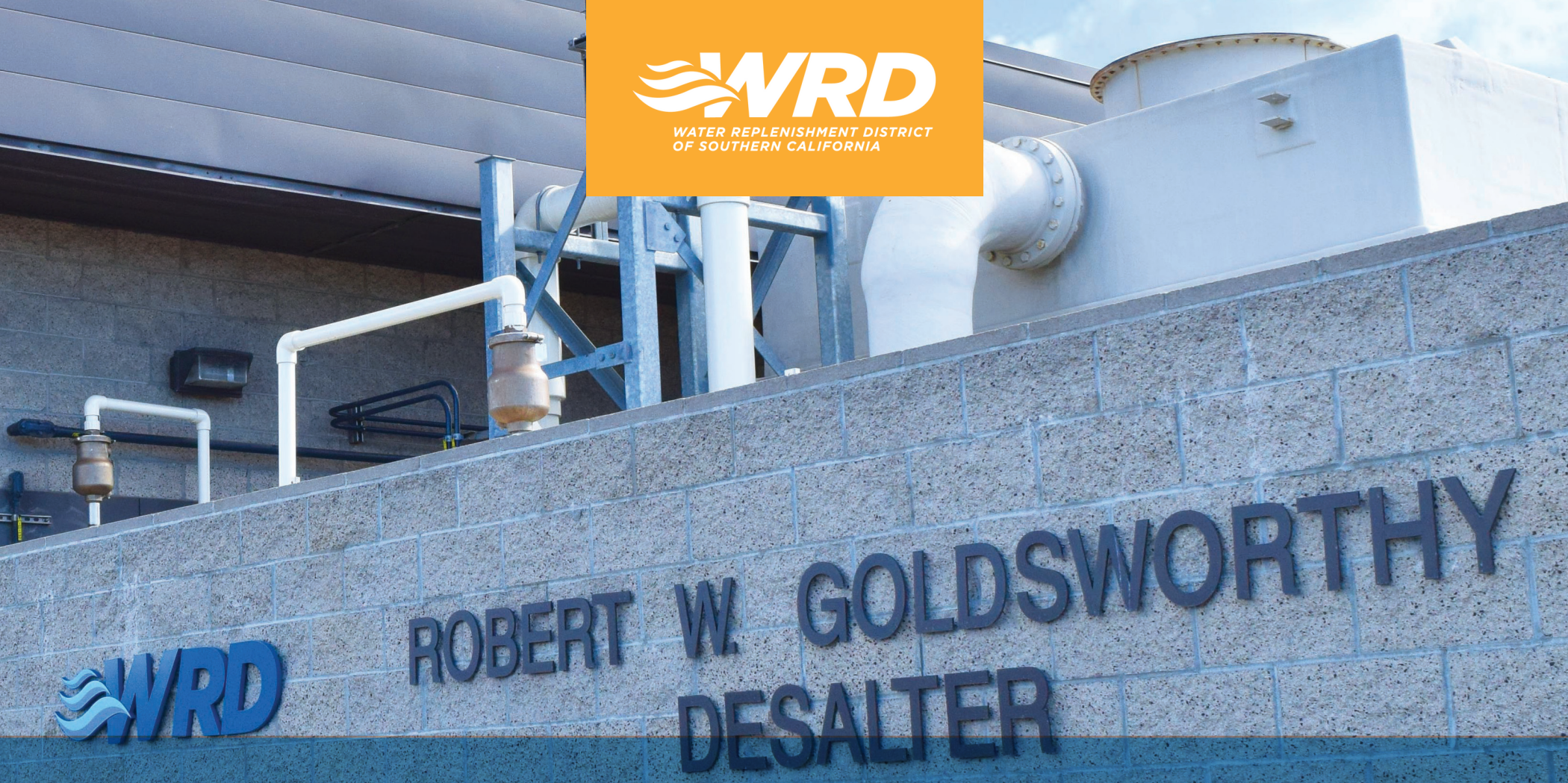
WRD

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA



Achievements in Water Independence

Fiscal Year 2025 Annual Budget

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Mission Statement, Board of Directors & Standing Committees

The District's mission statement is interpreted and directed by the District's policymaking and governing body, the Board of Directors, which represents the highest authority within the management structure of the District.

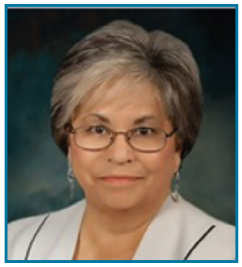
Board of Directors

Joy Langford
Division One

Robert Katherman
Division Two

John D.S. Allen
Division Three

Sergio Calderon
Division Four



Vera Robles Dewitt
Division Five

The five-member Board is elected by the voting public to serve four-year terms. Stated goals and objectives are accomplished through a committee structure that reports to the Board of Directors. Committees may delegate some of its authority to staff in the interest of efficiency, stability, and prudent management for completion of specific tasks.

Mission Statement

"To provide, protect and preserve safe and sustainable high-quality groundwater."

Standing Committees

The Board shall be organized into the following Standing Committees that are advisory to the Board with respect to matters within their respective areas of responsibility:

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

Administrative Committee

The Administrative Committee shall study, advise, and make recommendations regarding the following:

1. Administrative and personnel policies and procedures to be considered by the Board of Directors
2. 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 responsibilities
3. Periodic independent reviews and studies of the organization, classification of positions and related compensation ranges, some of which are outlined in the Memorandum of Understanding with the employees' bargaining unit

Capital Improvement Projects Committee

The Capital Improvement Projects Committee, composed of the five members of the Board, shall advise the Board of Directors on all capital improvement program-related projects and issues related to the same.

External Affairs Committee

The External Affairs Committee, composed of the five members of the Board, shall study, advise, and make recommendations regarding the following:

1. Proposals and recommendations concerning local, regional, state, and federal legislation, or amendments thereto, that may affect the District
2. Opportunities for Directors to assist in outreach activities, including but not limited to efforts to inform members of the Legislature or the Congress of the District's position regarding 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
6. The selection of public information consultants and the scope of their assignments

Finance/Audit Committee

The Treasurer of the Board must serve on the Finance/Audit Committee. The committee shall study, advise, and make recommendations regarding 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. The coordination of the annual budget process and monitoring the budget as necessary to ensure that the operations of the District are conducted pursuant to it
3. The District's investment policy and 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 conducted by the District's independent financial auditor

Groundwater Quality Committee

The Groundwater Quality Committee shall study, advise, and make recommendations regarding 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; and
4. The District's Capital Improvement Program as it relates to water quality projects

Water Resources Committee

The Water Resources Committee shall study, advise, and make recommendations regarding 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 the use, reuse, recycling, and underground storage of water
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. Input related to the District's Capital Improvement Program as it relates to replenishment water projects
7. Policies related to the District's conjunctive use efforts, including but not limited to the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA)

Board President's Report

Joy Langford
President

It was another exciting and productive year for WRD. Mother Nature helped with a second consecutive year of above average precipitation. Significant progress was made on our desalter expansion project, funding for which received a boost from a substantial grant from the U.S. Bureau of Reclamation. In contrast to many other water agencies throughout Southern California that are seeing double-digit increases in their water rates, WRD kept the increase in the Replenishment Assessment to just above 3% for the second year in a row. And we adopted our 2024-2026 Strategic Plan.

Outside Funding

Last year, WRD received a $15.4 million grant from the U.S. Bureau of Reclamation for the Albert Robles Center. At the time, it was the single largest grant WRD had ever received. This year, we were excited to top that amount with a WaterSmart grant from the Bureau of just over $25 million. The money will be used to expand our existing Torrance Groundwater Desalter facility to extract and treat a brackish groundwater plume underlying the city of Torrance.

We also received a grant of $535,000 from the Bonneville Environmental Foundation. That money will go toward the Leo Vander Lans Advanced Water Treatment Facility Inland Injection Well project. When complete, the project will store an average of 295 million gallons of water. Previously, WRD received a $1.5 million grant from the Bureau of Reclamation and a $1.5 million grant from Pepsico for the project.

Since 2022, WRD has received over $107 million in outside funding. Money received in grants means money saved on the Replenishment Assessment. We greatly appreciate and value the funding support we have received from our federal, state, regional, and private partners.

Groundwater Desalter Expansion

As noted, the recent Bureau grant goes toward expanding the Torrance Groundwater Desalter, a signature project in WRD's capital portfolio. A large saline plume located under the South Bay is the result of over pumping of groundwater going back to the early 1900s. Taking more water out of the basin than could be naturally replenished caused seawater to intrude into the groundwater basin where it mixed with freshwater, making the groundwater too salty to be used. By treating the saline plume, we create a new potable water supply, create more storage space for freshwater supplies, and increase the use of groundwater for the region. By increasing an area's

reliance on a sustainable groundwater supply, we contribute to regional independence from imported water, the goal of WRD's WIN 4 All program. The project is designed to extract and purify 7,100 acre-feet per year, or 10 million gallons per day, of salty groundwater.

This year, the WRD board took several steps to get the project underway. We certified final environmental documents for it, hired a team to work on a progressive design-build basis, brought on a construction manager, and engaged a labor compliance firm. Work has begun on the design of different project elements. Construction in earnest is expected to start in mid-2025 with operation to begin in early 2027.

2024-25 Replenishment Assessment Remains Low

For all kinds of reasons, including rising rates for imported water from the Metropolitan Water District, double-digit rate increases have been adopted in recent months by many water agencies throughout Southern California. The Replenishment Assessment (RA) is WRD's "water rate" in the sense that we impose a fee on each acre-foot pumped out of the ground to fund our operations.

We have kept increases in the RA to 3.1% last year and 3.3% this year. One of the reasons is that we do not buy expensive imported water to replenish the groundwater basin and haven't for the last five years. Another is that we benefit from the largesse of Mother Nature when we capture free stormwater for groundwater recharge. And yet another is that we buy large volumes of recycled water from the LA County Sanitation Districts at very attractive rates (under $90 per acre-foot).

The RA for this fiscal year is $437 per acre-foot, roughly 20% to 30% of the base rate charged by MWD member agencies for imported water in our service area. As has been true for many years, groundwater remains the best water supply bargain in town!

The RA supports a budget of $105.5 million, just $2 million more than last year.

Strategic Plan Update

Every two years, our board revisits the district's Strategic Plan to refine the goals, strategies, and objectives that will guide the implementation of our mission, vision, and values for the ensuing two years. The adopted 2024-2026 Strategic Plan has five goals, 17 strategies, and 41 objectives, all explicitly defined. Unchanged is our mission "to provide, protect, and preserve safe and sustainable groundwater," and our vision of "utilizing groundwater aquifers to create a locally sustainable water supply for the Los Angeles Basin region." An addition to the Plan this year is WRD's Core Operating Principles, which include:

1. Planning to implement climate resilient programs and projects
2. A commitment to recruiting and retaining a talented and diverse workforce
3. Routinely updating our five-year Capital Improvements Plan to maintain groundwater infrastructure

4. Assuring groundwater reliability
5. Maintaining a strong financial standing
6. Maximizing Stakeholder and community engagement

The 2024-2026 Strategic Plan is available on our website at www.wrd.org.

Appreciation

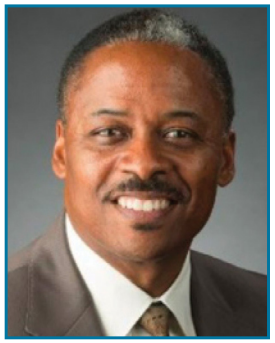
Earlier this year, it was my great honor to be elected President of the Board of Directors by my colleagues. It is a personal and professional pleasure to work with such talented people to carry out the mission of our district. I thank each of them for the privilege.

I also want to thank our General Manager Stephan Tucker for the expertise and dedication he and his staff have given to the many challenges running this agency entails. They are simply the best at what they do.

And I want to express appreciation to the pumper community for the remarkable job they do every day to bring safe, clean water to the nearly 4 million people we jointly serve. And special thanks go to pumpers on the Technical Advisory Committee and Budget Advisory Committee for their valued assistance and recommendations on the district's capital improvements plan and budget.

Joy Langford
President

General Manager's Report



Stephan Tucker
General Manager

Wet Weather Returns

Just two years ago California was suffering its most acute drought in more than 1200 years. State reservoirs were nearing rock bottom. Lake Mead was at its lowest level since Hoover Dam was built. Mandatory water cutbacks of up to 35% were in effect in portions of Southern California and voluntary curtailments of 20% were in effect everywhere else.

In December 2022, the first of what would be 14 atmospheric rivers over a three-month period barreled into California. Precipitation and snowpack reached historic levels. Reservoirs reached capacity. Dry lake beds in the Central Valley became navigable. Lake Mead rose by 20 feet. A water shortage quickly became a water surplus. In Southern California, available supply exceeded available capacity to store it.

In the summer of 2023, climatologists were predicting a return of El Nino with its higher temperatures and lower precipitation. Water managers were preparing for drought. What we got instead was Hurricane Hilary in August, with record amounts of daily rainfall in parts of Southern California. And then at the beginning of this year we were hit with two 1,000-year storms. For just the second time in over 30 years, we had two consecutive years of above average precipitation in WRD's service area.

Since the beginning of the water year in October, we have received 23 inches of rain, 153% of average. The county captured 117,489 acre-feet of stormwater in the spreading grounds, 210% of the historic annual average. All of this is very good news for WRD and the pumper community. Groundwater levels are up, the accumulated overdraft is down. The condition of the basins is in better shape today than at any time in our 65-year history.

Just as important as a generous Mother Nature is to our replenishment supply is the suite of programs and projects, we have developed over the years to become independent of an imported water supply that is increasingly vulnerable in times of drought. Those programs and projects position us well to survive a multi-year drought, which given the vagaries of climate change, most assuredly will return.

A Climate Adaptation Master Plan for WRD

Climate scientists and our own experiences in recent years tell us that our wet years are getting wetter and our dry years drier. Long-held water planning assumptions about "normal" precipitation and snowpack and the reliability of imported water supply from Northern California and the

Colorado River simply don't work anymore. Water agencies up and down the state, but especially in Southern California, are rethinking these assumptions and are developing "climate adaptation master plans" that consider local supply alternatives to increasingly vulnerable imported supply.

When it comes to climate adaptation, even before "climate change" was in the popular vocabulary, WRD created a template for the region. For most of our history, we relied on imported water, and lots of it, to meet most of our replenishment needs. There were years when we bought more imported water for replenishment than all the MWD member agencies in our service area bought for direct use.

Beginning in the 1980s, however, we noticed that constraints on imported supply led to curtailments of replenishment water and precipitous increases in how much we had to pay for it. That trend worsened in the 1990s. In 1998-99, for the first time ever, imported water for replenishment was not available at any cost. While WRD had always benefited from stormwater capture and modest volumes of recycled water, our single largest source had become unreliable. To adapt to the changing reality, we had to develop a more sustainable local supply.

In 2004, WRD fully embraced the Water Independence Now (WIN) initiative, a suite of programs and projects to eliminate the use of imported water to meet our replenishment needs. Fifteen years later, the Albert Robles Center began delivering advanced treated recycled water to the spreading grounds, completing the WIN initiative.

We have now turned our attention to what we call WIN 4 All, an initiative to reduce our service area's reliance on imported water and to maximize the use of groundwater that is sustainably replenished with local supply. The Torrance Desalter Expansion project, now underway, is a key part of that initiative.

Twenty years ago, WRD adopted what would now be called a climate adaptation master plan. By any name, it's a template for climate resilience and self-reliance.

Recycled Water Rate Savings

Since 1962, WRD has purchased recycled water from the LA County Sanitation Districts (LACSD) for groundwater replenishment in the Montebello Forebay Spreading Grounds. More recently we began buying feedwater from LACSD for the Albert Robles Center's advanced water treatment facility (ARC). We have operated under two separate recycled water allotments (up to 50,000 acre-feet per year for tertiary recharge and up to 25,000 acre-feet per year for feedwater to ARC). Over the past few years, we worked closely with LACSD to revise the agreement to provide a single allotment of up to 73,000 acre-feet per year and to revise the pricing calculations to kick in over a 10-year transition period.

The net effect of the amended agreement is that WRD realized a cost savings of $1.5 million in 2023-24 and anticipates potential savings over the next decade of more than $10 million. Since recycled water from the LACSD is the single largest supply of water we buy, this is good news for the Replenishment Assessment and for the pumpers who pay it.

DEI Update

Shortly after I became WRD's General Manager, I initiated a Gender and Racial Equity Organizational Assessment. The results of that assessment led the board to hire the district's first diversity, equity, and inclusion (DEI) staff member, brought on consultants to train the board, management and staff on DEI principles, and revised the district's promotion policy.

The goal is to embed DEI principles and practices into the organizational culture of the district, and I am pleased to report progress on that front. In addition to continuing training of district management and staff, the board devoted an entire meeting to training directors. And recently the board approved contracts with expert consultants for even more in-depth DEI leadership training for the board, management, and staff of the district.

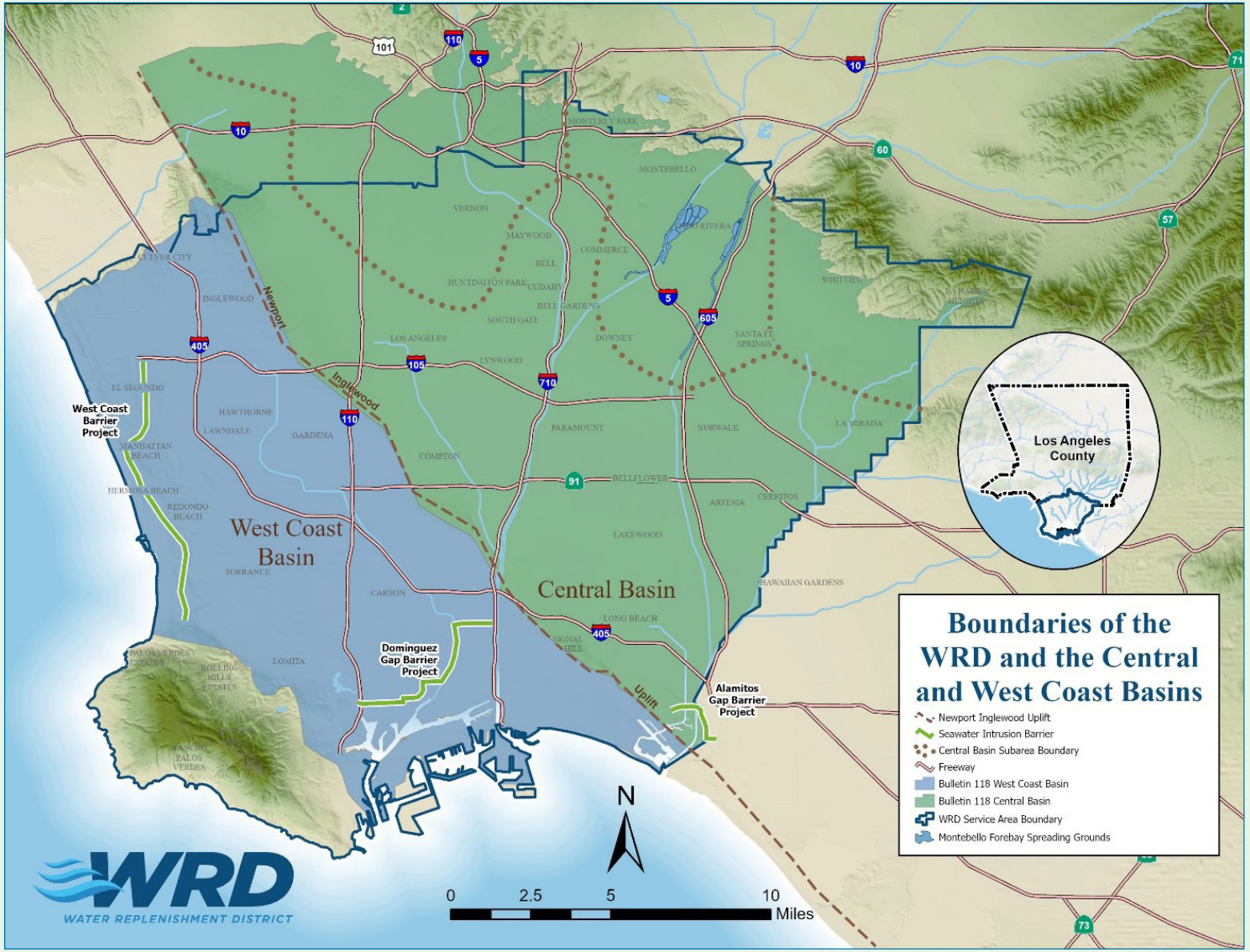
Thanks!

As General Manager of WRD for more than three years, it has been my good fortune to work with an engaged, knowledgeable, and forward-thinking board on policies, programs, and projects that will meet our groundwater needs well into the future. It has also been a delight to work with such an extraordinarily capable staff to implement the board's directions in service to the water needs of our 4 million constituents.

My thanks to the board and staff for another exceptionally productive year!

Stephan Tucker
General Manager

Water Replenishment District Service Area



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About the Water Replenishment District

The Water Replenishment District of Southern California (WRD) is a special water district that was established in 1959 by popular vote to counteract the effects of over pumping of groundwater from the Central and West Coast Groundwater Basins in Los Angeles County.

WRD is the only replenishment district in California operating under the provisions of the California Water Code, Section 60000 et seq., which specifically governs water replenishment district. The District manages the two major groundwater basins which provide groundwater for approximately four million residents in 43 cities of southern Los Angeles County.

Prior to the formation of the District, over-pumping of the two groundwater basins caused overdraft, and many wells went dry and seawater intruded into the groundwater aquifers – underground geological formations that store water. In 1957, the accumulated overdraft in the Central Basin was almost one million acre-feet, which translates to a tremendous withdrawal of water from aquifers in excess of the amount of water that naturally, or artificially, replaces it. In both basins, groundwater levels had dropped to below sea level.

In 1959, the Central Basin Water Association and West Basin Water Association, 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. Today the basins have recovered, are in balance, and independent of imported water for groundwater replenishment, using only recycled water and stormwater for recharge.

The District's mission is "to provide, protect and preserve safe and sustainable high-quality groundwater". The District accomplishes this through its various programs and projects to ensure a reliable supply of high-quality groundwater. In addition, the District's role has expanded as it developed programs to capture stormwater, recharge recycled wastewater, monitor water quality and build advanced water treatment plants to ensure safe and reliable groundwater supplies.

Local Economy

Like much of the world, the Los Angeles region has witnessed a tumultuous few years. After an extended period of strong and steady economic growth through the late 2010s, Los Angeles was hit with the COVID-19 pandemic in 2020 and the sharp economic dislocations that ensued. Los Angeles County saw a 5.0 percent contraction in real gross county product (GCP) and severe job losses, with total employment falling by 8.6 percent. It saw an exodus of workers from the urban core, tourism grind to a halt, and extended shortages of goods from supply chain disruptions.

Los Angeles was on the path to economic recovery in 2021 and 2022 when it faced a new scourge: inflation. In response to the pandemic, the federal government injected roughly $5 trillion into the national economy through assistance to families, businesses, states and other programmatic spending. This massive fiscal stimulus, ongoing supply chain difficulties, and the Russian invasion of Ukraine drove inflation to levels not seen since the early 1980s. While Angelenos did receive a share of this federal assistance, they also encountered much higher prices for everyday goods and services. Moreover, as the Federal Reserve rapidly hiked interest rates to slow the economy and rein in inflation, the region also experienced higher costs for mortgages, automobile loans, credit cards and business loans.

The Los Angeles region weathered these storms. By the end of 2022, the Los Angeles economy had recovered the number of jobs lost during the pandemic. Moreover, inflation had subsided by the end of 2023, and the Federal Reserve had paused its rate hikes, easing fears that the country would tip into recession.

However, Los Angeles did not emerge unscathed. Income inequality, as measured by the ratio of the mean income for the top 20 percent of earners over the mean income for the bottom 20 percent of earners, continued to widen in Los Angeles County after seeing some positive progress prior to the pandemic. Additionally, there were fewer employees in the County by the middle of 2023 than in the middle of 2022, and the number of business establishments appears to have flat-lined. By one measure, Los Angeles County is nearly 200,000 jobs below where it should be based on pre-pandemic trends.

In early 2024, this is the situation in which Los Angeles finds itself. As the COVID-19 pandemic and inflation fade into the distance, old and persistent challenges are reemerging to take center stage. How the Los Angeles region collectively addresses these challenges—and positions itself to take advantage of the opportunities that arise from these challenges— will shape the trajectory, equity and resilience of the regional economy into the future. The challenges that Los Angeles faces are numerous and intertwined and all cannot be addressed in these pages. Three primary challenges stand out, though, namely regional population decline, housing affordability, and the cost of doing business.

Population decline is not just a Los Angeles phenomenon. The largest cities across California have seen population losses since 2018, ranging from -3.4 percent in San Diego to -8.3 percent in San Jose. U-Haul recently noted in its U-Haul Growth Index that across all 50 states, California saw the largest net loss of one-way movers for the fourth year in a row.

However, there are dire implications for the health of the Los Angeles economy unless this regional population decline is checked. A population loss suggests a smaller regional labor force, which is illustrated by projections from S&P Global Market Intelligence. It also suggests fewer high-income earners and, as a result, a loss of entrepreneurialism, investment dollars and tax revenue. Of particular note is that in 2021 and 2022, California experienced a net loss of 75,000 college graduates, which has not happened before. The potential end result of population decline, then, is stagnating economic growth.

This result can quickly lead to a downward spiral: a smaller consumer base leads to reduced demand and lower tax revenues; the tax revenues that are generated are no longer sufficient to cover the expense of government services; and the government raises taxes in response, further incentivizing residents to leave and stifling economic growth as well.

In general, the factors behind regional population decline are many, ranging from the high cost of housing to demographic birth and death trends to high regulations and taxes to reduced immigration. Through increased capital investment and innovation, though, the Los Angeles region could spur economic growth even with a declining population.

An example of such investment and innovation is the State of California's decision to spend $200 million to help UCLA acquire the former Westside Pavilion shopping mall in West Los Angeles to house the UCLA Research Park, including the California Institute for Immunology and Immunotherapy (CIII) and UCLA's. Center for Quantum Science and Engineering. The State also intends to invest another $300 million to establish and fund the CIII. These centers and the possibility for breakthrough discoveries have the potential to enhance the local and state economies into the future.

Therein lies the opportunity to reverse the current situation. Through policies and other actions that reduce the cost of living and increase the quality of life in the region, policymakers could create the conditions necessary to attract more local investment and entrepreneurial activity. Moreover, in the process, they could even convince more residents to stay.

Housing affordability is a significant challenge in the Los Angeles region. Data from the California Association of Realtors (CAR) show that as of the third quarter of 2023, only 11 percent of households in Los Angeles County can afford to purchase a median-priced, single-family home here. This is down from 31 percent just 10 years earlier. While California and the nation saw similar downward trends over that time, they still fared better than Los Angeles. Currently, 15 percent and 34 percent of households can afford a median-priced, single-family home in California and nationally, respectively. This lack of affordability hits Black and Latino communities particularly hard. In 2022, CAR statistics showed that while 17 percent of all households could afford a median-priced home in Los Angeles County, only 9 percent of Black and 10 percent of Latino households could. For Non-Hispanic White and Asian households, the numbers were higher at 25 percent and 22 percent, respectively. Renters are not immune from these effects either. The latest numbers from the U.S. Census Bureau indicate that a majority of renters in Los Angeles County (55.3 percent) are rent-burdened, meaning they pay more than 30 percent of their household income in rent and nearly 30 percent are severely rent-burdened, paying more than 50 percent of their household income.

Housing affordability also contributes to the severe homelessness situation in the Los Angeles region. Los Angeles County in 2023 saw an estimated 75,518 people experience homelessness on any given night, a 9 percent increase compared to 2022, and the City of Los Angeles saw an estimated 46,260 people experiencing homelessness, a 10 percent increase. According to a recent PPIC survey, 75 percent of Los Angeles residents say that housing

affordability is a big problem in the region, while 74 percent of area residents say homelessness is a big problem.

The worsening housing affordability has been caused primarily by persistently increasing housing prices in the region. The median listing price has been generally moving upward over the past five years in Los Angeles County, but it spiked in 2023, jumping by more than $200,000 from January to May. The median listing price subsided towards the latter half of that year but remained above $1 million Continued high housing prices imperil the quality of life of area residents. Paying more than 30 percent of household income makes it difficult to purchase necessities, for example, to save for college or retirement or build a rainy-day fund. It also threatens the region's economic growth, as companies are forced to pay more to attract and retain talent than their competitors in other parts of the country.

There are a number of factors that have combined to drive housing prices higher in Los Angeles. The primary culprit is an insufficient supply of housing. According to the California Department of Housing and Community Development, housing production statewide averaged less than 80,000 new homes each year, below the projected need of 180,000 homes annually. For the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA), the number of private housing units authorized for construction has reached 35,000 units only once since 2012, and last year fell to 28,700 units.

The COVID-19 pandemic also played a role. The work from-home orders pushed Angelenos to secure more housing away from central business districts in the County, either as second homes or as more spacious primary residences.

Additionally, the Federal Reserve exacerbated the situation through its efforts to rein in inflation. As the Fed raised interest rates to slow the economy, mortgage interest rates rose accordingly. Nationally, a 30-year fixed mortgage rose from a monthly average of 2.7 percent in December 2020 to 7.6 percent by October 2023. This rise helped constrain the housing supply on the market, as many would-be sellers with low-interest rates opted to retain those mortgages rather than acquire new, more costly ones.

The Los Angeles region needs to markedly increase the local housing supply to help moderate prices and increase affordability. Its opportunity in facing this challenge is to employ innovative approaches to develop new housing at scale. These range from regulations encouraging faster accessory dwelling unit (ADU) development to financing more adaptive reuse, particularly in underused downtown areas. They also include reducing potential barriers to increased housing development, such as the setting of impact fees; based on a 2015 survey, the average impact fee on a single-family home in California is more than four times that in other states.

Cost of Doing Business - The difficulties people have in opening and operating a business in a region have straightforward implications for economic growth there. Moreover, the Los Angeles region is one of the most expensive places to do business. S&P Global Market Intelligence compared the Los Angeles-Long Beach-Anaheim MSA to 380 other metropolitan areas through its Metro Business Cost Index (BCI) and found that in 2023, Los Angeles had the sixth highest business costs in the country.

Los Angeles's business costs are almost 20 percent higher than the national average. By comparison, the business costs in Austin (ranked 67th with a BCI of 100.1) and Phoenix (ranked 81st with a BCI of 99.3) are essentially at the national average. Las Vegas (ranked 124th with a BCI of 96.4) comes in slightly below.

The Business Cost Index is a composite measure that weights regional labor, energy, real estate and tax costs. For the Los Angeles area, labor costs are 13 percent higher than the national average, while energy costs, real estate costs and taxes are 91 percent, 51 percent and 40 percent higher, respectively. The biggest component of the BCI is the cost of labor. Over the past five years, the growth in compensation for private employment in Los Angeles County has outstripped that of the United States. To some extent, this reflects the higher cost of living in the Los Angeles region, addressing factors like the higher cost of housing discussed earlier. Additionally, increasing compensation to help workers better afford to live in an expensive region is not a bad thing in and of itself. At the same time, however, these faster growth rates in private compensation experienced in Los Angeles are being applied to an already higher wage base, so the differential in wages between Los Angeles and other parts of the United States can be expected to grow into the future.

Energy costs represent the most extreme component of the BCI concerning divergence from national averages. Over just the past five years, the average cost of electricity in Los Angeles has increased substantially relative to the United States. At the beginning of 2019, electricity costs in the Los Angeles area were 36 percent higher than national averages; by the end of 2023, they were 70 percent higher.

The rapid and substantial rise in energy costs in the Los Angeles basin cannot be attributed solely to regional policies and actions. State policies regarding greenhouse gas reductions, financial losses from massive wildfires across the state, and extended droughts that constrain the amount of hydropower available all play a role.

That said, the high costs for labor, utilities, land, regulations, and taxes lead to businesses leaving the state or closing up shop. Of particular note, rising food and labor costs helped contribute to many restaurant closures in Los Angeles in 2023.

Other businesses that decide to stay then face tradeoffs. They adjust their operations, often turning to technology as a replacement for labor, to find cost cutting efficiencies and to increase productivity. An example was the impending California minimum wage hike for fast-food workers, leading Pizza Hut franchises to lay off 1,100 delivery drivers.

The Los Angeles region has the opportunity to employ solutions that balance the need to reduce costs for businesses while still supporting the needs of workers and other residents. Investments in energy infrastructure, such as California's Hydrogen Hub based in Los Angeles, can reduce utility costs across the region for businesses (and consumers) while also creating good-paying, skilled jobs.

Table 1

Economic Statistics - United States, California & Los Angeles County

Description	2019	2020	2021	2022	2023	Forecast 2024
Estimated Population (1 & 2) in millions						
United States	328.24	331.53	332.04	333.27	334.91	336.67
California	39.53	39.54	39.33	39.11	39.01	39.13
Los Angeles County	10.03	10.01	9.95	9.86	9.82	9.82
Median Home Listing Price (3)						
United States	$319,450	$345,000	$379,000	$443,900	$440,000	$439,950
California	$596,500	$691,500	$744,900	$750,000	$775,000	$777,900
Los Angeles County	$799,000	$949,925	$949,000	$919,000	$1,100,000	$1,150,000
Real GDP Growth (4)						
United States	2.5%	-2.2%	5.8%	1.9%	2.4%	1.7%
California	3.2%	-2.3%	7.8%	0.4%	1.9%	1.7%
Los Angeles County	3.6%	-5.0%	6.2%	2.1%	2.1%	1.4%
Unemployment Rate (4)						
United States	3.7%	8.1%	5.4%	3.6%	3.6%	3.9%
California	4.1%	10.1%	7.3%	4.2%	4.6%	5.0%
Los Angeles County	4.5%	12.3%	8.9%	4.9%	5.1%	5.4%
Real Per Capita Income Growth (4)						
United States	4.7%	6.9%	9.1%	2.0%	5.2%	5.3%
California	4.0%	7.5%	3.6%	-5.5%	0.2%	1.9%
Los Angeles County	4.5%	3.1%	2.6%	-5.2%	1.6%	2.8%

Sources:

(1) U.S. Census Bureau
(2) California Department of Finance
(3) Federal Reserve Economic Data
(4) Los Angeles County Economic Development Corporation

Strategic Goals and Objectives

Strategic Core Values

The strategic planning process identified key Strategic Core Values for WRD based on input from management and staff. These core values help guide the district as it fulfills its mission of providing, protecting, and preserving sustainable groundwater for the district's 4 million residents.

Sustainable Groundwater Supply: Building and maintaining a sustainable groundwater supply is WRD's core mission. The district is committed to utilizing the most advanced technology to ensure that we continue to be at the forefront of groundwater management.

Accountability and Transparency: WRD will continue working with our Technical Advisory and Budget Advisory Committees to ensure that we are accountable and transparent to our pumping community and residents within our service area. We are committed to openness and accountability in all our actions.

Integrity: Conducting operations with integrity ensures that the district maintains its moral and ethical obligations to our pumpers and residents in the service area.

Collaboration: Collaboration is key for the success of WRD's upcoming projects. WRD commits to continuing collaborative relationships with our pumping community, regulators, local legislators, and partner agencies to further the district's goals.

Trust: WRD's strives to build a culture of trust and honesty with all its stakeholders.

Equity: WRD commits to ensuring that community resources are used equitably throughout the service area. Resources within the WRD service area will be managed to ensure access to safe and clean drinking water for all stakeholders and residents.

WRD's Core Operating Principles

Core operating principles are Board and staff expectations outlining the way WRD conducts business operations in service to our pumping community.

Climate Resiliency: Given the impacts of climate change and issues that affect access to water resources, WRD must continue planning for long-term water shortages and accessibility. Planning resources include inter-departmental technical expertise, historical data and predictive modeling, and well-established relationships with local, state, and federal stakeholders.

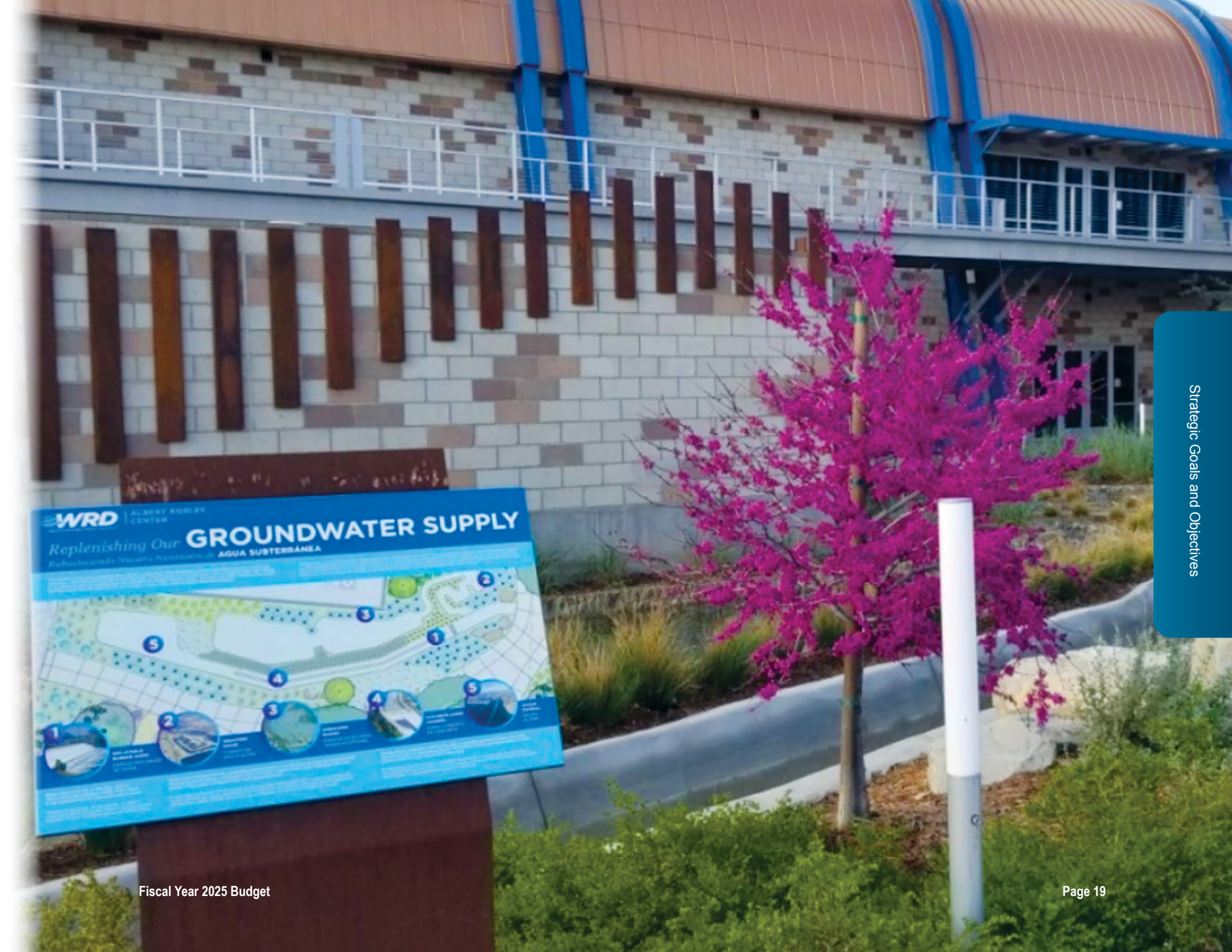
People: One of WRD's greatest assets is its people. WRD will ensure the recruitment and retention of a talented, highly qualified, and diverse workforce to drive productivity and innovation within WRD. WRD's human resources include Executive Management, leadership and support staff, and interns.

Groundwater Infrastructure: WRD maintains a five-year Capital Improvements Program which outlines the development and maintenance of WRD's infrastructure and investments in system improvements through water treatment facilities, wellhead treatment programs, replenishment monitoring infrastructure, groundwater monitoring well equipment, and engineering and hydrogeology expertise.

Groundwater Reliability: WRD was established as the groundwater management agency responsible for maintaining the quality and quantity of groundwater in the region. To continue our mission, WRD relies on technical resources including an extensive asset management system, databases of groundwater monitoring and usage data, hydrogeological data, and spatial data, and historical WRD technical, operations, and budgeting reports.

Financial Stewardship: WRD maintains strong financial standing through accurate budgeting and pursuing appropriate low-cost funding sources. Financial stability will be maintained by planning wisely for our financial future, enhancing our revenue stability, ensuring reasonable costs, and continuous improvement of financial transparency. WRD's financial resources include funds obtained through the Replenishment Assessment, revenues from water sales, and outside funding from revenue bonds and public or private grant and loan programs.

Stakeholder and Community Engagement: WRD has built a reputation for being a reliable and innovative public agency. WRD has built support for large-scale projects through its stakeholder and community engagement. The district will continue this path utilizing external affairs operations including inter-agency coordination, legislative and governmental efforts, community education programs and grants advocacy.


WRD
ALBERT ADELES CENTER
Replenishing Our GROUNDWATER SUPPLY
AGUA SUBTERRÁNEA

WRD Strategic Priorities for Fiscal Year 2025

To implement the goals of the Strategic Plan, the WRD developed the following strategies:

Goal 1: Expand Sustainable Replenishment Opportunities

Strategy 1.1: Central Basin Efforts

- Draft a feasibility study to evaluate the use of an existing water allocation from Los Coyotes Water Reclamation Facility to provide an alternate source of water supply to Leo J. Vander Lans Advanced Water Treatment Facility (LVL AWTF).
- Commence inland injection via the newly installed well for replenishment using advanced treated water from the LVL AWTF.
- Continue partnership with Los Angeles Department of Water & Power to identify suitable areas for groundwater extraction and injection within the Los Angeles Forebay.

Strategy 1.2: West Coast Basin Efforts

- Draft a joint feasibility study with the West Basin Municipal Water District to evaluate projects for replenishment and extraction in the West Coast Basin with consideration of existing facilities.
- Partner with Long Beach Utilities to draft a feasibility study to evaluate injecting advanced-treated water via existing and new wells, potentially from Metropolitan Water District of Southern California (MWD) Pure Water Southern California Project into the Central and West Coast Basins to achieve sustainable pumping and address saltwater intrusion.

