL CONTRIBUTIONS		
Capital contributions	8,455,418	12,109,530
CHANGE IN NET POSITION	(73,850,659)	9,059,713
NET POSITION - BEGINNING OF YEAR, AS RESTATED	303,740,573	294,680,860
NET POSITION - END OF YEAR	**$ 229,889,914**	**$ 303,740,573**

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

This page intentionally left blank.

Statement of Cash Flows
For the Year Ended June 30, 2022 (With comparative totals for June 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 207,678,271	$ 214,116,788
Cash payments to suppliers for goods and services	(181,652,893)	(170,841,932)
Cash paid for employee services and benefits	(8,753,419)	(7,492,206)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	17,271,959	35,782,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants received	337,007	286,357
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	337,007	286,357
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long-term debt	(7,875,000)	(11,835,000)
Principal paid on lease liability	(73,134)	-
Commercial paper repayment	-	(25,000,000)
Proceeds from debt	29,039,504	111,948,296
Bond refunding	(31,590,000)	(79,600,369)
Acquisition and construction of capital assets	(20,459,831)	(16,093,656)
Interest paid on long-term debt	(9,347,909)	(10,555,863)
Capital contributions	8,455,418	8,540,530
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(31,850,952)	(22,596,062)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	17,386,484	13,987,742
Purchase of investments	(20,620,411)	(19,415,225)
Investment earnings	379,629	1,062,007
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(2,854,298)	(4,365,476)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,096,284)	9,107,469
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	56,145,070	47,037,601
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 39,048,786	$ 56,145,070
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO AMOUNTS REPORTED ON THE STATEMENT OF NET POSITION:		
Cash and cash equivalents	$ 39,033,965	$ 54,117,382
Restricted cash and cash equivalents	14,821	2,027,688
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 39,048,786	$ 56,145,070

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

Statement of Cash Flows
For the Year Ended June 30, 2022 (With comparative totals for June 30, 2021)

	2022	2021
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	$ (15,970,708)	$ (3,015,417)
Standby charges	10,009,110	10,051,886
Depreciation	26,839,198	26,468,469
Amortization	82,145	-
Nonoperating miscellaneous income (expense)	2,563,667	(183,678)
Settlement on litigation	(9,235,644)	-
CHANGE IN ASSETS AND LIABILITIES:		
(Increase) decrease in receivables	(471,864)	1,047,805
(Increase) decrease in inventory	(339,742)	(36,973)
(Increase) decrease in prepaid expenses	(57,632)	19,655
(Increase) decrease in net pension asset - PERS	(1,425,228)	-
(Increase) decrease in net pension asset - PARS	(19,167)	75,255
(Increase) decrease in net OPEB asset	(1,782,372)	375,333
(Increase) decrease in deferred outflows - pension	(1,402,389)	(424,714)
(Increase) decrease in deferred outflows - OPEB	(923,064)	(312,946)
Increase (decrease) in accounts payable and accrued expenses	8,531,211	1,036,330
Increase (decrease) in compensated absences	87,081	242,998
Increase (decrease) in net pension liability	(1,586,130)	522,799
Increase (decrease) in deferred inflows - pension actuarial	224,205	134,447
Increase (decrease) in deferred inflows - OPEB actuarial	2,149,282	(218,599)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 17,271,959	$ 35,782,650
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Gain (loss) on disposition of assets	$ (61,122,972)	$ (1,152,307)
Unrealized gain (loss) from investments	$ (1,606,392)	$ (428,910)
Change in fair value of interest rate swap	$ 585,712	$ 479,202
Capital contributions donated	$ -	$ 3,569,000

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

Statement of Fiduciary Net Position
June 30, 2022

		Custodial Fund
ASSETS		
Cash and cash equivalents	$	327,369
Receivables:		
Other governments		693,744
TOTAL ASSETS		1,021,113
LIABILITIES		
Accounts payable and other liabilities		657,801
TOTAL LIABILITIES		657,801
NET POSITION		
Restricted for:		
Other governments		363,312
TOTAL NET POSITION	$	363,312

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

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Custodial Fund
ADDITIONS	
Collections for other governments	$ 2,445,813
Total additions	2,445,813
DEDUCTIONS	
Payments to other entities	2,237,344
Total deductions	2,237,344
Net increase (decrease) in fiduciary net position	208,469
NET POSITION - BEGINNING OF YEAR	154,843
NET POSITION - END OF YEAR	$ 363,312

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. The Fiduciary (Custodial) fund is used to account for assets held by West Basin in a trustee capacity or as an agent for individuals, private organizations, and/or other funds.

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 purchased with a maturity of three months or less 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 and are stated at cost, these inventories are not held for resale.

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 leased 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 following estimated useful lives:

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

Depreciation aggregated $26,839,198 for the year ended June 30, 2022.

Amortization of lease assets aggregated $82,145 for the year ended June 30, 2022.

Construction in progress includes those projects that are currently under design and construction to expand or refurbish District facilities and distribution system.

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 aggregated $2,212,533 for the year ended June 30, 2022 was included in interest expense. Leased assets that meet West Basin's requirement to be capitalized are amortized over the shorter of the useful life or the underlying leased term. West Basin uses the straight-line method to amortize its capital leases.

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 of $8,455,418 include capital contributions and capital recovery charges for the fiscal year ended June 30, 2022.

Capital grants and contributions - West Basin receives 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, which are intended to cover the cost of recycled water facilities owned by West Basin, but that were exclusively constructed to meet their recycling needs.

Net position flow assumption – It is the District'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, 2022, 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, 2022, 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, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

For the PARS report, the following timeframes are used:

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

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, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

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.

2) CASH AND INVESTMENTS

Financial Statement Classification:

Unrestricted assets:	
Cash and cash equivalents	$ 39,033,965
Investments	44,170,818
Restricted assets:	
Cash and cash equivalents	14,821
Custodial cash - Fiduciary fund	327,369
Total Cash and Investments	$ 83,546,973

Cash and investments held by West Basin were comprised of the following at June 30, 2022:

	Maturity in Year			
	1 Year or Less	1 - 5 Years	More than 5 Years	Total
Local agency investment fund	$ 30,116,176	$ -	$ -	$ 30,116,176
Money market mutual funds	4,464,816	-	-	4,464,816
Deposits with financial institutions	4,795,162	-	-	4,795,162
U.S. agency securities	7,677,884	3,882,511	-	11,560,395
U.S. treasury securities	6,262,430	12,092,467	-	18,354,897
State municipal obligations	120,000	205,115	-	325,115
Corporate notes	1,204,000	9,036,285	-	10,240,285
Collateralized mortgage obligations	-	592,704	-	592,704
Negotiable certificates of deposit	1,867,925	-	-	1,867,925
Supranationals	210,440	183,234	-	393,674
Asset-backed securities	-	835,824	-	835,824
Total cash and investments	$ 56,718,833	$ 26,828,140	$ -	$ 83,546,973

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, 2022.

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	BBB*	Not Rated
Local agency investment fund	$ 30,116,176	N/A	$ -	$ -	$ -	$ -	$ 30,116,176
Money market mutual funds	4,464,816	N/A	4,449,995	-	14,821	-	-
Deposits with financial institutions	4,795,162	N/A	-	-	-	-	4,795,162
U.S. agency securities	11,560,395	N/A	-	11,560,395	-	-	-
U.S. treasury securities	18,354,897	N/A	-	18,354,897	-	-	-
State municipal obligations	325,115	A	-	205,115	120,000	-	-
Corporate notes	10,240,285	A	-	958,097	9,178,361	103,827	-
Collateralized mortgage obligations	592,704	A	592,704	-	-	-	-
Negotiable certificates of deposit	1,867,925	A	-	234,114	1,633,811	-	-
Supranationals	393,674	AA	393,674	-	-	-	-
Asset-backed securities	835,824	AA	835,824	-	-	-	-
Total	**$ 83,546,973**		**$ 6,272,197**	**$ 31,312,618**	**$ 10,946,993**	**$ 103,827**	**$ 34,911,338**

* On June 30, 2022, S&P rated one corporate note at BBB for a total of $103,827 and Moody's did not rate any of the corporate notes at BBB.

