WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

ACHIEVEMENTS IN WATER INDEPENDENCE

ANNUAL BUDGET 2015/2016

WRD
WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA

Willard H. Murray, Jr.
Vice President

Rob Katherman
Secretary

John D.S. Allen
Director

Sergio Calderon
President

Albert Robles
Treasurer

THE WATER REPLENISHMENT DISTRICT
BOARD OF DIRECTORS

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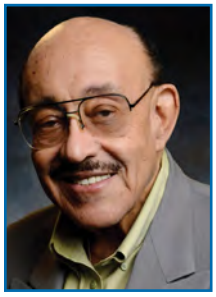
Mission Statement

"To provide, protect and preserve high quality groundwater through innovative, cost-effective and environmentally sensitive basin management practices for the benefit of residents and businesses of the Central and West Coast Basins."

Board of Directors

Division 1



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Division 3

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Division 4

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Division 5

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General Manager's Report

Robb Whitaker
General Manager

BLOCKBUSTER YEAR FOR WRD

The pace of progressive change accelerated at WRD this year, with lasting beneficial results for the region and the state. Water Independence Now (WIN) objectives long in the planning stage were implemented. The direction of groundwater resource management became certain and bold. This was an exciting, blockbuster year for the WRD Board and its staff and here are just a few of the reasons why:

- One major water supply project was completed, two more are under construction and another will soon go out to bid.
- $12 million in grant funding to support these projects was secured this year; a total of $25 million was awarded in the past 15 months. That $25 million is equivalent to a $100 per acre-foot one-year savings on the Replenishment Assessment.
- Under provisions of the recently-adopted Judgment Amendments, the District published its first Central Basin Watermaster Report and began work on its first Watermaster Report for the West Coast Basin. WRD this year fully assumed the administrative duties performed for the past 53 years by the California Department of Water Resources (CDWR).
- Longstanding, expensive and distracting Proposition 218 litigation was settled. WRD anticipates a new era of cooperation and collaboration with the litigant cities.
- WRD's AA+ credit ratings were affirmed by the two principal rating agencies, largely as a result of the District's financial management and because of the projects we have completed or initiated to develop local supplies to meet our water needs.

By virtue of this year's solid accomplishments, the future of groundwater management, local water supply and groundwater quality in our region is very bright, indeed.

11 BILLION GALLONS AND COUNTING

The driest year on record was the best year in WRD's history from a water supply standpoint. Projects completed or underway this year will result in 11 billion gallons of locally-produced water annually for basin replenishment, barrier injection or direct potable use. That is more than 28,000 acre-feet of imported water that will not be needed in our region in times of drought, or ever.

VANDER LANS EXPANSION COMPLETED; WIN FOR THE BARRIERS IS IN SIGHT

Approximately 30,000 acre-feet of water annually is needed for injection into the three seawater barrier systems that protect our coastal region from salt water contamination. The use of advanced treated recycled water to meet some of the injection requirements began in 1995 at the West Coast Basin Barrier, 2005 at the Alamitos Barrier and 2006 at the Dominguez Gap Barrier. A major objective of the WIN program has been to completely replace the imported water injected at all three barrier systems with advanced treated recycled water, and huge strides to meet that objective were taken this year.

- In December, WRD completed the expansion of the Leo J. Vander Lans Advanced Water Treatment Facility (AWTF) which supplies water to the Alamitos Barrier. The 8,900 acre-feet of water produced means that all of the water now injected into the Alamitos Barrier is advanced treated, very high quality recycled water.

- The West Basin Municipal Water District at its Edward C. Little AWTF produces the advanced treated recycled water that is injected into the West Coast Basin Barrier. 100% of the 19,000 acre-feet needed for injection there is now advanced treated recycled water, and we thank our West Basin partner for that.

- The City of Los Angeles at its Terminal Island AWTF produces the recycled water injected into the Dominguez Gap Barrier. One-half of the 8,000 acre-feet injected is now recycled. The City began construction this year on a plant expansion expected to be complete in late 2016 or early 2017.

What this all means is that 26,000 acre-feet, or 87%, of all the water needed for seawater barrier injection is now advanced treated recycled water. In less than two years, it will be 100%.

GRIP ADVANCES; WIN FOR GROUNDWATER REPLENISHMENT IS IN SIGHT

The Groundwater Reliability Improvement Program (GRIP) is another indispensable component of WRD's WIN initiative. The objective is to be totally self-reliant from a water supply standpoint at the spreading grounds so that our groundwater replenishment needs are not held hostage to drought or regulatory curtailments that afflict imported water. Two key components of GRIP reached major milestones this year.

- Construction began on the recycled water turnout structures at the San Gabriel Coastal Spreading Grounds. The structures will enable the delivery of an additional 11,000 acre-feet of recycled water to replenish groundwater supplies in the Montebello Forebay. WRD received $4.8 million in state funding toward the $6.6 million project cost.

- The second component of GRIP is construction of an Advanced Water Treatment Facility in Pico Rivera to produce 10,000 acre-feet of water. Blending that water with 11,000 acre-feet of tertiary water produced by the Los Angeles County Sanitation Districts will eliminate the 21,000 acre-feet of imported water historically purchased for groundwater replenishment. This year, WRD

  — Purchased a 5.2 acre property in Pico Rivera for the AWTF

  — Certified the Final Environmental Impact Report (EIR) for the development and operation of the AWTF

  — Secured an Owner's Engineer/Owner's Agent for the project

  — Decided on a design/build delivery model for the AWTF, instead of the more traditional design/bid/build procedure, resulting in lower costs through design efficiency and a greatly expedited completion schedule

  — Solicited and evaluated architectural design concepts for the AWTF

  — Conducted a community design workshop, preceded by an aggressive public outreach effort

The design/build package for this project will go out shortly. Construction is anticipated to begin in March of next year, with completion anticipated in the Spring of 2018. The importance of this project for WIN, the region and the state cannot be overstated. Combined with projects completed or underway with respect to advanced treated water for the seawater barriers, what all this means is that within three years, WRD will be independent of imported water. The first phase of WIN will be complete.

GOLDSWORTHY EXPANSION

The Robert W. Goldsworthy Desalter has been operating since 2002 and to date has removed 20,000 acre-feet of brackish groundwater from the seawater intrusion plume. The treated water is delivered for potable use to the City of Torrance. The existing capacity of the plant is 2,800 acre-feet per year. Construction began this year to double the capacity to 5,600 acre-feet. State Drought Relief funding in the amount of $3 million was received for this project.

BRIEFLY NOTED

- Work continued on WRD's effort to raise the maximum conservation pool elevation at the Whittier Narrows Dam from 201.6 feet to 205 feet. Increasing the elevation by that amount will result in the capture of an additional 1,100 acre-feet of storm water annually for replenishment (in an "average" year of precipitation).

- The District completed the Salt and Nutrient Management Plan for the Central and West Coast Basins. Such a plan is required by the State Water Resources Control Board to optimize recycled water for beneficial use while ensuring the protection of the groundwater supply and human health.

- Work continued on the Groundwater Basins Master Plan Programmatic Environmental Impact Report (PEIR). When completed later this year, the Master Plan will guide the second phase of WIN, as we move to maximize the potential of the basins to meet future needs.

It was a phenomenal year for WRD. On behalf of the staff, I want to thank the Board for its continuing vision, leadership and commitment to the protection and enhancement of the groundwater resources for our region.

Robb Whitaker
General Manager

President's Message

Sergio Calderon
President

THE UPSIDE OF DROUGHT

The California drought of historic proportions is entering its fifth consecutive year. Precipitation in the Los Angeles region for the year ending June 30 was the lowest since rainfall record-keeping began in 1888. Statewide, reservoir levels were as low as 6% of capacity. For the first time in the 75 years Sierra snowpack has been measured each April 1, the water content in the snowpack was zero at some measuring locations and averaged just 16% of normal at all locations, foreshadowing an ominous drop in available supply for the summer.

WHAT POSSIBLE UPSIDE IS THERE TO ALL THIS BAD NEWS?

The Governor's Drought Emergency Declarations of 2014 resulted in a higher degree of public awareness of the drought. The heightened public awareness, combined with mostly voluntary changes in behavior, resulted in a 13.5% decrease in statewide water use from April 2013 to April 2015. While commendable, water use continued to outstrip plausible supply in a protracted drought. Consequently, in April of this year, the Governor ordered a 25% reduction in urban water use from 2013 levels. Cities with the highest per capita consumption were ordered to cut daily consumption by as much as 36%. If fully realized, that 25% reduction will reduce urban water consumption by an astonishing 2 million acre-feet per year.

What has happened since that order makes for a remarkable chapter in the history of California's water-oriented culture. Water districts and urban water suppliers have very dramatically changed how they view future water supply, moving from a limitless supply culture to an aggressive conservation culture. For its part, the public has proven to be resilient and innovative as it reduces per capita water use by changes in daily behavior and longer-term changes in outdoor water use. Outdoor water use, of course, accounts for most per capita consumption in California's cities and suburbs.

"Gold is the new green" as Southern Californians began taking advantage of the $450 million turf removal rebate program of the Metropolitan Water District. 175 million square feet of water-intensive lawns are being replaced by drought tolerant native plants, with the expectation that more than 80,000 acre-feet of water will be conserved annually.

More and more water districts and municipal suppliers are also moving toward a "tiered pricing" system under which those customers who use more water are charged a higher rate than those who use less. While under court challenge in some water districts, this has proved to be a very effective water conservation tool.

CORE VALUES

The Water Replenishment District executes its role in groundwater management through:

Financial Responsibility:

Long-term prudent financial decisions are made about staffing, operational expenses, rates, bonds and reserves.

Transparent Decision Making:

The board makes decisions in open meetings with the public heard in a respectful manner. Additionally, the public is encouraged to provide input through participation in a variety of focused forums and public hearings.

Will the changed water stewardship and new water conservation culture remain in place after the drought? There are signs that they will, as water suppliers and the public alike realize that climate change will lead to even more intense and longer-lasting droughts in the future.

DROUGHT-PROOFING GROUNDWATER REPLENISHMENT

WRD began developing local supply to replace imported supply 53 years ago as it pioneered the use of recycled water for groundwater replenishment. We have steadily increased that local replenishment supply in the form of recycled water and projects to capture increasing amounts of storm water when available.

As a result, WRD's replenishment and seawater barrier injection program is becoming more and more drought-proof to the extent that we don't rely on an imported and vulnerable supply of imported water to meet our needs. With the completion of the Groundwater Reliability Improvement Program's advanced water treatment facility (AWTF) in 2018, we will be completely independent of imported water for groundwater replenishment. And we are delighted that the water supplied by the West Basin Municipal Water District for injection into the West Coast Barrier is now 100% recycled as well. With the completion of the Vander Lans AWTF expansion this year, we are now independent of imported supply at the Alamitos Barrier. With completion of the expansion of the City of Los Angeles AWTF at Terminal Island, we will be independent of imported supply at the Dominguez Gap Barrier within 18 months.

While many years in the making, WRD formally adopted its Water Independence Now (WIN) goal just five years ago. Within three years from now, we will have realized the first objective of that program --- total independence from imported supply. We will have completely drought-proofed groundwater replenishment for the 4 million people in the 43 cities we serve.

FINANCIAL STABILITY

It goes without saying that the drought is not good for the business side of water supply for many water districts and municipal water suppliers in the state. As per capita water consumption declines, water sales decline. And while the expense of water purchase goes down, so does the revenue stream required to keep water districts financially healthy. Declining revenues in the face of fixed long-term costs have put a financial squeeze on more and more water suppliers, many of which are forced to make the unpleasant and publicly baffling decision to charge customers more for using less water.

It turns out that drought-proofing replenishment makes for a financially robust and stable WRD. Fitch Ratings recently affirmed the District's AA+ credit rating, which is good news for our bond holders and good news for debt we anticipate issuing later this year. The reasons for the high rating speak to the financial wisdom of WIN.

"The district is in the process of transitioning to the production of recycled water and away from purchasing costly imported water for aquifer replenishment," the ratings analysis said. "This transition will result in the district no longer being pressured by the increasing cost of imported water." The analysis notes that the "district's capital projects focus on independence from costly imported MWD water in favor of increased use of recycled water…will facilitate more consistent financial performance over the long term." Standard & Poor's affirmed its AA+ long-term rating earlier this year, citing the District's "competitive business position based on significant cost advantage of pumping groundwater over purchasing imported water within the region."

CONGRATULATIONS & THANKS

- The WRD Board was joined in January by former Long Beach Water Commissioner John Allen, who was elected in November. Long active in the civic life of Long Beach and a practicing attorney for nearly 38 years, the last 26 with the Los Angeles County District Attorney's Office, John is a valuable addition to the Board. Our congratulations and welcome to John!

- For the fourth consecutive year, WRD received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). For the ninth consecutive year, WRD received GFOA's Certificate of Achievement for Financial Reporting as well as the Meritorious Award from the California Society of Municipal Finance Officers.

Taking the long view of WRD's 56 year history, the past year was one of the most productive and significant of all. Credit for that goes to the foresight of my fellow Board members and the extraordinary competence of our General Manager and staff. Thanks to all for the many successes of this past year and for laying the foundation for continued success in years to come.

Sergio Calderon
President

2015/2016 Budget-in-Brief

FINANCIAL OVERVIEW – REPLENISHMENT ASSESSMENT: INCREASE OF 5.6% TO $283/ACRE-FOOT

The District manages the Central and West Coast groundwater basins which provide groundwater for approximately 4 million residents in 43 cities of Southern Los Angeles County. Its mission statement is "to provide, protect and preserve high quality groundwater through innovative, cost-effective and environmentally sensitive water basin management practices for the benefit of residents and businesses of the Central and West Coast Basins."

The District accomplishes this through its various projects and programs; each of which are explained in detail in other parts of this budget document. The District's budget is divided into three major categories:

1. Operating Expenses – Primarily used to track expenses related to projects, programs and administrative costs
2. Other Special Programs and Supportive Costs
3. Capital and Other Non-Operating Revenues and Expenses

Project, program and administrative costs are tracked in the category of operating expenses. These projects and programs include activities that enhance the replenishment operations, increase the reliability of groundwater resources, improve and protect groundwater quality and ensure that the groundwater supplies are suitable for beneficial use. Direct administrative supportive costs include the Board of Directors, General Manager, Administration, Finance and External Affairs.

Other special programs and supportive costs include expenses related to litigation, Proposition 218 and Senate Bill 620; SB 620 costs relate to the District's efforts to comply with the law establishing the Budget Advisory Committee (BAC) and the biennial election of seven-member committee. Election expenses are also included in this category of expenses and represent mandatory pass-through costs from the County Registrar-Recorder to manage the election of the District's elected officials.

The District has debt service payments on its 2004, 2008 and 2011 Revenue Certificates of Participation which are included in the third category of expenses; Capital and Other Non-Operating Revenues and Expenses. Also included are smaller capital expenses attributed to the replenishment assessment on a pay-go basis rather than being funded through 30-year debt instruments.

RELATIONSHIP OF FUNDS, PROJECTS AND PROGRAMS

The District operates two major funds: the Replenishment Fund and the Clean Water Fund. Expenses are allocated to each fund through the various projects and program. For budget purposes, projects and programs are separated into either Replenishment, Clean Water Projects or Dual Purpose Projects and Programs. Dual purpose projects and programs are those that address both replenishment operations and clean water efforts.

REPLENISHMENT FUND

The annual amount pumped from the Central and West Coast basins is greater than the natural replenishment of groundwater aquifers, creating an annual deficit or annual overdraft. WRD is enabled under the California State Water Code to purchase and recharge additional water to make up the overdraft. The Replenishment Fund is the budgetary control for all expenses related to the District's replenishment efforts. This includes the two primary expenses of the District which is Water Supply Purchases and Water Supply Production; which makes up 67.5% of all annual costs. Total budgeted operating and non-operating expense related to the Replenishment Fund is about $67.0 million or 92.5% of the total budget.

CLEAN WATER FUND

Consistent with the WRD's mission to provide, protect and preserve high quality groundwater, the WRD annually collects nearly 600 groundwater samples from its monitoring well network and analyzes them for over 100 water quality constituents to produce nearly 60,000 individual data points to help track the water quality in the basins. By analyzing and reviewing the results on a regular basis, any new or growing water quality concerns can be identified and managed effectively. The Clean Water Fund is the budgetary control for all expenses related to the District's efforts to provide clean and safe water to the nearly four million users of groundwater in the District's service area. Total budgeted operating and non-operating expense related to the Clean Water Fund is about $5.2 million or 7.5% of the total budget.

REVENUES – SOURCES OF REVENUES REMAIN THE SAME

The District's primary source of revenue is generated by the replenishment assessment; making up 95.0% of the District's revenue or $69,076,000. The replenishment assessment is collected based on the amount of water pumped from the Central and West Coast basins.

The District also expects to collect $2,688,000 or 4.0% of total revenue from water sales to the Orange County Water District (OCWD) and Metropolitan Water District (MWD) subsidies from the Leo J. Vander Lans Advanced Water Treatment Facility. This facility provides advanced treated water to the Alamitos Seawater Intrusion Barrier Project which would otherwise need more expensive non-interruptible imported water.

The Goldsworthy Desalter is located in the West Coast Basin and treats brackish groundwater for sale to the City of Torrance. The anticipated revenue is $810,000 which remains materially flat and holds steady at 1% of the District revenue.

COMPARISON TO 2014/15 YEAR'S BUDGETED REVENUES

Budgeted revenues from the prior year were similar to that of the current year. Replenishment Assessment revenues made up 95% of total revenues or $64,850,000. Revenues from both the Leo J. Vander Lans Advanced Water Treatment Facility and the Goldsworthy Desalter were $2,094,000 (3.0%) and $1,341,000 (2%), respectively. Prior year's Replenishment Assessment was $268 per acre-foot.

EXPENSES – CONSERVATIVE FISCAL POLICY KEEPS EXPENSES RELATIVELY FLAT

The most significant budgetary item for the District is water and water-related costs. Of the District's total budgeted expenses of $72,574,000, about $47,361,000 (65.3%) is related to either water supply purchases, production of water or water conservation efforts. Details and explanations of the various Projects and Programs are located in their specific sections of this budget document; the total budgeted costs for these replenishment and clean water projects are $7,414,000 (10.2%) of the 2015/16 adopted budget. Administration costs including GASB 45 related costs are budgeted to be $4,738,000 (6.5%), Other Special Programs & Supportive Costs $4,950,000 (6.8%), Capital Improvement Program Expenses $10,572,000 (14.6%) and the net amount of making up prior year's deficit of $10,619,000 and rate relief of ($13,080,000) is ($2,461,000) (-3.4%).

COMPARISON TO 2014/15 YEAR'S BUDGETED EXPENSES

Total budgeted expenses for 2014/15 were $68,285,000 with 61.4% of those costs relating to water and water-related costs. In 2015/16 total expenses increased $4,289,000 to $74,574,000. Water and water-related costs increased to 65.3% of total expenses. There were several fluctuations which caused the increase of $4,289,000 in expenses over the prior year.

Water-Related Costs

- Water-related costs increased $5,468,000 due to an increase in water supply purchase costs from District supply sources of $5,571,000 with a decrease in other water-related costs of ($103,000). In fiscal year 2014/15, the District budgeted for 99,100 acre-feet of water; 19,900 acre-feet of imported water and 79,200 acre-feet of less expensive recycled water. In comparison, in fiscal year 2015/16, the District increased water purchases 4,200 acre-feet to 103,300 acre-feet; 23,600 acre-feet of imported water and 79,700 acre-feet of recycled water.

Other Contributing Costs

- Litigation costs and other supportive costs increased by $2,370,000 from $1,930,000 to $4,300,000 due to litigation and settlement costs pursuant to Article XIII D, Section 6(a)(2) of the California State Constitution (Proposition 218) regarding the District's replenishment assessment.

- In 2014/15, the District's actual costs exceeded the budgeted costs by $10.6 million due to increased water and litigation costs. This was offset by the use of reserves to balance the budget in accordance with §60328.1 of the California State Water Code.

FUND BALANCE

The District's fund balance is governed by §60290 of the California State Water Code which states that the "District may establish an annual reserve fund in an amount not to exceed ten million dollars ($10,000,000) commencing with the 2000/01 fiscal year. The maximum allowable reserve fund may be adjusted annually commencing with the 2001/02 fiscal year to reflect percentage increases or decreases in the blended cost of water from district supply sources."

Based on the percentage increase in the blended cost of water for fiscal year 2015/16 from District supply sources, the maximum allowable reserve in accordance with §60290 of the California State Water Code is now $25.0 million.

Additionally, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

If for some reason, the District has more than $10,000,000 (adjusted for the blended cost of water) or $25,000,000, §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year.

STAFFING

District staffing remains unchanged at 34 budgeted professional and administrative staff.

PLANNING FOR THE FUTURE

Plenty of water had always been available from the Colorado River and even more would flow through the State Water Projects beginning in 1972. Even so, the Board of Directors of the Water Replenishment District was skeptical about the long-term prospects for imported water. When WRD was founded in 1959, who would have guessed that claims by other states to their share of the Colorado River would shrink by half the available supply of water to Southern California within a mere 40 years? And who would have predicted that constraints on the State Water Project would also reduce in half the amount of water originally allocated to our region?

IMPACTS OF LONG-RANGE PLANS ON FUTURE BUDGETS

In the past, a large percentage of replenishment water came from sources in Northern California and the Colorado River. The District is moving toward an independence from expensive imported water through the Water Independence Now (WIN) initiative, a series of projects that will fully utilize storm water and recycled water sources to restore and protect the groundwater resources of the Central and West Coast Groundwater Basins.

The projects included in the District's 5-Year Capital Improvement Plan are listed below:

1. Groundwater Reliability Improvement Program (GRIP)
   a. Advanced Water Treatment Facility
   b. Advanced Water Treatment Facility Expansion
   c. Recycled Water Turnout Structures
2. Goldsworthy Desalter Expansion
3. Whittier Narrows Conservation Pool Study
4. Groundwater Management Projects
   a. Regional Groundwater Monitoring Program
   b. Montebello Forebay Recharge Study
   c. Enhanced Montebello Forebay Recharge Study
5. Safe Drinking Water Program
6. Water Infrastructure Projects
   a. Asset Management Program
   b. Centralized Information System
   c. Supervisory Control and Data Acquisition (SCADA) System

The WIN-related projects will allow the District to become completely independent from imported water. The impact to future budgets will be significant. The District will obtain outside financing to support the expenses related to the Five-Year Capital Improvement Plan. The offset will be replacing imported replenishment water with highly treated recycled water. While it is extremely difficult to place a financial value on the reliability of water, it is much easier to quantify the dollar value of replacing imported water by using more recycled water. Fiscal year 2015/16 analysis shows that the District will be able to replace 16,000 acre-feet of imported spreading water needs, costing over $11.9 million. Overall cost savings will be immediate and the value of the investment in capital assets only increases over time as the cost for imported water continues to climb steadily each year. Where quantifiable, on-going savings for future years have been reflected for the above projects in the Capital Improvement Program section.

RATING AGENCIES AFFIRM AA+ RATING

On February 17, 2015, Standard & Poor's affirmed the WRD's outstanding debt at AA+ with a stable outlook. Additionally, on July 14, 2015, Fitch Ratings also affirmed their rating of AA+ with a stable outlook.

With the District serving over four million people and 10% of the State of California's population, it is even more important to become increasingly self-reliant. A big portion of the costs will be debt financed and, therefore, future generations will share not only in the benefits of the WIN Program, but also in the costs. This program will provide a locally, sustainable and reliable water supply for the residents served by WRD.

Scott M. Ota, CPA, CFF, CIRA, CGMA
Chief Financial Officer

Background & History

The Water Replenishment District of Southern California (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 (Basins) in Southern Los Angeles County.

The District provides groundwater for nearly 4.0 million residents in 43 cities of Southern Los Angeles County. The 420 square mile service area uses about 250,000 acre-feet of groundwater per year, which equates to 40% of the total demand for water. Prior to the formation of the District, over-pumping of both basins caused many wells to go dry and seawater to intrude into the groundwater aquifers – underground geological formations that store water. In 1957, the accumulated overdraft in the Central Basin alone was almost one million acre-feet, which translates to a tremendous withdrawal of water from aquifers in excess of the amount that naturally, or artificially, replaces it. In both basins, groundwater levels had dropped to below sea level. During the 1950's the Los Angeles County Flood Control District (LACFCD) purchased 500,000 acre-feet of imported water to artificially replenish the basins.

In 1959, the Central Basin Water Association (CBWA) and West Basin Water Association (WBWA), comprised of the major groundwater producers from each basin, jointly proposed and obtained voter approval for formation of the Water Replenishment District of Southern California to manage the Central and West Coast Groundwater Basins.

The District's role expanded as it developed programs to capture stormwater, recharge recycled wastewater, monitor water quality and take advantage of evolving MWD of Southern California water rates. In 1990, legislation was passed to strengthen the District's role in groundwater quality protection and to provide a special assessment ability to the District to fund clean water programs.

Figure 1 – WRD Groundwater Demand

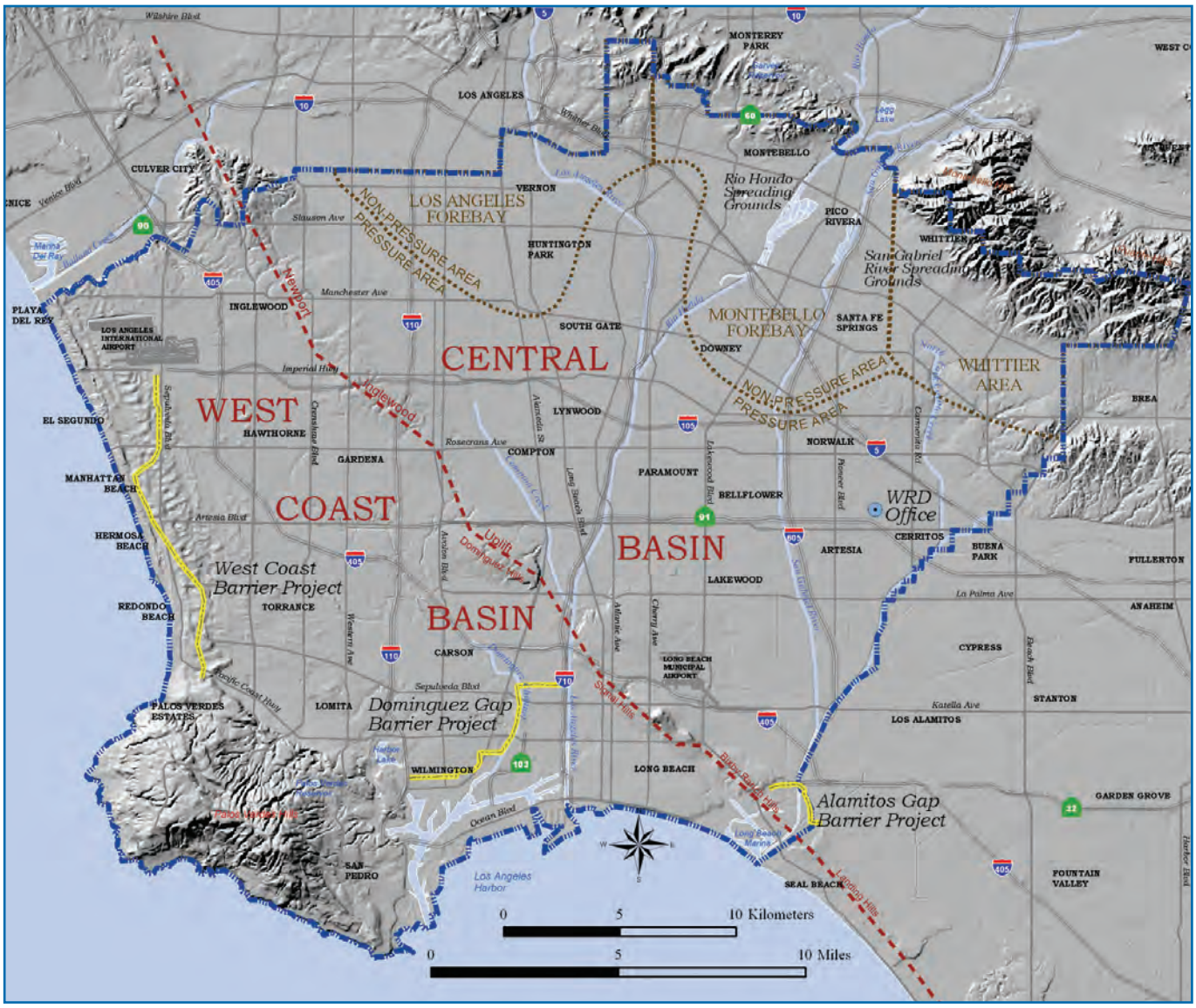


Figure 2 – Service Area Map

Local Economy

The District office is located in Los Angeles County, with approximately 10 million residents; Los Angeles County is the most populous county in the nation. Its population is larger than that of 42 states and if it were a country, it would have the 21st largest economy in the world.

The county added 78,700 jobs in 2014, equivalent to a 1.9% annual increase that matched the U.S. as a whole. Most of the county's major industries added jobs last year, and as a result, the unemployment rate fell to 8.2%, the lowest in six years. Los Angeles County should surpass its pre-recession jobs peak by virtue of another 1.9% gain expected this year and continue to add jobs at a 1.7% annual rate in 2016. The unemployment rate should improve to 7.2% this year and 6.6% in 2016.

Population growth is expected to slow this year and next, with the rate of growth at approximately 0.5% annually. The county's high cost of living and lack of affordable housing units for low and middle-income households are contributing to the slowdown in population growth. Like most other parts of the state, the housing market in Los Angeles County has improved over the last two years. The median price for all homes finished the year in December with median price of $460,000 (a 7.0% year-to-year increase), while sales rose by 3.5% compared to a year earlier.

Job gains occurred across most of the county's major industries over the past year, with a handful of industries hitting record high employment levels in 2014. In annual terms, the largest job gains occurred in health care and social assistance

Groundwater Conservation Is Not New

The above picture was obtained from the files of the Los Angeles County Flood Control District and shows some of the activity of spreading water in Montebello Forebay in 1935.

First State Water Reaching Spreading Facilities

The first State Project water used for spreading in the Central Basin is shown reaching the spreading facilities in October, 1974. The picture is at the rubber dam used to control spreading water on the San Gabriel River. Water may be released down the river in controlled amounts so it infiltrates and is not wasted or it may be diverted into spreading grounds.

Observation Well

One of the Alamitos Barrier observation wells is shown being drilled. From measurements of water level in these wells, the effectiveness of the barrier is monitored.

(22,800 jobs), followed by administrative, support and waste services (14,300 jobs), and leisure and hospitality (9,700 jobs). The fastest growing sectors in percentage terms were construction (7.0%), administrative, support and waste services (5.6%), and management of companies and enterprises (4.6%). Other industries with noteworthy job gains included professional, scientific and technical services, and information, which includes motion picture and sound recording. Private sector job losses occurred in manufacturing, finance and insurance, and wholesale trade, while the government sector also lost employment.

As America's gateway to Asia, international trade plays an important role in the Los Angeles economy. The twin ports had their third-best year in 2014 with throughput of 15.2 million containers.

The entertainment industry is a cornerstone of the Los Angeles economy. The industry's largest component is the motion picture and sound recording industry, which is a subsector of the major industry, information services. Total production activity rose in 2014, with increases in television and commercial production and a decrease in feature film activity. Corresponding to this increase, the county's motion picture and sound recording industry added jobs at more than four times the national rate generating 8,000 jobs (a gain of 6.5%) and achieving the highest annual employment in ten years (130,900 jobs).

The professional services super-sector is the second largest in Los Angeles County with over 616,000 workers in 2014. There are three major industries in this group: professional, scientific and technical services; management of enterprises; and administrative, support and waste services. These industries are among the fastest growing in the county, providing jobs across a wide range of skill and income levels.

Los Angeles County has seen steady improvement over the past three years, both in terms of job gains and decreases in its unemployment rate. A handful of industries have been the source of most job creation over the past year, a pattern that will continue over the next few years. Long-awaited but modest wage increases should factor into the picture as well, as the local labor market tightens. It will be some time before middle-wage job growth catches up with the gains that have been seen among high-wage and low-wage occupations.

California's water supply continues to pose many new and complex challenges for water suppliers in the state. Four years into the drought in California, Governor Jerry Brown announced the first ever, statewide mandatory water restrictions. California's water year, which ended on September 30, 2014 was fourth driest years in the state's recorded history, followed by the droughts in 1977, 1924 and 1931. Water year 2014 ended with less than 60% of average precipitation and is the third consecutive year the state has battled low rainfall. Water year 2015 isn't looking any better.

California has often endured drought situations throughout its history and each drought has brought its own challenges. However, out of these trials, we have learned valuable lessons and have made adjustments to assist Californians in the unpredictable weather in California.

The Water Replenishment District of Southern California has embraced water conservation and the use of recycled water for many years. Through coordination and planning with other local and regional water suppliers, the District continues to engage in developing long-term solutions to the various water supply challenges. These efforts are evidenced in the District's participation in regional conjunctive use programs as well as local groundwater storage and recovery projects. It is through participation in these and other programs, such as the District's Water Independence Now (WIN) Program, that will enable the District to continue to meet its long-term water supply needs.

The WIN program is specifically designed to make use of local water supplies to become completely independent of imported water from the Colorado River and the California State Water Project. Prior to 1961/62, the West and Central Groundwater Basins received about 36% of the replenishment water from storm water and 64% from imported water. Today, the demand for imported water has dropped dramatically due to the many projects and cooperative interagency programs WRD has helped develop. Imported water has dropped to 20% of the current replenishment water demand; supplemented with 40% recycled water and 40% storm water. The increase in replenishment due to natural recharge is a direct result of storm water capture projects which increases the ability to benefit from local storm events. The WIN Program will completely eliminate the need for imported water by replacing the 20% of current imported water needs with recycled water. This will be accomplished through completion of the Groundwater Reliability Improvement Program (GRIP) and the use of 100% recycled water at the West Coast and Dominguez Gap Seawater Intrusion Barrier Projects.

Source of economic data: Los Angeles County Profile; Los Angeles County Economic Development Corporation.

Table 1
Demographics and Economics Statistics - County of Los Angeles
Last Ten Fiscal Years

Year	Los Angeles County Unemployment Rate (1)	California Unemployment Rate (1)	U.S. Unemployment Rate (1)	Population (1)	Personal Income (thousands of dollars) (2)	Personal Income per Capita (2)
2006	4.80%	5.42%	5.10%	9,787,327	$385,724,212	$39,610
2007	5.10%	4.89%	4.60%	9,773,894	$400,366,343	$41,273
2008	7.50%	5.35%	4.60%	9,796,812	$417,454,378	$42,881
2009	11.60%	7.21%	5.80%	9,805,233	$394,980,563	$40,356
2010	12.60%	11.33%	9.30%	9,825,077	$428,019,654	$43,564
2011	12.30%	12.36%	9.60%	9,860,904	$438,356,626	$44,454
2012	11.10%	10.60%	8.20%	9,945,031	$448,142,986	$45,062
2013	9.60%	8.60%	7.60%	10,019,365	$468,615,720	$46,771
2014	8.20%	7.60%	6.10%	10,099,350	$484,859,694	$48,009
2015	7.30%	6.40%	5.50%	10,181,140	$500,117,959	$49,122

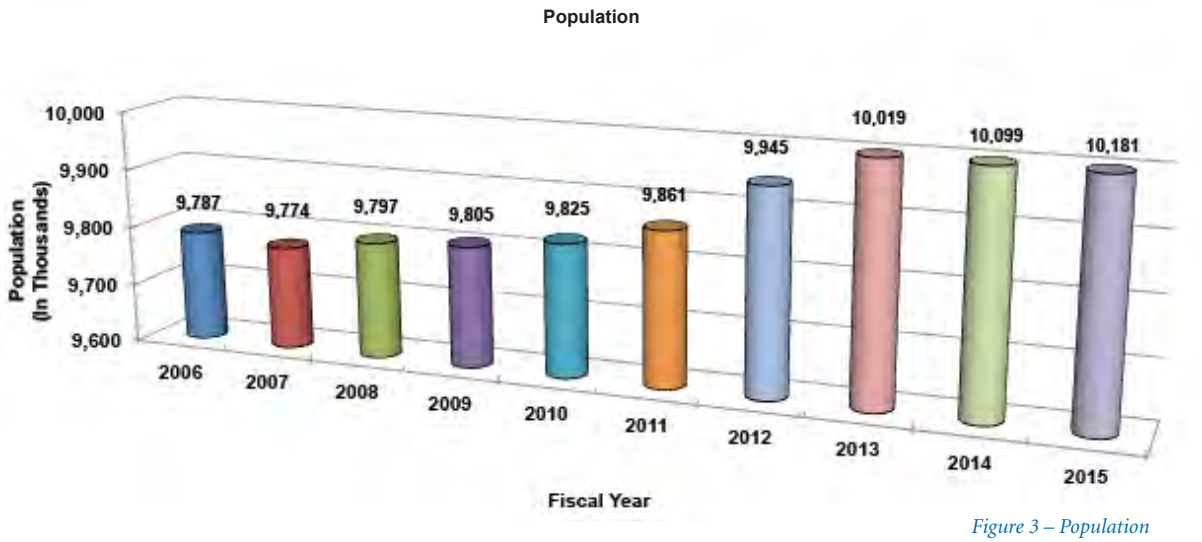


Figure 3 – Population

Notes:

1. Updated annually. Table: Population Estimates and Components of Change by County. Sources: California Department of Finance, California Labor Market Info, Los Angeles Business Journal, U.S. Bureau of Labor Statistics

2. Personal Income per Capita was computed using Census Bureau midyear population estimates. Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, CalGov.com Los Angeles County Employment Forecast

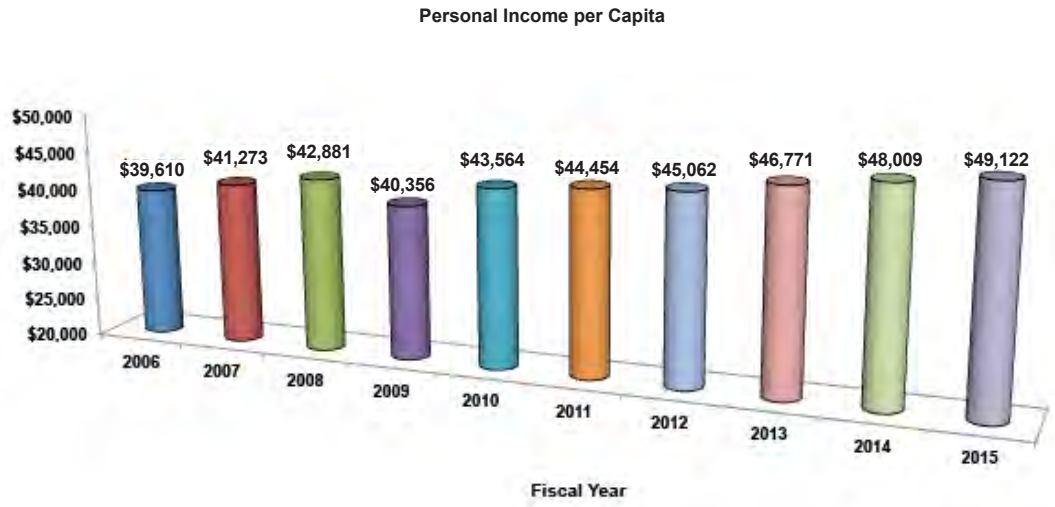


Figure 4 – Per Capita

GOVERNMENT

The District is divided into five elected divisions. The governing board is made up of one elected director from each division. The General Manager is appointed by the Board of Directors. The District's budget process consists of activities that encompass the development, implementation and evaluation of a fiscal plan for the utilization of the District's assets and resources.