Strategy 1.3: Identify opportunities for new sources of recycled water for the Central and West Coast Basins

- Continue collaborating with the MWD on their Pure Water Southern California Project and the Los Angeles Department of Water & Power on their Operation NEXT Project.

Strategy 1.4: Increase the efficiency of existing advanced water treatment plants to meet design capacity

- Identify opportunities and implement practices that will improve the operational efficiencies at the ARC AWTF and the LVL AWTF.

Goal 2: Sustain Extraction Capacity

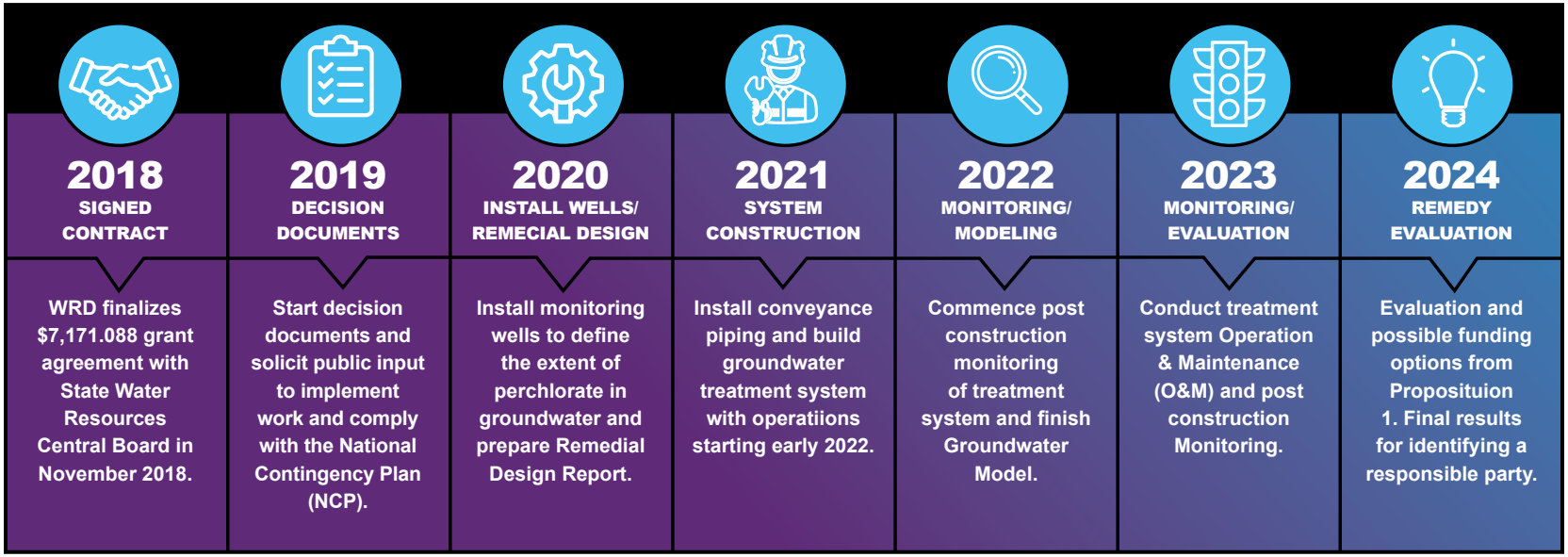
Strategy 2.1: Assist groundwater producers to maintain and increase their groundwater pumping capabilities in accordance with the District's WIN4ALL initiative

- Partner with groundwater producers to remediate wells affected by substances that may impact the quality or appearance of tap water via the District's Safe Drinking Water Program.
- Collaborate with groundwater producers to install treatment systems to remove PFAS from drinking water wells via the District's PFAS Remediation Program.
- Engage groundwater producers who are not maximizing their groundwater pumping rights for reasons unrelated to water quality and offer the District's Well Construction and Rehabilitation Loan Program as an option.

Strategy 2.2: Explore and implement remediation efforts led by the District within the Central and West Coast Basins

- Continue remediation of a perchlorate "hot spot" within the Los Angeles Forebay preventing contamination of production wells downgradient.
- Start construction of the Torrance Groundwater Desalter Expansion Project to remediate additional brackish groundwater, creating a new source of drinking water for residents within the West Coast Basin.
- Draft a feasibility study to determine if it is feasible to construct a new desalter facility and associated extraction/production well(s) in the West Coast Basin to remediate the northern portion of the Saline Plume.

Perchlorate Project Timeline:



Goal 3: Maximize Environmental Resilience and Innovation

Strategy 3.1: Formalize the District's commitment to climate resilience and environmental sustainability

- Develop a Climate Resiliency Study/Plan to provide an analysis of climate-related impacts to the District's service area, facilities, and operations, and identify mitigation and/or adaptation strategies.

Strategy 3.2: Develop practical solutions that can be implemented to improve the resiliency of our operations and facilities

- Reduce energy consumption and GHG emissions by constructing carports with solar panels, installing additional electric vehicle charging stations, and replacing gasoline-powered vehicles with hybrid or fully electric vehicles, and installing energy recovery systems at plants.

Strategy 3.3: Improve management of environmental compliance

- Evaluate and implement appropriate software to ensure timely and accurate environmental compliance with regional and state requirements.
- Partner with regional agencies to investigate whether it is feasible and appropriate to construct a shared brine line with shared benefits within the West Coast Basin (South Bay region).

Goal 4: Promote Organizational Excellence

Strategy 4.1: Cultivate a culture that advances an inclusive and equitable organization

- Advance organizational policies, processes, and practices that promote a culture of empowerment, trust, and accountability by providing employees opportunities for input, conducting an equity study, and demonstrating transparency by sharing study results.
- Develop diversity, equity, and inclusion initiatives that foster increased employee engagement, training, and development by providing DEI/Leadership workshops and activities, establishing new DEI program initiatives, increasing employee recognition, tracking key DEI related data, conducting employee engagement surveys, and annual reporting.
- Develop diversity, equity, and inclusion in the WRD procurement process and WRD Investment Policy.

Strategy 4.2: Develop and retain a workforce of subject-matter experts who advance projects to meet present and future needs in the WRD service area

- Provide opportunities that support a high-achieving workforce through speaking engagements and participation in conferences.
- Provide project management training for relevant positions.
- Development of WRD Job Families.
- Implement performance management process to promote cross-departmental collaboration, and to propel the workforce to explore, evaluate, and execute results.
- Provide the workforce with timely, ongoing financial reporting that allows all employees to understand the financial effect of their cost centers on WRD financial stability.

Strategy 4.3: Optimize internal technology and leverage innovative technology

- Prepare a strategic analysis of the functionality of current WRD systems to determine overall effectiveness and alignment with objectives.
- Implement NEOGOV Perform, Insight, and Onboard human resources information system modules.

Goal 5: Maintain Stakeholder & Community Engagement

Strategy 5.1: Develop education programs for pumpers that provide opportunities to gain knowledge of WRD's projects and programs

- Work with regulatory agencies and partners to engage pumpers.
- Develop a tour program for pumpers.
- Develop and host the annual Groundwater Quality workshop.
- Coordinate Budget Advisory Committee/Technical Advisory Committee engagement and education for stakeholders.

Strategy 5.2: Expand the use of multi-modal efficient tools for community outreach and engagement, including campaign tracking tools, video content and social media communications

- Develop collateral, both digital and print for each new multi-modal tool the department uses to increase exposure and website traffic.

- Implement a tracking/reporting system to measure the impact and/or use of the tools the department develops.
- Create digital tools that can be used throughout WRD and support educational efforts.

Strategy 5.3: Increase engagement with environmental regulatory agencies to continue promoting groundwater cleanup efforts and identifying potentially responsible parties

- Meet with Federal and State agencies to further their understanding of water infrastructure funding needs.
- Attend or host a field hearing with the state legislators and/or congress members on PFAS or threats to groundwater quality.

Strategy 5.4: Develop education programs to improve general knowledge of the region's water systems to increase water literacy amongst our elected officials and their staff

- Launch the Annual Groundwater Academy for elected officials and staff to increase water literacy.
- Host Groundwater 101 workshops for legislators and their staff to discuss groundwater policy impacting groundwater quality.

Strategy 5.5: Target classroom and community education programming to the needs or capacity of specific schools or districts

- Develop partnerships with educational institutions within the service area that provide conservation and horticulture education that allow WRD to collaborate with Eco-Gardening programming.
- Increase collaboration with school districts that have institutions with a STEM focus allowing us to provide in-depth groundwater education programming.
- Develop Ad Hoc Future Water Workforce Committee to increase pathways into water careers.

Fiscal Year 2025 Budget Overview

Short-term Factors Influencing Fiscal Year 2025 Budget

The short-term factors impacting the development of the District's budget can vary from year to year. These factors could include the amount of rainfall, drought conditions, legislation affecting water demand and economic conditions.

For the 2023-24 Water Year (October through September), the District's precipitation index reports that there has been above average rainfall (23.45 inches) through June 11, 2024. The normal rainfall for this time period is 15.33 inches, so the District is 153% of normal. This is a continuation of above average rainfall that was 172 percent of normal in 2022-23 Water Year. As of June 4, 2024, the U.S. Drought Monitor reported 1% of the State is abnormally dry (down 2%), 0% under moderate (same) 0% under severe (same), 0% under extreme (same), and 0% exceptional (same) drought conditions. According to the U.S. Drought Monitor, Los Angeles County is currently not in a drought.

In addition to the significant increase in water to the basin, conservation signals from local governments and clean water regulations continue to curtail water usage and increase water costs. In an effort to support the pumping community, the District is continuing to clean water programs such as Safe Drinking Water, Disadvantaged Community and the per-and polyfluoroalkyl substances (PFAS) remediation program. These programs have to be closely managed to control cost and take advantage of Federal Funding to minimize the financial impact to the pumpers and the District.

Inflation has also put pressure on the Operating Budgets at the District's treatment facilities especially in the purchase of chemicals and maintenance. We have entered into agreements that lock in lower cost increases and mitigate wild fluctuations for goods and services. This is exacerbated by higher prices for basic necessities that is putting pressure on local governments and utilities to minimize rate increases for water, gas and electricity.

The District owns and operates three primary Treatment and Production facilities ,Albert Robles Center for Water Recycling and Environmental Learning (ARC), Leo J. Vander Lans Water Treatment Facility and Goldswothy Desalter. For Fiscal Year 2025 the District has a total budget if $19.6 million. This approximately $3 million less than the budget for Fiscal Year 2024.

For Fiscal Year 2025, total groundwater accessible pumping is estimated to be approximately 211,000 acre-feet. Pumping is the primary driver in the determination of the Replenishment Assessment the pumpers pay for every acre-foot of groundwater pumped during the Fiscal Year. This was the case in the Fiscal Year 2025 budget. The

Replenishment Assessment is increased from $423 per acre-foot in Fiscal Year 2024 to $437 per acre-foot in Fiscal Year 2025, or a 3.3% increase, which includes a $12/acre-foot for PFAS remediation. Each year, the District calculates the Cost to Provide Service to determine the revenue required for the ensuing Fiscal Year. Based on the proposed budget, the Cost to Provide Service for Fiscal Year 2025 is $78.7 million.

Long-range Financial Plans

In the past, a large percentage of replenishment water for the Central and West Coast Basins came from sources in Northern California and the Colorado River. Over the last 15 years, the District has moved to its goal of independence from imported water through the Water Independence Now (WIN) initiative, a series of projects that fully utilize storm water and recycled water sources to restore and protect the groundwater resources of the Central and West Coast Groundwater Basins.

Going forward, the District will continue to partner with organizations with similar objective that will improve the supply of clean water to the basin and the pumping community. Currently, the WRD plans to participate in operation Pure Water Southern California with the Metropolitan Water District of Southern California and Los Angeles Department of Water and Power:

Pure Water Southern California (formerly called the Regional Recycled Water Program) is a proposed partnership between The Metropolitan Water District of Southern California (Metropolitan) and the Los Angeles County Sanitation Districts (Sanitation Districts) to beneficially reuse cleaned wastewater that currently is being discharged to the Pacific Ocean from the Sanitation Districts' Joint Water Pollution Control Plant (JWPCP) in the city of Carson.

Pure Water Los Angeles is a new water supply initiative by LADWP and LASAN that will recycle 100% of available treated wastewater from the Hyperion Water Reclamation Plant for beneficial reuse by 2035. This will improve the water supply resiliency and reliability for Los Angeles and help achieve long-term sustainability goals. The initiative is undergoing environmental review with a Notice of Preparation in accordance with CEQA. The project will also reduce LADWP's dewatering and water importing program.

The WRD will also be increasing the capacity of the Torrance Desalter provide additional water, this initiatives target specific contaminants threatening the groundwater's quality. WRD is not only ensuring the delivery of safe and clean water but is also fortifying the region's resilience against future water quality challenges.

WRD Management

Stephan Tucker
General Manager

Rob Beste
Assistant General Manager / Chief Operating Officer

Greg Black
Chief Financial Officer

Brian Partington
Manager of Hydrogeology

Joel Blair
Manager of Engineering

Esther Rojas
Manager of Watermaster and Water Resources

Tom Knoell
Water Operations Superintendent

Angelina Mancillas
Manager of External Affairs

Dina Hidalgo
Manager of Administration and Human Resources

Evan Lue
Manager of Data and Technology Services (DTS)

Binhyen Bui
Accounting Supervisor

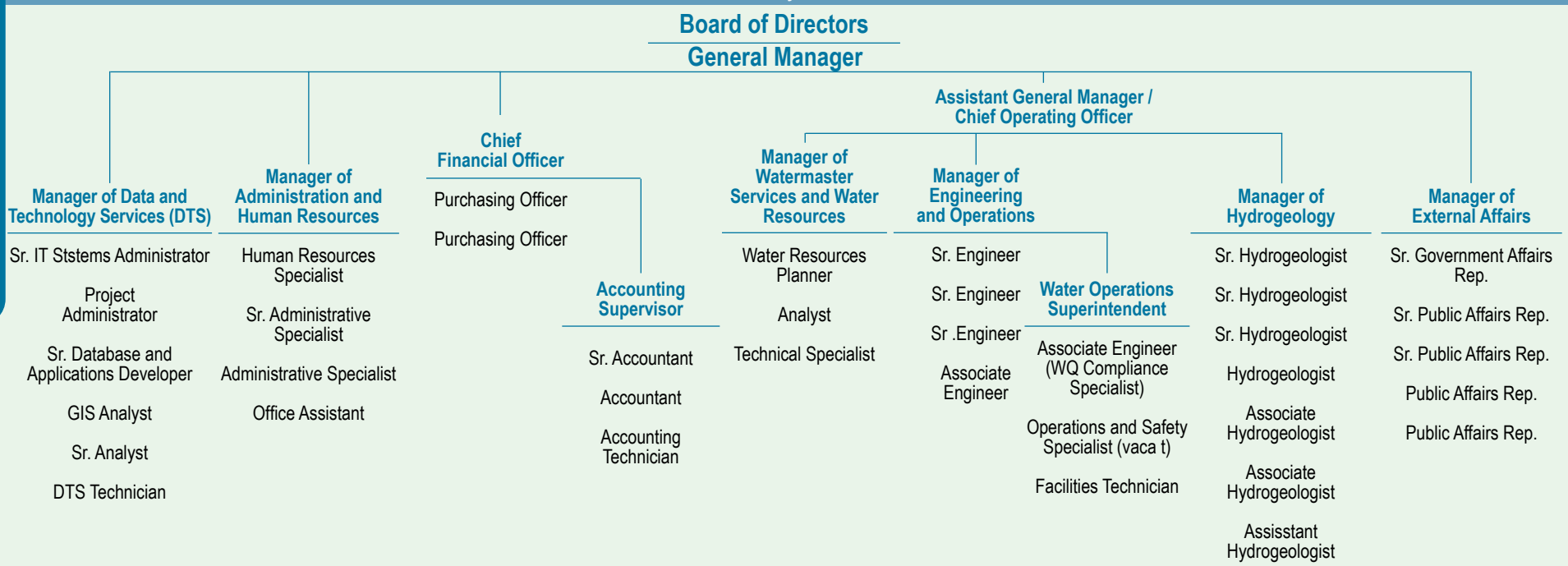
Organization Chart and Staffing Summary

The District has 47 budgeted professional and administrative staff in fiscal year 2024. In fiscal year 2025, the District's staffing on its various projects remains relatively stable. WRD's organizational structure adjusts from time to time to adapt to changes in the District responsibilities and to provide increased efficiencies. There is a need for the organization structure to allow for succession planning which is a talent management process that allows for continuity in filling key roles when employees step down via retirement, resignation, etc.

The District has recently added two (2) succession planning full-time equivalencies (FTEs) to the existing organization structure. These FTEs would allow the General Manager to hire replacement personnel a few months before an employee retires without disruptions of critical operations. The District has 48 regular FTEs and 2 succession planning FTEs would increase the FTE count to 50 FTEs at different times in fiscal year 2025. After a transition is completed, the FTE count will convert to 48 regular FTEs.

Organization Chart

Effective July 1, 2024



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

Table 2

Summary of Personnel by Department

	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	Change from FY 2024 Budget
General Management				
General Manager	1	1	1	0
Assistant General Manager/Chief Operating Officer	1	1	1	0
Hydrogeology Department				
Manager of Hydrogeology	1	1	1	0
Senior Hydrogeologist	2	2	3	1
Hydrogeologist	1	1	1	0
Associate Hydrogeologist	3	3	2	(1)
Associate Engineer	1	1	0	(1)
Assistant Hydrogeologist	1	1	1	0
Water Resources & Watermaster Department				
Manager of Watermaster & Water Resources	1	1	1	0
Senior Water Resources Planner	0	0	0	0
Water Resources Planner	1	1	1	0
Senior Analyist	0	0	0	0
Analyst	1	1	1	0
Technical Specialist	1	1	1	0
Engineering Department				
Manager of Engineering	1	1	1	0
Water Operations Superintendent	1	1	0	(1)
Senior Engineer	2	2	3	1
Engineer	1	1	0	(1)
Associate Engineer	1	1	1	0
Facilities Technician	1	1	0	(1)
Water Operations Department				
Water Operations Superintendent	0	0	1	1
Associate Engineer	0	0	1	1
Operations and Safety Specialist	0	0	1	1
Facilities Technician	0	0	1	1

Table 2

Summary of Personnel by Department (cont.)

	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	Change from FY 2024 Budget
Finance Department				
Chief Financial Officer	1	1	1	0
Accounting Supervisor	1	1	1	0
Financial Analyst	0	0	0	0
Project Administrator	1	1	0	(1)
Senior Accountant	2	1	1	0
Purchasing Officer	1	1	2	1
Accountant	1	1	1	0
Accounting Technician	1	1	1	0
External Affairs				
Manager of External Affairs	1	1	1	0
Senior Government Affairs Rep.	1	1	1	0
Senior Public Affairs Rep.	2	2	2	0
Public Affairs Rep.	2	2	2	0
Administration and Human Resources Department				
Manager of Administration and HR	1	1	1	0
Human Resources Specialist	1	1	1	0
Senior Administrative Specialist	0	1	1	0
Administrative Specialist	1	1	1	0
Senior Office Assistant	0	0	0	0
Office Assistant	1	1	1	0
Data and Technology Services				
Manager of Data and Technology Services	1	1	1	0
Senior IT Systems Administrator	1	1	1	0
Project Administrator	1	1	1	0
Online Data & Technology Specialist	0	0	0	0
Senior Database & Applications Developer	1	1	1	0
Geographic Information Systems Analyst	1	1	1	0
Technical Specialist	0	0	0	0
Senior Analyst	1	1	1	0
DTS Technician	0	1	1	0
TOTAL	**46**	**47**	**48**	**1**

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 charged 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.

Basic of Accounting and Budgeting

The basis of accounting and budgeting refers to the method of recognition of revenues and expenses in financial and budgetary reporting.

The District operates as a utility enterprise, and Enterprise Funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when 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 in compliance with Generally Accepted Accounting Principles and standards of the Government Accounting Standards Board (GASB).

As the District's financials are accounted for as an Enterprise Fund, the budget is prepared based on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred. Exceptions are as follows:

Depreciation and amortization are handed differently in financial reporting and budgetary reporting. In financial reporting, depreciation and amortization are included, and the repayment of principal on debt is not reported as expenses. In budgetary reporting, depreciation and amortization are excluded, and the repayment of principal on debt as expenditures are included.

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". 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. 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 Policy

On or before the second Tuesday of May each year, the Board of Directors, in accordance with California Water Code Section 60315 sets 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. 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

Investment Policy

The Board of Directors has adopted an investment policy that conforms to California Government Code Sections 53600-53686. 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 are tangible or intangible assets of significant value procured by the District or contributed to the District, having a utility, which extends beyond the current year, and are broadly classified as land, intangibles, structures and improvements, and equipment carrying out all aspects of business operations in accordance with Governmental accounting Standards Board (GASB) No. 34.

A reference to the words "capitalize," "capitalizing," or "capitalization," would mean that the capital assets shall be included in the District's list of capital assets, whose

acquisition costs, fabrication, or development costs, including all indirect and material expenses related to its acquisition, construction, or development will be recovered throughout the years of its estimated useful life by depreciation or amortization.

A reference to useful life denotes the wear and tear and technological usefulness of the asset in carrying out a business process. Capital assets should be depreciated to recognize the allocation of asset cost over the periods benefitted by the use of the asset. The charge for depreciation is the recognition of the declining service value of an asset. The allowance for depreciation is deducted from the Capital Assets account group on the District's Statement of Net Position.

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $10,000 and for software 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:

Table 3

Capital Assets

Asset	Useful Life (in years)
Service Connection	50
Monitoring and Injection Equipment	3 to 20
Building and Improvements	40
Improvements other than Buildings	10 to 40
Machinery and Equipment	10 to 20
Autos and Trucks	3 to 7
Offfice Furniture and Equipment	5 to 10
Utility Plant and Equipment	30

Procurement Policy

Purchases will be made in accordance with the District's Procurement Policies & Procedures as outlined in the District's Administration Code. The District gives preference to local businesses when the District enters into contracts for supplies, materials and equipment (MSE), construction and professional services totaling under $40,000. Summarized below are the significant provisions of the District's procurement policies and procedures:

1. All contracts for construction work, professional services, materials, supplies and equipment (MSE) shall be in writing and, at a minimum, include the relevant scope of work, duration and terms of payment (Authority: Water Code § 60230.5; Government Code § 54202).

2. All contracts valued less than $40,000 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 $40,000 or more without the Board of Directors' prior approval (Authority: Water Code § 60622(b)).
3. All contracts valued $40,000 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 $100,000 (Authority: Water Code § 60622(a)).
4. Where the Materials, Supplies, and Equipment (MSE) contract amount is less than $100,000, an informal MSE Contract Solicitation may be made by the General Manager or their Designee, without written bids, and by informal quotes through telephone, mail or electronic inquiry, comparison of prices on file or otherwise. Every attempt shall be made to receive at least three price quotations. Where the contract amount is $100,000.00 or more within any twelve (12) month period, the District shall advertise for bids by issuing a formal MSE Contract Solicitation.
5. Before making any contract for construction work or purchase of MSE that total $40,000 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; and
    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 Proposals (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.

10. The District has an economic interest in leveraging the money it spends when contracting with private firms for construction, professional services, and materials, supplies and equipment to maximize competition for District Contracts and to ensure open access to contracting opportunities to businesses that reflect the diversity of the District's service area. It is, therefore, the District's policy to encourage and solicit participation in the performance of Construction, Professional Services, and MSE Contracts by individuals and businesses, including, but not limited to, SBEs, DVBEs, LBEs, and Other Business Enterprises (OBEs). To attract the greatest number of qualified bidders, the District promotes and supports broad-based participation in its contracting activities in order to stimulate participation by responsible bidders who might otherwise be prevented or discouraged from participating in the District's procurement activities.

The following table summarizes the District's purchasing thresholds:

1	Professional:			
	Threshold		**Signing Authority**	**Approval Authority**
	Small Dollar Thresholds (<$10K)	Informal: at least 3 bids at GM discretion	GM and other District Rep (AGM/CFO)	GM Approval
	$10K - $40K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
	$40K - $100K	Informal: at least 3 bids	Board	Board Approval
	>$100K	Formal	Board	Board Approval

2	Other Services:			
	Threshold		**Signing Authority**	**Approval Authority**
	Small Dollar Thresholds (<$10K)	Informal: at least 3 bids at GM discretion	GM and other District Rep (AGM/CFO)	GM Approval
	$10K - $40K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
	$40K - $100K	Informal: at least 3 bids	Board	Board Approval
	>$100K	Formal	Board	Board Approval

3	MSE:		
Threshold		Signing Authority	Approval Authority
Small Dollar Thresholds (<$10K)	Informal: at least 3 bids at GM discretion	GM and other District Rep (AGM/CFO)	GM Approval
$10K - $40K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
$40K - $100K	Informal: at least 3 bids	Board	Board Approval
>$100K	Formal	Board	Board Approval

4	Construction Services (excludes Maintenance):		
Threshold		Signing Authority	Approval Authority
<$25K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
>$25K	Formal	Board	Board Approval
Threshold		Signing Authority	Approval Authority
<$25K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
$25K - $40K	Formal	Board	Board Approval
$40K - $100K	Formal	Board	Board Approval
>$100K	Formal	Board	Board Approval

Debt Management

Each year during the budgeting process the Board of Directors 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 Replenishment Assessment 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 Replenishment Assessment. 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, the district shall order, review, and maintain on file an independent, audited financial statement not later than 180 days from the conclusion of the District's fiscal year. The independent audited financial statement shall be prepared by a certified public accountant and shall be consistent with standards provided in the Generally Accepted Government Auditing Standards. Copies of the independent audited financial statement shall be submitted to the Governor, the Senate Committee on Governance and Finance or its successor, the Assembly Committee on Local Government or its successor, and the California State Auditor on or before December 31 of each year.

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/JPIA.

Fund Balance/Net Assets

Within governmental funds, equity is reported as fund balance; proprietary and fiduciary fund equity is reported as net position. Fund balance and net position are the difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reflected on the balance sheet or statement of net position.

Reserve Policies

The annual analysis of the District's reserve funds is an important part of responsible financial planning, particularly as the District transitions from an agency that produces water to one that produces water and operates and maintains three capital facilities.

Restricted Reserve Fund

Debt Service Reserve	Established pursuant to the debt covenants in the Clean Water State Revolving Fund Loan. The District is required to maintain one year of debt service in reserve as security for the State Revolving Fund Loan

Unrestricted Reserve Fund

Water Purchase Carryover & Rate Stabilization Reserve	Ensures the District's ability to acquire or develop water supplies to replenish the Central and West Coast groundwater basins and to stabilize rates.
Operating Reserve	Provides needed working capital and to help ensure against unforeseen events, including lower than expected sales, unbudgeted expenses, emergencies (e.g. earthquakes or other natural disasters), and other unforeseen events. Due to the potential impact of COVID-19 on projected District revenues, at its meeting on April 23, 2020, the Board of Directors increased the Operating Reserve from three months to four and a half months of the cost of operations.

Encumbered Program Funds - Capital

Safe Drinking Water Reserve	Accounts for, and fund loans and grants to help clean up the groundwater basin.
Well Rehabilitation & Construction Reserve	Provides zero interest loans to help finance well construction and rehabilitation to increase pumping capacity in the basin.
PAYGO Capital Fund	Funds various capital projects and periodic replacement of assets with expected useful life to three to twenty years.
PFAS Remediation Fund	Funds PFAS remediation program.

WRD Fund Allocation

Operating & 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. 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. 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. The tables below breakdown 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.

Relationships of Funds, Projects, & Programs

The District operates two major funds: the Replenishment Fund and the Clean Water Fund. Expenses from the projects and programs are allocated to each fund, reflecting the benefits arising from these expenditures. 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 Groundwater Basins is greater than the natural replenishment of groundwater aquifers, creating an annual deficit or annual overdraft. The District has the authority and responsibility under the California State Water Code to acquire water supplies for recharge to make up this overdraft.

The Replenishment Fund is the budgetary control for all expenses related to the District's replenishment efforts. This includes the following primary expenses of the District:

- Water Purchases
- Water Treatment and Production
- Water Resources
- Water Quality Programs
- Water Replenishment Support

Clean Water Fund

Consistent with the District's mission to provide, protect and preserve safe and reliable high-quality groundwater, the District annually collects nearly 600 groundwater samples from its monitoring well network. The District tests these samples 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. In addition, the District funds programs to help prevent, reduce and eliminate contamination in the basin to increase the amount of water available for pumping.

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 residents in the District's service area.

The table below illustrates Programs/Projects and Funds relationship:

Table 4

Programs/Projects Fund Allocation

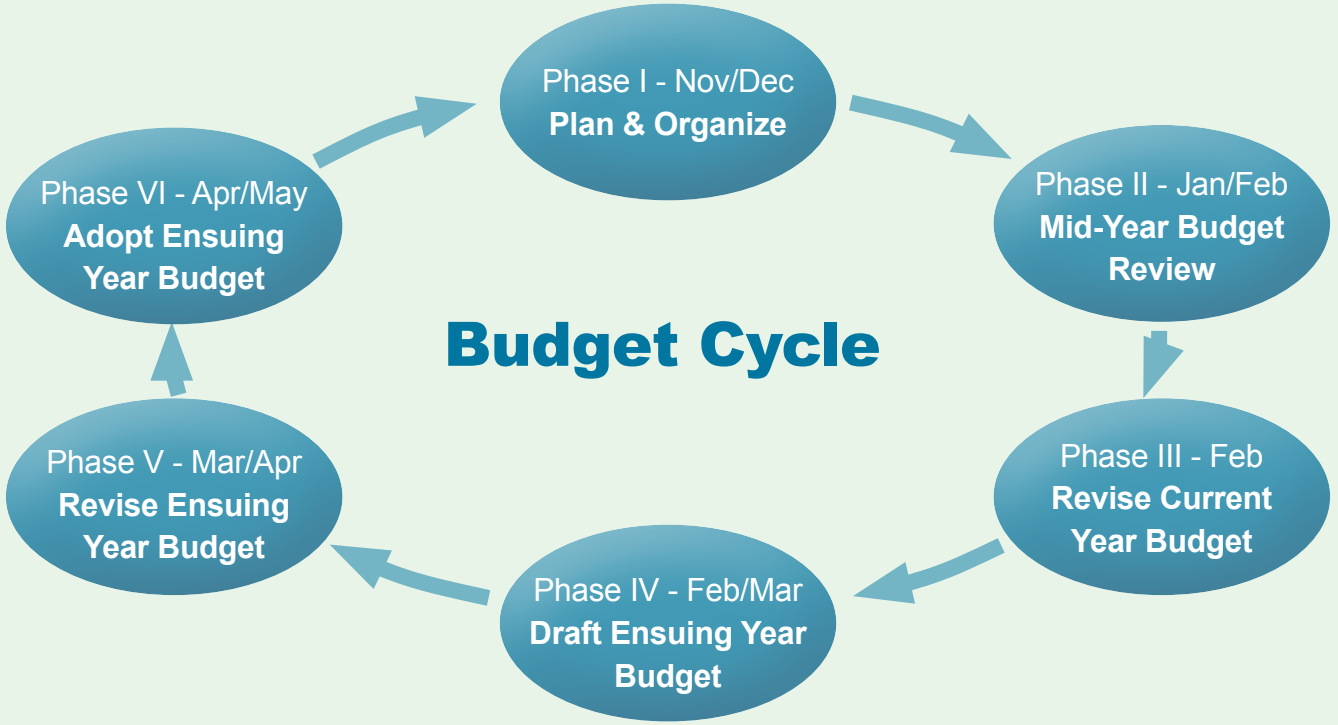
Program/Project Number & Title		Replenishment Fund	Clean Water Fund
Water Purchases			
WTR	Water Costs	100%	
Water Treatment and Production			
001	Leo J Vander Lans Water Treatment Facility	100%	
002	Robert W. Goldsworthy Desalter		100%
033	Albert Robles Center (ARC)	100%	
Water Resources			
EAC	Water Conservation	50%	50%
004	Montebello Forebay Recycled Water	100%	
005	Groundwater Resources Planning Program	100%	
Water Quality Programs			
006	Water Quality Improvement Program		100%
011	Regional Groundwater Monitoring Program	50%	50%
012	Safe Drinking Water Program		100%
018	Dominguez Gap Barrier Recycled Water Injection	100%	
025	Hydrogeology Program	50%	50%
043	Regional Brackish Water Program	50%	50%
046	Well Construction & Rehabilitation Program	100%	
048	Per- and Polyfluoroalkyl Substances (PFAS) Program		100%
049	Perchlorate Cleanup Project		100%
Water Replenishment Support			
010	Geographic Information Systems (GIS)	50%	50%
DTS	Data Technology Services	94%	6%
023	Replenishment Operations	100%	
038	Engineering Program	100%	
040	Asset Management Program	100%	
EAE	Water Education	50%	50%

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 based on 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.

The District 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 1
Budget Process Cycle



Plan and 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 mid-year budget review as well as budget request forms that are provided to the Project/Program Managers.

FY 2024 Mid-year Budget Review

The Mid-Year 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 six months of actual data and six months of projected data. The mid-year analysis is also a platform and guide to the ensuing year's budget. The mid-year budget 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 projects and programs are aligned with the Board's goals and objectives.

Revise FY 2024 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.

Draft FY 2025 Budget

With the mid-year budget review and adjustments completed, staff prepares the first draft of the ensuing year's budget. Project/Program Managers prepare their budget requests and submits 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, Assistant General Manager, Chief Financial Officer along with the Finance Staff, review each individual line-item expense prior to submitting it to the Finance/Audit Committee for review. The Finance/Audit 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 verified through the Finance/Audit Committee, the budget is presented to the Board of Directors.

Revise FY 2025 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/Audit Committee and the Board of Directors. These refinements are related to reallocation of resources to best accomplish the Board's goals and objectives.

Adopt FY 2025 Budget

Based on section 60315 of the California 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. Every year, the District conducts a series of public budget meetings to seek comments pursuant to the Water Code and other applicable regulatory requirements.

To ensure transparency, accountability, and fiscal responsibility, the District has an independent Budgetary Advisory Committee (BAC) comprised of stakeholders from the groundwater pumping community that are charged with providing guidance and advice on budgetary, finance, and technical matters relating to the District's projects and programs. The BAC was initiated by state law under Senate Bill 620 but was sunset in January 2020. However, the Water Replenishment District's Board of Directors recognized the benefits of having the BAC and allowed its continuance through amendment of its Administrative Code to incorporate the BAC as a standing entity.

The BAC consists of seven members who serve a two-year term, are elected from among representatives of groundwater 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 BAC will make its recommendation to the Board of Directors of the Water Replenishment District on the annual Replenishment Assessment, reserve funds and the draft budget. After considering the recommendations from the BAC, as well as the public, the Finance/Audit Committee makes budget recommendations to the Board of Directors.

Upon final approval by the Board of Directors, the preliminary estimates will be revised accordingly to reflect the approved budget amounts and corresponding levels of services. The District's Replenishment Assessment rates have increased gradually over the years as shown in the chart below, for the District to meet the demands of maintenance and preservation of the Basins, and, thus, availability of water for pumpers to pump.

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 mid-year budget review. During this process, the District compiles the six months of actual financial data and projects the final six 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/Audit Committee and the Board of Directors. 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 program require the approval of the General Manager or Department Manager.

Pumper Notification Process

The District also conducts a separate process known as the Pumper Notification Process in setting the budget and Replenishment Assessment. The District conducts the process voluntarily as an extra measure for transparency and opportunity for public input and comment. As part of the Pumper Notification Process, a detailed Cost of Service Report is prepared each year by the District to explain how the Replenishment Assessment complies with these requirements. The Cost-of-Service Report describes the services the District anticipates performing during the ensuing fiscal year and analyzes the costs of providing these services. The costs associated with these services are described using the best available information, along with an evaluation of the fair and equitable Replenishment Assessment necessary to cover these costs. The Cost-of-Service Report is available via the District's web site at www.wrd.org.

The District approved the Fiscal Year 2025 Replenishment Assessment of $437 per acre-foot at the public hearing on April 23,2024. The Replenishment Assessment 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 Replenishment Assessment cover the cost of water purchased to replenish the two largest and most utilized groundwater basins in Southern California. Moreover, the new Replenishment Assessment is critical to helping achieve the District's goal in becoming 100% independent from costly and unreliable imported water.

Budget Calendar

November/December 2023

Internal budget meetings with District Staff to communicate the expectations, responsibilities and projected timeline to all staff involved in the budget.

The District started its budget review process by conducting two initial budget discussions with the Budget Advisory Committee (BAC) on December 6, 2023 and December 13, 2023. On December 6, 2023 the BAC discussed FY 2024-25 Production Forecasting and subsequently on December 13, 2023 discussed a list of four process and policy considerations re-introduced for future budget processes.

January 2024

The budget team interviews with Project and Program Managers to complete the Mid-Year Budget Review of the District's operations. This review process starts with six months of actual financial data from July 1 through December 31, six months of financial projections and a twelve-month analysis of all the data. The Mid-Year Budget Review serves as the basis for planning for the ensuing year's budget.

February 2024

Staff prepares 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 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 Replenishment Assessment no later than the second Tuesday in May.

February 21, 2024 – Finance/Audit Committee

Discussed Fiscal Year (FY) 2024 mid-year budget and previewed FY 2025 proposed budget.

February 27, 2024 - Budget Advisory Committee

At this meeting, the BAC was tasked to review the FY 2024-25 proposed budget information and make a recommendation on the proposed FY 2024-25 RA that will be included in the Pumper Notification. The BAC voted to recommend a RA of $437 per acre-foot or 3.3 % increase above the current RA of $423 per acre-foot.

March 2024

Based on input received from the public budget meetings, Finance staff continues to refine the budget.

March 4, 2024 – Finance/Audit Committee

Discussed FY 2025 proposed budget and the Committee concurred with the recommendation made by the BAC on February 27, 2024.

March 5, 2024 – Board of Directors

The Board of Directors received and filed the 2024 Engineering Survey and Report (adopt Resolution No. 24-1218). The report determines the groundwater conditions, the District's replenishment water needs and the estimated costs for the water. The report combined with the FY 2025 proposed budget, provides the Board and the public with the necessary information to determine the RA for the next fiscal year.

The Board of Directors (BOD) reviewed FY 2024 mid-year budget projection and discussed FY 2025 proposed budget. The BOD had not taken an action at this time.

April 2024

Present the proposed budget to the Board of Directors for consideration in setting the annual Replenishment Assessment rate.

Adopt the proposed budget and Replenishment Assessment for the next fiscal year.

April 2, 2024 – Board of Directors

The Board of Directors received and filed the FY 2025 Cost of Service Report. The report is intended for use in the FY 2025 budget review and public input process.

The Board discussed FY 2025 proposed budget and convened public hearing on the FY 2025 proposed RA per Water Code section 60306.

The Board had moved to present the FY 2025 Budget for approval at the Special Board of Directors meeting on April 23, 2024.

April 23, 2024 – Board of Directors

The District's annual budget is the basis for the Board of Directors (BOD) setting the Replenishment Assessment (RA) each year. The California Water Code requires that the ensuing year's RA be adopted no later than the second Tuesday in May following the opening and closing of a Water Code Public Hearing.

Per the District's Administrative Code, the BAC shall make any recommendations to the Board on the proposed RA and/or Budget at least 10 days prior to the closing of the Water Code Public Hearing § 60307. This recommendation from BAC and FAC was completed in a timely manner, so that notices could be mailed to each pumper. The notifications were mailed on March 15, 2024.

The Water Code Public Hearing opened Tuesday, April 2, 2024, at the BOD meeting and closed at the BOD meeting on Tuesday, April 23, 2024. The Board adopted the Fiscal Year 2024-25 budget reflecting the RA of $437 per acre-foot, which includes a $12 per acre-foot for the PFAS program at the BOD meeting held on Tuesday, April 23, 2024. As part of the budget adoption, the Board of Directors approved the draft WRD Budget Summary Document that was posted on the District's website.

The Board convened the continued Water Code Public Hearing, received public comments and closed the Public Hearing. The Board opened the Pumper Notification Public Hearing on the Fiscal Year 2025 RA, received staff reports and testimony, and closed the Public Hearing.

The Board of Directors adopted Resolution No. 24-1221 to establish the FY 2025 Replenishment Assessment at $437 per AF.

It should be noted that there were no significant changes between the draft budget submitted in February 2024 to the adopted budget in April 2024.

RESOLUTION NO. 24-1221

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, 2024 AND ENDING ON JUNE 30, 2025 AS PROVIDED IN SECTION 60317 OF THE CALIFORNIA WATER CODE AND MAKING FINDINGS AND DETERMINATIONS REGARDING SAID ASSESSMENT IN ACCORDANCE WITH SECTIONS 60315 AND 60316 OF THAT CODE

WHEREAS, the Board of Directors (the "Board") of the Water Replenishment District of Southern California (the "District") on February 6, 2024, in compliance with California Water Code § 60300, timely ordered an Engineering Survey and Report (the "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. 24-1218, has declared that funds shall be raised to purchase water for replenishment of groundwater supplies within the District during the ensuing fiscal year, beginning July 1, 2024 through June 30, 2025 (FY 2024/25), 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. 24-1218, 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, 2024, which has been made available to the public, describing the services the District anticipates performing in FY 2024/25, 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, 2024, as required by California Water Code § 60307, the Board held 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, 2024 hearing was published as required by law; and

WHEREAS, in addition to the public hearing, the District also held budget workshops that were open to the public, where the District provided the public with information concerning its FY 2025 budget, which is directly related to the Replenishment Assessment; and

WHEREAS, the District's Budget Advisory Committee (BAC) met and the Board has received and considered recommendations from the BAC; 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 the public hearing; 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 desires to move forward with the levy of a Replenishment Assessment for the upcoming year.

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

1. That the 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 (October 1, 2022 through September 30, 2023) was 132,127 acre-feet as provided in the 2024 ESR and any updates.

   b) The estimated annual overdraft for the current water year (October 1, 2023 through September 30, 2024) is 54,800 acre-feet as provided in the 2024 ESR and any updates.

c) The estimated annual overdraft for the ensuing water year (October 1, 2024 through September 30, 2025) is 61,800 acre-feet as provided in the 2024 ESR and any updates.

d) The accumulated overdraft as of the last day of the preceding water year was 623,140 acre-feet as provided in the 2024 ESR and any updates.

e) The estimated accumulated overdraft as of the last day of the current water year is 588,200 acre-feet as provided in the 2024 ESR and any updates.

f) The total production of groundwater from the groundwater supplies within the District during the preceding water year was 195,373 acre-feet as provided in the 2024 ESR and any updates.

g) The estimated total production of groundwater from groundwater supplies within the District for the current water year is 200,000 acre-feet as provided in the 2024 ESR and any updates.

h) The estimated total production of groundwater from the groundwater supplies within the District for the ensuing water year is 207,000 acre-feet as provided in the 2024 ESR and any updates.

