

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

ACHIEVEMENTS IN WATER INDEPENDENCE

Annual Budget 2013/2014



 **WRD**
WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA

Annual Budget 2013/2014

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Mission Statement

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

Board of Directors

Division 1



*Willard
H. Murray, Jr.
Vice President*

Division 2



*Rob Katherman
President*

Division 3



*Lynn Dymally
Director*

Division 4



*Sergio Calderon
Treasurer*

Division 5



*Albert Robles
Secretary*

Budget Team

*Robb Whitaker,
P.E.
General Manager*

*Jenna Shaunessy
Manager of Finance
and Administration*

*Remy Hernandez
Senior Accountant*

*Scott M. Ota,
CPA/CFE, CIRA, CGMA
Chief Financial Officer*

*Elizabeth Betham
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Lillian Kawasaki – In Memoriam



The passing of Director Lillian Kawasaki is a loss to the WRD family, her 800,000 constituents in Long Beach and neighboring cities, and to the California water community at large.

In the six years she served on the WRD Board, she made an indelible imprint on District policies and programs. Based in part on her distinguished career with the City of Los Angeles and her membership on multiple state and federal water policy committees over the years, she brought to her service extraordinary expertise.

She enjoyed a statewide reputation as an expert on the nexus between water and energy, the importance of stormwater capture for beneficial use, and the relationship between water supply in Southern California and ecosystem restoration in the Bay-Delta. That expertise has been an indispensable part of what the District has done in recent years.

Personally, Lillian was a force of nature, continually effervescent, always cheerful, always on the run, always interested in what she could do to help others. Her personality was a constant and welcome presence at WRD.

Lillian was a tenacious advocate for sustainable landscaping and conservation practices. Indeed, those values resulted in the creation of the District's ECO Gardener Program. In June, 2013, the WRD Board of Directors named the extensive native landscaping at its headquarters the Lillian Kawasaki Educational Urban Landscape Demonstration Site. The ECO Gardener Program was renamed the Lillian Kawasaki ECO Gardener Program.

These memorial gestures will serve as daily reminders of the indispensable contributions Lillian made to the WRD, her constituents, and to the California water community.



General Manager's Report



Robb Whitaker
General Manager

We are heading into the fourth consecutive year of a persistent drought that has gripped California and the West. Snowfall in the Sierras and the Colorado Rockies was 60% of historic averages for the year. More critically, the Sierras experienced the driest January

through June period in 90 years. For the first time since the 1976-1977 drought, the State Water Resources Control Board has warned that extremely low runoff in Northern California rivers could result in the mandatory curtailment of water to even the most senior water rights holders in the Sacramento Valley. Allocations of water from the State Water Project are at 35% of entitlements. And in our region, rainfall for the year was at 40% of the historic average. The forecast for 2013-2014 is for below average rainfall once again.

DROUGHT-PROOFING GROUNDWATER REPLENISHMENT

The Water Replenishment District learned long ago that when it comes to meeting our annual need for groundwater replenishment, it is fine to pray for rain, but more realistic to plan for drought. Reliance on imported water from Northern California and the Colorado River assumes periods of "normal" rainfall and, as we have seen repeatedly, a year of "normal" rainfall is not normal at all.

So we look to the development of local supply to meet our annual replenishment needs. In that regard, the District took hugely significant steps this year toward our Water Independence Now (WIN) objective to completely eliminate the use of imported water for groundwater replenishment.

100% RECYCLED WATER AT THE SPREADING GROUNDS

Historically, the District buys about 71,000 acre-feet per year for spreading in the Montebello Forebay area. 50,000 acre-feet is recycled water and the remaining 21,000 acre-feet has been

imported water (when available).

The Groundwater Reliability Improvement Program (GRIP) will replace that 21,000 acre-feet. Indispensable to the implementation of GRIP, however, is the assurance that the 21,000 acre-feet of source water will be available well into the future. And WIN requires assurance that the 50,000 acre-feet of reclaimed water we currently buy will be available as well.

This year, WRD executed an historic agreement with our longtime partner, the Los Angeles County Sanitation Districts (LACSD). The agreement provides a LACSD allotment to WRD of 73,000 acre-feet of reclaimed water annually for a period of 30 years, with an option to extend an additional 25 years.

The significance of this agreement cannot be understated. In the first place, we have obtained certainty in our future reclaimed water supply, a certainty that is simply not possible with imported water. And secondly, the agreement makes possible the implementation of GRIP. The implementation of GRIP, as opposed to the status quo, will save the District and the groundwater pumping community approximately \$422 million over a 30-year period.

Total supply reliability at less cost for water in the spreading grounds is a stunningly successful outcome of the District's WIN initiatives.

RECYCLED WATER PERMIT AMENDMENT

Greatly increasing the District's flexibility for use of recycled water in the spreading grounds was the approval this year of a Recycled Water Permit Amendment by the California Department of Public Health and the Regional Water Quality Control Board.

Until recently, the permit imposed a maximum of 35% recycled water, blended with 65% stormwater and imported water, averaged over a five-year period. Because of three years of below normal precipitation and reduced stormwater flow and the unavailability of imported water, the District was approaching its 35% recycled water cap.

The amendment to the permit changes

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the averaging period from five years to 10 years, a hugely important revision in times of protracted drought, as is the case now. The revision allows the District the flexibility necessary to accommodate the wet/dry cycle of the region. Without the permit amendment, recycled water that would otherwise be put to beneficial use in the spreading grounds would be wasted to the ocean.

RECYCLED WATER AT THE SEAWATER BARRIERS

Just as we are moving to 100% recycled water at the spreading grounds, we are well on our way to 100% recycled water at the three seawater barrier systems that operate to protect the District's service area from salt water intrusion.

- Construction is underway to expand the capacity of WRD's Leo J. Vander Lans Advanced Water Treatment Plant by 3,000 acre-feet per year, doubling the capacity of the plant and enabling the District to eliminate the need to purchase imported water for the Alamitos Barrier. The expanded plant will be fully operational next year.
- Expansion of West Basin Municipal Water District's Edward C. Little Advanced Treatment Plant is nearing completion. Water produced at that plant is injected into the West Coast Barrier. Beginning in the next few months, 100% of the roughly 15,000 acre-feet of water injected into that barrier system each year will be recycled.
- About one-half of the roughly 7,500 acre-feet injected into the Dominguez Gap Barrier system is recycled water provided by the City of Los Angeles Terminal Island Advanced Treatment Plant. We expect the expansion of that plant will enable the use of 100% recycled water by 2017.

As we prayed for rain, we planned for drought. Major decisions made this year by the WRD Board and our recycled water partners went a long way toward assuring a groundwater replenishment supply well into the future --- whether or not it rains in Northern California or the Colorado Rockies.

Robb Whitaker

General Manager



President's Message



Rob Katherman
President

By any measure, this has been a spectacular year for the Water Replenishment District. Extraordinary strides were made toward our Water Independence Now (WIN) objective and the effort to implement a legally-certain framework for groundwater storage. A Five-Year Capital Improvement Program for the purpose of financial and budget planning was adopted. The Legislature eliminated an ambiguity in the law over the management of groundwater, ending a quixotic and very expensive effort by a municipal water district to encroach on WRD functions.

WIN IS IN SIGHT

WRD's WIN objective is to eliminate the need to use imported water for either groundwater recharge or injection into the seawater barriers. We have implemented many programs and projects over the last five years to do that through increased capture of stormwater or the development and increased use of recycled water.

- The Interconnection Pipeline connecting the two main spreading grounds opened this year. Jointly financed by WRD and the Los Angeles County Department of Public Works, the Pipeline will enable the capture of 1,300 acre-feet of additional stormwater and the use of an additional 5,700 acre-feet of recycled water. All we need now is rain!
- Rain or not, we took steps on the recycled water front to assure that our WIN objective is clearly in sight. The Leo J. Vander Lans Advanced Treatment Plant expansion is well underway and will produce an additional 3,000 acre-feet by 2014, eliminating altogether the need for imported water at the Alamitos Barrier. To offset a significant portion of the capital cost, the District obtained \$7.5 million in project funding from the US Bureau of Reclamation and \$5.4 million from Proposition 84.
- We reached an historic agreement with the Los Angeles County Sanitation Districts that will assure a reliable recycled water supply for the next 50 to 80 years.
- The Environmental Impact Report (EIR) for the Groundwater Reliability Improvement Program (GRIP), as well as the 30% design work for the advanced treatment plant are well underway. The agreement with the Sanitation Districts and implementation of GRIP will eliminate the need for imported water for groundwater recharge.

PROGRESS ON GROUNDWATER STORAGE

After an effort that is in its 15th year and has seen a facilitated stakeholder process, a state-mediated process, two trips to the California Supreme Court and literally hundreds of individual and group negotiations, we are nearing virtually universal pumper agreement on Judgment Amendments that will provide a legal framework to store water in the basins. Significantly, three former litigant cities are now supportive of the Amendments.

Core Values

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

Financial Responsibility:

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

Transparent Decision Making:

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

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Once adopted by the court, the Amendments will enable the pumper community to take advantage of the 450,000 acre-feet of storage capacity available. That storage capacity is the single largest unused water resource asset in Southern California. Its beneficial use is of incalculable importance to the region in times of drought or catastrophic disruption to either the State Water Project or the Colorado River Aqueduct. It is also of very substantial economic importance to the pumpers in WRD's service area.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

WRD's Board this year adopted a Five-Year Capital Improvement Program (CIP). Supported by the District's Technical Advisory Committee of groundwater pumpers, the CIP is a planning and budget road map. The CIP includes the Leo J. Vander Lans expansion and the Groundwater Reliability Improvement Program referred to above. It also includes:

- Additional components of our Regional Groundwater Monitoring Program
- Safe Drinking Water Program
- Whittier Narrows Conservation Pool Expansion Study
- Goldsworthy Desalter Expansion
- Montebello Forebay Recharge Enhancement Study

SB 1386

A new state law took effect on January 1 of this year to eliminate ambiguity relating to the management of groundwater in our region. In defining statutory authority over different types of water districts, the Legislature did not anticipate that different districts with overlapping boundaries would attempt to perform the same functions.

In recent years, however, one of the municipal water districts in WRD's service area inserted itself into the groundwater arena, first by purchasing groundwater rights it does not use and then by relying on those rights to gain status to legally intervene in the Storage Amendment case as a groundwater party. That district also sponsored and funded a CEQA document to control all groundwater in the Central Basin portion of WRD's service area.

Sponsored by the groundwater pumpers themselves, SB 1386 eliminates whatever statutory authority the municipal water district thought it had over the management of groundwater, along with the confusion and uncertainty the statutory ambiguity may have caused.

QUICKLY NOTED

- For the second year in a row, WRD received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). For the ninth consecutive year, the District received GFOA's Certificate of Achievement for Excellence in Financial Reporting. And also for the seventh consecutive year, the District received the Meritorious in Operating Budget Award from the California Society of Municipal Finance Officers (CSMFO), and for the second year in a row, the District received the Excellence in Operating Budget Award from the CSMFO.
- Our congratulations to Director Albert Robles for being named among the Top 100 Hispanic "Green" Leaders by Poder Magazine, and to WRD's Chief Financial Officer (CFO) Scott Ota for receiving the Los Angeles Business Journal's Government/Public Sector CFO of the Year award.

THANKS

I want to thank my fellow Directors for another year of exceptional service. And on behalf of the WRD Board, I want to thank the General Manager and staff for the dedication and hard work and for their contributions to the spectacular achievements of the District.

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IN MEMORIAM

WRD lost a member of its family with the passing of Director Lillian Kawasaki. She was a mentor and friend to the Board and staff of the District and a strong and effective voice in the statewide water community.

A month before she passed away, the WRD Board named the extensive native landscaping at its headquarters the Lillian Kawasaki Educational Urban Landscape Demonstration Site. The ECO Gardener Program was renamed the Lillian Kawasaki ECO Gardener Program.

These memorial gestures will serve as daily reminders of the indispensable contributions Lillian made to WRD, her constituents, and to the California water community.

Rob Katherman

President



Budget-in-Brief



The Lillian Kawasaki Educational Urban Landscape Demonstration Site is located at the WRD Headquarters in Lakewood, CA



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2013/2014 Budget -in- Brief

Revenues

The District's primary source of revenue is generated by the replenishment assessment (RA); making up 97% of the District's revenue or \$65,124,000. The District also expects to collect \$964,000 (1%) from water sales and Metropolitan Water District (MWD) subsidies from the Leo J. Vander Lans Advanced Water Treatment Facility (AWTF). This facility provides advanced treated water to the Alamos Seawater Intrusion Barrier System which would otherwise need more expensive non-interruptible imported water. The Goldsworthy Desalter is located in the West Coast Basin and treats brackish groundwater for sale to the City of Torrance. The anticipated revenue for 2013/14 is \$1,245,000 (2%).

Comparison to 2012/13 Year's Projected Revenues

Projected 2012/13 revenues from the prior year are lower than the budgeted revenues in the current year. The reason for this is lower than expected RA revenue due to five pumpers refusing to pay the RA. Subsequent to the financial projections shown throughout this budget document, the Court has ruled that two of the pumpers must pay the District for past due payments. The District is currently in litigation with the remaining pumpers and expects a favorable Court ruling.

The revenue ratios continue to be similar to prior year's projected balances with the RA making up 95% of total revenues with 2% from the Leo J. Vander Lans Facility and 3% from the Goldsworthy Desalter. Prior year's RA was \$244 per acre-foot with an increase of \$24 per acre-foot to \$268 in the current year.

Expenditures

The most significant budgetary item for the District is water and water-related costs. Of the District's total budgeted expenses of \$67,300,000, about \$37,395,000 (56%) is related to either water supply purchases, production of water or water conservation efforts. Details and explanations of the various Projects and Programs are located in their specific sections of this budget document; however, the total budgeted costs for these replenishment and clean water projects are \$7,180,000 (11%) of the 2013/14 adopted budget. Administration costs including GASB 45 are budgeted to be \$4,830,000 (7%), other Special Programs & Supportive Costs \$3,768,000 (6%), Capital Improvement Program Expenses \$8,401,000 (12%) and replenishment of District reserves of \$5,750,000 (8%).

Comparison to 2012/13 Year's Projected Expenses

Total projected operating expenses for 2012/13 are \$42,763,000 of which \$27,393,000 (64%) were water and water-related costs. In 2013/14 total operating expenses increased to \$53,223,000 of which \$37,395,000 are water and water-related costs (70%). The primary reasons for the increase in budgeted expenses over the prior year's projected expenses is due to an increase in water supply purchases. Other contributing factors were a decrease in project and program expenses of \$1,110,000 and a decrease of \$2,905,000 in the replenishment of District reserves. The District also budgeted \$520,000 pursuant to Article XIII D, Section 6(a)(2) of the California State Constitution (Proposition 218) regarding the replenishment assessment proposed effective July 1, 2013.

Net other non-operating expenses increased \$1,901,000 from a projected amount of \$6,488,000 in 2012/13 to a budgeted amount of \$8,389,000 in 2013/14. The increase is due primarily to an increase in amount budgeted for rate covenant debt service payment coverage from thirty percent of the annual debt service to sixty percent in order to maintain the District's AA+ bond rating from Fitch Ratings and Standard and Poor's.

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In May 2007, the MWD suspended the sale of discounted seasonal spreading water. For the first time in the District's 48-year history, discounted seasonal spreading water was unavailable for purchase. Due to this unavailability in discounted water, in fiscal year 2010/11, the District was forced to change the way it had budgeted for the past 48 years and started to budget for more expensive Tier 1 water. Due to the economic issues in Southern Los Angeles County, the District utilized \$8.27 million of its reserves to lessen the impact of moving to the more expensive Tier 1 rate. Additionally, in fiscal year 2011/12 the District continued its effort to normalize the RA by providing \$10.0 million in rate relief and \$3.0 million in 2012/13; or \$21.27 million of rate relief over the past three fiscal years. This funding is no longer available for makeup of water purchases.

As stated above, the District has also been subject to several lawsuits. The District's involvement has primarily been only in response to other entities suing the WRD. These lawsuits have forced the District to separately account for the costs so the public is kept informed of the expenses associated with the District defending itself in court. These costs are estimated to be approximately \$2.5 million for fiscal 2013/14.

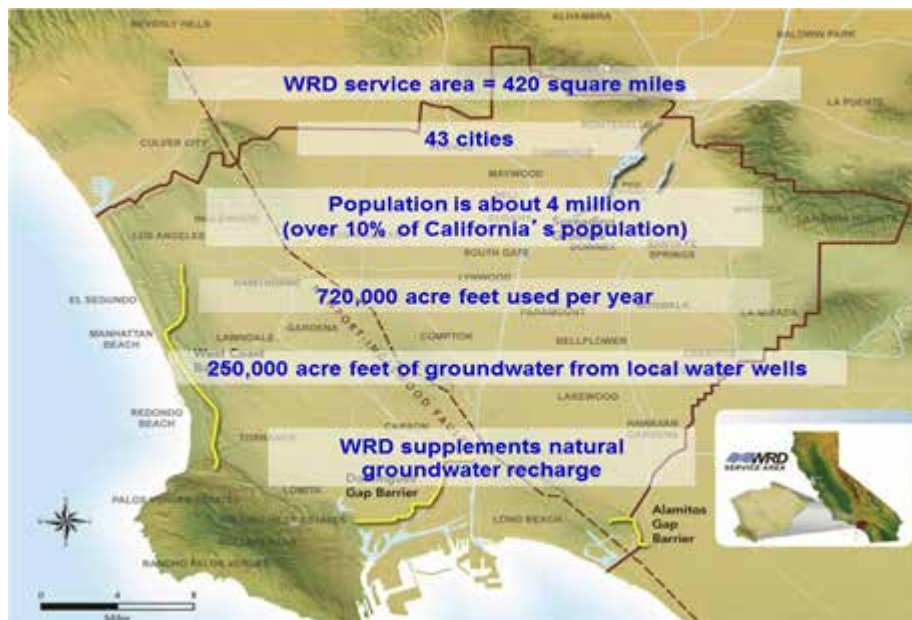


Figure 1 – WRD at a Glance

Planning for the Future

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

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

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In fiscal year 2012/13, the Board of Directors took action related to the expansion of the Leo J. Vander Lans AWTF and the Groundwater Reliability Improvement Program (GRIP), the cornerstone of the WIN initiative. These actions will help to completely eliminate the District's dependence on imported water to ensure the future security of our region by developing local resources to create a locally sustainable groundwater supply.

With the District serving over 4.5 million people and 10% of the State of California's population, it is even more important to become more self-reliant. A big portion of the costs will be debt financed and, therefore, future generations will share not only in the benefits of the WIN Program, but also in the costs. This program will provide a locally, sustainable and reliable water supply for the residents served by WRD and will provide cost stabilization to the continuously increasing imported water rates.

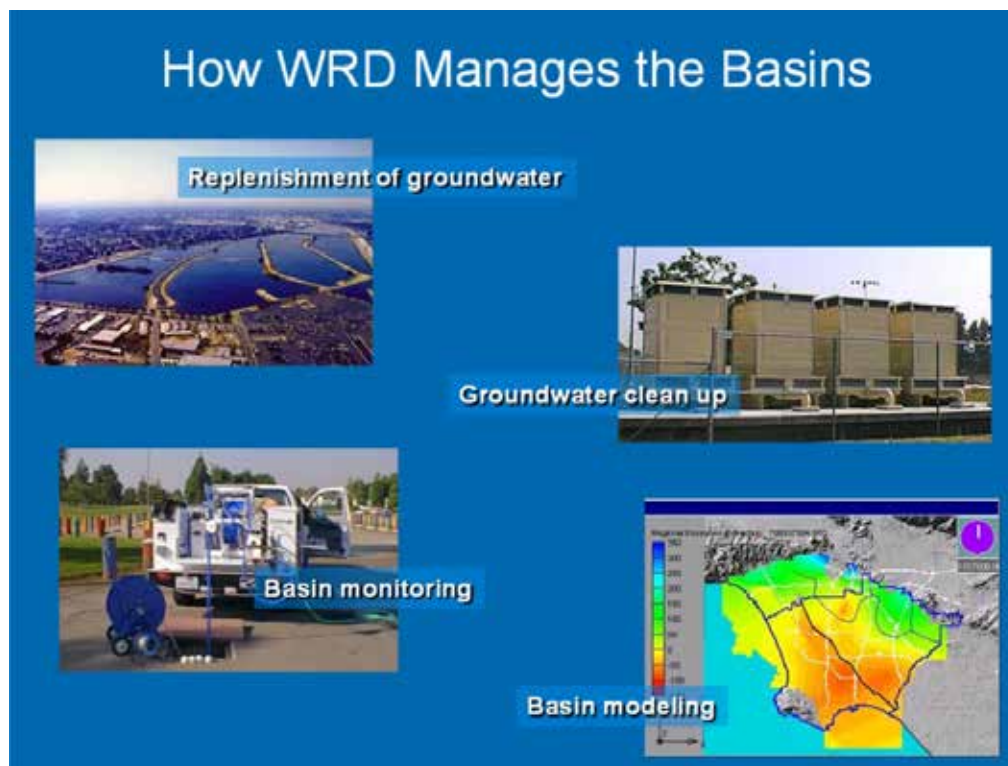


Figure 2 – How WRD Manages the Basins

Background & History



Students visit the Whittier Narrows Nature Center during a WRD Water Tour

WRD's popular Educational Partnership Program provides students with information on the agency's role as the groundwater manager for the Central and West Coast Basins. Students get a lively classroom presentation on groundwater, participate in hands-on water projects, attend field trips, and enter essay and poster drawing contests.



Background & History

The Water Replenishment District of Southern California (District) was formed by a vote of the people in 1959 for the purpose of protecting the groundwater resources of the Central and West Coast groundwater basins (basins) in Southern Los Angeles County.

The District provides groundwater for nearly four million residents in 43 cities of Southern Los Angeles County. The 420 square mile service area uses about 250,000 acre-feet of groundwater per year, which equates to 40% of the total demand for water. Prior to the formation of the District, over-pumping of both basins caused many wells to go dry and sea water to intrude into the groundwater aquifers – underground geological formations that store water. In 1957, the accumulated overdraft in the Central Basin alone was almost 1 million acre-feet, which translates to a tremendous withdrawal of water from aquifers in excess of the amount that naturally, or artificially, replaces it. In both basins, groundwater levels had dropped to below sea level. During the 1950s the Los Angeles County Flood Control District (LACFCD) purchased 500,000 acre-feet of imported water to artificially replenish the basins.

In 1959, the Central Basin Water Association 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.

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



Figure 3 – WRD Groundwater Demand

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Figure 4 – Service Area Map

Local Economy

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

Recent years have been very difficult for economy of Los Angeles County; however, as expected, there has been a gradual economic improvement. The unemployment rate for the County has fallen, dropping into single digits for the first time since 2008. Average employment through the first five months of 2013 rose in all private sector industries, except for manufacturing. The largest gains were in leisure and hospitality (the second largest private sector industry by employment in the county), professional, scientific, and technical services (the county's fifth largest by employment), and administrative and support services. Health care and social assistance (the county's largest industry by employment) continued its long-term trend of job gains. These four industries accounted for four out of five jobs created during the first part of 2013. Construction also added a significant number of jobs and experienced the largest year-to-year percentage gain at 11.6%. Following the trend of recent years, both manufacturing and government sector jobs lost ground.

International trade is a major driver of the area's economy. The Los Angeles Customs District—which includes the ports of Long Beach and Los Angeles, Port Hueneme,



Groundwater Conservation IS NOT NEW

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



First State Water Reaching Spreading Facilities

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



Observation Well

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

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and Los Angeles International Airport (LAX)—is the nation's largest. The value of two-way trade passing through Los Angeles totaled \$357.3 billion in 2008, compared with \$353.4 billion for second-place New York. Major investments are under way to expand the ports, LAX and related transportation facilities in Los Angeles County.

The Los Angeles County economy will continue to advance on many fronts through the rest of this year and into 2014. Population should cross the 10 million threshold in 2014, the largest gains for 2013 are expected in leisure and hospitality, health care, professional, scientific and technical services, and construction. Job losses will continue in manufacturing, but government jobs may end the year roughly flat, with a slight gain expected next year. With these employment gains, total personal income will also grow. A 2.1% gain is expected this year and a 4.9% increase is projected for 2014. Similarly, taxable retail sales will increase by 3.1% this year and by 3.8% next year, following a 10.3% surge in 2012. While the general outlook is positive, there are concerns about the impact of federal budget cuts on specific segments of the local economy. In particular, defense-related cuts may lead to civilian job losses locally. It remains to be seen whether these cuts will be implemented and how deeply they will affect the local aerospace industry.

California's water supply continues to pose many new and complex challenges for water suppliers in the state. In recent years, the District has been an active participant and leader in addressing these concerns. Through coordination and planning with other local and regional water suppliers, the District continues to engage in developing long-term solutions to the various water supply challenges. These efforts are evidenced in the District's participation in regional conjunctive use programs as well as local groundwater storage and recovery projects. It is through participation in these and other programs, such as the District's WIN Program, that will enable the District to continue to meet its long-term water supply needs.

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

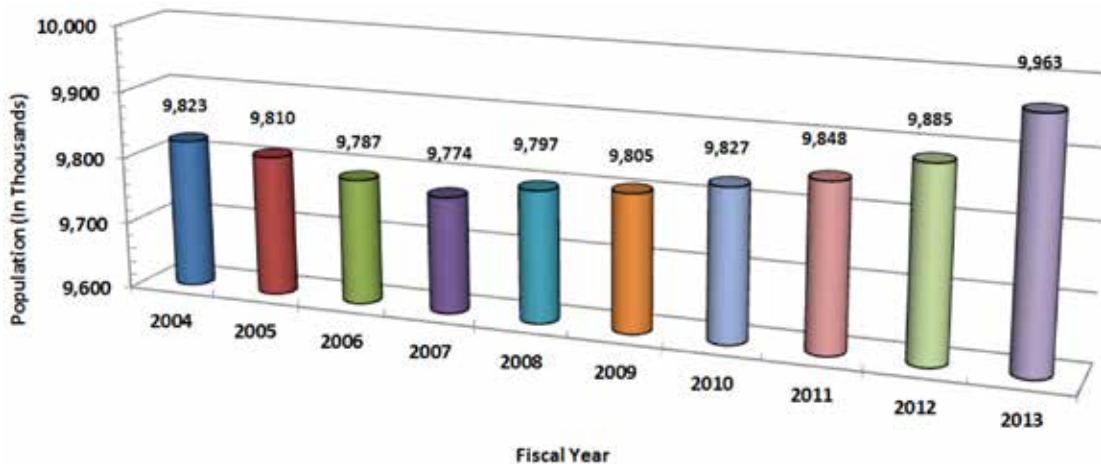
Source: Los Angeles County Profile; Los Angeles County Economic Development Corporation.

