WATER REPLENISHMENT DISTRICT

ACHIEVEMENTS IN WATER INDEPENDENCE



Brackish Groundwater Reclamation Program Groundbreaking Ceremony

Fiscal Year 2027 Annual Budget

WRD
WATER REPLENISHMENT DISTRICT



ACHIEVEMENTS IN WATER INDEPENDENCE

Fiscal Year 2027 Annual Budget

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WRD HEADQUARTERS EXTERIOR

MISSION STATEMENT, BOARD OF DIRECTORS AND STANDING COMMITTEES

MISSION STATEMENT

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

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

BOARD OF DIRECTORS



Joy Langford
Division 1



Rob Katherman
Division 2



John D. S. Allen
Division 3



Sergio Calderon
Division 4



Vera Robles DeWitt
Division 5

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

STANDING COMMITTEES

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

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

ADMINISTRATIVE COMMITTEE

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

1. Administrative and personnel policies and procedures to be considered by the Board of Directors
2. Policies and procedures pertaining to the oversight and management of the organization, including but not limited to the District's organization and the flow of the authority and responsibilities
3. Periodic independent reviews and studies of the organization, classification of positions and related compensation ranges, some of which are outlined in the Memorandum of Understanding with the employees' bargaining unit

CAPITAL IMPROVEMENT PROJECTS COMMITTEE

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

EXTERNAL AFFAIRS COMMITTEE

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

1. Proposals and recommendations concerning local, regional, state, and federal legislation, or amendments thereto, that may affect the District
2. Opportunities for Directors to assist in outreach activities, including but not limited to efforts to inform members of the Legislature or the Congress of the District's position regarding proposed legislation
3. The effectiveness of legislative advocacy efforts
4. The development and implementation of school education programs, including the expectations and goals for these programs
5. The effectiveness of the District's external affairs programs and general communications efforts directed at member agencies and the general public
6. The selection of public information consultants and the scope of their assignments

FINANCE/AUDIT COMMITTEE

The Treasurer of the Board must serve on the Finance/Audit Committee. The committee shall study, advise, and make recommendations regarding the following:

1. Financial activities of the District by reviewing the monthly demands, financial statements, reimbursements, and other key financial issues of the District
2. The coordination of the annual budget process and monitoring the budget as necessary to ensure that the operations of the District are conducted pursuant to it
3. The District's investment policy and the District's investment portfolio. The committee is to monitor any short, intermediate, and long-term capital needs of the District
4. Acts as the Audit Committee relating to the Comprehensive Annual Financial Audit conducted by the District's independent financial auditor

GROUNDWATER QUALITY COMMITTEE

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

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

WATER RESOURCES COMMITTEE

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

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



WRD BOARD OF DIRECTORS



INSTALLATION EXHIBIT INSIDE ALBERT ROBLES CENTER

BOARD PRESIDENT'S REPORT



Sergio Calderon
President

PRESIDENT'S REPORT

The Water Replenishment District is committed to ensuring safe and sustainable groundwater through its mission to provide, protect, and preserve it. Our vision is focused on leveraging groundwater aquifers to create a sustainable water supply for the region. Over the past year, we have made progress toward this mission and broke ground on a legacy project designed to help achieve our vision.

TORRANCE DESALTER REACHES MILESTONE

In June, Directors and staff from the Water Replenishment District (WRD), along with officials from the City of Torrance, commemorated a significant milestone with the ceremonial groundbreaking of the Torrance Groundwater Desalter Expansion Project. The event was attended by elected officials, community leaders, and funding partners, all gathered to recognize the commencement of the next phase in an ambitious initiative to convert brackish groundwater into a dependable source of potable water. Upon completion, the project is expected to purify up to 7,100 acre-feet—equivalent to 3.3 billion gallons—of high-quality drinking water annually, thereby fulfilling a substantial portion of the water supply requirements for Torrance residents. This development will enable the city to decrease its dependence on increasingly vulnerable imported water supplies. Torrance Mayor George Chen stated, "With this expansion, the facility will nearly double its capacity while helping address longstanding groundwater challenges in the South Bay. Today we break ground, but more importantly, we invest in a stronger and more secure future."

Prior to the installation of seawater barriers in the 1950s, ocean water would infiltrate inland, resulting in a 14-square-mile area with a plume of salty groundwater in the West Coast Basin that was unsuitable for drinking. By capturing and treating this water, WRD is creating a new, local source of potable supply and enabling more room for extra storage. As mentioned at the groundbreaking ceremony, "Today's milestone furthers our WIN 4 ALL initiative, which aims to boost regional water reliability through locally sustainable supplies and expand groundwater storage capacity for future generations."

WIN 4 ALL serves as the regional adaptation of the Water Independence Now (WIN) initiative, which is WRD's flagship suite of programs and projects responsible for eliminating reliance on imported water for groundwater replenishment.

The expansion project for the desalter facility is progressing according to schedule, with anticipated operational commencement slated for late 2028 or early 2029.

PROJECT FINANCE

The desalter expansion represents one of the most substantial initiatives undertaken by WRD. Thus far, WRD has secured $82 million in state and federal grants and low-interest loans, with an additional $50 million in available cash for direct contribution. Major investments have been provided by the U.S. Environmental Protection Agency's Clean Water State Revolving Fund, the U.S. Bureau of Reclamation, the California Department of Water Resources, and the Bonneville Environmental Foundation's Business for Water Stewardship Program.

In June, $105 million in tax-exempt bonds were issued, with a portion of the funding allocated to enhancements at the Leo J. Vander Lans Advanced Water Treatment Facility. Upon commencement of operations, it is projected that up to $305 per acre-foot will be received for as much as 4,100 acre-feet of water produced annually through participation in the Metropolitan Water District's Local Resources Program.

CAPITAL IMPROVEMENT PROGRAM

The Board conducts an annual review of WRD's Capital Improvement Program (CIP) to advance organizational objectives and initiatives. The CIP provides a comprehensive overview of required projects, projected costs, expected timelines, funding sources, and overall annual budgets. The FY 2027 CIP outlines developments through the 2031 fiscal year, with a program budget totaling $207 million. Nearly $128 million is allocated to the expansion of the Torrance Groundwater Desalter, while $59 million is designated for rehabilitation and upgrades at the Leo J. Vander Lans Advanced Water Treatment Facility. The balance of $20 million will be applied toward enhancements to district headquarters and ancillary facilities.

NEW PUMPER ADVISORY COMMITTEE

For many years, WRD was advised by two separate pumper advisory committees: the Technical Advisory Committee, which assessed and provided recommendations concerning district-initiated projects, and the Budget Advisory Committee, which evaluated and advised on the district's replenishment assessment, operating budget, and reserve funds.

In an effort to improve efficiency and unify pumper evaluations and recommendations, the Board established the Water Pumper Advisory Committee this year. This consolidated committee is composed of nine members: three appointed by the Central Basin Water Association, three by the West Basin Water Association, and three selected from among the four major pumpers holding water rights in both basins. WRD highly values the expertise contributed by the pumper community and sincerely appreciates the dedication and service of those who participate in an advisory role.

OUTREACH AND EDUCATION

Public outreach and education are integral components of our mission. We place particular importance on informing young individuals about the diverse and rewarding career opportunities within both the public and private water sectors. Additionally, we sponsor initiatives focused on conservation and sustainable gardening. Through a $15,000 grant provided

by Marathon Petroleum, we are enhancing our commitment to comprehensive groundwater and recycled water education. This funding will facilitate immersive field trips to the District's Albert Robles Center for Water Recycling and Environmental Learning (ARC) in Pico Rivera. These educational experiences are open to schools in communities served by the Marathon Refinery, including Carson, Wilmington, San Pedro, South Gate, and West Long Beach. We sincerely appreciate Marathon Petroleum's valuable support and collaboration.

THANKS!

I have had the privilege of serving on the WRD Board for nearly two decades. Over this period, I have witnessed the successful completion of the Water Independence Now (WIN) initiative and the launch of our WIN 4 ALL program, aimed at reducing regional dependence on imported water. The expansion of the Torrance Groundwater Desalter represents significant progress toward this goal.

Earlier this year, I was elected President by my colleagues on the Board, and I am grateful for their trust and support. The Board is distinguished by the informed participation of each Director and the collegial atmosphere that shapes our discussions. I would also like to express my appreciation to General Manager Stephan Tucker and the exceptional staff at WRD for their continued dedication, exemplary performance, and steadfast commitment to fostering a culture of excellence and innovation within the organization.

Sergio Calderon President



GENERAL MANAGER STEPHAN TUCKER SPEAKING AT BRACKISH GROUNDWATER RECLAMATION PROGRAM GROUNDBREAKING CEREMONY

GENERAL MANAGER'S REPORT



Stephan Tucker
General Manager

EL NINO HAS ARRIVED

This year, California's weather may reflect the volatility observed in recent years, with a transition from a dry and hazardous fire season to substantial rainfall. Federal forecasters have indicated that El Niño conditions are present, projecting precipitation during the fall and winter that could rank among the most significant El Niño events since the 1950s. The last major El Niño episodes occurred in 2022-23 and 2023-24, when regional precipitation exceeded historical averages by 13 and 8 inches, respectively. During this period, over 323,000 acre-feet of stormwater were collected, marking the largest volume for any two-year span in WRD's records.

Due to the variable nature of rainfall in Southern California, the 2024-25 season yielded only 4.52 inches of precipitation, resulting in the collection of 25,059 acre-feet of stormwater.

In addition to significant local weather variability, the region faces notable vulnerabilities related to its imported water supply. Proactive planning is necessary to address anticipated constraints affecting both the State Water Project and the Colorado River sources. Ongoing drought conditions in the Rocky Mountains and worsening circumstances at Lake Mead—which provides approximately one-third of Southern California's water—underscore these challenges. Premature snowmelt, deteriorating levees in the Delta, and substantial subsidence along the State Aqueduct are contributing factors reducing the reliability of deliveries from the State Water Project.

From a water management and planning perspective, the unpredictable weather patterns and dependence on imported water underscore the necessity to decrease reliance on external sources while increasing investment in local water supply. WRD's expansion of the Torrance Desalter and prior investments in recycled water projects in Whittier, Long Beach, and Pico Rivera exemplify this commitment. Following the establishment of WRD in 1959, over 200,000 acre-feet of imported water were used annually for groundwater replenishment. However, over the past seven years, WRD has exclusively utilized local water sources, eliminating the need for imported supply.

Other local supply initiatives with significant implications for future reliability include Pure Water Southern California—a collaboration between the Metropolitan Water District and the Los Angeles County Sanitation Districts—and Pure Water Los Angeles, a partnership between the Los Angeles Department of Water and Power and the Bureau of Sanitation. If fully implemented, these two advanced recycled water projects could generate up to 426,000 acre-feet annually of potable-quality recycled water, sufficient to meet the yearly requirements of more than 3.4 million residents. This approach offers a dependable and sustainable local water supply regardless of weather conditions.

WRD RESEARCH & INNOVATION PROGRAM

In May 2024, I organized and facilitated the first Big Idea Fest to gather project and program proposals from WRD staff aimed at advancing organizational excellence within the district. One project team recommended establishing the WRD Research and Innovation Program (R & I Program) to generate cost savings by improving operational efficiencies at WRD's advanced water treatment facilities. Over the following year, this proposal was developed into a concept plan that was subsequently submitted to the board, which approved a two-year pilot for the R & I Program. The implementation of this program has promoted a culture of innovation across the district and has served as a collaborative nexus among science, business, industry, and academia, yielding practical and significant research questions for resolution.

A project is currently in progress at the Albert Robles Center (ARC) to assess a reverse osmosis pretreatment strategy for controlling membrane scaling, utilizing an American Water Chemicals pilot system. If this initiative succeeds, it has the potential to reduce district costs by $60,000 annually.

Another proposal seeks to reschedule ARC's yearly shutdown from August to May, thereby avoiding on-peak electricity charges and potentially saving the district $50,000 each year. Additional projects under review involve leveraging savings programs offered by Southern California Edison and optimizing energy usage at ARC through process-specific improvements, supported by the facility's "digital twin" and the digital twin pilot system developed by the National Alliance for Water Innovation in collaboration with UC Irvine.

The program has produced measurable financial advantages. Equally significant, the initiative and active staff involvement has cultivated a culture of innovation across the district, contributing substantial intangible benefits.

STATE AUDIT OF WRD PROJECTS

As part of its bond oversight responsibilities, the State Department of Finance conducts audits of recipients of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1). Under this Act, WRD was awarded three grants totaling $14.75 million for the following projects:

- Mitigation of excessive iron and manganese levels in a key well located in Maywood.
- Installation of a treatment system in Vernon designed to remediate and prevent the migration of perchlorate and other contaminants in the Los Angeles Forebay, which serves as a drinking water source for cities in the Southeast area.
- Decommissioning five inactive supply wells that were facilitating the movement of perchlorate and other contaminants.

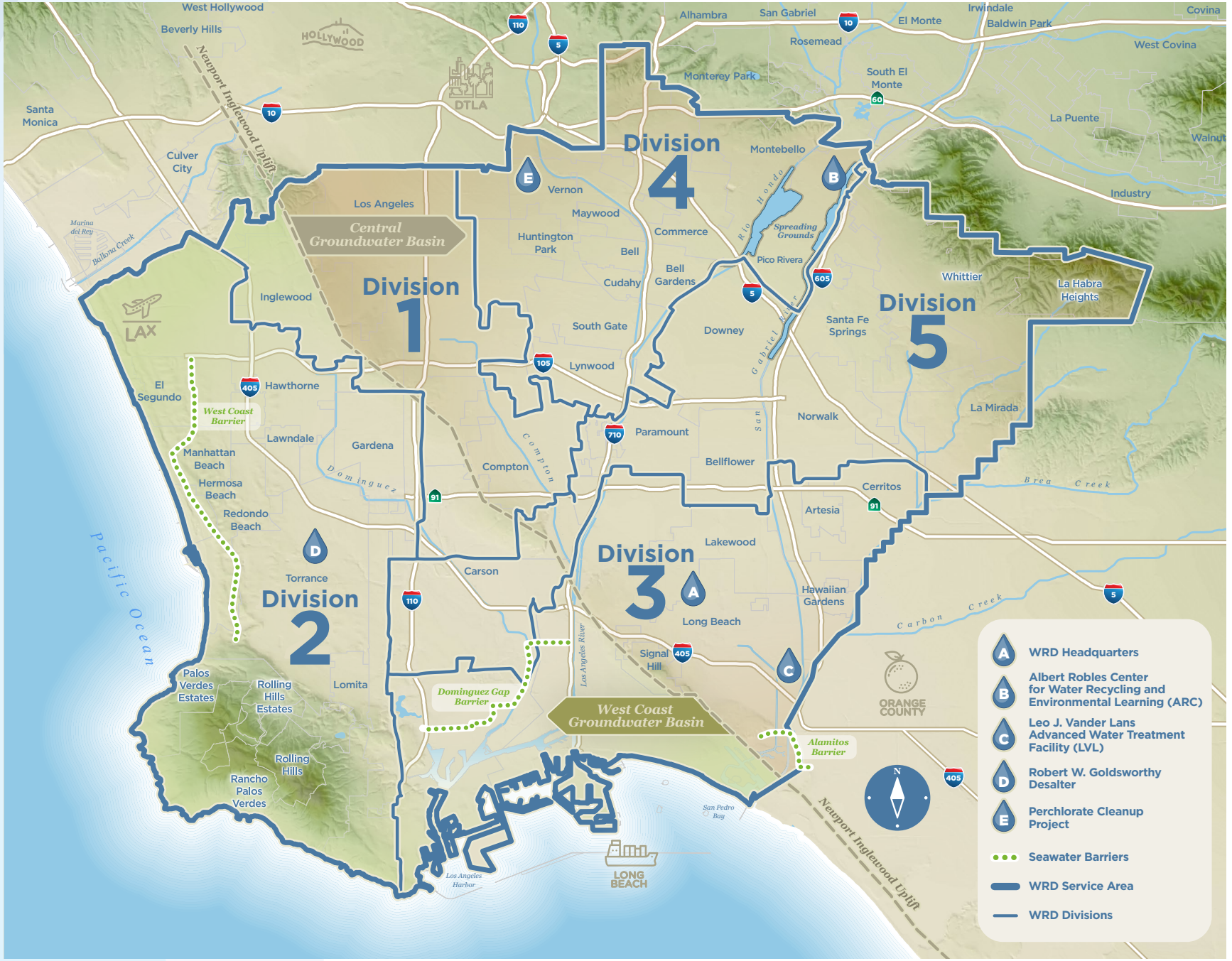
The audits confirmed that WRD complied with all grant requirements and successfully completed the projects as proposed. While WRD maintains rigorous stewardship over public funds, independent validation is always valuable.

APPRECIATION

I would like to extend my sincere appreciation to the Board for yet another productive year. The Board and staff continue to demonstrate a strong alignment with the district's mission and vision, ensuring the effective implementation of Board policies and programs. Additionally, I wish to acknowledge that, for the 22nd consecutive year, WRD received the Government Financial Officers Association Certificate of Achievement for Excellence in Financial Reporting—an accolade reflecting the exemplary work of our Finance Department staff. My gratitude also goes to the entire WRD team for their dedication and pursuit of excellence, which remains a defining characteristic of our organization.

Stephan Tucker General Manager

WATER REPLENISHMENT DISTRICT SERVICE AREA



ABOUT WATER REPLENISHMENT DISTRICT



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

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

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

In 1959, the Central Basin Water Association and West Basin Water Association, comprised of the major groundwater producers from each basin, jointly proposed and obtained voter approval for formation of the Water Replenishment District of Southern California to manage the Central and West Coast Groundwater Basins. Today the basins have recovered, are in balance, and independent of imported water for groundwater replenishment, using only recycled water and stormwater for recharge.

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

LOCAL ECONOMY AND FORECAST

MAJOR ECONOMIC INDICATORS

Gross County Product (GCP) Real GCP in Los Angeles County grew by 2.4 percent in 2025, a significant jump from the 1.1 percent growth rate seen in 2024 and the 1.0 percent growth rate in 2023. Los Angeles County's real GCP growth was slightly larger than California's (2.1 percent) for the year. That said, the County will experience more restrained economic growth over the next two years, similar to the California forecast, with a projected real GCP growth rate of 2.2 percent in 2026 and 1.8 percent in 2027.

EMPLOYMENT

Los Angeles County added just 9,800 nonfarm payroll jobs in 2025, an increase of 0.0 percent. This brings the number of payroll employees in the county to just under 4.6 million. This is significantly lower than the 46,400 jobs added in 2024 and is closer to the 10,300 jobs added in 2023. The major industry sectors experiencing the most growth in 2025 were Education & Health Services (21,100 jobs), Government (3,800 jobs), and Professional & Business Services (1,400 jobs). The industry sectors experiencing the greatest losses were Information (9,400 jobs), Transportation, Trade and Utilities (6,800 jobs), and Manufacturing (5,000 jobs).

Over the next two years, job creation in Los Angeles County should pick up, with projected annual growth rates of 0.5 percent in 2026 and 0.4 percent in 2027. This translates to an additional 24,100 jobs in 2026 and 16,700 jobs in 2027. Between 2025 and 2027, Education & Health Services and Leisure & Hospitality are expected to gain the most jobs, 76,700 and 11,200, respectively. By contrast, Manufacturing and Professional & Business Services are expected to lose the most, 18,000 and 14,400, respectively.

PERSONAL INCOME

After a strong 4.1 percent growth rate in 2024, the real personal income growth rate in the county cooled to 2.7 percent in 2025. This exceeded the national growth rate (2.0 percent) and California's (1.9 percent). We expect real personal income growth to slow in 2026 and to increase slightly in 2027. Growth rates should reach 2.0 percent and 2.8 percent, respectively.

UNEMPLOYMENT RATE

The unemployment rate in Los Angeles County is a concern. It reached 5.7 percent in 2025, above the 2022-2024 average of 5.3 percent. The County's unemployment rate was higher than California's (5.5 percent) and substantially higher than the United States' (4.3 percent) in 2025. As hiring accelerates over the next two years, we expect the unemployment rate to remain steady. We anticipate that the County's unemployment rate will reach 5.9 percent in 2026 and 2027.

COUNTY FACES BUDGETARY PRESSURE

Los Angeles County faces ongoing challenges with its budget, due to diminished revenue from continued economic uncertainty, increased costs from wildfires and payouts from legal settlements, and the sunsetting of one-time Pandemic-related State and Federal funding opportunities. While property tax revenue has steadily increased, sales tax revenue decreased in FY24-25 and is expected to decrease in FY25-26, as the economy slows and consumers spend less. While the county managed to balance their FY25-26 budget by cutting programs and jobs, decreasing services, and negotiating with labor unions, fundamental budget problems remain.

The One Big Beautiful Bill Act (OBBBA) exacerbates the challenges the county already faces. Los Angeles County operates four hospitals and 23 health centers. In 2021, the county's hospitals received 81.1 percent of net patient revenue from Medi-Cal and 11.1 percent from Medicare, accounting for $2.6 billion in annual revenue. Limiting access to insurance coverage poses an existential financial threat to the county, with projected losses of $714 million over the next three years due to OBBBA's cuts to Medicaid. According to LA County CEO Fesia Davenport, this will result in 5,000 county layoffs and could lead to the closure of a county public hospital.

As budget deficits threaten to impact staffing and funding levels, Los Angeles will be heavily impacted. Key employment sectors for the region rely on government funding. Health care and social assistance, education, and government sectors make up more than one-third of employment in the county. The health care and social assistance sector is the largest sector for private employment in Los Angeles County, employing over 800,000 annually. If local government were a private industry sector, it would be the second-largest employer in the county with over 450,000 annual employees.

HOLLYWOOD AFTER FILM TAX CREDIT EXPANSION

California reformed its Film Tax Credit program in 2025, more than doubling the annual allocation to $750 million, expanding the program's eligibility, streamlining its stacked bonuses, and increasing project caps and base credit percentages. While the new program launched in July, productions have 180 days from credit award to begin filming. The full effect of increased incentives will not be apparent until well into 2026. However, there are early signs of optimism: FilmLA reported that incentivized projects accounted for 13 percent of all film and TV shoot days in Q4 of 2025. Overall, shoot days continue to decline; in 2025, shoot days reached Pandemic lows.

Sound stage occupancy tell a similar story. While Los Angeles sound stage occupancy remained above 93 percent between 2016 and 2021, occupancy in 2024 was 63 percent. Los Angeles continues to invest in sound stages, increasing sound stage square footage by 53 percent between 2020 and 2025. As production shoot days drop, there are early signs of financial uncertainty for the Los Angeles sound stage business. Hackman Capital purchased the iconic Radford Studio Center for $1.85 billion in 2021, with grand plans to redevelop the space and modernize production. Amid production decline, Hackman defaulted on the loan in January 2026, ceding the property to Goldman Sachs. Around the same time, a new soundstage facility – East End Studios – opened in LA's Arts District. The 255,000 square foot facility is empty, with no productions currently slated to use the state-of-the-art facilities.

Los Angeles County is also exploring the creation of a purpose-built research sound stage on public land.

FilmLA, a nonprofit public benefit organization, holds contracts with the County and City of Los Angeles, along with other cities in the region, to handle film permits and act as the government's official film office. Under a unique model, the organization does not charge cities for its services, instead drawing on permit fees to fund permit administration. When FilmLA's contracts with the City and County of Los Angeles came up for renewal this year, the process raised considerations around whether the film office permit pricing was adding to the recent decline in regional production. The County and City both extended FilmLA's contracts, with both now expiring on June 30, 2030. Aligning contract dates allows the two to coordinate during the next contract negotiation.

Consolidation within the industry will also impact the Los Angeles regional economy. In August 2025, Skydance acquired Paramount for $8 billion. Paramount Skydance is awaiting regulatory approval for its $110.9 billion purchase of Warner

Brothers. In the near-term, this acquisition could result in back office layoffs at Warner Brothers, whose headquarters are in Burbank, due to 'duplicative' administrative roles. In the long-run, mergers and acquisitions in the entertainment industry pose a risk to the regional economy.

SIGNS OF ECONOMIC PROGRESS

While Los Angeles County faced hardships in 2025, there were still signs of economic progress. For instance, several transportation and infrastructure initiatives were advanced throughout the county in preparation for the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games. LA Metro completed the LAX/ Metro Transit Center, making it easier to travel to and from Los Angeles International Airport (LAX) by public transportation, along with the Metro A Line extension to Pomona. These and other projects are part of LA Metro's Twenty-Eight by '28 Initiative, which looks to prepare the County for the 2028 Games by completing 28 transit related projects.

The City of Long Beach continued construction on infrastructure projects associated with its Elevate '28 program, which includes proposals for more than $1 billion in investment in the city by the end of fiscal year 2027. For airport modernization, the Los Angeles City Council approved Los Angeles World Airports' (LAWA) Multiple Award Task Order Contract for up to $5 billion in airport improvements as a part of LAWA's Capital Improvement Program. The City Council also approved a $2.6 billion expansion and modernization program for the L.A. Convention Center. The City of Inglewood approved a $34 million contract for its Inglewood Transit Connector Program, which is being refocused on near-term mobility improvements, including serving spectators traveling to SoFi Stadium and the Intuit Dome for the 2028 Games.

LA Metro is also involved in two other transportation infrastructure projects that will likely be completed after the 2028 Games, but will be a boon to the region once finished. The first project is the Sepulveda Transit Corridor, an underground heavy-rail line that will connect the San Fernando Valley and the Westside. The project was nearing the end of environmental review at the end of 2025 and aims to complete construction by 2035. It's currently estimated to cost between $20 billion and $25 billion. Another project is the Southeast Gateway Line, which began preconstruction in 2025 and brings 14.5 miles of rail service to the Southeast part of Los Angeles County. This project is intended to be completed by 2035 and is projected to cost between $7.1 billion and $9 billion to build.

Other substantial investments were secured within Los Angeles County in 2025 and are expected to bring economic growth. Anduril Industries announced it will open a campus in Long Beach and Lakewood, supporting 5,500 jobs upon opening in mid-2027. The Kroenke Organization announced its plans for the 52 acre "Rams Village" at Warner Center, which will become the new headquarters and training facilities for the Los Angeles Rams. Also announced were the plans for Hollywood Park Studios, a multi-structure production space spanning 12 acres. The first tenant for Hollywood Park Studios will set up an international broadcast center for the 2028 Olympic and Paralympic Games.

The county received $23.9 million in California Jobs First funds to support its Life Sciences Industry Strategy and Action Plan, which aims to create 10,000 high-quality jobs in the county by 2030. The County also secured a $32 million investment to launch two workforce initiatives: the Fire Recovery and Resilience Workforce Program, which supports 1,000 workers, and the High Road Training Partnership Fund, which supports 1,300 workers. Over $2.5 billion in relief funds from the California state government were granted to the county to help with recovery from the Eaton and Palisades wildfires that occurred in January 2025.

Source – LAEDC 2026 Economic Forecast

Table 1

Economic Statistics - United States, California and Los Angeles County

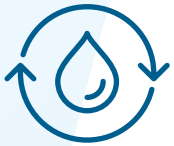
Description	2021	2022	2023	2024	2025	2026
Estimated Population (1 & 2) in millions						
United States	332.35	334.25	337.00	340.25	342.03	342.86
California	39.38	39.16	39.17	39.45	39.65	39.59
Los Angeles County	9.97	9.86	9.86	9.88	9.90	9.84
Median Home Listing Price (3)						
United States	$379,900	$449,000	445,000	439,900	440,950	430,000
California	$749,970	$775,000	777,000	785,000	771,500	749,450
Los Angeles County	$967,000	$949,000	1,099,999	1,129,000	1,062,500	998,500
Real GDP Growth (4)						
United States	6.2%	2.5%	2.9%	2.8%	1.8%	2.3%
California	7.5%	-0.1%	1.8%	3.2%	2.1%	2.4%
Los Angeles County	6.1%	2.6%	1.0%	1.1%	2.4%	2.2%
Unemployment Rate (4)						
United States	5.3%	3.6%	3.6%	4.0%	4.3%	4.5%
California	7.3%	4.3%	4.7%	5.3%	5.5%	5.7%
Los Angeles County	9.0%	5.0%	5.1%	5.8%	5.7%	5.9%
Real Per Capita Income Growth (4)						
United States	5.2%	-3.3%	2.6%	2.9%	2.0%	2.8%
California	4.4%	-7.0%	1.5%	1.3%	1.9%	1.6%
Los Angeles County	1.8%	-5.7%	0.8%	4.1%	2.7%	2.0%

Sources:
1) U.S. Census Bureau, Population Division (Release Date - January 2026)
2) California Department of Finance
3) Federal Reserve Economic Data
4) Los Angeles County Economic Development Corporation (LAEDC) 2026 Economic Forecast
2025 - Estimated, 2026 - Forecast

STRATEGIC GOALS AND OBJECTIVES

STRATEGIC CORE VALUES

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



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



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



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



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



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



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

WRD'S CORE OPERATING PRINCIPLES

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

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

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

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

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

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

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



ALBERT ROBLES CENTER GARDENS

WRD STRATEGIC PRIORITIES FOR FISCAL YEAR 2027

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

GOAL 1: EXPAND SUSTAINABLE REPLENISHMENT OPPORTUNITIES

Strategy 1.1: Central Basin efforts

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

Strategy 1.2: West Coast Basin efforts

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

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

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

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

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



GOAL 2: SUSTAIN EXTRACTION CAPACITY

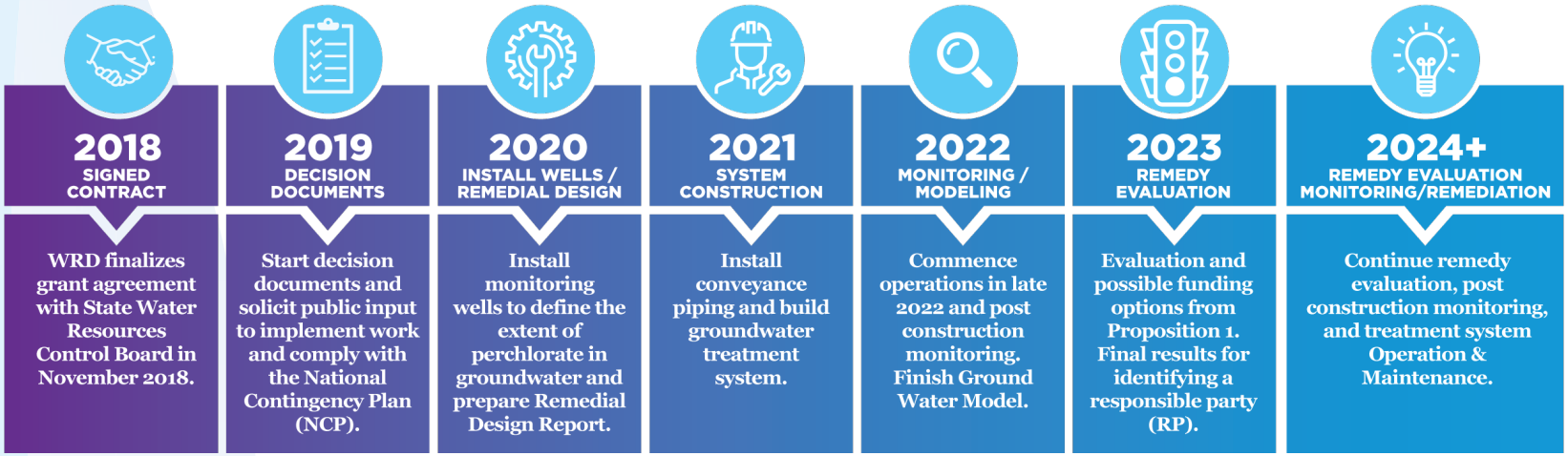
Strategy 2.1: Assist groundwater producers to maintain and increase their groundwater pumping capabilities in accordance with the District's WIN4ALL initiative.

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

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

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

PERCHLORATE PROJECT TIMELINE



GOAL 3: MAXIMIZE ENVIRONMENTAL RESILIENCE AND INNOVATION

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

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

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

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

Strategy 3.3: Improve management of environmental compliance.

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

GOAL 4: PROMOTE ORGANIZATIONAL EXCELLENCE

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

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



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

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

Strategy 4.3: Optimize internal technology and leverage innovative technology.

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



GOAL 5: MAINTAIN STAKEHOLDER & COMMUNITY ENGAGEMENT

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

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

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

- Develop collateral, both digital and print for each new multi-modal tool the department uses to increase exposure and website traffic.
- Implement a tracking/ reporting system to measure the impact and/or use of the tools the department develops.
- Create digital tools that can be used throughout WRD and support educational efforts.

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

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

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

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

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

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

FISCAL YEAR 2027 BUDGET OVERVIEW

SHORT-TERM FACTORS INFLUENCING FISCAL YEAR 2027 BUDGET

The District's annual budget is influenced by a variety of short-term factors, such as rainfall variability, drought conditions, legislative changes impacting water demand, and regional economic trends. These factors often interact and compound operational challenges—for example, drought conditions combined with legislative changes can significantly alter water demand, requiring adjustments to both revenue forecasts and operational plans. Groundwater extraction and storage withdrawal volumes by pumpers are also crucial; higher groundwater extraction rates typically increase revenue from pumping fees, while lower volumes during drought periods may reduce income and necessitate budget adjustments. This dynamic underscores the importance of closely monitoring these variables to ensure financial stability and effective operational planning.

The District is presently dedicated to maintaining financial stability while advancing key infrastructure projects. In July 2026, plans are underway to issue bonds and obtain external funding for the Torrance Desalter expansion and capital improvements at the Leo J Vander Lans Advanced Water Treatment Facility. To facilitate these initiatives, proactive cash flow management is being implemented to ensure liquidity, synchronize funding with project schedules, and fulfill operational requirements without interruption. Expense controls continue to be emphasized, and financial metrics are rigorously tracked to safeguard credit standing and fiscal adaptability. These projects aim to enhance water supply availability within the basin for residents, foster sustainable community growth, and improve reliability at treatment facilities.

For Fiscal Year 2027, the total projected groundwater extraction—including both accessible pumping and storage extraction—is estimated at approximately 211,000 acre-feet. This comprises 171,254 acre-feet from groundwater accessible pumping and 39,746 acre-feet from storage extraction. Groundwater accessible pumping refers to water withdrawn directly from aquifers, whereas storage extraction involves utilizing previously unused water rights. Although the overall estimated pumping volume remains consistent with Fiscal Year 2026, there has been a notable shift in sourcing: groundwater accessible pumping declined by roughly 8,000 acre-feet, while storage extraction increased by an equivalent amount. This change reflects adjustments in pumping practices due to modified rate structures.

This revised approach provides a more precise representation of current practices within the pumping community, as storage extraction billed at the prior year's rate now constitutes a greater proportion of total extraction. Since storage extraction is subject to distinct fee structures compared to groundwater accessible pumping, pumpers may encounter changes in their aggregate costs. These conditions may incentivize further modifications in pumping behavior as operators adapt to evolving fee arrangements. The Replenishment Assessment fee, which pumpers must pay for each acre-foot of groundwater extracted during the fiscal year, continues to be primarily determined by overall pumping activity.

Inflation continues to exert significant upward pressure on the operating budgets at the District's treatment facilities, particularly in the areas of chemical procurement and ongoing maintenance. This financial strain is further intensified by rising costs for essential expenditures, including utilities and purchased water, all of which are critical for ensuring uninterrupted facility operations. In response to these challenges, the District has proactively negotiated agreements

to secure more favorable terms, thereby limiting the impact of price volatility and stabilizing costs for goods and services. Additionally, an internal team is dedicated to identifying and implementing cost-saving measures across the District to optimize resource allocation and maintain fiscal discipline.

Beyond local impacts, inflation on a national and regional scale has affected supply chain reliability and increased labor costs, both of which contribute to higher operating expenses. The District closely monitors economic indicators and adjusts budget forecasts to account for inflationary trends, ensuring that financial planning remains robust and adaptable. These efforts are essential for sustaining the District's ability to advance infrastructure projects, uphold service reliability, and support long-term financial stability, especially in an environment of persistent inflation.

The Replenishment Assessment fee has increased by 5.6 percent, from $454 per acre-foot in Fiscal Year 2026 to $480 per acre-foot in Fiscal Year 2027, reflecting an overall increase of about $4.4 million. This includes a $12 per acre-foot charge for PFAS remediation. Each year, the District calculates the Cost to Provide Service to ascertain the revenue needed for the upcoming fiscal year. Based on the proposed budget, the Cost to Provide Service for Fiscal Year 2027 is projected to be $82.1 million.

LONG-RANGE FINANCIAL INITIATIVES AND PLANS

With four treatment facilities currently in operation, it is essential to maintain sufficient funds for repairs, maintenance, and capital improvements. In fiscal year 2026, the District revised its reserve policy to ensure the availability of funds for bond covenants, operational needs, and PayGo financing. By fiscal year 2030, the District plans to increase its debt service coverage target from 1.2x to 1.5x. These financial adjustments are intended to strengthen long-term financial metrics and support the maintenance or enhancement of the District's AA+ bond rating.

In addition, the District intends to refinance its Series 2018 revenue bonds, as well as the remaining Series 2015 revenue bonds that were not refunded in 2025, which is expected to generate significant savings. These savings may be redirected to further infrastructure investments and conservation programs, thereby improving the District's overall financial position. For Fiscal Year 2027, the District has a total water treatment and production budget of $19.5 million, which approximates 24 percent of the estimated cost of service.

The District's four Treatment and Production facilities are as follows:

- Robert Whitaker Advanced Water Treatment Facility at the Albert Robles Center
- Leo J. Vander Lans Advanced Water Treatment Facility
- Robert W. Goldsworthy Desalter Facility
- Perchlorate Treatment Facility

In December 2028, the District is set to complete the Goldsworthy (Torrance) Desalter expansion project. This project will significantly increase the capacity to supply additional water to the City of Torrance, targeting specific contaminants that threaten groundwater quality. By ensuring the delivery of safe and clean water, the WRD is also fortifying the region's resilience against future water quality challenges.

The District remains committed to supporting the pumping community through its ongoing clean water initiatives, including the Safe Drinking Water Program, Disadvantaged Community assistance, and the per- and polyfluoroalkyl substances (PFAS) remediation program. These efforts are carefully managed to control costs and maximize the use of available Federal Funding, thereby reducing the financial impact on both the pumpers and the District.

The WRD is actively monitoring participation in Operation Pure Water Southern California with the Metropolitan Water

District of Southern California and the Los Angeles Department of Water and Power. The District is also seeking partnerships with other agencies to improve the quality and quantity of water in the basin at reasonable rates. Moreover, clean water programs will continue to be offered as low or no-cost options to pumpers, maximizing the amount of water pumped from the basin and reducing reliance on imported water.

Historically, a large percentage of replenishment water for the Central and West Coast Basins came from Northern California and the Colorado River. Over the last 15 years, the District has moved towards its goal of independence from imported water through the Water Independence Now (WIN) initiative. This series of projects fully utilizes stormwater and recycled water sources to restore and protect the groundwater resources of the Central and West Coast Groundwater Basins. The District remains dedicated to ensuring a sustainable and resilient water future for all communities it serves.

The District's 2040 Plan for Regional Water Independence, known as "WIN 4 ALL," builds upon the success of the Water Independence Now (WIN) program and expands efforts to enhance the sustainable use of local groundwater resources. The plan comprises a suite of initiatives designed to address existing barriers to groundwater storage, replenishment, and utilization within the Basins. Two principal goals of the program are to exercise unused groundwater pumping rights to decrease dependence on imported water and to facilitate the development of augmentation and storage projects.

To achieve these objectives, the District intends to collaborate closely with groundwater rights holders and regional water stakeholders. This partnership approach ensures coordinated planning, promotes regional resiliency, and supports long-term strategies to maximize sustainable groundwater use.



ALBERT ROBLES LEARNING CENTER INTERIOR LOBBY



WRD HEADQUARTERS INTERIOR

MANAGEMENT TEAM



Stephan Tucker
General Manager



Paul Liu
Assistant General Manager/Chief Operating Officer



Greg Black
Chief Financial Officer



Dina Hidalgo
Manager of Administration & Human Resources



Brian Partington
Manager of Hydrogeology



Joel Blair
Manager of Engineering



Esther Rojas
Manager of Watermaster & Water Resources



Tom Knoell
Water Operations Superintendent



Angie Mancillas
Manager of External Affairs



Evan Lue
Manager of Data & Technology Services (DTS)

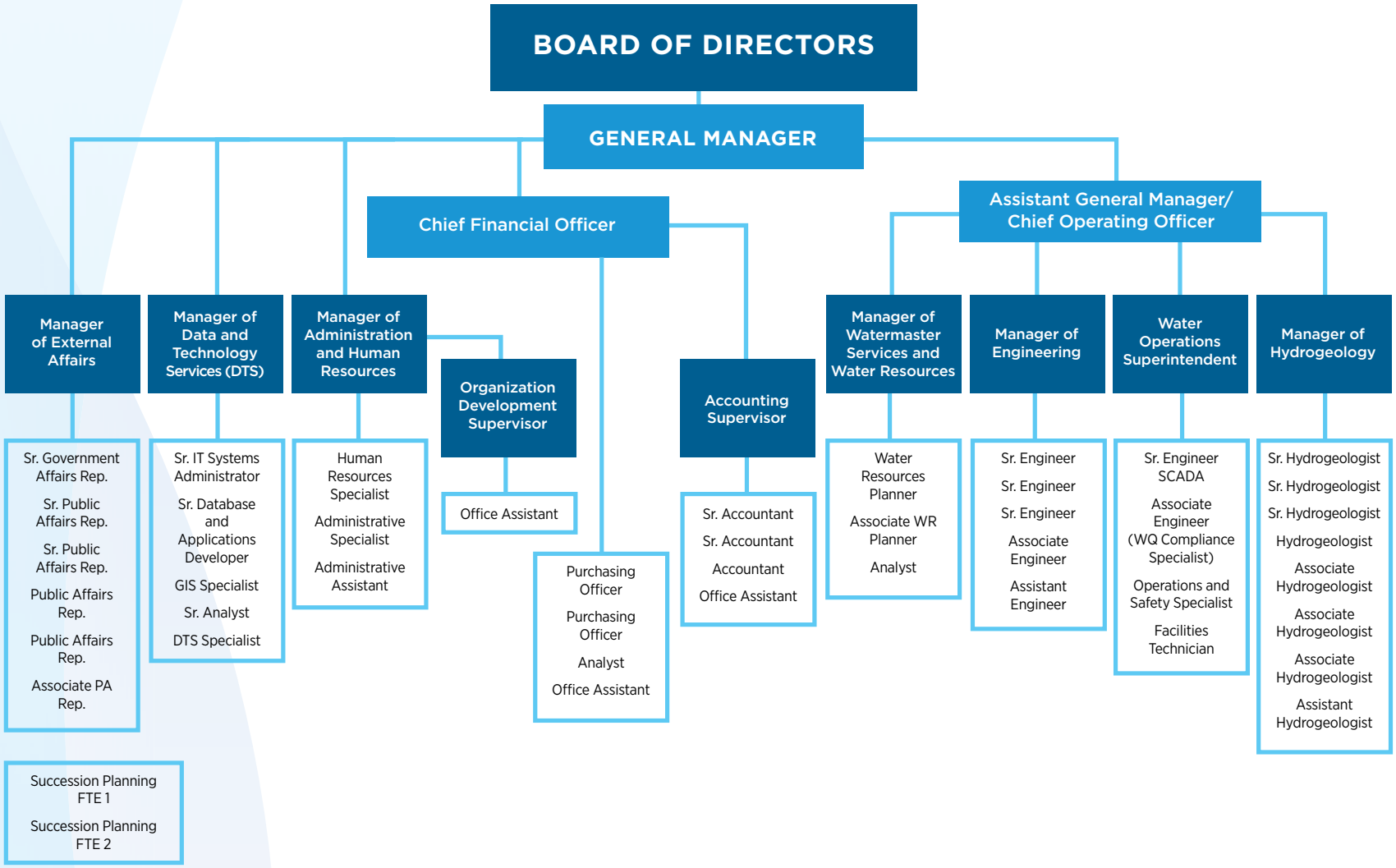


Binhyen Bui
Accounting Supervisor



Nicole Reed
Organization Development Supervisor

ORGANIZATION CHART AND STAFFING SUMMARY



Fiscal Year 2026-27
55 Total Full Time Equivalent (FTE) positions
2 Succession Planning FTEs

The District has 52 budgeted professional and administrative staff in fiscal year 2026. In fiscal year 2027, staffing levels associated with the District's various projects are expected to remain relatively stable. WRD's organizational structure is periodically adjusted to respond to changes in the District's responsibilities, improve operational efficiencies, and support succession planning.

Succession planning is a talent management process that helps ensure continuity in critical roles when employees retire, resign, or otherwise leave the organization. To support this process, the District has added two (2) succession planning full-time equivalents (FTEs) to its existing organizational structure. These temporary FTEs will allow the General Manager to hire replacement personnel a few months before an incumbent employee's departure, providing an opportunity for knowledge transfer and training and minimizing disruption to critical operations.

