

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

# Achievements in Water Independence

Annual Comprehensive Financial Report  
Fiscal Years Ended June 30, 2025 and 2024



# WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA



**Annual Comprehensive Financial Report  
Water Replenishment District of Southern California  
For the Years Ended June 30, 2025 and 2024  
With Independent Auditor's Report**

**Prepared by: Finance Department**



# Our Mission Statement

*“To provide, protect and preserve safe and reliable high quality groundwater”*

**Water Replenishment District of Southern California  
Board of Directors as of June 30, 2025**

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Joy Langford	1	President	Elected	01/23 – 01/27
Vera Robles DeWitt	5	Vice President	Elected	01/25 – 01/29
Sergio Calderon	4	Secretary	Elected	01/23– 01/27
Robert Katherman	2	Treasurer	Elected	01/25 – 01/29
John D.S. Allen	3	Director	Elected	02/23 – 01/27

**Water Replenishment District of Southern California  
Stephan D. Tucker, General Manager  
4040 Paramount Boulevard  
Lakewood, California 90712  
(562) 275 - 4300  
[www.wrd.org](http://www.wrd.org)**

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**Water Replenishment District of Southern California**  
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**INTRODUCTORY SECTION**  
**(Unaudited)**

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DIRECTORS  
JOY LANGFORD, PRESIDENT  
VERA ROBLES DEWITT, VICE PRESIDENT  
SERGIO CALDERON, SECRETARY  
ROBERT KATHERMAN, TREASURER  
JOHN D. S. ALLEN, DIRECTOR  
  
STEPHAN TUCKER, MBA, PE, PMP, GENERAL MANAGER

December 17, 2025

The Honorable Board of Directors and the Citizens served by the Water Replenishment District of Southern California (WRD)

State law requires that every general-purpose government agency publish within six months of the close of each fiscal year a complete set of audited financial statements. This report satisfies that requirement for the fiscal year ending June 30, 2025.

Management assumes sole responsibility for the completeness, reliability and integrity of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. The primary objective is to provide governance and stakeholders a reasonable, rather than absolute, assurance the financial statements are not subject to or affected by any material misstatements.

Vasquez & Company LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Water Replenishment District of Southern California (WRD)’s financial statements for the fiscal year ended June 30, 2025. The Independent Auditor’s report precedes the Management Discussion and Analysis (MD&A) section of this report. MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements and should be read in conjunction with this letter of transmittal.

The WRD has one blended component unit (see Notes to the Basic Financial Statements, Note 1) with a fiscal year end of June 30. Accordingly, the Southern California Water Replenishment Financing Corporation is presented as a blended component unit of the WRD.

## **Profile of the WRD**

The WRD is a specialized water district established by popular vote in 1959 to address the over-extraction of groundwater from two major basins in Los Angeles County. It operates under the provisions of the California Water Code, Section 60000 et seq., making it the only replenishment district in California governed by these regulations. The WRD was created in response to historical over-pumping of the Central and West Coast groundwater basins (collectively known as the "Basins"), which led to wells running dry and seawater intruding into potable water aquifers.

WRD manages the Basins, providing groundwater for approximately four million residents in 43 cities within southern Los Angeles County. The WRD safeguards these Basins by replenishing groundwater, deterring seawater intrusion, and removing contaminants. Acting as the groundwater manager for the Basins in accordance with their adjudications, the WRD's jurisdiction is geographically bound by the Baldwin, Whittier, and Merced Hills to the north, the Orange County

line to the east, and the Pacific Ocean to the south and west. The service area spans roughly 420 square miles, using about 220,000 acre-feet of groundwater annually.

The mission of the WRD is “to provide, protect, and preserve safe and sustainable high-quality groundwater.” Although the WRD does not directly serve individual customers, it ensures the health and sustainability of the groundwater basins, thereby supporting the needs of maintenance and preservation of the Basins and ensuring water availability for pumpers. According to WRD estimates, local groundwater supplies approximately 41 percent of the water consumed within its service area, with the remainder sourced from the Colorado River and Northern California imports.

Initially formed to oversee the replenishment of groundwater levels in the Central and West Coast basins, WRD's role became essential by the 1950s due to the rising population in the Los Angeles area. As surface water sources became inadequate, communities, private water companies, and businesses resorted to pumping groundwater. Given that natural inflow relies mainly on annual rainfall averaging only 14 inches, over-pumping quickly exceeded the basins' natural recharge capabilities. This decline in groundwater levels led to some wells drying up and saltwater intruding into coastal areas, necessitating well abandonment.

In response, the West Basin Water Association was established in 1947 and the Central Basin Water Association in 1952. These associations developed a plan to provide supplemental water, limit groundwater extraction, and allocate groundwater pumping rights to those lacking access to other water supplies. Concurrently, these entities sought judicial assignments of specific groundwater rights. By 1956 and 1961, the court awarded varying amounts of groundwater rights. During fiscal year 1997-1998, 150 parties held a total of 217,367 acre-feet of water rights in the Central Basin, whereas 68 parties held a total of 64,468 acre-feet of water rights in the West Coast Basin. As property rights, these water rights can be bought and sold.

By law, the WRD has extensive authority to fulfill its responsibilities, including purchasing water to replenish the basins, administering clean water programs, and investing in projects aimed at ensuring a reliable supply of clean water at reasonable costs. Furthermore, legislation enacted in 1991 expanded WRD's mission to include the detection, prevention, and removal of groundwater contaminants. In response, the WRD has implemented programs to monitor water quality, remove contaminants, and mitigate saltwater intrusion.

## **Local Economy**

In January 2025, the Eaton and Palisades fires significantly affected the Los Angeles area economy, damaging nearly 20,000 parcels and displacing numerous businesses and residents. The recovery process is expected to be lengthy and challenging, with potential delays in federal assistance and increased construction costs. The wildfires exacerbated existing issues such as population decline, housing affordability, and high business costs. The economic impact is estimated to result in significant losses in output, employment, and tax revenues over the next five years. Additionally, the fires have worsened the region's ongoing struggles with population decline and housing affordability.

### ***Impact of Wildfires***

The Los Angeles area economy, still grappling with the aftermath of the pandemic, experienced another significant setback due to the Eaton and Palisades fires in January 2025. The 2025 Economic Forecast by the Los Angeles Economic Development Corporation (LAEDC) highlights

the extensive impact these fires have had on the local economy. A total of 19,884 residential, commercial, industrial, and government parcels were affected. Impacted businesses employed 9,610 individuals and generated an estimated \$1.4 billion in annual sales.

The considerable property and structural damage caused by the wildfires indicates that recovery will be a lengthy process, with the exact duration remaining uncertain. Recovery efforts could be hindered by delays in federal disaster assistance and insurance payouts. Additionally, increased demand for construction materials may lead to shortages and elevated prices, further slowing the rebuilding process. Prolonged disruptions to business operations in affected areas could result in substantial economic losses for the region, impacting business owners, employees, and suppliers alike.

The LAEDC report estimates that disruptions to businesses within the perimeters of the Palisades and Eaton Fires could lead to between \$4.6 billion and \$8.9 billion in lost economic output in Los Angeles County over five years. These disruptions may also cause employment losses equivalent to 24,990 to 49,110 job-years. Total labor income losses could range from \$1.9 billion to \$3.7 billion, while total losses in federal, state, and local tax revenues could vary from \$730 million to \$1.41 billion.

Moreover, these wildfires exacerbated existing challenges in the Los Angeles region, including population decline, housing affordability issues, and high costs of doing business.

### ***Population Decline***

Since 2013, Los Angeles County has been experiencing declining growth rates, with negative growth rates observed since 2019. In 2024, the County witnessed a modest population increase of 4,800 individuals (0.05 percent) compared to 2023, interrupting the downward trend of the preceding five years. However, this uptick may be temporary, as the primary factor contributing to the population rise was the resumption of international net migration following the COVID-19 pandemic. Federal policies aimed at reducing immigration could potentially negate last year's gains. Additionally, displacement caused by the Palisades and Eaton fires presents a significant concern for the region. Should affected residents be unable to secure stable housing or employment within Los Angeles County, they may be compelled to relocate to other counties or states, thereby inadvertently exacerbating the region's population decline.

### ***Housing Affordability***

Housing affordability remains a critical issue in the Los Angeles region. According to data from the California Association of Realtors (CAR), as of the fourth quarter of 2024, only 11 percent of households in Los Angeles County can afford to purchase a median-priced, single-family home. This figure compares to 15 percent for California overall and 34 percent for the United States, marking a decline from 27 percent just five years ago. CAR indicates that in the fourth quarter of 2024, the median home price in Los Angeles County was \$939,690. To afford this, a monthly payment (including taxes and insurance) of \$5,960 and a minimum qualifying income of \$238,400 are required. The destruction of thousands of housing units in the Pacific Palisades and Eaton fires, and the subsequent need for these residents to secure housing elsewhere in the County, will exacerbate the pressure on the existing housing stock and prices. This impact will be felt throughout the County, regardless of whether residents were directly affected by the wildfires.

### ***Cost of Doing Business***

The Los Angeles region ranks among the most expensive locations for conducting business in the

United States. Labor costs in the area are 13 percent higher than the national average. Additionally, energy costs, real estate costs, and taxes are 91 percent, 51 percent, and 40 percent higher, respectively. Overall, Los Angeles's business expenses are nearly 20 percent above the national average. Reconstruction efforts in the Pacific Palisades and Altadena areas are expected to elevate the demand for construction materials and other

goods and services within Los Angeles County. This increased demand will likely raise business costs throughout the County, even for entities not directly affected by the wildfires.

## **Los Angeles County Forecast and Economic Indicators**

Los Angeles County's economy faced multiple challenges in 2025, including significant impacts from wildfires, a declining population, housing affordability issues, and high business costs. Despite some positive economic indicators like a GCP growth of 3.4% in 2024 and job additions, the region is expected to experience slower growth and rising unemployment in the coming years. The entertainment and sports industries have shown contrasting trends, with sports gaining prominence while film and television production struggled due to industry strikes.

### ***Gross County Product (GCP)***

In 2024, Los Angeles County's real Gross County Product (GCP) increased by 3.4 percent, a notable rise from the 1.0 percent growth rate recorded in 2023. However, the County is anticipated to experience slower economic growth over the next two years, with projected real GCP growth rates of 2.1 percent in 2025 and 1.3 percent in 2026.

### ***Unemployment Rate***

In 2024, Los Angeles County saw the addition of 41,900 non-farm payroll jobs, representing a 0.9 percent increase and bringing the total number of payroll employees in the County to just under 4.6 million. This marks an improvement over the previous year, which saw the addition of 10,500 jobs. Over the next two years, job creation in the County is expected to slow, with projected annual growth rates of 0.7 percent in 2025 and 0.2 percent in 2026. This translates to an additional 30,900 jobs in 2025 and 10,400 jobs in 2026. The County's unemployment rate, which stood at 5.7 percent in 2024 after two consecutive years at 5.0 percent, is expected to rise. Projections indicate the unemployment rate will reach 6.1 percent in 2025 and 6.4 percent in 2026.

### ***Personal Income***

After a modest growth rate of 0.8 percent in 2023, real personal income in Los Angeles County grew by 3.8 percent in 2024. This growth rate exceeded the national rate of 2.9 percent and was slightly below California's rate of 4.0 percent. Over the next two years, the growth in real personal income is expected to slow to 3.1 percent in 2025 and 2.0 percent in 2026.

### ***Struggling Film and Television Production***

The dual strikes in 2023 by the Writers Guild of America (WGA) and the Screen Actors Guild–American Federation of Television and Radio Artists (SAG-AFTRA) had a significant impact throughout 2024. The prolonged strikes disrupted the film and television production pipeline, resulting in a slow restart beginning in the fall of 2023. Many workers who had to find employment outside the industry during the strikes have not returned.

Shooting days in the first three quarters of 2024 were lower compared to those in 2022 and 2023.

For instance, the second quarter of 2024 saw 5,749 shoot days, representing a 12.6 percent decline compared to the second quarter of 2023, and a 37.6 percent decline compared to the second quarter of 2022. Although shoot days in the fourth quarter of 2024 were up by 6.2 percent over the previous year, they still fell 32.4 percent below 2022 levels. For the entire year, filming activity was down by 5.6 percent relative to 2023 and 36.2 percent relative to 2022. The recently expanded Film & Television Tax Credit Program is expected to help bolster Hollywood's recovery by retaining more production jobs and spending locally.

### ***Growing Impact of LA's Sports Industry***

While the entertainment industry in Los Angeles has faced challenges, the sports industry has grown in prominence and impact. The Los Angeles Basin's 12 professional sports teams and 8 Division 1 schools have generated increasing economic activity through game attendance and special events.

Between 2022 and 2023, attendance at professional sporting events in Los Angeles increased by an average of 4.3 percent across all major teams. The Los Angeles County Economic Development Corporation (LAEDC) estimated the economic output of professional and collegiate sports in the region. Professional sports were responsible for 71,000 jobs, \$7.6 billion in labor income, and \$596 million in state and local taxes. Compared to 2018, economic output from professional sports is up roughly 87 percent and employment is up 191 percent.

Collegiate sports also had a significant impact, generating \$1.8 billion in economic output in 2023, nearly 13,000 jobs, \$1.4 billion in labor income, and \$109 million in state and local taxes. While employment in collegiate sports remains comparable to that in 2018, economic output has increased by more than 53 percent, and labor income has risen by 191 percent.

The growing economic impact of the sports industry can be largely attributed to substantial infrastructure investments made over recent years. Los Angeles is scheduled to host several national and international events over the next four years, including the FIFA World Cup (2026), NBA All-Star Game (2026), US Women's Open Championship for golf (2026), Super Bowl LXI (2027), and the Summer Olympics and Paralympics (2028). These events are anticipated to bring significant tourism and spending to the region, positioning Los Angeles as a central hub in the sports world for the foreseeable future.

### **Relevant Financial Policies**

This section outlines WRD's internal control structure, investment policy, and replenishment assessment, as well as the district's credit ratings. It details how WRD ensures the protection of its assets, manages its investments prudently, adjusts its water replenishment fees, and maintains high credit ratings, which reflects its financial stability and effective management.

#### ***Internal Control Structure***

WRD management is entrusted with establishing and maintaining an internal control structure to safeguard the organization's assets from loss, theft, or misuse. Additionally, this internal control framework ensures that sufficient accounting data is collected, enabling the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The design of WRD's internal control system aims to provide reasonable assurance that these objectives are achieved. The principle of reasonable assurance acknowledges that (1) the cost of

implementing a control should not exceed the expected benefits, and (2) the assessment of costs and benefits involves management's estimates and judgments.

### ***Investment Policy***

The Board of Directors annually adopts an investment policy in compliance with California State law, WRD ordinances and resolutions, prudent money management principles, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity, and yield. Typically, WRD funds are invested in the State Treasurer's Local Agency Investment Fund, Certificates of Deposit, Government Agency Obligations, or other specifically authorized investments.

### ***Replenishment Assessment***

After a series of public budget workshops, WRD Board of Directors voted to increase the Fiscal Year 2025 Replenishment Assessment to \$437.00 per acre-foot. Despite rising operating costs, WRD managed to stay the course through general belt-tightening and a conscious decision to reduce purchases for increasingly expensive imported water in favor of more cost-effective local supply.

### ***Fitch Ratings and Standard & Poor's affirm WRD's AA & AA+ Debt Rating***

Demonstrating confidence in WRD's financial stability and management, both major rating agencies have assigned AA and AA+ long-term ratings to the District's existing Replenishment Assessment Revenue Bonds and Revenue Certificates of Participation. These ratings are at or near the highest level for water agencies within the state.

## **WRD Achievements**

This year has been exceptionally productive for the WRD. Each department has diligently applied its expertise to maintain optimal groundwater quality and levels for our stakeholders.

Staff have successfully developed a field condition assessment tool, known as the Asset Management Planning (AMP) tool, designed for use by the Operations and Engineering staff. This tool streamlines the process of conducting condition assessments of assets at treatment facilities. Through the implementation of this tool, a comprehensive assessment of all assets at the water treatment plants was conducted, identifying candidates for future capital replacement and prioritizing maintenance for assets that are in suboptimal condition.

Over 15,000 acre-feet of advanced treated recycled water was produced at WRD's three advanced water treatment facilities: the Albert Robles Center for Water Recycling and Environmental Learning (ARC), Leo J Vander Lans Advanced Water Treatment Facility (LVL AWTF), and Robert W. Goldsworthy Desalter. We reliably delivered 5 million gallons of water per day to the Alamitos Barrier Project through various O&M and Capital projects and continued efforts to enhance groundwater quality for local communities via Safe Drinking Water Disadvantaged Community Program projects.

WRD and the Los Angeles Regional Water Quality Control Board (LARWQCB) have signed a Memorandum of Understanding (MOU) to work together in evaluating groundwater contamination or threats to the Basin. This collaboration aims to identify high-priority sites and potential groundwater remediation projects that may qualify for funding through grants like

Proposition 1 or the Site Cleanup Subaccount Program (SCAP). To facilitate this, WRD and LARWQCB hold quarterly meetings.

WRD was awarded a \$25 million WaterSMART grant from the U.S. Department of the Interior's Bureau of Reclamation for the expansion of the Torrance Groundwater Desalter project. This grant represents the largest desalination grant awarded in the fiscal year 2024 round. Furthermore, we have developed and implemented a PFAS Remediation Program aimed at funding the installation of new water treatment systems for the pumping community. This initiative not only restores groundwater production from wells affected by PFAS contamination but also prevents further spread of PFAS in drinking aquifers. To date, 14 pumpers, operating a total of 42 wells, have joined the program. We have executed Funding Agreements totaling \$27.3 million with six pumpers.

The 2024-2026 WRD 2-year strategic plan was developed and continued implementing the District's Organization Development initiative. A new Human Resources performance management system, NEOGOV, was introduced. Coordination with the Los Angeles County Registrar's office commenced for two Board election seats in the 2024 General Election.

The WRD has been honored with the Distinguished Budget Presentation Award from the Government Finance Officers Association for its Fiscal Year 2024 budget. Additionally, WRD successfully completed the implementation of a new centralized budget system.

A comprehensive virtual field trip program for Kindergarten through 12th-grade students at the Albert Robles Center for Water Recycling and Environmental Learning has been developed. Additionally, 33 in-person and virtual Eco-Gardener classes were hosted, and 5,500 Water Awareness calendars were distributed to stakeholders and constituents. Four newsletters were mailed to half a million residents throughout the service area. Recognition was received from WaterReuse California and National Awards for Excellence in Outreach and Education Program of the Year for efforts in educating students about groundwater.

### **Awards and Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRD for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the twentieth consecutive year that WRD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit 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 only. We believe that 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 certificate.

Preparation of this report was accomplished by the combined efforts of WRD staff. We appreciate the dedicated efforts and professionalism that our staff members bring to WRD. We would also like to thank the General Manager and the members of the Board of Directors for their continued

support in the planning and implementation of the Water Replenishment District of Southern California's fiscal policies.

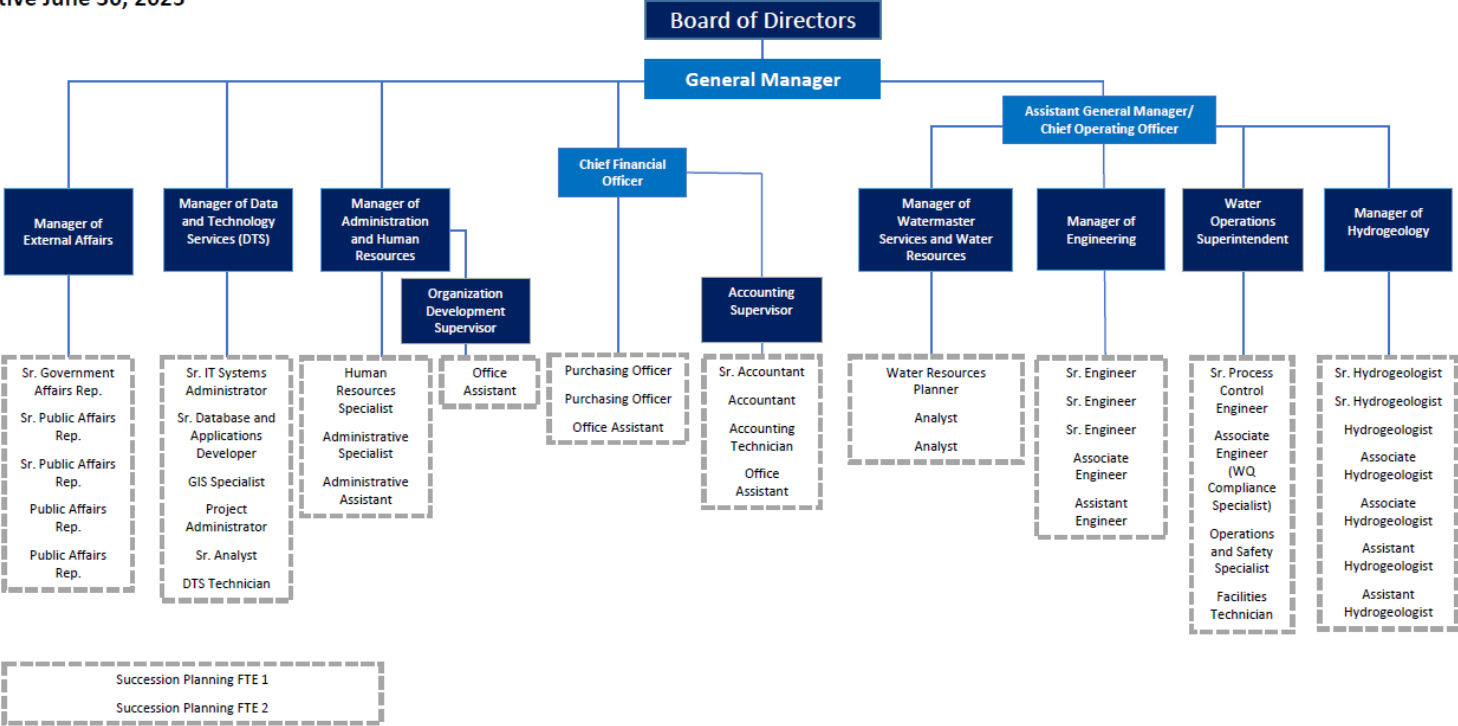
Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'G. J. Black', with a stylized flourish at the end.