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**TABLE 1 – Demographics and Economic Statistics - County of Los Angeles
Last Ten Fiscal Years**

Year	Los Angeles County Unemployment Rate (1)	California Unemployment Rate (1)	U.S. Unemployment Rate (1)	Population (1)	Personal Income (in thousands) (2)	Personal Income per Capita (2)
2004	6.50%	6.84%	6.00%	9,822,508	\$338,203,048	\$34,534
2005	5.4%	6.24%	5.50%	9,809,557	\$357,186,377	\$36,498
2006	4.80%	5.42%	5.10%	9,787,327	\$385,724,212	\$39,610
2007	5.10%	4.89%	4.60%	9,773,894	\$400,366,343	\$41,273
2008	7.50%	5.35%	4.60%	9,796,812	\$417,454,378	\$42,881
2009	11.60%	7.21%	5.80%	9,805,233	\$394,980,563	\$40,356
2010	12.60%	11.33%	9.30%	9,827,070	\$410,674,615	\$41,791
2011	12.30%	12.36%	9.60%	9,847,712	\$418,901,973	\$42,538
2012	11.10%	10.60%	8.20%	9,884,632	\$429,872,761	\$43,489
2013	9.60%	8.60%	7.60%	9,962,789	\$442,935,636	\$44,459

FIGURE 5 - Population

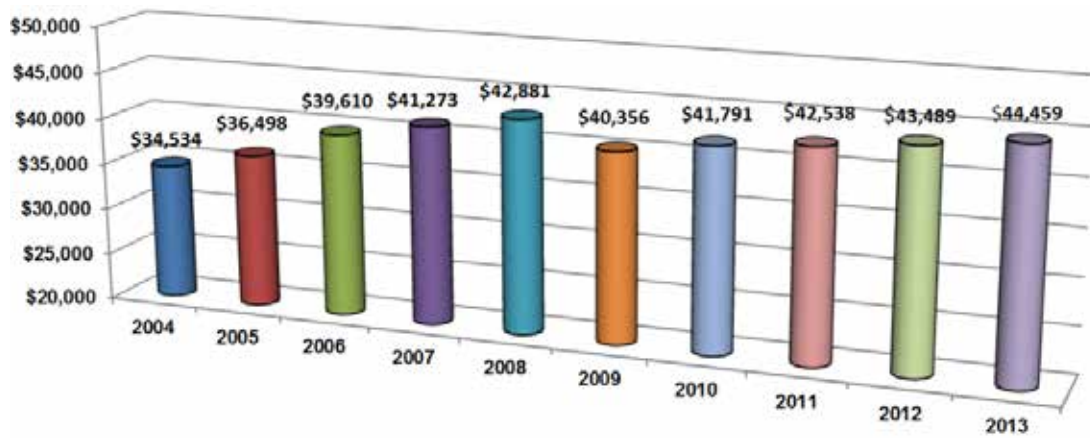


Notes:

1. Table: Population Estimates and Components of Change by County. Sources: California Department of Finance, California Labor Market Info, Los Angeles Business Journal, U.S. Bureau of Labor Statistics
2. Personal Income per Capita was computed using Census Bureau midyear population estimates. Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, CalGov.com Los Angeles County Employment Forecast

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FIGURE 6 - Personal Income per Capita



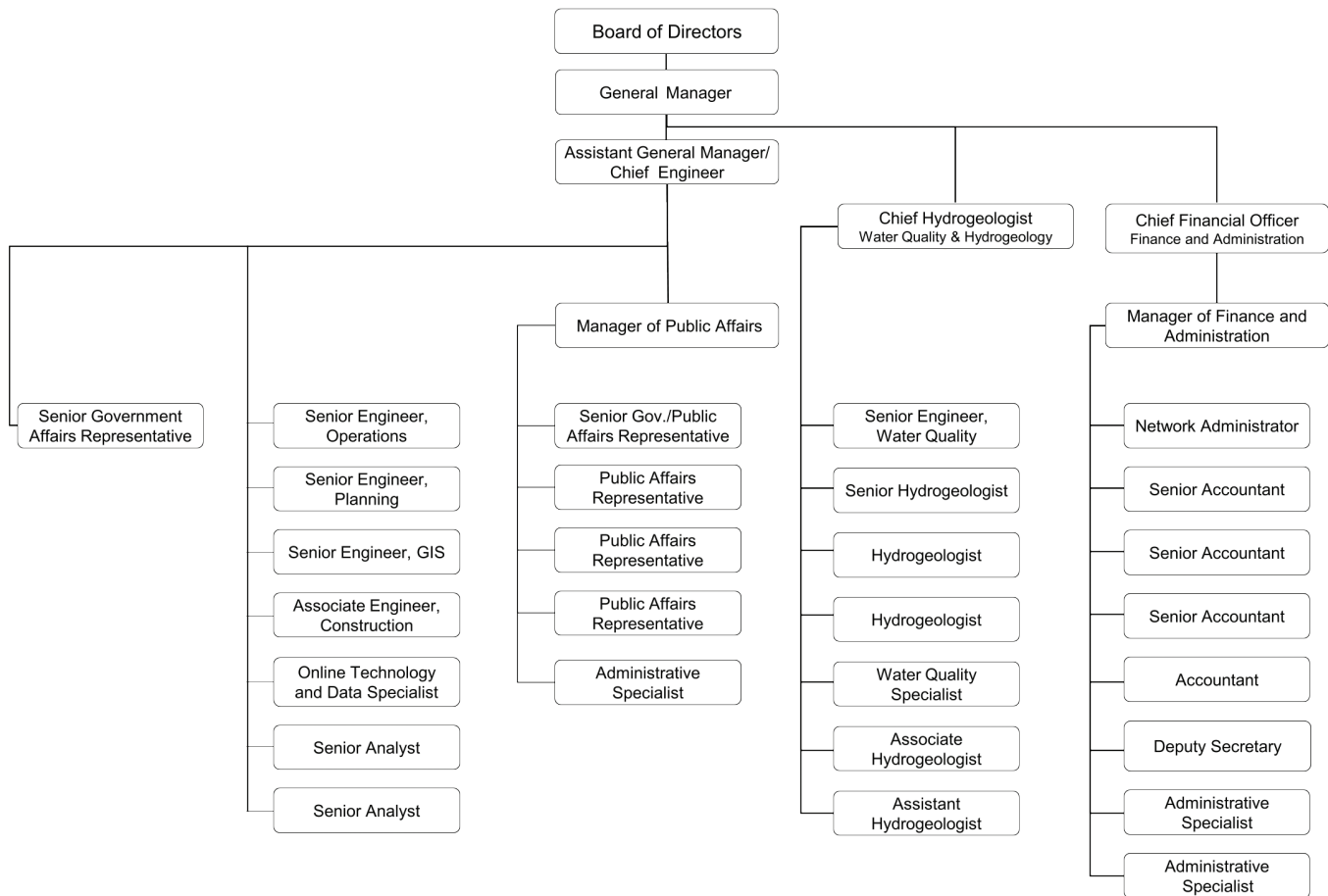
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Government

The District is divided into five elective divisions. The governing board is made up of one elected director from each division. The General Manager is appointed by the Board of Directors.

The District's budget process consists of activities that encompass the development, implementation and evaluation of a fiscal plan for the utilization of the District's assets and resources.

**FIGURE 7–
Organizational Chart
Water Replenishment District of Southern California**



Financial Policies



WRD's Annual Groundwater Festival



WRD's Groundwater Festival "Treasure Beneath Our Feet", an annual educational event that draws over 4,000 participants to commemorate National Groundwater Awareness Week. Over 35 vendors provide an array of hands-on conservation activities in the areas of water, air, waste and wildlife.



Relevant Financial Policies

Budget Control and Revisions

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The intent of the District is that the costs of managing the groundwater basins on a continuing basis be financed or recovered primarily through user charges (water RAs), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

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

Financial Reporting

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

Budgetary Policies

The District adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. More detail of budget control and revisions can be found in the Budget Process section of this document.

Replenishment Assessment (RA) Policy

On or before the second Tuesday of May each year, the Board of Directors (BOD), by statute, must set the RA 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 RA. In preparing for these hearings, the District develops an annual operating budget and updates its five-year capital plan. These documents outline the funds needed to:

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

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

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Investment policy

The Board of Directors has adopted an investment policy that conforms to California State law, District ordinance and resolutions, prudent money management, and the “prudent person” standards. The objectives of the investment policy are safety, liquidity, and yield. The District’s funds are normally invested in the State Treasurer’s Local Agency Investment Fund (LAIF), Government Agency Obligations or other specifically authorized investments. In 2009, at the direction of the Board of Directors, the District has implemented its Community Banking Program and invested in several local community banks that are fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured as required by state law. The Board of Directors reviews the adopted investment policy on an annual basis and approves any changes.

Capital Assets

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

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

Procurement Policy

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

1. All contracts for construction work, materials, equipment, supplies and professional services shall be in writing and, at a minimum, include the relevant scope of work, duration and terms of payment.
2. All contracts valued less than \$10,000 may be approved and signed by the General Manager or other District’s representative authorized by the Board of Directors. The General Manager may not execute multiple contracts on behalf of the District with the same person or entity within a one-year period that cumulatively total \$10,000 or more without the Board of Directors’ prior approval.
3. All contracts valued \$10,000 or more shall be authorized by the Board of Directors and signed by the President and the Secretary except that the Board of Directors may, by resolution for a specific expenditure, authorize the General Manager or the other District’s representative to sign contracts in the name of the District, not to exceed \$25,000.
4. Where the contract amount is less than \$25,000, an informal solicitation may be made by the General Manager by informal quotes through telephone, mail or electronic inquiry, comparison of prices on file or other. Every attempt shall be made to receive at least three price quotations.
5. Before making any contract for construction work or purchase of materials, supplies, and equipment that total \$25,000 or more within any 12 month period, the District shall advertise for bids by issuing a Contract Solicitation.
6. Advertising should be in a newspaper of general circulation in Los Angeles County at

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least once a week for four consecutive weeks. Advertisement for bids shall set forth all of the following information:

- a. That plans and specifications for the work to be done can be seen and obtained at the District's office;
 - b. That the Board of Directors will receive sealed bids for the contract;
 - c. That the contract will be awarded to the lowest responsive and responsible bidder;
 - d. That bids will be publicly opened at a given time and place.
7. Bids shall be opened in public at the time and place stated in the notice inviting bids. Two District employees and/or representatives shall be present at the bid openings. As each bid is opened, the bidder's name and bid amount shall be announced. At the conclusion of the bid opening, the name of the apparent low bidder and its bid amount shall be announced. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than 30 calendar days after the bid opening.
 8. Before making any contract for professional services, the District may solicit a Request for Proposal (RFP) for such services. However, a RFP is not required for professional services contracts. The District from time to time may issue a request for qualifications for the purpose of developing a list of qualified consultants to provide professional services for future work. Prior to issuing a request for qualifications, District staff shall obtain the approval from the Board of Directors.
 9. Request for qualifications may be advertised in a publication of the respective professional society or by any other means reasonably calculated to reach its intended audience. Upon review and receipt of the qualifications from the interested consultants, the District shall develop the list of qualified consultants based upon criteria established by the District.

Debt Management

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

Auditing

Once a year, the District hires an independent accounting firm to perform the annual financial and compliance audits of the District's basic financial statements and supplemental schedules in accordance with general accepted auditing standards.

Internal Control Structure

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.

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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.

Reserve Policies

Based on §60290 of the California State Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). This ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis.

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

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

Description of Reserve Categories:

- Water Purchase Reserve – This category of funds represents amounts carried over from previous years when imported spreading water was unavailable for purchase. The District only uses these funds to purchase water in future years when water becomes available.
- Restricted for Capital Projects – This category of funds represents amounts reserved due to commitments made by the Board of Directors for capital projects which includes the WRD capital replacement plan for the Leo J. Vander Lans Water Treatment Facility and the Goldsworthy Desalter as well as the proceeds from the 2011 COP held in trust by US Bank. By law, these funds can only be spent for capital projects.
- Debt Service – The WRD's Master Trust Agreement provides for the funding of a Reserve Fund for all debt issuances. The Reserve Fund is funded with a portion of the net proceeds of the 2004, 2008 and 2011 debt issuances. These funds are held in trust by US Bank and will only be available to the WRD after the debt is completely paid off after 30 years from the date of the issuance of the debt.
- Cal Trans Trust – These funds are held in trust by WRD with the California Department of Transportation for dewatering of the 105 freeway. The trust fund decreases to pay for the RA for water pumped from below the freeway.
- GASB 45 Requirement - This category of funds accounts for the WRD's Annual Required Contribution (ARC) related to Other Post Employment Benefits (OPEB) in compliance with the Government Accounting Standards Board (GASB) statement number 45 enacted by the GASB due to the growing concerns over the potential magnitude of government employer obligations for post-employment benefits. This is a financial reporting provision required by all government employers.
- Unreserved – This category of funds is restricted to \$10,000,000, adjusted for the annual increase or decrease in the blended cost of water from District water supply sources, as documented in §60290 of the California State Water Code.

Budget Process



Leo J. Vander Lans Advanced Water Treatment Facility in Long Beach, California



The Leo J. Vander Lans Advanced Water Treatment Facility treats water from the Long Beach Water Reclamation Plant using microfiltration, reverse osmosis, and ultraviolet light. Once treated, the water will be blended with imported potable water and pumped into the Alamitos Seawater Barrier.



Budget Process

The budget process is not simply an exercise in balancing one year at a time, it is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals and objectives. These goals and objectives were established by the Board of Directors and District staff through the District's Strategic Plan and the five-year Capital Improvement Plan. We moved beyond the traditional concept of line item expenditure 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.

The District has divided the annual budgeting process into six separate phases (see Figure 8 below) to help with organizing, planning and completing the budget process.

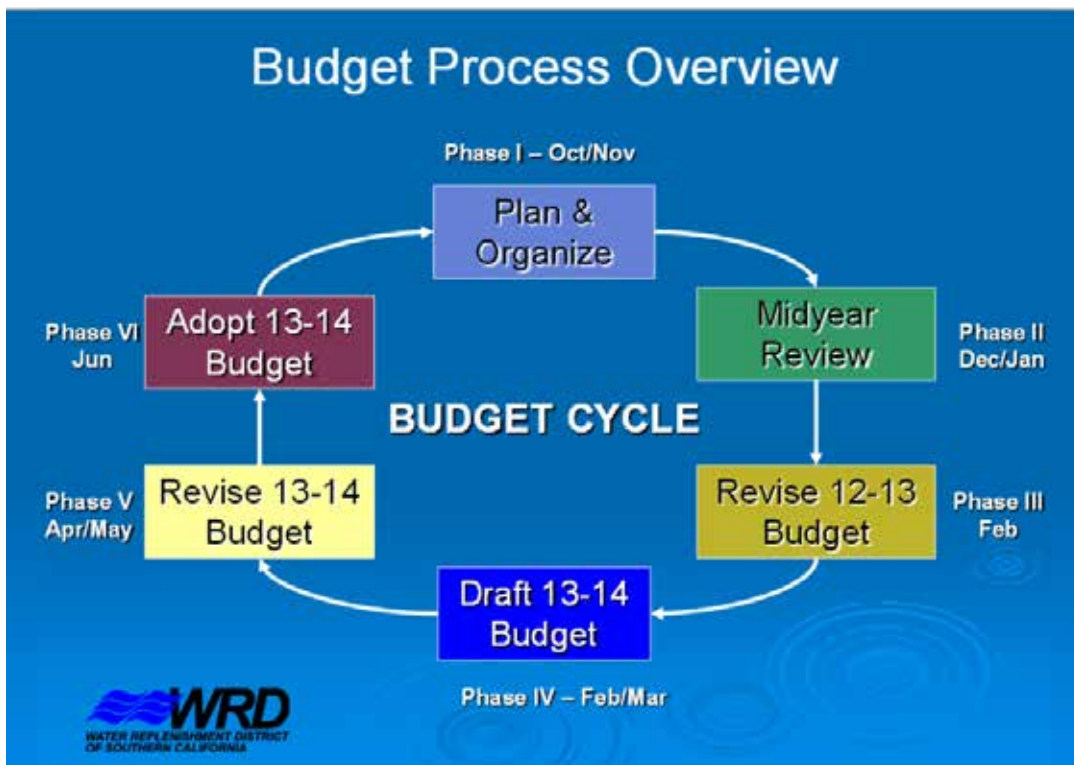


Figure 8 – Budget Process

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The District's water sales have historically remained relatively constant. As we show in Figure 9, the RA rate charged to District customers increased \$24 from \$244 per acre-foot in fiscal year 2012/13 to \$268 in 2013/14. The primary reason for this rate change was to increase the amount of imported water purchased to replenish the basins from 2,180 acre-feet in fiscal year 2012/13 to 16,000 acre-feet in 2013/14.

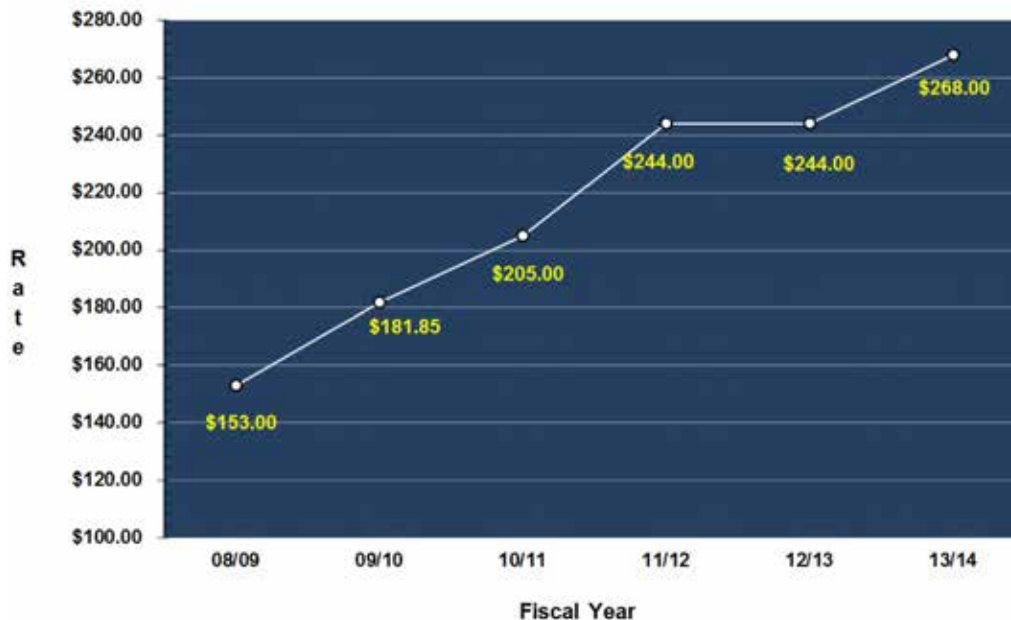


Figure 9 – Replenishment Assessment

Budget Control and Revisions

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

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

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

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

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

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Proposition 218 - Notice of Public Hearing on District's 2013/14 RA

Proposition 218 (Prop 218), also known as the Right to Vote on Taxes Act, was adopted by California voters in November 1996. Prop 218 amended the California Constitution (Articles XIII C and XIII D) which, as it relates to assessments, requires the local government agencies to have a vote of effected property owners for any proposed new or increased assessment before it could be levied. Prop 218 imposes a number of substantive requirements on property-related fees. These substantive requirements are found in Article XIII D, Section 6(b) of the California Constitution. The Cost of Service Report has been prepared by the District to explain how the RA complies with these requirements. The Cost of Service Report describes the services the District anticipates performing in fiscal year 2013/14 and analyzes the costs of providing these services. The costs associated with those services are described using the best available information, along with an evaluation of the fair and equitable RA necessary to cover these costs. The Cost of Service Report is available via the District's web site at www.wrd.org.

The May 10, 2013 Hearing has been conducted pursuant to Article XIII D, Section 6 of the California Constitution. On March 22, 2013 the District mailed notice of the May 10, 2013 Hearing to stakeholders throughout its service area. Approximately 800,000 notices were sent to every record owner of every parcel or real property within its jurisdiction that services 4 million residents in 43 cities covering over 420 square miles.

The District approved its RA of \$268 for fiscal year 2013/14 at the public hearing on May 10, 2013. The RA was approved after an extensive and transparent process to inform all parcel owners and groundwater pumping rights holders in the District's service area. The funds generated from the RA cover the cost of water purchased to replenish the two largest and most utilized groundwater basins in Southern California. Moreover, the new RA is critical to helping achieve the District's goal in becoming 100% independent from costly and unreliable imported water.

Budget Calendar

October

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

November

Budget interviews with Project and Program Managers in order to complete the Midyear Budget Review of the District's operations. This review process starts with three months of actual financial data from July 1 through September 30, nine months of financial projections and a twelve month analysis of all of the data. The Midyear Budget Review serves as the basis for planning for the ensuing year's budget.

December & January

Staff prepares their budget requests for the ensuing year's budget. The Finance Department compiles all of staff's budget requests into a draft report which accounts for all of the District's financial needs. The draft budget is reviewed by the General Manager and the budget team. The resulting draft budget is presented to the public through several budget workshops, ending with the final budget workshop and the Board of Directors setting the assessment no later than the second Tuesday in May.

February

February 20, 2013 – Regular Meeting of the Board of Directors, presentation of the 2012/13 Midyear Budget Review and 2013/14 Draft Budget

March

March 6, 2013 – Regular Meeting of the Board of Directors, presentation of

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the 2013/14 Draft Budget

April

April 3, 2013 – Regular Meeting of the Board of Directors, presentation of the 2013/14 Draft Budget

April 17, 2013 – Regular Meeting of the Board of Directors, 2013/14 Budget Workshop #1

April 23, 2013 – Meeting at the City of Norwalk, 2013/14 Budget Workshop #2

April 25, 2013 – Meeting of the Audit and Budget Advisory Committee, 2013-14 Budget Workshop #3

April 30, 2013 – Special Meeting of the Technical Advisory Committee, 2013-14 Budget Workshop #4

May

May 1, 2013 – Regular Meeting of the Board of Directors, 2013/14 Budget Workshop #5

May 10, 2013 – Regular Meeting of the Board of Directors, 2013/14 Budget Workshop #6

June

June 19, 2013 – Adopt Fiscal Year 2013/14 Budget



Financial Highlights



*“Information is like water,
the purer, the better.”*



Financial Highlights

Basis of Accounting

The basis of accounting refers to the timing of revenue and expenditure recognition for financial reporting. In preparing the budget, the District applies the same methodology. The District operates as a utility enterprise, and all enterprise funds are accounted for using the full accrual basis where revenues are recognized when earned, and expenses are recognized when they are incurred. 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.

Total Operating Revenues = \$67,333,000

13/14 Operating Revenue
(in thousands and percent of total)

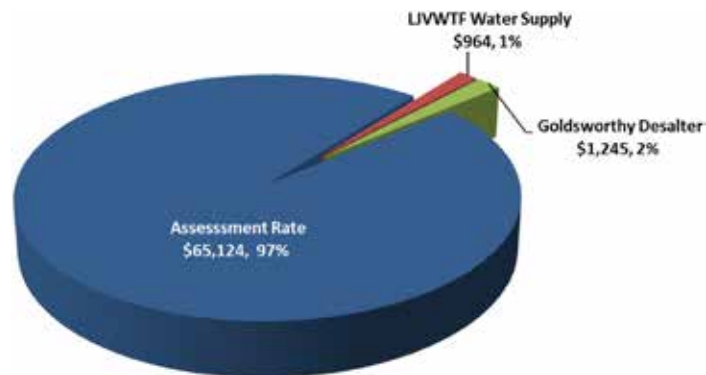


Figure 10 – Proposed 13/14 Operating Revenues

Total Operating Expenditures = \$53,223,000

13/14 Operating Expenditures
(in thousands and percent of total)

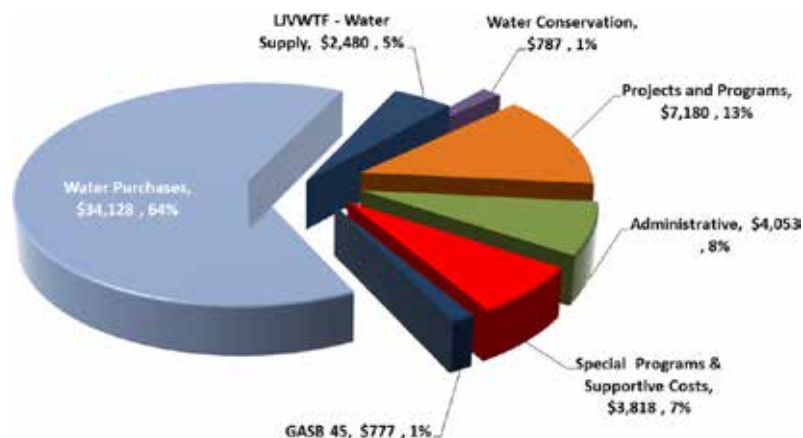


Figure 11 – 13/14 Proposed Operating Expenditures

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

Revenue Sources

The District's major revenue sources are as follows:

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

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

Leo J. Vander Lans AWTF - Water Supply

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

Goldsworthy Desalter

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

Title 22 Program

The District administers the Title 22 Groundwater Monitoring Program in the Central Basin, which provides source water monitoring of wells for 21 pumpers with 80 active wells. The Title 22 Program is a breakeven program with corresponding expenditures equal to the revenue collected for this program.

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**TABLE 2 -
13/14 Proposed Statement of Revenues, Expenditures
and Changes in Net Assets**

	2011/12 Actual	2012/13 Projected	2013/14 Budget
Operating Revenue			
Replenishment Assessment	\$45,571,000	\$50,001,000	\$65,124,000
LJVWTF - Water Supply	\$1,178,000	\$896,000	\$964,000
Goldsworthy Desalter Sales	\$1,373,000	\$1,350,000	\$1,245,000
Total Operating Revenue	\$48,122,000	\$52,247,000	\$67,333,000
Operating Expenditures			
Water Purchases	\$23,909,000	\$24,119,000	\$34,128,000
Water Conservation	\$460,000	\$1,073,000	\$787,000
LJVWTF - Water Supply	\$2,598,000	\$2,201,000	\$2,480,000
Projects/Programs	\$8,960,000	\$8,290,000	\$7,180,000
General Administration	\$5,961,000	\$4,168,000	\$4,053,000
GASB 45 (Required Retirement Funding)	\$569,000	\$745,000	\$777,000
Other Special Programs & Supportive Costs	\$1,615,000	\$2,167,000	\$3,818,000
Total Operating Expenditures	\$44,072,000	\$42,763,000	\$53,223,000
Use of Water Purchase Carryover Fund	\$(10,000,000)	\$(3,000,000)	\$37,000
Subtotal	\$34,072,000	\$39,763,000	\$53,260,000
Operating Income (Loss)	\$14,050,000	\$12,484,000	\$14,073,000
Other Revenue (Expenditures)			
Interest Income	\$121,000	\$250,000	\$250,000
Interest Expense	\$(4,270,000)	\$(7,138,000)	(8,838,000)
Other (Property Tax & Misc)	\$510,000	\$400,000	\$199,000
Total Other Revenue (Expenditures)	\$(3,639,000)	\$(6,488,000)	\$(8,389,000)
Replenishment of Operating Reserves	\$-	\$(8,655,000)	\$(5,750,000)
Encumbered for Bond Compliance	\$(5,556,000)	\$-	\$-
Change in Net Assets	\$4,855,000	\$(2,659,000)	\$(66,000)

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**Table 3 –
Summary of Personnel by Department
2013/14 Budget**

	2011/12 Actual	2012/13 Budget	2013/14 Budget	Change from 2012/13 Budget
<u>General Management</u>				
General Manager	1	1	1	-
<u>Hydrogeology Department</u>				
Chief Hydrogeologist	1	1	1	-
Senior Engineer	1	1	1	-
Senior Hydrogeologist	1	1	1	-
Hydrogeologist	2	2	2	-
Water Quality Specialist	1	1	1	-
Associate Hydrogeologist	1	1	1	-
Assistant Hydrogeologist	1	1	1	-
<u>Engineering Department</u>				
Assistant General Manager/Chief Engineer	1	1	1	-
Senior Engineer	3	3	3	-
Resource Planner	1	1	1	-
Associate Engineer	1	1	1	-
Online Technology and Data Specialist	1	1	1	-
Senior Administrative Specialist	1	1	-	(1)
Senior Analyst	-	-	2	2
<u>Finance Department</u>				
Chief Financial Officer	1	1	1	-
Manager of Finance & Administration	1	1	1	-
Senior Accountant	1	3	3	-
Accountant	2	1	1	-
Accounting Technician	1	-	-	-
<u>External Affairs Department</u>				
Manager of External Affairs	1	1	1	-
Senior Government Affairs Representative	1	2	1	(1)
Senior Public Affairs Representative	1	1	1	-
Public Affairs Representative	2	1	1	-
Associate Government Affairs Representative	-	1	1	-
Administrative Specialist	1	1	1	-
<u>Administration and Human Resources</u>				
Deputy Secretary	1	1	1	-
Administrative Support Specialist	2	2	2	-
Network Administrator	1	1	1	-
Total	34	34	34	-

Revenues



Robert W. Goldsworthy Desalter in Torrance, California

The Desalter removes more than 2,000 gallons of brackish water per minute. Over a billion gallons of clean, safe drinking water will be added to the water supply annually as a result of Desalter operations.



