

RESOLUTION NO. 26-1271

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, 2026 AND ENDING ON JUNE 30, 2027 AS PROVIDED IN SECTION 60317 OF THE CALIFORNIA WATER CODE AND MAKING FINDINGS AND DETERMINATIONS REGARDING SAID ASSESSMENT IN ACCORDANCE WITH SECTIONS 60315 AND 60316 OF THAT CODE

WHEREAS, the Board of Directors (the "Board") of the Water Replenishment District of Southern California (the "District") on February 3, 2026, in compliance with California Water Code § 60300, timely ordered an Engineering Survey and Report (the "ESR") to be made regarding the groundwater supplies and groundwater quality issues within the District; and

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

WHEREAS, the Board, by Resolution No. 26-1268, has declared that funds shall be raised to purchase water for replenishment of groundwater supplies within the District during the ensuing fiscal year, beginning July 1, 2026 through June 30, 2027 (FY 2027), 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. 26-1268, 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 7, 2026, which has been made available to the public, describing the services the District anticipates performing in FY 2027, estimating the costs of providing those services, and calculating a Replenishment Assessment that ensures that those costs are spread amongst water producers in an equitable manner; and

WHEREAS, on April 7, 2026, as required by California Water Code § 60307, the Board held a public hearing for the purpose of determining whether and to what extent the estimated cost of water replenishment programs and the estimated cost of water quality programs for the ensuing year shall be paid for by a replenishment assessment; and

WHEREAS, notice of the April 7, 2026 hearing was published as required by law; and

WHEREAS, the hearing was opened on April 7, 2026 continued to April 21, 2026, continued to April 28, 2026 and closed on that date; and

WHEREAS, in addition to the public hearing, the District also held budget workshops that were open to the public, where the District provided the public with information concerning its FY 2027 budget, which is directly related to the Replenishment Assessment; and

WHEREAS, the District's Budget Advisory Committee (BAC) met and the Board has received and considered recommendations from the BAC; and

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

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

WHEREAS, the Board desires to move forward with the levy of a Replenishment Assessment for the upcoming year.

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

1. That the Board, pursuant to §60315 of the Water Code of the State of California, finds as follows:
 - a) The annual overdraft of the preceding water year (October 1, 2024 through September 30, 2025) was 169,210 acre-feet as provided in the 2026 ESR.
 - b) The estimated annual overdraft for the current water year (October 1, 2025 through September 30, 2026) is 59,800 acre-feet as provided in the 2026 ESR.

- c) The estimated annual overdraft for the ensuing water year (October 1, 2026 through September 30, 2027) is 65,800 acre-feet as provided in the 2026 ESR.
- d) The accumulated overdraft as of the last day of the preceding water year was 668,940 acre-feet as provided in the 2026 ESR.
- e) The estimated accumulated overdraft as of the last day of the current water year is 649,800 acre-feet as provided in the 2026 ESR.
- f) The total production of groundwater from the groundwater supplies within the District during the preceding water year was 213,471 acre-feet as provided in the 2026 ESR.
- g) The estimated total production of groundwater from groundwater supplies within the District for the current water year is 205,000 acre-feet as provided in the 2026 ESR.
- h) The estimated total production of groundwater from the groundwater supplies within the District for the ensuing water year is 211,000 acre-feet as provided in the 2026 ESR.

The anticipated assessable production (pumping) of groundwater for budgeting purposes in the ensuing fiscal year (July 1, 2026 through June 30, 2027) is estimated at 171,254 acre-feet. The total pumping based on current pumping trends is estimated to be 211,000 acre-feet for FY 2027 (same as FY 2026). The 39,746 acre-foot variance between the estimates is primarily due to anticipated storage withdrawals (for which a replenishment assessment has already been paid by the pumper). Other factors contributing to the variance are lower pumping trends resulting from periodic drought restrictions and from wells being out of service due to contamination of groundwater. The 171,254 acre-foot projection has been validated by a survey of pumpers for estimated pumping activities in FY 2027.