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 Home Loan Mortgage Corp	U.S. Agency Securities	$ 9,072,833

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, 2022 is 311 days at a rate of 0.69%. 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.

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, 2022:

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
U.S. agency securities	$ -	$ 11,560,395	$ -	$ 11,560,395
U.S. treasury securities	-	18,354,896	-	18,354,896
State municipal obligations	-	325,115	-	325,115
Supranationals	-	393,674	-	393,674
Negotiable certificates of deposit	-	1,867,925	-	1,867,925
Corporate notes	-	10,240,285	-	10,240,285
Collateralized mortgage obligations	-	592,704		592,704
Asset-backed securities	-	835,824	-	835,824
Interest rate swaps	-	(369,775)	-	(369,775)
Total assets and liabilities reported at fair value	$ -	$ 43,801,043	$ -	$ 43,801,043

U.S. Agencies, U.S. Treasuries, State Municipal Obligations, Supranationals, Negotiable Certificates of Deposit, 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. Interest Rate Swaps are valued using the income approach and classified in Level 2, see note 9 for additional information.

4) RESTRICTED ASSETS

Restricted assets were provided by, and are to be used for, the following at June 30, 2022:

Funding source	Use	Amount
Refunding Revenue Bonds	Reserve Requirement	$ 14,821
Custodial - Fiduciary Fund	Custodial Costs	327,369

5) CAPITAL AND INTANGIBLE ASSETS

The investment in capital assets consists of the following at June 30, 2022:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
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	82,130,218	19,773,202	(67,371,094)	34,532,326
Total capital assets, not being depreciated	107,963,053	19,773,202	(67,371,094)	60,365,161
Capital assets, being depreciated:				
Building - Carson	2,343,574	-	-	2,343,574
Building improvement	2,332,733	-	-	2,332,733
Potable distribution system	1,241,681	-	-	1,241,681
Recycling facilities	652,061,409	6,994,400	(584,547)	658,471,262
Groundwater desalting facility	5,585,888	-	-	5,585,888
Machinery and equipment	2,768,363	187,884	(240,709)	2,715,538
Furniture and fixtures	154,021	-	-	154,021
Total capital assets, being depreciated	666,487,669	7,182,284	(825,256)	672,844,697
Less accumulated depreciation:				
Building - Carson	(1,304,590)	(93,743)	-	(1,398,333)
Building improvement	(1,241,541)	(227,542)	-	(1,469,083)
Potable distribution system	(651,882)	(62,084)	-	(713,966)
Recycling facilities	(312,967,487)	(25,995,024)	339,993	(338,622,518)
Groundwater desalting facility	(2,974,540)	(276,636)	-	(3,251,176)
Machinery and equipment	(2,194,904)	(183,080)	237,730	(2,140,254)
Furniture and fixtures	(149,119)	(1,089)	-	(150,208)
Total accumulated depreciation	(321,484,063)	(26,839,198)	577,723	(347,745,538)
Total capital assets, being depreciated, net	345,003,606	(19,656,914)	(247,533)	325,099,159
Total capital assets, net	$ 452,966,659	$ 116,288	$ (67,618,627)	$ 385,464,320

5) CAPITAL AND INTANGIBLE ASSETS (continued)

A summary of changes in intangible assets for the year ending June 30, 2022 is as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Intangible right to use assets:				
Land	$ 448,129	$ -	$ -	$ 448,129
Infrastructure	428,536	-	-	428,536
Land improvements	128,512	-	-	128,512
Equipment	112,115	-	-	112,115
Total Intangible right to use assets	1,117,292	-	-	1,117,292
Accumulated amortization	(79,020)	(82,145)	-	(161,165)
Total Intangible right to use assets, net	$ 1,038,272	$ (82,145)	$ -	$ 956,127

6) COMPENSATED ABSENCES

Changes in compensated absences for fiscal year ended June 30, 2022 were as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Current Portion
Compensated Absences	$ 1,548,344	$ 639,641	$ (552,560)	$ 1,635,425	$ 454,957

7) LONG-TERM DEBT

The following amounts of long-term debt were outstanding June 30, 2022:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Current Portion
Long-term debt					
2012A Refunding Revenue Bonds	$ 34,265,000	$ -	$ (34,265,000)	$ -	$ -
2012A Premium	3,004,950	-	(3,004,950)	-	-
2016A Refunding Revenue Bonds	101,630,000	-	(5,200,000)	96,430,000	5,345,000
2016A Premium	19,595,259	-	(1,284,936)	18,310,323	
2021A Refunding Revenue Bonds	74,900,000	-	-	74,900,000	3,710,000
2021A Premium	22,024,001	-	(1,096,631)	20,927,370	-
2022A Refunding Revenue Bonds	-	24,445,000	-	24,445,000	-
2022A Premium	-	4,594,504	(244,778)	4,349,726	-
Total long-term debt	$ 255,419,210	$ 29,039,504	$ (45,096,295)	$ 239,362,419	$ 9,055,000

2012A refunding revenue bonds - On April 12, 2012, West Basin issued $50,325,000 Refunding Revenue Bonds (“2012A Refunding Revenue Bonds”) to assist West Basin in refinancing a portion of certain facilities of West Basin previously financed from the proceeds of the 2003A Refunding Revenue Certificates of Participation, to refinance certain facilities of West Basin previously financed from the proceeds of the 2010A Adjustable Rate Revenue Certificates of Participation, to fund capitalized interest, to fund a portion of a reserve fund and to pay costs of delivery of the 2012A Refunding Revenue Bonds. In February 2022, the 2012A Refunding Revenue Bonds were refunded with the 2022A Refunding Revenue Bonds.

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 3.0% 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	$ 96,430,000
Unamortized premium	18,310,323
Net liability	**$ 114,740,323**

7) LONG-TERM DEBT (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	$ 74,900,000
Unamortized premium	20,927,370
Net liability	**$ 95,827,370**

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 2041. 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	4,349,726
Net liability	**$ 28,794,726**

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 DEBT (continued)

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, 2022, debt coverage (net revenues divided by total debt service) for all debt was approximately 1.47.

Debt Service Requirements - The Refunding Revenue Bonds debt service requirements subsequent to June 30, 2022, 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
2022/23	$ 9,055,000	$ 9,079,919	$ 18,134,919
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	$ 195,775,000	$ 79,582,619	$ 275,357,619

8) LEASE LIABILITY

The following amounts of lease liability were outstanding June 30, 2022:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Current Portion
Lease liability:					
Land	$ 428,721	$ -	$ (17,223)	$ 411,498	$ 17,671
Infrastructure	413,710	-	(8,851)	404,859	9,034
Land improvements	108,932	-	(20,242)	88,690	20,991
Equipment	85,433	-	(26,818)	58,615	26,966
Total lease liability	$ 1,036,796	$ -	$ (73,134)	$ 963,662	$ 74,662

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On April 1, 2021, West Basin entered into a 240-month lease as Lessee for the use of Lago Seco Park. An initial lease liability was recorded in the amount of $83,346. As of June 30, 2022, the value of the lease liability is $77,257. 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, 2022 of $83,346 with accumulated amortization of $5,209 is included with Land on the Lease Class activities. 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 Dominguez Channel. An initial lease liability was recorded in the amount of $428,536. As of June 30, 2022, the value of the lease liability is $404,859. 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, 2022 of $428,536 with accumulated amortization of $25,114 is included with Infrastructure on the Lease Class activities.

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, 2022, the value of the lease liability is $334,241. 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, 2022 of $364,782 with accumulated amortization of $35,589 is included with Land on the Lease Class activities. West Basin has 4 extension option(s), each for 60 months.

8) LEASE LIABILITY (continued)

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, 2022, the value of the lease liability is $88,690. 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, 2022 of $128,512 with accumulated amortization of $42,251 is included with Land Improvements on the Lease Class activities. 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, 2022, the value of the lease liability is $58,615. 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, 2022 of $112,115 with accumulated amortization of $53,003 is included with Equipment on the Lease Class activities.

