

RESOLUTION NO. 2015-6-10

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR  
FISCAL YEAR 2015/16

**WHEREAS**, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

**WHEREAS**, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriation may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

**WHEREAS**, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriation Limits;

**WHEREAS**, Inland Empire Utilities Agency\*, as a local government, is required under Article XIII B to annually establish an appropriation limit for the following fiscal year;

**WHEREAS**, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

**WHEREAS**, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

**WHEREAS**, it is Inland Empire Utilities Agency's\* intent to establish this year's Appropriation Limits, following the California League of Cities Uniform Guidelines dated March, 1991; and

**WHEREAS**, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2015/16 Appropriation Limits are now available.

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.  
Inland Empire Utilities Agency\*  
\*A Municipal Water Agency\*

By Moody Date 6-30-15

**NOW, THEREFORE,** the Inland Empire Utilities Agency\* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

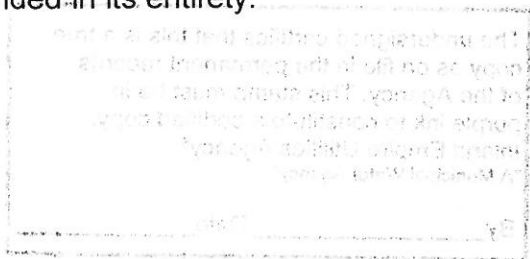
Section 3. Appropriation Limits. That pursuant to Section 7910 of the Government Code and Exhibits I through IV attached hereto and made a part hereof, the Board of Directors does hereby establish the following Appropriation Limits for Fiscal Year 2015/16:

<u>EXHIBIT</u>	<u>FUND</u>	<u>APPROPRIATION LIMITS</u>
I	Administrative Service Fund	\$18,578,137
II	Regional Wastewater Capital Improvement Fund	\$109,484,589
III	Regional Wastewater Operations and Maintenance Fund	\$25,364,177
IV	Recycled Water Fund	\$4,215,341
V	Water Resources Fund	\$1,928,336
	Total	<u>\$159,570,580</u>

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriation Limits and the Total Appropriation Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2014-6-10 is hereby rescinded in its entirety.

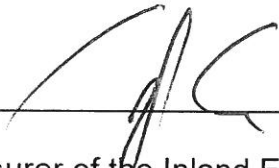


Adopted this 17<sup>th</sup> day of June, 2015



\_\_\_\_\_  
Terry Catlin  
President of the Inland Empire Utilities Agency\*  
and of the Board of Directors thereof

ATTEST:



\_\_\_\_\_  
Steven J. Elie  
Secretary/ Treasurer of the Inland Empire  
Utilities Agency\* and of the Board of  
Directors thereof

(SEAL)

\*A Municipal Water District

STATE OF CALIFORNIA            )  
  )SS  
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-10, was adopted at a regular meeting on June 17, 2015, of said Agency by the following vote:

AYES:           Hall, Elie, Camacho, Koopman, Catlin

NOES:           None

ABSTAIN:       None

ABSENT:        None

  
\_\_\_\_\_  
Steven J. Elie  
Secretary/Treasurer

(SEAL)

