AGENDA

SPECIAL MEETING OF THE

CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

PROGRESS PARK
BOARD ROOM
15500 DOWNEY AVE., PARAMOUNT, CA

MONDAY, NOVEMBER 21, 2016
1:30 PM

1. FLAG SALUTE

2. ROLL CALL

3. PUBLIC COMMENTS

4. CONSENT CALENDAR

**Consent Calendar items will be considered and approved in one motion unless removed by a Water Rights Panel Member for discussion.**

a. WATER RIGHTS PANEL MINUTES OF SEPTEMBER 8, 2016
   Recommendation: Approve as submitted

b. WARRANT REGISTER
   Recommendation: Approve as submitted

**End of Consent Calendar**

5. TREASURER'S REPORT
   Jason Wen, City of Lakewood

6. ADMINISTRATIVE BODY REPORT
   Jason Weeks, Water Replenishment District
   - Monthly Water Rights Activity Update
   - FY 15/16 Watermaster Report
   - Sustainable Groundwater Management Act
7. **ATTORNEY’S REPORT**  
Jim Markman - Richards, Watson, & Gershon  
-Caltrans update  
-Consideration of Providing Consent for Legal Counsel to provide legal services to the City of Beverly Hills concerning the unadjudicated fringe portion of Central Basin generally referred to as the La Brea Subbasin.

8. **WATER METER TESTING PROGRAM**  
Kevin Sales, KJServices Environmental Consulting

9. **FY 2016 - 2017 ASSESSMENT BILLING RATE DETERMINATION AND APPROVAL**  
Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

10. **FY 2016 - 2017 BUDGET APPROVAL**  
Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

11. **STORAGE PANEL SUBCOMMITTEE PROCESS**  
Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

12. **SECRETARY’S REPORT**  
Kevin Sales, KJServices Environmental Consulting

13. **WRITTEN COMMUNICATIONS**

14. **AGENDA ITEMS FOR THE JANUARY 12, 2017 WATER RIGHTS PANEL MEETING**

15. **WATER RIGHTS PANEL MEMBER COMMENTS**

The next regular meeting of the Central Basin Watermaster Water Rights Panel will be on Thursday, January 12, 2017, 1:30 PM, Progress Park Board Room, 15500 Downey Ave., Paramount, CA 90723.
MINUTES OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

PROGRESS PARK
BOARD ROOM
15500 DOWNEY AVE., PARAMOUNT, CA

THURSDAY, September 8, 2016
1:30 P.M.

Chairman Honeycutt (Signal Hill) called the regular meeting of the Central Basin Watermaster Water Rights Panel to order at 1:30 pm.

1. PLEDGE OF ALLEGIANCE

Chairman Honeycutt lead the panel members and those in attendance in the Pledge of Allegiance.

2. ROLL CALL

Panel Members
John Oskoui                          City of Downey
Leon de los Reyes                   City of Lakewood
Anatole Falagan                     City of Long Beach
Charlie Honeycutt                   City of Signal Hill
Toby Moore                          Golden State Water Company
Ken Bradbury                        Montebello Land and Water Company

Also Present
Desi Alvarez                        MCM Management
Chris Castillo                      City of South Gate
Tammy Hierlihy                      CBMWD
James Markman                       Richards, Watson, Gershon
Mohammed Mostashkami                City of Downey
Jason Weeks                         Water Replenishment District
Dennis Azevedo                      Orchard Dale Water District
Ed Castaneda                        Orchard Dale Water District
Greg Reed                           LA DWP
Scott Hungerford                    LA DWP
Gina Nila                           City of Commerce
Lourdes Vargas                      City of Downey
K. Majid Sadeghi                    LA Sanitation
Kevin Sales                         KJServices Environmental Consulting
3. PUBLIC COMMENTS

Mr. Dennis Azevedo, Vice President of the Orchard Dale Water District, spoke briefly to the Panel Members. Mr. Azevedo stated that he did not believe that comments made by Mr. Ed Castaneda, General Manager of the Orchard Dale Water District, during Public Comments at the Water Rights Panel's meeting on July 14, 2016 were accurately recorded in the minutes for that meeting. He presented Chairman Honeycutt and the other members of the Water Rights Panel a revised summary of Mr. Castaneda's comments that he felt were more accurate. His revised summary was received by the Panel.