Organizational Chart
Water Replenishment District of Southern California

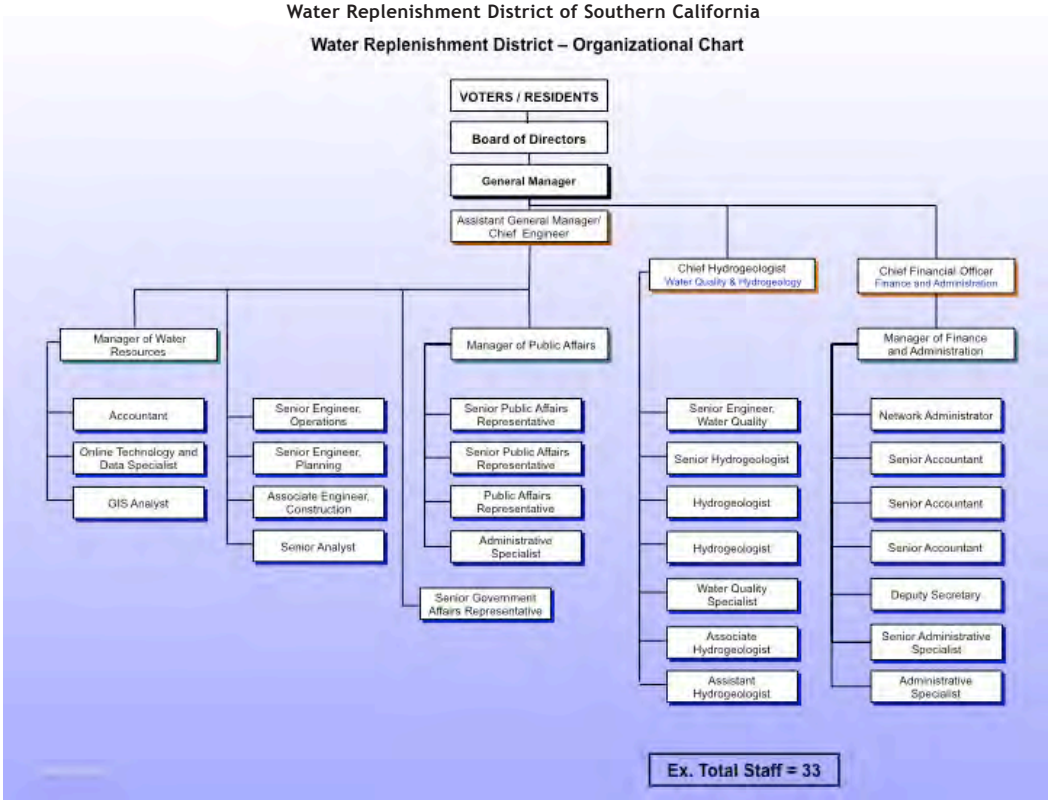


Figure 5 – Organizational Chart

Relevant Financial Policies

BUDGET CONTROLS AND REVISIONS

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. The intent of the District is that the costs of managing the groundwater basins on a continuing basis be financed or recovered primarily through user charges replenishment assessments, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting.

Operating Revenues 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 values. Non-operating revenues, such as grant funding and investment income, result from non-exchange transactions in which the District gives (receives) value without directly receiving (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. Non-operating expenses, such as interest paid on debt service or election costs are the result of expenses that do not relate to the District's day-to-day operations.

FINANCIAL REPORTING

The District's basic financial statements are presented in conformance with the provisions of Government Accounting Standards Board (GASB) Statement No. 34, "Basis Financial Statement and Management's Discussion and Analysis for State and Local Governments" (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

BUDGETARY POLICIES

The District adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. More detail of budget control and revisions can be found in the Budget Process section of this document. Each year, the Board of Directors follows the legislation as set forth in the California State Water Code when preparing and adopting the annual budget and establishing the ensuing year's Replenishment Assessment.

REPLENISHMENT ASSESSMENT (RA) POLICY

On or before the second Tuesday of May each year, the Board of Directors (BOD), in accordance with California Water Code Section 60315 set the Replenishment Assessment rate for the ensuing fiscal year. In order to prepare for this action, the District holds public hearings in the spring of each year to determine to what extent the estimated costs for the ensuing year shall be paid for by a Replenishment Assessment (RA). In preparing for these hearings, the District develops an annual operating budget and updates its five-year capital plan. These documents outline the funds needed to:

1. Purchase replenishment water
2. Protect and preserve the groundwater supply
3. Pay for the related administrative expenses

The new rate structure becomes effective each year on July 1.

INVESTMENT POLICY

The Board of Directors has adopted an investment policy that conforms to California State law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objectives of the investment policy are safety, liquidity, and yield. In 2009, at the direction of the Board of Directors, the District implemented its Community Banking Program and invested in several local community banks that are fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured as required by state law. The Board of Directors reviews the adopted investment policy on an annual basis and approves any changes.

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 estimated fair 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. Provision for depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

- Utility plant and equipment – 30 years
- Monitoring and injection equipment – 3 to 20 years
- Service connection – 50 years
- Office furniture and equipment – 5 to 10 years

This policy is approved by the Board of Directors.

PROCUREMENT POLICY

Purchases will be made in accordance with the District's Procurement Policies & Procedures as outlined in chapter 10 of the District's Administration Code. The District gives preference to local businesses when the District enters into contracts for supplies, materials and equipment, construction and professional services totaling under $25,000. Summarized below are the significant provisions of the District's procurement policies and procedures:

1. All contracts for construction work, materials, equipment, supplies and professional services shall be in writing and, at a minimum, include the relevant scope of work, duration and terms of payment.

2. All contracts valued less than $10,000 may be approved and signed by the General Manager or other District's representative authorized by the Board of Directors. The General Manager may not execute multiple contracts on behalf of the District with the same person or entity within a one-year period that cumulatively total $10,000 or more without the Board of Directors' prior approval.

3. All contracts valued $10,000 or more shall be authorized by the Board of Directors and signed by the President and the Secretary except that the Board of Directors may, by resolution for a specific expense, authorize the General Manager or the other District's representative to sign contracts in the name of the District, not to exceed $25,000.

4. Where the contract amount is less than $25,000, an informal solicitation may be made by the General Manager by informal quotes through telephone, mail or electronic inquiry, comparison of prices on file or other. Every attempt shall be made to receive at least three price quotations.

5. Before making any contract for construction work or purchase of materials, supplies, and equipment that total $25,000 or more within any 12 month period, the District shall advertise for bids by issuing a Contract Solicitation.

6. Advertising should be in a newspaper of general circulation in Los Angeles County at least once a week for four consecutive weeks. Advertisement for bids shall set forth all of the following information:

   a. That plans and specifications for the work to be done can be seen and obtained at the District's office;
   b. That the Board of Directors will receive sealed bids for the contract;
   c. That the contract will be awarded to the lowest responsive and responsible bidder;
   d. That bids will be publicly opened at a given time and place.

7. Bids shall be opened in public at the time and place stated in the notice inviting bids. Two District employees and/or representatives shall be present at the bid openings. As each bid is opened, the bidder's name and bid amount shall be announced. At the conclusion of the bid opening, the name of the apparent low bidder and its bid amount shall be announced. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than 30 calendar days after the bid opening.

8. Before making any contract for professional services, the District may solicit a Request for Proposal (RFP) for such services. However, a RFP is not required for professional services contracts. The District from time to time may issue a request for qualifications for the purpose of developing a list of qualified consultants to provide professional services for future work. Prior to issuing a request for qualifications or a request for proposal, District staff shall obtain the approval from the Board of Directors.

9. Request for qualifications may be advertised in a publication of the respective professional society or by any other means reasonably calculated to reach its intended audience. Upon review and receipt of the qualifications from the interested consultants, the District shall develop the list of qualified consultants based upon criteria established by the District.

DEBT MANAGEMENT

Each year during the budgeting process the Board of Directors of the Water Replenishment District of Southern California reviews the District's capital improvement plan to determine the ensuing year's capital needs. Based on this review, the Board of Directors determines whether there is a need for any additional long-term debt financing or whether projects can be funded on a pay-go basis. If the Board of Directors determines that additional debt financing is necessary, the Board holds public workshops in order to obtain stakeholder input relating to any increases to the RA due to annual debt service payments. Additionally, as part of this process, the District prepares a five-year financial projection in order to ascertain the long-term impact to the RA. The Board of Directors approves the debt management structure when adopting the five-year Capital Improvement Plan.

AUDITING

As required by the California State Water Code Section 60292, once a year the District hires an independent accounting firm to perform the annual financial and compliance audits of the District's basic financial statements and supplemental schedules in accordance with General Accepted Auditing Standards (GAAS).

INTERNAL CONTROL STRUCTURE

The Board of Directors manages the District's internal control structure through the Board-adopted Administrative Code, which provides internal control guidelines. They also monitor internal controls through communications with the independent financial auditor. District Management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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 Power 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. Risk management policy is not adopted by the Board of Directors, but is a requirement of membership in the ACWA/SPIA.

RESERVE POLICIES

Based on §60290 of the California State Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars ($10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from District water supply sources on an annual basis. Based on a percentage increase in the blended cost of water for fiscal year 2015/16 from District supply sources, the maximum allowable reserve in accordance with §60290 of the California State Water Code is $24.8 million.

Additionally, §60291 states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

If for some reason, the District has more than $10,000,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a Replenishment Assessment (RA) rate reduction or to the purchase of water in the succeeding fiscal year.

Description of Reserve Categories:

- Water Purchase Reserve – This category of funds represents amounts carried over from previous years when imported spreading water was unavailable for purchase. The District only uses these funds to purchase water in future years when water becomes available.
- Restricted for Capital Projects – This category of funds represents amounts reserved due to commitments made by the Board of Directors for capital projects which includes the WRD capital replacement plan for the Leo J. Vander Lans AWTF and the Goldsworthy Desalter as well as the proceeds from the 2011 Certificates of Participation held in trust by US Bank. By law, these funds can only be spent for capital projects.

- Debt Service – The WRD's Master Trust Agreement provides for the funding of a Reserve Fund for all debt issuances. The Reserve Fund is funded with a portion of the net proceeds of the 2004, 2008 and 2011 debt issuances. These funds are held in trust by US Bank and will only be available to the WRD after the debt is completely paid off; 30 years from the date of the issuance of the debt.
- Cal Trans Trust – These funds are held in trust by WRD with the California Department of Transportation for dewatering of the 105 freeway. The trust funds decrease to pay for the Replenishment Assessment (RA) for water pumped from below the freeway.
- GASB 45 Requirement – This category of funds accounts for the WRD's Annual Required Contribution (ARC) related to Other Post Employment Benefits (OPEB) in compliance with the Government Accounting Standards Board (GASB) Statement Number 45 enacted by the GASB due to the growing concerns over the potential magnitude of government employer obligations for post-employment benefits. This is a financial reporting provision required by all government employers.
- Unreserved – This category of funds is restricted to $10,000,000, adjusted for the annual increase or decrease in the blended cost of water from District water supply sources, as documented in §60290 of the California State Water Code. For fiscal year 2015/16, the adjusted amount is $25.0 million.

Budget Process

The budget process is not simply an exercise in balancing one year at a time, it is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals and objectives. These goals and objectives were established by the Board of Directors and District staff through the District's Strategic Plan and the five-year Capital Improvement Program. We moved beyond the traditional concept of line item expense control and provided incentives and flexibility to project/program managers that has led to improved program efficiency and effectiveness. The District's staff continually assesses program and financial performance to encourage progress toward achieving the goals and objectives of the District.

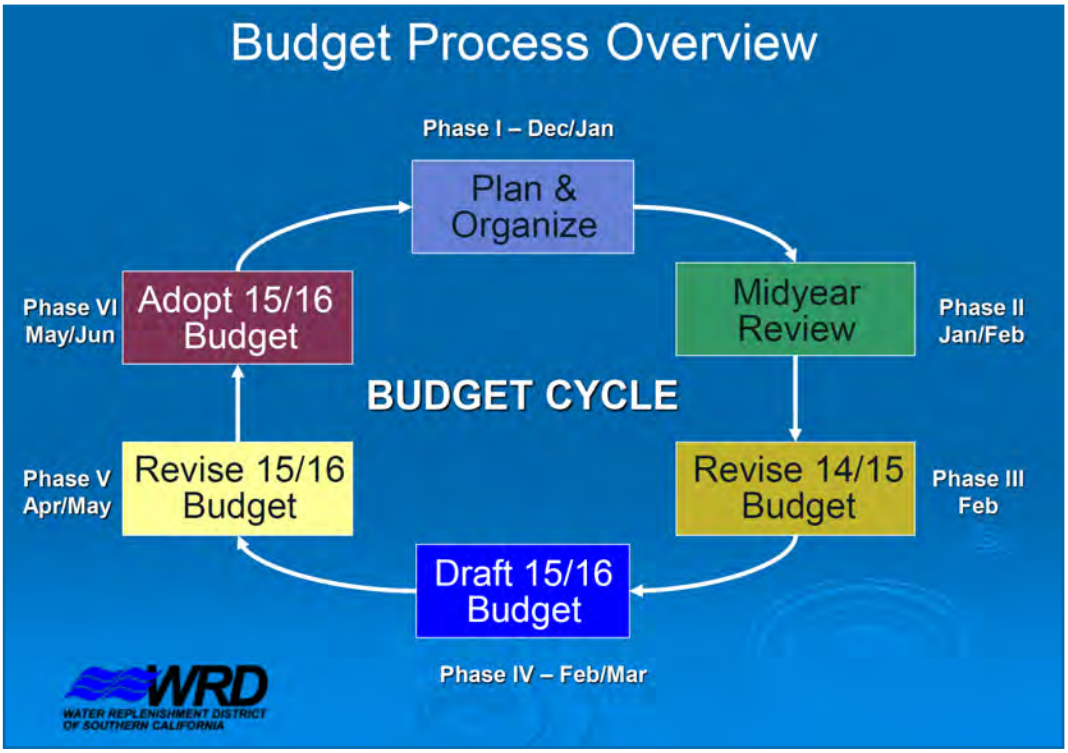


Figure 6 – Budget Process

PLAN & ORGANIZE

The budget sets forth a strategic resource allocation plan that is distinctly aligned with the District's mission and the Board of Director's goals and objectives for staff. The budget process is a year-long effort of monitoring revenue and adjusting expenses based on the changing needs of operations. The Finance Department organizes the ensuing year's budget as early as November and December the year before. This phase includes preparing election ballots for the Budget Advisory Committee (in election years), preparing a midyear budget review as well as budget request forms that are provided to the Project/Program Managers.

MIDYEAR BUDGET REVIEW

The Midyear Budget Review is a time when the District measures how we are tracking according to the planned budget and how we expect to end the fiscal year. It provides a financial assessment of the District's budget condition and is based on 4 months of actual data and 8 months of projected data. The midyear analysis is also a platform and guide to the ensuing year's budget.

The Midyear Review analysis is presented to the Board of Directors and the public. It is a time when the Board is given details of how well District project and programs are aligned with the Board's goals and objectives.

REVISE CURRENT YEAR'S BUDGET

Based on feedback provided by the Board of Directors and the public, the Board may direct staff to adjust resources to various projects or programs and modify the budget through Board approval. This process helps to ensure that the Board is aware of the financial and human resources allocated to each of the District's goals and objectives.

DRAFT ENSUING YEAR'S BUDGET

With the Midyear Review and adjustments completed, staff prepares the first draft of the ensuing year's budget. Project and program managers prepare their budget requests and submits them to the Finance Department who then organize and compile all budget information into a consolidated package. To confirm that all project and program expense requests are in line with the directions of the Board, the General Manager and Assistant General Manager, along with the Finance Staff, review each individual line item expense prior to submitting it to the Finance Committee for review. The Finance Committee of the Board of Directors is responsible to study, advise and make recommendations regarding the budget to the Board of Directors. Once reviewed and vetted through the Finance Committee, the budget is presented to the Board of Directors.

REVISE ENSUING BUDGET

Staff makes the necessary adjustments to the budget based on the feedback obtained through meetings with the General Manager and public budget workshops with the Finance Committee and the Board of Directors. These refinements are related to reallocation of resources to best accomplish the Board's goals and objectives.

ADOPT BUDGET

Based on section 60315 of the California State Water Code, the Board of Directors must adopt the ensuing year's Replenishment Assessment no later than the second Tuesday in May. The basis of the Replenishment Assessment is the annual budget, which is adopted at the same time as the Board sets the Replenishment Assessment. In recent years, staff has provided more than 10 public budget workshops in an effort to maintain the highest level of transparency and accountability. These workshops give the public a chance to offer comments on the budget and the budget process. They also provide an opportunity to present the inflow and outflows of resources and how they are applied to providing water users in the Central and West Coast Basins with clean and reliable groundwater.

The District's water sales have historically remained relatively constant in the past two years and in FY15/16 shows a 5.6% increase to the replenishment assessment. As we show in the figure below, the replenishment assessment rate charged to District customers increased in fiscal year 2015/16 at $283 per acre-foot.

BUDGET CONTROLS AND REVISIONS

The District's budget is prepared on an annual basis and since the budget is an estimate, at times it is necessary to make adjustments to meet the priorities and needs of the District.

The first milestone in this process is the midyear budget review. During this process, the District compiles the first three months of actual financial data and projects the final nine months of data to obtain a new 12 month projected budget. The Finance Department compares the adjusted 12 month projection to the original budget adopted by the Board of Directors and presents the results to the Finance Committee and the Board.

The budget is revised when expenses are anticipated to exceed estimates. A report outlining the reasons for increasing any budget appropriation is prepared and submitted to the Board of Directors for consideration.

Increases in budget appropriations must be approved by the Board of Directors. Budget transfers affecting personnel and capital outlay must be approved by the General Manager. Reallocations or transfers within a department or project/program require the approval of the General Manager or Department Manager.

In the District's continuing commitment to transparency and accountability, the Board established the Audit and Budget Advisory Committee (ABAC) in 2011. This Committee was established so the Board could receive input directly from its pumpers relating to the two most important financial functions of the District: the independent Comprehensive Annual Financial Audit (CAFA) and the annual budget process.

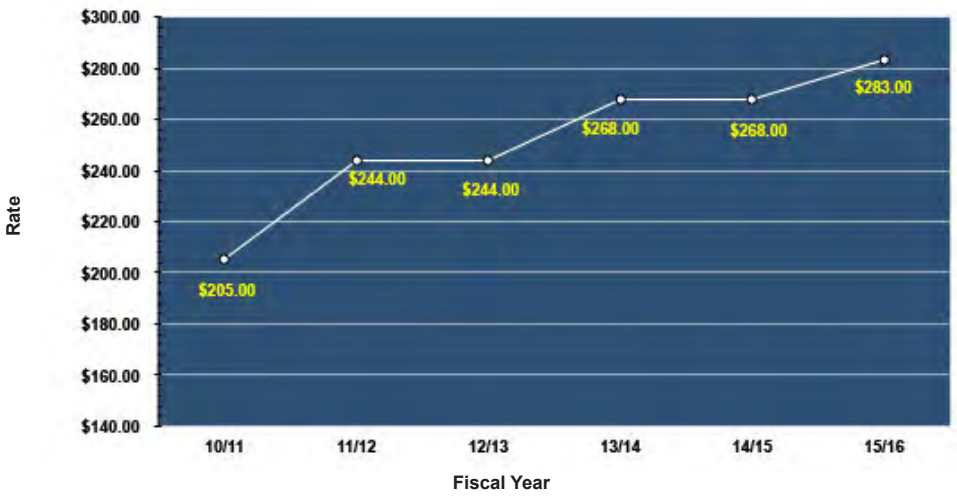


Figure 7 – Replenishment Assessment

Subsequent to the Audit and Budget Advisory Committee, Senate Bill 620 (SB 620) added provisions to Section 60233 of the California State Water Code establishing a Budget Advisory Committee (BAC) for the purposes of reviewing the District's replenishment assessment, the annual budget and reserve funds maintained by the District. This Committee replaces the Audit and Budget Advisory Committee (ABAC) previously established by the WRD Board of Directors.

The Budget Advisory Committee consists of seven members who serve a two-year term, are elected from among representatives of producers and who are owners or operators of groundwater producing facilities that are subject to the replenishment assessment. No later than the second Tuesday in April of each year, the Budget Advisory Committee will make its recommendation to the WRD Board of Directors on the annual replenishment assessment and the draft budget.

PROPOSITION 218 - NOTICE OF PUBLIC HEARING ON DISTRICT'S 2015/16 REPLENISHMENT ASSESSMENT

Proposition 218 (Prop 218), also known as the Right to Vote on Taxes Act, was adopted by California voters in November 1996. Prop 218 amended the California Constitution (Articles XIIIC and XIIID) which, as it relates to assessments, requires the local government agencies to have a vote of effected property owners for any proposed new or increased assessment before it could be levied. Prop 218 imposes a number of substantive requirements on property-related fees. These substantive requirements are found in Article XIII D, Section 6(b) of the California Constitution. The Cost of Service Report has been prepared by the District to explain how the Replenishment Assessment (RA) complies with these requirements. The Cost of Service Report describes the services the District anticipates performing during the fiscal year and analyzes the costs of providing these services. The costs associated with those services are described using the best available information, along with an evaluation of the fair and equitable RA necessary to cover these costs. The Cost of Service Report is available via the District's web site at www.wrd.org.

The May 1, 2015 Hearing has been conducted pursuant to Article XIII D, Section 6 of the California Constitution. On March 17, 2015 the District mailed notice of the May 1, 2015 Hearing to stakeholders throughout its service area. One hundred seventy-four (174) notices were sent to water rights holders within its jurisdiction that services 4 million residents in 43 cities covering over 420 square miles.

The District approved its RA of $283 for fiscal year 2015/16 at the public hearing on May 1, 2015. The RA was approved after an extensive and transparent process to inform all parcel owners and groundwater pumping rights holders in the District's service area. The funds generated from the RA cover the cost of water purchased to replenish the two largest and most utilized groundwater basins in Southern California. Moreover, the new RA is critical to helping achieve District's goal in becoming 100% independence from costly and unreliable imported water.

BUDGET CALENDAR

October	Internal budget meetings with District Staff to communicate the expectations, responsibilities and projected timeline to all staff involved in the budget.
November	Budget interviews with Project and Program Managers in order to complete the Midyear Budget Review of the District's operations. This review process starts with three months of actual financial data from July 1 through September 30, nine months of financial projections and a twelve month analysis of all of the data. The Midyear Budget Review serves as the basis for planning for the ensuing year's budget.
December	Staff prepares their budget requests for the ensuing year's budget. The Finance Department compiles all of staff's budget requests into a draft report which accounts for all of the District's financial needs. The draft budget is reviewed by the General Manager and the budget team. The resulting draft budget is presented to the public through several budget workshops, ending with the final budget workshop and the Board of Directors setting the assessment no later than the second Tuesday in May.
January	Budget Workshop #1 December 28, 2015 – Special Finance/Audit Committee meeting – 2014/15 Midyear Budget Review & 2015/16 Draft Budget presentation
February	Budget Workshop #2 February 5, 2015 – Special Meeting of the Board of Directors - Draft Budget Presentation and Replenishment Assessment discussion

February *(cont)*	Budget Workshop #3 February 12, 2015 – SB620 Budget Advisory Committee (BAC) meeting, presentation of the first draft of the 2015/16 Budget to the BAC, a Special Non-Board Adjunct Committee of the Board of Directors in compliance with Senate Bill 620 Budget Workshop #4 February 19, 2015 – Special Finance Committee meeting – Draft Budget Presentation and Replenishment Assessment discussion
March	Budget Workshop #5 March 5, 2015 – Special Meeting of the Board of Directors • Presentation of the first draft of the 2015/16 Draft Budget; • Receive and file the Engineering Survey and Report and adopt resolution No. 15-1002 March 12, 2015 – Finance/Audit Committee meeting, presentation of the 2015/16 Draft Budget Budget Workshop #6 March 13, 2015 – Second meeting of the Budget Advisory Committee, presentation of the 2015/16 Draft Budget. The BAC must provide their recommendation on the draft budget to the Board of Directors
April	Budget Workshop #7 April 2, 2015 – Meeting of the Board of Directors • Presentation of the 2015/16 Draft Budget • Receive and file the Budget Advisory Committee recommendation • Convene public hearing on the fiscal year 2015/16 proposed replenishment assessment per Water Code §60306 • Receive and file the Cost of Service Report Budget Workshop #8 April 09, 2015 – Finance/Audit Committee meeting, presentation of the 2015/16 Draft Budget Budget Workshop #9 April 16, 2015 – Meeting of the Board of Directors • Presentation of the 2015/16 Draft Budget • Continue public hearing on the fiscal year 2015/16 proposed replenishment assessment per Water Code §60306
May	Budget Workshop #10 May 1, 2013 – Meeting of the Board of Directors, • Budget workshop on the 2015/16 draft budget; • Continue and close public hearing on the fiscal year 2015/16 proposed replenishment assessment per Water Code §60306; • Open and close public hearing pursuant to Article XIII D, Section 6(a)(2) of the California State Constitution (Proposition 218) regarding proposed replenishment assessment; • Board of Directors adopts Resolution 15-1004 and sets the 2015/16 Replenishment Assessment, • Receive and file the Budget Advisory Committee (BAC) recommendation on the 2015/16 draft budget • Adopt 2015/16 draft budget

Financial Highlights

BASIS OF ACCOUNTING

The basis of accounting refers to the timing of revenue and expense recognition for financial reporting. In preparing the budget, the District applies the same methodology. The District operates as a utility enterprise, and all enterprise funds are accounted for using the full accrual basis where revenues are recognized when earned, and expenses are recognized when they are incurred. During the year end June 30, 2012, the District implemented certain provisions of Government Accounting Standards Board (GASB) No 62, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, specifically the accounting for rate-regulated activities which allows deferral of the recognition of revenues until the related costs or charges associated with the rates assessed are incurred. The District's accounting and financial reporting systems are maintained

Total Operating Revenues = $72,574,000
15/16 Operating Revenue (in thousands)

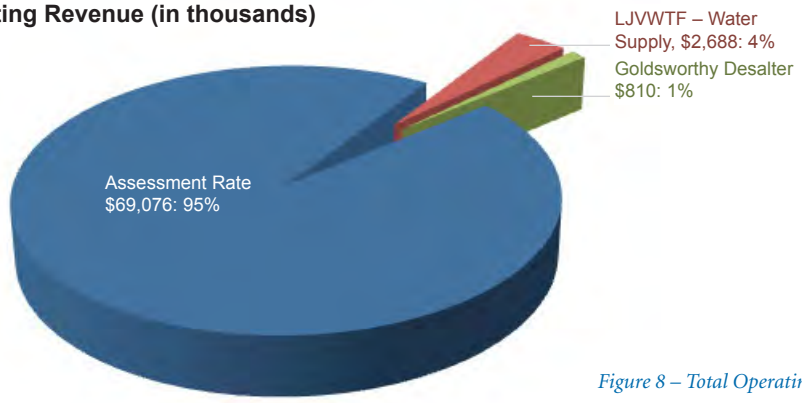


Figure 8 – Total Operating Revenues

Total Operating Expenses = $64,709,000
15/16 Operating Expenses (in thousands)

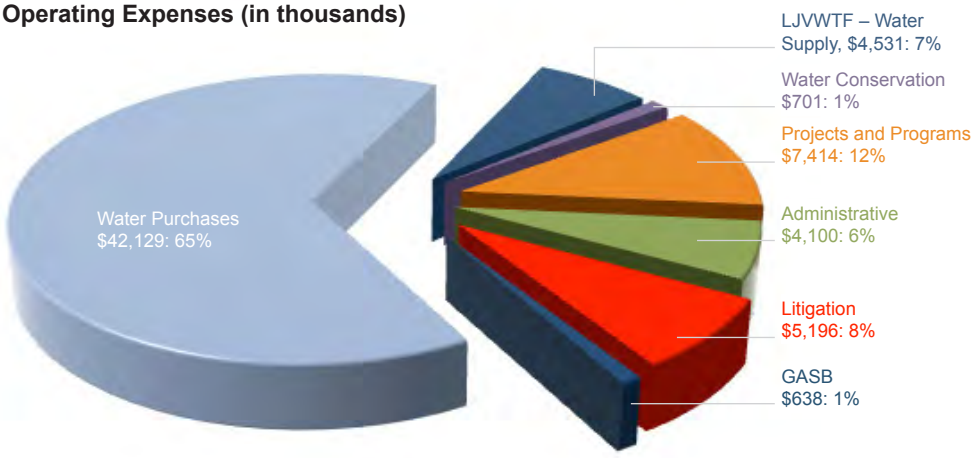


Figure 9 – Total Operating Expenses

in compliance with generally accepted accounting principles and standards of the Government Accounting Standards Board (GASB).

Table 2 shows the District's comparative accrual basis Statement of Revenues, Expenses, and Changes in Net Assets. These statements reflect the operations and maintenance expenses and does not include capital expenses, except for the payments to cover debt service.

REVENUE SOURCES

The District's major revenue sources are as follows:

Replenishment Assessment (RA) – The District bills the users of groundwater on a monthly basis for water pumped from the basins. The basins' top ten users of groundwater are as follows:

1. Golden State Water Company
2. Long Beach, City of
3. California Water Service Company
4. Downey, City of
5. Lakewood, City of
6. Cerritos, City of
7. South Gate, City of
8. Compton, City of
9. Los Angeles, City of- Department of Water and Power
10. Vernon, City of

LEO J. VANDER LANS AWTF – WATER SUPPLY

The revenue from the Leo J. Vander Lans AWTF comes from the sale of the product water to Orange County Water District as well as a subsidy received from Central Basin Municipal Water District through a Local Resources Program (LRP) offered by MWD.

GOLDSWORTHY DESALTER

Overpumping of the West Coast Basin caused seawater to intrude into some aquifers in coastal area cities affecting the local groundwater supply. To respond to seawater intrusion, the District constructed the Goldsworthy Desalter that is capable of removing 2,000 gallons of brackish water per minute from the City of Torrance's drinking water supply. The product water is then sold to the City of Torrance.

Table 2
2015/16 Proposed Statement of Revenues, Expenses and Changes in Net Assets

	2013/14 Actual	2014/15 Projected	2015/16 Budget
Operating Revenue			
Replenishment Assessment	$58,666,000	$75,604,000	$69,076,000
LJVWTF - Water Supply	$679,000	$2,094,000	$2,688,000
Goldsworthy Desalter Sales	$1,042,000	$1,341,000	$810,000
Total Operating Revenue	**$60,387,000**	**$79,039,000**	**$72,574,000**
Operating Expenses			
Water Purchases	$29,364,000	$42,188,000	$42,129,000
Water Conservation	$433,000	$796,000	$701,000
LJVWTF - Water Supply	$1,899,000	$4,409,000	$4,531,000
Projects/Programs	$5,628,000	$7,300,000	$7,414,000
General Administration	$4,826,000	$4,300,000	$4,100,000
GASB 45 (Required Retirement Funding)	$777,000	$612,000	$638,000
Other Special Programs & Supportive Costs	$1,384,000	$9,186,000	$5,196,000
Total Operating Expenses	**$44,311,000**	**$68,791,000**	**$64,709,000**
Subtotal	**$44,311,000**	**$68,791,000**	**$64,709,000**
Operating Income (Loss)	**$16,076,000**	**$10,248,000**	**$7,865,000**
Other Revenue (Expenses)			
Interest Income	$245,000	$80,000	$180,000
Interest Expense (165%)	$(3,168,000)	(-10,485,000)	(-10,482,000)
Other (Property Tax & Misc)	$939,000	$400,000	$400,000
Non-RA related Expenses	$(23,321)	$(243,000)	$(424,000)
Total Other Revenue (Expenditures)	$(2,007,000)	$(10,248,000)	$(10,326,000)
Replenishment of Operating Reserves		$-	$-
Prior Year's Deficit	$-	$-	$(10,619,000)
Rate Relief	$-	$-	$13,080,000
Change in Net Assets	**$14,069,000**	**$-**	**$-**

Table 3
Summary of Personnel by Department
2015/16 Budget

	2013/14 Actual	2014/15 Budget	2015/16 Budget	Change from 2015/16 Budget
General Management				
General Manager	1	1	1	-
Hydrogeology Department				
Chief Hydrogeologist	1	1	1	-
Senior Engineer	1	1	1	-
Senior Hydrogeologist	1	1	1	-
Hydrogeologist	2	2	2	-
Associate Hydrogeologist	1	1	2	1
Assistant Hydrogeologist	1	1	-	(1)
Engineering Department				
Assistant General Manager/Chief Engineer	1	1	1	-
Senior Engineer	3	2	2	-
Engineer/Water Quality Specialist	1	1	1	-
Resource Planner	1	1	1	-
Geographic Information Systems Analyst	-	1	1	
Associate Engineer	1	1	1	-
Online Technology and Data Specialist	1	1	1	-
Senior Administrative Specialist	1	-	-	-
Senior Analyst	-	1	1	-
Technician Specialist			1	1
Finance Department				
Chief Financial Officer	1	1	1	-
Manager of Finance & Administration	1	1	1	-
Senior Accountant	3	3	3	-
Accountant	1	1	-	(1)
External Affairs Department				
Manager of Public Affairs	1	1	1	-
Senior Government Affairs Representative	2	1	1	-
Senior Public Affairs Representative	1	2	2	-
Public Affairs Representative	1	2	2	-
Associate Government Affairs Representative	1	1	1	-
Administrative Specialist	1	-	-	-
Administration and Human Resources				
Deputy Secretary	1	1	1	-
Senior Administrative Specialist	-	1	1	
Administrative Specialist	2	1	1	-
Network Administrator	1	1	1	-
Total	**34**	**34**	**34**	**-**

Revenues

BASIS FOR OPERATING REVENUE ESTIMATES

The District has statutory authority to set and collect a Replenishment Assessment (RA) from all entities that own or lease water rights on each acre-foot of groundwater that they pump from the basins.

For fiscal year 2015/16, the District estimates that it will collect about $69.08 million from the replenishment assessment rate. This estimate is based on groundwater pumping of 244,000 acre-feet at the replenishment assessment of $283 per acre-foot. The District also estimates the collection of $156,000 of other revenue, primarily property tax-sharing and interest income.

The Replenishment Assessment (RA) and other revenue consists of two components: funds for replenishment and funds for clean water. Most of the District's efforts are related to the replenishment of the Central and West Coast Groundwater Basins. The revenue collected through the Replenishment Assessment (RA) and other revenue (e.g., property taxes and interest income) is split 94% to the Replenishment Fund and 6% to the Clean Water Fund based on the anticipated use of the revenue.

BASIS FOR CAPITAL REVENUE ESTIMATES

The District receives revenue from two capital assets, the Leo J. Vander Lans Advanced Water Treatment Facility and the Robert W. Goldsworthy Desalter.

The Leo J. Vander Lans Advanced Water Treatment Facility supplies advanced treated water to the Alamitos Seawater Barrier Project in order to keep seawater from intruding into the fresh groundwater supplies in the Central Basin. The revenue from the Facility comes from the sale of water production to the Orange County Municipal Water District as well as a subsidy received from the Central Basin Municipal Water District through a Local Resource Program offered by the Metropolitan Water District (MWD). In fiscal year 2015/16, the District have completed with the Leo J. Vander Lans Expansion Project which will double the capacity of the treatment plant and completely replace the need for imported water with highly treated recycled water at the Alamitos Seawater Intrusion Barrier. This is a key component in the District's Water Independence Now (WIN) Program and will increase the District's anticipated revenue from $2,094,000 in fiscal 2014/15 to $2,688,000 in 2015/16.

Fund Allocation – The primary purpose of this project is to provide a more reliable means of replenishing the basins through the use of advanced treated recycled water, 100% of this revenue is allocated to the Replenishment Fund.

The Robert W. Goldsworthy Desalter has been operating since 2002 to remove 18,000 acre-feet of brackish groundwater from a seawater intrusion plume in the Torrance area that was stranded inland of the West Coast Basin Seawater Intrusion Barrier after the barrier project was put into operation in the 1950's and 1960's. The production well and desalting facility are located within the City of Torrance and the product water that would otherwise be useless due to the Saline Plume located in the West Coast Basin is delivered for potable use to the City's distribution system. The treatment capacity is about 2,200 acre-feet per year. The City is responsible for the operation and maintenance of the treatment plant under contract with WRD. The revenue from the Desalter comes from the sale of water production to the City of Torrance as well as a subsidy received from the City of Torrance through a Local Resource Program offered by the Metropolitan Water District (MWD) and is estimated to be $810,000 for fiscal year 2015/16.

Fund Allocation – The purpose of the Desalter is directly related to remediating degraded groundwater quality and costs are thus attributed 100% to the Clean Water Fund.

Table 4
Comparative Revenue by Year by Fund

Description	Allocation Replenishment Fund	Allocation Clean Water Fund	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Projected	2015/16 Budget
Replenishment Fund							
Replenishment Assessment	94%		$42,837,000	$54,482,000	$55,170,000	$71,068,000	$64,931,000
LJVWTF - Water Supply	100%		$1,178,000	$1,187,000	$679,000	$2,094,000	$2,688,000
Other Revenues	94%		$593,000	$696,000	$1,091,000	$223,000	$147,000
Subtotal Replenishment Fund			$44,608,000	$56,365,000	$56,940,000	$73,385,000	$67,766,000
Clean Water Fund							
Replenishment Assessment		6%	$2,734,000	$3,477,000	$3,496,000	$4,536,000	$4,145,000
Goldsworthy Desalter Sales		100%	$1,373,000	$1,106,000	$1,042,000	$1,341,000	$810,000
Other Revenues		6%	$38,000	$44,000	$70,000	$14,000	$9,000
Subtotal Clean Water Fund			$4,145,000	$4,627,000	$4,608,000	$5,891,000	$4,964,000
Total All Funds			**$48,753,000**	**$60,992,000**	**$61,548,000**	**$79,276,000**	**$72,730,000**

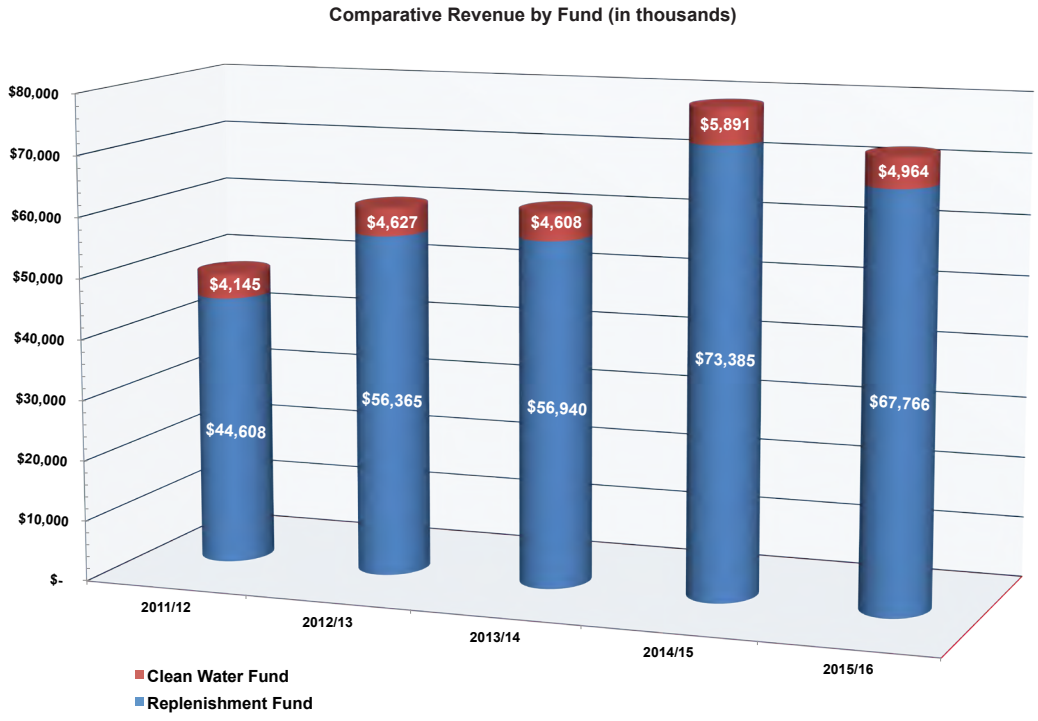


Figure 10 – Comparative Revenue by Fund (in thousands)

Groundwater is a very economical source of water. For example, the District's Replenishment Assessment (RA) is $283 per acre-foot. The cost of pump and treated water to bring it up to drinking water standards add slightly to the cost. In contrast, the price for one acre-foot of treated imported water is projected to be about $1,062, a savings of approximately $779 per acre-foot.

