

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk
County of: Los Angeles

From: (Public Agency): Water Replenishment
District of Southern California (District)
4040 Paramount Blvd., Lakewood, CA 90712
(Address)

Project Title: Adoption of Resolution No. 24-1221 Levying Replenishment Assessment

Project Applicant: Water Replenishment District of Southern California (District)

Project Location - Specific:
Central and West Coast Basins

Project Location - City: Attachment A herto Project Location - County: Los Angeles

Description of Nature, Purpose and Beneficiaries of Project:

Levying a Replenishment Assessment on the production of groundwater from the groundwater supplies within the District during the fiscal year commencing July 1, 2024 and ending June 30, 2025 as provided in Section 60317 of California Water Code.

Name of Public Agency Approving Project: Water Replenishment District of Southern California (District)

Name of Person or Agency Carrying Out Project:

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
Declared Emergency (Sec. 21080(b)(3); 15269(a));
Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
Categorical Exemption. State type and section number: State CEQA Guidelines 15162, 15261, and 15273
Statutory Exemptions. State code number: Public Resources Code Section 21080(b)(8)

Reasons why project is exempt:

See Attachment A herto

Lead Agency
Contact Person: Stephan Tucker, General Manager Area Code/Telephone/Extension: 562-275-4300

If filed by applicant:

- 1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: [Signature] Date: 6-10-2024 Title: General Manager

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR:

THIS NOTICE WAS POSTED

ON July 01 2024

UNTIL July 31 2024



Dean G. Logan, Registrar - Recorder/County Clerk

Electronically signed by CAROLINA QUEVEDO

REGISTRAR - RECORDER/COUNTY CLERK

Revised 2011

ATTACHMENT A

The District's adoption of Resolution No. 24-1221 (attached) complies with the California Environmental Quality Act ("CEQA"), based on any one of the following grounds:

- (a) 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 2024-2025 program is part of that ongoing project.
- (b) Funds generated by the replenishment assessment (RA) will be used for (1) operating expenses, (2) financial reserve needs, (3) purchasing or easing supplies, equipment and materials, and (4) funds for capital projects necessary to maintain service within existing service areas. 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's adoption of Resolution 24-1221 is exempt from CEQA pursuant to CEQA Section 20180(b)(8) and CEQA Guideline 15273.
- (c) Notwithstanding the exemptions cited above, an Environmental Impact Report ("EIR") for the District's groundwater replenishment program has heretofore been prepared and the EIR and program have been approved by the District's Board. Subsequent to the preparation of that EIR, the District prepared and certified a number of Mitigated Negative Declarations and Negative Declarations for various water quality and water supply projects (collectively, the "NDs"). The District has examined the imposition of a water replenishment assessment for the 2024-2025 fiscal year to determine whether an additional environmental document must be prepared. Based on this examination, the 2024 Engineering Survey and Report and all other evidence in the administrative record of the District's proceedings herein, the District concludes that: (1) the imposition of a water replenishment assessment for the 2024-2025 fiscal year would not have any effects that were not examined in the EIR and NDs; (2) pursuant to CEQA Guidelines §15162, no new effects would occur and no new mitigation measures would be required; and (3) the imposition of a water replenishment assessment for the 2024-2025 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.

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RESOLUTION NO. 24-1221

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA LEVYING A REPLENISHMENT ASSESSMENT ON THE PRODUCTION OF GROUNDWATER FROM THE GROUNDWATER SUPPLIES WITHIN THE DISTRICT DURING THE FISCAL YEAR COMMENCING JULY 1, 2024 AND ENDING ON JUNE 30, 2025 AS PROVIDED IN SECTION 60317 OF THE CALIFORNIA WATER CODE AND MAKING FINDINGS AND DETERMINATIONS REGARDING SAID ASSESSMENT IN ACCORDANCE WITH SECTIONS 60315 AND 60316 OF THAT CODE

WHEREAS, the Board of Directors (the "Board") of the Water Replenishment District of Southern California (the "District") on February 6, 2024, in compliance with California Water Code § 60300, timely ordered an Engineering Survey and Report (the "ESR") to be made regarding the groundwater supplies and groundwater quality issues within the District; and

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

WHEREAS, the Board, by Resolution No. 24-1218, has declared that funds shall be raised to purchase water for replenishment of groundwater supplies within the District during the ensuing fiscal year, beginning July 1, 2024 through June 30, 2025 (FY 2024/25), and to accomplish all acts reasonably necessary pursuant to said replenishment, including, but not limited to, the development and operation of capital projects, and that such funds shall be raised by a replenishment assessment as provided in Chapter 2 of Part 6 of the California Water Code, and further finding that the funds to be raised will benefit, directly or indirectly, all of the persons or real property and improvements within the District; and

WHEREAS, the Board, by Resolution No. 24-1218, has declared that funds shall be raised to remove contaminants from groundwater supplies and to exercise any other power under California Water Code § 60224, including, but not limited to, the development and operation of capital projects, and that such funds shall be raised by a replenishment assessment as provided in Chapter 2 of Part 6 of the California Water Code, and further finding that the funds so raised will benefit, directly or indirectly, all of the persons or real property and improvements within the District; and

