

**RESOLUTION NO. 2026-6-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026/27.**

**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 (Senate Bill [SB] 1352) became effective January 1, 1981, wherein the appropriations 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 SB 88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriations Limit;

**WHEREAS**, Inland Empire Utilities Agency\*, as a local government, is required under Article XIII B to annually establish an appropriations 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 Inland Empire Utilities 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 Appropriations Limit, 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 2026/27 Appropriation Limits are now available.

**NOW, THEREFORE**, the Board of Directors of 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 is 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.** Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year 2026/27 is \$283,235,277.


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

**Section 5.** Filing. That after a 15-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.** This Resolution shall take effect on July 1, 2026.

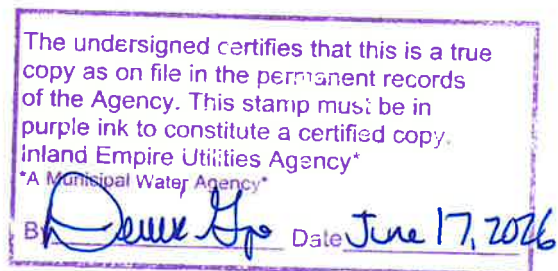
**Section 7.** That upon the effective date of this Resolution, Resolution No. 2025-6-2 is hereby rescinded in its entirety.

**ADOPTED** this 17th day of June 2026.

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

ATTEST:

  
\_\_\_\_\_  
Michael Camacho  
Secretary/Treasurer of the Inland Empire  
Utilities Agency\* and of the Board of  
Directors thereof



\*A Municipal Water District



## EXHIBIT I

### APPROPRIATIONS 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 Appropriations 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 situations, 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 Appropriations 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. Inland Empire Utilities Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for FY 2026/27 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 2026/27. The change in the limit is based upon population decrease of 0.06% within the county and a per capita personal income change of 4.95%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2021/22	\$215,549,215	\$ 57,486,000
2022/23	\$232,148,660	\$ 74,017,999
2023/24	\$242,746,245	\$ 79,035,000
2024/25	\$252,589,605	\$ 82,073,200
2025/26	\$270,038,495	\$ 92,444,500
<b>2026/27</b>	<b>\$283,235,277</b>	<b>\$ 95,604,700</b>

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

**EXHIBIT II**

**INLAND EMPIRE UTILITIES AGENCY**  
Proposed Budget Fiscal Year 2026/27  
Appropriations Limit Calculation

	<u>Agency Total</u>
2025/26 Appropriations Limit	<b>\$270,038,495</b>
2026/27 Change in Per Capita Personal income @ 1.04950	
2026/27 Change in Population @ 0.99940	
Ratio of Change (1.04950 x 0.99940)	1.04887
<b>2026/27 APPROPRIATIONS LIMIT</b>	<u><b>\$283,235,277</b></u>
	<u>Agency Total</u>
Total Expenses	\$269,049,894
Net Change in Capital Outlay	148,139,000
Debt Service	<u>31,333,925</u>
Subtotal of Appropriations	\$448,522,819
Increase/(Decrease) in Working Capital Reserves	<u>-6,984,381</u>
Total Appropriations	\$441,538,438
Less: Non-Tax Proceeds	<u>-345,933,738</u>
<b>APPROPRIATIONS SUBJECT TO LIMITATION</b>	<b>\$95,604,700</b>