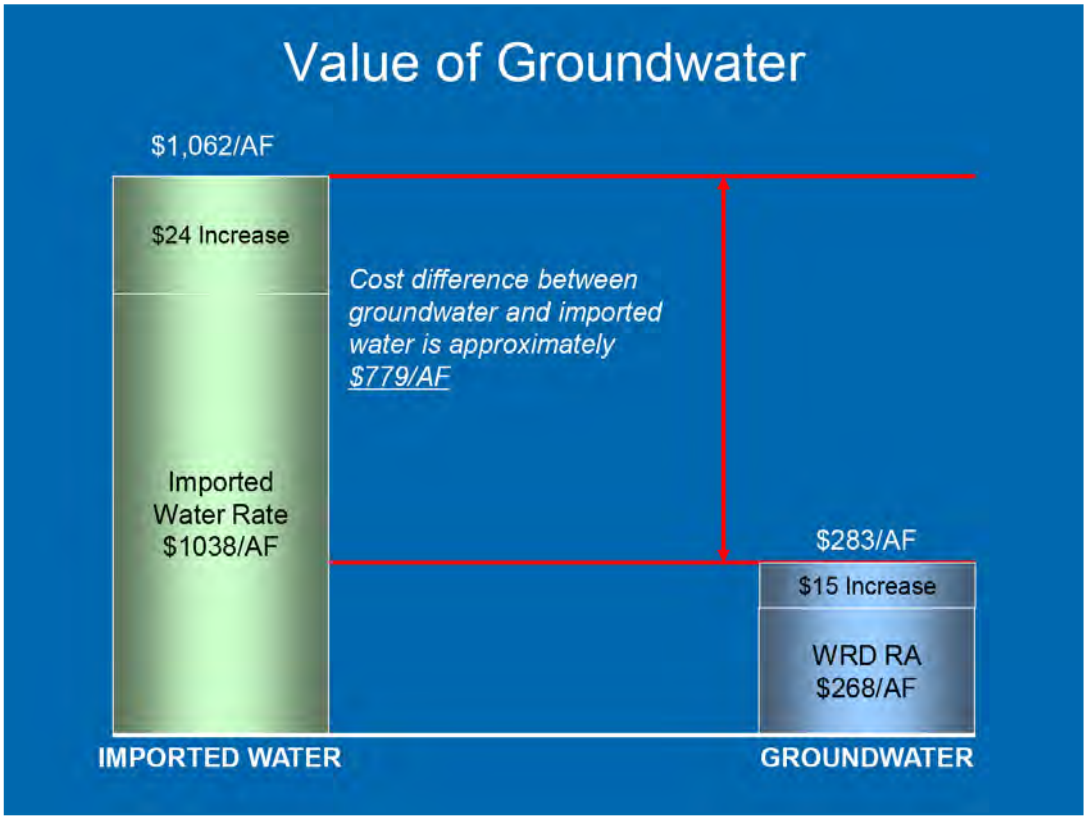


Figure 11 – Value of Groundwater

Expenses

OPERATING AND CAPITAL EXPENSES BY FUND ALLOCATION

California Water Code Sections 60220 through 60226 describe the broad purposes and powers of the District to perform any acts necessary to replenish, protect, and preserve the groundwater supplies of the District. In order to meet statutory responsibilities, WRD has instituted numerous projects and programs in a continuing effort to effectively manage groundwater replenishment and groundwater quality in the Central and West Coast Basins (Basins). These projects and programs include activities that enhance the replenishment program, increase the reliability of the groundwater resources, improve and protect groundwater quality, and ensure that the groundwater supplies are suitable for beneficial uses.

These projects and programs have had a positive influence on the basins, and WRD will continue these activities into the ensuing year as a necessary act to replenish, protect, preserve and enhance the groundwater resources in the basins. The following sections discuss the projects and programs that WRD will continue or initiate during the upcoming budget year. Tables 5A and 5B break down the expenses by fund. The percentages are calculated by relating the costs to the purpose benefited by those costs – replenishment or clean water. The capital expenses are funded through long-term financing.

BASIS FOR CHANGES FROM 2014/15 PROJECTED TO 2015/16 BUDGET

Groundwater continues to be an extraordinary value. The cost difference between groundwater and imported water is approximately $779 per acre foot. When examining Table 6 – 2015/16 Budgeted Expenses Analysis, it shows that budgeted expenses of $75,191,000 for 2015/16 will exceed the projected expenses of $68,119,000 for 2014/15. The increase of $7,072,000 is due to the following:

- The District has an increase to its imported water cost in Fiscal Year 2015/16. There is a net increase of 3,700 acre-feet of imported water primarily in the West Coast Seawater Intrusion Barrier due to expected utilization of 4,700 acre-feet of injection water for an increase of $4,514,614. This water replaces recycled water budgeted in 2014/15 (see below).

- There is also net increase of 500 acre-feet of recycle water purchased for the seawater intrusion barriers resulting in a net increase of $1,056,000.

- Due to the completion of the Leo J. Vander Lans AWTF the product water has replaced 100% of imported water now supplying the Alamitos Seawater Intrusion Barrier. The Dominguez Gap is expected to take 2,100 acre-feet of additional recycled water and the West Coast Barrier will be receiving 2,700 acre-feet less water due to more imported water being injected.

- In the Fiscal Year 2015/16, the District budgeted $3,391,000 which is an increase of $1,461,000 over the prior year for litigation expenses.

Table 5A

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
FISCAL YEAR 2015/16
Schedule of Expenses by Fund Allocation - Replenishment Fund

Description	Allocation Replenishment Fund	Allocation Clean Water Fund	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Projected	2015/16 Budget
Replenishment Fund (RF)							
RF Operating Expenses							
Water Purchases	100%		$23,909,000	$22,471,000	$29,364,000	$42,188,000	$42,129,000
Water Conservation***	50%		$433,000	$212,000	$217,000	$398,000	$351,000
Water Supply - Vander Lans	100%		$2,598,000	$1,746,000	$1,899,000	$4,409,000	$4,531,000
Montebello Forebay Recycled Water	100%		$228,000	$298,000	$273,000	$572,000	$604,000
Groundwater Resource Planning	100%		$1,287,000	$862,000	$623,000	$629,000	$260,000
Dominguez Gap Barrier Recycled Water	100%		$173,000	$204,000	$217,000	$218,000	$286,000
Replenishment Operations	100%		$3,260,000	$299,000	$646,000	$314,000	$375,000
Groundwater Reliability Improvement Program (GRIP)	100%		$65,000	$-	$198,000	$428,000	$476,000
Engineering Program	100%				$-	$-	$210,000
Geographic Information Systems (GIS)	50%		$39,500	$91,000	$88,000	$179,000	$179,000
Groundwater Monitoring	50%		$372,500	$427,500	$460,000	$628,000	$611,000
Hydrogeology Program	50%		$373,000	$526,000	$436,000	$406,000	$442,000
Water Education***	50%		$676,000	$340,000	$273,000	$434,000	$346,000
Board of Directors	94%		$334,000	$330,000	$261,000	$336,000	$330,000
General Manager	94%		$357,000	$357,000	$402,000	$22,000	$24,000
Administration	94%		$4,912,000	$4,951,000	$3,873,000	$3,685,000	$3,500,000
GASB 45 (Required Retirement Funding)	94%		$535,000	$700,000	$730,000	$575,000	$600,000
Other Special Programs & Supportive Costs	94%		$1,518,000	$1,661,000	$1,301,000	$8,635,000	$4,884,000
Subtotal RF Operating Expenses			**$41,070,000**	**$35,475,500**	**$41,260,000**	**$64,056,000**	**$60,138,000**
RF Capital Expenses							
Water Supply - Vander Lans	100%		$2,364,000	$8,813,000	$23,120,000	$1,622,000	
Water Conservation***					$-		
Cal Trans Pipeline	100%		$1,000	$-	$-		
Groundwater Resource Planning	100%						
Groundwater Monitoring	50%		$994,000	$1,233,000	$1,252,000		$745,000
GRIP	100%		$428,000	$1,290,000	$2,188,000	$6,500,000	$18,100,000
Alamitos Barrier Observation Wells (Partner w/LAFCD)	100%		$-	$-	$-		
Whittier Narrows Conservation Pool Study	100%		$-	$-	$-	$1,812,000	$1,226,000
Replenishment Operation	100%			$60,000			
Asset Management	100%						$95,000
Supervisory Control and Data Acquisition (SCADA)	100%						$175,000
Subtotal RF Capital Expenses			**$3,787,000**	**$11,396,000**	**$26,560,000**	**$9,934,000**	**$20,341,000**
Total Replenishment Fund			**$44,857,000**	**$46,871,500**	**$67,820,000**	**$73,990,000**	**$80,479,000**

Table 5B
Schedule of Expenses by Fund Allocation - Clean Water Fund

Description	Allocation Replenishment Fund	Allocation Clean Water Fund	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Projected	2015/16 Budget
Clean Water Fund (CWF)							
CWF Operating Expenses							
Water Conservation***	50%		$27,000	$212,000	$216,000	$398,000	$350,000
Goldsworthy Desalter	100%		$1,036,000	$899,000	$794,000	$1,028,000	$1,116,000
Water Quality Improvement Program	100%		$529,000	$429,000	$358,000	$682,000	$653,000
Safe Drinking Water Program	100%		$93,000	$11,000	$1,000	$136,000	$277,000
Geographic Information Systems (GIS)	50%		$39,500	$91,000	$89,000	$179,000	179,000
Groundwater Monitoring	50%		$372,500	$427,500	$461,000	$628,000	$611,000
Hydrogeology Program	50%		$373,000	$526,000	$436,000	$406,000	$442,000
Water Education***	50%		$43,000	$339,000	$274,000	$433,000	$347,000
Board of Directors	6%		$22,000	$21,000	$17,000	$21,000	$21,000
General Manager	6%		$23,000	$23,000	$26,000	$1,000	$2,000
Administration	6%		$313,000	$316,000	$247,000	$235,000	$223,000
GASB 45 (Required Retirement Funding)	6%		$34,000	$45,000	$47,000	$37,000	$38,000
Other Special Programs & Supportive Costs	6%		$97,000	$106,000	$84,000	$551,000	$312,000
Subtotal CWF Operating Expenses			**$3,002,000**	**$3,445,500**	**$3,051,000**	**$4,735,000**	**$4,571,000**
CWF Capital Expenses							
Goldsworthy Desalter	100%		$126,000	$199,000	$617,000	$4,000,000	$8,100,000
Montebello Forebay Optimization Study/Pipeline	100%		$-	$-	$-		$104,000
Recharge Operations-Flow Meters	100%						$100,000
Groundwater Master Plan Programmatic EIR	100%		$-	$600,000	$3,000		
Groundwater Monitoring	50%		$995,000	$733,000	$1,252,000		$745,000
Safe Drinking Water Program	100%		$29,000	$-	$-	$1,000,000	$1,000,000
Subtotal CWF Capital Expenses			**$1,150,000**	**$1,532,000**	**$1,872,000**	**$5,000,000**	**$10,049,000**
Subtotal Clean Water Fund			**$4,152,000**	**$4,977,500**	**$4,923,000**	**$9,735,000**	**$14,620,000**
Subtotal O&M Expenses			**$44,072,000**	**$38,921,000**	**$44,311,000**	**$68,791,000**	**$64,709,000**
Subtotal Capital Expenses			**$4,937,000**	**$12,928,000**	**$28,432,000**	**$14,934,000**	**$30,390,000**
Total Expenses By Funds			$49,009,000	$51,849,000	$72,743,000	$83,725,000	$95,099,000

"***Water Conservation and Water Education - % allocation between Replenishment Fund and Clean Water Fund are as follows;
Fiscal Year 2011/12 Actual - 94/6
Fiscal Year 2012/13 Actual - 50/50
Fiscal Year 2013/14 Actual - 50/50
Fiscal Year 2014/15 Projected - 50/50
Fiscal Year 2015/16 Budget - 50/50

Table 6
2015/16 Expenses Analysis

Operations and Maintenance	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Projected	2015/16 Budget	Change from 2014/15 Projection
Water Purchases	$23,909,000	$22,471,000	$29,364,000	$42,188,000	$42,129,000	$(59,000)
Water Conservation	$460,000	$424,000	$433,000	$796,000	$701,000	$(95,000)
Water Supply - Vander Lans	$2,598,000	$1,746,000	$1,899,000	$4,409,000	$4,531,000	$122,000
Projects/Programs	$8,960,000	$5,770,000	$5,627,000	$7,300,000	$7,414,000	$114,000
General Administration	$5,961,000	$5,998,000	$4,827,000	$4,300,000	$4,100,000	$(200,000)
GASB 45 (Required Retirement Funding)	$569,000	$745,000	$777,000	$612,000	$638,000	$26,000
Other Special Programs & Supportive Costs	$1,615,000	$1,767,000	$1,384,000	$9,186,000	$5,196,000	$(3,990,000)
Subtotal Operating Expenses	**$44,072,000**	**$38,921,000**	**$44,311,000**	**$68,791,000**	**$64,709,000**	**$(4,082,000)**
Other Expenses	**$4,270,000**	**$4,770,000**	**$3,168,000**	**$10,248,000**	**$7,865,000**	**$(2,383,000)**
Total Operating Expenditures	**$48,342,000**	**$43,691,000**	**$47,479,000**	**$79,039,000**	**$72,574,000**	**$(6,465,000)**

Table 7
2015/16 Expenses by Department

Description	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Projected	2015/16 Budget
Water Purchases	$23,909,000	$22,471,000	$29,364,000	$42,188,000	$42,129,000
Water Conservation	$460,000	$424,000	$433,000	$796,000	$701,000
Water Supply - Vander Lans	$2,598,000	$1,746,000	$1,899,000	$4,409,000	$4,531,000
Goldsworthy Desalter	$1,036,000	$899,000	$794,000	$1,028,000	$1,116,000
Montebello Forebay Recycled Water	$228,000	$298,000	$273,000	$572,000	$604,000
Groundwater Resource Planning	$1,287,000	$862,000	$623,000	$629,000	$260,000
Water Quality Improvement Program	$529,000	$429,000	$358,000	$682,000	$653,000
Geographic Information Systems (GIS)	$79,000	$182,000	$177,000	$358,000	$358,000
Groundwater Monitoring	$745,000	$855,000	$921,000	$1,256,000	$1,222,000
Safe Drinking Water Program	$93,000	$11,000	$1,000	$136,000	$277,000
Hydrogeology Program	$746,000	$1,052,000	$872,000	$812,000	$884,000
Dominguez Gap Barrier Recycled Water	$173,000	$204,000	$217,000	$218,000	$286,000
Replenishment Operations	$3,260,000	$299,000	$646,000	$314,000	$375,000
Groundwater Reliability Improvement Program (GRIP)	$65,000	$-	$198,000	$428,000	$476,000
Engineering Program	$-	$-	$-	$-	$210,000
Water Education	$719,000	$679,000	$547,000	$867,000	$693,000
Board of Directors	$356,000	$351,000	$278,000	$357,000	$351,000
General Manager	$380,000	$380,000	$428,000	$23,000	$26,000
Administration	$5,225,000	$5,267,000	$4,121,000	$3,920,000	$3,723,000
GASB 45 (Required Retirement Funding)	$569,000	$745,000	$777,000	$612,000	$638,000
Other Special Programs & Supportive Costs	$1,615,000	$1,767,000	$1,384,000	$9,186,000	$5,196,000
Total Operating Expenditures	**$44,072,000**	**$38,921,000**	**$44,311,000**	**$68,791,000**	**$64,709,000**

Fund Balances

FUND BALANCE, TRUST FUNDS AND RESERVE LEVEL

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars ($10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis. There has been a 151% increase in the blended cost of water from District supply sources based on the rolling average calculation from the 2001-02 base year and the 2015/16 budget year. When applied to the $10,000,000 in §60290 of the California State Water Code the operating reserve increases to approximately $25,050,000.

If for some reason, the District has more than $25,050,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year. Additionally, §60291 also states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

As of June 30, 2015, the District has $6,248,000 in operating reserve. The following pages provide specific breakdowns of the District cash and investments.

RESTRICTED FUNDS – Restricted by the Board of Directors to recognize future commitments of resources prior to the actual expense.

Restricted for Capital Projects – Funds committed to the Safe Drinking Water Program or set aside for long term capital replacement costs at the Leo J. Vander Lans Advanced Water Treatment Facility and the Robert W. Goldsworthy Desalter.

Safe Drinking Water Program

Source of Funds: Replenishment Assessment
Use of Funds: Encumbered for Safe Drinking Water Projects

Huntington Park Well #17 – Central Basin	$ 40,000
Restricted for Safe Drinking Water Loan Program	2,000,000
	$ 2,040,000

Capital Replacement / Construction

Source of Funds: Replenishment Assessment
Use of Funds: Encumbered for Projects Below

Leo J. Vander Lans Water Treatment Facility	$ 1,382,000
Goldsworthy Desalter	220,000
	$ 1,602,000

Total Restricted for Capital Projects	$ 3,642,000

Water Purchase Carryover Fund – This category of represents funds restricted by the Board of Directors as follows:

Source of Funds: Replenishment Assessment
Use of Funds: Restricted for Water Purchases

Restricted Balance in Account	$ 37,930,000

Debt Service Reserve Fund – Based on the rate covenant, pursuant to the District's Master Agreement, the net revenues less payments made by the WRD for purchase and delivery of water, availability payments for water and In Lieu Payments made during the fiscal year is equal to a minimum of 120% of the Debt Service on Senior Obligations for the fiscal year.

Based on the current litigation, the opinion of Bond Counsel and in order to maintain the District's AA+ rating from both Standard and Poor's and Fitch Ratings, the District has restricted the use of funds remaining after payment of principal and interest on its Senior Obligations.

Source of Funds:	Replenishment Assessment
Use of Funds:	Restricted for Debt Service

Restricted Debt Service Reserve	$ 14,449,000
Less: Funds applied to Prop 218 Expenses over 2014/15 Budget	(8,205,000)
Total Restricted for Debt Service	$ 6,244,000

Table 8
Projected Unreserved Fund Balances at June 30, 2016

Description	Estimated Unreserved Fund Balances 6/30/15	Estimated Revenues	Estimated Expenses	COPs Debt Service	Replenishment of Operating Revenues	Estimated Unreserved Fund Balances 6/30/16
Replenishment Fund	$5,873,000	$67,766,000	$(60,138,000)	$(9,854,000)	$2,314,000	$5,961,000
Clean Water Fund	$375,000	$4,964,000	$(4,571,000)	$(629,000)	$148,000	$287,000
Total All Funds	**$6,248,000**	**$72,730,000**	**$(64,709,000)**	**$(10,483,000)**	**$2,462,000**	**$6,248,000**

Table 9
Projected Unreserved Funds Balance Five Year Forecast

Description	2015/16 Projected	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Beginning Funds Balance	$6,248,000	$6,248,000	$6,248,000	$6,248,000	$6,248,000
Add: Estimated Revenues	$72,730,000	$74,910,000	$81,175,000	$84,640,000	$87,670,000
Total Funds Available	$78,978,000	$81,158,000	$87,423,000	$90,888,000	$93,918,000
Less: Estimated Expenditures	$(64,709,000)	$(64,340,000)	$(69,075,000)	$(68,470,000)	$(71,500,000)
Annual Debt Service	$(10,483,000)	$(10,570,000)	$(12,100,000)	$(16,170,000)	$(16,170,000)
Use of Reserves	$2,462,000	$-	$-	$-	$-
Ending Funds Balance	**$6,248,000**	**$6,248,000**	**$6,248,000**	**$6,248,000**	**$6,248,000**

Table 10
June 30, 2015 Reserve Fund Balances

Restricted Funds:	
Capital Projects	$ 3,642,000
Water Purchase Carryover Fund	37,930,000
Debt Service Reserve Fund	6,244,000
Total Restricted Funds	**$ 47,816,000**
Operating Reserve Fund	**$ 6,248,000**

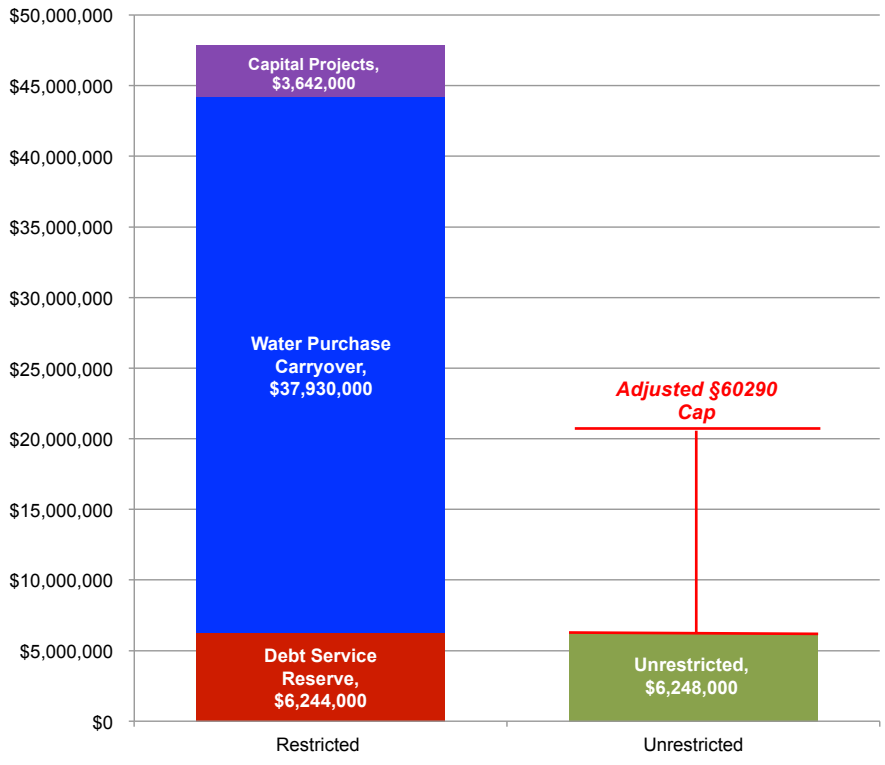


Figure 12 – Reserve Funds as of June 30, 2015

CASH AND INVESTMENTS

At the direction of the Board of Directors, on March 31, 2009 the District implemented its Community Banking Program and has invested in several community banks in addition to the Local Area Investment Fund (LAIF).

Table 11
Cash and Investments By Institution
(Rounded to nearest thousand)

Cash and Investments:	
Manufacturers Bank[1]	$11,374,000
Promerica Bank[1]	12,383,000
City National Bank[1]	15,739,000
Bank of the West[1]	7,574,000
Banc of California (formally Beach Business Bank)	242,000
Broadway Federal Bank[1]	245,000
US Bank (formerly CalNational Bank)[1]	243,000
First Bank[1]	241,000
Preferred Bank[1]	248,000
Union Bank[1]	240,000

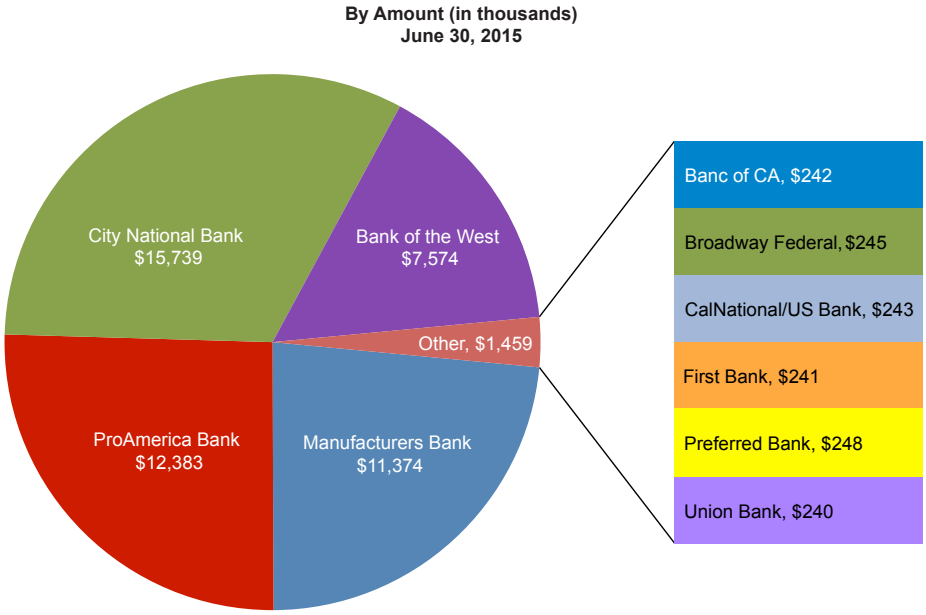


Figure 13 – Cash & Investments by Institution as of June 30, 2015

Footnotes:
[1] Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Corporation (FDIC) or secured by the bank's assets. Funds are also held in Certificate of Deposit Account Registry Service (CDARS) and Insured Cash Sweep (ICS); a very safe way to invest funds while continuing to be FDIC insured.

Any slight differences are due to rounding. For presentation purposes, staff has rounded dollar values to the nearest thousand.

TRUST FUNDS – A relationship whereby funds are legally held and managed by another party or organization for the benefit of another person or specific purpose.

The Water Replenishment District has a number of trust funds related to District's capital improvement plan. The District's Trustee, U.S. Bank, holds the majority of the funds which were received from the issuance of Certificates of Participation. The remaining amount relates to the funds received from the California Department of Transportation (CalTrans) settlement of $8.0 million which was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

The balance of trust funds as of June 30, 2015 was as follows:

Restricted for Capital Projects – Funds held in trust with US Bank for use in accordance with the Official Statement and the Master Trust Agreement.

Proceeds from the 2011 Certificates of Participation

Source of Funds: 2011 Debt Issuance
Use of Funds: Restricted for Capital Projects Only

Total in Trust for Capital Projects	$ 9,138,000

Debt Service Reserve Fund – Based on the District's Master Trust Agreement for the 2004, 2008 and 2011 Revenue Certificates of Participation (COP), the District must maintain a Reserve Fund, held by an independent Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt.

Source of Funds: 2004, 2008, 2011 Debt Issuance
Use of Funds: Restricted based on Master Trust Agreement

2004 Trustee Reserve Fund	$ 966,000
2008 Trustee Reserve Fund	1,306,000
2011 Trustee Reserve Fund	5,960,000
Total in Trust - Debt Service Reserve	$ 8,232,000

CalTrans Trust – These funds are held in trust by WRD as part of a settlement with the California Department of Transportation (CalTrans) for dewatering the 105 freeway.

Source of Funds: CalTrans Settlement
Use of Funds: Restricted for CalTrans Project and RA

Originally, the CalTrans settlement of $8.0 million was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

In Trust for CalTrans Project	$ 5,539,000

Capital Improvement Program (CIP)

The WRD's primary responsibilities are to protect the basins by replenishing groundwater, deter seawater intrusion, and remove contaminants from the groundwater. Furthermore, with the recent drought and future uncertainty of imported water, the District is moving forward with the WIN program, a series of projects that will fully utilize stormwater and recycled water sources to protect the basins and to ensure sustainable, reliable local groundwater supply to WRD's stakeholders. The Figure 16 below depicts the past 10 years of imported water cost versus the cost of groundwater.

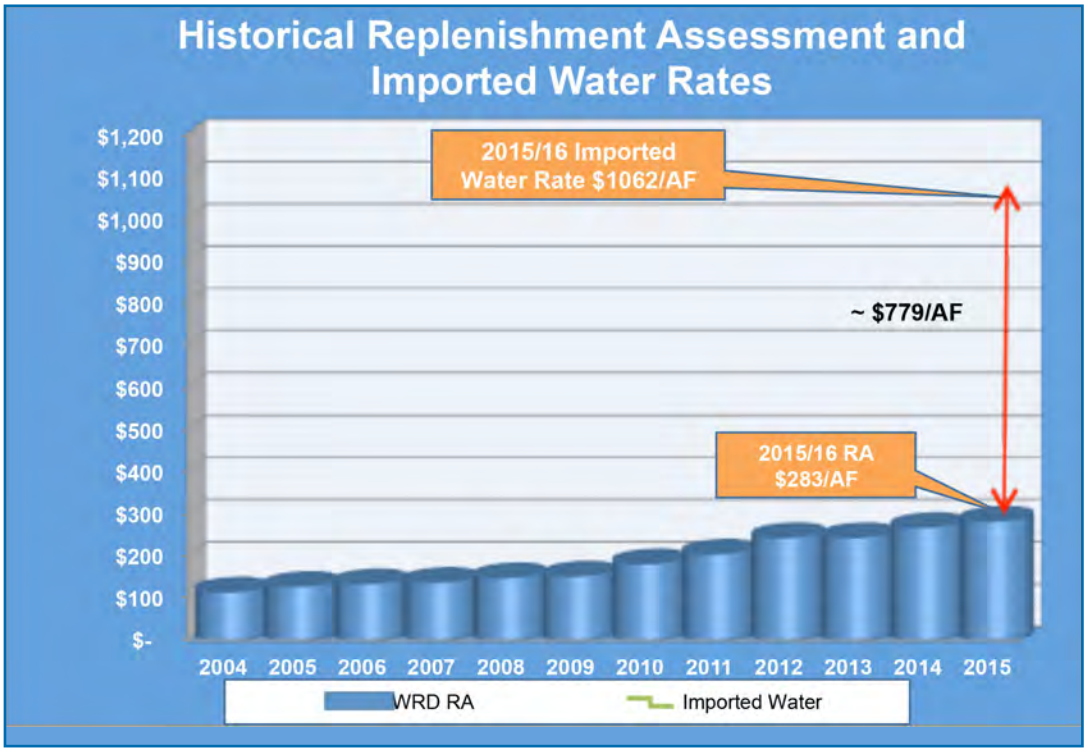


Figure 14

The only way to stabilize groundwater rates is to become independent of imported water obtained through the State Water Projects and the Colorado River.

OVERVIEW

The Updated Capital Improvement Program (CIP) plan serves as a comprehensive planning document which identifies capital project expenses in conjunction with anticipated revenue sources, such as grant funding. Specifically, the CIP describes WRD's WIN projects and other regional projects.

The CIP is projected to peak in Fiscal Year 2017/18, parallel to when the Groundwater Reliability Improvement Program' (GRIP), the cornerstone of the WIN program, proposed advanced water treatment facility (AWTF) is scheduled for completion. Following the completion of GRIP's proposed AWTF, the CIP focus will shift to asset management and optimizing the life of WRD's existing and future assets. Figure 15 portrays a summary of prior fiscal years' (FY 2013/14 to FY 2014/15) expenses and projected expenses for the next five fiscal years.

The projects included in the current CIP are listed below:

1. Groundwater Reliability Improvement Program (GRIP)
2. Safe Drinking Water Program
3. Whittier Narrows Conservation Pool Study
4. Goldsworthy Desalter Expansion
5. Regional Groundwater Monitoring Program
6. Groundwater Master Plan Programmatic EIR
7. Alamitos Barrier Observation Wells (Partner w/LAFCD)
8. Groundwater Infrastructure Improvements
9. Montebello Forebay Recharge Enhancement Study
10. Enhanced-Montebello Forebay Recharge Enhancement Study
11. Recharge Operations-Flow Meters
12. Asset Management
13. Centralized Information System (CIS)
14. Supervisory Control and Data Acquisition (SCADA) System

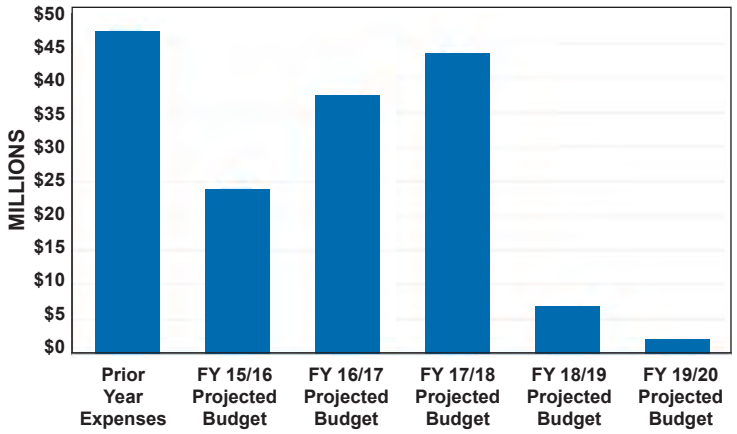


Figure 15 – Five-year Budget Projections Overview

The project fact sheets on the following pages will provide an overview of these projects.

Table 12
Capital Improvement Program
Five Years Projected Capital Expenses by Projects

Project Description	Total Cumulative Prior Years Expenses	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	Total Projected CIP
Groundwater Reliability Improvement Program (GRIP)	$17,933,276	$18,100,000	$29,500,000	$39,500,000	$4,500,000	$1,000,000	$110,533,276
Safe Drinking Water Program	$-	$1,000,000	$1,000,000	$1,000,000	$1,500,000	$500,000	$5,000,000
Whittier Narrows Conservation Pool Study	$576,000	$1,225,505	$-	$-	$-	$-	$1,801,505
Goldsworthy Desalter Expansion	$14,602,926	$8,100,000	$4,500,000	$-	$-	$-	$27,202,926
Regional Groundwater Monitoring Program	$5,900,000	$1,490,000	$1,245,000	$2,091,392	$-	$-	$10,726,392
Montebello Forebay Recharge Enhancement Study	$771,000	$29,000	$-	$-	$-	$-	$800,000
Enhanced-Montebello Forebay Recharge Enhancement Study	$-	$75,000	$190,000	$135,000	$-	$-	$400,000
Recharge Operations-Flow Meters	$-	$100,000	$200,000	$200,000	$200,000	$-	$700,000
Asset Management	$180,000	$95,000	$150,000	$250,000	$100,000	$-	$775,000
Centralized Information System	$100,000	$-	$150,000	$175,000	$75,000	$-	$500,000
Supervisory Control and Data Acquisition (SCADA) System	$125,000	$175,000	$225,000	$100,000	$-	$-	$625,000
Total Capital Expenses	**$40,188,202**	**$30,389,505**	**$37,160,000**	**$43,451,392**	**$6,375,000**	**$1,500,000**	**$159,064,099**

The updated CIP budget includes a total of $146 million in capital improvement projects. The total reflects more than $12 million in grant funding. This is summarized below:

Table 13
Capital Improvement Program Budget Overview

WIN: Groundwater Reliability Improvement Program (GRIP)	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget	Grants	Net Total CIP Budget
Advanced Water Treatment Facility (AWTF)	$17,433,276	$11,500,000	$29,500,000	$39,500,000	$4,500,000	$-	$102,433,276	$-	$102,433,276
Advanced Water Treatment Facility (AWTF) Expansion	$-	$-	$-	$-	$-	$1,000,000	$1,000,000	$-	$1,000,000
Recycled Water Turnout Structures	$500,000	$6,600,000	$-	$-	$-	$-	$7,100,000	$4,800,000	$2,300,000
Total	**$17,933,276**	**$18,100,000**	**$29,500,000**	**$39,500,000**	**$4,500,000**	**$1,000,000**	**$110,533,276**	**$4,800,000**	**$105,733,276**
Brackish Water Reclamation Projects									
Goldsworthy Desalter Expansion	$14,602,926	$8,100,000	$4,500,000	$-	$-	$-	$27,202,926	$7,000,000	$20,202,926
Total	**$14,602,926**	**$8,100,000**	**$4,500,000**	**$-**	**$-**	**$-**	**$27,202,926**	**$7,000,000**	**$20,202,926**
Stormwater Conservation & Groundwater Storage Projects									
Whittier Narrows Conservation Pool Study	$576,000	$1,125,505	$-	$-	$-	$-	$1,701,505	$576,000	$1,125,505
Legacy Project	$-	$100,000	$-	$-	$-	$-	$100,000		$100,000
Total	**$576,000**	**$1,225,505**	**$-**	**$-**	**$-**	**$-**	**$1,801,505**	**$576,000**	**$1,225,505**
Groundwater Management Projects:									
Regional Groundwater Monitoring Program	$5,900,000	$1,490,000	$1,245,000	$2,091,392	$-	$-	$10,726,392	$-	$10,726,392
Montebello Forebay Recharge Enhancement Study	$771,000	$29,000	$-	$-	$-	$-	$800,000	$-	$800,000
Enhanced-Montebello Forebay Recharge Enhancement Study	$-	$75,000	$190,000	$135,000	$-	$-	$400,000	$-	$400,000
Recharge Operations-Flow Meters	$-	$100,000	$200,000	$200,000	$200,000	$-	$700,000	$-	$700,000
Total	**$6,671,000**	**$1,694,000**	**$1,635,000**	**$2,426,392**	**$200,000**	**$-**	**$12,626,392**	**$-**	**$12,626,392**
Safe Drinking Water Projects:									
Safe Drinking Water Program	$-	$1,000,000	$1,000,000	$1,000,000	$1,500,000	$500,000	$5,000,000	$-	$5,000,000
Total	**$-**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,500,000**	**$500,000**	**$5,000,000**	**$-**	**$5,000,000**
Water Infrastructure Management Projects:									
Asset Management Program	$180,000	$95,000	$150,000	$250,000	$100,000	$-	$775,000	$-	$775,000
Centralized Information System	$100,000	$-	$150,000	$175,000	$75,000	$-	$500,000	$-	$500,000
Supervisory Control and Data Acquisition (SCADA) System	$125,000	$175,000	$225,000	$100,000	$-	$-	$625,000	$-	$625,000
Total	**$405,000**	**$270,000**	**$525,000**	**$525,000**	**$175,000**	**$-**	**$1,900,000**	**$-**	**$1,900,000**
TOTAL CIP BUDGET	**Prior Year Expenses**	**FY15/16 Projected Budget**	**FY 16/17 Projected Budget**	**FY 17/18 Projected Budget**	**FY 18/19 Projected Budget**	**FY 19/20 Projected Budget**	**Total CIP Budget**	**Grants**	**Net Total CIP Budget**
Total	**$40,188,202**	**$30,389,505**	**$37,160,000**	**$43,451,392**	**$6,375,000**	**$1,500,000**	**$159,064,099**	**$12,376,000**	**$146,688,099**

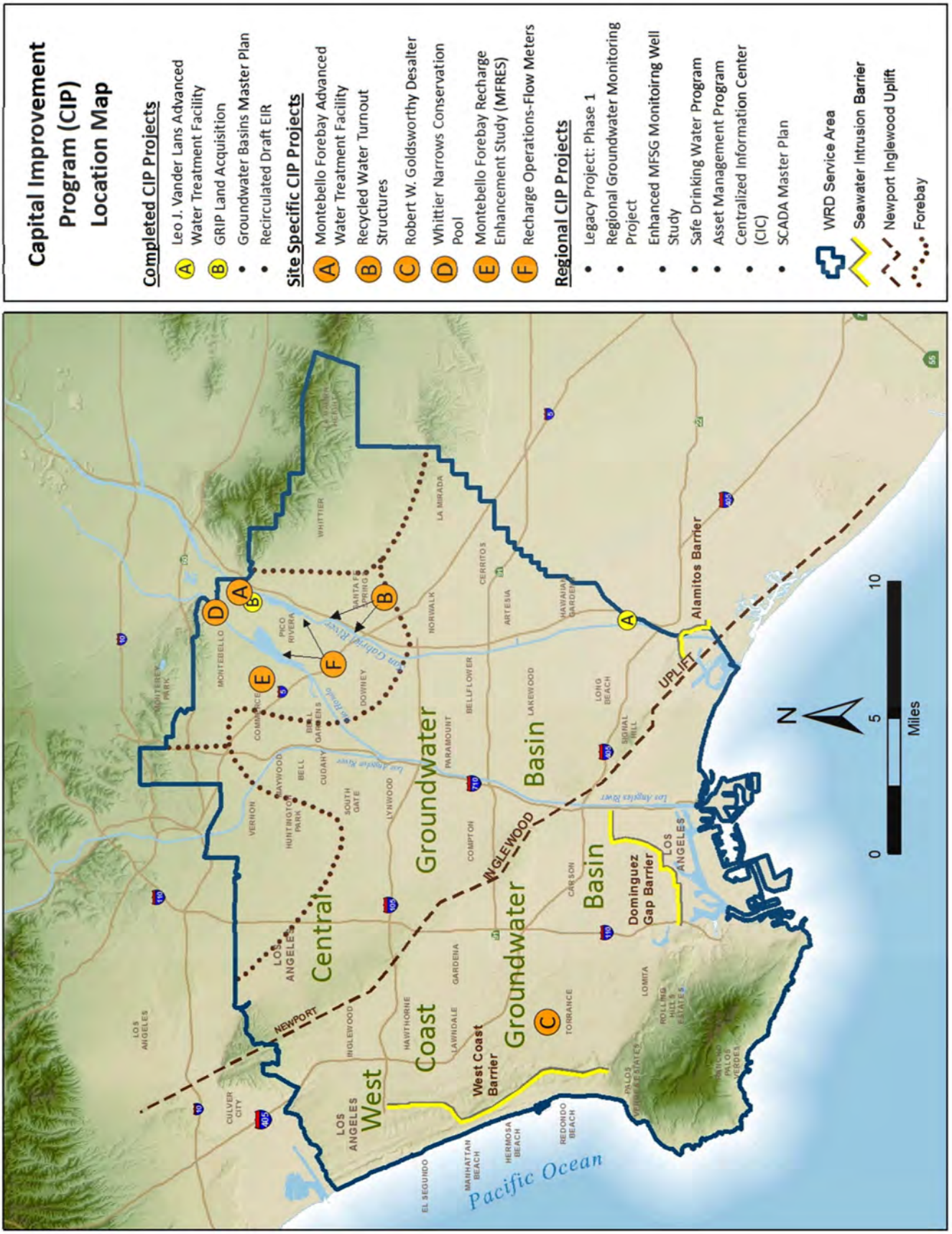


Figure 16 – Capital Improvement Program (CIP) Location Map, 2015/16

GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) ADVANCED WATERTREATMENT FACILITY (AWTF)

Project Description

The Groundwater Reliability Improvement Program Recycled Water Project will offset the current use of imported water by providing up to 21,000 acre-feet per year (AFY) with the construction of an advanced water treatment facility (AWTF). Approximately 11,000 AFY of additional tertiary treated recycled water would be purchased from the Los Angeles County Sanitation Districts (LACSD) and 10,000 AFY of advanced treated water will be generated at the proposed AWTF. The tertiary treated recycled water would be conveyed in the existing outfall pipeline to the Montebello Forebay Spreading Grounds. WRD would construct the proposed AWTF for advanced treatment of 10,000 AFY of tertiary treated water from the LACSD. A new influent diversion structure would be constructed to transfer tertiary treated recycled water from the existing outfall pipeline into the proposed AWTF for further treatment. An effluent diversion structure would be constructed to transfer advanced treated water back to the existing outfall pipeline to allow blending of advanced treated water with the tertiary treated recycled water prior to spreading at the Montebello Forebay Spreading Grounds.