Debt service requirements to maturity:

Fiscal Year	Principal	Interest	Total
2023	$ 74,662	$ 16,977	$ 91,639
2024	76,232	16,180	92,412
2025	55,112	15,412	70,524
2026	52,082	14,725	66,807
2027	29,405	14,022	43,427
2028-2032	158,235	61,137	219,372
2033-2037	178,870	44,662	223,532
2038-2042	155,433	26,450	181,883
2043-2047	71,048	16,187	87,235
2048-2052	78,743	8,492	87,235
2053-2054	33,840	1,058	34,898
Total	$ 963,662	$ 235,302	$ 1,198,964

9) 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. The agreement is scheduled to terminate August 1, 2027 unless terminated earlier. 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). West Basin engaged independent consultants with no vested interest in the swap transactions to perform the mark-to-market and fair value calculations of the swaps. The fair market value of this swap was ($369,775) as of June 30, 2022.

In 2010, West Basin refinanced the 2008A Adjustable Rate Refunding Revenue Certificates of Participation. On October 27, 2016, West Basin refunded the 2010A Adjustable Rate Refunding Revenue Certificates of Participation with a Fixed Rate Revenue Certificates of Participation. The Series 2016A paid off the balance of the Series 2010A, resulting in West Basin having no outstanding variable rate debt. Based on GASB 53, the swaps are potential hedges currently deemed Investment Derivatives until associated with new variable debt.

The income approach is used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows, and time value of money. Where applicable under the income approach, the option pricing model technique, such as the Black-Derman-Toy model, or other appropriate option pricing model is used. This valuation technique is applied consistently across all the swaps. Given the observability of inputs that are significant to the entire measurement, the fair values of West Basin swaps are categorized as Level 2.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

(Debit (Credit))	Change in Fair Value		Fair Value at June 30, 2022		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Investment derivative instruments:					
Pay-fixed interest rate swaps	Investment revenue	$ 577,136	Investment	$ (369,775)	$ 7,975,000

The fair value of each of the above interest rate swap agreements has been reported as a liability in the accompanying statement of net position. All derivatives are reported on the statement of net assets at fair value. On the refunding date, October 27, 2016, pursuant to GASB 53, West Basin terminated hedge accounting and the balance of the deferral account was cleared on the termination date. Change in fair value of the swaps from the refunding date is reported in the statement of activities as investment revenue or loss. On June 30, 2022, the change during the fiscal year resulted in a revenue gain of $585,712 which includes $8,576 from a swap agreement that matured in August 2021.

9) SWAP TRANSACTION AGREEMENTS (continued)

Fair Value values take into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. Fair values reflect the effect of non-performance risk, which includes West Basin's credit risk.

Terms of Derivative Instruments

The following table displays the terms of West Basin's hedging derivative instruments outstanding at June 30, 2022, along with the credit rating of the associated counterparty.

Type	Current Notional Amount Date	Effective Date	Maturity Date	Rate Paid	Rate Received	Bank Counterparty	Counterparty Ratings (Moody's/ S&P/Fitch)
Pay-fixed interest rate swaps	$ 7,975,000	5/22/2008	8/1/2027	3.662%	65% of USD-LIBOR	Citibank, N.A., New York	Aa3/A+/A+

Credit risk - This is the risk that a counterparty will not fulfill its obligations. As of June 30, 2022, West Basin was not exposed to credit risk because the swaps had a negative mark-to-market value of $369,775, meaning the counterparties are exposed to West Basin in the amount of the derivatives' mark-to-market values. However, should interest rates change and the mark-to-market values of the swaps become positive, West Basin would be exposed to credit risk. To minimize its potential exposure to loss related to credit risk, it is West Basin's policy to require counterparty collateral posting provisions in its swap transactions. These terms require full collateralization of the mark-to-market value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparty, or its guarantor, not have credit ratings from two nationally recognized rating agencies in at least the two highest rating categories. Collateral posted is to be in the form of cash, U.S. Treasury Securities or Agency Securities rated "Aaa" or "AAA" by two of the nationally recognized rating agencies held by a third-party custodian.

Interest rate risk - West Basin is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swaps, as LIBOR and prevailing interest rates decrease, West Basin's net payments and liability mark-to-market value on the swap increases.

Termination risk - West Basin or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In such event, West Basin may either receive or owe a payment to the counterparty. The amount and the direction of the payment are dependent on prevailing swap interest rates and it reflects the mark-to-market value of the swap at the time of such termination.

10) 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 Asset - PERS	$ 1,425,228	$ -	$ 1,425,228
Net Pension Asset - PARS	-	339,305	339,305
Deferred Outflows - Pension Related	2,923,441	350,572	3,274,013
Deferred Inflows - Pension Related	506,483	267,756	774,239
Pension Expense / (Credit)	(3,373,797)	52,569	(3,321,228)

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.

10) DEFINED BENEFIT PENSION PLAN (continued)

The Plan's provisions and benefits in effect at June 30, 2022 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	16.150%	7.730%

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, 2022 were $814,481. The actual employer payments of $775,866 made to CalPERS by West Basin during the measurement period ended June 30, 2021 differed from West Basin's proportionate share of the employer's contributions of $1,003,447 by $227,581, 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

10) DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal in accordance with requirement of GASB
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

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 as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

10) 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 Years 1 - 10[2]	Real Return Years 11+[3]
Public equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)

[1] In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[2] An expected inflation of 2.00% used for this period

[3] An expected inflation of 2.92% used for this period

Change of Assumptions

There were no change of assumptions for measurement date June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member 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.

10) 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.

10) DEFINED BENEFIT PENSION PLAN (continued)

Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the 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: 6/30/2020 (VD)	$ 21,873,918	$ 20,287,788	$ 1,586,130
Balance at: 6/30/2021 (MD)	24,087,283	25,512,511	(1,425,228)
Net Changes during 2020-21	2,213,365	5,224,723	(3,011,358)

Valuation Date (VD), Measurement Date (MD)

West Basin'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, 2021 and 2022 was as follows:.

Proportionate Share - June 30, 2021	0.03760%
Proportionate Share - June 30, 2022	(0.07506%)
Change - Increase (Decrease)	(0.11266%)

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	**Current Discount Rate (7.15%)**	**Discount Rate + 1% (8.15%)**
Plan's Net Pension Liability/(Asset)	$ 1,755,038	$ (1,425,228)	$ (4,054,308)

10) 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, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (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, 2020), West Basin's net pension liability was $1,586,130. For the measurement period ending June 30, 2021 (the measurement date), the Local Government incurred a pension credit of $3,373,797.

10) DEFINED BENEFIT PENSION PLAN (continued)

As of June 30, 2022, 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	$ -	$ 159,824
Changes of Assumptions	-	-
Difference between Projected and Actual Earnings on Pension Plan Investments	1,244,149	-
Changes in employer's proportion	864,811	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	346,659
Pension Contributions Subsequent to Measurement Date	814,481	-
Total	$ 2,923,441	$ 506,483

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of $814,481 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
2023	$ 451,148
2024	418,673
2025	388,837
2026	343,819
2027	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2022, West Basin reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

10) 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, 2020 the valuation date.

10) DEFINED BENEFIT PENSION PLAN (continued)

Employees Covered

At June 30, 2020 the valuation date, the following employees were covered by the benefit terms for the Plan:

	PARS
Inactive employees or beneficiaries currently receiving benefits	2
Terminated employees	1
Active employees	4
Total	7

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, 2021, is based on an actuarial valuation as of June 30, 2020. For the fiscal year ending June 30, 2022, West Basin's annual pension expense was $52,569.

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. Currently, 1 year remain on this base.

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.