The District has 55 regular FTEs in fiscal year 2027. The two (2) succession planning FTEs may temporarily increase the District's staffing level to a maximum of 57 FTEs at various times during the fiscal year, depending on employee retirement and transition schedules. Once each succession transition is completed, the temporary FTE will no longer be needed, and the District's staffing level will return to 55 regular FTEs.

Table 2

Summary of Personnel by Department

	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget	Change from FY 2026 Budget
General Management				
General Manager	1	1	1	0
Assistant General Manager/Chief Operating Officer	1	1	1	0
Hydrogeology Department				
Manager of Hydrogeology	1	1	1	0
Senior Hydrogeologist	3	2	3	1
Hydrogeologist	1	1	1	0
Associate Hydrogeologist	2	2	3	1
Assistant Hydrogeologist	1	2	1	(1)
Water Resources & Watermaster Department				
Manager of Watermaster & Water Resources	1	1	1	0
Water Resources Planner	1	1	1	0
Associate Water Resources Planner	0	0	1	1
Analyst	1	2	1	(1)
Technical Specialist	1	0	0	0
Engineering Department				
Manager of Engineering	1	1	1	0
Senior Engineer	3	3	3	0
Associate Engineer	1	1	1	0
Assistant Engineer	0	1	1	0
Water Operations Department				
Water Operations Superintendent	1	1	1	0
Senior Engineer	0	1	1	0
Associate Engineer	1	1	1	0
Operations and Safety Specialist	1	1	1	0
Facilities Technician	1	1	1	0
Finance Department				
Chief Financial Officer	1	1	1	0
Accounting Supervisor	1	1	1	0
Senior Accountant	1	2	2	0

Table 2

Summary of Personnel by Department (Continued)

	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget	Change from FY 2026 Budget
Purchasing/Procurement Officer	2	2	2	0
Analyst	0	0	1	1
Accountant	1	0	1	1
Accounting Technician	1	1	0	(1)
Office Assistant	0	2	2	0
External Affairs				
Manager of External Affairs	1	1	1	0
Senior Government Affairs Rep.	1	1	1	0
Senior Public Affairs Rep.	2	2	2	0
Public Affairs Rep.	2	2	2	0
Associate Public Affairs Rep.	0	0	1	1
Administration and Human Resources Department				
Manager of Administration and HR	1	1	1	0
Organization Development Supervisor	0	1	1	0
Human Resources Specialist	1	1	1	0
Senior Administrative Specialist	1	0	0	0
Administrative Specialist	1	1	1	0
Administrative Assistant	0	1	1	0
Office Assistant	1	1	1	0
Data and Technology Services				
Manager of Data and Technology Services	1	1	1	0
Senior IT Systems Administrator	1	1	1	0
Project Administrator	1	0	0	0
Senior Database & Applications Developer	1	1	1	0
Geographic Information Systems Analyst	1	0	0	0
Geographic Information Systems Specialist	0	1	1	0
Senior Analyst	1	1	1	0
DTS Technician	1	1	0	(1)
DTS Specialist	0	0	1	1
TOTAL	**48**	**52**	**55**	**3**

Table 2a

Programs/Projects, Departments and Funds Relationship

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

Summary of Personnel by Department Projects and Programs will be described in more detail in the other chapters of this book. This section aims to provide an overview of the roles and responsibilities of various departments in the context of project management. Table 2a illustrates the relationship among Projects and Programs, Departments, and Funds.



WRD MANAGERS AND STAFF



ALBERT ROBLES CENTER GARDENS

FINANCIAL POLICIES

BUDGET CONTROLS AND REVISIONS

The District reports its activities as an enterprise fund, utilized to account for operations financed and managed similarly to a private business enterprise. The District aims to finance or recover the costs of groundwater basin management primarily through user-charged replenishment assessments, capital grants, and similar funding sources. Revenues and expenses are recognized on a fully accrued basis of accounting.

Operating revenues arise from exchange transactions associated with the District's principal activities, where each party involved exchanges items of essentially equal value. Non-operating revenues, such as grant funding and investment income, stem from non-exchange transactions, in which the District provides or receives value without directly receiving or giving value in return. Operating expenses, including water purchases, result from the District's exchange transactions and the related expenses necessary for daily operations. Non-operating expenses, such as interest paid on debt service or election costs, do not pertain to the District's routine operations.

BASIS OF ACCOUNTING AND BUDGETING

The basis of accounting and budgeting refers to the method used for recognizing revenues and expenses in financial and budgetary reporting. The District functions as a utility enterprise, and its Enterprise Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recognized when incurred.

During the fiscal year ending June 30, 2012, the District adopted specific provisions of Government Accounting Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This particularly pertains to the accounting for rate-regulated activities, allowing the deferral of revenue recognition until the associated costs or charges are incurred. The District's accounting and financial reporting systems adhere to Generally Accepted Accounting Principles (GAAP) and GASB standards.

As the District's financials are managed as an Enterprise Fund, the budget is prepared on a full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, with the following exceptions:

- Depreciation and amortization are treated differently in financial reporting and budgetary reporting. In financial reporting, these items are included, whereas the repayment of principal on debt is not reported as an expense. In budgetary reporting, depreciation and amortization are excluded, while the repayment of principal on debt is included as an expenditure.

FINANCIAL REPORTING

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

BUDGETARY POLICIES

The District adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are conducted through comparisons of actual revenues and expenses with those planned for the period. Each year, the Board of Directors adheres to the legislation set forth in the California State Water Code when preparing and adopting the annual budget and establishing the Replenishment Assessment for the ensuing year.

The District maintains a balanced budget where total revenues are equal to or exceed total expenses. This approach ensures that the income generated matches or surpasses the expenditures made during the fiscal year. To achieve a balanced budget, the District creates a clear and concise financial plan that includes accurately projecting all revenues and expenses for the upcoming year. A balanced budget demonstrates financial discipline and responsibility, ensuring that the District lives within its means and supports its long-term financial health and stability.

REPLENISHMENT ASSESSMENT POLICY

On or before the second Tuesday of May each year, the Board of Directors, in compliance with California Water Code Section 60315, establishes the Replenishment Assessment rate for the upcoming fiscal year. To facilitate this process, the District conducts public hearings in the spring to assess the extent to which the estimated costs for the upcoming year will be funded through a Replenishment Assessment. In preparation for these hearings, the District develops an annual operating budget and updates its five-year capital plan. These documents detail the financial requirements to:

- Purchase replenishment water
- Protect and preserve the groundwater supply
- Cover related administrative expenses

INVESTMENT POLICY

The Board of Directors has implemented an investment policy that adheres to California Government Code Sections 53600-53686. The primary objectives of this policy are safety, liquidity, and yield. The Board conducts an annual review of the adopted investment policy and approves any necessary amendments.

CAPITAL ASSETS

Capital assets are tangible or intangible assets of significant value procured by the District or contributed to the District, having a utility, which extends beyond the current year, and are broadly classified as land, intangibles, structures and improvements, and equipment carrying out all aspects of business operations in accordance with Governmental accounting Standards Board (GASB) No. 34.

A reference to the words “capitalize,” “capitalizing,” or “capitalization,” would mean that the capital assets shall be included in the District’s list of capital assets, whose acquisition costs, fabrication, or development costs, including all indirect and material expenses related to its acquisition, construction, or development will be recovered throughout the years of its estimated useful life by depreciation or amortization.

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

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $10,000 and for software at $5,000. Donated assets are recorded at estimated fair value at the date of donation. Upon retirement or other

disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Provision for depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Table 3
Capital Assets

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

PROCUREMENT POLICY

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

1. All contracts for construction work, professional services, materials, supplies and equipment (MSE) shall be in writing and, at a minimum, include the relevant scope of work, duration and terms of payment (Authority: Water Code § 60230.5; Government Code § 54202)
2. All contracts valued less than $40,000 may be approved and signed by the General Manager or other District's representative authorized by the Board of Directors. The General Manager may not execute multiple contracts on behalf of the District with the same person or entity within a one-year period that cumulatively total $40,000 or more without the Board of Directors' prior approval (Authority: Water Code § 60622(b)).
3. All contracts valued $40,000 or more shall be authorized by the Board of Directors and signed by the President and the Secretary except that the Board of Directors may, by resolution for a specific expense, authorize the General Manager or the other District's representative to sign contracts in the name of the District, not to exceed $100,000 (Authority: Water Code § 60622(a)).
4. Where the Materials, Supplies, and Equipment (MSE) contract amount is less than $100,000, an informal MSE Contract Solicitation may be made by the General Manager or their Designee, without written bids, and by informal quotes through telephone, mail or electronic inquiry, comparison of prices on file or otherwise. Every attempt shall be made to receive at least three price quotations. Where the contract amount is $100,000.00 or more within any twelve (12) month period, the District shall advertise for bids by issuing a formal MSE Contract Solicitation.
5. Before making any contract for construction work or purchase of MSE that total $40,000 or more within any 12 month period, the District shall advertise for bids by issuing a Contract Solicitation.
6. Advertising should be in a newspaper of general circulation in Los Angeles County at least once a week for four consecutive weeks. Advertisement for bids shall set forth all of the following information:
7. That plans and specifications for the work to be done can be seen and obtained at the District's office;

8. That the Board of Directors will receive sealed bids for the contract;
9. That the contract will be awarded to the lowest responsive and responsible bidder; and
10. That bids will be publicly opened at a given time and place.
11. 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.
12. Before making any contract for professional services, the District may solicit a Request for Proposals (RFP) for such services. However, a RFP is not required for professional services contracts. The District from time to time may issue a request for qualifications for the purpose of developing a list of qualified consultants to provide professional services for future work. Prior to issuing a request for qualifications or a request for proposal, District staff shall obtain the approval from the Board of Directors.
13. 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.
14. The District has an economic interest in leveraging the money it spends when contracting with private firms for construction, professional services, and materials, supplies and equipment to maximize competition for District Contracts and to ensure open access to contracting opportunities to businesses that reflect the diversity of the District's service area. It is, therefore, the District's policy to encourage and solicit participation in the performance of Construction, Professional Services, and MSE Contracts by individuals and businesses, including, but not limited to, SBEs, DVBEs, LBEs, and Other Business Enterprises (OBEs). To attract the greatest number of qualified bidders, the District promotes and supports broad-based participation in its contracting activities in order to stimulate participation by responsible bidders who might otherwise be prevented or discouraged from participating in the District's procurement activities.

The following table summarizes the District's purchasing thresholds.

1. Professional

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

2. Other Services

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

3. MSE

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

4. Construction Services (excludes Maintenance)

Threshold		Signing Authority	Approval Authority
<$25K	Informal: at least 3 bids	GM and other District Rep (AGM/CFO)	GM Approval
>$25K	Formal	Board	Board Approval

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

DEBT MANAGEMENT

Each year, during the budgeting process, the Board of Directors reviews the District's Capital Improvement Plan to assess the upcoming year's capital needs. Based on this review, the Board determines whether additional long-term debt financing is necessary or if projects can be funded on a pay-as-you-go basis.

If the Board concludes that additional debt financing is required, public workshops are held to gather stakeholder input on potential increases to the Replenishment Assessment due to annual debt service payments. Furthermore, the District prepares a five-year financial projection to evaluate the long-term impact on the Replenishment Assessment as part of this process. The Board of Directors approves the debt management structure when adopting the five-year Capital Improvement Plan.

AUDITING

As required by the California State Water Code Section 60292, the district shall order, review, and maintain on file an independent, audited financial statement not later than 180 days from the conclusion of the District's fiscal year. The independent audited financial statement shall be prepared by a certified public accountant and shall be consistent with standards provided in the Generally Accepted Government Auditing Standards. Copies of the independent audited financial statement shall be submitted to the Governor, the Senate Committee on Governance and Finance or its successor, the Assembly Committee on Local Government or its successor, and the California State Auditor on or before December 31 of each year.

INTERNAL CONTROL STRUCTURE

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

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District is a member of the Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Risk management policy is not adopted by the Board of Directors but is a requirement of membership in the ACWA/JPIA.

FUND BALANCE/NET ASSETS

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

RESERVE POLICIES

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

Restricted Reserve Funds

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

Unrestricted Operating Reserve Funds

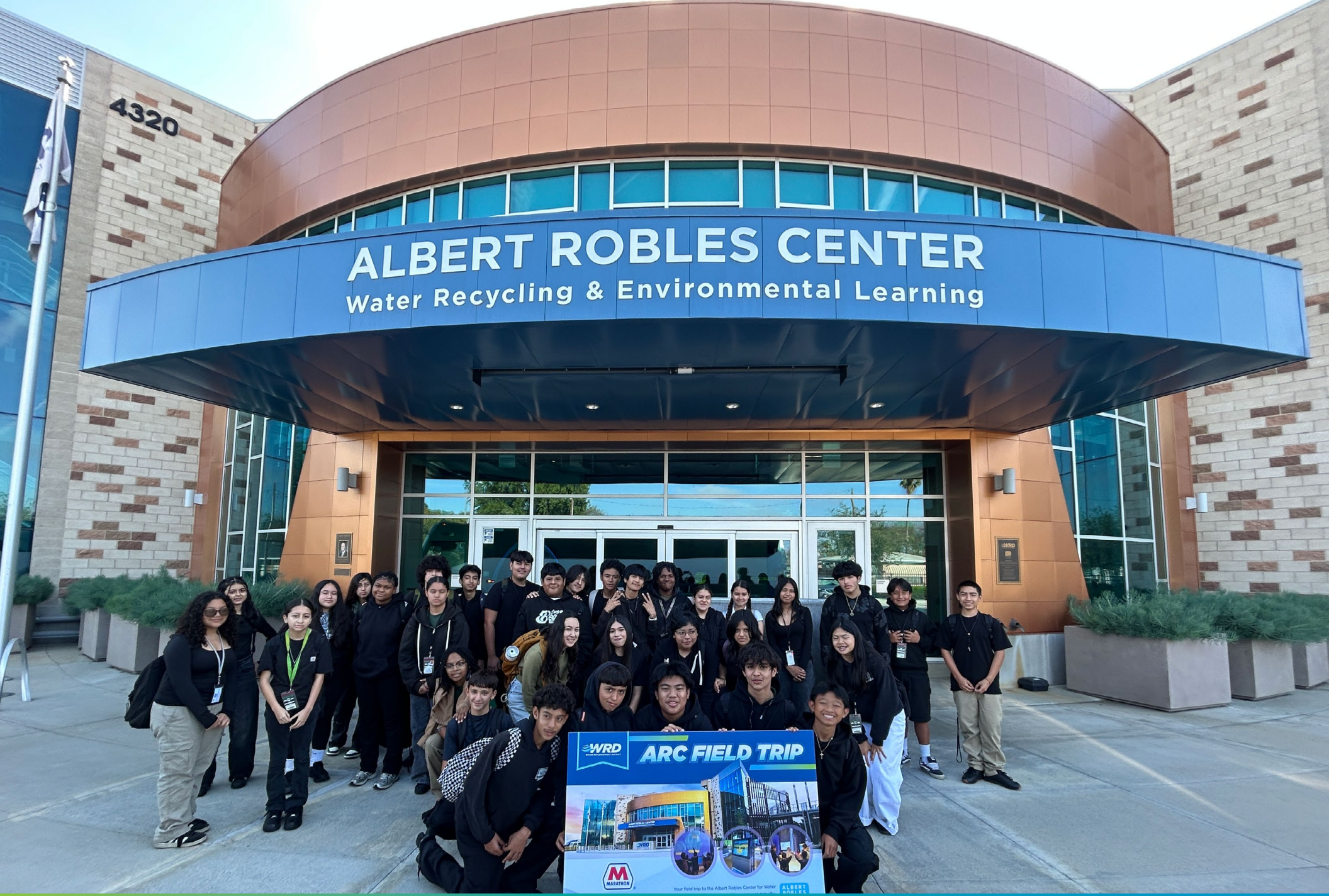
Rate Stabilization Reserve	This fund is designed to promote financial stability and reduce volatility in Replenishment Assessment (RA) rates. It provides a mechanism to smooth rate fluctuations and protect groundwater pumpers from steep annual increases.
Water Purchase Reserve	This fund is strictly designated for targeted water supply initiatives that support WRD's long-term sustainability and basin management objectives.
Carryover Conversion (Storage Withdrawal Account)	Provides a mechanism to track pumping rights placed into and withdrawn from storage.
Operating Reserve	Provides needed working capital and to help ensure against unforeseen events, including lower than expected sales, unbudgeted expenses, emergencies (e.g. earthquakes or other natural disasters), and other unforeseen events. Due to the potential impact of COVID-19 on projected District revenues, at its meeting on April 23, 2020, the Board of Directors increased the Operating Reserve from three months to four and a half months of the cost of operations.
Capital Improvement Fund (Pay-Go)	Funds pay-go various capital projects and periodic replacement of assets with expected useful life of three to twenty years. The Capital Improvement Fund (Pay-Go) Fund is a financial mechanism whereby capital improvements are funded directly through available cash reserves, rather than through long-term debt or financing instruments. By allocating current revenues or accumulated reserves to infrastructure projects, the District maintains financial agility and reduces reliance on external borrowing. This approach enables the District to avoid incurring long-term debt, thereby minimizing interest expenses and preserving flexibility for future infrastructure needs.

Clean Water Program Funds

Safe Drinking Water Reserve & Disadvantaged Community Fund	Accounts for, and fund loans and grants to help clean up the groundwater basin.
Well Rehabilitation & Construction Fund	Provides zero interest loans to help finance well construction and rehabilitation to increase pumping capacity in the basin.
PFAS Remediation Fund	Funds PFAS remediation projects.



RIO HONDO SPREADING GROUNDS



STUDENT FIELD TRIP OF ALBERT ROBLES CENTER

FUND ALLOCATION

OPERATING AND CAPITAL EXPENSES BY FUND ALLOCATION

California Water Code Sections 60220 through 60226 describe the broad purposes and powers of the District to perform any acts necessary to replenish, protect, and preserve the groundwater supplies of the District. To meet statutory responsibilities, WRD has instituted numerous projects and programs in a continuing effort to effectively manage groundwater replenishment and groundwater quality in the Central and West Coast Basins. These projects and programs include activities that enhance the replenishment program, increase the reliability of the groundwater resources, improve and protect groundwater quality, and ensure that the groundwater supplies are suitable for beneficial uses. These projects and programs have had a positive influence on the basins, and WRD will continue these activities into the ensuing year as a necessary act to replenish, protect, preserve and enhance the groundwater resources in the basins. The following sections discuss the projects and programs that WRD will continue or initiate during the upcoming budget year. The tables below breakdown the expenses by fund. The percentages are calculated by relating the costs to the purpose benefited by those costs – replenishment or clean water. The capital expenses are funded through long-term financing.

RELATIONSHIPS OF FUNDS, PROJECTS, AND PROGRAMS

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

REPLENISHMENT FUND

The annual amount pumped from the Central and West Coast Groundwater Basins is greater than the natural replenishment of groundwater aquifers, creating an annual deficit, or annual overdraft. The District has the authority and responsibility under the California State Water Code to acquire water supplies for recharge to make up this overdraft.

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

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

CLEAN WATER FUND

Consistent with the District's mission to provide, protect and preserve safe and reliable high quality groundwater, the District annually collects nearly 600 groundwater samples from its monitoring well network. The District tests these samples for over 100 water quality constituents to produce nearly 60,000 individual data points to help track the water quality in the basins. By analyzing and reviewing the results on a regular basis, any new or growing water quality concerns can be identified



and managed. In addition, the District funds programs to help prevent, reduce and eliminate contamination in the basin to increase the amount of water available for pumping.

The Clean Water Fund is the budgetary control for all expenses related to the District's efforts to provide clean and safe water to the nearly four million residents in the District's service area.

The table below illustrates Programs/Projects and Funds relationship:

Table 4
Programs/Projects Fund Allocation

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



INTERIOR OF ADVANCED WATER TREATMENT FACILITY
AT THE ALBERT ROBLES CENTER



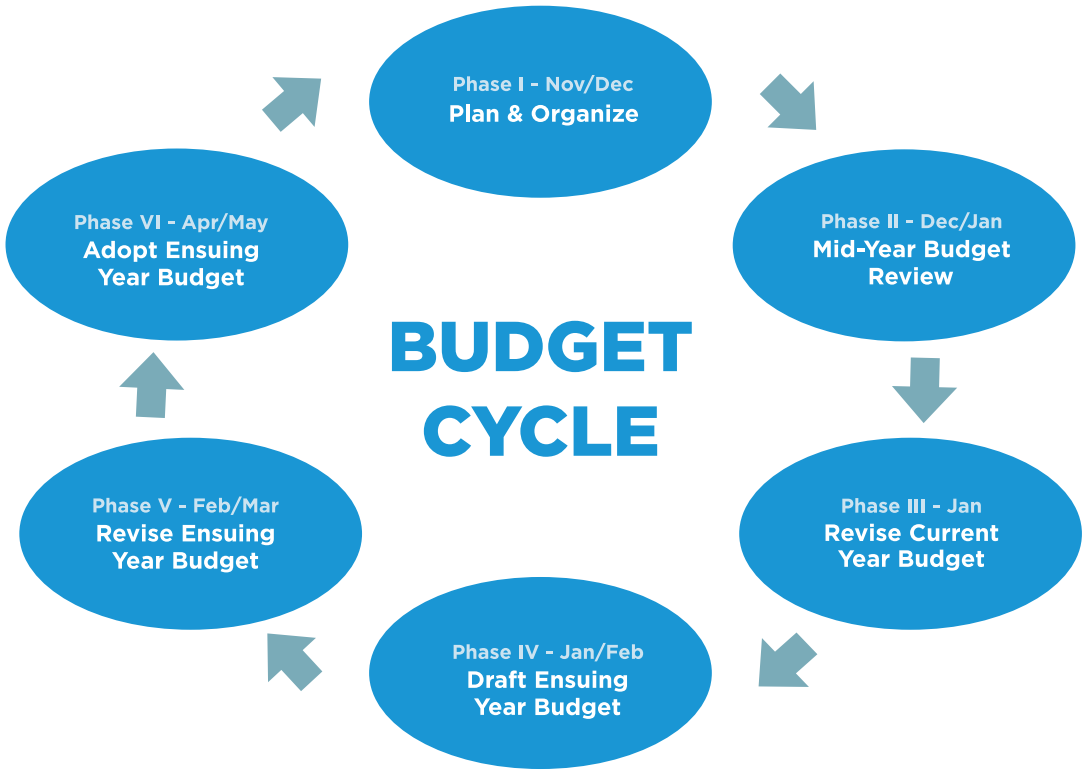
BOARD PRESIDENT CALDERON AT WATER CAREERS WORKSHOP

BUDGET PROCESS

The budget process extends well beyond simply achieving a balanced budget each year; it functions as a strategic framework that incorporates a comprehensive multi-year financial and operational plan. This framework guides the allocation of resources in accordance with defined objectives, collaboratively developed by the Board of Directors and District staff through the District's Strategic Plan and the five-year Capital Improvement Program.

The District's budget process employs a dynamic framework that enables Project and Program Managers to exercise operational flexibility and ensure transparency in budgeted activities across the District. This methodology has led to demonstrable improvements in program efficiency and effectiveness. District staff regularly evaluates both programmatic and financial performance, thereby fostering ongoing advancement toward the District's strategic goals and objectives.

Figure 1
Budget Process Cycle



PLAN AND ORGANIZE

The budget serves as a strategic resource allocation framework, intentionally aligned with the District's mission and the Board of Directors' performance objectives for staff. It reflects a continuous, year-round process of revenue monitoring and expense calibration in response to evolving operational demands. Budget development for the upcoming fiscal year begins as early as November and December of the preceding year, led by the Finance Department. This preparatory phase includes a review of prior-year budget performance, a mid-year assessment of current-year expenditures, and collaborative discussions to align with strategic objectives for the forthcoming fiscal cycle.

FY 2026 MID-YEAR BUDGET REVIEW

The Mid-Year Budget Review serves as a critical checkpoint for evaluating the District's fiscal trajectory against the adopted budget and forecasting year-end financial outcomes. Drawing upon six months of actual performance data and six months of projections, the review provides a comprehensive assessment of the District's budgetary condition. It also functions as a strategic platform to inform and align the development of the subsequent fiscal year's budget. Presented to both the Board of Directors and the public, the mid-year analysis offers detailed insights into how effectively District programs and projects are advancing the Board's stated goals and objectives.

REVISE THE FY 2026 BUDGET

Informed by feedback from the Mid-Year Budget Review—provided by both the Board of Directors and the public—the Board may authorize staff to reallocate resources across projects and programs, subject to formal approval. This iterative process ensures transparency and enables the Board to maintain oversight of how financial and human resources are deployed in support of the District's strategic goals.

DRAFT THE FY 2027 BUDGET

Following the completion of the Mid-Year Budget Review and any related adjustments, the staff begins drafting the upcoming fiscal year's budget. Project and Program Managers utilize the Euna Budget Platform to prepare their individual budgets and inform the Finance Department upon completion. The Finance Department then reviews and compiles these submissions into a comprehensive budget package for evaluation by the Executive Management.

To ensure alignment with the Board's strategic direction, each line-item expense is thoroughly reviewed by the General Manager, Assistant General Manager, Chief Financial Officer, and Finance staff before submission to the Finance/Audit Committee. The Finance/Audit Committee is responsible for reviewing the proposed budget, providing advisory input, and making formal recommendations to the full Board. Once the Committee verifies and endorses the budget, it is presented to the Board of Directors for final consideration.

REVISE THE FY 2027 BUDGET

The Finance Department and Staff incorporate all necessary budget adjustments based on feedback received from Executive Management and District stakeholders. These adjustments include the strategic reallocation of resources to ensure alignment with the Board's goals and objectives. Once this input has been fully integrated, the revised budget is presented to the Finance/Audit Committee and subsequently to the Board of Directors for review and consideration.

ADOPTION OF THE FY 2027 BUDGET

According to section 60315 of the California Water Code, the Board of Directors must adopt the Replenishment Assessment for the upcoming year no later than the second Tuesday in May. The Replenishment Assessment is based on the annual budget, which is approved concurrently with the setting

of the Replenishment Assessment. Annually, the District holds a series of public budget meetings to solicit feedback in accordance with the Water Code and other pertinent regulatory requirements.

To promote transparency, accountability, and fiscal responsibility, the District has established an independent Budget Advisory Committee (BAC) comprised of stakeholders from the groundwater pumping community. This committee provides guidance and advice on budgetary, finance, and technical matters related to the District's projects and programs. Although initiated by state law under Senate Bill 620 and sunset in January 2020, the Water Replenishment District's Board of Directors recognized the value of the BAC and amended its Administrative Code to continue the BAC as a standing entity.

The BAC is composed of 13 members elected from representatives of groundwater producers who own or operate groundwater-producing facilities subject to the Replenishment Assessment and is divided equally to ensure equal representation from both the West Coast and Central Basins. The BAC will make a recommendation to the Finance/Audit Committee of the Water Replenishment District on the proposed annual Replenishment Assessment increase, reserve fund levels, and the draft budget no later than the second Tuesday in April each year based on discussions with District staff. After considering the recommendations from the BAC and the public, the Finance/Audit Committee will provide budget recommendations to the Board of Directors.

Effective July 1, 2026, the BAC will be discontinued and replaced by the Water Pumpers Advisory Committee (WPAC). The WPAC serves as an advisory body tasked with reviewing replenishment assessments and the District's annual operating budget, including reserve funds maintained by the District.

The WPAC will comprise nine (9) members, each serving three (3) year staggered terms. Members will be elected from among representatives of producers who are owners or operators of groundwater producing facilities and/or holders of water rights subject to the replenishment assessment imposed by the District under California Water Code Section 60317.

BUDGET CONTROLS AND REVISIONS

The District's budget is prepared annually, and adjustments are occasionally required to address the District's evolving priorities and needs.

The first significant step in this process is the mid-year budget review. During this review, the District compiles six months of actual financial data and projects the remaining six months to create an updated 12-month budget projection. The Finance Department then compares this adjusted 12-month projection with the original budget adopted by the Board of Directors. The results are presented to the Finance/Audit Committee and the Board of Directors. If expenses are expected to exceed the initial estimates, the budget is revised accordingly. A report explaining budget increases is prepared and submitted to the Board of Directors for review.

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

PUBLIC HEARING NOTIFICATION PROCESS

The District held a public hearing as per Water Code Section §60307 to set the budget and Replenishment Assessment. The hearing opened on April 7, 2026, and closed on April 28, 2026. The public was invited to attend and comment on the proposed Replenishment Assessment, the Engineering

Survey and Report (ESR), budget information, or any related matters. A public notice appeared in a local newspaper on March 20, 2025. Additionally, on March 25, 2025, the District sent notification letters to pumpers, inviting them to testify before the Board on April 29, 2025.

Each year, the District prepares a detailed Cost of Service Report to provide insights into the budget process and its link to the Replenishment Assessment. The report outlines the services planned for the coming fiscal year and analyzes their costs. It uses the best available information to determine a fair and equitable Replenishment Assessment to cover these costs. The Cost-of-Service Report can be accessed on the District's website at www.wrd.org.

The District approved the Fiscal Year 2027 Replenishment Assessment of $480 per acre-foot during the public hearing held on April 28, 2026. This approval followed a comprehensive and transparent process aimed at informing all parcel owners and groundwater pumping rights holders within the District's service area. The revenue generated from the Replenishment Assessment will be utilized to cover the costs associated with the purchase of water needed to replenish the two largest and most extensively used groundwater basins in Southern California.

BUDGET CALENDAR

NOVEMBER/DECEMBER 2025

Conduct internal budget meetings with District Staff to clearly communicate expectations, responsibilities, and the projected timeline to all personnel involved in the budgeting process.

JANUARY 2026

The Finance Department submits the Final Audit results from the previous fiscal year to the Board of Directors. Additionally, the department collaborates with Project and Program Managers to conduct a comprehensive Mid-Year Budget Review of District operations. This process encompasses an evaluation of six months of actual financial data, spanning July 1 through December 31, as well as six months of financial projections and a twelve-month analysis of overall performance. The findings from this Mid-Year Budget Review serve as a foundation for developing the budget for the subsequent fiscal year.

January 21, 2026 – Finance/Audit Committee

The Finance Department provided the Closing Financial Report for Fiscal Year 2025 and the Mid-Year Projection Results for Fiscal Year 2026.

FEBRUARY 2026

The Finance Department is responsible for preparing budget requests for the forthcoming fiscal year. These submissions are aggregated into a comprehensive draft report outlining the District's financial needs. The draft budget undergoes a thorough review by the General Manager and the budget team before being presented to the public and stakeholders during a series of budget workshops, concluding with a final workshop. Upon completion of this process, the Board of Directors adopts the Replenishment Assessment, which must be set no later than the second Tuesday in May.

February 3, 2026 – Board of Directors

The Finance Department provided the Mid-Year Projection Results for Fiscal Year 2026. The Board of Directors directed staff to prepare the 2026 Engineering Survey and Report (adopted Resolution No. 26-1267). The report assesses groundwater conditions, identifies the District's replenishment water requirements, and estimates the associated costs. Combined with the proposed budget for FY 2027, the report provides both the Board and the public with essential data to establish the Replenishment Assessment (RA) for the upcoming fiscal year.

February 17, 2026 – Finance/Audit Committee and Board of Directors

Finance Department provided update of proposed Budget and Replenishment Assessment for Fiscal Year 2027.

February 24, 2026 - Budget Advisory Committee (BAC)
The Finance Department provided the Mid-Year Projection Results for Fiscal Year 2026, update of proposed Budget and Replenishment Assessment for Fiscal Year 2027

MARCH 2026

Finance staff are actively revising the budget in response to input gathered from public and stakeholder budget meetings.

March 3, 2026 – Board of Directors
The Board of Directors received and filed the 2026 Engineering Survey and Report, adopting Resolution No. 26-1268.

March 5, 2026 – Budget Advisory Committee
The Budget Advisory Committee reviewed the proposed Fiscal Year 2027 budget and the Fiscal Year 2027 Replenishment Assessment.

March 10, 2026 – Budget Advisory Committee
The Budget Advisory Committee continued to review the proposed Fiscal Year 2027 budget and the Fiscal Year 2027 Replenishment Assessment.

March 16, 2026 – Finance/Audit Committee
The Finance/Audit Committees recommended upper limit of 6.6 percent or $484 per acre-foot to the Board of Directors.

March 17, 2026 – Board of Directors
The Board of Directors approved the Finance/Audit Committees recommended upper limit of 6.6 percent or $484 per acre-foot with the provision that potential reductions would be evaluated at the subsequent Board meeting following the finalization of the February 2026 operational revenue and expense data.

March 17, 2026 – Budget Advisory Committee
Over the course of three meetings the BAC could not reach a consensus on a recommendation for the Replenishment Assessment but proposed the following recommendations.

- WRD to collaborate with the BAC to develop a mutually agreed-upon methodology for establishing Water Purchase budget, WRD accepted this request.
- WRD reconsider and potentially increase the portion of the Rate Stabilization Reserve used to reduce the impact of the RA rate increase. WRD agreed to consider pending the results of operational data from February 2026.

APRIL 2026

The updated proposed budget is submitted to the Board of Directors for review in determining the annual Replenishment Assessment rate. Following this evaluation, the Board formally adopts both the budget and the Replenishment Assessment for the ensuing fiscal year.

April 7, 2026 – Board of Directors
The Board of Directors conducted a review of the proposed FY 2027 budget; however, no action was taken during this session. Additionally, a public hearing regarding the FY 2027 Replenishment Assessment was held in accordance with Water Code section 60306, and the Water Code Hearing was continued to April 21, 2026.

The Board of Directors has received and filed the Fiscal Year 2026 Cost of Service Report. This report is intended to be utilized in the Fiscal Year 2027 budget review and public input process.

April 21, 2026 – Board of Directors
The Board of Directors continued the Water Code Public Hearing to April 28, 2026. It was expected the Fiscal Year 2026-27 Replenishment Assessment and Budget would be adopted.

April 28, 2026 - Board of Directors
The Board of Directors reconvened the continued Water Code Public Hearing, received public comments, and subsequently closed the Public Hearing. After further consideration and

analysis, the Board of Directors adopted the Fiscal Year 2027 budget, which resulted in a Replenishment Assessment (Resolution No. 26-1271) of $480 per acre-foot or a 5.6 percent increase from Fiscal Year 2026. The Board of Directors also approved the draft WRD Budget Summary Document, which was then posted on the District's website.

It should be noted that there were no significant changes between the draft budget submitted in February 2026 to the adopted budget in April 2026.

MAY 2026

Adopt the Capital Improvement Plan budget for Fiscal Year 2027.

May 19, 2026 - Board of Directors

The District's Capital Improvement Plan (CIP) budget, totaling $83,374,519 for Fiscal Year 2027, was formally adopted by the Board of Directors.



LEO J. VANDERLANS ADVANCED WATER TREATMENT FACILITY



STUDENT ART CONTEST WINNERS PRESENTED AT ANNUAL GROUNDWATER FESTIVAL

RESOLUTION

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: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Board President

ATTEST:

Board Secretary

April 28, 2026
DATE

APPROVED AS TO FORM:

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



MIDDLE SCHOOL TOUR OF THE ALBERT ROBLES CENTER

FINANCIAL HIGHLIGHTS

REVENUE

Total Operating Revenue for Fiscal Year 2027 is projected to reach $106.2 million, an increase of $8.7 million compared to the projected actuals for Fiscal Year 2026. The Replenishment Assessment remains the District's primary revenue source, representing approximately 77 percent of Total Operating Revenue. In Fiscal Year 2027, Replenishment Assessment revenue is expected to increase by $8.9 million, and Carryover Conversion revenue is projected to rise by $1.1 million relative to Fiscal Year 2026 projected actuals. These increases are partially offset by a $1.4 million decline in sales from the Goldsworthy Desalter, resulting from reduced operations associated with the ongoing expansion project in Torrance, California. The overall revenue growth is primarily driven by the 5.6 percent Replenishment Assessment adjustment approved by the Board of Directors in April 2026, as well as the lower Replenishment Assessment revenues projected for Fiscal Year 2026.

Total pumping for Fiscal Year 2027 remains constant at 211,000 acre-feet, reflecting the combined total of groundwater extraction and storage extraction (Carryover Conversion). Carryover Conversion is now incorporated into the estimated pumping calculation, as some pumpers are placing unused water rights into storage at the current year's Replenishment Assessment rate and subsequently withdrawing that same amount in the following year to benefit from the lower prior-year rate. The District's current Carryover Conversion estimate is 39,746 acre-feet, valued at approximately $18.0 million.

Income from the Leo J. Vander Lans Advanced Water Treatment Facility is expected to remain close to the Fiscal Year 2026 estimate. Conversely, revenue from the Goldsworthy Desalter is projected to decline in Fiscal Year 2027 due to the Torrance Desalter Expansion project. No significant changes are anticipated for the Robert Whitaker Treatment Facility.

Additionally, $2 per acre-foot of the Replenishment Assessment is being allocated to support the Safe Drinking Water Program, reflecting a shift from prior budgeting practices. This adjustment was required due to project completion timelines that fall outside of the District's control.

OPERATIONS AND MAINTENANCE

The adopted Operating Budget for Fiscal Year 2027 is projected to total $84.8 million, an increase of $9.2 million compared to the projected actuals for Fiscal Year 2026. This variance is primarily driven by a $7.9 million increase in Water Purchases. The escalating cost of recycled water has contributed to higher budget requirements; however, projected expenditures for Fiscal Year 2026 remain substantially lower than anticipated.

Project and program costs have increased by $2.9 million across several categories, including Water Resources, Water Quality, and Water Replenishment Support. These increases have been partially offset by reductions in the budgets for the Goldsworthy Desalter and the Robert Whitaker Treatment Facility, which together contribute approximately $2.9 million in decreased costs.

DEBT SERVICE

Debt service has increased by $3.2 million as a result of the borrowing necessary to finance the Goldsworthy Desalter Expansion Project.

CAPITAL IMPROVEMENT PLAN

The Five-Year Capital Improvement Plan (FY 2027–FY 2031) allocates a total of $83.4 million in FY 2027 and $207.1 million over the five-year period. This includes $71.8 million in FY 2027 for the Goldsworthy Desalter Expansion. Over the full five-year horizon, the Plan provides $128 million for the Goldsworthy Desalter Expansion and $59 million for Capital Improvements at the Leo J. Vander Lans Advanced Water Treatment Facility.

Table 5

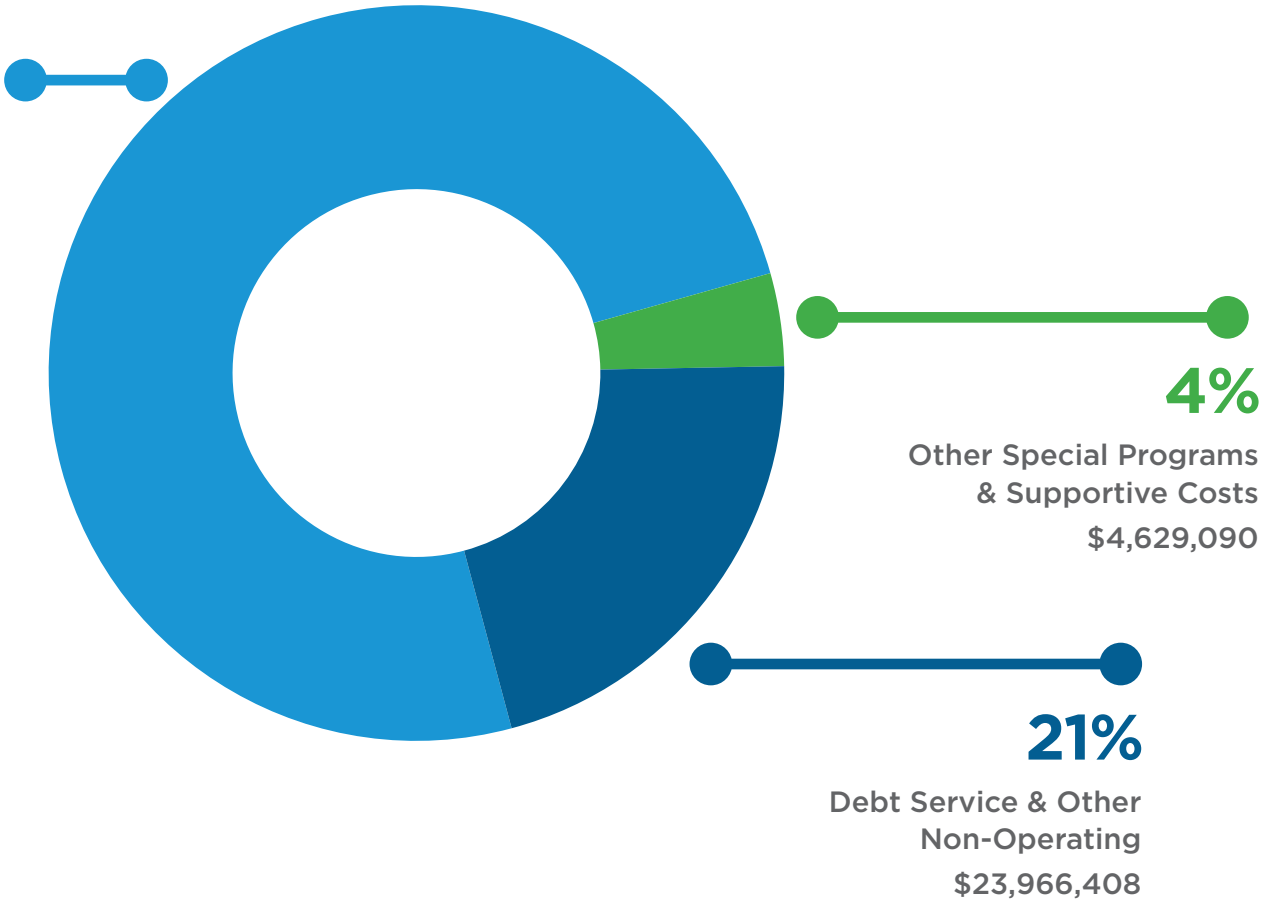
Fiscal Year 2027
Proposed Statement of Revenues, Expenses and Changes in Net Assets

	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget
OPERATING REVENUES			
Replenishment Assessment	$74,691,690	$73,234,902	$82,133,738
Carryover Conversion	18,022,393	16,931,231	18,044,802
LJVWTF - Water Supply	2,068,573	3,243,000	3,428,250
Goldsworthy Desalter Sales	1,398,812	3,000,000	1,578,000
Albert Robles Center (ARC)	574,264	630,000	585,000
Water Quality Improvement (Title 22)	408,382	450,000	450,000
Safe Drinking Water Program	82,767	-	-
TOTAL OPERATING REVENUES	**$97,246,881**	**$97,489,133**	**$106,219,790**
OPERATING EXPENSES			
Water Purchases	$39,215,282	$37,031,000	$44,885,247
Goldsworthy Desalter	2,121,817	2,881,667	1,115,967
LJVWTF - Water Supply	5,978,462	6,958,568	8,268,820
Albert Robles Center (ARC)	9,551,829	9,881,385	8,713,378
Perchlorate Cleanup Project	1,211,785	1,148,595	1,445,695
Projects/Programs	14,391,795	11,936,265	14,858,339
Administration	5,815,576	5,129,634	4,956,315
Board of Directors	708,832	648,701	577,031
TOTAL OPERATING EXPENSES	**$78,995,378**	**$75,615,815**	**$84,820,792**
OPERATING INCOME (LOSS)	**$18,251,503**	**$21,873,318**	**$21,398,998**
NON-OPERATING REVENUES (EXPENSES)			
Debt Service & Other Non-Operating Costs	(14,105,881)	(20,745,645)	(23,966,408)
Other Special Programs & Supportive Costs	(3,052,562)	(4,570,713)	(4,629,090)
Property Taxes, Interest & Other Revenues/Expenses	5,014,359	3,443,040	6,396,500
TOTAL OTHER REVENUES (EXPENSES)	**$(12,144,084)**	**$(21,873,318)**	**$(22,198,998)**
Rate Stabilization Reserves	**-**	**-**	**800,000**
CHANGE IN NET ASSETS	**$6,107,420**	**-**	**-**

FISCAL YEAR 2027 BUDGET

Figure 2

FISCAL YEAR 2027 BUDGET SUMMARY
TOTAL BUDGET $113,416,290





WRD STAFF AT EDUCATIONAL OUTREACH EVENT

Table 6
Fiscal Year 2027 Budget

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget	FY 2027 Budget compared to FY 2026 Budget
OPERATING EXPENDITURES			
Water Purchases			
Water Costs	$40,459,491	$44,885,247	$4,425,756
Water Treatment and Production			
Albert Robles Center (ARC)	9,959,090	8,713,378	(1,245,712)
Leo J Vander Lans (LVL)	6,995,583	8,268,820	1,273,237
Goldsworthy Desalter	2,173,429	1,115,967	(1,057,462)
Perchlorate Cleanup Project	1,141,176	1,445,695	304,519
Water Resources			
Water Conservation	726,740	825,306	98,566
Montebello Forebay Recycled Water	376,771	383,360	6,589
Groundwater Resource Planning	2,382,031	2,430,195	48,164
Water Quality Programs			
Water Quality Improvement Program	806,178	988,513	182,335
Dominguez Gap Barrier Recycled Water	408,376	295,297	(113,079)
Groundwater Monitoring Program	1,455,847	1,578,456	122,609
Safe Drinking Water Program	417,620	422,000	4,380
Hydrogeology Program	784,193	1,106,042	321,849
Well Construction & Rehabilitation Program	7,501	8,165	664
Water Replenishment Support			
Geographic Information Systems (GIS)	471,988	505,588	33,600
Data Technology Services	1,560,762	1,800,986	240,224
Replenishment Operations	326,011	323,044	(2,967)
Engineering Program	960,152	1,174,465	214,313
Water Education	1,226,062	1,074,659	(151,403)
Facility Maintenance			
WRD Facility Maintenance	791,293	1,890,763	1,099,470
Fleet Maintenance	49,700	51,500	1,800
General and Administration			
Board of Directors	550,972	577,031	26,059
Administration	5,436,541	4,956,315	(480,226)
SUB-TOTAL	**79,467,505**	**84,820,792**	**5,353,287**

Table 6
Fiscal Year 2027 Budget

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget	FY 2027 Budget compared to FY 2026 Budget
OTHER SPECIAL PROGRAMS & SUPPORTIVE COSTS			
Required Retirement Funding	2,402,000	2,529,090	127,090
Litigation	100,000	100,000	-
Election Expense	2,000,000	2,000,000	-
SUB-TOTAL	**4,502,000**	**4,629,090**	**127,090**
DEBT SERVICE & OTHER NON-OPERATING COSTS			
Revenue Bond Debt Service Payments	17,370,830	18,481,392	1,110,562
Additional Fund for DSC	3,900,000	4,800,000	900,000
Funding for PAYGO Capital Projects ($2 to fund CIP)	192,600	685,016	492,416
SUB-TOTAL	**21,463,430**	**23,966,408**	**2,502,978**
TOTAL BUDGET	**$105,432,935**	**$113,416,290**	**$7,983,351**

REVENUES			
Replenishment Assessment	$81,655,935	$82,133,738	$477,803
Vander Lans Income/OCWD/MWD Subsidy	3,740,000	3,428,250	(311,750)
Goldsworthy Desalter Income/MWD Subsidy	2,200,000	1,578,000	(622,000)
Albert Robles Center Income/MWD Subsidy	630,000	585,000	(45,000)
Water Quality Improvement	400,000	450,000	50,000
Other Income	3,260,000	6,396,500	3,136,500
Carryover Conversion	13,547,000	18,044,802	4,497,802
Rate Stabilization Reserves	-	800,000	800,000
SUB-TOTAL	**$105,432,935**	**$113,416,290**	**$7,983,355**



INTERACTIVE EXHIBITS AT ALBERT ROBLES CENTER

OPERATIONS AND MAINTENANCE BUDGET

The Operations and Maintenance budget for the District is organized into three principal categories:

- Operating Expenditures
- Other Special Programs and Supportive Costs
- Debt Service and Other Non-Operating Costs

Operating Expenditures includes initiatives and activities related to water purchases, treatment and production, water resources management, water quality programs, support for water replenishment, facility maintenance, as well as general and administrative expenses.