Funding

The District has submitted an application for the Water Recycling Funding Program funded by Proposition 1 and the State Revolving Fund.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. Operation of the proposed AWTF is expected to commence in late 2018. The primary goal of the Water Replenishment District is to provide safe and reliable groundwater. The Water Independence Now (WIN) program is a series of projects that will fully utilize stormwater and recycled water sources to restore and protect the groundwater resources of the Central and West Coast basins. In the past, a large percentage of replenishment water came from sources in Northern California and the Colorado River. WIN seeks to completely eliminate this dependence on imported water to ensure the future security of our region by developing local resources to create a locally sustainable groundwater supply.

The Groundwater Reliability Improvement Program (GRIP) is a comprehensive plan anchored by the GRIP Advanced Water Treatment Facility (AWTF). It also includes the GRIP recycled water turnout structures which will together, will provide 21,000 acre-feet of recycled and advanced treated recycled water to the Montebello Forebay Spreading Grounds for groundwater recharge. This replaces 21,000 acre-feet of imported water that would otherwise have to be purchased to replenish groundwater supplies.

The benefit related to this project is expected to be as follows, with status quo being no change to the imported and recycled water purchased for spreading at the Montebello Forebay Spreading Grounds and GRIP being the costs related to the AWTF source water, capital costs and operating and maintenance costs:

Table 14A
AWTF SOURCE WATER, CAPITAL COSTS AND OPERATING AND MAINTENANCE COSTS

	2016/17	2017/18	2018/19	2019/20	2020/21
Status Quo	$19,460,000	$19,891,000	$20,616,000	$21,076,000	$21,560,000
GRIP	19,001,000	19,108,000	19,237,000	19,389,000	19,565,000
Savings	$ 459,000	$ 783,000	$ 1,379,000	$ 1,687,000	$ 1,995,000

The other primary benefit is the reliability of this water and the independence from water from Northern California and the Colorado River. Reliability is extremely difficult to quantify, but it allows the District to continue to replenish the groundwater basins even when water is unavailable from other sources, particularly in times of drought.

The GRIP AWTF Expansion Project will be analyzed in the future as the current phase of the project is completed and put into service.

Prior Year Highlights

The District purchased a 5.20 acre parcel within the City of Pico Rivera directly adjacent to the San Gabriel River, which is intended to be the land used to build the proposed AWTF. A Notice of Availability for the recirculated Draft Environmental Impact Report was published on April 1, 2015 and the Public Comment Period closed on May 15, 2015.

Table 14B
GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) ADVANCED WATER TREATMENT FACILITY (AWTF)
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$15,433,276	$3,500,000	$1,500,000	$1,500,000	$500,000	$-	$22,433,276
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$2,000,000	$8,000,000	$28,000,000	$38,000,000	$4,000,000	$-	$80,000,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$17,433,276**	**$11,500,000**	**$29,500,000**	**$39,500,000**	**$4,500,000**	**$-**	**$102,433,276**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$17,433,276**	**$11,500,000**	**$29,500,000**	**$39,500,000**	**$4,500,000**	**$-**	**$102,433,276**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) ADVANCED WATER TREATEMENT FACILITY (AWTF) EXPANSION

Project Description

The proposed advanced water treatment facility (AWTF) is in its initial stages of development. Planning for an expansion will commence until the completion of the proposed AWTF.

Funding

The Capital Improvement Program budget for Fiscal Years 2019/2020 is $1 million for planning.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. The GRIP AWTF Expansion Project will be analyzed in the future as the current phase of the project is completed and put into service.

Prior Year Highlights

The District is in the process of initiating the development of the AWTF.

Table 15
GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP)
ADVANCED WATERTREATMENT FACILITY (AWTF) EXPANSION
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$-	$-	$-	$-	$1,000,000	$1,000,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$-**	**$-**	**$-**	**$-**	**$-**	**$1,000,000**	**$1,000,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$-**	**$-**	**$-**	**$-**	**$-**	**$1,000,000**	**$1,000,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) RECYCLED WATER TURNOUT STRUCTURES

Project Description

This Project is an element of the Groundwater Reliability Improvement Program (GRIP), which will offset the current use of 21,000 AFY of imported water by providing a sustainable and reliable source of recycled water for groundwater basin replenishment in the Montebello Forebay Spreading Grounds. This project includes the construction of two reinforced concrete turnout structures on the existing recycled water pipeline that extends from the San Jose Creek Water Reclamation Plant (SJCWRP). Once completed, these turn-out structures will allow the delivery of 11,000 AFY of recycled water, which is an important component of the proposed advanced water treatment facility and the implementation of GRIP.

Funding

The net cost for the turnout structures is 30 percent or $2.3 million of the total cost of the project. The District received a $4.8 million Proposition 84 Integrated Regional Water Management (IRWM) 2014 Drought Grant, which will fund 70 percent of the total costs.

Impact of Capital Investment on Operating Budget

Operations of the turnout structures will be managed in partnership with the Los Angeles County Flood Control District.

Prior Year Highlights

The District released a Request for Bids for the project in May 2015 and expects to issue a Notice to Proceed for the construction of the two turnout structures shortly thereafter.

Table 16

GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM (GRIP) RECYCLED WATER TURNOUT STRUCTURES
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$500,000	$-	$-	$-	$-	$-	$500,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$6,600,000	$-	$-	$-	$-	$6,600,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$500,000**	**$6,600,000**	**$-**	**$-**	**$-**	**$-**	**$7,100,000**
Grants	$-	$4,800,000	$-	$-	$-	$-	$4,800,000
Net Cost	**$500,000**	**$1,800,000**	**$-**	**$-**	**$-**	**$-**	**$2,300,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

GOLDSWORTHY DESALTER EXPANSION

Project Description

This project will expand the capacity of the existing desalting facility located in the City of Torrance and construct two new groundwater wells to extract water from a saline plume in the West Coast Basin. Once completed, the project will provide approximately 2,400 AFY of additional treated "remediated" brackish groundwater to supplement potable water supplies. It is anticipated that the City of Torrance will use the product water from the expansion. Additional measures may be necessary in the future to fully contain and remediate the saline plume, which extends beyond the Torrance area. The District continues to work with stakeholders in the West Coast Basin in determining long term solutions for removal of the saline plume.

Funding

This project received a total of $7 million in grant funding; $4 million from Proposition 84 Integrated Regional Water Management (IRWM) 2014 Drought Grant and $3 million from Proposition 50, Round 3 Desalination Grant Program.

Impact of Capital Investment on Operating Budget

The City of Torrance will continue to operate the Goldsworthy Desalter. The remediation of the saline plume in the West Coast Basin is the primary reason for the expansion of this project with an added benefit of providing the City of Torrance with an additional 2,400 acre-feet per year of potable water. The total estimated cost of the expansion is expected to be $20,200,000 which includes outside funding of $7,000,000. No accurate financial value can be placed on remediating the saline plume trapped in the West Coast Groundwater Basin; similar to the District's Safe Drinking Water Program where there is no quantifiable value that can be placed on the remediation of groundwater contaminants. The benefit is to the Central and West Coast Basins; safe and reliable groundwater.

Prior Year Highlights

The District completed the final design for the project.

Table 17
GOLDSWORTHY DESALTER EXPANSION
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY 15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$2,000,000	$-	$-	$-	$-	$-	$2,000,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$12,602,926	$8,100,000	$4,500,000	$-	$-	$-	$25,202,926
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$14,602,926**	**$8,100,000**	**$4,500,000**	**$-**	**$-**	**$-**	**$27,202,926**
Grants	$7,000,000	$-	$-	$-	$-	$-	$7,000,000
Net Cost	**$7,602,926**	**$8,100,000**	**$4,500,000**	**$-**	**$-**	**$-**	**$20,202,926**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

WHITTIER NARROWS CONSERVATION POOL FEASIBILITY STUDY

Project Description

The Whittier Narrows Dam provides flood control, recreation and a reliable means of capturing storm water flows for groundwater replenishment in the Montebello Forebay. The U.S. Army Corps of Engineers (USACE), Los Angeles County Flood Control District (LACFCD) and WRD are interested in raising the maximum conservation pool elevation from 201.6' to 205' to allow for an estimated additional 1,100 AFY of storm water conservation that would otherwise be wasted to the ocean. The elevation increase does not require capital improvements, however, it does need USACE approval and updates to various studies and environmental documents related to dam operations at an increased conservation pool elevation. WRD and LACFCD are working closely with USACE on a strategy to complete an updated Whittier Narrows Conservation Pool Feasibility Study to allow for a permanent change to the operating plan.

Funding

This project received a $576,000 Proposition 84 Integrated Regional Water Management (IRWM) Round 2 Grant.

Impact of Capital Investment on Operating Budget

Whittier Narrows Dam is managed by USACE and all operating changes must be approved by the USACE. The project will provide for an estimated 1,100 acre-feet per year of additional storm water capture which will offset the need for imported water.

Table 18A
WHITTIER NARROW DAM ESTIMATED SAVINGS

	2016/17	2017/18	2018/19	2019/20	2020/21
Savings	$647,000	$706,000	$749,000	$811,000	$805,000

Prior Year Highlights

The USACE, LACFCD and WRD initiated the drafting of a federal cost-share agreement, which is required to commence the feasibility study.

Table 18B
WHITTIER NARROWS CONSERVATION POOL FEASIBILITY STUDY
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$576,000	$-	$-	$-	$-	$-	$576,000
Feasibility Study	$-	$1,125,505	$-	$-	$-	$-	$1,125,505
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$576,000**	**$1,125,505**	**$-**	**$-**	**$-**	**$-**	**$1,701,505**
Grants	$576,000	$-	$-	$-	$-	$-	$576,000
Net Cost	**$-**	**$1,125,505**	**$-**	**$-**	**$-**	**$-**	**$1,125,505**
Project Schedule							
Planning							
Feasibility Study							
Construction							
Post Construction							

LEGACY PROJECT

Project Description

The Legacy Project includes groundwater infrastructure improvements that will increase the flexibility of water delivery to the spreading grounds and help reduce replenishment water delivery losses.

Funding

The total Capital Improvement Program budget for Fiscal Years 2015/16 is $100,000

Impact of Capital Investment on Operating Budget

No operation impacts at this time. This project is still in the planning stages and data is currently being collected to perform an accurate cost/benefit analysis to determine the feasibility of the project.

Prior Year Highlights

This project is in its planning stages; hence there are no highlights at this time.

Table 19
LEGACY PROJECT
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$100,000	$-	$-	$-	$-	$100,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$-**	**$100,000**	**$-**	**$-**	**$-**	**$-**	**$100,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$-**	**$100,000**	**$-**	**$-**	**$-**	**$-**	**$100,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

REGIONAL GROUNDWATER MONITORING PROGRAM

Project Description

The Regional Groundwater Monitoring Program (RGMP) collects groundwater level and groundwater quality data used for groundwater basin management for the Central Basin and West Coast Basin, two of the most utilized urban groundwater basins in the nation. This is achieved through groundwater monitoring, modeling, and planning, which provides the basis to understanding the dynamic changes in the basins. The RGMP currently consists of a network of 324 specialized monitoring wells at 58 locations throughout the District to a maximum depth of nearly 3,000 feet, and WRD staff, comprised of hydrogeologists and engineers, provide the expertise to collect, analyze and report on the collected groundwater data. WRD uses the data generated by the RGMP to address current and potential water quality issues and groundwater replenishment within the basins. In addition, the RGMP provides flexible management practices to adjust groundwater resources planning as circumstances or conditions warrant. The RGMP has proved valuable as WRD works to implement its Water Independence Now program, maximizing local water sources to replenish, preserve and protect the basins and eliminating its dependence on imported water.

Funding

The capital costs are for the construction of eleven new monitoring wells (five for regional monitoring and six for contamination investigations) and data collection equipment.

Impact of Capital Investment on Operating Budget

Wells are monitored by WRD staff. The new wells will be folded into the current operations plan. There is no measurable financial benefit to drilling additional groundwater monitoring wells. The benefit comes from the data collected related to groundwater levels and the quality of the groundwater to address water quality issues and replenishment in the Central and West Coast Basins.

Prior Year Highlights

The RGMP was awarded the 2011 Groundwater Protection Award from the National Groundwater Association. In 2011, because of success and extensiveness of the RGMP, the State of California designated WRD as the official California Statewide Groundwater Elevation Monitoring (CASGEM) entity for the Central and West Coast Basins, responsible for providing the State's Department of Water Resources with groundwater data from the RGMP.

Table 20
REGIONAL GROUNDWATER MONITORING PROGRAM
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$-	$-	$-	$-	$-	$-
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$5,900,000	$1,490,000	$1,245,000	$2,091,392	$-	$-	$10,726,392
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$5,900,000**	**$1,490,000**	**$1,245,000**	**$2,091,392**	**$-**	**$-**	**$10,726,392**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$5,900,000**	**$1,490,000**	**$1,245,000**	**$2,091,392**	**$-**	**$-**	**$10,726,392**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

MONTEBELLO FOREBAY RECHARGE ENHANCEMENT STUDY (MFRES)

Project Description

The Montebello Forebay Recharge Enhancement Study (MFRES) will review and update the findings of the Montebello Forebay Recharge Optimization Study (Optimization Study). The Optimization Study, completed in 2001, describes how additional local stormwater could potentially be captured for recharge if the water table could be lowered through increased pumping. The Optimization Study identifies approximately 17,000 AFY of additional stormwater to be captured as a preferred alternative from a range of 2,000 to 29,000 AFY of stormwater; however it depends on the level of pumping and depth of the water table. The MFRES will review the assumptions made in the Optimization Study and assess its findings in response to the various physical and operational improvements to the Montebello Forebay completed since 2001.

Funding

The Capital Improvement Program budget for Fiscal Year 2015/16 is $29,000.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. The study will provide data for District staff to review and assess in determining the next course of action. There is no financial benefit analysis for this study but an analysis will be performed if the study proceeds to planning and construction.

Prior Year Highlights

The MFRES project commenced in 2014; the review and compilation of historical data was substantially completed in early 2015. The preparation of the hydrologic model and Montebello Forebay Spreading Grounds Operational Model (MFSGOM) were initiated in late 2014 and are on schedule to be completed in 2015.

Table 21

MONTEBELLO FOREBAY RECHARGE ENHANCEMENT STUDY (MFRES)
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$-	$-	$-	$-	$-	$-
Study	$771,000	$29,000	$-	$-	$-	$-	$800,000
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$771,000**	**$29,000**	**$-**	**$-**	**$-**	**$-**	**$800,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$771,000**	**$29,000**	**$-**	**$-**	**$-**	**$-**	**$800,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

ENHANCED-MONTEBELLO FOREBAY RECHARGE ENHANCEMENT STUDY (E-MFRES)

Project Description

The Enhanced-Montebello Forebay Recharge Enhancement Study (E-MFRES) will review and update the findings of the Montebello Forebay Recharge Enhancement Study (MFRES). This project will commence at the completion of the MFRES.

Funding

The Capital Improvement Program budget for Fiscal Year 2015/16 is $75,000.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. There is no financial benefit analysis for this project, the data obtained through this project will provide a more accurate measure of water flowing into the Montebello Forebay Spreading Grounds.

Prior Year Highlights

This project has not commenced; hence, there are no highlights at this time.

Table 22
ENHANCED-MONTEBELLO FOREBAY RECHARGE ENHANCEMENT STUDY (E-MFRES)
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$75,000	$-	$-	$-	$-	$75,000
Study	$-	$-	$190,000	$135,000	$-	$-	$325,000
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$-**	**$75,000**	**$190,000**	**$135,000**	**$-**	**$-**	**$400,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$-**	**$75,000**	**$190,000**	**$135,000**	**$-**	**$-**	**$400,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

RECHARGE OPERATIONS- FLOW METERS

Project Description

The District will install flow metering devices to enhance the measurement of the rate and volume of imported, recycled, and storm water entering the Montebello Forebay and the spreading grounds. Metering devices will expand the existing network of gaging stations operated by the United States Geological Survey, Army Corps of Engineers, and Los Angeles County Flood Control District. In addition, troublesome gaging stations may be improved or replaced.

Funding

The Capital Improvement Program budget for Fiscal Year 2015/16 is $100,000.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. There is no financial benefit analysis for this project, the data obtained through this project will provide a more accurate measure of water flowing into the Montebello Forebay Spreading Grounds.

Prior Year Highlights

This project has not commenced; hence, there are no highlights at this time.

Table 23
RECHARGE OPERATIONS - FLOW METERS
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$100,000	$-	$-	$-	$-	$100,000
Study	$-	$-	$200,000	$200,000	$200,000	$-	$600,000
Construction	$-	$-	$-	$-	$-	$-	$-
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$-**	**$100,000**	**$200,000**	**$200,000**	**$200,000**	**$-**	**$700,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$-**	**$100,000**	**$200,000**	**$200,000**	**$200,000**	**$-**	**$700,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

SAFE DRINKING WATER PROGRAM

Project Description

The Safe Drinking Water Program (Program) provides incentives to groundwater producers to pump and treat contaminated groundwater rather than abandoning affected wells. The Program offers two options, grant assistance and loan assistance to basin pumpers for wellhead treatment to remove contaminants and improve water quality. The grant assistance program provides treatment for removing groundwater contaminants from man-made sources (e.g. Volatile Organic Compounds). The loan assistance program provides ten-year, zero-interest loans for water treatment, and removing unacceptable levels of contaminants from natural sources (e.g. iron, manganese, and arsenic). Since the Program's inception, the District has funded thirteen grants, four loans and one demonstration project. This CIP project is intended to cover the costs associated with grant funded projects only.

Funding

The District developed the Safe Drinking Water Program Revolving Loan Fund, which stabilizes funding and expands the loan assistance program's overall use.

Impact of Capital Investment on Operating Budget

There are no operating impacts at this time. Wellhead treatment provides pumpers with facilities to treat groundwater for potable use. Not unlike the Goldsworthy Desalter Project, these programs remediate groundwater contaminates located in the aquifers. No accurate financial benefit is determinable for groundwater cleanup. However, since the pumper would be able to use groundwater instead of more expensive imported water, the economic value to the pumper would be the difference in the rate of Imported Water to that of the District's Replenishment Assessment in any given year. The non-financial benefit is the cleanup of the Central and West Coast Groundwater Basins.

Prior Year Highlights

The District developed the Safe Drinking Water Program Revitalization Plan to maximize participation in the Program and the Safe Drinking Water Disadvantaged Communities (DAC) Pilot Program, which identifies DAC water systems with contaminated water issues and provides technical assistance.

Table 24
SAFE DRINKING WATER PROGRAM
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$-	$1,000,000	$-	$-	$-	$-	$100,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$-	$1,000,000	$1,000,000	$1,500,000	$500,000	$4,000,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$-**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,500,000**	**$500,000**	**$5,000,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$-**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$1,500,000**	**$500,000**	**$5,000,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

ASSET MANAGEMENT PROGRAM

Project Description

The District has invested more than $127 million in capital improvement projects that need to be managed and maintained over there useful life; hence the District Board of Directors initiated the development of an Asset Management Master Plan and Phase 1 Pilot Project. The Asset Management Plan will establish a priority list of recommended actions and projects using factors as level of effort, business drivers, cost, staff involvement, duration and alignment to the District's strategic direction including any future strategic plans for Supervisory Control and Data Acquisition (SCADA) and Centralized Information System (CIS), respectively. The pilot project will evaluate the asset management system and database and provide a baseline for a strategic implementation of all the District's capital projects. Implementation of an Asset Management Program will extend or renew the service life of the District's assets, resulting in reduced long-term maintenance and operating costs.

Funding

The Capital Improvement Program budget for Fiscal Year 2015/16 is $95,000.

Impact of Capital Investment on Operating Budget

No operation impacts at this time. Impacts are expected once the pilot project is implemented. This pilot project will allow the management of capital improvement projects. There is no financial benefit analysis for this program, it is a tool that staff will use to more effectively manage District assets and avoid future problems through analysis of current operations.

Prior Year Highlights

A Request for Proposals (RFP) for the procurement of consultant services to prepare an Asset Management Plan and Phase 1 Pilot Program was issued.

Table 25
ASSET MANAGEMENT PROGRAM
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$180,000	$95,000	$-	$-	$-	$-	$275,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$-	$150,000	$250,000	$100,000	$-	$500,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$180,000**	**$95,000**	**$150,000**	**$250,000**	**$100,000**	**$-**	**$775,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$180,000**	**$95,000**	**$150,000**	**$250,000**	**$100,000**	**$-**	**$775,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

CENTRALIZED INFORMATION SYSTEM

Project Description

Many agencies struggle with their management information systems and related databases. Of primary concern is the lack of a centralized information system, specifically a computerized maintenance management system (CMMS) and supervisory control and data acquisition (SCADA) system. Often, when a centralized information system is lacking, separate databases for assets, finance, modelling, operations and maintenance exists. With multiple databases, records need to be matched, de-duping needs to occur, and the opportunity for duplicate records and error is greatly increased. When feasible, information databases should be combined into a single, centralized system. Having centralized information makes it easier to develop reports that clearly depict the broad range of activities that WRD is engaged in.

The single greatest benefit of centralizing the District's data management will be data integrity. One of the cardinal rules of database design is that no redundancy is allowed. That is, no piece of data should ever be repeated within the database. When an organization is operating multiple databases for the same group of people, they are by definition breaking this rule, and this leads to major data integrity issues. The Centralized Information System Project is intended to fully integrate WRD's Finance, Asset Management, CMMS, SCADA, and other system and process databases into a single centralized system.

Funding

The total Capital Improvement Program budget for the CIS is $500,000.

Impact of Capital Investment on Operating Budget

No operation impacts at this time. There is no financial benefit analysis for this program, the system will provide data integrity and accessibility.

Prior Year Highlights

This project is in its planning stages; hence there are no highlights at this time.

Table 26
CENTRALIZED INFORMATION SYSTEM
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$100,000	$-	$-	$-	$-	$-	$100,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$-	$150,000	$175,000	$75,000	$-	$400,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$100,000**	**$-**	**$150,000**	**$175,000**	**$75,000**	**$-**	**$500,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$100,000**	**$-**	**$150,000**	**$175,000**	**$75,000**	**$-**	**$500,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM

Project Description

The Supervisory Control and Data Acquisition (SCADA) System project includes conducting a baseline condition assessment of existing facilities including the Goldsworthy Desalter, Leo J. Vander Lans Advanced Water Treatment Facility, Monitoring Well network, and future facilities including the expanded Goldsworthy Desalter, Turnout Structure Nos. 001B and 002 and the proposed Groundwater Reliability Improvement Program Advanced Water Treatment Facility. An opportunities and constraints analysis (needs assessment) will be performed that will result in SCADA system architecture, standards, and integration strategy recommendations including, but not limited to, hardware, software, communication architecture and protocols, reporting, cost estimate(s), and implementation schedule(s). Following the completion of a needs assessment, a comprehensive SCADA Master Plan strategy, which creates a standardized control system architecture for all of the District's respective operating facilities, will be developed and implemented.

Funding

The Capital Improvement Program budget for Fiscal Year 2015/16 is $175,000.

Impact of Capital Investment on Operating Budget

No operation impacts at this time. The SCADA System refers to centralized systems which monitor and control entire sites or complexes of systems spread out over large areas. The benefit to this is an integrated system where staff can monitor and control all District facilities in one location. No specific financial benefit analysis was performed. With the District expanding its projects to include the Water Independence Now (WIN) Program, the need for a centralized control system is becoming more necessary.

Prior Year Highlights

A Request for Qualifications (RFQ) for the procurement of consultant services to prepare a SCADA System Master Plan was issued.

Table 27
SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM
Projected 5-year CIP

Project Budget	Prior Year Expenses	FY15/16 Projected Budget	FY 16/17 Projected Budget	FY 17/18 Projected Budget	FY 18/19 Projected Budget	FY 19/20 Projected Budget	Total CIP Budget
Planning	$125,000	$-	$-	$-	$-	$-	$125,000
Design	$-	$-	$-	$-	$-	$-	$-
Construction	$-	$175,000	$225,000	$100,000	$-	$-	$500,000
Post Construction	$-	$-	$-	$-	$-	$-	$-
Total	**$125,000**	**$175,000**	**$225,000**	**$100,000**	**$-**	**$-**	**$625,000**
Grants	$-	$-	$-	$-	$-	$-	$-
Net Cost	**$125,000**	**$175,000**	**$225,000**	**$100,000**	**$-**	**$-**	**$625,000**
Project Schedule							
Planning							
Design							
Construction							
Post Construction							

Long-Term Debt

In 2004, the District successfully issued $15,410,000 of Revenue COP. The Certificates were executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2004, among the District and U.S. Bank National Association. The proceeds from the sale of the Certificates were used to (i) finance the acquisition, construction and installation of certain clean water and replenishment projects and purchase of a headquarters building; (ii) fund a debt service reserve fund for the Certificates, and (iii) pay the costs incurred in connection with the execution and delivery of the Certificates.

The District was very proud to receive an initial underlying AA- and AA bond rating in 2004 from Standard and Poor's and Fitch Ratings, respectively. Both rating agencies stated that the District received the outstanding ratings due to the following:

- A large service area encompassing 43 cities and approximately 4.5 million residents of Los Angeles County
- The District's competitive advantage as a provider of relatively low-cost water to regional retail water systems; and
- A moderate capital plan that will be partly financed with pay-as-you-go resources.

Additionally, the District obtained bond insurance from MBIA Inc. for an overall insured rating of AAA from both Standard and Poor's and Fitch Ratings services.

The District's bonds are secured by a pledge of net system revenues, mainly Replenishment Assessment (RA) fees paid to the District by regional retail water systems when they pump groundwater.

In 2008, the District issued an additional $18,365,000 in Revenue COP. The proceeds were used to (i) finance additional tenant improvements to the District's Administration Building, (ii) finance the drilling of groundwater monitoring wells and the Rio Hondo/San Gabriel Interconnection Pipeline Project, (iii) fund a debt service reserve fund for the Certificates and (iv) pay the costs incurred in connection with the execution and delivery of the Certificates.

The District received an underlying bond rating of AA from Fitch and received a two level upgrade from Standard and Poor's to an AA+. Due to the cost versus benefit of purchasing bond insurance, the District did not choose to purchase additional bond insurance.

The District issued its 2011 Series Revenue COP for $69,195,000 to fund projects related to the WIN Program, as well as components of the Safe Drinking Water Program and the Regional Groundwater Monitoring Program. The two major projects related to the WIN Program are the (GRIP) and the Leo J. Vander Lans AWTF Expansion. These programs are designed to help the Water Replenishment District become completely independent of imported spreading water. Additionally, inexpensive imported spreading water has not been available for purchase since May 2007. WIN programs will provide a local supply of water to meet the District's imported water needs, thus, making it unnecessary to rely on imported water to maintain the integrity of the groundwater basins.

On February 17, 2015, Standard & Poor's affirmed the WRD's Certificates of Participation at AA+ with a stable outlook. Additionally, on July 14, 2015, Fitch Ratings also affirmed their rating of AA+ with a stable outlook.

In recent years, WRD's capital improvements have been predominantly focused on completing projects identified under the Water Independence Now (WIN) initiative and have relied almost entirely on prior year bonds (2011) and outside grant funding.

Our needs for future capital funding will peak as WRD's Groundwater Reliability Improvement Program (GRIP) related projects transition from advanced planning and design phase into construction and operations. The estimated new funding for the upcoming five years is proposed at just over $159 million.

The District is in the process of issuing additional debt to meet the needs of its Capital Improvement Projects to obtain water sustainability and independence of imported water from the State Water Project or the Colorado River.

There is currently no debt service limit or ceiling documented in the California State Water Code for the WRD. The costs associated with the CIP projects will be primarily funded through long-term debt. The operating impact associated with the 2004, 2008 and 2011 Series Bonds for fiscal year 2015/16 budgeted for $10,483 million as follows:

Table 28
Debt Payment Schedule for Fiscal Year 2015/16

	Interest	Principal	Additional Debt Service Coverage	Total
2004 Certificates of Participation	$420,000	$538,000	$575,000	$1,533,000
2008 Certificates of Participation	360,000	938,000	778,000	2,075,000
2011 Certificates of Participation	1,095,000	3,200,000	2,579,000	6,874,000
Total	**$1,875,000**	**$4,676,000**	**$3,932,000**	**$10,483,000**

Table 29
Future annual debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
2017	1,945,000	4,067,000	6,012,000
2018	2,020,000	4,533,000	6,553,000
2019/2023	11,475,000	21,289,000	32,764,000
2024/2028	14,345,000	18,412,000	32,757,000
2029/2033	18,295,000	14,469,000	32,764,000
2034/2038	23,575,000	9,191,000	32,766,000
2039	23,760,000	248,000	24,008,000
Total	**$95,415,000**	**$72,209,000**	**$167,624,000**

Based on the information shown in Table 14, the District anticipates the need for additional debt service to complete the Groundwater Reliability Improvement Program (GRIP) starting Fiscal Year 2015/16. The District is currently working on alternatives to replace advanced treated recycled water with less expensive tertiary treated water which will decrease the amount of funds the District will have to borrow to complete GRIP. The impact on future budgets will depend on the amount of money borrowed as well as the interest rates at the time of issuance. Regardless, the debt service will be funded through the Replenishment Assessment (RA).

Replenishment Projects and Programs

WATER PURCHASES

Annually, the District faces overdraft because more groundwater is pumped out of the basins than is naturally replaced. Therefore, the District purchases replenishment water from external sources (artificial replenishment water) to help make up the overdraft. The artificial replenishment water enters the basins either by percolation into the underground aquifers at the Montebello Forebay spreading grounds (Rio Hondo, San Gabriel River, and Whittier Narrows Reservoir), or through direct injection into the aquifers at the West Coast Basin, Dominguez Gap, and Alamitos seawater barrier projects.

The District currently has available to it recycled and imported water sources for use as artificial replenishment water. These two sources are described below:

Recycled Water:

Recycled water is sewer water that is treated at local wastewater treatment plants to meet high quality standards so that it can be reused as a valuable water resource instead of being wasted to the ocean. Other agencies use recycled water to irrigate parks, golf courses, plants and crops, or for industrial purposes. WRD and numerous other agencies also use recycled water for groundwater recharge. In semi-arid areas such as Southern California where groundwater and imported water are in short supply, recycled water has proven to be a safe and reliable additional resource to supplement the water supply. Recycled water is used at the spreading grounds after undergoing tertiary treatment and also at the seawater barrier wells after tertiary and additional treatment by microfiltration, reverse osmosis, and in some cases ultraviolet light.

Imported Water:

This source originates from Northern California (State Water Projects) and the Colorado River and is brought to the District by the MWD of Southern California. Raw imported water is used at the spreading grounds for aquifer replenishment. Treated imported water is used at the seawater intrusion barriers and for in-lieu replenishment when available. Because of treatment and transportation costs, it is the most expensive source for recharge water. The supply is under full upstream control, and its availability at the spreading grounds is limited and variable, especially during drought years.

2015/16 Cost of Replenishment Water (in thousands)

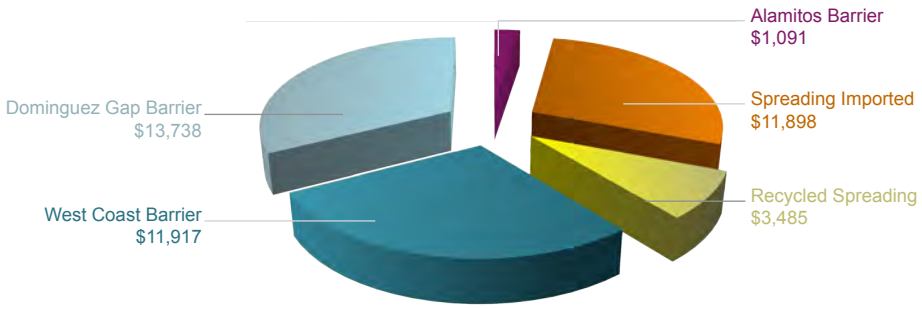


Figure 17 – 2015/16 Cost of Replenishment Water (in thousands)

RECOMMENDED QUANTITIES OF REPLENISHMENT WATER

WRD estimates its projected need for artificial replenishment water by calculating the annual amount of water shortage (overdraft) that is expected to occur. Details of these calculations are presented in the annual Engineering Survey and Report. The artificial replenishment water is placed into the groundwater basin at the spreading grounds or seawater barrier injection wells using recycled and imported water.

Table 30
Cost of Replenishment Water for Fiscal Year 2015/16

EXPENSE CATEGORY	2014/15 Projection	2015/16 Budget	Increase (Decrease) Over Prior Year
	Imported Water		
Spreading - Tier 1 Untreated Imported			
MWD Untreated Tier 1 - Spreading	$9,360,000	$9,456,000	$96,000
MWD RTS Charge	$976,000	$832,000	$(144,000)
CBMWD Administrative Surcharge	$1,504,000	$1,536,000	$32,000
CBMWD Water Service Charge	$386,000	$74,000	$(312,000)
Total Spreading - Tier 1 Untreated Imported	**$12,226,000**	**$11,898,000**	**$(328,000)**
Alamitos Barrier - Imported			
MWD Treated Tier 1 - Alamitos Barrier	$366,000	$469,000	$103,000
MWD Capacity Charge	$60,000	$55,000	$(5,000)
LBWD RTS	$46,000	$61,000	$12,000
LBWD Administrative Surcharge	$2,000	$2,000	$-
Total Alamitos Barrier - Imported	**$474,000**	**$587,000**	**$110,000**
Dominguez Barrier - Imported			
MWD Tier 1 - Barriers	$3,206,000	$6,181,000	$2,975,000
MWD RTS Charge	$387,000	$739,000	$352,000
WBMWD Capacity Charge	$238,000	$376,000	$138,000
WBMWD Administrative Surcharge	$340,000	$1,260,000	$920,000
WBMWD Water Service Charge	$56,000	$80,000	$24,000
Total Dominguez Barrier - Imported	**$4,227,000**	**$8,636,000**	**$4,409,000**
West Coast Barrier - Imported			
MWD Tier 1 - Barriers	$-	$472,000	$472,000
MWD RTS Charge	$128,000	$56,000	$(72,000)
WBMWD Capacity Charge	$79,000	$29,000	$(50,000)
WBMWD Administrative Surcharge	$112,000	$96,000	$(16,000)
WBMWD Water Service Charge	$19,000	$6,000	$(13,000)
Total West Coast Barrier - Imported	**$338,000**	**$659,000**	**$321,000**
In-lieu			
MWD Member Agency	No IL Program	No IL Program	$-
WBMWD Member Agency	No IL Program	No IL Program	$-
Total for In-lieu Payments	**$-**		**$-**
	Recycled Water		
Dominguez Barrier - Recycled			**$-**
LADWP Recycled Water	$3,084,000	$5,102,000	$2,018,000
Total Dominguez Barrier - Recycled	**$3,084,000**	**$5,102,000**	**$2,018,000**
Spreading - Recycled			
SDLAC - Tertiary Water (WN, SJC, Pomona)	$3,285,000	$3,485,000	$200,000
Total Spreading - Recycled	**$3,285,000**	**$3,485,000**	**$200,000**
West Coast Barrier - Recycled			
WBMWD Recycled Water	$12,550,000	$11,258,000	$(1,292,000)
Total West Coast Barrier - Recycled	**$12,550,000**	**$11,258,000**	**$(1,292,000)**
Alamitos Recycled - WRD			
WRD Recycled Water - Vander Lans	$374,000	$504,000	$130,000
Total Alamitos Recycled - WRD	**$374,000**	**$504,000**	**$130,000**
Total Water Purchases	**$36,558,000**	**$42,129,000**	**$5,568,000**

ACRONYMS:
CBMWD
Central Basin Municipal Water District

LBWD
Long Beach Water Department

LADWP
Los Angeles Department of Water and Power

MWD
Metropolitan Water District of Southern California

RTS
Readiness-to-Serve

SDLAC
Sanitation Districts of Los Angeles County

SJC
San Jose Creek

WBMWD
West Basin Muncipal Water District

WN
Whittier Narrows

WRD
Water Replenishment District of Southern California

WRP
Water Reclamation Plant

Table 31
Quantity of Water Purchases in Acre-Feet for Fiscal Year 2015/16

EXPENSE CATEGORY	2014/15 Projection	2015/16 Budget	Increase (Decrease) Over Prior Year
	By Acre-Feet		
Imported Water:			
Spreading Imported	16,000	16,000	-
West Coast Barrier Imported	-	4,700	4,700
Dominguez Gap Imported	3,500	2,400	(1,100)
Alamitos Imported	400	500	100
In Lieu - MWD Member Agency	-	-	-
In Lieu - West Basin Customer	-	-	-
Recycled Water:			
Spreading Recycled (SJC & WN)	55,000	55,000	-
West Coast Barrier Recycle	17,000	14,300	(2,700)
Dominguez Gap Recycled	3,500	5,600	2,100
Alamitos Recycled	3,700	4,800	1,100
Total Water Purchases	**99,100**	**103,300**	**4,200**

HOW MUCH IS AN ACRE-FOOT OF WATER?

An acre-foot is about 326,000 gallons.

It is the amount of water used by two average families in a year.

Equals the amount needed to fill a football field one foot deep in water.

Figure 18 - Definition of Acre-Foot

PROJECT 001 LEO J. VANDER LANS WATER TREATMENT FACILITY – WATER SUPPLY

Background

This facility provides advanced treatment to recycled water through a process train that includes microfiltration (MF), reverse-osmosis (RO), and advanced oxidation (AOP) using hydrogen peroxide and ultraviolet (UV) light. The product water from this facility replaces the imported water that used to supply the Alamitos Seawater Intrusion Barrier, thereby improving the reliability and quality of supply to the barrier.

The Long Beach Water Department (LBWD) operates and maintains the treatment plant under contract with WRD. Expected costs for this budget year are primarily for the expenses of operation and maintenance of the plant and for groundwater monitoring requirements from the permit.

Because the primary purpose of this project is to provide a more reliable means of replenishing the basin through injection, 100% of the costs are considered to be drawn from the Replenishment Fund.

Table 32
Project 001 - WATER SUPPLY
Vander Lans Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	$2,593,000	$2,660,000	$67,000
R&M / Materials / Equipment	$1,530,000	$1,525,000	$(5,000)
Other Expenses	$5,000	$4,000	$(1,000)
Other General & Administrative	$281,000	$342,000	$61,000
Total	**$ 4,409,000**	**$4,531,000**	**$122,000**

2014/15 Accomplishments

- Completed the construction for expansion of the facility to increase production capacity from 3 mgd to 8 mgd. A dedication ceremony was held on December 18, 2014.
- The facility expansion was awarded a total $4.95 million by the federal Title XVI grant and a total $4.68 million by the California Proposition 84 grant.
- Awarded “Water Project of the Year—Final List” by the Global Water Intelligence.
- Officially amended the Recycled Water Permit from the Regional Water Quality Control Board for the facility expansion.
- Presented several papers at national and regional professional conferences on WRD’s innovative and creative approach to facility expansion.
- Continued compliance monitoring of plant product water and the groundwater to ensure that the operations of the project satisfied the regulatory requirements.
- Continued to conduct water quality testing to ensure satisfaction of water quality criteria for the County Department of Public Works.

2015/16 Objectives

- Perform first year operations with the expanded facility to optimize the process performance and operational efficiency.
- Operate the facility to achieve 100% recycled water injection to the Alamitos Barrier.
- Continue to comply with regulatory requirements for monitoring and compliance.
- Continue to conduct recycled water testing to ensure satisfaction of water quality criteria for the County Public Works Department.