WHEREAS, the District prepared a Cost of Service Report dated April 2, 2024, which has been made available to the public, describing the services the District anticipates performing in FY 2024/25, estimating the costs of providing those services, and calculating a Replenishment Assessment that ensures that those costs are spread amongst water producers in an equitable manner; and

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WHEREAS, on April 2, 2024, as required by California Water Code § 60307, the Board held a public hearing for the purpose of determining whether and to what extent the estimated cost of water replenishment programs and the estimated cost of water quality programs for the ensuing year shall be paid for by a replenishment assessment; and

WHEREAS, notice of the April 2, 2024 hearing was published as required by law; and

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

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


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

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

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

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

1. That the Board, pursuant to §60315 of the Water Code of the State of California, finds as follows:
 - a) The annual overdraft of the preceding water year (October 1, 2022 through September 30, 2023) was 132,127 acre-feet as provided in the 2024 ESR and any updates.
 - b) The estimated annual overdraft for the current water year (October 1, 2023 through September 30, 2024) is 54,800 acre-feet as provided in the 2024 ESR and any updates.

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- c) The estimated annual overdraft for the ensuing water year (October 1, 2024 through September 30, 2025) is 61,800 acre-feet as provided in the 2024 ESR and any updates.
- d) The accumulated overdraft as of the last day of the preceding water year was 623,140 acre-feet as provided in the 2024 ESR and any updates.
- e) The estimated accumulated overdraft as of the last day of the current water year is 588,200 acre-feet as provided in the 2024 ESR and any updates.
- f) The total production of groundwater from the groundwater supplies within the District during the preceding water year was 195,373 acre-feet as provided in the 2024 ESR and any updates.
- g) The estimated total production of groundwater from groundwater supplies within the District for the current water year is 200,000 acre-feet as provided in the 2024 ESR and any updates.
- h) The estimated total production of groundwater from the groundwater supplies within the District for the ensuing water year is 207,000 acre-feet as provided in the 2024 ESR and any updates.

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

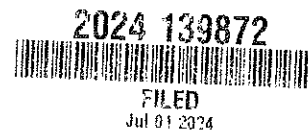
- i) Water Year 2022/23 had above normal precipitation, decreased pumping, and an above average amount of replenishment by WRD. Groundwater levels in most areas of the basin increased, resulting in an overall increase of 8.7 feet District wide. This led to an increase in groundwater storage of approximately 206,000 AF. The 2024 ESR and any updates provide details of water levels and basin conditions.
- j) The District is currently experiencing 100% of normal rainfall through February 2, 2024. Water levels in the Montebello Forebay rose nearly 14 feet by the start of the winter season and are presently about 33.7 feet higher than the previous water year (January 2023). Basin conditions have rebounded and are currently slightly below the optimum quantity of 612,000

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AF. The 2024 ESR and any updates provide details of water levels and basin conditions.

- k) The quantity of water that should be purchased by the District for the replenishment of the groundwater supplies of the District during the ensuing water year is 88,500 acre-feet, which includes 64,500 acre-feet at the spreading grounds and 24,000 acre-feet at the seawater barrier wells. Details of the calculations for these amounts are presented in the 2024 ESR and any updates, and on budget discussions with the Board and BAC.
- l) The estimated cost of purchasing the water described in subdivision (k) is \$35,463,437. The 2024 ESR and any updates provide details on the sources of such purchased water and the calculation of the purchasing costs.
- m) The estimated gross costs of replenishing the groundwater supplies with the water so purchased is \$53,423,089. The derivation of this amount is described in the 2024 ESR, the 2024 Cost of Service Report, and any updates to these documents, and on Board and BAC decisions at various public meetings.
- n) It is not anticipated that additional replenishment funds need to be raised in the ensuing year for future replenishment water that should be purchased in the ensuing year but cannot be purchased due to an anticipated unavailability of replenishment water in the ensuing year.
- o) The estimated rate of the replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the district during the ensuing fiscal year is \$494 per acre-foot of groundwater pumped (excluding withdrawals from storage). \$197 of this is for costs identified in subdivision (l) and \$297 of this is for costs identified in subdivision (m).
- p) Contaminants should be removed from groundwater supplies during the ensuing fiscal year pursuant to the District's projects and programs described in the 2024 ESR and any updates, the District's capital improvement program, and the District's proposed annual budget document. The gross costs to the District for these removal activities are estimated at \$16,676,692. The estimated additional rate of replenishment assessment required to be levied upon the production of groundwater from the groundwater supplies within the District during the ensuing fiscal year for those purposes is \$93 per acre-foot (excluding withdrawals from storage).
- q) The programs for the removal of contaminants or other actions under Water Code § 60224 are multi-year programs.