- i) WY 2024/25 was well below normal precipitation resulting in a water level decrease in the CBWCB. Montebello Forebay decreased just over 16 feet. The Los Angeles Forebay water levels decreased an average of 1.8 feet, Whittier Area decreased by an average of 6.3 feet, and the Central Basin Pressure Area experienced an average decrease of 9.3 feet. The West Coast Basin had the least amount of change, with water levels increasing an average of 1.6 feet; however, this increase was artificially influenced by a temporary reduction in refinery pumping just before the annual water level round conducted in September 2025. Over the entire WRD service area, water levels decreased on average 3.9 feet. This led to a decrease in

groundwater storage of approximately 80,900 AF. The 2026 ESR provide details of water levels and basin conditions.

- j) The District is currently experiencing higher than normal rainfall conditions at approximately 168% of normal through February 4, 2026. Water levels in the Montebello Forebay are 8.5 feet higher than in the same period last year. The District anticipates that there will continue to be sufficient supplies of safe and reliable groundwater to meet the demands of the pumpers in our service area in the current and ensuing. The 2026 ESR 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 90,200 acre-feet, which includes 64,000 acre-feet at the spreading grounds and 26,200 acre-feet at the seawater barrier wells. Details of the calculations for these amounts are presented in the 2026 ESR, and on budget discussions with the Board and BAC.
- l) The estimated cost of purchasing the water described in subdivision (k) is \$44,885,247. The 2026 ESR provides details on the sources of such purchased water and the calculation of the purchasing costs.
- m) The estimated gross costs of replenishing the groundwater supplies with the water purchased are \$58,949,083. The derivation of this amount is described in the 2026 ESR, the 2026 Cost of Service Report to these documents, and on Board and BAC decisions at various public meetings.
- n) It is not anticipated that additional replenishment funds need to be raised in the ensuing year for future replenishment water that should be purchased in the ensuing year but cannot be purchased due to an anticipated unavailability of replenishment water in the ensuing year.
- o) The estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the district during the ensuing fiscal year is \$606 per acre-foot of groundwater pumped (excluding withdrawals from storage). \$262 of this is for costs identified in subdivision (l) and \$344 of this is for costs identified in subdivision (m).
- p) Contaminants should be removed from groundwater supplies during the ensuing fiscal year pursuant to the District's projects and programs described in the 2026 ESR, the District's capital improvement program, and the District's proposed annual budget document. The gross costs to the District for these removal activities are estimated at \$9,581,960. 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 \$56 per acre-foot (excluding withdrawals from storage).

- q) The programs for the removal of contaminants or other actions under Water Code § 60224 are multi-year programs.
2. That the Board pursuant to §60316 of the Water Code of the State of California determines as follows:
- a) The entire estimated cost, as set forth in Section 1(l) of this Resolution of purchasing water for replenishment for the ensuing fiscal year shall be paid for by a replenishment assessment. The necessary replenishment assessment for such purchase of water is \$262 per acre-foot of groundwater pumped (excluding withdrawals from storage).
 - b) Because the District anticipates having \$27,740,074 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only \$31,209,009 of the estimated cost, as set forth in Section 1(m) of this Resolution, for replenishing groundwater supplies with purchased water shall be paid for by a replenishment assessment. The necessary replenishment assessment for these replenishment costs is \$182 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, \$132 is allocated to capital projects.
 - c) Because the District anticipates having \$3,542,478 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only \$6,039,482 of the estimated cost, as set forth in Section 1(q) of this Resolution, for removal of contaminants from groundwater supplies shall be paid for by a replenishment assessment. The necessary replenishment assessment for these removal costs is \$35 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, \$8 is allocated to capital projects.
3. Prior to accounting for other revenue, possible debt financing, or use of reserves, the entire cost of purchasing water for replenishment for the ensuing fiscal year shall be paid for by the assessment identified in Section 2 above. The cost of removing contaminants from groundwater supplies and taking other actions authorized under Water Code § 60224 shall be paid for by the assessment identified in Section 2 above, from possible debt financing for capital improvement projects, and from reserve funds as necessary.