\* A Municipal Water District

APPROPRIATION LIMITS UNDER  
CALIFORNIA CONSTITUTION AMENDMENT XIII B  
General Fund

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	<u>\$ 475,362</u>	<u>\$1,964,160</u>
Appropriation Subject to Limitation		<u>( 342,172)</u>
		<u>\$1,621,988*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	1,621,988	10.17%	5.97%	1,893,625
1980-81	1,893,625	12.11%	5.56%	2,240,979
1981-82	2,240,979	9.12%	5.50%	2,579,851
1982-83	2,579,851	6.79%	3.85%	2,861,055
1983-84	2,861,055	2.35%	3.17%	3,020,988
1984-85	3,020,988	4.74%	3.08%	3,261,640
1985-86	3,261,640	3.74%	3.66%	3,507,466
1986-87	3,507,466	2.30%	4.94%	3,765,392
1987-88	3,765,392	3.04%	5.19%	4,081,225
1988-89	4,081,225	3.93%	5.58%	4,478,299
1989-90	4,478,299	4.98%	6.18%	4,991,860
1990-91	4,991,860	4.21%	6.70%	5,550,552
1991-92	5,550,552	4.14%	5.46%	6,095,952
1992-93	6,095,952	<.64%>	3.92%	6,294,370
1993-94	6,294,370	2.72%	3.20%	6,672,475
1994-95	6,672,475	.71%	1.56%	6,824,679
1995-96	6,824,679	4.72%	1.62%	7,262,585
1996-97	7,262,585	5.21%	1.02%	7,718,904
1997-98	7,718,904	4.67%	.09%	8,086,648
1998-99	8,086,648	4.15%	.98%	8,504,782
1999-2000	8,504,782	4.53%	1.37%	9,011,740
2000-2001	9,011,740	4.91%	1.82%	9,626,414
2001-2002	9,626,414	7.82%	1.95%	10,581,194
2002-2003	10,581,194	<1.27%>	2.72%	10,730,595
2003-2004	10,730,595	2.31%	2.59%	11,262,814
2004-2005	11,262,814	3.28%	2.52%	11,925,225
2005-2006	11,925,225	5.26%	2.49%	12,864,859
2006-2007	12,864,859	3.96%	2.10%	13,655,168
2007-2008	13,655,168	4.42%	1.86%	14,523,939
2008-2009	14,523,939	4.29%	1.45%	15,366,648
2009-2010	15,366,648	0.62%	0.79%	15,584,070
2010-2011	15,584,070	<2.54%>	0.85%	15,317,335
2011-2012	15,317,335	2.51%	1.05%	15,866,669
2012-2013	15,866,669	3.77%	0.86%	16,606,373
2013-2014	16,606,373	5.12%	0.85%	17,605,080
2014-2015	17,605,080	<0.23%>	0.78%	17,701,556
<b>2015-2016</b>	<b>17,701,556</b>	<b>3.82%</b>	<b>1.09%</b>	<b>18,578,137</b>

Factor #1 – The change in the California Per Capita Personal Income Index.

Factor #2 – Percent of increase in San Bernardino County population.

All factors provided by State Department of Finance, May 2015.

\* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

**APPROPRIATION LIMITS UNDER  
CALIFORNIA CONSTITUTION AMENDMENT XIII B  
Regional Wastewater Capital Improvement Fund (Improvement District C)**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	\$ 2,578,964	\$17,954,195
Appropriation Subject to Limitation		<u>( 8,395,597)</u>
		<u>\$ 9,558,698*</u>

**APPROPRIATION LIMITS**

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	9,558,698	10.17%	5.97%	11,159,507
1980-81	11,159,507	12.11%	5.56%	13,206,531
1981-82	13,206,531	9.12%	5.50%	15,203,570
1982-83	15,203,570	6.79%	3.85%	16,860,759
1983-84	16,860,759	2.35%	3.17%	17,803,275
1984-85	17,803,275	4.74%	3.08%	19,221,482
1985-86	19,221,482	3.74%	3.66%	20,670,183
1986-87	20,670,183	2.30%	4.94%	22,190,190
1987-88	22,190,190	3.04%	5.19%	24,051,453
1988-89	24,051,453	3.93%	5.58%	26,391,490
1989-90	26,391,490	4.98%	6.18%	29,418,004
1990-91	29,418,004	4.21%	6.70%	32,710,488
1991-92	32,710,488	4.14%	5.46%	35,924,635
1992-93	35,924,635	< 6.4% >	3.92%	37,093,950
1993-94	37,093,950	2.72%	3.20%	39,322,198
1994-95	39,322,198	.71%	1.56%	40,219,167
1995-96	40,219,167	4.72%	1.62%	42,799,830
1996-97	42,799,830	5.21%	1.02%	45,489,004
1997-98	45,489,004	4.67%	.09%	47,656,192
1998-99	47,656,192	4.15%	.98%	50,120,336
1999-2000	50,120,336	4.53%	1.37%	53,107,938
2000-2001	53,107,938	4.91%	1.82%	56,730,335
2001-2002	56,730,335	7.82%	1.95%	62,357,043
2002-2003	62,357,043	< 1.27% >	2.72%	63,237,491
2003-2004	63,237,491	2.31%	2.59%	66,373,962
2004-2005	66,373,962	3.28%	2.52%	70,277,680
2005-2006	70,277,680	5.26%	2.49%	75,815,128
2006-2007	75,815,128	3.96%	2.10%	80,472,573
2007-2008	80,472,573	4.42%	1.86%	85,592,409
2008-2009	85,592,409	4.29%	1.45%	90,558,656
2009-2010	90,558,656	0.62%	0.79%	91,839,969
2010-2011	91,839,969	< 2.54% >	0.85%	90,268,045
2011-2012	90,268,045	2.51%	1.05%	93,505,378
2012-2013	93,505,378	3.77%	0.86%	97,864,598
2013-2014	97,864,598	5.12%	0.85%	103,750,175
2014-2015	103,750,175	< 0.23% >	0.78%	104,318,726
<b>2015-2016</b>	<b>104,318,726</b>	<b>3.82%</b>	<b>1.09%</b>	<b>109,484,589</b>