Gregory J. Black  
Chief Financial Officer  
Water Replenishment District of Southern California

# FY2024-2025 ORGANIZATION CHART

Effective June 30, 2025



53 Total Full Time Equivalent (FTE) positions  
 2 Succession Planning FTEs

# Water Replenishment District of Southern California Map of the District





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Water Replenishment District of Southern California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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MANILA, PH

## **Independent Auditor's Report**

The Honorable Members of the Board  
Water Replenishment District of Southern California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Water Replenishment District of Southern California (the District), which comprise the statements of net position as of June 30, 2025 and 2024, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, (collectively, the District's basic financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Management's Responsibilities for the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 on pages 5 through 11, and the required supplementary information on pages 80 through 85, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Vasquez & Company LLP*

**Glendale, California  
December 17, 2025**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Water Replenishment District of Southern California (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The District's net position increased by 2.9% or \$5,628,912 from \$194,512,794 in fiscal year 2024 to \$200,141,706 in fiscal year 2025. Net position increased by 12.2% or \$21,212,662 from \$173,300,132 in fiscal year 2023 to \$194,512,794 in fiscal year 2024.
- The District's total operating revenues increased by 4.2% or \$3,917,017 from \$92,838,715 in fiscal year 2024 to \$96,755,732 in fiscal year 2025.
- The District's total expenses increased by 4.2% or \$4,080,018 from fiscal year 2024 to 2025. This was primarily due to the following:
  - Operating expenses including cost of water injection, water spreading, water treatment subsidies cost, connection fees, and depreciation expense increased by \$7.5 million; but was offset by non-operating expenses including \$2.7 million decrease in interest expense and fiscal charges, \$707 thousand decrease in election costs, and \$60 thousand increase in other expenses.
- From fiscal year 2023 to 2024, the District's total expenses decreased by 0.1% or \$111,538 primarily due to the following:
  - Operating expenses including cost of water injection, water spreading, water treatment subsidies cost, connection fees, and depreciation expense increased by \$1.9 million; but were offset by a decrease in non-operating expenses including a \$250 thousand decrease in interest expense and fiscal charges, \$1.7 million decrease in election costs, and \$64.2 thousand decrease in other expenses.

### **Required Financial Statements**

This annual report includes the basic 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 the District.

The Statement of Net Position includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate fiscal stability and creditworthiness.

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, noncapital financing, and capital and related financing activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### **Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. One can think of the District's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as a way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator 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, population growth, and new or changed government legislation, such as changes in Federal and State water quality standards.

**Water Replenishment District of Southern California  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024**

**Statements of Net Position**

	Condensed Statements of Net Position						
	June 30		Change		June 30	Change	
	2025	2024	Amount	%	2023 (As Restated)	Amount	%
Current assets	\$ 134,809,370	\$ 139,944,209	\$ (5,134,839)	-3.7	\$ 120,822,509	\$ 19,121,700	15.8
Restricted assets	6,049,381	21,378,455	(15,329,074)	-71.7	32,890,552	(11,512,097)	-35.0
Other noncurrent assets	12,104,267	12,547,453	(443,186)	-3.5	10,933,497	1,613,956	14.8
Capital assets, net	348,068,599	336,164,408	11,904,191	3.5	331,656,029	4,508,379	1.4
Total assets	<u>501,031,617</u>	<u>510,034,525</u>	<u>(9,002,908)</u>	<u>-1.8</u>	<u>496,302,587</u>	<u>13,731,938</u>	<u>2.8</u>
Deferred outflows of resources	<u>8,878,917</u>	<u>11,853,678</u>	<u>(2,974,761)</u>	<u>-25.1</u>	<u>8,328,593</u>	<u>3,525,085</u>	<u>42.3</u>
Current liabilities	29,789,582	35,996,285	(6,206,703)	-17.2	33,636,334	2,359,951	7.0
Noncurrent liabilities	267,420,507	289,330,271	(21,909,764)	-7.6	295,552,864	(6,222,593)	-2.1
Total liabilities	<u>297,210,088</u>	<u>325,326,556</u>	<u>(28,116,468)</u>	<u>-8.6</u>	<u>329,189,198</u>	<u>(3,862,642)</u>	<u>-1.2</u>
Deferred inflows of resources	<u>12,558,740</u>	<u>2,048,853</u>	<u>10,509,887</u>	<u>513.0</u>	<u>2,141,850</u>	<u>(92,997)</u>	<u>-4.3</u>
Net position							
Net investment in capital assets	71,113,987	67,466,776	3,647,211	5.4	66,484,126	982,650	1.5
Unrestricted	129,027,719	127,046,018	1,981,701	1.6	106,816,006	20,230,012	18.9
Total net position	<u>\$ 200,141,706</u>	<u>\$ 194,512,794</u>	<u>\$ 5,628,912</u>	<u>2.9</u>	<u>\$ 173,300,132</u>	<u>\$ 21,212,662</u>	<u>12.2</u>

As noted earlier, over time, changes in net position may serve as a useful indicator of a government's financial condition. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$200.1 million and \$194.5 million as of June 30, 2025 and 2024, respectively.

Total assets decreased \$9 million or 1.8% in the current year, primarily due to a decrease in cash reserve from revenues and capital grants and an increase in capital expenses for various projects during the year.

Total liabilities decreased by \$28.1 million or 8.6% due to principal repayments of long-term debt during the year.

At the end of fiscal years 2025 and 2024, the District shows a positive balance in unrestricted net position of \$129.0 million and \$127.0 million, respectively.

**Water Replenishment District of Southern California**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2025 and 2024**

**Statements of Revenues, Expenses and Changes in Net Position**

	Condensed Statements of Revenues, Expenses and Changes in Net Position						
	Years Ended June 30,		Change		Year ended	Change	
	2025	2024	Amount	%	2023 (As Restated)	Amount	%
<b>Revenues:</b>							
Operating revenues	\$ 96,755,732	\$ 92,838,715	\$ 3,917,017	4.2	\$ 91,552,162	\$ 1,286,553	1.4
<b>Nonoperating revenues</b>							
Property taxes	999,551	953,015	46,536	4.9	910,297	42,718	4.7
Interest and investment earnings	4,236,308	4,831,905	(595,597)	-12.3	940,716	3,891,189	413.6
Other revenues	1,014,230	902,891	111,339	12.3	3,628,553	(2,725,662)	-75.1
Total revenues	<u>103,005,821</u>	<u>99,526,526</u>	<u>3,479,295</u>	<u>3.5</u>	<u>97,031,728</u>	<u>2,494,798</u>	<u>2.6</u>
<b>Expenses</b>							
Operating expenses	92,317,750	84,846,573	7,471,177	8.8	82,906,635	1,939,938	2.3
<b>Nonoperating expenses</b>							
Interest expense and fiscal charges	6,026,901	8,770,419	(2,743,518)	-31.3	9,020,576	(250,157)	-2.8
Election costs	992,519	1,700,000	(707,481)	100.0	3,437,046	(1,737,046)	100.0
Other expenses	2,049,776	1,989,936	59,840	3.0	2,054,209	(64,273)	-3.1
Total expenses	<u>101,386,946</u>	<u>97,306,928</u>	<u>4,080,018</u>	<u>4.2</u>	<u>97,418,466</u>	<u>(111,538)</u>	<u>-0.1</u>
Income before capital contributions	1,618,875	2,219,598	(600,723)	-27.1	(386,738)	2,606,336	-673.9
Capital contributions - capital grants	<u>4,010,037</u>	<u>18,993,064</u>	<u>(14,983,027)</u>	<u>-78.9</u>	<u>5,218,241</u>	<u>13,774,823</u>	<u>264.0</u>
Change in net position	<u>5,628,912</u>	<u>21,212,662</u>	<u>(15,583,750)</u>	<u>-73.5</u>	<u>4,831,503</u>	<u>16,381,159</u>	<u>339.0</u>
Net position - beginning of year	<u>194,512,794</u>	<u>173,300,132</u>	<u>21,212,662</u>	<u>12.2</u>	<u>168,468,629</u>	<u>4,831,503</u>	<u>2.9</u>
Net position - end of year	<u>\$ 200,141,706</u>	<u>\$ 194,512,794</u>	<u>\$ 5,628,912</u>	<u>2.9</u>	<u>\$ 173,300,132</u>	<u>\$ 21,212,662</u>	<u>12.2</u>

The Statement of Revenues, Expenses and Changes in Net Position shows how the District's net position changed during the fiscal year. The net position increased \$5.6 million and \$21.2 million during the fiscal years ended June 30, 2025 and 2024, respectively. In fiscal year 2025, the increase in net position is due to total revenues of \$103.0 million exceeding total expenses of \$101.4 million with capital contributions of \$4.0 million. In fiscal year 2024, the increase in net position is due to total revenues of \$99.5 million exceeding total expenses of \$97.3 million with capital contributions of \$19.0 million.

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

In fiscal year 2025, total revenues increased \$3.5 million and total expenses increased \$4 million for a net decrease in income before capital contributions of \$600 thousand. The District also saw a decrease in capital contributions of \$15.0 million for a net decrease in change in net position for 2025 of \$15.6 million.

In fiscal year 2024, total revenues increased \$2.5 million and total expenses decreased \$111 thousand for a net increase in income before capital contributions of \$2.6 million. The District also saw an increase in capital contributions of \$13.8 million for a net increase in change in net position for 2024 of \$16.4 million.

**Water Replenishment District of Southern California  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024**

**Operating Revenues**

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023 (As Restated)</u>	<u>Change</u>
<b>Operating Revenues:</b>					
Water replenishment assessment	\$ 72,641,914	\$ 68,128,910	\$ 4,513,004	\$ 70,161,743	\$ (2,032,833)
PFAS program revenue	2,049,776	1,989,936	59,840	2,054,209	(64,273)
Desalter assessments	1,398,812	3,596,364	(2,197,552)	3,052,449	543,915
Water treatment subsidies	979,188	1,153,167	(173,979)	1,158,975	(5,808)
Carryover conversion	18,022,393	15,919,629	2,102,764	12,985,921	2,933,708
Recycled water	1,663,649	2,050,709	(387,060)	2,138,865	(88,156)
<b>Total operating revenues</b>	<b>\$ <u>96,755,732</u></b>	<b>\$ <u>92,838,715</u></b>	<b>\$ <u>3,917,017</u></b>	<b>\$ <u>91,552,162</u></b>	<b>\$ <u>1,286,553</u></b>

Total operating revenues increased by \$3.9 million from \$92.8 million in fiscal year 2024 to \$96.8 million in fiscal year 2025 primarily due to the rate increase during the year.

Total operating revenues increased by \$1.3 million from \$91.6 million in fiscal year 2023 to \$92.8 million in fiscal year 2024 primarily due to increase in carryover conversion income.

**Operating Expenses**

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023 (As Restated)</u>	<u>Change</u>
<b>Operating Expenses:</b>					
<b>Water supply management:</b>					
Water purchases - injecting	\$ 31,860,681	\$ 30,361,374	\$ 1,499,307	\$ 25,404,081	\$ 4,957,293
Water purchases - spreading	7,383,666	5,386,560	1,997,106	8,714,513	(3,327,953)
Connection fees	2,915,583	1,942,795	972,788	2,220,038	(277,243)
Water treatment subsidies cost	-	1,379,757	(1,379,757)	-	1,379,757
General and administrative	38,709,462	34,871,149	3,838,313	35,568,122	(696,973)
Depreciation and amortization	11,448,358	10,904,938	543,420	10,999,881	(94,943)
<b>Total operating expenses</b>	<b>\$ <u>92,317,750</u></b>	<b>\$ <u>84,846,573</u></b>	<b>\$ <u>7,471,177</u></b>	<b>\$ <u>82,906,635</u></b>	<b>\$ <u>1,939,938</u></b>

Total operating expenses increased by \$7.5 million from \$84.8 million in fiscal year 2024 to \$92.3 million in fiscal year 2025. The main reason for the change was due to increase in water purchases from spreading recycled water and increase in general and administrative expenses from salaries and employee benefits.

Total operating expenses increased by \$1.9 million from \$82.9 in fiscal year 2023 to \$84.8 million in fiscal year 2024 primarily due to increase in water purchases from spreading recycled water and reimbursement of water treatment subsidies.

**Water Replenishment District of Southern California  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024**

**Capital Assets**

At June 30, 2025 and 2024, the District's investment in capital assets amounted to \$348.1 million and \$336.2 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, utility plant, monitoring and injection equipment, service connections, office furniture and equipment, and construction-in-progress. Major capital asset additions during fiscal year 2025 and 2024 include expenditures related to the Albert Robles Center for Water Recycling and Environmental Learning, Leo J. Vander Lans Advanced Water Treatment Facility Expansion Project, Perchlorate Cleanup Project, Goldsworthy Desalter and the Regional Groundwater Monitoring Program.

The capital assets of the District are summarized below and more fully analyzed in Note 6 – Capital Assets of the Notes to the Basic Financial Statements.

	<u>Balance July 1, 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2025</u>
Non-depreciable assets	\$ 93,903,769	\$ 22,851,260	\$ (16,464,117)	\$ 100,290,912
Depreciable assets	329,240,623	16,931,170	-	346,171,793
Accumulated depreciation	<u>(86,979,984)</u>	<u>(11,414,122)</u>	<u>-</u>	<u>(98,394,106)</u>
Capital assets, net	<u>\$ 336,164,408</u>	<u>\$ 28,368,308</u>	<u>\$ (16,464,117)</u>	<u>\$ 348,068,599</u>
	<u>Balance July 1, 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2024</u>
Non-depreciable assets	\$ 80,995,971	\$ 15,413,317	\$ (2,505,519)	\$ 93,903,769
Depreciable assets	326,805,703	2,505,519	(70,599)	329,240,623
Accumulated depreciation	<u>(76,145,646)</u>	<u>(10,904,937)</u>	<u>70,599</u>	<u>(86,979,984)</u>
Capital assets, net	<u>\$ 331,656,028</u>	<u>\$ 7,013,899</u>	<u>\$ (2,505,519)</u>	<u>\$ 336,164,408</u>

**Water Replenishment District of Southern California  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025 and 2024**

**Long-Term Debt**

At June 30, 2025 and 2024, the District had long-term debt of \$265.3 million and \$282.7 million respectively. See Note 11 – Long-Term Debt of the Notes to the Basic Financial Statements for further details.

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Replenishment Assessment Revenue Bonds				
Series 2015	\$ 127,715,000	\$ -	\$ (92,530,000)	\$ 35,185,000
Add: Unamortized premium	16,873,464	-	(12,328,471)	4,544,993
Series 2018	61,320,000	-	(1,260,000)	60,060,000
Add: Unamortized premium	8,039,341	-	(333,813)	7,705,528
Series 2025	-	82,600,000	-	82,600,000
Add: Unamortized premium	-	8,952,920	(46,149)	8,906,771
Clean Water State Revolving Fund Loan	68,741,255	-	(2,433,905)	66,307,350
				-
Total long-term debt	\$ 282,689,060	\$ 91,552,920	\$ (108,932,338)	\$ 265,309,642
	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Replenishment Assessment Revenue Bonds				
Series 2015	\$ 130,840,000	\$ -	\$ (3,125,000)	\$ 127,715,000
Add: Unamortized premium	17,673,786	-	(800,322)	16,873,464
Series 2018	62,520,000	-	(1,200,000)	61,320,000
Add: Unamortized premium	8,373,154	-	(333,813)	8,039,341
Clean Water State Revolving Fund Loan	71,151,062	-	(2,409,807)	68,741,255
				-
Total long-term debt	\$ 290,558,002	\$ -	\$ (7,868,942)	\$ 282,689,060

**Requests for Information**

This Annual Comprehensive Financial Report is designed to provide customers, stakeholders and other interested parties with an overview of the District's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Chief Financial Officer at 4040 Paramount Boulevard, Lakewood, California 90712.

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## **BASIC FINANCIAL STATEMENTS**

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**Water Replenishment District of Southern California**  
**Statements of Net Position**

	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 92,319,873	\$ 101,782,580
Receivables:		
Water replenishment assessments	37,340,722	34,313,413
Notes receivable - due within one year	279,070	313,953
Other receivable	4,863,865	3,528,423
Prepaid items and deposits	5,840	5,840
<b>Total current assets</b>	<b>134,809,370</b>	<b>139,944,209</b>
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	6,049,381	21,378,455
Notes receivable - due in more than one year	1,744,186	1,988,373
Regulatory assets	10,360,081	10,559,080
Capital assets:		
Nondepreciable	100,290,912	93,903,769
Depreciable, net of accumulated depreciation	247,777,687	242,260,639
Capital assets, net	<b>348,068,599</b>	<b>336,164,408</b>
<b>Total noncurrent assets</b>	<b>366,222,247</b>	<b>370,090,316</b>
<b>Total assets</b>	<b>501,031,617</b>	<b>510,034,525</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	3,784,222	4,522,474
Deferred outflows related to OPEB	5,094,695	7,331,204
<b>Total deferred outflows of resources</b>	<b>8,878,917</b>	<b>11,853,678</b>

(Continued)

*See notes to the financial statements.*

**Water Replenishment District of Southern California**  
**Statements of Net Position (Continued)**

	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 12,114,828	\$ 17,060,899
Accrued wages and related payables	422,488	311,407
Retention payable	570,033	407,888
Deposits payable	26,291	538,187
Interest payable	1,587,774	4,147,869
Unearned revenue	5,036,427	5,037,620
Compensated absences - due within one year	273,248	213,599
Lease payable, due within one year	66,552	86,313
Subscription payable, due within one year	63,735	79,463
Long-term debt - due within one year	9,628,206	8,113,040
<b>Total current liabilities</b>	<b>29,789,582</b>	<b>35,996,285</b>
<b>Noncurrent liabilities</b>		
Compensated absences, due in more than one year	1,382,523	1,263,297
Lease payable, net of current portion	1,207,289	889,332
Subscription payable, net of current portion	97,253	160,989
Long-term debt, due in more than one year	255,681,436	274,576,020
Net pension liability	7,807,260	7,960,338
Net OPEB liability	1,244,746	4,480,295
<b>Total noncurrent liabilities</b>	<b>267,420,507</b>	<b>289,330,271</b>
<b>Total liabilities</b>	<b>297,210,088</b>	<b>325,326,556</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	62,265	75,341
Deferred inflows related to OPEB	2,801,803	1,973,512
Deferred inflows related to debt defeasance	9,694,672	-
<b>Total deferred inflows of resources</b>	<b>12,558,740</b>	<b>2,048,853</b>
<b>NET POSITION</b>		
<b>Net position</b>		
Net investment in capital assets	71,113,987	67,466,776
Unrestricted	129,027,719	127,046,018
<b>Total net position</b>	<b>\$ 200,141,706</b>	<b>\$ 194,512,794</b>

(Concluded)

*See notes to the financial statements.*

**Water Replenishment District of Southern California**  
**Statements of Revenues, Expenses and Changes in Net Position**

	<b>Years ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating revenues</b>		
Water replenishment assessments	\$ 72,641,914	\$ 68,128,910
PFAS program revenue	2,049,776	1,989,936
Desalter assessments	1,398,812	3,596,364
Water treatment subsidies	979,188	1,153,167
Carryover conversion	18,022,393	15,919,629
Recycled water	1,663,649	2,050,709
<b>Total operating revenues</b>	<b>96,755,732</b>	<b>92,838,715</b>
<b>Operating expenses</b>		
Water supply management:		
Water purchases - injecting	31,860,681	30,361,374
Water purchases - spreading	7,383,666	5,386,560
Connection fees	2,915,583	1,942,795
Water treatment subsidies cost	-	1,379,757
General and administrative	38,709,462	34,871,149
Depreciation and amortization	11,448,358	10,904,938
<b>Total operating expenses</b>	<b>92,317,750</b>	<b>84,846,573</b>
<b>Net operating income</b>	<b>4,437,982</b>	<b>7,992,142</b>
<b>Nonoperating revenues (expenses)</b>		
Property taxes	999,551	953,015
Interest and investment earnings	4,236,308	4,831,905
Interest expense and fiscal charges	(6,026,901)	(8,770,419)
Election costs	(992,519)	(1,700,000)
Other revenues	1,014,230	902,891
PFAS Funding Program	(2,049,776)	(1,989,936)
<b>Total nonoperating revenues (expenses)</b>	<b>(2,819,107)</b>	<b>(5,772,544)</b>
<b>Capital contributions</b>		
Capital contributions from other government	4,010,037	18,993,064
<b>Total capital contributions</b>	<b>4,010,037</b>	<b>18,993,064</b>
<b>Changes in net position</b>	<b>5,628,912</b>	<b>21,212,662</b>
<b>Net position</b>		
Beginning of year	194,512,794	173,300,132
End of year	<b>\$ 200,141,706</b>	<b>\$ 194,512,794</b>