4. CONSENT CALENDAR

One correction was made to the July 14, 2016 meeting minutes. Under item #2-Also Present, Mr. Tom Coleman of the Rowland Water District, was incorrectly listed as Tess Coleman. The meeting minutes were corrected to reflect the proper name.

Panel Member Moore (Golden State Water) made a motion to approve both item 4a and 4b. Panel Member Bradbury (Montebello Land and Water Company) seconded the motion which was approved by a unanimous voice vote of the Panel. Panel members Oskoui, Falagan, and de los Reyes abstained.

5. TREASURER'S REPORT

Mr. Kevin Sales (KJServices) presented the Treasurer's Report.

Mr. Sales reviewed the financial report prepared by the City of Lakewood. The City's summary report showed that the balance of the WRP's account as of August 15, 2016 was $111,710.71.

Panel Member Moore asked for an update on the status of the outstanding FY 15 / 16 assessment billing. Mr. Sales gave a brief update on the status of payments received and the total number and dollar value of the remaining outstanding assessment invoices. He stated that any outstanding assessment invoice amounts would be included in the new FY 16 / 17 assessment invoices that will be going out in November.

A motion to Receive and File the item was made by Panel Member Moore with a second by Panel Member Bradbury. The item was approved by a unanimous voice vote of the Panel members.

6. ADMINISTRATIVE BODY REPORT

Chairman Honeycutt introduced Mr. Jason Weeks of the Water Replenishment District to provide an update on the status of the Administrative Body.
Mr. Weeks reported the following updates:

2015 / 2016 Water Rights Activity
Attachment 1 provides a summary of 2015-2016 leases that will be included in the Watermaster Report.

In summary, there were 65 leases transferring 26,715.04 acre-feet of APA; 15,897.04 with flex (i.e. 50% carryover), and 10,818 acre-feet without flex.

In addition to the leases, two water-rights sales have been processed in 2015 - 2016.


2016 / 2017 Water Rights Activity
To date, there have been 29 leases processed for 2016 - 2017 transferring 8,541.66 acre-feet, 6,794.66 with flex (i.e. 60% carryover), and 1,747 acre-feet without flex.

There have been no water right sales processed in 2016 - 2017.

2015 / 2016 Groundwater Pumping
2015 - 2016 Central Basin groundwater pumping was 182,900 acre-feet, which is slightly higher than the 180,000 acre-feet from 2014 - 2015.

2016 - 2017 Groundwater Pumping
July 2016 groundwater pumping was 17,087 acre-feet, which is 6% more than the 16,149 acre-feet that was extracted in July 2015.

2015 / 2016 Storage Activity
There were five storage requests being processed in 2015-2016 for a total of 6,728.07 acre-feet:
1. Maywood Mutual Water Company No. 3: 115.83 acre-feet
2. Walnut Park Mutual Water Company: 497 acre-feet
3. Cerritos: 1,500 acre-feet
4. Lakewood: 1,315.24 acre-feet
5. LADWP: 3,200 acre-feet

No stored water was extracted in 2015 - 2016.

2016 - 2017 Water Rights Panel Invoices
The Panel requested that an item be placed on the agenda for their November 10, 2016 meeting to discuss the Fiscal Year 2016 - 2017 assessment rate and assessment billing process.

Mr. Mark Grajeda of the Pico Water District, requested that the Panel consider reducing the current assessment billing rate for the new fiscal year, stating that he believed the current rate was too high given the revenue requirements of the Panel.