Basis for Changes 2014/15 Projected to 2015/16 Budget

The facility expansion has completed. The facility now provides advanced treatment to recycle water. Product water from Vander Lans has replaced 100% of imported water now supplying the Alamitos Seawater Intrusion Barrier. The cost of source water increases along with the operating contract with the Long Beach Water Department in professional services and Other General & Administrative costs.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 33

LEO J. VANDER LANS ADVANCE WATER TREATMENT FACILITY – WATER SUPPLY
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Complete construction for plant expansion to increase production capacity from the current 3 million gallons per day (mgd) to 8 mgd.				Obtain Independence from Imported Water Sources
MEASURE: % of Completion of the Advance Water Treatment Facility.	90%	100%	Completed	
GOAL: 2. Comply with regulatory requirements for monitoring and compliance.				Provide Safe and Reliable Groundwater
MEASURE: Submit quarterly and annual compliance reports to RWQCB to satisfy permit compliance requirements	Yes	Yes	Planned	
GOAL: 3. Continue to conduct recycled water testing to ensure satisfaction of water quality criteria for the County of Los Angeles Department of Public Works.				Provide Safe and Reliable Groundwater
MEASURE: Submit monthly Alamitos Barrier Injection Water Quality Reports that satisfy LADPW's water quality standards	Yes	Yes	Planned	
GOAL: 4. Operation of the plant with increased recycled water production.				Obtain Independence from Imported Water Sources
MEASURE: Prepare monthly operations reports that document recycled water production quantity	Construction in progress	Construction in progress	Planned increase	

PROJECT 004 MONTEBELLO FOREBAY RECYCLED WATER

Background

Recycled water has been and continues to be a cost-effective, reliable source of water for surface spreading in the Montebello Forebay and injection at the seawater intrusion barriers. In light of the prolonged drought, record-low rainfalls, and increasing uncertainty in the future availability of imported supplies, recycled water has become increasingly attractive as a locally sustainable solution to improving the reliability of the local groundwater supply.

WRD participates in a variety of activities to ensure that the use of recycled water for groundwater recharge purposes continues to remain safe. From an operational standpoint, the District will continue to fulfill groundwater monitoring as required by the permits and submit the results to the regulatory agencies to demonstrate that the current practices and operation of utilizing recycled water, along with other sources of water, remain safe.

Table 34
Project 004 - Montebello Forebay Recycled Water Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget Compared to 14/15 Projection
Professional Services	281,000	375,000	94,000
R&M / Materials / Equipment	23,000	13,000	(10,000)
Other Expenses	100,000	48,000	(52,000)
Other General & Administrative	168,000	168,000	-
Total	**$ 572,000**	**$ 604,000**	**$ 32,000**

In addition to providing regular monitoring and sampling associated with the spreading grounds, WRD, in conjunction with other agencies, participates in research efforts to more fully investigate the effectiveness of soil aquifer treatment during percolation. These studies are partially sponsored by the WateReuse Foundation and the American Water Works Association Research Foundation (AWWARF). The overall objectives are to characterize the percolation process and quantify the purifying properties of the underlying soil on constituents of concern such as nitrogen, total organic compounds (TOC), biodegradable dissolved organic carbon (BDOC), and emerging contaminants, such as pharmaceuticals, endocrine disruptors, and personal care products.

Recycled water represents a significant portion of the source water portfolio for the three seawater intrusion barrier projects (Alamitos Gap, West Coast, and Dominguez Gap Barriers). Work associated with the use of recycled water at those barrier facilities is managed under the specific project (e.g., Leo J. Vander Lans Water Treatment Facility) that delivers the source water to the barriers or under the program related to recycled water use at the specified barrier.

Projects under this program help to improve the reliability and utilization of an available local resource, i.e., recycled water, which is used to improve replenishment capabilities. Therefore, projects under this program are funded entirely from the Replenishment Fund.

2014/15 Accomplishments

- Continued to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds, including bi-monthly monitoring of monitoring wells, semi-annual monitoring of production wells and quarterly monitoring of intakes to the spreading facilities.

- In collaboration with the Sanitation Districts of Los Angeles County, completed and submitted a comprehensive compliance assessment report to the Division of Drinking Water to demonstrate how the existing Montebello Forebay Recycled Water Project fulfills the requirements under the 2014 Groundwater Replenishment using Recycled Water Regulations (GRRRs).

- Initiated the planning for a controlled field experiment to be conducted in July and August 2015 in order to collect monitoring data on the fate and transport of chosen candidate tracers from recharge ponds to groundwater. The purpose of the experiment is to help the Montebello Forebay Recycled Water Project demonstrate its ongoing compliance with the 2014 GRRRs.
- Facilitated the ongoing dialogue between the Sanitation Districts of Los Angeles County and the Division of Drinking Water to help increase the amount of recycled water from the San Jose Creek East Water Reclamation Plant conveyed to the spreading grounds. Currently, approximately 5 million gallons per day of the plant's influent is being wasted due to certain regulatory constraints.

2015/16 Objectives

- Continue to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds, including bi-monthly monitoring of monitoring wells, semi-annual monitoring of production wells and quarterly monitoring of intakes to the spreading facilities.
- Complete the tracer field experiment and substantiate a method for demonstrating ongoing compliance of the Montebello Forebay Recycled Water Project with the 2014 GRRRs.
- Continue to facilitate the ongoing dialogue between the Sanitation Districts of Los Angeles County and the Division of Drinking Water to help increase the amount of recycled water from the San Jose Creek East Water Reclamation Plant conveyed to the spreading grounds. Currently, approximately 5 million gallons per day of the plant's influent is being wasted due to certain regulatory constraints.
- Collaborate with other agencies and organizations on research investigations of percolation of recycled water.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 35
MONTEBELLO FOREBAY RECYCLED WATER
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Continue to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds.				Provide Safe and Reliable Groundwater
MEASURE: Complied with the water recycling permit requirements for the Montebello Forebay Spreading Grounds	Yes	Yes	Yes	
GOAL: 2. Perform bi-monthly monitoring of monitoring wells				Provide Safe and Reliable Groundwater
MEASURE: Successful bi-monthly monitoring of wells	Yes	Yes	Yes	
GOAL: 3. Perform semi-annual monitoring of production wells				Provide Safe and Reliable Groundwater
MEASURE: Successful semi-monthly monitoring of wells	Yes	Yes	Yes	
GOAL: 4. Perform quarterly monitoring of intakes to the spreading facilities				Provide Safe and Reliable Groundwater
MEASURE: Successful quarterly monitoring of intakes	Yes	Yes	Yes	
GOAL: 5. Evaluate opportunities to increase recycled water reuse for groundwater recharge at the spreading grounds				Provide Safe and Reliable Groundwater
MEASURE: Facilitated the ongoing dialogue between the SDLAC and the Division of Drinking Water to help increase the amount of recycled water from the SJC East Water Reclamation Plant conveyed to the spreading grounds	Yes	Yes	Yes	
GOAL: 6. Collaborate with other agencies and organizations on research investigations of percolation of recycled water				Provide Safe and Reliable Groundwater
MEASURE: Collaborated with other agencies and organizations on research investigations of recycled water percolation	Yes	Yes	Yes	
GOAL: 7. Complete the tracer field experiment and substantiate a method for demonstrating ongoing compliance with the 2014 Ground-water Replenishment using Recycled Water Regulations(GRRRs)				Provide Safe and Reliable Groundwater
MEASURE: Ted to provide % of completion if % is the Method of Measurement	N/A	Yes	Yes	
GOAL: 8. Negotiate amendment of the Montebello Forebay Spreading Ground groundwater recharge permit to allow continued use of recycled water for spreading purposes in current drought when less stormwater and imported water is available				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE: Negotiated amendment of the Montebello Forebay Spreading Ground groundwater recharge permit to increase the recycled water contribution limit from 35% to 45%	Yes	Complete	N/A	

PROJECT 005 GROUNDWATER RESOURCE PLANNING

Background

The Groundwater Resources Planning Program was instituted to evaluate basin management issues and to provide a means of assessing project impacts over the Central and West Coast Groundwater Basins. Prior to moving forward with a new project, an extensive evaluation is undertaken. Within the Groundwater Resources Planning Program, new projects and programs are analyzed based on benefits to overall basin management. This analysis includes performing an extensive economic evaluation to compare estimated costs with anticipated benefits. As part of this evaluation process, all new capital projects are brought to the District's Technical Advisory Committee (TAC) for review and recommendation. Projects deemed worthy by the TAC and District Board will be recognized as independent projects and may be included within the District's Project Work Plan.

Table 36
Project 005 - Groundwater Resource Planning Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	499,000	130,000	(369,000)
R&M / Materials / Equipment	-	-	-
Other Expenses	8,000	8,000	-
Other General & Administrative	122,000	122,000	-
Total	**$ 629,000**	**$ 260,000**	**$ (369,000)**

WRD will continue to coordinate with basin stakeholders to bring to reality workable groundwater storage programs. Meanwhile, the District will also continue to determine the effects of such programs on the overall management of the basins and the specific impacts to aspects such as water levels, annual overdraft, accumulated overdraft, etc. The management alone of such a program will definitely require close review and administration by District staff.

During the coming year, work under this program will continue to focus on storage issues, operational alternatives for the Central and West Coast basin, and implementation of the District's Water Independence Now, or WIN program. The WIN program seeks to replace the District's imported water demands at the three seawater intrusion barriers and spreading grounds with locally available recycled water sources.

The District is also expected to continue to evaluate the projects identified in the Project Work Plan. Specifically, funds have been allocated to perform a further evaluation of projects in order to make them more competitive for future grant funding opportunities.

District staff will continue to closely monitor and participated in the ongoing development and refinement of the Integrated Regional Water Management Plan (IRWMP) for the Los Angeles region. Participation in this process is necessary if the District wishes to secure grant funding under Proposition 84, Proposition 1, and other future state grant funding opportunities. District staff will also continue to monitor other State and Federal grant programs to determine applicability to the District's list of potential projects. WRD will continue to work with Federal agencies such as the U.S. Bureau of Reclamation to identify potential opportunities for funding.

Projects under the Groundwater Resources Planning Program serve to improve replenishment operations and general basin management. Accordingly, this program is also wholly funded through the Replenishment Fund.

2014/15 Accomplishments

- Developed agendas and provided background information for Technical Advisory Committee meetings, included detailed project summary information and economic analyses.

- Developed Five-Year Capital Improvement Program, which was approved by the WRD Board of Directors on June 18, 2015, for Fiscal Years 2015/16-2019/20.
- Monitored ongoing activities at other regional water agencies and assessed potential impacts of their actions on WRD.
- Participated in the Greater Los Angeles Integrated Regional Water management Planning Process (GLAC IRWM). Successfully had two WRD related projects, Goldsworthy Desalter Expansion and Turnout Structures, selected for GLAC IRWM Proposition 84, Round 3 funding.
- Continued coordination efforts with the U.S Army Corps of Engineers and Los Angeles County Department of Public Works to complete the update of studies to allow for the capture of additional stormwater behind Whittier Narrows Dam.
- Continued development of a Programmatic Environmental Impact Report for the Groundwater Basins Master Plan.
- Attended monthly and quarterly meetings of the Central and West Basin Water Associations, providing each with an update on ongoing District activities.
- Provided support for the final approval of the West Basin Third Amended Judgment, which was entered on December 13, 2014.
- Evaluated potential groundwater storage and supply options to optimize District replenishment functions

2015/16 Objectives

- Complete PEIR for Groundwater Basins Master Plan.
- Initiate follow up studies that arise as a result of the development of the Groundwater Basins Master Plan, particularly increased utilization of the Montebello Forebay.
- Review and update the District's 5-year capital improvement program.
- Continue to provide as needed technical support for Judgment amendments for development of conjunctive use framework.
- Continue to attend meetings of the Central and West Basin Water Associations to keep them apprised of ongoing district activities.
- Continue management of grant funding received by the District.
- Monitor local, State and Federal grant funding opportunities and assess applicability to District projects.
- Continue participation in Integrated Regional Water Management Planning process for Greater Los Angeles Region.
- Continue to monitor other water agencies and assess the impact of their actions on WRD.
- Evaluate alternative sources for imported water for the replenishment of the Montebello Forebay Spreading Grounds.

Basis for Change 2014/15 Projected to 2015/16 Budget

The decrease in professional services is due to the completion of both the Groundwater Basin's Master Plan and the Whittier Narrows Stormwater Capture Study as well as a reduction in attorney fees.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 37
GROUNDWATER RESOURCE PLANNING
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Develop, and complete, Programmatic Environmental Impact Report (PEIR) for Groundwater Basins Master Plan				Provide Safe and Reliable Groundwater
MEASURE: % completion of PEIR	40%	80%	100%	
GOAL: 2. Evaluate alternative sources for imported water for the replenishment of the Montebello Forebay Spreading grounds				Obtain Independence from Imported Water Sources
MEASURE: Evaluate potential groundwater storage and supply options to optimize District replenishment functions	Yes	Yes	Yes	
GOAL: 3. Review and update the District's 5-year capital improvement program				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE: WRD's 5-year capital improvement program reviewed, updated and approved by BOD	Yes	Yes	Yes	
GOAL: 4. Continue participation in IRWM Planning Process for Greater Los Angeles Region				Provide Safe and Reliable Groundwater
MEASURE: Participated in the Greater Los Angeles IRWM Planning Process (GLAC IRWM)	Yes	Yes	Yes	
GOAL: 5. Continue coordination efforts with the U.S. Army Corps of Engineers and LACDPW to complete the update of studies to allow for the capture of additional stormwater behind Whittier Narrows Dam				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE: % completion of study updates (if % is the method of measurement)	10%	20%	50%	
GOAL: 6. Continue to provide technical support for Judgment amendments for development of conjunctive use framework				Provide Safe and Reliable Groundwater
MEASURE: Provided support for Judgment amendments	Yes	Yes	Yes	
GOAL: 7. Continue to manage District's grant funding activities (e.g., grant funding received and monitoring / assessing potential grant funding opportunities)				Provide Safe and Reliable Groundwater
MEASURE: Continued to manage WRD's grant funding activities	Yes	Yes	Yes	
GOAL: 8. Continue to attend meetings of the Central and West Basin Water Associations to keep them appraised of ongoing District activities				Promote Organizational Excellence
MEASURE: Attend 24 meetings of the Central and West Basin Water Associations and provided each with an update on ongoing District activities	24	24	24	
GOAL: 9. Continue to monitor other water agencies and assess the impact of their actions on WRD				Provide Safe and Reliable Groundwater
MEASURE: Attend various wholesale water provider workshops and monitor retail water provider's agendas	Yes	Yes	Yes	

PROJECT 18 DOMINGUEZ GAP BARRIER RECYCLED WATER PROJECT

Background

This Project involves the delivery of recycled water from the City of Los Angeles Terminal Island Treatment Plant (TITP) to the Dominguez Gap Barrier (DGB). The portion of the TITP effluent destined for the Barrier first undergoes a set of advanced treatment, consisting of microfiltration, reverse osmosis, and chlorination, at the Advanced Water Treatment Facility. Plans are underway to expand the design capacity of TITP from the current 6.0 million gallons per day (mgd) to 10.0 mgd. One of the goals of the TITP expansion is to eliminate the use of imported water at the DGB.

The Regional Water Quality Control Board issued the Waste Discharge Requirements and Water Reclamation Requirements (WDRs/WRRs) to allow injection of the water on October 2, 2003. Additional improvements were implemented to satisfy water quality requirements of the County of Los Angeles Department of Public Works (LACDPW) before deliveries began in February 2006.

Table 38
Project 018 - Dominguez Gap Barrier Recycled Water Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	82,000	150,000	68,000
R&M / Materials / Equipment	-	-	-
Other Expenses	5,000	5,000	-
Other General & Administrative	131,000	131,000	-
Total	**$ 218,000**	**$ 286,000**	**$ 68,000**

The maximum percent of recycled water for this project is 50 percent, or 5 million gallons per day (mdg), whichever is less. The City of Los Angeles Bureau of Sanitation (LABOS) and Los Angeles Department of Water and Power (LADWP) is responsible for the treatment and delivery of the recycled water and all the water quality sampling associated the final recycled water and imported water. The District conducts groundwater monitoring, which is required to observe changes in aquifer water quality conditions and to anticipate potential problems before recycled water reaches drinking water wells. The District also performs groundwater modeling to simulate the fate and transport of the recycled water in the aquifers after injection. This monitoring commenced with the start of the recycled water deliveries in February 2006. Baseline monitoring was completed to establish preexisting groundwater quality conditions prior to the start of deliveries.

Recycled water use at the barriers improves the reliability of a water supply that is needed on a continuous basis, in order to prevent seawater intrusion. Traditionally, water purchases for the barriers have been viewed as a replenishment function. Therefore, this program is funded entirely through the Replenishment Fund.

2014/15 Accomplishments

- Assisted LABOS in completing the Title 22 Engineering Report to expand the barrier from 50% recycled water to 100% recycled water.
- Assisted LABOS in support of a temporary regulatory waiver to allow up to 6 mgd of recycled water delivery versus 5 mgd, until the 100% proposal is accepted.
- Continued to prepare compliance monitoring reports and coordinate reporting and compliance with co-permittees, i.e. LADWP, LABOS, and LACDPW.
- Continued to conduct groundwater monitoring in accordance with the permit requirements.
- Participated in interagency meetings to discuss the expansion of the Terminal Island Treatment Plant and to brief the regulatory agencies, and provided support in updating the original Title 22 Engineering Report.

- Updated and improved the computer model of the groundwater flow system in the vicinity of the Dominguez Gap Seawater Intrusion Barrier.

2015/16 Objectives

- Meet all regulatory permit requirements and deadlines.
- Continue to conduct groundwater monitoring in accordance with permit requirements.
- Update the computer model following completion of the 2015 calendar year.
- Perform additional sampling and modeling as conditions to move from a 50% project to a 100% recycled water injection project.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 39
DOMINGUEZ GAP BARRIER RECYCLED WATER PROJECT
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Assist LABOS in completing the Title 22 Engineering Report to expand the barrier from 50% recycled water to 100% recycled water.				Obtain Independence from Imported Water Sources
MEASURE: Assisted and supported LABOS in completing Title 22 Engineering Report	Yes	Yes	Completed	
GOAL: 2. Prepare compliance monitoring reports and coordinate reporting reporting/compliance with co-permittees (i.e., LADWP, LABOS, & LACDPW) to ensure all regulatory permit requirements and deadlines are met.				Obtain Independence from Imported Water Sources
MEASURE: % of regulatory permit requirements and deadlines met	100%	100%	100%	
GOAL: 3. Update and improve the computer model of the groundwater flow system in the vicinity of the Dominguez Gap Seawater Intrusion Barrier.				Obtain Independence from Imported Water Sources
MEASURE: Computer model enhanced and updated	Yes	Yes	Yes	
GOAL: 4. Conduct groundwater monitoring/sampling in accordance with the permit requirements				Provide Safe and Reliable Groundwater
MEASURE: In compliance with permit requirements (Yes/No)	Yes	Yes	Yes	

PROJECT 23 REPLENISHMENT OPERATIONS

Background

WRD actively monitors the operations and maintenance practices at the spreading grounds and seawater barrier wells owned and operated by the Los Angeles County Department of Public Works (LACDPW). Optimizing replenishment opportunities is fundamentally important to WRD, in part because imported and recycled water deliveries directly affect the District's annual budget. Consequently, the District seeks to ensure that the conservation of stormwater is maximized, and that imported and recycled water replenishment are optimized.

WRD coordinates regular meetings with LACDPW, Metropolitan Water District of Southern California, Sanitation Districts of Los Angeles County, and other water interests to discuss replenishment water availability, spreading grounds operations, scheduling of replenishment deliveries, seawater barrier improvements, upcoming maintenance activities, and facility outages or shutdowns. The District tracks groundwater levels in the Montebello Forebay weekly to assess general basin conditions and to determine the level of artificial replenishment needed. Additionally, WRD monitors the amount of recycled water used at the spreading grounds and seawater barriers, to maximize its use while complying with regulatory limits.

Table 40
Project 023 - Replenishment Operations
Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	52,000	113,000	61,000
R&M / Materials / Equipment	24,000	24,000	-
Other Expenses	43,000	43,000	-
Other General & Administrative	195,000	195,000	-
Total	**$ 314,000**	**$ 375,000**	**$ 61,000**

As its name implies, this program deals primarily with replenishment issues, and its costs are borne completely by the Replenishment Fund.

2014/15 Accomplishments

- Commenced implementation of the Montebello Forebay Rechange Enhancement Study (MFRES) to review the assumptions made in the 2001 Montebello Forebay Recharge Optimization Study and assess its findings in light of the many physical and operational improvements that have been made to the Montebello Forebay water conservation facilities. The MFRES includes the preparation of a spreading grounds operational model to simulate operations of the Montebello Forebay spreading grounds.

- Continued working cooperatively with the City of Los Angeles Department of Water and Power (LADWP), City of Los Angeles Bureau of Sanitation (LABOS), and LACDPW on the Terminal Island Treatment Plant Expansion to provide increased recycled water to the Dominguez Gap Barrier.

- Continued monitoring of groundwater levels at the Rio Hondo and San Gabriel River Spreading Grounds.

- Continued participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities.
- Continued to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements).
- Continued working with LACDPW and Sanitation Districts of Los Angeles County (CSD) on the spreading grounds improvements consisting of the installation of turnout structures to the San Gabriel River (001B) and the San Gabriel Spreading Grounds (Basin 2).

2015/16 Objectives

- Complete the Montebello Forebay Rechange Enhancement Study (MFRES) and the spreading grounds operational model to simulate operations of the Montebello Forebay spreading grounds.
- Continue working cooperatively with the LADWP, LABOS, and LACDPW on the Terminal Island Treatment Plant Expansion to provide increased recycled water to the Dominguez Gap Barrier.
- Continue participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities.
- Continue to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements).
- Complete work with LACDPW and CSD on the spreading grounds improvements – Installation of 001B and Basin 2 Turnout Structures.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 41
REPLENISHMENT OPERATIONS
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL:				
1. Continue working cooperatively with the LADWP, LABOS, and LACDPW on the Terminal Island Treatment Plant Expansion to provide increased recycled water to the Dominguez Gap Barrier				Provide Safe and Reliable Groundwater
MEASURE:				
Continued working cooperatively with the LADWP, LABOS, and LACDPW on the Terminal Island Treatment Plant Expansion to provide increased recycled water to the Dominguez Gap Barrier	Yes	Yes	Yes	
GOAL:				
2. Continue monitoring groundwater levels at the Rio Hondo and San Gabriel River Spreading Grounds				Provide Safe and Reliable Groundwater
MEASURE:				
Continued monitoring groundwater levels at the Rio Hondo and San Gabriel River Spreading Grounds	Yes	Yes	Yes	
GOAL:				
3. Continue participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities				Provide Safe and Reliable Groundwater
MEASURE:				
Participation in bimonthly meetings	Yes	Yes	Yes	
GOAL:				
4. Continue to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements)				Provide Safe and Reliable Groundwater
MEASURE:				
# of successful new potential replenishment opportunities	0	1	TBD	
GOAL:				
5. Complete the Montebello Forebay Recharge Enhancement Study (MFRES) and the spreading grounds operational model to simulate operations of the Montebello Forebay spreading grounds				Provide Safe and Reliable Groundwater
MEASURE:				
% completion	N/A	N/A	100%	
GOAL:				
6. Complete work with LACDPW and CSD on the spreading grounds improvements consisting of the installation of Turnout Structures to the San Gabriel River (001B) and the San Gabriel Spreading Grounds (Basin 2)				Provide Safe and Reliable Groundwater
MEASURE:				
Work with LACDPW and CSD	Yes	Yes	Yes	
GOAL:				
7. Complete work with the LACDPW on the installation of additional groundwater observation wells at the western leg of the Alamitos Gap Barrier Project				Provide Safe and Reliable Groundwater
MEASURE:				
% completion	100%	Complete in 2013/14	Complete in 2013/14	

PROJECT 033 GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM

Background

The Water Replenishment District of Southern California (WRD), which serves approximately 4 million people in 43 cities, currently replenishes the Central and West Coast Basins with over 95,000 acre-feet per year of water. Approximately 64,000 acre-feet of this total is met using recycled water with another 21,000 acre-feet of water being imported into the basin. The future availability of this imported water is uncertain. Given the prolonged statewide drought and uncertain future of imported water supplies for Southern California, WRD is in the process of implementing the District's Water Independence Now, or the WIN program. The WIN program seeks to replace the District's imported water demands at the three seawater intrusion barriers and spreading grounds with locally available recycled water sources.

Table 42
Project 033 - Groundwater Reliability Improvement Program (GRIP) Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	211,000	331,000	120,000
R&M / Materials / Equipment	50,000	-	(50,000)
Other Expenses	35,000	13,000	(22,000)
Other General & Administrative	132,000	132,000	-
Total	**$ 428,000**	**$ 476,000**	**$ 48,000**

A corner stone of WIN program is the Groundwater Replenishment Improvement Program (GRIP). The goal of the GRIP is to replace imported water currently being used at the spreading grounds for replenishing the area's groundwater supplies by replacing it with 21,000 acre feet per year of recycled water, a locally sustainable water resource. The GRIP was instituted to identify new and reliable water supplies for use as replenishment water. One of these options is the construction of an Advanced Water Treatment Facility (AWTF), entitled the GRIP (AWTF), to further purify recycled water from LACSD's San Jose Creek Water Reclamation Plant using micro filtration and reverse osmosis followed by disinfection with advanced oxidation (utilizing ultra-violet light and hydrogen peroxide). The highly treated recycled water will be transported through a pipeline to spreading basins located along the San Gabriel River for percolation into the Central Basin to offset the demand for imported water. The GRIP facility will provide 10,000 acre-feet per year of highly treated recycled water that is currently being disposed of in the San Gabriel River, and which ultimately flows to the ocean. An additional 11,000 acre-feet per year of tertiary treated recycled water will also be directed to the spreading basins for groundwater recharge in the same manner which has been in operation for over 50 years.

During the coming year, work will focus on bringing a design-build consultant team under contract to complete the design of the GRIP AWTF and to begin construction. Work will also continue towards completing construction and beginning operation of the two new diversion structures.

The primary purpose of this project is to identify new and reliable water supplies for use as replenishment water, therefore, it is 100% funded from the Replenishment Fund.

2014/15 Accomplishments

- Completed certification and adoption of the Environmental Impact Report
- Procured consultant (Owner's Engineer / Owner's Agent) to assist the District in procuring a design-build team to complete the design and construction of the AWTF.
- Completed design / permitting and began construction of two new turn out structures that will be used to provide flexibility in recharge operations at the San Gabriel Coastal Basin Spreading Grounds (SGRCBSG).
- Initiated funding application with CA State Water Board for SRF funding of the GRIP AWTF project.

2015/16 Objectives

- Complete design and begin construction of the GRIP AWTF.
- Complete construction and place into operation the two new diversion structures at the SGRCSG

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 43
GROUNDWATER RELIABILITY IMPROVEMENT PROGRAM
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Completion of the final design of the GRIP AWTF Expansion **MEASURE:** Completion Phase of the final design of the GRIP AWTF	10%	20%	100%	Obtain Independence from Imported Water Sources
GOAL: 2. Construction of the GRIP AWTF **MEASURE:** Construction Phase of the GRIP	0%	0%	10%	Obtain Independence from Imported Water Sources
GOAL: 3. Construction of the two new Diversion Structures at the SGRCSG **MEASURE:** Construction Phase of the two Diversion Structures at the SGRCSG	0%	0%	100%	Obtain Independence from Imported Water Sources

Clean Water Projects and Programs

PROJECT 002 GOLDSWORTHY DESALTER

Background

The Robert W. Goldsworthy Desalter (Desalter) has been operating since 2002 to remove impacted groundwater from a saline plume stranded inland of the West Coast Basin Barrier after the barrier was put into operation. The production well and desalting facility are operated by the City of Torrance, and the product water is delivered for potable use to the City's distribution system.

As with the Vander Lans facility, future costs for this project will involve O&M activities and replacement costs. The purpose of the desalter is directly related to remediating degraded groundwater quality, and costs are thus attributed 100% to the Clean Water Fund.

Additional measures may be necessary in the future to fully contain and remediate the saline plume. WRD is pursuing long-term solutions to this problem and continues to work with the City of Torrance, the Technical Advisory Committee, and other stakeholders on the future of saline plume removal in the West Coast Basin.

Table 44
Project 002 - Goldsworthy Desalter Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	273,000	297,000	24,000
R&M / Materials / Equipment	280,000	346,000	66,000
Other Expenses	289,000	288,000	(1,000)
Other General & Administrative	186,000	185,000	(1,000)
Total	**$1,028,000**	**$1,116,000**	**$88,000**

2014/15 Accomplishments

- Awarded $3 million Water Desalination Grant for the Desalter Expansion project.
- Awarded $4 million IRWM Round 3 Grant for the Desalter Expansion project.
- Completed final design for the Desalter Expansion.
- Prequalified construction contractors for the Desalter Expansion.
- Approximately 60% complete with drilling of the supply well in Delthorne Park for the Desalter Expansion.
- Monitored the water quality of the Desalter product water to ensure compliance with the operations permit.

2015/16 Objectives

- Conduct construction bidding and award construction contract to a general contractor for the Desalter Expansion.
- Complete 60% of the construction work for the Desalter Expansion.
- Continue to treat the degraded groundwater from the saline plume and turn it into potable water to supply to the City of Torrance.
- The Desalter will continuously be monitored for water quality to ensure all permit requirements are satisfied.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 45
GOLDSWORTHY DESALTER
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Construction of two new wells for the Desalter Expansion project.				Provide Safe and Reliable Groundwater
MEASURE: % completion. Note	10%	40%	100% planned	
GOAL: 2. Construction of the Goldsworthy Expansion.				Provide Safe and Reliable Groundwater
MEASURE: % of completion.	10%	20%	65% planned	
GOAL: 3. Provide Grant Funding for the Expansion project.				Provide Safe and Reliable Groundwater
MEASURE: % of Funds received from the Grant Funding.	Application	Awarded	50% planned	
GOAL: 4. Treatment of degraded groundwater from the saline plume and turn it into potable water to supply to the City of Torrance.				Provide Safe and Reliable Groundwater
MEASURE: Amount of degraded groundwater treated from the Saline Plume each year.	1343 AF	About 730 AF well production deteriorate	500 AF planned due to construction	
GOAL: 5. Permit Compliance for Water Quality				Provide Safe and Reliable Groundwater
MEASURE: Sample for water quality and report to State regulatory agency	Yes	Yes	Planned	

PROJECT 006 WATER QUALITY IMPROVEMENT PROGRAM

Background

This comprehensive program represents the District's ongoing efforts to address water quality issues that affect its projects and the pumpers' facilities. The District monitors and evaluates potential impacts of pending water quality regulations and proposed legislations. WRD reviews the justifications and the rationale accompanying the proposed requirements and, if warranted, joins in coordinated efforts with other interested agencies to resolve significant issues of concerns during the early phases of the regulatory and/or legislative processes.

The District continues to evaluate and project water quality compliance in production wells, monitoring wells, and recharge/ injection waters of the basins. And where potential issues are identified, appropriate remedial actions are developed along with the associated cost estimates to achieve compliance.

Table 46
Project 006 - Groundwater Quality Improvement Program Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	385,000	333,000	(52,000)
R&M / Materials / Equipment	11,000	34,000	23,000
Other Expenses	70,000	70,000	-
Other General & Administrative	216,000	216,000	-
Total	**$ 682,000**	**$ 653,000**	**$ (29,000)**

The WRD service area includes a large and diverse industrial base. Consequently, many potential groundwater contamination sources exist within the District boundaries, including but not limited to leaking underground storage tanks, refineries and petrochemical plants, dry cleaning facilities, auto repair shops, metal works facilities, and others. Such potential contamination sources may pose a threat to the drinking water aquifers. WRD, therefore, established the Groundwater Contamination Prevention Program as a key component of the Groundwater Quality Program, in an effort to minimize or eliminate existing and potential threats to groundwater supplies.

WRD is also participating in the Water Augmentation Study, a multi-year investigation by the Council for Watershed Health for the purpose of evaluating the feasibility and impact of using low impact development strategy to capture storm runoff that would have otherwise been discharged to the surface water.

Much of the work for the coming year will involve additional investigations at well sites known to have contaminated water, continued tracking of water quality regulations and proposed legislation affecting production and replenishment operations, further characterization of contaminant migration into the deeper aquifers, and evaluating the need to initiate cleanup activities at contaminated sites. All work under this program is related to water quality and cleanup efforts and therefore, is funded entirely by the Clean Water Fund.

The District continues to administer the Title 22 Groundwater Monitoring Program in the Central Basin and one system in the West Basin, which provides source water monitoring of 84 active wells owned and operated by 22 pumpers. In addition to performing the required compliance monitoring, the District prepares the annual Consumer Confidence Reports for these pumpers.

2014/15 Accomplishments

- Coordinated and administered meetings of the Groundwater Contamination Forum as a means for key stakeholders in the Central Basin and West Coast Basin to share data and provide updates on major groundwater contaminated sites.
- Continued to work in close consultation with project managers of the United States Environmental Protection Agency (USEPA), California Department of Toxic Substances Control (DTSC), and Los Angeles Regional Water Quality Control Board (LARWQCB) to provide data and technical support to expedite the investigation and cleanup of high-priority groundwater contaminated sites in the Central Basin and West Coast Basin.
- Continued to administer meetings of the Los Angeles Forebay Groundwater Task Force and work with regulatory agencies and water purveyors to investigate the extent of the regional volatile organic compound (VOC) and perchlorate plumes in the Los Angeles Forebay.
- Continued to participate in the multi-agency Los Angeles Basin Groundwater Restoration Convenings to expedite the investigation, identification, and eventual remediation of potential sources associated with contaminated drinking water wells in the Central Basin and West Coast Basin.
- Installed nested groundwater monitoring wells at two locations to a maximum depth of approximately 490 feet in the City of Santa Fe Springs to assess if shallow contamination from a Superfund Site and other nearby environmental release sites had migrated to deeper drinking water aquifers. Low levels of VOCs were detected in the wells.
- Installed nested groundwater monitoring wells at three locations to a maximum depth of approximately 430 feet in the City of Vernon to assess the extent of regional perchlorate and volatile organic compound contamination in groundwater in the Los Angeles Forebay.
- Monitored potential impacts of pending legislation and regulations on drinking water quality by participating in the California WateReuse Legislative/Regulatory Committee, Association of California Water Agencies' Clean Water and Safe Drinking Water Committees, and subscribing to listserv of various regulatory agencies.
- Hosted the District's 11th Annual Groundwater Quality Workshop for about 120 water purveyors to promote professional learning and networking.
- Hosted a mini-workshop on the State's Drinking Water System Discharge Permit for the water purveyors, with presentations and question and answer session by staff from the State Water Resources Control Board and the Los Angeles Regional Water Quality Control Board.
- Continued to partner with the Council for Watershed Health on the Water Augmentation Study and with the Southern California Water Committee to evaluate additional stormwater recharge opportunities.
- Participated in the technical advisory committee of the Los Angeles Basin Stormwater Conservation Study undertaken by the Los Angeles County Public Works and United States Bureau of Reclamation. The study attempts to bridge the gap between current and future water supply and demand in the region's watersheds.
- Released a Request for Proposals for water quality laboratory services, entered into a 3-year agreement with Eurofins Eaton Analytical, Inc., and hosted a kick-off meeting.

- Presented at the following conferences to highlight the District's missions and the expanded Leo J. Vander Lans Water Treatment Facility and its innovations:
  - 2015 American Water Works Association Annual Conference & Exhibition
  - 2015 Annual WateReuse CA Conference
  - 2014 Water Environment Federation Technology (WEFTEC) conference
  - 2014 WateReuse Annual Symposium
- Submitted an article on the Leo J. Vander Lans Water Treatment Facility's expansion at the invitation of Water Environment Federation magazine for August 2015 publication.
- Released a Request for Qualifications for multiple disciplines, including groundwater monitoring and sampling services, hydrogeologic consulting services, recycled water for groundwater recharge, and groundwater quality and contamination consulting services, and executed separate agreements for the four disciplines.

2015/16 Objectives

- Continue to coordinate and administer meetings of the Groundwater Contamination Forum as a means for key stakeholders in the Central Basin and West Coast Basin to share data and provide updates on major groundwater contaminated sites.
- Continue to work in close consultation with project managers of the USEPA, DTSC, and LARWQCB to provide data and technical support to expedite the investigation and cleanup of high-priority groundwater contaminated sites in the Central Basin and West Coast Basin.
- Continue to administer meetings of the Los Angeles Forebay Groundwater Task Force and work with regulatory agencies and water purveyors to investigate the extent of the regional VOC and perchlorate plumes in the Los Angeles Forebay.
- Continue to participate in the multi-agency Los Angeles Basin Groundwater Restoration Convenings to expedite the investigation, identification, and eventual remediation of potential sources associated with contaminated drinking water wells in the Central Basin and West Coast Basin.
- Continue to monitor potential impacts of pending legislation and regulations on drinking water quality by participating in the California WateReuse Legislative/Regulatory Committee, Association of California Water Agencies' Clean Water and Safe Drinking Water Committees, and subscribing to listserv of various regulatory agencies.
- Conduct the annual groundwater quality workshop for local water purveyors.
- Continue to partner with the Council for Watershed Health on the Water Augmentation Study and with Southern California Water Committee to evaluate additional stormwater recharge opportunities.
- Continue to participate in the technical advisory committee of the Los Angeles Basin Stormwater Conservation Study undertaken by the Los Angeles County Public Works and United States Bureau of Reclamation.
- Continue to administer the Title 22 Groundwater Monitoring Program.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 47
WATER QUALITY IMPROVEMENT PROGRAM
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Coordinate and administer meetings of the Groundwater Contamination Forum as a means for key stakeholders in the Central Basin and West Coast Basin to share data and provide updates on major groundwater contaminated sites				Provide Safe and Reliable Groundwater
MEASURE: Successful coordination and hosting of 3 meetings	Yes	Yes	Yes	
GOAL: 2. Work in close consultation with project managers of the USEPA, DTSC, and LARWQCB to provide data and technical support to expedite the investigation and cleanup of high-priority groundwater contaminated sites in the Central Basin and West Coast Basin				Provide Safe and Reliable Groundwater
MEASURE: Regular meetings with regulatory agencies	Yes	Yes	Yes	
GOAL: 3. Administer meetings of the Los Angeles Forebay Groundwater Task Force and work with regulatory agencies and water purveyors to investigate the extent of the regional VOC and perchlorate plumes in the Los Angeles Forebay				Provide Safe and Reliable Groundwater
MEASURE: Complete monitoring wells for Vernon area as part of LA Forebay Task Force	Yes	Yes	Yes	
GOAL: 4. Participate in the multi-agency agency Los Angeles Basin Groundwater Restoration Convenings to expedite the investigation, identification, and eventual remediation of potential sources associated with the contaminated drinking water wells in the Central Basin and West Coast Basin				Provide Safe and Reliable Groundwater
MEASURE: Regular meetings with LA Basin Groundwater Restoration	Yes	Yes	Yes	
GOAL: 5. Monitor potential impacts of pending legislation and regulations on drinking water quality				Provide Safe and Reliable Groundwater
MEASURE: Monthly review of pending water quality activities and reporting to Groundwater Quality Committee	Yes	Yes	Yes	
GOAL: 6. Conduct the annual groundwater quality workshop for local water purveyors to promote professional learning and networking				Promote Organizational Excellence and also to Advance Groundwater Awareness
MEASURE: Hold workshop	Yes	Yes	Yes	
GOAL: 7. Partner with the Council for Watershed Health on the Water Augmentation Study and with Southern California Water Committee to evaluate additional stormwater recharge opportunities.				Provide Safe and Reliable Groundwater
MEASURE: Work on projects with Watershed Health, especially City of Los Angeles Broadway Street improvements	Yes	Yes	Yes	
GOAL: 8. Participate in the Technical Advisory Committee (TAC) of the Los Angeles Basin Stormwater Conservation Study undertaken by the Los Angeles County Public Works and United States Bureau of Reclamation				Provide Safe and Reliable Groundwater
MEASURE: Attend meetings as they occur	Yes	Yes	Yes	

PROJECT 012 SAFE DRINKING WATER PROGRAM

Background

WRD's Safe Drinking Water Program ("SDWP") has operated since 1991 and is intended to promote the cleanup of groundwater resources at specific well locations. Through the installation of wellhead treatment facilities at existing production wells, the District hopes to remove contaminants from the underground supply and deliver the extracted water for potable purposes. Projects implemented through this program are accomplished through direct input and coordination with well owners.