*See notes to the financial statements.*

**Water Replenishment District of Southern California**  
**Statements of Cash Flows**

	Years ended June 30	
	2025	2024
<b>Cash flows from operating activities:</b>		
Cash received from water assessments and subsidies	\$ 93,728,423	\$ 89,176,040
Cash received (used) for other revenues (expenses)	(321,212)	(1,922,265)
Cash paid to vendors and suppliers for materials and services	(75,828,697)	(64,823,571)
Cash paid to employees for salaries and wages	(10,637,731)	(10,091,800)
<b>Net cash provided by operating activities</b>	<b>6,940,783</b>	<b>12,338,404</b>
<b>Cash flows from noncapital financing activity:</b>		
Proceeds from property taxes	999,551	953,015
<b>Cash provided by noncapital financing activity</b>	<b>999,551</b>	<b>953,015</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(22,988,746)	(15,413,317)
Payments for regulatory assets	(1,850,777)	(3,917,846)
Cash paid for lease	(65,607)	(93,483)
Cash paid for subscription payable	(79,464)	(66,675)
Proceeds from issuance of bonds payable, net	91,552,920	-
Repayment of bonds payable	(98,057,382)	(6,734,807)
Interest payment	(9,767,281)	(10,009,399)
Repayment of capital contributions - capital grants	(1,193)	(5,055)
Proceeds from capital contributions - capital grants	4,010,037	18,993,064
<b>Cash used in capital and related financing activities</b>	<b>(37,247,493)</b>	<b>(17,247,518)</b>
<b>Cash flows from investing activities:</b>		
Interest received	4,236,308	4,831,905
Collection of notes receivable	279,070	313,953
<b>Cash provided by investing activities</b>	<b>4,515,378</b>	<b>5,145,858</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(24,791,781)</b>	<b>1,189,759</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	123,161,035	121,971,276
End of year	<b>\$ 98,369,254</b>	<b>\$ 123,161,035</b>
<b>Financial statement presentation:</b>		
Cash and cash equivalents	\$ 92,319,873	\$ 101,782,580
Restricted assets - cash and cash equivalents	6,049,381	21,378,455
<b>Total cash and cash equivalents</b>	<b>\$ 98,369,254</b>	<b>\$ 123,161,035</b>
<b>Noncash activities from capital and related financing activities</b>		
Deletion of bond premium	\$ 11,528,148	\$ 1,134,135
Acquisition of right-of-use asset	\$ 363,803	-

(Continued)

*See notes to the financial statements.*

**Water Replenishment District of Southern California**  
**Statements of Cash Flows (Continued)**

	Years ended June 30	
	2025	2024
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Net operating income	\$ 4,437,982	\$ 7,992,142
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	11,448,358	10,904,938
Election costs	(992,519)	(1,700,000)
Other revenues	(321,212)	(1,922,265)
Changes in operating assets, liabilities, and deferred outflows/inflows of resources		
(Increase) decrease in:		
Water replenishment assessments receivable, net	(3,027,309)	(3,662,675)
Prepaid items and deposits	-	67,987
Increase (decrease) in:		
Accounts payable and accrued expenses	(4,946,071)	1,934,746
Retention payable	162,145	(160,497)
Deposits payable	(511,896)	220,791
Pensions and OPEB-related deferred outflows of resources	2,974,761	(3,525,085)
Pensions and OPEB-related deferred inflows of resources	815,215	(92,997)
Accrued wages and related payables	111,081	66,893
Net pension liability	(153,078)	715,284
Net OPEB liability	(3,235,549)	1,357,471
Compensated absences	178,875	141,671
<b>Net cash provided by operating activities</b>	<b>\$ 6,940,783</b>	<b>\$ 12,338,404</b>

(Concluded)

*See notes to the financial statements.*

**Water Replenishment District of Southern California**  
**Index to the Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**Note 1    Reporting Entity**

The Water Replenishment District of Southern California (the “District”) was formed by a vote of the people in 1959 for the purpose of protecting the groundwater resources of the Central and West Coast groundwater basins in Southern Los Angeles County. The District provides groundwater management for four million residents in 43 cities of Southern Los Angeles County (the “County”). The District was formed in response to a history of over pumping of the basins, which caused wells to go dry and seawater to intrude into the potable water aquifers. The District's principal funding mechanisms include a water replenishment assessment on all the pumping from the groundwater basins and a general tax assessment in the form of a tax levy upon the real property and improvements within the County. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

*Blended Component Unit*

As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the District and its blended component unit. The component unit, although a legally separate entity is, in substance, part of the District's operations and so data from this unit is combined with data of the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following component unit should be blended based on the criteria above:

*Southern California Water Replenishment Financing Corporation*

The Southern California Water Replenishment Financing Corporation (“Corporation”) was incorporated on March 11, 1999. The Corporation is a California nonprofit public benefit corporation formed to assist the District in acquiring, constructing, operating and maintaining facilities, equipment, or other property needed by the District and leasing or selling such property to the District and as such has no employees or other operations.

**Note 1 Reporting Entity (Continued)**

*Southern California Water Replenishment Financing Corporation (Continued)*

Although the Corporation is a legally separate entity, it is included as a blended component unit of the District, as it is in substance a part of the District's operations. No separate financial statements are prepared for the Corporation.

**Note 2 Summary of Significant Accounting Policies**

***Basis of Presentation***

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as U.S. GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District.

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of managing the groundwater basins on a continuing basis are financed or recovered primarily through user charges (water replenishment assessments), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues from water replenishment assessments are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred. Expenses are recognized in the period incurred.

**Note 2 Summary of Significant Accounting Policies (Continued)**

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

Operating revenues, such as water replenishment assessments, result from exchange transactions associated with the District's principal activity. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as grant funding and investment income, result from non-exchange transactions, in which, the District gives or receives value without directly receiving or giving value in exchange. Operating expenses, such as water purchases, are the result of the District's exchange transactions along with associated expenses for running the District's day-to-day operations. Nonoperating expenses, such as interest paid on debt service or election costs every other year, are the result of expenses that do not relate to the District's day-to-day operations.

***Cash, Cash Equivalents, and Investments***

Whenever possible, the District's cash is invested in interest bearing accounts. However, the safety and liquidity of the District's cash always takes priority over yield. The District considers all highly liquid investments with a maturity of 3 months or less to be cash equivalents.

***Restricted Cash and Cash Equivalents***

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents, acting on behalf of the District, hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds and have been invested only as permitted by specific State statutes or applicable District ordinance, resolution, or bond indenture.

***Water Replenishment Assessments Receivable***

The District extends credit to customers in the normal course of operations. Management closely monitors outstanding balances and, based on collection experience, has determined all water replenishment assessment receivables are collectible. Allowances for doubtful accounts at June 30, 2025 and 2024 was estimated at \$0.

***Grants Receivable***

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a grant receivable on the statement of net position and as an intergovernmental revenue or a capital contribution on the statement of revenues, expenses and changes in net position.

**Note 2    Summary of Significant Accounting Policies (Continued)**

***Prepaid Items and Deposits***

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items and deposits in the basic financial statements.

***Regulatory Assets***

Regulatory assets are initially measured as the amount of the incurred cost which will be recovered through future water replenishment assessments. Regulatory assets are amortized over future periods consistent with the period of recovery through rates. If all or part of an incurred cost recorded as a regulatory asset is no longer probable of being recovered, the amount that will not be recovered should be written off to earnings. If the Board subsequently allows recovery of costs that were previously disallowed, a new asset is recorded; classification of the new asset depends on how the asset would have been classified had it been previously allowed.

***Capital Assets***

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. A provision for depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Service connections	50 years
Monitoring and injection equipment	3 - 20 years
Building and improvements	40 years
Improvements other than building	10 - 40 years
Machinery and equipment	10 - 20 years
Autos and trucks	3 - 7 years
Office furniture and equipment	5 - 10 years
Utility plant and equipment	30 years
Capacity rights	30 years

The District has evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management asserted that there were no impairments of capital assets as of June 30, 2025 and 2024.

**Note 2    Summary of Significant Accounting Policies (Continued)**

***Right-of-Use Lease Assets and Lease Payable***

The District recorded right-of-use lease assets and lease payable as a result of implementing GASB Statement No. 87, Leases. The right-of-use lease assets are initially measured at an amount equal to the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the term of the related leases or the useful life of the underlying assets, whichever is shorter.

***Subscription Assets and Subscription Payable***

The District has recorded subscription assets and subscription payable as a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The subscription assets are initially measured at an amount equal to the related subscription liability plus payments associated with the SBITA contract made to the SBITA vendor at the commencement of subscription term, if applicable and capitalizable initial implementation costs less any SBITA vendor incentives received from SBITA vendor at the commencement of subscription term.

A subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology assets. The amortization of the subscription asset is reported as an outflow of resources (for example, amortization expense), which may be combined with depreciation expense related to other capital assets for financial reporting purposes. Amortization should begin at the commencement of the subscription term.

***Unearned Revenue***

Unearned revenue is reported for resources received before the eligibility requirements are met (excluding time requirements).

***Deferred Outflows of Resources and Deferred Inflows of Resources***

The statement of net position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

**Deferred Outflows of Resources** represent a consumption of net assets that applies to future periods; therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent an acquisition of net assets that applies to future periods; therefore, are not recognized as a revenue until that time.

**Note 2 Summary of Significant Accounting Policies (Continued)**

***Capital Contributions***

Capital contributions represent cash and capital asset additions contributed to the District by the Federal and State granting agencies.

***Compensated Absences***

The District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will be paid for any unused sick leave.

In accordance with GASB Statement No. 101, Compensated Absences, a liability is recorded for unused vacation, sick, and similar compensatory leave balances, since the employees' entitlement to these balances accumulates, are attributable to services already rendered, and it is more likely than not that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. The liability includes salary-related benefits, if applicable.

***Accounts Payable and Accrued Expenses***

Accounts payable and accrued expenses include amounts payable to vendors.

***Long-term Debt***

Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable unamortized bond premium or discount. Debt issuance costs are expensed when incurred.

***Arbitrage Rebate Requirement***

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2025 and 2024.

***Pensions***

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2 Summary of Significant Accounting Policies (Continued)**

***Pensions (Continued)***

The following timeframes are used for pension reporting:

CalPERS

For the Year Ended	June 30, 2025	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
Measurement Period	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

PARS

For the Year Ended	June 30, 2025	June 30, 2024
Valuation Date	June 30, 2024	June 30, 2022
Measurement Date	June 30, 2025	June 30, 2024
Measurement Period	July 1, 2024 to June 30, 2025	July 1, 2023 to June 30, 2024

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. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

For the years ended June 30, 2025 and 2024, the District recognized total pension expense of \$2,361,248 and \$2,437,501 for all pension plans, respectively.

***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 the District’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Note 2 Summary of Significant Accounting Policies (Continued)**

***Other Postemployment Benefits (“OPEB”) (Continued)***

The following timeframes are used for OPEB reporting:

For the Year Ended	June 30, 2025	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2023
Measurement Period	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are 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 amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The District recognized total OPEB expense of \$1,219,671 for the year ended June 30, 2025 and total OPEB income of \$78,468 for the year ended June 30, 2024.

***Net Position***

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

**Net Investment in Capital Assets** – This component of net position consists of capital assets, unexpended proceeds of debt restricted to the financing of capital assets, and related deferred charges on refunding, net of accumulated depreciation and reduced by any related debt outstanding against the acquisition, construction or improvement of those capital assets.

**Restricted** – This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted** – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Note 2    Summary of Significant Accounting Policies (Continued)**

***Property Taxes and Assessments***

The County Assessor's Office assesses all real and personal property within the County each year. The County Tax Collector's Office bills and collects the District's share of property taxes and assessments.

The County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

***Water Replenishment Assessments***

Water replenishment assessments are billed on a monthly basis and are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred.

***Overhead Absorption***

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

***Use of Estimates***

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

**Note 2 Summary of Significant Accounting Policies (Continued)**

***Implementation of New GASB Pronouncements***

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101. *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this new accounting standard did not have a material impact on the District's financial statements.

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 102. *Certain Risk Disclosures*. The objective of this Statement is to improve transparency in governmental financial reporting. The implementation of this new accounting standard did not have an impact on the District's financial statements.

**Note 3 Cash and Investments**

At June 30, 2025 and 2024, cash and investments are classified in the accompanying statements of net position as follows:

	2025	2024
Cash and cash equivalents	\$ 92,319,873	\$ 101,782,580
Restricted cash and cash equivalents	6,049,381	21,378,455
Total cash and cash equivalents	\$ 98,369,254	\$ 123,161,035

***Demand Deposits***

At June 30, 2025 and 2024, cash and investments consisted of the following:

	2025	2024
Deposits with financial institutions	\$ 67,212,156	\$ 77,763,770
Investments:		
U.S. treasury notes	25,393,575	25,322,835
Money market funds	5,708,959	4,459,015
Investment with fiscal agent	54,564	15,615,415
Investment with fiscal agent	31,157,098	45,397,265
Total cash and cash equivalents	\$ 98,369,254	\$ 123,161,035

**Note 3 Cash and Investments (Continued)**

***Demand Deposits (Continued)***

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$67,212,156 and \$77,763,770 at June 30, 2025 and 2024, respectively. Bank balance at June 30, 2025 and 2024 were \$66,799,703 and \$72,231,434, respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

***Investments Authorized by the California Government Code and the District's Investment Policy***

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

**Note 3 Cash and Investments (Continued)**

***Investments Authorized by the California Government Code and the District's Investment Policy (Continued)***

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury bills, bonds and notes	5 years	None	None
Bonds issued by Local Agencies or States	5 years	None	None
U.S. government sponsored agency securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% off base value	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	5 years	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Los Angeles County Pooled Surplus Investment	5 years	None	None
Local Agency Investment Fund (LAIF)	5 years	None	None

***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 the District'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 risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills, bonds and notes	None	None	None
U.S. government sponsored agency securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Contracts	30 years	None	None

**Note 3 Cash and Investments (Continued)**

***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. One of the ways that the District manages its exposure to interest rate risk is 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 or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30, 2025 and 2024.

	<b>2025</b>	2024
	<b>Remaining Maturity (in Years)</b>	Remaining Maturity (in Years)
<b>Investment Type</b>	<b>Less Than 1 Year</b>	Less Than 1 Year
U.S. treasury notes	\$ 25,393,575	\$ 25,322,835
Money market funds	5,708,959	4,459,015
Investments with fiscal agent:		
Money market mutual funds	54,564	15,615,415
<b>Total</b>	<b>\$ 31,157,098</b>	<b>\$ 45,397,265</b>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District’s policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor’s, and Moody’s Investors Service. Presented in the following table are the Standard and Poor’s credit ratings for the Districts investments as of June 30, 2025 and 2024.

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 3 Cash and Investments (Continued)**

*Disclosures Relating to Interest Rate Risk (Continued)*

	2025		
Investment Type	Total As of June 30, 2025	Minimum Legal Requirement	AA+
U.S. treasury notes	\$ 25,393,575	None	\$ 25,393,575
Money market funds	5,708,959	None	N/A
Investments with fiscal agent:			
Money market mutual funds	54,564	None	54,564
<b>Total</b>	<b>\$ 31,157,098</b>		<b>\$ 25,448,139</b>
	2024		
Investment Type	Total As of June 30, 2024	Minimum Legal Requirement	AAA
U.S. treasury notes	\$ 25,322,835	None	\$ 25,322,835
Money market funds	4,459,015	None	N/A
Investments with fiscal agent:			
Money market mutual funds	15,615,415	None	15,615,415
<b>Total</b>	<b>\$ 45,397,265</b>		<b>\$ 40,938,250</b>

*Concentration of Credit Risk*

The District's investment policy contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2025 and 2024, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments.

**Note 3 Cash and Investments (Continued)**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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 counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% 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. As of June 30, 2025 and 2024, none of the District's deposits or investments were exposed to custodial credit risk.

***Fair Value Measurements***

The District categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Investment Type	2025			Totals
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	
Investments with fiscal agent:				
U.S. treasury notes	\$ 25,393,575	\$ -	\$ -	\$ 25,393,575
Money market funds	5,708,959	-	-	5,708,959
Total leveled investments	\$ 31,102,534	\$ -	\$ -	\$ 31,102,534
Money market funds*				54,564
Total Investment Portfolio				\$ 31,157,098

\* Not subject to fair value measurement hierarchy.

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 3 Cash and Investments (Continued)**

*Fair Value Measurements (Continued)*

Investment Type	2024			Totals
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	
Investments with fiscal agent:				
U.S. treasury notes	\$ 25,322,835	\$ -	\$ -	\$ 25,322,835
Money market funds	4,459,015	-	-	4,459,015
Total leveled investments	\$ 29,781,850	\$ -	\$ -	29,781,850
Money market funds*				15,615,415
Total Investment Portfolio				\$ 45,397,265

\* Not subject to fair value measurement hierarchy.

**Note 4 Notes Receivable**

At June 30, 2025 and 2024, notes receivable consisted of the following:

	2025	2024
City of Vernon	\$ 802,326	\$ 941,860
City of Signal Hill	1,220,930	1,360,466
Total notes receivable	\$ 2,023,256	\$ 2,302,326
Due within one year	\$ 279,070	\$ 313,953
Due in more than one year	\$ 1,744,186	\$ 1,988,373

*City of Vernon*

On May 16, 2019, the District entered into a loan agreement with the City of Vernon for a maximum loan amount of \$1,500,000 to finance the design, construction, installation and other services required to construct or rehabilitate the City's groundwater well. The loan is payable annually over a 10-year period. The loan is unsecured and non-interest-bearing.

**Note 4    Notes Receivable (Continued)**

*City of Vernon (Continued)*

Quarterly repayment of the loan in the amount of \$34,884 started upon completion of the project and full disbursement of the loan proceeds to the City. The balance at June 30, 2025 and 2024 was \$802,326 and \$941,860, respectively.

*City of Signal Hill*

On December 19, 2019, the District entered into a loan agreement with the City of Signal Hill for a maximum loan amount of \$1,500,000 to finance the design, construction, installation, rehabilitation, and other services required to construct a replacement for the City's groundwater well. The loan is payable annually over a 10-year period. The loan is unsecured and non-interest bearing. Quarterly repayment of the loan will start upon completion of the project and full disbursement of the loan proceeds to the City. The balance at June 30, 2025 and 2024 was \$1,220,930 and \$1,360,466, respectively.

**Note 5    Regulatory Assets**

The District's Board of Directors launched the PFAS Remediation Program in August 2020, where over \$60 million in grant funding was established for water purveyors in the Central Basin and West Coast Basin seeking to install treatment systems to remove PFAS from drinking water wells. The program is one of the first in the State of California to administer grants specifically for the remediation of PFAS-impacted wells.

On November 4, 2021, the District's Board of Directors approved the adoption of the Capital Improvement Projects Committee's five-year capital projects which includes the PFAS Remediation Program. The program involves an estimated total of \$61 million to be provided to various purveyors in the form of grants up to fiscal year 2028.

For the year ended June 30, 2025 and 2024, the District spent \$1,850,777 and \$3,917,845, respectively for PFAS remediation cost and recognized it as regulatory assets with the intention is to fully recover the PFAS remediation cost through rate adjustments through fiscal year 2029. The balance of regulatory assets as of June 30, 2025 and 2024 was \$10,360,081 and \$10,559,080, respectively.