Panel Member Cskoui (City of Downey) stated that he would also like to see the assessment billing rate structure discussed but also stated that he felt that the rate needed to ensure the Panel had sufficient revenue to ensure an adequate budget reserve.

A motion to Receive and File the Administrative Body's item was made by Panel Member Oskou with a second by Panel Member Bradbury. The item was approved by a unanimous voice vote of the Panel members.

7. ATTORNEY'S REPORT
Mr. James Markman of Richards, Watson, and Gershon presented the Panel members with an update on his efforts to contact the California Department of Transportation (Caltrans) regarding their de-watering activities along the 105 Freeway.

As has been discussed at prior meetings, Caltrans has been extracting groundwater without water rights in the area along the 105 Freeway to prevent settling along its below grade portions, primarily in the Downey area.

Mr. Markman had sent letters to both the Caltrans District Director, Mr. Douglas Failing, and the Southern District project manager, Mr. Leon Romero, to engage the Department in discussions to address their extraction of groundwater without water rights. No replies were received from either letter.

During a follow-up with Caltrans, Mr. Markman contacted Ms. Iris Malsman, an attorney for the Los Angeles Division of Caltrans. She contacted Mr. Markman and stated that Caltrans looked forward to working with the Water Rights Panel to address the groundwater extraction issue. Mr. Markman stated that we will continue the discussions with Caltrans now that they are aware of the situation and have expressed a desire to reach an appropriate resolution.
A motion to Receive and File the item was made by Panel Member Oskoui with a second by Panel Member Moore. The item was approved by a unanimous voice vote of the Panel members.

8. WATER METER TESTING PROGRAM
Chairman Honeycutt presented this item.

Per the Central Basin Water Rights Panel's contract with the California Department of Water Resources (DWR) (Contract # 333182), testing of water production wells in the Central Basin continues.

The Water Rights Panel's new two-year contract with the California Department of Water Resources was approved by the Panel at their May 2016 meeting. The new contract has been signed by Chairman Honeycutt and returned to the DWR. The new contract is effective through June 30, 2018. Per the Department of Water Resources, water meter testing will resume in November.

A motion to Receive and File the item was made by Panel Member Bradbury, with a second by Panel Member Oskoui. The item was approved by a unanimous voice vote of the Panel members.

9. PUENTE BASIN WATER AGENCY PETITION
At their July 14, 2016 meeting the Water Rights Panel established an ad-hoc committee to review the petition presented by the Puente Basin Water Agency to combine two carve outs in the Third Amended Judgment that allows for the export of 2,500 acre-feet (5,000 acre-feet total) from the Central Basin.

After meeting on August 1, 2016, the ad-hoc committee determined that the Panel does not have the authority to grant the Puente Basin Water Agency's petition, but rather the request would need to be made to the Court under the requirements of the Third Amended Judgment. A letter explaining the ad-hoc committee's position was sent to the Puente Basin Water Agency's general counsel.

Based on that letter, the parties have dropped their petition and there is no additional action that needs to be taken by the Water Rights Panel at this time.

A motion to receive and file this item was made by Panel Member Bradbury with a second by Panel Member Falagan (City of Long Beach). The motion was approved by a unanimous voice vote of the Panel members.
Mr. Jim Markman of Richards, Watkins and Gershon had no new information to report to the panel. He did state that there were a couple of updates that he would provide to the Panel members during the Closed Session.

10. ADMINISTRATIVE SUPPORT SERVICES CONTRACT EXTENSION
This item was presented by Chairman Honeycutt.

Mr. Kevin Sales of KJServices presented a proposal to review his current administrative support services contract, which had expired on June 30, 2016, to be renewed for Fiscal Year 2016 - 2017.

The proposal for the new fiscal year continued Mr. Sales' current billing rate and administrative responsibilities and included an estimated budget of Not to Exceed $25,000.