The current program focuses on the removal of VOCs and offers financial assistance for the design and equipment of the selected treatment facility. The program is designed to help groundwater pumpers remove VOCs from affected wells to enable the well to meet public drinking water standards. This increases groundwater pumping capacity and reduces dependence on limited and expensive imported water supplies. In addition, removal of VOCs from the groundwater supply helps prevent the contaminants from spreading to other areas.

Table 48
Project 012 - Safe Drinking Water Program Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	113,000	254,000	141,000
R&M / Materials / Equipment	-	-	-
Other Expenses	3,000	3,000	-
Other General & Administrative	20,000	20,000	
Total	**$ 136,000**	**$ 277,000**	**$ 141,000**

Another component of the program offers no-interest loans for other constituents of concern that affect a specific production well. The capital costs of wellhead treatment facilities range from $800,000 to over $2,000,000. Due to financial constraints, this initial cost is generally prohibitive to most pumpers. Financial assistance through the District's SDWP makes project implementation much more feasible. The program places a greater priority on projects involving VOC contamination or other anthropogenic (man-made) constituents, classified as Priority A Projects. Any treatment projects for naturally-occurring constituents would be classified as Priority B Projects and funded on a secondary priority, on a case-by-case basis, and only if program monies are still available during the fiscal year.

New candidates for participation are on the rise. A total of seventeen (17) facilities are already completed and online and one facility has successfully completed removal of the contamination and no longer needs treatment.

Projects under the SDWP involve the treatment of contaminated groundwater for subsequent beneficial use. This water quality improvement assists in meeting the District's groundwater cleanup objectives. Thus, funding for the costs of the program is drawn wholly from the Clean Water Fund.

2014/15 Accomplishments

The Safe Drinking Water Program continues to receive request for assistance for treatment, primarily for secondary contamination removal. The program was revitalized and restructured to return loan collections back into the program to fund future projects and allocate funding to set up a revolving fund plan. The program also now includes a Disadvantaged Communities (DAC) Pilot Program to assist water systems specifically located in disadvantage communities.

2015/16 Objectives

The Safe Drinking Water Program currently has candidates for assistance for secondary priority contamination removal and participants in the Disadvantaged Communities (DAC) Pilot Program. While continued funding of this program is anticipated for next year, the District has established a goal of funding up to $1M per year under this program. Actual funding has been limited by qualified projects.

Basis for Changes 2014/15 Projected to 2015/16 Budget

The increase of $141,000 is due to technical consultants for design documents related to the safe drinking water program.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 49
SAFE DRINKING WATER PROGRAM
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL:				
1. Identify projects and fund up to $1M to assist candidates with primary or secondary priority contamination removal				Provide Safe and Reliable Groundwater
MEASURE:				
# of projects funded to provide assistance to candidates with primary or secondary priority contamination removal.	N/A - funding not allocated	0	TBD	

Dual Purpose Projects and Programs

PROJECT 010 GEOGRAPHIC INFORMATION SYSTEM (GIS)

Background

The District maintains an extensive database and Geographic Information System (GIS) in-house. The database includes water level and water quality data throughout the entire WRD service area with information drawn not only from the District's Regional Groundwater Monitoring Program, but also from water quality data received from the California Department of Public Health and the District's administration of the Title 22 Monitoring Program in the Central Basin. The system requires continuous update and maintenance but serves as a powerful tool for understanding basin characteristics and overall basin health.

GIS, in conjunction with the regional groundwater model, is used to provide better planning and basin management. The system is used to organize and store an extensive database of spatial information, including well locations, water level data, water quality information, well construction data, production data, aquifer locations, and computer model files. Staff uses the system daily for project support and database management. Specific information is available to any District pumper or stakeholder upon request and can be delivered through the preparation of maps, tables, reports, or other compatible format. Additionally, the District's web-based Interactive Well Search tool available to the public; this web site provides users with limited access to WRD's water quality and production database.

Table 50
Project 010 - Geographic Information Systems (GIS)
Program Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	20,000	20,000	-
R&M / Materials / Equipment	-	-	-
Other Expenses	24,000	24,000	-
Other General & Administrative	314,000	314,000	-
Total	**$ 358,000**	**$ 358,000**	**$ -**

District staff will continue to streamline and refine the existing data management system and website as well as satisfy both internal and external data requests. Continued use, upkeep, and maintenance of the GIS are planned for the coming year. The use of the system supports both replenishment activities and groundwater quality efforts. Accordingly, the cost for this program is equally split between the Replenishment and Clean Water Funds.

2014/15 Accomplishment

- Utilized GIS for development of annual overdraft values used in the Engineering Survey and Report.
- Developed graphics for use in the District's Regional Groundwater Monitoring Report.
- Refined of well location information based on new GPS data.
- Continued integration of GIS with Google Earth for use in presentations and analysis.
- Provided graphics and analysis results, as needed, for District presentations and public outreach materials.

- Reorganized GIS data structure and developed metadata for feature classes.
- Participated in regional GIS user groups.
- Streamlined flow of water quality data from the laboratory to District maintained databases.
- Developed maps for inclusion in map gallery at annual GIS user conference.

2015/16 Objectives

- Continue comprehensive review of existing datasets and quality assurance measures to ensure continued data integrity.
- Participate in the development of the District's asset management system to ensure full integration of the GIS system.
- Identify preferred software for use in the update of the District's existing ArcIMS web site.
- Update existing GIS and database management system and make necessary improvements to increase utilization of data.
- Work closely with WRD Staff to assess and implement GIS support for new and ongoing.
- Streamline flow of water quality data from the laboratory to District maintained databases.
- Assess options for further improving GIS data dissemination to groundwater basin stakeholders.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 51
GEOGRAPHIC INFORMATION SYSTEMS
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Continue comprehensive review of existing datasets and quality assurance measures to ensure continued data integrity				Provide Safe and Reliable Groundwater
MEASURE: Performed ongoing comprehensive review of existing datasets to ensure continued data integrity	Yes	Yes	Yes	
GOAL: 2. Ensure full integration of GIS for presentations and analysis				Provide Safe and Reliable Groundwater
MEASURE: % integration	20%	50%	80%	
GOAL: 3. Utilize GIS for development of annual overdraft values used in the ESR				Provide Safe and Reliable Groundwater
MEASURE: Utilized GIS in developing annual overdraft values used in the ESR	Yes	Yes	Yes	
GOAL: 4. Develop graphics for use in the District's Regional Groundwater Monitoring Report				Provide Safe and Reliable Groundwater
MEASURE: Generate graphics used in the Regional Groundwater Monitoring Report	Yes	Yes	Yes	
GOAL: 5. Refine well location information based on new GPS data				Provide Safe and Reliable Groundwater
MEASURE: Review production, barrier and monitoring well locations (% completed)	30%	50%	100%	
GOAL: 6. Update existing GIS and database management system and make necessary improvements to increase utilization of data				Provide Safe and Reliable Groundwater
MEASURE: Assess and document existing database management system and develop and implement recommended improvements (% completed)	10%	30%	60%	
GOAL: 7. Streamline flow of water quality data from the laboratory to District maintained databases				Provide Safe and Reliable Groundwater
MEASURE: Develop and document information flows (% completed)	20%	50%	90%	
GOAL: 8. Assess options for further improving GIS data dissemination to groundwater basin stakeholders				Provide Safe and Reliable Groundwater and also to Promote Organizational Excellence
MEASURE: Evaluated various options for continued improvement to disseminate GIS data to groundwater basin stakeholders	Yes	Yes	Yes	

PROJECT 011 REGIONAL GROUNDWATER MONITORING

Background

The Regional Groundwater Monitoring Program continues to be very successful and currently consists of a network of over 350 WRD and USGS-installed monitoring wells at nearly 60 locations throughout the District. Monitoring well data is supplemented with information from production wells to capture the most accurate information available. WRD staff, comprised of hydrogeologists and engineers, provides the in-house capability to collect, analyze and report groundwater data. This information is stored in the District's GIS and provides the basis to better understand the characteristics of the Central and West Coast Basins.

Water quality samples from the monitoring wells are collected periodically. Automatic dataloggers record water level daily in most monitoring wells. Dataloggers are downloaded and water levels measured by WRD field staff a minimum of four times per year. These water quality and water level data are available online at http://gis.wrd.org. On an annual basis, staff prepares a report that documents groundwater production, groundwater level, and groundwater quality conditions throughout the District.

Table 52
Project 011 - Regional Groundwater Monitoring Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	577,000	558,000	(19,000)
R&M / Materials / Equipment	93,000	78,000	(15,000)
Other Expenses	146,000	146,000	-
Other General & Administrative	440,000	440,000	-
Total	**$1,256,000**	**$1,222,000**	**$ (34,000)**

Most of the work during the coming year will involve continued bi-monthly, quarterly, and semiannual monitoring and reporting activities. The program will also work cooperatively with the U.S. Geological Survey (USGS) to address specific water quality issues, and update the hydrogeology conceptual model. Work associated with the Regional Groundwater Monitoring Program also supports activities relating to both replenishment and water quality projects. The program, therefore, is funded 50% each form the Replenishment and Clean Water Funds.

In November 2009, the State Legislature amended the Water Code mandating a statewide groundwater elevation monitoring program to track seasonal and long-term trends in California's groundwater basins. In October 2011, WRD was designated the agency responsible for collecting and reporting CBWCB groundwater level data to the California Statewide Groundwater Elevation Monitoring (CASGEM) program.

2014/15 Accomplishments

- Completed Spring and Fall groundwater quality sampling at WRD monitoring wells including analysis of over 100 chemical constituents and contaminants.
- Collected quarterly groundwater levels at WRD monitoring wells and compiled daily datalogger data to prepare historical water level hydrographs.

- Constructed a new nested monitoring well in Lakewood.
- Published the annual Regional Groundwater Monitoring Report summarizing groundwater data from monitoring wells and production wells in the Central and West Coast Basins for Water Year 2013/14.
- Integrated Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program that was required as part of a State-mandated basin-wide Salt and Nutrient Management Plan.
- Continued to collect and report CBWCB groundwater level data to the CASGEM program.

2015/16 Objectives

- Collect Spring and Fall groundwater quality samples at WRD monitoring wells. Analyze samples for over 100 chemical constituents and contaminants.
- Collect quarterly groundwater levels at WRD monitoring wells and compile daily datalogger data and prepare historical water level hydrographs.
- Identify emerging contaminants of concern to the water supply community and groundwater basin managers to assess the need for a basin-wide screening to determine whether long-term monitoring is warranted in the Central and West Coast Basins.
- Continue to report Regional Groundwater Monitoring Program data in accordance with the State-mandated Salt and Nutrient Management Plan.
- Continue to collect and report CBWCB groundwater level data to the CASGEM program.
- Publish and share data collected for this program in the annual Regional Groundwater Monitoring Report and WRD Web Sites.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 53
REGIONAL GROUNDWATER MONITORING
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Collect Spring and Fall groundwater quality sampling at WRD monitoring wells including analysis of over 100 chemical constituents and contaminants				Provide Safe and Reliable Groundwater
MEASURE: Complete Spring and Fall groundwater quality sampling including analysis of over 100 chemical constituents and contaminants	Completed	Completed	Completed	
GOAL: 2. Collect quarterly groundwater levels at WRD monitoring wells and compile daily datalogger data to prepare historical water level hydrographs.				Provide Safe and Reliable Groundwater
MEASURE: Complete collection of quarterly groundwater levels at WRD monitoring wells and compile daily datalogger data to prepare historical water level hydrographs	Completed	Completed	Completed	
GOAL: 3. Identify emerging contaminants of concern to the water supply community and groundwater basin managers to assess the need for a basin-wide screening to determine whether long-term monitoring is warranted in the Central and West Coast Basins.				Provide Safe and Reliable Groundwater
MEASURE: # of emerging contaminants of concern identified for screening	1	1	1	
GOAL: 4. Integrate Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program				Provide Safe and Reliable Groundwater
MEASURE: % of completion for the integration of Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program	50%	100%	Completed in FY 14/15	
GOAL: 5. Publish and share data collected for this program in the annual Regional Groundwater Monitoring Report and WRD Web sites				Provide Safe and Reliable Groundwater, Promote Organizational Excellence, and Advance Groundwater Awareness
MEASURE: Publish the annual Regional Groundwater Monitoring Report summarizing groundwater data from monitoring wells and production wells in the Central and West Coast Basins	Completed	Completed	Completed	
GOAL: 6. Continue to collect and report CBWCB groundwater level data to the CASGEM program				Provide Safe and Reliable Groundwater
MEASURE: Collected and reported CBWCB groundwater level data to the CASGEM program	Yes	Yes	Yes	

PROJECT 025 HYDROGEOLOGY PROGRAM

Background

This program accounts for hydrogeologic analysis of the Central, West Coast, and surrounding groundwater basins. These scientific efforts are necessary for specific issues, projects, programs and basin management issues that face the District. The program includes evaluation of replenishment needs and forecasting at the spreading grounds and barrier wells, computer modeling, and assessing the overall health of the basins by analyzing water levels and water quality data, including salt and nutrient loading.

Staff work performed under this program includes the preparation of the annual Engineering Survey and Report, including the calculation and determination of important hydrogeologic factors such as annual overdraft, accumulated overdraft, change in storage, and replenishment needs. Extensive amounts of data are compiled and analyzed by internal State-certified hydrogeologists and registered engineers to determine these values. Maps are created showing water levels in the basins and production patterns and amounts. The updates, maintenance, and use of the Regional Groundwater Flow Model developed by the USGS and WRD are part of this program. This model is a significant analytical tool utilized by WRD to determine basin benefits and impacts of changes proposed in the management of the Central and West Coast Basins.

Table 54
Project 025 - Hydrogeology Program Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	610,000	691,000	81,000
R&M / Materials / Equipment	18,000	11,000	(7,000)
Other Expenses	19,000	17,000	(2,000)
Other General & Administrative	165,000	165,000	-
Total	**$ 812,000**	**$ 884,000**	**$ 72,000**

A focused effort to better characterize the hydrogeologic conditions in the District is also underway and will continue into the ensuing year. This long-term project involves compiling and interpreting extensive data which were generated during the drilling and logging of the WRD/USGS monitoring wells and collected form historical information for production wells and oil wells within the District, and from seismic reflection data obtained in 2013. The ultimate goal of this project is to incorporate these data in WRD's GIS and models, and use the system to generate aquifer depths, extents, and thicknesses throughout the District to assist staff, pumpers, and stakeholders better plan for groundwater resource projects such as new well drilling, storage opportunities, or modeling. The data will also be made available on WRD's website to be used as a reference source for hydro geologic interpretations and fulfilling project- related data requests.

Hydrogeological analysis is also needed for projects associated with groundwater quality concerns and specific cleanup projects. Work by in-house staff may include investigative surveys, data research, oversight of specific project studies, etc. Such efforts are used to relate water quality concerns with potential impact to basin resources.

Special projects arise occasionally under this program such as well profiling of production wells to define areas of poor water quality entering the well. Other special projects include the publication of the Technical Bulletin Series, which provides hydrogeologic data to the pumpers in the basin, analysis of optimum and minimum groundwater quantities, and groundwater tracer investigations. A State-mandated Salt Nutrient Management Plan is being prepared under this Program and was completed in 2014, with the Los Angeles Regional Water Board accepting the report in 2015.

The Hydrogeology Program addresses both groundwater replenishment objectives and groundwater quality matters. This dual service warrants that the cost of the program be split evenly between the Replenishment and Clean Water Funds.

2014/15 Accomplishments

- Preparation of the 2015 Engineering Survey and Report leading to the adoption of the 2015/2016 Replenishment Assessment.
- Preparation of the third annual Cost of Service Report, including an in-depth analysis of the geology of the WRD Service area. This report, along with the ESR, led to the adoption of the 2015/2016 Replenishment Assessment.
- Significant progress with USGS to update and improve the regional groundwater computer model. Completed 3-D sequence stratigraphic framework and incorporation into EarthVision software. Completed aerial recharge analysis. Completed 3-D textural model in Rockware. Built framework for the Modflow Model with 11 layers. Converted model to new format – Unstructured Grids.
- Completed work on the State-Mandated Salt/Nutrient Management Plan for the Central Basin and West Coast Basin. Successful adoption of the report by the Los Angeles Regional Water Quality Control Board.
- Presentation of technical materials and papers at groundwater conferences.
- Completed modeling updates for Dominguez Gap Barrier and Alamitos Barrier.
- Initiated work on a groundwater tracer experiment at the 3 seawater barriers to assess whether the noble gas xenon can be effectively used as a surrogate to follow recycled water through the aquifers.
- Initiated a research project on artificial sweeteners in groundwater.
- Resumed the Well Profiling program.

2015/16 Objectives

- Completion of 2016 Engineering Survey and Report.
- Completion of 2016 cost of Service Report
- Complete the new stratigraphic framework model with USGS.
- Complete the USGS Modflow groundwater computer model.
- Complete several Technical Bulletins.
- Complete the artificial sweeteners research project.
- Publish and present technical papers at conferences.
- Complete the barrier well xenon tracer test.
- Update the Dominguez Gap Barrier and Alamitos Barrier groundwater models.
- Continue well profiling program.
- Assist groundwater purveyors on data needs for new production wells.

Basis for Changes 2014/15 Projected to 2015/16 Budget

No significant changes noted.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 55
HYDROGEOLOGY PROGRAM
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Prepare ESR leading to the adoption of the RA.				Provide Safe and Reliable Groundwater
MEASURE: Prepared ESR which led to the adoption of the RA.	Yes	Yes	Yes	
GOAL: 2. Prepare annual Cost of Service report including an in-depth analysis of the geology of the WRD service area.				Provide Safe and Reliable Groundwater
MEASURE: Prepared annual Cost of Service report which included an in-depth analysis of the WRD service area geology.	Yes	Yes	Yes	
GOAL: 3. Continue progression the new stratigraphic framework model with USGS				Provide Safe and Reliable Groundwater
MEASURE: Complete Stratigraphic Framework	50%	75%	100%	
GOAL: 4. Continue to build USGS Modflow groundwater computer model				Provide Safe and Reliable Groundwater
MEASURE: Complete computer model	25%	50%	100%	
GOAL: 5. Complete the state-mandated Salt/Nutrient Management Plan for the Central Basin and West Coast Basin				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE: Complete Salt/Nutrient Plan	50%	90%	100%	
GOAL: 6. Present technical materials and papers a groundwater conferences				Promote Organizational Excellence and Advance Groundwater Awareness
MEASURE: Staff to make presentations at conferences	Yes	Yes	Yes	
GOAL: 7. Update Dominguez Gap Barrier and Alamitos Barrier groundwater models				Provide Safe and Reliable Groundwater
MEASURE: Updated the Dominguez Gap Barrier and Alamitos Barrier groundwater models	Yes	Yes	Yes	
GOAL: 8. Conduct barrier well xenon tracer test				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE: Complete tracer test	50%	75%	100%	
GOAL: 9. Continue well profiling program				Provide Safe and Reliable Groundwater
MEASURE: Perform profiling of water wells	Yes	Yes	Yes	

PROJECT EAE – WATER EDUCATION & OUTREACH

Background

The Water Education and Outreach activities focus on successfully positioning WRD with its stakeholders and promoting responsible public agency citizenship, by providing tours, participating in community events and developing successful means of communication to promote WRD policies, programs and interest.

The External Affairs department took the initiative to expand its groundwater educational and outreach programs with Water Independence Now (WIN) presentations at conferences and conventions with great success. WRD extended the Think Watershed – Floating Lab Program by increasing the number of schools participation with over 25,000 students with two boats in the fleet. The Groundwater festival exceeded our expectations with over 2,500 participants.

Table 56
Project EAE - Water Education
Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	43,000	33,000	(10,000)
R&M / Materials / Equipment	4,000	4,000	-
Other Expenses	553,000	389,000	(164,000)
Other General & Administrative	267,000	267,000	-
Total	**$ 867,000**	**$ 693,000**	**$ (174,000)**

2014/15 Accomplishments

- Developed new media kit provided to local, state and federal legislative officials
- Hosted 8th annual groundwater festival with an attendance of over 2,500 participants
- Coordinated the Leo J. Vander Lans Advanced Water Treatment Facility Expansion dedication
- Coordinated outreach and Community Charrette for the City of Pico Rivera and local citizens related to the design and construction of the Groundwater Reliability Improvement Project Advanced Water Treatment Facility located in Pico Rivera
- Continued development of social media outreach
- Developed rebranding material for outreach efforts

2015/16 Objectives

- Complete the redesign of the District website
- Host 9th annual groundwater festival and develop new methods of educating participants
- Continue development of social media outreach efforts
- Assist technical team with outreach and education related to the Groundwater Reliability Improvement Program Advanced Water Treatment Facility

Basis for Changes 2014/15 Projected to 2015/16 Budget

The decrease in other expenses is due to a decrease in the printing and mailing expenses for educational newsletters sent to residents within the WRD service area.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 57
WATER EDUCATION PROGRAM
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL:				
1. Redesigning of the District's website as an on-going responsibility to maintain open communication with the public it serves				Advance Groundwater Awareness
MEASURE:				
Number of District's web presence	4 websites 6 Social Networks	7 websites 6 Social Networks	1 consolidated 1 consolidated	
GOAL:				
2. Host Annual Groundwater Festival as an on-going Groundwater Awareness effort				Advance Groundwater Awareness
MEASURE:				
Number of Groundwater Festival hosted	7th	8th	9th	
GOAL:				
3. Social Media outreach efforts				Advance Groundwater Awareness
MEASURE:				
Number of social media outlets manage in-house by staff	5	6	6+	
GOAL:				
1. To assist on the GRIP related outreach contracts				Provide Safe and Reliable Groundwater
MEASURE:				
Number of GRIP related outreach contracts assisted	6	6	6	
GOAL:				
5. To assist on the GRIP related outreach tasks				Provide Safe and Reliable Groundwater and Obtain Independence from Imported Water Sources
MEASURE:				
Assistance with the following tasks:				
Designed of an updated District logo and GRIP logo	Yes	Yes	Completed	
Develop new media materials and newsletter format/layout	Yes	Yes	Completed	
Marketed GRIP at public events	Yes	Yes	Yes	
Implemented a grassroots effort to educate the public on GRIP, reaching more than 800 households	Yes	Yes	Completed	
Held GRIP Community Design Meetings	Yes	Yes	Yes	
Continuing outreach to inform the public of GRIP's progress will cultivate trusting working relationship with District stakeholders	Yes	Yes	Yes	
GOAL:				
6. Initiative to expand its groundwater educational programs with WIN				Advance Groundwater Awareness
MEASURE:				
Give Presentations at conferences and conventions	Yes	Yes	On-going	
Extension of the Think Watershed-floating Lab Program with two boats in fleet, increasing the number of participation over 25,000 students	Yes	Yes	No	

PROJECT EAC – WATER CONSERVATION

The Water Conservation activities focus on successfully giving its constituents, pumpers, and cities the resources to meet the State mandate of 20% water savings by 2020. Through custom WRD conservation programs that have long term conservation achievements, stakeholders get results to meet 20X2020.

With the States record drought, the WRD conservation program is increasing training to be more proactive and make conservation a lifestyle. The External Affairs department took the initiative to expand and rename its signature program, The Lillian Kawasaki ECO Gardener Program. This past year we hosted over 2,500 participants in the ECO Gardener and Smart Gardner residential trainings and expect to continue increasing the program in 2015/16. WRD partnered with the Los Angeles County Department of Public Works, City of Torrance and West Basin MWD to enhance water conservation awareness to the general public as well as businesses and institutes through special events and workshops.

Table 58
Project EAC - Water Conservation Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	30,000	30,000	-
R&M / Materials / Equipment	1,000	-	(1,000)
Other Expenses	430,000	336,000	(94,000)
Other General & Administrative	335,000	335,000	-
Total	**$ 796,000**	**$ 701,000**	**$ (95,000)**

2014/15 Accomplishments

- The Lillian Kawasaki ECO Gardener programs exceeded our record of 2,000 annual participants to over 2,500 in 10 cities.
- Held Waterwise school program with over 500 students with an assembly, seedling, and garden bed activities
- Certified over 300 city maintenance crews through ECO Pro
- Trained over 300 landscapers through ECO Landscaper

2015/16 Objectives

- Continue efforts in water conservation in-line with Governor Brown's state-wide mandatory water restrictions
- Continue conservation partnerships with the City of Torrance and West Basin Municipal Water District

Basis for Changes 2014/15 Projected to 2015/16 Budget

In fiscal year 2014/15, the District participated in the Los Angeles County Department of Public Works' Urban Greening Partnership for $70,000. WRD will not be participating in the program for fiscal year 2015/16 and therefore the budget has decreased for the ensuing year. We have also decreased funding for the ECO Gardener Program.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

Table 59
WATER CONSERVATION
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL:				
1. Efforts in water conservation in-line with Governor Brown's state-wide mandatory water restrictions				Advance Groundwater Awareness
MEASURE:				
# of Participants in the Eco Gardener, Eco Pro, and Eco Landscape programs	2,700	3,600	TBD	
GOAL:				
2. Conservation Partnerships with the City of Torrance and West Basin Municipal Water District				Advance Groundwater Awareness
MEASURE:				
Co-Sponsorship Participation in Commercial, Industrial, Institutional, Residential and Educational Conservation	Participated	Participated	Planned	
Programs with the City of Torrance Co-Sponsorship Participation in Water-Use Efficiency Programs with West Basin Municipal Water District	Participated	Participated	Planned	

General Administration

BOARD OF DIRECTORS

Background

The Board of Directors is the policy-making and governing body of the District. It represents the highest authority within the management structure of the District. Certain portions of its authority are delegated to staff in the interest of efficiency, stability, and prudent management.

The Board of Directors develops the District's vision and strategic plan and sets policy to assist the General Manager and staff with implementing the vision and strategic plan. The various responsibilities of the board members include directing District activities, outreach, and cooperation with legislators, regulators, cities, pumpers, consultants, water agencies and other government agencies.

There are five members of the Board of Directors; each is elected from one of five divisions within the District service area, within which such Director resides.

The officers of the Board are the President, Vice President, Secretary, Treasurer, and Deputy Secretary. Officers are elected by the Board at the first regular meeting of the Board in January following the District election. With the exception of the Deputy Secretary, all Board officers are Board members.

Table 60
Board of Directors Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	-	-	-
R&M / Materials / Equipment	-	-	-
Other Expenses	87,000	81,000	(6,000)
Other General & Administrative	270,000	270,000	-
Total	**$ 357,000**	**$ 351,000**	**$ (6,000)**

The President of the Board presides over all meetings of the Board and has all authority afforded the presiding officer, including the power to constitute Standing and Ad Hoc Committees and to assign Board members to serve on such committees.

The Vice President of the Board presides over any meeting at which the President is not present, and performs such other services as may be requested by the President.

The Secretary of the Board records and certifies the minutes of all Board meetings and is responsible for the maintenance of District records. The Secretary may delegate such duties to the Deputy Secretary.

The Treasurer of the Board is responsible for the financial affairs of the District, including financial reporting and investment activities. The Treasurer must also serve on the Finance Committee of the Board.

The Deputy Secretary is recommended by the General Manager and approved by the Board.

2014/15 Accomplishments

See President's Message

2015/16 Objectives

See President's Message

Basis for Change 2014/15 Projected to 2015/16 Budget

No significant changes noted.

GENERAL MANAGER

Background

The General Manager's goals and objectives are aligned with those of the Board of Directors.

The role of the General Manager includes implementing policies set by the Board, managing the daily activities of the District, and keeping the Board informed on projects and programs to facilitate good decision making.

Table 61
General Manager's Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	-	-	-
R&M / Materials / Equipment	-	-	-
Other Expenses	23,000	26,000	3,000
Other General & Administrative	-	-	-
Total	**$ 23,000**	**$ 26,000**	**$ 3,000**

2013/14 Accomplishments

See Report from the General Manager

2014/15 Objectives

See Report from the General Manager

Basis for Change 2013/14 Projected to 2014/15 Budget

No significant changes noted.

ADMINISTRATION

Background

Administration includes the Finance Department, Administration Department and External Affairs Department.

It represents all indirect expenses and labor to support the general operations of WRD, including: office rent, office utilities, general office expenses, general maintenance and repairs, general legal/litigation support, financial services, independent auditors, computer support, building lease, and insurance.

Table 62
Administration Rollup Budget Summary

EXPENSE CATEGORY	2014/15 Projection	2015/16 Proposed Budget	15/16 Budget compared to 14/15 Projection
Professional Services	814,000	579,000	(235,000)
R&M / Materials / Equipment	196,000	194,000	(2,000)
Other Expenses	597,000	587,000	(10,000)
Other General & Administrative	2,389,000	2,389,000	-
Total	**$3,996,000**	**$ 3,749,000**	**$ (247,000)**

Finance Department

The Finance Department is responsible for the daily financial business of the District. It reports to the Finance/Audit Committee of the Board the monthly financial statements, reserves, cash and investment reports, and demands list. The department is responsible for the budget process and ensuring that the District meets all its fiduciary responsibilities.

Administration Department

The Administration Department is responsible for planning and managing the operations of maintaining official records and documents, preparing agendas and minutes for the Board and its various committees, and handling all human resource issues.

External Affairs Department

The WRD External Affairs Department supports the District's mission to provide an adequate supply of safe and clean water to the residents and businesses in the Central and West Coast groundwater basins. The External Affairs Department is responsible for developing and promoting relationships with legislative, business, environmental and community interests.

The government affairs strategy is centered on continued relationship building with state and federal legislative interests which include legislators, committee staff and other government relation associations and experts. For the fiscal year 2015/16, a focus will also be on ensuring and augmenting state and federal funding for WRD projects and programs. WRD will also monitor relevant legislation and respond proactively. Additionally, WRD will continue a strong intergovernmental program with local elected and public officials.

2014/15 Accomplishments

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our June 30, 2014 Comprehensive Annual Financial Report (CAFR).
- Received the Award of Excellence in Budgeting from the California Society of Municipal Finance Officers (CSMFO) for our 2014/15 operating budget.
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for our 2014/15 operating budget.
- Completed the Cost and Service Report for 2015/16 consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution.
- Received the Municipal Information Systems Association of California (MISAC) award which recognizes outstanding governance and operational practices relating to quality information technology practices.
- Performed a number of accounting software upgrades to assist with expense tracking, electronic payroll and timesheet coordination.
- Hosted annual State of the District and Groundwater Festival Events.
- Performed training for the ECO Gardener, ECO Pro and ECO Landscaper Programs.
- Adopted the fiscal year 2015/16 budget reflecting an increase from $268 per acre foot to $283 per acre foot or a 5.6% increase.

2015/16 Objectives

- Obtain Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our June 30, 2015 Comprehensive Annual Financial Report (CAFR).

- Receive the Award of Excellence in Budgeting from the California Society of Municipal Finance Officers (CSMFO) for our 2015/16 operating budget.
- Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for our 2015/16 operating budget.
- Complete the Cost and Service Report for 2016/17 consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution.
- Receive the Municipal Information Systems Association of California (MISAC) award which recognizes outstanding governance and operational practices relating to quality information technology practices.
- Host the Groundwater Festival and State of the District Meeting.
- Continue strong relationships with local, state and federal legislators.

Basis for Changes 2014/15 Projected to 2015/16 Budget

The decrease in Professional Services is due to an anticipated decrease in legal fees due to the settlement of outstanding litigation.

Performance measurement results for the past two fiscal years in addition to goals for FY2015/16 are presented below:

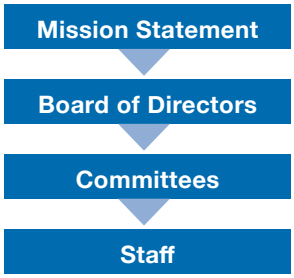
Table 63
ADMINISTRATION
Performance Measures

	FY 2013/14 ACTUAL	FY 2014/15 ACTUAL	FY 2015/16 BUDGET	DISTRICT GOAL
GOAL: 1. Obtain Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the CAFR				Promote Organizational Excellence
MEASURE: Certificate of Achievement for Excellence in Financial Reporting received from the GFOA for the CAFR	Yes	Yes	To be Submitted	
GOAL: 2. Receive the Award of Excellence in Budgeting from the CSMFO for the Annual Operating Budget				Promote Organizational Excellence
MEASURE: Award of Excellence in Budgeting received from the CSMFO for the Annual Operating Budget	Yes	Yes	To be Submitted	
GOAL: 3. Receive the Distinguished Budget Presentation Award from the GFOA for the Annual Operating Budget				Promote Organizational Excellence
MEASURE: Distinguished Budget Presentation Award received from the GFOA for the Annual Operating Budget.	Yes	Yes	To be Submitted	
GOAL: 4. Complete the Cost of Service Report consistent with the proportionality requirements of Article XIII, Section 6 of the California Constitution				Promote Organizational Excellence
MEASURE: Cost of Service Report completed, filed and issued	Yes	Yes	To be Submitted	
GOAL: 5. Receive the MISAC award which recognizes outstanding governance and operational practices relating to quality information technology practices				Promote Organizational Excellence
MEASURE: MISAC award received	Yes	Yes	To be Submitted	
GOAL: 6. Host Groundwater Festival and State of the District Meeting				Advance Groundwater Awareness
MEASURE: Groundwater Festival and State of the District Meeting held	Yes	Yes	In Planning	
GOAL: 7. Continue strong relationship with local, state, and federal legislators				Promote Organizational Excellence
MEASURE: Relationship with local, state, and federal legislators maintained	Yes	Yes	Yes	

Performance Measures

As codified in the District's Administrative Code, the Water Replenishment District of Southern California's performance metrics are guided and determined by the District's Mission Statement:

"To provide, protect and preserve high quality groundwater through innovative, cost-effective and environmentally sensitive basin management practices for the benefit of residents and businesses of the Central and West Coast Basins."



The District's mission statement is interpreted and directed by District's policymaking and governing body, the Board of Directors, which represents the highest authority within the management structure of the District. The five member Board is elected every four years and accomplishes its stated goals and objectives through a Committee structure which is responsible and reports to the Board of Directors and which also delegates certain of its authority to staff in the interest of efficiency, stability and prudent management for completion.

The Board of Director's Goals for the District and staff are to:

1. Provide Safe and Reliable Groundwater
2. Obtain Independence from Imported Water Sources
3. Promote Organizational Excellence
4. Advance Groundwater Awareness

The Standing Committees of the Board of Directors are as follows:

- Water Resources Committee
- Groundwater Quality Committee
- Finance/Audit Committee
- Administrative Committee
- External Affairs Committee

(Note: Completion of departmental, project and program objectives are reflected in the individual summaries. Performance measurement results for the past two fiscal years in addition to goals for FY 2015/16 are presented which link to the overall District goals enumerated above.)

WATER RESOURCES COMMITTEE, THE AD HOC GRIP COMMITTEE, THE AD HOC CONTRACTS COMMITTEE, AND THE AD HOC VANDER LANS FACILITY EXPANSION COMMITTEE

Supported by: The Engineering and Hydrogeology Departments

The Water Resources Committee shall study, advise and make recommendations with regard to the following:

1. The operation, protection and maintenance of the District's replenishment water facilities;
2. Policies, sources and means related to the stewardship of the Central and West Coast Groundwater Basins including, but not limited to, importing and distributing water, transferring water and wheeling as required by the District;
3. Policies regarding recycling, reuse and underground storage of water and use thereof;
4. Environmental compliance and requirements and the effect on the District of existing and proposed federal, state and local environmental statutes and regulations;

5. Engineering aspects of all replenishment water projects;
6. Provide input related to the District's Capital Improvement Program as it relates to replenishment water projects; and,
7. Policies related to the District's conjunctive use efforts including but not limited to California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).