- r) The estimated amount of reserves on hand at the end of FY 2024/25 will not exceed the applicable limitations provided in Water Code Sections 60290.
2. That the Board pursuant to §60316 of the Water Code of the State of California determines as follows:
- a) The entire estimated cost, as set forth in Section 1(l) of this Resolution of purchasing water for replenishment for the ensuing fiscal year shall be paid for by a replenishment assessment. The necessary replenishment assessment for such purchase of water is \$197 per acre-foot of groundwater pumped (excluding withdrawals from storage).
- b) Because the District anticipates having \$19,014,400 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only \$34,408,689 of the estimated cost, as set forth in Section 1(m) of this Resolution, for replenishing groundwater supplies with purchased water shall be paid for by a replenishment assessment. The necessary replenishment assessment for these replenishment costs is \$191 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, \$106 is allocated to capital projects.
- c) Because the District anticipates having \$7,868,600 in other funds (such as sales revenues, subsidies, grants, and carryover revenues from storage) that can be applied to such costs, only \$8,808,092 of the estimated cost, as set forth in Section 1(q) of this Resolution, for removal of contaminants from groundwater supplies shall be paid for by a replenishment assessment. The necessary replenishment assessment for these removal costs is \$49 per acre-foot of groundwater pumped (excluding withdrawals from storage). Of this, \$7 is allocated to capital projects.
3. Prior to accounting for other revenue, possible debt financing, or use of reserves, the entire cost of purchasing water for replenishment for the ensuing fiscal year shall be paid for by the assessment identified in Section 2 above. The cost of removing contaminants from groundwater supplies and taking other actions authorized under Water Code § 60224 shall be paid for by the assessment identified in Section 2 above, from possible debt financing for capital improvement projects, and from reserve funds as necessary maintained in accordance with Water Code § 60290. The costs of those capital projects to be undertaken in the ensuing fiscal year, but for which no capital construction accounts have been established pursuant to Water Code § 60291, shall also be paid for by the reserve fund maintained in accordance with Water Code § 60290.

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4. There is hereby levied on the production of groundwater from groundwater supplies within the District during the fiscal year commencing July 1, 2024 and ending June 30, 2025, a replenishment assessment in the amount of \$437 per acre-foot produced during said fiscal year.

5. This Replenishment Assessment complies with the California Environmental Quality Act ("CEQA"), based on any one of the following grounds:
 - (a) That the District's groundwater replenishment program is exempt from CEQA pursuant to CEQA Guidelines §15261(a), in that it is an ongoing project commencing at a date such that an environmental impact report has not been required, and the FY 2024/25 program is part of that ongoing project.

 - (b) Funds generated by the RA will be used for (1) operating expenses, (2) financial reserve needs, (3) purchasing or leasing of, equipment, materials and supplies, and (4) funds for capital projects necessary to maintain service within existing service areas. That Finding is based on documents and information provided in the record of these proceedings, including but not limited to the annual ESR, the 2024 Cost of Service Report, the proposed 2024/25 budget, and the staff's written reports and PowerPoint presentations to the Board. Further, the funds raised by the RA will not be used to expand the area or territory in which the District provides services or to fund capital projects that would expand the District's service area or system. Accordingly, the District finds that its adoption of this resolution exempt from CEQA pursuant to, among other bases, CEQA Section 20180(b) (8) and CEQA Guidelines 15261 and 15273, and the Board directs staff to file an appropriate Notice of Exemption.

 - (c) Notwithstanding the exemptions cited above, an Environmental Impact Report ("EIR") for the District's groundwater replenishment program was previously prepared and that EIR and program have been approved by the District's Board. Subsequent to the preparation of that EIR, the District prepared and certified a number of Mitigated Negative Declarations and Negative Declarations for various water quality and water supply projects (collectively, the "NDs"). The District has examined the imposition of a water replenishment assessment for FY 2024/25 to determine whether an additional environmental document must be prepared. Based on this examination, the 2024 Engineering Survey and Report and all other evidence in the administrative record of the District's proceedings herein, the District concludes that: (1) the imposition of a water replenishment assessment for the FY 2024/25 would not have any effects that were not examined in the EIR and NDs; (2) pursuant to CEQA Guidelines §15162, no new effects would occur and no new mitigation measures would be required; and (3) the imposition of a water replenishment assessment for the FY 2024/25 fiscal year is within the scope of the groundwater

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

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

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

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

The Board notes that, in addition to replenishment assessment proceeds, the District receives an allocation of ad valorem property tax revenues. It is the intent of the Board that the District's Grants and Sponsorship Program, memberships


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and dues, water education expenses, and other community programs, be funded from these property tax revenues.

[RECORD OF THE VOTE AND SIGNATURES ON FOLLOWING PAGE]

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PASSED, APPROVED AND ADOPTED THIS 23rd day of April 2024 by the following vote:

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


WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA


Board President

ATTEST:


Board Secretary

4/23/2024
DATE

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Dean C. Lopez, Registrar - Recorder/County Clerk

Electronically signed by CAROL DE WITT

APPROVED AS TO FORM:



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