Other Special Programs and Supportive Costs include mandatory retirement contributions, legal expenditures, and mandatory election costs incurred by the County Registrar-Recorder on behalf of the District's Board of Directors.

Debt Service and Other Non-Operating Costs include debt service payments, additional funding for debt service coverage and PayGo funding.

BASIS FOR FISCAL YEAR 2027 EXPENSE ESTIMATE

The Fiscal Year 2027 budget is based on the FY 2026 adopted budget and mid-year projection. Adjustments reflect changes in operational costs, pumping estimates, and economic conditions. These are the best estimates at the time of preparation. After approval and fiscal year-end, actuals provide a clearer comparison of variances that can be addressed at the mid-year projection if necessary. Comparing prior fiscal year's adopted budget with the FY 2027 budget of $113.4 million, operating expenses increased by $8 million. Water purchase costs rose by $5.7 million, reaching $44.9 million in FY 2027.

Since 2021, the Albert Robles Center for Water Recycling & Environmental Learning (ARC) has served as a key element of the District's Water Independence Now (WIN) Initiative. The anticipated operating costs for the plant in FY 2027 are projected at $8.7 million, representing a reduction of $1.2 million compared to the previous year. This difference is primarily attributable to the separation of the Environmental Learning Center Building from the Robert Whitaker Treatment Facility, with approximately $1.1 million reallocated to Facility Maintenance. This adjustment provides a more accurate representation of the Treatment Facility Operations' expenses. Overall, there was no significant change in total costs compared to the prior year.

The operating budget for the Leo J. Vander Lans Advanced Water Treatment Facility (LVL) is projected to increase by $1.3 million in FY 2027. This increase is attributable to higher operational expenses resulting from expanded capacity following recent capital improvements.

The Robert W. Goldsworthy Desalter budget is projected to decrease by $1.1 million in FY 2027. This reduction reflects the planned shutdown of the plant for a portion of the fiscal year to accommodate the Expansion Project.

The Perchlorate Cleanup Project is a groundwater remediation system designed to address contamination in a deep aquifer within the Los Angeles Forebay. In 2023, the system began treating some of the highest perchlorate concentrations recorded in the state, along with other co-occurring constituents, including 1,4-dioxane and volatile organic compounds (VOCs). The budget for the perchlorate treatment system is set at $1.4 million for FY 2027, representing an increase of $305,000 compared to FY 2026.

Since 1991, the Safe Drinking Water Program has aimed to clean groundwater at specific wells. By installing treatment facilities, the District plans to remove contaminants and deliver potable water. Projects involve coordination with well owners. Expenses are projected to drop by $1 million in FY 2027 to $2.5 million. Planning, design, and on-call engineering costs for these projects are covered by grant funding.

The Per- and Polyfluoroalkyl Substances (PFAS) Remediation Program is a critical component of WRD's commitment to managing and protecting local groundwater resources serving more than four million residents across 43 cities in Southern Los Angeles County. By responding promptly and supporting water purveyors in remediating PFAS-impacted wells, WRD helps ensure the delivery of safe drinking water, prevents the migration of contaminants through essential drinking water aquifers, and maintains a reliable supply of high-quality groundwater at affordable rates. Projected expenses for this program are estimated at $9.2 million in FY 2027, representing a decrease of $1.6 million compared to FY 2026. The District allocates $12 per acre-foot from the Replenishment Fund assessment to support the PFAS Program.

Special Programs and Supportive Costs are $4.6 million reflect no material change for FY 2027. These expenses include election-related costs, the annual CalPERS Unfunded Accrued Liability (UAL) payment and GASB 75 Other Post-Employment Benefits program. It is important to note that election costs are incurred biennially, with half of the estimated expense collected annually.

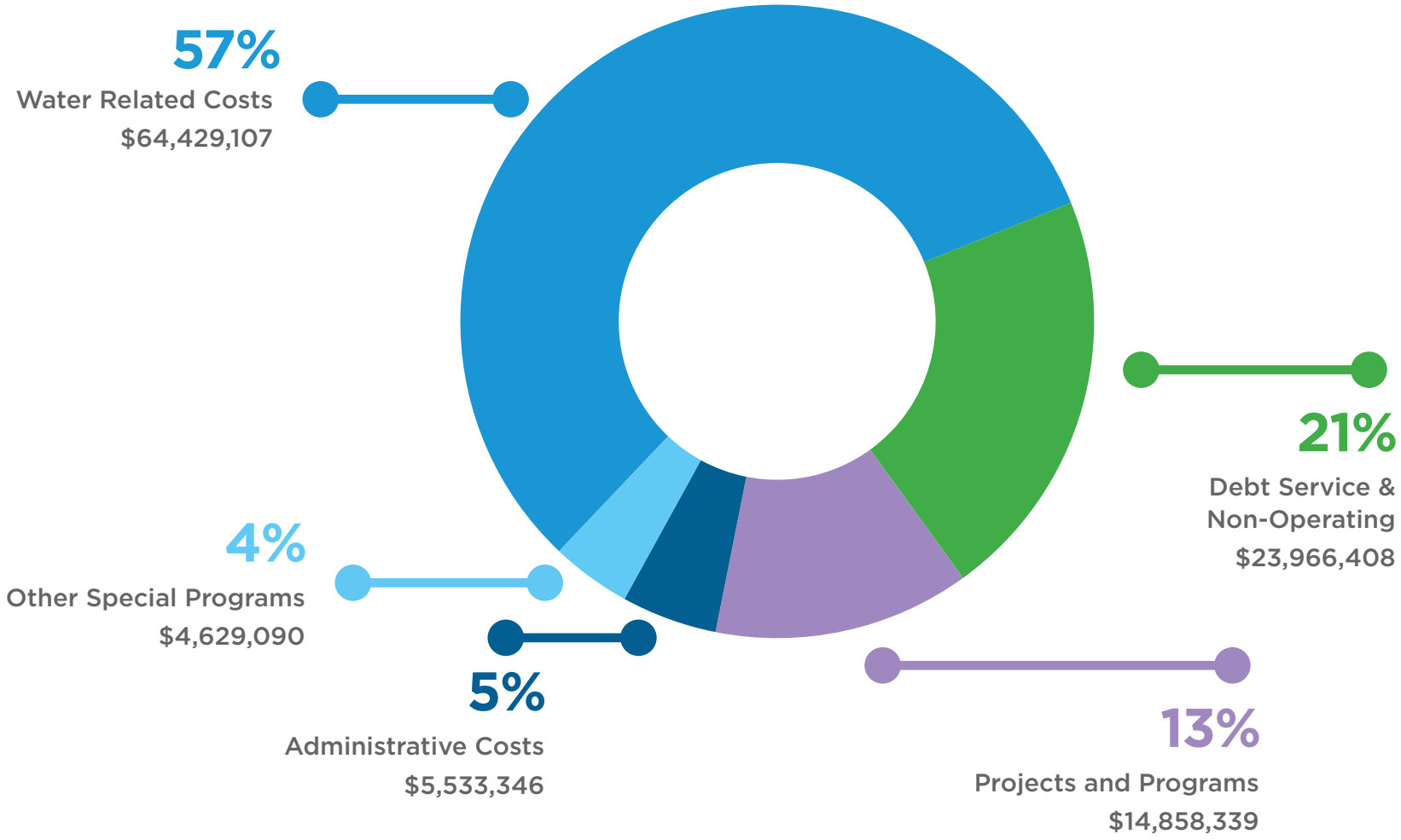
The budget for FY 2027 allocates $18.5 million for annual principal and interest payments, with an additional $4.8 million set aside to meet a debt service coverage target of 1.25x. The District adheres to debt service covenants that mandate reserving funds to fulfill its debt service obligations.

The District allocated $4.0 per acre-foot from the Replenishment Fund assessment to support the PAYGO capital fund, which is projected at $685,016 for FY 2027. This reflects an increase of $2.0 per acre-foot compared to FY 2026. Additionally, grants received for various projects—when received after project completion—are deposited into either the PAYGO fund or Operational Reserves.

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

Figure 3

FISCAL YEAR 2027 TOTAL OPERATING EXPENSES
$113,416,290

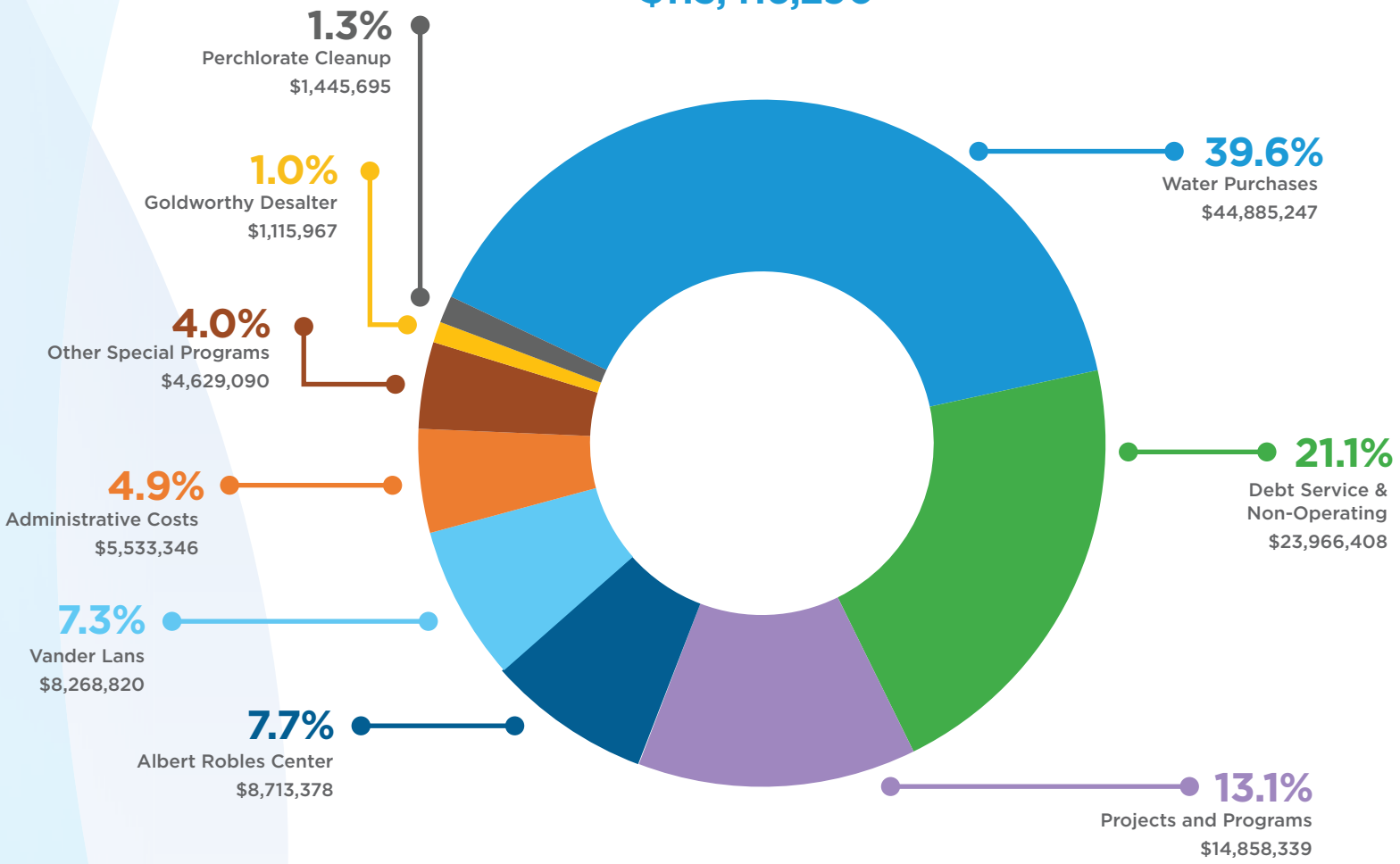


OPERATING EXPENSE DETAIL

Water and associated costs, encompassing supply purchases, production, and conservation efforts, constitute approximately 57 percent or $64.4 million of the District's budget. Capital and non-operating expenses related to debt service are allocated at $24 million, representing 21 percent of the total expenditures. Project and program expenses are forecasted at $14.9 million or 13 percent of the total budget. Administrative costs are projected at $5.5 million, accounting for 5 percent, while other special programs, including Other Post-Employment Benefits (OPEB) payments and election expenses, are estimated at $4.6 million or 4 percent of the total expenditures.

Figure 4

FISCAL YEAR 2027 OPERATING EXPENSE DETAIL $113,416,290





AERIEL VIEW OF ROBERT W. GOLDSWORTHY DESALTER EXPANSION CONSTRUCTION SITE

Table 6a

Fiscal Year 2027 Budget Expenses

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget	FY 2027 Budget compared to FY 2026 Budget
OPERATING EXPENDITURES			
Water Purchases			
Water Costs	$40,459,491	$44,885,247	$4,425,756
Water Treatment and Production			
Albert Robles Center (ARC)	9,959,090	8,713,378	(1,245,712)
Leo J Vander Lans (LVL)	6,995,583	8,268,820	1,273,237
Goldsworthy Desalter	2,173,429	1,115,967	(1,057,462)
Perchlorate Cleanup Project	1,141,176	1,445,695	304,519
SUB-TOTAL	**60,728,769**	**64,429,107**	**3,700,338**
Water Resources			
Water Conservation	726,740	825,306	98,566
Montebello Forebay Recycled Water	376,771	383,360	6,589
Groundwater Resource Planning	2,382,031	2,430,195	48,164
Water Quality Programs			
Water Quality Improvement Program	806,178	988,513	182,335
Dominguez Gap Barrier Recycled Water	408,376	295,297	(113,079)
Groundwater Monitoring Program	1,455,847	1,578,456	122,609
Safe Drinking Water Program	417,620	422,000	4,380
Hydrogeology Program	784,193	1,106,042	321,849
Well Construction & Rehabilitation Program	7,501	8,165	664
Water Replenishment Support			
Geographic Information Systems (GIS)	471,988	505,588	33,600
Data Technology Services	1,560,762	1,800,986	240,224
Replenishment Operations	326,011	323,044	(2,967)
Engineering Program	960,152	1,174,465	214,313
Water Education	1,226,062	1,074,659	(151,403)
Facility Maintenance			
WRD Facility Maintenance	791,293	1,890,763	1,099,470
Fleet Maintenance	49,700	51,500	1,800
SUB-TOTAL	**12,751,225**	**14,858,339**	**2,107,114**
General and Administration			
Board of Directors	550,972	577,031	26,059
Administration	5,436,541	4,956,315	(480,226)
SUB-TOTAL	**5,987,513**	**5,533,346**	**(454,167)**

Table 6a
Fiscal Year 2027 Budget Expenses (Continued)

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget	FY 2027 Budget compared to FY 2026 Budget
OTHER SPECIAL PROGRAMS & SUPPORTIVE COSTS			
Required Retirement Funding	2,402,000	2,529,090	127,090
Litigation	100,000	100,000	-
Election Expense	2,000,000	2,000,000	-
SUB-TOTAL	**4,502,000**	**4,629,090**	**127,090**
DEBT SERVICE & OTHER NON-OPERATING COSTS			
Revenue Bond Debt Service Payments	17,370,830	18,481,392	1,110,562
Additional Fund for DSC	3,900,000	4,800,000	900,000
Funding for PAYGO Capital Projects ($2 to fund CIP)	192,600	685,016	492,416
SUB-TOTAL	**21,463,430**	**23,966,408**	**2,502,978**
TOTAL BUDGET EXPENSES	**$105,432,935**	**$113,416,290**	**$7,983,351**

COMPARISON TO PRIOR FISCAL YEAR 2026 BUDGET EXPENSES

Total budgeted expenses for the prior fiscal year were $105.4 million, while total budgeted expenses for fiscal year 2027 are expected to increase by $8.0 million or 8 percent to a total budget of $113.4 million.

Water and water-related costs will increase by $3.7 million or 6 percent, from $60.7 million to $64.4 million. Other operating costs will increase by $2.1 million or 17 percent from $12.7 million to $14.9 million.

Administrative and other supportive costs are projected to decrease by approximately $0.5 million or -8 percent from $5.9 million to $5.4 million.

Other Special Programs and Supportive Costs will increase by $127,090 or 3 percent, from $4.5 million to $4.6 million.

Debt Service and Other Non-operating costs will rise by $2.5 million or 12 percent, reflecting debt service payments associated with the 2015 and 2018 Replenishment Assessment Revenue Bonds, 2016 Clean Water State Revolving Fund Loan, 2025 Refunding Bond, 2025 State Revolving Fund Loan, and funding for PAYGO projects.

Table 7

Water Replenishment District of Southern California
Schedule of Expenses: Trend Analysis

Description	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Purchases						
Water Costs	$33,378,681	$34,482,163	$39,215,282	$37,031,000	$44,885,247	$7,854,247
Water Treatment and Production						
Albert Robles Center (ARC)	7,388,282	8,086,353	9,551,829	9,881,385	8,713,378	(1,168,007)
LJVWTF - Water Supply	6,183,582	6,901,943	5,978,462	6,958,568	8,268,820	1,310,252
Goldsworthy Desalter	3,065,501	2,928,387	2,121,817	2,881,667	1,115,967	(1,765,700)
Perchlorate Cleanup Project	63,899	423,846	1,211,785	1,148,595	1,445,695	297,100
Water Resources						
Water Conservation	479,311	460,207	387,034	741,252	825,306	84,054
Montebello Forebay Recycled Water	188,542	298,056	362,566	376,621	383,360	6,739
Groundwater Resource Planning	1,541,532	1,949,887	1,826,113	2,208,167	2,430,195	222,028
Water Quality Programs						
Water Quality Improvement Program	530,745	748,489	817,817	863,078	988,513	125,435
Dominguez Gap Barrier Recycled Water	137,853	251,840	221,139	286,505	295,297	8,792
Groundwater Monitoring Program	1,192,775	1,521,034	1,610,633	1,477,396	1,578,456	101,060
Safe Drinking Water Program	1,122,193	1,985,375	392,535	-	422,000	422,000
Hydrogeology Program	345,201	517,375	863,747	795,119	1,106,042	310,923
Regional Brackish Water Program	12,197	7,131	-	-	-	-
Per-and Polyfuoroalkyl Substances (PFAS) Program	2,564,409	2,395,202	2,399,213	-	-	-
Well Construction & Rehabilitation Program	2,685	542	64	7,501	8,165	664

Table 7

Water Replenishment District of Southern California
Schedule of Expenses: Trend Analysis (Continued)

Description	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Replenishment Support						
Geographic Information Systems (GIS)	392,836	289,931	365,705	404,000	505,588	101,588
Data Technology Services (DTS)	1,384,877	1,343,188	1,407,733	1,409,307	1,800,986	391,679
Replenishment Operations	321,334	167,710	285,213	326,111	323,044	(3,067)
Engineering Program	1,379,794	1,847,145	1,830,107	1,029,046	1,174,465	145,419
Asset Management	-	173	42,155	-	-	-
Water Education	843,630	846,163	816,302	1,164,760	1,074,659	(90,101)
Facility Maintenance						
WRD Facility Maintenance	484,814	598,177	715,971	797,703	1,890,763	1,093,060
Fleet Maintenance	13,256	38,890	47,748	49,700	51,500	1,800
General and Administration						
Board of Directors	439,049	537,996	708,832	648,701	577,031	(71,670)
Administration	4,642,836	4,906,060	5,815,576	5,129,634	4,956,315	(173,319)
Other Special Programs & Supportive Costs						
GASB 68/75 (Required Retirement Funding)	2,454,566	1,735,974	1,992,500	2,455,713	2,529,090	73,377
Litigation	42,000	111,183	67,543	100,000	100,000	
Cost of Services & Notices		-	-	15,000	-	(15,000)
Election Expense	3,437,046	1,700,000	992,519	2,000,000	2,000,000	-
Debt Service and Other Non-Operating Costs						
Debt Service and Other Non-Operating Costs	16,573,493	16,562,190	14,105,881	20,745,645	23,966,408	3,220,763
TOTAL EXPENSES	**$90,606,920**	**$93,642,608**	**$96,153,821**	**$100,932,173**	**$113,416,290**	**$12,484,116**

For the fiscal year 2027, the total budgeted operating expenses associated with the Replenishment Fund amount to $104.6 million, representing 92 percent of the total budget.

Table 8

Water Replenishment District of Southern California Schedule of Expenses by Fund Allocation
Replenishment Assessment Fund

Description	Replenishment Fund Allocation	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Purchases							
Water Costs	100%	$33,378,681	$34,482,163	$39,215,282	$37,031,000	$44,885,247	$7,854,247
Water Treatment and Production							
Albert Robles Center (ARC)	100%	7,388,282	8,086,353	9,551,829	9,881,385	8,713,378	(1,168,007)
LJVWTF - Water Supply	100%	6,183,582	6,901,943	5,978,462	6,958,568	8,268,820	1,310,252
Water Resources							
Water Conservation	50%	239,656	260,987	193,517	370,626	412,653	42,027
Montebello Forebay Recycled Water	100%	188,542	298,056	362,566	376,621	383,360	6,739
Groundwater Resource Planning	100%	1,541,532	1,949,887	1,826,113	2,208,167	2,430,195	222,028
Water Quality Programs							
Dominguez Gap Barrier Recycled Water	100%	137,853	251,840	221,139	286,505	295,297	8,792
Groundwater Monitoring Program	50%	596,388	759,717	805,317	738,698	789,228	50,530
Hydrogeology Program	50%	172,601	297,706	431,874	397,560	553,021	155,462
Regional Brackish Water Program	50%	6,099	3,966	-	-	-	-
Well Construction & Rehabilitation Program	100%	2,685	542	64	7,501	8,165	664
Water Replenishment Support							
Geographic Information Systems (GIS)	50%	196,418	144,966	182,853	202,000	252,794	50,794

Table 8

Water Replenishment District of Southern California Schedule of Expenses by Fund Allocation (Continued)

Replenishment Assessment Fund

Description	Replenishment Fund Allocation	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Data Technology Services (DTS)	94%	1,301,784	1,281,449	1,323,269	1,324,749	1,692,927	368,178
Replenishment Operations	100%	321,334	167,710	285,213	326,111	323,044	(3,067)
Engineering Program	100%	1,379,794	1,847,145	1,830,107	1,029,046	1,174,465	145,419
Asset Management	100%	-	173	42,155	-	-	-
Water Education	50%	421,815	444,416	408,151	582,380	537,330	(45,051)
Facility Maintenance							
WRD Facility Maintenance	94%	455,725	562,286	673,013	749,841	1,777,317	1,027,476
Fleet Maintenance	94%	12,461	36,557	44,883	46,718	48,410	1,692
General and Administration							
Board of Directors	94%	412,706	505,813	666,302	609,779	542,409	(67,370)
Administration	94%	4,364,266	4,661,792	5,466,641	4,821,856	4,658,936	(162,920)
Other Special Programs & Supportive Costs							
GASB 68/75 (Required Retirement Funding)	94%	2,307,292	1,631,815	1,872,949	2,308,370	2,377,345	68,974
Litigation	94%	39,480	39,480	63,490	94,000	94,000	
Cost of Services & Notices	94%	-	-	-	14,100	-	(14,100)
Election Expense	94%	3,230,823	1,598,000	932,968	1,880,000	1,880,000	-
Debt Service and Other Non-Operating Costs							
Debt Service and Other Non-Operating Costs	94%	15,579,083	15,568,459	13,259,528	19,500,906	22,528,424	3,027,517
SUB-TOTAL REPLENISHMENT ASSESSMENT FUND		**$79,858,882**	**$81,783,220**	**$85,637,684**	**$91,746,486**	**$104,626,764**	**$12,880,278**

The total budgeted operating expenses for the Clean Water Fund amount to $8.8 million, representing 8 percent of the overall budget.

Table 9

Water Replenishment District of Southern California Schedule of Expenses by Fund Allocation
Clean Water Fund

Description	Replenishment Fund Allocation	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Treatment and Production							
Goldsworthy Desalter	100%	3,065,501	2,928,387	2,121,817	2,881,667	1,115,967	(1,765,700)
Perchlorate Cleanup Project	100%	63,899	423,846	1,211,785	1,148,595	1,445,695	297,100
Water Resources							
Water Conservation	50%	239,656	199,219	193,517	370,626	412,653	42,027
Water Quality Programs							
Water Quality Improvement Program	100%	530,745	748,489	817,817	863,078	988,513	125,435
Groundwater Monitoring Program	50%	596,388	761,317	805,317	738,698	789,228	50,530
Safe Drinking Water Program	100%	1,122,193	1,985,375	392,535	-	422,000	422,000
Hydrogeology Program	50%	172,601	219,669	431,874	397,560	553,021	155,462
Regional Brackish Water Program	50%	6,099	3,166	-	-	-	-
Per-and Polyfuoroalkyl Substances (PFAS) Program	100%	2,564,409	2,395,202	2,399,213	-	-	-
Water Replenishment Support							
Geographic Information Systems (GIS)	50%	196,418	144,965	182,852	202,000	252,794	50,794

Table 9

Water Replenishment District of Southern California Schedule of Expenses by Fund Allocation (Continued)

Clean Water Fund

Description	Replenishment Fund Allocation	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Data Technology Services (DTS)	6%	83,093	61,739	84,464	84,558	108,059	23,501
Water Education	50%	421,815	401,747	408,151	582,380	537,330	(45,051)
Facility Maintenance							
WRD Facility Maintenance	6%	29,089	35,891	42,958	47,862	113,446	65,584
Fleet Maintenance	6%	795	2,333	2,865	2,982	3,090	108
General and Administration							
Board of Directors	6%	26,343	32,183	42,530	38,922	34,622	(4,300)
Administration	6%	278,570	244,268	348,935	307,778	297,379	(10,399)
Other Special Programs & Supportive Costs							
GASB 68/75 (Required Retirement Funding)	6%	147,274	104,159	119,551	147,343	151,745	4,403
Litigation	6%	2,520	71,703	4,053	6,000	6,000	
Cost of Services & Notices	6%	-	-	-	900	-	(900)
Election Expense	6%	206,223	102,000	59,551	120,000	120,000	-
Debt Service and Other Non-Operating Costs							
Debt Service and Other Non-Operating Costs	6%	994,410	993,731	846,353	1,244,739	1,437,984	193,246
SUB-TOTAL CLEAN WATER FUND		**$10,748,039**	**$11,859,392**	**$10,516,136**	**$9,185,688**	**$8,789,526**	**$(396,162)**
TOTAL EXPENSES		**$90,606,920**	**$93,642,608**	**$96,153,821**	**$100,932,173**	**$113,416,290**	**$12,484,116**

Table 10
Fiscal Year 2027 Operations and Maintenance Budget Five-Year Forecast

Description	FY 2027 Adopted Budget	FY 2028 Forecast Budget	FY 2029 Forecast Budget	FY 2030 Forecast Budget	FY 2031 Forecast Budget
OPERATING EXPENDITURES					
Water Purchases	44,885,247	45,782,952	46,698,611	47,632,583	48,585,235
Water Treatment and Production	19,543,860	19,400,159	23,607,128	27,450,522	28,747,985
Water Resources	3,638,861	3,581,541	3,315,135	3,304,919	3,342,491
Water Quality Programs	4,398,473	4,527,256	4,491,670	4,860,247	4,661,386
Water Replenishment Support	4,878,742	4,626,204	4,704,232	4,753,158	4,850,569
WRD Facility Maintenance & Other	1,942,263	1,945,343	2,001,999	2,042,835	2,102,148
General and Administration	5,533,346	5,624,243	5,727,554	5,852,283	5,949,610
Other Special Programs & Supportive Costs	4,629,090	4,704,265	4,849,043	4,884,602	4,915,543
SUB-TOTAL	**89,449,882**	**90,191,962**	**95,395,373**	**100,781,148**	**103,154,966**
NON OPERATING EXPENDITURES					
PFAS Remediation Program	-	-	2,076,000	2,100,000	2,100,000
Debt Service and Other Non-Operating Costs	23,966,408	27,871,392	29,379,642	32,786,020	32,847,219
SUB-TOTAL	**23,966,408**	**27,871,392**	**31,455,642**	**34,886,020**	**34,947,219**
TOTAL BUDGET	**113,416,290**	**118,063,354**	**126,851,015**	**135,667,167**	**138,102,185**

FIVE-YEAR FORECAST

The District projects a 15 percent increase, equivalent to $13.7 million, in operating expenditures over the next five years. The primary drivers of this increase are water purchases and maintenance costs for water treatment facilities, which are expected to rise by 8 percent ($3.7 million) and 47 percent ($9.2 million), respectively. This projected growth is attributable to higher imported water costs and increased operational expenses associated with capital improvements that expand capacity at the Goldsworthy Desalter and the Leo J. Vander Lans Advanced Water Treatment Facility.

To manage these rising costs, the District is evaluating various strategies, including negotiations, partnerships, and projects aimed at securing water and chemical supplies at reduced prices. Additionally, efforts are underway to enhance operational efficiency at treatment facilities and to effectively manage administrative expenditures. In light of ongoing inflation and a changing business environment, precise and proactive forecasting will remain essential to informed operational decision-making and to maintaining the District's long-term financial stability.



ANNUAL GROUNDWATER FESTIVAL INTERACTIVE TIDEPOOL EXHIBIT



JUGLIFE WATER EDUCATION TOUR

REVENUE BUDGET

The District's primary revenue source is the Replenishment Assessment (RA), which accounts for approximately 72.4 percent, or $82.1 million, of total District revenue. The RA is calculated based on the volume of groundwater extracted from the Central and West Coast basins and is assessed on a per–acre-foot basis.

Carryover Conversion is a mechanism that permits groundwater producers to transfer unused annual pumping rights into a designated storage account. These stored rights may be utilized in subsequent years; however, they may be permanently forfeited if not exercised within the required timeframe. In recent years, Carryover Conversion has increasingly been employed for arbitrage purposes, with some pumpers transferring substantial portions of their annual rights into storage at the prior year's assessment rate and subsequently withdrawing them in the following year. As this practice has expanded and now represents approximately 18 percent of total pumping, Carryover Conversion is included in overall pumping calculations. Revenue from Carryover Conversion is projected to remain consistent with last year's total of $18 million, comprising 16 percent of total revenue in fiscal year 2027.

The District anticipates collecting approximately $3.4 million, representing 3 percent of total revenue, from recycled water sales to the Orange County Water District (OCWD) generated by the Leo J. Vander Lans Advanced Treatment Water Facility (LVL AWTF). This revenue also includes incentives provided by the Metropolitan Water District of Southern California (MWD) for each acre-foot of water produced by the facility. The LVL AWTF supplies advanced treated water to the Alamitos Seawater Intrusion Barrier Project, thereby reducing reliance on more costly imported water from MWD.

The Robert Goldsworthy Desalter, located in the West Coast Basin, treats brackish groundwater that serves as a supply source for the City of Torrance. The treated water is sold to the City at an agreed-upon rate that is 10 percent below the Metropolitan Water District rate. Projected revenue from these sales is $1.6 million, representing approximately 1.4 percent of total revenue. This projected amount is lower than that of fiscal year 2026 due to ongoing construction to expand the facility's capacity, which will necessitate intermittent operational shutdowns throughout the fiscal year.

The Albert Robles Center (ARC) purifies approximately 10,000 acre-feet of tertiary treated (recycled) water annually to near-distilled quality through its advanced water treatment facility. Because ARC reduces the need for imported water from the Metropolitan Water District of Southern California (MWD), the District receives subsidies from MWD's Local Resources Program through the City of Torrance, an MWD member agency. Estimated revenue from this advanced water treatment facility is $0.6 million, representing approximately 0.5 percent of total District revenue.

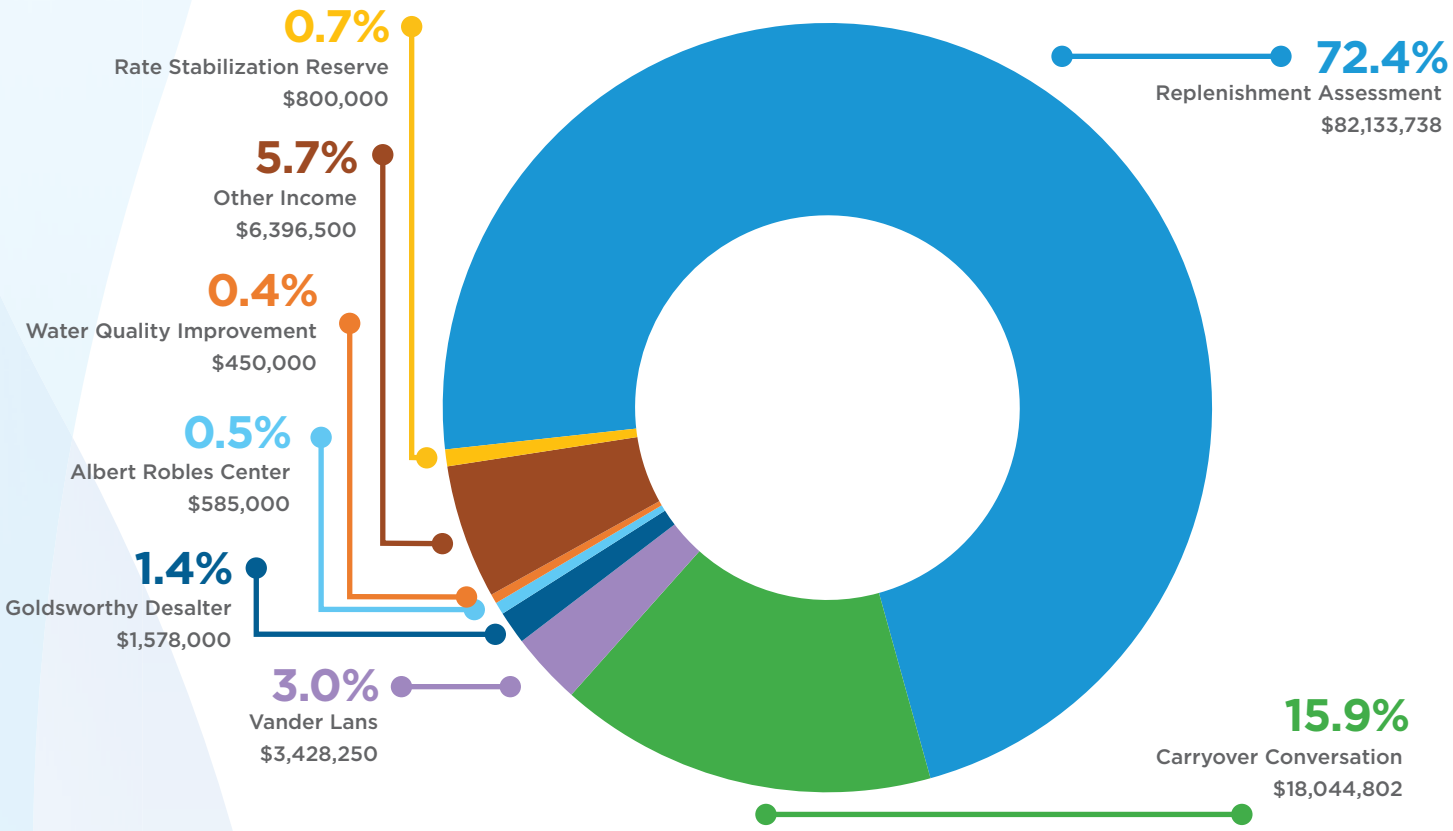
Since January 1, 2007, the District has administered the Title 22 Groundwater Monitoring Program, which was originally overseen by the Central Basin Municipal Water District. The program encompasses the sampling, analysis, and reporting of drinking water wells to the State Water Resources Control Board (SWRCB), compliance monitoring for the Federal Unregulated Contaminant Monitoring Regulations (UCMR), and monitoring of constituents subject to state notification levels. It ensures source water quality compliance for drinking water wells and prepares annual Consumer Confidence Reports for each participating agency. The District currently serves 24 pumpers with 87 wells, generating an estimated $0.5 million, or 0.4 percent of total revenue, in fiscal year 2027.

Other revenues net of expenses accounts for $7.2 million or 5.7 percent of total revenue, including net interest income, property tax revenue, and other miscellaneous expenses.



Figure 5

FISCAL YEAR 2027 TOTAL OPERATING REVENUES: $113,416,290



COMPARISON TO PRIOR FISCAL YEAR 2026 BUDGETED REVENUES

For fiscal year 2027, Replenishment Assessment revenue is projected to increase by approximately $8 million, or 7.6 percent, primarily due to stable groundwater extraction. Carryover Conversion revenue is anticipated to increase by $4.5 million, or 33 percent, reflecting an adjustment in staff projections to align with the actual volume of pumping rights placed into storage. Total pumping for Fiscal Year 2027 remains constant at 211,000 acre-feet, reflecting the combined total of groundwater extraction (Replenishment Assessment) and storage withdrawals (Carryover Conversion). Revenue from the Leo J. Vander Lans Advanced Water Treatment Facility is projected to decrease by approximately $311,350, or 8.3 percent. In addition, the Goldsworthy Desalter is expected to experience a reduction in revenue in fiscal year 2027 due to construction activities associated with the Torrance Desalter Expansion Project, which will result in intermittent operational shutdowns.

Table 11

Fiscal Year 2027 Revenues

Description	FY 2026 Adopted Budget	FY 2027 Adopted Budget	FY 2027 Budget compared to FY 2026 Budget
Replenishment Assessment	$81,655,935	$82,133,738	$477,803
Carryover Conversion	13,547,000	18,044,802	$4,497,802
Vander Lans Income/OCWD/MWD Subsidy	3,740,000	3,428,250	$(311,750)
Goldsworthy Desalter Income/MWD Subsidy	2,200,000	1,578,000	$(622,000)
Albert Robles Center Income/MWD Subsidy	630,000	585,000	$(45,000)
Water Quality Improvement	400,000	450,000	$50,000
Other Revenues	3,260,000	6,396,500	$3,136,500
Transfer from Reserve (Rate Stabilization)	-	800,000	$800,000
TOTAL REVENUES	**$105,432,935**	**$113,416,290**	**$7,983,355**

SOURCES OF REVENUE

REPLENISHMENT ASSESSMENT REVENUE ESTIMATE

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

For Fiscal Year 2027, the District estimates $82,133,738 will be collected from the Replenishment Assessment (RA) based on groundwater pumping of approximately 171,254 AF at an RA rate of $480 per AF.

Pursuant to the Water Code and applicable regulations, the RA is determined annually by the Board of Directors. The RA is calculated using a cost allocation analysis which involves assessing the beneficiaries (i.e., pumpers) their proportional share of the cost for providing water replenishment services. As required by the Water Code, the District prepares the Engineering Survey & Report (ESR) annually. This report provides the Board of Directors with the necessary information to justify setting an RA for the upcoming fiscal year, which includes purchasing water for replenishment purposes and funding projects and programs related to groundwater replenishment and groundwater quality. The ESR contains the following key components:

- A discussion of groundwater production with the District.
- Evaluate groundwater conditions with the District, including annual and accumulated overdraft estimates, water level changes, and their effects on groundwater resources.
- An evaluation of the amount, availability, and cost of replenishment water needed for the upcoming year;
- A detailed overview of current and planned programs and projects aimed at achieving replenishment objectives and safeguarding high-quality groundwater resources within the District.

The ESR projects a groundwater extraction of 171,254 AF and storage extraction of 39,746 AF, totaling 211,000 AF for the upcoming water year within the District's service area. It also highlights the necessity for supplemental water to replenish and safeguard the basins. The unit cost, or RA per AF of water pumped is calculated as follows:

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

The FY 2027 pumping estimates were evaluated and refined throughout the budget process. Based on the series of budget presentations during the budget process, the Board of Directors arrived at the total groundwater AF pumped to determine the unit cost as follows:

$$\frac{\text{Total Cost of Service (\$82,133,738)}}{\text{Total Groundwater Pumped (171,254 AF)}} = \text{Unit Cost (\$480/AF pumped)}$$

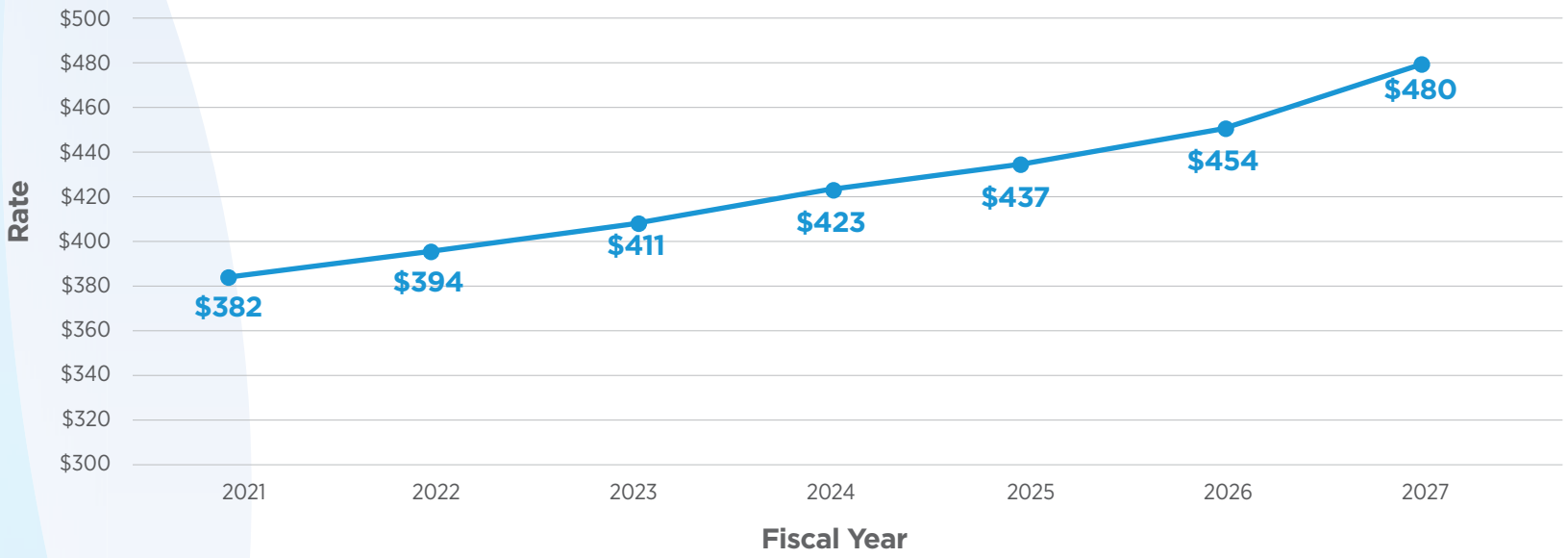
The amount of RA charged to an individual operator is calculated based on the quantity of water they pump multiplied by the RA. For example, if an operator pumps a total of 1,000 AF, that operator will be charged a total of $480,000 (1,000 AF x $480/AF).