2014/15 Performance Metrics – Water Resources Committee

Board Action	Staff Performance Measure	Board Objective	District Goal*	Project
Date of Board Action: 7/17/14 Approve a $10,000 contract amendment with Downey Brand, LLP for legal assistance for the expanded Leo J. Vander Lans Water Treatment Facility.	Staff Progress: Complete The District retained the services of the law firm for legal assistance with regulatory permitting for the Leo J. Vander Lans Advanced Water Treatment Facility when dealing with the State Water Resources Control Board and the Los Angeles Regional Water Quality Control Board. Staff has worked successfully with Downey Brand and the permit was approved.	Complete construction of the Leo J. Vander Lans Advanced Water Treatment Facility	2	001
Date of Board Action: 7/17/14 Adopt Resolution No. 14-985 granting a Non-Consumptive Water Use Permit to the City of Long Beach for assignment to the Boeing Company for groundwater cleanup activities at the Boeing Company's former C-1 facility in the City of Long Beach.	Staff Progress: Complete Work with Boeing Company through the City of Long Beach to issue a non-consumptive use permit for groundwater treatment in order to remedy contamination issues.	Address groundwater contamination	1	005
Date of Board Action: 7/17/14 Approve a contract amendment with Kindel Gagan, Inc., for strategic support services for a monthly fee of $10,000 plus $225 per hour for additional on call services and extending the term to June 30, 2015.	Staff Progress: Complete Continue work with Kindel Gagan for strategic support services for program and policy initiatives in support of water resources.	Perform effective basin management	1	005
Date of Board Action: 7/17/14 (1) Approve a $25,000 contract increase to Nellor Environmental Associates for recycled water consulting services; (2) Issue a request for proposal in fall 2014 since the existing contract is expiring on December 31, 2014.	Staff Progress: Complete Work with NEA to proactively address issues related to the renewed permit from the Los Angeles Regional Water Quality Control Board for the Leo J. Vander Lans Advanced Water Treatment Facility in favor of recycled water recharge. The Los Angeles Regional Water Quality Control Board approved an increase in the percentage of recycled water used at the Montebello Forebay Spreading Grounds from 35% to 45%.	Perform effective basin management	1	023

*District Goal

1 - Provide safe and reliable groundwater
2 - Obtain independence from imported water sources
3 - Promote organizational excellence
4 - Advance groundwater awareness

Date of Board Action: 7/17/14 (1) Enter into a professional services agreement with CH2MHill, subject to approval of form by District counsel, for the Montebello Forebay Recharge Enhancement Study for an amount not-to-exceed $678,205, plus contingency if needed for a total Board authorized amount of $746,000; (2) Enter into a professional services agreement with California Watershed Engineering, subject to approval of form by District counsel, for as-needed technical support on spreading grounds facilities and operations associated with the Montebello Forebay Recharge Enhancement Study for an amount not-to-exceed $25,000.	Staff Progress: On-going Comprehensive review and update to the Montebello Forebay Recharge Enhancement Study (MFROS) due to several capital and operational improvements implemented in the vicinity of the Montebello Forebay Spreading Grounds that may change the quantity and type of additional local water that can be captured.	Perform effective basin management	1	023
Date of Board Action: 8/21/14 Approve a no-cost time extension contract amendment with CDM Smith, extending the term to June 30, 2015, subject to approval of form by District Counsel.	Staff Progress: Complete CDM Smith is the design engineer on record and has been providing engineering support during the construction. This amendment will ensure proper engineering support is provided through the end of construction. Staff is currently managing the contract to complete construction.	Complete Construction of the Leo J. Vander Lans Advanced Water Treatment Facility Expansion	2	033
Date of Board Action: 8/21/14 Approve a professional services agreement with Carollo Engineers for construction management services, subject to approval of form by District Counsel, for the amount of $845,829, plus a 10 percent contingency for unforeseen conditions, not to exceed a total of $930,412.	Staff Progress: Construction Management On-going Manage contract and work with Carollo Engineering as the Construction Manager for the Goldsworthy Expansion Project which will provide increased saline groundwater reclamation.	Provide alternative water supply to the City of Torrance and mitigate the saline plume within the West Coast Groundwater Basin	1	002
Date of Board Action: 8/21/14 Award the contract to Ruth Villalobos & Associates (RVA) to complete an updated Deviation Request Package, subject to approval of form by District Counsel. The total amount for Ruth Villalobos & Associates is $113,085. A 10% contingency is recommended for unanticipated work and costs, bringing the total budget amount to $124,500 (rounded).	Staff Progress: On-going Increasing the Whittier Narrows Conservation Pool elevation would allow for an estimated additional 1,100 acre-feet per year of storm water conservation. Manage contract and work with RVA to complete an updated deviation report to allow for a permanent change to the long-term operating plan for the Whittier Narrows Dam.	Increase storm water capture	1 & 2	005
Date of Board Action: 9/18/14 Renew membership with the Water Research Foundation in the amount of $53,619 for the period October 2014 to September 2015.	Staff Progress: On-going Renewing the District's membership with the Water Research Foundation allows the WRD access to and participation in research developments and maximizes leverage of pooling resources for mutually beneficial projects and investigations.	Perform effective basin management	1	006

Date of Board Action: 9/18/14 Approve the amendment to the West Basin Municipal Water District Agreement No. W2254, subject to approval of form by District Counsel, to allow WRD access to monitoring well WB-1 to collect groundwater samples and depth to water measurements for the duration of the Nobel Gas Tracer Study.	Staff Progress: Complete The Board of Directors approved the amendment to the agreement to allow WRD access to monitoring well to enhance the groundwater sampling network and to collect additional sampling data	Perform effective basin management	1	011
Date of Board Action: 9/18/14 Approve an amendment to the Orange County Water District monitoring well access agreement, subject to approval of form by District Counsel, to allow access through 2019. There is no cost to WRD for this amendment.	Staff Progress: On-going Amendment provides access to several monitoring wells near the Alamitos Seawater Barrier Project for groundwater sampling related to our recycled water permit for the Vander Lans Advanced Water Treatment Plant	Perform effective basin management	1	011
Date of Board Action: 9/18/14 Approve the Amendment to the Joint Funding Agreement with the United States Geological Survey for cooperative studies of the Geohydrology and Modeling of the Central and West Coast Basins, subject to approval of form by District Counsel, for an amount not to exceed $275,000, and a time extension to September 30, 2015. This is a budgeted item.	Staff Progress: Multi-year process Work with USGS on updates to the 1971/2000 groundwater computer model of the Central and West Coast Basins allowing for better simulations of groundwater flow in the complex geology of the Basins.	Perform effective basin management	1	005
Date of Board Action: 10/16/14 Approve a contract amendment with Gregg Drilling and Testing, subject to approval of form by District Counsel, for the construction of environmental monitoring wells for the Central Basin Groundwater Contamination Study in the amount of $36,000 to bring the total contract amount to $396,529, and extend the term of the Agreement to October 21, 2014.	Staff Progress: Complete As part of the District's Groundwater Contamination Prevention Program, WRD tracks investigation and remediation progress at high-priority contaminated sites in the Central and West Coast Basins. Manage contract and work with Gregg Drilling on changes including additional geophysical logging techniques, installation of deeper monitoring wells and other developments.	Perform Effective Basin Management and Address groundwater contamination	1	006
Date of Board Action: 10/16/14 Approve a no-cost time extension amendment to Agreement No. 727 with the United States Geological Survey, subject to approval of form by District Counsel, extending the term of the agreement to June 30, 2015.	Staff Progress: Complete Manage contract and work with the USGS in completing tasks related to new monitoring wells in Lynwood, South Gate and Lawndale.	Perform effective basin management	1	011

Date of Board Action: 11/20/14 (1) Approve the Plans and Specifications for Project 002050 for the Robert W. Goldsworthy Desalter Expansion project. (2) Authorize the Chief Engineer to conduct a prequalification process for construction contractors and the subsequent construction bidding for the Robert W. Goldsworthy Desalter Expansion project. (3) Enter into a construction contract agreement with South West Pump & Drilling Company, subject to approval of form by District Counsel, for the installation of groundwater production wells for the Goldsworthy Desalter Expansion Project in the total amount of $2,127,740 and authorize a construction contingency in the amount of $212,774, for a total not to exceed amount of $2,340,514. Bond proceeds will be utilized for this construction project.	Staff Progress: Complete Manage contract and work with South West Pump & Drilling Company to install groundwater production wells for the Goldsworthy Desalter Expansion Project.	Perform effective basin management and Provide alternative water supply to the City of Torrance and mitigate the saline plume within the West Coast Groundwater Basin	1	002
Date of Board Action: 1/15/15 Adopt Resolution No. 15-1001 – Ordering the preparation of the Engineering Survey Report (ESR).	Staff Progress: Complete Perform analysis of groundwater basin and provide information to the Board of Directors	Perform effective basin management	1	025
Date of Board Action: 1/15/15 Approve a no-cost time extension contract amendment with Ruth Villalobos & Associates, extending the term to June 30, 2015, subject to approval of form by District Counsel.	Staff Progress: On-going Increasing the Whittier Narrows Conservation Pool elevation would allow for an estimated additional 1,100 acre-feet per year of storm water conservation. Manage contract and work with RVA to complete an updated deviation report to allow for a permanent change to the long-term operating plan for the Whittier Narrows Dam.	Increase storm water capture	1 & 2	005
Date of Board Action: 1/15/15 Authorize a Request for Bids (RFB) for the construction of the San Gabriel Coastal Basin Spreading Grounds Turnout Structures.	Staff Progress: Construction on-going Turnout structures are part of the District's efforts to eliminate the need for imported water. These turnout structures will provide for operational flexibility at the spreading grounds to facilitate the use of increased recycled water. RFB issued and construction on-going.	Increase use of recycled water	2	033
Date of Board Action: 2/5/15 Authorize the General Manager to release a Request for Qualifications for the procurement of an Owner's Engineer/ Owner's Agent (OE/OA) for the Groundwater Reliability Improvement Program's Advanced Water Treatment Facility project.	Staff Progress: Complete The OE/OA will act as an extension of District staff and will provide professional services related to the advanced water treatment facility project over the duration of construction.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033

Date of Board Action: 2/19/15 Approve 2015 membership dues for the California Groundwater Coalition in the amount of $9,500.	Staff Progress: Complete The Coalition's mission is to educate policy makers about groundwater; represent groundwater interests and promote the benefits of comprehensive groundwater management.	Advance groundwater awareness with state and local officials	4	025
Date of Board Action: 2/19/15 Approve the purchase of a replacement sampling vehicle from Carmenita Truck Center of Santa Fe Springs for a price not to exceed $66,000 (rounded).	Staff Progress: Complete Sampling vehicles are used for the Regional Groundwater Monitoring Program	Perform effective basin management	1	011
Date of Board Action: 2/19/15 Authorize the General Manager to execute a Professional Services Agreement with Nellor Environmental Associates, Inc., subject to approval of form by District Counsel, for on-call professional recycled water consulting services for a cost not to exceed $75,000 and a termination date of June 30, 2017.	Staff Progress: Manage contract for on-call professional services related to indirect use of potable water, groundwater recharge, and pertinent regulations/permitting.	Perform effective basin management	1	004
Date of Board Action: 2/19/15 Authorize the General Manager to execute separate Professional Services Agreements with DMJ Consulting and Blaine Tech Services, subject to approval of form by District Counsel, for as-needed field services related to groundwater monitoring for a cost not to exceed $75,000 each for a total $150,000. The termination date of the contracts will be June 30, 2017.	Staff Progress: On-going Manage contract and work with DMJ on groundwater monitoring and data collection efforts.	Perform effective basin management	1	011
Date of Board Action: 2/19/15 Receive and file the Regional Groundwater Monitoring Report for Water Year 2013/14.	Staff Progress: Complete Major components of the staff implemented program include: establishing and maintaining a network of monitoring wells, collecting and performing in-depth analysis of water levels and water quality samples, and incorporating the information in WRD's Geographic Information System (GIS) for efficient database storage and retrieval.	Perform effective basin management	1	033
Date of Board Action: 3/5/15 Authorize the issuance of a Request for Qualifications for the procurement of three to five architectural design firms to develop architectural design concepts for the GRIP AWTF Project.	Staff Progress: Complete The five architectural design firms are needed by the District for space planning, building massing and site adjacency study for the GRIP Advanced Water Treatment Facility and related appurtenances.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033

Date of Board Action: 3/5/15 Receive and file the Engineering Survey and Report and Adopt Resolution No. 15-1002.	Staff Progress: Perform analysis of groundwater basin and provide information to the Board of Directors in the ESR.	Perform effective basin management	1	025
Date of Board Action: 4/16/15 Joint Water Resources Committee and Groundwater Quality Committee Approve a contract amendment with Separation Processes, Inc. (SPI) to include additional support on operations of the Leo J. Vander Lans Facility, subject to approval of form by District Counsel, with an additional not-to-exceed amount of $50,000 and to extend the contract expiration date to June 30, 2016.	Staff Progress: Worked with SPI to resolve any operational issues during the construction warranty period of the Leo J Vander Lans Advanced Water Treatment Facility. The District anticipates the need for additional assistance from SPI through June 30, 2016.	Complete construction of the Leo J. Vander Lans Advanced Water Treatment Facility	2	001
Date of Board Action: 4/16/15 Award a professional services contract with MNS Engineers Inc. for construction management services, subject to approval of form by District Counsel, for the amount of $471,360, plus a 10 percent contingency for unforeseen conditions, not to exceed a total of $518,496.	Staff Progress: Complete Work with MNS Engineers to assist the District with public contract bidding and provide regular oversight of the construction for the turn-out construction project.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033
Date of Board Action: 5/7/15 Award a professional services contract with each of the architecture firms listed below for the development of architectural design concepts/themes that could be incorporated in to the future GRIP AWTF final design, subject to approval of form by District Counsel, for a not-to-exceed amount of $150,000 (no more than $25,000 for each architecture firm). Architecture firms include: Gills + Panichapan Architects, Inc.; Lehrer Architects; Mainstreet Architects + Planners, Inc.; Pleskow Architects; RRM Design Group; SCA Architects, Inc.	Staff Progress: Complete The District issued contracts to six architecture firms mentioned to prepare architectural design concepts/themes to be incorporated in the GRIP AWTF final design.	Advance the District's Groundwater Reliability Improvement Program (GRIP	2	033
Date of Board Action: 5/21/15 Approve the Memorandum of Understanding between WRD and Los Angeles County Flood Control District (LACFCD) to allow LACFCD to administer the grant funding with United States Department of Water Resources (DWR) for Prop 84 funds on behalf of WRD.	Staff Progress: Complete Provide funding for the Greater Los Angeles County Integrated Regional Management Region Water (GLAC – IRWM) coordinator to prepare the grant application. Staff will ensure that the District's portion of the cost is paid.	Provide the most cost-effective capital project infrastructure by securing grant funding	1	033 & 002

Date of Board Action: 5/26/15 Authorize the General Manager to award and execute a base (Phase 1) professional consulting services agreement with GHD Engineers for the Owner's Engineer/ Owner's Agent (OE/OA) for the Groundwater Reliability Improvement Project Advanced Water Treatment Facility (GRIP AWTF) for an amount totaling $2,799,911, plus a 10% contingency for unforeseen conditions, for a total cost not to exceed $3,079,900. In addition, the Ad Hoc GRIP Committee recommends substituting Pacific Resources Services for The Solis Group to perform project labor agreement and labor compliance monitoring services for the GRIP AWTF Project. The value of the aforementioned task (scope of work) is less than $100,000 which represents less than 0.4% of the base (Phase 1) contract value.	Staff Progress: Complete Work with GHD as the OE/OA, an extension of District technical staff to provide Professional Programmatic Management and Technical Advisory Services relating to the GRIP AWTF project over the duration of advanced planning, design, entitlement, permitting, construction, and commissioning phases of work.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033
Date of Board Action: 6/18/15 Award a professional services contract with Arcadis for the development of a supervisory control and data acquisition (SCADA) System Master Plan, subject to approval of form by District Counsel, for the amount of $279,949, plus a 10 percent contingency for unforeseen conditions, not to exceed a total of $308,000.	Staff Progress: Complete Manage Contract and work with Arcadis to develop a SCADA System Master Plan for the District's centralized control system	Advance the District's Organization Excellence	3	033
Date of Board Action: 6/18/15 Approve a no cost time extension contract amendment with CH2M HILL, extending the term to June 30, 2016, subject to approval of form by District Counsel.	Staff Progress: Complete CH2M Hill provides services for work related to the Montebello Forebay Recharge Enhancement Study. The model was delayed. Contract amendment extended time to June 30, 2016. Staff is working with CH2M Hill to complete the previously approved scope of work.	Perform effective basin management	1	023
Date of Board Action: 6/18/15 Approve the Agreement with the Los Angeles County Sanitation Districts for Conveyance Facilities related to GRIP.	Staff Progress: On-going The construction of the two turn-out structures, involve connections to an existing outfall pipeline owned by the Los Angeles County Sanitation Districts (LACSD). The District is required to obtain a Conveyance Facilities Agreement prior to initiation of construction.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033
Date of Board Action: 6/18/15 Approve Resolution No. 15-1010, to adopt the Final Environmental Impact Report (EIR), approve the development and operation of the proposed GRIP Recycled Water Project, and authorize staff to file a Notice of Determination, subject to approval of form by District Counsel.	Staff Progress: Complete Work with Contractor to certify the EIR, which reflects independent judgment and analysis and finds that, on the basis of the whole, there is no substantial evidence that the project will have a significant effect on the environment and approving the development and operation of the GRIP project.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	1	033

Date of Board Action: 6/18/15 Approve a Joint Powers Agreement (JPA) between the Gateway Water Management Authority (GWMA) and the District and appoint General Manager Robb Whitaker as the voting member and Sr. Analyst Esther Valle Rojas as an alternate to the voting member for the District, subject to approval of form by District Counsel.	Staff Progress: On-going Membership in the GWMA with other agencies that have common traits that provide a unique opportunity to jointly find common and coordinated solutions for the region's water related issues.	Perform effective basin management	1	005
Date of Board Action: 6/18/15 TECHNICAL ADVISORY COMMITTEE (TAC) RECOMMENDATION Adopt the Updated Five-Year Capital Improvement Program for Fiscal Years 2015/16 through Fiscal Years 2019/20 and authorize staff to file a Notice of Exemption from CEQA, subject to approval of form by District Counsel.	Staff Progress: Complete The District's Five-Year Capital Improvement Program is to serve as financial and budget planning tool to reflect on the District's dedication to continued fiscal responsibility, stakeholder sensitivity and organizational efficiency.	Perform effective basin management	1 & 2	005

GROUNDWATER QUALITY COMMITTEE

Supported by: The Engineering and Hydrogeology Departments

The Groundwater Quality Committee shall study, advise and make recommendations with regard to the following:

1. The operation, protection and maintenance of the District's water quality facilities;
2. Engineering aspects of all water quality projects;
3. The effect on the District of existing and proposed federal, state and local water quality statutes and regulations;
4. Provide input related to the District's Capital Improvement Program as it relates to water quality projects.

2014/15 Performance Metrics – Groundwater Quality Committee

Board Action	Staff Performance Measure	Board Objective	District Goal	Project
Date of Board Action: 8/21/14 (1) Approve the modifications to the Safe Drinking Water Loan Program to include a revolving fund plan that returns loan collections back into the program for future projects effective July 1, 2014 and approve an initial budget allocation of $2 million to set up the revolving fund plan; (2) Approve the implementation of the WRD Safe Drinking Water Revitalization Plan; (3) Authorize an agreement with Kennedy Communications for as-needed services related to the WRD Safe Drinking Water Disadvantaged Communities (DAC) Pilot Program for an amount not to exceed $10,000, subject to approval of form by District Counsel; (4) Authorize the release of a Request for Proposals (RFP) for engineering firms to provide technical assistance.	Staff Progress: On-going Program Work with Kennedy Communications to promote the Safe Drinking Water Program to Disadvantaged Communities and establish the Safe Drinking Water Loan revolving fund.	Promote the Safe Drinking Water Program and groundwater cleanup	1	012

*District Goal

1 - Provide safe and reliable groundwater
2 - Obtain independence from imported water sources
3 - Promote organizational excellence
4 - Advance groundwater awareness

Date of Board Action: 10/2/14 Approve a no-cost contract amendment with Eurofins Eaton Analytical Inc., subject to approval of form by District Counsel, extending the contract terms to June 30, 2015.	Staff Progress: Groundwater Monitoring is on-going Eurofins Eaton Analytical provides water sample testing services for the District.	Perform effective basin management	1	001, 002, 004, 006, 011, 018, 025
Date of Board Action: 10/2/14 Approve District participation in the Coalition for Environmental Protection, Restoration and Development (CEPRD) Regional Reliability and Sustainability Project for an amount not to exceed $24,500.	Staff Progress: Complete The CEPRD was formed to explore opportunities for enhancing water supplies within the Greater Los Angeles region.	Perform effective basin management	1 & 2	005
Date of Board Action: 10/2/14 Authorize the General Manager to execute a contract amendment with BASE Water Resources Consulting & Management, LLC for professional services, for an additional amount not to exceed $85,000 through December 31, 2014, subject to approval of form by District Counsel.	Staff Progress: Complete BASE Water Resources Consulting provided the District with engineering support services. Services which were needed with the vacancy in the Chief Engineer position.	Provide appropriate staffing to complete District goals	3	033
Date of Board Action: 1/15/15 Renew membership with the WateReuse Research Foundation in the amount of $12,000 for membership in calendar year 2015.	Staff Progress: Complete Membership provides the District access to and participation in state-of-the-art research developments in the recycled water industry and also maximizes leverage of pooling of resources for mutually beneficial projects and investigations.	Perform effective basin management and Support water research	1 & 4	004
Date of Board Action: 1/15/15 Authorize the General Manager to advertise for competitive bids towards the construction of monitoring wells for the Los Angeles Forebay Groundwater Investigation, subject to approval of form by District Counsel, and to release a Request for Proposals (RFP) for professional services for construction oversight of the environmental monitoring wells.	Staff Progress: Complete Develop and advertise for bids related to monitoring wells in the Los Angeles Forebay for groundwater investigation.	Perform effective basin management	1	006
Date of Board Action: 2/5/15 Approve the issuance of a Request for Proposals for Well Profiling Services.	Staff Progress: Complete Well profiling is used to test water supply wells to determine the flow and water quality entering the wells from different zones of the aquifers. Staff issued the request for proposals and posted the RFP on the District website.	Perform effective basin management	1	025
Date of Board Action: 2/5/15 Approve the release of a Request for Qualifications for as needed engineering services.	Staff Progress: Complete At times, technical staff requires additional engineering expertise on an as needed basis. Staff issued an RFQ and posted the RFQ on the District website.	Perform effective basin management	1	012

Date of Board Action: 2/5/15 Approve sponsorship of the 2015 WATEREUSE California Annual Conference at the Platinum Conference Sponsor level of $5,500.	Staff Progress: Complete WateReuse is a non-profit organization to advance the beneficial and efficient uses of high-quality, locally produced, sustainable water sources.	Perform effective basin management and Support water research	1 & 4	004
Date of Board Action: 2/5/15 Approve the amended and restated Resolution No. 14-985, granting a Non-Consumptive Water Use Permit for groundwater cleanup at the Boeing C-1 facility site in the City of Long Beach.	Staff Progress: Completed Work with Boeing Company through the City of Long Beach to issue a non-consumptive use permit for groundwater treatment in order to remedy contamination issues.	Address groundwater contamination	1	006
Date of Board Action: 3/5/15 Authorize the issuance of Request for Proposals for water quality laboratory analytical services.	Staff Progress: Completed At times, technical staff requires additional engineering expertise on an as needed basis. Staff issued an RFQ and posted the RFQ on the District website.	Perform effective basin management	1	006
Date of Board Action: 3/5/15: Authorize the General Manager to execute separate Professional Services Agreements with WorleyParsons and Aquilogic, subject to approval of form by District Counsel, for as-needed professional environmental consulting services related to groundwater quality and groundwater contamination issues for a cost not to exceed $150,000 each, and a contract termination date of June 30, 2017.	Staff Progress: Completed As part of the District's Groundwater Contamination Prevention Program, WRD tracks investigation and remediation progress at high-priority contaminated sites. These contracts will provide the District with additional as-needed services.	Address Groundwater Contamination	1	006
Date of Board Action: 3/5/15: Authorize the General Manager to execute a contract amendment with Kennedy Communications for professional services, for an amount not to exceed $20,000 through December 31, 2015, subject to approval of form by District Counsel.	Staff Progress: Safe Drinking Water Program is on-going Manage contract and work with Kennedy Communications to provide additional outreach related to the Safe Drinking Water Disadvantaged Communities Pilot Program.	Promote the Safe Drinking Water Program and groundwater cleanup	1 & 4	012
Date of Board Action: 3/5/15: Authorize the Assistant General Manager/Chief Engineer to file for a Notice of Completion for the Vander Lans Facility Expansion Project with the Los Angeles County Clerk's office.	Staff Progress: Complete File Notice of Completion for the Leo J. Vander Lans Expansion Project with the Los Angeles County Clerk's Office	Complete construction of the Leo J. Vander Lans Advanced Water Treatment Facility	2	001
Date of Board Action: 4/2/15 Authorize the General Manager to execute separate contracts for as-needed engineering services with KEH & Associates, MNS Engineers, Inc., and Tetra Tech, subject to approval of form by District Counsel, of an amount not to exceed $100,000 per firm per year for a three-year period.	Staff Progress: On-going At times, technical staff requires additional engineering expertise on an as needed basis. Manage contract and work with the firms to provide as-needed engineering services.	Perform effective basin management	1	033
Date of Board Action: 4/2/15 Authorize the General Manager to execute contract with Tetra Tech, subject to approval of form by District Counsel, for an amount not to exceed $260,000 for well profiling services.	Staff Progress: Complete Manage contract and work with Tetra Tech to provide well profiling/testing services for the District's Well Profiling Program.	Perform effective basin management	1	025

Date of Board Action: 4/16/15 Joint Water Resources Committee and Groundwater Quality Committee Approve a contract amendment with Separation Processes, Inc. to include additional support on operations of the Leo J. Vander Lans Facility, subject to approval of form by District Counsel, with an additional not-to-exceed amount of $50,000 and to extend the contract expiration date to June 30, 2016.	Staff Progress: Complete Manage contract and work with Separation Processes to provide operator training, plant optimization and to assist the District with investigation and troubleshooting of the facility's operational issues during the construction warranty period.	Complete construction of the Leo J. Vander Lans Advanced Water Treatment Facility	2	001
Date of Board Action: 5/1/15 Award of Contracts for Installation and Construction Oversight of Environmental Monitoring Wells for the Los Angeles Forebay a) Construction Contract: Enter into a construction contract agreement with Gregg Drilling and Testing, subject to approval of form by District Counsel, for the construction of environmental monitoring wells for the Los Angeles Forebay Groundwater Investigation in the total amount of $491,472, plus a 10% construction contingency in the amount of $49,228 for a total amount not to exceed $540,700. b) Well Installation Oversight Contract: Enter into a professional services contract agreement with Ardent Environmental Group, subject to approval of form by District Counsel, for the oversight of monitoring well construction for the Los Angeles Forebay Groundwater Investigation in the total amount of $63,174, plus a 10% contingency in the amount of $6,326 for a total amount not to exceed $6 9,500.	Staff Progress: Completed As part of the District's Groundwater Contamination Prevention Program, WRD tracks investigation and remediation progress at high-priority contaminated sites. These contracts will provide the District with additional as-needed services.	Address groundwater contamination	1	006
Date of Board Action: 5/1/15 Approve Contract Amendment No. 3 with Carollo Engineers to provide additional engineering support for the Robert W. Goldsworthy Desalter Expansion project, subject to approval of form by District Counsel, for a not to exceed amount of $65,000.	Staff Progress: On-going At times, technical staff requires additional engineering expertise on an as needed basis. Manage contract and work with the firms to provide as-needed engineering services.	Perform effective basin management	1	002
Date of Board Action: 5/7/15 Authorize the General Manager to award and execute a base (Phase 1) professional consulting services agreement with GHD Engineers for the Owner's Engineer/Owner's Agent for the GRIP AWTF project for an amount totaling $2,799,911, not including contingencies.	Staff Progress: GRIP Construction on-going The OE/OA will act as an extension of District staff and will provide professional services related to the advanced water treatment facility project over the duration of construction.	Advance the District's Groundwater Reliability Improvement Program (GRIP)	2	033
Date of Board Action: 6/18/15 Approve award of 3-year Professional Services Agreement with Eurofins Eaton Analytical, Inc. (EEA), subject to approval of form by District Counsel, for water quality laboratory services for a cost not to exceed $2,355,000 and a termination date of June 30, 2018.	Staff Progress: Groundwater Monitoring is on-going Eurofins Eaton Analytical provides water sample testing services for the District. Manage contract and work with EEA to obtain testing data	Perform effective basin management	1	001, 002, 004, 006, 011, 018, 025

FINANCE/AUDIT COMMITTEE & AD HOC BUDGET COMMITTEE

Supported by: The Finance Department

The Finance/Audit & Ad Hoc Budget Committee shall study, advise and make recommendations with regard to the following:

1. Financial activities of the District by reviewing the monthly demands, financial statements, reimbursements and other key financial issues of the District;
2. Be the oversight Committee responsible to the Board of Directors for coordinating the annual budget process and monitoring the budget as necessary to ensure that the operations of the District are conducted pursuant to it;
3. Be responsible to the Board for the District's investment policy and monitoring the District's investment portfolio. The committee is to monitor any short, intermediate, and long-term capital needs of the District;
4. Acts as the Audit Committee relating to the Comprehensive Annual Financial Audit (CAFA) conducted by the District's independent financial auditor; and,
5. Shall not make recommendations to the Board of Directors on any matters which are the purview of other committees.

2014/15 Performance Metrics – Finance/Audit Committee

Board Action	Staff Performance Measure	Board Objective	District Goal	Project
Date of Board Action: 7/17/14 Authorize the General Manager to execute a second contract amendment with BASE Water Resources Consulting & Management, LLC for professional services, for an additional amount not to exceed $75,000 through September 30, 2014, subject to approval of form by District Counsel.	Staff Progress: Complete BASE Water Resources Consulting provided the District with engineering support services. Services which were needed with the vacancy in the Chief Engineer position.	Provide appropriate staffing to complete District goals	3	033
Date of Board Action: 8/21/14 Execute a professional services agreement with Roberts Consulting Group to assist in the recruitment of the Assistant General Manager position, subject to approval of form by District Counsel, for $27,000 plus expenses over $2,000.	Staff Progress: Complete Manage Contract and work with Roberts Consulting to recruit candidates for selection for the Assistant General Manager position.	Provide appropriate staffing to complete District goals	3	033
Date of Board Action: 9/4/14 DID NOT GO TO COMMITTEE Adopt Resolution No. 14-993, initiating proceedings pursuant to Article XIII D, Section 6(A) with respect to the replenishment assessments for fiscal years 2010/11, 2011/12, and 2012/13.	Staff Progress: Complete Adopt cost of service reports and retroactively perform Proposition 218 requirements for fiscal years 2010/11, 2011/12 and 2012/13.	Provide public transparency and accountability and comply with Proposition 218	3	

*District Goal

1 - Provide safe and reliable groundwater
2 - Obtain independence from imported water sources
3 - Promote organizational excellence
4 - Advance groundwater awareness

Date of Board Action: 10/16/14 Adopt Resolution No. 14-990 adding City National Bank as part of the Community Banking Program in order to diversify the District's funds and maintain the highest level of safety and liquidity on cash and investments.	Staff Progress: Complete Manage relationship with City National Bank as part of the District's banking and investment program	Safekeeping of District assets	3	ADMIN
Date of Board Action: 10/30/14 DID NOT GO TO COMMITTEE Adopt Resolution No. 14-994, ratifying and readopting the levy of a replenishment assessment on the production of groundwater from the groundwater supplies within the District during the fiscal year commencing July 1, 2010 and ending June 30, 2011.	Staff Progress: Complete Adopt cost of service reports and retroactively perform Proposition 218 requirements for fiscal years 2010/11, 2011/12 and 2012/13.	Provide public transparency and accountability and comply with Proposition 218	3	ADMIN
Date of Board Action: 10/30/14 DID NOT GO TO COMMITTEE Adopt Resolution No. 14-995, ratifying and readopting the levy of a replenishment assessment on the production of groundwater from the groundwater supplies within the District during the fiscal year commencing July 1, 2011 and ending June 30, 2012.	Staff Progress: Complete Adopt cost of service reports and retroactively perform Proposition 218 requirements for fiscal years 2010/11, 2011/12 and 2012/13.	Provide public transparency and accountability and comply with Proposition 218	3	
Date of Board Action: 10/30/14 DID NOT GO TO COMMITTEE Adopt Resolution No. 14-996, ratifying and readopting the levy of a replenishment assessment on the production of groundwater from the groundwater supplies within the District during the fiscal year commencing July 1, 2012 and ending June 30, 2013.	Staff Progress: Complete Adopt cost of service reports and retroactively perform Proposition 218 requirements for fiscal years 2010/11, 2011/12 and 2012/13.	Provide public transparency and accountability and comply with Proposition 218	3	
Date of Board Action: 11/20/14 Adopt Resolution No. 14-992, relating to a no-cost modification of the accounting method regarding medical expense reimbursements.	Staff Progress: Complete Prepare language for resolution No. 14-992	Promote organizational efficiencies	3	ADMIN
Date of Board Action: 4/2/15 Receive and file the 2015 Cost of Service Report.	Staff Progress: Complete Prepare annual cost of service report as required by Proposition 218	Provide public transparency and accountability and comply with Proposition 218	3	ADMIN
Date of Board Action: 4/2/15 BUDGET ADVISORY COMMITTEE Approve a 5.6% increase to the replenishment assessment for fiscal year 2015/16 to $283 per acre-foot.	Staff Progress: Complete Provide the Board of Directors and the public with an open public hearing process related to the 2015/16 replenishment assessment and related annual budget.	Provide public transparency and accountability and comply with California State Water Code	3	ADMIN
Date of Board Action: 4/2/15 Approve a Change Order for Southwest pump and Drilling, Inc., in the amount of $600,000 plus $50,000 in contingency funds and a 90-day time extension to convert the first pilot borehole into a monitoring well, and for the drilling of a third pilot borehole for possible completion into a source water supply well for the Goldsworthy Desalter Extraction Project.	Staff Progress: Complete Manage contract and work with Southwest Pump to convert a pilot hole into a nested monitoring well to identify movements in the saline plume and impacts to the desalination program.	Address groundwater contamination	1	002

Date of Board Action: 5/1/15 BUDGET ADVISORY COMMITTEE Adopt the fiscal year 2015/16 budget reflecting an increase from $268 per acre foot to $283 per acre foot or a 5.6% increase.	Staff Progress: Complete Provide the Board of Directors and the public with an open public hearing process related to the 2015/16 replenishment assessment and related annual budget.	Provide public transparency and accountability and comply with California State Water Code	3	ADMIN
Date of Board Action: 5/7/15 AD HOC BOND FINANCING COMMITTEE Approve the issuance of Request For Qualifications (RFQ) for bond and disclosure counsel, bond underwriters and financial advisors.	Staff Progress: Complete Staff has issued the RFQ for all three professional needed for the bond financing team	Obtain long term financing to fund the District's 5-year capital improvement program	1 & 2	ADMIN
Date of Board Action: 6/18/15 Approve issuance of Request for Proposals for landscape maintenance services.	Staff Progress: Complete Staff has issued the RFP for landscape services for the District's administration building as well as various monitoring well sites within the District	Promote organizational efficiencies	3	ADMIN
Date of Board Action: Annual Obtain annual Excellence Award in Operating Budgeting from the California Society of Municipal Finance Officers (CSMFO)	Staff Progress: Complete Prepare the 2015/16 adopted budget for submittal to the CSMFO	Pursue agency recognition for excellence in financial practices	3	ADMIN
Date of Board Action: Annual Obtain annual Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)	Staff Progress: Complete Prepare the 2015/16 adopted budget for submittal to the GFOA	Pursue agency recognition for excellence in financial practices	3	ADMIN
Date of Board Action: Annual Obtain annual Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA)	Staff Progress: Complete Prepare the June 30, 2015 Comprehensive Annual Financial Report (CAFR) for submittal to the GFOA	Pursue agency recognition for excellence in financial practices	3	ADMIN
Date of Board Action: n/a Maintain the District AA+ Bond Rating from Fitch Ratings and Standard and Poor's	Staff Progress: On-going Provide rating agencies with a detailed financial update of the District; including cash flow, financial forecasts, debt service analyses, litigation updates, etc.	Provide public transparency and accountability	3	ADMIN
Date of Board Action: n/a Manage Post-Employment Benefits Irrevocable Trust with the California Employers' Retiree Benefit Trust (CERBT)	Staff Progress: Complete Manage irrevocable trust and fund in accordance with GASB 45	Maintain the security of assets and to comply with the GASB Statement No. 45	3	ADMIN
Date of Board Action: Annual Continue implementation of the Board of Directors' Community Banking Program	Staff Progress: On-going Monitor banks within the District's Community Banking Program and update program as necessary	Obtain the best possible services to support the District's financial function	3	ADMIN

ADMINISTRATIVE COMMITTEE

Supported by: The Administrative Department

The Administrative Committee shall study, advise and make recommendations with regard to the following:

1. Administrative and personnel policies and procedures to be considered by the Board of Directors;
2. Be responsible for the policies and procedures pertaining to the oversight and management of the organization, including but not limited to the District's organization and the flow of the authority and responsibility; and,
3. Periodic independent reviews and studies of the organization, classification of positions and related compensation ranges as outlined in the memorandum of understanding with the employees bargaining unit.

2014/15 Performance Metrics – Administrative Committee

Board Action	Staff Performance Measure	Board Objective	District Goal	Project
Date of Board Action: 8/21/14 Adopt Resolution No. 14-991, amending Exhibit B of the District's Conflict of Interest Code.	Staff Progress: Complete In accordance with Government Code Section 8736.5, the District is required to review its Conflict of Interest Code on a biennial basis.	Provide public transparency and accountability and comply with the Government Code	3	Admin
Date of Board Action: 2/19/15 Authorize the General Manager to release a Request for Qualifications for the procurement of a consultant to prepare an Asset Management Master Plan and Phase 1 Pilot Project.	Staff Progress: Complete Staff has prepared and posted a RFQ for a consultant to assist staff in preparing a plan that establishes the asset management long-term objectives and goals, in accordance with the District goals and objectives.	Develop an Asset Management Master Plan	3	033
Date of Board Action: 5/21/15 Award a professional services contract with GHD for the development of an Asset Management Master Plan and Phase 1 Pilot project, subject to approval of form by District Counsel, for the amount of $264,369, plus a 10 percent contingency for unforeseen conditions, not to exceed a total of $290,800.	Staff Progress: Plan is on-going Manage and work with consultant GHD to assist staff in preparing a plan that establishes the asset management long-term objectives and goals, in accordance with the District goals and objectives.	Develop an Asset Management Master Plan	3	033
Date of Board Action: n/a Maintain the District's Administrative Code	Staff Progress: On-going Update the District's Administrative Code document based on Board Action	Evaluate and streamline processes and procedures	3	Admin
Date of Board Action: n/a Manage all requests for public information in accordance with the California Public Records Act (CPRA)	Staff Progress: On-going Ensure accurate and timely responses to any and all for public information in accordance with the CPRA	Provide public transparency and accountability	3	Admin

*District Goal

1 - Provide safe and reliable groundwater
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4 - Advance groundwater awareness

EXTERNAL AFFAIRS COMMITTEE

Supported by: The External Affairs Department

The External Affairs Committee shall study, advise and make recommendations with regard to the following:

1. Proposals and recommendations concerning Local, Regional, State and Federal legislation, or amendments thereto, that may affect the District;
2. Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;
3. The effectiveness of legislative advocacy efforts;
4. The development and implementation of school education programs, including the expectations and goals for these programs;
5. The effectiveness of the District's external affairs programs and general communications efforts directed at member agencies and the general public; and
6. The selection of public information consultants and the scope of their assignments.

2013/14 Performance Metrics – External Affairs Committee

Board Action	Staff Performance Measure	Board Objective	District Goal	Project
Date of Board Action: 7/17/14 Contract with Treefox for a professional services agreement in the amount not to exceed $30,000.	Staff Progress: On-going District outreach program is on-going and the External Affairs Department continues to work with Treefox to produce different multimedia outreach ideas.	To utilize new and existing technology to further the District's outreach efforts	4	EAE
Date of Board Action: 10/16/14 Renew (1) the 2-year contract for federal legislative and advocacy support services with Pacific Atlantic Partners at a monthly retainer of $15,000 through December 31, 2016 (2) the 2-year contract for state legislative and advocacy support services with Reeb Government Relations LLC at a monthly retainer of $15,000 through December 31, 2016 and (3) the 2-year contract for county advocacy support services with Robert E. Bush Corporation at a monthly base rate of $3,000 with the ability to increase to $5,000 per month on an as needed basis through December 31, 2016.	Staff Progress: On-going The District's Legislative outreach at the Federal level is performed on a continual basis relating to federal legislation as well as grant funding and bond initiatives.	To maintain contact and to educate Federal legislators with the assistance of advocacy support services	4	EA/ Admin
Date of Board Action: 10/16/14 Authorize the General Manager to execute agreements for providing 50% matching funds not to exceed a total of $155,000, for the following conservation and education partnership programs: (1) Education Partnerships not to exceed $35,000; (2) Conservation Partnerships not to exceed $120,000.	Staff Progress: On-going Water Conservation is an important part of the District's on-going effort in maintaining a safe and reliable source of water for the Central and West Coast Basins. Partnering with agencies to work cooperatively helps leverage conservation program.	Promote Water Conservation	4	EAE & EAC

*District Goal

1 - Provide safe and reliable groundwater
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Date of Board Action: 10/16/14 Approve sponsorship of the Los Angeles County Liberty Community Plaza and Freedom Garden Community Center water conservation demonstration site, in partnership with Orchard Dale Water District and Suburban Water Systems, in the amount of $15,000.00 for fiscal year 2014/15. An amount not to exceed $20,000.00 will be budgeted for fiscal years 2015/16 through 2018/19.	Staff Progress: Complete The District had an opportunity to sponsor one of the largest water conservation demonstration site in the region. This opportunity fits well with WRD's mission to protect and manage the local groundwater today and for the future and a venue for the District to expand its Lillian Kawasaki ECO Gardener program	Promote Water Conservation	4	EAC
Date of Board Action: 10/16/14 Approve the following amendments, subject to approval of form by District Counsel: (1) Contract Amendment No. 2 with Dakota Communications extending the contract terms to June 30, 2015, for a continued reduced monthly amount of $15,000 and revised scope of work; and (2) No-cost contract amendments (Amendment No. 2) with CCE Consulting Group, Citrus Studio, and John Schwada, extending each contract term to June 30, 2015.	Staff Progress: Outreach is on-going	Develop and implement Community Outreach Program	4	033
Date of Board Action: 2/19/15 Authorize the District-wide sponsorship in the amount of $5,000 for the Water Education for Latino Leaders (WELL) Conference sponsorship.	Staff Progress: Complete The District's regional sponsorship program is on-going in promoting water conservation program.	Promote Water Conservation	4	EAC
Date of Board Action: 3/5/15 Authorize the placement and use of the rebranded logos for WRD, WIN and GRIP.	Staff Progress: Complete WRD is seeking to develop uniformity and consistency among its specific logos which will be used in published and digital materials.	To be uniformity in all District programs	4	EA COMM
Date of Board Action: 5/21/15 Approve dues of $15,000 for FY 2015/16 membership in the Gateway Water Management Authority.	Staff Progress: Complete The Gateway Water Management Authority is an agency that provide opportunity to integrate and coordinate solutions for the region's water related issues.	Promote Water Conservation	4	EAC
Date of Board Action: 6/18/15 Approve the issuance of Request for Qualifications for web design services.	Staff Progress: Complete The District has an on-going responsibility to maintain open communications with the public through the web services. The District's web presence is in need of a comprehensive reorganization and modernization to meet current industry standards.	To create a new modern interface and consolidate into a single web site.	4	EAC
Date of Board Action: 6/18/15 Approve a one-time exemption to Administrative Code Sections 11.10 and 15.1 for the purpose of hosting the California Contract Cities Association Board of Directors Meeting on June 24, 2015.	Staff Progress: Complete The District's Administrative Code prohibits the consumption of alcohol on District premises, permit a one-time exemption to allow the consumption of alcoholic beverages for the sponsored events.	In compliance with WRD's Administration Code	4	EA COMM

FULL-TIME EQUIVALENT (FTE) AND LABOR ALLOCATION

The Water Replenishment District's financial accounting system allows expenses to be tracked by fund, project, task and subtask. This allows for flexibility when determining performance measures on a project-by-project basis. Part of this flexibility allows the District to allocate its labor costs very specifically. The following tables represent the 2015/16 Budgeted Summary of Personnel by Department and by Program along with the District's complete 2015/16 labor allocation for all employees. Transparency is the most important aspect to the District when reporting its financial information.

The definition of a full-time equivalent (FTE) is the number of working hours that represents one full-time employee during a fixed period of time, such as one fiscal year. FTE simplifies work measurement by converting work load hours into the number of people required to complete that work. FTE calculation is a two-step process that determines how many hours of work there are in a department and how many hours one full-time employee works. The total work load hours are then divided by the working hours of one employee. This calculates the number of full-time equivalents that are needed. FTE analysis is the method of measurement of current work activities with related time and cost measures. This helps the District understand the drivers of work load levels, organizational performance and productivity improvement opportunities.