10) 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, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Asset Valuation Method	Set equal to Market Value of Assets
Actuarial Assumptions	
Discount Rate	4.50%
Salary increase	2.50%
Inflation	2.50%
Mortality Rate Table	CalPERS 1997-2015 experience study

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

Asset Class Component	Target Allocation Conservative	Expected Real Rate of Return
Global equity	29.00%	4.56%
Fixed income	65.00%	0.78%
REITs	1.00%	4.06%
Cash	5.00%	-0.50%

Assumed long-term rate of inflation: 2.5%, Expected long-term net rate of return, rounded: 4.50%

Change of Assumptions

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

Inflation assumption reduced from 2.75% to 2.5%

Discount rate

The discount rate used to measure the total pension liability (asset) was 5.25 percent. West Basin chose a moderately conservative investment strategy when setting up the plan. The current 5.25 percent 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 5.25 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 0.30 percent of assets. An investment return excluding administrative expenses would have been 5.54 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability (Asset).

10) DEFINED BENEFIT PENSION PLAN (continued)

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 6/30/2019 (MD)	$ 1,521,370	$ 1,841,508	$ (320,138)
Changes Recognized for the Measurement Period			
• Service Cost	69,623	-	69,623
• Interest	82,617	-	82,617
• Changes of Benefit Terms	-	-	-
• Differences between Expected and Actual Experience	-	-	-
• Changes of Assumptions	139,845	-	139,845
• Contributions from the Employer	-	72,000	(72,000)
• Contributions from the Employee	-	12,931	(12,931)
• Net Investment Income	-	252,121	(252,121)
• Benefit Payments	(34,653)	(34,653)	-
• Administrative Expenses	-	(25,800)	25,800
Net Change during 2019-20	257,432	276,599	(19,167)
Balance at: 6/30/2020 (MD)	$ 1,778,802	$ 2,118,107	$ (339,305)

Valuation Date (VD), Measurement Date (MD)

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 4.50 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 (3.50 percent) or 1 percentage-point higher (5.50 percent) than the current rate:

	Discount Rate - 1% (3.50%)	**Current Discount Rate (4.50%)**	**Discount Rate + 1% (5.50%)**
PARS Plan's Net Pension Liability/(Asset)	$ (88,696)	$ (339,305)	$ (539,181)

10) DEFINED BENEFIT PENSION PLAN (continued)

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability/(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, 2021 from the June 30, 2020 valuation date is 4 years, which was obtained by dividing the total service years of 28 (the sum of remaining service lifetimes of the active employees) by 7 (the total number of participants: active, inactive, and retired). 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.

10) 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, 2020), the Plan's net pension asset was $320,138. For the measurement period ending June 30, 2021 (the measurement date), the Plan incurred a pension expense of $52,569. A complete breakdown of the pension expense is as follows:

Description	Amount
Service Cost	$ 69,623
Interest	82,617
Projected Earnings on Investments	(96,147)
Employee Contributions	(12,931)
Administrative Expenses	25,800
Recognition of deferred outflows/(inflows):	
Experience	36,701
Assumptions	(25,953)
Asset returns	(27,141)
Total Pension Expense	$ 52,569

As of June 30, 2022, 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	$ 172,688	$ -
Changes of Assumptions	104,884	152,500
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	115,256
Pension Contributions Subsequent to Measurement Date	73,000	-
Total	$ 350,572	$ 267,756

These amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of $73,000 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

10) 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
2023	$ 17,832
2024	10,990
2025	12,188
2026	(31,194)
2027	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2022, the Plan reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

11) 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

11) 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, 2021, West Basin's cash contributions were $467,287 to the California Employers' Retiree Benefit Trust (CERBT), and the estimated implicit subsidy of $73,617 resulting in total payments of $540,904. Contributions subsequent to the measurement date of $540,904 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, 2021, 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, 2021
Actuarial cost method	Entry age normal cost, level percent of pay
Asset valuation method	Market 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.

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 of return
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%	

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

Discount Rate

The discount rate used to measure the total OPEB liability/(asset) was 6.20 percent. 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, 2021			
(Measurement Date June 30, 2020)	$ 11,088,441	$ 11,904,199	$ (815,758)
Changes for the year:			
Service Cost	507,332	-	507,332
Interest	809,926	-	809,926
Changes of assumptions	1,542,246	-	1,542,246
Plan experience differences	(760,361)	-	(760,361)
Contributions - employer	-	525,729	(525,729)
Net investment income	-	3,360,424	(3,360,424)
Benefit payments	(376,728)	(376,728)	-
Administrative expenses	-	(4,638)	4,638
Net Changes	1,722,415	3,504,787	(1,782,372)
Balance at June 30, 2022			
(Measurement Date June 30, 2021)	$ 12,810,856	$ 15,408,986	$ (2,598,130)

11) 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, 2021:

	1% Decrease 5.20%	Current Discount Rate 6.20%	1% Increase 7.20%
Net OPEB Asset	$ (585,968)	$ (2,598,130)	$ (4,217,657)

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, 2021:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Asset	$ (4,356,285)	$ (2,598,130)	$ (375,696)

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, 2021).

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

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

For the fiscal year ended June 30, 2022, West Basin recognized OPEB income of ($15,250). A complete breakdown of the OPEB expense(income) is as follows:

Description	Amount
Service Cost	$ 507,332
Interest	809,926
Projected Earnings on Investments	(850,323)
Employee Contributions	-
Administrative Expenses	4,638
Recognition of deferred outflows/(inflows):	
Plan Experience	(239,141)
Assumption Changes	221,031
Investment Experience	(468,713)
Total OPEB Expense (Income)	$ (15,250)

As of fiscal year ended June 30, 2022, 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	$ 540,904	$ -
Changes of assumptions	1,830,196	581,085
Differences between expected and actual experience	-	1,395,898
Net difference between projected and actual earnings on OPEB plan investments	-	1,736,563
Total	$ 2,371,100	$ 3,713,546

The $540,904 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
2023	$ (430,584)
2024	(420,191)
2025	(446,815)
2026	(610,831)
2027	(141,023)
Thereafter:	166,094

12) 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, 2022, the total unpaid amount on these contracts is $82 million.

13) ASSOCIATED WITH WEST BASIN'S RECYCLED WATER PROGRAM

For West Basin's recycled water program, West Basin has entered into agreements with various entities that desire to use the recycled water that is produced by West Basin's recycled water treatment facilities.

These agreements entitle those parties to purchase a prescribed amount of recycled water. In return for access to such water, these parties have agreed to pay for the water actually supplied to that user at a rate annually established by West Basin for its recycled water customers.

Because of the significant contingencies associated with each of these agreements and in accordance with the revenue recognition criteria established for voluntary nonexchange transactions, capital contribution revenue and a related receivable was not accrued at the inception of the agreement.

14) CHANGE IN ACCOUNTING PRINCIPLE

West Basin's beginning net position for the year ended June 30, 2021, was restated to $294,680,860 due to the implementation of GASBS No. 87, *Leases.*

Required Supplementary Information
Year Ended June 30, 2022
Last Ten Fiscal Years*

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

Measurement date	Employer's proportion of the collective net pension liability (asset) [1]	Employer's proportionate share of the collective net pension liability (asset)	Covered payroll	Employer's proportionate share of the collective net pension liability (asset) as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability (asset)
June 30, 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%

[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%

Notes to Schedule:

Change in Benefit Terms: None

Changes in 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
Year Ended June 30, 2022
Last Ten Fiscal Years*