The RA includes funds for replenishment and clean water. Most of the District's efforts focus on replenishing the Central and West Coast Groundwater Basins. Revenue from the RA is allocated 94 percent to the Replenishment Fund and 6 percent to the Clean Water Fund, based on expected use.

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

Figure 6

REPLENISHMENT ASSESSMENT



To estimate the Replenishment Assessment rate for the upcoming year, WRD has conducted a forecast based on the anticipated pumping for the current year and the cost-of-service analysis. The Budget team's recommendation for the Fiscal Year 2027 Replenishment Assessment is $480 per acre-foot. This recommendation is based on the following assumptions:

1. Ensuing year's pumping to be 171,254 acre-feet. It anticipates that pumpers will remove 171,254 acre-feet from the Basins;
2. Ensuing year's water purchases to be 89,400 acre-feet to replenish the Basins; and
3. $18,044 million of revenue will come from the Water Purchase Carryover Conversion. It anticipates that pumpers will remove 39,746 acre-feet from the Basins;

The District expects its net operational cost for Fiscal Year 2027 to be $82,133,738. Thus, the cost to provide service will be $480 per acre-foot of water removed from the Basins.

Any slight differences in totals are due to rounding.

Shown below are the basins top twenty pumpers in fiscal year 2026:

Table 12

Production Summary
Fiscal Year 2026 Top 20 Pumpers

Number	Name	Production (Acre Feet)
1	Long Beach, City of	32,401
2	Golden State Water Company	21,917
3	California Water Service Company (East LA)	20,270
4	Downey, City of	13,470
5	Tesoro Refining & Marketing Company LLC	9,560
6	South Gate, City	7,755
7	Cerritos, City of	7,192
8	Liberty Utilities Coporation	6,931
9	Compton, City of	6,736
10	Lakewood, City of Water Department	6,538
11	Whittier, City of	5,499
12	Bellflower-Somerset Mutual Water Company	4,885
13	Lynwood, City of	4,777
14	Vernon, City of	4,372
15	Paramount, City of	4,209
16	Pico Rivera, City of	4,094
17	Torrance, City of	3,810
18	San Gabriel Valley Water Company	3,071
19	Montebello Land and Water Company	3,011
20	Huntington Park, City of	2,684
TOTAL		**173,183**

PRODUCTION AND TREATMENT REVENUE ESTIMATES

The District generates revenue from the Leo J. Vander Lans Advanced Water Treatment Facility, the Robert W. Goldsworthy Desalter, and the Robert Whitaker Treatment Facility at the Albert Robles Center.

The Leo J. Vander Lans Advanced Water Treatment Facility
Provides advanced treated water to the Alamitos Seawater Barrier Project to prevent seawater intrusion into the Central Basin groundwater supply. Revenue from the facility comes from the sale of water to the Orange County Water District as well as a subsidy received from the Central Basin Municipal Water District and the Long Beach Utilities through a Local Resource Program offered by the Metropolitan Water District of Southern California. This is one of the key components in the District's Water Independence Now (WIN) Program. Projected revenues for FY 2027 are $3.4 million.

Fund Allocation — The primary purpose of this facility is to enhance the reliability of basin replenishment through the use of advanced treated recycled water, with all associated revenue allocated to the Replenishment Fund.

The Robert W. Goldsworthy Desalter
The Robert W. Goldsworthy Desalter has been in operation since 2002. The objective of this project is to extract brackish groundwater from a seawater intrusion plume that developed following the establishment of the West Coast Basin Seawater Intrusion Barrier in the 1950s and 1960s, which inadvertently trapped inland brackish water. The production wells and desalination facility are located within the City of Torrance. Groundwater that would otherwise remain unused due to its salinity is treated and delivered to the City's distribution system for potable use. The original facility had a treatment capacity of 2,200 acre-feet per year.

In 2017, the District expanded the Robert W. Goldsworthy Desalter to a treatment capacity of 4,800 acre-feet per year. The City of Torrance Water Department is responsible for operating and maintaining the treatment plant under contract with the District. Revenue generated from the Desalter is derived from the sale of treated water to the City of Torrance. Projected revenue for fiscal year 2027 is $1.6 million.

Fund Allocation — The purpose of the Desalter is to remediate degraded groundwater quality, with all associated costs assigned solely to the Clean Water Fund.

The Robert Whitaker Treatment Facility and the Albert Robles Center
The Robert Whitaker Treatment Facility occupies 5.2 acres within the City of Pico Rivera. Its proximity to the San Gabriel River enables direct delivery of advanced treated recycled water into an existing pipeline that conveys water to the Montebello Forebay spreading grounds. The facility purifies approximately 10,000 acre-feet (3.25 billion gallons) of tertiary treated (recycled) water annually to near-distilled quality using advanced water treatment technologies, including ultrafiltration, reverse osmosis, and advanced oxidation, prior to conveyance to the spreading grounds.

Because the Robert Whitaker Treatment Facility reduces reliance on imported water from the Metropolitan Water District (MWD) of Southern California, the District receives subsidies through MWD's Local Resources Program, administered via the City of Torrance, an MWD member agency. Projected revenue for fiscal year 2027 is $0.6 million.

Fund Allocation — The primary purpose of this project is to enhance the reliability of basin replenishment through the use of advanced treated recycled water, and all associated revenue is allocated to the Replenishment Fund.

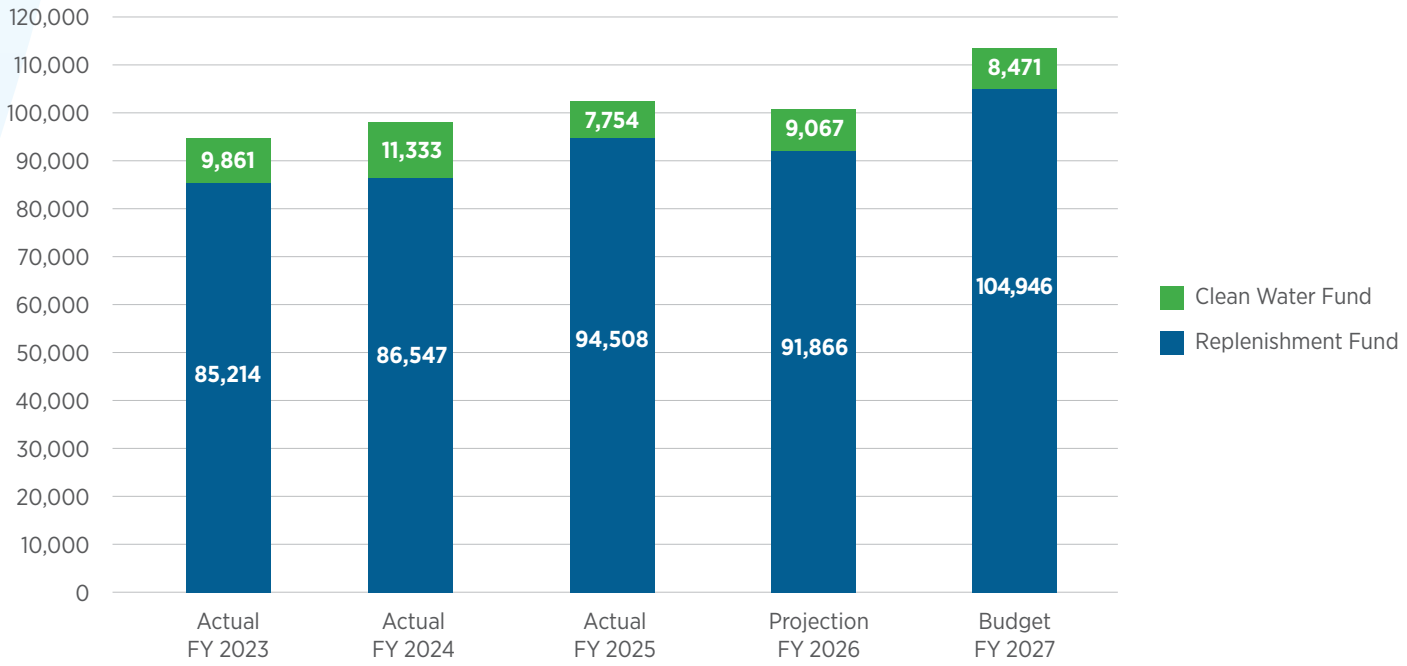
Table 13

Comparative Revenue by Fund

Description	Allocation % Replenishment Fund	Allocation % Clean Water Fund	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Projection	FY 2027 Budget
Replenishment Fund							
Replenishment Assessment	94%		$67,883,113	$65,912,016	$70,210,189	$68,840,808	$77,205,714
Carryover Conversion	94%		12,206,766	11,982,301	16,941,049	15,915,357	16,962,114
LJVWTF - Water Supply	100%		2,876,447	2,717,396	2,068,573	3,243,000	3,428,250
Albert Robles Center	100%		314,868	486,480	574,264	630,000	585,000
Other Income	94%		1,932,550	5,448,696	4,713,497	3,236,458	6,012,710
Transfer from Reserve (Rate Stabilization)	94%		-	-	-	-	752,000
Sub-Total Replenishment Fund			**$85,213,744**	**$86,546,889**	**$94,507,572**	**$91,865,623**	**$104,945,788**
Clean Water Fund							
Replenishment Assessment		6%	$4,332,841	$4,206,830	$4,481,501	$4,394,094	$4,928,024
Carryover Conversion		6%	779,155	3,937,328	1,081,344	1,015,874	1,082,688
Goldsworthy Desalter Sales		100%	3,158,971	2,216,607	1,398,812	3,000,000	1,578,000
Water Quality Improvement		100%	285,034	384,021	408,382	450,000	450,000
Safe Drinking Water Program		100%	1,292,299	357,336	82,767	-	-
Other Income		6%	12,411	231,057	300,862	206,582	383,790
Transfer from Reserve (Rate Stabilization)		6%	-	-	-	-	48,000
Sub-Total Clean Water Fund			**$9,860,711**	**$11,333,179**	**$7,753,668**	**$9,066,550**	**$8,470,502**
TOTAL ALL FUNDS			**$95,074,455**	**$97,880,067**	**$102,261,240**	**$100,932,173**	**$113,416,290**

Figure 7

COMPARATIVE REVENUE BY FUND ($ IN THOUSANDS)



OTHER REVENUE ESTIMATES

OTHER INCOME

The District estimates $1.0 million in property tax revenue and $3.0 million in interest income for FY 2027. After deducting $0.4 million in non-RA expenses, the total estimated revenue is $3.6 million.

Fund Allocation – The revenue collected through other revenue (e.g. property taxes and interest income) is split 94 percent to the Replenishment Fund and 6 percent to the Clean Water Fund based on the anticipated use of the revenue.

Groundwater is an economical source of water. In FY 2027, the District's Replenishment Assessment is $480/AF. The additional cost to the water purveyors to operate their systems and serve the water could add up to $250/AF to the Replenishment Assessment rate. In contrast, the price of treated imported water, which is the alternative source to groundwater, is projected at $1,847AF. Therefore, groundwater is over 50 percent less than the cost of treated imported water.

The District's primary responsibilities include replenishing groundwater within the basins, preventing seawater intrusion, and remediating groundwater contamination. Additionally, in response to recent drought conditions and the increasing uncertainty surrounding imported water supplies, the District is advancing the WIN program—a series of projects designed to fully utilize stormwater and recycled water sources. This program supports the long-term protection of the basins and ensures a sustainable and reliable local groundwater supply for the District's stakeholders.

Table 14

Fiscal Year 2027 Revenues Budget
Five-Year Revenue Forecast

Description	FY 2027 Adopted Budget	FY 2028 Forecast Budget	FY 2029 Forecast Budget	FY 2030 Forecast Budget	FY 2031 Forecast Budget
Replenishment Assessment	$82,133,738	$87,269,874	$87,264,963	$90,957,459	$93,170,148
Carryover Conversion	18,044,802	18,224,800	20,594,024	21,005,904	21,426,023
Vander Lans Income/OCWD/MWD Subsidy	3,428,250	3,500,000	3,900,000	4,180,000	4,400,000
Goldsworthy Desalter Income/MWD Subsidy	1,578,000	828,000	6,970,000	11,140,000	11,700,000
Albert Robles Center Income/MWD Subsidy	585,000	1,013,250	1,373,250	2,113,250	2,113,250
Water Quality Improvement	450,000	450,000	450,000	450,000	450,000
Other Revenues	6,396,500	6,777,430	6,298,779	5,820,554	4,842,765
Transfer from Reserve (Rate Stabilization)	800,000	-	-	-	-
TOTAL REVENUES	**$113,416,290**	**$118,063,354**	**$126,851,015**	**$135,667,167**	**$138,102,186**

The forecast shows a 13.44 percent ($11 million) increase in Replenishment Assessment (RA) over the next five years, averaging a 3.2 percent annual rise. This is lower than the proposed increases in imported water from the Metropolitan Water District. The Torrance Desalter Expansion project, set for completion in FY 2029, will boost production capacity and significantly raise Desalter Assessment revenue. Income from other treatment facilities should remain stable due to consistent operations and subsidies at Leo Vander Lans (through Long Beach Water until 2043) and Albert Robles Center (through the City of Torrance until 2042). Carryover conversion for FY 2027 is projected at $18 million, with slight increases expected. Other income is also anticipated to rise due to higher interest income over the next five years.





WRD STAFF AT OUTREACH EVENT

FUND BALANCES

RESERVE FUND POLICY

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

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

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

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

Table 15
Reserve Fund Balances

Reserve Funds ($ in million)	
Debt Service Reserve (Restricted)	$5.4M
Rate Stabilization	$4.0M
Water Purchase Fund	$6.0M
Carryover Conversion Fund	$2.9M
Unrestricted Operating Reserves	$16.9M
Capital Improvement Fund (Pay-Go)	$3.5M
Total	**$38.7M**

Clean Water Program Funds ($ in million)	
Safe Drinking Water and Disadvantaged Community Fund	$6.9M
Well Rehabilitation & Construction Loan Fund	$5.0M
PFAS Remediation Program	$15.6M
Total	**$27.5M**
Total Reserve Fund Balances as of June 30, 2026	**$66.2 M**

RESERVE FUNDS

As of June 30, 2026, the District's Reserve Funds total $38,700,000. This amount includes $5,400,000 in Restricted Reserves and $33,300,000 in Unrestricted Reserves. A comprehensive breakdown of these allocations is provided in the following pages.

The District's Reserve (Restricted and Unrestricted) Balances are summarized as follows:

Debt Service Reserve (Restricted)	$5.4M
Rate Stabilization Fund	$4.0M
Water Purchase Fund	$6.0M
Carryover Conversion Fund	$2.9M
Unrestricted Operating Reserves	$16.9M
Capital Improvement Fund (Pay-Go)	$3.5M
Total	**$38.7M**

RESTRICTED RESERVE FUNDS

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

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

Reserved for Debt Service $5.4M

UNRESTRICTED OPERATING RESERVE FUNDS

Rate Stabilization Reserve – this fund is designed to promote financial stability and reduce volatility in Replenishment Assessment (RA) rates. It provides a mechanism to smooth rate fluctuations and protect groundwater pumpers from steep annual increases.

Source of Funds: Replenishment Assessment
Use of Funds: Reduce Rate Fluctuations

Reserved for Rate Stabilization $4.0M

Water Purchase Reserve – this fund is strictly designated for targeted water supply initiatives that support WRD's long-term sustainability and basin management objectives.

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

Reserved for In-Lieu Water Purchases $6.0M

Carryover Conversion (Storage Withdrawal Account) – provide a mechanism to track Pumping Rights placed into and withdrawn from Storage.

Source of Funds: Carryover Conversion
Use of Funds: Storage Withdrawals

Reserved for Carryover Conversion $2.9M

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

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

Reserved for Operating $16.9M

Capital Improvement Fund (Pay-Go) - to fund pay-go various capital projects and periodic replacement of assets with expected useful life of three to twenty years. The Capital Improvement Fund (Pay-Go) Fund is a financial mechanism whereby capital improvements are funded directly through available cash reserves, rather than through long-term debt or financing instruments. By allocating current revenues or accumulated reserves to infrastructure projects, the District maintains financial agility and reduces reliance on external borrowing. This approach enables the District to avoid incurring long-term debt, thereby minimizing interest expenses and preserving flexibility for future infrastructure needs.

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

Reserved for Miscellaneous Capital Projects	**$3.5M**

CLEAN WATER PROGRAM FUNDS

As of June 30, 2026, the District holds $27,500,000 in Clean Water Encumbered Program and Project Funds. These Clean Water Programs, established by the Water Replenishment District Board, are designed to support the Pumping Community by enhancing basin water quality and expanding local pumping capacity. A detailed breakdown of individual program funds, available balances, and currently encumbered projects is presented in the following pages.

Safe Drinking Water and Disadvantaged Community Fund	$6.9M
Well Rehabilitation & Construction Loan Fund	$5.0M
PFAS Remediation Program	$15.6M
Total	**$27.5M**

Safe Drinking Water and Disadvantaged Community Fund - to account for, and fund loans and grants to help clean up the groundwater basin.

Source of Funds:	Replenishment Assessment, Loan Repayment and Grants
Use of Funds:	Safe Drinking Water and Disadvantaged Community Projects

Reserved for Safe Drinking Water Program	**$6.9M**

Well Rehabilitation & Construction Loan Fund - to provide zero interest loans to help finance well construction and rehabilitation to increase pumping capacity in the basin.

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

Reserved for Well Rehabilitation & Construction	**$5.0M**

Outstanding Loan Balances – District receives quarterly installment payments from the cities of Vernon and Signal Hill	$1.7M

PFAS Remediation Fund - to fund PFAS Remediation Projects

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

Reserved for PFAS Remediation Program	**$15.6M**

TRUST FUNDS

The District has a number of trust funds related to capital improvement plan. The balance of trust funds as of June 30, 2026 is as follows:

Table 16

Water Replenishment District of Southern California
Trust Fund Report as of June 30, 2026

Fund Purpose	Beginning Balance	Interest Income	Disbursements	Addition	Ending Balance
2015 Revenue Bonds	$22,255	$58	$-	$-	$22,313
2018 Revenue Bonds	23,267	61	-	-	23,328
2025 Revenue Refunding Bonds	22	-	-	-	22
CalTrans Trust Fund (BancWest)	6,223,748	20,494	-	-	6,244,242
TOTAL	**$6,269,292**	**$20,613**	**$-**	**$-**	**$6,289,905**

A relationship whereby funds are legally held and managed by another party or organization for the benefit of specific purpose. The District's Trustee, U.S. Bank, holds the majority of the funds which were received from the issuance of 2015 and 2018 Replenishment Assessment Revenue Bonds, and 2025 Replenishment Assessment Revenue Refunding Bonds. The remaining amount relates to the funds received from the California Department of Transportation (CalTrans) settlement of $8.0 million which was received in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.

Proceeds from the 2015, 2018, and 2025 Debt Issuances - the District's Trustee, U.S. Bank, administers the debt service accounts in compliance with the Official Statements and the Master Trust Agreements.

Source of Funds: 2015 and 2018 Revenue Bonds, and 2025 Revenue Refunding Bonds
Use of Funds: Restricted for Capital Projects only

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

Source of Funds: CalTrans Settlement
Use of funds: Restricted for Caltrans Projects and Replenishment Asessment

Table 17

Projected Unreserved Fund Balance as of June 30, 2026 and 2027

Description	Unreserved Fund Balance 6/30/2026	Estimated Revenues	Estimated Expenses	Debt Service	Estimated Unreserved Fund Balance 6/30/2027
Replenishment Fund	$4,201,582	$104,945,788	$(82,098,340)	$(22,528,424)	$4,520,606
Clean Water Fund	$414,669	$8,470,502	$(7,351,542)	$(1,437,984)	$95,645
TOTAL ALL FUNDS	**$4,616,251**	**$113,416,290**	**$(89,449,882)**	**$(23,966,408)**	**$4,616,251**

Table 18

Projected Unreserved Fund Balance (5-Year Forecast)

Description	FY 2027 Budget	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast
Beginning Funds Balance	**$4,616,251**	**$4,616,251**	**$4,616,251**	**$4,616,251**	**$4,616,250**
Add: Estimated Revenues	113,416,290	118,063,354	126,851,015	135,667,167	138,102,186
Total Funds Available	**118,032,541**	**122,679,605**	**131,467,266**	**140,283,418**	**142,718,436**
Less: Estimated Operating Expenditures	(89,449,882)	(90,191,962)	(95,395,373)	(100,781,148)	(103,154,966)
PFAS Remediation Program	-	-	(2,076,000)	(2,100,000)	(2,100,000)
Debt service & Other Non-Operating Costs	(23,966,408)	(27,871,392)	(29,379,642)	(32,786,020)	(32,847,219)
ENDING FUNDS BALANCE	**$4,616,251**	**$4,616,251**	**$4,616,251**	**$4,616,250**	**$4,616,251**



BRACKISH GROUNDWATER RECLAMATION PROGRAM CONSTRUCTION

LONG-TERM DEBT

Over the past two decades, the District has undergone a significant transformation from a primarily administrative entity to a hands-on operational organization managing multiple treatment facilities. This evolution began with the establishment of the Torrance Desalter in 2001, which was further expanded in 2018. The Leo J. Vander Lans Advanced Water Treatment Facility (LVL), originally constructed in 2003, saw its capabilities enhanced in 2014. Moreover, the Albert Robles Center, inaugurated in 2019, stands as a testament to the District's commitment to advancing water treatment technologies and ensuring water supply resilience.

The development and expansion of these facilities necessitated the issuance of long-term debt, which has been instrumental in financing the construction and ongoing capital improvements. These strategic investments have not only bolstered the District's infrastructure but also enhanced its capacity to manage water resources effectively amidst varying hydrological conditions and economic challenges. Over the next five years the District projects to have approximately $100 million in debt service or an average annual debt service of $20 million per year.

The fiscal year 2027 Capital Improvement Program (CIP) is projected to exceed $200 million, aligning with the previous year's plan. Two major initiatives, namely the LVL facility upgrades and the Torrance Desalter Expansion, comprise nearly 85 percent of the total investment. The remaining 15 percent will be financed through PayGo resources. To advance priority capital projects, preliminary estimates suggest that external financing of approximately $100 million may be required in early fiscal year 2027. This estimate reflects a phased funding approach, anticipated reimbursement schedules, and strategic cash flow management aimed at optimizing financial flexibility and project delivery.

In June 2026, Standard & Poor's Global Ratings assigned its 'AA+' Long-Term Rating to the District's approximately $96.5 million series 2026 Replenishment Assessment Revenue Bonds. At the same time, the rating agency affirmed its 'AA+' Long-Term Rating on the District's existing Revenue Bonds and Revenue Certificates of Participation with a Stable Outlook.

The 'AA+' rating reflects the District's ongoing efforts to diversify and enhance local water supply resilience, along with its robust revenue certainty through the replenishment assessment mechanism. This approach promotes financial stability and cost recovery across hydrological cycles. Despite current economic challenges and inflationary pressures, the District's financial projections are supportive of the rating, especially given management's commitment to controlling production costs through strong regional partnerships and stakeholder collaboration.

The 'AA+' rating by S&P Global Ratings reflects their assessment of the District based on the following factors:

- Service area population of approximately 4 million residents, which represents about 40 percent of Los Angeles County's population;
- Operational flexibility to achieve its mission by utilizing long-term averages to set water purchase needs, rather than attempting to precisely match annual replenishments with annual pumping activity. This provides the district with flexibility to recharge the basins during wet periods when water supplies are abundant, instead of during drought periods when imported water supplies are limited and expensive.
- Robust contractual provisions that limit delinquent payments. Groundwater assessments are billed monthly,

and delinquencies bear interest at 1 percent a month; however, pumpers remain on time with their payments.

- Stable cash reserves that totaled $89.3 million as of June 30, 2025, or about 420 days' cash on hands, which we anticipate the district will maintain, supported by its reserve policies.

DEBT MANAGEMENT POLICY

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

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

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

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's creditworthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers, and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning, goals and objectives for capital improvements and operations, as applicable.

The District issued long-term debt to finance the construction, acquisition, and rehabilitation of facilities, equipment and land owned or to be owned and operated by the District. Details of the District's long-term debt are presented below.

REPLENISHMENT ASSESSMENT REVENUE BONDS, SERIES 2026

On July 8, 2026, the District issued $100,990,000 in Replenishment Assessment Revenue Bonds, Series 2026. The 2026 Revenue Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2026, among the Water Replenishment District of Southern California (the "District") and U.S. Bank Trust Company, National Association, as Trustee. The Bonds are being issued to finance the acquisition, construction and installation of certain public capital improvement projects of the District and pay costs of issuance of the Bonds.

REPLENISHMENT ASSESSMENT REVENUE BONDS, SERIES 2015 AND SERIES 2025

On December 10, 2015, the District issued $148,345,000 in Replenishment Assessment Revenue Bonds, Series 2015. Additionally, the District established "The Authority," a joint exercise of powers agency organized under California law pursuant to the Joint Exercise of Powers Agreement dated August 6, 2015, by the California Municipal Finance Authority. The Authority issued the bonds to: (i) finance the acquisition, construction, and installation of certain capital improvement projects for the Water Replenishment District (WRD), (ii) prepay the 2004, 2008, and 2011 Certificates of Participation, and (iii) cover the costs associated with issuing the bonds.

In June 2025, the Water Replenishment District of Southern California Financing Authority issued $110 million in Series 2025 Replenishment Assessment Revenue Refunding Bonds on behalf of the Water Replenishment District of Southern California. Both Standard & Poor's and Fitch Ratings affirmed WRD's credit ratings at 'AA+' and 'AA-', respectively, with a Stable Outlook. The purpose of the bond issuance was to (i) prepay a portion of WRD's Replenishment Assessment Revenue Bonds, Series 2015, ahead of schedule, and (ii) cover the costs associated with issuing the new bonds. The refunding achieved total net present value savings of $9.4 million.

REPLENISHMENT ASSESSMENT REVENUE BONDS, SERIES 2018

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

CALIFORNIA CLEAN WATER STATE REVOLVING FUND, 2016

As part of this effort moves towards independence from imported water from both the Colorado River and the California State Water Project, in 2016 the District applied for and was awarded a $15,000,000 grant and an $80,000,000, 30-year one-percent loan to assist with the building of the Albert Robles Center through the California Clean Water State Revolving Fund. The savings will amount to nearly $47,000,000 to the District's customers when compared to a 30-year Replenishment Assessment Revenue Bonds at the District's last borrowing interest rate of 3.49 percent.

CALIFORNIA CLEAN WATER STATE REVOLVING FUND, 2025

To support the Torrance Desalter expansion project , in 2025 the District was awarded a $50,000,000, 30-year two-percent loan through the California Clean Water State Revolving Fund.



Table 19
Annual Debt Service Payments (in million $)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2015 Bonds	$1.3	$1.3	$1.3	$1.3	$1.3
2018 Bonds	4.3	4.3	4.3	4.3	4.3
2025 Bonds (Refunding)	7.3	7.3	7.3	7.3	7.3
2026 Bonds	2.4	4.5	4.5	4.5	4.5
2016 State Revolving Fund Loan	3.1	3.1	3.1	3.1	3.1
2025 State Revolving Fund Loan	-	-	-	2.2	2.3
TOTAL	**$18.4**	**$20.5**	**$20.5**	**$22.7**	**$22.8**

PROJECTED BUDGET IMPACT OF DEBT SERVICE

The projected budget impact of principal and interest payments with the Series 2015, Series 2018, and Series 2026 Replenishment Assessment Revenue Bonds, 2025 Replenishment Assessment Revenue Refunding Bonds, and Clean Water State Revolving Loans through 2059 are shown below:

FISCAL YEAR DEBT SERVICE

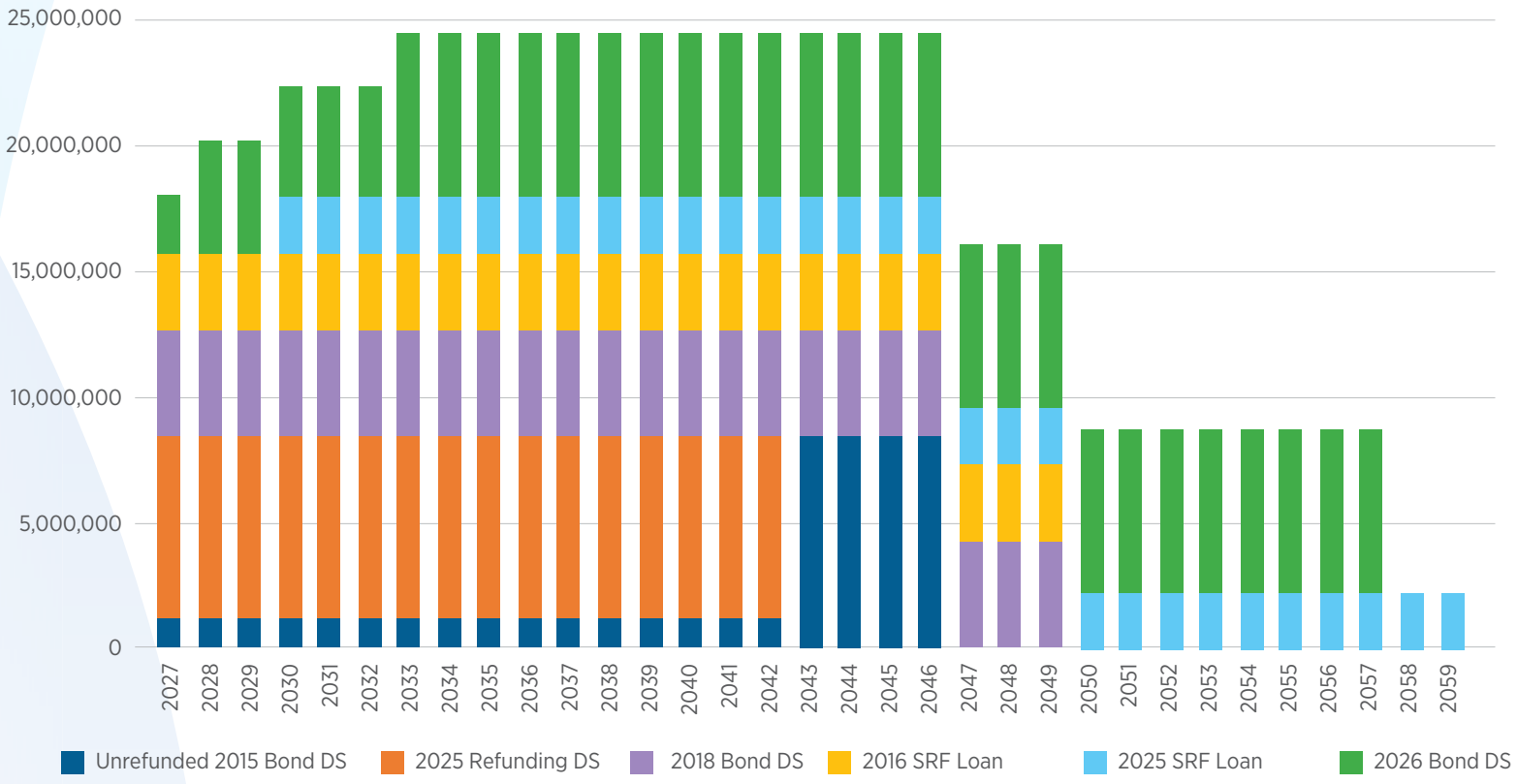


Table 20

Debt Service Payment Schedule

Due Date	Fiscal Year	2015 REVENUE BOND PAYMENT SCHEDULE			2018 REVENUE BOND PAYMENT SCHEDULE			2025 REFUNDING BOND PAYMENT SCHEDULE			2026 REVENUE BOND PAYMENT SCHEDULE			2016 CWSRF LOAN PAYMENT SCHEDULE			2025 CWSRF LOAN PAYMENT SCHEDULE			DEBT SERVICE PAYMENT
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
08/01/2016	2017	1,655,000	4,118,895	5,773,895																
02/01/2017			3,472,350	3,472,350																9,246,245
08/01/2017	2018	2,350,000	3,472,350	5,822,350																
02/01/2018			3,425,350	3,425,350																9,247,700
08/01/2018	2019	2,445,000	3,425,350	5,870,350																
02/01/2019			3,376,450	3,376,450		392,883	392,883													9,639,683
08/01/2019	2020	2,560,000	3,376,450	5,936,450		1,644,625	1,644,625													
12/31/2019														2,295,672	628,866	2,924,539			-	
02/01/2020			3,312,450	3,312,450		1,644,625	1,644,625													15,462,689
08/01/2020	2021	2,690,000	3,312,450	6,002,450	1,035,000	1,644,625	2,679,625													
12/31/2020														2,212,332	738,265	2,950,597			-	
02/01/2021			3,245,200	3,245,200		1,618,750	1,618,750													16,496,622
08/01/2021	2022	2,830,000	3,245,200	6,075,200	1,085,000	1,618,750	2,703,750													
12/31/2021														2,397,093	724,224	3,121,317				
02/01/2022			3,174,450	3,174,450		1,591,625	1,591,625													16,666,342
08/01/2022	2023	2,975,000	3,174,450	6,149,450	1,145,000	1,591,625	2,736,625													
12/31/2022														2,385,947	735,370	3,121,317				
02/01/2023			3,100,075	3,100,075		1,563,000	1,563,000													16,670,467
08/01/2023	2024	3,125,000	3,100,075	6,225,075	1,200,000	1,563,000	2,763,000													
12/31/2023														2,409,807	711,511	3,121,317				
02/01/2024			3,021,950	3,021,950		1,533,000	1,533,000													16,664,342
08/01/2024	2025	3,285,000	3,021,950	6,306,950	1,260,000	1,533,000	2,793,000													
12/31/2024														2,433,905	687,413	3,121,317				
02/01/2025			2,939,825	2,939,825		1,501,500	1,501,500													16,662,592
08/01/2025	2026	3,455,000	720,975	4,175,975	1,325,000	1,501,500	2,826,500	2,010,000	401,528	2,411,528										
12/31/2025														2,458,244	663,074	3,121,317				
02/01/2026			634,600	634,600		1,468,375	1,468,375		2,014,750	2,014,750										16,653,045
08/01/2026	2027		634,600	634,600	1,395,000	1,468,375	2,863,375	3,370,000	2,014,750	5,384,750										
12/31/2026														2,482,826	638,491	3,121,317				
02/01/2027			634,600	634,600		1,433,500	1,433,500		1,930,500	1,930,500		2,365,650	2,365,650							18,368,292
08/01/2027	2028		634,600	634,600	1,465,000	1,433,500	2,898,500	3,540,000	1,930,500	5,470,500		2,253,000	2,253,000							
12/31/2027														2,507,654	613,663	3,121,317				
02/01/2028			634,600	634,600		1,396,875	1,396,875		1,842,000	1,842,000		2,253,000	2,253,000							20,504,392
08/01/2028	2029		634,600	634,600	1,540,000	1,396,875	2,936,875	3,730,000	1,842,000	5,572,000		2,253,000	2,253,000							
12/31/2028														2,532,731	588,586	3,121,317				
02/01/2029			634,600	634,600		1,358,375	1,358,375		1,748,750	1,748,750		2,253,000	2,253,000							20,512,517

Table 20

Debt Service Payment Schedule (Continued)

Due Date	Fiscal Year	2015 REVENUE BOND PAYMENT SCHEDULE			2018 REVENUE BOND PAYMENT SCHEDULE			2025 REFUNDING BOND PAYMENT SCHEDULE			2026 REVENUE BOND PAYMENT SCHEDULE			2016 CWSRF LOAN PAYMENT SCHEDULE			2025 CWSRF LOAN PAYMENT SCHEDULE			DEBT SERVICE PAYMENT
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
07/01/2029	2030																1,272,812	924,566	2,197,378	
08/01/2029			634,600	634,600	1,620,000	1,358,375	2,978,375	3,920,000	1,748,750	5,668,750		2,253,000	2,253,000							
12/31/2029														2,558,058	563,259	3,121,317				
02/01/2030			634,600	634,600		1,317,875	1,317,875		1,650,750	1,650,750		2,253,000	2,253,000							22,709,645
07/01/2030	2031																1,239,335	1,021,116	2,260,452	
08/01/2030			634,600	634,600	1,705,000	1,317,875	3,022,875	4,120,000	1,650,750	5,770,750		2,253,000	2,253,000							
12/31/2030														2,583,639	537,678	3,121,317				
02/01/2031			634,600	634,600		1,275,250	1,275,250		1,547,750	1,547,750		2,253,000	2,253,000							22,773,594
07/01/2031	2032																1,263,207	997,245	2,260,452	
08/01/2031			634,600	634,600	1,790,000	1,275,250	3,065,250	4,325,000	1,547,750	5,872,750		2,253,000	2,253,000							
12/31/2031														2,609,475	511,842	3,121,317				
02/01/2032			634,600	634,600		1,230,500	1,230,500		1,439,625	1,439,625		2,253,000	2,253,000							22,765,094
07/01/2032	2033																1,289,734	970,718	2,260,452	
08/01/2032			634,600	634,600	1,885,000	1,230,500	3,115,500	4,550,000	1,439,625	5,989,625	2,140,000	2,253,000	4,393,000							
12/31/2032														2,635,570	485,747	3,121,317				
02/01/2033			634,600	634,600		1,183,375	1,183,375		1,325,875	1,325,875		2,199,500	2,199,500							24,857,844
07/01/2033	2034																1,316,819	943,633	2,260,452	
08/01/2033			634,600	634,600	1,980,000	1,183,375	3,163,375	4,785,000	1,325,875	6,110,875	2,250,000	2,199,500	4,449,500							
12/31/2033														2,661,926	459,392	3,121,317				
02/01/2034			634,600	634,600		1,133,875	1,133,875		1,206,250	1,206,250		2,143,250	2,143,250							24,858,094
07/01/2034	2035												-				1,344,472	915,980	2,260,452	
08/01/2034			634,600	634,600	2,080,000	1,133,875	3,213,875	5,030,000	1,206,250	6,236,250	2,365,000	2,143,250	4,508,250							
12/31/2034														2,688,545	432,772	3,121,317				
02/01/2035			634,600	634,600		1,081,875	1,081,875		1,080,500	1,080,500		2,084,125	2,084,125							24,855,844
07/01/2035	2036																1,372,706	887,746	2,260,452	
08/01/2035			634,600	634,600	2,190,000	1,081,875	3,271,875	5,290,000	1,080,500	6,370,500	2,485,000	2,084,125	4,569,125							
12/31/2035														2,715,430	405,887	3,121,317				
02/01/2036			634,600	634,600		1,027,125	1,027,125		948,250	948,250		2,022,000	2,022,000							24,859,844
07/01/2036	2037																1,401,532	858,919	2,260,452	
08/01/2036			634,600	634,600	2,300,000	1,027,125	3,327,125	5,560,000	948,250	6,508,250	2,615,000	2,022,000	4,637,000							
12/31/2036														2,742,585	378,733	3,121,317				
02/01/2037			634,600	634,600		969,625	969,625		809,250	809,250		1,956,625	1,956,625							24,858,844
07/01/2037	2038																1,430,965	829,487	2,260,452	
08/01/2037			634,600	634,600	2,420,000	969,625	3,389,625	5,845,000	809,250	6,654,250	2,750,000	1,956,625	4,706,625							
12/31/2037														2,770,011	351,307	3,121,317				
02/01/2038			634,600	634,600		909,125	909,125		663,125	663,125		1,887,875	1,887,875							24,861,594
07/01/2038	2039																1,461,015	799,437	2,260,452	
08/01/2038			634,600	634,600	2,540,000	909,125	3,449,125	6,140,000	663,125	6,803,125	2,890,000	1,887,875	4,777,875							
12/31/2038														2,797,711	323,607	3,121,317				
02/01/2039			634,600	634,600		845,625	845,625		509,625	509,625		1,815,625	1,815,625							24,851,969

Table 20

Debt Service Payment Schedule (Continued)

Due Date	Fiscal Year	2015 REVENUE BOND PAYMENT SCHEDULE			2018 REVENUE BOND PAYMENT SCHEDULE			2025 REFUNDING BOND PAYMENT SCHEDULE			2026 REVENUE BOND PAYMENT SCHEDULE			2016 CWSRF LOAN PAYMENT SCHEDULE			2025 CWSRF LOAN PAYMENT SCHEDULE			DEBT SERVICE PAYMENT
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
07/01/2039	2040																1,491,696	768,755	2,260,452	
08/01/2039			634,600	634,600	2,675,000	845,625	3,520,625	6,460,000	509,625	6,969,625	3,040,000	1,815,625	4,855,625	2,825,688	295,629	3,121,317				
12/31/2039																				
02/01/2040			634,600	634,600		778,750	778,750		348,125	348,125		1,739,625	1,739,625							24,863,344
07/01/2040	2041																1,523,022	737,430	2,260,452	
08/01/2040			634,600	634,600	2,810,000	778,750	3,588,750	6,790,000	348,125	7,138,125	3,195,000	1,739,625	4,934,625							
12/31/2040														2,853,945	267,373	3,121,317				
02/01/2041			634,600	634,600		708,500	708,500		178,375	178,375		1,659,750	1,659,750							24,859,094
07/01/2041	2042																1,555,005	705,446	2,260,452	
08/01/2041			634,600	634,600	2,955,000	708,500	3,663,500	7,135,000	178,375	7,313,375	3,360,000	1,659,750	5,019,750							
12/31/2041														2,882,484	238,833	3,121,317				
02/01/2042			634,600	634,600		634,625	634,625					1,575,750	1,575,750							24,857,969
07/01/2042	2043																1,587,660	672,791	2,260,452	
08/01/2042		7,460,000	634,600	8,094,600	3,105,000	634,625	3,739,625				3,530,000	1,575,750	5,105,750							
12/31/2042														2,911,309	210,008	3,121,317				
02/01/2043			485,400	485,400		557,000	557,000					1,487,500	1,487,500							24,851,644
07/01/2043	2044																1,621,001	639,450	2,260,452	
08/01/2043		7,770,000	485,400	8,255,400	3,265,000	557,000	3,822,000				3,710,000	1,487,500	5,197,500							
12/31/2043														2,940,422	180,895	3,121,317				
02/01/2044			330,000	330,000		475,375	475,375					1,394,750	1,394,750							24,856,794
07/01/2044	2045																1,655,042	605,409	2,260,452	
08/01/2044		8,085,000	330,000	8,415,000	3,430,000	475,375	3,905,375				3,900,000	1,394,750	5,294,750							
12/31/2044														2,969,826	151,491	3,121,317				
02/01/2045			168,300	168,300		389,625	389,625					1,297,250	1,297,250							24,852,069
07/01/2045	2046																1,689,798	570,654	2,260,452	
08/01/2045		8,415,000	168,300	8,583,300	3,610,000	389,625	3,999,625				4,100,000	1,297,250	5,397,250							
12/31/2045														2,999,525	121,793	3,121,317				
02/01/2046						299,375	299,375					1,194,750	1,194,750							24,856,069
07/01/2046	2047																1,725,284	535,168	2,260,452	
08/01/2046					3,795,000	299,375	4,094,375				4,310,000	1,194,750	5,504,750							
12/31/2046														3,029,520	91,797	3,121,317				
02/01/2047						204,500	204,500					1,087,000	1,087,000							16,272,394
07/01/2047	2048																1,761,515	498,937	2,260,452	
08/01/2047					3,990,000	204,500	4,194,500				4,510,000	1,087,000	5,597,000							
12/31/2047														3,059,815	61,502	3,121,317				
02/01/2048						104,750	104,750					996,800	996,800							16,274,819
07/01/2048	2049																1,798,507	461,945	2,260,452	
08/01/2048					4,190,000	104,750	4,294,750				4,695,000	996,800	5,691,800						-	
12/31/2048														3,090,413	30,904	3,121,317				
02/01/2049												902,900	902,900							16,271,219

Table 20

Debt Service Payment Schedule (Continued)

Due Date	Fiscal Year	2015 REVENUE BOND PAYMENT SCHEDULE			2018 REVENUE BOND PAYMENT SCHEDULE			2025 REFUNDING BOND PAYMENT SCHEDULE			2026 REVENUE BOND PAYMENT SCHEDULE			2016 CWSRF LOAN PAYMENT SCHEDULE			2025 CWSRF LOAN PAYMENT SCHEDULE			DEBT SERVICE PAYMENT
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total
07/01/2049	2050																1,836,275	424,176	2,260,452	
08/01/2049											4,885,000	902,900	5,787,900							
12/31/2049																				
02/01/2050												805,200	805,200							8,853,552
07/01/2050	2051																1,874,837	385,615	2,260,452	
08/01/2050											5,085,000	805,200	5,890,200							
12/31/2050																				
02/01/2051												703,500	703,500							8,854,152
07/01/2051	2052																1,914,209	346,243	2,260,452	
08/01/2051											5,290,000	703,500	5,993,500							
12/31/2051																				
02/01/2052												597,700	597,700							8,851,652
07/01/2052	2053																1,954,407	306,045	2,260,452	
08/01/2052											5,510,000	597,700	6,107,700							
12/31/2052																				
02/01/2053												487,500	487,500							8,855,652
07/01/2053	2054																1,995,450	265,002	2,260,452	
08/01/2053											5,735,000	487,500	6,222,500							
12/31/2053																				
02/01/2054												372,800	372,800							8,855,752
07/01/2054	2055																2,037,354	223,098	2,260,452	
08/01/2054											5,965,000	372,800	6,337,800							
12/31/2054																				
02/01/2055												253,500	253,500							8,851,752
07/01/2055	2056																2,080,139	180,313	2,260,452	
08/01/2055											6,210,000	253,500	6,463,500							
12/31/2055																				
02/01/2056												129,300	129,300							8,853,252
07/01/2056	2057																2,123,821	136,630	2,260,452	
08/01/2056											6,465,000	129,300	6,594,300							
12/31/2056																				
02/01/2057																				8,854,752
07/01/2057	2058																2,168,422	92,030	2,260,452	2,260,452
07/01/2058	2059																2,213,959	46,493	2,260,452	2,260,452
	Total	$59,100,000	$83,580,045	$142,680,045	$65,785,000	$62,510,258	$128,295,258	$82,600,000	$38,888,528	$121,488,528	$100,990,000	$88,737,800	$189,727,800	$80,442,108	$12,829,913	$93,272,021	$50,000,000	$17,750,478	$67,750,478	$743,214,129

DEBT LIMIT

The California State Water Code does not currently impose a debt limit or ceiling for water districts such as the Water Replenishment District (WRD). The District has the authority to cover debt costs through its Replenishment Assessment (RA). The Board sets the upper limit of the RA, which effectively acts as a constraint on the issuance of debt by the District. Additions and improvements to the Capital Improvement Program will primarily be financed through long-term debt.