The anticipated assessable production (pumping) of groundwater for the ensuing fiscal year (July 1, 2024 through June 30, 2025) is 180,000 acre-feet. The 27,000 acre-foot variance between this figure and the 207,000 estimate for ensuing water year production is primarily due to anticipated storage withdrawals (for which a replenishment assessment has already been paid by the pumper). Other factors contributing to the variance are lower pumping trends resulting from drought restrictions and from wells being out of service due to contamination of groundwater. The 180,000 acre-foot projections have been validated by a survey of pumpers for estimated pumping activities.

i) Water Year 2022/23 had above normal precipitation, decreased pumping, and an above average amount of replenishment by WRD. Groundwater levels in most areas of the basin increased, resulting in an overall increase of 8.7 feet District wide. This led to an increase in groundwater storage of approximately 206,000 AF. The 2024 ESR and any updates provide details of water levels and basin conditions.

j) The District is currently experiencing 100% of normal rainfall through February 2, 2024. Water levels in the Montebello Forebay rose nearly 14 feet by the start of the winter season and are presently about 33.7 feet higher than the previous water year (January 2023). Basin conditions have rebounded and are currently slightly below the optimum quantity of 612,000

AF. The 2024 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 88,500 acre-feet, which includes 64,500 acre-feet at the spreading grounds and 24,000 acre-feet at the seawater barrier wells. Details of the calculations for these amounts are presented in the 2024 ESR and any updates, and on budget discussions with the Board and BAC.

l) The estimated cost of purchasing the water described in subdivision (k) is $35,463,437. The 2024 ESR and any updates provide details on the sources of such purchased water and the calculation of the purchasing costs.

m) The estimated gross costs of replenishing the groundwater supplies with the water so purchased is $53,423,089. The derivation of this amount is described in the 2024 ESR, the 2024 Cost of Service Report, and any updates to these documents, and on Board and BAC decisions at various public meetings.

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 is $494 per acre-foot of groundwater pumped (excluding withdrawals from storage). $197 of this is for costs identified in subdivision (l) and $297 of this is for costs identified in subdivision (m).

p) Contaminants should be removed from groundwater supplies during the ensuing fiscal year pursuant to the District's projects and programs described in the 2024 ESR and any updates, the District's capital improvement program, and the District's proposed annual budget document. The gross costs to the District for these removal activities are estimated at $16,676,692. 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 $93 per acre-foot (excluding withdrawals from storage).

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 FY 2024/25 will not exceed the applicable limitations provided in Water Code Sections 60290.

2. That the Board pursuant to §60316 of the Water Code of the State of California determines as follows:

a) The entire estimated cost, as set forth in Section 1(l) of this Resolution of purchasing water for replenishment for the ensuing fiscal year shall be paid for by a replenishment assessment. The necessary replenishment assessment for such purchase of water is $197 per acre-foot of groundwater pumped (excluding withdrawals from storage).

b) Because the District anticipates having $19,014,400 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only $34,408,689 of the estimated cost, as set forth in Section 1(m) of this Resolution, for replenishing groundwater supplies with purchased water shall be paid for by a replenishment assessment. The necessary replenishment assessment for these replenishment costs is $191 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, $106 is allocated to capital projects.

c) Because the District anticipates having $7,868,600 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only $8,808,092 of the estimated cost, as set forth in Section 1(q) of this Resolution, for removal of contaminants from groundwater supplies shall be paid for by a replenishment assessment. The necessary replenishment assessment for these removal costs is $49 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, $7 is allocated to capital projects.

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. There is hereby levied on the production of groundwater from groundwater supplies within the District during the fiscal year commencing July 1, 2024 and ending June 30, 2025, a replenishment assessment in the amount of $437 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 FY 2024/25 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 of, equipment, materials and supplies, 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 ESR, the 2024 Cost of Service Report, the proposed 2024/25 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 this resolution 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 FY 2024/25 to determine whether an additional environmental document must be prepared. Based on this examination, the 2024 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 FY 2024/25 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 FY 2024/25 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 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.

   The water basin management 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 Assessment is not a "tax" within the meaning of Article XIII C, Section 1(e) of the California Constitution.

   Pursuant to the California Supreme Court decision in *City of San Buenaventura v. United Water Conservation District*, the District does not believe that its replenishment assessment is a "property-related fee" subject to the requirements of Article XIII D, Section 6 of the California Constitution (Proposition 218).

   The Board notes that, in addition to replenishment assessment proceeds, the District receives an allocation of ad valorem property tax revenues. 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 23rd day of April 2024 by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Board President

ATTEST:

Board Secretary

4/23/2024
DATE

APPROVED AS TO FORM:

Leal, Trejo APC, Attorneys for the Water Replenishment District of Southern California

Financial Highlights

Operations and Maintenance

O&M costs are projected to be $80.4 million in fiscal year 2025. This is a $1 million increase from fiscal year 2024. This includes a $7 million increase primarily from the reclassification of two Water Quality Programs from capital to operations. The Water Quality increases were offset by a reduction in Water Purchase costs of $4 million attributed to renegotiation of Water Purchase contracts. The lower cost of water also translated into lower operational costs in Water Treatment and Production by $2.5 million at the District's Albert Robles Center and Leo J. Vander Lans Water Treatment Facilities. The District has been able to keep most other operational expenses at or below the prior year's budget. However, chemical costs at the treatment facilities are projected to increase due to inflation in labor and materials.

Revenue

Total revenue required for the fiscal year 2025 replenishment assessment (RA) is $78.7 million. This is down $8.9 million from the fiscal year 2024 RA of $87.6 million. It should be noted in fiscal year 2024, the Board of Directors voted to use $3.3 million in Rate Stabilization funds to mitigate a portion of the increase to the RA resulting in a net decrease for fiscal 2025 of $5.6 million or 6.7% from fiscal year 2024. The reduction in the RA is primarily due to an increase in Carryover Conversion revenue of approximately $7 million as Pumpers put more water in storage in the current year and extract a corresponding amount in the ensuring year to take advantage of the incremental increase in the RA between the fiscal years. Income from Leo J. Vander Lans Advanced Water Treatment Facility is projected to decrease $2 million in fiscal year 2025 due to lower production target and planned outrages associated with ongoing CIP projects. Revenue from the other water treatment plants does not show a material change. The District's Safe Drinking Water Program is projected to be reimbursed through grant funding for approximately $3.1 million or 3% in FY 2025.

Debt Service

Debt Service remains unchanged from the prior year. It is projected that borrowing will be required in fiscal year 2026.

Capital Improvement Plan

The 5-Year Capital Improvement Plan (FY 2025 – FY 2029) shows planned expenditures of $61 million in FY 2025. This includes $47 million for Groundwater Quality Protection and Remediation projects, $12 million for Infrastructure Improvement projects, and $2 million for WIN4ALL projects.

Table 5 – Fiscal Year 2025

Proposed Statement of Revenues, Expenses & Changes in Net Assets

	FY 2023 Actual	FY 2024 Projection	FY 2025 Budget
Operating Revenues			
Replenishment Assessment	$72,215,952	$81,965,615	$78,680,218
Carryover Conversion	12,985,921	12,000,000	13,500,000
LJVWTF - Water Supply	2,876,447	2,753,000	2,583,000
Goldsworthy Desalter Sales	3,158,974	2,453,000	3,400,000
Albert Robles Center (ARC)	314,868	630,000	630,000
Water Quality Improvement (Title 22)	285,034	350,000	350,000
Safe Drinking Water Program	1,292,300	1,890,000	3,110,000
Total Operating Revenues	**$93,129,496**	**$102,041,615**	**$102,253,218**
Operating Expenses			
Water Purchases	$33,378,681	$37,859,036	$35,463,437
Goldsworthy Desalter	3,065,501	3,459,088	3,221,498
LJVWTF - Water Supply	6,183,582	6,637,372	6,678,024
Albert Robles Center (ARC)	7,388,282	10,028,818	9,736,681
Projects/Programs	12,503,813	14,642,748	19,219,428
Administration	4,642,836	4,871,328	5,571,839
Board of Directors	439,050	554,667	523,798
Total Operating Expenses	**$67,601,745**	**$78,053,057**	**$80,414,705**
Operating Income (Loss)	**$25,527,751**	**$23,988,558**	**$21,838,513**
Non-Operating Revenues (Expenses)			
Debt Service & Other Non-Operating Costs	$(16,573,493)	$(20,346,830)	$(20,280,830)
Other Special Programs & Supportive Costs	(6,431,682)	(4,142,228)	(4,867,683)
Property Taxes, Interest & Other Revenues/Expenses	1,944,957	500,500	3,310,000
Total Other Revenues (Expenses)	**$(21,060,218)**	**$(23,988,558)**	**$(21,838,513)**
Rate Stablization Reserves	**$-**	**$-**	**$-**
Change in Net Assets	**$4,467,533**	**$-**	**-**

Fiscal Year 2025 Budget

Figure 2

Fiscal Year 2025 Budget Summary

Total Budget *$105,563,218*

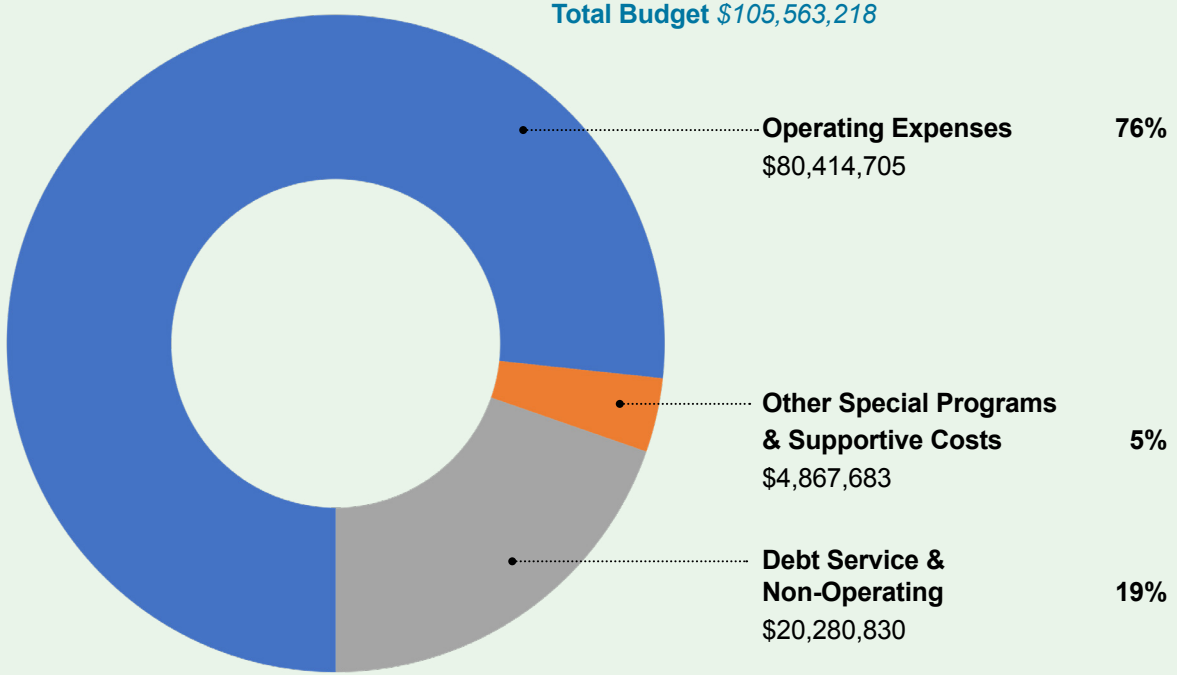


Table 6

Fiscal Year 2025 Budget

Description	FY 2024 Adopted Budget	FY 2025 Adopted Budget	FY 2025 Budget compared to FY 2024 Budget
OPERATING EXPENSES			
Water Purchases			
Water Costs	$39,651,941	$35,463,437	$(4,188,504)
Water Treatment and Production			
Albert Robles Center (ARC)	11,905,618	9,736,681	(2,168,937)
Leo J Vander Lans (LVL)	7,507,812	6,678,024	(829,788)
Goldsworthy Desatler	2,973,088	3,221,498	248,410
Water Resources			
Water Conservation	704,557	667,341	(37,216)
Montebello Forebay Recycled Water	362,003	443,930	81,927
Groundwater Resource Planning	1,985,500	2,472,634	487,134
Water Quality Programs			
Water Quality Improvement Program	831,833	791,530	(40,303)
Dominguez Gap Barrier Recycled Water	273,919	343,185	69,266
Groundwater Monitoring Program	1,455,227	1,808,695	353,468
Safe Drinking Water Program	962,084	4,110,000	3,147,916
Hydrogeology Program	1,102,111	923,396	(178,715)
Perchlorate Cleanup Project	-	1,285,693	1,285,693
Per- and polyfluoroalkyl substances (PFAS) Program	-	2,160,000	2,160,000
Well Construction & Rehabilitation Program	19,075	20,089	1,014
Water Replenishment Support			
Geographic Information Systems (GIS)	500,639	463,914	(36,725)
Data Technology Services	1,279,608	1,359,315	79,707
Replenishment Operations	296,796	274,198	(22,598)
Engineering Program	870,345	851,525	(18,820)
Asset Management	-	-	-
Water Education	1,136,441	1,243,983	107,542

Table 6

Fiscal Year 2025 Budget (cont.)

Description	FY 2024 Adopted Budget	FY 2025 Adopted Budget	FY 2025 Budget compared to FY 2024 Budget
GENERAL AND ADMINISTRATION			
Board of Directors	453,303	523,798	70,495
Administration	5,094,313	5,571,839	477,526
SUB-TOTAL	**74,179,414**	**79,366,213**	**5,186,799**
OTHER SPECIAL PROGRAMS AND SUPPORTIVE COSTS			
GASB 45 (Required Retirement Funding)	1,300,000	2,016,450	716,450
WRD Facility Maintenance	656,028	736,233	80,205
Litigation	100,000	100,000	-
Cost of Services and Notices	15,000	15,000	-
Election Expense	1,700,000	2,000,000	300,000
SUB-TOTAL	**3,771,028**	**4,867,683**	**1,096,655**
DEBT SERVICE AND OTHER NON-OPERATING COSTS			
Revenue Bond Debt Service Payments	16,670,830	16,670,830	-
Additional Fund for DSC	3,250,000	3,250,000	-
Funding for PAYGO Capital Projects ($2 to fund CIP)	426,000	360,000	(66,000)
SUB-TOTAL	**20,346,830**	**20,280,830**	**(66,000)**
TOTAL BUDGET	**$103,484,071**	**$105,563,218**	**$2,079,147**
REVENUES			
Replenishment Assessment	$84,287,071	$78,680,218	$(5,606,853)
Vander Lans Income/OCWD/MWD Subsidy	4,632,000	2,583,000	(2,049,000)
Goldsworthy Desalter Income/MWD Subsidy	3,000,000	3,400,000	400,000
Albert Robles Center Income/MWD Subsidy	630,000	630,000	-
Water Quality Improvement	-	350,000	350,000
Safe Drinking Water Program Reimbursements	-	3,110,000	3,110,000
Other Income	1,125,000	3,310,000	2,185,000
Carryover Conversion	6,510,000	13,500,000	6,990,000
Rate Stabilization Reserves	3,300,000	-	(3,300,000)
TOTAL REVENUES	**$103,484,071**	**$105,563,218**	**$2,079,147**

Operations and Maintenance Budget

The District's Operations and Maintenance budget is divided into three major categories:

1. Operating Expenditures
2. Other Special Programs and Supportive Costs
3. Debt Service and Other Non-Operating Costs

Operating Expenditures include projects, programs and activities that maintain/enhance the replenishment operations, increase the reliability of groundwater resources, improve and protect groundwater quality and ensure that groundwater supplies are suitable for beneficial use. General and Administration include the Board of Directors, Executive Management and Administrative related expenses.

Other special programs and supportive costs include expenses related to District office facility and fleet maintenance, election expenses (which represent mandatory pass-through costs from the County Registrar-Recorder to manage the election of the District's elected officials.) and litigation.

The District has debt service payments on its Replenishment Assessment Revenue Bonds, Series 2015, Replenishment Assessment Revenue Bonds, Series 2018 and Clean Water Sate Revolving Fund Water Recycling Loan. Debt service is included in the third category of expenses: Capital and Other Non-Operating Expenses.

Basis for Fiscal Year 2025 Expense Estimate

The basis for the Fiscal Year 2025 operating budget is by using the Fiscal Year 2024 adopted budget mid-year projection and historical actuals to establish a baseline. Adjustments are made based on changes in operations, pumping estimates and economic conditions. At the time we are preparing the budget, these are the best estimates available. Subsequent to approval of the budget and the end of the fiscal year, projected actuals are available to provide a more accurate comparison of the variances between the ensuing and prior fiscal years. Comparing the prior fiscal year "adopted" and "projected" budgets with the FY 2025 adopted budget of $105.6 million, expenses have increased by $2.1 million and $3.0 million respectively. Water purchase cost is projected to decrease by $4.2 million to $35.5 million in FY 2025.

The Albert Robles Center for Water Recycling & Environmental Learning (ARC) has been a cornerstone of the District's Water Independence Now (WIN) Initiative since 2021. The operating costs associated with the plant are projected to be $9.7 million for FY 2025, this is a decrease of $2.2 million over the prior year due to the new negotiated Water Purchase contract costs for feed water from Los Angeles County Sanitation District.

The operations budget for the Leo J. Vander Lans Advanced Water Treatment Facility (LVL) is anticipated to decrease $0.8 million in FY 2025 due to a slightly lower

production target and planned outrages associated with ongoing CIP projects. The reduction is also attributed to alignment of the budget to actual expenditures for the facility and its operations.

WRD's Safe Drinking Water Program has been operating 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 expects 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. Expenses are projected to increase approximately $3.1 million in FY 2025. The program expenses include planning and design services for Safe Drinking Water projects and on-call engineering service for the Disadvantage Community projects. These expenses are reimbursed through grant funding.

The per- and polyfluoroalkyl substances (PFAS) Remediation Program is an essential part of WRD's commitment to managing and protecting local groundwater resources for over four million residents living in the 43 cities within Southern Los Angeles County. By acting quickly and supporting water purveyors in their remediation of PFAS-impacted wells, we not only provide safe drinking water, but also prevent unwanted substances from spreading throughout our vital drinking water aquifers and ensure an uninterrupted supply of high-quality groundwater at affordable rates. In addition, WRD continues to work with State and Federal partners to secure funding to treat contaminated drinking water sources, especially for underserved communities, where well closures can significantly increase the cost of tap water. Expenses are projected to be $2.2 million in FY 2025. The district collects $12 per AF in the Replenishment Fund assessment for the PFAS program.

WRD received grant funding to build a groundwater remediation system to address groundwater contamination located in a deep aquifer system within the Los Angeles Forebay. In 2023, the groundwater remediation system began treating some of the highest perchlorate concentrations in the state along with other comingled constituents such as 1,4-Dioxane and volatile organic compounds (VOCs). WRD is also working with regulatory agencies to identify potential responsible parties (PRPs). Two sites have been identified and a formal notification process has been initiated by the Los Angeles Regional Water Quality Control Board (RWQCB). The perchlorate treatment system has a budget of $1.3 million in FY 2025.

Other special programs and supportive costs increased by $1.1 million in FY 2025. This includes election expenses, annual CalPERS Unfunded Accrued Liability (UAL) payment, GASB 75 – Other Post Employment Benefits program and the District's facility maintenance expense. It should be noted Election expenses occur every other year and the half the estimated expense is collected on an annual basis.

The District has debt service covenants that require funds set aside to meet the District's debt service obligations. Currently, the District has three major debt instruments: Clean Water State Revolving Fund – Proposition 1 Funding,

Series 2015 and Series 2018 Replenishment Assessment Revenue Bonds with $16.7 million budgeted in FY 2025 for annual principal and interest payments.

The District cash funds a small portion of capital program through a PAYGO fund projected at $0.4 million in FY 2025. The District collect $2 per AF in the Replenishment Fund Assessment for PayGo projects. Grants received for various projects (if received after project is completed) are added to the PayGo fund.

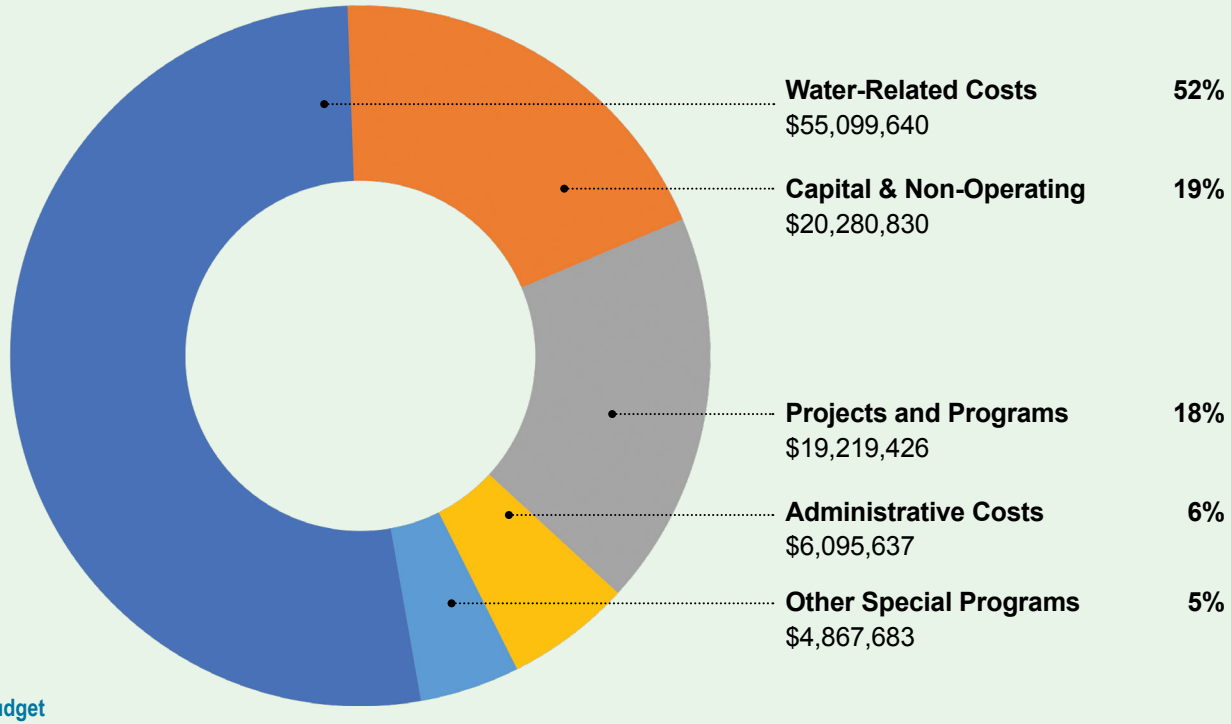
The remaining projects, programs and administration are projected to increase by $1.6 million in FY 2025.

The following tables and figures provide the expense analysis which contains five-year operation and maintenance costs that are allocated by funds.

Figure 3

Total Operations & Maintenance Costs

Fiscal Year 2025 Total Operating Expenses $105,563,218



Operating Expense Detail

Water and water-related (water supply purchases, production of water or water conservation efforts) costs are the District's most significant budgetary expense approximately 52% or $55.1 million.

Capital and non-operating costs related to debt service are budgeted at $20.3 million or 19% of total expenses. Project and program expenses are projected at $19.2 million or 18% of total expenses. Administrative costs are projected at $6.1 million or 6% while other special programs, including Other Post-Employment Benefits (OPEB) payment and election expenses are projected at $4.9 million or 5% of total expenses.

Table 6a

Fiscal Year 2025 Budget Expenses

Description	FY 2024 Adopted Budget	FY 2025 Adopted Budget	FY 2025 Budget compared to FY 2024 Budget
OPERATING EXPENDITURES			
Water Purchases			
Water Costs	$39,651,941	$35,463,437	$(4,188,504)
Water Treatment and Production			
Albert Robles Center (ARC)	11,905,618	9,736,681	(2,168,937)
Leo J Vander Lans (LVL)	7,507,812	6,678,024	(829,788)
Goldsworthy Desatler	2,973,088	3,221,498	248,410
SUB-TOTAL	**62,038,459**	**55,099,640**	**(6,938,819)**
Water Resources			
Water Conservation	704,557	667,341	(37,216)
Montebello Forebay Recycled Water	362,003	443,930	81,927
Groundwater Resource Planning	1,985,500	2,472,634	487,134
Water Quality Programs			
Water Quality Improvement Program	831,833	791,530	(40,303)
Dominguez Gap Barrier Recycled Water	273,919	343,185	69,266
Groundwater Monitoring Program	1,455,227	1,808,695	353,468
Safe Drinking Water Program	962,084	4,110,000	3,147,916
Hydrogeology Program	1,102,111	923,396	(178,715)
Perchlorate Cleanup Project	-	1,285,693	1,285,693
Per- and polyfluoroalkyl substances (PFAS) Program	-	2,160,000	2,160,000
Well Construction & Rehabilitation Program	19,075	20,089	1,014

Table 6a

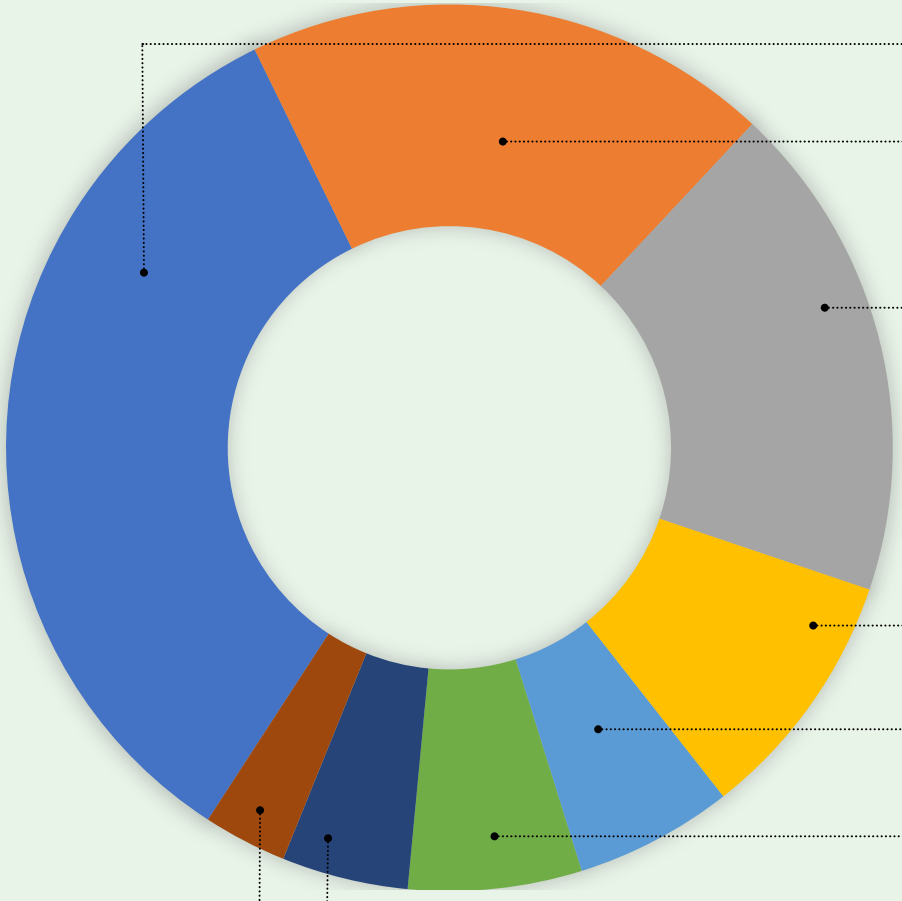
Fiscal Year 2025 Budget Expenses (cont.)

Description	FY 2024 Adopted Budget	FY 2025 Adopted Budget	FY 2025 Budget compared to FY 2024 Budget
Water Replenishment Support			
Geographic Information Systems (GIS)	500,639	463,914	(36,725)
Data Technology Services	1,279,608	1,359,315	79,707
Replenishment Operations	296,796	274,198	(22,598)
Engineering Program	870,345	851,525	(18,820)
Asset Management	-	-	-
Water Education	1,136,441	1,243,983	107,542
SUB-TOTAL	**11,780,138**	**19,219,428**	**7,439,290**
General and Administration			
Board of Directors	453,303	523,798	70,495
Administration	5,094,313	5,571,839	477,526
SUB-TOTAL	**5,547,616**	**6,095,637**	**548,021**
OTHER SPECIAL PROGRAMS & SUPPORTIVE COSTS			
GASB 45 (Required Retirement Funding)	1,300,000	2,016,450	716,450
WRD Facility Maintenance	656,028	736,233	80,205
Litigation	100,000	100,000	-
Cost of Services and Notices	15,000	15,000	-
Election Expense	1,700,000	2,000,000	300,000
SUB-TOTAL	**3,771,028**	**4,867,683**	**1,096,655**
DEBT SERVICE & OTHER NON-OPERATING COSTS			
Revenue Bond Debt Service Payments	16,670,830	16,670,830	-
Additional Fund for DSC	3,250,000	3,250,000	-
Funding for PAYGO Capital Projects ($2 to fund CIP)	426,000	360,000	(66,000)
SUB-TOTAL	**20,346,830**	**20,280,830**	**(66,000)**
TOTAL BUDGET EXPENSES	**$103,484,071**	**$105,563,218**	**$2,079,147**

Figure 4

Operating Expense Detail

Fiscal Year 2025 Total Operating Expenses $105,563,218



Water Purchases	$35,463,437	**33.6%**
Capital & Non-Operating	$20,280,830	**19.2%**
Projects & Programs	$19,219,428	**18.2%**
Albert Robles Center	$9,736,681	**9.2%**
Administrative Costs	$6,095,637	**5.8%**
Vander Lans	$6,678,024	**6.3%**
Other Special Programs	$4,867,683	**4.6%**
Goldsworthy Desalter	$3,221,498	**3.1%**

Comparison of Fiscal Year 2025 Proposed to Fiscal Year 2024 Budget Expenses

Total budgeted expenses for the prior fiscal year were $103.5 million, while total budgeted expenses for fiscal year 2025 are expected to increase by $2.1 million or 2% to total budget of $105.6 million. Water and water related costs decreased by $6.9 million or 7% from $62.0 million to $55.1 million, respectively. Capital and non-operating costs remained the same over the prior fiscal year, reflecting debt service payment associated with the Series 2015 and Series 2018 Replenishment Assessment Revenue Bonds and Clean Water State Revolving Fund Loan, and funding for PAYGO projects. Costs for projects and programs increased approximately $7.4 million or 7% from $11.8 million to $19.2 million, respectively. Administrative costs have a slight change which are projected to increase approximately $0.5 million or 1% in fiscal year 2025.

Table 7

Water Replenishment District of Southern California

Schedule of Expenses: Trend Analysis

Description	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Water Purchases						
Water Costs	$31,210,752	$31,335,792	$33,378,681	$37,859,036	$35,463,437	$(2,395,599)
Water Treatment and Production						
Albert Robles Center (ARC)	9,726,250	8,958,467	7,388,282	10,028,818	9,736,681	(292,137)
LJVWTF - Water Supply	4,607,882	5,249,509	6,183,582	6,637,372	6,678,024	40,652
Goldsworthy Desalter	1,999,187	2,490,547	3,065,501	3,459,088	3,221,498	(237,590)
Water Resources						
Water Conservation	366,576	470,081	479,311	705,377	667,341	(38,036)
Montebello Forebay Recycled Water	360,834	226,206	188,542	362,003	443,930	81,927
Groundwater Resource Planning	1,294,512	1,294,684	1,541,532	1,985,500	2,472,634	487,134
Water Quality Programs						
Water Quality Improvement Program	432,460	448,517	530,745	831,833	791,530	(40,303)
Dominguez Gap Barrier Recycled Water	295,572	209,929	137,853	273,919	343,185	69,266
Groundwater Monitoring Program	1,388,250	1,307,448	1,192,775	1,466,831	1,808,695	341,864
Safe Drinking Water Program	451,475	429,674	1,122,193	1,890,000	4,110,000	2,220,000
Hydrogeology Program	794,125	474,855	345,201	1,121,770	923,396	(198,374)
Regional Brackish Water Program	117,291	38,799	12,197	-	-	-
Perchlorate Cleanup Project	-	-	63,899	-	1,285,693	1,285,693
Per-and Polyfuoroalkyl Substances (PFAS) Program	-	-	2,564,409	2,100,000	2,160,000	60,000
Well Construction & Rehabilitation Program	8,521	2,665	2,685	19,075	20,089	1,014
Water Replenishment Support						
Geographic Information Systems (GIS)	214,188	271,487	392,836	353,013	463,914	110,901
Data Technology Services (DTS)	783,967	1,208,414	1,384,877	1,292,620	1,359,315	66,695
Replenishment Operations	185,691	228,033	321,334	296,796	274,198	(22,598)
Engineering Program	1,125,665	1,274,949	1,379,794	807,570	851,525	43,955
SCADA	28,598	24,950	-	-	-	-
Asset Management	97,982	64,745	-	-	-	-
Water Education	659,632	595,125	843,630	1,136,441	1,243,983	107,542
General and Administration						
Board of Directors	351,218	386,305	439,049	554,667	523,798	(30,869)
Administration	4,232,739	2,618,633	4,642,836	4,871,328	5,571,839	700,511
Other Special Programs & Supportive Costs						
GASB 68/75 (Required Retirement Funding)	1,630,018	1,429,519	2,454,566	1,300,000	2,016,450	716,450
WRD Facility Maintenance	105,119	55,218	498,070	727,228	736,233	9,005
Litigation	119,083	84,913	42,000	100,000	100,000	-
Cost of Services & Notices	-	-		15,000	15,000	-
Election Expense	2,568,655	-	3,437,046	2,000,000	2,000,000	-
Debt Service and Other Non-Operating Costs						
Debt Service and Other Non-Operating Costs	17,363,539	15,633,460	16,573,493	20,346,830	20,280,830	(66,000)
Total Expenses	**$82,519,780**	**$76,812,924**	**$90,606,920**	**$102,542,115**	**$105,563,218**	**$3,021,103**

Table 8

Water Replenishment District of Southern California

Schedule of Expenses by Fund Allocation: Replenishment Assessment Fund

Description	Replenishment Fund Allocation	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Water Purchases							
Water Costs	100%	$31,210,752	$31,335,792	$33,378,681	$37,859,036	$35,463,437	$(2,395,599)
Water Treatment and Production							
Albert Robles Center (ARC)	100%	9,726,250	8,958,467	7,388,282	10,028,818	9,736,681	(292,137)
LJVWTF - Water Supply	100%	4,607,882	5,249,509	6,183,582	6,637,372	6,678,024	40,652
Water Resources							
Water Conservation	50%	183,288	235,041	239,656	352,689	333,671	(19,018)
Montebello Forebay Recycled Water	100%	360,834	226,206	188,542	362,003	443,930	81,927
Groundwater Resource Planning	100%	1,294,512	1,294,684	1,541,532	1,985,500	2,472,634	487,134
Water Quality Programs							
Dominguez Gap Barrier Recycled Water	100%	295,572	209,929	137,853	273,919	343,185	69,266
Groundwater Monitoring Program	50%	694,125	653,724	596,388	733,416	904,348	170,932
Hydrogeology Program	50%	397,063	237,428	172,601	560,885	461,698	(99,187)
Regional Brackish Water Program	50%	58,646	19,400	6,099	-	-	-
Well Construction & Rehabilitation Program	100%	8,521	2,665	2,685	19,075	20,089	1,014
Water Replenishment Support							
Geographic Information Systems (GIS)	50%	107,094	135,744	196,418	176,507	231,957	55,451
Data Technology Services (DTS)	94%	736,929	1,135,909	1,301,784	1,215,063	1,277,756	62,693
Replenishment Operations	100%	185,691	228,033	321,334	296,796	274,198	(22,598)
Engineering Program	100%	1,125,665	1,274,949	1,379,794	807,570	851,525	43,955
SCADA	100%	28,598	24,950	-	-	-	-
Asset Management	100%	97,982	64,745	-	-	-	-
Water Education	50%	329,816	297,563	421,815	568,221	621,992	53,771
General and Administration							
Board of Directors	94%	330,145	363,127	412,706	521,387	492,370	(29,017)
Administration	94%	3,978,775	2,461,515	4,364,266	4,579,048	5,237,529	658,480
Other Special Programs & Supportive Costs							
GASB 68/75 (Required Retirement Funding)	94%	1,532,217	1,343,748	2,307,292	1,222,000	1,895,463	673,463
WRD Facility Maintenance	94%	98,812	51,905	468,186	683,594	692,059	8,465
Litigation	94%	111,938	79,818	39,480	94,000	94,000	-
Cost of Services & Notices	94%	-	-	-	14,100	14,100	-
Election Expense	94%	2,414,536	-	3,230,823	1,880,000	1,880,000	-
Debt Service and Other Non-Operating Costs							
Debt Service and Other Non-Operating Costs	94%	16,321,727	14,695,452	15,579,083	19,126,020	19,063,980	(62,040)
Sub-Total Replenishment Assessment Fund		**$76,237,367**	**$70,580,300**	**$79,858,882**	**$89,997,018**	**$89,484,625**	**$(512,393)**

For **fiscal year 2025,** total budgeted operating expenses related to the Replenishment Fund are **$89.5 million** or **85% of the total budget.**

Total budgeted operating expenses related to the Clean Water Fund are **$16.1 million** or **15% of the total budget.**

Table 9

Water Replenishment District of Southern California

Schedule of Expenses by Fund Allocation: Clean Water Fund

Description	Clean Water Fund	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Water Treatment & Production							
Goldsworthy Desalter	100%	$1,999,187	$2,490,547	$3,065,501	$3,459,088	$3,221,498	$(237,590)
Water Resources							
Water Conservation	50%	183,288	235,041	239,656	352,689	333,671	(19,018)
Water Quality Programs							
Water Quality Improvement Program	100%	432,460	448,517	530,745	831,833	791,530	(40,303)
Groundwater Monitoring Program	50%	694,125	653,724	596,388	733,416	904,348	170,932
Safe Drinking Water Program	100%	451,475	429,674	1,122,193	1,890,000	4,110,000	2,220,000
Hydrogeology Program	50%	397,063	237,428	172,601	560,885	461,698	(99,187)
Regional Brackish Water Program	50%	58,646	19,400	6,099	-	-	-
Perchlorate Cleanup Project	100%	-	-	63,899	-	1,285,693	1,285,693
Per-and Polyfuoroalkyl Substances (PFAS) Program	100%	-	-	2,564,409	2,100,000	2,160,000	60,000
Water Replenishment Support							
Geographic Information Systems (GIS)	50%	107,094	135,744	196,418	176,507	231,957	55,451
Data Technology Services (DTS)	6%	47,038	72,505	83,093	77,557	81,559	4,002
Water Education	50%	329,816	297,563	421,815	568,221	621,992	53,771
General and Administration							
Board of Directors	6%	21,073	23,178	26,343	33,280	31,428	(1,852)
Administration	6%	253,964	157,118	278,570	292,280	334,310	42,031
Other Special Programs & Supportive Costs							
GASB 68/75 (Required Retirement Funding)	6%	97,801	85,771	147,274	78,000	120,987	42,987
WRD Facility Maintenance	6%	6,307	3,313	29,884	43,634	44,174	540
Litigation	6%	7,145	5,095	2,520	6,000	6,000	
Cost of Services & Notices	6%	-	-	-	900	900	-
Election Expense	6%	154,119	-	206,223	120,000	120,000	-
Debt Service and Other Non-Operating Costs							
Debt Service and Other Non-Operating Costs	6%	1,041,812	938,008	994,410	1,220,810	1,216,850	(3,960)
Sub-Total Clean Water Fund		**$6,282,413**	**$6,232,624**	**$10,748,039**	**$12,545,097**	**$16,078,593**	**$3,533,496**
Total Expenses		**$82,519,780**	**$76,812,924**	**$90,606,920**	**$102,542,115**	**$105,563,218**	**$3,021,103**

Table 10

Fiscal Year 2025 Operations & Maintenance Budget

Five-Year Forecast

Description	FY 2025 Adopted Budget	FY 2026 Forecast Budget	FY 2027 Forecast Budget	FY 2028 Forecast Budget	FY 2029 Forecast Budget
OPERATING EXPENDITURES					
Water Purchases	$35,463,437	$36,527,340	$37,623,160	$38,751,855	$39,914,411
Water Treatment and Production	19,636,203	20,576,238	23,953,750	25,386,792	27,350,417
Water Resources	3,583,905	3,449,685	3,248,871	3,318,632	3,364,607
Water Quality Programs	11,442,588	7,573,968	7,823,733	7,783,489	7,827,213
Water Replenishment Support	4,192,935	4,349,002	4,327,679	4,423,632	4,469,903
General and Administration	6,095,637	6,218,801	6,344,707	6,474,284	6,607,290
SUB-TOTAL	**80,414,705**	**78,695,035**	**83,321,901**	**86,138,685**	**89,533,841**
NON OPERATING EXPENDITURES					
Other Special Programs & Supportive Costs	4,867,683	4,911,457	4,948,043	4,997,977	5,034,326
Debt Service and Other Non-Operating Costs	20,280,830	20,280,830	20,280,830	20,280,830	20,280,830
SUB-TOTAL	**$25,148,513**	**$25,192,287**	**$25,228,873**	**$25,278,807**	**$25,315,156**
TOTAL BUDGET	**$105,563,218**	**$103,887,322**	**$108,550,774**	**$111,417,492**	**$114,848,998**

The District is forecasting an overall 9% or $10 million increase in operating expenditure over the next 5 years. Purchased water and treatment costs are the primary driver for increasing costs at the water treatment plants increasing by 39% or $7.7 million. It is expected that Water Treatment and Production Costs will continue to rise as a result of inflation, supply chain issues and higher wages.