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

	June 30,							
Measurement date	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
TOTAL PENSION LIABILITY								
Service Cost	$ 69,623	$ 68,638	$ 66,639	$ 75,190	$ 73,000	$ 77,000	$ 75,000	$ 73,000
Interest	82,617	74,493	68,121	72,180	65,268	68,175	61,470	55,000
Difference between Expected and Actual Experience	-	305,526	-	(128,778)	-	(179,554)	-	-
Changes of Assumptions	139,845	(269,808)	-	(9,787)	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(34,653)	(15,529)	(15,224)	(14,926)	(14,633)	(14,346)	(18,745)	-
Net Change in Total Pension Liability	257,432	163,320	119,536	(6,121)	123,635	(48,725)	117,725	128,000
Total Pension Liability - Beginning	1,521,370	1,358,050	1,238,514	1,244,635	1,121,000	1,169,725	1,052,000	924,000
Total Pension Liability - Ending (a)	1,778,802	1,521,370	1,358,050	1,238,514	1,244,635	1,121,000	1,169,725	1,052,000
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	72,000	62,000	61,000	78,000	76,000	87,000	90,583	115,000
Contributions - Employee	12,931	6,935	13,049	7,921	12,712	5,372	-	-
Investment Income	252,121	73,669	106,699	50,895	88,081	26,278	21,327	102,000
Administrative Expense	(25,800)	(39,010)	(26,960)	(38,243)	(22,240)	(36,201)	(23,956)	(33,000)
Benefit Payments, Including Refunds of Employee Contributions	(34,653)	(15,529)	(15,224)	(14,926)	(14,633)	(14,346)	(18,745)	-
Net Change in Fiduciary Net Position	276,599	88,065	138,564	83,647	139,920	68,103	69,209	184,000
Plan Fiduciary Net Position - Beginning	1,841,508	1,753,443	1,614,879	1,531,232	1,391,312	1,323,209	1,254,000	1,070,000
Plan Fiduciary Net Position - Ending (b)	2,118,107	1,841,508	1,753,443	1,614,879	1,531,232	1,391,312	1,323,209	1,254,000
PLAN NET PENSION LIABILITY - Ending (a) - (b)	$ (339,305)	$ (320,138)	$ (395,393)	$ (376,365)	$ (286,597)	$ (270,312)	$ (153,484)	$ (202,000)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	119.1%	121.0%	129.1%	130.4%	123.0%	124.1%	113.1%	119.2%
Covered Payroll	$ 174,109	$ 193,883	$ 184,906	$ 167,478	$ 179,740	$ 168,909	$ 139,328	$ 143,680
Plan Net Pension Liability as a Percentage of Payroll	-194.9%	-165.1%	-213.8%	-224.7%	-159.5%	-160.0%	-110.2%	-140.6%

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.*

Required Supplementary Information
Year Ended June 30, 2022
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%

Notes to Schedule:

Valuation date:	June 30, 2020
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining amortization period	15.7 years
Asset valuation method	Set equal to market value of assets
Inflation	2.75%
Salary increases	Aggregate 3% annually; individual increase are the lesser of 5% and inflation.
Investment rate of return	5.25%, net of pension plan investments expense, including inflation
Mortality	CalPERS 1997-2015 Experience Study

Required Supplementary Information
Year Ended June 30, 2022
Last Ten Fiscal Years*

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

	June 30,				
Measurement date	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability					
Service Cost	$ 507,332	$ 501,946	$ 575,615	$ 534,301	$ 406,900
Interest on the Total OPEB Liability	809,926	754,736	811,988	735,231	616,794
Actual and expected experience difference	(760,361)	-	(1,020,285)	-	(207,291)
Changes in assumptions	1,542,246	(112,152)	(780,809)	282,757	895,541
Benefit payments	(376,728)	(368,456)	(269,960)	(242,988)	(181,950)
Net change in Total OPEB Liability	1,722,415	776,074	(683,451)	1,309,301	1,529,994
Total OPEB Liability - beginning	11,088,441	10,312,367	10,995,818	9,686,517	8,156,523
Total OPEB Liability - ending (a)	12,810,856	11,088,441	10,312,367	10,995,818	9,686,517
Plan Fiduciary Net Position					
Contribution - employer	525,729	368,456	615,957	616,651	410,213
Net investment income	3,360,424	406,373	667,630	748,339	891,549
Benefit payments	(376,728)	(368,456)	(269,960)	(242,988)	(181,950)
Administrative expense	(4,638)	(5,632)	(2,272)	(5,020)	(4,504)
Other	-	-	-	(12,420)	-
Net change in Plan Fiduciary Net Position	3,504,787	400,741	1,011,355	1,104,562	1,115,308
Plan Fiduciary Net Position - beginning	11,904,199	11,503,458	10,492,103	9,387,541	8,272,233
Plan Fiduciary Net Position - ending (b)	15,408,986	11,904,199	11,503,458	10,492,103	9,387,541
Net OPEB Liability/(Asset) - ending (a) - (b)	$ (2,598,130)	$ (815,758)	$ (1,191,091)	$ 503,715	$ 298,976
Plan fiduciary net position as a percentage of the total OPEB liability	120.28%	107.36%	111.55%	95.42%	96.91%
Covered-employee payroll	$ 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	-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	$ (596,625)	$ -	$ 5,679,646	10.50%
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%

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 Study

** 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.

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

Fiscal Year Ended June 30	Net Investment In Capital Assets (1)	Unrestricted	Total Net Position (1)	
2013	$ 174,081	$ 54,470	$ 228,551	
2014	175,455	64,098	239,553	(2)
2015	155,923	75,248	231,171	(3)
2016	175,437	59,146	234,583	
2017	180,967	74,686	255,653	
2018	197,595	72,835	270,430	(4)
2019	224,356	60,335	284,691	
2020	223,890	70,790	294,680	
2021	207,048	96,693	303,741	(5)
2022	150,222	79,668	229,890	(6)

(1) In Fiscal Year 2013, West Basin adopted GASB No. 63, which reflects the name change on this table.

(2) In Fiscal Year 2014, West Basin adopted GASB No. 65, resulting in a prior year adjustment of $3.5M to write off all bond issuance costs.

(3) 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 (2) A prior year adjustment of $9.2M was made to reduce the capital assets that are no longer in service.

(4) Fiscal Year 2018 Beginning Net Position was restated (increased by $525,823) due to the implementation of GASB No. 75.

(5) Fiscal Year 2021 Net Position re-stated in Fiscal Year 2022 due to the implementation of GASB No. 87 *Leases*

(6) Decreased in Net investment in capital assets is due to the write-off $61 million Ocean Desal project costs previous included in the Construction in Progress account. Decreased in Unrestricted Net Position is largely due to a 9.2 million litigation settlement from West Basin's Standby program.

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 (1)	Operating Expenses (2)	Operating Revenue (Loss)	Standby Charges	Investment Income (Loss) (3)	Grant Income Misc. Inc (Exp) Loss on Disposal (4)	Interest Expense (5)
2013	$ 164,216	$ 162,390	$ 1,826	$ 9,805	$ 2,872	$ 103	$ (9,209)
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	177,192	177,763	(571)	9,655	506	(3,630)	(9,859)
2017	191,123	185,573	5,550	9,614	458	2,139	(8,161)
2018	204,923	193,347	11,576	10,038	848	(3,508)	(11,418)
2019	209,132	201,498	7,634	10,030	1,819	826	(10,860)
2020	205,282	205,034	248	9,987	2,209	697	(10,604)
2021	203,201	206,216	(3,015)	10,052	556	(1,050)	(10,071)
2022	204,813	220,784	(15,971)	10,009	(1,276)	(67,457)	(8,197)

(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) In Fiscal Year 2013, West Basin sold a $12.1M guaranteed investment contract (GIC) investment for the 2003A Refunding Revenue Certificates of Participation debt service reserve fund and realized a gain of $2.0M. In Fiscal Year 2019 and 2020, 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 struggled for the most part of the year, West Basin incurred a $1.6 million unrealized investment loss.

(4) The District recognized $3.8M, $1.6M, $4.0 and $1.2M loss from disposition of capital assets in Fiscal Year 2016, 2017, 2018 and 2021, respectively. Also in Fiscal Year 2017, the District wrote-off a $3.6M liability resulting in $3.6M miscellaneous revenue.

(5) The interest expenses declined in Fiscal Year 2013, 2016, 2017 and 2022 due to the refunding transactions.

(6) Beginning in Fiscal Year 2017 through fiscal year 2022 per GASB No. 53, the interest rate swap agreements did not conform to the hedge accounting criteria referred to as investment derivatives. The changes in fair value associated with investment derivative are reported as a gain or loss in the statement of revenues, expenses and changes in net position.