After a brief discussion among the Panel members regarding how this types of consulting contracts should be presented to the Panel, Chairman Honeycutt asked for a motion to approve Mr. Sales' contract for the 2016 - 2017 fiscal year.

A motion to approve the contract in an amount not to exceed $25,000 was made by Panel Member Oskoui with a second by Panel Member Bradbury. The motion was approved by a unanimous voice vote of the Panel members.

11. CITY OF LOS ANGELES FOREBAY STORAGE CONCEPT
Chairman Honeycutt presented Mr. Jason Weeks of the Water Replenishment District to provide an overview of the City of Los Angeles's Forebay Groundwater Storage Concept.

The City of Los Angeles is in initial discussions with the Water Replenishment District to develop a project that would capture storm water runoff and infiltrate it into the Central Basin Forebay area. The project is still in the initial development stage.

The general project description initiated a discussion among the Panel members, who were generally supportive of the project concept, though had many questions and concerns about how the projects may impact existing groundwater recharge in the Basin. Their initial issues included:

- Determine how to accurately meter the runoff flow
- Insure the infiltration location was in the Basin forebay area
- Ensure that the water being captured was not being detoured from other, existing WRD recharge / infiltration areas (i.e.; that the project was capturing "new" runoff)
- Address possible water quality issues

The Panel then discussed how they should best be involved with these types of runoff capture and infiltration projects. The Panel members discussed how they should work with the WRD through the Storage Panel process established by the Third Amended Judgment.

The Panel members decided to bring the Storage Panel question back at its next meeting and discuss it in detail.
A motion was made by Panel Member Oskoui to receive and file this item. A second was made by Panel Member Bradbury and the item was approved by a unanimous voice vote of the Panel members.

12. SECRETARY'S REPORT
The Panel's secretary had no information to report.

13. WRITTEN COMMUNICATIONS
No written communications were received.

14. AGENDA ITEMS FOR THE NOVEMBER 10, 2016 WATER RIGHTS PANEL MEETING
The agenda was discussed for the Water Rights Panel meeting of September 8, 2016.

In addition to the Panel's recurring meeting items; Consent Calendar, Treasurer's Report, Administrative Body Report, Attorney's Report, and Water Meter Testing Program report, the following items will be included on the Water Rights Panel's next meeting agenda:
- FY 2016 - 2017 Assessment Billing
- FY 2016 - 2017 Budget
- Storage panel Subcommittee

15. WATER RIGHTS PANEL MEMBER COMMENTS
No Panel member comments were received.

17. ADJOURNMENT
Chairman Honeycutt adjourned the meeting at 2:09 pm.

__________________________
CHAIRMAN

ATTEST:
Central Basin Watermaster  
Water Rights Panel  

Invoice Register  

November 21, 2016

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<th>Invoice No.</th>
<th>Inv. Date</th>
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<td>Administrative Services for September 2016</td>
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<td>10/3/2016</td>
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<td>Richards, Watson, Gershon</td>
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**TOTAL**  $5,253.92
## Invoice

**KJ Services**

**ENVIRONMENTAL CONSULTING**

9020 Hornby Avenue
Whittier, CA 90603
(562) 944-4766
(562) 944-3267 fax

| Bill To: | Central Basin Watermaster  
|          | Water Rights Panel  
|          | 5050 Clark Ave.  
|          | Lakewood, CA 90712 |

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<th>Terms:</th>
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Thank you for your business.

| Total | $340.00 |
# Consulting services Summary

**Date Start:** 9/1/2016 | **Date End:** 9/30/2016 | **Clients:** Central Basin Water Rights Panel | **Consulting services:** | **Users:** | **Account Managers:** All