DEBT SERVICE COVERAGE

Historically, the District has employed a Debt Service Coverage (DSC) target of 1.25x for financial planning and capital structuring purposes. To ensure long-term fiscal sustainability and meet anticipated capital requirements, staff intend to gradually increase the planning target to 1.50x DSC over the next five years. This adjustment represents a proactive strategy to enhance creditworthiness, improve financial resilience, and support strategic investment capacity.

Table 21

Debt Service Coverage

Description	2023 Actual	2024 Actual	2025 Actual	2026 Projection	2027 Budget
Operating Revenue					
Replenishment Assessment	$72,215,954	$70,118,846	$74,691,690	$73,234,902	$82,133,738
Carryover Conversion	12,985,921	15,919,629	18,022,393	16,931,231	18,044,802
LJVWTF - Water Supply	2,876,447	2,717,396	2,068,573	3,243,000	3,428,250
Goldsworthy Desalter Sales	3,158,971	2,216,607	1,398,812	3,000,000	1,578,000
Albert Robles Center	314,868	486,480	574,264	630,000	585,000
Water Quality Improvement	285,034	384,021	408,382	450,000	450,000
Safe Drinking Water Program	1,292,299	357,336	82,767	-	-
Other Income [1]	1,944,961	5,679,753	5,014,359	3,443,040	6,396,500
Rate Stabilization Reserve	-	-	-	-	800,000
Operating Revenue	**$95,074,454**	**$97,880,067**	**$102,261,239**	**$100,932,173**	**$113,416,290**
Revenues	$95,074,454	$97,880,067	$102,261,239	$100,932,173	$113,416,290
Less: Operations & Maintenance [2]	40,654,745	42,598,257	42,832,658	43,155,528	44,564,635
Net Revenue	54,419,709	55,281,810	59,428,581	57,776,645	68,851,655
Debt Service					
2015 Certificates	9,187,546	9,181,921	6,728,483	4,810,575	1,269,200
2018 Certificates	4,275,771	4,271,000	4,268,250	4,294,875	4,296,875
2025 Certificates	-	-	-	4,426,278	7,315,250
2026 Certificates	-	-	-	-	2,365,650
2016 CWSRF Loan	3,110,176	3,109,269	3,109,148	3,121,317	3,121,317
2025 CWSRF Loan	-	-	-	-	-
Debt Service [3]	**$16,573,493**	**$16,562,190**	**$14,105,881**	**$16,653,045**	**$18,368,292**
Debt Service Coverage	**3.28**	**3.34**	**4.21**	**3.47**	**3.75**
Rate Covenant Calculation:					
Net Revenue	$54,419,709	$55,281,810	$59,428,581	$57,776,645	$68,851,655
Less: Water Purchase Payments [4]	33,378,681	34,482,163	39,215,282	37,031,000	44,885,247
Revenue for Rate Covenant Calculation	$21,041,028	$20,799,647	$20,213,299	$20,745,645	$23,966,408
Rate Covenant Debt Service Coverage	**1.27**	**1.26**	**1.43**	**1.25**	**1.30**

(1) Other Income includes Miscellaneous Revenue, Property Taxes, Investment Income less Non-RA expenses; excludes watermaster program.
(2) Excludes depreciation and amortization, GASB year-end adjustments, water purchases, actual interest expenses, and watermaster program.
(3) FY 2026 Projection & FY 2027 Budget, excludes other non-operating costs from this line.
(4) Cost of source water for Robb Whitaker and Vander Lans AWTFs is covered under that project's separate operations budget.



LEO J. VANDERLANS INLAND INJECTION WELL CONSTRUCTION

REPLENISHMENT PROGRAMS

WATER PURCHASES

SOURCES OF REPLENISHMENT WATER

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

Recycled Water

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

Imported Water

River water originating in northern California (State Water Project and Los Angeles Aqueduct) and from western states (the Colorado River) is imported into Southern California through canals and aqueducts by the MWD and the City of Los Angeles Department of Water and Power (LADWP). MWD sells this water as-is (untreated raw river water) or after it treats the water to potable standards to their member agencies for multiple uses, including municipal, industrial, and groundwater recharge. When needed, WRD purchases raw imported water from the State Water Project at the spreading grounds (Colorado River water is currently not available to WRD due to potential invasive Quagga Mussel issues) and uses treated potable water for injection at the seawater barrier wells and the In-Lieu program. Because of treatment and transportation costs, imported water is the most expensive type for groundwater replenishment. Prior to October 2011, MWD offered seasonally available discounted water that could be purchased for replenishment. In turn for the discount, it was considered by MWD to be interruptible and they could stop deliveries at any time. But due to a lack of surplus supplies caused by drought and other factors, MWD has eliminated offering this type of discounted interruptible water. Instead, replenishment agencies such as WRD must now purchase what is known as "Tier 1" or "Tier 2" water from MWD member agencies for spreading and In-Lieu. This water is at a higher price and relies on available allocation from the member agency. But, this Tier 1 or Tier 2 water is supposed to be firm delivery (not interruptible), although during extreme droughts MWD can implement a water supply allocation to reduce sales of imported water. The seawater barrier injection water has been Tier 1 treated water for decades and has to date not been interrupted by MWD.

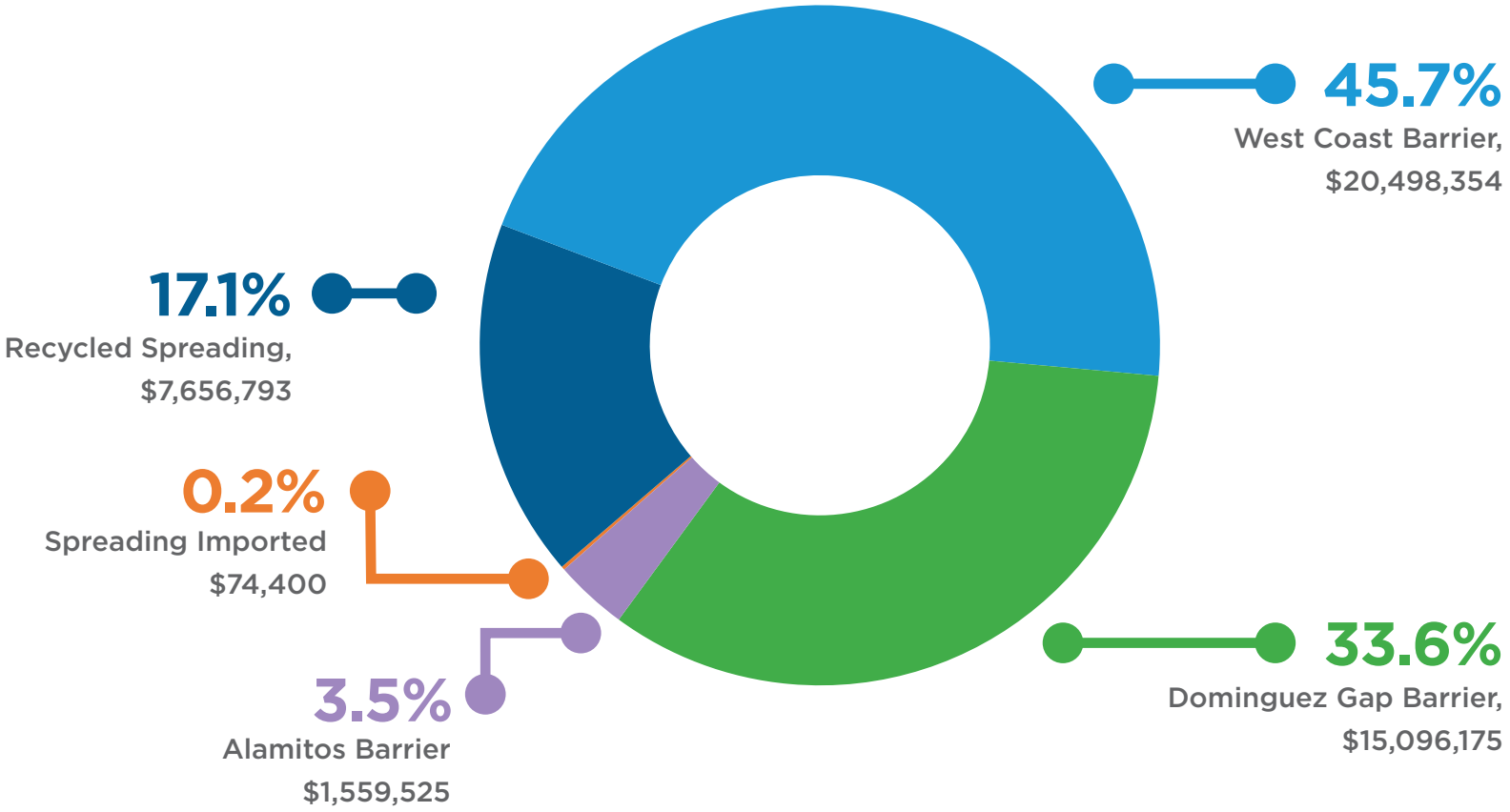
RECOMMENDED QUANTITY OF REPLENISHMENT WATER

Required in the Ensuing Year The District determines replenishment water needs based on averages from a long-term (30 year) hydrologic record and computer models, meaning extremely wet years and extremely dry years in addition to average precipitation years are accounted for in deriving the average replenishment needs. Other considerations by the Board are also incorporated into replenishment water needs.

The District's Water Independence Now (WIN) initiative has been successful to build and/or have permitted the recharge facilities it uses to replenish the groundwater basins with 100 percent recycled water instead of imported water. As these facilities secure the recycled water they need for full operations, the amount of imported water will approach near zero.

Figure 8

FISCAL YEAR 2027 ESTIMATED COST OF REPLENISHMENT WATER



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

Table 22

Cost of Replenishment Water for Fiscal Year 2027

EXPENSE CATEGORY	FY 2026 Projection	FY 2027 Budget	Increase (Decrease) Over Prior Year
Imported Water			
Spreading - Tier 1 Untreated Imported			
MWD Untreated Tier 1 - Spreading	$-	$-	$-
CBMWD Water Service & Admin Surcharges	$-	$74,400	$74,400
Total Spreading - Tier 1 Untreated Imported	**$-**	**$74,400**	**$74,400**
Alamitos Barrier - Imported			
MWD Treated Tier 1 - Alamitos Barrier	$1,713,000	$1,264,450	$(448,550)
MWD Capacity Charges/LBWD RTS & Admin Surcharges	$209,000	$295,075	$86,075
Total Alamitos Barrier - Imported	**$1,922,000**	**$1,559,525**	**$(362,475)**
Dominguez & West Coast Barriers- Imported			
MWD Tier 1 - Dominguez Barrier	$3,469,000	$4,658,500	$1,189,500
MWD Tier 1 - West Coast Barrier	$5,499,000	$4,110,811	$(1,388,189)
MWD RTS Charge & WBMWD Capacity/Admin/Service Charges	$1,929,000	$3,199,330	$1,270,330
Total Dominguez & West Coast Barriers - Imported	**$10,897,000**	**$11,968,641**	**$1,071,641**
In-lieu			
MWD Member Agency	$-	$-	$-
WBMWD Member Agency	No IL Program	No IL Program	$-
Total for In-lieu Payments	**$-**	**$-**	**$-**
Recycled Water			
Dominguez Barrier - Recycled			
LADWP Recycled Water	$5,336,000	$7,517,406	$2,181,406
Total Dominguez Barrier - Recycled	**$5,336,000**	**$7,517,406**	**$2,181,406**
Spreading - Recycled			
SDLAC - Tertiary Water (WN, SJC, Pomona)	$5,356,000	$7,656,793	$2,300,793
Recycled - ARC AWTF*	$-	$-	$-

Table 22

Cost of Replenishment Water for Fiscal Year 2027 (Continued)

EXPENSE CATEGORY	FY 2026 Projection	FY 2027 Budget	Increase (Decrease) Over Prior Year
Total Spreading - Recycled	**$5,356,000**	**$7,656,793**	**$2,300,793**
Spreading-Whittier Narrows Operable Unit			
MSGBWM	$-	$-	$-
Total Spreading - WN Operable Unit	**$-**	**$-**	**$-**
West Coast Barrier - Recycled			
WBMWD Recycled Water	$13,520,000	$16,108,481	$2,588,481
Total West Coast Barrier - Recycled	**$13,520,000**	**$16,108,481**	**$2,588,481**
Alamitos Recycled - WRD			
WRD Recycled Water - Vander Lans*	$-	$-	$-
Total Alamitos Recycled - WRD	**$-**	**$-**	**$-**
Groundwater Replenishment Reserve	**$-**	**$-**	**$-**
TOTAL WATER PURCHASES	**$37,031,000**	**$44,885,247**	**$7,854,246**

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



Table 23

Quantity of Replenishment Water for Fiscal Year 2027

EXPENSE CATEGORY	FY 2026 Projection	FY 2027 Budget	Increase (Decrease) Over Prior Year
	BY ACRE FEET		
Imported Water:			
Spreading Imported	-	-	-
West Coast Barrier Imported	4,000	2,880	(1,120)
Dominguez Gap Imported	2,700	2,800	100
Alamitos Imported	1,400	760	(640)
In Lieu - MWD Member Agency	-		-
In Lieu - West Basin Customer	-		-
Recycled Water:			
Spreading Recycled (SJC & WN & Pomona)	43,500	53,000	9,500
Spreading Recycled (ARC AWTF)*	11,000	11,000	-
Spreading (Whittier Narrows Operable Unit)	-	-	-
West Coast Barrier Recycle	9,900	11,520	1,620
Dominguez Gap Recycled	5,000	5,200	200
Alamitos Recycled*	1,400	3,040	1,640
TOTAL WATER PURCHASES	**78,900**	**90,200**	**11,300**


PURIFIED DRINKING WATER 16.9 FL OZ | 500 ML
WRD
WATER REPLENISHMENT DISTRICT
Securing Our Water Future Today
BOARD OF DIRECTORS
Robert Katherman
Division 2
John D. S. Allen
Division 3
Sergio Calderon
Division 4
Vera Robles DeWitt

PROGRAM 001 - LEO J. VANDER LANS ADVANCED WATER TREATMENT FACILITY – WATER SUPPLY

BACKGROUND

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

In July 2020, the transition of contract operations of the LVL facility from the Long Beach Water Department to PERC Water Corporation was completed. PERC Water is also the contract operator of the Robb Whitaker treatment facility at the Albert Robles Center, which provides the opportunity for operational standardizations and synergies across the two treatment facilities. One team operating both facilities allows for common operational philosophies, procedures and reporting.

Costs for this budget year are primarily related to operations and maintenance of the treatment facility and on-site injection well. Typical expenses include fixed labor cost for operations and variable costs such as power, water treatment chemicals and analytical costs to ensure water quality meets all regulatory requirements. Additional routine costs include parts and materials for repairs and maintenance-related issues. As the facility, and especially the original plant commissioned in 2004, continues to age, additional capital investment through the district's refurbishment and replacement (R&R) program and Capital Improvement Program (CIP) have been employed. Projects include the re-design and upgrade of the original, and now obsolete plant Supervisory Control and Data Acquisition (SCADA) system, which has dramatically improved plant performance and reliability. Work continued to install an on-site injection well, which will provide operational flexibility while expanding the delivery of recycled water. Further, the LVL treatment facility is directly coupled to the AGB and can disrupt steady-state operations of barrier injection wells due to flow variability from plant starts, stops or changes in flow output. Efforts continue to better understand the hydraulic impacts, concerns, and identification of measures to mitigate the impacts on the AGB system, which would allow for improved and expanded facility operations.

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

FY 2026 ACCOMPLISHMENTS

- Achieved an annual production total of 2,500AF of advanced treated recycled water that met all regulatory requirements for injection in the AGB. This included operating the facility considering interruptions related to line breaks in the AGB and maintenance performed by both the Los Angeles County Department of Public Works and the Metropolitan Water District.

- Worked collaboratively with Long Beach Utilities, Los Angeles County Sanitation District, and the Los Angeles County Department of Public Works to prioritize and maximize recycled water deliveries to the barrier. For FY 2026, recycled water delivery met 50 percent of the total barrier demand across both Counties – Los Angeles and Orange County.
- For FY 2026, LVL satisfied 83 percent of the AGB demand on the Los Angeles side of the barrier – thus achieving a near complete independence from imported water.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.
- Obtained regulatory approval of the Title 22 Engineering Report and operational permit by the Los Angeles Regional Water Quality Control Board for the treatment facility and on-site injection well.
- Startup and commissioning of the on-site injection well were initiated and will continue into the next fiscal year.
- The development of an automated and standardized program for operations and regulatory compliance reporting was completed.
- A feasibility study was completed to evaluate the need for replacement of the low-pressure microfiltration (MF) system and chemical delivery system utilized across the entire treatment facility.
- A new, multi-year services agreement for integration support of all LVL SCADA-related programs, historian servers and associated infrastructure was executed.
- Implementation of best practice recommendations provided by FM - the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) high asset insurance provider, to reduce facility risk and the potential for losses, continued during the fiscal year.

FY 2027 OBJECTIVES

- Maximize the delivery of recycled water to the AGB, including satisfying the demand on the Los Angeles side of the barrier to maintain independence from imported water.
- Ensure the delivery of advanced treated recycled water meets all regulatory and permit requirements, including filing reports on time as scheduled.
- Successfully complete the startup, commissioning and close-out of the on-site injection well project and implement routine operations, which includes the intrinsic tracer study.
- Expand the development of automated and standardized reports using the established reporting platform created in FY 2026.
- Take delivery of an industrial box container to provide additional storage of routine parts and supplies utilized for operations and maintenance of the treatment facility.
- Completion of a solicitation for design services to upgrade the low-pressure microfiltration (MF) system and chemical delivery system at the treatment facility.
- Upgrade the existing on-line ammonia and chloramine analyzer to the same manufacturer and model used at the Robb Whitaker facility, which has demonstrated excellent operability and performance.
- Continue the implementation of best practices recommendations provided by FM - the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) high asset insurance provider, to reduce facility risk and the potential for losses.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The treatment facility demonstrated consistent operations during FY 2026 when it was able to deliver advanced treated water. Operations were limited due to unexpected line breaks in the AGB pipeline downstream of the treatment facility as well as maintenance work performed by LA County Public Works and the Metropolitan Water District. Moving into the new fiscal year, operations of the on-site injection well will provide flexibility to convey advanced treated water to the AGB and/or an on-site injection well. This flexibility will allow for more sustainable operations, leading to more consistent expenditures and a continued refinement of the LVL operations budget. The increased FY 2027 budget is reflective of routine costs associated with operations and maintenance of the treatment facility, including additional production for supply of advanced treated water to the AGB and on-site injection well.

Table 24
Program 001 Leo J. Vander Lans AWTF Water Supply

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Purchases	$ 1,090,000	$ 1,566,000	$ 476,000
Professional Services	2,760,000	2,821,000	61,000
R&M/Materials/Equipment	1,160,050	1,458,000	297,950
Other Expenses	1,247,450	1,839,000	591,550
Other General & Administration	701,068	584,820	($116,248)
TOTAL	**$ 6,958,568**	**$ 8,268,820**	**$ 1,310,252**



LEO J. VANDER LANS ADVANCED WATER TREATMENT FACILITY

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

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

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Achieve the targeted production and delivery of advanced treated recycled water that meets all regulatory specifications. **Measure:** Production of Advanced Treated Water (Acre-Feet)	2,900 AF	2,500 AF	5,500 AF	Expand Sustainable Replenishment Opportunities
2	**Goal:** Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc. **Measure:** Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations; Completion of a feasibility study to assess aging and efficiency-limited process equipment, including the MF and chemical delivery system.	100%	100%	100%	Expand Sustainable Replenishment Opportunities
3	**Goal:** Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations. **Measure:** Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	Promote Organizational Excellence

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

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
4	**Goal:** Development of a comprehensive asset management program designed to address asset operations, extend asset life and reduce overall cost of water production. **Measure:** Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning. Added objective is the revamp of the CMMS program - implementing the latest program version which employs spatial GIS architecture to streamline more efficient use of the system.	90%	60%	80%	Expand Sustainable Replenishment Opportunities
5	**Goal:** Development of a standardized reporting system for operations performance and compliance-related data reports. **Measure:** Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.	40%	60%	80%	Expand Sustainable Replenishment Opportunities

PROGRAM 004 - MONTEBELLO FOREBAY RECYCLED WATER

BACKGROUND

Recycled water has been and continues to be a cost-effective, reliable source of water for surface spreading in the Montebello Forebay and injection at the seawater intrusion barriers. In light of exposure to prolonged drought like the region encounters quite frequently, with record-low rainfalls and increasing uncertainty in the winter snow pack and availability of imported supplies, recycled water has become increasingly attractive as a locally sustainable solution to improving the reliability of the local groundwater supply. WRD's Water Independence Now (WIN) for All, or WIN4ALL, program seeks to replace our imported water supplies with recycled water and stormwater to ensure reliable and high quality groundwater replenishment sources for the Central and West Coast Basins.

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

In addition to providing regular monitoring and sampling associated with the Montebello Forebay spreading grounds, WRD, in conjunction with other agencies, periodically participates in research efforts to more fully investigate the effectiveness of soil aquifer treatment during infiltration of recycled water into the aquifers, and the travel time of recycled water once recharged to the nearest drinking water wells through tracer studies. The overall objectives are to characterize the percolation process and quantify the purifying properties of the underlying soil on constituents of concern such as nitrogen, total organic compounds (TOC), biodegradable dissolved organic carbon (BDOC), and emerging contaminants, such as pharmaceuticals, endocrine disruptors, personal care products, and per- and polyfluoroalkyl substances (PFAS).

Recycled water represents a significant portion of the source water portfolio for the three seawater intrusion barrier projects (Alamitos Gap, West Coast, and Dominguez Gap Barriers) as well as the Albert Robles Center for Water Recycling and Environmental Learning (ARC – formerly known as GRIP). Preparation for a new tertiary-quality recycled water permit to replace the 1991 permit for the Montebello Forebay will also be a major collaborative effort with the Los Angeles County Sanitation Districts (LACSD).

Projects under this program help to improve the reliability and utilization of an available local resource, i.e., recycled water, which is used to improve replenishment capabilities. This is a regular program with standard, recurring year to year activities. The projects under this program are funded entirely from the Replenishment Fund.

FY 2026 ACCOMPLISHMENTS

- Continued working on a revised permit for spreading tertiary-treated recycled water into the Montebello Forebay.
- Continued preparing an updated draft of the Title 22 Engineering Report for the Montebello Forebay Recycled Water Recharge Project.

- Continued to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds, including bi-monthly sampling of monitoring wells, semi-annual monitoring of production wells and quarterly monitoring of intakes to the spreading facilities.
- Continued to monitor recycled water use at seawater barrier wells, collecting hundreds of groundwater samples for analysis. Completed quarterly and annual permit compliance reports.
- Completed an added tracer study confirming underground travel times comply with recycled water regulations and are accurately accounted for in our existing groundwater model for the Alamitos Barrier Project.

FY 2027 OBJECTIVES

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

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

No significant changes from FY 2026 to FY 2027.

Table 25
Program 004 - Montebello Forebay Recycled Water

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 265,000	$ 225,000	$ (40,000)
R&M / Materials / Equipment	36,800	38,700	1,900
Other Expenses	3,600	48,800	45,200
Other General & Administration	71,221	70,860	(361)
TOTAL	**$ 376,621**	**$ 383,360**	**$ 6,739**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 004 - Montebello Forebay Recycled Water

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Continue to comply with water recycling permit requirements for the Montebello Forebay Spreading Grounds.				Maximize Environmental Resiliency and Innovation
	Measure: % of regulatory permit requirements and deadlines met.	100%	100%	100%	
2	**Goal:** Continue to facilitate the ongoing dialogue between agencies to provide more recycled water for groundwater recharge.				Expand Sustainable Replenishment Opportunities
	Measure: Quarterly meetings with LACSD, LACDPW, etc.	4	4	4	
3	**Goal:** Participate in the adoption of an updated Title 22 Engineering Report.				Expand Sustainable Replenishment Opportunities
	Measure: WRD portion of the report will be submitted to LACSD and negotiations with LARWQCB.	1	1	1	



RIO HONDO SPREADING GROUNDS

PROGRAM 005 - GROUNDWATER RESOURCE PLANNING

BACKGROUND

The Groundwater Resources Planning Program was developed to evaluate basin management challenges and assess potential projects and their impacts on the Central and West Coast Groundwater Basins. Before advancing any new project, a comprehensive evaluation is always completed. Within the Groundwater Resources Planning Program, proposed projects and programs are analyzed based on their overall benefit to basin management. In addition to assessing technical feasibility, a thorough economic evaluation is performed to compare estimated costs with anticipated benefits. As part of this evaluation process, all new capital projects are presented to the District's Water Pumpers Advisory Committee (WPAC) (previously known as the Technical Advisory Committee) for review and recommendation to the Board of Directors. The Board considers the WPAC's recommendation along with the project's feasibility and potential benefits before formally recognizing it as an independent project. Once recognized, these projects may be incorporated into the District's Five-Year Capital Improvement Program (CIP).

WRD will continue to work closely with basin stakeholders to develop projects that enhance replenishment resiliency and optimize the use of available groundwater storage. Additionally, the District will evaluate how these programs impact overall basin management including effects on water levels, annual overdraft, accumulated overdraft, and other key indicators. Effective management of this program requires ongoing oversight and administration by District staff.

In the coming year, the Groundwater Resources Planning Program will focus on advancing WRD's long-term outlined in WIN4ALL, the 2040 plan for regional water independence. Through WIN4ALL, WRD aims to maximize utilization for all existing groundwater pumping rights, make use of available storage in both groundwater basins, secure new locally sustainable water supplies for replenishment, and evaluate operational alternatives to optimize basin management. As part of this effort, the Program will initiate the West Coast Basin Optimization Study to evaluate opportunities to enhance operational efficiency, flexibility, and long-term sustainability of the West Coast Basin. The study supports WIN4ALL's objectives by identifying strategies to optimize basin operations and improve management of available groundwater resources.

In parallel with advancing WIN4ALL and the West Coast Basin Optimization Study, the Program will also work to identify opportunities and provide technical assistance to local water purveyors, helping them maximize their groundwater rights.

District staff will continue to monitor and participate in the Greater Los Angeles Integrated Regional Water Management Plan (GLAC IRWMP) and three Los Angeles County Safe Clean Water (Measure W) Steering Committees and the Scoring Committee. The District serves as the co-chair for the GLAC IRWM Lower Los Angeles River and San Gabriel River Subcommittee. The District also coordinates the subregion meetings and manages the outreach to subregion members. District staff will also continue to monitor State and Federal grant programs to determine applicability to the District's list of potential projects. WRD will continue to work with Federal agencies, such as the U.S. Bureau of Reclamation to identify potential opportunities for funding.

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

FY 2026 ACCOMPLISHMENTS

- Approval of $50 million loan from the State Water Resources Control Board Clean Water State Revolving Fund (CWSRF) for the Torrance Groundwater Desalter Expansion Project.
- Completed a grant application for grant monies from Blue Diamond (private funder) for the Torrance Groundwater Desalter Expansion Project.
- Approval of the Bureau of Reclamation's Title XVI Feasibility Study for Per- and Polyfluoroalkyl Substances (PFAS) treatment in the Central Basin.
- Received $15,000 grant from Marathon Petroleum Corporation (private funder) for the Albert Robles Center Field Trip Program.
- Received $117,265 grant from Blue Triton (private funder) for the Rob Whitaker Advanced Water Treatment Facility at the Albert Robles Center.

FY 2027 OBJECTIVES

- Continue implementing WIN4ALL Strategic Plan by releasing a Request for Proposals for the completion of a West Coast Basin Optimization Plan, which aims to reduce purveyors' dependence on imported water by enhancing the use of local groundwater resources.
- Complete WRD's Climate Resiliency Plan.
- Complete and submit an application for US Bureau of Reclamation's WaterSmart Desalination Construction Program for the Torrance Groundwater Desalter Expansion Project.
- Complete and submit an application for the US Bureau of Reclamation's Title XVI Water Reclamation and Reuse Projects Funding Opportunity in response to the approval of the Feasibility Study for Per- and Polyfluoroalkyl Substances (PFAS) treatment in the Central Basin.
- Initiate the development of a US Bureau of Reclamation Drought Contingency Planning.
- Initiate the development of the cyber security improvements in accordance with the CalOES grant.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The FY 2027 budget increased due to the development of the West Coast Basin Optimization Plan and various grant application submittals.

Table 26
Program 005 - Groundwater Resources Planning

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 1,445,000	$ 1,625,000	$ 180,000
R&M / Materials / Equipment	-	-	-
Other Expenses	412,250	411,750	(500)
Other General & Administration	350,917	393,445	42,528
TOTAL	**$ 2,208,167**	**$ 2,430,195**	**$ 222,028**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 005 - Groundwater Resources Department

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Implement WIN4ALL Strategic Plan **Measure:** Release Request for Qualifications for the West Coast Basin Optimization Plan	50%	50%	50%	Maximize Innovation and Environmental Resiliency
2	**Goal:** Continue to facilitate agreements with partner agencies for recycled water access **Measure:** Executed MOU, JPA, or Agreements	50%	50%	50%	Maximize Innovation and Environmental Resiliency
3	**Goal:** Initiate BOR Drought Contingency Plan **Measure:** Release Request for Professional Services to complete the Drought Contingency Plan	50%	50%	50%	Maximize Innovation and Environmental Resiliency
4	**Goal:** Identify outside funding opportunities for WRD's projects **Measure:** Submitted grant application	100%	100%	50%	Maximize Innovation and Environmental Resiliency



LEGISLATIVE TRIP TO DC TO MEET WITH ELECTED OFFICIALS

PROGRAM 018 - DOMINGUEZ GAP BARRIER RECYCLED WATER PROJECT

BACKGROUND

This Project will deliver recycled water from the City of Los Angeles Terminal Island Water Reclamation Plant (TIWRP) to the Dominguez Gap Barrier (DGB). The portion of the TIWRP effluent destined for the Barrier first undergoes a set of advanced treatment, consisting of microfiltration, reverse osmosis, and chlorination, at the Advanced Water Treatment Facility. The plant was recently expanded from 6.0 million gallons per day (mgd) to 12.0 mgd with the goal to eliminate the use of imported water at the DGB.

Los Angeles Sanitation & Environment (LASAN) and Los Angeles Department of Water & Power (LADWP) are responsible for the treatment and delivery of the recycled water and all the water quality sampling at the treatment plant associated with the final recycled water. The District conducts groundwater monitoring, which is required to observe changes in aquifer water quality conditions and to anticipate potential problems before recycled water reaches drinking water wells. The District also performs groundwater modeling to simulate the fate and transport of the recycled water in the aquifers after injection. This monitoring commenced with the start of the recycled water deliveries in February 2006. Baseline monitoring was completed to establish preexisting groundwater quality conditions prior to the start of deliveries.

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

FY 2026 ACCOMPLISHMENTS

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

FY 2027 OBJECTIVES

- Work with LADWP to amend the Water Purchase Agreement between WRD and LADWP.
- Continue to conduct groundwater monitoring and modeling as necessary in accordance with permit requirements.
- Continue to provide groundwater compliance monitoring data to project permittees LADWP, LASAN and Los Angeles County Public Works.
- Begin construction of the vaults Second Dominguez Gap RW Connection.
- Increase recycled water contribution to the DGB.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The variance reflects a reduction in professional services and the reallocation of staff time to this program.

Table 27
Program 018 - Dominguez Gap Barrier Recycled Water Project

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 145,000	$ 20,000	$ (125,000)
R&M / Materials / Equipment	26,300	27,700	1,400
Other Expenses	8,000	13,200	5,200
Other General & Administration	107,205	234,397	127,192
TOTAL	**$ 286,505**	**$ 295,297**	**$ 8,792**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 018 - Dominguez Gap Barrier Recycled Water Project

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Prepare compliance monitoring reports and coordinate reporting/ compliance for submittal to permittees (LADWP, LASAN, & LACDPW) to ensure all regulatory permit requirements and deadlines are met				Maximize Environmental Resiliency and Innovation
	Measure: % of regulatory permit requirements and deadlines met	100%	100%	100%	
2	**Goal:** Prepare and post RFBs for Second Gap Connection				Maximize Environmental Resiliency and Innovation
	Measure: Post RFBs and start construction	1 (Construct)	0	1	



CONSTRUCTION FOR UNIT 8 SECOND GAP CONNECTION PIPELINE PROJECT

PROGRAM 023 - REPLENISHMENT OPERATIONS

BACKGROUND

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

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

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

FY 2026 ACCOMPLISHMENTS

- Continued working cooperatively with the LACDPW, Orange County Water District (OCWD), LACSD, and Long Beach Water Department (LBWD) on the Leo J. Vander Lans (LVL) Plant Operations, OCWD Barrier Expansion, and Long Beach Waste Treatment Plant (LBWTP) Multi-year Maintenance Project to provide increased recycled water to the Alamitos Gap Barrier.
- Continued working cooperatively with the LACDPW and West Basin Municipal Water District (WBMWD) to maximize recycled water to the West Coast Basin Barrier.
- Continued working cooperatively with the Los Angeles Department of Water and Power (LADWP), Los Angeles Bureau of Sanitation (LABOS), and LACDPW on the Terminal Island Treatment Plant (TITP) to provide increased recycled water to the Dominguez Gap Barrier.
- Continued participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities.
- Continued to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements).
- Providing input/comments on technical memorandums prepared to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements, WRD/LADWP Joint L.A. Basin Replenishment and Extraction Master Plan, Torrance Desalter Expansion Project, Augmentation Project with LBUD, etc.).
- Presented monthly updates to the WRD Water Resources Committee and posted reports online at https://www.wrd.org/groundwater-basin-update.

FY 2027 OBJECTIVES

- Work with United States Geological Survey (USGS), United States Army, Corp of Engineers (USACOE), LACDPW, San Gabriel River Watermaster (SGRWM), and other applicable agencies/stakeholders on enhancement/ upgrade of existing surface water gaging stations.
- Continue working cooperatively with the LACDPW to continue maximizing the movement of recycled water through the Interconnection Pipeline.
- Continue working cooperatively with the LACDPW on recommendations from the Enhanced-Montebello Forebay Recharge Enhancement Study (eMFRES).
- Working cooperatively with LACDPW, USACOE, LACDPW, San Gabriel River Watermaster (SGRWM), and other applicable agencies/stakeholders on evaluating the results and alternatives presented in the Zone 1 Condition Assessment Report.
- Continue working cooperatively with the LADWP, LABOS, and LACDPW on the expanded TITP to provide increased recycled water to the Dominguez Gap Barrier.
- Continue working cooperatively with the LACDPW, OCWD, LACSD, and LBWD on the LVL Plant Operations follow-up, OCWD Barrier Expansion follow-up, and LBWTP Multi-year Maintenance Project follow-up to provide increased recycled water to the Alamitos Gap Barrier.
- Continue working with Engineering staff to equip a newly installed Inland Injection well at LVL.
- Continue working cooperatively with the LACDPW and WBMWD to maximize recycled water to the West Coast Barrier.
- Continue participating in bimonthly meetings with replenishment agencies to maximize groundwater recharge opportunities.
- Continue to evaluate new potential replenishment opportunities (e.g., replenishment water sources, spreading grounds improvements, WRD/LADWP Joint L.A. Basin Replenishment and Extraction Master Plan, Torrance Desalter Expansion Project, Augmentation Project with LBUD, etc.).
- Continue to provide monthly updates to the WRD Water Resources Committee.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

No significant changes from FY 2026 to FY 2027.

Table 28
Program 023 - Replenishment Operations

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 51,000	$ 75,000	$ 24,000
R&M / Materials / Equipment	26,300	27,700	1,400
Other Expenses	4,250	4,000	(250)
Other General & Administration	244,561	216,344	(28,217)
TOTAL	**$ 326,111**	**$ 323,044**	**$ (3,067)**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 023 - Replenishment Operations

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Continue working cooperatively with the LADWP, LABOS, and LACDPW on the Terminal Island Treatment Plant Expansion to provide increased recycled water to the Dominguez Gap Barrier.				Maximize Environmental Resiliency and Innovation
	Measure: Recycled water increased to the Dominguez Gap Barrier (Assumes TITP delivering 6.0 MGD). Reported in 2026 Engineering Survey and Report.	8,188 AF Total 5,282 AF RW	7,700 AF Total 5,000 AF RW	8,000 AF Total 5,200 AF RW	
2	**Goal:** Continue working cooperatively with the LACDPW and LACSD on the Montebello Forebay Spreading Grounds to provide increased RW. Goal is 63,000 including 56,000 tertiary and 7,000 GRIP water for its first year.				Maximize Environmental Resiliency and Innovation
	Measure: Recycled water increased to the Spreading Grounds. Reported in 2026 Engineering Survey and Report.	52,956 AF 3° RW 11,486 AF ATW	43,500 AF 3° RW 11,000 AF ATW	53,000 AF 3° RW 11,000 AF ATW	

Program 023 - Replenishment Operations (Continued)

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
3	**Goal:** Continue working cooperatively with the LACDPW, LBWD, and OCWD on the Alamitos Gap Barrier Project to provide increased recycled water to the Alamitos Gap Barrier.				Maximize Environmental Resiliency and Innovation
	Measure: Recycled water increased to the Alamitos Gap Barrier (assumed full operation of LVL). Reported in 2026 Engineering Survey and Report.	LA Side - WRD: 2,781 AF Total 1,055 AF RW	LA Side - WRD: 2,800 AF Total 1,400 AF RW	LA Side - WRD: 3,800 AF Total 3,040 AF RW	
4	**Goal:** Continue working cooperatively with the LACDPW and WBMWD on the West Coast Barrier Project to provide increased recycled water to the West Coast Barrier.				Maximize Environmental Resiliency and Innovation
	Measure: Recycled water increased to the West Coast Barrier. Reported in 2026 Engineering Survey and Report.	14,178 AF Total 8,543 AF RW	13,900 AF Total 9,900 AF RW	14,400 AF Total 11,520 AF RW	

PROGRAM 033 - ALBERT ROBLES CENTER FOR WATER RECYCLING AND ENVIRONMENTAL LEARNING (ARC)

BACKGROUND

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

Operations of the Robb Whitaker treatment facility are provided by PERC Water Corporation through a long-term contract initiated on January 1, 2023. As the team operating the facility since its inception, PERC Water maintains an established working knowledge of plant operations, which allows for a continued focus on maintaining steady-state operations, while identifying areas for optimization and improved performance. For the fiscal year, the production goal continues to remain 10,000AF of advanced treated recycled water that meets all regulatory requirements.

Costs for this budget year are reflective of anticipated expenses for facility operations and maintenance. These include the treatment facility and turnout structures along the San Gabriel River. Major costing centers for the treatment facility include fixed labor for operations and variable costs, including source water, power and water treatment chemicals – all of which collectively make up a majority of the Program 033 budget. Additional costing centers include analytical costs for water quality regulatory compliance, permit renewals, and facility-related expenses for maintenance of the treatment facility. The Replenishment Fund serves as the funding source for this program.

FY 2026 ACCOMPLISHMENTS

- Produced 10,100AF of advanced treated recycled water that met all regulatory requirements for discharge to the San Gabriel Coastal Spreading Grounds.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.
- The development of an automated and standardized program for operations and regulatory compliance reporting was completed.
- A comprehensive workplan was developed to enhance the management of the WRD assets located at the Turnout Structures along the San Gabriel River.
- Efforts continued to optimize the reverse osmosis (RO) pretreatment strategy, including the evaluation of alternative specialty chemicals, concentrations and

pH setpoints to reduce chemical usage and improve efficiencies. To streamline the evaluations, the Operations Department took delivery of a pilot system whereby testing will be conducted.

- Repairs to the solar PV system to ensure maximum performance and power generation for the facility were completed.
- A new, multi-year services agreement for integration support of all LVL SCADA-related programs, historian servers and associated infrastructure was executed.
- Implementation of best practice recommendations provided by FM - the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) high asset insurance provider, to reduce facility risk and the potential for losses, continued during the fiscal year.
- The facilities associated with the ALC and garden area(s) were adequately maintained to ensure uninterrupted public access for tours and events.

FY 2027 OBJECTIVES

- Achieve the targeted production of 10,000AF of advanced treated recycled water that meets all regulatory and permit requirements.
- Filing of reports to ensure adherence with all facility regulatory and compliance permits.
- Expand the development of automated and standardized reports using the established reporting platform created in FY 2026.
- Take delivery of an industrial box container to provide additional storage of routine parts and supplies utilized for operations and maintenance of the treatment facility.
- Execution of the comprehensive workplan which was developed to manage the WRD assets at the Turnout Structures along the San Gabriel River.
- Continue evaluations to optimize the use of chemicals not only for the RO system, but for all systems operating at the facility. Further, expand the evaluations to also review power usage, and options for reduced costs through utility-provided incentive programs, changes in routine operations practices, etc.
- Procure and install a water quality analyzer to monitor the influent water quality for phosphate – a constituent that can significantly impact operations and performance of the RO system.
- Continue the implementation of best practices recommendations provided by FM - the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) high asset insurance provider, to reduce facility risk and the potential for losses.
- Maintain ALC facilities and garden area(s) to ensure uninterrupted public access for tours and events.
- Establish a dedicated area to serve as a research center to support the Research and Innovation (R&I) Program, which will serve to conduct projects aimed at optimizing operations while supporting the advancement of water recycling and reuse.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The FY 2027 budget supports two distinct areas – the treatment facility and the turnout structures along the San Gabriel River. This is a departure from previous budget years, which also included the administration learning center (ALC) and gardens. Since the ALC is considered a non-treatment facility, its budget was removed from Program 33 and transferred to Program 32 – non-treatment facility operations. The ARC facility continues to demonstrate consistent and stable operations, which allows for a more accurate refinement of the operating budgets. The overall budget for FY 2027 is significantly reduced as a result of transferring the ALC from the program.