(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
(6)			(7)	
$ -	$ 3,569	$ 5,395	$ 8,528	$ 13,923
-	(462)	(1,948)	16,447	14,499
-	(1,225)	(5,914)	7,663	1,749
-	(3,330)	(3,901)	7,302	3,401
713	4,763	10,313	10,758	21,071
806	(3,234)	8,342	5,909	14,251
(96)	1,719	9,353	4,908	14,261
(111)	2,178	2,426	7,562	9,988
479	(34)	(3,049)	12,110	9,060
586	(66,335)	(82,306)	8,455	(73,851)

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

	Water Sales						
Fiscal Year Ended June 30	Water and Monitoring (1)		Water Recycling (2)		Desalting (3)	Conservation (4)	Total
2013	$ 129,607		$ 32,629		$ 879	$ 1,101	$ 164,216
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	(5)	38,645	(5)	428	112	203,201
2022	174,985	(6)	29,624	(6)	-	204	204,813

(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 $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) Includes desalting water sales and incentives from Metropolitan Water District of Southern California Groundwater Recovery Program (GRP) which offers $250 incentive per acre-foot of the desalting water sold. This incentive ended in Fiscal Year 2013. 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) The shift in sales between non-interruptible and recycled water sales was due to an increase demand in barrier sales as the County addressed operational items on the West Coast Barrier that impacted the District's ability to inject more recycled water into the barrier. The increase in non-interruptible sales was also due to the increase in the pass-through cost for the purchase of non-interruptible water to blend with the produced recycled water in order to meet the recycled water customer demands.

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

This page intentionally left blank.

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)
2013	$110,530	$27,103	$892	$4,731	$ 1,612
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

(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. Explanation of the fluctuations in source of supply is on Table 8 - "All Water Sold in Acre-Feet". In Fiscal Year 2015, monitoring program costs were added to this line item.

(2) Represents West Basin's costs to operate and maintain its recycling facilities and were higher in Fiscal Year 2022 due to poor water quality.

(3) Represents West Basin's costs to operate and maintain its brackish desalting facility. Costs were minimal in Fiscal Year 2022 due to the Board's decision to decommission facility.

(4) The fluctuation in Fiscal Year 2014 was the result of organizational restructuring. 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.

Project Planning (5)	Depreciation and Amortization (6)	Total Operating Expenses
$ -	$17,522	$162,390
-	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

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
2013	$ 7,360	$ -	$ -	$ 1,168	$ 8,528
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

(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 capital construction. 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 the contributed value of 75% of the construction costs related to the Harbor-South Bay Water Recycling Project are from a grant with the U.S. Army Corps of Engineers. 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).

	2022	
Customer	in US $	%
California Water Service (CalWater)	$ 76,211	45.8%
Golden State Water Company (GSWC)	30,951	18.6%
Los Angeles County Water Works (LA County)	12,578	7.6%
City of Inglewood	9,534	5.7%
City of El Segundo	12,093	7.3%
City of Manhattan Beach	6,518	3.9%
Water Replenishment District (WRD)	14,211	8.5%
City of Lomita	2,915	1.8%
California American Water Company (CAWC)	1,236	0.7%
Total	$ 166,247	100.0%

	2013	
Customer	in US $	%
California Water Service (CalWater)	$ 61,815	49.1%
Golden State Water Company (GSWC)	17,625	14.0%
City of El Segundo	8,618	6.9%
Los Angeles County Water Works (LA County)	9,797	7.8%
Water Replenishment District (WRD)	12,055	9.6%
City of Inglewood	8,754	7.0%
City of Manhattan Beach	3,668	2.9%
City of Lomita	2,411	1.9%
California American Water Company (CAWC)	1,059	0.8%
Total	$ 125,802	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).

2022

Customer	in US $	%
City of El Segundo	$ 10,378	35.0%
California Water Service (CalWater)	8,475	28.6%
City of Torrance	6,058	20.4%
Water Replenishment District (WRD)	1,781	6.0%
L.A. Dept of Water & Power	1,105	3.7%
City of Inglewood	954	3.2%
Golden State Water Company (GSWC)	546	1.8%
City of Manhattan Beach	356	1.2%
Total	$ 29,653	100.0%

2013

Customer	in US $	%
City of El Segundo	$ 8,100	31.4%
California Water Service (CalWater)	6,023	23.4%
City of Torrance	5,631	21.9%
Water Replenishment District (WRD)	3,742	14.5%
L.A. Dept of Water & Power	839	3.3%
City of Inglewood	648	2.5%
Golden State Water Company (GSWC)	448	1.7%
City of Manhattan Beach	338	1.3%
Total	$ 25,769	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	Saltwater Barrier	Desalting	Total Potable Water	Recycled	All Water Deliveries	Groundwater (*Info Only*)
	(1)	(2)	(3)		(4)		(5)
2013	108,550	11,320	825	120,695	29,962	150,657	43,303
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	110,180	36,330	146,510	27,642
2018	106,601	7,740	50	114,391	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	147,100	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

(1) The decline in non-interruptible potable sales between Fiscal Year 2015 and 2017 is the result of a statewide mandate to reduce consumption due to the prolonged drought. The decrease in non-interruptible potable sales in Fiscal Year 2020 and 2021 was largely due to customers pumping more groundwater and the decrease in Fiscal Year 2022 was due to increased messaging related to a state-wide drought.

(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. In FY 2022, West Basin entered into an agreement to sell the Desalter and no sales occurred after a decision was made by the Board to decommission the facility in March 2021.

(4) In Fiscal Year 2014, recycled water sales increased due to West Basin completion of the Phase V construction. The decrease in Fiscal Year 2015 was due to rehabilitation of the biofors and reduced capacity at one of the refineries. The decrease in Fiscal Year 2019 was due to the major repair work that was done by the LA County Sanitation District that interrupted sales to the barrier. In Fiscal Year 2022, the decrease in sales was 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. Wat

	2013	2014	2015	2016	2017
California Water Service (CalWater)	65,185	70,679	70,361	57,367	58,216
Water Replenishment District (WRD) (1)	23,679	21,657	19,757	17,358	19,577
City of El Segundo	17,144	16,681	17,387	16,782	16,482
Golden State Water Company (GSWC)	11,637	16,516	12,622	25,791	24,272
Los Angeles County Water Works (LA County)	9,234	10,090	9,182	7,932	8,414
City of Inglewood	9,021	9,028	8,174	7,458	7,127
City of Torrance	6,634	6,529	5,270	4,012	5,037
City of Lomita	2,275	1,788	1,463	1,374	1,549
City of Manhattan Beach	3,863	3,849	3,496	3,738	4,582
California American Water Company (CAWC)	1,019	667	238	415	428
L.A. Dept of Water & Power	966	998	886	874	825
Total (2)	150,657	158,482	148,836	143,101	146,509

(1) Sales decreased due to well & pipeline repairs in Fiscal Year 2016 and 2021. In Fiscal Year 2022, 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, overall sales decreased due to increased messaging of a state-wide drought and poor quality source water received for recycled water.

(Continued)

2018	2019	2020	2021	2022
60,431	60,213	59,581	59,974	57,819
20,788	18,412	20,034	16,132	13,545
16,335	17,078	14,953	14,952	17,823
21,830	24,211	23,607	21,909	21,507
8,809	7,839	7,856	8,753	8,571
8,117	8,261	6,205	7,094	7,238
6,685	5,887	5,424	5,447	5,082
1,416	1,520	2,004	2,093	1,986
4,788	4,794	4,868	5,135	4,718
1,397	1,426	1,696	1,004	844
855	829	870	882	813
151,451	150,470	147,098	143,375	139,947

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
2013	390	7,146	6,348		5,208	18,702	6,622	4,638	29,962
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	17,069	13,677	4,256	35,002
2017	436	8,978	4,725		5,571	19,274	13,014	4,043	36,331
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	4,671	34,339
2021	468	8,737	5,098		4,487	18,322	10,995	4,604	33,921
2022	469	8,999	4,695	(4)	4,883	18,577	1,665	4,224	24,466

(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) Low recycled water sales in Fiscal Year 2013 was due to poor source water quality. In Fiscal Year 2014, sales increased due to the completion of the Phase V project. 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 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 was 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.