2015/16 FTE by Program

Table 64 shows a detailed analysis of the number of full-time equivalents required by each of the District's projects, programs, or administrative support department. The table shows that the District's staffing on its various projects remain relatively stable. The only increase of note is due to increased efforts within the project and program areas, specifically relating to capital projects. Due to the lack of imported seasonal spreading water since May 2007 the district has been focusing on initiating its Water Independence Now (WIN) Program. The WIN Program requires additional effort within the various projects and programs that are focused on increasing the reliability of local water sources.

2015/16 Labor Allocation Worksheet

The annual labor allocation worksheet (Table 65) is designed to provide an accurate cost allocation of labor and overhead to each individual project, program, and administrative departments.

Table 64
Full Time Equivalents (FTE) by Program

Program Name	2011/12 Actual	2012/123 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget
Operations and Maintenance					
Leo J Vander Lans	0.88	0.41	0.40	0.78	0.66
Water Conservation	0.98	0.83	0.80	0.92	0.91
Robert Goldsworthy Desalter	0.21	0.34	0.25	0.22	0.16
Montebello Forebay Reclaimed Water	0.55	0.54	0.37	1.00	1.01
Groundwater Resources Planning	1.46	1.32	0.74	0.70	0.66
Water Quality Program	1.55	0.99	0.92	1.22	1.31
Title 22 Program	0.00	0.33	0.28	0.42	0.41
Geographic Information System	0.32	0.97	1.95	2.17	1.86
Regional GW Monitoring Program	1.99	2.21	2.20	2.40	2.25
Dominquez Barrier Recycled Wtr	0.44	0.43	0.43	0.73	0.55
Replenishment Program	0.66	0.83	0.77	1.00	0.91
Hydrogeology	1.50	1.71	1.51	0.80	1.05
Education & Outreach	2.54	2.55	2.65	3.95	4.00
Safe Drinking Water	0.03	0.08	0.00	0.12	0.11
GRIP	0.00	0.00	0.00	0.00	0.60
Total	**13.11**	**13.54**	**13.27**	**16.43**	**16.45**
Capital Projects					
Leo J Vander Lans	0.19	1.40	1.46	0.40	0.40
Robert Goldsworty Desalter	0.13	0.16	0.34	0.90	1.15
WRD Building	0.00	0.00	0.00	0.00	0.00
Groundwater Monitoring - New Wells	0.00	0.01	0.00	0.15	0.00
GRIP	0.59	1.01	1.36	3.02	2.85
Safe Drinking Water	0.17	0.00	0.00	0.00	0.00
Watermaster Services	0.00	0.00	0.10	0.00	1.50
LADWP Well Construction Program	0.00	0.00	0.00	0.00	0.10
Total	**1.08**	**2.58**	**3.26**	**4.47**	**6.00**
Finance/Admin/EA					
Finance/Admin/EA	16.16	16.30	15.88	12.30	10.35
General Manager					
General Manager	1.00	1.00	1.00	1.00	1.00
Grand Total	**31.35**	**33.42**	**33.41**	**34.20**	**33.80**

Table 65
15/16 Labor Allocation Worksheet—Administration

	Finance/ Admin/EA	GM	Board of Directors	Total
1005- General Manager				
General Manager		100%		100%
1000- Administration (4 Staff)				
Deputy Secretary	100%			100%
Senior Administrative Specialist	100%			100%
Administrative Specialist	100%			100%
Network Administrator	100%			100%
1040 - Finance (5 staff)				
Chief Financial Officer	75%			75%
Mgr of Admin & Finance	80%			80%
Sr Accountant	100%			100%
Sr. Accountant	100%			100%
Sr. Accounting	100%			100%
1050 - EA (6 Staff)				
Mgr of External Affairs - (Vacant)	80%			80%
Sr. Public Affairs Rep				0%
Public Affairs Rep				0%
Public Affairs Rep				0%
Public Affairs Rep				0%
Administrative Specialist - (Vacant)				0%
1030- Hydrogeology (8 Staff)				
Chief Hydrogeologist				0%
Sr. Engineer				0%
Sr. Hydrogeologist				0%
Hydrogeologist				0%
Hydrogeologist				0%
Water Quality Specialist				0%
Associate Hydrogeologist				0%
Assistant Hydrogeologist				0%
1030 - Engineering (9 Staff)				
Chief of Engineering and Planning	0%			0%
Senior Engineer				0%
Senior Engineer				0%
Associate Engineer				0%
Senior Analyst				0%
Sr. Gov't Affairs Rep - (Vacant)	100%			100%

Table 65 cont'd

15/16 Labor Allocation Worksheet—Operations and Maintenance

	Leo J Vander Lans Water Conservation	Robert Goldsworthy Desalter	Montebello Forebay Recycled Water	Groundwater Resources Planning	Water Quality Program	Title 22 Program	Geographic Information System (GIS)	Regional Groundwater Monitoring Program	Safe Drinking Water Program	Dominguez Gap Barrier Recycled Water	Replenishment Operations	Hydrogeology Program	GRIP	Education & Outreach	Total
1005- General Manager															
General Manager															**0%**
1000- Administration (4 Staff)															
Deputy Secretary															**0%**
Senior Administrative Specialist															**0%**
Administrative Specialist															**0%**
Network Administrator															**0%**
1040 - Finance (5 staff)															
Chief Financial Officer															**0%**
Mgr of Admin & Finance															**0%**
Sr Accountant															**0%**
Sr. Accountant															**0%**
Sr. Accounting															**0%**
1050 - EA (6 Staff)															**0%**
Mgr of External Affairs - (Vacant)															
Sr. Public Affairs Rep	5%														**15%**
Public Affairs Rep															**90%**
Public Affairs Rep	50%														**90%**
Public Affairs Rep	10%														**90%**
Administrative Specialist - (Vacant)															**90%**
1030- Hydrogeology (8 Staff)	20%														**100%**
Chief Hydrogeologist															
Sr. Engineer	0%	5%	10%		5%			10%		5%	15%	40%	5%		**95%**
Sr. Hydrogeologist	10%		20%		40%			5%		10%	5%		10%		**100%**
Hydrogeologist	0%	0%	10%		15%			5%		5%	40%	10%	5%		**90%**
Hydrogeologist	0%				5%			90%				5%			**100%**
Water Quality Specialist	25%							40%		25%		10%			**100%**
Associate Hydrogeologist	10%		10%		50%			5%		5%	5%	15%			**100%**
Assistant Hydrogeologist			35%					35%			15%	15%			**100%**
1030 - Engineering (9 Staff)	0%		10%		10%			35%		5%	10%	10%		20%	**100%**
Chief of Engineering and Planning															
Senior Engineer	1%	1%	1%	1%	1%	1%	1%	0%	1%	0%	1%	0%	0%		**15%**
Senior Engineer	10%	10%													**20%**
Associate Engineer	5%		5%												**10%**
Senior Analyst															
Sr. Gov't Affairs Rep - (Vacant)	5%				5%	40%			10%						**60%**
Data Specialist															
Senior Analyst	5%												40%		**50%**
Senior Analysis															
Sr. Gov't Affairs Rep															**0%**

Table 35 cont'd
15/16 Labor Allocation Worksheet—Capital Projects

	Goldsworthy Feasibility General	Goldworthy Feasibility Grant	2SDW-Maywood Mutual Water Co #3	GRIP Feasibility Study Grant	Water Master Services	LADWP Well Construction Program	Total	Grand Total
1005- General Manager								
General Manager							**0%**	**100%**
1000- Administration (4 Staff)								
Deputy Secretary							**0%**	**100%**
Senior Administrative Specialist							**0%**	**100%**
Administrative Specialist							**0%**	**100%**
Network Administrator							**0%**	**100%**
1040 - Finance (5 staff)								
Chief Financial Officer							**25%**	**100%**
Mgr of Admin & Finance							**20%**	**100%**
Sr Accountant							**0%**	**100%**
Sr. Accountant							**0%**	**100%**
Sr. Accounting							**0%**	**100%**
1050 - EA (6 Staff)							**0%**	**0%**
Mgr of External Affairs - (Vacant)								
Sr. Public Affairs Rep							**5%**	**100%**
Public Affairs Rep							**10%**	**100%**
Public Affairs Rep							**10%**	**100%**
Public Affairs Rep							**10%**	**100%**
Administrative Specialist - (Vacant)							**10%**	**100%**
1030- Hydrogeology (8 Staff)							**0%**	**100%**
Chief Hydrogeologist								
Sr. Engineer	0%						**5%**	**100%**
Sr. Hydrogeologist	10%						**0%**	**100%**
Hydrogeologist	0%						**10%**	**100%**
Hydrogeologist	0%						**0%**	**100%**
Water Quality Specialist	25%						**0%**	**100%**
Associate Hydrogeologist	10%						**0%**	**100%**
Assistant Hydrogeologist							**0%**	**100%**
1030 - Engineering (9 Staff)	0%						**0%**	**100%**
Chief of Engineering and Planning								
Senior Engineer	1%	0%	0%	0%	0%	**0%**	**85%**	**100%**
Senior Engineer	10%						**80%**	**100%**
Associate Engineer	5%						**90%**	**100%**
Senior Analyst								
Sr. Gov't Affairs Rep - (Vacant)	5%					10%	**40%**	**100%**
Data Specialist								
Senior Analyst							**50%**	**100%**
Senior Analysis								
Sr. Gov't Affairs Rep							**0%**	**100%**

RESOLUTION NO. 15-1004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA LEVYING A REPLENISHMENT ASSESSMENT ON THE PRODUCTION OF GROUNDWATER FROM THE GROUNDWATER SUPPLIES WITHIN THE DISTRICT DURING THE FISCAL YEAR COMMENCING JULY 1, 2015 AND ENDING ON JUNE 30, 2016 AS PROVIDED IN SECTION 60317 OF CALIFORNIA WATER CODE AND MAKING FINDINGS AND DETERMINATIONS REGARDING SAID ASSESSMENT IN ACCORDANCE WITH SECTIONS 60315 AND 60316 OF THE WATER CODE OF THE STATE OF CALIFORNIA

WHEREAS, the Board of Directors ("the Board") of the Water Replenishment District of Southern California ("the District") on January 15, 2015 in compliance with California Water Code § 60300, timely ordered an Engineering Survey and Report ("ESR") to be made regarding the groundwater supplies and groundwater quality issues within the District; and

WHEREAS, the ESR has been prepared pursuant to the Board's request and the ESR has been available for inspection by any interested party for the time required by law; and

WHEREAS, the Board, by Resolution No. 15-1002, has declared that funds shall be raised to purchase water for replenishment of groundwater supplies within the District during the ensuing fiscal year, 2015-2016, and to accomplish all acts reasonably necessary pursuant to said replenishment, including, but not limited to, the development and operation of capital projects, and that such funds shall be raised by a replenishment assessment as provided in Chapter 2 of Part 6 of the California Water Code, and further finding that the funds to be raised will benefit, directly or indirectly, all of the persons or real property and improvements within the District; and

WHEREAS, the Board, by Resolution No. 15-1002, has declared that funds shall be raised to remove contaminants from groundwater supplies and to exercise any other power under California Water Code § 60224, including, but not limited to, the development and operation of capital projects, and that such funds shall be raised by a replenishment assessment as provided in Chapter 2 of Part 6 of the California Water Code, and further finding that the funds so raised will benefit, directly or indirectly, all of the persons or real property and improvements within the District; and

WHEREAS, the District prepared a Cost of Service Report dated April 2, 2015, which has been made available to the public, describing the services the District anticipates performing in Fiscal Year 2015-2016, estimating the costs of providing those services, and calculating a Replenishment Assessment that ensures that those costs are spread amongst water producers in an equitable manner; and

WHEREAS, on April 2, 2015, as required by California Water Code § 60307, the Board opened a public hearing for the purpose of determining whether and to what extent the estimated cost of water replenishment programs and the estimated cost of water quality programs for the ensuing year shall be paid for by a replenishment assessment ; and

WHEREAS, notice of the April 2, 2015 hearing was published as required by law; and

WHEREAS, the April 2, 2015 hearing was continued to April 16, 2015, and was further continued to May 1, 2015 at which time the hearing was closed; and

WHEREAS, in addition to the public hearings on the Replenishment Assessment, the District also held budget workshops that were open to the public, where the District provided the public with information concerning its Fiscal Year 2015-2016 budget, which is directly related to the Replenishment Assessment; and

WHEREAS, in addition to the April 2, 2015 public hearing, on May 1, 2015 the Board also held a public hearing pursuant to Article XIII D, Section 6(a)(2) of the California Constitution regarding the proposed Replenishment Assessment; and

WHEREAS, all evidence and testimony relevant to the ESR and the Board's determination that such a Replenishment Assessment shall be levied was heard at these public hearings and at the budget workshops; and

WHEREAS, all other findings required by law have already been made, including, but not limited to, any findings required by California Water Code § 60231; and

WHEREAS, the Board voted at its May 1, 2015 public meeting to make the findings and resolutions set forth below.

NOW, THEREFORE, BE IT RESOLVED AND DECLARED BY THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AS FOLLOWS:

1. That said Board pursuant to § 60315 of the Water Code of the State of California finds as follows:

    a) The annual overdraft of the preceding water year, 2013-2014 was 149,000 acre-feet as provided in the 2015 ESR and any updates.

    b) The estimated annual overdraft for the current water year, 2014-2015 is 97,200 acre-feet as provided in the 2015 ESR and any updates.

c) The estimated annual overdraft for the ensuing water year, 2015-2016 is 98,800 acre-feet as provided in the 2015 ESR and any updates.

d) The accumulated overdraft as of the last day of the preceding water year was 819,600 acre-feet as provided in the 2015 ESR and any updates.

e) The estimated accumulated overdraft as of the last day of the current water year is 813,300 acre-feet as provided in the 2015 ESR and any updates.

f) The total production of groundwater from the groundwater supplies within the District during the preceding water year was 241,105 acre-feet as provided in the 2015 ESR and any updates.

g) The estimated total production of groundwater from groundwater supplies within the District for the current water year is 242,400 acre-feet as provided in the 2015 ESR and any updates.

h) The estimated total production of groundwater from the groundwater supplies within the District for the ensuing water year is 244,000 acre-feet as provided in the 2015 ESR and any updates.

i) In the preceding water year, because of the dry winter resulting in below normal replenishment water, groundwater levels in the WRD service area decreased on average 4 feet and 62,100 acre-feet were removed from storage. In the Montebello Forebay area alone, water levels fell on average 11 feet, but up to 25 feet in some areas near the spreading grounds. The 2015 ESR and any updates provide details of water levels and basin conditions

j) During the current water year, rainfall and stormwater recharge is below average and the State is in a condition of serious drought. Therefore, groundwater levels are expected to fall this year, especially in the Montebello Forebay area. The 2015 ESR and any updates provide details of water levels and basin conditions.

k) The quantity of water that should be purchased by the District for the replenishment of the groundwater supplies of the District during the ensuing water year is **103,300** acre-feet, which includes **71,000** acre-feet at the spreading grounds and **32,300** acre-feet at the seawater barrier wells. Details of the calculations for these amounts are presented in the 2015 Engineering Survey and Report and any updates, and on Board decisions at the May 1, 2015 public meeting.

l) The source and estimated cost of the water available for the replenishment described in Section (k) is presented in the 2015 ESR and any updates.

m) The estimated net costs of replenishing the groundwater supplies with the water so purchased are $42,126,000. The derivation of this amount is described in the 2015 ESR, the 2015 Cost of Service Report, and any updates to these documents, and on Board decisions at the May 1, 2015 public meeting. The estimated rate of the replenishment assessment required to fund these purchases based on the anticipated pumping in the ensuing year described in Section (h) is $172.66 per acre-foot of groundwater pumped.

The estimated additional costs to the District for its replenishment program costs, estimated capital costs, and other costs relating to accomplishing replenishment of the groundwater supplies, are $25,254,400. The estimated rate of the replenishment assessment required to fund these costs based on the anticipated pumping in the ensuing year described in Section (h) is $103.50 per acre-foot of groundwater pumped. A listing of the projects and programs and their intended objective – replenishment and/or clean water – is provided in the 2015 ESR and Cost of Service Reports, and any updates to these documents.

n) It is not anticipated that additional replenishment funds need to be raised in the ensuing year for future replenishment water that should be purchased in the ensuing year but cannot be purchased due to an anticipated unavailability of replenishment water in the ensuing year.

o) The estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year for the purposes of accomplishing replenishment activities (replenishment water plus replenishment projects and programs) is $276.16 per acre-foot.

p) Contaminants should be removed from groundwater supplies during the ensuing fiscal year pursuant to the District's projects and programs described in the 2015 ESR and any updates, the April 2, 2015 Cost of Service Report and any updates, the District's capital improvement program, and the District's draft annual budget document. The estimated costs to the District for the groundwater quality program for the 2015-2016 fiscal year are estimated at $5,190,600. The estimated additional rate of replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year for those purposes is $21.27 per acre-foot.

q) The programs for the removal of contaminants or other actions under Water Code § 60224 are multi-year programs.

r) The estimated amount of reserves on hand at the end of the fiscal year of 2015-2016 will not exceed the applicable limitations provided in Water Code Sections 60290 and 60291.

2. After accounting for other revenue, possible debt financing, or use of reserves, the estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year, 2015-2016, for the purpose of accomplishing such replenishment and water quality programs by the District is $283.00 per acre-foot of yearly groundwater production. After accounting for the use of an estimated $3,653,500 in other revenue, possible debt financing for capital improvement projects, and District reserve funds as necessary, said replenishment assessment will produce the approximate necessary funds to pay the following costs: $264.65 per acre-foot for the cost of purchasing water, financing capital improvement projects and other costs relating to accomplishing groundwater replenishment, and $17.81 per acre-foot for clean water programs. Of the $264.65 per acre-foot allocated to accomplishing groundwater replenishment, $42.58 per acre-foot is allocated to capital projects. Of the $17.81 per acre-foot allocated to clean water programs, $2.58 per acre-foot may be allocated to capital projects. General and administrative expenses of the District will be met on a pro tanto basis given each function's (replenishment and clean water) load factor on operations.

3. Prior to accounting for other revenue, possible debt financing, or use of reserves, the entire cost of purchasing water for replenishment for the ensuing fiscal year shall be paid for by the assessment identified in Section 2 above. The cost of removing contaminants from groundwater supplies and taking other actions authorized under Water Code § 60224 shall be paid for by the assessment identified in Section 2 above, from possible debt financing for capital improvement projects, and from reserve funds as necessary maintained in accordance with Water Code § 60290. The costs of those capital projects to be undertaken in the ensuing fiscal year, but for which no capital construction accounts have been established pursuant to Water Code § 60291, shall also be paid for by the reserve fund maintained in accordance with Water Code § 60290.

4. All of the estimated costs for the ensuing fiscal year for water replenishment programs and for groundwater quality programs by the District as found in Section 1 of this Resolution shall be paid for by a replenishment assessment levied pursuant to Water Code § 60317 and by the reserve fund maintained in accordance with Water Code § 60290. There is hereby levied on the production of groundwater from groundwater supplies within the District during the fiscal year commencing July 1, 2015, and ending June 30, 2016, a replenishment assessment in the amount of $283.00 per acre-foot produced during said fiscal year.

5. This Replenishment Assessment complies with the California Environmental Quality Act ("CEQA"), based on any one of the following grounds:

(a) That the District's groundwater replenishment program is exempt from CEQA pursuant to CEQA Guidelines §15261(a), in that it is an ongoing project commencing at a date such that an environmental impact report has not been required, and the 2015-2016 program is part of that ongoing project.

(b) Funds generated by the RA will be used for (1) operating expenses, (2) financial reserve needs, (3) purchasing or leasing supplies, equipment and materials, and (4) funds for capital projects necessary to maintain service within existing service areas. That Finding is based on documents and information provided in the record of these proceedings, including but not limited to the annual Engineering Survey Report, the 2015 Cost of Service Report, the proposed 2015-2016 budget, and the staff's written reports and PowerPoint presentations to the Board. Further, the funds raised by the RA will not be used to expand the area or territory in which the District provides services or to fund capital projects that would expand the District's service area or system. Accordingly, the District finds that its adoption of Resolution No. 13-956 is exempt from CEQA pursuant to, among other bases, CEQA Section 20180(b) (8) and CEQA Guidelines 15261 and 15273, and the Board directs staff to file an appropriate Notice of Exemption.

(c) Notwithstanding the exemptions cited above, an Environmental Impact Report ("EIR") for the District's groundwater replenishment program was previously prepared and that EIR and program have been approved by the District's Board. Subsequent to the preparation of that EIR, the District prepared and certified a number of Mitigated Negative Declarations and Negative Declarations for various water quality and water supply projects (collectively, the "NDs"). The District has examined the imposition of a water replenishment assessment for the 2015-2016 fiscal year to determine whether an additional environmental document must be prepared. Based on this examination, the 2015 Engineering Survey and Report and all other evidence in the administrative record of the District's proceedings herein, the District concludes that: (1) the imposition of a water replenishment assessment for the 2015-2016 fiscal year would not have any effects that were not examined in the EIR and NDs; (2) pursuant to CEQA Guidelines §15162, no new effects would occur and no new mitigation measures would be required; and (3) the imposition of a water replenishment assessment for the 2015-2016 fiscal year is within the scope of the groundwater replenishment program covered by the EIR and NDs and such activity is adequately described in said EIR, and no new environmental document is required.

6. The Replenishment Assessment will be imposed on persons and entities that extract groundwater from the Central Basin and West Coast Basin. Extraction of groundwater from those Basins is governed by court judgments entered in 1962 and 1965 pursuant to groundwater adjudication lawsuits. Those judgments

granted certain parties an allocation to pump water based on prescriptive water rights and not based on any aspect of ownership of land overlying either Basin. Accordingly, since the pumping rights granted by the Judgments were based on prescriptive water rights, the parties do not pump the groundwater pursuant to any tenancy or fee interest in the overlying land or any rights that attach as a result of a tenancy or fee interest in overlying land. Further, neither of the Judgments for the Central and West Coast Basins included a determination of the amount or extent to which any party to said Judgment may extract groundwater from said basin without exceeding the natural safe yield of said basin.

7. The Replenishment Assessment is a charge for water basin management services provided by the District to persons exercising an allocation of pumping groundwater from adjudicated basins per a privilege granted under the court judgments referenced above. These services, which include water replenishment and water quality services, benefit those charged. All persons receiving the services or benefitting from the services by exercising pumping allocations are subject to the Replenishment Assessment. Services are not provided to those who are not charged the Replenishment Assessment and do not benefit those who are not charged the Replenishment Assessment. The amount of the Replenishment Assessment does not exceed the District's reasonable costs to provide services, confer benefits and/or grant privileges as described in this paragraph. Consequently, the Replenishment is not a "tax" within the meaning of Article XIII C, Section 1(e) of the California Constitution.

8. The Los Angeles County Superior Court has made an interlocutory ruling (but has not entered a final judgment) that the Replenishment Assessment is a "property-related fee" subject to the requirements of Article XIII D, Section 6 of the California Constitution. The District disagrees with the Court's ruling and will appeal it when a final judgment is entered. Subject to the District's reservation of rights to challenge on appeal the Court's ruling, the Board makes the following findings:

   (a) Notice of the May 1, 2015 Public Hearing was mailed by the District to the holders of adjudicated pumping rights in the basins.

   (b) The purpose of this mailing was to ensure that every adjudicated pumping rights holder in the basins was kept informed of the Replenishment Assessment proposal.

   (c) Such notice contained all information required by Article XIII D, Section 6(a)(1) of the California Constitution.

   (d) Such notice was mailed not less than 45 days prior to May 1, 2015.

   (e) From the date such notice was mailed through the close of the public testimony portion of the May 1, 2015 Public Hearing, the District accepted written testimony and protests, all of which were entered into the record of

the Public Hearing and made available for inspection by the public and by members of the Board.

(f) At the May 1, 2015 Public Hearing, the Board considered all written testimony and protests and heard oral comments from all who wished to speak regarding the proposed Replenishment Assessment.

(g) The Board determines that written protests against the proposed Replenishment Assessment were not presented by a majority of adjudicated rights holders subject to the proposed Replenishment Assessment. The Board reaches this finding based on its examination of the protests.

(h) The purpose of the Replenishment Assessment is to fund the District's water basin management services. These services are a package of services that make high quality water available to those exercising adjudicated pumping rights, and consist of: monitoring the level and quality of groundwater in the basins; purchasing and producing water needed to replenish the basins; preventing seawater contamination of the groundwater supply; funding replenishment operations; and other activities that make the basins a reliable and low-cost source of safe, high-quality water. Every activity of the District is a part of the water basin management services.

(i) The rate of the Replenishment Assessment is such that proceeds of the Replenishment Assessment will not exceed the funds required to provide the water basin management services.

(j) Revenues derived from the Replenishment Assessment will not be used for any purpose other than providing water basin management services.

(k) The amount of the Replenishment Assessment imposed upon any parcel or person does not exceed the proportional cost of water basin management services attributable to that parcel or person.

(l) No Replenishment Assessment is imposed upon any person who neither actually uses water basin management services nor has water basin management services immediately available to them.

(m) Water basin management services are not a "general government service" that is available to the general public.

(n) The Board finds that the memorandum dated April 2, 2015 from Robb Whitaker to the Board regarding "Cost of Service Report - Supplemental Information" (which is incorporated herein by reference) is true and correct.

(o) The Board notes that, in addition to replenishment assessment proceeds, the District receives an allocation of ad valorem property tax revenues. Such revenues are not subject to the requirements of Article XIII D of the Constitution. It is the intent of the Board that the District's Grants and Sponsorship Program, memberships and dues, water education expenses, and other community programs, be funded from these property tax revenues.

[RECORD OF THE VOTE AND SIGNATURES ON FOLLOWING PAGE]

PASSED, APPROVED AND ADOPTED THIS 1st day of May 2015 by the following vote:

AYES: 4
NOES: 0
ABSENT: 1
ABSTAIN: 0

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Sergio Calderon, President

ATTEST:

Robert Katherman, Secretary

May 1, 2015
DATE

APPROVED AS TO FORM:

H. Francisco Leal
District Counsel

Table 1

GROUNDWATER CONDITIONS AND REPLENISHMENT SUMMARY

	WATER YEAR Oct 1 - Sep 30		
	2013-2014	*2014-2015* [a]	*2015-2016* [a]
Total Groundwater Production	241,105 AF	242,400 AF	244,000 AF
Annual Overdraft	(149,000) AF	(97,200) AF	(98,800) AF
Accumulated Overdraft	(819,600) AF	(813,300) AF	

Quantity Required for Artificial Replenishment for the Ensuing Year

Spreading			
	Imported for Spreading in Montebello Forebay	16,000	AF
	Recycled for Spreading in Montebello Forebay	55,000	
	Subtotal Spreading	71,000	
Injection			
	Alamitos Seawater Barrier Imported Water (WRD side only)	500	
	Alamitos Seawater Barrier Recycled Water (WRD side only)	4,800	
	Dominguez Gap Seawater Barrier Imported Water	2,400	
	Dominguez Barrier Seawater Barrer Recycled Water	5,600	
	West Coast Seawater Barrier Imported Water	4,700	
	West Coast Seawater Barrier Recycled Water	14,300	
	Subtotal Injection	32,300	
In-lieu[b]	Subtotal In-lieu	-	
	Total	**103,300**	AF

(a) Estimated values

(b) In-Lieu Program currently not established for ensuing year

Table 2

QUANTITY AND COST OF REPLENISHMENT WATER FOR THE ENSUING WATER YEAR

Summary - All Water

Item	Quantity (AF)	Total Cost
Spreading - Tier 1 Untreated Imported	16,000	$ 11,898,400
Spreading - Recycled	55,000	$ 3,485,000
Alamitos Barrier - Imported	500	$ 586,220
Alamitos Barrier - Recycled	4,800	$ 504,000
Dominguez Barrier - Imported	2,400	$ 3,041,923
Dominguez Barrier - Recycled	5,600	$ 5,101,600
West Coast Barrier - Imported	4,700	$ 6,253,352
West Coast Barrier - Recycled	14,300	$ 11,258,100
In-Lieu MWD Member	0	$ -
In-Lieu WBMWD Customer	0	$ -
TOTAL	**103,300**	**$ 42,128,595**

Detailed Breakout of Water Costs and Surcharges to WRD

Item	Quantity	Oct-Dec	Jan-Jun	Jul-Sep	Melded	Total
Imported Water						
CBMWD						
MWD Untreated Tier 1 - Spreading ($/af)	16,000	$ 582	$ 594	$ 594	$ 591	$ 9,456,000
MWD RTS ($/af)	16,000	$ 51	$ 51	$ 54	$ 52	$ 832,000
CBMWD Administrative Surcharge ($/af)	16,000	$ 95	$ 95	$ 100	$ 96	$ 1,536,000
CBMWD Water Service Charge ($/month)	N/A	$ 6,200	$ 6,200	$ 6,200	$ 6,200	$ 74,400
Total to CBMWD						**$ 11,898,400**
LBWD						
MWD Treated Tier 1 - Alamitos Barrier ($/af)	500	$ 923	$ 942	$ 942	$ 937	$ 468,500
MWD Capacity Charge ($/cfs/month)	5.0	$ 925	$ 908	$ 908	$ 912	$ 54,720
LBWD RTS ($/af)	500	$ 113	$ 113	$ 119	$ 115	$ 60,500
LBWD Administrative Surcharge ($/af)	500	$ 5	$ 5	$ 5	$ 5	$ 2,500
Total to LBWD						**$ 586,220**
WBMWD						
MWD Treated Tier 1-DG/WC Barriers ($/af)	7,100	$ 923	$ 942	$ 942	$ 937	$ 6,652,700
MWD RTS ($/af)	7,100	$ 112	$ 112	$ 112	$ 112	$ 795,200
MWD Capacity Charge ($/cfs/month)	46.8	$ 733	$ 718	$ 718	$ 722	$ 405,475
WBMWD Administrative Surcharge ($/af)	7,100	$ 186	$ 186	$ 205	$ 191	$ 1,356,100
WBMWD Water Service Charge ($/cfs/month)	130	$ 54	$ 54	$ 57	$ 55	$ 85,800
Total to West Basin MWD						**$ 9,295,275**
IN-LIEU						
MWD Member Agency ($/af)	0	-	-	-		No IL Program
WBMWD Member Agency ($/af)	0	-	-	-		No IL Program
Total for In-Lieu Payments						**$ -**
Recycled Water						
LADWP						
Recycled Water for Dominguez Barrier ($/af)	5,600	$ 900	$ 900	$ 945	$ 911	$ 5,101,600
Total to LADWP						**$ 5,101,600**
SDLAC						
Tertiary Water - WN, SJC, Pomona ($/af) ≤50k	50,000	$ 40	$ 40	$ 45	$ 41	$ 2,050,000
Tertiary Water - WN, SJC, Pomona ($/af) >50k	5,000	$ 284	$ 284	$ 294	$ 287	$ 1,435,000
Total to SDLAC						**$ 3,485,000**
WBMWD						
WBMWD Recycled Water Rate (S/af) ≤4,500	4,500	$ 1,160	$ 1,160	$ 1,196	$ 1,169	$ 5,260,500
WBMWD Recycled Water Rate (S/af) 4,500+	9,800	$ 607	$ 607	$ 628	$ 612	$ 5,997,600
Total to WBMWD						**$ 11,258,100**
LBWD						
Source Water for Vander Lans Plant ($/af)	4,800	$ 104	$ 104	$ 108	$ 105	$ 504,000
Total to WRD						**$ 504,000**
TOTAL	**103,300**					**$ 42,128,595**

Table 3

WRD PROJECTS AND PROGRAMS

PROJECT / PROGRAM		DISTRICT FUNCTION	
		Replenishment	Clean Water
001	Leo J. Vander Lans Water Treatment Facility Project	100%	
002	Robert W. Goldsworthy Desalter Project		100%
004	Recycled Water Program	100%	
005	Groundwater Resources Planning Program	100%	
006	Groundwater Quality Program		100%
010	Geographic Information System	50%	50%
011	Regional Groundwater Monitoring Program	50%	50%
012	Safe Drinking Water Program		100%
018	Dominguez Gap Barrier Recycled Water Injection	100%	
023	Replenishment Operations (Spreading & Barriers)	100%	
025	Hydrogeology Program	50%	50%
033	Groundwater Resources Improvement Program (GRIP)	100%	0%
035	West Coast Seawater Barrier Monitoring Well Sampling	50%	50%
038	Engineering Program	100%	

Glossary of Terms

Acre-foot (af): The volume of water necessary to cover one acre to a depth of one foot, equal to 325,900 gallons. An acre-foot is the amount of water used by two households in one year.

Aquifer: The geologic formation of sand and gravel where groundwater is stored and can be easily pumped out by wells.

Condensation: Stage of the water cycle when water transforms from gas into a vapor and becomes a suspended in the atmosphere, visually represented by clouds.

Conservation: Not wasting, using something wisely

Contamination: An impurity in air, soil or water that can cause harm to human health or the environment.

Desalination: A process that converts seawater or brackish water to fresh water.

Discharge: To expel; water that naturally moves from an aquifer to a surface stream or lake.

Drought: An extended period of dry weather.

Evaporation: State of the water cycle when water transforms from a liquid into a gas.

Groundwater: Water under the ground's surface. It fills up the pore spaces (voids) between grains of gravel, sand, silt, or clay, and is a common source of water for drinking and irrigation.

Groundwater flow: The movement of groundwater beneath the earth's surface.

Hydrologic cycle: See "Water Cycle"

Imported water: Water that the WRD purchases from the Colorado River or Northern California to put into the groundwater basins to supplement insufficient local rainfall.

Irrigation: To supply water to crops, parks, golf courses and lawns.

Permeable: Any material that allows water to penetrate through.

Precipitation: Stage of the water cycle when water vapor molecules become too large and heavy to remain in the atmosphere and fall to the ground in the form of rain, snow, sleet, hail, etc.

Quality: To be at a high degree of excellence; something that is good or well done.

Recharge: To refill the groundwater basin by infiltrating rain water, imported water, or recycled water down into the aquifers.

Recycle: To produce a new item from an old item; to reuse parts of

Recycled Water: Water that has been collected after prior use, then highly treated at wastewater treatment plants so that it can be safely used again, such as for groundwater recharge.

Runoff: Water that does not become absorbed by the earth but flows across the surface of the land into a stream or lake.

Saturation zone: The area where water fills the spaces between soil, sand and rock underground.

Treatment: The process in which water is cleaned and purified.

Water Cycle: The never-ending movement of water through the atmosphere, ground and back again; also called the hydrologic cycle.

Water Table: The top of the saturation zone.

Well: A hole or shaft drilled into the earth to pump water to the surface.

Wheeling: Use of conveyance facilities by parties other than the owner.

WRD: The Water Replenishment District of Southern California, an agency responsible for managing two of the most utilized groundwater basins in Southern California . These basins, the Central and West Coast, extend 420 square-miles through southern Los Angeles County and are among the region's most reliable natural water resources.

List of Acronyms

ABAC	Audit and Budget Advisory Committee
ACWA/JPIA	Association of California Water Agencies/Joint Power Insurance Authority
AF	Acre-Feet (equivalent to 325,851 gallons)
AFY	Acre-Feet per Year
AOP	Advanced oxidation using hydrogen peroxide
ARC	Annual Required Contribution
AWTF	Advanced Water Treatment Facility
AWWARF	American Water Works Association Research Foundation
BAC	Budget Advisory Committee
BDOC	Biodegradable dissolved organic carbon
BMP	Best Management Practice
BOD	Board of Directors
CAFA	Comprehensive Annual Financial Audit
CAFR	Comprehensive Annual Financial Report
CASGEM	California Statewide Groundwater Elevation Monitoring
CBMWD	Central Basin Municipal Water District
CBWA	Central Basin Water Association
CBWCB	Central Basin and West Coast Basin
CCR	Consumer Confidence Report
CDIR	California Department of Industrial Relations
DGB	Dominguez Gap Barrier
CDPH	California Department of Public Health
CDPW	California Department of Public Works
CDWR	California Department of Water Resources
CEC	Constituents of Emerging Concern
CEQA	California Environmental Quality Act
CERBT	California Employers' Retiree Benefit Trust
CIS	Centralized Information System
CIP	Capital Improvement Program
CMMS	Computerized Maintenance Management System
COP	Certificates of Participation
CPR	Common Pool Resource
CPRA	California Public Records Act
CSDLAC	County Sanitation Districts of Los Angeles County
CSMFO	California Society of Municipal Finance Officers
CWH	Council for Watershed Health
CWS	California Water Service Company
CWSC	California Water Service Company
DAC	Disadvantaged Communities
DGB	Dominguez Gap Barrier
DTSC	California Department of Toxic Substances Control
DWR	Department of Water Resources
E-MFRES	Enhanced-Montebello Forebay Recharge Enhancement Study
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
ESR	Engineering Survey and Report
FDIC	Federal Deposit Insurance Corporation
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GLAC	Greater Los Angeles County
GPS	Global Positioning System
GRIP	Groundwater Reliability Improvement Program
GRRR	Groundwater Replenishment using Recycled Water Regulations
GSWC	Golden State Water Company
GWAM	Groundwater Augmentation Model
IRWMP	Integrated Regional Water Management Plan

IS/MND	Initial Study/Mitigated Negative Declaration
JLAC	Joint Legislative Audit Committee
LABOS	Los Angeles Bureau of Sanitation
LACDPW	Los Angeles County Department of Public Works (Flood Control)
LACFCD	Los Angeles County Flood Control District
LACSD	Los Angeles County Sanitation Districts
LADWP	City of Los Angeles Department of Water and Power
LAIF	Local Agency Investment Fund
LAMS4	Los Angeles County Municipal Stormwater Permit
LARWQCB	Los Angeles Regional Water Quality Control Board
LAX	Los Angeles International Airport
LBWD	City of Long Beach Water Department
LCP	Labor Compliance Program
LEED	Leadership in Energy & Environmental Design
LGCR	Local Government Compensation Report
LRP	Local Resources Program
LUST	Leaking Underground Storage Tank
MAR	Managed Aquifer Recharge
MF	Microfiltration
MFI	Modified Fouling Index
MFRES	Montebello Forebay Recharge Enhancement Study
MFSG	Montebello Forebay Spreading Grounds
MFSGOM	Montebello Forebay Spreading Grounds Operational Model
mgd	Million gallons per day
MISAC	Municipal Information Systems Association of California
MODFLOW	MODular three-dimensional finite-difference groundwater FLOW model
MOU	Memorandum of Understanding
MWD	Metropolitan Water District of Southern California
NEPA	National Environmental Policy Act
OCWD	Orange County Water District
OPEB	Other Post Employment Benefits
PEIR	Programmatic Environmental Impact Report
PLA	Project Labor Agreement
PPA	Projects, Programs, Administration
RA	Replenishment Assessment
RFP	Request for Proposal
RFQ	Request for Quote
RGMP	Regional Groundwater Monitoring Program
RHSG	Rio Hondo Spreading Grounds
RO	Reverse-osmosis
RTS	Readiness-to-Serve
RWQCB	LA California Regional Water Quality Control Board – Los Angeles
SAT	Soil Aquifer Treatment
SBPAT	Structural Best Management Practices Prioritization and Analysis Tool
SCADA	Supervisory Control and Data Acquisition
SCWC	Southern California Water Committee
SDLAC	Sanitation Districts of Los Angeles County
SDWP	Safe Drinking Water Program
SGCBSG	San Gabriel Coastal Basin Spreading Grounds
SGSG	San Gabriel Spreading Grounds
SJC	San Jose Creek
SJCWRP	San Jose Creek Water Reclamation Plant
SWRCB	State Water Resources Control Board
TAC	Technical Advisory Committee
TBD	To be determined

TDS	Total Dissolved Solids
TITP	Terminal Island Treatment Plant
TLKEGP	The Lillian Kawasaki ECO Gardener Program
TOC	Total organic compounds
UCMR	Unregulated Contaminant Monitoring Rule
USACE	U.S. Army Corps of Engineers
USBR	United States Bureau of Reclamation
USEPA	United States Environmental Protection Agency
USGS	United States Geological Survey
UV	Ultraviolet
VOC	Volatile organic compound
WAS	Water Augmentation Study
WBMWD	West Basin Municipal Water District
WBWA	West Basin Water Association
WEFTEC	Water Environment Federation Technical Exhibition and Conference
WIN	Water Independence Now Program
WN	Whittier Narrows
WPRSF	Water Purchase and Rate Stabilization Fund
WRD	Water Replenishment District of Southern California
WRP	Water Reclamation Plant
WRR	Water Reclamation Requirements
WRD	Cost of Service Report

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FIGURES

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