4. There is hereby levied on the production of groundwater from groundwater supplies within the District during the fiscal year commencing July 1, 2026 and ending June 30, 2027, a replenishment assessment in the amount of \$480 per acre-foot produced (excluding withdrawals from storage) during said fiscal year.
5. This Replenishment Assessment complies with the California Environmental Quality Act (“CEQA”), based on any one of the following grounds:
 - (a) That the District’s groundwater replenishment program is exempt from CEQA pursuant to CEQA Guidelines §15261(a), in that it is an ongoing project commencing at a date such that an environmental impact report has not been required, and the FY 2027 program is part of that ongoing project.
 - (b) Funds generated by the RA will be used for (1) operating expenses, (2) financial reserve needs, (3) purchasing or leasing of, equipment, materials and supplies, and (4) funds for capital projects necessary to maintain service within existing service areas. That Finding is based on documents and information provided in the record of these proceedings, including but not limited to the annual ESR, the 2026 Cost of Service Report, the proposed FY 2027 budget, and the staff’s written reports and PowerPoint presentations to the Board. Further, the funds raised by the RA will not be used to expand the area or territory in which the District provides services or to fund capital projects that would expand the District’s service area or system. Accordingly, the District finds that its adoption of this resolution exempt from CEQA pursuant to, among other bases, CEQA Section 20180(b) (8) and CEQA Guidelines 15261 and 15273, and the Board directs staff to file an appropriate Notice of Exemption.
 - (c) Notwithstanding the exemptions cited above, an Environmental Impact Report (“EIR”) for the District’s groundwater replenishment program was previously prepared and that EIR and program have been approved by the District’s Board. Subsequent to the preparation of that EIR, the District prepared and certified a number of Mitigated Negative Declarations and Negative Declarations for various water quality and water supply projects (collectively, the “NDs”). The District has examined the imposition of a water replenishment assessment for FY 2027 to determine whether an additional environmental document must be prepared. Based on this examination, the 2026 Engineering Survey and Report and all other evidence in the administrative record of the District’s proceedings herein, the District concludes that: (1) the imposition of a water replenishment assessment for the FY 2027 would not have any effects that were not examined in the EIR and NDs; (2) pursuant to CEQA Guidelines §15162, no new effects would occur and no new mitigation measures would be required; and (3) the imposition of a water replenishment assessment for the FY 2027 fiscal year is within the scope of the groundwater replenishment program covered by

the EIR and NDs and such activity is adequately described in said EIR, and no new environmental document is required.

6. The Replenishment Assessment will be imposed on persons and entities that extract groundwater from the Central Basin and West Coast Basin. Extraction of groundwater from those Basins is governed by court judgments entered in 1962 and 1965 pursuant to groundwater adjudication lawsuits. Those judgments granted certain parties an allocation to pump water based on prescriptive water rights and not based on any aspect of ownership of land overlying either Basin. Accordingly, since the pumping rights granted by the Judgments were based on prescriptive water rights, the parties do not pump the groundwater pursuant to any tenancy or fee interest in the overlying land or any rights that attach as a result of a tenancy or fee interest in overlying land. Further, neither of the Judgments for the Central and West Coast Basins included a determination of the amount or extent to which any party to said Judgment may extract groundwater from said basin without exceeding the natural safe yield of said basin.
7. The purpose of the Replenishment Assessment is to fund the District's water basin management services. These services are a package of services that make high quality water available to those exercising adjudicated pumping rights and consist of; monitoring the level and quality of groundwater in the basins; purchasing and producing water needed to replenish the basins; preventing seawater contamination of the groundwater supply; funding replenishment operations; and other activities that make the basins a reliable and low-cost source of safe, high-quality water. Every activity of the District is a part of the water basin management services.

Water basin management services benefit those charged. All persons receiving the services or benefitting from the services by exercising pumping allocations are subject to the Replenishment Assessment. Services are not provided to those who are not charged the Replenishment Assessment and do not benefit those who are not charged the Replenishment Assessment. The amount of the Replenishment Assessment does not exceed the District's reasonable costs to provide services, confer benefits and/or grant privileges as described in this paragraph. Consequently, the Replenishment Assessment is not a "tax" within the meaning of Article XIII C, Section 1(e) of the California Constitution.

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

The Board notes that, in addition to replenishment assessment proceeds, the District receives an allocation of ad valorem property tax revenues. It is the intent of the Board that the District's Grants and Sponsorship Program, memberships and dues, water education expenses, and other community programs, be funded from these property tax revenues.

[RECORD OF THE VOTE AND SIGNATURES ON FOLLOWING PAGE]

PASSED, APPROVED AND ADOPTED THIS 28th day of April 2026 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Board President

ATTEST:

Board Secretary

DATE

APPROVED AS TO FORM:

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