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

Type of Water	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Purchased from MWD (1)										
Non-interruptible	$1,063	$1,132	$1,188	$1,242	$1,301	$1,343	$1,370	$1,380	$1,423	$1,469
Saltwater Barrier	1,063	1,132	1,188	1,242	1,301	1,343	1,370	1,380	1,423	1,469
Seasonal Storage - LT	865	-	-	-	-	-	-	-	-	-
West Basin Recycled Water (2)										
Recycled - Disinfected Tertiary	$ 840	$ 908	$ 955	$1,005	$1,069	$1,105	$1,151	$1,186	$1,255	$1,294
Recycled - Disinfected Tertiary- Outside Service Area	882	950	997	1,047	1,111	1,147	1,193	1,228	1,297	1,336
Recycled - Barrier	565	578	586	605	618	836	896	961	1,031	1,104
Recycled - Low Pressure Boiler Feed (3)	1,068	1,136	1,183	1,233	1,297	1,333	1,379	1,075	1,128	1,170
Recycled - High Pressure Boiler Feed (3)	1,424	1,492	1,539	1,589	1,653	1,689	1,735	856	893	933
Recycled - Nitrified	820	888	935	985	1,049	1,085	1,131	1,166	1,118	1,170
West Basin Desalting Plant (4)										
Desalted Water	$ 840	$ 978	$1,019	$1,048	$1,078	$1,106	$1,133	$1,158	$1,186	$1,224

(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. In December 2012, MWD discontinued the Long-Term (LT) Seasonal Storage Program.

(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.

(4) West Basin Desalting Plant Rates exclude MWD's Groundwater Recovery Program incentive of $250 per acre-foot of desalting water sold. This incentive ended in Fiscal Year 2013.

West Basin adopts its water rates annually by resolution.

Table 12: Imported Water Rates
For the Years Ended June 30, 2021 and 2022

Tables below delineate the fiscal years ended June 30, 2021 and 2022 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, 2021				
July 1, 2020 to December 31, 2020				
Non-Interruptible & Barrier (Tier 1)	$1,078	$90	$237	$1,405
Non-Interruptible & Barrier (Tier 2)	1,165	90	237	1,492
January 1, 2021 to June 30, 2021				
Non-Interruptible & Barrier (Tier 1)	$1,104	$100	$237	$1,441
Non-Interruptible & Barrier (Tier 2)	1,146	100	237	1,483
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

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

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

	TOTAL DEBT				CAPITAL ASSETS				
Fiscal Year Ended June 30	Certificates of Participation & Revenue Bonds	CP	Lease Liability	Total LT Debt	Capitalized Assets	Construction-in-Progress	Leased Asset	Total Capital Assets	Total Debt/ Capital Assets
(1)		(2)			(3)	(4)	(5)		
2013	$338,686	$ -	$ -	$338,686	$527,816	$135,530	$ -	$663,346	0.51
2014	329,755	-	-	329,755	590,272	63,152	-	653,424	0.50
2015	312,682	-	-	312,682	590,732	75,144	-	665,876	0.47
2016	295,831	-	-	295,831	599,282	79,015	-	678,297	0.44
2017	292,377	-	-	292,377	611,438	88,061	-	699,499	0.42
2018	279,300	-	-	279,300	611,756	109,785	-	721,541	0.39
2019	265,972	-	-	265,972	617,574	132,592	-	750,166	0.35
2020	252,232	10,000	-	262,232	684,791	74,983	-	759,774	0.35
2021	255,419	-	-	255,419	692,320	82,130	-	774,450	0.33
2022	239,362	-	964	240,326	698,678	34,532	956	734,166	0.33

(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) See details at "General Operating Information".

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

(5) West Basin implemented GASB #87 Leases in Fiscal Year 2022. Leased assets include land, infrastructure and equipment.

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
2013	$ 338,686,000	865,882	$ 391
2014	329,755,000	870,219	379
2015	312,682,000	874,219	358
2016	295,831,000	877,798	337
2017	292,377,000	881,392	332
2018	279,300,000	882,000	317
2019	265,972,000	882,000	302
2020	262,232,000	882,000	297
2021	255,419,000	882,000	290
2022	240,326,000	882,000	272

(1) Numbers are rounded to the nearest thousand.

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

Fiscal Year Ended June 30	Bond Refunding *(Info Only)*	Principal Payments (1)		Interest Payments (1)	Total Debt Payment	Operating Expenses	Ratio Debt/ Expenses (3)
2013	$ -	$ 19,785	(2)	$ 8,612	$ 28,397	$ 162,390	0.17
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		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	21,750	206,216	0.11
2022	31,590	7,875		9,348	17,223	220,784	0.08

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

(2) In Fiscal Year 2014, the Debt Expense decreased due to refunding of the 2003A Refunding Revenue Certificates of Participation. In Fiscal Year 2022, the decrease was due to the refunding of the 2011A & B and 2012A Refunding Reveune Bonds.

(3) The impact of the ratio of debt payments to operating expenses may vary based on the refunding opportunities in any given year.

Table 16: Standby Charge and Capital Fixed Payments
Last Ten Fiscal Years (In Thousands)

Standby Charges and Fixed Capital Revenues are both revenues to West Basin. West Basin uses them to pay the debts incurred for the constructions and improvements of its recycled water facilities. For the past ten years, majority of West Basin's bonds were issued to finance the recycled water projects. The table below shows the information on these revenues as compared to debt service.

Fiscal Year Ended June 30	Standby Charge (1)	Capital Fixed Payments (2)	Total	Debt Payment Cash Basis (3)	% of Debt Service (4)
2013	$ 9,805	$ 7,360	$ 17,165	$ 28,397	60%
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	4,805	14,938	23,161	64%
2020	9,987	7,562	17,549	23,252	75%
2021	10,052	8,420	18,472	21,750	85%
2022	10,009	8,455	18,464	17,223	107%

(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.

(2) Fixed Capital Revenues are paid by Marathon/Tesoro, Chevron, Torrance Refining Company, and Los Angeles Department of Water and Power and are used to repay the cost of the treatment and distribution facilities that were constructed for 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.

This page intentionally left blank.

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

	2013	2014	2015	2016	2017
Changes in Net Position (1)	$ 13,923	$ 14,499	$ 1,749	$ 3,401	$ 21,071
Add: Interest Expense	9,209	10,651	11,139	9,859	8,161
Add: Depreciation/Amortization	17,522	20,793	25,099	24,928	25,286
Less: Non-cash items (2)	(133)	(550)	764	3,652	(636)
Net Revenues for Coverage	$ 40,521	$ 45,393	$ 38,751	$ 41,840	$ 53,882
Parity Debt Service	$ 17,790	$ 17,205	$ 17,695	$ 13,646	$ 17,821
2003A Bonds	8,973	-	-	-	-
2008A Bonds	3,462	1,169	899	799	728
2010A Bonds	398	197	219	250	213
2011A Rev Bonds	1,788	1,788	1,792	1,437	4,907
2011B Rev Bonds	1,491	2,993	2,993	2,993	2,993
2012A Rev Bonds	1,621	4,220	4,389	4,390	4,387
2013A Rev Bonds	57	6,838	7,403	3,777	287
2016A Rev Bonds	-	-	-	-	4,306
2021A Rev Bonds	-	-	-	-	-
SWRCB Loan	-	-	-	-	-
Reserve Fund Earnings	**(681)**	**170**	**(1)**	**(2)**	**(6)**
Total Net Senior Debt Service	**$ 17,109**	**$ 17,375**	**$ 17,694**	**$ 13,644**	**$ 17,815**
Debt Coverage	**2.33**	**2.62**	**2.19**	**3.07**	**3.02**
Subordinate Debt Service	$ 9,056	$ 8,993	$ 9,017	$ 9,058	$ 5,774
2003B Bonds	-	-	-	-	-
2008B Bonds	9,056	8,993	9,017	9,058	5,774
2018 Commercial Paper	-	-	-	-	-
Reserve Fund Earnings	-	-	-	-	-
Total Net Subordinate Debt Service	$ 9,056	$ 8,993	$ 9,017	$ 9,058	$ 5,774
Debt Coverage	**2.51**	**3.13**	**2.34**	**3.11**	**6.25**
All-In Debt Coverage	**1.55**	**1.73**	**1.45**	**1.84**	**2.28**
Cash Available for Additional Subordinate Debt Service, Capital Projects and Other Purposes	$ 14,356	$ 19,025	$ 12,040	$ 19,138	$ 30,293

(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.