Table 29
Program 033 - Albert Robles Center AWTF

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Water Purchases	$ 1,170,000	$ 1,190,000	$ 20,000
Professional Services	2,846,000	2,692,500	(153,500)
R&M/Materials/Equipment	1,800,000	1,602,500	(197,500)
Other Expenses	3,189,000	2,710,650	(478,350)
Other General & Administration	876,385	517,728	(358,657)
TOTAL	**$ 9,881,385**	**$ 8,713,378**	**$(1,168,007)**



ALBERT ROBLES CENTER

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 033 - Albert Robles Center for Water Recycling and Environmental Learning

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Achieve the targeted production and delivery of advanced treated recycled water that meets all regulatory specifications. **Measure:** Production of Advanced Treated Water (Acre-Feet)	10,100 AF	10,100 AF	10,000 AF	Expand Sustainable Replenishment Opportunities
2	**Goal:** Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc. **Measure:** Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations as needed.	100%	100%	100%	Expand Sustainable Replenishment Opportunities
3	**Goal:** Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations. **Measure:** Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	Promote Organizational Excellence

Program 033 - Albert Robles Center for Water Recycling and Environmental Learning

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
4	**Goal:** Development of a comprehensive asset management program designed to address asset operations, extend asset life and reduce overall cost of water production. **Measure:** Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning. Added objective is the revamp of the CMMS program - implementing the latest program version which employs spatial GIS architecture to streamline more efficient use of the system.	90%	60%	80%	Expand Sustainable Replenishment Opportunities
5	**Goal:** Development of a standardized reporting system for operations performance and compliance-related data reports. **Measure:** Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.	25%	50%	70%	Expand Sustainable Replenishment Opportunities

PROGRAM 038 - ENGINEERING PROGRAM

BACKGROUND

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

The Engineering Department receives and reviews public bids and provides recommendations to various committees and the Board of Directors to award contracts; provides (oversees) project planning and environmental review/entitlement services for the CIP; monitors construction work in progress, reviews/approves progress pay estimates; and provides quality assurance/control oversight services on approved development projects to ensure compliance with Board goals and objectives.

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

FY 2026 ACCOMPLISHMENTS

- Updated the 5-year CIP Plan in February 2026.
- Managed and monitored the CIP Budget throughout the fiscal year.

FY 2027 OBJECTIVES

- Update the 5-year CIP Plan.
- Manage and monitor the CIP Budget throughout the fiscal year.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The changes are due to an increase in professional services and the reallocation of staff time to this program.

Table 30
Program 038 Engineering

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ -	$ 12,000	$ 12,000
R&M/Materials/Equipment	50	1,000	950
Other Expenses	61,746	66,775	5,029
Other General & Administration	967,250	1,094,690	127,440
TOTAL	**$ 1,029,046**	**$ 1,174,465**	**$ 145,419**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 038 - Engineering

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Update the 5-year CIP Plan **Measure:** Release of updated 5-year CIP plan	February 2025	February 2026	February 2027	Expand Sustainable Replenishment Opportunities Sustain Extraction Capacity Promote Organizational Excellence
2	**Goal:** Manage and monitor the CIP Budget throughout the fiscal year. **Measure:** Ensure individual projects adhere to the CIP Budget and make adjustments as needed	June 2025	June 2026	June 2027	Promote Organizational Excellence



INDUSTRIAL CHEMICAL STORAGE TANKS AT LEO J. VANDER LANS

PROGRAM 046 - WELL CONSTRUCTION & REHABILITATION PROGRAM

BACKGROUND

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

FY 2026 ACCOMPLISHMENTS

- Continued loan repayment by the City of Vernon and the City of Signal Hill.
- Continued offering loan program to interested and qualified groundwater producers.

FY 2027 OBJECTIVES

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

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

No new loans are anticipated to be initiated during fiscal year 2027.

Table 31
Program 046 - Well Construction & Rehabilitation Program

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ -	$ -	$ -
R&M / Materials / Equipment	-	-	-
Other Expenses	-	-	-
Other General & Administration	7,501	8,165	664
TOTAL	**$ 7,501**	**$ 8,165**	**$ 664**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 046 - Well Construction & Rehabilitation Program

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Provide well construction and rehabilitation loans to assist pumpers maximize their groundwater rights by maintaining or increasing groundwater pumping.				Expand Extraction Capacity
	Measure: Loan recipient ability to maintain or increase pumping.	50%	50%	50%	

CLEAN WATER PROGRAMS

PROGRAM 002 – ROBERT W. GOLDSWORTHY DESALTER

BACKGROUND

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

The program cost for this budget year centers primarily on operations and maintenance of the treatment facility. Typical expenses include fixed labor cost for operations and variable costs such as power, water treatment chemicals and analytical costs to ensure water quality meets all regulatory requirements. Since the initial expansion project was completed, the treatment facility has faced operational challenges due to elevated fouling of the RO system, as well as utilization of two source water wells only. With assistance from WRD Engineering, efforts continue to focus on increasing Desalter production through minimizing the impact of RO fouling and optimization of well operations. In FY27, a major capital improvement project is planned to expand the Desalter. This includes adding treatment capacity, additional treatment processes to mitigate the high-fouling propensity of the source water, and additional, redundant water supply wells. This will result in significant interruptions such that the Desalter may only operate for limited months. Since the overall purpose of this program is to remediate degraded groundwater quality, costs are attributed to the Clean Water Fund.

FY 2026 ACCOMPLISHMENTS

- Achieved an annual production total of 1,900AF of treated groundwater that met all regulatory requirements for distribution to the City of Torrance water system. Production, however, was limited due to source water interruptions related to both supply wells, which required rehabilitation and repairs.
- All regulatory and compliance reports were filed in accordance with permit specifications and obligations.
- Continued to optimize Desalter performance to achieve steady operations through working closely with the City of Torrance Operations team to review performance data, identify, and implement corrective actions.

FY 2027 OBJECTIVES

- The expansion project will significantly impact Desalter operations. The goal will be to work closely with the contractor to maximize production when feasible and able to operate. During operations, ensure that the production of desalted brackish groundwater meets all regulatory and permit requirements.
- Provide technical and operational support to the contractor and firms working on the expansion project. Support will consist of operations, compliance, permitting and SCADA programming sufficient to facilitate execution of the project as it progresses through the construction schedule.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

Operational costs for FY 2027 consist of expected expenditures associated with labor, power and water treatment chemicals – all major costing centers related to operations and maintenance of the groundwater desalter. Overall costs are expected to be lower for the fiscal year due to shutdown of the facility for its expansion.

Table 32
Program 002 Robert W. Goldsworthy Desalter

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 773,500	$ 396,000	$ (377,500)
R&M/Materials/Equipment	619,000	165,400	(453,600)
Other Expenses	1,067,700	362,040	(705,660)
Other General & Administration	421,467	192,527	(228,940)
TOTAL	**$ 2,881,667**	**$ 1,115,967**	**$ (1,765,700)**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 002 - Goldsworthy Desalter

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Achieve the targeted production and delivery of potable water that meets all regulatory specifications. **Measure:** Production of Potable Water (AF) * Production is contingent on the expansion project construction schedule.	1,200 AF	1,900 AF	1,000* AF	Sustain Extraction Capacity
2	**Goal:** Optimization of treatment plant operations to maintain steady operations and reduced OPEX costs for cost centers such as power, chemicals, brine disposal, etc. **Measure:** Reduced year-over-year OPEX cost/AF for identified cost centers; Establish new bulk chemical contracts for plant operations.	100%	100%	100%	Sustain Extraction Capacity
3	**Goal:** Sustainable operations of the treatment plants to comply with all regulatory and compliance requirements and obligations. **Measure:** Submission of all regulatory compliance reports as required; Conduct annual internal inspections (calendar year Q-4)/audits of treatment plant operations: submit inspection report and oversee corrective actions (following calendar year Q-1).	100%	100%	100%	Promote Organizational Excellence

Program 002 - Goldsworthy Desalter

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
4	**Goal:** Operational review and support to achieve successful development of design criteria and specifications for expansion of the treatment facility.				Sustain Extraction Capacity
	Measure: Development of designs and specifications, facility layout (including the supply wells) and assets such as process systems and equipment.	75%	80%	90%	
5	**Goal:** Development of a comprehensive asset management program designed to address asset operations, extend asset life and reduce overall cost of water production.				Sustain Extraction Capacity
	Measure: Multifold measurements include the following specific items: development of a computerized maintenance management system (CMMS); training and utilization of the CMMS; on-site storeroom development; asset management planning (AMP) tool to conduct condition assessments; AMP training; utilization of information to assemble O&M budgets, capital R&R budgets and long-term facility planning.	60%	65%	70%	
6	**Goal:** Development of a standardized reporting system for operations performance and compliance-related data reports.				Sustain Extraction Capacity
	Measure: Program implementation utilized to generate reports for two key areas: plant performance and reporting of data to regulatory agencies.	-	5%	10%	

PROGRAM 006 - WATER QUALITY IMPROVEMENT PROGRAM

BACKGROUND

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

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

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

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

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

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

FY 2026 ACCOMPLISHMENTS

- Coordinated and administered meetings of the Groundwater Contamination Forum as a means for key stakeholders and various regulatory agency staff to share data and provide updates on major groundwater contaminated sites in the Central Basin and West Coast Basin.
- Continued to work in close consultation with project managers of the United States Environmental Protection Agency (USEPA), California Department of Toxic

Substances Control (DTSC), and Los Angeles Regional Water Quality Control Board (LARWQCB) to provide data and technical support to expedite the investigation and cleanup of high-priority groundwater contaminated sites in the Central Basin and West Coast Basin.

- Participated in the multi-agency Los Angeles Basin Groundwater Restoration Convening meetings to expedite the investigation, identification, and eventual remediation of potential sources associated with contaminated drinking water wells in the Central Basin and West Coast Basin.
- Attended public meetings for various groundwater cleanup projects in the basin including those associated with the Del Amo / Montrose Superfund Sites. WRD staff are also actively participating in stakeholder meetings being held for other contaminant plumes with the potential to enter our groundwater basin such as the Whittier Narrows Operable Unit (WNOU).
- Coordinated the sampling of deep nested groundwater monitoring wells installed by WRD. The wells were installed to characterize the vertical extent of groundwater contamination associated with the Omega Chemical Superfund Site. The data resulted in the regulatory agency requiring additional groundwater delineation in 2018. WRD continues to work closely with the responsible parties and EPA.
- WRD staff continue to provide technical support to multiple pumpers in the basin regarding the installation of water supply wells in proximity of existing groundwater plumes and concerns raised by the Division of Drinking Water (DDW).
- Monitored potential impacts of pending legislation and regulations on drinking water quality by participating in the California WateReuse Legislative / Regulatory Committee, Association of California Water Agencies' Clean Water and Safe Drinking Water Committees, and subscribing to listserv of various regulatory agencies.
- WRD staff have been participating in various activities related to the Sustainable Groundwater Management Act (SGMA):
  - » Continue to participate in a group discussion for two fringe areas in the unadjudicated northern portion of the Central Basin. The main stakeholders include the City of Beverly Hills, City of Culver City, Golden State Water Company, and Los Angeles Department of Water and Power (LADWP).
  - » Central basin was reclassified as a "very low" priority basin by the Department of Water Resources (DWR). This action allowed the stakeholder group to withdraw an "alternative analysis" previously submitted to the DWR. Thus, no action is currently required to comply with SGMA.
  - » Annual Watermaster reports will continue to be submitted as required by SGMA.
- Conduct status update meetings with our on-call water quality laboratory. The meetings provide an opportunity for staff to communicate directly with our vendor partners ensuring the highest quality work for the District.
- Continue to participate in various environmental justice events including Los Angeles Environmental Justice Network Workshops.
- WRD staff continue to track the progress of and provide periodic updates regarding various perfluorinated compounds (an emerging chemical of concern) including perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), collectively per-and polyfluoroalkyl substances (PFAS).
- WRD and the LARWQCB signed an MOU to work collaboratively on mutually selected sites and/or areas to evaluate groundwater contamination or threat of contamination to the Basin. The MOU may help to identify other "high priority" sites and possible identification of groundwater remediation projects that could be partially funded by a grant program such as Proposition 1 or Site Cleanup Subaccount Program (SCAP). Quarterly meetings are held between the WRD and LARWQCB.

FY 2027 OBJECTIVES

- Maintain a high-level understanding of the highest priority contamination sites within the basin and work collaboratively with project managers at the USEPA, DTSC, and LARWQCB. Coordinate regular status update meetings for key sites via the Groundwater Contamination Forum.
- Work collaboratively with various regulatory agencies to identify responsible parties and address groundwater contamination in the Los Angeles Forebay. WRD will continue to build upon the work initiated under the Groundwater Task Force.
- Participate in the multi-agency Los Angeles Basin Groundwater Restoration Convening.
- Monitor potential impacts of pending legislation and regulations on drinking water quality by subscribing to the listserv of various regulatory agencies and participating in the California WateReuse Legislative/ Regulatory Committee, Association of California Water Agencies' Clean Water, and Safe Drinking Water Committees.
- Provide technical support to our pumping community and continued communication via the Annual Groundwater Quality Workshop.
- Partner with and evaluate additional stormwater recharge opportunities through the Council for Watershed Health on the Water Augmentation Study and the Southern California Water Committee.
- Participate in the technical advisory committee of the Los Angeles Basin Stormwater Conservation Study undertaken by the Los Angeles County Public Works and United States Bureau of Reclamation.
- Administer the Title 22 Groundwater Monitoring Program.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

Consultant budget increased to assist staff with implementing the Contamination Program.

Table 33
Program 006 - Water Quality Improvement Plan

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 634,000	$ 727,000	$ 93,000
R&M / Materials / Equipment	33,200	34,900	1,700
Other Expenses	6,200	6,600	400
Other General & Administration	189,678	220,013	30,335
TOTAL	**$ 863,078**	**$ 988,513**	**$ 125,435**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 006 - Water Quality Improvement Plan

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Coordinate and administer meetings of the Groundwater Contamination Forum as a means for key stakeholders to share data and provide updates on major groundwater contaminated sites in the Central Basin and West Coast Basin. **Measure:** Successful coordination and hosting of two meetings each Fiscal Year.	2	2	2	Maximize Innovation and Environmental Resiliency Promote Organizational Excellence
2	**Goal:** Conduct groundwater quality workshop for local water purveyors to promote professional learning and networking. **Measure:** Hold one workshop each Fiscal Year.	1	1	1	Maximize Innovation and Environmental Resiliency Promote Organizational Excellence
3	**Goal:** Title 22 Monitoring Program. **Measure:** Administer program for various pumpers within the District.	22	22	22	Maximize Innovation and Environmental Resiliency Promote Organizational Excellence
4	**Goal:** Continue gathering additional data and sharing information related to PFAS. **Measure:** Provide quarterly updates to pumpers via Committee Meetings, Board Meetings, Water Rights Association, and BAC/TAC.	4	4	4	Maximize Innovation and Environmental Resiliency

PROGRAM 012 - SAFE DRINKING WATER

BACKGROUND

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

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

Another component of the program offers no-interest loans for secondary constituents of concern that affect a specific production well. The capital costs of wellhead treatment facilities range from $2,000,000 to over $4,000,000. Due to financial constraints, this initial cost is generally prohibitive to most pumpers. Financial assistance through the District's SDWP makes project implementation much more feasible. The program places a greater priority on projects involving VOC contamination or other anthropogenic (man-made) constituents, classified as Priority A Projects. Any treatment projects for naturally occurring constituents would be classified as Priority B Projects and funded on a secondary priority, on a case-by-case basis, and only if program monies are still available during the fiscal year.

As an extension of the District's Safe Drinking Water Program, the District also offers the Safe Drinking Water Disadvantage Communities (DAC) Program. The goal of this program is to assist water systems located in disadvantaged communities within the District's service area with state and federal funding application efforts to address the issues related to their drinking water wells. The focus of the program is to provide technical assistance and extensive outreach to help the systems secure funding that is set aside specifically for disadvantaged communities. Currently there are four (4) water systems participating in the program and receiving assistance with funding applications.

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

FY 2026 ACCOMPLISHMENTS

- Completed construction on iron & manganese treatment system for Sativa Well 5.
- Completed construction on VOCs treatment system for City of Lomita Well 5.
- Completed Technical, Managerial, and Financial (TMF) Analysis reports under the WRD DAC Needs Assessment Project for Maywood Mutual Water Company #1, Tract 180 Water Company, and City of Paramount.
- Completed design for Norwalk Well 10 Treatment project.
- Completed design for Tract 349 Mutual Water Company project.

FY 2027 OBJECTIVES

- Begin construction for Norwalk Well 10 Treatment project.
- Begin construction for Tract 349 Mutual Water Company project.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

Overall, there are no significant changes in FY 2027. The variance reflects resource reallocation to this program.

Table 34
Program 012 Safe Drinking Water

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 10,000	$ 104,250	$ 94,250
R&M/Materials/Equipment	-	-	-
Other Expenses	228,800	228,400	($400)
Other General & Administration	178,820	89,350	($89,470)
TOTAL	**$ 417,620**	**$ 422,000**	**$ 4,380**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 012 Safe Drinking Water Program

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Identify projects and fund up to $2M from a WRD Grant to assist candidates with primary priority contamination removal through the Safe Drinking Water Program **Measure:** Number of additional of projects funded to provide assistance to candidates with primary priority contamination removal	0 (Grant)	0	1	Sustain Extraction Capacity
2	**Goal:** Identify projects and fund up to $2M from a WRD loan to assist candidates with secondary priority contamination removal through the Safe Drinking Water Program **Measure:** Number of additional projects funded to provide assistance to candidates with secondary priority contamination removal	1 (Loan)	0	1	Sustain Extraction Capacity
3	**Goal:** Execute projects and funding from local, state, and federal grant programs to assist candidates with primary or secondary priority contamination removal through the Safe Drinking Water Disadvantaged Community (DAC) Program. **Measure:** Number of additional DAC projects funded to provide assistance to candidates with primary or secondary priority contamination removal	0 (DAC)	0	1	Sustain Extraction Capacity



SATIVA WELL 5 CONSTRUCTION PROJECT

PROGRAM 048 – PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS) PROGRAM

BACKGROUND

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

With a total budget of $61M, funding for this program is derived from the adopted RA, various reserve funds, and future borrowing. Thus far, there are 13 pumpers with a total of 38 wells in the Program. Funding Agreements that total $27.3M have been executed with 6 pumpers.

FY 2026 ACCOMPLISHMENTS

- Distributed a total of $292,650 to City of Pico Rivera for their PFAS remediation projects.
- Received a $3,947,277.60 refund from Montebello Land and Water Company (MLWC) because WRD was able to secure $9.6M in State funding for MLWC's PFAS remediation project.

FY 2027 OBJECTIVES

- Execute new Funding Agreements under the PFAS Remediation Program, either as Funding Support Projects or Turnkey Projects.
- Remediate additional production wells to prevent the spread of PFAS contamination in aquifers.
- Restore production from wells that had been shut down due to PFAS contamination.
- Assist pumpers to apply for State, Federal, and other third-party grant funding that may be available for PFAS remediation projects.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

In FY 2027, WRD expects to continue to disburse funding to pumpers under existing Funding Agreements. To comply with upcoming deadlines associated with current PFAS regulations, WRD anticipates that additional pumpers will execute Funding Agreements which will require future disbursements of funding. The primary funding sources for this program are the existing reserve accounts and the reallocation of $12 per acre-foot collected from RA.

Table 35
Per-and Polyfluoroalkyl Substances (PFAS) Remediation Program

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ -	$ 342,500	$ 342,500
Grant Funding	-	8,753,261	8,753,261
R&M/Materials/Equipment	-	-	-
Other Expenses	-	6,300	6,300
Other General & Administration	-	134,672	134,672
TOTAL	**$ -**	**$ 9,236,733**	**$ 9,236,733**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 048 - PFAS

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Identify projects and support pumpers with funding or project delivery resources for PFAS remediation projects **Measure:** Number of additional PFAS remediation projects funded (i.e., number of pumpers receiving funding)	0	0	5	Sustain Extraction Capacity Maximize Environmental Resiliency and Innovation Promote Organizational Excellence Maintain Stakeholder and Community Engagement
2	**Goal:** Remediate production wells to prevent the spread of PFAS contamination in aquifers **Measure:** Number of additional production wells that are or will be treated for PFAS removal	5	0	10	Maximize Environmental Resiliency and Innovation Promote Organizational Excellence Maintain Stakeholder and Community Engagement

Program 048 - PFAS

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
3	**Goal:** Restore production from wells that had been shut down due to PFAS contamination				Maximize Environmental Resiliency and Innovation
	Measure: Additional pumping volume (AFY) that pumpers have committed to maintaining for 20 years because they received funding from WRD for their PFAS remediation projects	3,400 AFY	0 AFY	4,000 AFY	Promote Organizational Excellence Maintain Stakeholder and Community Engagement

PROGRAM 049 – PERCHLORATE CLEANUP PROJECT

BACKGROUND

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

FY 2026 ACCOMPLISHMENTS

- Treatment system continues to operate as intended and has removed 1,271 pounds (lbs) of perchlorate mass through June 23, 2026. The Prop 1 grant goal established for the project is 1,000 lbs.
- WRD continues to support the LARWQCB staff with the Water Code 13267 investigation orders issued to multiple parties in 2024. Several status update meetings were held with the RWQCB.

FY 2027 OBJECTIVES

- Continue operating the treatment system as intended and provide grant required reports to the SWRCB.
- Continue working with regulatory agency staff to ensure the investigation orders are implemented by the PRPs. WRD will hold periodic status updated meetings with the RWQCB.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

Increased costs (i.e., chemicals, maintenance, consumables, professional services, etc.), timing of lamp purchases for advanced oxidation process, and media change outs planned for FY 2027.

Table 36
Program 049 - Perchlorate Cleanup Project

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 666,400	$ 783,000	$ 116,600
R&M / Materials / Equipment	175,800	322,500	146,700
Other Expenses	194,225	211,625	17,400
Other General & Administration	112,170	128,570	16,400
TOTAL	**$ 1,148,595**	**$1,445,695**	**$ 297,100**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 049 - Perchlorate Cleanup Project

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Prop 1 grant funding to remediate "hot spot" in the Los Angeles Forebay and identify responsible party in coordination with DTSC and LARWQCB. **Measure:** Meetings with regulatory agency staff (DTSC and/or RWQCB).	4	4	4	Maximize Environmental Resiliency and Innovation Sustain extraction capacity
2	**Goal:** Operate perchlorate treatment system in an efficient manner and maintain regulatory compliance with permits obtained from LACSD and LARWQCB. **Measure:** Submit reports as required by LACSD and LARWQCB. Successful completion tracked Quarterly.	4	4	4	Maximize Environmental Resiliency and Innovation Sustain extraction capacity

DUAL PURPOSE PROGRAMS

PROGRAM 010 - GEOGRAPHIC INFORMATION SYSTEM (GIS)

BACKGROUND

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

GIS, in conjunction with the regional groundwater model, is used to provide better planning and basin management. The system is used to organize, store, and access spatial information and accompanying datasets, including well locations, water level data, water quality information, well construction data, production data, aquifer locations, and computer model files. Staff use the system daily for project support and database management. Specific information is available to any District pumper or stakeholder upon request and can be delivered through the preparation of maps, tables, reports, or other compatible format. Additionally, the District's web-based Interactive Well Search tool is available to the public; this website provides users with access to WRD's data on wells in its service area, including water levels, water quality, and groundwater production. The web-based application is continually updated to expand functionality for WRD staff and outside users.

District staff will continue to streamline and refine the existing data management system and website as well as satisfy both internal and external data requests. Continued use, upkeep, and maintenance of the GIS are planned for the coming year. In addition, District staff work closely with our consultants to develop new geospatial applications and add features to existing ones. The use of the system supports District functions such as replenishment activities, groundwater quality efforts, and the Computerized Maintenance Management System (CMMS) used at operations facilities. Accordingly, the cost for this program is equally split between the Replenishment and Clean Water Funds.

FY 2026 ACCOMPLISHMENTS

- Continued to build out the District's internal Enterprise GIS Portal, which acts as an online resource for staff to access WRD's entire spatial library of data and the ability to perform spatial analysis.
- Consistently maintained the District's publicly accessible Interactive Well Search Tool.
- Updated the publicly accessible WRD GIS Hub, including links to WRD-developed Story Maps, static stock maps, and authoritative WRD spatial data.
- Worked with WRD staff to update Esri Story Maps for use in educational, promotional, and presentation materials.

- Continued comprehensive review of existing datasets and quality assurance measures to ensure continued data integrity.
- Developed a GIS Planning application that supports internal analysis and decision-making across multiple WRD planning and engineering efforts. The tool provides staff with an integrated spatial platform to review project information, assess operational considerations, and facilitate discussions related to various groundwater management and planning objectives.
- Began steps to migrate the Interactive Well Search Tool to a new technology platform and currently conducting testing to prepare the application for launch.
- Completed location accuracy updates according to field logs for all WRD wells, ensuring spatial data integrity and improved reliability for analysis and reporting.
- Developed a self-service application that enables External Affairs staff to quickly access essential GIS information and resources, improving efficiency and supporting data driven engagement during meetings.
- Conducted a District-wide GIS Needs Assessment in partnership with WRD and the GIS software company Esri to evaluate GIS needs, identify opportunities for improvement, and support the development of a strategic GIS implementation plan.
- Began developing GIS Toolboxes to automate data reporting for the annual Regional Groundwater Monitoring Report.

FY 2027 OBJECTIVES

- Provide GIS services and support at all WRD staff for spatial data analysis and reporting.
- Provide support for publicly available GIS tools such as the WRD GIS Hub.
- Maintain and review existing datasets and quality assurance measures to ensure continued data integrity, including documentation and data dictionaries.
- Continue developing new Story Maps, GIS applications, and adding new features to improve existing applications.
- Continue working with Operations staff on CMMS usage for operating facilities.
- Complete migration of the Well Search Tool to a new technology platform.
- Complete development of GIS Toolboxes to automate data reporting for the annual Regional Groundwater Monitoring Report.
- Deploy ArcGIS Monitor to enhance visibility into system performance and improve the reliability of WRD's ArcGIS Enterprise environment.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The $50,000 difference between the FY 2027 budget and the FY 2026 projection for professional services is due to low-priority projects having been put on hold in FY 2026, reducing the need for consulting.

Increases to the budget for other expenses are driven by expected increases in hardware and licensing costs, particularly due to increasing license availability to staff. A significant portion of the increase is also due to licensing costs that occur every two years instead of annually.

Table 37
Program 010 - Geographic Information System (GIS)

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 150,000	$ 200,000	$ 50,000
R&M / Materials / Equipment	-	-	-
Other Expenses	20,312	78,300	57,988
Other General & Administration	233,688	227,288	(6,400)
TOTAL	**$ 404,000**	**$ 505,588**	**$ 101,588**


Montebello Forebay
Spreading Grounds
Vernon
Maywood
Commerce
Montebello Forebay
Los Angeles Forebay
Huntington Park
Bell
Cudahy
Bell Gardens
Downey
Santa Fe Springs
Non-Pressure Area
Pressure Area
South Gate
Central
Lynwood
Compton
Norwalk
Basin
INGLEWOOD
Long Beach
DEL AMO BLVD
Carson
Signal Hill
710

GIS MAPPING

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 010 - Geographic Information System (GIS)

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Provide GIS services and support for all WRD staff for spatial data analysis and reporting.				Promote Organizational Excellence
	Measure: IT Service Management ticket closure rate	100%	100%	100%	
2	**Goal:** Provide support for publicly available GIS tools such as the WRD GIS Hub				Promote Organizational Excellence
	Measure: Maintain publicly accessible GIS websites and applications	2	2	2	
3	**Goal:** Maintain and review of existing datasets and quality assurance measures to ensure continued data integrity, including documentation and data dictionaries.				Promote Organizational Excellence
	Measure: Annual review and update of GIS data catalog	Complete	Complete	Complete	
4	**Goal:** Continue developing new Story Maps, GIS applications, and adding new features to improve existing applications				Promote Organizational Excellence
	Measure: Produce or release new versions of map applications	3	2	2	

Program 010 - Geographic Information System (GIS)

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
5	**Goal:** Continue working with Operations staff on CMMS usage for operating facilities. **Measure:**				Promote Organizational Excellence
	GIS CMMS work order closure rate	100%	100%	100%	
6	**Goal:** Complete migration of the Well Search Tool to a new technology platform **Measure:**				Promote Organizational Excellence
	Deploy application in production and decommission old application	n/a	n/a	Complete	
7	**Goal:** Complete development of GIS Toolboxes to automate data reporting for the annual Regional Groundwater Monitoring Report **Measure:**				Promote Organizational Excellence
	Complete new GIS Toolboxes and decommission old processes	n/a	n/a	Complete	
8	**Goal:** Deploy ArcGIS Monitor to enhance visibility into system performance and improve the reliability of WRD's ArcGIS Enterprise environment **Measure:**				Promote Organizational Excellence
	Deploy ArcGIS Monitor in production	n/a	n/a	Complete	

PROGRAM 011 - REGIONAL GROUNDWATER MONITORING

BACKGROUND

The Regional Groundwater Monitoring Program continues to be very successful and currently consists of a network of 373 WRD and the United States Geological Survey (USGS)-installed monitoring wells at nearly 67 locations throughout the District. Monitoring well data is supplemented with information from production wells to capture the most accurate information available. WRD staff, comprised of hydrogeologists and engineers, provides the in-house capability to collect, analyze and report groundwater data. This information is stored in the District's Geographic Information System (GIS) and provides the basis to better understand the characteristics of the Central and West Coast Basins (CBWCB).

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

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

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

FY 2026 ACCOMPLISHMENTS

- Completed fall groundwater quality sampling at WRD monitoring wells including analysis of over 100 chemical constituents and contaminants. In Spring 2026, WRD staff installed dedicated sampling pumps to implement a more modern low-flow sampling method, which will result in long-term cost savings to the District. In March 2021, WRD also documented the results of a two-year sampling effort to evaluate the presence of per- and polyfluoroalkyl substances (PFAS).
- Collected quarterly groundwater levels at WRD monitoring wells and compiled daily datalogger data to prepare historical water level hydrographs.
- Published the annual Regional Groundwater Monitoring Report summarizing groundwater data from monitoring wells and production wells in the CBWCB for Water Year 2024/25.

- Continued to collect and report CBWCB groundwater level data to the CASGEM program.
- Performed extensive data logger testing, maintenance and repairs.

FY 2027 OBJECTIVES

- Collect spring and fall groundwater quality samples at WRD monitoring wells. Analyze samples for over 100 chemical constituents and contaminants.
- Collect quarterly groundwater levels at WRD monitoring wells and compile daily data logger data and prepare historical water level hydrographs.
- Identify emerging contaminants of concern to the water supply community and groundwater basin managers to assess the need for a basin-wide screening to determine whether long-term monitoring is warranted in the CBWCB.
- Continue to report Regional Groundwater Monitoring Program data in accordance with the State-mandated Salt and Nutrient Management Plan.
- Continue to collect and report CBWCB groundwater level data to the CASGEM program.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

Overall, the increase is primarily due to the reallocation of staff time in-lieu of consulting support.

Table 38
Program 011 - Regional Groundwater Monitoring

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 715,000	$ 648,000	$ (67,000)
R&M / Materials / Equipment	113,900	119,400	5,500
Other Expenses	130,550	147,500	16,950
Other General & Administration	517,947	663,556	145,609
TOTAL	**$ 1,477,396**	**$ 1,578,456**	**$ 101,060**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 011 - Regional Groundwater Monitoring

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Collect semiannual groundwater quality samples and quarterly water levels at monitoring wells installed by WRD. Place results on Interactive Well Search Tool maintained by WRD. Report results to NGWMN and CASGEM.				Maximize Environmental Resiliency and Innovation
	Measure: Compile results and release annual report by April.	1	1	1	
2	**Goal:** Integrate Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program.				Maximize Environmental Resiliency and Innovation
	Measure: % of completion for the integration of Regional Groundwater Monitoring Program data into a salt and nutrient groundwater monitoring program.	100%	100%	100%	



WRD HYDROGEOLOGY STAFF

PROGRAM 025 - HYDROGEOLOGY PROGRAM

BACKGROUND

This recurring program accounts for hydrogeologic analysis of the Central, West Coast, and surrounding groundwater basins. These scientific efforts are necessary for specific issues, projects, programs and basin management issues that face the District. The program includes evaluation of replenishment needs and forecasting at the spreading grounds and barrier wells, computer modeling, 3D aquifer imaging, and assessing the overall health of the basins by analyzing water levels and water quality data, including salt and nutrient loading.

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

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

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

Special projects arise occasionally under this program such as well profiling of production wells to define areas of poor water quality entering the well with an emphasis on gathering more data related per- and polyfluoroalkyl substances (PFAS). Other special projects include preparation of the Cost of Service Report, saline plume evaluation and modeling, analysis of optimum and minimum groundwater quantities, groundwater tracer investigations, and agency required data assessment for the existing basin wide Salt Nutrient Management Plan (SNMP).

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

FY 2026 ACCOMPLISHMENTS

- Preparation of the 2026 Engineering Survey and Report leading to the adoption of the 2026/2027 Replenishment Assessment.
- Preparation of the 2026 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 2026/2027 Replenishment Assessment.
- Conducted annual adjudicated basin reporting as required under the Sustainable Groundwater Management Act (SGMA).
- Presented at conferences or professional organizations:
  - » "Interactive Toolbox for Streamlining Pneumatic Slug Test Data Analysis" at the Groundwater Resources Association, Western Groundwater Congress conference on October 8, 2025. Two other presentations highlighted work being conducted for WRD.
  - » "WRD's Recharge Success: Developing a Biogeochemical Roadmap for IPR" at the Annual California WateReuse conference on September 21, 2025.
  - » "Data Assessment for the basin's Salt Nutrient Management Plan" at the MWD Caucus meeting hosted by West Basin Municipal Water District on September 3, 2025.
  - » Participated in a panel discussing geology / hydrogeology careers to students attending California State University, Long Beach on February 19, 2026.
  - » "State of the Basin" presentation to the Groundwater Resources Association of California on May 19, 2026.
  - » "Optimizing MAR Investments in Complex Environments" and "Tracer Studies in Practice: Technical and Regulatory Strategies for Indirect Potable Reuse" at the 2026 Biennial Symposium on Managed Aquifer Recharge (BSMAR19).
- Finalized a cost sharing agreement with multiple stakeholders to jointly fund a data assessment for the basin's SNMP. Staff also hired a consultant to conduct the work with an anticipated commencement date of July 2026.
- Update our contract with the USGS. The new five year contract will focus on updating and extending our existing groundwater model through 2027.
- Continue to provide modeling support to Water Resource Department.

FY 2027 OBJECTIVES

- Completion of Engineering Survey and Report.
- Completion of Cost of Service Report.
- Prepare data assessment for the SNMP.
- Present technical materials and papers at groundwater conferences and various organizations related to the District.
- Complete annual adjudicated basin reporting as required under SGMA.
- Assist groundwater purveyors on data needs for new production wells.
- Commence groundwater modeling update with the USGS.
- Continue to provide modeling support to Water Resource Department.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The variance is mainly due to the groundwater modeling work with the USGS and delayed groundwater augmentation modeling work with LBUD.

Table 39
Program 025 - Hydrogeology Program

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 383,613	$ 477,500	$ 93,888
R&M / Materials / Equipment	18,200	18,900	700
Other Expenses	7,314	65,000	57,686
Other General & Administration	385,993	544,642	158,649
TOTAL	**$ 795,119**	**$ 1,106,042**	**$ 310,923**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program 025 - Hydrogeology Program

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Prepare ESR leading to the adoption of the RA. **Measure:** Prepared ESR which led to the adoption of the RA.	1	1	1	Maximize Environmental Resiliency and Innovation
2	**Goal:** Prepare annual Cost of Service report including an in-depth analysis of the geology of the WRD service area. **Measure:** Prepared annual Cost of Service report which included an in-depth analysis of the WRD service area geology.	1	1	1	Maximize Environmental Resiliency and Innovation
3	**Goal:** Provide modeling support for master planning projects including Long Beach Augmentation Project and Torrance Goldsworthy Desalter Expansion. **Measure:** Participate in at least six stakeholder meetings each Fiscal Year.	12	12	6	Expand Sustainable Replenishment Opportunities Sustain Extraction Capacity

PROGRAM EAC – WATER CONSERVATION

BACKGROUND

WATER CONSERVATION OUTREACH AND EDUCATION EFFORTS

WRD's water conservation outreach activities continue to provide effective, practical strategies for engaging residents, groundwater pumpers, and cities in ongoing water-saving practices throughout the service area. The public remains committed to conservation and recognizes the importance of preparing for future drought conditions.

Through consistent outreach and education, WRD continues to promote water conservation as a lasting community practice while highlighting the agency's innovative drought-planning and water supply reliability efforts.

In FY2026, the External Affairs Department participated in numerous community events, conferences, workshops, and other outreach activities to highlight WRD's programs, projects, and role in protecting the region's groundwater resources.

A key public engagement initiative, the Eco-Gardener Program, continued to provide residents with practical tools for creating water-efficient landscapes. WRD hosted 30 in-person workshops, promoted through social media, direct email, newspaper advertisements, and the WRD newsletter. These efforts attracted participants while increasing public awareness of WRD's role and impact throughout the region.

The annual Water Awareness Calendar featured artwork from 23 local student artists who creatively promoted water literacy and conservation. Continued use of a digital submission process supported strong participation in the Student Art Contest. Outreach reached schools across more than two dozen school districts, generating 1,500 submissions from 125 schools. WRD also developed in-class lessons to deepen students' understanding of groundwater and conservation themes. Winning students were celebrated through in-person school visits and recognition at the Groundwater Festival.

WRD also continued the Teacher Mini-Grant Program, which recognizes educators with the highest levels of participation in the Student Art Contest. A total of 41 teachers received mini-grants to support water education activities in their classrooms.

Additionally, the External Affairs Department developed and updated outreach materials supporting WRD's programs and initiatives, helping ensure that stakeholders and the public remain informed and engaged.

FY 2026 ACCOMPLISHMENTS

- Hosted 30 Eco-Gardener classes and re-established in-person classes.
- Distributed 5,000 Water Awareness Calendars to stakeholders and constituents.
- Led numerous water stakeholder tours of the Albert Robles Center.
- Sponsored activities throughout the district allowing WRD to communicate with diverse residents and stakeholders.
- Engaged 125 schools and 1,500 students through the calendar contest.

FY 2027 OBJECTIVES

- Develop new content for Eco-Gardener Classes and increase the number of classes hosted throughout the service area.
- Maintain participation in industry conferences to increase WRD's visibility amongst stakeholders and the water industry.
- Expand outreach for the Student Water Awareness Calendar Contest to ensure equitable outreach to schools in our vast service area.
- Continue multi-modal advertising program to ensure that the general public has various access points to information on WRD's projects and programs.
- Continue WRD's regional outreach program to engage and communicate with the diverse communities throughout its service area.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The budget increase reflects a reallocation of funds from the External Affairs Education budget.

Table 40
Program EAC Water Conservation

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 75,000	$ 76,500	$ 1,500
R&M/Materials/Equipment	-	-	-
Other Expenses	374,000	476,500	102,500
Other General & Administration	292,252	272,306	(19,946)
TOTAL	**$ 741,252**	**$ 825,306**	**$ 84,054**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program EAC - Water Conservation

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Conservation Partnerships with stakeholders including groundwater pumpers.				Promote Organizational Excellence
	Measure: Participation in commercial, institutional, residential and educational partnerships with stakeholders through the service area.	50	50	50	
2	**Goal:** Broaden Eco-Gardener education opportunities for the public.				Maximize Environmental Resiliency and Innovation
	Measures:				
	Number of Eco Gardening classes hosted	33	30	30	
	Identify and coordinate with new host venues	10	5	5	
	Develop new classes for participants to attend	3	2	2	
	Use of social media for Eco-Gardening Education	40	30	30	

Program EAC - Water Conservation

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
3	**Goal:** Increase participation at community events promoting WRD projects and programs				Maintain Stakeholder and Community Engagement
	Measures:				
	Number of Schools Participating in Student Art Calendar Contest	99	125	100	
	Number of Art Lessons Delivered for Student Art Calendar Contest	0	41	30	
	Number of industry conferences the district participates in (budgeted in EAC)	13	12	12	

PROGRAM EAE – WATER EDUCATION & OUTREACH

BACKGROUND

WRD's Water Education and Outreach efforts support the District's commitment to providing timely, accurate, and accessible information to a diverse range of stakeholders, including groundwater purveyors, elected officials and policymakers, federal and state regulatory agencies, members of the public, students and youth, water industry professionals, and media representatives.

Outreach activities are designed to increase the awareness and understanding of critical water issues, including groundwater management, recycled water, water conservation, and sustainable water practices. WRD utilizes a variety of engagement strategies, including facility tours, participation in community events and public forums, development of print and digital educational materials, school-based programs, industry conferences, and signature public events such as the annual WRD Groundwater Festival.

Collectively, these efforts strengthen stakeholder relationships, support informed dialogue on key water policies and programs, and advance public understanding of WRD's role in the sustainable management and long-term reliability of the region's groundwater resources.

ROLE OF THE EXTERNAL AFFAIRS DEPARTMENT

The External Affairs Department leads WRD's education and outreach programs, with a particular focus on the Water Independence Now (WIN) Program and the WIN 4 ALL initiative. These programs reflect the District's commitment to advancing sustainable, locally sourced water supplies for groundwater replenishment and strengthening long-term water reliability throughout the region.

As part of its comprehensive outreach strategy, the department participates in conferences, conventions, and industry events that provide opportunities to engage with water industry professionals, policymakers, and elected officials. Through these platforms, WRD has reached thousands of stakeholders and expanded awareness of the District's programs, projects, and regional impact.

In addition to its education and outreach responsibilities, the External Affairs Department plays a key role in advancing WRD's legislative priorities. During the fiscal year, the District engaged with members of Congress, state legislators, and their staff to advocate for increased funding opportunities and policies that support WRD's programs, projects, and long-term objectives.

These efforts strengthen WRD's relationships with federal and state policymakers, increase awareness of the region's water needs, and support the District's ongoing commitment to regional water sustainability, reliability, and long-term water independence.

FY 2026 ACCOMPLISHMENTS

- Strategically placed informational newspaper advertisements throughout the service area to increase public awareness of WRD projects, programs, and initiatives.
- Executed the Inaugural Water Leaders Academy Program.
- Hosted two Water Career Exploration Workshops for college students.

- Raised awareness of WRD's Torrance Groundwater Desalter Expansion Project with a ceremonial groundbreaking event.
- Increased WRD's social media reach through growth in followers, engagement, and published content.
- Successfully implemented the second annual Groundwater Academy for Elected Officials.
- Expanded public tours of the Albert Robles Center for Water Recycling and Environmental Learning and increased educational field trip opportunities.
- Delivered educational presentations throughout the service area, including participation in career days at local schools.
- Developed outreach and educational collateral to support new and ongoing WRD projects and programs.
- Sponsored and coordinated speaking opportunities at key water industry conferences.
- Delivered presentations at industry conferences, workshops, and professional forums.
- Hosted a successful Groundwater Festival attended by thousands of community members.
- Engaged with state and federal legislators to advocate for policies and funding that support WRD projects and increased investment in regional water infrastructure.
- Coordinated legislative advocacy trips to Sacramento and Washington D.C. to meet with policymakers and advocate for increased funding for climate-resilient water recycling and remediation projects.
- Published two printed newsletters distributed to nearly 200,000 households throughout the service area.
- Published four e-newsletters featuring updates on WRD projects, programs, and initiatives.
- Hosted a Groundwater Quality Bus Tour to increase awareness of WRD's Safe Drinking Water Programs amongst legislative staff
- Coordinated in-district meetings with state and federal legislators to advance WRD projects, programs, and legislative priorities.
- Provided weekly, monthly, and annual legislative updates to the Board of Directors.

FY 2027 OBJECTIVES

- Commemorate the completion of the LVL Inland Injection Well Project with a ribbon-cutting ceremony.
- Increase school participation in field trips to the Albert Robles Center for Water Recycling and Environmental Learning and expand partnerships with STEM- and STEAM-focused schools.
- Expand workforce development opportunities and increase awareness of water industry careers among high school and community college students.
- Host the annual WRD Groundwater Festival to provide interactive water education and community engagement opportunities.
- Partner with regional water agencies and educational organizations to develop and expand collaborative water education programs.
- Broaden outreach to key stakeholder groups throughout WRD's service area.
- Continue hosting Careers in the Water Industry Skills Workshops in partnership with water agencies, educational institutions, and other organizations.
- Complete website and collateral upgrades to streamline access to information and increase transparency
- Continue representing WRD on water association legislative and water policy committees.
- Increase e-newsletter subscriptions and expand digital distribution throughout WRD's service area.

- Coordinate the District's state and federal legislative advocacy trips to engage policymakers and advocate for increased funding for climate-resilient water recycling, treatment, and water infrastructure projects.
- Publish two printed newsletters and quarterly electronic newsletters featuring updates on WRD projects, programs, and initiatives.
- Coordinate in-district meetings with state and federal legislators to advance WRD projects, programs, funding priorities, and legislative objectives.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The EAE budget reflects funds reallocated to the External Affairs Conservation budget.