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 6 Capital Assets**

Changes in capital assets for the year ended June 30, 2025 were as follows:

	Balance July 1, 2024	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2025
<b>Capital assets, not depreciated</b>				
Land	\$ 16,673,743	\$ -	\$ -	\$ 16,673,743
Construction-in-process	77,230,026	22,851,260	(16,464,117)	83,617,169
<b>Total capital assets, not depreciated</b>	<u>93,903,769</u>	<u>22,851,260</u>	<u>(16,464,117)</u>	<u>100,290,912</u>
<b>Capital assets, being depreciated</b>				
Building and improvements	11,158,712	-	-	11,158,712
Utility plant and equipment	285,429,135	15,047,795	-	300,476,930
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	28,042,085	1,553,808	-	29,595,893
Service connections	401,420	-	-	401,420
Right-of-use lease assets				
Land	1,079,305	329,567	-	1,408,872
Warehouse space	114,794	-	-	114,794
Office equipment	127,713	-	-	127,713
Subscription assets	447,855	-	-	447,855
<b>Total capital assets, being depreciated</b>	<u>329,240,623</u>	<u>16,931,170</u>	<u>-</u>	<u>346,171,793</u>
<b>Less accumulated depreciation</b>				
Building and improvements	(4,751,307)	(297,264)	-	(5,048,571)
Utility plant and equipment	(62,361,785)	(9,747,184)	-	(72,108,969)
Capacity rights	(1,545,201)	(81,877)	-	(1,627,078)
Monitoring and injection equipment	(17,580,608)	(1,120,073)	-	(18,700,681)
Service connections	(131,413)	(6,000)	-	(137,413)
Right-of-use lease assets				
Land	(238,374)	(45,383)		(283,757)
Warehouse space	(114,794)	-		(114,794)
Office equipment	(73,454)	(24,817)		(98,271)
Subscription assets	(183,048)	(91,524)	-	(274,572)
<b>Total accumulated depreciation</b>	<u>(86,979,984)</u>	<u>(11,414,122)</u>	<u>-</u>	<u>(98,394,106)</u>
<b>Total capital assets, being depreciated, net</b>	<u>242,260,639</u>	<u>5,517,048</u>	<u>-</u>	<u>247,777,687</u>
<b>Total capital assets, net</b>	<u>\$ 336,164,408</u>	<u>\$ 28,368,308</u>	<u>\$ (16,464,117)</u>	<u>\$ 348,068,599</u>

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 6 Capital Assets (Continued)**

Changes in capital assets for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023 (as restated)	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2024
<b>Capital assets, not depreciated</b>				
Land	\$ 16,673,743	\$ -	\$ -	\$ 16,673,743
Construction-in-process	64,322,228	15,413,317	(2,505,519)	77,230,026
<b>Total capital assets, not depreciated</b>	<u>80,995,971</u>	<u>15,413,317</u>	<u>(2,505,519)</u>	<u>93,903,769</u>
<b>Capital assets, being depreciated</b>				
Building and improvements	11,158,712	-	-	11,158,712
Utility plant and equipment	285,429,135	-	-	285,429,135
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	25,607,165	2,505,519	(70,599)	28,042,085
Service connections	401,420	-	-	401,420
Right-of-use lease assets				
Land	1,079,305	-	-	1,079,305
Warehouse space	114,794	-	-	114,794
Office equipment	127,713	-	-	127,713
Subscription assets	447,855	-	-	447,855
<b>Total capital assets, being depreciated</b>	<u>326,805,703</u>	<u>2,505,519</u>	<u>(70,599)</u>	<u>329,240,623</u>
<b>Less accumulated depreciation</b>				
Building and improvements	(4,454,042)	(297,265)	-	(4,751,307)
Utility plant and equipment	(52,847,481)	(9,514,304)	-	(62,361,785)
Capacity rights	(1,463,892)	(81,309)	-	(1,545,201)
Monitoring and injection equipment	(16,850,984)	(800,223)	70,599	(17,580,608)
Service connections	(125,202)	(6,211)	-	(131,413)
Right-of-use lease assets				
Land	(158,916)	(79,458)	-	(238,374)
Warehouse space	(110,202)	(4,592)	-	(114,794)
Office equipment	(43,402)	(30,052)	-	(73,454)
Subscription assets	(91,524)	(91,524)	-	(183,048)
<b>Total accumulated depreciation</b>	<u>(76,145,645)</u>	<u>(10,904,938)</u>	<u>70,599</u>	<u>(86,979,984)</u>
<b>Total capital assets, being depreciated, net</b>	<u>250,660,058</u>	<u>(8,399,419)</u>	<u>-</u>	<u>242,260,639</u>
<b>Total capital assets, net</b>	<u>\$ 331,656,029</u>	<u>\$ 7,013,898</u>	<u>\$ (2,505,519)</u>	<u>\$ 336,164,408</u>

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 6 Capital Assets (Continued)**

Major capital asset additions during 2025 and 2024 include work on various stages of construction projects. A significant portion of these additions related to various projects were completed during the current year and transferred out of construction-in-process and into the related capital assets categories.

The District engaged in various construction projects throughout 2025. The balances of the various construction projects that comprise the construction-in-progress balances as of June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Goldworthy Desalter	\$ <b>20,612,802</b>	\$ 7,240,936
Bond interest for capital projects	<b>19,691,500</b>	19,715,369
Leo J. Vander Lans Advanced Water Treatment Facility (LJVWTF) Expansion	<b>18,554,812</b>	11,372,124
Regional Brackish Water Reclamation Program	<b>9,812,104</b>	9,811,945
Joint LA Basin Replenishment & Extraction Project	<b>2,735,258</b>	2,735,258
Supervisory Control and Data Acquisition (SCADA)	<b>2,723,673</b>	2,722,222
Paramount Equipment/Fleet Center	<b>2,658,681</b>	1,293,507
Asset Management	<b>1,840,868</b>	1,838,895
Dominguez Gap Recycled Water Project	<b>1,075,003</b>	1,070,463
Groundwater Replenishment Improvement Project (GRIP)	<b>1,063,570</b>	927,806
Caltrans Pipeline	<b>913,182</b>	913,182
Groundwater Infrastructure Improvements	<b>873,496</b>	873,497
WRD Headquarter Building Improvement	<b>842,902</b>	55,540
General Engineering Administration	<b>186,440</b>	186,440
Replenishment operations (Interconnection Pipeline)	<b>16,747</b>	16,464
Pipeline Projects	<b>13,768</b>	13,768
Compliance Monitoring	<b>2,363</b>	2,363
Environmental and Compliance Monitoring Project	-	16,440,247
Total construction-in-process	<b>\$ 83,617,169</b>	\$ 77,230,026

**Note 6 Capital Assets (Continued)**

At June 30, 2025 and 2024, lease assets consisted of the following major classes of underlying assets:

	2025	2024
<b>Lease assets</b>		
Land	\$ 1,408,872	\$ 1,079,305
Warehouse space	114,794	114,794
Office equipment	127,713	127,713
Total lease assets	1,651,379	1,321,812
 <b>Accumulated amortization</b>		
Land	283,757	238,374
Warehouse space	114,794	114,794
Office equipment	98,271	73,454
Total accumulated amortization	496,822	426,622
 <b>Lease assets, net</b>	<b>\$ 1,154,557</b>	<b>\$ 895,190</b>

**Note 7 Unearned Revenue**

***Water Replenishment Assessment***

Cities may prepay their water replenishment assessment per the terms of a groundwater banking agreement between the district and the respective city. There was no unearned revenue related to water replenishment assessment as of June 30, 2025 and 2024.

***Advances from Caltrans***

In April 2004, the District and the California Department of Transportation (Caltrans) entered into an agreement relating to groundwater in the vicinity of the I-105 freeway. The agreement calls for \$8 million to be paid by Caltrans to the District to be used to pay the costs of the proposed pipeline project described in the agreement, and to pay the replenishment assessment levied against the Caltrans groundwater extractions from beneath the I-105 freeway section. Caltrans advanced the \$8 million to the District to fund the proposed pipeline project. As of June 30, 2025, and 2024, the District has spent \$2,963,573 and \$2,962,380 on the project, leaving an unexpended balance on the advance of \$5,036,427 and \$5,037,620, respectively.

**Note 8    Compensated Absences**

Summary of changes in compensated absences for the years ended June 30, 2025 and 2024 are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Net Earned</u>	<u>Buy Back</u>	<u>Ending Balance</u>	<u>Due within One Year</u>	<u>Due in More than One Year</u>
2024-25	\$ 1,476,896	\$ 304,863	\$ (125,988)	\$ 1,655,771	\$ 273,248	\$ 1,382,523
2023-24	\$ 1,335,225	\$ 273,155	\$ (131,484)	\$ 1,476,896	\$ 213,599	\$ 1,263,297

**Note 9    Lease Liabilities**

*Leases*

The District has the following leases as of June 30, 2025 and 2024:

**City of Torrance – Land**

On January 1, 2022, the District extended its lease agreement with City of Torrance (lessor) to lease one parcel of real property known as City of Torrance City Service Facility until January 1, 2045 for a monthly payment of \$9,509 subject to adjustment every 3 years based on CPI.

**3673 Industry Avenue, LLC. – Warehouse Space**

On April 13, 2022, the District extended a lease agreement with 3673 Industry Avenue, LLC. (lessor) to lease the groundwater monitoring operations facility for twenty-five (25) months for a monthly payment of \$4,480. The extended term of the agreement started on July 1, 2021.

**Quadient Leasing USA, Inc. – Office Equipment**

On December 2, 2022, the District entered into a lease agreement with Quadient Leasing USA, Inc. (lessor) to lease an office equipment for 36 months from December 2, 2022 to December 1, 2025 for a monthly payment of \$473.61.

**Ricoh, USA, Inc. – Office Equipment**

On March 1, 2022, the District entered into a lease agreement with Ricoh USA Inc. (lessor) to lease an office equipment for sixty (60) months from January 1, 2022 to December 31, 2026 for a monthly payment of \$1,731.

**Xerox Financial Services, LLC. – Office Equipment**

On June 30, 2019, the District entered into a lease agreement with Xerox Financial Services, LLC. (lessor) to lease office equipment for sixty (60) months from October 1, 2019 to September 30, 2024 for a monthly payment of \$642. The District did not elect to purchase or return the leased equipment prior to the end of the agreement term. In accordance with the lease provisions, the agreement is automatically renewed in three-month increments.

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 9 Lease Liabilities (Continued)**

***Leases (Continued)***

Since the interest rate implicit in the above leases is not readily determined by the District, the future lease payments were discounted using an estimated incremental borrowing rate should a loan be taken to pay lease amounts during the lease terms. The District applied a discount rate of 6% in measuring lease liabilities for all leases, except for the extension of the lease agreement with Xerox Financial Services, LLC, for which a discount rate of 5% was used.

The District recorded a right-to-use lease asset with a net book value of \$1,154,557 and \$895,190 and a lease liability of \$1,273,841 and \$975,645 for all these leases as of June 30, 2025 and 2024, respectively.

***Lease Payable***

As of June 30, 2025, lease payable consisted of the following:

	Balance			Balance		
	July 1, 2024	Additions	Payments	June 30, 2025	Due within One Year	Due in More Than One Year
City of Torrance	\$ 917,536	\$ 363,803	\$ (40,002)	\$ 1,241,337	\$ 44,255	\$ 1,197,082
Ricoh, USA, Inc.	48,108	-	(18,383)	29,725	19,518	10,207
Xerox Financial Services, LLC	1,906	-	(1,906)	-	-	-
Quandient	8,095	-	(5,316)	2,779	2,779	-
<b>Total lease payable</b>	<b>\$ 975,645</b>	<b>\$ 363,803</b>	<b>\$ (65,607)</b>	<b>\$ 1,273,841</b>	<b>\$ 66,552</b>	<b>\$ 1,207,289</b>

As of June 30, 2024, lease payable consisted of the following:

	Balance			Balance		
	July 1, 2023	Additions	Payments	June 30, 2024	Due within One Year	Due in More Than One Year
City of Torrance	\$ 974,717	\$ -	\$ (57,181)	\$ 917,536	\$ 60,707	\$ 856,829
3673 Industry Avenue, LLC	5,349	-	(5,349)	-	-	-
Ricoh, USA, Inc.	65,424	-	(17,316)	48,108	18,384	29,724
Xerox Financial Services, LLC	10,534	-	(8,628)	1,906	1,906	-
Quandient	13,103	-	(5,008)	8,095	5,316	2,779
<b>Total lease payable</b>	<b>\$ 1,069,127</b>	<b>\$ -</b>	<b>\$ (93,483)</b>	<b>\$ 975,645</b>	<b>\$ 86,313</b>	<b>\$ 889,332</b>

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 9 Lease Liabilities (Continued)**

***Lease Payable (Continued)***

Payments of principal and interest for each of the next five fiscal years and increments thereafter are as follows:

<u>Years ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 66,552	\$ 74,592	\$ 141,144
2027	57,190	70,726	127,916
2028	49,882	67,649	117,531
2029	54,744	64,550	119,294
2030	59,960	61,097	121,057
Thereafter	985,513	352,276	1,337,789
<b>Total</b>	<b>\$ 1,273,841</b>	<b>\$ 690,890</b>	<b>\$ 1,964,731</b>

**Note 10 Subscription Payable**

The District has entered into IT software subscription agreements with three SBITA vendors with subscription terms ranging from 3-5 years. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. The District used an estimated borrowing rate of 6% in calculating the subscription payable at implementation date. The District recorded a subscription asset with a net book value of \$173,283 and \$264,807 and a subscription payable of \$160,988 and \$240,452 for all these leases as of June 30, 2025 and 2024, respectively.

As of June 30, 2025, subscription payable consisted of the following:

	<u>Balance</u>		<u>Payments</u>	<u>Balance</u>	<u>Due within</u>	<u>Due in More</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>June 30, 2025</u>	<u>One Year</u>	<u>Than One Year</u>	
NEOGOV	\$ 21,325	\$ -	\$ (21,325)	\$ -	\$ -	\$ -
Microsoft Corporation	100,942	-	(23,074)	77,868	24,459	53,409
Questica LTD	118,185	-	(35,065)	83,120	39,276	43,844
<b>Total subscription payable</b>	<b>\$ 240,452</b>	<b>\$ -</b>	<b>\$ (79,464)</b>	<b>\$ 160,988</b>	<b>\$ 63,735</b>	<b>\$ 97,253</b>

As of June 30, 2024, subscription payable consisted of the following:

	<u>Balance</u>		<u>Payments</u>	<u>Balance</u>	<u>Due within</u>	<u>Due in More</u>
	<u>July 1, 2023</u>	<u>Additions</u>	<u>June 30, 2024</u>	<u>One Year</u>	<u>Than One Year</u>	
NEOGOV	\$ 35,046	\$ -	\$ (13,721)	\$ 21,325	\$ 21,325	\$ -
Microsoft Corporation	122,710	-	(21,768)	100,942	23,074	77,868
Questica LTD	149,371	-	(31,186)	118,185	35,064	83,121
<b>Total subscription payable</b>	<b>\$ 307,127</b>	<b>\$ -</b>	<b>\$ (66,675)</b>	<b>\$ 240,452</b>	<b>\$ 79,463</b>	<b>\$ 160,989</b>

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 10 Subscription Payable (Continued)**

The future minimum subscription obligations as of June 30, 2025, are as follows:

Years ending June 30	Principal	Interest	Total
2026	\$ 63,735	\$ 7,303	\$ 71,038
2027	69,772	3,205	72,977
2028	27,481	1,649	29,130
2029	-	-	-
2030	-	-	-
Total	<u>\$ 160,988</u>	<u>\$ 12,157</u>	<u>\$ 173,145</u>

**Note 11 Long-Term Debt**

Summary of changes in long-term debt for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year	Due in More Than One Year
Replenishment Assessment						
Revenue Refunding Bonds, Series 2015	\$ 127,715,000	\$ -	\$ (92,530,000)	\$ 35,185,000	\$ 3,455,000	\$ 31,730,000
Add: Unamortized Premium	16,873,464	-	(12,328,471)	4,544,993	-	4,544,993
Replenishment Assessment						
Revenue Bonds, Series 2018	61,320,000	-	(1,260,000)	60,060,000	1,325,000	58,735,000
Add: Unamortized Premium	8,039,341	-	(333,813)	7,705,528	333,813	7,371,715
Replenishment Assessment						
Revenue Bonds, Series 2025	-	82,600,000	-	82,600,000	2,010,000	80,590,000
Add: Unamortized Premium	-	8,952,920	(46,149)	8,906,771	46,149	8,860,622
Clean Water State Revolving						
Fund Loan	68,741,255	-	(2,433,905)	66,307,350	2,458,244	63,849,106
<b>Total long-term debt</b>	<u>\$ 282,689,060</u>	<u>\$ 91,552,920</u>	<u>\$ (108,932,338)</u>	<u>\$ 265,309,642</u>	<u>\$ 9,628,206</u>	<u>\$ 255,681,436</u>

Summary of changes in long-term debt for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Replenishment Assessment						
Revenue Refunding Bonds, Series 2015	\$ 130,840,000	\$ -	\$ (3,125,000)	\$ 127,715,000	\$ 3,285,000	\$ 124,430,000
Add: Unamortized Premium	17,673,786	-	(800,322)	16,873,464	800,322	16,073,142
Replenishment Assessment						
Revenue Bonds, Series 2018	62,520,000	-	(1,200,000)	61,320,000	1,260,000	60,060,000
Add: Unamortized Premium	8,373,154	-	(333,813)	8,039,341	333,813	7,705,528
Clean Water State Revolving						
Fund Loan	71,151,062	-	(2,409,807)	68,741,255	2,433,905	66,307,350
<b>Total long-term debt</b>	<u>\$ 290,558,002</u>	<u>\$ -</u>	<u>\$ (7,868,942)</u>	<u>\$ 282,689,060</u>	<u>\$ 8,113,040</u>	<u>\$ 274,576,020</u>

**Note 11 Long-Term Debt (Continued)**

***Replenishment Assessment Revenue Refunding Bonds, Series 2015***

On December 10, 2015, the District issued \$148,345,000 of Replenishment Assessment Revenue Refunding Bonds, Series 2015. The bonds were rated AA+ from both Standard & Poor’s and Fitch Ratings. The proceeds were used to refinance the District’s outstanding 2004, 2008 and 2011 certificates of participation and provide \$69,500,000, which will fund the District’s 5-year capital improvement plan, including projects such as the Groundwater Reliability Improvement Project, the expansion of the Goldsworthy Desalter, the Groundwater Basin Management Program and the Safe Drinking Water Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2046.

In June 2025, the District partially refunded \$89,245,000 of the Replenishment Assessment Revenue Refunding Bonds, Series 2015 through the issuance of Replenishment Assessment Revenue Refunding Bonds, 2025 Series, leaving an unrefunded balance of \$35,185,000 as of June 30, 2025.

As a result of the refunding, the \$89,245,000 refunded Replenishment Assessment Revenue Refunding Bonds, Series 2015, is considered to be defeased and the liability for these bonds has been removed from the statement of net position in the accompanying financial statements.

The defeasance resulted in a difference between the reacquisition price and the net carrying amount of the defeased debt of \$9,694,672. The difference, reported in the accompanying statements as a deferred inflow of resources, is being charged to interest expense through 2046.

The Replenishment Assessment Revenue Bonds, Series 2015 debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 3,455,000	\$ 1,355,575	\$ 4,810,575
2027	-	1,269,200	1,269,200
2028	-	1,269,200	1,269,200
2029	-	1,269,200	1,269,200
2030	-	1,269,200	1,269,200
2031-2035	-	6,346,000	6,346,000
2036-2040	-	6,346,000	6,346,000
2041-2045	23,315,000	4,972,000	28,287,000
2046	8,415,000	168,300	8,583,300
	\$ 35,185,000	\$ 24,264,675	\$ 59,449,675

**Note 11 Long-Term Debt (Continued)**

***Replenishment Assessment Revenue Bonds, Series 2018***

On December 1, 2018, the District issued \$65,785,000 of Replenishment Assessment Revenue Bonds, Series 2018. The bonds were rated AA+ from both Standard & Poor's and Fitch Ratings. The bonds will fund the District's 5-year Capital Improvement Plan including projects such as the Water Independence Now Program, Groundwater Basin Management Program, the Groundwater Quality Protection and Remediation Plan and the Regional Brackish Water Reclamation Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2049.

The Replenishment Assessment Revenue Bonds, Series 2018 debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 1,325,000	\$ 2,969,875	\$ 4,294,875
2027	1,395,000	2,901,875	4,296,875
2028	1,465,000	2,830,375	4,295,375
2029	1,540,000	2,755,250	4,295,250
2030	1,620,000	2,676,250	4,296,250
2031-2035	9,440,000	12,045,750	21,485,750
2036-2040	12,125,000	9,363,625	21,488,625
2041-2045	15,565,000	5,919,375	21,484,375
2046-2049	15,585,000	1,606,875	17,191,875
	\$ 60,060,000	\$ 43,069,250	\$ 103,129,250

***Replenishment Assessment Revenue Bonds, Series 2025***

On June 10, 2025, the District issued \$82,600,000 of Replenishment Assessment Revenue Bonds, Series 2025. The bonds were rated AA+ from Standard & Poor's Global Ratings. The bonds refinanced a portion of the District's obligation related to the District's Replenishment Assessment Revenue Bonds, Series 2015, and pay costs of the issuance of the bonds. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2042.

**Water Replenishment District of Southern California**  
**Notes to the Basic Financial Statements**  
**Years Ended June 30, 2025 and 2024**

**Note 11 Long-Term Debt (Continued)**

***Replenishment Assessment Revenue Bonds, Series 2025 (Continued)***

Year Ending June 30	Principal	Interest	Total
2026	\$ 2,010,000	\$ 2,416,278	\$ 4,426,278
2027	3,370,000	3,945,250	7,315,250
2028	3,540,000	3,772,500	7,312,500
2029	3,730,000	3,590,750	7,320,750
2030	3,920,000	3,399,500	7,319,500
2031-2035	22,810,000	13,770,250	36,580,250
2036-2040	29,295,000	7,289,125	36,584,125
2041-2042	13,925,000	704,875	14,629,875
	<u>\$ 82,600,000</u>	<u>\$ 38,888,528</u>	<u>\$ 121,488,528</u>

***Clean Water State Revolving Fund Loan***

In October 2017, the Board of Directors of the District approved an agreement with California’s State Water Resources Control Board (SWRCB) that will provide \$95 million in funding for the construction of the Groundwater Reliability Improvement Project (GRIP), an advanced water treatment facility currently under construction in the City of Pico Rivera. Of the \$95 million in funding, SWRCB has agreed to provide \$15 million as grant funds while the remaining \$80 million will be a loan that is payable in annual installments starting on December 31, 2020 and matures on December 31, 2048. The \$80 million loan has an interest rate of 1%. During the years ended June 30, 2025 and 2024, the District drew down \$0 from SWRCB.

The annual debt service requirements at June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 2,458,244	\$ 663,074	\$ 3,121,318
2027	2,482,826	638,491	3,121,317
2028	2,507,654	613,663	3,121,317
2029	2,532,731	588,586	3,121,317
2030	2,558,058	563,259	3,121,317
2031-2035	13,179,155	2,427,431	15,606,586
2036-2040	13,851,425	1,755,163	15,606,588
2041-2045	14,557,986	1,048,600	15,606,586
2046-2049	12,179,271	305,996	12,485,267
	<u>\$ 66,307,350</u>	<u>\$ 8,604,263</u>	<u>\$ 74,911,613</u>

**Note 12 Deferred Compensation Savings Plan**

For the benefit of its employees, the District participates in IRS Code Section 457 and 401(a) Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for District employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The District is in compliance with this legislation. These assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The assets and related liabilities are not shown on the statements of net position. The District has little administrative involvement and does not perform the investing function for this plan. Unaudited market value of all plan assets held in trust at June 30, 2025 and 2024 was \$10,173,597 and \$8,403,296, respectively.