Factor #1 – The change in the California Per Capita Personal Income Index.  
 Factor #2 – Percent of increase in San Bernardino County population.  
 All factors provided by State Department of Finance, May 2015.  
 \* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

APPROPRIATION LIMITS UNDER  
CALIFORNIA CONSTITUTION AMENDMENT XIII B  
Regional Wastewater Operations & Maintenance Fund

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	\$ 935,780	\$2,260,247
Appropriation Subject to Limitation		( 45,794)
		<u>\$2,214,453*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	2,214,453	10.17%	5.97%	2,585,311
1980-81	2,585,311	12.11%	5.56%	3,059,543
1981-82	3,059,543	9.12%	5.50%	3,522,195
1982-83	3,522,195	6.79%	3.85%	3,906,114
1983-84	3,906,114	2.35%	3.17%	4,124,466
1984-85	4,124,466	4.74%	3.08%	4,453,020
1985-86	4,453,020	3.74%	3.66%	4,788,639
1986-87	4,788,639	2.30%	4.94%	5,140,777
1987-88	5,140,777	3.04%	5.19%	5,571,974
1988-89	5,571,974	3.93%	5.58%	6,114,008
1989-90	6,114,088	4.98%	6.18%	6,815,237
1990-91	6,815,237	4.21%	6.70%	7,578,003
1991-92	7,578,003	4.14%	5.46%	8,322,621
1992-93	8,322,621	<.64%>	3.92%	8,593,515
1993-94	8,593,515	2.72%	3.20%	9,109,731
1994-95	9,109,731	.71%	1.56%	9,317,531
1995-96	9,317,531	4.72%	1.62%	9,915,390
1996-97	9,915,390	5.21%	1.02%	10,538,388
1997-98	10,538,388	4.67%	.09%	11,040,458
1998-99	11,040,458	4.15%	.98%	11,611,324
1999-2000	11,611,324	4.53%	1.37%	12,303,459
2000-2001	12,303,459	4.91%	1.82%	13,142,656
2001-2002	13,142,656	7.82%	1.95%	14,446,189
2002-2003	14,446,189	<1.27%>	2.72%	14,650,161
2003-2004	14,650,161	2.31%	2.59%	15,376,784
2004-2005	15,376,784	3.28%	2.52%	16,281,154
2005-2006	16,281,154	5.26%	2.49%	17,564,009
2006-2007	17,564,009	3.96%	2.10%	18,642,994
2007-2008	18,642,994	4.42%	1.86%	19,829,101
2008-2009	19,829,101	4.29%	1.45%	20,979,626
2009-2010	20,979,626	0.62%	0.79%	21,276,466
2010-2011	21,276,466	<2.54%>	0.85%	20,912,301
2011-2012	20,912,301	2.51%	1.05%	21,662,290
2012-2013	21,662,290	3.77%	0.86%	22,672,186
2013-2014	22,672,186	5.12%	0.85%	24,035,691
2014-2015	24,035,691	<0.23%>	0.78%	24,167,407
<b>2015-2016</b>	<b>24,167,407</b>	<b>3.82%</b>	<b>1.09%</b>	<b>25,364,177</b>

Factor #1 - The change in the California Per Capita Personal Income Index.  
Factor #2 - Percent of increase in San Bernardino County population.  
All factors provided by State Department of Finance, May 2015.  
\* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

APPROPRIATION LIMITS UNDER  
 CALIFORNIA CONSTITUTION AMENDMENT XIII B  
 Recycled Water Fund

2008-09 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$8,824,659
Revenues	<u>\$ 0</u>	<u>(5,337,998)</u>
Appropriation Subject to Limitation		<u>\$3,486,661*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
2009-2010	3,486,661	0.62%	0.79%	3,535,994
2010-2011	3,535,994	<2.54%>	0.85%	3,475,472
2011-2012	3,475,475	2.51%	1.05%	3,600,115
2012-2013	3,600,115	3.77%	0.86%	3,767,952
2013-2014	3,767,952	5.12%	0.85%	3,994,557
2014-2015	3,994,557	<0.23%>	0.78%	4,016,447
<b>2015-2016</b>	<b>4,016,447</b>	<b>3.82%</b>	<b>1.09%</b>	<b>4,215,341</b>