The District is investigating ways to mitigate these costs through negotiations, partnerships and projects to secure water, and entering into contracts to lower or stabilize the cost of chemicals. This is in addition to implementing more efficient operations at the facilities and in managing the administration costs of the District.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Revenue Budget

The District's primary source of revenue comes from the Replenishment Assessment (RA) which making up 75% or approximately $78.7 million of the District's revenue. RA is based on the amount of water pumped from the Central and West Coast basins and is applied to every acre-foot of water pumped.

Carryover Conversion to Groundwater Storage, aka "Carryover Conversion" is a mechanism that provides groundwater pumpers the option to transfer their unpumped rights each year into a storage account so that they can use those rights to pump water in a subsequent year. Storage rights can only be held for a specific number of years or those rights will be lost permanently. Carryover conversion revenue is projected to increase from $7 million last year to $13.5 million or 12.8% in fiscal year 2025.

The District also expects to collect approximately $4.6 million or 2.4% of total revenue from recycled water sales to the Orange County Water District (OCWD) form the Leo J. Vander Lans Advanced Treatment Water Facility (LVL AWTF), along with incentives received from the Metropolitan Water District of Southern California (MWD) for every acre-foot produced by the plant. This facility provides advanced water treated water to the Alamitos Seawater Intrusion Barrier Project which would otherwise be supplied with more expensive imported water from MWD.

The Robert Goldsworthy Desalter is located in the West Coast basin and treats brackish groundwater for sale to the city of Torrance. The anticipated revenue is $3.4 million or 3.2% of total revenue.

The Albert Robles Center (ARC) purifies approximately 10,000-acre feet of tertiary treated (recycled) water annually to near-distilled levels through an advanced water treatment facility. Since ARC offsets the need for imported water from MWD, the District receives from the agency's Local Resources Program subsidy through the city of Torrance, a MWD's member agency. The estimated total revenue from this advanced water treatment facility is $0.6 million or 0.6% of total revenue.

WRD's Safe Drinking Water Program is projected to be reimbursed through grant funding for approximately $3.1 million or 3% in FY 2025. The program expenses included planning and designing services for the Safe Drinking Water projects and on-call engineering service for the Disadvantage Community projects.

The District has been managing the Title 22 Groundwater Monitoring Program since it assumed responsibility from Central Basin Municipal Water District in January 1, 2007. This program provides sample collection, analysis, and reporting of drinking water wells results to the State Water Resources Control Board (SWRCB) as required by state regulations, compliance monitoring for the Federal Unregulated Contaminant Monitoring Regulations (UCMR), and monitoring of constituents with state notification levels. The program ensures compliance with applicable

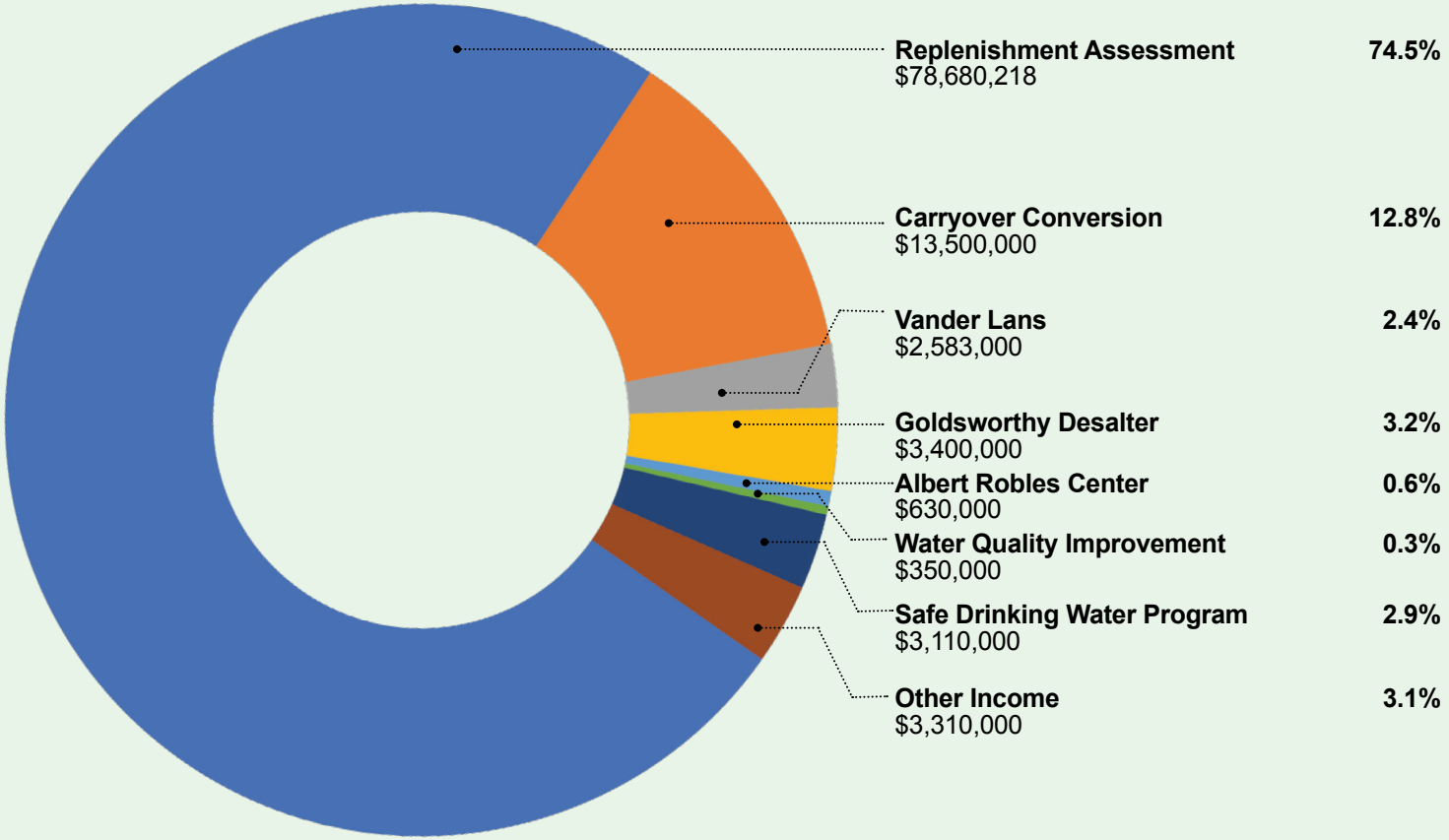
source water quality monitoring requirements for drinking water wells. The program also includes preparation of the annual consumer confidence reports for each participant. The District has provided this service to 22 pumpers with currently 84 wells. The estimated income from the program is $0.4 million or 0.3% in FY 2025.

Other income and expenses account for $3.3 million or 3.1% of total revenue and is the net of interest income, property tax revenue and other expenses that are not charged to the RA.

Figure 5

Fiscal Year 2025 Total Revenues

Total Operating Revenues $105,563,218



Comparison to Prior Fiscal Year 2024 Budgeted Revenues

Total revenues for fiscal year 2025 are projected to be approximately $2.1 million or 2% higher than the budget in prior fiscal year. RA revenue is projected to have a reduction of $5.6 million and an increase of $7.0 million or 6.8% higher than prior year's budget is primarily from the Carryover Conversion revenue.

Table 11
Fiscal Year 2025 Revenues

Description	FY 2024 Adopted Budget	FY 2025 Adopted Budget	FY 2025 Budget compared to FY 2024 Budget
Replenishment Assessment	$84,287,071	$78,680,218	$(5,606,853)
Carryover Conversion	6,510,000	13,500,000	6,990,000
Vander Lans Income/OCWD/MWD Subsidy	4,632,000	2,583,000	(2,049,000)
Goldsworthy Desalter Income/MWD Subsidy	3,000,000	3,400,000	400,000
Albert Robles Center Income/MWD Subsidy	630,000	630,000	-
Water Quality Improvement	-	350,000	350,000
Safe Drinking Water Program Reimbursements	-	3,110,000	3,110,000
Other Revenues	1,125,000	3,310,000	2,185,000
Transfer from Reserve (Rate Stabilization)	3,300,000	-	(3,300,000)
TOTAL REVENUES	**$103,484,071**	**$105,563,218**	**$2,079,147**

Sources of Revenue

Replenishment Assessment Revenue Estimate

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 (AF) of groundwater that they pump from the basins.

For Fiscal Year 2025, the District estimates that it will collect $78,680,218 from the Replenishment Assessment (RA) based on the estimated groundwater pumping of 180,000 AF. From the adopted RA of $437 per AF, $12 per AF is funded for the per- and polyfluoroalkyl substances (PFAS) remediation program.

Pursuant to the Water Code and applicable regulations, the RA is established annually by the Board of Directors. Mathematically, the RA is calculated based on the cost allocation analysis which includes assessing the beneficiaries (i.e., pumpers) their proportional share of the cost to provide water replenishment service.

As required by the Water Code, the District annually prepares the Engineering Survey & Report (ESR) that provides the Board of Directors with the necessary information to justify the setting of an RA for the ensuing fiscal year to purchase replenishment water and to fund projects and programs related to groundwater replenishment and groundwater quality. The ESR contains the following key components:

- A discussion of groundwater production with the District;
- An evaluation of groundwater conditions with the District, including estimates of the annual overdraft, the accumulated overdraft, changes in water levels, and the effects of water level fluctuations on the groundwater resources;
- An appraisal of the quantity, availability, and cost of replenishment water required for the ensuing water year; and
- A description of current and proposed programs and projects to accomplish replenishment goals and to protect and preserve high quality groundwater supplies within the District.

Specifically, the ESR provides an estimate of the total groundwater pumping quantity for the ensuing water year, which is approximately 207,000 AF in the District's service area. Furthermore, the ESR identifies the quantity of supplemental water required to replenish and protect the groundwater basins from pumping. However, District anticipates a reduction of pumping quantity based on conservation signals, record rainfall, groundwater pumping and the use of carryover conversion. Therefore, total groundwater pumping quantity is projected for 180,000 AF which correlates to an estimated cost of service for $105,563,218 in FY 2025.

The unit cost, or RA, per AF of water pumped is calculated as follows:

$$\frac{\text{Total Cost of Service \$}}{\text{Total Groundwater Pumped (AF)}} = \text{Unit Cost (\$/AF pumped)}$$

The FY 2025 pumping estimates were evaluated and refined throughout the budget process. Based on the series of budget presentations during the budget process, the Board of Directors arrived at the total groundwater AF pumped to determine the unit cost as follows:

$$\frac{\text{Total Cost of Service (\$78,680,218)}}{\text{Total Groundwater Pumped (180,000 AF)}} = \text{Unit Cost (\$437/AF)}$$

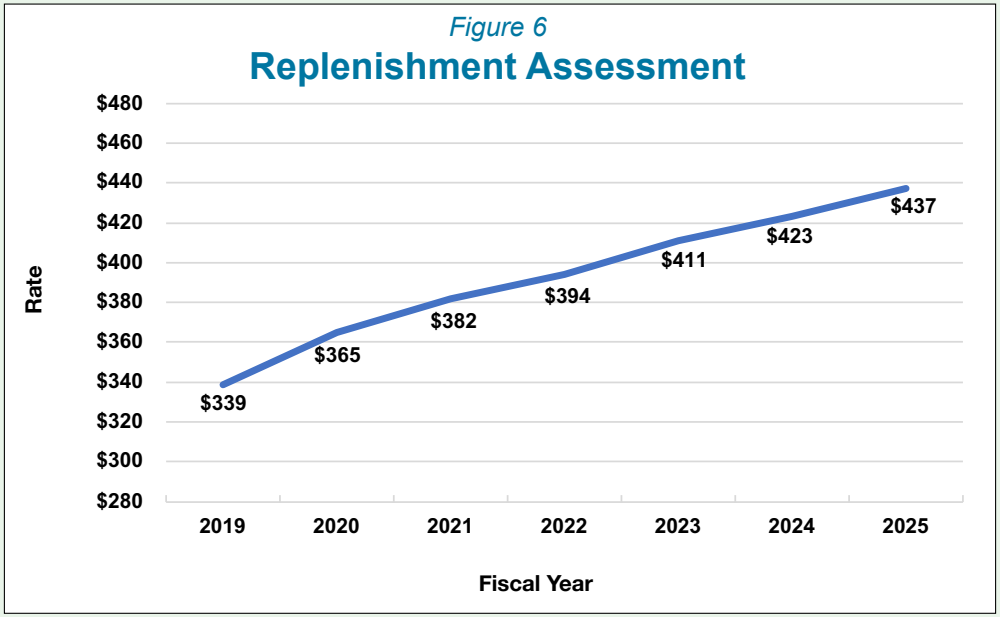
Unit Cost $437/AF includes $12/AF to the PFAS program.

The amount of RA charged to an individual operator is calculated based on the quantity of water they pump multiplied by the RA. For example, if an operator pumps a total of 1,000 AF, that operator will be charged a total of $437,000 (1,000 AF x $437/AF).

The RA 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 RA is split 94% to the Replenishment Fund and 6% to the Clean Water Fund based on the anticipated use of the revenue.

The District's Replenishment Assessment rate have increased gradually over the years as shown in the chart below, for the District to meet the demands of maintenance and preservation of the Basins, and, thus, availability of water for pumpers to pump

Figure 6



To estimate the ensuing year's Replenishment Assessment rate, WRD has made a forecast based on the current year's anticipated pumping. The Budget Advisory Committee's recommendation for the Fiscal Year 2025 Replenishment Assessment is $437 per acre-foot, which included $12 per acre-foot of the Replenishment Assessment to the per- and polyfluoroalkyl substances (PFAS) program. The recommendation was based on the following assumptions:

1. Ensuing year's pumping to be 180,000 acre-feet. It anticipates that pumpers will remove 180,000 acre-feet from the Basins;
2. Ensuing year's water purchases to be 88,500 acre-feet to replenish the Basins; and
3. $13.5 million of revenue will come from the Water Purchase Carryover (water storage for future extraction by pumpers).

The District anticipates that the net cost of its operations for Fiscal Year 2025 will be $78,680,218; therefore, the cost of providing services including $12 per acre-foot of the Replenishment Assessment to the PFAS program will be $437 per acre-foot of water removed from the Basins.

Shown below are the basins top twenty pumpers in fiscal year 2024:

Table 12

Production Summary

Fiscal Year 2024 Top 20 Pumpers

Number	Name	Production (Acre Feet)
1	Golden State Water Company	26,582
2	Long Beach, City of	21,760
3	California Water Service Company (East LA)	20,719
4	Downey, City of	13,222
5	Tesoro Refining & Marketing Company LLC	8,817
6	South Gate, City	7,824
7	Cerritos, City of	6,946
8	Compton, City of	6,539
9	Whittier, City of	6,409
10	Lakewood, City of Water Department	6,387
11	Vernon, City of	4,719
12	Bellflower-Somerset Mutual Water Company	4,698
13	Lynwood, City of	4,571
14	Phillips 66 Company	4,452
15	Water Replenishment District of Southern California	4,323
16	Liberty Utilities Coporation	4,240
17	Pico Rivera, City of	3,801
18	San Gabriel Valley Water Company	2,934
19	Montebello Land and Water Company	2,838
20	Paramount, City of	2,811
	Total	**164,591**

Production and Treatment Revenue Estimates

The District receives revenue from the Leo J. Vander Lans Advanced Water Treatment Facility, the Robert W. Goldsworthy Desalter and the Albert Robles Center for Water Recycling & Environmental Learning.

The Leo J. Vander Lans Advanced Water Treatment Facility provides advanced treated water to the Alamitos Seawater Barrier Project to prevent seawater intrusion into the Central Basin groundwater supply. Revenue from the facility comes from the sale of water to the Orange County Water District as well as a subsidy received from the Central Basin Municipal Water District and the Long Beach Utilities through a Local Resource Program offered by the Metropolitan Water District of Southern California.

The District completed the Leo J. Vander Lans Expansion Project in FY 2016, which doubled the capacity of the treatment plant and completely replaced the need for imported water with highly treated recycled water at the Alamitos Seawater Intrusion Barrier. This is one of the key components in the District's Water Independence Now (WIN) Program. Projected revenues for FY 2025 is $2.6 million.

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, with all revenue allocated to the Replenishment Fund.

The Robert W. Goldsworthy Desalter has been operating since 2002. The goal of this project is to remove brackish groundwater from a seawater intrusion plume which was created after the establishment of the West Coast Basin Seawater Intrusion Barrier in the 1950s and 1960s – a project which trapped inland brackish water. The production wells and desalting facility are located within the City of Torrance. Extracted groundwater which would otherwise not be used due to its saline properties, is treated, and delivered for potable use to the City's distribution system. The treatment capacity of the original facility was 2,200 acre-feet per year.

The District expanded the Robert W. Goldsworthy Desalter to a treatment capacity of 4,800 acre-feet per year in 2017. The City of Torrance Water Department is responsible for the operations and maintenance of the treatment plant under contract with WRD. Revenue from the Desalter comes from the sale of water production to the City of Torrance. Projected revenues for FY 2025 is $3.4 million.

Fund Allocation – The purpose of the Desalter is to remediate degraded groundwater quality, with resulting costs attributed solely to the Clean Water Fund.

The Albert Robles Center for Water Recycling & Environmental Learning is a 5.2 acre facility which is located in the City of Pico Rivera. Adjacent to the San Gabriel River, this allows for direct delivery of advanced treated recycled water to an existing pipeline leading into the Montebello Forebay spreading grounds.

The Albert Robles Center purifies approximately 10,000 acre-feet (3.25 billion gallons) of tertiary treated (recycled) water annually to near-distilled levels through utilization

of advanced water treatment technologies. These technologies consist of ultrafiltration, reverse osmosis, and advanced oxidation prior to conveyance to the spreading grounds. Since the Albert Robles Center offsets the need for imported water from Metropolitan Water District (MWD) of Southern California, the District receives MWD's Local Resources Program subsidy through the City of Torrance, a MWD member agency. Projected revenues for FY 2025 is $0.6 million.

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. All revenue is allocated to the Replenishment Fund.

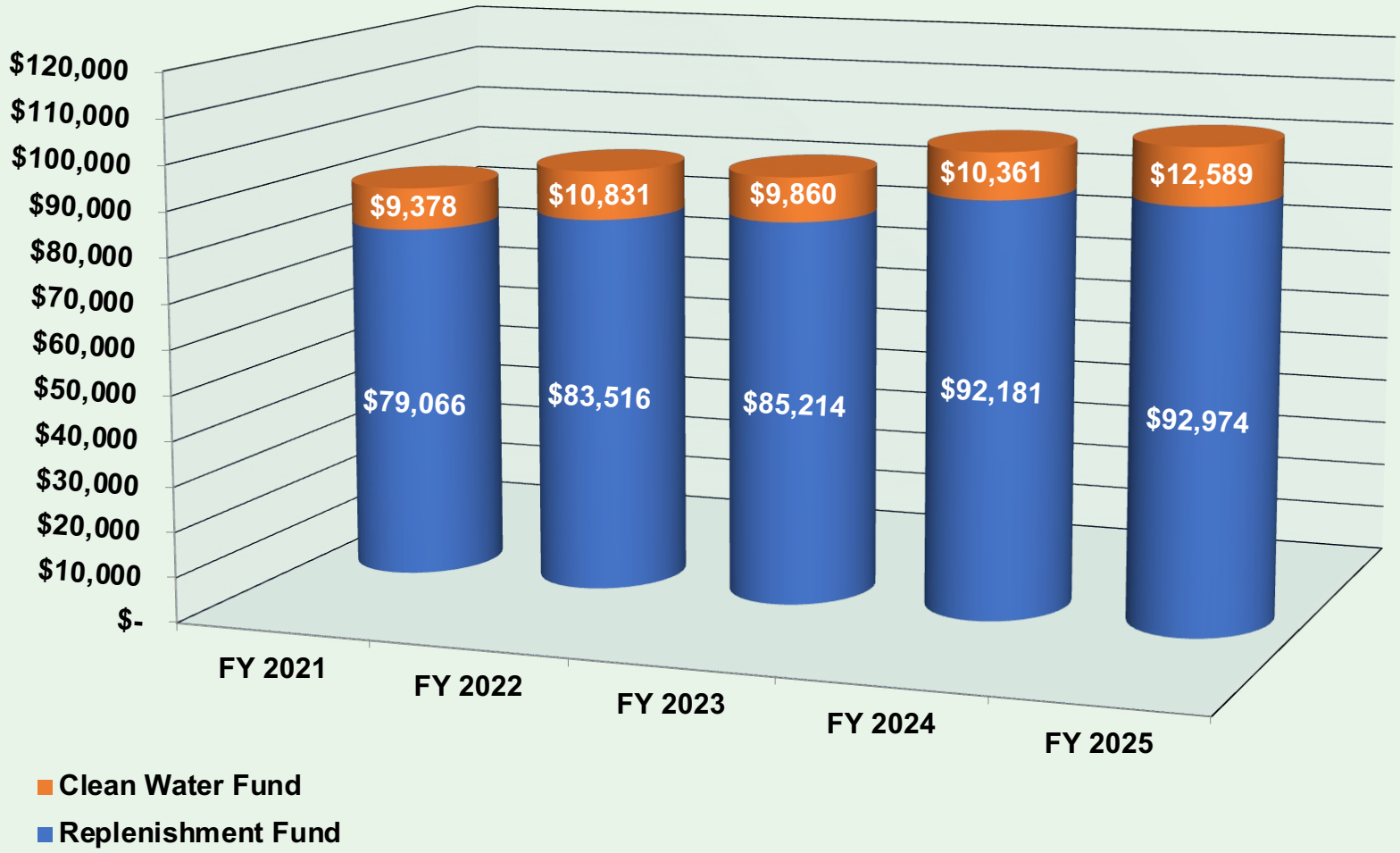
Table 13

Comparative Revenue by Fund

Description	Allocation % Replenishment Fund	Allocation % Clean Water Fund	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projection	FY 2025 Budget
Replenishment Fund							
Replenishment Assessment	94%		$71,591,381	$72,076,918	$67,883,113	$77,047,678	$73,959,405
Carryover Conversion	94%		3,967,457	7,266,103	12,206,766	11,280,000	12,690,000
LJVWTF - Water Supply	100%		2,156,938	2,911,592	2,876,447	2,753,000	2,583,000
Albert Robles Center	100%		692,773	593,580	314,868	630,000	630,000
Other Income	94%		657,786	667,834	1,932,550	470,470	3,111,400
Sub-Total Replenishment Fund			**$79,066,335**	**$83,516,027**	**$85,213,743**	**$92,181,148**	**$92,973,805**
Clean Water Fund							
Replenishment Assessment		6%	$4,569,663	$4,600,654	$4,332,841	$4,917,937	$4,720,813
Carryover Conversion		6%	253,242	463,794	779,155	720,000	810,000
Goldsworthy Desalter Sales		100%	2,598,650	4,227,871	3,158,971	2,453,000	3,400,000
Water Quality Improvement		100%	227,714	330,553	285,034	350,000	350,000
Safe Drinking Water Program		100%	1,686,370	1,165,449	1,292,299	1,890,000	3,110,000
Other Income		6%	41,986	42,628	12,411	30,030	198,600
Sub-Total Clean Water Fund			**$9,377,625**	**$10,830,948**	**$9,860,710**	**$10,360,967**	**$12,589,413**
Total All Funds			**$88,443,960**	**$94,346,975**	**$95,074,453**	**$102,542,115**	**$105,563,218**

Figure 7

Comparative Revenue by Fund ($ in Thousands)



Other Revenue Estimates

Other Income

The District is estimating revenue for FY 2025 from property tax to be $0.8 million and interest income to be $2.8 million. There are non-RA related expenses of $0.3 million which off-set the above and will bring the estimated revenue from this source to $3.3 million.

Fund Allocation – The revenue collected through 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.

Groundwater is an economical source of water. In FY 2025, the District's Replenishment Assessment is $437/AF. The additional cost to the water purveyors to operate their systems and serve the water could add up to $250/AF to the Replenishment Assessment rate. In contrast, the price of treated imported water, which is the alternative source to groundwater, is projected at $1,690/AF. Therefore, groundwater is over 50% less than the cost of treated imported water.

Taking a longer view on the cost-benefit side, water imported from Northern California and the Colorado River cannot be relied on to meet the replenishment needs of WRD and the cost of imported water keeps increasing every year. The only way to stabilize groundwater rates is to become independent of imported water.

The District'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.

Five-Year Revenues Forecast

Table 14

Fiscal Year 2025 Revenues Budget

Five-Year Forecast

Description	FY 2025 Adopted Budget	FY 2026 Forecast Budget	FY 2027 Forecast Budget	FY 2028 Forecast Budget	FY 2029 Forecast Budget
Replenishment Assessment	$78,640,902	$81,000,129	$83,430,133	$85,933,037	$88,511,028
Carryover Conversion	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Vander Lans Income/OCWD/MWD Subsidy	2,583,000	2,468,000	2,818,000	3,040,000	3,390,000
Goldsworthy Desalter Income/MWD Subsidy	3,400,000	2,910,000	6,000,000	6,170,000	6,360,000
Albert Robles Center Income/MWD Subsidy	630,000	630,000	630,000	630,000	630,000
Water Quality Improvement	350,000	350,000	375,000	375,000	400,000
Safe Drinking Water Program Reimbursements	3,110,000	-	-	-	-
Other Revenues	3,310,000	2,510,000	2,510,000	2,510,000	2,510,000
TOTAL REVENUES	**$105,523,902**	**$103,368,129**	**$109,263,133**	**$112,158,037**	**$115,301,029**

The forecast above shows the Replenishment Assessment increases by a total of approximately 9.2% or $9.8 million over the next five years. The Torrance Desalter Expansion project is projected to be completed in FY 2027 which will increase the production capacity; therefore, the Desalter Assessment revenue will have a significant increase starting in FY 2027. Income at the other treatment facilities is expected to remain at the same level based on consistent operations and ongoing subsidies. Carryover conversion projection is $13.5 million in FY 2025 and this number is anticipated to stay the same until FY 2029. In addition, other income is expected to increase due to anticipation of higher interest income in the next five years.

Subsidy expiration dates are as follows:

- Leo Vander Lans (through Central Basin): 2025
- Leo Vander Lans Expansion (through Long Beach Water): 2043
- Albert Robles Center (through the City of Torrance): 2042

Fund Balances

Reserve Fund Policy

The level of reserves maintained by the District is an important component of short and long-term financial management, and is a key consideration in the rate-setting process. Furthermore, the level of reserves is one of the key financial metrics used by credit rating agencies when evaluating the financial strength of an organization. Prudent reserves are an important financial tool that benefits both WRD and the pumpers. A prudent level of reserves helps mitigate financial risks due to changes in pumping levels, unexpected cost increases, and emergencies.

WRD's reserve policy is to ensure that reserves meet WRD's financial and operational objectives. Among other things, the Reserve Policy includes:

- How these balances are established
- How funds are used
- How the adequacy of each respective reserve fund balance is determined
- How reserves are replenished when used

The District's reserve policy will be reviewed annually during the budgeting process to monitor current levels and evaluate compliance with the policy. Decisions can then be made to maintain, increase, or spend down reserve balances, as appropriate, with an understanding of the impact of such decisions to the upcoming budget period and the long-term financial plan. The annual analysis of funds is an important part of responsible financial planning, particularly as WRD transitions from an agency that produces water to one that produces water and operates and maintains three capital facilities.

As of June 30, 2024, the District has $101,629,000 in Cash and Reserve Funds. This includes $3,200,000 of restricted reserves and $98,429,000 in unrestricted reserves. The following pages provide a detailed breakdown of the District's reserve funds.

Table 15

Reserve Fund Balances

Reserve Funds:	
Debt Services (Restricted)	$3,200,000
Safe Drinking Water Program & Disadvantage Community	6,400,000
Well Rehabilitation & Construction	5,200,000
Water Purchase Carryover & Rate Stabilization	12,100,000
PAYGO Capital Reserve	29,700,000
PFAS Remediation Program	15,000,000
Operating Reserve	30,000,000
Total Reserve Balances as of June 30, 2024	**$101,600,000**

Restricted Reserve Fund

Debt Service Reserve – established pursuant to the covenants in WRD's State Revolving Fund (SRF) Loan. The District is required to maintain one year of debt service in reserve as security for the SRF loan.

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

Unrestricted Reserve Funds:

1. **Safe Drinking Water and Disadvantaged Community Reserve –** to account for, and fund loans and grants to help clean up the groundwater basin.

   Source of Funds: Replenishment Assessment
   Use of Funds: Safe Drinking Water and Disadvantaged Community Projects

2. **Well Rehabilitation & Construction Reserve –** to provide zero interest loans to help finance well construction and rehabilitation to increase pumping capacity in the basin.

   Source of Funds: Replenishment Assessment
   Use of Funds: Well Rehabilitation Program

3. **Water Purchase Carryover & Rate Stabilization Reserve –** to ensure WRD's ability to acquire or develop water supplies to replenish the Central and West Coast groundwater basins and to stabilize rates.

   Source of Funds: Replenishment Assessment
   Use of Funds: Acquire or Develop Water Supplies

4. **Pay-Go Capital Reserve –** to fund pay-go various capital projects

   Source of Funds: Replenishment Assessment
   Use of Funds: Miscellaneous Capital Projects

5. **PFAS Remediation Reserve –** to fund PFAS Remediation Program

   Source of Funds: Replenishment Assessment
   Use of Funds: PFAS Remediation Projects

6. **Operating Reserve –** to provide needed working capital and to help ensure against unforeseen events, including lower than expected sales, unbudgeted expenses, emergencies (e.g. earthquakes or other natural disasters), and other unforeseen events. The Operating Reserve is equal to three months of the cost of operations, including annual debt services, in the current year budget.

   Source of Funds: Replenishment Assessment
   Use of Funds: Non-Recurring Operating Expenses

The balance of trust funds as of June 30, 2024 is as follows:

Table 16

Water Replenishment District of Southern California

Trust Fund Report as of June 30, 2024

Fund Purpose	Beginning Balance	Interest Income	Disbursements	Addition	Ending Balance
2015 Revenue Bonds	$18,591	$75	$ -	$ -	$18,666
2018 Revenue Bonds	15,534,296	62,898	(445)	-	15,596,749
CalTrans Trust Fund (BancWest)	5,767,241	9,799	(14,000)	-	5,763,040
Total	**$21,320,128**	**$72,772**	**$(14,445)**	**$ -**	**$21,378,455**

Trust Funds

A relationship whereby funds are legally held and managed by another party or organization for the benefit of 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 2015 and 2018 Replenishment Assessment Revenue Bonds. 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.

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

Proceeds from the 2018 Debt Issuances

Source of Funds: 2018 Revenue Bond
Use of Funds: Restricted for Capital Projects only

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 Replenishment Assessment

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.

Table 17

Projected Unreserved Fund Balance

as of June 30, 2024 and 2025

Description	Estimated Unreserved Fund Balance 6/30/24	Estimated Revenues	Estimated Expenses	Debt Service	Estimated Unreserved Fund Balance 6/30/25
Replenishment Fund	$18,927,911	$92,973,805	$(73,814,045)	$(15,670,580)	$22,417,091
Clean Water Fund	$1,208,165	$12,589,413	$(15,078,343)	$(1,000,250)	$(2,281,015)
Total All Funds	**$20,136,076**	**$105,563,218**	**$(88,892,388)**	**$(16,670,830)**	**$20,136,076**

Table 18

Projected Unreserved Fund Balance

5-Year Forecast

Description	FY 2025 Budget	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast
Beginning Funds Balance	**$20,136,076**	**$20,136,076**	**$19,616,883**	**$20,329,242**	**$21,069,787**
Add: Estimated Revenues	105,563,218	103,368,129	109,263,133	112,158,037	115,301,029
Total Funds Available	**125,699,294**	**123,504,205**	**128,880,016**	**132,487,279**	**136,370,816**
Less: Estimated Expenditures	(88,892,388)	(87,216,492)	(91,879,944)	(94,746,662)	(98,178,168)
Annual Debt Service (current)	(16,670,830)	(16,670,830)	(16,670,830)	(16,670,830)	(16,670,830)
Ending Funds Balance	**$20,136,076**	**$19,616,883**	**$20,329,242**	**$21,069,787**	**$21,521,818**

Long-Term Debt

Currently, the District's financial plan does not require any long-term borrowing in fiscal year 2024. This is due to over 440 days of cash-on-hand, PayGo, PFAS Assessment, Grants and 2018 Bond Funds. Going forward the issuance of any long-term debt would be based on an acceleration of the Regional Brackish program, additional commitments for PFAS remediation or refinancing opportunities.

In November 2023, Fitch ratings downgraded the WRD Revenue Bonds to 'AA' with a Stable Outlook. The 'AA' rating reflects the District's elevated leverage position in fiscal years 2019 to 2021 and Fitch's expectation that leverage, as measured by net adjusted debt to adjusted funds available for debt service (FADS), will remain at a level more consistent with the current ratings, reaching 8X or more over the next five years in Fitch's Analytical Stress Test (FAST) stress case.

The 'AA' rating and Stable Outlook further reflect the District's very strong financial profile in the context of its very strong revenue defensibility and very strong operating risk profile, both assessed at 'AA". Debt financial capital investment is anticipated related to a regional brackish water reclamation facilitation beginning in fiscal 2026, which is accounted for in the current raring, as there is sufficient headroom to absorb the additional debt and any potential cost increases.

Debt Management Policy

Pursuant to the requirements of SB-1029 California Debt and Investment Advisory Commission, the District adopted the Debt Management Policy that established guidelines for the issuance and the on-going administration process for debt securities and other forms of indebtedness issued by the District.

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in these Debt Management Policies and to implement policy decisions incorporated in the District's Five-Year Financial Plan and its annual operating budget.

The District recognizes that a fiscally prudent debt policy is required to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's creditworthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers, and constituents of the District.

- Ensure that the District's debt is consistent with the District's planning, goals and objectives for capital improvements and operations, as applicable.

The District issued long-term debt to finance the construction, acquisition, and rehabilitation of facilities, equipment and land owned or to be owned and operated by the District. Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses. Details of the District's long-term debt are presented below.

Replenishment Assessment Revenue Bonds, Series 2015

On December 10, 2015 the District issued $148,345,000 Replenishment Assessment Revenue Bonds, Series 2015. Additionally, the District formed "The Authority", a joint exercise of powers agency organized under the laws of the State of California and formed pursuant to that certain Joint Exercise of Powers Agreement dated August 6, 2015 by the California Municipal Finance Authority, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California. The bonds were issued by the Authority to: (i) finance the acquisition, construction and installation of certain capital improvement projects of the WRD, (ii) prepay the 2004, 2008 and 2011 Certificates of Participation, and (iii) to pay costs of issuance of the bonds.

Both Standard and Poor's and Fitch ratings affirmed the WRD's credit rating of AA+ with a stable outlook. This helped in the District obtaining AAA pricing, in line with the Metropolitan Water District pricing the day before WRD priced its bonds. The District will have level debt service payments of $9.25 million annually for 30 years. The result of the refunding resulted in a net present value (NPV) of $9.72 million and an all-in lowering of total interest cost of 3.49%, compared to the 2004 COP – 4.52%, 2008 COP – 6.15%, and 2011 COP – 4.70%. Due to the District's strong credit rating and aggressive pricing by the District's underwriting team, the demand for the bonds was four-times the offering amount.

The net proceeds of $69,500,000 was used to fund the following capital projects:

1. Albert Robles Center for Water Recycling and Environmental Learning
2. Goldsworthy Brackish Water Reclamation Program
3. Stormwater Conservation and Groundwater Storage Program
4. Groundwater Basin Management Program
5. Improvements related to the Safe Drinking Water Program
6. Improvements related to the Groundwater Infrastructure Management Program

Replenishment Assessment Revenue Bonds, Series 2018

As the District goes through the annual update of its Capital Improvement Plan, the District looks to the capital funding needs for the next three to five years. With the completion of the Albert Robles Center for Water Recycling and Environmental Learning and the Goldsworthy Desalter expansion, it is evident that additional funds will be needed to continue WRD's mission to supply clean and reliable water to the West Coast and Central Groundwater Basins.

In December 2018, the District issued $65,785,000 Replenishment Assessment Revenue Bonds, Series 2018. The 2018 Revenue Bond are being issued pursuant to an Indenture of Trust among the Water Replenishment District of Southern California Financing Authority ('the Authority'), WRD ('the District") and U.S. Bank as trustee. The Bonds were issued by the Authority to finance the acquisition, construction, and installation of the following capital improvement projects and pay costs of issuance of bonds.

1. Leo J. Vander Lans (LVL) Facility Improvement Projects
2. Regional Brackish Water Reclamation Project
3. Field Operations and Storage Annex Facility Project
4. Whittier Narrows Conservation Pool Feasibility Study
5. Dominguez Gap Seawater Intrusions Barrier – Second Connection/potable backup supply
6. Groundwater Basin Management Program
7. Safe Drinking Water Program

Clean Water State Revolving Fund

As the District moves towards independence from imported water from both the Colorado River and the California State Water Project, we continue to find ways to keep the costs as low as possible. As part of this effort, the District applied for and has been awarded a $15,000,000 million grant and an $80,000,000, 30-year one- percent loan to assist with the building of the Groundwater Reliability Improvement Project (Albert Robles Center) through the California Clean Water State Revolving Fund. The savings will amount to nearly $47,000,000 to the District's customers when compared to a 30-year Replenishment Assessment Revenue Bonds at the District's last borrowing interest rate of 3.49%.

Projected Budget Impact of Debt Service

The projected budget impact of principal and interest payments with the 2015 and 2018 Replenishment Assessment Revenue Bonds, and Clean Water State Revolving Fund is as follows:

Table 19
Annual Debt Service Payments *(in million $)*

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
2015 Bonds	$9.3	$9.3	$9.3	$9.3	$9.3
2018 Bonds	4.3	4.3	4.3	4.3	4.3
State Revolving Fund Loan	3.1	3.1	3.1	3.1	3.1
Total	**$16.7**	**$16.7**	**$16.7**	**$16.7**	**$16.7**

The projects constructed with these borrowings will replace the need to purchase 21,000 acre-feet of imported water for replenishment purposes. The reduction in imported water costs mitigates the impact of the ongoing debt service payments shown above. In addition, the cost of imported water is expected to increase over time, while debt service will be essentially level for the next thirty years, providing a hedge against uncertainty regarding the future cost of imported water supplies.

Table 20

Debt Service Payment Schedule

Due Date	Fiscal Year	2015 Revenue Bond Payment Schedule			2018 Revenue Bond Payment Schedule			CWSRF Loan Payment Schedule			Debt Service
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
08/01/2016	2017	1,655,000	4,118,895	**5,773,895**	-	-	**-**	-	-	**-**	
02/01/2017		-	3,472,350	**3,472,350**	-	-	**-**	-	-	**-**	**9,246,245**
08/01/2017	2018	2,350,000	3,472,350	**5,822,350**	-	-	**-**	-	-	**-**	
02/01/2018		-	3,425,350	**3,425,350**	-	-	**-**	-	-	**-**	**9,247,700**
08/01/2018	2019	2,445,000	3,425,350	**5,870,350**	-	-	**-**	-	-	**-**	
02/01/2019		-	3,376,450	**3,376,450**	-	392,883	**392,883**	-	-	**-**	**9,639,683**
08/01/2019	2020	2,560,000	3,376,450	**5,936,450**	-	1,644,625	**1,644,625**	-	-	**-**	
12/31/2019							**-**	2,295,672	628,866	**2,924,539**	
02/01/2020		-	3,312,450	**3,312,450**	-	1,644,625	**1,644,625**				**15,462,689**
08/01/2020	2021	2,690,000	3,312,450	**6,002,450**	1,035,000	1,644,625	**2,679,625**				
12/31/2020								2,212,332	738,265	**2,950,597**	
02/01/2021		-	3,245,200	**3,245,200**		1,618,750	**1,618,750**				**16,496,622**
08/01/2021	2022	2,830,000	3,245,200	**6,075,200**	1,085,000	1,618,750	**2,703,750**				
12/31/2021								2,397,093	724,224	**3,121,317**	
02/01/2022		-	3,174,450	**3,174,450**		1,591,625	**1,591,625**				**16,666,342**
08/01/2022	2023	2,975,000	3,174,450	**6,149,450**	1,145,000	1,591,625	**2,736,625**				
12/31/2022								2,385,947	735,370	**3,121,317**	
02/01/2023		-	3,100,075	**3,100,075**		1,563,000	**1,563,000**				**16,670,467**
08/01/2023	2024	3,125,000	3,100,075	**6,225,075**	1,200,000	1,563,000	**2,763,000**				
12/31/2023								2,409,807	711,511	**3,121,317**	
02/01/2024		-	3,021,950	**3,021,950**		1,533,000	**1,533,000**				**16,664,342**

Table 20

Debt Service Payment Schedule (cont.)

Due Date	Fiscal Year	2015 Revenue Bond Payment Schedule			2018 Revenue Bond Payment Schedule			CWSRF Loan Payment Schedule			Debt Service
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
08/01/2024	2025	3,285,000	3,021,950	**6,306,950**	1,260,000	1,533,000	**2,793,000**				
12/31/2024								2,433,905	687,413	**3,121,317**	
02/01/2025			2,939,825	**2,939,825**		1,501,500	**1,501,500**				**16,662,592**
08/01/2025	2026	3,455,000	2,939,825	**6,394,825**	1,325,000	1,501,500	**2,826,500**				
12/31/2025								2,458,244	663,074	**3,121,317**	
02/01/2026			2,853,450	**2,853,450**		1,468,375	**1,468,375**				**16,664,467**
08/01/2026	2027	3,630,000	2,853,450	**6,483,450**	1,395,000	1,468,375	**2,863,375**				
12/31/2026								2,482,826	638,491	**3,121,317**	
02/01/2027			2,762,700	**2,762,700**		1,433,500	**1,433,500**				**16,664,342**
08/01/2027	2028	3,815,000	2,762,700	**6,577,700**	1,465,000	1,433,500	**2,898,500**				
12/31/2027								2,507,654	613,663	**3,121,317**	
02/01/2028			2,667,325	**2,667,325**		1,396,875	**1,396,875**				**16,661,717**
08/01/2028	2029	4,015,000	2,667,325	**6,682,325**	1,540,000	1,396,875	**2,936,875**				
12/31/2028								2,532,731	588,586	**3,121,317**	
02/01/2029			2,566,950	**2,566,950**		1,358,375	**1,358,375**				**16,665,842**
08/01/2029	2030	4,220,000	2,566,950	**6,786,950**	1,620,000	1,358,375	**2,978,375**				
12/31/2029								2,558,058	563,259	**3,121,317**	
02/01/2030			2,461,450	**2,461,450**		1,317,875	**1,317,875**				**16,665,967**
08/01/2030	2031	4,435,000	2,461,450	**6,896,450**	1,705,000	1,317,875	**3,022,875**				
12/31/2030								2,583,639	537,678	**3,121,317**	
02/01/2031			2,350,575	**2,350,575**		1,275,250	**1,275,250**				**16,666,467**
08/01/2031	2032	4,660,000	2,350,575	**7,010,575**	1,790,000	1,275,250	**3,065,250**				
12/31/2031								2,609,475	511,842	**3,121,317**	
02/01/2032			2,234,075	**2,234,075**		1,230,500	**1,230,500**				**16,661,717**
08/01/2032	2033	4,900,000	2,234,075	**7,134,075**	1,885,000	1,230,500	**3,115,500**				
12/31/2032								2,635,570	485,747	**3,121,317**	
02/01/2033			2,111,575	**2,111,575**		1,183,375	**1,183,375**				**16,665,842**

Table 20

Debt Service Payment Schedule (cont.)