Table 41
Program EAE Water Education & Outreach

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 151,000	$ 150,000	$ (1,000)
R&M/Materials/Equipment	50,000	51,000	1,000
Other Expenses	620,888	574,500	(46,388)
Other General & Administration	342,872	299,159	(43,713)
TOTAL	**$ 1,164,760**	**$ 1,074,659**	**$ (90,101)**



WATER CAREERS WORKSHOP

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Program EAE - Water Education & Outreach

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Host annual groundwater festival as an on-going groundwater awareness effort				Maintain Stakeholder and Community Engagement
	Measure: Number of Groundwater Festivals hosted	1	1	1	
2	**Goal:** Social Media Outreach Efforts				Maintain Stakeholder and Community Engagement and Outreach
	Measures: Number of social media platforms	5	5	5	
	Net Audience Growth (New Followers)	531 gained	1,805 gained	2,000	Continue to grow our online following to engagment with community digitially.
	Number of social media posts	328 published	450 published	480	Maintain high quality content that engages with audience across all platforms.
3	**Goal:** Lead outreach on upcoming WRD projects and programs				Expand Replenishment Opportunities
	Measures: Release WRD E-Newsletter	7	4	4	
	Release WRD Printed Newsletter	2	2	2	
4	**Goal:** Lead outreach on WRD projects and programs				Expand Replenishment Opportunities
	Measures: Number of times WRD projects were marketed at public events	100	100	100	

Program EAE - Water Education & Outreach

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
5	**Goal:** Expand WRD Groundwater Education programs highlighting WIN and WIN4ALL				Maintain Stakeholder and Community Engagement and Outreach
	Measures:				
	Number of presentations at conferences	21	15	15	
	Multimedia presentations created	20	40	30	
	Number of students enrolled in HS summer internship program	N/A	19	20	
	Participate in industry conferences (budgeted in EAE)	6	10	10	
6	**Goal:** Increase participation at community events promoting WRD projects and programs				Maintain Stakeholder and Community Engagement
	Measures:				
	Number of field trips of WRD facilities	90	84	90	
	Number of tours led at WRD facilities	25	35	30	
7	**Goal:** Advocate for effective groundwater policy				Expand Replenishment Opportunities
	Measures:				
	Number of State Government Advocacy Meetings	42	35	30	
	Number of Federal Government Advocacy Meetings	7	15	12	
	Number of Legislative Staff Educational Briefings	N/A	3	3	

DATA AND TECHNOLOGY SERVICES (DTS)

BACKGROUND

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

DTS is home to a diverse set of responsibilities and products that include traditional information technology (IT) infrastructure and extend into operational technology (OT), data management, and web application development, making it central to both day-to-day functions and long-term strategy. Through the incorporation of specialized functions like geographic information systems (GIS) and asset management, DTS ensures comprehensive seamless operation and future-proofing, harnessing the power of the District's data to drive innovation and strategic decision-making. The department plays a critical role in the District's mission, aligning its core functions with a commitment to modernizing administrative processes and enhancing service delivery through technological solutions.

Core Functions:

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

FY 2026 ACCOMPLISHMENTS

- Ensured appropriate information technology and architecture support to all WRD administrative office and off-site facilities.
- Continued monitoring Cybersecurity defenses and resources, including Managed Detection and Response (MDR).
- Ensured secure access to data systems for staff and facility operators.
- Enabled the District to provide transparent data to the public and the District's pumpers and partners.
- Completed a full simulation of WRD's IT Disaster Recovery (DR) Plan, validating recovery procedures and backup/failover/restoration workflows; captured minor improvements for future readiness.

- Deployed a new internal tool for reviewing/auditing with cross-department user acceptance testing and structured cutover.
- Launched an upgrade to the district's Hydrographs website.
- Implemented software and guidelines for responsible artificial intelligence usage at the District.

FY 2027 OBJECTIVES

- Provide IT services and support at all WRD facilities, including water treatment facilities.
- Provide support for publicly available digital tools such as WRD websites.
- Review and assess WRD's use of enterprise systems to effectively meet its mission.
- Collect, maintain, and govern critical business data such as monthly groundwater production.
- Maintain and enhance cybersecurity and disaster recovery preparedness for District information systems.
- Conduct a DR exercise and close corrective actions.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The basis for changes is due to four key needs:

1. Technological Upgrades: As we review and assess the technological needs of the District, we anticipate that the current infrastructure will require upgrades, such as the replacement of server and network infrastructure. These enhancements are necessary to ensure that our systems can handle increased data loads and provide the robust performance needed for our operations. Some projects originally planned for FY 2026 were postponed to FY2027, leading to a reduction in the FY 2026 projection.
2. Cybersecurity and Disaster Recovery: Building capacity for cybersecurity and disaster recovery is essential. The increasing threat landscape necessitates advanced security measures to protect sensitive information.
3. Software Licensing: The District seeks efficiencies through the implementation of software to assist staff in their duties, and a portion of the changes are due to new licensing needs. Staff are exploring new enterprise systems that will help with data security and coverage.
4. Third-party consulting: To further strengthen our cybersecurity posture and optimize our data environments, we will be seeking assistance from experienced consultants. Their expertise will support a comprehensive assessment of our current systems, identify potential vulnerabilities, and recommend best practices for improvement. By engaging external professionals, we aim to ensure our information assets are protected and our data management processes align with industry standards. Some projects originally planned for FY 2026 were postponed to FY2027, leading to a reduction in the FY 2026 projection.

Table 42
Data and Technology Services

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 50,000	$ 300,000	$ 250,000
R&M / Materials / Equipment	30,000	80,000	50,000
Other Expenses	419,445	533,940	114,495
Other General & Administration	909,862	887,046	(22,816)
TOTAL	**$ 1,409,307**	**$ 1,800,986**	**$ 391,679**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Data and Technology Services

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Provide IT services and support at all WRD facilities, including water treatment facilities				Promote Organization Excellence
	Measure: IT Service Management ticket closure rate	100%	100%	100%	
2	**Goal:** Provide support for publicly available digital tools such as WRD websites				Promote Organization Excellence
	Measure: Maintain publicly accessible websites and applications	5 public websites	5 public websites	5 public websites	

Data and Technology Services

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
3	**Goal:** Review and assess WRD's use of enterprise systems to effectively meet its mission				Promote Organization Excellence
	Measure: Publish SB 272 Enterprise Systems Catalog annually	Complete	Complete	Complete	
4	**Goal:** Collect, maintain, and govern critical business data such as monthly groundwater production				Promote Organization Excellence
	Measure: Collect and report groundwater data monthly	12 months	12 months	12 months	
5	**Goal:** Maintain and enhance cybersecurity and disaster recovery preparedness for District information systems				Promote Organization Excellence
	Measure: Log material cybersecurity events	0	0	As needed	
6	**Goal:** Conduct a DR exercise and close corrective actions				Promote Organization Excellence
	Measure: Complete Disaster Recovery exercises	n/a	1	1	



WRD BOARD OF DIRECTORS

GENERAL ADMINISTRATION

BOARD OF DIRECTORS

BACKGROUND

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

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

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

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

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

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

The Secretary of the Board records and certifies the minutes of all Board meetings and is responsible for the maintenance of District records. In the absence of the Secretary, the Vice President may sign in his/her place when necessary.

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

FY 2026 ACCOMPLISHMENTS

See Board President's Report.

FY 2027 OBJECTIVES

See Board President's Report.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The variance is primarily attributed to a decrease in budgeted professional service fees for FY 2027. The savings are partially offset by increases in Other General & Administration and Other expenses to support ongoing Board operations and administrative needs.

Table 43
Board of Directors

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 190,000	$ -	$ (190,000)
R&M / Materials / Equipment	-	-	-
Other Expenses	97,183	135,060	37,877
Other General & Administration	361,518	441,971	80,453
TOTAL	**$ 648,701**	**$ 577,031**	**$ (71,670)**

ADMINISTRATION

BACKGROUND

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

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

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

FY 2026 ACCOMPLISHMENTS

- Implemented the FY2024-FY2026 WRD's Two Year Strategic Plan.
- Continued execution of the District's Human Resources Organization Development and Engagement Initiative which includes training and employee leadership development.
- Continued implementation of NEOGOV Human Resources Information System for Applicant Tracking.
- Implementation of Workforce Development initiatives by increasing engagement with local high school students and college interns.
- Provided outstanding customer service to District's Board of Directors, management, staff, and the public through increased communications and responsiveness.

FY 2027 OBJECTIVES

- Continue implementation of the District's Human Resources Organization Development and Engagement Initiative.
- Implementation of talent management initiatives to increase employee retention.
- Continued implementation of Workforce Development initiatives by increasing engagement with local high school students and college interns.
- Implementation of NEOGOV Human Resources Information System for Onboarding and Workflow Processes.

BASIS FOR CHANGES FROM FY 2026 PROJECTION TO FY 2027 BUDGET

The anticipated reduction from FY 2026 to FY 2027 is due to the reallocation of funds to other cost centers.

Table 44
Administration

Expense Category	FY 2026 Projection	FY 2027 Budget	FY 2027 Budget compared to FY 2026 Projection
Professional Services	$ 711,000	$ 812,500	$ 101,500
R&M / Materials / Equipment	33,000	23,500	(9,500)
Other Expenses	895,667	753,264	(142,403)
Other General & Administration	3,489,967	3,367,051	(122,916)
TOTAL	**$ 5,129,634**	**$ 4,956,315**	**$ (173,319)**

PERFORMANCE MEASURES

Performance measures for the past two fiscal years in addition to goals for FY 2027 are presented below.

Human Resources & Administration

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
1	**Goal:** Promote a safe, healthy and supportive work environment for all employees.				Promote Organizational Excellence
	Measure:				
	a. Implementation of Safety Program for all WRD facilities.	50%	50%	100%	
	b. Implementation of the District's Workplace Violence Prevention Plan	40%	100%	100%	
2	**Goal:** Advance organizational policies, processes, and practices that promote a culture of empowerment, trust, and accountability by providing employees opportunities for input, conducting an equity study, and demonstrating transparency by sharing study results.				Promote Organizational Excellence
	Measure:				
	a. Revisions to the Employee Handbook.	50%	90%	100%	
	b. Continue work of the Organization Development and Engagement Committee in identification and review of equity in WRD's practices, policies, and processes	50%	100%	100%	
	c. Completion of Workplace Focus Groups.	NA	100%	100%	

Human Resources & Administration

		FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
3	**Goal:** Develop organization development and engagement initiatives that foster increased employee engagement, training, and development by providing engagement and leadership workshops and activities, establishing new program initiatives, increasing employee recognition, conducting employee engagement surveys, and annual reporting.				Promote Organizational Excellence
	Measure:				
	a. Completion of Leadership trainings.	100%	100%	100%	
	b. Completion of ODE initiatives.	100%	100%	100%	
4	**Goal:** Continued compliance with current local, state and federal laws governing the regulations of water and special districts, as applicable.				Promote Organizational Excellence
	Measure:				
	a. Ensure Board actions, documents, resolutions and ordinances are appropriately recorded for future reference.	100%	100%	100%	
	b. Ensure compliance with new state and federal laws.	100%	100%	100%	
5	**Goal:** Development and implementation of the District's Two-Year Strategic Plan.				Promote Organizational Excellence
	Measure:				
	a. Implementation of District's Two-Year Strategic Plan	100%	100%	100%	



WORKFORCE DEVELOPMENT PROGRAM: WATER LEADERS ACADEMY PARTICIPANTS

FINANCE DEPARTMENT

FY 2026 ACCOMPLISHMENTS

- Collaborated effectively with project managers to develop the Fiscal Year 2027 budget and Replenishment Assessment, which received Board approval.
- Successfully completed the Fiscal Year 2025 financial audit and obtained an unmodified or "clean" audit opinion.
- Prepared and presented the Fiscal Year 2025 Annual Comprehensive Financial Report.
- Earned the Distinguished Budget Presentation Award for FY 2026 and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for FY 2025.
- Collaborated with project managers and the District's executive managers to obtain Board approval for issuing the Replenishment Assessment Revenue Refunding Bonds, Series 2025, replacing the Series 2015 Revenue Bonds, resulting in a total net present value savings of $9.4 million.

FY 2027 OBJECTIVES

- Collaborate with project managers to develop the Fiscal Year 2028 budget and Replenishment Assessment, ensuring it receives Board approval.
- Complete the Fiscal Year 2026 financial audit and aim to receive an unmodified or "clean" audit opinion.
- Prepare and present the Fiscal Year 2026 Annual Comprehensive Financial Report.
- Achieve the Distinguished Budget Presentation Award for FY 2027 and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for FY 2026.
- Replenishment Assessment Revenue Bonds will be issued to finance the Capital Improvement Program, including the Torrance Desalter Expansion and LVL AWTF Microfiltration (MF) and Chemical System Upgrades. The bond issuance is anticipated to be completed in early July 2026.

Finance Department

	FY 2025 Actual	FY 2026 Actual	FY 2027 Budget	District's Strategic Goal
Goal: Continued compliance with the California Water Code on financial reporting and budget adoption				Maximize Environmental Resiliency and Innovation
Measure: a. Complete audit financial statement no later than 180 days from the conclusion of the District's fiscal year on June 30th	100%	100%	100%	
b. Adopt Replenishment Assessment and ensuing year budget no later than the second Tuesday in May	100%	100%	100%	

CAPITAL IMPROVEMENT PROGRAM

EXECUTIVE SUMMARY

The Water Replenishment District (WRD) is dedicated to ensuring the sustainability and enhancement of the region's groundwater supply. WRD's Capital Improvement Program (CIP) for the fiscal year (FY) 2027 is designed to support the District's strategic goals:

1. Expand sustainable replenishment opportunities
2. Sustain extraction capacity
3. Maximize environmental resiliency and innovation
4. Promote organizational excellence
5. Maintain stakeholder and community engagement.

SPECIAL INITIATIVES:

To support these strategic goals, WRD's Capital Improvement Program focuses on three special initiatives to help safeguard water resources, invest in future ready infrastructure, and ensure the delivery of clean and safe water. WRD's CIP projects can be categorized under three initiatives:

- Infrastructure improvements: This initiative focuses mainly on rehabilitation and replacement of existing infrastructure but may also include improvements such as construction of a new operations warehouse.
- Regional Water Independence Program (WIN4ALL): WIN4ALL focuses on optimizing the use of groundwater basins with regional partners and minimizing the need for imported water.
- Groundwater Quality Protection and Remediation (GW Quality): This initiative focuses on ensuring that groundwater remains clean and safe for local use.

PROGRAMS

WRD organizes the CIP portfolio into facility-specific programs. For example, all CIP projects at the WRD headquarters building in Lakewood are managed in the *32 – Headquarters Building* program.

PROJECT IDENTIFICATION AND PRIORITIZATION:

Capital projects are identified in various ways, including technical planning studies, asset condition assessments, operational issues, and organizational needs. The identified projects are then prioritized based on factors such as immediate operational needs, potential risks, strategic goals, special initiatives, and financial impact. Recurring budgets are also established to fund minor equipment replacements that are critical for continued facility operation.

BUDGET OVERVIEW:

WRD's CIP showcases an extensive list of projects aimed at enhancing groundwater management and infrastructure. For FY 2027, the forecasted expenditure stands at $83,374,519. When looking at a broader horizon spanning five years, the total projected expenditure approaches $207,069,818. These numbers reflect WRD's commitment to long-term planning and investment in safeguarding the region's water resources.

PARTNERSHIPS & FUNDING:

WRD has secured substantial funding through state and federal grants, coupled with strategic partnerships. Notably, the United

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

RISK MANAGEMENT:

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

PERFORMANCE METRICS:

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

CONCLUSION:

WRD's Capital Improvement Program for FY 2027 showcases the District's unwavering dedication to sustainable groundwater management, infrastructure development, and community engagement. By leveraging strategic partnerships, prioritizing projects that reflect WRD's mission, and securing diversified funding sources, WRD is poised to meet the challenges ahead and ensure a resilient water future for the region.

INTRODUCTION

WRD was formed by a vote of the people in 1959 for the purpose of protecting the groundwater resources of the Central and West Coast Groundwater Basins. Prior to the formation of the District in 1959, unregulated and unmanaged over-pumping caused severe overdraft and many water wells to go dry. Along the coastline, groundwater levels dropped below sea level, allowing the salty ocean water to seep into and contaminate the freshwater aquifers.

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

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

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

As WRD moves forward, its capital plan is focused on continuously enhancing these facilities, embracing innovative technologies, and expanding infrastructure to meet the ever-evolving needs of local communities.

METHODOLOGY

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

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

2. Sustain Extraction Capacity
WRD prioritizes projects that sustain groundwater extraction capacity. This involves a systematic evaluation of potential sites for groundwater extraction and remediation. Additionally, WRD works on designing incentive programs to encourage groundwater pumpers to increase their extraction capacities, ensuring optimal utilization of our groundwater resources.

3. Maximize Environmental Resiliency and Innovation
Innovations in technology and practices are at the forefront of project assessment criteria. WRD prioritizes projects that incorporate cutting-edge technologies, offering increased efficiency in treatment and recharge operations. Moreover, adaptability is a key metric; projects that can be easily adjusted to changing environmental or technological landscapes receive higher priority.

4. Promote Organizational Excellence
Projects should not only achieve technical and environmental objectives but also contribute to the organization's overall excellence. WRD evaluates projects based on their potential to enhance internal operations, foster public engagement, and ensure regulatory compliance. Financial feasibility is also a critical factor; projects are assessed for accurate budget projections and the potential to secure external funding sources.

5. Maintain Stakeholder and Community Engagement
Projects that support continued stakeholder and community engagement are also prioritized. Maintaining infrastructure that facilitates learning and outreach with pumpers, the future water workforce, regulators, and legislators supports WRD's mission and its role in the community.

WRD's project prioritization methodology is a blend of technical, environmental, organizational, and financial considerations. Each project is assessed against strategic goals, ensuring that every initiative undertaken by WRD is a step forward in fulfilling its mission for the community.

SPECIAL INITIATIVES:

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

- **Infrastructure Improvements:** WRD places significant importance on upgrading its facilities to meet the growing demands for groundwater management. Key among these is the improvement of its two recycled water plants, which both play key roles in leveraging recycled water for protection and recharge of the groundwater basin. Additionally, the Goldsworthy Desalter continues to be instrumental in remediating the saline plume trapped in the West Coast Basin, while ensuring potable water supply to the City of Torrance. Through strategic infrastructure investments in these facilities, WRD underscores its unwavering commitment to safeguarding regional water resources.
- **Regional Water Independence Program (WIN4ALL):** Building on the foundational success of WRD's Water Independence Now (WIN) Program, the WIN4ALL initiative aims to optimize the use of groundwater aquifers, transforming them into reliable and locally

sustainable water sources for the expansive Los Angeles Basin Region. The mission of WIN4ALL, underscores the District's commitment to harnessing local recycled water and captured stormwater, further solidifying WRD's dedication to sustainably managing the vital groundwater supplies of Southern Los Angeles County.

- **Groundwater Quality Protection and Remediation:** WRD has taken measures to safeguard and revitalize the groundwater basins of southern Los Angeles County through its dedicated Groundwater Quality Protection and Remediation initiative. WRD is not only ensuring the delivery of safe and clean water but is also fortifying the region's resilience against future water quality challenges.

CAPITAL PROGRAM

Definition

WRD defines capital assets as tangible or intangible items of significant value that provide utility beyond the current fiscal year. These assets include land, structures, improvements, equipment, and intangibles, and are governed by Governmental Accounting Standards Board (GASB) Statement No. 34. Capital projects are those that result in the acquisition, construction, or significant improvement of these long-term assets.

To qualify for capitalization, an item must meet two criteria: (a) minimum unit cost of $10,000 and (b) useful life exceeding 1 year. This threshold applies to both individual items and grouped purchases that collectively meet the cost requirement. For example, multiple valves purchased together for a total of $10,000 or more would be capitalized as a single asset group. WRD capitalizes a wide range of items, including:

- New acquisitions that meet the threshold and life criteria
- Accessory equipment if part of the original purchase
- Fabricated equipment, provided the total component cost meets the threshold
- Improvements or upgrades that extend the asset's life or capabilities
- Leased equipment under certain circumstances.

Unless they meet the capitalization criteria, routine repairs and maintenance are expensed. All capitalized assets are tracked under designated general ledger accounts and depreciated over their useful lives to reflect declining service value.

Programs

WRD structures its CIP using a programmatic coding system that generally categorizes projects by facility. Each program code, such as 001 - Leo J. Vander Lans Advanced Water Treatment Facility, represents a distinct capital program within the broader CIP portfolio. Grouping CIP projects into these programs allows WRD to track expenditures and prioritize investments by facility.

Each program typically includes a mix of recurring and nonrecurring projects. For example, the 001 – LVL AWTF program can include both (a) an annual, recurring effort to replace process valves and (b) a large, nonrecurring improvement project that would expand the facility's treatment capacity.

Within these program codes, projects are proposed, scoped, budgeted, and then evaluated for inclusion in the annual or multi-year CIP based on readiness, funding availability, and strategic alignment. Table 45 below summarizes the seven programs that form WRD's 5-year capital improvement program.

Table 45
CIP Programs

ID	Program	Description
001	**Leo J. Vander Lans Advanced Water Treatment Facility**	This program supports the LVL AWTF, which can produce up to 8 million gallons per day (MGD) of advanced treated recycled water via microfiltration, reverse osmosis, and ultraviolet light with advanced oxidation before delivery to the Alamitos Barrier. An onsite inland injection well is currently being connected to the treatment system as an additional end use for the treated water.
002	**Robert W. Goldsworthy Desalter**	This program supports the Goldsworthy Desalter, which can treat up to 5 MGD of extracted brackish groundwater via reverse osmosis membranes before delivery to City of Torrance as potable water. WRD's largest budget expense is the current expansion of this facility to treat additional brackish groundwater.
023	**Replenishment Operations**	This program supports replenishment issues such as multi-agency coordination of replenishment water availability, spreading grounds operations, scheduling of replenishment deliveries, seawater barrier improvements, upcoming maintenance activities, and facility outages or shutdowns.
032	**Headquarters Building**	This program supports WRD's headquarters building in Lakewood with needed mechanical replacements, office space renovations, and environmental/efficiency improvements.
033	**Albert Robles Center / Whitaker Advanced Water Treatment Facility**	In addition to being a learning center and multi-purpose gathering space, this facility treats up to 14.8 MGD of tertiary treated water annually to near-distilled levels via advanced water treatment for delivery to the Montebello Forebay. This program supports continued operation of both the public spaces and the AWTF.
041	**Warehouse Building**	This program supports construction and future operation of a new warehouse facility near WRD's Lakewood headquarters building. The facility will allow for improved equipment storage and house WRD's fleet vehicles to enhance operational logistics.
049	**Perchlorate Project**	This program supports operation of the perchlorate remediation project in the Los Angeles Forebay. The project includes a groundwater extraction and treatment system to reduce contaminant concentrations within the perchlorate "hot spot" to help prevent any further plume migration.

Projects
As previously mentioned, capital projects are those that result in the acquisition, construction, or significant improvement of long-term assets. Capital project identification and prioritization are foundational components of the CIP, which serves as a strategic roadmap for long-term infrastructure investment.

Identification
The process begins with project identification, typically driven by asset condition evaluations, operational challenges, regulatory requirements, and strategic goals. Projects are proposed by WRD staff and evaluated for alignment with long-term planning goals. Once a project is initiated, it enters the planning phase, where scope, budget, and scheduling are defined. This includes feasibility assessments and coordination with stakeholders to ensure the project meets operational and regulatory standards.

Prioritization
Once potential projects are identified, they undergo a screening process to determine eligibility. This includes verifying alignment with WRD's CIP criteria, such as minimum cost thresholds, useful life expectations, and consistency with broader fiscal and strategic policies. Projects that meet these criteria are then evaluated based on urgency, impact, cost-effectiveness, and strategic alignment.

Urgency considers the criticality of addressing infrastructure deficiencies or compliance needs. Impact evaluates the potential benefits in terms of service reliability and groundwater protection and availability. Cost-effectiveness assesses the return on investment relative to project costs, while strategic alignment ensures that projects support WRD's long-term goals, such as groundwater sustainability, environmental resiliency, and operational excellence.

Stakeholder engagement is also integral to this process. WRD solicits input from community members, regulatory agencies, and technical experts to ensure that project priorities reflect diverse perspectives and regional needs. This collaborative approach enhances transparency and fosters public trust in the CIP process.

The prioritization process comes to a decision-making phase where projects are scheduled based on available funding, resource availability, and operational readiness. WRD uses a mix of funding sources, including state and federal grants, bond proceeds, and replenishment assessments, to support its capital portfolio.

Ultimately, WRD's capital project identification and prioritization framework ensures that limited resources are allocated to the most impactful and strategically aligned initiatives. This disciplined approach enables the District to maintain infrastructure integrity, meet regulatory obligations, and advance its mission of delivering safe, reliable, and sustainable water to the communities it serves.

Table 46 below lists the CIP projects identified for the 5-year period from fiscal years 2027 through 2031, including associated strategic goals, special initiatives, and overall priority.

Table 46
CIP Project List

ID	Program	Strategic Goals*	Initiative	Priority
0010502	**LVL AWTF Small CIP**	2,3,4	Infrastructure Improvements	High
0010600	**LVL Inland Injection General**	1,2	WIN4ALL	Medium
0011300	**LVL Discharge Improvements**	2,3	Infrastructure Improvements	Low
0011400	**MF and Chemical System Upgrades**	2,3	Infrastructure Improvements	Medium
0011600	**LVL Source Water Supply**	1,2	WIN4ALL	Low
0011700	**Durable Goods Purchases**	2	Infrastructure Improvements	High
0011800	**LVL Control Building Upgrades**	1,2,4	Infrastructure Improvements	Low
0020511	**Desalter Expansion & Wells**	2	Infrastructure Improvements	High
0020800	**Brewer Well Connection Project**	1,2	GW Quality	High
0020900	**Goldsworthy Small CIP**	2,3,4	Infrastructure Improvements	High
0021000	**Torrance GW Desalter Exp**	2,3	GW Quality	High
0021001	**Torrance GW Desalter Exp - PM**	2,3	GW Quality	High
0231402	**Montebello Forebay Recharge**	1,2	Infrastructure Improvements	High
0320201	**Office Renovation Project**	3,4	Infrastructure Improvements	Medium
0321505	**WRD HQ HVAC Replacement**	3,4	Infrastructure Improvements	High
0321506	**WRD HQ Solar Car Port**	3	Infrastructure Improvements	Low
0321601	**Hydro Fleet**	3	Infrastructure Improvements	Medium
0321701	**Ops Fleet**	3	Infrastructure Improvements	Medium
0331000	**ARC A&LC Small CIP**	4,5	Infrastructure Improvements	Medium
0331001	**ARC A&LC Office Addition**	4	Infrastructure Improvements	Medium
0331200	**Whitaker AWTF Small CIP**	2,3,4	Infrastructure Improvements	High
0331400	**Turnout Structures**	2	Infrastructure Improvements	Medium
0331700	**Durable Goods Purchases**	2	Infrastructure Improvements	High
0410212	**Field Ops & Storage Annex**	3,4	Infrastructure Improvements	Medium
0411000	**Warehouse Small CIP**	3,4	Infrastructure Improvements	High
0490002	**Perchlorate Remediation**	2,3	GW Quality	High

**WRD Strategic Goals: 1 – Expand Replenishment Opportunities; 2 – Sustain Extraction Capacity, 3 – Maximize Environmental Resiliency, 4 – Promote Organizational Excellence, 5 – Maintain Stakeholder Engagement.*

CURRENT FISCAL YEAR BUDGET: FY 2027

WRD's CIP for FY 2027 includes 26 projects across multiple programs with a total budget of $83,374,519 (Table 47). More details for each project can be found in the individual project sheets included in Appendix A.

Highlights

A major portion of the FY 2027 budget is the *Torrance Groundwater Desalter Expansion (TGDE)* project with an allocation of $69,855,925. The TGDE project will double the capacity of the Goldsworthy Desalter via installation of additional extraction wells and treatment equipment. Together with the associated *TGDE – Program Management* budget this capacity improvement totals to approximately 85 percent of the FY 2027 budget.

Three projects on this list show no budgeted amounts for FY 2027. The *Perchlorate Remediation* project is not anticipated to require capital budget in the near term; however, it has been added to the CIP for tracking of any incurred capital costs. The other two projects are anticipated to only begin incurring costs in FY 2028.

Annually Recurring Projects

Recurring capital expenses are budgeted to maintain reliable operation of WRD facilities. Examples of these projects include the *Small CIP* and *Durable Goods Purchases* budgets for each treatment facility.

Operational Budget Impact

The budget impacts for each of these CIP projects, once complete, will vary. However, a consistent impact across many is that these projects will support the continued use of groundwater in the region, which will generate revenue for WRD and minimize the need for more costly imported water. Project-specific impacts are included in Appendix A.

Table 47
FY 2027 CIP Budget

ID	Project Name	FY 2027 Budget
0010502	**LVL AWTF Small CIP**	$1,065,867
0010600	**LVL Inland Injection General**	836,574
0011300	**LVL Discharge Improvements**	500,000
0011400	**MF and Chemical System Upgrades**	1,510,674
0011600	**LVL Source Water Supply**	151,993
0011700	**Durable Goods Purchases**	600,000
0011800	**LVL Control Building Upgrades**	300,000
0020511	**Desalter Expansion & Wells**	366,253
0020800	**Brewer Well Connection Project**	414,611
0020900	**Goldsworthy Small CIP**	126,872
0021000	**Torrance GW Desalter Exp**	69,855,925
0021001	**Torrance GW Desalter Exp - PM**	1,004,024
0231402	**Montebello Forebay Recharge**	--
0320201	**Office Renovation Project**	476,961
0321505	**WRD HQ HVAC Replacement**	300,000
0321506	**WRD HQ Solar Car Port**	204,316
0321601	**Hydro Fleet**	--
0321701	**Ops Fleet**	100,000
0331000	**ARC A&LC Small CIP**	455,504
0331001	**ARC A&LC Office Addition**	1,205,010
0331200	**Whitaker AWTF Small CIP**	731,525
0331400	**Turnout Structures**	273,689
0331700	**Durable Goods Purchases**	2,700,000
0410212	**Field Ops & Storage Annex**	111,316
0411000	**Warehouse Small CIP**	83,405
0490002	**Perchlorate Remediation**	--
		$83,374,519

FIVE-YEAR FORECAST OVERVIEW

WRD's CIP for the 5-year period from fiscal years 2027 through 2031 total $207,069,818. Table 48 below summarizes this 5-year program by project and expected annual expenditure for each project.

Highlights

For the next five fiscal years, the TGDE project and the associated *TGDE – Program Management* budget, continue to be WRD's most significant capital improvement, adding up to approximately 85 percent of the $207 million budget. Costs for this improvement are expected to peak in FY 2027 ($71 million), with project completion in FY 2029.

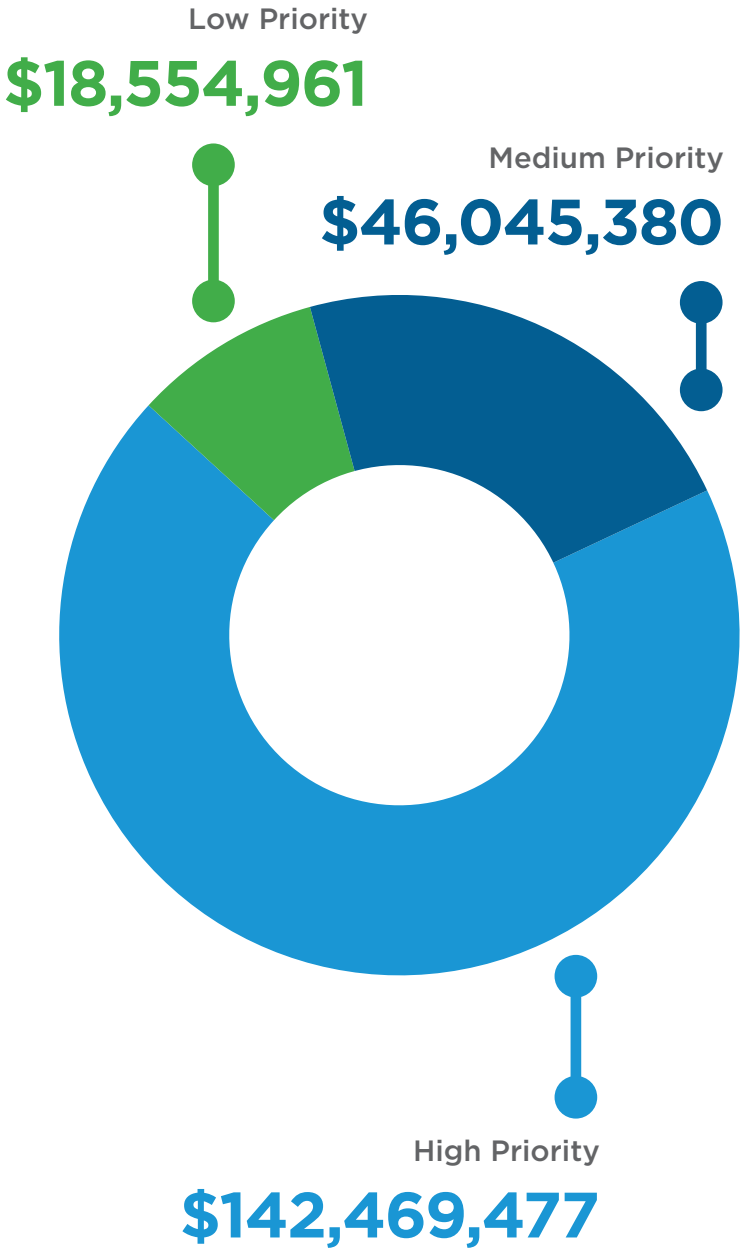
WRD's next major improvement is anticipated at the LVL AWTF where the Microfiltration *(MF) and Chemical System Upgrades* project will enter the design phase. After progression of the design, the scope and timeline for this project will be better defined. Currently, the project budget is estimated to total approximately $37 million with completion in FY 2029.

Annually Recurring Projects

WRD plans for recurring capital expenses by establishing the *Small CIP* and *Durable Goods Purchases* budgets for each treatment facility. These budgets are typically established by combining estimates for needed work with an allowance for potential needs. For example, the *LVL AWTF Small CIP* project includes budget specifically for the installation of a new storage shed, plus an allowance for replacing capital assets that may fail such as a valve or an analyzer.

Project Priority

As a result of the *TGDE* project categorized as a high-priority improvement, due to the importance of remediating the area's saline groundwater plume, the majority ($142 million) of WRD's 5-year CIP expenditures ($207 million) are high priority. WRD's less critical projects ($19 million), which are currently in early planning stages and categorized as low priority, include the *LVL Discharge Improvements, LVL Source Water Supply, LVL Control Building Upgrades,* and *WRD HQ Solar Car Port* projects.





RENDERING OF TORRANCE GROUNDWATER DESALTER EXPANSION

Table 48
FY 2027 5-year CIP Projects

ID	Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
0010502	**LVL AWTF Small CIP**	$1,065,867	$744,084	$747,344	$750,702	$754,153	**$4,062,150**
0010600	**LVL Inland Injection General**	836,574	--	--	--	--	**836,574**
0011300	**LVL Discharge Improvements**	500,000	500,000	--	--	--	**1,000,000**
0011400	**MF and Chemical System Upgrades**	1,510,674	17,001,688	17,004,548	1,385,067	--	**36,901,977**
0011600	**LVL Source Water Supply**	151,993	455,559	1,159,047	5,077,873	5,079,548	**11,924,020**
0011700	**Durable Goods Purchases**	600,000	--	500,000	200,000	--	**1,300,000**
0011800	**LVL Control Building Upgrades**	300,000	1,900,000	800,000	--	--	**3,000,000**
0020511	**Desalter Expansion & Wells**	366,253	386,696	390,000	410,000	430,000	**1,982,949**
0020800	**Brewer Well Connection Project**	414,611	1,706,032	94,731	--	--	**2,215,374**
0020900	**Goldsworthy Small CIP**	126,872	155,204	258,595	262,089	265,680	**1,068,440**
0021000	**Torrance GW Desalter Exp**	69,855,925	43,343,905	6,279,478	--	--	**119,479,308**
0021001	**Torrance GW Desalter Exp - PM**	1,004,024	832,298	968,885	--	--	**2,805,207**
0231402	**Montebello Forebay Recharge**	--	450,000	--	--	--	**450,000**
0320201	**Office Renovation Project**	476,961	271,183	750,000	450,000	450,000	**2,398,144**
0321505	**WRD HQ HVAC Replacement**	300,000	--	--	--	--	**300,000**
0321506	**WRD HQ Solar Car Port**	204,316	2,417,751	8,874	--	--	**2,630,941**
0321601	**Hydro Fleet**	--	95,000	--	--	--	**95,000**
0321701	**Ops Fleet**	100,000	75,000	--	--	--	**175,000**
0331000	**ARC A&LC Small CIP**	455,504	473,175	528,423	533,830	539,382	**2,530,314**
0331001	**ARC A&LC Office Addition**	1,205,010	441,200	441,200	441,200	--	**2,528,610**
0331200	**Whitaker AWTF Small CIP**	731,525	579,395	582,827	586,363	589,997	**3,070,107**
0331400	**Turnout Structures**	273,689	48,689	48,689	48,689	48,689	**468,445**
0331700	**Durable Goods Purchases**	2,700,000	--	400,000	2,000,000	--	**5,100,000**
0410212	**Field Ops & Storage Annex**	111,316	--	--	--	--	**111,316**
0411000	**Warehouse Small CIP**	83,405	137,388	137,876	138,378	138,895	**635,942**
0490002	**Perchlorate Remediation**	--	--	--	--	--	**--**
		$83,374,519	**$72,014,247**	**$31,100,517**	**$12,284,191**	**$8,296,344**	$207,069,818

5-YEAR CIP BY PROGRAM:

Approximately 90 percent of WRD's $207 million, 5-year CIP budget are attributed to the *001 - Leo J. Vander Lans AWTF AWTF* and *002 - Robert W. Goldsworthy Desalter* programs. Budgets for these and other CIP programs are shown in Table 49 below.

001 - Leo J. Vander Lans AWTF

Improvements at the LVL AWTF during the next 5 years are estimated at $59 million. With original construction of the LVL AWTF completed in 2004, much of the facility infrastructure is reaching end of useful life.

Specifically, the chemical delivery and MF systems need significant rehabilitation or replacement to maintain reliability at the facility. As previously mentioned, designs for improvements to these systems will be initiated in FY 2027. The budgets and completion dates currently included in the 5-year CIP for the *MF and Chemical System Upgrades* project will be further refined in the FY 2028 CIP budgeting process.

002 - Robert W. Goldsworthy Desalter

As discussed, the TGDE project accounts for a significant majority of WRD's 5-year CIP budget. Due to the comprehensive improvements to this facility, minimal *Small CIP* expenditures and no Durable Goods Purchases are anticipated within the next 5 years.

Other Programs

With start-up of the facility in 2019, the *033 – ARC / Whitaker AWTF* program has no significant improvements planned during the next 5 years. However, due to the size and treatment capacity of the facility, almost $14 million is budgeted for this program. This budget consists of recurring Small CIP expenditures and Durable Goods Purchases, such as replacement pumps and membranes – but also includes the *ARC A&LC Office Addition* project ($2.5 million).

The remaining programs include the *032 – Headquarters Building* ($6 million) and the *041 – Warehouse Building* ($1 million), which are not water treatment facilities but are vital to WRD's operation.

Table 49
FY 2027 5-year CIP Budget by Program

ID	Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
001	**Leo J. Vander Lans AWTF**	**$4,965,108**	$20,601,331	$20,210,939	$7,413,642	$5,833,701	$59,024,721
002	**Robert W. Goldsworthy Desalter**	**71,767,685**	46,424,135	7,991,689	672,089	695,680	127,551,278
023	**Replenishment Operations**	**--**	450,000	--	--	--	450,000
032	**Headquarters Building**	**1,081,277**	2,858,934	758,874	50,000	450,000	5,599,085
033	**ARC / Whitaker AWTF**	**5,365,728**	1,542,459	2,001,139	3,610,082	1,178,068	13,697,476
041	**Warehouse Building**	**194,721**	137,388	137,876	138,378	138,895	747,258
049	**Perchlorate Project**	**--**	--	--	--	--	--
		$83,374,519	**$72,014,247**	**$31,100,517**	**$12,284,191**	**$8,296,344**	**$207,069,818**

5-YEAR CIP BY INITIATIVE:

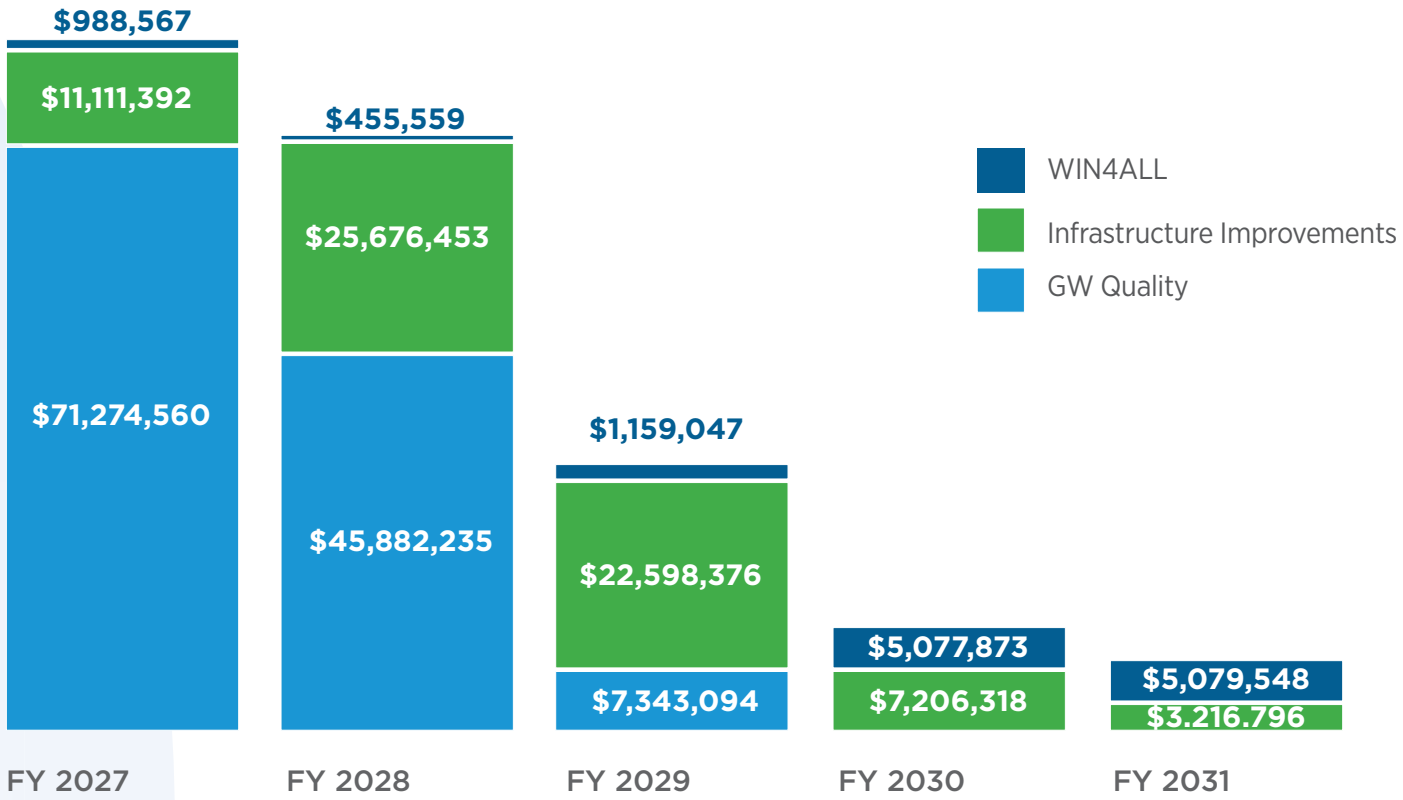
The above projects can all be categorized into one of three special initiatives representing WRD's overarching strategic goals.

Infrastructure Improvements
WRD places significant importance on upgrading its facilities to meet the growing demands for groundwater management. Infrastructure improvements at WRD's facilities during the next 5 years total approximately $70 million.

WIN4ALL
The projects listed under WRD's CIP for WIN4ALL, such as the *LVL Inland Injection* and the *LVL Source Water Supply* projects, are key investments for this initiative. Projects that fall under this initiative amount to nearly $13 million over the next 5 years.

Groundwater Quality Protection and Remediation
Groundwater Quality Protection and Remediation are a collection of CIP projects focused on addressing WRD's ongoing effort to address water quality issues that affect WRD projects and the pumpers' facilities. Specific projects that fall under this initiative amount to nearly $150 million over the next 5 years. However, because of grant opportunities, only $124 million is included in WRD's CIP.

5-YEAR CIP BUDGET BY WRD INITIATIVE





LEO J. VANDER LANS ADVANCED WATER TREATMENT FACILITY

Table 50
Partnerships & Grant Funding Projects

ID	Project Name	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
0020800	**Brewer Well Connection Project**	**1,358,514**	--	--	--	--	1,358,514
0021000	**Torrance GW Desalter Exp**	**11,722,599**	13,018,381	--	--	--	24,740,980
		$ 13,081,113	**$ 13,018,381**	**$0**	**$0**	**$0**	**$ 26,099,494**

PARTNERSHIPS AND GRANT FUNDING PROJECTS

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

- **Brewer Well Connection Project:** For this project, WRD has secured a $2,058,307 grant from the California Department of Water Resources (DWR) Water Desalination Grant Program under Proposition 1 funding. Approximately $1.4 million is allocated to FY 2027.
- **Torrance Groundwater Desalter Expansion:** This project secured a $25,070,100 construction grant from the USBR. Approximately $11.7 million is allocated to FY 2027, with an additional $13 million allocated to FY 2028.