Factor #1 - The change in the California Per Capita Personal Income Index.  
 Factor #2 - Percent of increase in San Bernardino County population.  
 All factors provided by State Department of Finance, May 2015.  
 \* Details for Base Year 2008/09 data are available in FY 2008/09 Adopted Budget.



APPROPRIATION LIMITS UNDER  
 CALIFORNIA CONSTITUTION AMENDMENT XIII B  
 Water Resources Fund

2014-15 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$48,488,679
Revenues	<u>\$1,500,000</u>	<u>(46,651,329)</u>
Appropriation Subject to Limitation		<u>\$ 1,837,350*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
2015-2016	1,837,350	3.82%	1.09%	1,928,336

Factor #1 - The change in the California Per Capita Personal Income Index.  
 Factor #2 - Percent of increase in San Bernardino County population.  
 All factors provided by State Department of Finance, May 2015.  
 \* Details for Base Year 2014/15 data are available in FY 2014/15 Adopted Budget.

**APPROPRIATION LIMIT**

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriation Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriation Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2015/16 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2015/16. The increase in the limit is based upon population change of 1.09% within the county and a per capita personal income change of 3.82%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2010/11	\$129,973,153	\$ 33,821,422
2011/12	\$134,634,452	\$ 32,965,008
2012/13	\$140,911,109	\$ 32,607,254
2013/14	\$149,385,503	\$ 33,351,677
2014/15	\$150,204,136	\$ 40,203,474
<b>2015/16</b>	<b>\$159,570,580</b>	<b>\$ 41,156,629</b>

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriation limit and has been in compliance.

INLAND EMPIRE UTILITIES AGENCY ADOPTED BUDGET FISCAL YEAR 2015/2016 SCHEDULE OF APPROPRIATIONS							
	ADMINISTRATIVE SERVICES	REGIONAL WASTEWATER	NON-RECLAIMABLE WASTEWATER	RECHARGE WATER	RECYLED WATER	WATER RESOURCES	AGENCY TOTAL
TOTAL EXPENSES	\$2,532,006	\$73,731,628	\$10,382,395	\$1,579,546	\$10,591,504	\$54,452,543	\$153,269,622
NET CHANGES IN - CAPITAL OUTLAY	1,770,207	23,030,860	1,337,600	1,455,000	16,292,735	0	43,886,402
DEBT SERVICE	2,017,975	13,717,519	545,124	920,403	6,230,093	31,648	23,462,762
NET OTHER (SOURCES)/USES OF FUNDS	(1,770,207)	3,547,950	(158,395)	(1,302,242)	(527,306)	(40,959)	(251,159)
SUBTOTAL OF APPROPRIATIONS	\$4,549,981	\$114,027,957	\$12,106,724	\$2,652,707	\$32,587,026	\$54,443,232	\$220,367,627
INCREASE (DECREASE) IN WORKING CAPITAL RESERVES	(1,118,185)	3,738,265	(179,724)	(363,850)	1,059,139	(1,390,919)	1,744,726
TOTAL APPROPRIATION	\$3,431,796	\$117,766,222	\$11,927,000	\$2,288,857	\$33,646,165	\$53,052,313	\$222,112,353
LESS: NON-TAX PROCEEDS	(1,639,266)	(81,959,954)	(11,927,000)	(2,288,857)	(31,588,334)	(51,552,313)	(180,955,724)
APPROPRIATION SUBJECT TO LIMITATION	\$1,792,530	\$35,806,268	\$0	\$0	\$2,057,831	\$1,500,000	\$41,156,629
APPROPRIATION LIMIT	\$18,578,137	\$134,848,766	EXEMPT	EXEMPT	\$4,215,341	\$1,928,336	\$159,570,580

☆ By resolution, the Appropriation Limit for Regional Program Funds is established as follows:

Regional Wastewater Capital Improvement	\$109,484,589
Regional Wastewater Operations and Maintenance	<u>25,364,177</u>
Combined Regional Wastewater Appropriation Limit	\$134,848,766