Operating Revenues

Basis of Operating Revenue Estimates

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

The RA rate consists of two major components: funds for replenishment and funds for clean water. As part of the rate setting process, the District conducts an annual engineering survey to determine the condition of the basins and the amount of groundwater that it must replenish each year.

For fiscal year 2013/14, the District estimates that it will collect about \$65.1 million from the RA rate. This estimate is based on groundwater pumping of 243,000 acre-feet at the RA of \$268 per acre-foot. The main reason for the rate change from \$244 per acre-foot in fiscal year 2012/13 to \$268 in 2013/14 was to increase the amount of imported water purchased to replenish the basins from 2,180 acre-feet in fiscal year 2012/13 to 16,000 acre-feet in 2013/14.

Additional sources of operating revenues are water sales from the Goldsworthy Desalter and the Leo Vander Lans AWTF.

Groundwater is a very economical source of water. For example, the District's RA is \$268 per acre-foot. The cost to pump and treat water to bring it up to drinking water standards adds slightly to the cost. In contrast, the average price for one acre-foot of treated imported water is projected to be about \$1,042, a savings of approximately \$774 per acre-foot.



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**TABLE 4 –
Comparative Revenue by Year by Fund**

Description	% Allocation Replenishment Fund	% Clean Water Fund	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Projected	2013/14 Budget
Replenishment Fund							
Replenishment Assessment	94%		\$40,845,000	\$42,647,000	\$42,837,000	\$47,001,000	\$61,217,000
LJVWTF - Water Supply	100%		\$1,311,000	\$878,000	\$1,178,000	\$896,000	\$964,000
Other Revenues/(Expenditures)	94%		\$(883,000)	\$(938,000)	\$(3,420,000)	\$(6,099,000)	\$(7,886,000)
Subtotal Replenishment Fund			\$41,273,000	\$42,587,000	\$40,595,000	\$41,798,000	\$54,295,000
Clean Water Fund							
Replenishment Assessment		6%	\$2,607,000	\$2,723,000	\$2,734,000	\$3,000,000	\$3,907,000
Goldsworthy Desalter Sales		100%	\$838,000	\$936,000	\$1,373,000	\$1,350,000	\$1,245,000
Other Revenues/(Expenditures)		6%	\$(56,000)	\$(60,000)	\$(219,000)	\$(389,000)	\$(503,000)
Subtotal Clean Water Fund			\$3,389,000	\$3,599,000	\$3,888,000	\$3,961,000	\$4,649,000
Total All Funds			\$44,662,000	\$46,186,000	\$44,483,000	\$45,759,000	\$58,944,000

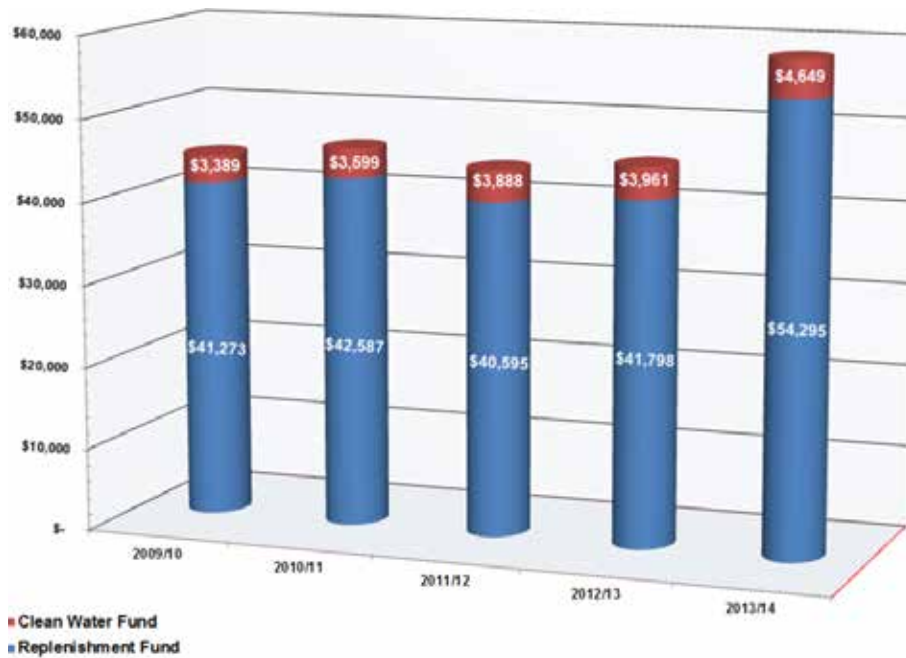


Figure 12 – Comparative Revenue by Fund (in thousands)

Capital Revenues

Basis for Capital Revenue Estimates

As listed in Table 4, the District receives revenue from two capital assets – the Leo J. Vander Lans AWTF – Water Supply and the Robert W. Goldsworthy Desalter. The basis for the capital revenue estimates are explained below.

Leo J. Vander Lans AWTF - Water Supply

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

Since the primary purpose of this project is to provide a more reliable means of replenishing the basins through injection, 100% of the revenue is allocated to the Replenishment Fund.

Robert W. Goldsworthy Desalter

The Robert W. Goldsworthy Desalter (Desalter) treats brackish groundwater to a level that can be used for potable purposes. The entire production capacity of the Desalter is sold to the City of Torrance and averages a little over 20,000 acre-feet per year. The rate established is roughly 94% of the cost of MWD water to Torrance. The rate at which Desalter water is sold to Torrance is recalculated, reconciled and renewed at the start of every calendar year.

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



Expenditures



Barrier Wells

The three seawater barriers (Alamitos, Dominguez Gap, and West Coast Basin Barriers) located along Los Angeles County's Coastal Plain are vital systems that sustain the Central and West Coast Basin's groundwater resources.

The barriers were designed to prevent further seawater intrusion into the basins. Additionally, the Dominguez Gap and West Coast Basin Barriers serve as the primary means of replenishing the West Coast Basin.



Expenditures

Operating and Capital Expenditures by Fund Allocation

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

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

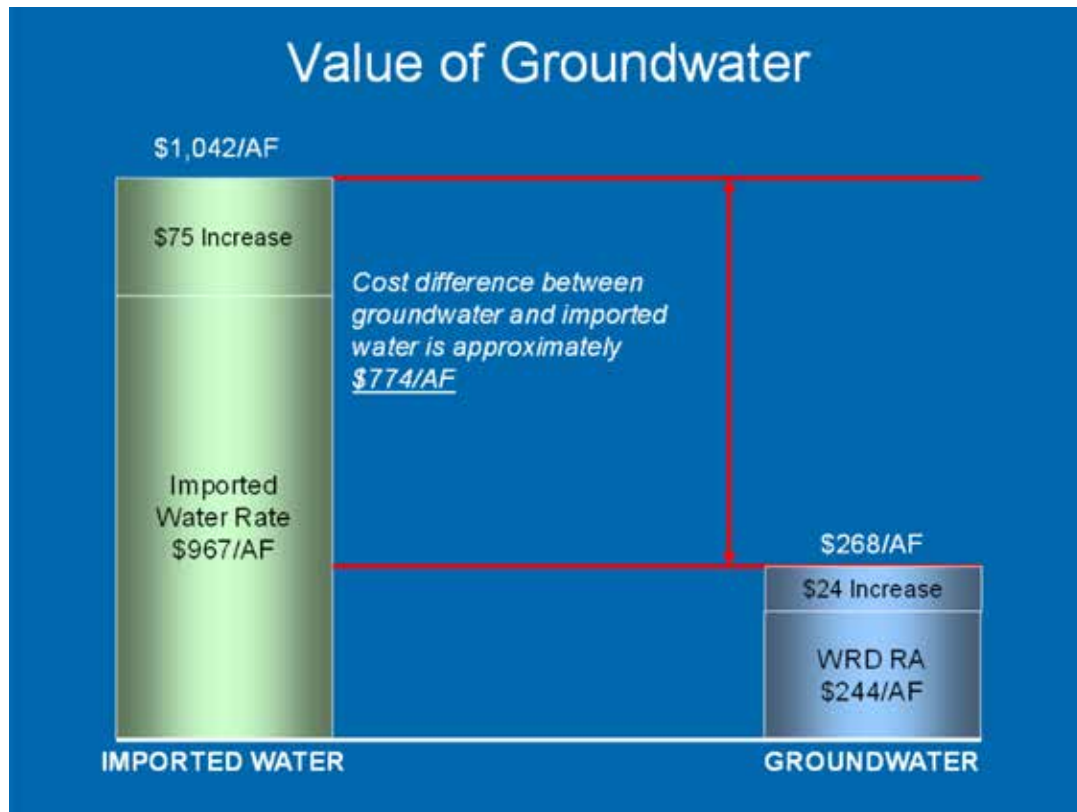


Figure 13 – Value of Groundwater

Annual Budget 2013/2014

Basis for Changes from 2012/13 Projected to 2013/14 Budget

Groundwater continues to be an extraordinary value. The cost difference between groundwater and imported water is approximately \$774 per acre-foot. When examining Table 6 – 2013/14 Budgeted Expenditures Analysis, it shows that budgeted expenses of \$53,223,000 for 2013/14 will exceed the projected expenses of \$42,763,000 for 2012/13. The primary reason for this \$10,460,000 million increase is due to the District's cost of water. In fiscal year 2012/13, the District only budgeted for 2,180 acre-feet of imported replenishment water in order to preserve the replenishment assessment at \$244 per acre-foot. For fiscal year 2013/14, the Board of Directors authorized staff to budget for 16,000 acre-feet of imported replenishment water, resulting in an increase of \$9,962,000.

In an effort to keep the increase to the replenishment assessment as low as possible, the District cut about \$1,110,000 or 13% of expenses out of the Project and Program costs. There is also an increase in Other Special Programs and Supportive Costs of \$1,651,000. About 35% of the increase is due to the District adding costs related to the annual Proposition 218 process. The other 65% is due to a projected decrease in the expected costs in 2012/13; savings that we do not anticipate in 2013/14.



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**Table 5A -
Schedule of Expenditures by Fund Allocation - Replenishment Fund**

Description	% Allocation		2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Projected	2013/14 Budget
	Replenishment Fund	Clean Water Fund					
Replenishment Fund (RF)							
RF Operating Expenses							
Water Purchases	100%		\$33,810,000	\$36,507,000	\$23,909,000	\$24,119,000	\$34,128,000
Water Conservation***	50%		\$931,000	\$383,000	\$433,000	\$537,000	\$394,000
Water Supply - Vander Lans	100%		\$1,952,000	\$1,942,000	\$2,598,000	\$2,201,000	\$2,480,000
Montebello Forebay Recycled Water	100%		\$317,000	\$359,000	\$228,000	\$626,000	\$601,000
Groundwater Resource Planning	100%		\$813,000	\$1,269,000	\$1,287,000	\$1,331,000	\$907,000
Dominguez Gap Barrier Recycled Water	100%		\$237,000	\$381,000	\$173,000	\$235,000	\$242,000
Replenishment Operations	100%		\$184,000	\$298,000	\$3,260,000	\$740,000	\$571,000
Groundwater Reliability Improvement Program (GRIP)	100%		\$1,000	\$92,000	\$65,000	\$197,000	\$310,000
Geographic Information Systems (GIS)	50%		\$61,500	\$47,500	\$39,500	\$109,000	\$121,000
Groundwater Monitoring	50%		\$322,500	\$362,000	\$372,500	\$580,000	\$521,000
Hydrogeology Program	50%		\$202,000	\$304,000	\$373,000	\$570,000	\$397,000
Water Education***	50%		\$225,000	\$659,000	\$676,000	\$566,000	\$398,000
Board of Directors	94%		\$367,000	\$352,000	\$334,000	\$344,000	\$342,000
General Manager	94%		\$324,000	\$324,000	\$357,000	\$352,000	\$351,000
Administration	94%		\$4,388,000	\$5,368,000	\$4,912,000	\$3,223,000	\$3,117,000
GASB 45 (Required Retirement Funding)	94%		\$241,000	\$815,000	\$535,000	\$700,000	\$730,000
Other Special Programs & Supportive Costs	94%		\$423,000	\$1,059,000	\$1,518,000	\$2,037,000	\$3,589,000
Subtotal RF Operating Expenses			\$44,799,000	\$50,521,500	\$41,070,000	\$38,466,000	\$49,199,000
RF Capital Expenses							
Water Supply - Vander Lans	100%		\$352,000	\$626,000	\$2,364,000	\$8,000,000	\$24,932,000
Cal Trans Pipeline	100%		\$1,000	\$1,000	\$1,000	\$-	\$-
Groundwater Monitoring	50%		\$301,000	\$126,000	\$994,000	\$1,250,000	\$1,900,000
GRIP	100%		\$405,000	\$348,000	\$428,000	\$5,825,000	\$3,850,000
Alamitos Barrier Observation Wells (Partner w/LACFCD)	100%		\$-	\$-	\$-	\$1,950,000	\$-
Whittier Narrows Conservation Pool Study	100%		\$-	\$-	\$-	\$576,000	\$626,000
Subtotal RF Capital Expenses			\$1,059,000	\$1,101,000	\$3,787,000	\$17,601,000	\$31,308,000
Total Replenishment Fund			\$45,858,000	\$51,622,500	\$44,857,000	\$56,067,000	\$80,507,000

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**Table 5B -
Schedule of Expenditures by Fund Allocation - Clean Water Fund**

% Allocation							
Description	Replenishment Fund	Clean Water Fund	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Projected	2013/14 Budget
Clean Water Fund (CWF)							
CWF Operating Expenses							
Water Conservation***		50%	\$60,000	\$24,000	\$27,000	\$536,000	\$393,000
Goldsworthy Desalter		100%	\$884,000	\$860,000	\$1,036,000	\$1,070,000	\$1,208,000
Water Quality Improvement Program		100%	\$321,000	\$424,000	\$529,000	\$326,000	\$352,000
Safe Drinking Water Program		100%	\$23,000	\$1,000	\$93,000	\$115,000	\$115,000
Geographic Information Systems (GIS)		50%	\$61,500	\$47,500	\$39,500	\$108,000	\$121,000
Groundwater Monitoring		50%	\$322,500	\$362,000	\$372,500	\$580,000	\$521,000
Hydrogeology Program		50%	\$202,000	\$304,000	\$373,000	\$570,000	\$397,000
Water Education***		50%	\$14,000	\$43,000	\$43,000	\$566,000	\$398,000
Board of Directors		6%	\$23,000	\$23,000	\$22,000	\$22,000	\$22,000
General Manager		6%	\$21,000	\$21,000	\$23,000	\$22,000	\$22,000
Administratiion		6%	\$279,000	\$343,000	\$313,000	\$206,000	\$199,000
GASB 45 (Required Retirement Funding)		6%	\$16,000	\$52,000	\$34,000	\$45,000	\$47,000
Other Special Programs & Supportive Costs		6%	\$27,000	\$68,000	\$97,000	\$130,000	\$229,000
Subtotal CWF Operating Expenses			\$2,254,000	\$2,572,500	\$3,002,000	\$4,297,000	\$4,024,000
CWF Capital Expenses							
Goldsworthy Desalter		100%	\$-	\$-	\$126,000	\$270,000	\$3,800,000
Montebello Forebay Optimization Study/ Pipeline		100%	\$-	\$-	\$-	\$-	\$600,000
Groundwater Master Plan Programmatic EIR		100%	\$-	\$-	\$-	\$600,000	\$-
Groundwater Monitoring		50%	\$301,000	\$126,000	\$995,000	\$1,250,000	\$1,900,000
Safe Drinking Water Program		100%	\$203,000	\$112,000	\$29,000	\$700,000	\$-
Subtotal CWF Capital Expenses			\$504,000	\$238,000	\$1,150,000	\$2,820,000	\$6,300,000
Subtotal Clean Water Fund			\$2,758,000	\$2,810,500	\$4,152,000	\$7,117,000	\$10,924,000
Subtotal Operating Expenses			\$47,053,000	\$53,094,000	\$44,072,000	\$42,763,000	\$53,223,000
Subtotal Capital Expenses			\$1,563,000	\$1,339,000	\$4,937,000	\$20,421,000	\$37,608,000
Total Expenses By Funds			\$48,616,000	\$54,433,000	\$49,009,000	\$63,184,000	\$90,831,000

***Water Conservation and Water Education - % allocation between RF and CWF are as follows:
Fiscal Years 2009/10, 2010/11 and 2011/12 Actual - 94% and 6%
Fiscal Year 2012/13 Projected & 2013/14 Budget - 50% and 50%

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**Table 6 –
2013/14 Budget Expenditures Analysis**

	2009/10	2010/11	2011/12	2012/13	2013/14	Change from 2012/13
Operations and Maintenance	Actual	Actual	Actual	Projected	Budget	Projection
Water Purchases	\$33,810,000	\$36,507,000	\$23,909,000	\$24,119,000	\$34,128,000	\$10,009,000
Water Conservation	\$991,000	\$407,000	\$460,000	\$1,073,000	\$787,000	\$(286,000)
Water Supply - Vander Lans	\$1,952,000	\$1,942,000	\$2,598,000	\$2,201,000	\$2,480,000	\$279,000
Projects/Programs	\$4,191,000	\$5,813,000	\$8,960,000	\$8,290,000	\$7,180,000	\$(1,110,000)
General Administration	\$5,402,000	\$6,431,000	\$5,961,000	\$4,168,000	\$4,053,000	\$(115,000)
GASB 45 (Required Retirement Funding)	\$257,000	\$867,000	\$569,000	\$745,000	\$777,000	\$32,000
Other Special Programs & Supportive Costs	\$450,000	\$1,127,000	\$1,615,000	\$2,167,000	\$3,818,000	\$1,651,000
Total Operating Expenditures	\$47,053,000	\$53,094,000	\$44,072,000	\$42,763,000	\$53,223,000	\$10,460,000

**Table 7 –
2013/14 Expenditures by Projects and Programs**

Description	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Projected	2013/14 Budget
Water Purchases	\$33,810,000	\$36,507,000	\$23,909,000	\$24,119,000	\$34,128,000
Water Conservation	\$991,000	\$407,000	\$460,000	\$1,073,000	\$787,000
Water Supply - Vander Lans	\$1,952,000	\$1,942,000	\$2,598,000	\$2,201,000	\$2,480,000
Goldsworthy Desalter	\$884,000	\$860,000	\$1,036,000	\$1,070,000	\$1,208,000
Montebello Forebay Recycled Water	\$317,000	\$359,000	\$228,000	\$626,000	\$601,000
Groundwater Resource Planning	\$813,000	\$1,269,000	\$1,287,000	\$1,331,000	\$907,000
Water Quality Improvement Program	\$321,000	\$424,000	\$529,000	\$326,000	\$352,000
Geographic Information Systems (GIS)	\$123,000	\$95,000	\$79,000	\$218,000	\$242,000
Groundwater Monitoring	\$645,000	\$724,000	\$745,000	\$1,160,000	\$1,042,000
Safe Drinking Water Program	\$23,000	\$1,000	\$93,000	\$115,000	\$115,000
Hydrogeology Program	\$404,000	\$608,000	\$746,000	\$1,140,000	\$794,000
Dominguez Gap Barrier Recycled Water	\$237,000	\$381,000	\$173,000	\$235,000	\$242,000
Replenishment Operations	\$184,000	\$298,000	\$3,260,000	\$740,000	\$571,000
Groundwater Reliability Improvement Program (GRIP)	\$1,000	\$92,000	\$65,000	\$197,000	\$310,000
Water Education	\$239,000	\$702,000	\$719,000	\$1,132,000	\$796,000
Board of Directors	\$390,000	\$375,000	\$356,000	\$366,000	\$364,000
General Manager	\$345,000	\$345,000	\$380,000	\$374,000	\$373,000
Administration	\$4,667,000	\$5,711,000	\$5,225,000	\$3,428,000	\$3,316,000
GASB 45 (Required Retirement Funding)	\$257,000	\$867,000	\$569,000	\$745,000	\$777,000
Other Special Programs & Supportive Costs	\$450,000	\$1,127,000	\$1,615,000	\$2,167,000	\$3,818,000
Total Operating Expenditures	\$47,053,000	\$53,094,000	\$44,072,000	\$42,763,000	\$53,223,000

Fund Balances



City of Norwalk



City of South Gate

The Safe Drinking Water Program was developed to provide area purveyors with incentives to construct wellhead treatment facilities to extract, treat, and put to beneficial use, contaminated groundwater that would otherwise be left in the ground.



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Fund Balances

Fund Balances and Reserve Levels

Based on §60290 of the Water Code, the District may establish an annual reserve fund in an amount not to exceed ten million dollars (\$10,000,000). These ten million dollars may be adjusted for the percentage increase or decrease in the blended cost of water from district water supply sources on an annual basis. There has been a 149% increase in the blended cost of water from District supply sources, based on the rolling average calculation from the 2001-02 base year and the current 2013/14 budget year. When applied to the \$10,000,000 in §60290 of the California State Water Code, the operating reserve increases to \$24,900,000. The District maintains an operating reserve under ten million dollars despite the increase in the blended cost of water.

If for some reason, the District has more than \$24,900,000 (adjusted for the blended cost of water), §60328.1 states that the District shall apply the estimated fiscal year-end balance in excess of the amount allowed in §60290 to a replenishment assessment rate reduction or to the purchase of water in the succeeding fiscal year. Additionally, §60291 also states that the limitation on the reserve established in §60290 does not apply to funds appropriated for capital projects.

Unreserved fund balances restricted by §60290 of the California Water Code are projected to be \$9,616,000 on June 30, 2014.

**Table 8 –
Projected Unreserved Fund Balances at June 30, 2014**

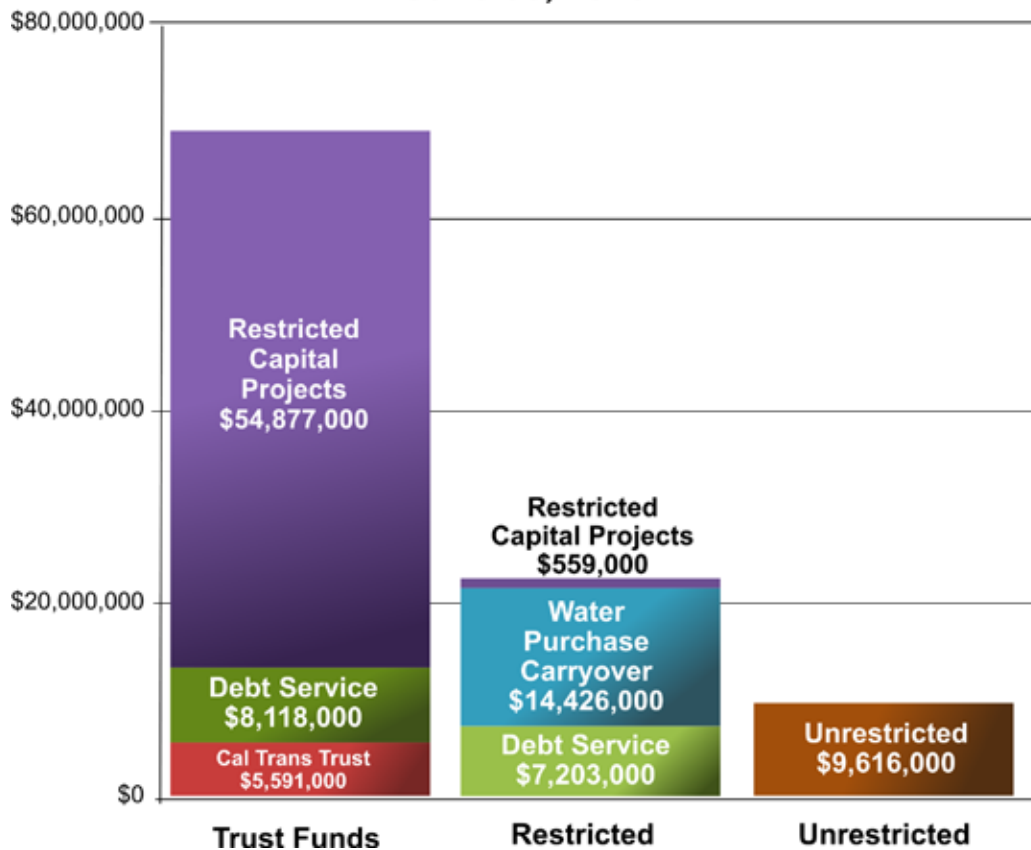
Description	Estimated Unreserved Fund Balances 6/30/2013	Estimated Revenues	Estimated Expenditures	COPs Debt Service	Replenishment of Operating Revenues	Deposit to Water Purchase Carryover Fund	Estimated Unreserved Fund Balances 6/30/2014
Replenishment Fund	\$9,039,040	\$62,665,000	\$(49,199,000)	\$(6,906,000)	\$(5,750,000)	\$(37,000)	\$9,812,040
Clean Water Fund	\$576,960	\$5,183,000	\$(4,024,000)	\$(1,932,000)	\$-	\$-	\$(196,040)
Total All Funds	\$9,616,000	\$67,848,000	\$(53,223,000)	\$(8,838,000)	\$(5,750,000)	\$(37,000)	\$9,616,000

**Table 9 –
Projected Unreserved Funds Balance Five Year Forecast**

Description	2013/14 Projected	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast
Beginning Funds Balance	\$9,616,000	\$9,616,000	\$14,623,000	\$14,944,000	\$13,678,000
Add: Estimated Revenues	\$67,848,000	\$72,227,000	\$74,901,000	\$80,004,000	\$84,378,000
Total Funds Available	\$77,464,000	\$81,843,000	\$89,524,000	\$94,948,000	\$98,056,000
Less: Estimated Expenditures	\$(53,223,000)	\$(58,870,000)	\$(61,020,000)	\$(62,510,000)	\$(64,840,000)
Annual Debt Service	\$(8,838,000)	\$(8,350,000)	\$(13,560,000)	\$(18,760,000)	\$(18,760,000)
Replenishment of Reserves	\$(5,750,000)	\$-	\$-	\$-	\$-
Deposit to Water Purchase Carryover Fund	\$(37,000)	\$-	\$-	\$-	\$-
Ending Funds Balance	\$9,616,000	\$14,623,000	\$14,944,000	\$13,678,000	\$14,456,000

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WRD Funds as of June 30, 2013



Projected June 30, 2013 Fund Balances

Trust Funds

Debt Service Reserve Fund	\$8,118,000
Cal Trans Trust	\$5,591,000
Restricted Capital Projects	\$54,877,000

Trust Funds - Total **\$68,586,000**

Restricted Cash

Debt Service Reserve Fund	\$7,203,000
Water Purchase Carryover Fund	\$14,426,000
Restricted Capital Projects	\$559,000

Restricted Cash - Total **\$22,188,000**

Unrestricted Cash **\$9,616,000**

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Restricted for Capital Projects – This category represents funds encumbered for capital projects. This includes the remaining funds in the construction account from the 2011 COP which has not yet been used and is held by the Bond Trustee.