Due Date	Fiscal Year	2015 Revenue Bond Payment Schedule			2018 Revenue Bond Payment Schedule			CWSRF Loan Payment Schedule			Debt Service
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
08/01/2033	2034	5,155,000	2,111,575	**7,266,575**	1,980,000	1,183,375	**3,163,375**				
12/31/2033								2,661,926	459,392	**3,121,317**	
02/01/2034			1,982,700	**1,982,700**		1,133,875	**1,133,875**				**16,667,842**
08/01/2034	2035	5,415,000	1,982,700	**7,397,700**	2,080,000	1,133,875	**3,213,875**				
12/31/2034								2,688,545	432,772	**3,121,317**	
02/01/2035			1,847,325	**1,847,325**		1,081,875	**1,081,875**				**16,662,092**
08/01/2035	2036	5,695,000	1,847,325	**7,542,325**	2,190,000	1,081,875	**3,271,875**				
12/31/2035								2,715,430	405,887	**3,121,317**	
02/01/2036			1,704,950	**1,704,950**		1,027,125	**1,027,125**				**16,667,592**
08/01/2036	2037	5,985,000	1,704,950	**7,689,950**	2,300,000	1,027,125	**3,327,125**				
12/31/2036								2,742,585	378,733	**3,121,317**	
02/01/2037			1,555,325	**1,555,325**		969,625	**969,625**				**16,663,342**
08/01/2037	2038	6,295,000	1,555,325	**7,850,325**	2,420,000	969,625	**3,389,625**				
12/31/2037								2,770,011	351,307	**3,121,317**	
02/01/2038			1,397,950	**1,397,950**		909,125	**909,125**				**16,668,342**
08/01/2038	2039	6,615,000	1,397,950	**8,012,950**	2,540,000	909,125	**3,449,125**				
12/31/2038								2,797,711	323,607	**3,121,317**	
02/01/2039			1,232,575	**1,232,575**		845,625	**845,625**				**16,661,592**
08/01/2039	2040	6,955,000	1,232,575	**8,187,575**	2,675,000	845,625	**3,520,625**				
12/31/2039								2,825,688	295,629	**3,121,317**	
02/01/2040			1,058,700	**1,058,700**		778,750	**778,750**				**16,666,967**
08/01/2040	2041	7,315,000	1,058,700	**8,373,700**	2,810,000	778,750	**3,588,750**				
12/31/2040								2,853,945	267,373	**3,121,317**	
02/01/2041			875,825	**875,825**		708,500	**708,500**				**16,668,092**
08/01/2041	2042	7,685,000	875,825	**8,560,825**	2,955,000	708,500	**3,663,500**				
12/31/2041								2,882,484	238,833	**3,121,317**	
02/01/2042			683,700	**683,700**		634,625	**634,625**				**16,663,967**

Table 20

Debt Service Payment Schedule (cont.)

Due Date	Fiscal Year	2015 Revenue Bond Payment Schedule			2018 Revenue Bond Payment Schedule			CWSRF Loan Payment Schedule			Debt Service
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
08/01/2042	2043	8,040,000	683,700	8,723,700	3,105,000	634,625	3,739,625				
12/31/2042								2,911,309	210,008	3,121,317	
02/01/2043			522,900	522,900		557,000	557,000				16,664,542
08/01/2043	2044	8,370,000	522,900	8,892,900	3,265,000	557,000	3,822,000				
12/31/2043								2,940,422	180,895	3,121,317	
02/01/2044			355,500	355,500		475,375	475,375				16,667,092
08/01/2044	2045	8,710,000	355,500	9,065,500	3,430,000	475,375	3,905,375				
12/31/2044								2,969,826	151,491	3,121,317	
02/01/2045			181,300	181,300		389,625	389,625				16,663,117
08/01/2045	2046	9,065,000	181,300	9,246,300	3,610,000	389,625	3,999,625				
12/31/2045								2,999,525	121,793	3,121,317	
02/01/2046		-	-	-		299,375	299,375				16,666,617
08/01/2046	2047	-	-	-	3,795,000	299,375	4,094,375				
12/31/2046		-	-	-				3,029,520	91,797	3,121,317	
02/01/2047		-	-	-		204,500	204,500				7,420,192
08/01/2047	2048	-	-	-	3,990,000	204,500	4,194,500				
12/31/2047		-	-	-				3,059,815	61,502	3,121,317	
02/01/2048		-	-	-		104,750	104,750				7,420,567
08/01/2048	2049	-	-	-	4,190,000	104,750	4,294,750				
12/31/2048		-	-	-				3,090,413	30,904	3,121,317	7,416,067
	Total	148,345,000	129,068,795	277,413,795	65,785,000	62,510,258	128,295,258	80,442,108	12,829,913	93,272,021	498,981,073

Debt Limit

There is currently no debt limit or ceiling in the California State Water Code for water districts such as WRD. The District has the authority to collect the cost of debt in its Replenishment Assessment (RA). The upper limit of the RA is set by the Board and is in effect a limiting factor in the issuance of debt by the District. Capital Improvement Program additions and betterments will be primarily funded through long-term debt.

Debt Service Coverage

Shown below is the projected Debt Service Coverage (DSC) for fiscal year 2025. The planned DSC is 1.84x which is 0.64x higher than our bond covenant requirement of 1.2x.

Table 21
Debt Service Coverage

Description	2021 Actual	2022 Actual	2023 Actual	2024 Projection	2025 Budget
Operating Revenue					
Replenishment Assessment	$76,161,044	$76,677,572	$72,215,954	$81,965,615	$78,680,218
Carryover Conversion	4,220,699	7,729,897	12,985,921	12,000,000	13,500,000
LJVWTF - Water Supply	2,156,938	2,911,592	2,876,447	2,753,000	2,583,000
Goldsworthy Desalter Sales	2,598,650	4,227,871	3,158,971	2,453,000	3,400,000
Albert Robles Center	692,773	593,580	314,868	630,000	630,000
Water Quality Improvement	227,714	330,553	285,034	350,000	350,000
Safe Drinking Water Program	1,686,370	1,165,449	1,292,299	1,890,000	3,110,000
Other Income	699,772	710,462	1,944,961	500,500	3,310,000
Operating Revenue	**$88,443,960**	**$94,346,976**	**$95,074,455**	**$102,542,115**	**$105,563,218**
Revenues	$88,443,960	$94,346,976	$95,074,455	$102,542,115	$105,563,218
Less: Operations & Maintenance	29,522,615	28,274,022	34,233,063	40,194,021	39,379,429
Net Revenue	58,921,345	66,072,954	60,841,392	62,348,094	66,183,789
Debt Service					
CWSRF Loan	2,942,808	3,130,252	3,110,176	3,070,830	3,070,830
2015 Certificates	9,191,608	9,190,692	9,187,546	9,300,000	9,300,000
2018 Certificates	4,276,812	4,272,771	4,275,771	4,300,000	4,300,000
Debt Service	**$16,411,228**	**$16,593,715**	**$16,573,493**	**$16,670,830**	**$16,670,830**
Debt Service Coverage	**3.59**	**3.98**	**3.67**	**3.74**	**3.97**
Rate Covenant Calculation:					
Net Revenue	$58,921,345	$66,072,954	$60,841,392	$62,348,094	$66,183,789
Less: Water Purchase Payments	31,210,752	31,335,792	33,378,681	37,859,036	35,463,437
Revenue for Rate Covenant Calculation	**$27,710,593**	**$34,737,162**	**$27,462,711**	**$24,489,058**	**$30,720,352**
Rate Covenant Debt Service Coverage	**1.69**	**2.09**	**1.66**	**1.47**	**1.84**

Replenishment Projects and Programs

Water Purchases

Sources of Replenishment Water

The District currently has available to it recycled and imported water sources for use as artificial replenishment water. Starting in 2020, with the completion of WRD's ARC facility, the District can plan on using 100% recycled water for its replenishment needs. This was a major accomplishment from the WIN initiative started over a decade ago. Since recycled water availability is reliant upon source water supply from water reclamation plants, imported water connections are kept current to possibly utilize that source should temporary needs arise. These two replenishment sources are described below:

Recycled Water

Recycled water is wastewater from the sewer systems that is reclaimed and purified through extensive treatment at WRPs. The water is treated to high quality standards so that it can be reused safely and offsets the need to use more expensive and sometimes less available imported water. Some agencies and businesses use recycled water for non-potable purposes, such as for irrigation of parks, golf courses, and street medians, or for industrial purposes (known as "purple-pipe projects"). WRD has successfully used recycled water for groundwater recharge since 1962. 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 and the seawater barrier injection wells and is high quality, relatively low cost, and a reliable supply all year long. As of 2020, the District has all applicable permits and treatment plants completed to plan on 100% recycled water for replenishment at the spreading grounds and seawater barrier wells. Imported water connections are kept current in case shortages of recycled water should occur.

Imported Water

River water originating in northern California (State Water Project and Los Angeles Aqueduct) and from western states (the Colorado River) is imported into Southern California through canals and aqueducts by the MWD and the City of Los Angeles Department of Water and Power (LADWP). MWD sells this water as-is (untreated raw river water) or after it treats the water to potable standards to their member agencies for multiple uses, including municipal, industrial, and groundwater recharge. When needed, WRD purchases raw imported water from the State Water Project at the spreading grounds (Colorado River water is currently not available to WRD due to potential invasive Quagga Mussel issues) and uses treated potable water for injection at the seawater barrier wells and the In-Lieu program. Because of treatment and transportation costs, imported water is the most expensive type for groundwater replenishment. Prior to October 2011, MWD offered seasonally available discounted water that could be purchased for replenishment. In turn for the discount, it was considered by MWD to be interruptible

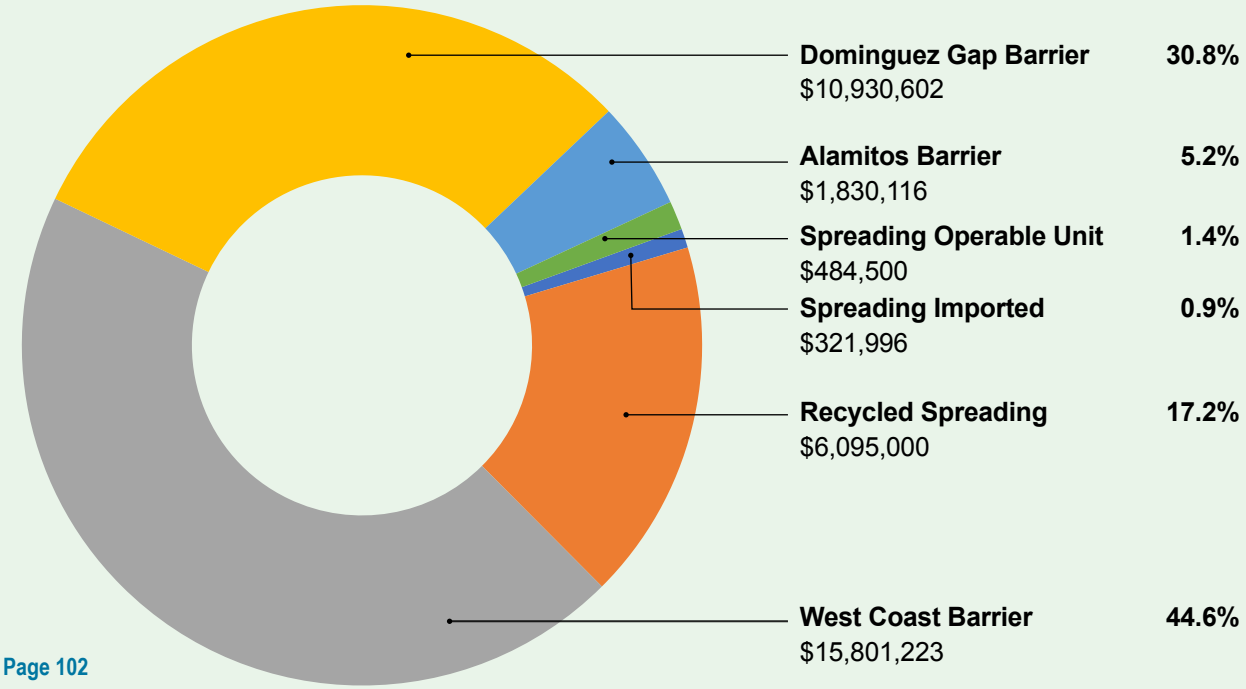
and they could stop deliveries at any time. But due to a lack of surplus supplies caused by drought and other factors, MWD has eliminated offering this type of discounted interruptible water. Instead, replenishment agencies such as WRD must now purchase what is known as “Tier 1” or “Tier 2” water from MWD member agencies for spreading and In-Lieu. This water is at a higher price and relies on available allocation from the member agency. But, this Tier 1 or Tier 2 water is supposed to be firm delivery (not interruptible), although during extreme droughts MWD can implement a water supply allocation to reduce sales of imported water. The seawater barrier injection water has been Tier 1 treated water for decades and has to date not been interrupted by MWD.

Recommended Quantity of Replenishment Water Required in the Ensuing Year

The District determines replenishment water needs based on averages from a long-term (30 year) hydrologic record and computer models, meaning extremely wet years and extremely dry years in addition to average precipitation years are accounted for in deriving the average replenishment needs. Other considerations by the Board are also incorporated into replenishment water needs. The District’s Water Independence Now (WIN) initiative has been successful to build and/or have permitted the recharge facilities it uses to replenish the groundwater basins with 100% recycled water instead of imported water. As these facilities secure the recycled water they need for full operations, the amount of imported water will approach near zero.

Figure 8

Fiscal Year 2025 Estimated Cost of Replenishment Water



Acronyms:

CBMWD
Central Basin Municipal Water District

LBWD
Long Beach Water Department

LADWP
Los Angeles Department of Water & Power

MSGBWM
Main San Gabriel Basin Watermaster

MWD
Metropolitan Water District of Southern California

RTS
Readiness-to-Serve

SDLAC
Sanitation District of Los Angeles County

SJC
San Jose Creek

WBMWD
West Basin Municipal Water District

WN
Whittier Narrows

WRD
Water Replenishment District of Southern California

Cost and quantity of water that WRD plans to purchase in the ensuing year are as follows:

Table 22

Cost of Replenishment Water for Fiscal Year 2025

Expense Category	FY 2024 Projection	FY 2025 Budget	Increase (Decrease) Over Prior Year
Imported Water			
Spreading - Tier 1 Untreated Imported			
MWD Untreated Tier 1 - Spreading	$-	$-	$-
CBMWD Water Service & Admin Surcharges	$209,232	$321,996	$112,764
Total Spreading - Tier 1 Untreated Imported	**$209,232**	**$321,996**	**$112,764**
Alamitos Barrier - Imported			
MWD Treated Tier 1 - Alamitos Barrier	$1,799,820	$1,605,000	$(194,820)
MWD Capacity Charges/LBWD RTS & Admin Surcharges	$180,434	$225,116	$44,682
Total Alamitos Barrier - Imported	**$1,980,254**	**$1,830,116**	**$(150,138)**
Dominguez & West Coast Barriers - Imported			
MWD Tier 1 - Dominguez Barrier	$3,014,041	$2,957,500	$(56,541)
MWD Tier 1 - West Coast Barrier	$7,515,529	$5,027,750	$(2,487,779)
MWD RTS Charge & WBMWD Capacity/Admin Service Charges	$1,730,175	$1,611,075	$(119,100)
Total Dominguez & West Coast Barriers - Imported	**$12,259,745**	**$9,596,325**	**$(2,663,420)**
In-lieu			
MWD Member Agency	No IL Program	No IL Program	$-
WBMWD Member Agency	No IL Program	No IL Program	$-
Total for In-lieu Payments	**$-**	**$-**	**$-**

Table 22

Cost of Replenishment Water for Fiscal Year 2025 (cont.)

Expense Category	FY 2024 Projection	FY 2025 Budget	Increase (Decrease) Over Prior Year
Recycled Water			
Dominguez Barrier - Recycled			
LADWP Recycled Water	$5,789,628	$6,751,500	$961,872
Total Dominguez Barrier - Recycled	**$5,789,628**	**$6,751,500**	**$961,872**
Spreading - Recycled			
SDLAC - Tertiary Water (WN, SJC, Pomona)	$7,628,177	$6,095,000	$(1,533,177)
Recycled - ARC AWTF*	$-	$-	$-
Total Spreading - Recycled	**$7,628,177**	**$6,095,000**	**$(1,533,177)**
Spreading-Whittier Narrows Operable Unit			
MSGBWM	$-	$484,500	$484,500
Total Spreading - WN Operable Unit	**$-**	**$484,500**	**$484,500**
West Coast Barrier - Recycled			
WBMWD Recycled Water	$9,992,000	$10,384,000	$392,000
Total West Coast Barrier - Recycled	**$9,992,000**	**$10,384,000**	**$392,000**
Alamitos Recycled - WRD			
WRD Recycled Water - Vander Lans*	$-	$-	$-
Total Alamitos Recycled - WRD	**$-**	**$-**	**$-**
Groundwater Replenishment Reserve	**$-**	**$-**	**$-**
Total Water Purchases	**$37,859,036**	**$35,463,437**	**$(2,395,599)**

*Cost of source water for ARC AWTF and Vander Lans is covered under that project's separate operations budget.

Table 23

Quantity of Replenishment Water for Fiscal Year 2025

Expense Category	FY 2024 Projection	FY 2025 Budget	Increase (Decrease) Over Prior Year
	By Acre Feet		
	Imported Water:		
Spreading Imported	-	-	-
West Coast Barrier Imported	2,800	4,250	1,450
Dominguez Gap Imported	3,500	2,500	(1,000)
Alamitos Imported	1,000	1,250	250
In Lieu - MWD Member Agency	-		-
In Lieu - West Basin Customer	-		-
	Recycled Water:		
Spreading Recycled (SJC & WN & Pomona)	53,000	53,000	-
Spreading Recycled (ARC AWTF)*	11,000	11,000	-
Spreading (Whittier Narrows Operable Unit)	1,000	500	(500)
West Coast Barrier Recycle	10,500	8,000	(2,500)
Dominguez Gap Recycled	5,700	5,250	(450)
Alamitos Recycled*	3,500	2,750	(750)
Total Water Purchases	**92,000**	**88,500**	**(3,500)**

*Cost of source water for ARC AWTF and Vander Lans is covered under that project's separate operations budget.


WRD
LEO J. VANDER LANS
FACILITY
Main Entrance

Program 001 -
Leo J. Vander Lans Advanced Water Treatment Facility – Water Supply

Background

The Leo J. Vander Lans (LVL) advanced water treatment facility (AWTF) supplies water to the Alamitos Gap Barrier (AGB). This facility utilizes a multitude of treatment technologies, including microfiltration (MF), reverse osmosis (RO) and advanced oxidation (AOP) using hydrogen peroxide and ultraviolet (UV) light. The overall goal of Program 001 is to ensure the health, reliability and sustainability of the groundwater supplies in Southern California and within the WRD service area, while reducing the region's reliance on imported water. This is supported through the unit goal of operating, and maximizing LVL treatment facility production, which provides advanced treated recycled water to the AGB to prevent seawater intrusion, protect the groundwater supplies of the Coastal Plain and reduce the use of imported water.

In July 2020, the transition of contract operations from the Long Beach Water Department to PERC Water was completed and PERC began as the dedicated operational team. At the same time, PERC Water was also the operator at the Albert Robles Center, which afforded the opportunity for operational standardizations and synergies across the two treatment facilities – LVL and the Albert Robles Center. One operational team overseeing both treatment facilities allows for common operational philosophies, procedures and reporting.

Costs for this budget year are primarily related to operations and maintenance expenses of the treatment facility. Typical expenses include fixed labor cost for operations and variable costs such as power, water treatment chemicals and analytical costs to ensure water quality meets all regulatory requirements. Additional routine costs include parts and materials for repairs and maintenance-related issues. As the facility, and especially the original facility commissioned in 2004, continues to age, additional capital investment through the District's refurbishment and replacement (R&R) program and Capital Improvement Program (CIP) have been employed. Projects include the re-design and upgrade of the original, obsolete plant Supervisory Control and Data Acquisition (SCADA) system, which will dramatically improve plant performance

and reliability once completed. Work continued on a construction project to expand deliveries of recycled water at LVL through installation of an on-site injection well. Further, the LVL treatment facility is directly coupled to the AGB and can disrupt steady-state operations of barrier injection wells due to flow variability from plant starts, stops or changes in flow output. A project continues to better understand the hydraulic impacts, concerns, and identification of measures to mitigate the impacts on the AGB system, which would allow for improved and expanded facility operations.

Operations and maintenance costs are drawn from the Replenishment Fund, while capital investments will be paid through local, State and Federal grant opportunities or debt financing.

FY 2024 Accomplishments

- Achieved an annual production total of 4,200AF of advanced treated recycled water that met all regulatory requirements for injection in the Alamitos Barrier.
- Worked collaboratively with Long Beach Utilities, Los Angeles County Sanitation District, and the Los Angeles County Department of Public Works to prioritize and maximize recycled water deliveries to satisfy a greater percentage of barrier demand. For FY 2024, a record percentage of recycled water was delivered to the AGB – meeting 70% of the total barrier demand.
- For FY 2024, LVL satisfied 100% of the AGB demand on the Los Angeles side of the barrier – thus achieving complete independence from imported water.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.
- Completed the development of a field condition assessment tool (i.e., asset management planning (AMP) tool) for use by Operations and Engineering staff to streamline conducting condition assessments of treatment facility assets. The tool was utilized to complete a comprehensive condition assessment of all assets at the treatment plant. Results were used to identify assets for future capital replacement as well as to prioritize and target maintenance activities for assets in less-than-optimal condition.
- Completed construction of an on-site injection well and monitoring well, and began work to tie-in the well to the treatment plant, which included piping installation and programming.
- WRD Operations and Engineering staff worked to update the facilities Title 22 Engineering Report – a requirement of the Regional Water Quality Control Board associated with the installation of the on-site injection well. Accomplishments included submittal of the first draft to the Regional Board.
- Work began on Phase 2 of the project to upgrade the plant's Supervisory Control and Data Acquisition (SCADA) system. This included initiation of construction and execution of contracts with the treatment plant's proprietary system providers to upgrade their respective systems.
- Upgrade of the treatment plants SCADA servers was completed. While not directly associated with the

SCADA upgrade project, the servers had reached end of life and were no longer supported by the manufacturer.

- A change-out of all 720 lamps was completed on the two UV advanced oxidation trains at the treatment plant by the District's contract operations team.

FY 2025 Objectives

- Maximize the delivery of recycled water to the AGB to the greatest extent possible despite inevitable interruptions associated with the injection well and SCADA upgrade projects.
- Ensure that deliveries of advanced treated recycled water meet all regulatory and permit requirements, including filing of reports on time and on schedule.
- Obtain regulatory approval of the Title 22 Engineering Report and operational permit for the treatment plant and on-site injection well.
- Commencement of, and completion of commissioning of the on-site injection well, and initiation of the intrinsic tracer study project.
- Initiate a project to replace all reverse osmosis (RO) membranes in both the primary RO trains and recovery RO trains. This includes developing the membrane specifications, procurement and installation of the membranes by the District's contract operator.
- Complete the transition from composite sampling to on-line monitoring of Total Organic Carbon (TOC) at the treatment plant's finish water sampling location.
- Overhaul the existing program by developing a compliance and performance reporting program that results in enhanced efficiencies and optimizations.
- Initiate a comprehensive condition assessment of all LVL treatment facility assets using the asset management planning (AMP) tool.
- Completion of an on-site storeroom for parts and supplies readily used at the treatment plant. Further, link the storeroom inventories to the computerized maintenance management system (CMMS), including the use of bar-coding and electronic scanning to manage usage and inventories.
- Secure multi-year specialty chemical contracts for supplies of membrane cleaning chemicals, threshold inhibitors and dispersants.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The treatment plant demonstrated consistent operations during FY 2024 and achieved comparable production for the third year in a row – producing 4,200AF of advanced treated recycled water. Sustained operations provide for consistent expenditures, which in turn allows for continued monitoring of costing centers including source water, labor, power and water treatment chemicals – valuable information to continue refining the LVL operations budget. Stable operations come the need to account for additional maintenance costs as a result of equipment operating for extended periods of time. The FY 2025 budget is reflective of this need to support treatment facility systems, operations, and equipment.

Table 24

Program 001 - Leo J Vander Lans AWTF Water Supply

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Water Purchases	$1,178,000	$1,040,000	$(138,000)
Professional Services	2,641,668	2,807,000	165,332
R&M/Materials/Equipment	1,130,000	1,160,000	30,000
Other Expenses	1,100,584	1,236,300	135,716
Other General & Administration	587,120	434,724	(152,396)
TOTAL	**$6,637,372**	**$6,678,024**	**$40,652**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 001 - Leo J Vander Lans AWTF Water Supply				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
1 **GOAL:** Achieve the targeted production and delivery of advanced treated recycled water that meets all regulatory specifications.				Expand Replenishment Opportunities
MEASURE: Production of Advanced Treated Water (AF)	4,300 Acre-Feet	4,200 Acre-Feet	3,800 Acre-Feet	
2 **GOAL:** Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc.				Expand Replenishment Opportunities
MEASURE: Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations as needed.	100%	100%	100 %	

Program 001 - Leo J Vander Lans AWTF Water Supply				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
3 GOAL: Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations.				Promote Organizational Excellence
MEASURE: Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/ audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	
4 GOAL: Development of a comprehensive asset management program designed to addresse asset operations, extend asset life and reduce overall cost of water production.				Expand Replenishment Opportunities
MEASURE: Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning.	50%	80%	90%	
5 GOAL: Development of a standardized reporting system for operations performance and compliance-related data reports.				Expand Replenishment Opportunities
MEASURE: Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.		25%		

Program 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 exposure to prolonged drought like the region encounters quite frequently, with record-low rainfalls and increasing uncertainty in the winter snow pack and 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's Water Independence Now (WIN) for All, or WIN 4 ALL, program seeks to replace our imported water supplies with recycled water and stormwater to ensure reliable and high quality groundwater replenishment sources for the Central and West Coast Basins.

WRD participates in a variety of activities to ensure that the use of recycled water for groundwater recharge continues to remain safe and reliable. From an operational standpoint, the District will continue to fulfill groundwater monitoring duties as required by our various recycled water for recharge 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.

In addition to providing regular monitoring and sampling associated with the Montebello Forebay spreading grounds, WRD, in conjunction with other agencies, periodically participates in research efforts to more fully investigate the effectiveness of soil aquifer treatment during infiltration of recycled water into the aquifers, and the travel time of recycled water once recharged to the nearest drinking water wells through tracer studies. 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, personal care products, and per- and polyfluoroalkyl substances (PFAS).

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) as well as the Albert Robles Center for Water Recycling and Environmental Learning (ARC – formerly known as GRIP). Preparation for a new tertiary-quality recycled water permit to replace the 1991 permit for the Montebello Forebay will also be a major collaborative effort with the Los Angeles County Sanitation Districts (LACSD).

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. This is a regular program with standard, recurring year to year activities. The projects under this program are funded entirely from the Replenishment Fund.

FY 2024 Accomplishments

- Continued working on a revised permit for spreading tertiary-treated recycled water into the Montebello Forebay.
- Continued preparing an updated draft of the Title 22 Engineering Report for the Montebello Forebay Recycled Water Recharge Project.
- Continued to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds, including bi-monthly sampling of monitoring wells, semi-annual monitoring of production wells and quarterly monitoring of intakes to the spreading facilities.
- Continued to monitor recycled water use at seawater barrier wells, collecting hundreds of groundwater samples for analysis. Completed quarterly and annual permit compliance reports.

FY 2025 Objectives

- In collaboration with the LACSD, continue working on a revised tertiary-treated recycled water permit for the Montebello Forebay. Work will include data analysis, potential new monitoring well drilling, submitting drafts to and meeting with the regulatory agencies, and drafting a Title 22 Engineering Report.
- 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.
- Continue to comply with water recycling permit requirements for the seawater barrier injection wells, including monitoring well sampling and permit compliance reporting.
- Continue to facilitate the ongoing dialogue between the LACSD, Metropolitan Water District, and City of Los Angeles to increase the amount of recycled water available for groundwater recharge in the WRD service area.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

FY 2024 planned budget for staff and professional services was moved forward due to agency delays and is anticipated to be spent in FY 2025.

Table 25

Program 004 – Montebello Forebay Recycled Water

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$230,000	$250,000	$20,000
R&M/Materials/Equipment	35,000	17,000	(18,000)
Other Expenses	38,250	73,750	35,500
Other General & Administration	58,753	103,180	44,427
TOTAL	**$362,003**	**$443,930**	**$81,927**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 004

Montebello Forebay Recycled Water

		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
1	**GOAL:** Continue to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds.				Maximize Innovation and Environmental Resiliency
	MEASURE: % of regulatory permit requirements and deadlines met.	100%	100%	100%	
2	**GOAL:** Continue to facilitate the ongoing dialogue between agencies to provide more recycled water for groundwater recharge.				Expand Sustainable Replenishment Opportunities
	MEASURE: Quarterly meetings with LACSD, LACDPW, etc.	4	4	4	
3	**GOAL:** Participate in the preparation of Title 22 Engineering Report.				Expand Sustainable Replenishment Opportunities
	MEASURE: WRD portion of the report will be submitted to LACSD.	1	1	1	

Program 005
Groundwater Resource Planning

Background

The Groundwater Resources Planning Program was instituted to evaluate basin management issues and to provide a means of assessing potential projects and the associated impacts over the Central and West Coast Groundwater Basins. Prior to moving forward with a new project, an extensive evaluation is always undertaken. Within the Groundwater Resources Planning Program, new projects and programs are analyzed and evaluated based on benefits to overall basin management. Beyond technical feasibility, this analysis also 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 then be recognized as independent projects and may be included within the District's Five-Year Capital Improvement Program.

WRD will continue to coordinate with basin stakeholders to develop projects that increase replenishment resiliency and utilize available groundwater storage. Meanwhile, the District will 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 of this program requires close review and administration by the District staff.

During the coming year, work under this program will focus on WRD's vision for the future under WIN4ALL, the 2040 plan for regional water independence. Under WIN4ALL, WRD looks to utilize available storage in both groundwater basins, secure new locally sustainable water supplies for replenishment and storage, review operational alternatives for the Central and West Coast basins, and full utilization for all existing groundwater pumping rights. In addition to moving forward with WIN4ALL, the Groundwater Resources Planning Program will look to identify and provide technical assistance to purveyors to ensure they have the ability to maximize their groundwater rights.

Additionally, the District will continue to evaluate projects identified in the CIP. Specifically, funds have been allocated within this program to perform an in-depth evaluation of projects with the goal of increasing the District's competitiveness for grant funding opportunities.

District staff will continue to monitor and participate in the Greater Los Angeles Integrated Regional Water Management Plan (GLAC IRWMP) and three Los Angeles County Safe Clean Water (Measure W) Steering Committees and the Scoring Committee. The District serves as the co-chair for the GLAC IRWM Lower Los Angeles River and San Gabriel River Subcommittee. The District also coordinates the subregion meetings and manages the outreach to subregion members. District staff will also continue to monitor 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 wholly funded through the Replenishment Assessment Fund.

FY 2024 Accomplishments

- Accomplished Goal No. 1 of the WIN4ALL Strategic Plan, which included outreach to pumpers with less than 500 acre-feet of unused groundwater rights.
- Received $25 million WaterSMART grant from the U.S. Department of the Interior's Bureau of Reclamation for the Torrance Groundwater Desalter Expansion project - the largest desalination grant awarded in FY24 round.
- Completed and submitted a Bureau of Reclamation Title XVI Feasibility Study for Per- and Polyfluoroalkyl Substances (PFAS) in the Central Basin.
- Executed an MOU with West Basin Municipal Water District to complete a Feasibility Study to evaluate joint projects for replenishment and extraction in the West Coast and Central Basins.
- Submitted two grant applications for PFAS treatment on behalf of two water purveyors for the State Water Resources Control Board's State Revolving Fund Program.
- Submitted a grant application for the completion of a US Bureau of Reclamation Drought Contingency Plan.

FY 2025 Objectives

- Implement WIN4ALL Goal No.2 to encourage and provide technical assistance to pumpers with 500 to 2,000 acre-feet of unused groundwater rights.
- Execute an MOU with Los Angeles Department of Water and Power for recycled water from their Operation Next Initiative for replenishment and storage purposes.
- Initiate preliminary agreement with Metropolitan Water District (MWD) for recycled water from their Pure Water Southern California Program for replenishment and storage purposes.
- Initiate the development of a Climate Resiliency Plan for the District.
- Initiate a US Bureau of Reclamation Drought Contingency Planning if grant is awarded.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The change in FY 2024 budget is due to increase in professional services and labor allocation to the program. The FY 2025 budget will need to increase due to the development of the Climate Resiliency Plan and anticipation of the drafting of a Drought Contingency Plan.

Table 26

Program 005 – Groundwater Resources Planning

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$1,200,000	$1,575,000	$375,000
R&M/Materials/Equipment	-	-	-
Other Expenses	473,750	487,550	13,800
Other General & Administration	311,750	410,084	98,334
TOTAL	**$1,985,500**	**$2,472,634**	**$487,134**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 005 – Groundwater Resources Department				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 **GOAL:** Draft WIN4ALL Strategic Plan.				Maximize Innovation and Environmental Resiliency
MEASURE: Completed Plan.	100%	100%	100%	
2 **GOAL:** Continue to facilitate agreements with partner agencies for recycled water access.				Maximize Innovation and Environmental Resiliency
MEASURE: Executed MOU, JPA, or Agreements	50%	50%	50%	
3 **GOAL:** Complete BOR Title XVI Feasibility Study for PFAS in Central Basin.				Maximize Innovation and Environmental Resiliency
MEASURE: Submit completed Study to BOR for consideration	80%	100%	100%	
4 **GOAL:** Identify outside funding opportunities for WRD's projects.				Maximize Innovation and Environmental Resiliency
MEASURE: Submitted grant application.	50%	50%	50%	

Program 018
Dominguez Gap Barrier Recycled Water Project

Background

This Project involves the delivery of recycled water from the City of Los Angeles Terminal Island Water Reclamation Plant (TIWRP) to the Dominguez Gap Barrier (DGB). The portion of the TIWRP 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. The plant has been recently expanded from 6.0 million gallons per day (mgd) to 12.0 mgd with the goal to eliminate the use of imported water at the DGB.

Los Angeles Sanitation & Environment (LASAN) and Los Angeles Department of Water & Power (LADWP) are responsible for the treatment and delivery of the recycled water and all the water quality sampling at the treatment plant associated the final recycled 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 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.

FY 2024 Accomplishments

- Participated in regular meetings with LASAN and LADWP to discuss issues related to the continuous production of advanced treated water and the TIWRP
- Continued discussions associated with new water purchase agreement with LADWP
- Continued groundwater monitoring in accordance with permit requirements
- Continued to prepare groundwater compliance monitoring reports to provide to project permittees LADWP, LASAN, and Los Angeles County Public Works
- Began construction activities associated with the Second Gap Connection.

FY 2025 Objectives

- Increase recycled water contribution to the DGB
- Continue to conduct groundwater monitoring and modeling as necessary in accordance with permit requirements

- Continue to provide groundwater compliance monitoring data to project permittees LADWP, LASAN and Los Angeles County Public Works
- Complete construction of the Second Dominguez Gap RW Connection
- Work with LADWP to amend the Joint Services Agreement and Water Purchase Agreement between WRD and LADWP.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The change is primarily associated with a labor allocation evaluation and subsequent adjustment for FY 2025.

Table 27

Program 018 – Dominguez Gap Barrier Recycled Water Project

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$155,000	$165,000	$10,000
R&M/Materials/Equipment	25,000	13,000	(12,000)
Other Expenses	14,500	45,000	30,500
Other General & Administration	79,419	120,185	40,766
TOTAL	**$273,919**	**$343,185**	**$69,266**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 018 – Dominguez Gap Barrier Recycled Water Project				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Prepare compliance monitoring reports and coordinate reporting/compliance for submittal to permittees (LADWP, LASAN, & LACDPW) to ensure all regulatory permit requirements and deadlines are met.				Maximize Environmental Resiliency and Innovation
MEASURE: % of regulatory permit requirements and deadlines met.	100%	100%	100%	
2 GOAL: Prepare and post RFBs for Second Gap Connection & Potable Backup Projects.				Maximize Environmental Resiliency and Innovation
MEASURE: Post RFBs and Start Construction.	1 (Construct)	1 (Construct)	1 (Construct)	

Program 023
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 (LACSD), 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.

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

FY 2024 Accomplishments

- Continued working cooperatively with the LACDPW, Orange County Water District (OCWD), LACSD, and Long Beach Water Department (LBWD) on the Leo Vander Lans (LVL) Plant Operations, OCWD Barrier Expansion, and Long Beach Waste Treatment Plant (LBWTP) Multi-year Maintenance Project to provide increased recycled water to the Alamitos Gap Barrier.
- Continued working cooperatively with the LACDPW and West Basin Municipal Water District (WBMWD) to maximize recycled water to the West Coast Basin Barrier.
- Continued working cooperatively with the Los Angeles Department of Water and Power (LADWP), Los Angeles Bureau of Sanitation (LABOS), and LACDPW on the Terminal Island Treatment Plant (TITP) to provide increased recycled water to the Dominguez Gap Barrier.
- 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).
- Providing input/comments on technical memorandums prepared to evaluate new potential replenishment

opportunities (e.g., replenishment water sources, spreading grounds improvements, WRD/LADWP Joint L.A. Basin Replenishment and Extraction Master Plan, Regional Brackish Water, etc.).

- Presented monthly updates to the WRD Water Resources Committee and posted reports online at https://www.wrd.org/groundwater-basin-update.

FY 2025 Objectives

- Work with United States Geological Survey (USGS), United States Army, Corp of Engineers (USACOE), LACDPW, San Gabriel River Watermaster (SGRWM), and other applicable agencies/stakeholders on enhancement/upgrade of existing surface water gaging stations.
- Continue working cooperatively with the LACDPW on an operations plan for the Interconnection Pipeline to maximize its usage to move recycled water.
- Continue working cooperatively with the LACDPW on recommendations from the Enhanced-Montebello Forebay Recharge Enhancement Study (eMFRES).
- Working cooperatively with LACDPW, USACOE, LACDPW, San Gabriel River Watermaster (SGRWM), and other applicable agencies/stakeholders on evaluating the results and alternatives presented in the Zone 1 Condition Assessment Report.
- Continue working cooperatively with the LADWP, LABOS, and LACDPW on the expanded TITP to provide increased recycled water to the Dominguez Gap Barrier.
- Continue working cooperatively with the LACDPW, OCWD, LACSD, and LBWD on the LVL Plant Operations follow-up, OCWD Barrier Expansion follow-up, and LBWTP Multi-year Maintenance Project follow-up to provide increased recycled water to the Alamitos Gap Barrier.
- Continue working with Engineering staff to equip a newly installed Inland Injection well at LVL.
- Continue working cooperatively with the LACDPW and WBMWD to maximize recycled water to the West Coast 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, WRD/LADWP Joint L.A. Basin Replenishment and Extraction Master Plan, Regional Brackish Water, etc.).
- Continue to provide monthly updates to the WRD Water Resources Committee.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

No significant changes from FY 2024 to FY 2025.

Table 28

Program 023 – Replenishment Operations

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$51,000	$51,000	$ -
R&M/Materials/Equipment	25,000	12,000	(13,000)
Other Expenses	4,150	4,250	100
Other General & Administration	216,646	206,948	(9,698)
TOTAL	**$296,796**	**$274,198**	**$(22,598)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 023 – Replenishment Operations

		FY 2023 Actual	FY 2024 Estimated	FY 2025 Budget	District's Strategic Goal
1	**GOAL:** 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.				Maximize Environmental Resiliency and Innovation
	MEASURE: Recycled water increased to the Dominguez Gap Barrier (Assumes TITP delivering 6.0 MGD). Reported in 2024 Engineering Survey and Report.	7,238 AF Total 4,724 AF RW	7,378 AF Total 4,628 AF RW	7,750 AF Total 5,250 AF RW	

Program 023 – Replenishment Operations (Cont.)				
	FY 2023 Actual	FY 2024 Estimated	FY 2025 Budget	District's Strategic Goal
2 GOAL:				
Continue working cooperatively with the LACDPW and LACSD on the Montebello Forebay Spreading Grounds to provide increased RW. Goal is 63,000 including 56,000 tertiary and 7,000 GRIP water for its first year.				Maximize Environmental Resiliency and Innovation
MEASURE:				
Recycled water increased recycled water to the Spreading Grounds. Reported in 2024 Engineering Survey and Report.	45,248 AF 3° RW 5,161 AF ATW	52,835 AF 3° RW 11,000 AF ATW	53,000 AF 3° RW 11,000 AF ATW	Note: Rainfall well above average in Water Years 2022/23 and 2023/24 resulting in less ATW.
3 GOAL:				
Continue working cooperatively with the LACDPW, LBWD, and OCWD on the Alamitos Gap Barrier Project to provide increased recycled water to the Alamitos Gap Barrier.				Maximize Environmental Resiliency and Innovation
MEASURE:				
Recycled water increased to the Alamitos Gap Barrier (assumed full operation of LVL). Reported in 2024 Engineering Survey and Report.	LA Side - WRD: 4,116 AF Total 2,784 AF RW	LA Side - WRD: 4,480 AF Total 2,965 AF RW	LA Side - WRD: 4,000 AF Total 2,750 AF RW	
4 GOAL:				
Continue working cooperatively with the LACDPW and WBMWD on the West Coast Barrier Project to provide increased recycled water to the West Coast Barrier.				Maximize Environmental Resiliency and Innovation
MEASURE:				
Recycled water increased to the West Coast Barrier. Reported in 2024 Engineering Survey and Report.	12,769 AF Total 8,059 AF RW	14,000 AF Total 8,000 AF RW	12,250 AF Total 8,000 AF RW	

Program 033
Albert Robles Center for Water Recycling and Environmental Learning (ARC)

Background

The Albert Robles Center (ARC) is a multiuse campus consisting of the treatment facility, Administration Learning Center (ALC), interpretive gardens and two, off-site turnout structures along the San Gabriel River. The advanced water treatment facility (AWTF) treats recycled water provided by the Los Angeles County Sanitation District's San Jose Creek Water Reclamation Plant using technologies including ultrafiltration (UF), reverse osmosis (RO) and advanced oxidation (AOP) using chlorine and ultraviolet (UV) light. The ALC and gardens provides office space for WRD staff, conference rooms and facilities to support WRD activities, public outreach and education. The overall goals of Program 033 are to ensure the health, reliability and sustainability of the ground water supplies in Southern California and within the WRD service area. Project 033 supports this through the unit goal of operating the AWTF, which supplies advanced treated recycled water to the San Gabriel Coastal Spreading Grounds to satisfy the water demand within the Central Basin and reduce the use of imported water. Project 033 also supports the District's outreach efforts to educate the public regarding the importance of water conservation, recycling and sustainability.