**Note 13 Defined Benefit Pension Plans**

*CalPERS Plans*

**General Information about the Pension Plans**

*Plan Description*

The District's defined benefit pension plan (the "Plan") provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Miscellaneous Risk Pool Public Agency portion of the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

**Note 13 Defined Benefit Pension Plans (Continued)**

*CalPERS Plans (Continued)*

**General Information about the Pension Plans (Continued)**

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for service retirement upon attainment of age 60 with at least 5 years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act ("PEPRA") went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA employees are calculated as 2% of the average final 36 months compensation.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the District to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one-month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

**Note 13 Defined Benefit Pension Plans (Continued)**

*CalPERS Plans (Continued)*

**General Information about the Pension Plans (Continued)**

Employee Covered by Benefit Terms

At June 30, 2023 and 2022, the valuation dates, the following employees were covered by the benefit terms:

	2023		2022	
	Classic	PEPRA	Classic	PEPRA
Active employees	16	31	16	26
Transferred and terminated employees	31	6	34	5
Retired employees and beneficiaries	44	1	43	1
	91	38	93	32

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be 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. For the measurement period ended June 30, 2024, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 18.24% of the annual payroll; the PEPRA active employee contribution rate was 8.25% of annual pay, and the required employer contribution rates were 8.00% of the annual payroll.

For the measurement period ended June 30, 2023, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 16.15% of the annual payroll; the PEPRA active employee contribution rate was 7.25% of annual pay, and the required employer contribution rates were 7.73% of the annual payroll.

**Note 13 Defined Benefit Pension Plans (Continued)**

*CalPERS Plans (Continued)*

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

June 30, 2025 and 2024 reporting year

The following actuarial methods and assumptions were used in June 30, 2023 and 2022 valuation dates to determine the pension liability on June 30, 2024 and 2023 (measurement date):

Actuarial Cost Method	Entry age normal in accordance with the requirement of GASB Statement No. 68
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Actuarial Assumptions:

Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Long-Term Expected Rate of Return*

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

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

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (1,2)</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

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

(2) Figures are based on the 2021 Asset Liability Management study.

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Discount Rate*

The discount rate used to measure the June 30, 2024 and 2023 total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the Plan as of the measurement date June 30, 2024, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (7.90%) or 1 percentage-point higher (5.90%) than the current rate:

Measurement Date	Plan's Net Pension Liability		
	Current		
	Discount Rate -1% (5.90%)	Discount Rate (6.90%)	Discount Rate +1% (7.90%)
June 30, 2024	\$ 13,539,521	\$ 7,838,362	\$ 3,145,469

The following presents the net pension liability of the Plan as of the measurement date June 30, 2023, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (7.90%) or 1 percentage-point higher (5.90%) than the current rate:

Measurement Date	Plan's Net Pension Liability		
	Current		
	Discount Rate -1% (5.90%)	Discount Rate (6.90%)	Discount Rate +1% (7.90%)
June 30, 2023	\$ 13,138,263	\$ 7,942,766	\$ 3,666,425

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

*Proportionate Share of Net Pension Liability and Pension Expense*

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement periods July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023:

<u>Measurement Date</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> <b>(a)</b>	<u>Plan Fiduciary Net Position</u> <b>(b)</b>	<u>Net Pension Liability</u> <b>(c) =(a) - (b)</b>
Balance at June 30, 2023 (Measurement Date)	\$ 38,415,239	\$ 30,472,473	\$ 7,942,766
Balance at June 30, 2024 (Measurement Date)	42,249,463	34,411,101	7,838,362
Net changes during July 1, 2023 to June 30, 2024	3,834,224	3,938,628	(104,404)

<u>Measurement Date</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> <b>(a)</b>	<u>Plan Fiduciary Net Position</u> <b>(b)</b>	<u>Net Pension Liability</u> <b>(c) =(a) - (b)</b>
Balance at June 30, 2022 (Measurement Date)	\$ 34,916,145	\$ 27,695,087	\$ 7,221,058
Balance at June 30, 2023 (Measurement Date)	38,415,239	30,472,473	7,942,766
Net changes during July 1, 2022 to June 30, 2023	3,499,094	2,777,386	721,708

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement periods ended June 30, 2024 and 2023.

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2023 and 2022). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement dates (June 30, 2024 and 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2024 and June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2023-24 and 2022-2023).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of the market value of assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the District’s share of contribution.

The District’s proportionate share of the net pension liability was as follows:

	2025		2024
<b>June 30, 2024</b>	<b>0.15884%</b>	June 30, 2023	0.15432%
<b>June 30, 2025</b>	<b>0.16206%</b>	June 30, 2024	0.15884%
<b>Change - Increase (Decrease)</b>	<b><u>0.003220%</u></b>	Change - Increase (Decrease)	<b><u>0.004518%</u></b>

For the years ended June 30, 2025 and 2024, the District recognized pension expense in the amounts of \$2,316,951 and \$2,386,891 for CalPERS plan, respectively.

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 PERF C for the measurement period ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (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.

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

The EARS� for the miscellaneous plan risk pool for the 2022-23 measurement period is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,074 (the total number of participants: active, inactive, and retired).

At June 30, 2025, and 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,762,707	\$ -	\$ 1,523,177	\$ -
Differences between actual and expected experience	677,700	(26,443)	405,759	(62,943)
Changes of assumptions	201,462	-	479,541	-
Adjustment due to differences in proportions	253,853	-	268,206	-
Differences between the District's contribution and proportionate share of contribution	415,717	-	495,141	-
Net differences between projected and actual earnings on plan investments	451,245	-	1,286,005	-
<b>Total \$</b>	<b>3,762,684</b>	<b>(26,443)</b>	<b>4,457,829</b>	<b>(62,943)</b>

**Note 13 Defined Benefit Pension Plans (Continued)**

**CalPERS Plans (Continued)**

**Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

The \$1,762,707 and \$1,523,177 reported as deferred outflows of resources related to pensions as of June 30, 2025 and 2024, respectively, resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2026 and June 30, 2025.

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

2025		2024	
Year Ending June 30,	Deferred Outflows (Inflows) of Resources	Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 798,337	2025	\$ 1,050,218
2027	1,235,043	2026	679,323
2028	94,790	2027	1,105,267
2029	(154,636)	2028	36,901
2030	-	2029	-
Thereafter	-	Thereafter	-
<b>Total</b>	<b>\$ 1,973,534</b>	<b>Total</b>	<b>\$ 2,871,709</b>

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan**

**General Information about the Pension Plan**

*Plan Description*

The District provides retirement benefits to its elected directors who do not participate in CalPERS through a single-employer defined benefit plan administered as part of the Public Agency Retirement System (PARS). A separate audited GAAP-basis post-employment benefit plan report is not available for this Plan. Directors who retire at age 50 with 5 years of service with the District are eligible to receive pension benefits under the plan. The plan provides a benefit equal to the “3% at 60” plan factor of final average compensation for all years of service. The plan provides a benefit equal to “2% at 62” for Board members of the District hired after December 31, 2012 and are not participating in the CalPERS plan.

*Benefit Provided*

The plan provides a Tier I benefit for Board Members of the District on or after January 1, 2003 and hired prior on or before December 31, 2012 equal to the CalPERS “3.0% at 60” benefit. Final average compensation for Tier I is defined as the highest year of W-2 and/or 1099 compensation paid by the District.

The plan provides a Tier II benefit for Board Members of the District hired after December 31, 2012 equal to the CalPERS “2.0% at 62” benefit. Final average compensation for Tier II is the highest average annual compensation paid to an employee during any consecutive thirty-six (36) months of compensation with the District, and shall be based on normal monthly rate of pay of similarly-situated employees and shall not exceed an annual amount equal to 120% of the maximum taxable earnings under Social Security as of 2012 (adjusted annually by CPI).

Eligibility for an immediate benefit under Tier I is defined as reaching age 50 and completing five years of continuous service with the District. Eligibility for an immediate benefit under Tier II is defined as reaching age 52 and completing five years of continuous service with the District.

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

**General Information about the Pension Plan (Continued)**

*Benefit Provided (Continued)*

The plan provides a deferred retirement benefit to those members who terminate employment after completing at least five years of full-time continuous service with the District but do not meet the age requirements for an immediate benefit. The benefit will commence upon satisfying all of the Tier I or Tier II eligibility requirements.

Members contribute 8% of their compensation to the Plan each year. If a member terminates prior to completing five years of full-time continuous service, then he or she will receive a refund of contributions accumulated with 5% interest per annum. The same benefit, along with an additional lump sum of \$500, is paid to the surviving spouse or the designated beneficiary upon the death of a member who was actively employed at the time of his or her death.

*Employee Covered by Benefit Terms*

At June 30, 2024, the valuation date, the following employees were covered by the benefit terms:

	2024
Active employees	5
Retired employees and beneficiaries	1
	6

*Contributions*

Employees contribute 8.00% of compensation, the employer contributed 9.01% of compensation during the years ended June 30, 2025 and 2024.

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

**General Information about the Pension Plan (Continued)**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The following actuarial methods and assumptions were used in the June 30, 2024 and 2022 valuation dates to determine the total pension liability on June 30, 2025 and 2024, respectively:

Actuarial Cost Method	Entry Age Normal
Amortization Method:	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2024	20 years
Amortization growth rate	0.00%
Asset Valuation Method:	
Smoothing period	None
Recognition method	None
Corridor	None
Actuarial Assumptions:	
Inflation	2.30%
Salary increases	3.00%
Investment Rate of Return	4.50%
Cost of Living Adjustments	2.00%
Withdrawal	None assumed.
Disability	None assumed.
Mortality	Consistent with the Non-Industrial Rates used to value Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021.
Retirement	Individual retirement ages are assumed for each member.
Maximum Benefits and Salary	No benefit maximum is applied. Compensation for Tier II is limited to 120% of the maximum taxable earnings under Social Security, assumed to increase 2.30% per year in future years.
Form of Payment	Single Life Annuity

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

**General Information about the Pension Plan (Continued)**

*Long-Term Expected Rate of Return*

The long-term expected rate of return was selected by the District. Below is a projection of the 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2025 and 2024, as shown below:

<u>Asset Class</u>	<u>2025</u>		
	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Geometric Real Rate of Return</u>
US Cash	2.00%	0.83%	0.80%
US Corporate Bonds	76.75%	2.92%	2.65%
US High Yield Bonds	6.25%	4.03%	3.48%
US Large Cap Equity	8.55%	5.39%	3.78%
US Small Cap Equity	0.50%	6.80%	4.22%
Foreign Developed Equity	3.35%	6.61%	4.79%
Emerging Markets Equity	1.10%	8.78%	5.73%
US REITs	0.75%	6.71%	4.46%
Infrastructure - Public	0.75%	5.68%	4.18%
Total	<u>100.00%</u>		
Assumed Inflation - Mean		2.28%	0.07%
Assumed Inflation - Standard Deviation		1.47%	1.47%
Portfolio Real Mean Return		3.41%	3.11%
Portfolio Nominal Mean Return		5.69%	5.47%
Portfolio Standard Deviation			6.85%
Long-term Expected Rate of Return			4.50%

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

*Long-Term Expected Rate of Return (Continued)*

Asset Class	2024		
	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
US Cash	5.00%	0.94%	0.91%
US Core Fixed Income (Aggregate)	52.25%	2.52%	2.36%
US Short Govt/Credit Bonds	25.75%	1.65%	1.59%
US High Yield Bonds	2.00%	4.43%	3.87%
US Large & Mid Cap Equity	7.50%	5.41%	3.74%
US Mid Cap Equity	1.50%	5.98%	3.90%
US Small Cap Equity	2.50%	6.99%	4.41%
Foreign Developed Equity	2.00%	6.92%	5.12%
Emerging Markets Equity	1.00%	9.34%	6.21%
US REITs	0.50%	6.91%	4.72%
Total	100.00%		
Assumed Inflation - Mean		2.31%	2.30%
Assumed Inflation - Standard Deviation		1.45%	1.45%
Portfolio Real Mean Return		2.81%	2.67%
Portfolio Nominal Mean Return		5.12%	5.04%
Portfolio Standard Deviation			4.03%
Long-term Expected Rate of Return			4.50%

*Discount Rate*

The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 4.5%.

**Water Replenishment District of Southern California**  
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**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2024 to June 30, 2025:

	<b>2025</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (c) = (a) -(b)</b>
Balances at June 30, 2024 (Measurement date)	\$ 597,640	\$ 580,067	\$ 17,573
<b>Changes Recognized for the Measurement Period:</b>			
Service cost	38,408		38,408
Interest on the total pension liability	28,284		28,284
Effect of economic/demographic gains or losses	(35,390)		(35,390)
Contributions from the employer	-	26,442	(26,442)
Contributions from employees	-	15,407	(15,407)
Net investment income	-	41,210	(41,210)
Benefit payments including refunds of employee contributions	(15,170)	(15,170)	-
Administrative expense	-	(3,082)	3,082
<b>Net Changes during July 1, 2024 to June 30, 2025</b>	<b>16,132</b>	<b>64,807</b>	<b>(48,675)</b>
<b>Balances at June 30, 2025 (Measurement Date)</b>	<b>\$ 613,772</b>	<b>\$ 644,874</b>	<b>\$ (31,102)</b>

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**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

The following table shows the changes in net pension liability (asset) recognized over the measurement period of July 1, 2023 to June 30, 2024

	2024		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) -(b)
Balances at June 30, 2023 (Measurement Date)	\$ 548,142	\$ 524,146	\$ 23,996
<b>Changes Recognized for the Measurement Period:</b>			
Service cost	38,312		38,312
Interest on the total pension liability	26,059		26,059
Contributions from the employer	-	25,723	(25,723)
Contributions from employees	-	14,988	(14,988)
Net investment income	-	32,827	(32,827)
Benefit payments including refunds of employee contributions	(14,873)	(14,873)	-
Administrative expense	-	(2,744)	2,744
<b>Net Changes during July 1, 2023 to June 30, 2024</b>	<u>49,498</u>	<u>55,921</u>	<u>(6,423)</u>
<b>Balances at June 30, 2024 (Measurement Date)</b>	<u>\$ 597,640</u>	<u>\$ 580,067</u>	<u>\$ 17,573</u>

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

The following presents the net pension liability of the Plan as of the measurement date June 30, 2025, calculated using the discount rate of 4.50%, 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%) or 1 percentage-point higher (5.50%) than the current rate:

Measurement Date	Plan's Net Pension Liability (Asset)		
	Current Discount		
	Discount Rate -1% (3.50%)	Rate (4.50%)	Discount Rate +1% (5.50%)
June 30, 2025	\$ 51,972	\$ (31,102)	\$ (100,226)

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)*

The following presents the net pension liability of the Plan as of the measurement date June 30, 2024, calculated using the discount rate of 4.50%, 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%) or 1 percentage-point higher (5.50%) than the current rate:

Measurement Date	Plan's Net Pension Liability (Asset)		
	Current Discount		
	Discount Rate -1% (3.50%)	Rate (4.50%)	Discount Rate +1% (5.50%)
June 30, 2024	\$ 103,490	\$ 17,573	\$ (53,608)

*Pension Plan Fiduciary Net Position*

Detailed information about the plan’s fiduciary net position is available upon request.

For the measurement periods ended June 30, 2025 and June 30, 2024, the District incurred a pension expense of \$44,297 and \$50,610, respectively.

As of measurement date of June 30, 2025 and June 30, 2024, the District has deferred outflows and deferred inflows of resources related to pension as follows:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,740	\$ (35,822)	\$ 12,113	\$ (12,399)
Changes of assumptions	9,782		18,889	
Net differences between projected and actual earnings on pension plan investments	6,016		33,641	
<b>Total</b>	<b>\$ 21,538</b>	<b>\$ (35,822)</b>	<b>\$ 64,643</b>	<b>\$ (12,399)</b>

**Note 13 Defined Benefit Pension Plans (Continued)**

**Public Agency Retirement System (“PARS”) Plan (Continued)**

*Pension Plan Fiduciary Net Position (Continued)*

The amounts above are net of outflows and inflows recognized in the 2024-2025 measurement period and 2023-2024 measurement period expense.

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

2025		2024	
Year Ending June 30,	Deferred Outflows (Inflows) of Resources	Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 18,112	2025	\$ 26,847
2027	(11,546)	2026	28,401
2028	(12,035)	2027	(1,258)
2029	(8,815)	2028	(1,746)
2030	-	2029	-
Thereafter	-	Thereafter	-
Total	\$ (14,284)	Total	\$ 52,244

**Note 14 Other Postemployment Benefits (“OPEB”)**

**General Information about the OPEB**

*Plan Description*

Union employees hired prior to December 20, 2001 qualify for postemployment healthcare benefits if they retire with 12 or more years of service at the District; however, they receive no benefits until age 55. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Union employees hired on or after December 20, 2001 and before January 1, 2012 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 12 or more years of service. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

**Note 14 Other Postemployment Benefits (“OPEB”) (Continued)**

**General Information about the OPEB (Continued)**

*Plan Description (Continued)*

Union employees hired after December 31, 2011 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 10 or more years of service. They will be eligible for an employer contribution toward the cost of medical and dental coverage according to the following schedule:

<u>Credited Years of Service</u>	<u>Percentage of Employer Contribution</u>
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Union employees hired after December 31, 2011 are not eligible to participate in the Medical Reimbursement Program or the Vision Reimbursement Program.

Non-Union employees who commenced employment with the District on or before December 20, 2001, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and has reached the age of 55, regardless of the employee’s then current employment status with the District when they reach age 55. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Non-Union employees who commenced employment with the District on December 21, 2001 or thereafter, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and have reached age 55 at the time of retirement from the District. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

**Note 14 Other Postemployment Benefits (“OPEB”) (Continued)**

**General Information about the OPEB (Continued)**

*Plan Description (Continued)*

The Plan is a single-employer defined benefit OPEB plan administered by the District. The District’s Board has the authority to establish and amend the benefit terms and financing requirements of the Plan.

*Employees Covered by Benefit Terms*

As of June 30, 2023, valuation date, the following employees were covered by the benefit terms:

Category	Count
Active employees	53
Retired members and beneficiaries	19
Terminated vested	1
	73

*Contribution*

The annual contribution is based on the actuarially determined contribution. For the fiscal years ended June 30, 2025 and 2024, the District's actual contributions were \$1,390,419 and \$2,355,460, respectively, in total payments, which were recognized as a reduction to the OPEB liability.

**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**General Information about the OPEB (Continued)**

**Net OPEB Liability**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The June 30, 2023 valuation calculated the total OPEB liabilities based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal actuarial cost method
Actuarial assumptions:	
Net Investment Rate of Return	6.10%
Inflation	2.30%
Payroll Growth	3.25% per year
Health Plan Participation	100.00%
Morbidity Factors	CalPERS 2021 Experience Study
Disability	None assumed.
Mortality	Pre-retirement: CalPERS 2021 Mortality Post-retirement: CalPERS 2021 Mortality
Pre-Excise Tax Health Care Trend	Pre-65: Actual for 2024, decreasing to 4.5% for 2052 and later Post-65: Actual for 2024, decreasing to 4.5% for 2052 and later

*Change of Assumption*

There were no changes in assumptions during the June 30, 2023 valuation date and June 30, 2024 measurement date.

**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**General Information about the OPEB (Continued)**

**Total OPEB Liability**

*Long-Term Expected Rate of Return*

As of June 30, 2024, and 2023, the measurement dates, the long-term expected rates of return for each major investment class in the Plan’s portfolio are as follows:

Asset Class (1)	Target Allocation	Long-Term Expected Real Rate of Return (2)
Global Equity	34.00%	6.80%
Fixed Income	41.00%	3.70%
TIPS	18.00%	2.80%
REITs	4.00%	6.00%
Others	3.00%	3.40%
Total	100.00%	

(1) Target asset allocation in the CERBT Strategy 2 investment policy.

(2) Long-Term Expected Rates of Return are cited in CalPERS Investment Committee's March 2022 Agenda Item 7b. CalPERS expected infaltion is 2.30%.

*Discount Rate*

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Long-Term Expected Rates of Return are cited in CalPERS Investment Committee’s March 2022 Agenda Item 7b. CalPERS expected inflation is 2.30%.

The District’s OPEB assets projected at the Strategy 2 CalPERS discount rate is sufficient to cover future benefit payments.

	June 30, 2024	June 30, 2023
Discount Rate	6.10%	5.50%
Fidelity 20yr GO Bond Index	3.97%	3.86%

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**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**General Information about the OPEB (Continued)**

**Change in Net OPEB Liability**

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2023 to June 30, 2024.

	<b>2024</b>		
	<b>Increases (Decreases)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balances at June 30, 2024 (Measurement date):	\$ 16,059,500	\$ 11,579,205	\$ 4,480,295
<b>Changes Recognized for the Measurement Period:</b>			
Service cost	625,073	-	625,073
Interest on the total pension liability	902,581	-	902,581
Differences between expected and actual experience	-	-	-
Change of assumptions	(1,360,816)	-	(1,360,816)
Net investment income	-	1,051,013	(1,051,013)
Contributions from the employer	-	2,355,461	(2,355,461)
Benefit payments, including refunds of employee contributions	(555,461)	(555,461)	-
Administrative expense	-	(4,087)	4,087
<b>Net changes during July 1, 2023 to June 30, 2024</b>	<b>(388,623)</b>	<b>2,846,926</b>	<b>(3,235,549)</b>
<b>Balances at June 30, 2024 (Measurement Date)</b>	<b>\$ 15,670,877</b>	<b>\$ 14,426,131</b>	<b>\$ 1,244,746</b>

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**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**Change in Net OPEB Liability (Continued)**

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2022 to June 30, 2023.