Water Purchase Carryover Fund – This category of represents funds originally budgeted for imported spreading water carried over from previous years when imported spreading water was unavailable for purchase. The District only uses these funds to purchase water in future years when water becomes available.

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

Debt Service Reserve – As required by the District's 2004, 2008 and 2011 Trust Agreements, these funds are held by the Trustee to pay principal and interest in the event the WRD does not have the funds to properly pay its debt. These funds are unavailable to the District until the debt matures 30 years after issuance of the debt.

Cash and Investments By Type (Rounded to nearest thousand)

Cash and Investments	
Cash and Cash Equivalents ²	\$ 50,520,000
Certificates of Deposit ²	\$ 49,870,000

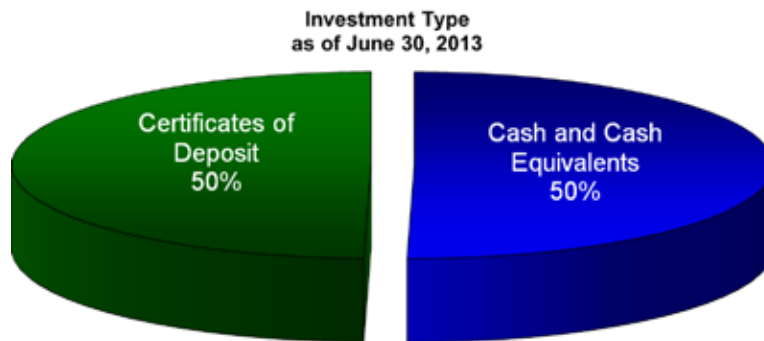


Figure 14 – Investment Type

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Cash and Investments By Institution

(Rounded to nearest thousand)

Cash and Investments:

Local Agency Investment Fund (LAIF) ¹	\$1,853,000
Beach Business Bank ²	\$250,000
One United Bank ²	\$247,000
Broadway Federal Bank ²	\$244,000
US Bank (formerly CalNational Bank) ²	\$243,000
Union Bank ²	\$240,000
Bank of the West ²	\$240,000
Preferred Bank ²	\$245,000
Manufacturers Bank ²	\$19,678,000
ProAmerica Bank ²	\$15,331,000
First Bank ²	\$240,000
US Bank (Trustee) ²	\$61,579,000

Footnotes:

1 – The Local Agency Investment Fund (LAIF): There is no insurance applied to individual securities, sectors of the portfolio, or the portfolio in general. However, due to the characteristics of the Pooled Money Investment Account for LAIF, credit risk is minimal. Additionally, LAIF monies are protected by statute. The State of California cannot borrow or withhold LAIF monies per California Government Code §16429.4.

2 – Cash & Cash Equivalents and Certificates of Deposit: Amounts are either insured by the Federal Deposit Insurance Company (FDIC) or secured by the bank's assets. Funds are also held in Certificate of Deposit Account Registry Service or CDARS; a very safe way to invest funds up to \$50 million while continuing to be FDIC insured.

Cash & Investment as of June 30, 2013
(in thousands)

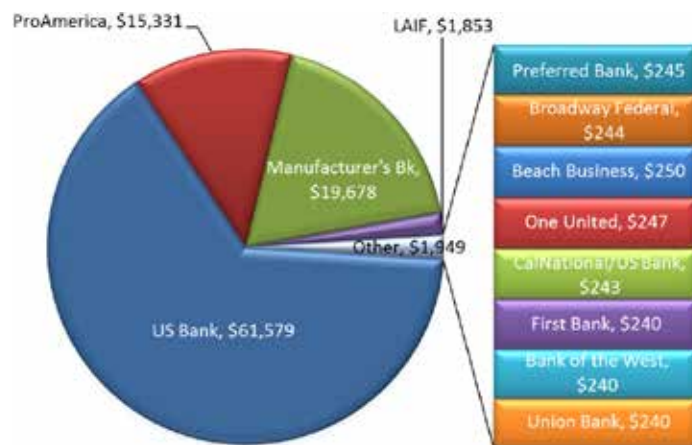
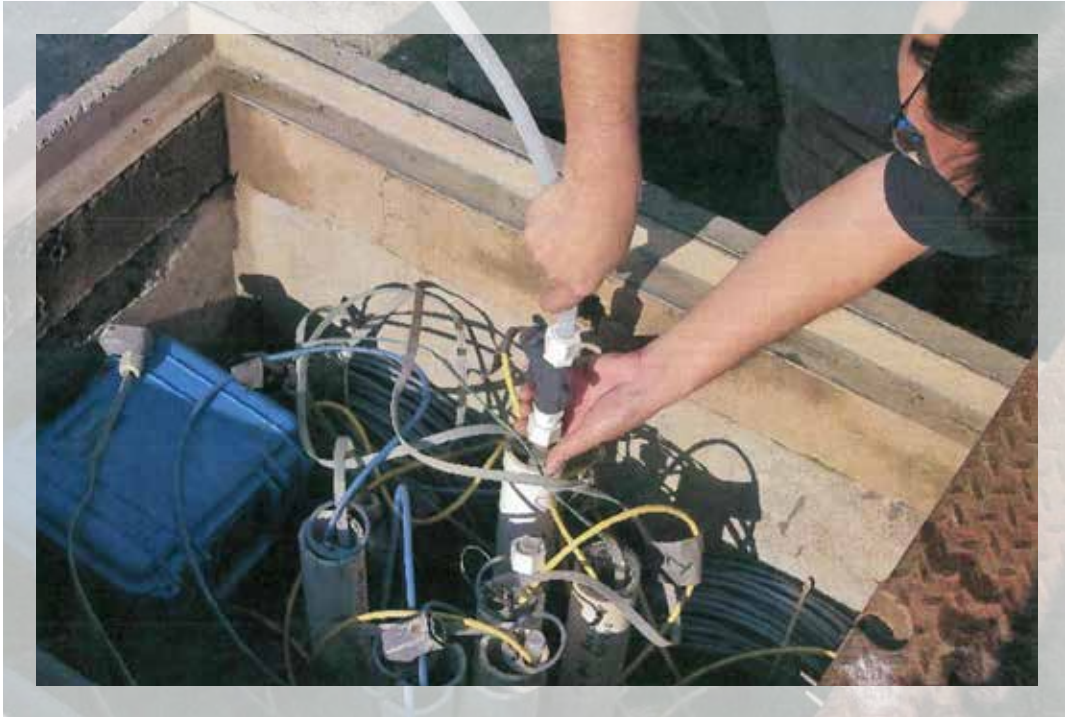


Figure 15 – Cash & Investment by Institution

Capital Improvement Program



Well Sample Collection



Capital Improvement Program (CIP)

The WRD's primary responsibilities are to protect the basins by replenishing groundwater, deter seawater intrusion, and remove contaminants from the groundwater. Furthermore, with the recent drought and future uncertainty of imported water, the District is moving forward with the WIN program, a series of projects that will fully utilize stormwater and recycled water sources to protect the basins and to ensure sustainable, reliable local groundwater supply to WRD's stakeholders. The Figure 16 below depicts the past 12 years of imported water cost versus the cost of groundwater.

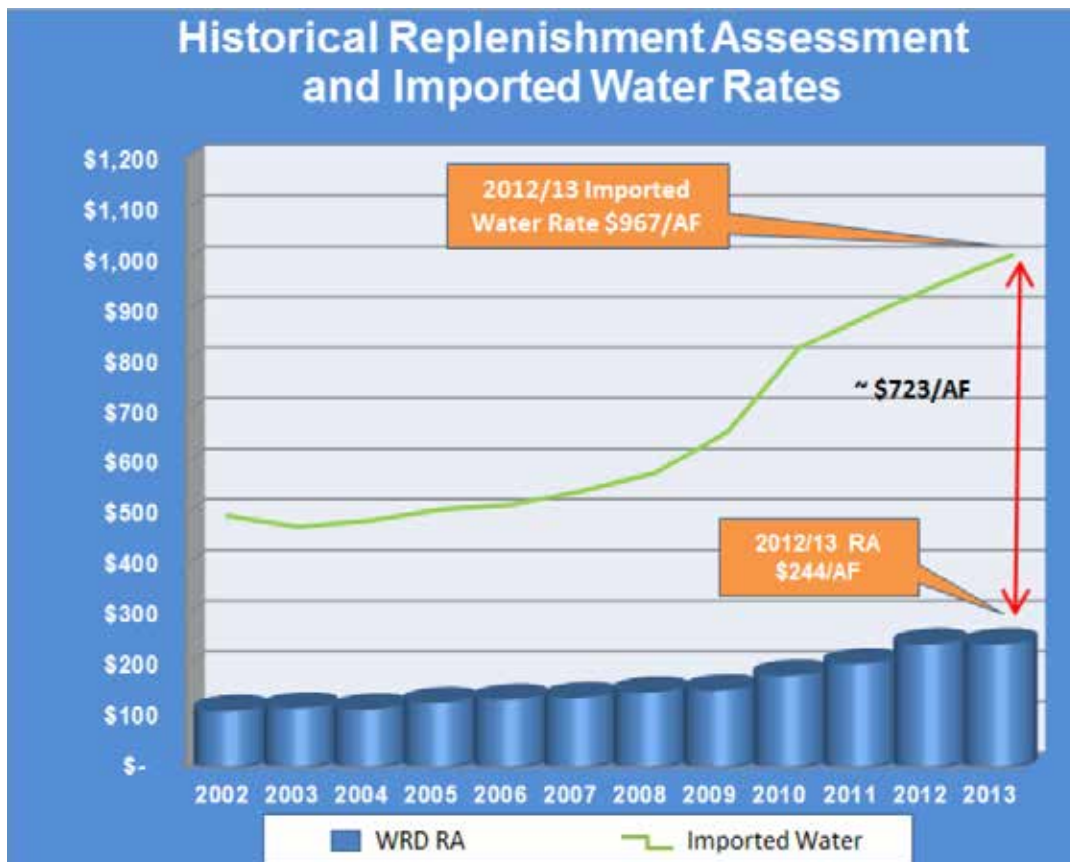


Figure 16 – Historical WRD RA & Imported Water Rates

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

The District's CIP intends to serve as a comprehensive planning document that identifies capital project expenditures in conjunction with anticipated revenue sources (e.g. grant funding, etc.) for the current and the next five fiscal years. In consultation with the stakeholders and as additional information becomes available, expenditure and revenue estimates for the later fiscal years will be amended as appropriate to reflect changing conditions.

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For the purpose of financial and budget planning, the CIP accounts for all capital projects that generally meet one or more of the following criteria:

- Not operation, maintenance, or capital outlay items (e.g. computer software, office furniture, etc.), which are necessary to support the day-to-day functions of the District.
- Typically non-recurring, one-time expenditures.
- Expenditures spanning over two fiscal years or longer.
- Total project costs exceeding \$20,000.

The final CIP serves as a planning document, complementing the development of the District's annual operating budget.

The projects included in the current CIP are listed below:

1. Leo J Vander Lans AWTF Expansion
2. Groundwater Reliability Improvement Program (GRIP)
3. Regional Groundwater Monitoring Program
4. Safe Drinking Water Program
5. Whittier Narrows Conservation Pool Study
6. Goldsworthy Desalter Expansion
7. Montebello Forebay Optimization Study Update

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

**Table 10 –
Capital Improvement Program Five Years Projected Capital Expenditures by Projects**

Project Description	2013/14 Budget	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected
Leo J. Vander Lans AWTF Expansion	\$24,932,000	\$1,622,000	\$-	\$-	\$-
Groundwater Reliability Improvement Program (GRIP)	\$3,850,000	\$6,500,000	\$250,000	\$60,600,000	\$35,750,000
Regional Groundwater Monitoring Program	\$3,800,000	\$-	\$-	\$-	\$-
Safe Drinking Water Program	\$-	\$1,000,000	\$1,700,000	\$-	\$-
Whittier Narrows Conservation Pool Study	\$626,000	\$1,812,000	\$1,812,000	\$-	\$-
Goldsworthy Desalter Expansion	\$3,800,000	\$4,000,000	\$10,000,000	\$-	\$-
Montebello Forebay Optimization Study/ Pipeline	\$600,000	\$-	\$-	\$-	\$-
Total Capital Expenditures	\$37,608,000	\$14,934,000	\$13,762,000	\$60,600,000	\$35,750,000

Leo J Vander Lans AWTF Expansion Fact Sheet

PROJECT TITLE

Leo J. Vander Lans Advanced Water Treatment (AWTF) Facility Expansion

PROJECT COSTS

- Design and construction - considering grant funding: \$31 million for AWTF (\$26.5 million in the next five years)
- Operation and maintenance: \$6 million per year.
- Source water from Long Beach WRP.

PROJECT BENEFITS

- Conservation of recycled water that is currently wasted to the ocean.
- Secures a reliable source of water to meet 100% of Alamitos Barrier demands.

PROJECT DESCRIPTION

The Leo J. Vander Lans AWTF Expansion will provide the additional capacity needed to provide 100% recycled water to the Alamitos Barrier. The source water for the expansion will be tertiary treated recycled water from the LACSD Long Beach WRP. The water will be discharged into the LACDPW's pipeline for conveyance to the Alamitos Gap Barrier. Since the existing Leo J. Vander Lans AWTF was designed and constructed with consideration for a future expansion, much of the site preparation work and water conveyance pipelines have already been completed.

CURRENT STATUS

- Construction of the AWTF is in progress to expand the facility from 3 to 8 MGD so that it can provide up to 100% recycled water to the Alamitos Barrier.
- Construction of the AWTF started in January, 2013.

LOCATION MAP



Groundwater Reliability Improvement Program Fact Sheet

PROJECT TITLE

Groundwater Reliability Improvement Program (GRIP)

PROJECT PURPOSE

This project will reduce non-interruptible imported water demand by 21,000 acre-feet per year by using recycled water that would otherwise be wasted to the ocean.

PROJECT COSTS

- ❑ Design and construction: Estimated at \$106.9 million – dependent on quantity of water requiring advanced treatment
- ❑ Operation and maintenance: dependent on the level of treatment required, assumed at \$750 per acre-foot
- ❑ Source water (based of LACSD shared savings program)
 - Source water for GRIP AWTF component
 - Source water for GRIP Tertiary component
 - Negotiated rate for existing 50,000 acre-feet of tertiary recycled water.

PROJECT BENEFITS

- ❑ Conservation of 21,000 acre-feet per year of recycled water that is currently wasted to the ocean and a reduction in imported water purchases by a like amount.
- ❑ Secure rights to existing 50,000 acre-feet per year of tertiary water.

PROJECT DESCRIPTION

GRIP will offset 21,000 acre-feet per year of imported water purchases with locally available recycled water.

The level of treatment required for this 21,000 acre-feet of recycled water is currently being assessed. For planning purposes, it is assumed that 10,000 acre-feet of this water will require advanced treatment from a new treatment facility (GRIP AWTF) and the remaining 11,000 acre-feet will be tertiary water from existing treatment facilities (GRIP Tertiary)

CURRENT STATUS

- ❑ Preliminary Engineering and Feasibility Study completed in November 2012.
- ❑ Initiated EIR in 2013 with expected completion in early February 2014.
- ❑ Initiation of 30 percent of design work to begin in 2013.

LOCATION MAP



Regional Groundwater Monitoring Program Fact Sheet

PROJECT TITLE
Regional Groundwater Monitoring Program

PROJECT PURPOSE
This program provides for the collection of basic information used for groundwater basin management including groundwater level data and water quality data.

PROJECT DESCRIPTION
The Regional Groundwater Monitoring Program provides for the collection of basic information used for effective groundwater basin management including groundwater level data and water quality data. The information generated by this program is stored in the District's GIS and provides the basis to better understand the dynamic changes in the Central and West Coast Basins. WRD staff, comprised of hydrogeologists and engineers provides the in-house capability to collect, analyze and report groundwater data.

PROJECT COSTS
Capital cost of \$3.8 million in the next five years, which includes two standard wells (~1,800 feet deep each), one deep research well (~3,000 feet deep), and 4 shallow wells.

PROJECT BENEFITS
The construction of these monitoring wells will further the District's ability to track contamination migration, monitor water levels in current data gap areas, and provide hydrogeologic data for special projects.



Safe Drinking Water Program Fact Sheet

PROJECT TITLE
Safe Drinking Water Program

PROJECT PURPOSE
To provide incentives to groundwater producers to pump and treat contaminated groundwater rather than abandoning affected wells.

PROJECT COSTS
Capital funding assistance for VOC treatment facilities not to exceed \$1 million per year.

PROJECT BENEFITS
Clean-up of groundwater contamination that may otherwise migrate and affect other wells. Monetary incentives provided by the District encourage groundwater pumpers to pump and treat contaminated groundwater rather than abandoning the well.

PROJECT DESCRIPTION
The Safe Drinking Water Program includes two categories. Under Category A, pumpers with wells contaminated by high levels of VOCs are provided grants for the design & construction of a wellhead treatment system to remove contamination. Under Category B, pumpers are provided zero-interest loans for wellhead treatment for non-VOC primary and secondary constituents such as iron and manganese.

LOCATION MAP
(Basin Wide Program)



Whittier Narrows Conservation Pool Study Fact Sheet

PROJECT TITLE

Whittier Narrows Conservation Pool Study

PROJECT PURPOSE

This project will reduce imported water demand by 1,100 acre-feet per year by conserving stormwater that would otherwise be wasted to the ocean.

PROJECT COSTS

- Net cost to WRD: \$574,000. Total project cost \$4.25 million, \$3.68M of which provided by outside funding sources.
- \$1.1 million for Conservation Study
- \$2.0 million for Dam Safety Study
- \$0.6 million from Prop 84 IRWM

PROJECT BENEFITS

- Conservation of 1,100 acre-feet per year of stormwater that would otherwise be wasted to the ocean. This water will offset untreated Tier 1 imported water purchases.

CURRENT STATUS

- Conservation Study expected to be initiated in FY13/14

PROJECT DESCRIPTION

The Whittier Narrows Conservation Pool Study will allow for the increase of the conservation pool elevation from 201.6' to 205' and allow for the capture and conservation of approximately 1,100 acre-feet per year of local stormwater.

This increase requires no capital improvements, but does, however, require approval of the U.S. Army Corps of Engineers and updates to various studies and environmental documents related to the dam operations at an increased conservation pool elevation.

LOCATION MAP



Goldsworthy Desalter Expansion Fact Sheet

PROJECT TITLE

Goldsworthy Desalter Expansion

PROJECT PURPOSE

Extraction and remediation of a trapped saline plume in the West Coast Basin by expanding the District's existing Goldsworthy Desalter.

PROJECT COSTS

- Expected costs for the coming years will involve design and construction of the plant expansion.

PROJECT BENEFITS

- Remediation of trapped saline plume in the West Coast Basin and the development of a potable water source.

CURRENT STATUS

The District has conducted a feasibility study in late 2012 that evaluated several options for expanding the capacity of the desalter.

The IS/MND was completed in March, 2013 with design work expected to begin shortly thereafter. Construction is expected to begin in FY 13/14.

PROJECT DESCRIPTION

The Goldsworthy Desalter Expansion would increase the treatment capacity of the existing desalter by approximately 3,000 acre-feet per year. It is anticipated that the product water from this facility expansion would be used by the City of Torrance.

Additional measures may be necessary in the future to fully contain and remediate the saline plume, which extends outside of the Torrance area. WRD continues to work with stakeholders in the West Coast Basin in determining long term solutions for removal of the saline plume.

LOCATION MAP



Montebello Forebay Recharge Enhancement Study Fact Sheet

PROJECT TITLE

Montebello Forebay Recharge Enhancement Study

PROJECT PURPOSE

The purpose of this study is to identify opportunities for increased groundwater recharge of locally available water supplies in the Montebello Forebay area of the Central Basin.

PROJECT COSTS

- Update and Preliminary Analysis: \$600,000

PROJECT BENEFITS

- Additional recharge opportunities identified as part of this study will offset more costly and less reliable imported water purchases.

PROJECT DESCRIPTION

The Montebello Forebay, located in the northeastern portion of the Central Basin, provides the vast majority of artificial recharge to the Central Basin aquifers.

The Montebello Forebay Recharge Enhancement Study will build on information collected through previous studies and reflect currently operating conditions in the Montebello Forebay. Data collected will be used to identify opportunities for enhanced recharge and extraction.

LOCATION MAP



Long-Term Debt

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

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

- A large service area encompassing 43 cities and approximately 4 million residents of Los Angeles County
- The District's competitive advantage as a provider of relatively low-cost water to regional retail water systems; and
- A moderate capital plan that will be partly financed with pay-as-you-go resources.

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

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

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

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

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

The District now has AA+ bond ratings from both Standard and Poor's and Fitch Ratings.

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There is currently no debt service limit or ceiling documented in the California State Water Code for the WRD. The costs associated with the CIP projects will be primarily funded through long-term debt. The operating impact associated with the 2004, 2008 and 2011 Series Bonds for fiscal year 2013/14 budgeted for \$8.84 million as follows:

	Interest	Principal	Debt Service Coverage	Total
2004 COP	\$569,000	\$385,000	\$572,000	\$1,526,000
2008 COP	\$966,000	\$350,000	\$789,000	\$2,105,000
2011 COP ^a	\$3,254,000	\$-	\$1,952,000	\$5,206,000
Total	\$4,789,000	\$735,000	\$3,313,000	\$8,837,000

a – Principal payments for the 2011 COP begin August 2014

Replenishment Projects & Programs



Rio Hondo Spreading Grounds in Pico Rivera, California

The projects and programs identified under Replenishment Projects and Programs are ones that have been developed with the main purpose of producing an alternative source of water for the District's replenishment program.



Replenishment Projects and Programs

Water Purchases

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

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

Recycled Water:

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

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

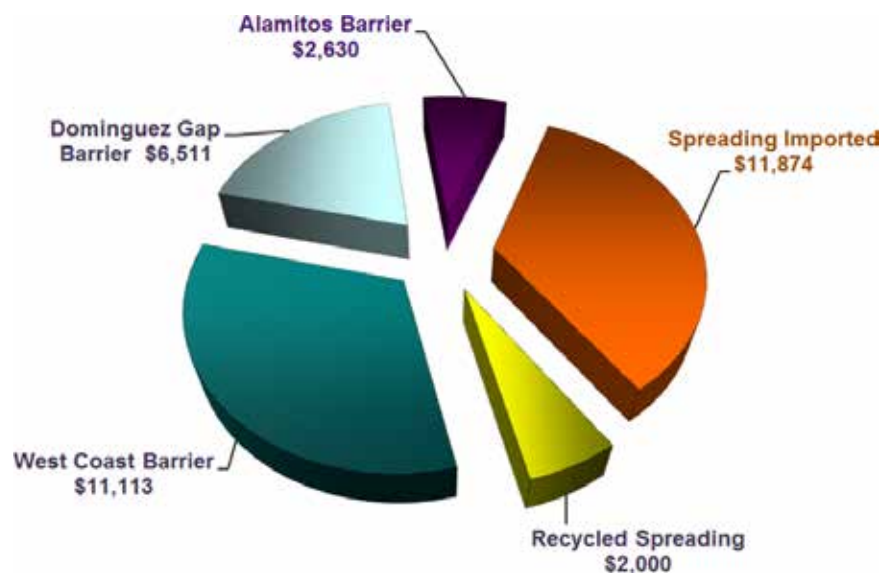


Figure 17 – 2013/14 Cost of Replenishment Water (in thousands)

Recommended

Quantities of Replenishment Water

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

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**Table 11 –
Cost of Replenishment Water for Fiscal Year 2013/14**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Increase (Decrease) Over Prior Year
IMPORTED WATER			
Spreading - Tier 1 Untreated Imported			
MWD Untreated Tier 1 - Spreading	\$-	\$9,488,000	\$9,488,000
MWD RTS Charge	\$-	\$500,000	\$500,000
CBMWD Administrative Surcharge	\$-	\$1,500,000	\$1,500,000
CBMWD Water Service Charge	\$373,000	\$386,000	\$13,000
Total Spreading - Tier 1 Untreated Imported	\$373,000	\$11,874,000	\$11,501,000
Alamitos Barrier - Imported			
MWD Treated Tier 1 - Alamitos Barrier	\$2,084,000	\$2,198,000	\$114,000
MWD Capacity Charge	\$30,000	\$55,000	\$25,000
LBWD RTS	\$225,000	\$264,000	\$39,000
LBWD Administrative Surcharge	\$13,000	\$13,000	\$-
Total Alamitos Barrier - Imported	\$2,352,000	\$2,530,000	\$178,000
Dominguez Barrier - Imported			
MWD Tier 1 - Barriers	\$2,099,000	\$2,858,000	\$759,000
MWD RTS Charge	\$405,000	\$343,000	\$(62,000)
WBMWD Capacity Charge	\$67,000	\$198,000	\$131,000
WBMWD Administrative Surcharge	\$321,000	\$272,000	\$(49,000)
WBMWD Water Service Charge	\$19,000	\$50,000	\$31,000
Total Dominguez Barrier - Imported	\$2,910,000	\$3,721,000	\$811,000
West Coast Barrier - Imported			
MWD Tier 1 - Barriers	\$6,632,000	\$-	\$(6,632,000)
MWD RTS Charge	\$1,013,000	\$112,000	\$(901,000)
WBMWD Capacity Charge	\$168,000	\$65,000	\$(103,000)
WBMWD Administrative Surcharge	\$802,000	\$89,000	\$(713,000)
WBMWD Water Service Charge	\$47,000	\$17,000	\$(30,000)
Total West Coast Barrier - Imported	\$8,662,000	\$283,000	\$(8,379,000)
In-lieu			
MWD Member Agency	\$1,539,000	\$-	\$(1,539,000)
Total for In-lieu Payments	\$1,539,000	\$-	\$(1,539,000)
RECYCLED WATER			
Dominguez Barrier - Recycled			
LADWP Recycled Water	\$960,000	\$2,790,000	\$1,830,000
Total Dominguez Barrier - Recycled	\$960,000	\$2,790,000	\$1,830,000
Spreading - Recycled			
SDLAC - Tertiary Water (WN, SJC, Pomona)	\$2,036,000	\$2,000,000	\$(36,000)
Total Spreading - Recycled	\$2,036,000	\$2,000,000	\$(36,000)
West Coast Barrier - Recycled			
WBMWD Recycled Water	\$5,288,000	\$10,830,000	\$5,542,000
Total West Coast Barrier - Recycled	\$5,288,000	\$10,830,000	\$5,542,000
Alamitos Recycled - WRD			
WRD Recycled Water - Vander Lans	\$-	\$100,000	\$100,000
Total Alamitos Recycled - WRD	\$-	\$100,000	\$100,000
Total Water Purchases	\$24,119,000	\$34,128,000	\$10,009,000

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**Table 12 –
Quantity of Water Purchases in Acre-Feet for
Fiscal Year 2013/14**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Increase (Decrease) Over Prior Year
Imported Water			
Spreading Imported	-	16,000.00	16,000.00
West Coast Barrier Imported	7,500.00	-	(7,500.00)
Dominguez Gap Imported	3,000.00	3,250.00	250.00
Alamitos Imported	2,500.00	2,500.00	-
In Lieu - MWD Member Agency	2,180.00	-	(2,180.00)
Recycled Water			
Spreading Recycled (SJC & WN)	55,000.00	50,000.00	(5,000.00)
West Coast Barrier Recycle	7,500.00	15,000.00	7,500.00
Dominguez Gap Recycled	1,600.00	3,250.00	1,650.00
Alamitos Recycled	1,600.00	1,600.00	-
Total Water Purchases	80,880.00	91,600.00	10,720.00

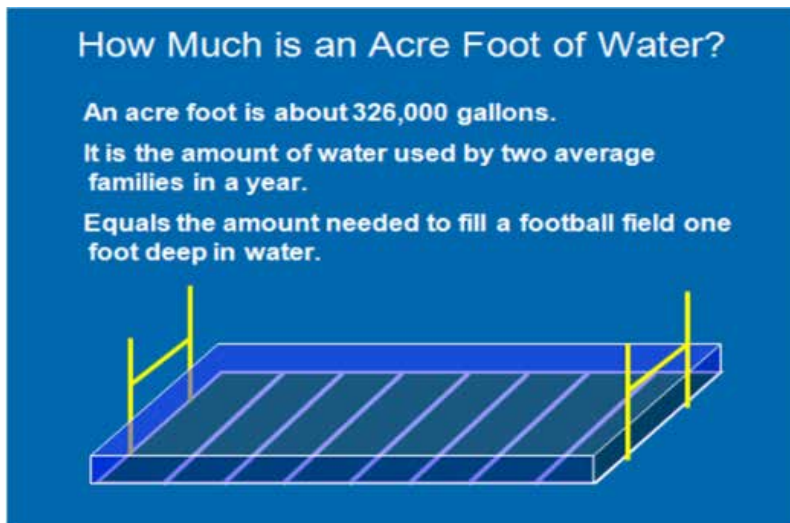


Figure 18 - Definition of Acre-Foot

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

Background

This facility provides advanced treatment to recycled water through a process train that includes microfiltration (MF), reverse-osmosis (RO), and ultraviolet (UV) light. The product water from this facility replaces 50% of the imported water now supplying the nearby Alamitos Seawater Intrusion Barrier, thereby improving the reliability and quality of supply to the barrier.