FUNDING SOURCES

For FY 2027, WRD's CIP relies on a diversified portfolio of revenue sources to finance the projects aimed at enhancing its infrastructure and ensuring the sustainability of the region's groundwater supply.

- **Bond Proceeds:** In July 2026, WRD issued $100,990,000 in Replenishment Assessment Revenue Bonds, Series 2026 to finance the Torrance Groundwater Desalter Expansion project and Leo Vender Lans Advanced Water Treatment Facillity Projects.
- **California Clean Water State Revolving Fund, 2025:** In 2025 the District was awarded a $50,000,000, 30-year two-percent loan to support the Torrance Groundwater Desalter Expansion Project through the California Clean Water State Revolving Fund.
- **Restricted Funds:** WRD maintains $5,400,000 in Restricted Funds as required by the terms of the existing State Revolving Fund (SRF) loans.
- **Caltrans Trust Fund:** WRD maintains $6,244,242 in Caltrans funds received from a settlement back in June 2004. Since that time, the District has been reimbursed for costs associated with the project, as well as for charges tied to the amount of water pumped from the basin for dewatering the freeway.
- **Unrestricted Funds:** As of June 30, 2026, WRD's unrestricted operating reserves provide a solid foundation with $16,900,000. Additionally, the Water Carryover, Water Purchase, and Rate Stabilization funds bring in $12,900,000, and the PAYGO Capital Fund at $3,500,000 making the total for unrestricted funds $33,300,000.
- **Encumbered Clean Water Program:** A total of $27,500,000 for encumbered Clean Water Progam has been accounted for. Key contributors in this category

include the Safe Drinking Water fund at $6,900,000, the Well Rehabilitation and Construction Loan Fund with $5,000,000, and the PFAS Remediation Fund with a notable $15,600,000.

- **Replenishment Assessment:** WRD's Replenishment Assessment is projected to generate $82,133,738 in FY 2027 for operating expenses. The Replenishment Assessment also provides $360,000 and $2,160,000 for PAYGO Capital Fund and the PFAS Remediation Fund, respectively.
- **Other Sources:** Funding from external sources such as Interest Revenue ($5,720,000), property tax ($1,046,500), miscellaneous revenue ($10,000) and non-RA related expenses ($380,000) which off-set the above and will bring the other income from this source to $6,396,500; and Grant Funding ($26,099,494) together sum up to $32,495,994. It's worth noting that the grant funding stands at approximately $13 million for FY 2027.
- **Assessments and Subsidies:** A combined total of $24,886,052 will be sourced from assessments and subsidies. This includes the Water Carryover Conversion fund, Desalter assessment, water treatment subsidies, rate stabilization and other operating income.

For Five-Year Capital Improvement Plan, the total anticipated revenues amount to $362,950,026, ensuring robust financial backing for WRD's CIP projects and its commitment to long-term sustainability and development.

Table 51a
Funding Sources (Bonds)

SOURCES OF REVENUES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Bond Proceeds						
PFAS Remediation Program Financing	-	-	-	-	-	**-**
2015 Bond Funds	-	-	-	-	-	**-**
2018 Bond Funds	-	-	-	-	-	**-**
2026 Bond Funds / SRF	100,990,000	-	-	-	-	**100,990,000**
2026 CWSRF Loan	50,000,000	-	-	-	-	**50,000,000**
	$ 150,990,000	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 150,990,000**

Table 51b

Funding Sources (Restricted, Unrestricted and Encumbered Funds)

SOURCES OF REVENUES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Restricted Funds						
Debt Service (Restricted)	5,400,000	-	-	-	-	**5,400,000**
Total Restricted Funds	**$ 5,400,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 5,400,000**
Caltrans Trust Fund						
2015 Bond Funds	6,244,242	-	-	-	-	**6,244,242**
Total Caltrans Trust Fund	**$ 6,244,242**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 6,244,242**
Unrestricted Funds						
Unrestricted Operating Reserves	16,900,000	-	-	-	-	**16,900,000**
Water Carryover and Rate Stabilization	12,900,000	-	-	-	-	**12,900,000**
PAYGO Capital Fund	3,500,000	-	-	-	-	**3,500,000**
Total Unrestricted Funds	**$ 33,300,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 33,300,000**
Encumbered Clean Water Program						
Safe Drinking Water	6,900,000	-	-	-	-	**6,900,000**
Well Rehabilitation and Construction Loan Fund	5,000,000	-	-	-	-	**5,000,000**
PFAS Remediation Fund	15,600,000	-	-	-	-	**15,600,000**
Total Encumbered Clean Water Program	**$ 27,500,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 27,500,000**
Total Restricted, Unrestricted and Encumbered Funds	**$ 72,444,242**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 72,444,242**

Table 51c

Funding Sources (Replenishment Assessment)

SOURCES OF REVENUES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Replenishment Assessment (RA)						
Replenishment Assessment	82,133,738	-	-	-	-	**82,133,738**
RA for PAYGO Capital Fund	-	-	-	-	-	**-**
RA for PFAS Remediation Fund	-	-	-	-	-	**-**
Total Replenishment Assessment	**$ 82,133,738**	**-**	**-**	**-**	**-**	**$ 82,133,738**

Table 51d

Funding Sources (Restricted, Unrestricted and Encumbered Funds)

SOURCES OF REVENUES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Other						
Other Income, net	6,396,500	-	-	-	-	**6,396,500**
Grant Funding	13,081,113	13,018,381	-	-	-	**26,099,494**
Total Restricted Funds	**$ 19,477,613**	**$13,018,381**	**$ 0**	**$ 0**	**$ 0**	**$ 32,495,994**

Table 51e

Funding Sources (Assessments and Subsidies)

SOURCES OF REVENUES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Assessments and Subsidies						
Carryover Conversion	18,044,802	-	-	-	-	**18,044,802**
Desalter Assessment	1,578,000	-	-	-	-	**1,578,000**
Water Treatment Subsidies	1,013,250	-	-	-	-	**1,013,250**
Other Operating Income (Title 22, OCWD)	3,450,000	-	-	-	-	**3,450,000**
Rate Stabilization	800,000	-	-	-	-	**800,000**
Total Assessments and Subsidies	**$ 24,886,052**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 24,886,052**

Table 51f

Funding Sources (Total)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-year Total
Funding Sources Total	**$ 349,931,645**	**$ 13,018,381**	**$ 0**	**$ 0**	**$ 0**	**$ 362,950,026**

RISK MANAGEMENT AND MITIGATION

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

With the public nature of these projects and the public funds utilized, it is imperative that each risk is categorized and prioritized, ensuring that public resources are efficiently and effectively allocated. Mitigation strategies are then developed, targeting not only the immediate risks but also potential long-term implications for the community and the environment. Transparency is also central to WRD's approach. An open line of communication is maintained with stakeholders, including an advisory committee comprised of WRD pumping agencies.

Being bound by public works regulations means that WRD is committed to ensuring fairness, competitiveness, and transparency in contracting and procurement. Post-project reviews are consistently conducted to evaluate the effectiveness of WRD's risk management strategies. These reviews serve as learning tools, allowing process refinement and consistent project delivery that meet community expectations, are environmentally conscious, and adhere to stringent regulations.

PERFORMANCE METRICS & EVALUATION FRAMEWORK

WRD recognizes the importance of effective project management to ensure that CIP projects are not only successful but also reflect commitment to excellence and adherence to established standards. WRD's project management philosophy incorporates the Project Management Triangle, which is a model emphasizing the interconnectedness of scope, cost, and time. Balancing these three critical elements supports delivery of projects that meet defined objectives, are economically viable, and are completed within established timelines.

Scope is at the forefront of WRD's project delivery efforts. Before embarking on any project, parameters are defined to ensure clarity in execution and avoid potential scope creep. This clear delineation ensures that all project stakeholders have a concise understanding of what the project intends to achieve.

Cost management, influenced by WRD's responsibility to pumpers and guided by public works rules, ensures that every dollar is judiciously spent. Rigorous budgeting and forecasting methods are employed and paired with ongoing monitoring systems. This avoids overruns and ensures that there is accountability to the community served.

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

In addition to the Project Management Triangle, WRD's evaluation framework incorporates both quantitative and qualitative metrics. Quantitative metrics may include financial savings, timely project completions, or efficiency

improvements, while qualitative metrics might encompass stakeholder satisfaction and environmental considerations under CEQA.

To measure performance against these metrics, regular review cycles are conducted. This iterative approach allows assessment of progress, recalibration of strategies, and continuous improvement.

CONCLUSION

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

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

APPENDICES

Appendix A – Project Sheets



LEO J VANDER LANS MICROFILTRATION SYSTEM

PROJECT 0010502: LVL AWTF SMALL CIP

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$4.1M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the LVL AWTF. In addition to emergency replacements needed during the year, this budget will fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. An example improvement identified for the LVL AWTF is replacement of an inline analyzer. WRD categorizes these incidental replacements and small projects separately from planned replacements (see Durable Goods Purchases).

Operational Impact

Executing these small replacement projects will support reliable operation of this facility, which will minimize the need to purchase more costly imported water to meet the injection barrier demand.

LVL AWTF

HIGH PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



Piping and Filters at LVL AWTF

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$1.1M	$0.7M	$0.7M	$0.8M	$0.8M

Recurring

PROJECT 0010600: LVL INLAND INJECTION (GENERAL)

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2027	-	-	$0.8M

Description

This project will install an onsite well at LVL AWTF for inland injection, which will allow for more recycled water replenishment into the groundwater aquifer, harnessing potential storage space and bolstering local water supply. The additional demand from this injection well will also allow for the LVL AWTF to operate at full capacity. In addition to the well, other major system components include an energy recovery device and well backflush infrastructure.

Operational Impact

Operating the facility at full capacity will reduce the unit cost for each acre-foot of recycled water produced and increase the groundwater available for pumping.

LVL AWTF

MEDIUM PRIORITY

WIN 4 ALL

Strategic Goals

1. **Expand Sustainable Replenishment Opportunities**
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Injection Well Pump Column Installation

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.8M	-	-	-	-
Constr.				

PROJECT 0011300: LVL DISCHARGE IMPROVEMENTS

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Planning	FY 2028+	-	-	$1M

Description

This project will explore potential improvements to increase utilization of recycled water to the Alamitos Barrier Gap. Potential hydraulic improvements will be evaluated and discussed with barrier stakeholders. This project is in the early planning / exploration phase and currently does not have a defined scope of work or completion date.

Operational Impact

Increased utilization of recycled water in the Alamitos Barrier Gap will minimize the need to purchase more costly imported water.

LVL AWTF

LOW PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Valve Inspection in Underground Vault

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.5M	$0.5M	-	-	-
Planning	Design			

PROJECT 0011400: MF AND CHEMICAL SYSTEM UPGRADES

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Planning	FY 2030	-	$5M	$37M

Description

This project will rehabilitate or replace the microfiltration (MF) and chemical systems at the LVL AWTF. The systems are reaching end of useful life and are a risk to reliable facility operation. Aging system infrastructure has created risks of system failure, higher maintenance costs, and regulatory noncompliance. Current efforts include initiation of the design phase.

Operational Impact

Rehabilitating or replacing these systems is necessary for continued facility operation, which will minimize the need to purchase more costly imported water to meet the injection barrier demand.

LVL AWTF

MEDIUM PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



MF Membrane System at LVL AWTF

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$1.5M	$17M	$17M	$1.4M	-
Design	Construction			

PROJECT 0011600: LVL SOURCE WATER SUPPLY

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Planning	FY 2031	-	-	$12M

Description

This project will investigate options for delivering additional source water to the LVL AWTF from the Los Angeles County Sanitation Districts (LACSD) Los Coyotes Water Reclamation Plant. One option could be a potential connection between the City of Long Beach and City of Cerritos' recycled water systems. Another option is a direct connection to the influent of the LVL AWTF. Preliminary designs have been prepared for both options.

Operational Impact

Receiving additional source water will support flexible operation and potential expansion of the LVL AWTF, which will minimize the need to purchase more costly imported water for the barrier.

LVL AWTF

LOW PRIORITY

WIN 4 ALL

Strategic Goals

1. **Expand Sustainable Replenishment Opportunities**
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



LACSD Los Coyotes Water Reclamation Plant

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.2M	$0.5M	$1.2M	$5.1M	$5.1M
Planning	Planning	Design	Construction	Construction

PROJECT 0011700: DURABLE GOODS PURCHASES

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$1.3M

Description

This is a budget for recurring capital purchases to support continued operation of the LVL AWTF. Durable goods purchases anticipated within the next 5 years at this facility include reverse osmosis membranes, membrane pressure vessels, and ultraviolet lamps. These grouped purchases meet WRD's capitalization policy threshold of $10,000 and 1 year in additional useful life for the asset. WRD categorizes these planned replacements separately from incidental replacements (see Small CIP).

Operational Impact

Replacing membranes and UV lamps is necessary for continued facility operation, which will minimize the need to purchase more costly imported water to meet the injection barrier demand.

LVL AWTF

HIGH PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



UV Advanced Oxidation Process System

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.6M	-	$0.5M	$0.2M	-

Recurring

PROJECT 0011800: LVL CONTROL BUILDING UPGRADES

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Planning	FY 2029	-	-	$3M

Description

This project will improve the administration and control building at the LVL AWTF. This building is currently in need of improvements to maintain operation of the office spaces and the control room for the treatment facility. In addition to upcoming critical needs, such as interior plumbing replacement, potential energy improvements such as solar panels and electrical vehicle charging stations will be evaluated. This project is currently in the early planning stage.

Operational Impact

Upgrading the administration and control building will support continued facility operation, which will minimize the need to purchase more costly imported water to meet the injection barrier demand.

LVL AWTF

LOW PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. **Expand Sustainable Replenishment Opportunities**
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



LVL AWTF Admin & Control Building

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.3M	$1.9M	$0.8M	-	-
Planning	Design	Construction		

PROJECT 0020511: DESALTER EXPANSION & WELLS

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$2M

Description

This budget is for recurring rehabilitation of the extraction wells that provide influent water to the Robert W. Goldsworthy Desalter. Rehabilitation work typically requires inspection and service of the downhole pumps, and redevelopment services such as fine-grained material removal and chemical cleaning.

Operational Impact

Routine extraction well redevelopment will support reliable operation of this facility, which generates revenue from production of water for a potable end use.

RWG DESALTER

HIGH PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Rehabilitation of the City Yard Well

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.4M	$0.4M	$0.4M	$0.4M	$0.4M
Recurring				

PROJECT 0020800: BREWER WELL CONNECTION PROJECT

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2029	$2.1M	-	$2.2M

Description

This project will rehabilitate the Brewer Well at the former West Basin Municipal Water District desalter and install the necessary electrical equipment and conveyance piping to add this extraction well as a source of supply for the Torrance Groundwater Desalter Expansion (TGDE) project. This work will be executed ahead of the TGDE progressive design build project.

Operational Impact

Expansion of the desalter will double production at the facility, which will generate additional revenue from water delivery (near-term) and increased pumping (long-term).

RWG DESALTER **HIGH PRIORITY** **GROUNDWATER QUALITY**

Strategic Goals

1. **Expand Sustainable Replenishment Opportunities**
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Rehabilitation of the Brewer Well

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.4M	$1.7M	$0.1M	-	-

Construction

PROJECT 0020900: GOLDSWORTHY SMALL CIP

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$1.1M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the Goldsworthy Desalter. In addition to emergency replacements needed during the year, this budget will fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. With the Torrance Groundwater Desalter Expansion currently project underway, this budget currently only includes incidental replacements. WRD categorizes these incidental replacements and small projects separately from planned replacements.

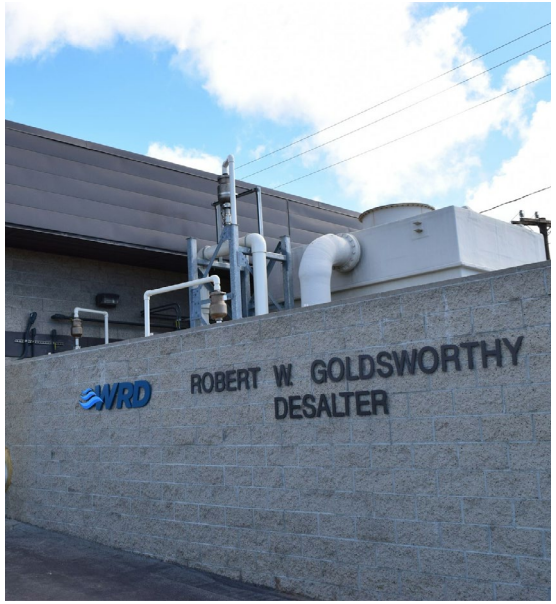
Operational Impact

Executing these small replacement projects will support reliable operation of this facility, which generates revenue from production of water for a potable end use.

RWG DESALTER **HIGH PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



RWG Desalter Treatment Building

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.1M	$0.2M	$0.3M	$0.3M	$0.3M

Recurring

PROJECT 0021000: TORRANCE GROUNDWATER DESALTER EXPANSION

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2029	$25M	$150M	$119M

Description

This project will expand the Robert W. Goldsworthy Desalter to a total production of up to 7,400 acre-feet per year. This project includes installation of 4 new production wells, approximately 1.5 miles of pipeline, and an expanded reverse osmosis treatment system. City of Torrance will continue to operate the Goldsworthy Desalter and supplement its drinking water supply with the treated water. This expansion is primarily a remediation project targeting the brackish groundwater plume in this area.

Operational Impact

Expansion of the desalter will double production at the facility, which will generate additional revenue from potable delivery (near-term) and increased pumping (long-term).

RWG DESALTER **HIGH PRIORITY** **GROUNDWATER QUALITY**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Rendering of Treatment Building Expansion

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$70M	$43M	$6.3M	-	-
Construction				

PROJECT 0021001: TORRANCE GROUNDWATER DESALTER EXPANSION (PROGRAM MANAGEMENT)

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2029	-	-	$2.8M

Description

This project will expand the Robert W. Goldsworthy Desalter to a total production of up to 7,400 acre-feet per year. This project includes installation of 4 new production wells, approximately 1.5 miles of pipeline, and an expanded reverse osmosis treatment system. This budget is for capital expenses anticipated for continued operation of the desalter during the expansion project.

Operational Impact

Expansion of the desalter will double production at the facility, which will generate additional revenue from potable delivery (near-term) and increased pumping (long-term).

RWG DESALTER **HIGH PRIORITY** **GROUNDWATER QUALITY**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Rendering of Treatment Building Expansion

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$1M	$0.8M	$1M	-	-
Construction				

PROJECT 0231402: MONTEBELLO FOREBAY RECHARGE

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Planning	FY 2028	-	-	$0.5M

Description

This budget is for renewal of the replenishment permit for the Montebello Forebay, which has been active for more than 30 years. Updated regulations require addition of wells and deepening of existing ones that run dry during droughts. This budget will support comprehensive research and planning to understand the current system and map out necessary improvements. The study will lay the foundation for future enhancements that will be required under the renewed permit.

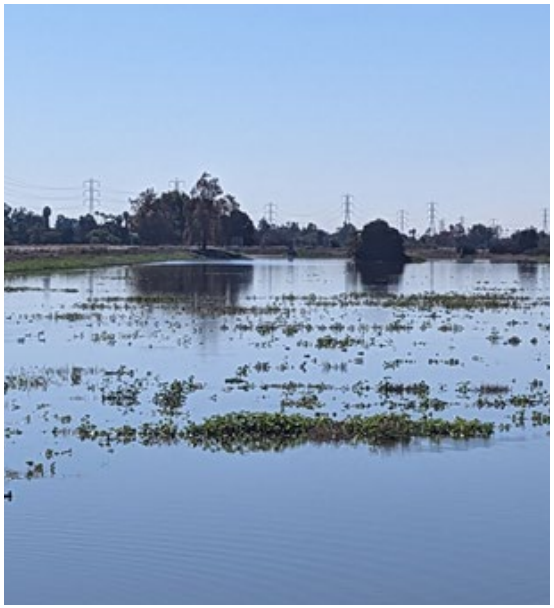
Operational Impact

Updating the permit for the Montebello Forebay will allow WRD to continue replenishment for the region and explore potential enhancements and efficiencies.

MONTEBELLO FOREBAY **HIGH PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. **Expand Sustainable Replenishment Opportunities**
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Basin at San Gabriel Spreading Grounds Plant

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
-	$0.5M	-	-	-
	Planning			

PROJECT 0320201: OFFICE RENOVATION PROJECT

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Design	FY 2031	-	-	$2.4M

Description

This project is for phased office improvements at WRD's Headquarters Building. Office needs identified to maintain efficient operations are grouped into project phases and typically executed annually. Examples include (a) construction of private HR offices to safeguard confidentiality when meeting with staff and (b) evaluation of the existing lighting infrastructure to identify potential efficiency improvements.

Operational Impact

This project will allow more staff to work within the existing building, prevent potential breaches of confidentiality, and reduce energy costs for the building.

WRD HQ

MEDIUM PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



WRD Headquarters Building Lobby

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.5M	$0.3M	$0.8M	$0.5M	$0.5M
Design & Construction				

PROJECT 0321505: WRD HQ HVAC REPLACEMENT

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2027	-	-	$0.3M

Description

This budget will complete the current phase of heating, ventilation, and air conditioning (HVAC) improvements at WRD's Headquarters Building. With replacement of air conditioning units complete, the remaining work includes replacing a boiler system and minor ducting modifications to accommodate reconfiguration of office spaces.

Operational Impact

Replacing HVAC equipment at the Headquarters Building will prevent operational disruptions (i.e., maintain staff comfort) and reduce monthly electrical costs.

WRD HQ

HIGH PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



WRD Headquarters Building in Lakewood, CA

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.3M	-	-	-	-
Construction				

PROJECT 0321506: WRD HQ SOLAR CAR PORT

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Design	FY 2028	-	-	$2.6M

Description

This project will construct solar carports at WRD's Headquarters Building. By incorporating solar panels into the building infrastructure, WRD will reduce its carbon footprint and promote use of renewable energy sources. Other components being studied for this project are (a) potential landscaping improvements and (b) battery storage capability to maintain resiliency of critical assets - particularly cooling and energy for WRD's data servers, which support operation of the remote water treatment facilities.

Operational Impact

Installing solar panels and a backup battery at the Headquarters Building will reduce monthly electrical costs and prevent operational disruptions from a loss of power.

WRD HQ

LOW PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



WRD Headquarters Building in Lakewood, CA

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.2M	$2.4M	-	-	-
Design	Construction			

PROJECT 0321601: HYDRO FLEET

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$0.1M

Description

This budget is for systematic replacement of the current field vehicle fleet supporting groundwater well monitoring. Replacement with electric trucks (EVs) will be explored. The current field vehicles are reaching the end of their useful life.

Operational Impact

Replacing the current trucks with EVs will reduce ongoing fleet operation and maintenance costs.

WRD HQ

MEDIUM PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Groundwater Well Monitoring Field Vehicle

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
-	$0.1M	-	-	-
Recurring				

PROJECT 0321701: OPS FLEET

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$0.2M

Description

This budget is for systematic replacement of the current vehicle fleet supporting WRD operations. Replacement with electric vehicles (EVs) will be likely. The current field vehicles are reaching the end of their useful life.

Operational Impact

Replacing the current vehicles with EVs will reduce ongoing fleet operation and maintenance costs.

WRD HQ

MEDIUM PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Minivan at WRD Headquarters

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.1M	$0.1M	-	-	-
Recurring				

PROJECT 0331000: ARC A&LC SMALL CIP

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$2.5M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the ARC Admin & Learning Center. In addition to emergency replacements needed during the year, this budget will fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. An example improvement identified for the ARC ALC is the replacement of video displays. WRD categorizes these incidental replacements and small projects separately from planned replacements (see Durable Goods Purchases).

Operational Impact

Executing these small replacement projects at the Admin & Learning Center will support operation of the treatment facility and WRD's outreach and education efforts.

ARC A&LC

MEDIUM PRIORITY

INFRASTRUCTURE IMPROVEMENT

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. Maximize Environmental Resiliency and Innovation
4. **Promote Organizational Excellence**
5. **Maintain Stakeholder and Community Engagement**



ARC Admin & Learning Center Lobby

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.5M	$0.5M	$0.5M	$0.5M	$0.5M

Recurring

PROJECT 0331001: ARC A&LC IMPROVEMENTS

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Design	FY 2030	-	-	$2.5M

Description

This project is for phased improvements at the ARC Admin & Learning Center. New offices will be constructed to accommodate additional staff approved for hire in 2024. Additional improvements include (a) conversion of a restroom space to a janitorial storage room and (b) modifications to classroom and gathering spaces.

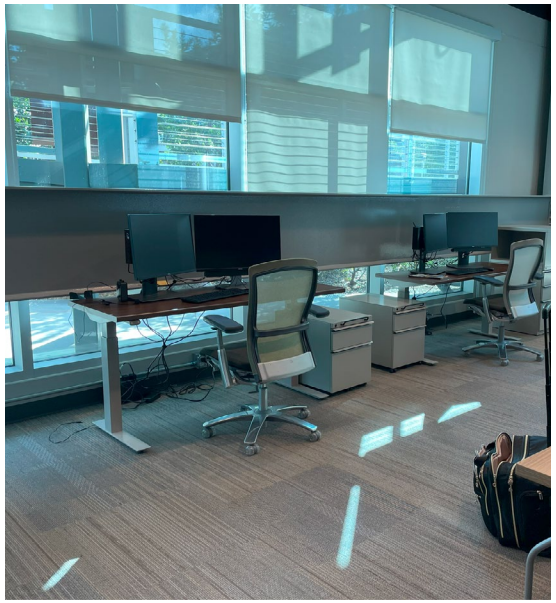
Operational Impact

This project will allow more staff to work within the existing building and provide improved educational spaces, which will eliminate the need for acquiring new property or expanding the building

ARC A&LC **MEDIUM PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. Maximize Environmental Resiliency and Innovation
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



Temporary Workstations at ARC A&LC

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$1.2M	$0.4M	$0.4M	$0.4M	-
Design & Construction				

PROJECT 0331200: WHITAKER AWTF SMALL CIP

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$3.1M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the Whitaker AWTF. In addition to emergency replacements needed during the year, this budget will fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. A potential improvement identified for the Whitaker AWTF is the replacement of RO feed pumps. WRD categorizes these incidental replacements and small projects separately from planned replacements (see Durable Goods Purchases).

Operational Impact

Executing these small replacement projects will support reliable operation of this facility, which will allow WRD to meet its replenishment commitment

WHITAKER AWTF **HIGH PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



Piping and Filters at Whitaker AWTF

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.7M	$0.6M	$0.6M	$0.6M	$0.6M

Recurring

PROJECT 0331400: TURNOUT STRUCTURES

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$0.5M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the Turnout Structures. In addition to emergency replacements needed during the year, this budget will fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. An example improvement identified for the Turnout Structures is SCADA replacement. This is a new budget line item; the Turnout Structures have not required replacement or improvements since their construction in 2018.

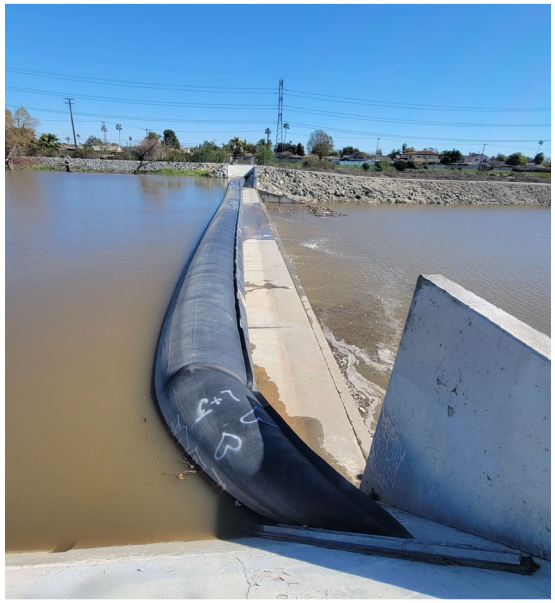
Operational Impact

Executing these small replacement projects at the turnout structures will allow WRD to meet its replenishment commitment.

TURNOUT STRUCTURES **MEDIUM PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Rubber Dam at Turnout Structure

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.3M	$0.05M	$0.05M	$0.05M	$0.05M

Recurring

PROJECT 0331700: DURABLE GOODS PURCHASES

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$5.1M

Description

This is a budget for recurring capital purchases to support continued operation of the Whitaker AWTF. Durable goods purchases anticipated within the next 5 years at this facility include reverse osmosis membranes, ultrafiltration membranes, and ultraviolet lamps. These grouped purchases meet WRD's capitalization policy threshold of $10,000 and 1 year in additional useful life for the asset. WRD categorizes these planned replacements separately from incidental replacements (see Small CIP).

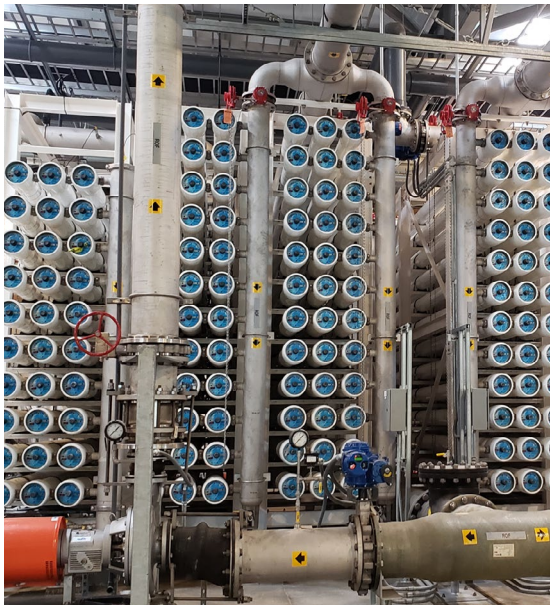
Operational Impact

Replacing membranes and UV lamps is necessary for continued facility operation, which will allow WRD to meet its replenishment commitment.

WHITAKER AWTF **HIGH PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. Maximize Environmental Resiliency and Innovation
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



RO Membranes at Whitaker AWTF

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$2.7M	-	$0.4M	$2M	-
Recurring				

PROJECT 0410212: FIELD OPERATIONS & STORAGE ANNEX

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Construction	FY 2027	-	-	$0.1M

Description

This project will construct a new warehouse facility near the WRD Headquarters Building. The facility will provide storage space for a diverse range of operational equipment, including WRD's fleet of groundwater well monitoring field vehicles and outreach materials for District events. Infrastructure for electrical vehicle charging will be installed.

Operational Impact

Developing a portion of an unused WRD-owned property in a rapidly growing area secures operational space for long-term needs and allows for potential sale of the remainder of the property.

WAREHOUSE BUILDING **MEDIUM PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



Concrete Pour for Slab on Grade

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.1M	-	-	-	-
Constr.				

PROJECT 0411000: WAREHOUSE SMALL CIP

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	$0.6M

Description

This is a recurring budget for incidental equipment replacements and small-scale capital projects at the newly constructed WRD Warehouse Building. With recent construction of this warehouse, only a minimal budget amount is included for the next 5 years.

Operational Impact

This new building secures operational space for long-term needs, eliminating the need for acquiring or leasing additional property.

WAREHOUSE BUILDING **HIGH PRIORITY** **INFRASTRUCTURE IMPROVEMENT**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. Sustain Extraction Capacity
3. **Maximize Environmental Resiliency and Innovation**
4. **Promote Organizational Excellence**
5. Maintain Stakeholder and Community Engagement



Warehouse Building Interior

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
$0.1M	$0.1M	$0.1M	$0.1M	$0.1M
Recurring				

PROJECT 0490002: PERCHLORATE REMEDIATION

Status	Completion	Grant Funding	Loan / Debt	5-year CIP
Ongoing	Recurring	-	-	-

Description

This is a recurring budget for incidental equipment replacements at the Perchlorate Remediation Project. In addition to emergency replacements needed during the year, this budget is being established to fund various minor upgrades, improvements, and equipment acquisitions identified during the annual budgeting process. No major replacements are anticipated in the near term (i.e., budget of $0); however, this budget is being established to begin tracking any unanticipated capital expenditures.

Operational Impact

Executing these small replacement projects will support reliable operation of this facility.

PERCHLORATE PROJECT **HIGH PRIORITY** **GROUNDWATER QUALITY**

Strategic Goals

1. Expand Sustainable Replenishment Opportunities
2. **Sustain Extraction Capacity**
3. **Maximize Environmental Resiliency and Innovation**
4. Promote Organizational Excellence
5. Maintain Stakeholder and Community Engagement



Project Site

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
-	-	-	-	-

Recurring



PERCHLORATE TREATMENT PLANT TRANSFER PUMPS

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.

ADVANCED OXIDATION:
A treatment process that uses powerful oxidants to break down contaminants that are difficult to remove through standard treatment methods.

ADVANCED TREATED WATER:
Water that has undergone advanced treatment processes to remove contaminants and produce high-quality water suitable for groundwater replenishment or other approved uses. WRD's advanced treatment facilities use processes such as microfiltration, reverse osmosis, ultraviolet light, and advanced oxidation.

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

BRACKISH GROUNDWATER:
Groundwater containing more dissolved salts than freshwater but less than seawater. WRD treats extracted brackish groundwater through reverse osmosis at the Robert W. Goldsworthy Desalter to produce potable water.

CAPITAL IMPROVEMENT PROGRAM:
A multi-year program for planning, prioritizing, budgeting, and implementing capital projects that acquire, construct, or significantly improve long-term assets.

CAPITAL PROJECT:
A project involving the acquisition, construction, or significant improvement of a long-term asset.

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

COST OF SERVICE:
A study that determines the actual cost to provide water service so that rates and fees are fair, transparent, and aligned with true expenses.

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.

EFFLUENT:
Treated wastewater that is discharged from a wastewater treatment or water reclamation facility and may be suitable for approved beneficial uses, including further treatment or groundwater recharge.

FEASIBILITY STUDY:
An analysis that evaluates whether a project is technically, financially, and operationally practical before major funding or construction begins.

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.

GROUNDWATER REPLENISHMENT:
The process of replacing groundwater that has been pumped or otherwise depleted by adding water to the groundwater basin. WRD acquires water supplies for recharge to address groundwater overdraft.

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.

IN-LIEU:
A groundwater replenishment method in which a water purveyor uses purchased or imported water in place of pumping groundwater, allowing the groundwater basin to retain the water that otherwise would have been extracted. WRD uses treated potable water for its In-Lieu program.

INJECTION:
The process of placing treated water into the ground through wells to recharge groundwater aquifers.

MEMBRANES:
Thin filtering barriers used in water treatment to separate contaminants from water based on size or chemical properties.

MICROFILTRATION:
A membrane treatment that removes fine particles, bacteria, and some pathogens. Often a first step before more advanced treatment.

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

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS):
A group of manufactured chemicals that can persist in the environment and may contaminate groundwater and drinking water supplies. WRD operates a dedicated PFAS Program as part of its groundwater quality efforts.

PERCHLORATE:
A chemical contaminant that can come from industrial activities and requires specialized treatment if found in groundwater.

PLUME:
A moving area of contaminated groundwater that spreads from a source and must be monitored and addressed through cleanup efforts.

POTABLE WATER:
Water that has been treated to meet standards for drinking and other uses requiring water of drinking-water quality.

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

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

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

REMEDIATION:
Activities that clean up or contain contaminated soil or groundwater to protect public health and the environment.

REPLENISHMENT ASSESSMENT (RA):
An assessment collected by WRD from groundwater pumpers to fund activities needed to replenish and protect groundwater supplies, including the acquisition and use of water for groundwater recharge.

REVERSE OSMOSIS:
A high-pressure membrane treatment that removes dissolved salts and very small contaminants to produce high-quality water.

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

SEAWATER INTRUSION:
The movement of seawater into freshwater portions of a coastal groundwater basin, typically caused by declining groundwater levels. WRD uses replenishment and seawater barrier injection systems to prevent seawater intrusion.

SPREADING GROUNDS:
Facilities or designated areas where water is intentionally spread over the ground surface so it can infiltrate into the aquifer and replenish groundwater supplies.

TERTIARY TREATMENT:
An advanced stage of wastewater treatment that removes remaining solids, nutrients, and contaminants after primary and secondary treatment. Produces high-quality effluent suitable for discharge or reuse.

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

ULTRAFILTRATION:
A membrane treatment that removes particles smaller than those captured by microfiltration, including some viruses and organic materials. Often used before reverse osmosis.

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

WATER PURVEYOR:
A water agency or other entity that provides water to customers or users within a defined service area.

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



WRD STAFF VOLUNTEERING AT ANNUAL GROUNDWATER FESTIVAL

LIST OF ACRONYMS

A

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
AGB	Alamitos Gap Barrier
AGWT	American Groundwater Trust
AMP	Asset Management Planning
AOP	Advanced oxidation using hydrogen peroxide
ARC	Albert Robles Center for Water Recycling and Environmental Learning
ARCWTF	Albert Robles Center Water Treatment Facility
AWPF	Advanced Water Purification Facility
AWTF	Advanced Water Treatment Facility
AWWA	American Water Works Association
AWWARF	American Water Works Association Research Foundation

B

BAC	Budget Advisory Committee
BCI	Business Cost Index
BDOC	Biodegradable dissolved organic carbon
BGRP	Brackish Groundwater Reclamation Program
BOD	Board of Directors

C

CALOES	California Governor's Office of Emergency Services
CalPERS	California Public Employee Retirement System
Caltrans	California Department of Transportation
CAR	Compliance Assessment Report
CASGEM	California Statewide Groundwater Elevation Monitoring
CBMWD	Central Basin Municipal Water District
CBWCB	Central Basin and West Coast Basin
CDIR	California Department of Industrial Relations
CDWR	California Department of Water Resources
CEPRD	Coalition for Environmental Protection, Restoration, and Development
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
CMFA	California Municipal Finance Authority
CMMS	Computerized Maintenance Management System
COE	Corp. of Engineers
COP	Certificates of Participation
CSDLAC	County Sanitation Districts of Los Angeles County
CSR	Cost of Service Report
CWF	Clean Water Fund
CWSC	California Water Service Company
CWSRF	California Clean Water State Revolving Fund

D

DAC	Disadvantaged Communities
DAF	Dissolved Air Flotation
DDW	Division of Drinking Water
DVBEs	Disabled Veteran Business Enterprises
DR	Disaster Recovery
DGB	Dominguez Gap Barrier
DSC	Debt Service Coverage
DTS	Data & Technology Services
DTSC	California Department of Toxic Substances Control
DWR	Department of Water Resources

E

E-MFRES	Enhanced-Montebello Forebay Recharge Enhancement Study
EAM	Enterprise Asset Management
EAMS	Electronic Adjudication Management System
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
ESA	Environmental Science Associates
ESR	Engineering Survey and Report
ESRI	Environmental Systems Research Institute

F

FAC	Finance/Audit Committee
FASB	Financial Accounting Standards Board
FADS	Funds available for debt services
FAST	Fitch's Analytical Stress Test

FAT	Fully Advanced Treated
FCD	Flood Control District
FDIC	Federal Deposit Insurance Corporation
FTE	Full -Time Equivalent
FY	Fiscal Year

G

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

H

HR	Human Resources
HFPO-DA	Hexafluoropropylene oxide dimer acid
HVAC	Heating, Ventilation and Air Conditioning

I

ICA	Independent Cities Association
ICP	Interconnection Pipeline Improvements
IRWMP	Integrated Regional Water Management Plan
IT	Information Technology

J

JPA	Joint Powers Authority
JWPCP	Joint Water Pollution Control Plan

L

LABC	Los Angeles Business Council
LABOS	Los Angeles Bureau of Sanitation
LACDPW	Los Angeles County Department of Public Works (Flood Control)
LACFCD	Los Angeles County Flood Control District
LACSD	Los Angeles County Sanitation Districts
LADWP	City of Los Angeles Department of Water and Power
LAIF	Local Agency Investment Fund
LAMS4	Los Angeles County Municipal Stormwater Permit
LARWQCB	Los Angeles Regional Water Quality Control Board
LASAN	Los Angeles Sanitation
LBEs	Local Business Enterprises
LBUD	Long Beach Utilities Department
LBWD	City of Long Beach Water Department
LBWRP	Long Beach Water Reclamation Plant
LBWTP	Long Beach Waste Treatment Plant
LEED	Leadership in Energy & Environmental Design
LGCR	Local Government Compensation Report
LJVWTF	Leo J. Vander Lans Water Treatment Facility
LRP	Local Resources Program
LUST	Leaking Underground Storage Tank
LVL	Leo J. Vander Lans

M

MAR	Managed Aquifer Recharge
MCL	Maximum Contaminant Levels
MDR	Managed Detection and Response
MF	Microfiltration
MFI	Modified Fouling Index
MFRES	Montebello Forebay Recharge Enhancement Study
MFSG	Montebello Forebay Spreading Grounds
MFSGOM	Montebello Forebay Spreading Grounds Operational Model
MGD	Million Gallons per Day
MISAC	Municipal Information Systems Association of California
MODFLOW	Modular three-dimensional finite-difference groundwater FLOW model

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

N

N/A	Not Applicable
NCWUP	Non-Consumptive Water Use Permit
ND	Negative Declaration
NEOGOV	NEOGOV human resources software/platform
NEPA	National Environmental Policy Act
NGWA	National Groundwater Association
NGWN	National Groundwater Monitoring Network
NPDES	National Pollutant Discharge Elimination System
NPV	Net Present Value
NSGIS	NorthSouth Geographic Information System

O

O & M	Operation and Maintenance
OA	Owner's Agent
OBEs	Other Business Enterprises
OCWD	Orange County Water District
ODE	Organization Development and Engagement
OE	Owner's Engineers
OPEB	Other Post-Employment Benefits
OPEX	Operating Expenditure or Expense
OT	Operational Technology

P

PCE	Perchloroethylene Pollution
PEIR	Programmatic Environmental Impact Report
PFAS	Polyfluoroalkyl Substances
PFBS	Perfluorobutane Sulfonic Acid
PFHxS	Perfluorohexane Sulfonic Acid
PFNA	Perfluorononanoic Acid
PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctanesulfonic Acid
PPIC	Public Policy Institute of California
PRP	Potentially Responsible Parties
PWSC	Pure Water Southern California Project

Q

QA	Quality Assurance
QC	Quality Control

R

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

S

SAT	Soil Aquifer Treatment
SBEs	Small Business Enterprises
SCADA	Supervisory Control and Data Acquisition
SCAP	Site Cleanup Subaccount Program
SCWC	Southern California Water Committee
SDLAC	Sanitation Districts of Los Angeles County
SDWP	Safe Drinking Water Program
SGCBSG	San Gabriel Coastal Basin Spreading Grounds
SGMA	Sustainable Groundwater Management Act
SGSG	San Gabriel Spreading Grounds
SGRWM	San Gabriel River Watermaster
SJC	San Jose Creek
SJCWRP	San Jose Creek Water Reclamation Plant
SMBGSA	Santa Monica Basin Groundwater Sustainability Agency
SNMP	Salt Nutrient Management Plan
SRF	State Revolving Fund
STEM	Science Technology Engineering and Mathematics

SWP	State Water Project
SWRCB	State Water Resources Control Board
T	
TAC	Technical Advisory Committee
TBD	To be determined
TCE	Trichloroethylene
TDS	Total Dissolved Solids
TGDE	Torrance Groundwater Desalter Expansion
TITP	Terminal Island Treatment Plant
TIWRP	Terminal Island Water Reclamation Plant
TOC	Total organic compounds
U	
UAL	Unfunded Accrued Liability
UCMR	Unregulated Contaminant Monitoring Rule
UPS	Uninterruptible Power Supply
USACE	U.S. Army Corps of Engineers
USBR	United States Bureau of Reclamation
USEPA	United States Environmental Protection Agency
USFW	United States Fish & Wildlife
USGS	United States Geological Survey
UV	Ultraviolet
V	
VOC	Volatile organic compound
W	
WAS	Water Augmentation Study
WBMWD	West Basin Municipal Water District
WCBBP	West Coast Basin Barrier Project
WCS	Water Compliance Solutions
WDR	Waste Discharge Requirement
WEF	Water Education Foundation
WET	Water Education for Teachers
WE&T	Water Environment & Technology
WEFTEC	Water Environment Federation Technical Exhibition and Conference
WIN	Water Independence Now Program
WN	Whittier Narrows
WNOU	Whittier Narrows Operable Unit
WPAC	Water Pumper Advisory Committee
WRD	Water Replenishment District of Southern California
WRP	Water Reclamation Plant
WWTS	Wastewater Treatment Surcharge
WY	Water Year

ACKNOWLEDGEMENT

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For this budget and other financial reports, please refer to:
http://www.wrd.org/reports

For upcoming meetings of the Board of Directors regarding budget activities, please refer to:
https://agendas.wrd.org/OnBaseAgendaOnline

WRD

WATER REPLENISHMENT DISTRICT

ACHIEVEMENTS IN WATER INDEPENDENCE

Fiscal Year 2027 Annual Budget