	2023		
	Increases (Decreases)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022 (Measurement date):	\$ 14,313,839	\$ 11,191,015	\$ 3,122,824
<b>Changes Recognized for the Measurement Period:</b>			
Service cost	366,601	-	366,601
Interest on the total pension liability	968,821	-	968,821
Differences between expected and actual experience	(335,977)	-	(335,977)
Change of assumptions	2,567,015	-	2,567,015
Net investment income	-	391,390	(391,390)
Contributions from the employer	-	569,767	(569,767)
Benefit payments, including refunds of employee contributions	(569,767)	(569,767)	-
Administrative expense	-	(3,200)	3,200
Change in benefit terms	(1,251,032)	-	(1,251,032)
<b>Net changes during July 1, 2022 to June 30, 2023</b>	<u>1,745,661</u>	<u>388,190</u>	<u>1,357,471</u>
<b>Balances at June 30, 2023 (Measurement Date)</b>	<u>\$ 16,059,500</u>	<u>\$ 11,579,205</u>	<u>\$ 4,480,295</u>

*Sensitivity of the net OPEB liability to changes in the discount rate*

The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Measurement Date	Plan's Net OPEB Liability (Asset)		
	Discount Rate (5.10%)	Current Discount Rate	Discount Rate (7.10%)
June 30, 2024	\$ 3,546,846	\$ 1,244,746	\$ (648,772)

Measurement Date	Plan's Net OPEB Liability		
	Discount Rate (4.50%)	Current Discount Rate	Discount Rate (6.50%)
June 30, 2023	\$ 6,848,372	\$ 4,480,295	\$ 2,542,041

**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**Change in Net OPEB Liability (Continued)**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Measurement Date	Plan's Net OPEB Liability (Asset)		
	Trend - 1%	Current Trend	Trend +1%
June 30, 2024	\$ (885,594)	\$ 1,244,746	\$ 3,895,437
June 30, 2023	\$ 5,259,381	\$ 4,480,295	\$ 2,287,936

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

The District recognized total OPEB expense of \$1,219,671 for the year ended June 30, 2025 and OPEB income of \$78,468 for the year ended June 30, 2024. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	\$ 1,390,419	\$ -	\$ 2,355,460	\$ -
Differences between actual and expected experience	951,954	307,484	1,208,353	353,317
Changes of assumptions	2,134,066	2,494,319	2,526,173	1,620,195
Net differences between projected and actual earnings on OPEB plan investments	618,256	-	1,241,218	-
<b>Total</b>	<b>\$ 5,094,695</b>	<b>\$ 2,801,803</b>	<b>\$ 7,331,204</b>	<b>\$ 1,973,512</b>

The \$1,390,419 and \$2,355,460 reported as deferred outflows of resources related to OPEB resulting from the District’s contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ending June 30, 2026 and June 30, 2025, respectively.

**Note 14 Other Postemployment Benefits (“OPEB”)(Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime for the measurement periods as follows:

2025		2024	
Year Ending June 30	Deferred Outflows / (Inflows) of Resources	Year Ending June 30	Deferred Outflows / (Inflows) of Resources
2025	\$ 347,857	2025	\$ 594,834
2026	467,309	2026	569,180
2027	(9,818)	2027	688,634
2028	(48,321)	2028	211,505
2029	87,026	2029	173,003
Thereafter	58,420	Thereafter	765,076
Total	\$ 902,473	Total	\$ 3,002,232

**Note 15 Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2025 and 2024, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000, combined single limit at \$5,000,000 per occurrence. The District purchased additional excess coverage layers: \$55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

**Note 15 Risk Management (Continued)**

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages. The District purchased additional coverage of \$1,000,000, which increases the limit on the insurance coverage noted above.
- The District has coverage for replacement cash value of scheduled buildings, personal property, fixed equipment subject to \$1,000 deductible per occurrence. However, if real property is not repaired or replaced within a reasonable period of time, then the actual cash value applies. Scheduled vehicles and mobile equipment are covered for actual cash value, subject to \$500 deductible and \$1,000 deductible per occurrence respectively. The District has a total insurable value of \$190,069,530 and \$182,164,181 for the years ended June 30, 2025 and 2024, respectively.
- Boiler and machinery coverage for the replacement cost of scheduled equipment up to \$100 million program sublimit, subject to various deductibles (\$25,000 - \$100,000) depending on the type of equipment.
- Public officials' personal liability coverage up to \$100,000 for each occurrence, with an annual aggregate of \$100,000 per each elected/appointed official to which this coverage applies is subject to the terms, with a deductible of \$1,000 per claim.
- Workers' compensation insurance provides coverage up to California statutory limits for all work related injuries/illnesses covered by California law.

There have been no claims in the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2025 and 2024. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

**Water Replenishment District of Southern California**  
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**Note 16 Net Position – Net Investment in Capital Assets**

The calculation of net position – balances of net investment in capital assets at June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Capital assets, net	\$ 348,068,599	\$ 336,164,408
Long-term debt	(265,309,642)	(282,689,060)
Deferred inflows related to debt defeasance	(9,694,672)	-
Lease Payable	(1,273,841)	(975,645)
Subscription payable	(160,988)	(240,452)
Retention payable	(570,033)	(407,888)
Unspent debt proceeds	54,564	15,615,413
<b>Net investment in capital assets</b>	<b>\$ 71,113,987</b>	<b>\$ 67,466,776</b>

**Note 17 Commitments**

**Replenishment Water Purchases**

The District purchases replenishment water from Metropolitan Water District (MWD) member agencies and recycled water providers. These agencies set the price for the replenishment water that the District buys for the spreading grounds, seawater barrier injection wells, and In-Lieu water when available. The cost for replenishment water is a direct pass-through from the District to the water suppliers on the District's replenishment assessment. As a result, the District maintains numerous water purchase agreements with these agencies to keep the annual replenishment water purchases minimized and stable from year to year. In doing so, each year the District can provide the lowest annual replenishment water cost and reduce the impact on the replenishment assessment.

**Construction Contracts**

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems and other District activities. The financing of such contracts is provided primarily from the proceeds of bonds issued by the District. The District has committed to approximately \$26.8 million and \$40.6 million of open construction contracts as of June 30, 2025 and 2024, respectively.

**Note 17 Commitments (Continued)**

**Construction Contracts (Continued)**

The contracts outstanding include:

Project Name	Total Approved Contract	Construction Costs to-date	Balance to Complete
LJVWTF Expansion Improvement	\$ 19,961,247	\$ 18,516,550	\$ 1,444,697
Goldsworthy Desalter Expansion	38,380,056	18,371,915	20,008,141
Caltrans Pipeline	745,698	745,698	-
Groundwater Infrastructure Improvement	1,021,000	1,021,000	-
Interconnection Pipeline	3,800,000	3,800,000	-
Headquarter Building Improvement	1,370,019	712,834	657,185
Groundwater Replenishment Improvement Project (ARC)	277,430	272,838	4,592
General Engineering Admin (New)	410,476	410,476	-
Whittier Narrow Conservation Pool	1,475,000	1,475,000	-
SCADA System Master	2,896,741	2,896,741	-
Asset Management	1,698,539	1,665,160	33,379
Paramount Equip/Fleet Center	6,998,523	2,377,696	4,620,827
Regional Brackish Reclamation Program (New)	9,012,959	9,012,959	-
Joint LA Basin Replenishment & Extraction Project	2,572,600	2,572,600	-
	<u>\$ 90,620,288</u>	<u>\$ 63,851,467</u>	<u>\$ 26,768,821</u>

**PFAS Remediation Program**

The District is committed to managing and protecting local groundwater resources for over four million residents living in the 43 cities of Southern Los Angeles County. The District is working with water purveyors to address per- and polyfluoroalkyl substances (PFAS), including Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonate (PFOS), in groundwater and ensure that all potable water is safe to drink (i.e., meets all State and Federal drinking water standards). In August 2020, the District Board of Directors established the PFAS Remediation Program, a \$61 million grant program to remediate drinking water wells located in the Central Basin and West Coast Basin that contain PFAS above regulatory limits.

PFAS are a large group of man-made compounds that have been used for decades all over the world in industrial manufacturing, firefighting foams (aqueous film-forming foam [AFFF]), and consumer products including fast-food wrappers, pizza boxes, non-stick cookware (Teflon™), clothing (Gore-Tex®), fabric protectant (Scotchgard™), stain-resistant carpets, and personal care products. Both PFOA and PFOS have been phased out of products made in the United States since the 2000s. More information about the PFAS Remediation Program is posted on the District's website at [www.wrd.org](http://www.wrd.org).

**Note 17 Commitments (Continued)**

**Brackish Groundwater Reclamation Program**

Within the West Coast Basin, a significant plume (approximately 600,000 acre-feet) of brackish groundwater containing high Total Dissolved Solids (TDS) has been trapped due to seawater intrusion and implementation of the West Coast Seawater Intrusion Barrier. The District began the Brackish Groundwater Reclamation Program (BGRP) to evaluate the feasibility of remediating a portion of the high TDS plume. The Feasibility Study was completed in 2021. The study evaluated various siting options, treatment technologies, project economics, and conveyance of treated water to stakeholders in the West Coast Basin. On April 2, 2024, the District Board of Directors approved award of a progressive design build services agreement with McCarthy-Jacobs for the Torrance Groundwater Desalter Expansion (TGDE) project, which is the current focus of the BGRP. Funding assistance for the TGDE project has been secured from the United States Bureau of Reclamation (USBR) and the Clean Water State Revolving Fund (CWSRF). Early construction will begin in Fiscal Year 2025-26, with anticipated project completion in Fiscal Year 2028-2029.

**Leo J Vander Lans Advanced Water Treatment Facility (LVL AWTF) Onsite Inland Injection Well Project**

The LVL AWTF provides recycled water to the Alamitos Seawater Intrusion Barrier (Barrier). Built in 2003, LVL receives tertiary-treated wastewater from the Sanitation Districts of Los Angeles County's (LACSD) Long Beach Water Reclamation Plant (LBWRP) and provides treatment via microfiltration (MF), reverse osmosis (RO) and advanced oxidation process (AOP) with ultraviolet light (UV). In 2014, the expansion of LVL AWTF increased its treatment capacity from 3 million gallons per day (mgd) to 8 mgd. LVL has an agreement in place with the Long Beach Water Department for supply of 6,500 AFY of tertiary effluent. Currently, LVL production is limited to the Barrier Demand. At specific times of year, there is more tertiary effluent available than demand in the barrier. This project will construct a 2 mgd injection well on site at LVL (inland of the Barrier wells), allowing for up to 2 mgd to be injected into the Central Basin when excess tertiary effluent is available. This project will improve LVL AWTF operations by allowing more constant operation of the plant due to not being dependent on Barrier operations for LVL AWTF production. The District Board of Directors approved (a) on December 21, 2021, a \$5 million contract with Yellow Jacket Drilling Service to install injection and monitoring wells associated with the project and (b) on June 22, 2023, a \$3.5 million contract with Vicon Enterprise for wellhead and pipeline construction services. A \$1.5 million grant was received from the Pepsi Corporation. This project will improve LVL AWTF operations by allowing more constant operation of the plant due to not being dependent on Barrier operations for LVL AWTF production. Start-up of the inland injection well is planned for January 2026.

**Note 18 Contingencies**

**Litigation**

The District is currently not engaged in any litigation. Additionally, the District is unaware of any potential claims that will have any material adverse effect on the District's financial condition.

**Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements by the grantor agencies for expenditures disallowed under the terms of the grant. District management believes that such disallowances, if any, would not be significant.

**Note 19 Subsequent Events**

The District has evaluated events subsequent to the balance sheet date through December 17, 2025, the date on which the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

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**Water Replenishment District of Southern California**  
**Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios**  
**California Public Employees' Retirement System ("CalPERS")**

Measurement Date	Last Ten Fiscal Years <sup>(1)</sup>									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
District's proportion of the net pension liability	<u>0.11629%</u>	<u>0.48070%</u>	<u>0.05019%</u>	<u>0.05057%</u>	<u>0.52840%</u>	<u>0.05507%</u>	<u>0.04894%</u>	<u>0.15432%</u>	<u>0.15884%</u>	<u>0.16206%</u>
District's proportionate share of the net pension liability	<u>\$ 3,190,280</u>	<u>\$ 4,188,699</u>	<u>\$ 4,977,020</u>	<u>\$ 4,872,655</u>	<u>\$ 5,414,574</u>	<u>\$ 5,992,089</u>	<u>\$ 2,646,887</u>	<u>\$ 7,221,058</u>	<u>\$ 7,942,766</u>	<u>\$ 7,838,362</u>
District's covered payroll	<u>\$ 3,501,750</u>	<u>\$ 3,748,587</u>	<u>\$ 3,843,634</u>	<u>\$ 4,290,759</u>	<u>\$ 4,562,925</u>	<u>\$ 4,699,813</u>	<u>\$ 4,840,807</u>	<u>\$ 5,192,974</u>	<u>\$ 6,563,893</u>	<u>\$ 7,047,043</u>
District's proportionate share of it's the net pension liability as a percentage of its covered payroll	<u>91.11%</u>	<u>111.74%</u>	<u>129.49%</u>	<u>113.56%</u>	<u>118.66%</u>	<u>127.50%</u>	<u>54.68%</u>	<u>139.05%</u>	<u>121.01%</u>	<u>111.23%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.98%</u>	<u>81.25%</u>	<u>77.11%</u>	<u>78.56%</u>	<u>73.43%</u>	<u>78.52%</u>	<u>91.40%</u>	<u>79.32%</u>	<u>79.32%</u>	<u>79.46%</u>

<sup>(1)</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

**Water Replenishment District of Southern California**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Public Agency Retirement System (“PARS”)**

Measurement Period	Last Ten Fiscal Years <sup>(1)</sup>									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total pension liability</b>										
Service cost	\$ 14,757	\$ 13,512	\$ 13,512	\$ 10,999	\$ 10,999	\$ 36,870	\$ 37,976	\$ 37,196	\$ 38,312	\$ 38,408
Interest	14,546	15,988	20,409	19,666	18,042	18,574	23,345	24,451	26,059	28,284
Differences between expected and actual experience	-	59,815	-	(79,798)	-	-	-	-	-	-
Effect of economic/demographic gains or losses	-	-	-	-	-	37,609	-	(21,585)	-	(35,390)
Changes of assumptions	-	-	-	18,590	-	42,052	-	9,305	-	-
Benefit payments, including refunds of employee contributions	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)	(56,919)	(14,581)	(14,873)	(15,170)
<b>Net change in total pension liability</b>	<u>27,489</u>	<u>87,465</u>	<u>17,713</u>	<u>(32,468)</u>	<u>27,078</u>	<u>131,067</u>	<u>4,402</u>	<u>34,786</u>	<u>49,498</u>	<u>16,132</u>
<b>Total pension liability - beginning</b>	<u>250,610</u>	<u>278,099</u>	<u>365,564</u>	<u>383,277</u>	<u>350,809</u>	<u>377,887</u>	<u>508,954</u>	<u>513,356</u>	<u>548,142</u>	<u>597,640</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 278,099</u>	<u>\$ 365,564</u>	<u>\$ 383,277</u>	<u>\$ 350,809</u>	<u>\$ 377,887</u>	<u>\$ 508,954</u>	<u>\$ 513,356</u>	<u>\$ 548,142</u>	<u>\$ 597,640</u>	<u>\$ 613,772</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 21,266	\$ 13,308	\$ 12,571	\$ 18,066	\$ 16,904	\$ 15,582	\$ 22,307	\$ 25,603	\$ 25,723	\$ 26,442
Contributions - employee	-	6,406	6,051	8,696	12,291	13,835	13,367	14,864	14,988	15,407
Net investment income	9,664	14,356	6,208	28,020	22,680	40,889	(65,882)	10,978	32,827	41,210
Benefit payments, including refunds of employee contributions	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)	(56,919)	(14,581)	(14,873)	(15,170)
Administrative expense	(2,821)	(1,979)	(2,082)	(2,185)	(2,460)	(2,752)	(2,909)	(2,542)	(2,744)	(3,082)
<b>Net change in plan fiduciary net position</b>	<u>26,295</u>	<u>30,241</u>	<u>6,540</u>	<u>50,672</u>	<u>47,452</u>	<u>63,516</u>	<u>(90,036)</u>	<u>34,322</u>	<u>55,921</u>	<u>64,807</u>
<b>Plan fiduciary net position - beginning</b>	<u>355,144</u>	<u>381,439</u>	<u>411,680</u>	<u>418,220</u>	<u>468,892</u>	<u>516,344</u>	<u>579,860</u>	<u>489,824</u>	<u>524,146</u>	<u>580,067</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 381,439</u>	<u>\$ 411,680</u>	<u>\$ 418,220</u>	<u>\$ 468,892</u>	<u>\$ 516,344</u>	<u>\$ 579,860</u>	<u>\$ 489,824</u>	<u>\$ 524,146</u>	<u>\$ 580,067</u>	<u>\$ 644,874</u>
<b>District's net pension liability (assets) - ending (a)-(b)</b>	<u>\$ (103,340)</u>	<u>\$ (46,116)</u>	<u>\$ (34,943)</u>	<u>\$ (118,083)</u>	<u>\$ (138,457)</u>	<u>\$ (70,906)</u>	<u>\$ 23,532</u>	<u>\$ 23,996</u>	<u>\$ 17,573</u>	<u>\$ (31,102)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>	<u>137.16%</u>	<u>112.62%</u>	<u>109.12%</u>	<u>133.66%</u>	<u>136.64%</u>	<u>113.93%</u>	<u>95.42%</u>	<u>95.62%</u>	<u>97.06%</u>	<u>105.07%</u>
<b>Covered payroll</b>	<u>\$ 88,771</u>	<u>\$ 100,642</u>	<u>\$ 87,336</u>	<u>\$ 87,366</u>	<u>\$ 159,958</u>	<u>\$ 164,757</u>	<u>\$ 158,172</u>	<u>\$ 188,351</u>	<u>\$ 192,591</u>	<u>\$ 198,369</u>
<b>District's net pension asset as a percentage of covered payroll</b>	<u>-116.41%</u>	<u>-45.82%</u>	<u>-40.01%</u>	<u>-135.16%</u>	<u>-86.56%</u>	<u>-43.04%</u>	<u>14.88%</u>	<u>12.74%</u>	<u>9.12%</u>	<u>-15.68%</u>

<sup>(1)</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

**Water Replenishment District of Southern California**  
**Schedule of Contributions – Pensions**  
**California Public Employees’ Retirement System (“CalPERS”)**

Fiscal year	Last Ten Fiscal Years <sup>(1)</sup>									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Actuarially determined contribution	\$ 801,773	\$ 830,116	\$ 901,063	\$ 774,592	\$ 1,190,808	\$ 1,451,647	\$ 1,579,674	\$ 1,761,057	\$ 1,523,177	\$ 1,762,707
Contributions in relation to the actuarially determined contributions	<u>(801,773)</u>	<u>(830,116)</u>	<u>(901,063)</u>	<u>(774,592)</u>	<u>(1,190,808)</u>	<u>(1,451,647)</u>	<u>(1,579,674)</u>	<u>(1,761,057)</u>	<u>(1,523,177)</u>	<u>(1,762,707)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ <u>3,748,587</u>	\$ <u>3,843,634</u>	\$ <u>4,290,759</u>	\$ <u>4,562,925</u>	\$ <u>4,699,813</u>	\$ <u>4,840,807</u>	\$ <u>5,192,974</u>	\$ <u>6,563,983</u>	\$ <u>7,047,043</u>	\$ <u>7,611,552</u>
Contributions as a percentage of covered payroll	21.39%	21.60%	21.00%	16.98%	25.34%	29.99%	30.42%	26.83%	21.61%	23.16%

(1) Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

**Notes to Schedule**

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

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

**Water Replenishment District of Southern California**  
**Schedules of Contributions – Pensions**  
**Public Agency Retirement System (“PARS”)**

Fiscal year	Last Ten Fiscal Years									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Actuarially determined contribution	\$ 14,757	\$ 14,757	\$ 13,512	\$ 11,729	\$ 14,061	\$ 14,412	\$ 24,417	\$ 27,101	\$ 78,825	\$ 26,442
Contributions in relation to the actuarially determined contributions	(21,266)	(13,308)	(12,571)	(18,066)	(16,904)	(15,582)	(22,307)	(25,603)	(25,723)	(26,442)
Contribution deficiency (excess)	\$ (6,509)	\$ 1,449	\$ 941	\$ (6,337)	\$ (2,843)	\$ (1,170)	\$ 2,110	\$ 1,498	\$ 53,102	\$ -
Covered payroll (2)	\$ 88,771	\$ 100,642	\$ 87,336	\$ 87,366	\$ 159,958	\$ 164,757	\$ 158,172	\$ 188,351	\$ 192,591	\$ 198,369
Contributions as a percentage of covered payroll	23.96%	13.22%	14.39%	20.68%	10.57%	9.46%	14.10%	13.59%	13.36%	13.33%

**Notes to Schedule**

Changes of assumptions: Discount rate of 4.50 percent in 2025 and in 2024.