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

**Table 13 –
Project 001 - Water Supply
Vander Lans Budget Summary**

EXPENSE CATEGORY	2012/13	2013/14	Over/(Under)
	Projection	Budget	Budget
Professional Services	\$1,464,000	\$1,591,000	\$127,000
R&M / Materials / Equipment	\$386,000	\$525,000	\$139,000
Other Expenses	\$26,000	\$9,000	\$(17,000)
Other General & Administrative	\$324,000	\$355,000	\$31,000
Total	\$2,200,000	\$2,480,000	\$280,000

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

2012/13 Accomplishments

- Awarded Top Project for 2012 by the Water & Wastes Digest.
- Completed CEQA/NEPA approval for plant expansion.
- Submitted Title 22 Engineering Report to the Regional Water Board and applied for recycled water permit amendment.
- Conducted a competitive bidding and awarded a construction contract for expansion of the Vander Lans Facility. The construction was about 25 percent complete as of June 2013.
- Awarded approximately \$2.7 million through the federal Title XVI funding grant to cover the costs for construction.
- Awarded approximately \$4.7 million through Proposition 84 funding grant to cover the costs for construction.
- Presented papers at several national and regional professional conferences on WRD's innovative and creative approach to facility expansion.
- Continued compliance monitoring of plant effluent and groundwater to ensure that the operation of the project satisfied regulatory requirements.
- Continued to conduct recycled water testing to ensure satisfaction of water quality criteria for the County of Los Angeles Department of Public Works.
- Approximately 2100 acre-feet of recycled water was produced and injected into the Alamitos Barrier.

2013/14 Objectives

- Complete 90 percent construction for plant expansion.
- Obtain amended recycled water permit for plant expansion from the Regional Water Board.
- Continue to comply with regulatory requirements for monitoring and compliance.
- Continue to conduct recycled water testing to ensure satisfaction of water quality criteria for the County of Los Angeles Department of Public Works.
- Continue operation of the plant through construction with minimum shutdowns.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The primary reason for the \$280,000 increase over the prior year is due to an increased need for outside consultants and budgeting for potential repairs and maintenance expense in 2013/14.

Project 004 Montebello Forebay Recycled Water

Background

Using recycled water to replenish the groundwater basins provides a reliable source of water for surface spreading in the Montebello Forebay and injection at the seawater intrusion barriers. In view of the potential for drought conditions to strike California and uncertainty in the future availability of imported supplies, this resource has become increasingly attractive. Using more recycled water improves the reliability of the local groundwater supply.

WRD participates in various activities to ensure that the use of recycled water continues to be safe for groundwater recharge. From an operational standpoint, the District will continue to perform groundwater monitoring as required by permits and provide results to the regulatory agencies to ensure that the current practice and operation of utilizing recycled water with other waters continues to be safe.

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

Recycled water use at the three seawater intrusion barrier systems (Alamitos, West Coast Basin, and Dominguez Gap Barriers) is a large component of the District's overall resource mix. Work associated with the use of recycled water at those facilities is maintained under the specific project (e.g., Leo J. Vander Lans Water Treatment Facility) that delivers that resource to the barriers or under the program related to recycled water use at the specified barrier.

Projects under this program help to improve the reliability and utilization of an available local resource. This resource is used to improve replenishment capabilities and is thus funded 100% from the Replenishment Fund

Table 14 – Project 004 - Montebello Forebay Recycled Water Budget Summary			
EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$303,000	\$325,000	\$22,000
R&M / Materials / Equipment	\$20,000	\$32,000	\$12,000
Other Expenses	\$45,000	\$48,000	\$3,000
Other General & Administrative	\$258,000	\$196,000	\$(62,000)
Total	\$626,000	\$601,000	\$(25,000)

2012/13 Accomplishments

- Complied with permit requirements for groundwater monitoring of bi-monthly monitoring wells and semi-annual production wells and with quarterly monitoring of intakes to spreading facilities.
- Successful at getting the recycled water permit for the Montebello Forebay extended from a 5-year running average to a 10-year running average, which enabled the District to continue to use recycled water at the spreading grounds.
- Presented at the 2013 California WateReuse Conference on the District's experience as one of the first in the state to implement the California Department of Public Health's Draft Groundwater Replenishment Reuse Regulations and the State Water Resource Control Board's Recycled Water Policy.
- Abstract accepted to the 2013 National WateReuse Symposium (September) on the District's experience of implementing the California Department of Public Health's Draft Groundwater

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Replenishment Reuse Regulations and the State Water Resource Control Board's Recycled Water Policy, using the Vander Lans expansion as a case study.

- Participated in the California Department of Public Health's (CDPH) development of updated regulatory requirements for groundwater recharge with recycled water.
- Participated in the development and amendment of a bill (AB2398) sponsored by the California WaterReuse Association and aimed at significantly expanding the development and use of safe and reliable recycled water in California by streamlining the various regulations pertaining to the use of recycled water.
- Participated in the development and amendment of a bill (AB145) aimed at moving the Drinking Water Division of CDPH to the State Water Resource Control Board, a move that would impact all of the District's barrier and spreading ground permits.
- Participating in several research investigations to address regulatory issues and concerns, such as the environmental buffer research.
- Completed a 2-year tracer test using sulfur hexafluoride to determine travel times to a production well after sealing off shallow perforations.
- Continued a tracer test using sulfur hexafluoride, boron-10 and bromide to determine travel times to shallow monitoring wells.
- Drilled 8 new nested monitoring wells around test basin facility at San Gabriel Spreading Grounds for ongoing tracer tests.

2013/14 Objectives

- Continue to comply with permit requirements for groundwater monitoring of bi-monthly monitoring wells and semi-annual production wells and with quarterly monitoring of intakes to spreading facilities.
- Continue to participate with the State Department of Public Health in the development of updated regulatory requirements for groundwater recharge with recycled water.
- Collaborate with other agencies and organizations on research investigations of percolation of recycled water.
- Evaluate opportunities to increase recycled water reuse for groundwater recharge at the spreading grounds.

Basis for Changes 2012/13 Projected to 2013/14 Budget

No significant changes

Project 005 Groundwater Resource Planning

Background

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

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

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

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

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

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

**Table 15 –
Project 005 - Groundwater Resource
Planning Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$995,000	\$481,000	\$(514,000)
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$55,000	\$12,000	\$(43,000)
Other General & Administrative	\$281,000	\$414,000	\$133,000
Total	\$1,331,000	\$907,000	\$(424,000)

2012/13 Accomplishments

- Developed agendas and provided background information for Technical Advisory Committee (TAC) meetings, including detailed project summary information and economic analyses.
- Monitored ongoing activities at other regional water agencies and assessed potential impacts of their actions on WRD.
- Participated in the Greater Los Angeles Integrated Regional Water Management Planning Process.
- Continued coordination efforts with the U.S Army Corps of Engineers and Los Angeles County Department of Public Works to complete the update of studies to allow for the capture of additional stormwater behind Whittier Narrows Dam.
- Initiated development of a Programmatic Environmental Impact Report (PEIR) for the Groundwater Basins Master Plan.
- Attended monthly and quarterly meetings of the Central and West Basin Water Associations, providing each with an update on ongoing District activities.
- Evaluated potential groundwater storage and supply options to optimize District replenishment functions.

2013/14 Objectives

- Complete PEIR for Groundwater Basins Master Plan.
- Initiate follow up studies that arise as a result of the development of the Groundwater Basins Master Plan, particularly increased utilization of the Montebello Forebay.
- Review and update the District's 5-year capital improvement program.
- Continue to provide technical support as needed for Judgment amendments for development of conjunctive use framework.
- Continue to attend meetings of the Central and West Basin Water Associations to keep them

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- appraised of ongoing district activities.
- Continue management of grant funding received by the District.
- Monitor local, State and Federal grant funding opportunities and assess applicability to District projects.
- Continue participation in Integrated Regional Water Management Planning process for the Greater Los Angeles Region.
- Continue to monitor other water agencies and assess the impact of their actions on WRD.
- Evaluate alternative sources for imported water for the replenishment of the Montebello Forebay Spreading Grounds.

Basis for Changes 2012/13 Projected to 2013/14 Budget

In fiscal year 2012/13, the District completed the Regional Groundwater Basins Master Plan in coordination with other basin stakeholders, to identify and evaluate a range of projects and opportunities for meeting replenishment requirements of the West Coast and Central Basins.

Project 018 Dominguez Gap Barrier Recycled Water

Background

This project involves the delivery of recycled water from the City of Los Angeles Terminal Island Treatment Plant (TITP) to the Dominguez Gap Barrier (DGB). Treated effluent is further treated by advanced methods through microfiltration, reverse osmosis, and chlorination at the AWTF to produce water suitable for use at the DGB. Plans are underway to expand the design capacity of TITP from the current 6.0 million gallons per day (MGD) to 10.0 MGD. One of the goals of the expansion is to eliminate the use of imported water at the DGB.

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

The maximum percent of recycled water for this project is 50 percent. The City of Los Angeles Bureau of Sanitation and Department of Water and Power is responsible for the treatment and delivery of the recycled water and all water quality sampling associated with those activities. The District conducts groundwater monitoring, which is required to observe changes in water quality conditions and to anticipate potential problems before recycled water reaches drinking water wells. This monitoring commenced with the start of deliveries in February 2006. Baseline monitoring to establish pre-existing groundwater quality conditions prior to the start of deliveries.

Recycled water use at the barriers improves the reliability of a supply that is needed on a continuous basis. Traditionally, water purchases for the barriers have been viewed as a replenishment function. Therefore, this program is funded 100% through the Replenishment Fund.

**Table 16 –
Project 018 - Dominguez Gap Barrier
Recycled Water Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$95,000	\$100,000	\$5,000
R&M / Materials / Equipment	\$10,000	\$11,000	\$1,000
Other Expenses	\$11,000	\$15,000	\$4,000
Other General & Administrative	\$120,000	\$116,000	\$(4,000)
Total	\$236,000	\$242,000	\$6,000

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2012/13 Accomplishments

- Continued to prepare permit compliance reports and coordinate reporting and compliance with co-permittees, i.e. LADWP, Los Angeles Bureau of Sanitation, and LACDPW.
- Continued to conduct groundwater monitoring in accordance with the permit requirements.
- Participated in interagency meetings to discuss the expansion of the Terminal Island Treatment Plant.
- Updated and improved the computer model of the groundwater flow system in the vicinity of the Dominguez Gap Seawater Intrusion Barrier.

2013/14 Objectives

- Meet all regulatory permit requirements and deadlines.
- Continue to conduct groundwater monitoring in accordance with permit requirements.
- Continue to meet regularly on expansion plans for the treatment plant and recycled water injection to the Dominguez Gap Barrier.

Basis for Changes 2012/13 Projected to 2013/14 Budget

No significant changes

Project 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. 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, MWD of Southern California, Sanitation Districts of Los Angeles County, and other water interests to discuss replenishment water availability, operation of spreading grounds, 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.

2012/13 Accomplishments

- Continued work with the LACDPW and CSDLAC to increase spreading of recycled water at the Rio Hondo and San Gabriel River Spreading Grounds including the use of the Interconnection Pipeline.
- Continue monitoring of groundwater levels at the Rio Hondo and San Gabriel River Spreading Grounds and preparing groundwater elevation contour maps.
- Continued work with LACDPW on the Dominguez Gap Barrier Condition Assessment.
- Worked with the Colorado School of Mines on a study regarding water reuse and retention time at the San Gabriel River Spreading Ground Test Basin.
- Continued working with the consultant on the chloride calibration of the groundwater model

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- completed for the West Basin Municipal Water District.
- Worked with LACDPW and CSDLAC on spreading grounds improvements – Installation of 001B and Basin 2 Turnout Structures.
- Continued working with the LACDPW to complete the installation of additional groundwater observation wells at the western leg of the Alamitos Gap Barrier Project.

2013/14 Objectives

- Complete work cooperatively with the LACDPW to complete the Dominguez Gap Barrier Condition Assessment.
- Continue monitoring of groundwater levels at the Rio Hondo and San Gabriel River Spreading Grounds and preparing groundwater elevation contour maps.
- Continue participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities.
- Continue to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements).
- Complete work with LACDPW and CSDLAC on the spreading grounds improvements – Installation of 001B and Basin 2 Turnout Structures.
- Complete work with the LACDPW to complete the installation of additional groundwater observation wells at the western leg of the Alamitos Gap Barrier Project.
- Complete work with the consultant on the chloride calibration of the groundwater model completed for the West Basin Municipal Water District.

**Table 17 –
Project 023 - Replenishment Operations
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$277,000	\$28,000	\$(249,000)
R&M / Materials / Equipment	\$34,000	\$24,000	\$(10,000)
Other Expenses	\$45,000	\$43,000	\$(2,000)
Other General & Administrative	\$384,000	\$476,000	\$92,000
Total	\$740,000	\$571,000	\$(169,000)

Basis for Changes 2012/13 Projected to 2013/14 Budget

In fiscal year 2012/13, the District had expenses related to the installation of monitoring well telemetry equipment which was not budgeted for fiscal year 2013/14.

Project 033 Groundwater Reliability Improvement Program

Background

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

A corner stone of the WIN program is the GRIP. The goal of the GRIP is to replace imported water currently being used at the spreading grounds for replenishing the area's groundwater supplies by replacing it with 21,000 acre-feet per year of recycled water, a locally sustainable water resource. The GRIP was instituted to identify new and reliable water supplies for use as replenishment water. One of these options is the construction of an AWTF, entitled the GRIP facility, to further purify

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recycled water from LACSD's San Jose Creek Water Reclamation Plant using microfiltration and reverse osmosis followed by disinfection with advanced oxidation utilizing ultra-violet light and hydrogen peroxide. The highly treated recycled water will be transported through a pipeline to spreading basins located along the San Gabriel River for percolation into the Central Basin to offset the demand for imported water. The GRIP facility will provide 10,000 acre-feet per year of highly treated recycled water that is currently being disposed of in the San Gabriel River which ultimately flows to the ocean. An additional 11,000 acre-feet per year of recycled water will also be directed to the spreading basins for groundwater recharge in the same manner which has been in operation for over 50 years.

During the coming year, work under this program will continue to focus on moving forward with the environmental and regulatory permitting aspects of this effort. Initially, work will be directed at advancing programs and projects that have been identified as possible options to provide the quantity of replenishment water needed to offset the current imported demands.

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

Table 18 – Project 033 - Groundwater Reliability Improvement Program Budget Summary			
EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$191,000	\$300,000	\$109,000
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$6,000	\$10,000	\$4,000
Other General & Administrative	\$-	\$-	\$-
Total	\$197,000	\$310,000	\$113,000

2012/13 Accomplishments

- Completed engineering analysis for USBR Feasibility Study for use in preparing the project Environmental Impact Report (EIR).
- Began preparation of EIR for GRIP AWTF and associated conveyance pipeline.
- Completed agreement with LACSD for purchase of an additional 21,000 acre-feet per year of recycled water.
- Solicited firms and began public outreach effort for the GRIP.
- Initiate preliminary (30%) design of the GRIP AWTF and conveyance pipeline.

2013/14 Objectives

- Complete EIR for adoption by WRD Board of Directors.
- Complete preliminary (30%) design of the GRIP AWTF and conveyance pipeline.
- Initiate final design of GRIP AWTF and conveyance pipeline.
- Initiate discussions with RWQCB and CDPH regarding permitting for the GRIP AWTF.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The District projects to spend additional funds related to legislative and public outreach in fiscal year 2013/14 during the completion of the Environmental Impact Report (EIR) and preliminary design of the program.

Clean Water Projects & Programs



The projects and programs identified under Clean Water Projects and Programs have been developed primarily to preserve high quality groundwater.



Clean Water Projects and Programs

Project 002 Goldsworthy Desalter

Background

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

As with the Leo J. Vander Lans AWTF, future costs for this project will involve operating and maintenance activities and replacement costs. The purpose of the Desalter is directly related to remediating degraded groundwater quality, and costs are thus attributed 100% to the Clean Water Fund.

Additional measures may be necessary in the future to fully contain and remediate the saline plume. The WRD is pursuing long-term solutions to this problem and continues to work with

the City of Torrance, the Technical Advisory Committee, and other stakeholders on the future of saline plume removal in the West Coast Basin.

**Table 19 –
Project 002 - Goldsworthy Desalter
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$297,000	\$267,000	\$(30,000)
R&M / Materials / Equipment	\$391,000	\$370,000	\$(21,000)
Other Expenses	\$217,000	\$316,000	\$99,000
Other General & Administrative	\$165,000	\$255,000	\$90,000
Total	\$1,070,000	\$1,208,000	\$138,000

2012/13 Accomplishments

- Completed a feasibility study for the Desalter expansion. The feasibility study is funded by the federal WaterSMART grant and the State Water Recycling Funding Program.
- Completed CEQA initial study/mitigated negative declaration documents.
- Conducted a rehabilitation/repair on Madrona Well No. 2 to partially restore lost well production capacity.
- Approximately 1,660 acre-feet of degraded groundwater was treated by the Desalter and turned into approximately 1,400 acre-feet of potable water for the City of Torrance.

2013/14 Objectives

- Complete CEQA approval for the expansion of the Desalter.
- Complete drilling of two new wells for the Desalter source water supply.
- Complete final design for the expansion of the Desalter.
- Continue to treat the degraded groundwater from the saline plume and turn it into potable water to supply to the City of Torrance.
- The Desalter will continuously be monitored for water quality to ensure all permit or legal requirements are satisfied.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The primary reason for the increase in expenses in fiscal year 2013/14 is the anticipated increase in electrical costs to operate the facilities water pumps.

Project 006 Water Quality Improvement Program

Background

This comprehensive program constitutes an ongoing effort to address water quality issues that affect WRD projects and the pumpers' facilities. The District monitors and evaluates the impacts of pending drinking water regulations and proposed legislation. WRD assesses the justification and reasoning used to draft the proposal and, if warranted, joins in coordinated efforts with other interested agencies to resolve concerns during the early phases of the regulatory and/or legislative process.

The District continually evaluates proposed water quality compliance in production wells, monitoring wells, and recharge/injection waters of the basins. Impacts are identified, and recommended courses of action and associated cost estimates to address the problem and to achieve compliance are developed.

In addition, the WRD service area contains a large and diverse industrial base. Consequently, many potential groundwater contamination sources exist within District boundaries. Examples of contamination sources range from leaking underground storage tanks, to petroleum pipeline leaks at refineries and petrochemical plants, to discharges from 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 its Groundwater Contamination Prevention Program as a key component of the Groundwater Quality Program, in an effort to minimize or eliminate threats to groundwater supplies.

WRD is also participating in the Water Augmentation Study of the Los Angeles and San Gabriel River Watershed Council. This is a multi-year investigation to evaluate the feasibility of capturing storm runoff at localized sites in-lieu of discharge into the storm drains, channels, and ultimately to the ocean.

Much of the work for the coming year will involve additional investigations at well sites known to have contaminated water, continued monitoring of water quality regulations and proposals 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; therefore, 100% of it is funded from the Clean Water Fund.

The District continues to administer the Title 22 Groundwater Monitoring Program in the Central Basin, which provides source water monitoring of wells for 21 pumpers with 80 active wells. In addition to performing required compliance monitoring, the District prepares annual Consumer Confidence Reports for these pumpers.

2012/13 Accomplishments

- Coordinated and facilitated meetings of the Groundwater Contamination Forum. At each of the Forum meetings, stakeholders including WRD, USEPA, DTSC, LARWQCB, CDPH, USGS, various cities, and water purveyors shared data and provided updates on major contaminated groundwater sites located within the Central Basin and West Coast Basin.
- Tracked the status of 46 high-priority groundwater contaminated sites located in the Central Basin and West Coast Basin. WRD continued to work in close consultation with regulatory agency project managers to provide data and technical support to expedite the investigation and cleanup of the high-priority groundwater contaminated sites.
- Continued to work with the USGS to complete the Central Basin Groundwater Contamination Study.

**Table 20 –
Project 006 - Groundwater Quality Improvement
Program Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$110,000	\$93,000	\$(17,000)
R&M / Materials / Equipment	\$-	\$10,000	\$10,000
Other Expenses	\$68,000	\$74,000	\$6,000
Other General & Administrative	\$148,000	\$175,000	\$27,000
Total	\$326,000	\$352,000	\$26,000

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The overall goal of the study is to identify potential pathways where contaminants in the shallow aquifers could migrate into deeper drinking water aquifers.

- Formed the Los Angeles Forebay Groundwater Task Force to coordinate and align regulators and water purveyors/agencies to collaboratively address groundwater contamination in the Los Angeles Forebay that is a threat to drinking water resources. The Task Force members currently include WRD, DTSC, USEPA, LARWQCB, DWR, CDPH, USGS, City of Vernon, and others. WRD and the DTSC are investigating and collecting data to assess the extent of the regional volatile organic compound (VOC) and perchlorate plumes and to find the source(s) of this contamination. This data will be utilized by the regulatory agencies to eventually facilitate remediation of the plumes.
- Hosted a workshop for pumpers on UCMR3 requirements. Speakers included US Environmental Protection Agency's staff and Eurofin Eaton Analytical Laboratory staff.
- Hosted the 2013 Groundwater Quality Workshop for local water purveyors for updates on various water quality topics.
- Continued to monitor and provide input regarding the potential impacts of pending legislation and regulations on drinking water, stormwater, groundwater, and recycled water.
- Successfully partnered with the Los Angeles Bureau of Sanitation in submitting the application for Proposition 84 Implementation Grant for the pilot Broadway Stormwater Project, which was awarded approximately \$3 million for implementation.
- Successfully transitioned various permit reporting to the online Geotracker database by working collaboratively with the State Water Resources Control Board, Los Angeles Regional Water Quality Control Board, co-permittees, and the Eurofin Eaton Analytical Laboratory.
- Actively supported the community water systems efforts to find ways to safely discharge their routine discharges under the new municipal separate stormwater sewer system permit for Los Angeles County.
- Participated in the Southern California Water Committee's Stormwater Task Force and their efforts to promote greater regional use of stormwater for beneficial uses, such as groundwater replenishment.
- Presented at the 2012 Water Environment Federation's Stormwater Symposium on the findings of the Central and West Coast Basins Regional & Distributed Stormwater Recharge Feasibility Study.
- Delivered a presentation for an international webinar (BlueTech Reuse) on indirect potable reuse in California.
- Delivered a presentation (Recycling Water: Beating Mother Nature at Her Own Game) at the American Groundwater Trust 2013 Conference.
- Abstract accepted to the 28th WEFTEC Conference (October 2013) on the District's experience of implementing the California Department of Public Health's Draft Groundwater Replenishment Reuse Regulations and the State Water Resource Control Board's Recycled Water Policy, using the Vander Lans expansion as a case study.
- Abstract accepted to the 2013 American Water Works Association CA-NV Annual Conference (October 2013) on the District's experience as one of the first in the state to implement the California Department of Public Health's Draft Groundwater Replenishment Reuse Regulations and the State Water Resource Control Board's Recycled Water Policy.
- Provided regular updates on water quality-related projects and regulations to the Groundwater Quality Committee.

2013/14 Objectives

- Install two 500-foot deep monitoring wells in Santa Fe Springs to determine if shallow contamination from a Superfund Site has leaked to deeper aquifers.
- Install two more 500-foot monitoring wells in Vernon to assess extent of perchlorate contamination in groundwater.
- Continue to coordinate and administer meetings of the Groundwater Contamination Forum as a means for key stakeholders in the Central Basin and West Coast Basin to share data and provide updates on major groundwater contaminated sites.
- Continue to work in close consultation with project managers of the USEPA, DTSC, and LARWQCB

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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.