(Continued)

2018	2019	2020	2021	2022
$ 14,251	$ 14,261	$ 9,988	$ 9,061	$ (73,851)
11,418	10,860	10,604	10,071	8,197
25,188	23,646	24,103	26,468	26,921
3,436	(308)	(358)	(2,466)	71,379
$ 54,293	$ 48,459	$ 44,337	$ 43,134	$ 32,646
$ 19,422	$ 22,912	$ 23,292	$ 23,264	$ 22,019
-	-	-	-	-
493	-	-	-	-
170	394	439	415	287
5,218	5,210	5,219	5,218	-
2,993	2,993	2,993	2,927	-
4,390	4,390	4,391	4,389	2,696
-	-	-	-	-
6,158	9,925	10,250	10,231	10,172
-	-	-	84	7,087
-	-	-	-	1,777
(9)	**(14)**	**(7)**	**-**	**-**
$ 19,413	**$ 22,898**	**$ 23,285**	**$ 23,264**	**$ 22,019**
2.80	**2.12**	**1.90**	**1.85**	**1.48**
$ 4,120	$ 460	$ 171	$ 177	$ 116
-	-	-	-	-
4,120	343	-	-	-
-	117	-	177	116
(1)	(1)	-	-	-
$ 4,119	$ 459	$ 171	$ 177	$ 116
8.47	**55.66**	**123.07**	**112.26**	**91.61**
2.31	**2.07**	**1.89**	**1.84**	**1.47**
$ 30,761	$ 25,102	$ 20,881	$ 19,693	$ 10,511

Table 18: Ten Largest Employers Within West Basin Service Area
Calendar Year 2021 and Nine Years Prior

Employer	2021 Number of Employees (1)	Rank	2012 Number of Employees	Rank
Boeing Satellite Systems Inc.	12,005	1	5,167	4
Northrop Grumman Corporation	11,983	2	12,784	1
Space Exploration Technologies	6,094	3	0	N/A
Raytheon Space & Airborne System	6,000	4	7,268	2
Sony Pictures Entertainment	6,000	4	6,000	3
Aerospace Corporation	2,180	6	3,002	5
Mattel, Inc.	1,545	7	1,635	6
Amazon Fulfillment Center	1,500	8	-	N/A
PV Unified School District	1,388	9	1,430	7
Chevron Products Company/USA Inc.	1,187	10	1,179	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)
2013	865,882	10,017,068	$ 483,578,594	$ 48,140	9.8%
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	Not Available	Not Available	Not Available	10.3%
2022	882,000	Not Available	Not Available	Not Available	5.2%

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

(2) Data obtained from the Bureau of Economic Analysis. Information for Calendar year 2021 through 2022 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	882,000
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

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

Customers

Number of Direct Customers	11

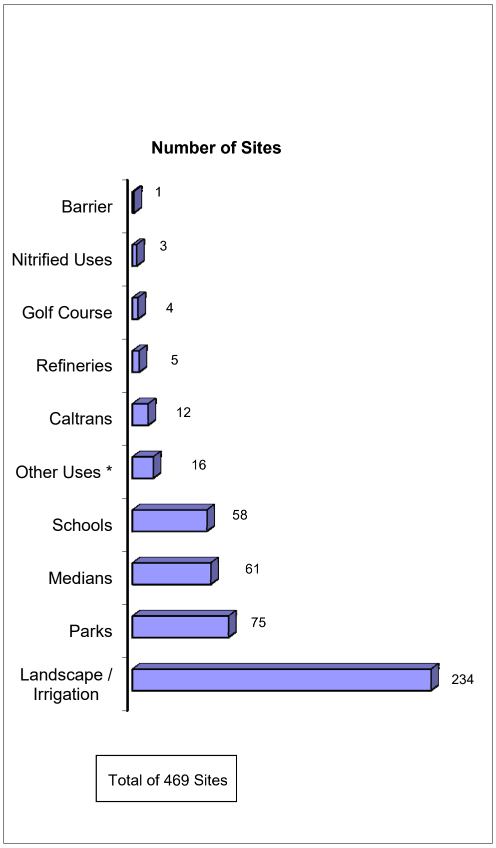
West Basin's direct customers are comprised of cities and retail water agencies that purchase potable non-interruptible water and recycled water for further sales to the end-user or use in the seawater barrier.

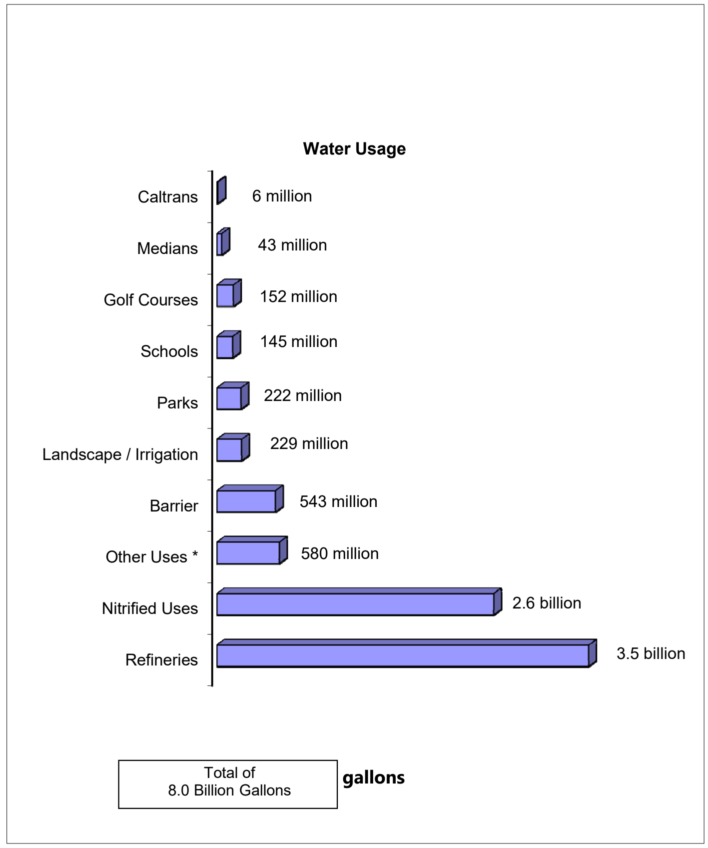
Annual Water Deliveries

Potable Water (including desalting)	115,481 acre-feet
Recycled Water	24,466 acre-feet

Recycled Water Users

Fiscal Year Ended June 30, 2022





Other Uses *

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

NUMBER OF BUDGETED FULL-TIME PERSONNEL

2013	36
2014	40
2015	41
2016	43
2017	49
2018	56
2019	56
2020	56
2021	56
2022	50

CERTIFICATIONS AND LICENSES HELD BY DISTRICT EMPLOYEES

Professional Engineer	7
Certified Public Accountant	3
Licensed attorneys	1
Masters Degree	18
State Water Certification:	
Distribution Operator	4
Treatment Plant Operator	6

CAPITAL ASSETS (IN THOUSANDS)

	Recycling Facilities	Desalting	Machinery & Equipment	Construction-in-Progress	Admin. Facility	Leased Assets (1)	West Basin Capital Assets (2)
2013	$ 513,437	$ 4,904	$ 3,911	$ 135,530	$ 5,564	$ -	$ 663,346
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	6,501	956	734,166

(1) West Basin implemented GASB #87 Leases in Fiscal Year 2022. Leased assets include land, infrastructure and equipment.

(2) Excludes accumulated depreciation. Total Capital Assets decreased in Fiscal Year 2014 and Fiscal Year 2022 were the results of the write-off capital assets.