Valuation date: June 30, 2024

Methods and assumptions used to determine contribution

rates:

Actuarial Cost Method Entry Age Normal

Amortization Method:

Level percent or level dollar Level dollar

Closed, open, or layered periods Closed

Amortization period at 06/30/2024 20 years

Amortization growth rate 0.00%

Asset Valuation Method:

Smoothing period None None

Recognition method None None

Corridor None None

Actuarial Assumptions:

Inflation 2.30%

Salary increases 3.00%

Investment Rate of Return 4.50%

Investment Rate of Return 5.00%

Cost of Living Adjustments 2.00%

Cost of Living Adjustments 2.00%

Withdrawal None assumed.

Disability None assumed.

Mortality Consistent with the Non-Industrial Rates used to value Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021.

Retirement Individual retirement ages are assumed for each member.

Maximum Benefits and Salary No benefit maximum is applied. Compensation for Tier II is limited to 120% of the maximum taxable earnings under Social Security, assumed to increase 2.30% per year in future years.

Form of Payment Single Life Annuity

**Water Replenishment District of Southern California**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**

Measurement period	Last Ten Fiscal Years (1)							
	2016-17 (1)	2017-18	2018-19	2019-20	2020-21 (2)	2021-22	2022-23	2023-24
<b>Total OPEB Liability</b>								
Service cost	\$ 363,121	\$ 387,880	\$ 498,970	\$ 510,409	\$ 535,930	\$ 352,501	\$ 366,601	\$ 625,073
Interest	638,606	765,695	844,995	973,429	1,037,322	922,982	968,821	902,581
Change of benefit terms	-	247,812	-	-	(1,010,058)	-	(1,251,032)	-
Differences between expected and actual experience	106,713	9,090	1,004,789	(36,482)	1,109,190	(43,275)	(335,977)	-
Changes of assumptions	1,026,121	-	(48,676)	-	(2,596,692)	-	2,567,015	(1,360,816)
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)	(629,550)	(551,634)	(569,767)	(555,461)
<b>Net change in total OPEB liability</b>	<u>1,893,628</u>	<u>1,108,589</u>	<u>1,914,051</u>	<u>1,026,531</u>	<u>(1,553,858)</u>	<u>680,574</u>	<u>1,745,661</u>	<u>(388,623)</u>
<b>Total OPEB liability - beginning</b>	<u>9,244,324</u>	<u>11,137,952</u>	<u>12,246,541</u>	<u>14,160,592</u>	<u>15,187,123</u>	<u>13,633,265</u>	<u>14,313,839</u>	<u>16,059,500</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 11,137,952</u>	<u>\$ 12,246,541</u>	<u>\$ 14,160,592</u>	<u>\$ 15,187,123</u>	<u>\$ 13,633,265</u>	<u>\$ 14,313,839</u>	<u>\$ 16,059,500</u>	<u>\$ 15,670,877</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	1,048,933	301,888	1,264,283	1,120,825	1,519,550	1,441,634	569,767	2,355,461
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	382,144	376,091	512,264	432,290	1,784,539	(1,482,317)	391,390	1,051,013
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)	(629,550)	(551,634)	(569,767)	(555,461)
Administrative expense	(2,853)	(3,271)	(1,481)	(3,941)	(3,317)	(2,980)	(3,200)	(4,087)
<b>Net change in plan fiduciary net position</b>	<u>\$ 1,187,291</u>	<u>\$ 372,820</u>	<u>\$ 1,389,039</u>	<u>\$ 1,128,349</u>	<u>\$ 2,671,222</u>	<u>\$ (595,297)</u>	<u>\$ 388,190</u>	<u>\$ 2,846,926</u>
<b>Plan fiduciary net position - beginning</b>	<u>5,037,591</u>	<u>6,224,882</u>	<u>6,597,702</u>	<u>7,986,741</u>	<u>9,115,090</u>	<u>11,786,312</u>	<u>11,191,015</u>	<u>11,579,205</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 6,224,882</u>	<u>\$ 6,597,702</u>	<u>\$ 7,986,741</u>	<u>\$ 9,115,090</u>	<u>\$ 11,786,312</u>	<u>\$ 11,191,015</u>	<u>\$ 11,579,205</u>	<u>\$ 14,426,131</u>
<b>District's Net OPEB liability - end of year (a)-(b)</b>	<u>\$ 4,913,070</u>	<u>\$ 5,648,839</u>	<u>\$ 6,173,851</u>	<u>\$ 6,072,033</u>	<u>\$ 1,846,953</u>	<u>\$ 3,122,824</u>	<u>\$ 4,480,295</u>	<u>\$ 1,244,746</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>56%</u>	<u>54%</u>	<u>56%</u>	<u>60%</u>	<u>86%</u>	<u>78%</u>	<u>72%</u>	<u>92%</u>
<b>Covered payroll</b>	N/A	N/A	\$ 4,476,287	\$ 5,753,939	\$ 5,757,206	\$ 5,617,347	\$ 6,906,999	\$ 7,340,261
<b>District's net OPEB liability as percentage of covered-employee payroll</b>	N/A	N/A	138%	106%	32%	56%	65%	17%

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

(2) 2022 balances were restated.

**Water Replenishment District of Southern California**  
**Schedule of Contributions – Other Postemployment Benefits**

Fiscal Year	Last Ten Fiscal Years (1)									
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	
Actuarially determined contribution (1)	\$ 627,990	\$ 754,917	\$ 740,962	\$ 740,962	\$ 1,004,511	\$ 1,044,115	\$ 989,930	\$ 1,032,224	\$ 1,078,298	
Contributions in relation to the actuarially determined contribution	(1,048,933)	(301,888)	(1,202,789)	(1,120,825)	(1,519,550)	(1,466,365)	(569,765)	(2,355,461)	(1,390,419)	
Contribution deficiency (excess)	\$ (420,943)	\$ 453,029	\$ (461,827)	\$ (379,863)	\$ (515,039)	\$ (422,250)	\$ 420,165	\$ (1,323,237)	\$ (312,121)	
Covered payroll	N/A	N/A	\$4,476,287	\$5,753,939	\$5,757,206	\$5,617,347	\$6,906,999	\$7,340,261	\$7,804,256	
Contributions as a percentage of covered-employee payroll	N/A	N/A	27%	19%	26%	26%	8%	32%	18%	

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Valuation date:	June 30, 2023
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Straight-line
Inflation	2.30%
Payroll Growth	3.25%
Investment rate of return	6.10%
Disability	None assumed
Mortality	<b><u>Pre-Retirement:</u></b> CalPERS 2021 Mortality pre-retirement <b><u>Pre-Retirement:</u></b> CalPERS 2021 Mortality post-retirement

**STATISTICAL SECTION  
(Unaudited)**

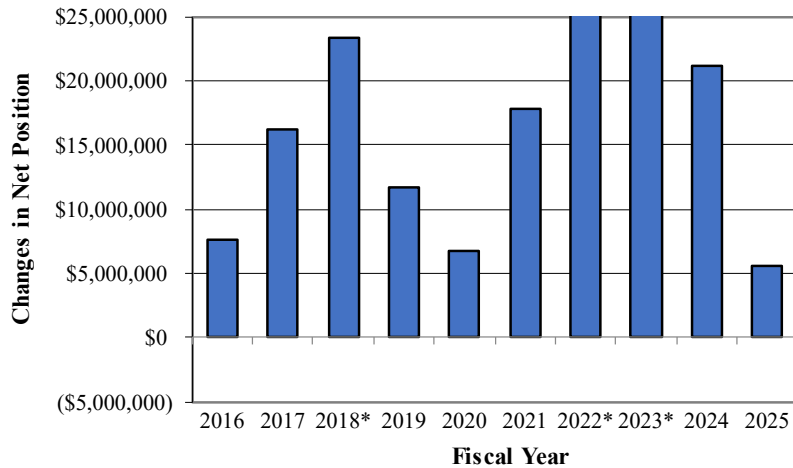
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This part of the Water Replenishment District of Southern California's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

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**Water Replenishment District of Southern California**  
**Changes in Net Position and Net Position by Component**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2016	2017	2018*	2019	2020
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 59,852,856	\$ 74,573,333	\$ 74,289,639	\$ 69,700,370	\$ 73,228,665
Operating expenses (see Schedule 3)	(51,786,834)	(62,347,174)	(57,072,594)	(55,541,243)	(64,700,484)
Depreciation and amortization	(4,003,734)	(4,014,947)	(4,112,063)	(4,657,627)	(4,822,237)
Operating income	<u>4,062,288</u>	<u>8,211,212</u>	<u>13,104,982</u>	<u>9,501,500</u>	<u>3,705,944</u>
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	585,957	613,015	658,530	717,812	744,972
Interest and investment earnings	562,438	864,242	1,027,074	940,725	862,544
Interest expense and fiscal changes	(2,148,520)	(2,875,746)	(6,174,350)	(10,105,952)	(11,957,054)
Election costs	-	(1,374,823)	(1,100,000)	(601,323)	-
Gain/(loss) on sale/disposition of assets	-	-	-	(1,367,459)	-
Other revenue/(expense), net	<u>4,192,116</u>	<u>3,270,421</u>	<u>4,209,797</u>	<u>2,841,726</u>	<u>7,286,361</u>
Net non-operating revenues (expenses)	<u>3,191,991</u>	<u>497,109</u>	<u>(1,378,949)</u>	<u>(7,574,471)</u>	<u>(3,063,177)</u>
<b>Net income before capital contributions</b>	7,254,279	8,708,321	11,726,033	1,927,029	642,767
Capital contributions	<u>450,878</u>	<u>7,550,656</u>	<u>11,600,940</u>	<u>9,740,625</u>	<u>6,118,791</u>
<b>Changes in net position</b>	7,705,157	16,258,977	23,326,973	11,667,654	6,761,558
<b>Prior period adjustment</b>	-	(3,031,941)	-	-	-
<b>Adjusted changes in net position</b>	<u><u>7,705,157</u></u>	<u><u>13,227,036</u></u>	<u><u>23,326,973</u></u>	<u><u>11,667,654</u></u>	<u><u>6,761,558</u></u>
Net position by component:					
Net investment in capital assets	45,393,945	58,811,863	79,330,770	67,639,056	69,050,712
Restricted	-	-	-	1,675,642	-
Unrestricted	<u>42,328,756</u>	<u>42,137,874</u>	<u>44,945,940</u>	<u>66,629,666</u>	<u>73,655,210</u>
<b>Total net position</b>	<u><u>\$ 87,722,701</u></u>	<u><u>\$ 100,949,737</u></u>	<u><u>\$ 124,276,710</u></u>	<u><u>\$ 135,944,364</u></u>	<u><u>\$ 142,705,922</u></u>

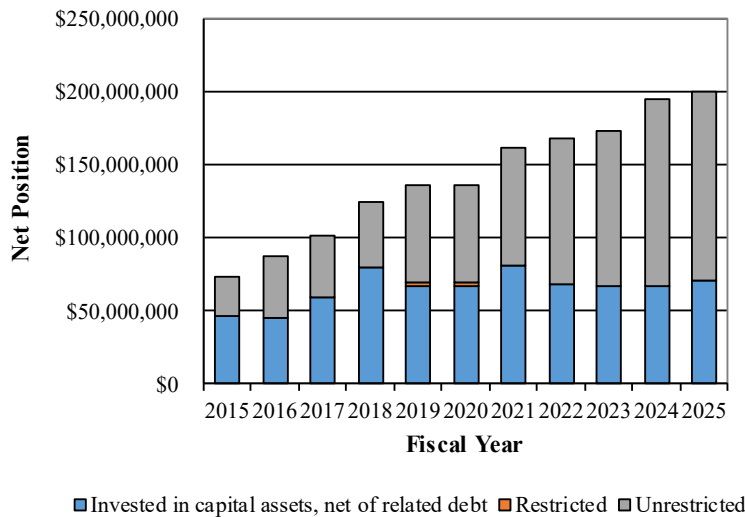


\* 2018 balances were reclassified.

Source: Water Replenishment District Finance Department

**Water Replenishment District of Southern California**  
**Changes in Net Position and Net Position by Component (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2021	2022*	2023*	2024	2025
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 85,830,105	\$ 92,140,513	\$ 91,552,162	\$ 92,838,715	\$ 96,755,732
Operating expenses (see Schedule 3)	(63,226,824)	(35,568,122)	(34,871,149)	(73,941,635)	(80,869,392)
Depreciation and amortization	(4,758,264)	(11,160,461)	(10,999,881)	(10,904,938)	(11,448,358)
Operating income	<u>17,845,017</u>	<u>45,411,930</u>	<u>45,681,132</u>	<u>7,992,142</u>	<u>4,437,982</u>
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	808,891	811,900	910,297	953,015	999,551
Interest and investment earnings	53,882	48,298	940,716	4,831,905	4,236,308
Interest expense and fiscal changes	(11,730,855)	(9,849,814)	(9,020,576)	(8,770,419)	(6,026,901)
Election costs	(2,568,655)	-	(3,437,046)	(1,700,000)	(992,519)
Gain/(loss) on sale/disposition of assets	-	-	-	-	-
Other revenue/(expense), net	<u>236,656</u>	<u>(1,025,690)</u>	<u>1,574,344</u>	<u>(1,087,045)</u>	<u>(1,035,546)</u>
Net non-operating revenues (expenses)	<u>(13,200,081)</u>	<u>(10,015,306)</u>	<u>(9,032,265)</u>	<u>(5,772,544)</u>	<u>(2,819,107)</u>
<b>Net income before capital contributions</b>	4,644,936	35,396,624	36,648,867	2,219,598	1,618,875
Capital contributions	<u>13,153,479</u>	<u>5,306,076</u>	<u>5,218,241</u>	<u>18,993,064</u>	<u>4,010,037</u>
<b>Changes in net position</b>	17,798,415	40,702,700	41,867,108	21,212,662	5,628,912
<b>Prior period adjustment</b>	<u>964,797</u>	<u>(7,548,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Adjusted changes in net position</b>	<u><u>18,763,212</u></u>	<u><u>33,154,420</u></u>	<u><u>41,867,108</u></u>	<u><u>21,212,662</u></u>	<u><u>5,628,912</u></u>
Net position by component:					
Net investment in capital assets	80,503,245	68,594,425	66,484,125	67,466,776	71,113,987
Restricted	-	-	-	-	-
Unrestricted	<u>80,965,889</u>	<u>99,874,204</u>	<u>106,816,007</u>	<u>127,046,018</u>	<u>129,027,719</u>
<b>Total net position</b>	<u><u>\$ 161,469,134</u></u>	<u><u>\$ 168,468,629</u></u>	<u><u>\$ 173,300,132</u></u>	<u><u>\$ 194,512,794</u></u>	<u><u>\$ 200,141,706</u></u>

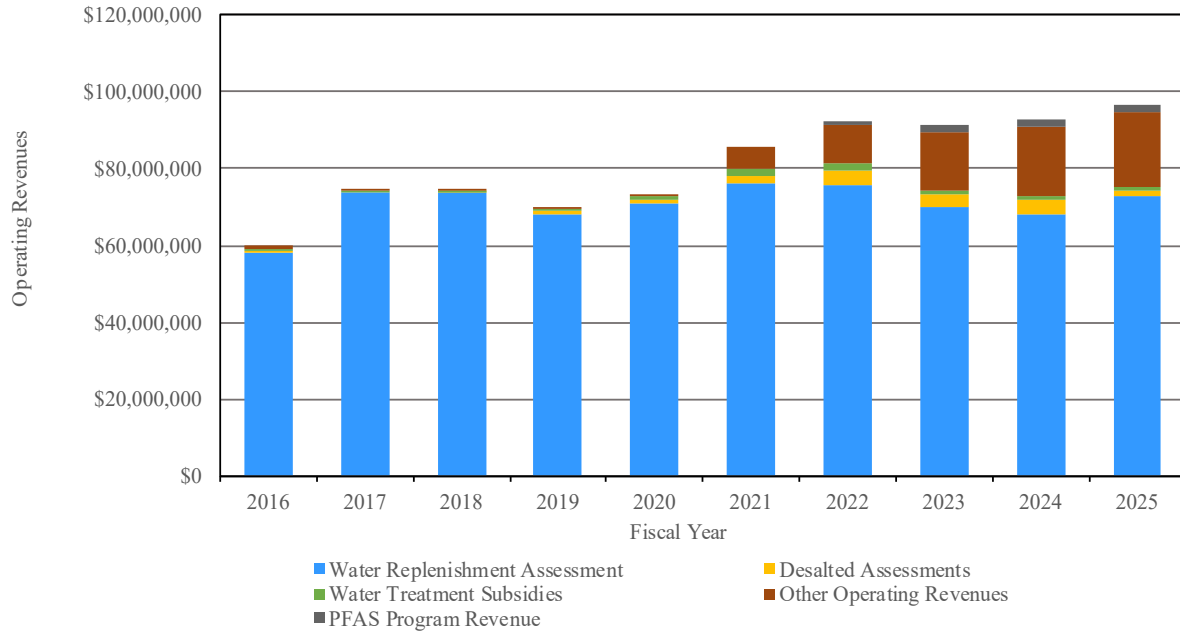


\*2022 balances were reclassified and 2023 balances were restated.

Source: Water Replenishment District Finance Department

## Water Replenishment District of Southern California Operating Revenues by Source Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Water Replenishment Assessment</u>	<u>PFAS Program Revenue</u>	<u>Desalted Assessments</u>	<u>Water Treatment Subsidies</u>	<u>Other Operating Revenues</u>	<u>Total Operating Revenues</u>
2016	58,128,626	-	619,806	412,706	691,718	59,852,856
2017	73,822,097	-	-	355,914	395,322	74,573,333
2018	73,687,699	-	334,381	171,759	95,800	74,289,639
2019	68,007,111	-	1,138,025	497,799	57,435	69,700,370
2020	70,948,823	-	1,114,275	758,496	407,071	73,228,665
2021	76,161,044	-	1,925,675	2,047,303	5,696,083	85,830,105
2022	75,911,260	766,312	3,470,172	2,014,334	9,978,435	92,140,513
2023	70,161,743	2,054,209	3,052,449	1,158,975	15,124,786	91,552,162
2024	68,128,910	1,989,936	3,596,364	1,153,167	17,970,338	92,838,715
2025	72,641,914	2,049,776	1,398,812	979,188	19,686,042	96,755,732

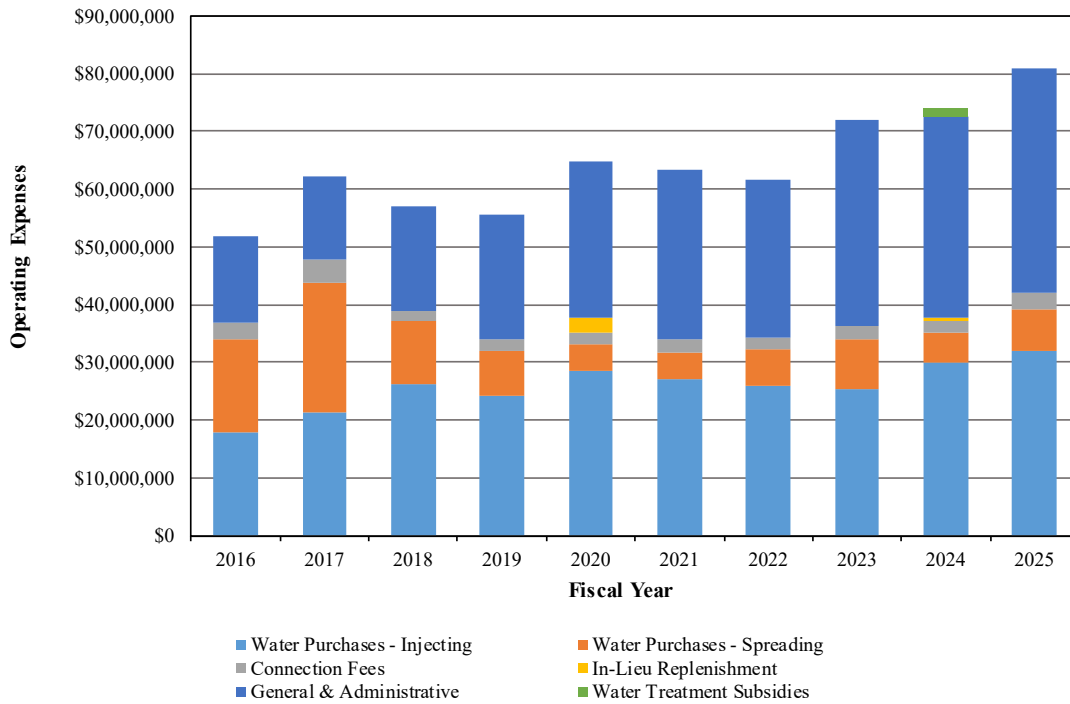


\* 2022 and 2023 balances were reclassified.