- Finalize the USGS Central Basin Groundwater Contamination Study.
- Continue to administer meetings of the Los Angeles Forebay Groundwater Task Force and work with regulatory agencies and water purveyors to investigate the extent of the regional VOC and perchlorate plumes in the Los Angeles Forebay.
- Continue to administer the Title 22 Groundwater Monitoring Program for participating pumpers in the Central Basin.
- Continue to monitor potential impacts of pending legislation and regulations on drinking water quality.
- Conduct a groundwater quality workshop for local water purveyors.
- Participate as appropriate in the implementation and/or monitoring of the City of Los Angeles' Broadway Stormwater Project.
- Continue to partner with the Council for Watershed Health on the Water Augmentation Study and with the Southern California Water Committee to evaluate additional stormwater recharge opportunities.

Basis for Changes 2012/ 13 Projected to 2013/ 14 Budget

No significant changes

Project 006A - Title 22 Groundwater Monitoring Program

Background

See Background for Project 006.

2012/ 13 Accomplishments

- Administered the Title 22 Groundwater Monitoring Program for the Central Basin pumpers, which consisted of administration of a contract laboratory, including scheduling of sample collection as required by the California Department of Public Health for the contract laboratory, and preparation of Consumer Confidence Reports.
- This year, the District added a new participant to the Title 22 Groundwater Monitoring Program. The City of Torrance joined the program with two active wells. The District began sampling for the Unregulated Contaminant Monitoring Rule (UCMR3) for half of the program participants. UCMR3 is a three year special sampling program required by the Environmental Protection Agency (EPA).

2013/ 14 Objectives

- Continue to administer the Title 22 Groundwater Monitoring Program for participating pumpers in the Central Basin.

Title 22 Program is a breakeven program with corresponding expenditures equal to the revenue collected for this program.

Project 012 Safe Drinking Water Program (SDWP)

Background

WRD's Safe Drinking Water Program (SDWP) has operated since 1991 and is intended to promote the cleanup of groundwater resources at specific well locations. Through the installation of wellhead treatment facilities at existing production wells, the District hopes to remove contaminants from the underground supply and deliver the extracted water for potable purposes. Projects implemented through this program are accomplished through direct input and coordination with well owners. The current program focuses on the removal of VOCs and offers financial assistance for the design and equipment of the selected treatment facility. The program is designed to help groundwater pumpers remove VOCs from affected wells to enable the well to meet public drinking water

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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 other constituents of concern that affect a specific production well. The capital costs of wellhead treatment facilities range from \$800,000 to over \$2,000,000. Due to financial constraints, this initial cost is generally prohibitive to most pumpers. Financial assistance through the District's SDWP makes project implementation much more feasible. The program places a greater priority on projects involving VOC contamination or other anthropogenic (man-made) constituents, classified as Priority A Projects. Any treatment projects for naturally-occurring constituents would be classified as Priority B Projects and funded on a secondary priority, on a case-by-case basis, and only if program monies are still available during the fiscal year.

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

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

**Table 21 –
Project 012 - Safe Drinking Water Program
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$104,000	\$104,000	\$-
R&M / Materials / Equipment	\$2,000	\$2,000	\$-
Other Expenses	\$10,000	\$9,000	\$(1,000)
Other General & Administrative	\$-	\$-	\$-
Total	\$116,000	\$115,000	\$(1,000)

2012/13 Accomplishments

The SDWP continues to receive requests for assistance for treatment, primarily for secondary contamination removal; however, due to budget constraints, funding was not allocated this fiscal year.

2013/14 Objectives

The SDWP has received multiple requests for assistance for secondary priority contamination removal. While continued funding of this program is anticipated for next year, the District has established a goal of funding up to \$1 million per year under this program. Actual funding has been limited by qualified projects.

Basis for Changes 2012/13 Projected to 2013/14 Budget

No significant changes

Dual Purpose Projects & Programs



Rubber Dam at the San Gabriel Spreading Grounds

*The projects and programs identified under Dual Purpose
Projects and Programs support both replenishment
activities and high quality groundwater efforts.*



Dual Purpose Projects and Programs

Project 010 Geographic Information System (GIS)

Background

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

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

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

2012/13 Accomplishments

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

**Table 22 –
Project 010 - Geographic Information Systems (GIS)
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$114,000	\$20,000	\$(94,000)
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$15,000	\$26,000	\$11,000
Other General & Administrative	\$88,000	\$196,000	\$108,000
Total	\$217,000	\$242,000	\$25,000

2013/14 Objectives

- Continue comprehensive review of existing datasets and initiate quality assurance measures to ensure continued data integrity.
- Make greater use of GIS capabilities for visualization and presentation purposes. Integrate well construction information into 3-D Analyst.
- Continue integration of existing GIS system with third party mapping tools such as Google Earth to increase utilization of GIS data sets.
- Update existing GIS and database management system and make necessary improvements to

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- increase utilization of data.
- Work closely with WRD Staff to assess and implement GIS support for new and ongoing programs.
- Streamline flow of water quality data from the laboratory to District maintained databases.
- Assess options for improving GIS data dissemination to groundwater basin stakeholders.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The District anticipates a decrease in consultant costs to this program and a corresponding increase in staff time budgeted to this program.

Project 011 Regional Groundwater Monitoring Program

Background

The Regional Groundwater Monitoring Program continues to be very successful and currently consists of a network of over 300 WRD and USGS-installed monitoring wells at nearly 60 locations throughout the District. Monitoring well data is supplemented with information from production wells to capture the most accurate information available. WRD staff, comprised of hydrogeologists and engineers, provides the in-house capability to collect, analyze and report groundwater data. This information is stored in the District's GIS and provides the basis to better understand the characteristics of the Central and West Coast Basins.

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

Table 23 – Project 011 - Regional Groundwater Monitoring Budget Summary			
EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$605,000	\$578,000	\$(27,000)
R&M / Materials / Equipment	\$105,000	\$58,000	\$(47,000)
Other Expenses	\$105,000	\$145,000	\$40,000
Other General & Administrative	\$345,000	\$261,000	\$(84,000)
Total	\$1,160,000	\$1,042,000	\$(118,000)

Most of the work during the coming year will involve continued bi-monthly, quarterly, and semiannual monitoring and reporting activities. The program will also work cooperatively with the U.S. Geological Survey (USGS) to construct three new nested monitoring wells to expand the network to 60 locations to improve coverage of data gap areas, address specific water quality issues, and update the hydrogeology conceptual model. Work associated with the Regional Groundwater Monitoring Program also supports activities relating to both replenishment and water quality projects. The program, therefore, is funded 50% each from the Replenishment and Clean Water Funds.

2012/13 Accomplishments

- Completed Spring and Fall groundwater quality sampling at WRD monitoring wells including analysis of over 100 chemical constituents and contaminants.
- Collected quarterly groundwater levels at WRD monitoring wells and compiled daily datalogger data to prepare historical water level hydrographs.
- Constructed a new nested monitoring well in Lakewood.
- Published the annual Regional Groundwater Monitoring Report summarizing groundwater data from monitoring wells and production wells in the Central and West Coast Basins.

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2013/14 Objectives

- Collect Spring and Fall groundwater quality samples at WRD monitoring wells. Analyze samples for over 100 chemical constituents and contaminants.
- Collect quarterly groundwater levels at WRD monitoring wells and compile daily datalogger data and prepare historical water level hydrographs.
- Identify emerging contaminants of concern to the water supply community and groundwater basin managers and assess the need to monitor in the Central and West Coast Basins.
- Construct three new nested monitoring wells: one each in Lawndale, Lynwood, and South Gate areas.
- Integrate Regional Groundwater Monitoring Program data into a basin-wide Salt and Nutrient Management Plan.
- Publish and share data collected for this program in the annual Regional Groundwater Monitoring Report.

Basis for Changes 2012/13 Projected to 2013/14 Budget

This program will see a slight decrease in costs due to reallocating staff efforts to other hydrogeology programs.

Project 025 Hydrogeology Program

Background

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

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

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 obtained in 2013. The ultimate goal of this project is to incorporate the 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 to 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.

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Special projects arise occasionally under this program such as well profiling of production wells to define areas of poor water quality entering the well. Other special projects include the publication of the Technical Bulletin Series, which provides hydrogeologic data to the pumpers in the basin, analysis of optimum and minimum groundwater quantities, and groundwater tracer investigations. A special investigation on the current extent of the saline plume in the Torrance area is being performed using surface geophysics, groundwater sampling, and new well drilling. A State-mandated Salt Nutrient Management Plan is also being prepared under this Program and will be completed by May 2014.

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.

**Table 24 –
Project 025 - Hydrogeology Program
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$780,000	\$525,000	\$(255,000)
R&M / Materials / Equipment	\$30,000	\$17,000	\$(13,000)
Other Expenses	\$55,000	\$65,000	\$10,000
Other General & Administrative	\$275,000	\$187,000	\$(88,000)
Total	\$1,140,000	\$794,000	\$(346,000)

2012/13 Accomplishments

- Preparation of the 2013 Engineering Survey and Report leading to the adoption of the 2013/2014 RA.
- Preparation of the first ever 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 2013/2014 RA.
- Significant progress with USGS to update and improve the regional groundwater computer model. Completed 3-D sequence stratigraphic framework and incorporation into EarthVision software. Completed aerial recharge analysis. Completed 3-D textural model in Rockware. Built framework for the Modflow Model with 11 layers. Converted model to new format – Unstructured Grids.
- Continued well-profiling program and completed 2 wells.
- Continued work on the State-Mandated Salt/Nutrient Management Plan for the Central Basin and West Coast Basin.
- Presentation of technical materials and papers at groundwater conferences, especially numerous presentations on hydraulic fracturing.
- Completed two wells under the Well Profiling Program.
- Completed modeling updates for Dominguez Gap Barrier and Alamitos Barrier.

2013/14 Objectives

- Completion of 2014 Engineering Survey and Report.
- Obtain 2-D Seismic Reflection data and incorporate into computer models.
- Complete the USGS computer modeling updates.
- Complete several Technical Bulletins.
- Complete the Salt/Nutrient Management Plan.
- Publish and present technical papers at conferences.
- Assist groundwater purveyors on data needs for new production wells.

Basis for Changes 2012/2013 Projected to 2013/2014

In 2012/13, in conjunction with the United States Geological Survey (USGS), the District conducted modeling and stratigraphy studies; which is a type of geology which studies rock layering in the aquifers in the Central and West Coast Basins. The District also continued work on the State-mandated Salt/Nutrient Management Plan. Costs related to these programs have decreased for 2013/14.

Project EAC - Water Conservation

Background

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

The External Affairs department took the initiative to expand and rename its signature program, The Lillian Kawasaki ECO Gardener Program. This past year we hosted over 2,000 participants in the ECO Gardener and Smart Gardner residential trainings and expect to increase the program in 2013-2014. WRD partnered with the LACDPW, City of Torrance and West Basin MWD to enhance water conservation awareness to the general public as well as businesses and institutes through special events and workshops.

**Table 25 –
Project EAC - Water Conservation
Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$3,000	\$30,000	\$27,000
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$693,000	\$497,000	\$(196,000)
Other General & Administrative	\$377,000	\$260,000	\$(117,000)
Total	\$1,073,000	\$787,000	\$(286,000)

2012/13 Accomplishments

- Had over 2,000 participants in the Lillian Kawasaki ECO Gardener Program.
- Partnered with the LACDPW to offer free Smart Gardener classes in 12 cities at no cost to WRD.
- Participated in eight Earth Day events throughout WRD's service area.
- Enhanced the gardening program by adding two new courses; ECO Veggie and ECO Compost.
- Certified over 200 municipal maintenance crews through ECO PRO.
- Trained over 200 gardeners through ECO Landscape.
- Partnered with Think Earth to promote the Think Watershed conservation educational program for over 3,000 students.

2013/14 Objectives

- Increase the number of ECO PRO and ECO Landscaper classes.
- Incorporate the ECO Veggie and ECO Compost training classes into the Smart Gardener program.
- Obtain the State Certification Landscape Certificate program license.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The District's Grants and Sponsorship Program was re-allocated to other non-operating expenses and offset against non-replenishment assessment revenue.

Project EAE - Water Education

Background

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

The External Affairs department took the initiative to expand its groundwater educational and outreach programs with the WIN presentations at conferences and conventions with great success. WRD extended the Think Watershed – Floating Lab Program by increasing the number of schools

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participating (with over 18,000 students). The District also expanded its Groundwater Education Partnerships by offering free programming through the California Science Center (over 20,000 participant students & families), Cabrillo Marine Aquarium's After-School Program, the "Ocean on Wheels" Program for students and families (over 18,000 participants) with vital water education and conservation training. The State of the District brought in renowned speakers to WRD along with prestigious recognitions from the US Green Building Council and US Bureau of Reclamation.

2012/13 Accomplishments

- The 6th annual groundwater festival once again was a great success with over 3,000 participants.
- The Lillian Kawasaki ECO Gardener Program (TLKEGP) exceeded the amount of expected participants threefold.
- The ECO Landscape and ECO PRO trainings expanding to eight a year with over 200 participants getting certified.
- The partnership with Los Angeles County Public Works Environment Team, enhanced the TLKEGP by expanding one day Smart Gardener trainings to over 12 cities and will continue to expand to 24 cities for 2013-2014.
- The State of the District's address was key noted by Lieutenant Governor Gavin Newsome.
- WRD received the LEED Gold and Energy Star ratings for its headquarters building.

2013/14 Objectives

- Further promote the District through its programs.
- Continue building strong partnerships.
- Continue to be more frugal and creative in reaching out to the public.
- Promote WRD's GRIP.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The net decrease of \$336,000 is due to a reduction in the sponsorship of educational programs as well as a decrease in staff costs; which were re-allocated to other programs.

**Table 26 –
Project EAE - Water Education Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$9,000	\$113,000	\$104,000
R&M / Materials / Equipment	\$3,000	\$10,000	\$7,000
Other Expenses	\$606,000	\$399,000	\$(207,000)
Other General & Administrative	\$514,000	\$274,000	\$(240,000)
Total	\$1,132,000	\$796,000	\$(336,000)

General Administration Departments



WRD Board Members

Administrative costs, or departmental costs, include costs for the departments of Board of Directors, General Manager, Finance, Administration and External Affairs. For simplicity, these departments do not include project and program operations and maintenance costs.

Departments include direct costs related to that department's activities.

In addition, Finance and Administration include indirect costs such as office supplies, liability insurance, and general legal or legislative fees that are not direct costs to projects.



General Administration

Board of Directors

Background

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

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

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

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

The President of the Board

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

The Vice President of the

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

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

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

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

2012/13 Accomplishments

See President's Message

**Table 27 –
Board of Directors Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$-	\$-	\$-
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$96,000	\$94,000	\$(2,000)
Other General & Administrative	\$270,000	\$270,000	\$-
Total	\$366,000	\$364,000	\$(2,000)

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2013/14 Objectives

See President's Message

Basis for Changes 2012/13 Projected to 2013/14 Budget

No significant changes noted. Expenses have remained flat.

General Manager

Background

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

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

2012/13 Accomplishments

See Report from the General Manager

2013/14 Objectives

See Report from the General Manager

Basis for Changes 2012/13 Projected to 2013/14 Budget

No significant changes noted. Expenses have remained flat.

**Table 28 –
General Manager's Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$-	\$-	\$-
R&M / Materials / Equipment	\$-	\$-	\$-
Other Expenses	\$22,000	\$26,000	\$4,000
Other General & Administrative	\$352,000	\$347,000	\$(5,000)
Total	\$374,000	\$373,000	\$(1,000)

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Administration

Background

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

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

Finance Department

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

Administration Department

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

External Affairs Department

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

The government affairs strategy is centered on continued relationship building with state and federal legislative interests which include legislators, committee staff and other government relation associations and experts. For the fiscal year 2013/2014, a focus will also be on ensuring and augmenting state and federal funding for WRD projects and programs. WRD will also monitor relevant legislation and respond proactively. Additionally, WRD will continue a strong intergovernmental program with local elected and public officials.

2012/13 Accomplishments

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our June 30, 2012 Comprehensive Annual Financial Report (CAFR).
- Received the Award of Excellence in Operating Budget from the California Society of Municipal Finance Officers (CSMFO) for our 2012/13 operating budget.
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for our 2012/13 operating budget.
- Completed the Cost and Service Report for 2013/14 consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution.
- Received the Municipal Information Systems Association of California (MISAC) award which

**Table 29 –
Administration Rollup Budget Summary**

EXPENSE CATEGORY	2012/13 Projection	2013/14 Budget	Over / (Under) Budget
Professional Services	\$1,204,000	\$462,000	\$(742,000)
R&M / Materials / Equipment	\$274,000	\$254,000	\$(20,000)
Other Expenses	\$625,000	\$586,000	\$(39,000)
Other General & Administrative	\$1,326,000	\$2,014,000	\$688,000
Total	\$3,429,000	\$3,316,000	\$(113,000)

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recognizes outstanding governance and operational practices relating to quality information technology practices.

- Completed upgrade to our Information Technology offsite data recovery system.
- Hosted annual State of the District and Groundwater Festival Events.
- Perform training for the ECO Gardener, ECO Pro and ECO Landscaper Programs.

2013/2014 Objectives

- Obtain Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our June 30, 2013 Comprehensive Annual Financial Report (CAFR).
- Receive the Award of Excellence in Operating Budget from the California Society of Municipal Finance Officers (CSMFO) for our 2013/14 operating budget.
- Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for our 2013/14 operating budget.
- Complete the annual Cost and Service Report consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution.
- Receive the Municipal Information Systems Association of California (MISAC) award which recognizes outstanding governance and operational practices relating to quality information technology practices.
- Host Groundwater Festival and State of the District Meeting.
- Continue strong relationships with local, state and federal legislators.

Basis for Changes 2012/13 Projected to 2013/14 Budget

The District re-allocated some professional service costs to Project 005 – Groundwater Resource Planning and to Project 033 – Groundwater Reliability Improvement Program. The District also re-allocated some staff costs from litigation support to the Administration budget; this caused a decrease in litigation costs with a similar increase in Administration.



Performance Measures



Groundwater Sample Collection



WRD Field Hydrogeologist is installing a submersible pump to a depth of about 20 feet below the groundwater surface in one of WRD's five nested monitoring wells located in Inglewood, CA. The well will be pumped for a period of time while he measures several chemical and physical properties of the produced water to assure that stagnant water is removed from the well. When those measurements indicate that the produced water is representative of actual groundwater, he will collect samples for laboratory analysis.



Performance Measures

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

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

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



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

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

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

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

Water Resources Committee, the Ad Hoc GRIP Committee, the Ad Hoc Contracts Committee, and the Ad Hoc Vander Lans Facility Expansion Committee

Supported by: The Engineering and Hydrogeology Departments

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

1. The operation, protection and maintenance of the District's replenishment water facilities;
2. Policies, sources and means related to the stewardship of the Central and West Coast Groundwater Basins including, but not limited to, importing and distributing water, transferring water and wheeling as required by the District;
3. Policies regarding recycling, reuse and underground storage of water and use thereof;
4. Environmental compliance and requirements and the effect on the District of existing and proposed federal, state and local environmental statutes and regulations;
5. Engineering aspects of all replenishment water projects;
6. Provide input related to the District's Capital Improvement Program as it relates to replenishment water projects; and,
7. Policies related to the District's conjunctive use efforts including but not limited to California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).

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2013/14 Performance Metrics - Water Resources Committee

Board Action	Staff Performance Measure	Board Objective	District Goal*
<p><u>Date of Board Action: 7/20/12</u></p> <p>Extend contract with State of California Department of Water Resources for the AB303 Local Groundwater Assistance Program to conduct the Central Basin Groundwater Contamination Study</p>	<p>Staff Progress: In Progress</p> <p>Complete geological analyses and groundwater monitoring work for the Study</p>	Address Groundwater Contamination	1
<p><u>Date of Board Action: 7/20/12</u></p> <p>Approve professional services contract for engineering support for the Leo J. Vander Lans AWTF Expansion Project</p>	<p>Staff Progress: Construction in Progress</p> <p>Monitor contract for engineering support and ensure compliance with scope of services during construction</p>	Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project	2
<p><u>Date of Board Action: 7/20/12</u></p> <p>Approve procurement of microfiltration and ultraviolet equipment for Leo J. Vander Lans AWTF Expansion Project</p>	<p>Staff Progress: Complete</p> <p>Purchase equipment needed for construction phase of expansion project</p>	Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project	2
<p><u>Date of Board Action: 7/20/12</u></p> <p>Adopt resolution 12-935 approving the Project Labor Agreement (PLA) with the Los Angeles/Orange Counties Building and Construction Trades Council</p>	<p>Staff Progress: Complete</p> <p>Negotiate and prepare PLA and present draft contract to the Ad Hoc Contracts Committee</p>	Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project	2
<p><u>Date of Board Action: 7/20/12</u></p> <p>Approve scope of work for outreach coordination and management assistance for the GRIP</p>	<p>Staff Progress: In Progress</p> <p>Review Statements of Qualifications (RFQ) responses, make recommendation to the Ad Hoc GRIP Committee and promote public education and stakeholder participation</p>	Construct the GRIP Facility	2
<p><u>Date of Board Action: 9/21/12</u></p> <p>Approved cooperative agreement with the United States Bureau of Reclamation (USBR) for the Leo J. Vander Lans AWTF Expansion Project to obligate Title XVI grant funding</p>	<p>Staff Progress: Complete</p> <p>Coordinate with USBR to develop the cooperative agreement to present to the Water Resources Committee for consideration</p>	Provide the most cost-effective capital project infrastructure by securing grant funding	2

*District Goal

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

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 9/21/12</u></p> <p>Authorize scope of work for outreach support services related to the GRIP</p>	<p>Staff Progress: Complete</p> <p>Review and evaluate Statements of Qualifications (RFQ) received for prime and sub consultants. Make recommendation to Ad Hoc GRIP Committee</p>	<p>Construct the GRIP Facility</p>	<p>2</p>
<p><u>Date of Board Action: 9/21/12</u></p> <p>Execute an Memorandum of Understanding (MOU) with LACFCD for Proposition 84 grant funding</p>	<p>Staff Progress: Complete</p> <p>Coordinate with LACFCD to develop an MOU to enable the District to proceed with the Leo J. Vander Lans AWTF Expansion Project and the Whittier Narrows Conservation Pool Study for reimbursement for up to \$5,252,040 in Proposition 84 funding</p>	<p>Provide the most cost-effective capital project infrastructure by securing grant funding</p>	<p>1</p>
<p><u>Date of Board Action: 10/5/12</u></p> <p>Award construction contract for the Leo J. Vander Lans AWTF Expansion Project</p>	<p>Staff Progress: Complete</p> <p>Review and evaluate bid information relating to the construction contract for the Leo J. Vander Lans AWTF Expansion Project</p>	<p>Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project</p>	<p>2</p>
<p><u>Date of Board Action: 10/19/12</u></p> <p>Approve contract for the preparation of environmental document for the GRIP</p>	<p>Staff Progress: Construction in Progress</p> <p>Review and evaluate responses to request for proposals and make recommendation to the Water Resources Committee. Manage the process to obtain environmental documents</p>	<p>Construct the GRIP Facility</p>	<p>2</p>
<p><u>Date of Board Action: 12/21/12</u></p> <p>Enter into a Memorandum of Understanding with the Greater Los Angeles County (GLAC) Integrated Regional Water Management (IRWM) Group for the purposes of coordinating efforts, information sharing and development/ implementation of the IRWM Plan to pursue Proposition 84 Grant Funding</p>	<p>Staff Progress: Complete</p> <p>Develop an MOU with GLAC IRWM and present to the Board of Directors for approval. Work with IRWM to obtain Proposition 84 Grant funding for the WRD through the joint efforts of the IRWM</p>	<p>Provide the most cost-effective capital project infrastructure by securing grant funding</p>	<p>1</p>

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 12/21/12</u></p> <p>Approve contract with the United States Geological Survey (USGS) for three deep specialized groundwater monitoring wells; approve contract to perform professional geophysical logging services; approve purchase of groundwater monitoring equipment</p>	<p>Staff Progress: Complete</p> <p>Negotiate contract with USGS to drill three new monitoring wells and manage construction</p>	<p>Monitor groundwater aquifers as part of the District's Regional Groundwater Monitoring Program</p>	1
<p><u>Date of Board Action: 1/18/13</u></p> <p>Enter into an MOU with the LADWP to adjust the rate paid for advanced treated recycled water for delivery to the Dominguez Gap Seawater Barrier Project</p>	<p>Staff Progress: Complete</p> <p>Work with LADWP to develop an MOU for approval by the Board of Directors</p>	<p>Implement WIN</p>	2
<p><u>Date of Board Action: 2/20/13</u></p> <p>Authorize the issuance of a Request for Proposals (RFP) for 30% design services for the GRIP</p>	<p>Staff Progress: Complete</p> <p>Prepare and issue RFP for 30% design documents for the GRIP to provide the necessary information to better define the location, size and operational parameters of the AWTF</p>	<p>Construct the GRIP Facility</p>	2
<p><u>Date of Board Action: 2/20/13</u></p> <p>Approve an amendment to the Groundwater Basins Master Plan agreement with CH2M Hill to provide Programmatic Environmental Impact Report (PEIR) technical support</p>	<p>Staff Progress: In Progress</p> <p>Manage contract and scope of work which includes (1) conducting a technical review of draft environmental work products, (2) perform up to 5 model runs, (3) conduct particle tracking analysis for up to 5 scenarios, (4) assist in response to comments, and (5) provide outreach support</p>	<p>Develop the Central and West Coast Basins Groundwater Basins Master Plan</p>	1
<p><u>Date of Board Action: 2/20/13</u></p> <p>Approve agreement with Long Beach Water Department (LBWD) for the purchase of recycled source water for the Leo J. Vander Lans AWTF</p>	<p>Staff Progress: Complete</p> <p>Negotiate and draft agreement with the LBWD</p>	<p>Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project</p>	2