Operations of the ARC treatment facility are overseen by PERC Water Corporation, through a long-term contract which was initiated on January 1, 2023. As the original team under contract with J.F. Shea Construction (JFS), PERC Water possesses an established working knowledge of plant operations and continued to focus on maintaining steady-state operations while identifying areas for optimization and improved performance. For the fiscal year, the production goal continues to remain 10,000AF of advanced treated recycled water that meets all regulatory requirements.

Expected costs for this budget year are reflective of anticipated expenses for facility operations. These include the treatment plant, administration learning center and grounds and turnout structures along the San Gabriel River. Major costing centers for the treatment facility include fixed labor for operations and variable costs, including source water, power and water treatment chemicals – all of which collectively make up a majority of the Program 033 budget. Additional costing centers include analytical costs for water quality regulatory compliance, site-wide security, landscaping and janitorial as well as maintenance of systems and equipment in both the treatment facility and administration learning center. ARC is a multiuse facility and therefore the Program 033 budget is reflective of this - structured to account for both treatment facility and non-treatment facility expenses. The Replenishment Fund will serve as the funding source for this program.

FY 2024 Accomplishments

- Produced 7,700AF of advanced treated recycled water that met all regulatory requirements for discharge to the San Gabriel Coastal Spreading Grounds.
- Maintained close coordination with the Los Angeles County Department of Public Works regarding ARC operations during the prolonged series of storm events which impacted the Los Angeles area. Significant storm water capture resulted in reduced ARC treatment facility operations due to limited recharge capacity in the coastal spreading grounds.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.
- Successfully renewed the National Pollutant Discharge Elimination System (NPDES) Permit, issued by the Los Angeles Regional Water Quality Control Board. This permit allows for ARC finish water to be discharged to the San Gabriel River.
- Completed the development of a field condition assessment tool (i.e., asset management planning (AMP) tool) for use by Operations and Engineering staff to streamline the process of conducting condition assessments of treatment facility assets. The tool was utilized to complete a comprehensive condition assessment of all assets at the ARC treatment plant. Results were used to identify assets for future capital replacement as well as to prioritize maintenance activities.
- Work was completed to upgrade the solar PV system and included enhanced monitoring capability of all inverter operations.
- Replacement of the in-line ammonia analyzer for monitoring concentrations in the process feed water was completed.
- Completion of an on-site storeroom for parts and supplies readily used at the treatment facility. This included linking the storeroom inventories to the computerized maintenance management system (CMMS), including the use of bar-coding and electronic scanning to manage usage and inventories.
- Maintain ALC facilities and garden area(s) to ensure uninterrupted public access for tours and events. This was supported through the on-boarding of new vendor contracts for landscaping and janitorial services.

FY 2025 Objectives

- Achieve the targeted production of 10,000AF of advanced treated recycled water that meets all regulatory and permit requirements.
- Filing of reports to ensure adherence with all facility regulatory and compliance permits.
- As a condition of the recently renewed NPDES permit, complete the following two new facility obligations: 1. Development of a Climate Resiliency Plan; 2. Develop a Pollution Prevention Plan (focus on process water temperature monitoring).

- Overhaul the existing program by developing a compliance and performance reporting program that results in enhanced efficiencies and optimizations.
- Initiate a comprehensive condition assessment of all ARC treatment facility assets using the asset management planning (AMP) tool.
- Completion of repairs to the solar PV system to maximize on-site generation and reduce power cost.
- Maintain ALC facilities and garden area(s) to ensure uninterrupted public access for tours and events.
- Investigate and address long-standing issues with malfunctioning field flow meters at remote locations at/ near the Turnout Structure(s) along the San Gabriel River.
- Continue efforts to optimize the reverse osmosis (RO) pretreatment strategy, including the evaluation of alternative specialty chemicals, concentrations and pH setpoints to reduce chemical usage.
- Secure multi-year specialty chemical contracts for supplies of membrane cleaning chemicals, threshold inhibitors and dispersants.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The FY 2025 budget supports three distinct area – the treatment facility, administration learning center (ALC) and gardens, and the turnout structures along the San Gabriel River. As the ARC facility is now exhibiting consistent operations, expenditures continue to refine budgets. Year over year increases in the ARC operational budget are associated with rising costs of parts, supplies and utilities such as electricity and chemicals. At the same time, cost centers such as Water Purchases have been successfully re-negotiated with WRD's partnering agency, which resulted in cost-savings to further stabilize operations budgets.

Table 29

Program 033 – Albert Robles Center AWTF

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Water Purchases	$1,980,000	$1,106,000	$(874,000)
Professional Services	2,773,092	2,826,000	52,908
R&M/Materials/Equipment	1,882,000	2,058,000	176,000
Other Expenses	2,781,500	3,120,600	339,100
Other General & Administration	612,226	626,081	13,855
TOTAL	**$10,028,818**	**$9,736,681**	**$(292,137)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 033 – Albert Robles Center for Water Recycling & Environmental Learning (ARC)	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	District's Strategic Goal
1 GOAL: Achieve the targeted production and delivery of advanced treated recycled water that meets all regulatory specifications.				Expand Replenishment Opportunities
MEASURE: Production of Advanced Treated Water (AF)	4,430 Acre-Feet	7,700 Acre-Feet	10,000 Acre-Feet	
2 GOAL: Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc.				Expand Replenishment Opportunities
MEASURE: Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations as needed.	100%	100%	100%	
3 GOAL: Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations.				Promote Organizational Excellence
MEASURE: Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	

Program 033 – Albert Robles Center for Water Recycling & Environmental Learning (ARC)				
	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	District's Strategic Goal
4 **GOAL:** Development of a comprehensive asset management program designed to addresse asset operations, extend asset life and reduce overall cost of water production.				Expand Replenishment Opportunities
MEASURE: Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning.	50%	80%	90%	
5 **GOAL:** Development of a standardized reporting system for operations performance and compliance-related data reports.				Expand Replenishment Opportunities
MEASURE: Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.			25%	


ALBERT ROBLES CENTER
Water Recycling & Environmental Learning
WRD
WATER REPLENISHMENT DISTRICT

Program 038
Engineering Program

Background

The Engineering Department provides technical, engineering, program management, and hands on support on capital improvement projects ranging from concept development through engineering design, project management and construction inspections. The Engineering Department is also responsible for developing, updating, and managing the capital improvement program (CIP) and its related projects. The Engineering Department prepares and/or oversees the preparation plans, specifications and engineer's estimates of probable construction costs (PS&E's), or creates request for proposals/qualifications (RFPs/RFQs) for professional engineering consultation and construction management services depending on the size and specific needs of the project.

This Engineering Department receives and reviews public bids and provides recommendations to various committees and the Board of Directors to award contracts; applies, secures, and administers/manages grants from various Federal, State and Local organizations to supplement funds allocated by WRD.

The Engineering Department provides (oversees) project planning and environmental review/entitlement services for its Capital Improvement Program (CIP); monitors construction work in progress, reviews/approves progress pay estimates; and provides quality assurance/control oversight services on approved development projects to ensure compliance with Board goals and objectives.

The Engineering Program is intended to provide a mechanism for engineering staff to plan and further develop alternatives for potential capital improvement projects. Not all CIP project concepts develop into multi-year capital improvement program projects, and more often than not require many months of advanced planning and concept development before being capitalized. The Engineering Program deals primarily with replenishment issues and therefore its costs are borne by the Replenishment Fund until such time as alternative capital improvement program funding is identified.

FY 2024 Accomplishments

- Updated the 5-year CIP Plan in November 2023
- Managed and monitored the CIP Budget throughout the fiscal year
- Reviewed and updated Construction Project Front-end Documents.

FY 2025 Objectives

- Update the 5-year CIP Plan
- Manage and monitor the CIP Budget throughout the fiscal year.
- Complete the update to Construction Project Front-end Documents

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The increase in FY 2025 is due to reallocation of staff time to support the engineering program.

Table 30

Program 038 – Engineering

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$30,000	-	$(30,000)
R&M/Materials/Equipment	-	-	-
Other Expenses	36,050	38,200	2,150
Other General & Administration	741,520	813,325	71,805
TOTAL	**$807,570**	**$851,525**	**$43,955**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 038 – Engineering					
		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District Goals
1	**GOAL:** Update the 5-year CIP Plan.				- Expand Sustainable Replenishment Opportunities - Sustain Extraction Capacity - Promote Organizational Excellence
	MEASURE: Release of updated 5-year CIP plan	November 2023	October 2024	October 2025	
2	**GOAL:** Manage and monitor the CIP Budget throughout the fiscal year.				Promote Organizational Excellence
	MEASURE: Ensure individual projects adhere to the CIP Budget and make adjustments as needed	June 2023	June 2024	June 2025	
3	**GOAL:** Review and update Construction Project Front-end Documents				Promote Organizational Excellence
	MEASURE: Adopt new documents for incorporation into CIP procurement process	N/A	N/A	October 2024	


GRIP
WRD
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Program 046
Well Construction & Rehabilitation Program

Background

The District developed a Well Construction and Rehabilitation Loan Program in Fiscal Year 2019 to assist groundwater producers within its service area to increase their groundwater pumping capabilities. This Program will improve the producers' ability to utilize their full groundwater extraction rights and reduce their need for imported water. The Program provides 10-year, zero percent interest loans, up-front capital, and expert assistance with the design, construction, and implementation of new production wells and well rehabilitation projects. Program recipients are required to maintain or increase their most recent 5-year total extraction average.

FY 2024 Accomplishments

- Awarded a loan agreement with Tract 349 for $2.5 million.
- Continued loan repayment by the City of Vernon and the City of Signal Hill.
- Continued offering loan program to interested and qualified groundwater producers.

FY 2025 Objectives

- Continue offering loan program to interested and qualified groundwater producers and encourage at least one additional pumper to submit an application for consideration.
- Initiate loan reimbursement payments with Tract 349 for their well construction expenses.
- Continue receiving quarterly payments from the City of Vernon and City of Signal Hill for their completed projects.

Basis for Changes FY 2024 Projection to FY 2025 Budget

No significant changes from FY 2024 to FY 2025.

Table 31

Program 046 - Well Construction & Rehabilitation			
Expense Category	**FY 2024 Projection**	**FY 2025 Budget**	**FY 2025 Budget compared to FY 2024 Projection**
Professional Services	$ -	$ -	$ -
R&M/Materials/Equipment	-	-	-
Other Expenses	-	-	-
Other General & Administration	19,075	20,089	1,014
TOTAL	**$19,075**	**$20,089**	**$1,014**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 046 - Well Construction & Rehabilitation				
	FY 2023 Actual	**FY 2024 Actual**	**FY 2025 Budget**	**District's Strategic Goal**
1 GOAL:				
Provide well construction and rehabilitation loans to assist pumpers maximize their groundwater rights by maintaining or increasing groundwater pumping.				Expand Extraction Capacity
MEASURE:				
Loan recipient ability to maintain or increase pumping.	50%	50%	50%	

Clean Water Projects and Programs

Program 002 – Robert W. Goldsworthy Desalter

Background

The Robert W. Goldsworthy Desalter (Desalter), located in the City of Torrance, began operating in 2002, and utilizes reverse osmosis (RO) as the main treatment technology for salinity removal before water can be conveyed to the City of Torrance potable distribution system. Source water to the Desalter is provided by two production wells – the City Yard Well, located in the City of Torrance property and the Delthorne Park Well, located adjacent to the City of Torrance property in Delthorne Park. The Desalter and both wells are operated under contract by the City of Torrance Water Department. In FY 2018, the Desalter was expanded to a design capacity of 5mgd, utilizing the same treatment processes and the two production wells. The overall goal of Program 002 is cleanup of the brackish groundwater plume created inland of the West Coast Basin Barrier after the barrier was put into operation. This is supported by the unit goal of operating the Desalter, which also provides a local, sustainable source water for the City of Torrance, thus reducing the reliance on imported water.

The project's cost for this budget year centers primarily on operations and maintenance of the treatment facility. Typical expenses include fixed labor cost for operations and variable costs such as power, water treatment chemicals and analytical costs to ensure water quality meets all regulatory requirements. Since the initial expansion project was completed, the treatment facility has faced operational challenges due to elevated fouling of the RO system, as well as utilization of only two source water wells. With assistance from WRD engineering and hydrogeology staff, efforts continue to focus on increasing Desalter production through minimizing the impact of RO fouling and optimization of well operations. In the coming fiscal year, a series of capital improvement projects are planned, and will consist of expanding the Desalter, while concurrently addressing the fouling issues through the addition of an autostrainer system and nanofiltration. Efforts will also include a new source of groundwater supply from the Brewer Well. Since the overall purpose of the project is to remediate degraded groundwater quality, costs are attributed to the Clean Water Fund.

FY 2024 Accomplishments

- Achieved an annual production total of 3,300AF of treated groundwater that met all regulatory requirements for distribution to the City of Torrance water system.
- Continued to optimize Desalter performance to achieve steady operations through working closely with WRD staff and the City of Torrance Operations team to review performance data, identify and implement corrective actions.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.

- Completed the redevelopment of the Delthorne Park Well through the District's on-call well redevelopment program.
- Completed installation of a new autosampler to replace the existing asset which had reached its end of life.

FY 2025 Objectives

- Achieve the targeted production of 2,800AF of desalted brackish groundwater that meets all regulatory and permit requirements.
- Secure multi-year specialty chemical contracts for supplies of membrane cleaning chemicals, threshold inhibitors and dispersants.
- Coordination with contractor(s) and firms assigned to the expansion project to minimize or otherwise limit interruptions in routine operations to the greatest extent possible.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Operational costs for FY 2025 are consistent with expected expenditures including labor, power and water treatment chemicals – all major costing centers associated with treatment facility operations. Due to the challenging nature and fouling tendencies of the source water, the reverse osmosis (RO) system operates and higher pressures and require more frequent cleanings, which result in elevated operating costs. At the same time, overall costs for FY25 are reduced due to lower production estimates due to anticipated interruptions in operations associated with the facilities expansion project.

Table 32

Program 002 – Robert W. Goldsworthy Desalter

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$738,500	$759,000	$20,500
R&M/Materials/Equipment	788,000	816,000	28,000
Other Expenses	1,728,300	1,459,300	(269,000)
Other General & Administration	204,288	187,198	(17,090)
TOTAL	**$3,459,088**	**$3,221,498**	**$(237,590)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 002 – Robert W. Goldsworthy Desalter		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
1	**GOAL:** Achieve the targeted production and delivery of potable water that meets all regulatory specifications.				Expand Extraction Capacity
	MEASURE: Production of Potable Water (AF).	2,900 AF	3,300 AF	3,000 AF	
2	**GOAL:** Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc.				Expand Extraction Capacity
	MEASURE: Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations as needed.	100%	100%	100%	
3	**GOAL:** Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations.				Promote Organizational Excellence
	MEASURE: Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	
4	**GOAL:** Operational review toward achieving successful development of design criteria and specifications associated with expansion of the treatment facility.				Expand Extraction Capacity
	MEASURE: Development of designs and specifications, including facility layout (including the supply wells) and assets such as process systems and equipment.	15%	25%	100%	

Program 002 – Robert W. Goldsworthy Desalter (cont.)

		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
5	**GOAL:** Development of a comprehensive asset management program designed to addresse asset operations, extend asset life and reduce overall cost of water production.				Expand Replenishment Opportunities
	MEASURE: Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning.	50%	60%	70%	
6	**GOAL:** Development of a standardized reporting system for operations performance and compliance-related data reports.				Expand Extraction Capacity
	MEASURE: Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.			10%	

Program 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.

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.

FY 2024 Accomplishments

- Coordinated and administered meetings of the Groundwater Contamination Forum as a means for key stakeholders and various regulatory agency staff to share data and provide updates on major groundwater contaminated sites in the Central Basin and West Coast Basin.
- 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.
- Closing out Proposition 1 grant agreement where the State Water Resource Control Board (SWRCB) provided funding to investigate and remediate a perchlorate "hot spot" and other comingled contaminant including 1,4-Dioxane and volatile organic compounds (VOCs) in the Los Angeles Forebay. The project was originally identified with help of numerous stakeholders that participated in the Los Angeles Forebay Groundwater Task Force. The State paid for most of the investigation and remediation system installation costs in the amount of $12,423,085 (or ~80%). WRD provided matching funds in the amount of $3,190,339 (or ~20%). The ongoing remediation efforts will be reported under Program 049.
- Participated in the multi-agency Los Angeles Basin Groundwater Restoration Convening meetings 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.
- Attended public meetings for various groundwater cleanup projects in the basin including those associated with the Del Amo / Montrose Superfund Sites. WRD staff are also actively participating in stakeholder meetings being held for other contaminant plumes with the potential to enter our groundwater basin such as the Whittier Narrows Operable Unit (WNOU).
- Coordinated the sampling of three deep nested groundwater monitoring wells installed by WRD. The wells were installed to characterize the vertical extent of groundwater contamination associated with the Omega Chemical Superfund Site. The data resulted in the regulatory agency requiring additional groundwater delineation in 2018. WRD continues to work closely with the responsible parties and EPA.
- WRD staff continue to provide technical support to multiple pumpers in the basin regarding the installation of water supply wells in proximity of existing groundwater plumes and concerns raised by the Division of Drinking Water (DDW).
- 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.

- WRD staff have been participating in various activities related to the Sustainable Groundwater Management Act (SGMA):

  – Continue to participate in a group discussion for two fringe areas in the unadjudicated northern portion of the Central Basin. The main stakeholders include the City of Beverly Hills, City of Culver City, Golden State Water Company, and Los Angeles Department of Water and Power (LADWP).

  – Central basin was reclassified as a "very low" priority basin by the Department of Water Resources (DWR). This action allowed the stakeholder group to withdraw an "alternative analysis" previously submitted to the DWR. Thus, no action is currently required to comply with SGMA.

  – Annual Watermaster reports will continue to be submitted as required by SGMA.

- Conduct status update meetings with our on-call water quality laboratory. The meetings provide an opportunity for staff to communicate directly with our vendor partners ensuring the highest quality work for the District.

- Provided groundwater contamination and current drought conditions update at the board of director meeting of the Southeast Water Coalition (SEWC).

- Continue to participate in various environmental justice events including Los Angeles Environmental Justice Network Workshops.

- WRD staff continue to track the progress of and provide periodic updates regarding various perfluorinated compounds (an emerging chemical of concern) including perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), collectively per-and polyfluoroalkyl substances (PFAS).

- WRD and the LARWQCB signed an MOU to work collaboratively on mutually selected sites and/or areas to evaluate groundwater contamination or threat of contamination to the Basin. The MOU may help to identify other "high priority" sites and possible identification of groundwater remediation projects that could be partially funded by a grant program such as Proposition 1 or Site Cleanup Subaccount Program (SCAP). Quarterly meetings are held between the WRD and LARWQCB.

FY 2025 Objectives

- Maintain a high-level understanding of the highest priority contamination sites within the basin and work collaboratively with project managers at the USEPA, DTSC, and LARWQCB. Coordinate regular status update meetings for key sites via the Groundwater Contamination Forum.

- Work collaboratively with various regulatory agencies to identify responsible parties and address groundwater contamination in the Los Angeles Forebay. WRD will continue to build upon the work initiated under the Groundwater Task Force.
- Participate in the multi-agency Los Angeles Basin Groundwater Restoration Convening.
- Monitor potential impacts of pending legislation and regulations on drinking water quality by subscribing to the listserv of various regulatory agencies and participating in the California WateReuse Legislative/ Regulatory Committee, Association of California Water Agencies' Clean Water, and Safe Drinking Water Committees.
- Provide technical support to our pumping community and continued communication via the Annual Groundwater Quality Workshop.
- Partner with and evaluate additional stormwater recharge opportunities through the Council for Watershed Health on the Water Augmentation Study and the Southern California Water Committee.
- 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.
- Administer the Title 22 Groundwater Monitoring Program.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

No significant changes from FY 2024 to FY 2025.

Table 33

Program 006 – Water Quality Improvement Program

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$529,000	$527,000	$(2,000)
R&M/Materials/Equipment	31,500	15,000	(16,500)
Other Expenses	15,300	17,800	2,500
Other General & Administration	256,033	231,730	(24,303)
TOTAL	**$831,833**	**$791,530**	**$(40,303)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 006 – Water Quality Improvement Program				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
1 GOAL:				
Coordinate and administer meetings of the Groundwater Contamination Forum as a means for key stakeholders to share data and provide updates on major groundwater contaminated sites in the Central Basin and West Coast Basin.				Maximize Environmental Resiliency and Innovation Promote Organizational Excellence
MEASURE:				
Successful coordination and hosting of two meetings each Fiscal Year.	2	2	2	
2 GOAL:				
Conduct groundwater quality workshop for local water purveyors to promote professional learning and networking.				Maximize Environmental Resiliency and Innovation Promote Organizational Excellence
MEASURE:				
Hold one workshop each Fiscal Year.	1	1	1	

Program 006 – Water Quality Improvement Program (cont.)

		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
3	**GOAL:**				
	Title 22 Monitoring Program.				Maximize Environmental Resiliency and Innovation Promote Organizational Excellence
	MEASURE:				
	Administer program for various pumpers within the District.	22	22	22	
4	**GOAL:**				
	Continue gathering additional data and sharing information related to PFAS.				Maximize Environmental Resiliency and Innovation Promote Organizational Excellence
	MEASURE:				
	Provide updates to pumpers via Committee Meetings, Board Meetings, Water Rights Association, and BAC/TAC	12	12	12	

Program 012
Safe Drinking Water

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 expects 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 grant program focuses on the removal of Volatile Organic Compounds (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.

Another component of the program offers no-interest loans for secondary constituents of concern that affect a specific production well. The capital costs of wellhead treatment facilities range from $1,500,000 to over $3,000,000. 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.

As an extension of the District's Safe Drinking Water Program, the District also offers the Safe Drinking Water Disadvantage Communities (DAC) Program. The goal of this program is to assist water systems located in disadvantaged communities within the District's service area with state and federal funding application efforts to address the issues related to their drinking water wells. The focus of the program is to provide technical assistance and extensive outreach to help the systems secure funding that is set aside specifically for disadvantaged communities. Currently there are ten (10) water systems participating in the program and receiving assistance with funding applications. Five of these systems have already received state funding, one project is under construction and one project is currently completed and in operation.

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 entirely from the Clean Water Fund.

FY 2024 Accomplishments

- Completed construction on granular activated carbon (GAC) treatment system for City of Lynwood Well 11 to treat VOCs
- Began construction on iron & manganese treatment system for Sativa Well 5
- Completed construction on Walnut Park Water Meter Replacement Project
- Completed construction on GAC treatment system for Huntington Park Well 15 to treat VOCs
- Executed SDWP Grant agreement with City of Norwalk for treatment at Well 10.

FY 2025 Objectives

- Complete construction on GAC treatment system for CA American Water Arlington and 48th Street Wells to treat VOCs
- Complete construction on iron & manganese treatment system for Sativa Well 5
- Complete construction on GAC treatment system for City of Lomita Well 5 to treat VOCs
- Complete WRD DAC Needs Assessment Project
- Pursue DAC grant funding for the current water system DAC participants
- Complete design phase for Norwalk Well 10 Treatment project.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Increase to this program is based on increased interest in the Disadvantage Community (DAC) projects. Design and construction expenses are reimbursed through State grant funding at the completion of the phase. Any expenses for the traditional SDWP requiring a loan or grant will be considered from WRD's reserve funds.

Table 34

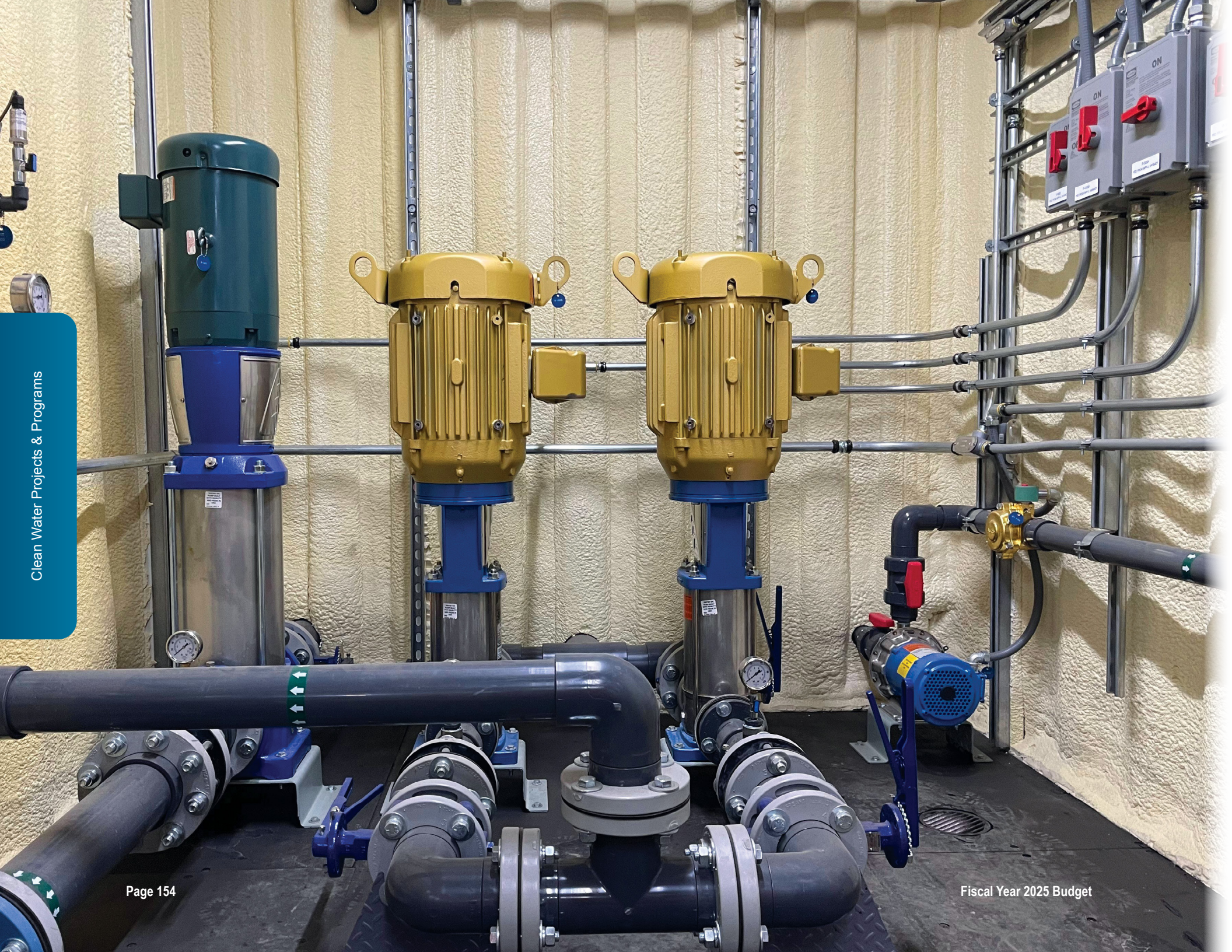
Program 012 – Safe Drinking Water

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$1,890,000	$673,527	$(1,216,473)
R&M/Materials/Equipment	-	-	-
Other Expenses	-	3,280,000	3,280,000
Other General & Administration	-	156,473	156,4734
TOTAL	**$1,890,000**	**$4,110,000**	**$2,220,000**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 012 – Safe Drinking Water Program				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Identify projects and fund up to $2M from a WRD grant to assist candidates with primary priority contamination removal through the Safe Drinking Water Program.				Sustain Extraction Capacity
MEASURE: # of projects funded to provide assistance to candidates with primary priority contamination removal.	0 (Grant)	1 (Grant)	1 (Grant)	
2 GOAL: Identify projects and fund up to $2M from a WRD loan to assist candidates with secondary priority contamination removal through the Safe Drinking Water Program.				Sustain Extraction Capacity
MEASURE: Number of additional projects funded to provide assistance to candidates with secondary priority contamination removal.	0 (Loan)	0 (Loan)	0 (Loan)	
3 GOAL: Execute projects and funding from local, state, and federal grant programs to assist candidates with primary or secondary priority contamination removal through the Safe Drinking Water Disadvantaged Community (DAC) Program.				Sustain Extraction Capacity
MEASURE: Number of additional DAC projects funded to provide assistance to candidates with primary or secondary priority contamination removal.	2 (DAC)	1 (DAC)	1 (DAC)	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Program 048
Per- and polyfluoroalkyl Substances (PFAS) Program

Background

Per- and polyfluoroalkyl substances (PFAS) are a group of man-made chemicals, which include perfluorooctanoic acid (PFOA), perfluorooctanesulfonic acid (PFOS), and perfluorobutane sulfonic acid (PFBS), that have been manufactured and used in a variety of industries around the globe and the region since the 1940s. On April 10, 2024, the United States Environmental Protection Agency (EPA) issued new national drinking water standards for six PFAS, including PFOA, PFOS, PFBS, perfluorononanoic acid (PFNA), hexafluoropropylene oxide dimer acid (HFPO-DA, commonly known as GenX Chemicals), and perfluorohexane sulfonic acid (PFHxS). These standards, referred to as Maximum Contaminant Levels (MCLs), are legally enforceable levels in drinking water. To assist water purveyors with remediating their PFAS-impacted production wells, the WRD Board of Directors established a $61M PFAS Remediation Program (Program) to provide either grants to groundwater pumpers to install their own treatment systems (referred to as Funding Support Projects), or for WRD to design and construct treatment systems for the pumpers (referred to as Turnkey Projects). This Program not only restores production from wells that have been shut down due to PFAS contamination, but also prevents the further spread of PFAS in drinking water aquifers.

Thus far, there are 14 pumpers with a total of 42 wells in the Program. Funding Agreements that total $27.3M in funding have been executed with 6 pumpers.

FY 2024 Accomplishments

- Distributed a total of $3.0M for three PFAS remediation projects:
  - $569,637 to Pico Water District
  - $1,190,978 to City of Pico Rivera
  - $1,211,634 to Montebello Land and Water Company.
- Secured $2.5M in Federal funding for La Habra Heights County Water District for their PFAS remediation project.

FY 2025 Objectives

- Execute three new Funding Agreements under the PFAS Remediation Program, either as Funding Support Projects or Turnkey Projects
- Remediate additional production wells to prevent the spread of PFAS contamination in aquifers
- Restore production from wells that had been shut down due to PFAS contamination.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The program budget is based on the Replenishment Assessment allocation.

Table 35

Program 048 – Per- and Polyfluoroalkyl Substances (PFAS) Remediation

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$ -	$ -	$ -
R&M/Materials/Equipment	-	-	-
Other Expenses	2,100,000	2,160,000	60,000
Other General & Administration	-	-	-
TOTAL	**$2,100,000**	**$2,160,000**	**$60,000**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 048 – PFAS				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Identify projects and support pumpers with funding or project delivery resources for PFAS remediation projects. **MEASURE:** Number of additional PFAS remediation projects funded (i.e., number of pumpers receiving funding).	2	0	3	Sustain Extraction Capacity Maximize Environmental Resiliency and Innovation Promote Organizational Excellence Maintain Stakeholder and Community Engagement
2 GOAL: Remediate production wells to prevent the spread of PFAS contamination in aquifers **MEASURE:** Number of additional production wells that are or will be treated for PFAS removal	9	0	7	Maximize Environmental Resiliency and Innovation Promote Organizational Excellence Maintain Stakeholder and Community Engagement
3 GOAL: Restore production from wells that had been shut down due to PFAS contamination **MEASURE:** Additional pumping volume (AFY) that pumpers have committed to maintaining for 20 years because they received funding from WRD for their PFAS remediation projects	5,459 AFY	0	8,355 AFY	Maximize Environmental Resiliency and Innovation Promote Organizational Excellence Maintain Stakeholder and Community Engagement


AqueoUSVETS
ION EXCHANGE VESSEL A
AqueoUSVETS
ION EXCHA VESSEL B
AqueoUSVETS
GRANULAR ACTIVATED CARBON VESSEL A
PROCESS WATER

Program 049
Perchlorate Cleanup Project

Background

WRD received grant funding to build a groundwater remediation system to address groundwater contamination located in a deep aquifer system within the Los Angeles Forebay. In 2023, the groundwater remediation system began treating some of the highest perchlorate concentrations in the state along with other comingled constituents such as 1,4-Dioxane and volatile organic compounds (VOCs). WRD is also working with regulatory agencies to identify potentially responsible parties (PRPs). Two sites have been identified and a formal notification process has been initiated by the Los Angeles Regional Water Quality Control Board (RWQCB). The work under this program is related to water quality and cleanup efforts; 100% of it is funded from the Clean Water Fund.

FY 2024 Accomplishments

- Completed all grant required items, submitted final invoices for reimbursement, and received grant manager acceptance of our Final Project Summary and Final Project Report.
- Treatment system continues to operate as intended and has removed 596 pounds (lbs.) of perchlorate mass through May 29, 2024. The Prop 1 grant goal established for the project is 1,000 lbs.
- Conducted a site tour of the perchlorate treatment system with multiple staff, the executive officer, and two board members of the RWQCB on April 19, 2024.
- WRD identified and provided new information regarding PRPs to the RWQCB. Water Code 13267 investigation orders were issued to multiple parties in 2024. Several status update meetings were held with the RWQCB.

FY 2025 Objectives

- Closeout all grant related contracts as required in the agreement by FY 2025.
- Continue operating the treatment system as intended and continue working towards removing the grant goal of 1,000 lbs.
- Continue working with regulatory agency staff to ensure the investigation orders are implemented by the PRPs. WRD will hold periodic status updated meetings with the RWQCB.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Grant funding completed and new budget established starting in FY 2025.

Table 36

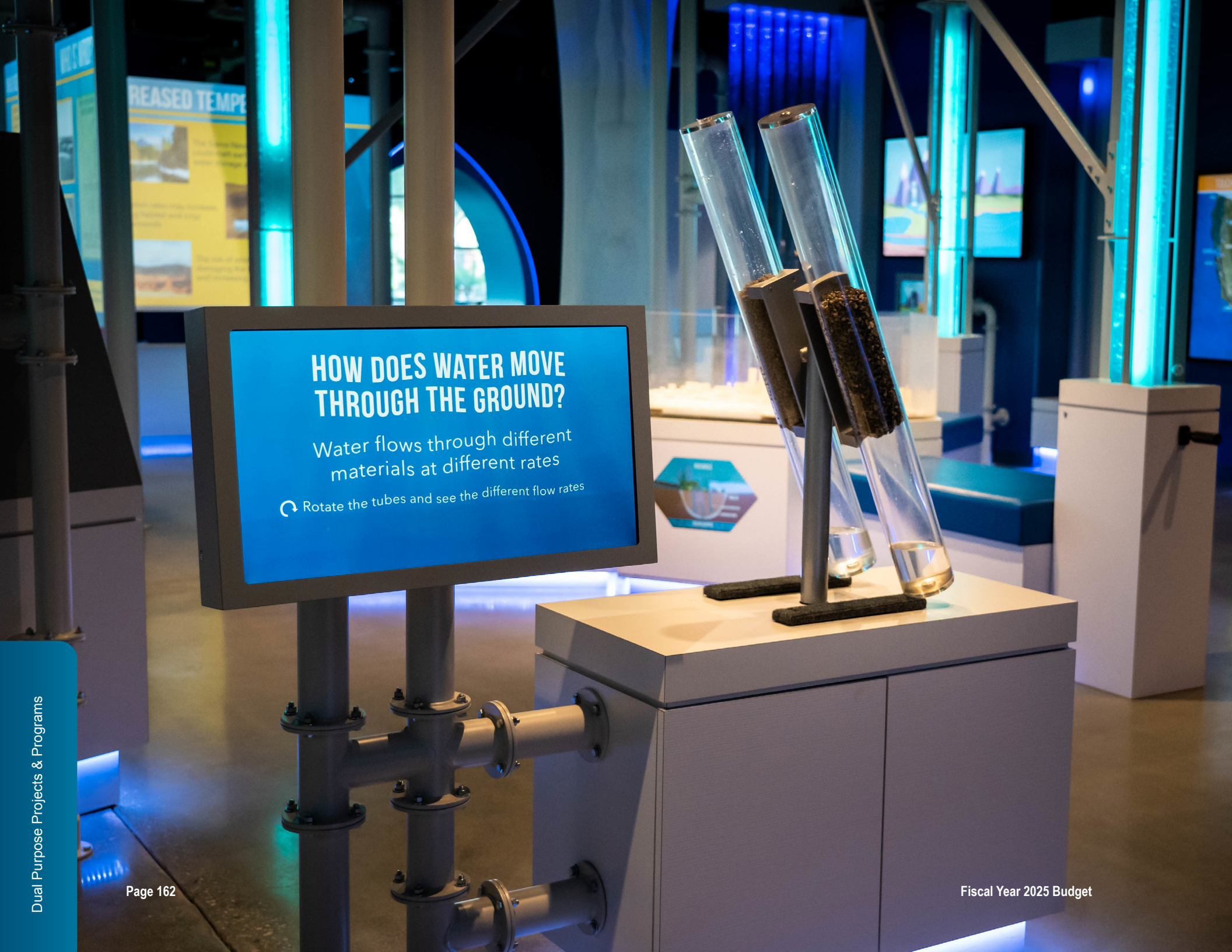
Program 049 – Perchlorate Cleanup Project

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$ -	$706,400	$706,400
R&M/Materials/Equipment	-	309,100	309,100
Other Expenses	-	194,125	194,125
Other General & Administration	-	76,068	76,068
TOTAL	**$ -**	**$1,285,693**	**$1,285,693**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 049 – Perchlorate Cleanup Project				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 **GOAL:** Prop 1 grant funding to remediate "hot spot" in the Los Angeles Forebay and identify responsible party in coordination with DTSC and LARWQCB.				Maximize Environmental Resiliency and Innovation Sustain Extraction Capacity
MEASURE: Meetings with regulatory agency staff (DTSC and/or RWQCB).	4	4	4	
2 **GOAL:** Operate perchlorate treatment system in an efficient manner and maintain regulatory compliance with permits obtained from LACSD and LARWQCB.				Maximize Environmental Resiliency and Innovation Sustain Extraction Capacity
MEASURE: Submit reports as required by LACSD and LARWQCB. Successful completion tracked Quarterly.	4	4	4	


HOW DOES WATER MOVE THROUGH THE GROUND?
Water flows through different materials at different rates
Rotate the tubes and see the different flow rates

Dual Purpose Projects and Programs

Program 010 Geographic Information System (GIS)

Background

The District maintains an extensive database and Geographic Information System (GIS) in-house. The database includes water level, water quality, and groundwater production 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 various state and partner agencies 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, store, and access spatial information and accompanying datasets, including well locations, water level data, water quality information, well construction data, production data, aquifer locations, and computer model files. Staff use 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 is available to the public; this website provides users with access to WRD's data on wells in its service area, including water levels, water quality, and groundwater production. The web-based application is continually updated to expand functionality for WRD staff and outside users.

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. In addition, District staff work closely with our consultants to develop new geospatial applications and add features to existing ones.

The use of the system supports District functions such as replenishment activities, groundwater quality efforts, and the Computerized Maintenance Management System (CMMS) used at operations facilities. Accordingly, the cost for this program is equally split between the Replenishment and Clean Water Funds.

FY 2024 Accomplishments

- Launched an internal Enterprise GIS Portal, which acts as an online resource for staff to access WRD's entire spatial library of data and the ability to perform spatial analysis.
- Consistently maintained the District's publicly accessible Interactive Well Search Tool.
- Created a new internal web application for staff to use for planning projects and fieldwork and providing situational awareness.
- Updated the publicly accessible WRD GIS Hub, including links to WRD-developed Story Maps, static stock maps, and authoritative WRD spatial data.
- Worked with WRD staff to design and develop new Esri Story Maps for use in educational, promotional, and presentation materials.
- Continued comprehensive review of existing datasets and quality assurance measures to ensure continued data integrity.
- Implemented the next phase of the GIS Roadmap, including establishments of internal GIS Steering and Technical Committees to ensure that program efforts and outcomes align with internal stakeholders' needs.

FY 2025 Objectives

- Migration of the Well Search Tool to a new technology platform.
- Develop a GIS Toolbox to run queries for the annual Regional Groundwater Monitoring Report.
- Continue developing new GIS applications and adding new features to improve existing applications.
- Continue working with Operations staff on CMMS usage for operating facilities.
- Continue developing maps and layers for Esri Story Maps development for use in educational, promotional, and presentation materials.
- Continue comprehensive review of existing datasets and quality assurance measures to ensure continued data integrity, including documentation and data dictionaries.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Minor decreases in generic expenses reflect cyclical software licensing and hardware needs. An increase in the professional services budget reflects the need for additional 3rd party assistance to customize the District's web applications, creating more robust and informative data services.