Source: Water Replenishment District Finance Department

## Water Replenishment District of Southern California Operating Expenses by Activity Last Ten Fiscal Years

Fiscal Year	Water Purchases - Injecting	Water Purchases - Spreading	Connection Fees	In-Lieu Replenishment	Water Treatment Subsidies	General & Administrative	Total Operating Expenses (excluding Depreciation and Amortization)
2016	17,798,133	16,290,901	2,824,490	-	-	14,873,310	51,786,834
2017	21,344,615	22,333,722	4,010,063	-	-	14,658,774	62,347,174
2018	26,328,547	10,707,564	1,970,372	-	-	18,066,111	57,072,594
2019	24,286,777	7,688,844	2,036,791	-	-	21,528,831	55,541,243
2020	28,475,096	4,591,197	2,213,180	2,532,344	-	26,888,667	64,700,484
2021	27,176,259	4,662,502	2,299,044	-	-	29,089,019	63,226,824
2022	25,983,785	6,315,554	2,118,009	-	-	27,305,699	61,723,047
2023	25,404,081	8,714,513	2,220,038	-	-	35,568,122	71,906,754
2024	29,845,576	5,386,560	1,942,795	515,798	1,379,757	34,871,149	73,941,635
2025	31,860,681	7,383,666	2,915,583	-	-	38,709,462	80,869,392



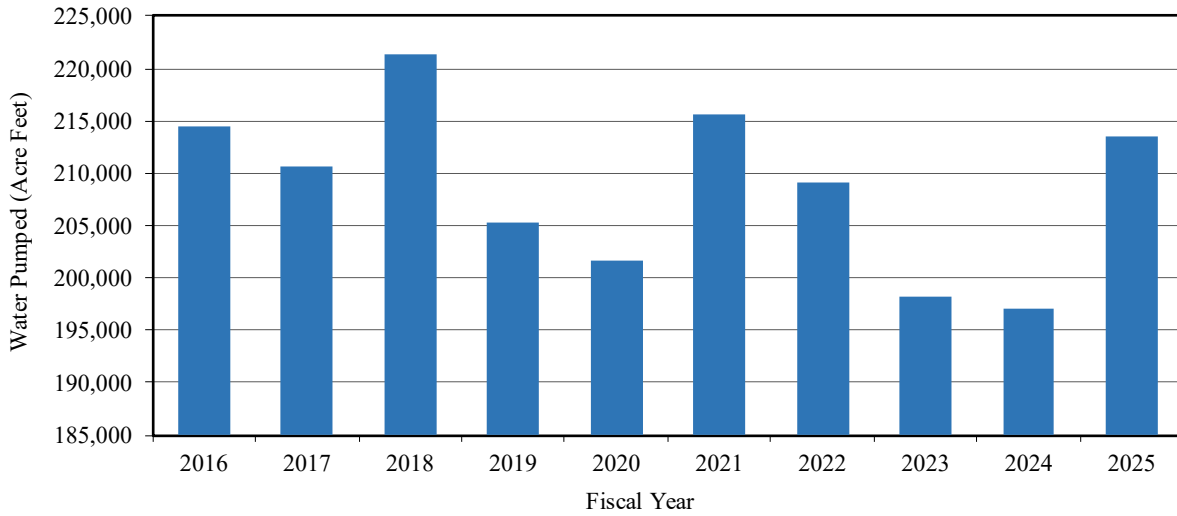
\* 2023 balances were restated.

Source: Water Replenishment District Finance Department

**Water Replenishment District of Southern California**  
**Revenue Base**  
**Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Water Pumped (Acre Feet)</u>
2016	214,489
2017	210,600
2018	221,315
2019	205,198
2020	201,748
2021	215,577
2022	209,103
2023	198,274
2024	197,117
2025	213,426



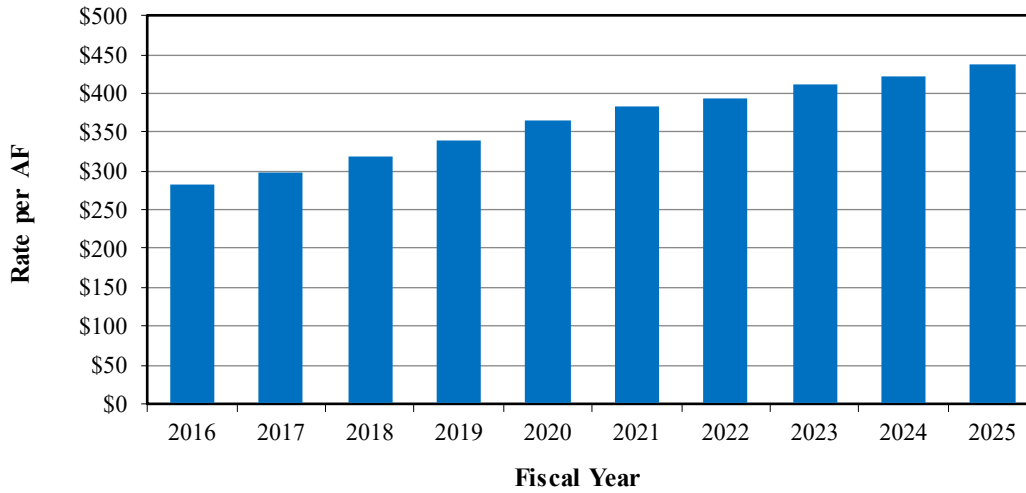
**Note:** See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

**Source:** Water Replenishment District Finance Department

**Water Replenishment District of Southern California**  
**Revenue Rates**  
**Last Ten Fiscal Years**

---

<u>Fiscal Year</u>	<u>Rate per Acre Feet (AF)</u>
2016	283
2017	297
2018	318
2019	339
2020	365
2021	382
2022	394
2023	411
2024	423
2025	437



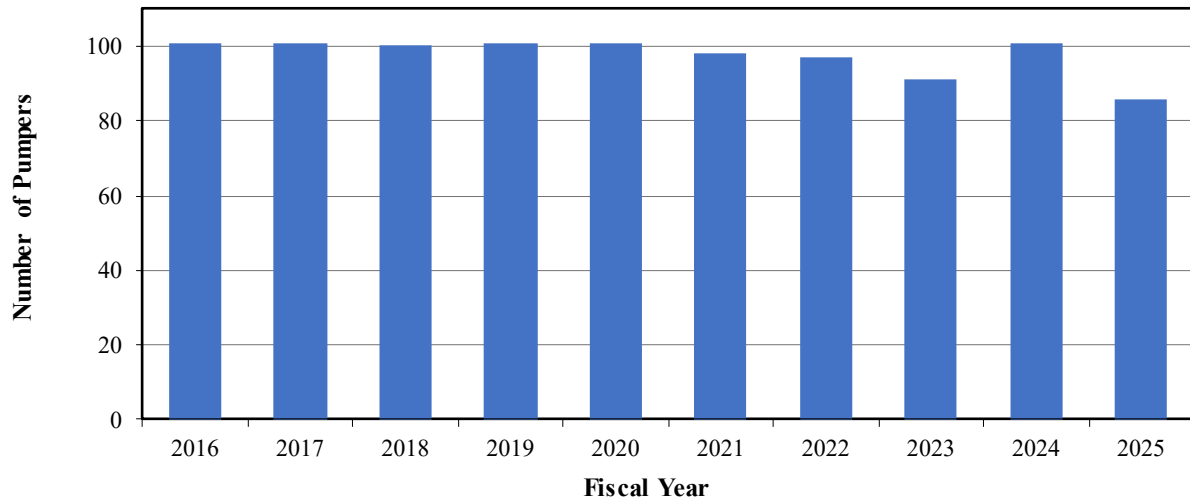
**Notes:** Rates as of June 30 of each fiscal year.

**Source:** Water Replenishment District Finance Department

**Water Replenishment District of Southern California**  
**Number of Pumpers**  
**Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Number of Pumpers</u>
2016	101
2017	101
2018	100
2019	101
2020	101
2021	98
2022	97
2023	91
2024	101
2025	86



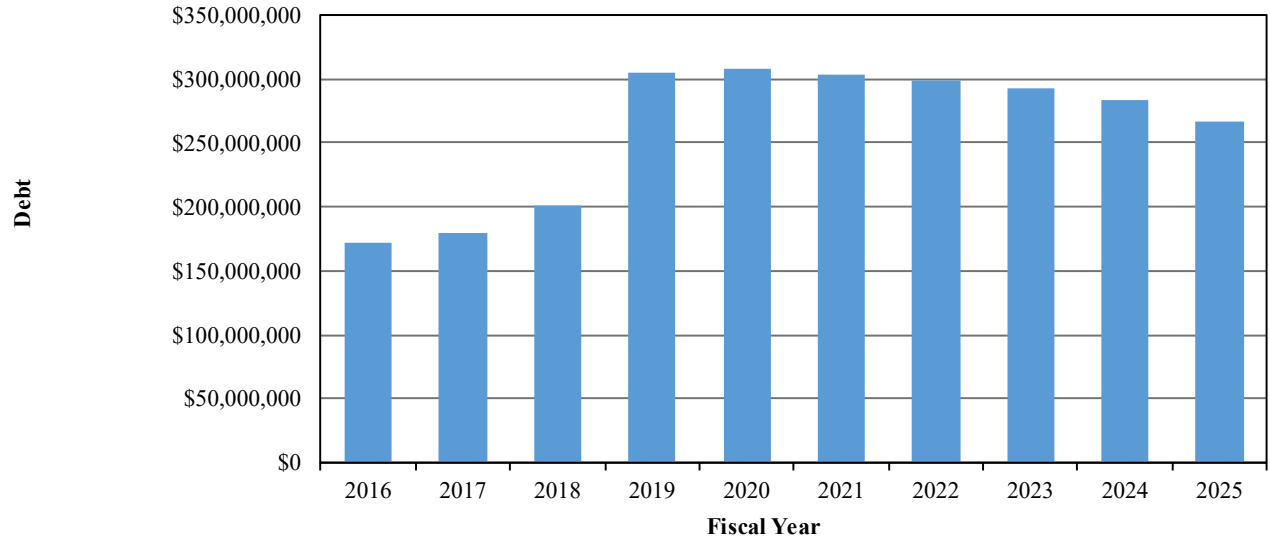
**Source:** Water Replenishment District Finance Department

**Water Replenishment District of Southern California  
Principal Customers  
Current Fiscal Year and Nine Years Ago**

<b>Customer</b>	<b>2025</b>		<b>2016</b>	
	<b>Water Pumped (Acre Feet)</b>	<b>Percentage of Total</b>	<b>Water Pumped (Acre Feet)</b>	<b>Percentage of Total</b>
Long Beach, City of	31,233	15%	32,645	15%
Golden State Water Company	28,086	13%	21,378	10%
California Water Service Company	21,349	10%	16,335	8%
Downey, City of	13,748	6%	13,239	6%
Tesoro Refining & Marketing Company, LLC	9,963	5%	7,350	3%
South Gate, City of	8,029	4%	7,431	3%
Cerritos, City of	7,286	3%	6,353	3%
Compton, City of	6,764	3%	6,663	3%
Lakewood, City of	6,522	3%	7,087	3%
Phillips 66 Company	5,985	3%	5,017	2%
<b>Total</b>	<b>138,965</b>	<b>65%</b>	<b>123,498</b>	<b>58%</b>
<b>Total Water Consumed (Acre Feet)</b>	<b>213,426</b>	<b>100%</b>	<b>214,489</b>	<b>100%</b>

**Water Replenishment District of Southern California**  
**Ratio of Outstanding Debt**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Long-Term Debt</b>	<b>Lease Payable</b>	<b>Subscription Payable</b>	<b>Total Debt</b>	<b>Per Capita</b>	<b>As a Share of Personal Income</b>
2016	171,569,874	-	-	171,569,874	16.70	0.033312%
2017	178,903,498	-	-	178,903,498	17.26	0.033798%
2018	201,450,473	-	-	201,450,473	20.64	0.039675%
2019	304,045,943	-	-	304,045,943	28.82	0.046278%
2020	308,529,697	-	-	308,529,697	30.08	0.044910%
2021	301,458,230	1,216,785	-	302,675,015	29.68	0.044186%
2022	298,198,975	1,193,089	-	299,392,064	29.33	0.041125%
2023	290,558,002	1,069,127	307,127	291,934,256	29.94	0.034920%
2024	282,689,060	975,645	240,452	283,905,157	29.02	0.034371%
2025	265,309,641	1,273,841	160,988	266,744,471	27.07	0.031017%



Source: Water Replenishment District Finance Department

**Water Replenishment District of Southern California**  
**Debt Coverage**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Net Revenues*</b>	<b>Water Purchase Payment</b>	<b>Revenue for Rate Covenant</b>	<b>Debt Service Total</b>	<b>Coverage Ratio</b>
2016	50,320,057	(36,913,524)	13,406,533	4,231,240	3.17
2017	64,662,237	(47,688,400)	16,973,837	9,246,245	1.84
2018	62,118,929	(39,006,483)	23,112,446	9,247,700	2.50
2019	52,671,802	(34,012,412)	18,659,390	9,639,683	1.94
2020	55,233,875	(37,811,817)	17,422,058	13,818,064	1.26
2021	57,840,515	(34,137,805)	23,702,710	16,726,543	1.42
2022	66,519,466	(36,326,228)	30,193,238	16,593,725	1.82
2023	55,972,351	(36,338,633)	19,633,718	16,572,704	1.18
2024	60,965,441	(37,690,729)	23,274,712	16,562,189	1.41
2025	61,254,064	(42,159,929)	19,094,135	14,105,881	1.35

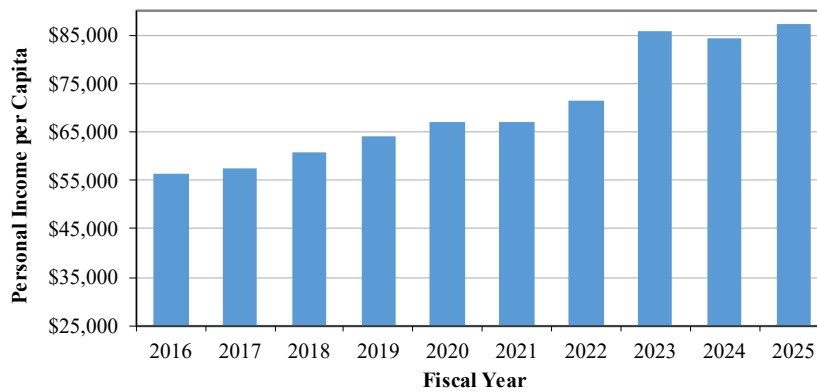
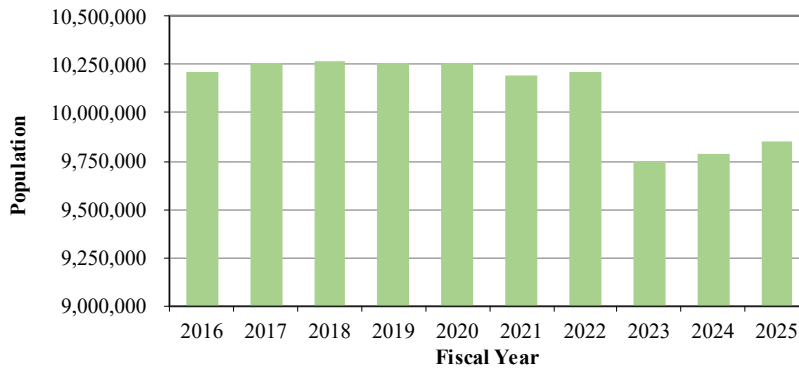
**Notes:**

\* Net revenue is total operating revenues minus operation & maintenance expenses, excluding water purchase payment and debt services payment

**Source:** Water Replenishment District Finance Department

## Water Replenishment District of Southern California Demographic and Economic Statistics – County of Los Angeles Last Ten Fiscal Years

Year	Unemployment Rate (1)	Total Population (2)	Personal Income (thousands of dollars) (2)	Personal Income per Capita (2)
2016	4.9%	10,211,351	577,000,000	56,506
2017	4.4%	10,255,733	591,000,000	57,626
2018	4.4%	10,269,935	624,000,000	60,760
2019	4.6%	10,260,237	657,000,000	64,034
2020	18.1%	10,257,557	687,000,000	66,975
2021	9.4%	10,198,389	685,000,000	67,167
2022	4.6%	10,208,717	728,000,000	71,312
2023	4.9%	9,750,065	836,000,000	85,743
2024	5.5%	9,784,023	826,000,000	84,423
2025	5.6%	9,853,842	860,000,000	87,276



**Notes:**

(1) Only County data is updated annually. Therefore, the District has chosen to use its data since the County data is representative of the conditions of the District.

Sources: California Department of Finance and CaliforniaLaborMarketInfo, U.S. Bureau of Labor Statistics

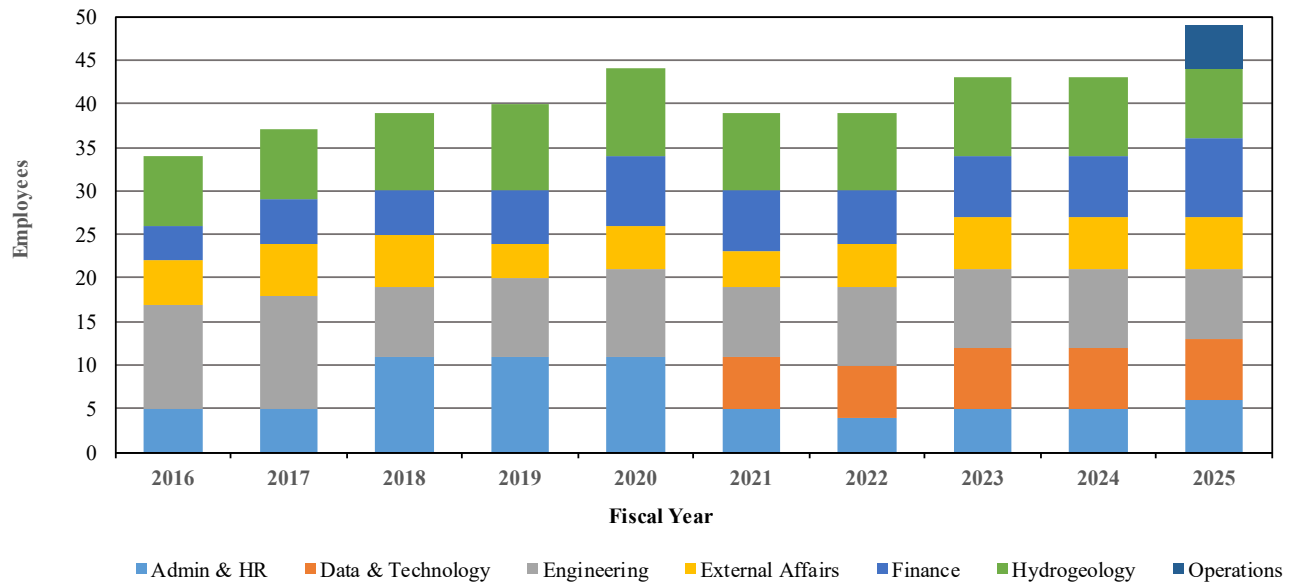
(2) Per capita personal income was computed using Census Bureau mid-year population estimates and Real Per Capita Income estimates from CalGov's Los Angeles County Economic Forecast. All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Sources: Regional Economic Information System, Bureau of Economic Analysis,  
CalGov.com/Los Angeles County Economic Forecast

**Source:** Water Replenishment District Finance Department

## Water Replenishment District of Southern California Operating and Capacity Indicators Last Ten Fiscal Years

Department	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Admin & HR	5	5	11	11	11	5	4	5	5	6
Data & Technology	0	0	0	0	0	6	6	7	7	7
Engineering	12	13	8	9	10	8	9	9	9	8
External Affairs	5	6	6	4	5	4	5	6	6	6
Finance	4	5	5	6	8	7	6	7	7	9
Hydrogeology	8	8	9	10	10	9	9	9	9	8
Watermaster & Water Resources	0	0	0	0	0	3	3	4	4	4
Operations	0	0	0	0	0	0	0	0	0	5
<b>Total</b>	<b>34</b>	<b>37</b>	<b>39</b>	<b>40</b>	<b>44</b>	<b>42</b>	<b>42</b>	<b>47</b>	<b>47</b>	<b>53</b>



### Other Operating and Capacity Indicators

<u>Fiscal Year</u>	<u>Number of Groundwater Pumps</u>	<u>Acre Feet Injected</u>
2016	357	25,667
2017	360	25,906
2018	380	26,953
2019	383	23,057
2020	354	27,285
2021	363	26,070
2022	326	23,712
2023	326	23,403
2024	331	25,123
2025	550	27,026

**Note:**

**Number of Wells**

In previous years, the count of the number of production wells was based on wells labeled as “Active” in the wells database, regardless of whether they had production in the current Fiscal Year.

In order to provide a more accurate summary of active wells, we performed a review of the historical pumping table and identified all wells that had production greater than zero during each fiscal year.

A summary of this count is provided above.

**Sources:** Water Replenishment District Engineering and Finance Departments

**Water Replenishment District of Southern California  
Largest Industries – County of Los Angeles  
Current Fiscal Year and Nine Years Ago**

<b>Industry</b>	<b>2025</b>			<b>2016</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total</b>
Educational & Health Services	1,007,200	1	19.98%	770,000	1	15.27%
Retail Trade, Transportation & Utilities	802,500	2	12.79%	834,000	2	16.54%
Professional & Business Services	644,800	3	15.92%	604,900	3	12.00%
Government	609,400	4	12.09%	576,700	4	11.44%
Leisure & Hospitality	542,200	5	10.76%	510,000	5	10.12%
Manufacturing	297,200	6	5.90%	362,300	6	7.19%
Financial Activities	202,600	7	4.02%	220,100	7	4.37%
Information	189,900	8	3.77%	229,000	8	4.54%
Other Services	156,500	9	2.90%	153,400	9	3.04%
Construction	146,400	10	3.10%	134,100	10	2.66%
<b>Ten Largest Industries</b>	<b>4,598,700</b>		<b>91.22%</b>	<b>4,394,500</b>		<b>87.17%</b>
Other Industries	442,400		8.78%	646,900		12.83%
<b>Total Industries</b>	<b>5,041,100</b>		<b>100.00%</b>	<b>5,041,400</b>		<b>100.00%</b>

**Note:** The District is presenting employment by industry as we have been unable to obtain employment numbers by individual employers.

**Source:** California Employment Development Department