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 3/6/13</u></p> <p>Receive and file annual Engineering Survey and Report (ESR) which determines, among other things, the groundwater conditions in the District and the replenishment needs and costs for the ensuing water year</p>	<p>Staff Progress: Complete</p> <p>Perform analysis of groundwater basin and provide information to the Board of Directors in the ESR</p>	<p>Perform effective basin management</p>	<p>1</p>
<p><u>Date of Board Action: 3/20/13</u></p> <p>Receive and file the annual Regional Groundwater Monitoring Report which tracks groundwater levels and groundwater quality</p>	<p>Staff Progress: Complete</p> <p>Major components of the staff-implemented program includes: establishing and maintaining a network of monitoring wells, collecting and performing in-depth analysis of water levels and water quality samples, and incorporating the information in WRD's Geographic Information System (GIS) for efficient database storage</p>	<p>Perform effective basin management</p>	<p>1</p>
<p><u>Date of Board Action: 3/20/13</u></p> <p>Adopt Resolution authorizing the application of the 2013 Water Desalination Grant through the Department of Water Resources (DWR) for the Goldsworthy Desalter Expansion Project</p>	<p>Staff Progress: On-going</p> <p>Once the Board adopts the necessary resolution, staff will work with the DWR to obtain up to \$3,000,000 for the Goldsworthy Expansion Project</p>	<p>Provide alternative water supply to the City of Torrance and mitigate the saline plume within the West Coast Groundwater Basin</p>	<p>1</p>
<p><u>Date of Board Action: 3/20/13</u></p> <p>As a condition of receiving Proposition 84 State Funding for the Leo J. Vander Lans AWTF, the District is required to prepare, adopt and implement a Labor Compliance Program (LCP). The LCP is designed to fulfill the requirements of the California Labor Code</p>	<p>Staff Progress: Complete</p> <p>Complete the LCP and submit the document to the California Department of Industrial Relations (CDIR) for review and approval</p>	<p>Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project</p>	<p>2</p>
<p><u>Date of Board Action: 4/3/13</u></p> <p>Approve agreement with MWD and the LBWD for the Leo J. Vander Lans AWTF Local Resource Program (LRP) funding</p>	<p>Staff Progress: Complete</p> <p>Work with MWD and LBWD to complete a proposal for LRP funding for the Leo J. Vander Lans AWTF</p>	<p>Provide 100% advanced recycled water to the Alamitos Seawater Barrier Project</p>	<p>2</p>

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 5/1/13</u></p> <p>Authorize the issuance of an RFP for the design of the Goldsworthy Desalter Expansion Project</p>	<p>Staff Progress: Complete</p> <p>Prepare and issue RFP for design of the Goldsworthy Desalter Expansion Project</p>	<p>Provide alternative water supply to the City of Torrance and mitigate the saline plume within the West Coast Groundwater Basin</p>	1
<p><u>Date of Board Action: 5/1/13</u></p> <p>Approve a Contributed Funds Agreement with the USBR to review an EIR related to the GRIP to ensure compliance with both the CEQA and NEPA</p>	<p>Staff Progress: Complete</p> <p>Meet with USBR to expedite the EIR approval process by obtaining their assistance in reviewing the EIR for compliance</p>	<p>Construct the GRIP Facility</p>	2
<p><u>Date of Board Action: 5/1/13</u></p> <p>Approve professional services contract for the preparation of the GRIP 30% design documents</p>	<p>Staff Progress: Complete</p> <p>Evaluate the responses to the RFP approved by the Board of Directors on 2/20/13 and make recommendation to the Water Resource Committee</p>	<p>Construct the GRIP Facility</p>	2
<p><u>Date of Board Action: 5/1/13</u></p> <p>Approve resolution to adopt the Mitigated Negative Declaration and make related CEQA findings for the construction of the 001B and Basin 2 Turn Out Structure at the Montebello Forebay Spreading Grounds in order to enhance operational flexibility and recharge capacity</p>	<p>Staff Progress: Complete</p> <p>Obtain firm to prepare Initial Study/ Mitigated Negative Declaration (IS/MND) for the 001B and Basin 2 Turn Out Structure construction project in accordance with CEQA</p>	<p>Implement WIN</p>	2
<p><u>Date of Board Action: 6/5/13</u></p> <p>Approve agreement for the purchase and sale of recycled water with the Los Angeles County Sanitation District (LACSD) to ensure an allotment of 73,000 acre-feet of reclaimed water for implementing GRIP</p>	<p>Staff Progress: Complete</p> <p>Work with LACSD, to draft an agreement for a 30-year agreement with the option to</p>	<p>Implement WIN</p>	2
<p><u>Date of Board Action: 6/5/13</u></p> <p>Approve Reimbursement Agreement with LACSD in order to reimburse the County for professional services relating to the GRIP</p>	<p>Staff Progress: Complete</p> <p>Work with LACSD to draft a reimbursement agreement and manage reimbursements</p>	<p>Construct the GRIP Facility</p>	2

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 6/5/13</u></p> <p>Approve MOU with the LADWP for recycled water for the Dominguez Gap Seawater Barrier Project</p>	<p>Staff Progress: Complete</p> <p>Work with LADWP to develop MOU for approval by the Board of Directors</p>	<p>Implement WIN</p>	<p>2</p>
<p><u>Date of Board Action: 6/19/13</u></p> <p>Approve contract for demonstration testing required by the RWQCB for the Leo J. Vander Lans AWTF</p>	<p>Staff Progress: In Progress</p> <p>In consultation with the California Department of Public Health (CDPH) and the Engineer on record, ensure timely compliance with all permitting requirements</p>	<p>Construct the GRIP Facility</p>	<p>2</p>



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Groundwater Quality Committee

Supported by: The Engineering and Hydrogeology Departments

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

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

2013/14 Performance Metrics - Groundwater Quality Committee

Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 8/3/12</u></p> <p>Adopt resolution to make a finding that an emergency exists for the Madrona Well #2 at the Goldsworthy Desalter in accordance with California Public Contract Code Section 22050 and give authority to purchase services, equipment and supplies for those purposes necessitated by the emergency</p>	<p>Staff Progress: Complete</p> <p>Address emergency and perform redevelopment of the Madrona Well #2 in order to continue flow of water to the City of Torrance</p>	<p>To provide alternative water supply to the City of Torrance</p>	<p>1</p>
<p><u>Date of Board Action: 10/5/12</u></p> <p>Enter into Cost Sharing Agreements with WBMWD to prepare for the Salt Nutrient Management Plan for the Central and West Coast Groundwater Basins</p>	<p>Staff Progress: In Progress</p> <p>Develop a Salt Nutrient Management Plan by May 2014 in accordance with the SWRCB policy for sustainable water supplies</p>	<p>Meet all regulatory water quality policies</p>	<p>1</p>
<p><u>Date of Board Action: 12/7/12</u></p> <p>Approve contract change order to perform well site evaluations, preparation of drilling, well construction specifications and construction oversight for the Goldsworthy Desalter Expansion Project</p>	<p>Staff Progress: In Progress</p> <p>Work with contractor to prepare a scope of work, schedule and cost estimate to perform the work. Use resulting report to recommend top two well sites to drill exploratory pilot holes and subsequently obtain well drilling and water discharge permits from the LA Regional Water Board and the LACDPW</p>	<p>To provide alternative water supply to the City of Torrance and mitigate the saline plume within the West Coast Groundwater Basin</p>	<p>1</p>
<p><u>Date of Board Action: 2/20/13</u></p> <p>Authorize the issuance of an RFP for design and installation of monitoring wells as part of the effort for the Central Basin Groundwater Contamination Study</p>	<p>Staff Progress: Construction in Progress</p> <p>Prepare and issue RFP for design and installation of monitoring wells</p>	<p>Monitor groundwater aquifers as part of the District's Regional Groundwater Monitoring Program</p>	<p>1</p>

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Finance/Audit Committee & Ad Hoc Budget Committee

Supported by: The Finance Department

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

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

2013/14 Performance Metrics - Finance/Audit Committee

Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 10/5/12</u></p> <p>Approve contract with independent financial auditor</p>	<p>Staff Progress: Complete</p> <p>Provide financial data and support to the independent financial auditor during the annual Comprehensive Annual Financial Audit (CAFA)</p>	<p>Obtain unqualified (positive) opinion for financial statement presentation</p>	3
<p><u>Date of Board Action: 2/5/13</u></p> <p>Appoint Chair Person and Alternate Chair Person for the Audit and Budget Advisory Committee (ABAC). A Committee of the Board of Directors with pumper representation to oversee two of the most important financial functions of the District: the CAFA and the Annual Budget Process</p>	<p>Staff Progress: Complete</p> <p>Present 2013/14 Budget to the ABAC for consideration and recommendation to the Board of Directors</p>	<p>Provide public transparency and accountability</p>	3
<p><u>Date of Board Action: 4/3/13</u></p> <p>Open public hearing on the 2013/14 RA as required by the California State Water Code, provide opportunity for public comment, receive any staff reports and testimony</p>	<p>Staff Progress: Complete</p> <p>Provide the Board of Directors and the public with an open Public Hearing process including 8 public budget workshops relating to the 2013/14 RA and related Annual Budget</p>	<p>Provide public transparency and accountability and comply with the California State Water Code</p>	3
<p><u>Date of Board Action: 4/3/13</u></p> <p>Receive and file the Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2012</p>	<p>Staff Progress: Complete</p> <p>Ensure that the financial statements fairly present, in all material respects, the financial position of the District and obtain an unqualified (positive) opinion</p>	<p>Provide public transparency and accountability and comply with the California State Water Code</p>	3

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: 4/3/13</u></p> <p>Receive and file the Cost of Service Report for 2013/14 consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution</p>	<p>Staff Progress: Complete</p> <p>Prepare Cost of Service Report for the Board of Directors in accordance with Article XIII D, Section 6 of the California State Constitution</p>	<p>Provide public transparency and accountability and comply with the California State Constitution</p>	3
<p><u>Date of Board Action: 5/10/13</u></p> <p>Open public hearing pursuant to Article XIII D, Section 6(a)(2) of the California State Constitution (Proposition 218) regarding the RA proposed effective July 1, 2013 and provide opportunity for public comment and receive any staff reports and testimony and close public hearing</p>	<p>Staff Progress: Complete</p> <p>Receive public comment and make staff report to the Board of Directors</p>	<p>Provide public transparency and accountability and comply with the California State Constitution</p>	3
<p><u>Date of Board Action: 5/10/13</u></p> <p>Adopt resolution to establish the Fiscal Year 2013/14 RA and instruct staff to file an appropriate Notice of Exemption for the action</p>	<p>Staff Progress: Complete</p> <p>Hold budget workshops related to the 2013/14 Annual Budget</p>	<p>Provide public transparency and accountability and comply with the California State Water Code</p>	3
<p><u>Date of Board Action: 6/19/13</u></p> <p>Approve the District's Investment Policy and adopt resolution</p>	<p>Staff Progress: Complete</p> <p>Present investment policy to the Finance Committee and the Board of Directors on an annual basis</p>	<p>Provide public transparency and accountability</p>	3
<p><u>Date of Board Action: 6/19/13</u></p> <p>Adopt Fiscal Year 2013/14 budget</p>	<p>Staff Progress: Complete</p> <p>Provide transparent budget process by holding 8 public workshops and public hearings in accordance with the California State Water Code and Article XIII D, Section 6(a)(2) of the California State Constitution (Proposition 218)</p>	<p>Provide public transparency and accountability and comply with the California State Water Code and the California State Constitution</p>	3
<p><u>Date of Board Action: Annual</u></p> <p>Obtain annual Excellence Award in Operating Budgeting from the California Society of Municipal Finance Officers (CSMFO)</p>	<p>Staff Progress: Complete</p> <p>Prepare the 2013/14 adopted budget for submittal to the CSMFO</p>	<p>Pursue agency recognition for excellence in financial practices</p>	3
<p><u>Date of Board Action: Annual</u></p> <p>Obtain annual Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)</p>	<p>Staff Progress: Complete</p> <p>Prepare the 2013/14 adopted budget for submittal to the GFOA</p>	<p>Pursue agency recognition for excellence in financial practices</p>	3

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: Annual</u></p> <p>Obtain annual Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA)</p>	<p>Staff Progress: Complete</p> <p>Prepare the 2012/13 Comprehensive Annual Financial Report (CAFR) for submittal to the GFOA</p>	<p>Pursue agency recognition for excellence in financial practices</p>	3
<p><u>Date of Board Action: n/a</u></p> <p>Maintain the District AA+ Bond Rating from Fitch Ratings and Standard and Poor's</p>	<p>Staff Progress: On-going</p> <p>Provide rating agencies with a detailed financial update of the District; including cash flow, financial forecasts, debt service analyses, litigation updates, etc.</p>	<p>Provide public transparency and accountability</p>	3
<p><u>Date of Board Action: n/a</u></p> <p>Open and Manage Post Employment Benefits Irrevocable Trust with the California Employers' Retiree Benefit Trust (CERBT)</p>	<p>Staff Progress: Complete</p> <p>Open irrevocable trust and fund in accordance with GASB 45</p>	<p>Maintain the security of assets and to comply with the GASB Statement No. 45</p>	3
<p><u>Date of Board Action: Annual</u></p> <p>Continue implementation of the Board of Directors' Community Banking Program</p>	<p>Staff Progress: On-going</p> <p>Monitor banks within the District's Community Banking Program and update program as necessary</p>	<p>Obtain the best possible services to support the District's financial function</p>	3
<p><u>Date of Board Action: Annual</u></p> <p>Provide the annual Local Government Compensation Report (LGCR) to the California State Controllers' Office</p>	<p>Staff Progress: Complete</p> <p>Provide the annual LGCR as required by the California State Auditor</p>	<p>Provide public transparency and accountability</p>	3
<p><u>Date of Board Action: n/a</u></p> <p>Provide support during the independent audit performed by the California State Auditor, Bureau of State Audits</p>	<p>Staff Progress: Complete</p> <p>Provide accounting and finance documentation related to the audit requested by the California Joint Legislative Audit Committee (JLAC) on water rates impacting South Los Angeles County</p>	<p>Provide public transparency and accountability</p>	3
<p><u>Date of Board Action: n/a</u></p> <p>Change District's Community Banking Program to utilize an alternative financial institution to manage the day-to-day financial activities of the District</p>	<p>Staff Progress: Complete</p> <p>Work with community banks to transfer day-to-day activities to a new financial institution. This included opening new accounts, transferring payroll activities, shifting investment accounts to ensure a seamless transition</p>	<p>Obtain the best possible services to support the District's financial function</p>	3

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Administrative Committee

Supported by: The Administrative Department

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

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

2013/14 Performance Metrics - Administrative Committee

Board Action	Staff Performance Measure	Board Objective	District Goal
<u>Date of Board Action: n/a</u> Perform upgrade to the District's offsite data recovery system	Staff Progress: Complete Maintain redundant data backup systems in the event of disaster	Evaluate and streamline processes and procedures	3
<u>Date of Board Action: n/a</u> Maintain the District's Administrative Code	Staff Progress: On-going Update the District's Administrative Code document based on Board Action	Evaluate and streamline processes and procedures	3
<u>Date of Board Action: n/a</u> Manage all requests for public information in accordance with the California Public Records Act (CPRA)	Staff Progress: On-going Ensure accurate and timely responses to any and all for public information in accordance with the CPRA	Provide public transparency and accountability	3
<u>Date of Board Action: n/a</u> Prepare public meeting agendas for the Board of Directors, Water Resources, Groundwater Quality, Finance, Administration, and External Affairs Committees	Staff Progress: On-going Ensure that meeting agendas are properly posted and mailed in accordance with the Ralph M. Brown Act, enacted by the California State Legislature	Evaluate and streamline processes and procedures	3
<u>Date of Board Action: n/a</u> Manage Human Resource function for the District	Staff Progress: On-going Provide support to the Board of Directors and staff relating to all aspects of Human Resources	Hire and retain a highly motivated, quality staff	3
<u>Date of Board Action: n/a</u> Manage mandatory training for Board of Directors and staff (i.e., AB1234, AB1825)	Staff Progress: Complete Ensure Board Members and staff attend appropriate training as required by California law	Provide public transparency and accountability	3

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: n/a</u></p> <p>Provide litigation support services for the production of documentation associated with discovery requests</p>	<p>Staff Progress: On-going</p> <p>Prepare all relevant documents in support of litigation efforts</p>	<p>Provide public transparency and accountability</p>	<p>3</p>
<p><u>Date of Board Action: n/a</u></p> <p>Provide support during the independent audit performed by the California State Auditor, Bureau of State Audits</p>	<p>Staff Progress: Complete</p> <p>Provide accounting and finance documentation related to the audit requested by the California Joint Legislative Audit Committee (JLAC) on water rates impacting South Los Angeles County</p>	<p>Provide public transparency and accountability</p>	<p>3</p>
<p><u>Date of Board Action: n/a</u></p> <p>Obtain the annual Municipal Information Systems Association of California (MISAC) award which recognizes outstanding governance and operational practices relating to quality information technology practices</p>	<p>Staff Progress: Complete</p> <p>Maintain and continually improve an information technology system which qualifies for the annual MISAC award</p>	<p>Pursue agency recognition for excellence in governance and operating practices</p>	<p>3</p>



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External Affairs Committee

Supported by: The External Affairs Department

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

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

2013/14 Performance Metrics - External Affairs Committee

Board Action	Staff Performance Measure	Board Objective	District Goal
<u>Date of Board Action: 8/3/12</u> Adopt support position on AB 1442 - Assembly Bill to encourage health care facilities to properly dispose of their pharmaceutical waste	Staff Progress: Complete Research and inform the External Affairs Committee on proposed legislation	Develop and implement legislative strategy	1
<u>Date of Board Action: 8/3/12</u> Approve professional services contract to develop effective education outreach materials	Staff Progress: Complete Manage contract and scope of work, obtain deliverables and implement on WRD website	Develop and implement Communication Outreach Program	4
<u>Date of Board Action: 9/21/12</u> Approve conservation agreements with Cities of Torrance and Compton, the WBMWD, Water Star Youth Education Program and with Community Conservation Program	Staff Progress: Complete Partner with agencies to work cooperatively to leverage conservation program funds and provide business owners and residents with water saving techniques and products	Promote Water Conservation	4
<u>Date of Board Action: 3/6/13</u> Approve renewal of contract with consultant to perform training for the award-winning ECO Gardener, ECO PRO and ECO Landscaper Programs	Staff Progress: On-going Manage contract and the ECO Gardener Program	Promote Water Conservation	4
<u>Date of Board Action: n/a</u> Host annual State of the District Event	Staff Progress: Complete Coordinate the annual State of the District event, including inviting key local political leaders, stakeholders and the public to learn about the District's recent accomplishments and future plans to provide safe and reliable groundwater	Develop and implement Communication Outreach Program	4

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Board Action	Staff Performance Measure	Board Objective	District Goal
<p><u>Date of Board Action: n/a</u></p> <p>Continue to build strong relationships with local, state and federal legislators</p>	<p>Staff Progress: On-going</p> <p>Maintain consistent contact with local, state and federal legislators; manage annual legislative trips to Sacramento and Washington DC to educate and build relationships with legislators</p>	<p>Develop and implement legislative strategy</p>	<p>1</p>
<p><u>Date of Board Action: n/a</u></p> <p>Host annual Groundwater Festival</p>	<p>Staff Progress: Complete</p> <p>Provide an educational opportunity to promote water conservation, groundwater awareness and reach out to the community served</p>	<p>Develop and implement Communication Outreach Program</p>	<p>4</p>



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Full-Time Equivalent (FTE) and Labor Allocation

The Water Replenishment District's financial accounting system allows expenditures to be tracked by fund, project, task and subtask. This allows for flexibility when determining performance measures on a project-by-project basis. Part of this flexibility allows the District to allocate its labor costs very specifically. The following tables represent the 2013/14 Budgeted Summary of Personnel by Department and by Program along with the District's complete 2013/14 labor allocation for all employees. Transparency is the most important aspect to the District when reporting its financial information.

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

2013/14 FTE by Program

Table 30 shows a detailed analysis of the number of full-time equivalents required by each of the District's projects, programs, or administrative support department. The table shows that the District's staffing on its various projects remain relatively stable. The only increase of note is due to increased efforts within the project and program areas, specifically relating to capital projects. Due to the lack of imported seasonal spreading water since May 2007 the district has been focusing on initiating its Water Independence Now (WIN) Program. The WIN Program requires additional effort within the various projects and programs that are focused on increasing the reliability of local water sources.

2013/14 Labor Allocation Worksheet

The annual labor allocation worksheet (Table 31) is designed to provide an accurate cost allocation of labor and overhead to each individual project, program, and administrative departments.



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Table 30 - FTE By Program

Program Name	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget
Operations and Maintenance					
Leo J Vander Lans	0.96	0.63	0.88	0.96	0.90
Water Conservation	1.50	1.17	0.98	1.80	1.80
Robert Goldsworthy Desalter	0.66	0.22	0.21	0.66	0.49
Montebello Forebay Reclaimed Water	0.99	0.49	0.55	0.99	1.19
Groundwater Resources Planning	1.62	1.55	1.46	2.37	2.30
Water Quality Program	1.43	1.26	1.55	1.43	1.13
Title 22 Program	0.71	0.00	0.00	0.71	0.51
Geographic Information System	1.00	0.58	0.32	1.25	1.25
Regional GW Monitoring Program	2.44	2.36	1.99	2.44	1.54
Dominquez Barrier Recycled Wtr	0.72	0.46	0.44	0.72	0.68
Replenishment Program	0.95	0.52	0.66	0.95	2.40
Hydrogeology	1.18	1.16	1.50	1.18	0.87
Education & Outreach	2.00	1.98	2.54	1.90	1.95
Safe Drinking Water	n/a	0.00	0.03	0.00	0.00
Total	16.16	12.38	13.11	17.36	17.01
Capital Projects					
Leo J Vander Lans	0.43	0.37	0.19	0.61	0.75
Robert Goldsworthy Desalter	0.27	0.00	0.13	0.27	0.32
Alamitos Physical Barrier	0.13	0.00	0.00	0.00	0.00
WRD Building	0.18	0.26	0.00	0.00	0.00
Cal Trans 105	1.08	0.00	0.00	0.00	0.00
Preliminary Design	0.09	0.00	0.00	0.00	0.00
Groundwater Monitoring - New Wells	n/a	0.08	0.00	0.00	0.00
GRIP	n/a	0.69	0.59	1.30	1.11
Safe Drinking Water	0.16	0.08	0.17	0.16	1.16
Total	2.34	1.48	1.08	2.50	3.34
Finance/Admin/EA					
Finance/Admin/EA	12.50	16.16	16.30	12.30	12.30
General Manager					
General Manager	1.00	1.00	1.00	1.00	1.00
Grand Total	32.00	31.02	31.49	33.16	33.65

Note: In fiscal year 2010/11 and 2011/12, the District had staff which did not work the entire fiscal year.

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Table 31 - Labor Allocation

ADMINISTRATION

OPERATIONS & MAINTENANCE

13/14 Labor Allocation Worksheet	Finance/Admin/EA	GM	Board of Directors	Total	Leo J Vander Lans	Water Conservation	Robert Goldsworthy Desalter	Montebello Forebay Reclaimed Water	Groundwater Resources Planning	Water Quality Program	Title 22 Program	Geographic Information System (GIS) / Database Management System (DBMS)	Regional Groundwater Monitoring Program	WBMWD Well Sampling	Dominguez Gap Barrier Recycled Water	Replenishment Program	Hydrogeology	Education & Outreach	Total
Administration																			
Deputy Secretary	100%			100%															0%
Administrative Specialist	100%			100%															0%
Senior Administrative Specialist	100%			100%															0%
Network Administrator	100%			100%															0%
Finance																			
Chief Financial Officer	100%			100%															0%
Mgr of Admin & Finance	100%			100%															0%
Senior Accountant	100%			100%															0%
Senior Accountant	100%			100%															0%
Senior Accountant	100%			100%															0%
Accountant	100%			100%															0%
External and Public Affairs																			
Mgr of External Affairs	35%			35%		35%													65%
Sr. Gov't Affairs Rep	80%			80%		10%													20%
Public Affairs Rep	10%			10%		45%													90%
Senior Public Affairs Rep	5%			5%		45%													95%
Technology and Data Specialist				0%					25%			75%							100%
Senior Government Affairs Rep	80%			80%		10%													20%
Administrative Specialist	20%			20%		35%													80%
General Manager		100%		100%															0%
Hydrogeology																			
Chief Hydrogeologist				0%	5%	2%	5%		5%				10%		3%	15%	50%		95%
Sr. Hydrogeologist				0%		5%	10%		5%				5%		5%	50%	20%		100%
Hydrogeologist				0%												90%			90%
Sr. Engineer				0%	10%		25%		0%				10%		5%	50%			100%
Hydrogeologist				0%	25%								50%		25%				100%
Water Quality Specialist				0%	10%		20%		60%				5%		5%				100%
Associate Hydrogeologist				0%			35%						35%			15%	15%		100%
Assistant Hydrogeologist				0%	10%		10%		10%				30%	15%	10%	10%		5%	100%
Engineering																			
AGM/Chief of Engineering				0%	3%	0%	0%	5%	15%	2%	0%	0%	5%	0%	5%	5%	0%	0%	40%
Sr. Engineer				0%			5%		42%	6%		40%	2%				2%		97%
Resource Planner				0%					85%			0%			5%				90%
Senior Engineer				0%	10%		25%		5%	0%		0%	2%						42%
Senior Engineer				0%	5%		0%	2%	8%	0%		0%	0%		5%	5%			25%
Associate Engineer				0%	5%		5%		10%	10%	45%								75%
Senior Analyst				0%	7%		7%	7%	40%	15%	6%	10%			0%				92%

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Table 31 - Labor Allocation (cont.)

CAPITAL PROJECTS

	Leo J Vander Lans	Robert Goldsworthy Desalter	Hydrogeology/Basin Management Program	Wellhead Treatment Program	Wellhead Treatment Program	Wellhead Treatment Program	Wellhead Treatment Program	GRIP	Total	Grand Total
Administration										
Deputy Secretary									0%	100%
Administrative Specialist									0%	100%
Senior Administrative Specialist									0%	100%
Network Administrator									0%	100%
Finance										
Chief Financial Officer									0%	100%
Mgr of Admin & Finance									0%	100%
Senior Accountant									0%	100%
Senior Accountant									0%	100%
Senior Accountant									0%	100%
Accountant									0%	100%
External and Public Affairs										
Mgr of External Affairs									0%	100%
Sr. Gov't Affairs Rep									0%	100%
Public Affairs Rep									0%	100%
Senior Public Affairs Rep									0%	100%
Technology and Data Specialist									0%	100%
Senior Government Affairs Rep									0%	100%
Administrative Specialist									0%	100%
General Manager										
General Manager									0%	100%
Hydrogeology										
Chief Hydrogeologist			5%						5%	100%
Sr. Hydrogeologist									0%	100%
Hydrogeologist			10%						10%	100%
Sr. Engineer									0%	100%
Hydrogeologist									0%	100%
Water Quality Specialist									0%	100%
Associate Hydrogeologist									0%	100%
Assistant Hydrogeologist									0%	100%
Engineering										
AGM/Chief of Engineering	25%	10%	5%	0%	0%	0%	0%	20%	60%	100%
Sr. Engineer	1%							2%	3%	100%
Resource Planner								10%	10%	100%
Senior Engineer	35%	15%		0%				8%	58%	100%
Senior Engineer	5%	5%	0%	0%				65%	75%	100%
Associate Engineer	5%			4%	4%	4%	4%	4%	25%	100%
Senior Analyst	4%	2%						2%	8%	100%

Resolution Adopting Replenishment Assessment



*Students from Lowell Academy of Long Beach on a water tour
of the San Gabriel River.*



RESOLUTION NO. 13-956

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, 2013 AND ENDING ON JUNE 30, 2014 AS PROVIDED IN SECTION 60317 OF CALIFORNIA WATER CODE AND MAKING FINDINGS AND DETERMINATIONS REGARDING SAID ASSESSMENT IN ACCORDANCE WITH SECTIONS 60315 AND 60316 OF THE WATER CODE OF THE STATE OF CALIFORNIA

WHEREAS, the Board of Directors (“the Board”) of the Water Replenishment District of Southern California (“the District”) on December 21, 2012 in compliance with California Water Code § 60300, timely ordered an Engineering Survey and Report (“ESR”) to be made regarding the groundwater supplies and groundwater quality issues within the District; and

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

WHEREAS, the Board, by Resolution No. 13-949, has declared that funds shall be raised to purchase water for replenishment of groundwater supplies within the District during the ensuing fiscal year, 2013-2014, 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. 13-949, 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 3, 2013, which has been made available to the public, describing the services the District anticipates performing in Fiscal Year 2013-2014, 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

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WHEREAS, on April 3, 2013, as required by California Water Code § 60307, the Board opened a public hearing for the purpose of determining whether and to what extent the estimated cost of water replenishment programs and the estimated cost of water quality programs for the ensuing year shall be paid for by a replenishment assessment ; and

WHEREAS, notice of the April 3, 2013 hearing was published as required by law; and

WHEREAS, the April 3, 2013 hearing was continued to April 17, 2013, and was further continued to May 1, 2013 at which time the hearing was closed; and

WHEREAS, in addition to the public hearings on the Replenishment Assessment, the District also held budget workshops that were open to the public, where the District provided the public with information concerning its Fiscal Year 2013-2014 budget, which is directly related to the Replenishment Assessment; and

WHEREAS, in addition to the April 3, 2013 public hearing, on May 10, 2013 the Board also held a public hearing pursuant to Article XIII D, Section 6(a)(2) of the California Constitution regarding the proposed Replenishment Assessment; and

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

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

WHEREAS, the Board voted at its May 10, 2013 public meeting to make the findings and resolutions set forth below.