Table 37

Program 010 – Geographic Information System (GIS)

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$60,000	$200,000	$140,000
R&M/Materials/Equipment	-	-	-
Other Expenses	54,074	40,700	(13,374)
Other General & Administration	238,939	223,214	(15,725)
TOTAL	**$353,013**	**$463,914**	**$110,901**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 010 – Geographic Information System (GIS)					
		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District Goals
1	**GOAL:** Develop applications to access GIS layers (e.g., well/ water data).				Promote Organizational Excellence
	MEASURE: Applications produced or updated	2	2	2	
2	**GOAL:** Develop map presentations (e.g., Story Maps) for use in educational, promotional, and informational materials.				Promote Organizational Excellence
	MEASURE: New map presentations produced.	2	2	2	
3	**GOAL:** Maintain comprehensive GIS data catalog for the District.				Promote Organizational Excellence
	MEASURE: Review catalog with data team at least twice per year.	2	2	2	

Program 011
Regional Groundwater Monitoring

Background

The Regional Groundwater Monitoring Program continues to be very successful and currently consists of a network of 354 WRD and the United States Geological Survey (USGS)-installed monitoring wells at nearly 63 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 Geographic Information System (GIS) and provides the basis to better understand the characteristics of the Central and West Coast Basins (CBWCB).

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. The water quality data is available online at https://gis.wrd.org/ and water level data are available online at https://hydrographs.wrd.org/. On an annual basis, staff prepares a report that documents groundwater production, groundwater level, and groundwater quality conditions throughout the District. The annual reports are available online at https://www.wrd.org/regional-groundwater-monitoring-report.

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 USGS to address specific water quality issues and update the hydrogeologic 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 from 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 and continues in this role. WRD also provides water level data to a National Groundwater Monitoring Program as overseen by the USGS.

FY 2024 Accomplishments

- Completed spring and fall groundwater quality sampling at WRD monitoring wells including analysis of over 100 chemical constituents and contaminants. In March 2021, WRD also documented the results of a two-year sampling effort to evaluate the presence of per- and polyfluoroalkyl substances (PFAS).
- Collected quarterly groundwater levels at WRD monitoring wells and compiled daily datalogger data to prepare historical water level hydrographs.
- Published the annual Regional Groundwater Monitoring Report summarizing groundwater data from monitoring wells and production wells in the CBWCB for Water Year 2022/23.
- Continued to collect and report CBWCB groundwater level data to the CASGEM program.
- Performed extensive data logger testing, maintenance and repairs.

FY 2025 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 data logger 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 CBWCB.
- 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.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The change is primarily associated with labor adjustments and a temporary labor increase for a new employee to shadow a long-term employee due to retire after being with the district for over 20 years. The professional services increase is associated the implementation of a new laboratory analytical contract with new rates commencing FY 2025. WRD staff negotiated rates with each laboratory and successfully reached consensus on May 13, 2024. A significant cost savings was obtained when comparing historical analytical testing volumes against the negotiated rates and those in the initial RFQ. The overall cost savings for the next three-year contract period is estimated at $815,000.

Table 38

Program 011 – Regional Groundwater Monitoring

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$605,000	$751,000	$146,000
R&M/Materials/Equipment	108,000	108,000	-
Other Expenses	111,000	107,000	(4,000)
Other General & Administration	642,831	842,695	199,864
TOTAL	**$1,466,831**	**$1,808,695**	**$341,864**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 011 – Regional Groundwater Monitoring				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Collect semiannual groundwater quality samples and quarterly water levels at monitoring wells installed by WRD. Place results on Interactive Well Search Tool maintained by WRD. Report results to NGWMN and CASGEM.				Maximize Environmental Resiliency and Innovation
MEASURE: Compile results and release annual report by April.	1	1	1	
2 GOAL: Integrate Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program.				Maximize Environmental Resiliency and Innovation
MEASURE: % of completion for the integration of Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program.	100%	100%	100%	

Program 025
Hydrogeology Program

Background

This recurring 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, 3D aquifer imaging, 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.

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 from historical information for production wells and oil wells within the District, and from seismic reflection data. 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 hydrogeologic 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 with an emphasis on gather more data related per- and polyfluoroalkyl substances (PFAS). Other special projects include preparation of

the Cost of Service Report, saline plume evaluation and modeling, analysis of optimum and minimum groundwater quantities, groundwater tracer investigations, and agency required data assessment for the existing basin wide Salt Nutrient Management Plan (SNMP).

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.

FY 2024 Accomplishments

- Preparation of the 2024 Engineering Survey and Report leading to the adoption of the 2024/2025 Replenishment Assessment.
- Preparation of the 2024 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 2024/2025 Replenishment Assessment.
- Conducted annual adjudicated basin reporting as required under the Sustainable Groundwater Management Act (SGMA).
- Presented at conferences or professional organizations:
  - "Groundwater Model Update for Los Angeles Coastal Plain", Western Groundwater Congress, Groundwater Resources Association of California, September 13, 2023.
  - "Recycled Water Recharge Panel – Opportunities, Successes, & Lessons Learned", Western Groundwater Congress, Groundwater Resources Association of California, September 13, 2023.
  - "Material Physical Harm Analysis for a Groundwater Supply Project", Western Groundwater Congress, Groundwater Resources Association of California, September 13, 2023.
  - "WRD Project Review and Current Groundwater Basin Conditions in Southern Los Angeles County", Graduate Speaker Series, California State University at Fullerton, February 28, 2024.
  - "WRD's Recharge Successes: Developing a Biogeochemical Roadmap for Indirect Potable Reuse (IPR)", Biannual Symposium on Managed Aquifer Recharge (BSMAR18), April 3, 2024.
- Continue to provide modeling support to water resource department for the Master Plan and Regional Brackish Water.

FY 2025 Objectives

- Completion of 2025 Engineering Survey and Report.
- Completion of 2025 Cost of Service Report.
- Prepare cost sharing agreements with key stakeholders and commence agency required data assessment for the existing SNMP.

- Present technical materials and papers at groundwater conferences and various organizations related to the District.
- Complete annual adjudicated basin reporting as required under SGMA.
- Assist groundwater purveyors on data needs for new production wells.
- Continue to provide modeling support to water resource department for the Master Plan and Regional Brackish Water.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The change is primarily associated with professional services decrease associated with completing a bulk of the work as anticipated in FY 2024.

Table 39

Program 025 – Hydrogeology

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$652,000	$500,000	$(152,000)
R&M/Materials/Equipment	17,000	-	(17,000)
Other Expenses	56,500	38,000	(18,500)
Other General & Administration	396,270	385,396	(10,874)
TOTAL	**$1,121,770**	**$923,396**	**$(198,374)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program 025 – Hydrogeology		FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1	**GOAL:**				
	Prepare ESR leading to the adoption of the RA.				Maximize Environmental Resiliency and Innovation
	MEASURE:				
	Prepared ESR which led to the adoption of the RA.	1	1	1	
2	**GOAL:**				
	Prepare annual Cost of Service report including an in-depth analysis of the geology of the WRD service area.				Maximize Environmental Resiliency and Innovation
	MEASURE:				
	Prepared annual Cost of Service report which included an in-depth analysis of the WRD service area geology.	1	1	1	
3	**GOAL:**				
	Provide modeling support for Master Plan and Brackish Groundwater Reclamation Project (BGRP).				Expand Sustainable Replenishment Opportunities Sustain Extraction Capacity
	MEASURE:				
	Participate in at least six stakeholder meetings each Fiscal Year.	12	12	6	

Program EAC
Water Conservation

Background

Water Conservation outreach activities provide tangible and proven strategies to successfully engage constituents, pumpers, and cities to continue to conserve water throughout the service area. Even with a record-breaking year for stormwater capture, the public is eager to keep up with conservation because they know the next drought is around the corner. The WRD conservation program has maintained its outreach to proactively educate the public about making conservation a way of life. Outreach is also geared towards educating the public about WRD's innovative planning to address this and future droughts.

In FY2025 the External Affairs Department attended several community events, conferences and workshops to highlight WRD's projects and programs.

The External Affairs Department expanded the number of Eco-Gardener classes for the public. WRD hosted 33 Eco-Gardener courses in both virtual and in-person settings. Outreach for these classes included social media posts, direct email contact, newspaper advertisements, and placement in the WRD Newsletter. Advertising serves two main purposes. In addition to advertising the Eco-Gardener classes, they highlight WRD and our function in the service area.

The Water Awareness Calendar profiles 23 local student artists who use their artwork to encourage water literacy and conservation. The department was able to continue utilizing the digital submission process which helps increase participation. The outreach for the Student Art Contest was shared with hundreds of thousands of students from hundreds of schools and over two dozen school districts. This large effort resulted in 1,170 contest submissions from 22 school districts, 100 schools, and 234 teachers. WRD attended awards presentations at the schools to recognize 16 of the contest winners in-person and winners attended the Groundwater Festival.

WRD also administered the Teacher Mini-Grant Program for the second year in a row, where the teachers with the most participation in the contest receive mini-grants to spend on water education materials. In FY2024, 43 teachers were awarded mini-grants.

External Affairs staff developed updated collateral for its projects and programs to share with stakeholders and the public.

FY 2024 Accomplishments

- Hosted 33 Eco-Gardener classes and re-established in-person classes
- Conducted a communications survey to gauge residents' knowledge of groundwater terminology and desired methods of communication
- Distributed 5,500 Water Awareness Calendars to stakeholders and constituents
- Led 28 water stakeholder tours of the Albert Robles Center
- Sponsored activities throughout the district allowing WRD to communicate with diverse residents and stakeholders
- Engaged 100 schools and over 1,100 students through the calendar contest

FY 2025 Objectives

- Host targeted Eco Gardener classes that provide something unique for each class venue. Host Eco Gardener classes in all divisions of the District.
- Examine the through line of teachers and schools who participate in the Student Art Contest and see if they attend ARC Field Trips or engage with WRD at other levels.
- Develop a communication campaign to roll out the Goldsworthy Desalter Expansion project.
- Increase the publication of water conservation social media posts to encourage behavior change at home and in the garden.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Funds were moved to accommodate project needs.

Table 40

Program EAC – Water Conservation

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$70,000	$70,000	$-
R&M/Materials/Equipment	-	-	-
Other Expenses	323,800	323,000	(800)
Other General & Administration	311,577	274,341	(37,236)
TOTAL	**$705,377**	**$667,341**	**$(38,036)**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program EAC – Water Conservation				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL:				
Conservation Partnerships with stakeholders including groundwater pumpers.				Promote Organization Excellence
MEASURE:				
Participation in commercial, institutional, residential and educational partnerships with stakeholders through the service area.	30	40	40	
2 GOAL:				
Broaden Eco-Gardener education opportunities for the public.				Maximize Innovation and Environmental Resiliency
MEASURE:				
Number of Eco-Gardening classes hosted	37	33	35	
Identify and coordinate with new host venues	8	12	8	
Develop new classes for participants to attend	4	8	3	
Use of social media for Eco-Gardening Education	40	40	40	
3 GOAL:				
Increase participation at community events promoting WRD projects and programs				Maximize Innovation and Environmental Resiliency
MEASURE:				
Number of Schools Participating in Student Art Calendar Contest	72	100	100	
Number of industry conferences the district participates in (budgeted in EAC)	3	13	13	


BOOSTERSTAGE
PENTAIR
Biwater

Program EAE
Water Education & Outreach

Background

Water Education and Outreach activities aim to provide direct informative communication between WRD and a broad range of constituents including:

- Groundwater purveyors (pumpers)
- Elected officials and policymakers
- Federal and state regulators
- Members of the public
- Children and Youth (schools)
- Members of the water industry
- News reporters, bloggers, other media.

Water Education and Outreach activities engage constituents on a variety of important policy and project development areas pertaining to groundwater management and practices, as well as recycled water production and use. These activities include tours; participation in community events and forums; development of printed and digital educational materials; involvement in industry and organizational conferences; and promotion of education through annual public events such as the WRD Groundwater Festival. These avenues of communication enable WRD to successfully advance discussions around critical policies and programs that promote public interest in, and awareness of, water.

The External Affairs department is tasked with the mission of leading the education and outreach programs for the District - with attention to the Water Independence Now (WIN) Program and the WIN 4 ALL Program through presentations at conferences, conventions, and regional community events. These programs encapsulate WRD's core projects that are helping the region by creating a completely locally sustainable source of water for groundwater replenishment.

Conference and convention outreach participation includes participation at conferences and workshops that average approximately 1,500 attendees. Water and education outreach at conferences and conventions alone have reached over 25,000 industry leaders and elected officials and policymakers. This year, these conferences were held in settings that allowed the district to engage the audience using multimedia presentations including virtual tours and videos.

The department is also tasked with supporting the agency's legislative affairs strategies. This year the agency held meetings with our Congressional and State Legislative delegations which allowed the district to advocate for increased funding and beneficial policy that will allow the district to continue our march towards sustainability and regional water independence.

FY 2024 Accomplishments

- Recognized as the WateReuse California and National Awards for Excellence in Outreach and Education Program of the Year for the district's efforts to educate students about groundwater
- Placed informational newspaper ads strategically throughout the service area to inform residents about our projects and programs
- Expanded our reach with the Ad Hoc Future Water Workforce Committee
- Increased number of social media followers, engagements, and posts
- Launched the inaugural WRD Groundwater Academy for Elected Officials
- Broadened the public tour program for WRD's Albert Robles Center
- Hosted over 80 school field trips at ARC
- Completed several education presentations including career days at local schools.
- Created collateral for new projects
- Sponsored and coordinated speaking opportunities at several industry conferences
- Conducted presentations at conferences and workshops
- Broadened outreach to schools and youth organizations for field trips and activities
- Presented on WRD's Education Outreach Program to California Water Education Association (CWEA) members
- Hosted a successful Groundwater Festival with over 3,000 attendees
- Conducted meetings with legislators at the state and federal level to advocate for beneficial policy and funding for WRD projects
- Hosted a Groundwater 101 Workshop for legislative staff
- Coordinated two legislative advocacy trips (one to Washington, D.C., and one to Sacramento) to meet with legislators and advocate for increased funding for climate-resilient water recycling and treatment projects
- Published 2 printed newsletters reaching over 231,500 households in the service area
- Hosted a PFAS Update meeting with local pumpers, and elected officials
- Coordinated in-district meetings with state and federal legislators to advocate for projects and programs
- Provided weekly, monthly and yearly legislative updates to the Board of Directors

FY 2025 Objectives

- Continue and expand ARC Field Trip Program
- Host an Educator's Open House events to promote WRD's Education Program
- Engage more schools in the ARC field trips and expand STEM/STEAM schools for partnerships
- Host Groundwater Festival
- Partner with other water agencies to develop regional water education programs

- Host English and/or Spanish Public Tours
- Develop an asset management plan for the ARC learning center
- Continue updates through Education Update Newsletters
- Broaden outreach to key groups
- Continue to host a Careers in the Water Industry Skills Workshop in partnership with other entities
- Present at 2 Education Conferences
- Represent WRD at water association legislative water policy committees
- Host a regional legislative forum for elected officials
- Host two Groundwater 101 workshops for elected officials' staff
- Increase the number of our e-newsletter subscribers and expand the reach of our e-newsletter distribution throughout our service area
- Coordinate two legislative advocacy trips to meet with legislators and advocate for increased funding for climate-resilient water recycling and treatment projects
- Publish 2 printed newsletters and quarterly electronic newsletters
- Coordinate in-district meetings with state and federal legislators to advocate for projects and programs

Basis for Changes from FY 2024 Projection to FY 2025 Budget

Budget was adjusted to accommodate project needs.

Table 41

Program EAE – Water Education & Outreach

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$95,000	$135,000	$40,000
R&M/Materials/Equipment	-	50,000	50,000
Other Expenses	686,600	699,600	13,000
Other General & Administration	354,841	359,383	4,542
TOTAL	**$1,136,441**	**$1,243,983**	**$107,542**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Program EAE – Water Education & Outreach				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Host annual groundwater festival as an on-going groundwater awareness effort				Maintain Stakeholder and Community Engagement
MEASURE: Number of Groundwater Festivals hosted	Completed	One	One	
2 GOAL: Social Media Outreach Efforts				Maintain Stakeholder and Community Engagement
MEASURE:				
Number of social media platforms	6	-	-	
Number of followers	11,000	-	-	
Number of social media posts	800	-	-	
3 GOAL: Lead outreach on upcoming WRD projects and programs				Expand Replenishment Opportunities
MEASURE:				
Release WRD E-Newsletter	7	8	6	
Release WRD Printed Newsletter	2	2	2	
4 GOAL: Assist with ARC-related outreach				Expand Replenishment Opportunities
MEASURE:				
Number of times ARC was marketed at public events	50	50	50	

Program EAE – Water Education & Outreach (cont.)				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
5 GOAL:				
Expand WRD Groundwater Education programs highlighting WIN and WIN4ALL				Expand Replenishment Opportunities
MEASURE:				
Number of presentations at conferences	50	30	30	
Multimedia presentations created	30	20	20	
Participate in industry conferences (budgeted in EAE)	6	6	6	
6 GOAL:				
Increase participation at community events promoting WRD projects and programs				Maintain Stakeholder and Community Engagement
MEASURE:				
Number of School events	30	5	-	
Number of field trips of WRD facilities	80	83	-	
Number of tours led at WRD facilities	40	28	-	
Number of Earth Day events	20	20	-	
7 GOAL:				
Advocate for effective groundwater policy.				Expand Replenishment Opportunities
MEASURE:				
Number of State Government Advocacy Meetings	30	30	30	
Number of Federal Government Advocacy Meetings	22	20	20	


30

Data & Technology Services (DTS)

Background

As the technological backbone of the Water Replenishment District, DTS oversees a broad array of responsibilities and is tasked with implementing and managing systems to optimize the District's operational efficiency, data integrity, and cybersecurity. DTS is dedicated to advancing technological innovation and empowering the District to meet its mission and achieve excellence, paving the way for a future marked by efficiency, transparency, and progress. By taking a multi-faceted approach to technology management, DTS is positioned to meet the current and future needs of the District in a rapidly evolving digital environment.

DTS is home to a diverse set of responsibilities and products that include traditional information technology (IT) infrastructure and extend into operational technology (OT), data management, and web application development, making it central to both day-to-day functions and long-term strategy. Through the incorporation of specialized functions like geographic information systems (GIS) and asset management, DTS ensures comprehensive seamless operation and future-proofing, harnessing the power of the District's data to drive innovation and strategic decision-making.

The department plays a critical role in the District's mission, aligning its core functions with a commitment to modernizing administrative processes and enhancing service delivery through technological solutions.

Core Functions:

1. Service Infrastructure Planning, Architecture, and Operations
2. Cybersecurity and Information Security (InfoSec)
3. IT Compliance
4. Operational Technology (OT)
5. Enterprise Systems, Applications, and Software Integrations
6. Data Management, Analytics, and Business Intelligence
7. Database, Data Service, and Web Application Development
8. Office Systems and Building Technology
9. Business Process Management, Project Management, and Training
10. Strategy and Governance (Policies, Planning, and Business Continuity)

FY 2024 Accomplishments

- Ensured appropriate information technology and architecture support to all WRD administrative office and off-site facilities.
- Continued building Cybersecurity defenses and resources, including the implementation of Managed Detection and Response (MDR).
- Ensured secure access to data systems for staff and facility operators.
- Enabled the District to provide transparent data to the public and the District's pumpers and partners.
- Assisted in the implementation of a new enterprise budgeting software solution.

FY 2025 Objectives

- Review and assess the technological needs of the District to effectively meet its mission.
- Continue building capacity for our Cybersecurity and disaster recovery needs related to our information systems.
- Assist in the development of data services and business intelligence tools for data-driven decision-making.
- Continue building data services to increase data availability to our partners and the public.

Basis for Changes from FY 2024 Projection to FY 2025 Budget

The variance is due to observed increases in prices for software, hardware, etc.

Table 42

Data Technology Services

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$120,000	$122,400	$2,400
R&M/Materials/Equipment	50,000	51,000	1,000
Other Expenses	447,012	442,680	(4,332)
Other General & Administration	675,608	743,235	67,627
TOTAL	**$1,292,620**	**$1,359,315**	**$66,695**

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Data & Technology Services	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
GOAL:				
Ensure information technology services and support to all WRD facilities and the public.				Promote Organizational Excellence
MEASURE:				
a. Maintain publicly accessible websites and applications	5 public websites	5 public websites	5 public websites	
b. Maintain the Computerized Maintenance Management System (CMMS) for operating facilities	3 facilities	4 facilities	4 facilities	
c. Collect and report groundwater data every month	12 months	12 months	12 months	
d. Maintain data services to increase data availability to our partners and the public.	100%	100%	100%	

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 Board officers include the President, Vice President, Secretary, and Treasurer. Officers are elected by the Board at its first meeting in January of at least every odd-numbered year but may do so more frequently if desired.

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. In the absence of the Secretary, the Vice President may sign in his/her place when necessary.

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 / Audit Committee of the Board.

FY 2024 Accomplishments

See Board President's Report.

FY 2025 Objectives

See Board President's Report.

Basis for Changes from FY 2024 projection to FY 2025 budget

There are no significant changes to FY 2025 budget.

Table 43
Board of Directors

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$-	$-	$-
R&M/Materials/Equipment	-	-	-
Other Expenses	182,110	126,280	(55,830)
Other General & Administration	372,557	397,518	24,961
TOTAL	**$554,667**	**$523,798**	**$(30,869)**

Administration Background

The Administration of the District includes the Administration/ Human Resources Department and the Finance Department. These departments are responsible for ensuring the delivery of core District administrative functions through innovative technology-driven solutions.

Core functions of the Administration and Human Resources Department include general office administration, Board support for public meetings, human resources (HR), and risk management. The department is also responsible for talent management, entailing recruitment, onboarding, training, development and implementing the District's Diversity, Equity, and Inclusivity Initiative. Administrative and HR policies are maintained and updated within this department's functions.

Core functions of the Finance Department include facilitating the planning, organization and implementation of financial policies and programs of the District. The department provides financial planning, monitors financial activities of the District, manages the development of annual budget, and prepares the Comprehensive Annual Financial Report.

Basis for Changes from FY 2024 projection to FY 2025 budget

The changes are mainly due to succession planning and reallocation of staff time to various projects and programs in FY 2025. In addition, the cost of general liability insurance is projected to increase, and District's training programs are more active in FY 2025.

Table 44

Administration

Expense Category	FY 2024 Projection	FY 2025 Budget	FY 2025 Budget compared to FY 2024 Projection
Professional Services	$1,208,000	$1,137,270	$(70,730)
R&M/Materials/Equipment	35,500	58,000	22,500
Other Expenses	970,389	1,105,937	135,548
Other General & Administration	2,746,803	3,270,631	523,828
TOTAL	**$4,960,692**	**$5,571,838**	**$611,146**

Administration/Human Resources and Administration

FY 2024 Accomplishments

- Developed the FY2026-FY2028 WRD's 2-year Strategic Plan.
- Continue implementation of the District's Diversity, Equity, and Inclusion (DEI) Initiative.
- Implementation of NEOGOV Human Resources Information System for Performance Management, Applicant Tracking, and Onboarding.
- Continued implementation of the employee training initiatives including Diversity, Equity and Inclusivity Training and Leadership Training for all employees.
- Provided outstanding customer service to District's Board of Directors, management, staff, and the public through increased communications and responsiveness

FY 2025 Objectives

- Implementation of the District's 2026-2028 Two-Year Strategic Plan.
- Continue implementation of the District's Diversity, Equity, and Inclusion (DEI) Initiative.
- Ensure District coordination with the Los Angeles County Registrar-Recorder's office for three Board election seats in the November 2024 General Election.
- Implementation of NEOGOV Human Resources Information System for Performance Management, Applicant Tracking, and Onboarding.

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below.

Human Resources & Administration	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
1 **GOAL:**				
Promote a safe, healthy and supportive work environment for all employees.				Promote Organizational Excellence
MEASURE:				
a. Development and ongoing implementation of procedures to ensure safety of staff in compliance with local and state public health officials and implementation of COVID-19 Workforce Transition Plan and the COVID Prevention Plan	100%	100%	100%	
b. Continue coordination of WRD safety program at all WRD worksites.	100%	100%	100%	
2 **GOAL:**				
Hire, retain and develop a highly qualified, professional, diverse and responsive workforce.				Promote Organizational Excellence
MEASURE:				
a. Development and implementation of the District's performance management system.	100%	100%	100%	
b. Ensure completion of training for Board and employee workforce.	100%	100%	100%	
c. Development and continuation of formal Employee Recognition Program.	100%	100%	100%	
d. Develop and implement 360 Degree Feedback Program for Management Team	100%	100%	100%	
e. Implement a Human Resources Information System for applicant tracking, onboarding, and performance management.	100%	100%	100%	

Human Resources & Administration (cont.)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goals
3 GOAL:				
Increased dissemination of information and communications with staff.				Promote Organizational Excellence
MEASURE:				
a. Hold regularly scheduled all-hands meetings.	12 meetings	12 meetings	12 meetings	
b. Maximize utilization of WRD Portal and increase information access to all staff.	80%	80%	80%	
4 GOAL:				
Continued compliance with current local, state and federal laws governing the regulations of Water Districts.				Promote Organizational Excellence
MEASURE:				
a. Ensure Board actions, documents, resolutions and ordinances are appropriately recorded for future reference.	100%	100%	100%	
b. Develop and implement Diversity, Equity, and Inclusivity Program.	100%	100%	100%	
5 GOAL:				
Development and implementation of the District's Two-Year Strategic Plan.				Promote Organizational Excellence
MEASURE:				
a. Develop, implement, and track District's Two Year Strategic Plan	100%	100%	100%	
6 GOAL:				
Ensure District coordination with the Los Angeles County Registrar-Recorder's office for three Board election seats in the November 2024 General Election.				Promote Organizational Excellence
MEASURE:				
a. Coordinate November 2024 District elections with the Los Angeles County Registrar-Recorder's office for three board election seat in November 2024 General Election.	NA	100%	NA	

Finance Department

FY 2024 Accomplishments

- Worked collaboratively with project managers to develop Fiscal Year 2025 budget and Replenishment Assessment and received Board adoption.
- Completed Fiscal Year 2023 financial audit and received unmodified or "clean" audit opinion.
- Prepared Fiscal Year 2023 Annual Comprehensive Financial Report.
- Received Distinguished Budget Presentation Award for FY 2024 and Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for FY 2023.
- Streamlined the new Budget module to interface with the MIP accounting system and provided full training to staff. The new Budget System went live in December 2023.

FY 2025 Objectives

- Work collaboratively with project managers to develop Fiscal Year 2026 budget and Replenishment Assessment and received Board adoption.
- Complete Fiscal Year 2024 financial audit and received unmodified or "clean" audit opinion.
- Prepare Fiscal Year 2024 Annual Comprehensive Financial Report.
- Receive Distinguished Budget Presentation Award for FY 2025 and Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for FY 2024.

Performance Measures

Performance measures for the past two fiscal years in addition to goals for FY 2025 are presented below:

Finance Department				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	District's Strategic Goal
1 GOAL: Continued compliance with the California Water Code on financial reporting and budget adoption				Promote Organizational Excellence
MEASURE:				
a. Complete audit financial statement no later than 180 days from the conclusion of the District's fiscal year on June 30th	100%	100%	100%	
b. Adopt Replenishment Assessment and ensuing year budget no later than the second Tuesday in May	100%	100%	100%	

Capital Improvement Program

Executive Summary

Background:

The Water Replenishment District (WRD) is dedicated to ensuring the sustainability and enhancement of the region's groundwater supply. Our Capital Improvement Program (CIP) for the fiscal year 2025 aims to detail the strategies, initiatives, and projects to achieve our mission, emphasizing infrastructure development, water quality protection, and public engagement.

Special Initiatives:

WRD is committed to safeguarding water resources, investing in future ready infrastructure, and ensuring the delivery of clean and safe water. As part of this commitment, WRD's CIP projects can be categorized under three main pillars that form the backbone of its strategic vision for the future. These are:

- **Infrastructure Improvements:** WRD places significant importance on upgrading its facilities to meet the growing demands for groundwater management. Key among these is the improvement of its two recycled water plants, which both play key roles in leveraging recycled water for protection and recharge of the groundwater basin. Additionally, the Goldsworthy Desalter continues to be instrumental in remediating the saline plume trapped in the West Coast Basin, while ensuring potable water supply to the City of Torrance. Through strategic infrastructure investments in these facilities, WRD underscores its unwavering commitment to safeguarding regional water resources. Projects at WRD's headquarters, such as the Solar Car Port and HVAC Replacement projects, underline the importance of a sustainable and efficient operational environment.

- **Regional Water Independence Program (WIN4ALL):** Building on the foundational success of WRD's Water Independence Now (WIN) Program, the WIN 4 ALL initiative aims to optimize the use of groundwater aquifers, transforming them into reliable and locally sustainable water sources for the expansive Los Angeles Basin Region. The projects listed under WRD's CIP for WIN4ALL, such as the LVL Inland Injection and the Dominguez Gap Barrier 2nd Recycled Water Connection, serve as pivotal investments towards this cause. These strategic projects, aligned with the mission of WIN4ALL, underscore the District's commitment to harnessing local recycled water and captured stormwater, further solidifying WRD's dedication to sustainably managing the vital groundwater supplies of Southern Los Angeles County.

- **Groundwater Quality Protection and Remediation:** WRD has taken measures to safeguard and revitalize the groundwater basins of Southern Los Angeles County through its dedicated Groundwater Quality Protection and Remediation initiative. The projects delineated in the CIP highlight WRD's holistic approach to groundwater

management. From the Safe Drinking Water Program to the expansive Brackish Groundwater Reclamation Program (BGRP) - Torrance Groundwater Desalter Expansion project and perchlorate remediation in the Los Angeles Forebay, these initiatives target specific contaminants threatening the groundwater's quality. WRD is not only ensuring the delivery of safe and clean water but is also fortifying the region's resilience against future water quality challenges.

Partnerships & Funding:

WRD has secured substantial funding through state and federal grants, coupled with strategic partnerships. Notably, the United States Bureau of Reclamation and the State Water Resources Control Board have been instrumental in this regard, providing funding for various key projects. WRD has a diversified financial framework to support its CIP. Significant funding is derived from bond proceeds, including anticipated bonding in 2026 for critical projects. The District maintains both restricted and unrestricted funds, ensuring a stable financial foundation for ongoing and future initiatives. Encumbered capital funds are earmarked for essential groundwater quality and infrastructure projects. The Replenishment Assessment serves as a reliable revenue stream. Together, these varied funding avenues underscore WRD's commitment to ensuring sustainable groundwater management in the Los Angeles Basin Region.

Budget Overview:

WRD's CIP showcases an extensive list of projects aimed at enhancing groundwater management and infrastructure. For FY2025, the forecasted expenditure stands at $61,035,434 (i.e., $48,614,340 for facility CIP and $12,421,094 for remediation). When looking at a broader horizon spanning five years, the total projected expenditure approaches $294,792,622 (i.e., $243,281,286 for facility CIP and $51,511,335 for remediation). These numbers reflect WRD's commitment to long-term planning and investment in safeguarding the region's water resources.

Risk Management:

We adopt a comprehensive approach, compliant with the California Environmental Quality Act (CEQA) and public works regulations. Our proactive strategy involves identifying potential risks early, categorizing, and mitigating them, emphasizing transparency and consistent stakeholder engagement.

Performance Metrics:

The Project Management Triangle forms the foundation of our project evaluation, emphasizing the balance between scope, cost, and time. Regular reviews are in place, focusing on both quantitative and qualitative metrics, ensuring continuous improvement and adherence to our commitment to excellence.

Conclusion:

WRD's Capital Improvement Program for FY2025 showcases our unwavering dedication to sustainable groundwater management, infrastructure development, and community engagement. By leveraging strategic partnerships, prioritizing projects that reflect WRD's mission, and securing diversified funding sources, WRD is poised to meet the challenges ahead and ensure a resilient water future for our region.

Introduction

WRD 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. Prior to the formation of the District in 1959, unregulated and unmanaged over-pumping caused severe overdraft and many water wells to go dry. Along the coastline, groundwater levels dropped below sea level, allowing the salty ocean water to seep into and contaminate the freshwater aquifers.

As a groundwater management agency, WRD provides supplemental replenishment water delivery to two Los Angeles County Public Works infrastructure systems: the Montebello Forebay spreading grounds located inland atop the Central Basin, and seawater barrier injection wells located along the coast. Traditionally, imported water was used to supplement these systems. Through technological and regulatory advancements, recycled water can now be used for 100% supplemental replenishment purposes.

Building on our commitment to sustainability and technological advancement, WRD's capital plan encompasses a holistic vision for all of its facilities and infrastructure. Central to this plan are our state-of-the-art recycled water plants: the LVL (Leo J. Vander Lans) and ARC/Whitaker facilities. These plants play a pivotal role in ensuring a consistent supply of high-quality recycled water for replenishment purposes, reducing our dependency on imported water sources.

Additionally, the Goldsworthy Desalter stands as a testament to our dedication to tackling the challenges posed by seawater intrusion. By actively removing salt and contaminants, the desalter ensures that the groundwater remains a reliable and safe source for the communities we serve.

As we move forward, our capital plan is focused on continuously enhancing these facilities, embracing innovative technologies, and expanding our infrastructure to meet the ever-evolving needs of our district and the communities that rely on us.

Methodology

To achieve WRD's mission of providing, protecting, and preserving safe and sustainable high-quality groundwater, it's vital that we employ a strategic methodology to prioritize our projects. Our approach is rooted in the five strategic goals adopted by the WRD Board of Directors:

1. Expand Sustainable Replenishment Opportunities

Projects are given priority if they align with identifying and securing new replenishment sources. The goal is to diversify our replenishment sources, ensuring a reliable recharge water supply and making the most of available storage space for increased local water supply.

2. Sustain Extraction Capacity

We prioritize projects that sustain groundwater extraction capacity. This involves a systematic evaluation of potential sites for groundwater extraction and remediation. Additionally, we work on designing incentive programs to encourage groundwater pumpers to increase their extraction capacities, ensuring optimal utilization of our groundwater resources.

3. Maximize Environmental Resiliency and Innovation

Innovations in technology and practices are at the forefront of our project assessment criteria. We prioritize projects

that incorporate cutting-edge technologies, offering increased efficiency in treatment and recharge operations. Moreover, adaptability is a key metric; projects that can be easily adjusted to changing environmental or technological landscapes receive higher priority.

4. Promote Organizational Excellence

For a project to be greenlit, it must not only achieve technical and environmental objectives but also contribute to the organization's overall excellence. We evaluate projects based on their potential to enhance internal operations, foster public engagement, and ensure regulatory compliance. Financial feasibility is also a critical factor; projects are assessed for accurate budget projections and the potential to secure external funding sources.

5. Maintain Stakeholder and Community Engagement

Projects that support continued stakeholder and community engagement are also prioritized. Maintaining infrastructure that facilitates learning and outreach with pumpers, the future water workforce, regulators, and legislators supports WRD's mission and our role in the community. In summary, our project prioritization methodology is a harmonized blend of technical, environmental, organizational, and financial considerations. Each project is assessed against our strategic goals, ensuring that every initiative we undertake is a step forward in fulfilling our mission for the community.

Current Fiscal Year Budget: FY2025

WRD's dedication to its mission of safeguarding the region's groundwater resources is evident in the FY2025 budget allocations. These funds have been strategically distributed among key projects, underscoring WRD's commitment to excellence and sustainability.

Table 45
CIP Forecast

Project Code	Project Title	2025	2026	2027	2028	2029	Total
Facility/Program	001 - Leo J. VanderLans Advanced Water Treatment Facility	$5,425,443	$7,789,630	$21,994,127	$16,563,622	$325,832	$52,098,654
Facility/Program	002 - Goldsworty Groundwater Desalter	35,109,460	89,081,568	27,147,943	27,147,860	653,555	179,140,386
Facility/Program	006 - Perchlorate Remediation in the Los Angeles Forebay	20,000	20,000	20,000	20,000	20,000	100,000
Facility/Program	018 - Dominguez Gap Infrastructure	-	-	-	-	-	-
Facility/Program	023 - Montebello Forebay Replenishment	-	-	450,000	-	-	450,000
Facility/Program	032 - Building Improvements	2,985,066	361,858	166,205	326,061	118,429	3,957,619
Facility/Program	033 - Whitaker (formerly GRIP) Advanced Water Treatment Facility	1,654,371	608,548	612,805	617,192	621,711	4,114,627
Facility/Program	041 - Annex Building	3,420,000	-	-	-	-	3,420,000
	Total CIP 5-Year Forecast	**$48,614,340**	**$97,861,604**	**$50,391,081**	**$44,674,735**	**$1,739,527**	**$243,281,286**
Facility/Program	012 - Safe Drinking Water Program	2,000,000	2,000,000	-	-	-	4,000,000
Facility/Program	048 - PFAS Remediation Program	10,421,094	9,976,389	9,383,729	8,862,229	8,867,894	47,511,335
	Total SDW and PFAS Programs 5-Year Forecast	**$12,421,094**	**$11,976,389**	**$9,383,729**	**$8,862,229**	**$8,867,894**	**$51,511,335**
	Total 5-Year Forecast	**$61,035,434**	**$109,837,993**	**$59,774,810**	**$53,536,964**	**$10,607,421**	**$294,792,622**

Leo J. Vander Lans Advanced Water Treatment Facility (001): The FY2025 budget allocation for LVL AWTF stands at approximately $5.4 million. The projects under this program, such as the LVL SCADA Upgrade and LVL Source Water Supply, are aimed at expanding the plant's production, upgrading aging infrastructure, and ensuring operational efficiency.

Goldsworthy Groundwater Desalter (002): Allocated a significant $35.1 million, this program represents a significant increase in groundwater desalting for WRD and its project partner, the City of Torrance. It encompasses the addition of new wells, further RO treatment capabilities, and new nanofiltration pretreatment. Connection of the Brewer Well to the plant via a new pipeline is included in this program.

Perchlorate Remediation in the Los Angeles Forebay (006): Program 006 is dedicated to the maintenance and ongoing operations of the perchlorate remediation project in the Los Angeles Forebay. Given the initial success of the initiative, the annual budget is set at $20,000 in the next five years. This budget will ensure the continued efficacy of the groundwater extraction and treatment system, manage any emergent issues around the contamination hotspot, and ensure sustainable groundwater quality.

Dominguez Gap Infrastructure (018): Being executed in partnership with LADWP, this project emphasizes enhancing the use of recycled water in the Dominguez Gap Barrier, optimizing water resource management. While WRD is delivering the construction of these facilities, the project is fully reimbursed by our project partner.

Montebello Forebay Replenishment (023): There are no costs allocated for this budget year.

Building Improvements (032): With an approximate budget of $3.0 million, projects under this program target improvements at WRD's HQ facility. Key initiatives include HVAC replacement, the installation of a solar carport, and essential office renovations.

Whitaker Advanced Water Treatment Facility (033): Allocated nearly $1.7 million, this program prioritizes the repair and rehabilitation needs of the Whitaker recycled water facility and the ARC learning center, ensuring their operational longevity and efficacy.

Annex Building (041): With an allocation of about $3.4 million, this project is set to establish a warehouse for equipment storage as well as housing WRD's fleet vehicles and enhancing operational logistics.

Safe Drinking Water Program (012): This program aims to support WRD pumper agencies, encouraging them to pump and utilize the basins. The primary focus is on funding well-head treatment projects owned by the pumpers and aiding Disadvantaged Communities in procuring external funding. For FY2025, WRD's net expense is $2 million grant to a pumper.

PFAS Remediation Program (048): With a dedicated budget of $10.4 million for FY2025, similar to the Safe Drinking Water Program, this initiative provides support and funding for pumpers who've encountered PFAS contamination, ensuring safe and clean groundwater extraction.

In total, WRD's allocation for FY2025 stands at approximately $61 million, signifying WRD's unwavering dedication to groundwater management and the communities it serves.

Five-Year Forecast Overview

WRD's vision for groundwater sustainability extends beyond immediate requirements, with a strategic plan that charts the course for the next five years. The five-year forecast presents a detailed projection of WRD's focus on maintaining groundwater sustainability and quality, highlighting both overarching program allocations and their associated key projects.

Table 46

CIP 5-Year Forecast Overview

Project Code	Project Title	2025	2026	2027	2028	2029	Total
Facility/Program	001 - Leo J. VanderLans Advanced Water Treatment Facility	$5,425,443	$7,789,630	$21,994,127	$16,563,622	$325,832	$52,098,654
Facility/Program	002 - Goldsworty Groundwater Desalter	35,109,460	89,081,568	27,147,943	27,147,860	653,555	179,140,386
Facility/Program	006 - Perchlorate Remediation in the Los Angeles Forebay	20,000	20,000	20,000	20,000	20,000	100,000
Facility/Program	018 - Dominguez Gap Infrastructure	-	-	-	-	-	-
Facility/Program	023 - Montebello Forebay Replenishment	-	-	450,000	-	-	450,000
Facility/Program	032 - Building Improvements	2,985,066	361,858	166,205	326,061	118,429	3,957,619
Facility/Program	033 - Whitaker (formerly GRIP) Advanced Water Treatment Facility	1,654,371	608,548	612,805	617,192	621,711	4,114,627
Facility/Program	041 - Annex Building	3,420,000	-	-	-	-	3,420,000
	Total CIP 5-Year Forecast	**$48,614,340**	**$97,861,604**	**$50,391,081**	**$44,674,735**	**$1,739,527**	**$243,281,286**
Facility/Program	012 - Safe Drinking Water Program	2,000,000	2,000,000	-	-	-	4,000,000
Facility/Program	048 - PFAS Remediation Program	10,421,094	9,976,389	9,383,729	8,862,229	8,867,894	47,511,335
	Total SDW and PFAS Programs 5-Year Forecast	**$12,421,094**	**$11,976,389**	**$9,383,729**	**$8,862,229**	**$8,867,894**	**$51,511,335**
	Total 5-Year Forecast	**$61,035,434**	**$109,837,993**	**$59,774,810**	**$53,536,964**	**$10,607,421**	**$294,792,622**

Leo J. Vander Lans Advanced Water Treatment Facility (001): With an allocation nearing $52.1 million over five years, the projects under this program are primarily dedicated to the LVL plant. This includes investments in LVL SCADA Upgrade, LVL R&R Program, MF System Upgrades, and LVL Source Water Supply, all aimed at boosting production, upgrading aging infrastructure, and ensuring operational efficiency.