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

1. That said Board pursuant to § 60315 of the Water Code of the State of California finds as follows:
 - a) The annual overdraft of the preceding water year, 2011-2012 was - 142,600 acre-feet as provided in the 2013 ESR and any updates.
 - b) The estimated annual overdraft for the current water year, 2012-2013 is 97,800 acre-feet as provided in the 2013 ESR and any updates.

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- c) The estimated annual overdraft for the ensuing water year, 2013-2014 is also 97,800 acre-feet as provided in the 2013 ESR and any updates.
- d) The accumulated overdraft as of the last day of the preceding water year was 689,500 acre-feet as provided in the 2013 ESR and any updates.
- e) The estimated accumulated overdraft as of the last day of the current water year is 708,600 acre-feet as provided in the 2013 ESR and any updates.
- f) The total production of groundwater from the groundwater supplies within the District during the preceding water year was 241,417 acre-feet as provided in the 2013 ESR and any updates.
- g) The estimated total production of groundwater from groundwater supplies within the District for the current water year is 243,000 acre-feet as provided in the 2013 ESR and any updates.
- h) The estimated total production of groundwater from the groundwater supplies within the District for the ensuing water year is also 243,000 acre-feet as provided in the 2013 ESR and any updates.
- i) In the preceding water year, because of the dry winter resulting in below normal replenishment water and increased pumping, groundwater levels in the WRD service area decreased on average 7.5 feet, although the Montebello Forebay area experienced a 14.5 foot water level decline. The 2013 ESR and any updates provide details of water levels and basin conditions.
- j) During the current water year, rainfall and stormwater recharge is below average. Therefore, groundwater levels are expected to fall, especially in the Forebay areas. The 2013 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 91,600 acre-feet, which includes 66,000 acre-feet at the spreading grounds and 25,600 acre-feet at the seawater barrier wells. Details of the calculations for these amounts are presented in the 2013 Engineering Survey and Report and any updates, and on Board decisions at the May 10, 2013 public meeting.
- l) The source and estimated cost of the water available for the replenishment described in Section (k) is presented in the 2013 ESR and any updates.

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- m) The estimated net costs of replenishing the groundwater supplies with the water so purchased are \$34,127,884. The derivation of this amount is described in the 2013 ESR and any updates and on Board decisions at the May 10, 2013 public meeting. The estimated rate of the replenishment assessment required to fund these purchases based on the anticipated pumping in the ensuing year described in Section (h) is \$140.44 per acre-foot ("af") of groundwater pumped.

The estimated additional costs to the District for its replenishment program costs, estimated capital costs, and other costs relating to accomplishing replenishment of the groundwater supplies, are \$29,128,030. The estimated rate of the replenishment assessment required to fund these costs based on the anticipated pumping in the ensuing year described in Section (h) is \$119.87 per af of groundwater pumped. A listing of the projects and programs and their intended objective – replenishment and/or clean water – is provided in the 2013 ESR and any updates.

- n) It is not anticipated that additional replenishment funds need to be raised in the ensuing year for future replenishment water that should be purchased in the ensuing year but cannot be purchased due to an anticipated unavailability of replenishment water in the ensuing year.
- o) The estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year for the purposes of accomplishing replenishment activities (replenishment water plus replenishment projects and programs) is \$260.31 per af.
- p) Contaminants should be removed from groundwater supplies during the ensuing fiscal year pursuant to the District's projects and programs described in the 2013 ESR and any updates, the April 3, 2013 Cost of Service Report, the District's capital improvement program, and the District's draft annual budget document. The estimated costs to the District for the groundwater quality program for the 2013-2014 fiscal year are estimated at \$4,554,640. 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 \$18.74 per af.
- q) The programs for the removal of contaminants or other actions under Water Code § 60224 are multi-year programs.
- r) The estimated amount of reserves on hand at the end of the fiscal year of 2013-2014 will not exceed the applicable limitations provided in Water Code Sections 60290 and 60291.

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2. After accounting for other revenue, possible debt financing, or use of reserves, the estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year, 2013-2014, for the purpose of accomplishing such replenishment and water quality programs by the District is \$268.00 per af of yearly groundwater production. After accounting for the use of an estimated \$2,620,500 in other revenue, possible debt financing for capital improvement projects, and District reserve funds as necessary, said replenishment assessment will produce the approximate necessary funds to pay the following costs: \$254.81 per af for the cost of purchasing water, financing capital improvement projects and other costs relating to accomplishing groundwater replenishment, and \$13.46 per af for clean water programs. Of the \$254.81 per af allocated to accomplishing groundwater replenishment, \$28.42 per af is allocated to capital projects. Of the \$13.46 per af allocated to clean water programs, \$7.95 per af may be allocated to capital projects. General and administrative expenses of the District will be met on a pro tanto basis given each function's (replenishment and clean water) load factor on operations.
3. Prior to accounting for other revenue, possible debt financing, or use of reserves, the entire cost of purchasing water for replenishment for the ensuing fiscal year shall be paid for by the assessment identified in Section 2 above. The cost of removing contaminants from groundwater supplies and taking other actions authorized under Water Code § 60224 shall be paid for by the assessment identified in Section 2 above, from possible debt financing for capital improvement projects, and from reserve funds as necessary maintained in accordance with Water Code § 60290. The costs of those capital projects to be undertaken in the ensuing fiscal year, but for which no capital construction accounts have been established pursuant to Water Code § 60291, shall also be paid for by the reserve fund maintained in accordance with Water Code § 60290.
4. All of the estimated costs for the ensuing fiscal year for water replenishment programs and for groundwater quality programs by the District as found in Section 1 of this Resolution shall be paid for by a replenishment assessment levied pursuant to Water Code § 60317 and by the reserve fund maintained in accordance with Water Code § 60290. There is hereby levied on the production of groundwater from groundwater supplies within the District during the fiscal year commencing July 1, 2013, and ending June 30, 2014, a replenishment assessment in the amount of \$268.00 per af 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

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has not been required, and the 2013-2014 program is part of that ongoing project.

- (b) Funds generated by the RA will be used for (1) operating expenses, (2) financial reserve needs, (3) purchasing or leasing supplies, equipment and materials, and (4) funds for capital projects necessary to maintain service within existing service areas. That Finding is based on documents and information provided in the record of these proceedings, including but not limited to the annual Engineering Survey Report, the proposed 2013-2014 budget, and the staff's written reports and PowerPoint presentations to the Board. Further, the funds raised by the RA will not be used to expand the area or territory in which the District provides services or to fund capital projects that would expand the District's service area or system. Accordingly, the District finds that its adoption of Resolution No. 13-956 is exempt from CEQA pursuant to, among other bases, CEQA Section 20180(b) (8) and CEQA Guidelines 15261 and 15273, and the Board directs staff to file an appropriate Notice of Exemption.
 - (c) Notwithstanding the exemptions cited above, an Environmental Impact Report ("EIR") for the District's groundwater replenishment program was previously prepared and that EIR and program have been approved by the District's Board. Subsequent to the preparation of that EIR, the District prepared and certified a number of Mitigated Negative Declarations and Negative Declarations for various water quality and water supply projects (collectively, the "NDs"). The District has examined the imposition of a water replenishment assessment for the 2013-2014 fiscal year to determine whether an additional environmental document must be prepared. Based on this examination, the 2013 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 2013-2014 fiscal year would not have any effects that were not examined in the EIR and NDs; (2) pursuant to CEQA Guidelines §15162, no new effects would occur and no new mitigation measures would be required; and (3) the imposition of a water replenishment assessment for the 2013-2014 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

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prescriptive water rights, the parties do not pump the groundwater pursuant to any tenancy or fee interest in the overlying land or any rights that attach as a result of a tenancy or fee interest in overlying land. Further, neither of the Judgments for the Central and West Coast Basins included a determination of the amount or extent to which any party to said Judgment may extract groundwater from said basin without exceeding the natural safe yield of said basin.

7. The Replenishment Assessment is a charge for water basin management services provided by the District to persons exercising an allocation of pumping groundwater from adjudicated basins per a privilege granted under the court judgments referenced above. These services, which include water replenishment and water quality services, benefit those charged. All persons receiving the services or benefitting from the services by exercising pumping allocations are subject to the Replenishment Assessment. Services are not provided to those who are not charged the Replenishment Assessment and do not benefit those who are not charged the Replenishment Assessment. The amount of the Replenishment Assessment does not exceed the District's reasonable costs to provide services, confer benefits and/or grant privileges as described in this paragraph. Consequently, the Replenishment is not a "tax" within the meaning of Article XIII C, Section 1(e) of the California Constitution.
8. The Los Angeles County Superior Court has made an interlocutory ruling (but has not entered a final judgment) that the Replenishment Assessment is a "property-related fee" subject to the requirements of Article XIII D, Section 6 of the California Constitution. The District disagrees with the Court's ruling and will appeal it when a final judgment is entered. Subject to the District's reservation of rights to challenge on appeal the Court's ruling, the Board makes the following findings:
 - (a) Notice of the May 10, 2013 Public Hearing was mailed by the District to the record owner of every parcel of real property in the District, as well as to the holders of adjudicated pumping rights in the basins.
 - (b) The purpose of this wide mailing was to ensure that every stakeholder in the District was kept informed of the Replenishment Assessment proposal.
 - (c) Such notice contained all information required by Article XIII D, Section 6(a) (1) of the California Constitution.
 - (d) Such notice was mailed not less than 45 days prior to May 10, 2013.
 - (e) From the date such notice was mailed through the close of the public testimony portion of the May 10, 2013 Public Hearing, the District accepted written testimony and protests, all of which were entered into the

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

- (f) At the May 10, 2013 Public Hearing, the Board considered all written testimony and protests and heard oral comments from all who wished to speak regarding the proposed Replenishment Assessment.
- (g) The Board determines that written protests against the proposed Replenishment Assessment were not presented by a majority of owners of parcels subject to the proposed Replenishment Assessment. The Board reaches this finding based on its examination of the protests.
- (h) The purpose of the Replenishment Assessment is to fund the District's water basin management services. These services are a package of services that make high quality water available to those exercising adjudicated pumping rights, and consist of: monitoring the level and quality of groundwater in the basins; purchasing and producing water needed to replenish the basins; preventing seawater contamination of the groundwater supply; funding replenishment operations; and other activities that make the basins a reliable and low-cost source of safe, high-quality water. Every activity of the District is a part of the water basin management services.
- (i) The rate of the Replenishment Assessment is such that proceeds of the Replenishment Assessment will not exceed the funds required to provide the water basin management services.
- (j) Revenues derived from the Replenishment Assessment will not be used for any purpose other than providing water basin management services.
- (k) The amount of the Replenishment Assessment imposed upon any parcel or person does not exceed the proportional cost of water basin management services attributable to that parcel or person.
- (l) No Replenishment Assessment is imposed upon any person who neither actually uses water basin management services nor has water basin management services immediately available to them.
- (m) Water basin management services are not a "general government service" that is available to the general public.
- (n) The Board finds that the memorandum dated April 3, 2013 from Robb Whitaker to the Board regarding "Cost of Service Study—Supplemental Information" (which is incorporated herein by reference) is true and correct.

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

[RECORD OF THE VOTE AND SIGNATURES ON FOLLOWING PAGE]

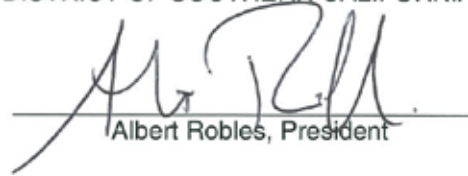


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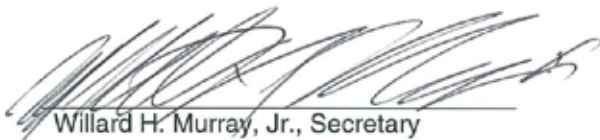
PASSED, APPROVED AND ADOPTED THIS 10th day of May 2013 by the following vote:

AYES: 4
NOES: 2
ABSENT: 1
ABSTAIN: 0

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA


Albert Robles, President

ATTEST:


Willard H. Murray, Jr., Secretary

May 10, 2013
DATE

APPROVED AS TO FORM:

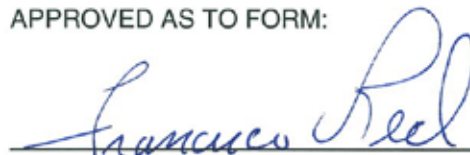

H. Francisco Leal
District Counsel

Table 1
GROUNDWATER CONDITIONS AND REPLENISHMENT SUMMARY

	WATER YEAR Oct 1 - Sep 30		
	2011-2012	2012-2013 ^(a)	2013-2014 ^(a)
Total Groundwater Production	241,417 AF	243,000 AF	243,000 AF
Annual Overdraft	(142,600) AF	(97,800) AF	(97,800) AF
Accumulated Overdraft	(689,500) AF	(708,600) AF	
Quantity Required for Artificial Replenishment for the Ensuing Year			
<u>Spreading</u>			
	Imported for Spreading in Montebello Forebay		16,000 AF
	Recycled for Spreading in Montebello Forebay		50,000
	Subtotal Spreading		66,000
<u>Injection</u>			
	Alamitos Seawater Barrier Imported Water (WRD side only)		2,500
	Alamitos Seawater Barrier Recycled Water (WRD side only)		1,600
	Dominguez Gap Seawater Barrier Imported Water		3,250
	Dominguez Barrier Seawater Barrer Recycled Water		3,250
	West Coast Seawater Barrier Imported Water		0
	West Coast Seawater Barrier Recycled Water		15,000
	Subtotal Injection		25,600
<u>In-lieu</u> ^(b)			
	Subtotal In-lieu		-
	Total		91,600 AF

(a) Estimated values

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

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Table 2
QUANTITY AND COST OF REPLENISHMENT WATER FOR THE ENSUING WATER YEAR

Item		Quantity (AF)	Total Cost			
Summary - All Water	Spreading - Tier 1 Untreated Imported	16,000	\$ 11,874,100			
	Spreading - Recycled	50,000	\$ 2,000,000			
	Alamitos Barrier - Imported	2,500	\$ 2,529,685			
	Alamitos Barrier - Recycled	1,600	\$ 100,000			
	Dominguez Barrier - Imported	3,250	\$ 3,720,633			
	Dominguez Barrier - Recycled	3,250	\$ 2,790,125			
	West Coast Barrier - Imported	0	\$ 283,341			
	West Coast Barrier - Recycled	15,000	\$ 10,830,000			
	In-Lieu MWD Member	0	\$ -			
	In-Lieu WBMWD Customer	0	\$ -			
TOTAL	91,600	\$ 34,127,884				
Detailed Breakout of Water Costs and Surcharges to WRD						
Item	Quantity	Oct-Dec	Jan-Jun	Jul-Sep	Melded	Total
CBMWD						
MWD Untreated Tier 1 - Spreading (\$/af)	16,000	\$ 593	\$ 593	\$ 593	\$ 593	\$ 9,488,000
MWD RTS (\$/af)	16,000	\$ 31	\$ 31	\$ 32	\$ 31	\$ 500,000
CBMWD Administrative Surcharge (\$/af)	16,000	\$ 93	\$ 93	\$ 96	\$ 94	\$ 1,500,000
CBMWD Water Service Charge (\$/cfs/month)	450	\$ 71	\$ 71	\$ 73	\$ 72	\$ 386,100
Total to CBMWD						\$ 11,874,100
LBWD						
MWD Treated Tier 1 - Alamitos Barrier (\$/af)	2,500	\$ 847	\$ 890	\$ 890	\$ 879	\$ 2,198,125
MWD Capacity Charge (\$/cfs/month)	6.8	\$ 533	\$ 717	\$ 717	\$ 671	\$ 54,685
LBWD RTS (\$/af)	2,500	\$ 105	\$ 105	\$ 108	\$ 106	\$ 264,375
LBWD Administrative Surcharge (\$/af)	2,500	\$ 5	\$ 5	\$ 5	\$ 5	\$ 12,500
Total to LBWD						\$ 2,529,685
WBMWD						
MWD Treated Tier 1-DG/WC Barriers (\$/af)	3,250	\$ 847	\$ 890	\$ 890	\$ 879	\$ 2,857,563
MWD RTS (\$/af)	3,250	\$ 139	\$ 139	\$ 143	\$ 140	\$ 455,000
MWD Capacity Charge (\$/cfs/month)	46.8	\$ 458	\$ 472	\$ 472	\$ 469	\$ 263,192
WBMWD Administrative Surcharge (\$/af)	3,250	\$ 110	\$ 110	\$ 114	\$ 111	\$ 360,750
WBMWD Water Service Charge (\$/cfs/month)	130	\$ 43	\$ 43	\$ 44	\$ 43	\$ 67,470
Total to West Basin MWD						\$ 4,003,974
IN-LIEU						
MWD Member Agency (\$/af)	0	-	-	-		No IL Program
WBMWD Member Agency (\$/af)	0	-	-	-		No IL Program
Total for In-Lieu Payments						\$ -
LADWP						
Recycled Water for Dominguez Barrier (\$/af)	3,250	\$ 852	\$ 852	\$ 878	\$ 859	\$ 2,790,125
Total to LADWP						\$ 2,790,125
SDLAC						
Tertiary Water - WN, SJC, Pomona (\$/af) (Melded rate)	50,000	\$ 40	\$ 40	\$ 40	\$ 40	\$ 2,000,000
Total to SDLAC						\$ 2,000,000
WBMWD						
WBMWD Recycled Water Melded Rate (\$/af)	15,000	\$ 722	\$ 722	\$ 722	\$ 722	\$ 10,830,000
Total to WBMWD						\$ 10,830,000
LBWD						
Source Water for Vander Lans Plant (\$/af)	1,600	\$ 50	\$ 50	\$ 100	\$ 63	\$ 100,000
Total to WRD						\$ 100,000
TOTAL	91,600	\$ 34,127,884				

updated 5/10/2013

Table 3
WRD PROJECTS AND PROGRAMS

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



Glossary of Terms



Torrance City Yard Open House - outside the Goldsworthy Desalter



Glossary of Terms

- **Acre-foot (af):** The volume of water necessary to cover one acre to a depth of one foot, equal to 325,900 gallons. An acre-foot is the amount of water used by two households in one year.
- **Aquifer:** The geologic formation of sand and gravel where groundwater is stored and can be easily pumped out by wells.
- **Condensation:** Stage of the water cycle when water transforms from gas into a vapor and becomes a suspended in the atmosphere, visually represented by clouds.
- **Conservation:** Not wasting, using something wisely
- **Contamination:** An impurity in air, soil or water that can cause harm to human health or the environment.
- **Desalination:** A process that converts seawater or brackish water to fresh water.
- **Discharge:** To expel; water that naturally moves from an aquifer to a surface stream or lake.
- **Drought:** An extended period of dry weather.
- **Evaporation:** State of the water cycle when water transforms from a liquid into a gas.
- **Groundwater:** Water under the ground's surface. It fills up the pore spaces (voids) between grains of gravel, sand, silt, or clay, and is a common source of water for drinking and irrigation.
- **Groundwater flow:** The movement of groundwater beneath the earth's surface.
- **Hydrologic cycle:** See "Water Cycle"
- **Imported water:** Water that the WRD purchases from the Colorado River or Northern California to put into the groundwater basins to supplement insufficient local rainfall.
- **Irrigation:** To supply water to crops, parks, golf courses and lawns.
- **Permeable:** Any material that allows water to penetrate through.
- **Precipitation:** Stage of the water cycle when water vapor molecules become too large and heavy to remain in the atmosphere and fall to the ground in the form of rain, snow, sleet, hail, etc.
- **Quality:** To be at a high degree of excellence; something that is good or well done.
- **Recharge:** To refill the groundwater basin by infiltrating rain water, imported water, or recycled water down into the aquifers.
- **Recycle:** To produce a new item from an old item; to reuse parts of
- **Recycled Water:** Water that has been collected after prior use, then highly treated at wastewater treatment plants so that it can be safely used again, such as for groundwater recharge.
- **Runoff:** Water that does not become absorbed by the earth but flows across the surface of the land into a stream or lake.
- **Saturation zone:** The area where water fills the spaces between soil, sand and rock underground.
- **Treatment:** The process in which water is cleaned and purified.
- **Water Cycle:** The never-ending movement of water through the atmosphere, ground and back again; also called the hydrologic cycle.
- **Water Table:** The top of the saturation zone.
- **Well:** A hole or shaft drilled into the earth to pump water to the surface.
- **Wheeling:** Use of conveyance facilities by parties other than the owner.
- **WRD:** The Water Replenishment District of Southern California, an agency responsible for managing two of the most utilized groundwater basins in Southern California . These basins, the Central and West Coast, extend 420 square-miles through southern Los Angeles County and are among the region's most reliable natural water resources.

List of Acronyms



Beautiful day at the San Gabriel Spreading Grounds.



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
ARC - Annual Required Contribution
AWTF - Advanced Water Treatment Facility
AWWARF - American Water Works Association Research Foundation
BDOC - Biodegradable dissolved organic carbon
BMP - Best Management Practice
CAFA - Comprehensive Annual Financial Audit
CAFR - Comprehensive Annual Financial Report
CASGEM - California Statewide Groundwater Elevation Monitoring
CBWA - Central Basin Water Association
CBWCB - Central Basin and West Coast Basin
CCR - Consumer Confidence Report
CDIR - California Department of Industrial Relations
CDPH - California Department of Public Health
CDPW - California Department of Public Works
CDWR - California Department of Water Resources
CEC - Constituents of Emerging Concern
CEQA - California Environmental Quality Act
CERBT - California Employers' Retiree Benefit Trust
CIP - Capital Improvement Program
COP - Certificates of Participation
CPR - Common Pool Resource
CPRA - California Public Records Act
CSDLAC - County Sanitation Districts of Los Angeles County
CSMFO - California Society of Municipal Finance Officers
CWF - Clean Water Fund
CWH - Council for Watershed Health
CWS - California Water Service Company
CWSC - California Water Service Company
DGB - Dominguez Gap Barrier
DTSC - California Department of Toxic Substances Control
DWR - Department of Water Resources
EIR - Environmental Impact Report
EPA - U.S. Environmental Protection Agency
ESR - Engineering Survey and Report
FDIC - Federal Deposit Insurance Corporation
FTE - Full-time Equivalent
GASB - Government Accounting Standards Board
GFOA - Government Finance Officers Association
GIS - Geographic Information System
GPS - Global Positioning System

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GLAC - Greater Los Angeles County
GRIP - Groundwater Reliability Improvement Program
GSWC - Golden State Water Company
GWAM - Groundwater Augmentation Model
IRWMP - Integrated Regional Water Management Plan
IS/MND - Initial Study/Mitigated Negative Declaration
JLAC - Joint Legislative Audit Committee
LABOS - Los Angeles Bureau of Sanitation
LACDPW - Los Angeles County Department of Public Works (Flood Control)
LACSD - Los Angeles County Sanitation Districts
LACFCD - Los Angeles County Flood Control District
LADWP - City of Los Angeles Department of Water and Power
LAIF - Local Agency Investment Fund
LAMS4 - Los Angeles County Municipal Stormwater Permit
LARWQCB - Los Angeles Regional Water Quality Control Board
LAX - Los Angeles International Airport
LBWD - City of Long Beach Water Department
LCP - Labor Compliance Program
LEED - Leadership in Energy & Environmental Design
LGCR - Local Government Compensation Report
LRP - Local Resources Program
LUST - Leaking Underground Storage Tank
MAR - Managed Aquifer Recharge
MF - Microfiltration
MFI - Modified Fouling Index
MFSG - Montebello Forebay Spreading Grounds
MGD - Million gallons per day
MISAC - Municipal Information Systems Association of California
MODFLOW - MODular three-dimensional finite-difference groundwater FLOW model
MOU - Memorandum of Understanding
MWD - Metropolitan Water District of Southern California
NEPA - National Environmental Policy Act
OCWD - Orange County Water District
OPEB - Other Post Employment Benefits
PEIR - Programmatic Environmental Impact Report
PLA - Project Labor Agreement
PPA - Projects, Programs, Administration
RA - Replenishment Assessment
RF - Replenishment Fund
RFP - Request for Proposal
RFQ - Request for Quote
RHSG - Rio Hondo Spreading Grounds
RO - Reverse-osmosis
RTS - Readiness-to-Serve
RWQCB - LA California Regional Water Quality Control Board – Los Angeles

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SAT - Soil Aquifer Treatment
SBPAT - Structural Best Management Practices Prioritization and Analysis Tool
SCWC - Southern California Water Committee
SDLAC - Sanitation Districts of Los Angeles County
SDWP - Safe Drinking Water Program
SGSG - San Gabriel Spreading Grounds
SJC - San Jose Creek
SWRCB - State Water Resources Control Board
TAC - Technical Advisory Committee
TDS - Total Dissolved Solids
TITP - Terminal Island Treatment Plant
TLKEGP - The Lillian Kawasaki ECO Gardener Program
TOC - Total organic compounds
UCMR - Unregulated Contaminant Monitoring Rule
USBR - United States Bureau of Reclamation
USEPA - United States Environmental Protection Agency
USGS - United States Geological Survey
UV - Ultraviolet
VOC - Volatile organic compound
WAS - Water Augmentation Study
WBMWD - West Basin Municipal Water District
WBWA - West Basin Water Association
WEFTEC - Water Environment Federation Technical Exhibition and Conference
WIN - Water Independence Now Program
WN - Whittier Narrows
WPRSF - Water Purchase and Rate Stabilization Fund
WRD - Water Replenishment District of Southern California
WRP - Water Reclamation Plant
WRR - Water Reclamation Requirements