Goldsworthy Desalter (002): A total budget of $179.1 million has been allocated to projects such as the Torrance Desalter Expansion Project and the Brewer Well Connection, highlighting WRD's endeavor to remediate the saline plume locked in the West Coast Basin.

Perchlorate Remediation in the Los Angeles Forebay (006): WRD's commitment to the Perchlorate Remediation project remains strong for the five-year period. The emphasis will continue to be on maintaining the system, monitoring groundwater quality, and ensuring that the contamination levels remain controlled. The relatively modest financial allocation in the forecast reflects the project's transition from a heavy capital expenditure phase to a maintenance phase.

Dominguez Gap Infrastructure (018): This project, in collaboration with LADWP, continues to prioritize the efficient use of recycled water in the Dominguez Gap Barrier.

Montebello Forebay Replenishment (023): Installation of new wells and rehabilitation of existing wells will be studied as part of the renewal of the replenishment permit. The study is currently estimated to cost $0.5 million.

Building Improvements (032): An investment of nearly $4 million underscores the significance of projects like the Office Renovation Project, HQ HVAC Replacement, and HQ Solar Carport. These initiatives aim to enhance the work environment, promote energy efficiency, and elevate WRD's operational facilities.

Whitaker (formerly GRIP) Advanced Water Treatment Facility (033): With a forecasted allocation of nearly $4.1 million, projects like ARC Admin & Learning Center Small CIP and Whitaker Treatment Facility Small CIP reflect the emphasis on infrastructure maintenance and educational outreach.

Annex Building (041): With around $3.4 million set aside, the Field Operations & Storage Annex Project stands as a testament to WRD's focus on streamlining operational logistics and storage solutions.

Safe Drinking Water Program (012): Over the five years, this program remains a beacon of support for WRD pumping agencies, primarily focusing on wellhead treatment projects and external funding acquisition for DAC pumpers. The projects under this program are generally funded by outside grants; however, WRD will be incurring an expense of $4 million within the next two years to provide grants to two pumpers.

PFAS Remediation (048): With a $47.5 million commitment, this program specifically targets the remediation efforts against PFAS contamination, safeguarding groundwater purity.

The collective commitment over the forecast stands robustly at $294.8 million, signaling WRD's unwavering dedication to groundwater sustainability and quality assurance for the communities it serves.

Program & Project Details

The CIP is an embodiment of WRD's vision to continually enhance, modernize, and expand its facilities and operations. Within this framework, various projects are strategically curated to uphold WRD's mission of providing, protecting, and preserving high-quality groundwater for the region. Each project, whether aimed at infrastructure enhancement, technological advancement, or operational efficiency, resonates with one or multiple strategic goals set by the Board of Directors. The following details offer insights into specific projects within the LVL AWTF program and elucidate how they align with the overarching strategic objectives of the District.

Table 47

Program 001 - Leo J Vander Lans Advanced Water Treatment Facility

Project Title	2025	2026	2027	2028	2029	Total
LVL AWTF Small CIP (<$250K)	$446,910	$500,087	$253,344	$256,687	$260,130	$1,717,158
LVL Inland Injection General (CIP)	533,406	-	-	-	-	533,406
Pumps and VFDs (CIP)	31,692	31,983	32,273	32,559	32,851	161,358
Chemical Delivery System Repairs (CIP)	261,692	1,671,983	872,273	-	-	2,805,948
LVL SCADA Upgrade (CIP)	2,660,581	251,859	-	-	-	2,912,440
LVL R&R Program (CIP)	31,692	31,983	32,273	32,559	32,851	161,358
MF System Upgrades	420,581	3,011,859	4,563,119	-	-	7,995,558
LVL Source Water Supply	1,038,889	2,289,875	16,240,845	16,241,817	-	35,811,427
001 - Leo J. Vander Lans Advanced Water Treatment Facility	**$5,425,443**	**$7,789,630**	**$21,994,127**	**$16,563,622**	**$325,832**	**$52,098,654**

Program 001: Leo J. Vander Lans Advanced Water Treatment

LVL AWTF Small CIP ($1,717,158 total): Designated as a placeholder for multiple small-scale capital projects, the Small CIP allocation for LVL AWTF caters to various minor upgrades, improvements, and equipment acquisitions for the facility. Falling under WRD's capitalization policy, these investments underscore the District's commitment to consistent enhancements and regular maintenance. This proactive approach resonates with the Maximize Environmental Innovation and Resiliency goal by ensuring that the LVL AWTF remains technologically advanced and efficient. Moreover, by accommodating unforeseen yet essential needs, it promotes Organizational Excellence by ensuring the plant's adaptability and responsiveness to emerging challenges.

LVL Inland Injection Well ($533,406 for FY2025): The construction of an onsite injection well will elevate basin recharge capabilities. This project directly aligns with Expanding Sustainable Replenishment Opportunities by introducing more recycled water into the groundwater aquifer, harnessing potential storage space, and bolstering local water supply.

Pumps and VFDs ($161,358 total): This budget ensures that any necessary rehabilitation or replacement of pumps and VFDs throughout the plant's various and complex treatment stages remains funded, guaranteeing continuous and consistent operation.

Chemical Delivery System Repairs ($2,805,948 total): This project underpins WRD's dedication to Promoting Organizational Excellence. Regular maintenance and updates of the chemical delivery system guarantee system reliability, safety, and efficiency, reflecting WRD's emphasis on operational perfection.

LVL SCADA Upgrade ($2,912,440 for FY2025 and FY2026): The investment in the SCADA system showcases WRD's commitment to leveraging technological advancements. This project Maximizes Environmental Innovation and Resiliency through real-time monitoring and control, optimizing facility operations, and indirectly supports the Promotion of Organizational Excellence by enhancing operational reliability and efficiency.

LVL R&R Program ($161,358 total): This budget reflects WRD's long-term vision of keeping the water treatment facility's infrastructure in prime condition. By continuously updating and refining the R&R program, WRD aims to optimize future rehabilitation and replacement budgetary needs, which will ensure maximum production and efficient operations.

MF System Upgrades ($7,995,558 total): Upgrading the microfiltration system ties into the goal of Maximizing Environmental Innovation and Resiliency. By refining water treatment processes, WRD can ensure higher efficiency levels and demonstrate adaptability in its operations.

LVL Source Water Supply ($35,811,427 total): This project ensures a consistent source of water supply for the LVL facility. Such strategic provisioning supports the goal of Expanding Sustainable Replenishment Opportunities by identifying and securing new replenishment sources and ensuring reliable recharge water for adjudicated pumping allocations.

Program 002: Goldsworthy Groundwater Desalter

Table 48

Program 002 - Goldsworthy Groundwater Desalter

Project Title	2025	2026	2027	2028	2029	Total
Desalter Expansion & Wells (CIP)	$325,356	$341,383	$358,195	$375,843	$394,365	$1,795,142
Desalter Condition Assesment (CIP)	10,356	10,633	10,908	11,191	11,481	54,569
Brewer Well Connection Project (CIP)	3,274,755	1,353,341	-	-	-	4,628,096
Goldsworthy Small CIP (<$250K)	232,914	236,479	240,111	243,855	247,708	1,201,068
BGRP - Torrance GW Desalter Expansion Project (CIP)	31,266,079	87,139,732	26,538,729	26,516,970	-	171,461,510
002 - Goldsworthy Groundwater Desalter	**$35,109,460**	**$89,081,568**	**$27,147,943**	**$27,147,860**	**$653,555**	**$179,140,386**

Desalter Expansion & Wells ($1,795,142 total): The expansion efforts of the desalter and the focus on well infrastructure ensure a consistent and enhanced water supply. These endeavors align directly with the goal to Expand Replenishment Opportunities by increasing the facility's capacity and ensuring reliable water sources.

Desalter Condition Assessment ($54,569 total): Through rigorous assessments of the desalter conditions, WRD aims to achieve preemptive maintenance and ensure operational longevity. This effort demonstrates WRD's commitment to Promoting Organizational Excellence by ensuring optimal functioning of critical infrastructure.

Brewer Well Connection Project ($4,628,096 for FY2025 and FY2026): The acquisition of the Brewer Well from West Basin Municipal Water District and its subsequent connection via a new pipeline will bolster the facility's water intake capacity. This project not only supports the Expand Replenishment Opportunities goal but also paves the way for enhancing extraction capabilities, addressing the Expand Extraction Capacity objective.

Goldsworthy Small CIP ($1,201,068 total): The Small CIP budget allocation for Goldsworthy Desalter is a strategic provision for various minor capital initiatives that align with WRD's capitalization criteria. This budget accommodates miscellaneous upgrades, operational improvements, and equipment procurements essential for the facility's optimized functioning. Such granular attention to detail and forward planning echoes the strategic aim to Maximize Environmental Innovation and Resiliency. The proactive allocation ensures that Goldsworthy remains at the forefront of operational excellence, adapting swiftly to evolving needs, and exemplifies the drive to Promote Organizational Excellence.

BGRP – Torrance Groundwater Desalter Expansion ($171,461,510 total): The Torrance segment of this program is designed to expand the Goldsworthy Desalter. By introducing more wells, adding nanofiltration pretreatment and additional reverse osmosis systems, the initiative not only targets the remediation of the basin from salt but also creates a new potable water supply. A progressive design-build delivery will be employed.

Program 006: Perchlorate Remediation in the Los Angeles Forebay

Table 49

Program 006 - Perchlorate Remediation in the Los Angeles Forebay

Project Title	2025	2026	2027	2028	2029	Total
Perchlorate Remediation in LA Forebay Small CIP (<$250K)	$20,000	$20,000	$20,000	$20,000	$20,000	$100,000
006 - Perchlorate Remediation in the Los Angeles Forebay	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$100,000**

The perchlorate remediation project, now fully constructed and operational, continues to address the contamination issue in the Los Angeles Forebay. Primary areas of focus include:

- Groundwater Extraction & Treatment System Maintenance: Ensuring optimal operation and achieving continued reductions in perchlorate levels.
- Monitoring & Quality Control: Regular checks around the MW-03 monitoring well to confirm stable perchlorate levels and ensure the groundwater's safety.

The project, now in its operational phase, embodies WRD's successful execution of its strategic goals, particularly in expanding replenishment opportunities and maximizing innovation.

Program 018: Dominguez Gap Infrastructure

Table 50

Program 018 - Dominguez Gap Infrastructure

Project Title	2025	2026	2027	2028	2029	Total
2nd DGB Connection - General (CIP)	$7,049,732	$9,254,925	$1,937,733	$ -	$ -	$18,242,390
100% Reimbursed through Partnership with LADWP	(7,049,732)	(9,254,925)	(1,937,733)	-	-	(18,242,390)
018 - Dominguez Gap Infrastructure	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

DGB 2nd Recycled Water Connection ($18,242,390 total): This project constructs a second recycled water connection in the Dominguez Gap Barrier to an increase of recycled water use from six million gallons per day to as much as 9 million gallons per day. Currently, there is more recycled water available, but injection is hydraulically limited by the current connection size. The costs are 100% reimbursed through partnership with LADWP.

Program 023: Replenishment Operations

Table 51

Program 023 - Replenishment Operations

Project Title	2025	2026	2027	2028	2029	Total
Montebello Forebay Recharge (CIP)	$ -	$ -	$450,000	$ -	$ -	$450,000
023 - Replenishment Operations	**$ -**	**$ -**	**$450,000**	**$ -**	**$ -**	**$450,000**

Montebello Forebay Recharge ($450,000 in FY2027): The key project under this program is the Montebello Forebay Recharge at a cost of $450,000. This allocation is dedicated to renewing the permit of Montebello Forebay, which has been in place for over 30 years. New regulations necessitate the addition of wells and deepening of existing ones that run dry during droughts. This budget will support comprehensive research and planning to understand the current system and map out necessary improvements. The study will lay the foundation for future enhancements that will be required under the renewed permit.

Program 032: Building Improvements

Table 52

Program 032 - Building Improvements

Project Title	2025	2026	2027	2028	2029	Total
Office Renovation Project (CIP)	$936,022	$196,858	$101,205	$111,061	$118,429	$1,463,575
WRD Headquarters HVAC Replacement Project (CIP)	974,044	-	-	-	-	974,044
WRD HQ Solar Car Port (CIP)	1,000,000	-	-	-	-	1,000,000
Fleet Vehicles Maintenance (CIP)	75,000	165,000	65,000	215,000	-	520,000
032 - Building Improvements	**$2,985,066**	**$361,858**	**$166,205**	**$326,061**	**$118,429**	**$3,957,619**

Office Renovation Project ($1,463,575 total): The Office Renovation Project reflects WRD's commitment to fostering an efficient, modern, and collaborative work environment. As the organization continues to evolve and serve the community, having up-to-date office spaces becomes crucial. Scheduled renovations over the years will ensure that our facilities remain conducive to delivering outstanding service.

HQ HVAC Replacement ($974,044 in FY2025): An optimal working environment is more than just aesthetics; it's about comfort and safety too. The HQ HVAC Replacement initiative underlines this belief. Modernizing the HVAC systems not only leads to energy savings and reduced operational costs but also ensures the well-being of our team members.

HQ Solar Car Port ($1,000,000 for FY2025): WRD continues to be at the forefront of green initiatives with the HQ Solar Car Port project. This project reflects WRD's dedication to sustainable energy practices. By incorporating solar panels into our infrastructure, we're significantly reducing our carbon footprint and promoting the use of renewable energy sources. The dual benefit of providing shade for vehicles while generating clean power demonstrates WRD's vision for an eco-friendly future.

Fleet Vehicles Maintenance ($520,000 total): WRD's fleet requires routine maintenance and occasional vehicle replacement. This budgetary allocation serves to meet these ongoing requirements to support WRD functions.

Program 033: Whitaker (formerly GRIP) Advanced Water Treatment Facility

Table 53

Program 033 - Whitaker Advanced Water Treatment Facility

Project Title	2025	2026	2027	2028	2029	Total
ARC Admin & Learning Center Small CIP (<$250K)	$358,406	$158,851	$159,301	$159,764	$160,242	$996,564
Whitaker Treatment Facility Small CIP (<$250K)	1,295,965	449,697	453,504	457,428	461,469	3,118,063
033 - Whitaker Advanced Water Treatment Facility	**$1,654,371**	**$608,548**	**$612,805**	**$617,192**	**$621,711**	**$4,114,627**

ARC Admin & Learning Center Small CIP ($996,564 total total): This budgetary allocation primarily serves as a placeholder for a series of minor capital improvement projects aimed at the ARC Administration and Learning Center. Despite being relatively new at only 4 years old, routine updates, modifications, and equipment enhancements are anticipated. These small-scale projects may include anything from tech upgrades to minor renovations, ensuring that the facility remains up-to-date and serves its dual purpose efficiently.

Whitaker Treatment Facility Small CIP ($3,118,063 total): Slightly larger in budget compared to the ARC admin and learning center allocation, this set aside pertains to the Whitaker Treatment Facility, which is an advanced water treatment system. Given the facility's critical role providing advanced treated recycled water to the Montebello Forebay Spreading Grounds operations, there's an emphasis on maintaining its optimal performance. This budget encompasses various small-scale projects, which could range from equipment replacements to system enhancements, ensuring that the facility stays at the forefront of water treatment technology and regulatory compliance.

Program 041: Annex Building

Table 54

Program 041 - Annex Building

Project Title	2025	2026	2027	2028	2029	Total
Field Operations & Storage Annex Project (CIP)	$3,420,000	$ -	$ -	$ -	$ -	$3,420,000
041 - Annex Building	**$3,420,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$3,420,000**

Field Operations & Storage Annex Project ($3,420,000 in FY2025): This budgetary allocation is for the construction of a warehouse building to provide WRD with ample storage space for a diverse range of equipment and miscellaneous items. WRD's fleet of vehicles will be stored in this warehouse.

Program 012: Safe Drinking Water Program

Table 55

Program 012 - Safe Drinking Water Program

Project Title	2025	2026	2027	2028	2029	Total
Sativa Wellhead Treatment Project	$3,538,145	$ -	$ -	$ -	$ -	$3,538,145
City of Lomita Well 5 & Norwalk Well 10 Treatment Projects	2,000,000	2,000,000	-	-	-	4,000,000
SWRCB DAC Needs Assessment Project (CIP)	800,000	-	-	-	-	800,000
State Grants	(4,338,145)	-	-	-	-	(4,338,145)
012 - Safe Drinking Water Program	**$2,000,000**	**$2,000,000**	**$ -**	**$ -**	**$ -**	**$4,000,000**

Sativa Wellhead Treatment Project ($3,538,145 for FY2025): A joint effort between WRD, the Los Angeles County Department of Public Works, and Suburban Water System, the Sativa Well 5 is impacted by levels of Manganese above the secondary MCL. The project is constructing a Wellhead Treatment System and a Reservoir. This project is funded by SDWSRF funds made available by Proposition 1.

City of Lomita Well 5 & Norwalk Well 10 Treatment Projects ($4,000,000 total): WRD will be providing the maximum, $2,000,000-capped grant for each of these treatment projects, which will be undertaken by the respective cities. Both treatment projects will use granular activated carbon to treat elevated levels of benzene in groundwater. Both projects are anticipated to be complete within the next 2 years.

State Water Resources Control Board DAC Needs Assessment Project ($800,000 in FY2025): The DAC Needs Assessment Project includes investigating opportunities to improve water infrastructure for disadvantaged communities. The project is conducting the Technical, Managerial and Financial (TMF) capability analysis of small systems serving disadvantaged communities, which will allow those participants to seek out state funding for the identified needs. This project is funded by a grant from the State Water Resources Control Board.

Program 048: PFAS Remediation Program

Table 56

Program 048 - PFAS Remediation Program

Project Title	2025	2026	2027	2028	2029	Total
PFAS Remediation Program	$10,421,094	$9,976,389	$9,383,729	$8,862,229	$8,867,894	$47,511,335
048 - PFAS Remediation Program	**$10,421,094**	**$9,976,389**	**$9,383,729**	**$8,862,229**	**$8,867,894**	**$47,511,335**

PFAS Remediation Program ($47,511,335 total): This program is dedicated to assisting pumper agencies requiring well-head treatments due to the detection of PFAS in their wells, ensuring safe and clean water for consumption. To address the issue of PFAS contamination in pumper wells, the PFAS Remediation Program has allocated funds over five years.

Special Initiatives

In addition to routine infrastructure improvements, the district is also spearheading a series of special initiatives. These projects, often executed in collaboration with external agencies or through unique funding sources like grants, underscore our dedication to innovation and excellence in water resource management. The projects described above can all be compartmentalized into one of three special initiatives which represent WRD's overarching strategic objectives or goals. WRD's Special Initiatives include the following:

- Infrastructure Improvements
- Regional Water Independence Program (WIN4ALL)
- Groundwater Quality Protection and Remediation

Infrastructure Improvements:

WRD places significant importance on upgrading its facilities to meet the growing demands for groundwater management. Key among these is the improvement of its two recycled water plants, which both play key roles in leveraging recycled water for protection and recharge of the groundwater basin. Additionally, the Goldsworthy Desalter continues to be instrumental in remediating the saline plume trapped in the West Coast Basin, while ensuring potable water supply to the City of Torrance. Through strategic infrastructure investments in these facilities, WRD underscores its unwavering commitment to safeguarding regional water resources. Projects at WRD's headquarters, such as the Solar Car Port and HVAC replacement, underline the importance of a sustainable and efficient operational environment. Total estimated cost for these projects in the next five years is approximately $30.7 million.

Table 57

Infrastructure Improvement Projects

Project Title	2025	2026	2027	2028	2029	Total
LVL AWTF Small CIP (<$250K)	$446,910	$500,087	$253,344	$256,687	$260,130	$1,717,158
Pumps and VFDs (CIP)	31,692	31,983	32,273	32,559	32,851	161,358
Chemical Delivery System Repairs (CIP)	261,692	1,671,983	872,273	-	-	2,805,948
LVL SCADA Upgrade (CIP)	2,660,581	251,859	-	-	-	2,912,440
LVL R&R Program (CIP)	31,692	31,983	32,273	32,559	32,851	161,358
MF System Upgrades	420,581	3,011,859	4,563,119	-	-	7,995,558
Desalter Expansion & Wells (CIP)	325,356	341,383	358,195	375,843	394,365	1,795,142
Desalter Condition Assesment (CIP)	10,356	10,633	10,908	11,191	11,481	54,569
Goldsworthy Small CIP (<$250K)	232,914	236,479	240,111	243,855	247,708	1,201,068
Montebello Forebay Recharge (CIP)	-	-	450,000	-	-	450,000
Office Renovation Project (CIP)	936,022	196,858	101,205	111,061	118,429	1,463,575
WRD Headquarters HVAC Replacement Project (CIP)	974,044	-	-	-	-	974,044
WRD HQ Solar Car Port (CIP)	1,000,000	-	-	-	-	1,000,000
Fleet Vehicles Maintenance (CIP)	75,000	165,000	65,000	215,000	-	520,000
ARC Admin & Learning Center Small CIP (<$250K)	358,406	158,851	159,301	159,764	160,242	996,564
Whitaker Treatment Facility Small CIP (<$250K)	1,295,965	449,697	453,504	457,428	461,469	3,118,063
Field Operations & Storage Annex Project (CIP)	3,420,000	-	-	-	-	3,420,000
Total - Infrastructure Improvement Projects	**$12,481,210**	**$7,058,656**	**$7,591,507**	**$1,895,948**	**$1,719,527**	**$30,746,846**

Regional Water Independence Program (WIN4ALL)

Building on the foundational success of WRD's Water Independence Now (WIN) Program, the WIN4ALL initiative aims to optimize the use of groundwater aquifers, transforming them into reliable and locally sustainable water sources for the expansive Los Angeles Basin Region. The projects listed under WRD's CIP for WIN4ALL, such as the LVL Inland Injection and the Dominguez Gap Barrier 2nd Recycled Water Connection, serve as pivotal investments towards this cause. These strategic projects, aligned with the mission of WIN4ALL, underscore the District's commitment to harnessing local recycled water and captured stormwater, further solidifying WRD's dedication to sustainably managing the vital groundwater supplies of Southern Los Angeles County. Specific projects that fall under this initiative amount to approximately $36.3 million over the next five years.

Table 58

WIN4ALL Projects

Project Title	2025	2026	2027	2028	2029	Total
LVL Inland Injection General (CIP)	$533,406	$ -	$ -	$ -	$ -	$533,406
LVL Source Water Supply	1,038,889	2,289,875	16,240,845	16,241,817	-	35,811,427
2nd DGB Connection - General (CIP)	7,049,732	9,254,925	1,937,733	-	-	18,242,390
100% Reimbursed through Partnership with LADWP	(7,049,732)	(9,254,925)	(1,937,733)	-	-	(18,242,390)
Total - WIN4ALL Projects	**$1,572,296**	**$2,289,875**	**$16,240,845**	**$16,241,817**	**$ -**	**$36,344,834**

Groundwater Quality Protection and Remediation Projects

Groundwater Quality Protection and Remediation are a collection of CIP projects focused on addressing WRD's ongoing effort to address water quality issues that affect WRD projects and the pumpers' facilities. Specific projects that fall under this initiative amount to nearly $232 million over the next 5 years. However, because of grant opportunities, only $227.7 million is included in WRD's CIP. These projects are included below:

Table 59

Groundwater Quality Protection & Remediation

Project Title	2025	2026	2027	2028	2029	Total
Brewer Well Connection Project (CIP)	$3,274,755	$1,353,341	$ -	$ -	$ -	$4,628,096
BGRP - Torrance GW Desalter Expansion Project (CIP)	31,266,079	87,139,732	26,538,729	26,516,970	-	171,461,510
006 -Perchlorate Remediation in the Los Angeles Forebay	20,000	20,000	20,000	20,000	20,000	100,000
Sativa Wells Treatment Project	3,538,145	-	-	-	-	3,538,145
City of Lomita Well 5 & Norwalk Well 10 Treatment Projects	2,000,000	2,000,000	-	-	-	4,000,000
SWRCB DAC Needs Assessment Project (CIP)	800,000	-	-	-	-	800,000
100% Reimbursed from State's Grants	(4,338,145)	-	-	-	-	(4,338,145)
Subtotal	**$36,560,834**	**$90,513,073**	**$26,558,729**	**$26,536,970**	**$ 20,000**	**$180,189,606**
PFAS Remediation Program	10,421,094	9,976,389	9,383,729	8,862,229	8,867,894	47,511,335
Total - Groundwater Quality Protection & Remediation	**$46,981,928**	**$100,489,462**	**$35,942,458**	**$35,399,199**	**$8,887,894**	**$227,700,942**

Partnerships and Grant Funding Projects

Table 60

Partnerships & Grant Funding Projects

Project Title	2025	2026	2027	2028	2029	Total
LVL Inland Injection General (CIP)	$775,000	$ -	$ -	$ -	$ -	$775,000
Brewer Well Connection Project (CIP)	2,058,307	-	-	-	-	2,058,307
BGRP - Torrance GW Desalter Expansion Project (CIP)	3,939,342	-	-	-	-	3,939,342
Sativa Wells Treatment Project	2,310,000	-	-	-	-	2,310,000
SWRCB DAC Needs Assessment Project	800,000	-	-	-	-	800,000
2nd DGB Connection - General (CIP)	7,049,732	9,254,925	1,937,733	-	-	18,242,390
Total - Partnership & Grant Funding Projects	**$16,932,381**	**$9,254,925**	**$1,937,733**	**$ -**	**$ -**	**$28,125,039**

Many of WRD's projects are funded through partnerships with other agencies or grant opportunities through state, federal, and private avenues. The following offers more information on the various grants and partnerships…

- **LVL Inland Injection:** This project was awarded $1.5 million from the United States Bureau of Reclamation (USBR) 2020 WaterSmart Drought Resiliency Grant Program. Approximately $800,000 of this grant is allocated to FY 2025.
- **Brewer Well Connection Project:** For this project, WRD has secured a $2.1 million grant from the California Department of Water Resources (DWR) Water Desalination Grant Program under Proposition 1 funding.
- **BGRP - Torrance Groundwater Desalter Expansion:** This project is funded by the USBR WIIN Act: WaterSMART Desalination Construction for nearly $5.0 million. Approximately $3.9 million is allocated to FY 2025.
- **Sativa Wells Treatment Project:** This project has received funding from the SWRCB Safe Drinking Water State Revolving Fund Proposition 1 funding. Approximately $2.3 million is allocated to FY 2025.
- **SWRCB DAC Needs Assessment Project:** The allocation of $800,000 for this project is detailed in California Senate Bill 109 (SB109) and is administered by the State Water Resources Control Board (SWRCB).
- **DGB - 2nd Recycled Water Connection:** This project is funded entirely through partnership with the Los Angeles Department of Water and Power (LADWP), with a total of approximately $7.0 million for FY 2025.

Funding Sources

For the Fiscal Year 2025, WRD's CIP relies on a diversified portfolio of revenue sources to finance the projects aimed at enhancing our infrastructure and ensuring the sustainability of the region's groundwater supply.

- **Bond Proceeds:** A significant portion of WRD's funding, totaling $8,400,000, is derived from bond proceeds. This includes the allocations from the 2018 Bond Funds. WRD anticipates additional bonding in 2026 for the PFAS Remediation Program and the Brackish Groundwater Reclamation Program.
- **Restricted Funds:** WRD maintains $3,200,000 in Restricted Funds as required by the terms of the existing SRF loan.
- **Unrestricted Funds:** As of June 30, 2024, WRD's unrestricted operating reserves provide a solid foundation with $30,000,000. Additionally, the Water Carryover and Rate Stabilization fund brings in $12,100,000 making the total for unrestricted funds $42,100,000.
- **Encumbered Capital Funds:** A total of $34,80000,000 for encumbered capital funds has been accounted for. Key contributors in this category include the Safe Drinking Water fund at $4,000,000, the Well Rehabilitation and Construction Loan Fund with $4,900,000, the PayGo Capital Fund at $21,300,000, and the PFAS Remediation Fund with a notable $15,000,000.
- **Replenishment Assessment:** WRD's Replenishment Assessment is projected to generate $78,680,218, with $80,418,705,000 towards WRD's operating expenses in FY 2025. The Replenishment Assessment also provides $360,000 and $2,100,000 for PayGo Capital Fund and the PFAS Remediation Fund, respectively.
- **Other Sources:** Funding from external sources such as the Caltrans Trust Fund ($5,763,040), Interest Revenue ($940,716), property tax ($910,297), and Grant Funding ($16,932,381) together sum up to $24,546,434. It's worth noting that the grant funding stands at almost $17,000,000 for FY2025.

- **Assessments and Subsidies:** A combined total of $6,350,289 will be sourced from assessments and subsidies. This includes the Desalter assessment, water treatment subsidies, and other operating income.

For FY2025, the total anticipated revenues amount to $198,666,644, ensuring robust financial backing for our CIP projects and our commitment to long-term sustainability and development.

Table 61

Funding Sources

Sources of Revenues	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Bond Proceeds					
PFAS Remediation Program Financing	$-	$-	$-	$23,200,000	$-
2015 Bond Funds	-	-	-	-	-
2018 Bond Funds	8,400,000	-	-	-	-
2026 Bond Funds/WIFIA or SRF	-	-	55,000,000	-	-
Total Bonds	**8,400,000**	**-**	**55,000,000**	**23,200,000**	**-**
Restricted Funds					
Debt Service (Resticted)	3,200,000	-	-	-	-
Unresticted Funds					
Unrestricted Operating Reserves	30,000,000	-	-	-	-
Water Carryover and Rate Stabilization	12,100,000	-	-	-	-
Total Unrestricted Funds	**42,100,000**	**-**	**-**	**-**	**-**

Table 61

Funding Sources (cont.)

Sources of Revenues	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Encumbered Capital Funds					
Safe Drinking Water	4,000,000	-	-	-	-
Well Rehabilitation and Construction Loan Fund	4,900,000	-	-	-	-
PAYGO Capital Fund	21,300,000	-	-	-	-
PFAS Remediation Fund	15,000,000	-	-	-	-
Total Encumbered Capital Funds	**45,200,000**	**-**	**-**	**-**	**-**
Total Restricted, Unrestricted and Encumbered Funds	**90,500,000**	**-**	**-**	**-**	**-**
Replenishment Assessment					
Replenishment Assessment	76,220,218	-	-	-	-
RA Assessment for PAYGO Capital Fund	360,000	-	-	-	-
RA Assessment for PFAS Remediation Fund	2,100,000	-	-	-	-
Total Replenishment Assessment	**78,680,218**	**-**	**-**	**-**	**-**
Other (Interest, Grant Funding)					
CalTrans Trust Fund	5,763,040	-	-	-	-
Interest Revenue	940,716	-	-	-	-
Grant Funding	16,932,381	10,000,000	10,000,000	10,000,000	10,000,000
Other (Interest, Grant Funding)	**23,636,137**	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**
Assessments and Subsidies					
Desalter assessment	3,000,000	-	-	-	-
Water treatment subsidies (LVL, Whitaker)	630,000	-	-	-	-
Other operating income (Title 22, OCWD, Interest)	2,720,289	-	-	-	-
Total Assessments and Subsidies	**6,350,289**	**-**	**-**	**-**	**-**
Total Sources of Revenues	**$207,566,644**	**$10,000,000**	**$65,000,000**	**$33,200,000**	**$10,000,000**

Risk Management and Mitigation

Effective management and mitigation of risks are paramount to the success of the Capital Improvement Program. As a California special district, our approach to risk management and mitigation within the Capital Improvement Program is both comprehensive and compliant with the CEQA and public works regulations. Recognizing that unforeseen challenges and changes are inherent to complex infrastructure projects, our risk management approach is proactive and accounts for real world circumstances. We begin by identifying potential risks during the planning and design phases. This process includes an assessment of the project's scope, budget, timeline, and potential environmental and community impacts.

Given the public nature of our projects and the public funds utilized, it's imperative that we categorize and prioritize each risk, ensuring that public resources are efficiently and effectively allocated. Mitigation strategies are then developed, targeting not only the immediate risks but also potential long-term implications for our community and the environment. Transparency is central to our approach. We maintain an open line of communication with stakeholders and receive input and oversight through a Technical Advisory Committee made up WRD pumping agencies.

Being bound by public works regulations means we're committed to ensuring fairness, competitiveness, and transparency in contracting and procurement. Post-project reviews are consistently conducted to evaluate the effectiveness of our risk management strategies. These reviews serve as learning tools, allowing us to refine our processes and consistently deliver projects that meet the expectations of our community, are environmentally conscious, and adhere to the stringent regulations we operate under.

Performance Metrics and Evaluation Framework

WRD recognizes the importance of effective project management to ensure that our CIP projects are not only successful but also reflective of our commitment to excellence and adherence to established standards. Central to our project management philosophy is the Project Management Triangle – a model emphasizing the interconnectedness of scope, cost, and time. By balancing these three critical elements, we strive to deliver projects that meet our defined objectives, are economically viable, and are completed within established timelines.

Scope is at the forefront of our efforts. Before embarking on any project, we meticulously define its parameters to ensure clarity in execution and avoid potential scope creeps. This clear delineation ensures that all project stakeholders have a concise understanding of what the project intends to achieve.

Cost management, influenced by our responsibility to our pumpers and guided by public works rules, ensures that every dollar is judiciously spent. We employ rigorous budgeting and forecasting methods, paired with ongoing monitoring systems. This avoids overruns and ensures that we remain accountable to the community we serve.

Timelines, while often challenged by unforeseen circumstances, are maintained through proactive scheduling, milestone tracking, and the reallocation of resources when necessary. Timely completion not only ensures that our projects remain within the budget but frees up human resources to focus on additional projects.

In addition to the Project Management Triangle, our evaluation framework incorporates both quantitative and qualitative metrics. Quantitative metrics may include financial savings, timely project completions, or efficiency improvements, while qualitative metrics might encompass stakeholder satisfaction and environmental considerations under CEQA.

To measure our performance against these metrics, we've instituted regular review cycles. This iterative approach allows us to assess our progress, recalibrate our strategies, and continuously improve. In doing so, we underscore our commitment to transparency, accountability, and the pursuit of excellence for the benefit of all our stakeholders.

Conclusion

WRD's Capital Improvement Program emphasizes a forward-thinking, comprehensive, and sustainable approach to ensuring water quality and supply for the region. By leveraging a multi-faceted funding strategy, including partnerships, grants, and public funds, WRD showcases its commitment to fiscal responsibility and effective resource utilization. Methodologies and special initiatives, like 'WIN4ALL' and 'Groundwater Quality Protection and Remediation', illustrate the District's innovative endeavors to tackle pressing water challenges.

Moreover, this plan underscores the importance of risk management and performance metrics, highlighting WRD's dedication to transparency, accountability, and continuous improvement. With an emphasis on stakeholder involvement and public benefit, the Capital Improvement Program serves as a testament to WRD's mission of championing water sustainability, quality, and the well-being of the aquifers it manages. This plan not only charts the course for the immediate fiscal year but sets the tone for a future where water security remains a top priority.

Appendices

Appendix A – WRD Capitalization Policy

Appendix B – WRD Strategic Plan

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.

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.

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.

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.

Overdraft: Groundwater extractions typically exceed the natural inflows into the groundwater basin.

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.

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

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.

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
AGWT	American Groundwater Trust
AM	Asset Management
AOP	Advanced oxidation using hydrogen peroxide
ARC	Albert Robles Center for Water Recycling and Environmental Learning
ARCWTF	Albert Robles Center Water Treatment Facility
AWPF	Advanced Water Purification Facility
AWTF	Advanced Water Treatment Facility
AWWA	American Water Works Association
AWWARF	American Water Works Association Research Foundation
BAC	Budget Advisory Committee
BCI	Business Cost Index
BDOC	Biodegradable dissolved organic carbon
BGRP	Brackish Groundwater Reclamation Program
BOD	Board of Directors
CalPERS	California Public Employee Retirement System
Caltrans	California Department of Transportation
CAR	Compliance Assessment Report
CASGEM	California Statewide Groundwater Elevation Monitoring
CBMWD	Central Basin Municipal Water District
CBWCB	Central Basin and West Coast Basin
CDIR	California Department of Industrial Relations
CDWR	California Department of Water Resources
CEPRD	Coalition for Environmental Protection, Restoration, and Development
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
CMFA	California Municipal Finance Authority
CMMS	Computerized Maintenance Management System
COE	Corp. of Engineers
COP	Certificates of Participation
CSDLAC	County Sanitation Districts of Los Angeles County
CSR	Cost of Service Report
CWF	Clean Water Fund
CWSC	California Water Service Company
CWSRF	California Clean Water State Revolving Fund
DAC	Disadvantaged Communities
DAF	Dissolved Air Flotation
DDW	Division of Drinking Water
DVBEs	Disabled Veteran Business Enterprises
DGB	Dominguez Gap Barrier
DTS	Data & Technology Services
DTSC	California Department of Toxic Substances Control
DWR	Department of Water Resources
E-MFRES	Enhanced-Montebello Forebay Recharge Enhancement Study
EAM	Enterprise Asset Management
EAMS	Electronic Adjudication Management System

E

EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
ESA	Environmental Science Associates
ESR	Engineering Survey and Report
ESRI	Environmental Systems Research Institute

F

FASB	Financial Accounting Standards Board
FADS	Funds available for debt services
FAST	Fitch's Analytical Stress Test
FAT	Fully Advanced Treated
FCD	Flood Control District
FDIC	Federal Deposit Insurance Corporation
FTE	Full -Time Equivalent
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GASB	Government Accounting Standards Board
GBMP	Groundwater Basin Master Plan
GBOP	Groundwater Basin Optimization Pipeline
GDP	Gross Domestic Product
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GLAC	Greater Los Angeles County
GRAC	Groundwater Resources Association of California
GRIP	Groundwater Reliability Improvement Program
GRRR	Groundwater Replenishment using Recycled Water Regulations
GSWC	Golden State Water Company
GW	Groundwater
GWAM	Groundwater Augmentation Model
GWMA	Groundwater Management Area

H

HR	Human Resources
HVAC	Heating, Ventilation and Air Conditioning

I

ICA	Interconnection Pipeline Improvements
IRWMP	Integrated Regional Water Management Plan
IT	Information Technology

J

JPA	Joint Powers Authority
JWPCP	Joint Water Pollution Control Plan

L

LABC	Los Angeles Business Council
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
LASAN	Los Angeles Sanitation
LBEs	Local Business Enterprises
LBWD	City of Long Beach Water Department
LBWRP	Long Beach Water Reclamation Plant
LBWTP	Long Beach Waste Treatment Plant
LEED	Leadership in Energy & Environmental Design
LGCR	Local Government Compensation Report
LJVWTF	Leo J. Vander Lans Water Treatment Facility
LRP	Local Resources Program
LUST	Leaking Underground Storage Tank
LVL	Leo J. Vander Lans

M

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
MSE	Materials, Supplies, and Equipment
MSGBWM	Main San Gabriel Basin Watermaster
MWD	Metropolitan Water District of Southern California

N

N/A	Not Applicable
NCWUP	Non-Consumptive Water Use Permit
ND	Negative Declaration
NEPA	National Environmental Policy Act
NGWA	National Groundwater Association
NGWN	National Groundwater Monitoring Network
NPV	Net Present Value
NSGIS	NorthSouth Geographic Information System

O

O & M	Operation and Maintenance
OA	Owner's Agent
OBEs	Other Business Enterprises
OCWD	Orange County Water District
OE	Owner's Engineers
OPEB	Other Post-Employment Benefits

P

PCE	Perchloroethylene Pollution
PEIR	Programmatic Environmental Impact Report
PFAS	Polyfluoroalkyl Substances
PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctanesulfonic Acid
PPIC	Public Policy Institute of California

Q

QA	Quality Assurance
QC	Quality Control

R

RA	Replenishment Assessment
RBWRP	Regional Brackish Water Reclamation Program
R&M	Repairs & Maintenance
RF	Replenishment Fund
RFB	Request for Bid
RFP	Request for Proposal
RFQ	Request for Quote
RGMP	Regional Groundwater Monitoring Program
RGWMR	Regional Groundwater Monitoring Report
RHSG	Rio Hondo Spreading Grounds
RO	Reverse-osmosis
RTS	Readiness-to-Serve
RW	Recycled Water
RWQCB	LA California Regional Water Quality Control Board – Los Angeles

S

SAT	Soil Aquifer Treatment
SBEs	Small Business Enterprises
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
SGMA	Sustainable Groundwater Management Act
SGSG	San Gabriel Spreading Grounds
SGRWM	San Gabriel River Watermaster
SJC	San Jose Creek
SJCWRP	San Jose Creek Water Reclamation Plant
SMBGSA	Santa Monica Basin Groundwater Sustainability Agency
SRF	State Revolving Fund
SWP	State Water Project
SWRCB	State Water Resources Control Board

T

TAC	Technical Advisory Committee
TBD	To be determined
TCE	Trichloroethylene
TDS	Total Dissolved Solids
TITP	Terminal Island Treatment Plant
TIWRP	Terminal Island Water Reclamation Plant
TOC	Total organic compounds

U

UAL	Unfunded Accrued Liability
UCMR	Unregulated Contaminant Monitoring Rule
UPS	Uninterruptible Power Supply
USACE	U.S. Army Corps of Engineers
USBR	United States Bureau of Reclamation
USEPA	United States Environmental Protection Agency
USFW	United States Fish & Wildlife
USGS	United States Geological Survey
UV	Ultraviolet

V

VOC	Volatile organic compound

W

WAS	Water Augmentation Study
WBMWD	West Basin Municipal Water District
WCBBP	West Coast Basin Barrier Project
WCS	Water Compliance Solutions
WDR	Waste Discharge Requirement
WEF	Water Education Foundation
WET	Water Education for Teachers
WE&T	Water Environment & Technology
WEFTEC	Water Environment Federation Technical Exhibition and Conference
WIN	Water Independence Now Program
WN	Whittier Narrows
WNOU	Whittier Narrows Operable Unit
WRD	Water Replenishment District of Southern California
WRP	Water Reclamation Plant
WWTS	Wastewater Treatment Surcharge
WY	Water Year

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WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Contact

Water Replenishment District of Southern California
4040 Paramount Boulevard • Lakewood, CA 90712

Phone: 562-275-4300
Fax: 562-921-6101
Web: www.wrd.org

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