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<th>Labor Time/Quantity</th>
<th>Billable Time/Cost Price</th>
<th>Billable Sell Price</th>
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<td>09/02/2016</td>
<td>Kevin</td>
<td>Finalize draft agenda package and send it to Panel members and key reviewers.</td>
<td>$80.00/hr</td>
<td>1.00</td>
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<td>09/05/2016</td>
<td>Kevin</td>
<td>Prepare documents for WRP mtg, send finalized agenda out to members and interested parties.</td>
<td>$80.00/hr</td>
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<td>09/06/2016</td>
<td>Kristen</td>
<td>Manage CBWaterMaster.org website; upload September agenda to website.</td>
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**Administrative Services**

**Total Labor For Administrative Services:** 4.25 hrs | **Total Expense For Administrative Services:** $0.00 | **Total For Administrative Services:** $340.00

**Central Basin Water Rights Panel**

**Total Labor For Central Basin Water Rights Panel:** 4.25 hrs | **Total Expense For Central Basin Water Rights Panel:** $0.00 | **Total For Central Basin Water Rights Panel:** $340.00

**Grand Total Labor:** 4.25 hrs | **Grand Total Expenses:** $0.00 | **Grand Total:** $340.00
# Invoice

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Thank you for your business.

Total: $1,480.00
# Consulting services Summary

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<td>10/04/2016</td>
<td>Kevin</td>
<td>Begin work on budget and next assessment billing.</td>
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<td>10/11/2016</td>
<td>Kristen</td>
<td>Edit Central Basin Watermaster website for updated meeting agendas; format website.</td>
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<td>10/12/2016</td>
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<td>10/18/2016</td>
<td>Kevin</td>
<td>Contact WRD and California DWR regarding activities and actions to be discussed at the next WRP meeting.</td>
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<td>10/24/2016</td>
<td>Kevin</td>
<td>Work on agenda package and staff reports.</td>
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<td>10/26/2016</td>
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<td>10/27/2016</td>
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**Total Labor For Administrative Services** 18.50 18.50 $1,480.00  
**Total Expense For Administrative Services** $0.00  $0.00  
**Total For Administrative Services** $1,480.00

**Total Labor For Central Basin Water Rights Panel** 18.50 18.50 $1,480.00  
**Total Expense For Central Basin Water Rights Panel** $0.00 $0.00  
**Total For Central Basin Water Rights Panel** $1,480.00

**Grand Total Labor** 18.50 18.50 $1,480.00  
**Grand Total Expenses** $0.00  $0.00  
**Grand Total** $1,480.00

10/31/2016
C/O Jason Men  
City Of Lakewood  
5050 Clark Avenue  
Lakewood, CA 90713

Re: 12902-0001 GENERAL LEGAL SERVICES TO WATER RIGHTS PANEL

For professional services rendered through August 31, 2016:

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<th>Description</th>
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<td>08/01/16</td>
<td>BTK</td>
<td>EXCHANGE MEMORANDA WITH MR. SALES REGARDING RESOLUTION ADOPTING ELECTION RESULTS; TELEPHONE CONFERENCE WITH MR. MARKMAN REGARDING WATERMASTER SERVICE REPORT; PREPARE NOTICE OF LODGMENT OF WATERMASTER REPORT AND EXCHANGE FOLLOW-UP MEMORANDA WITH MR. SALES; REVIEW JULY 1, 2014 TO JUNE 30, 2015 WATERMASTER REPORT; RESEARCH AMENDED JUDGMENT FOR RESOLUTION AND CERTIFICATION NOTICE AND LODGMENT REQUIREMENTS; PREPARE NOTICE OF LODGMENT OF ELECTION RESULTS WITH COURT AND COORDINATE FILINGS</td>
<td>2.00</td>
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<td>08/01/16</td>
<td>JLM</td>
<td>CONFERENCE CALL WITH EXPORT SUBCOMMITTEE; DRAFT AND TRANSMIT LETTERS ON EXPORT AND CALTRANS OVERPRODUCTION</td>
<td>1.30</td>
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<td>08/05/16</td>
<td>BTX</td>
<td>FINALIZE NOTICE OF LODGMENT OF RESOLUTION NO. 2016-001 (ELECTION RESULTS) AND COORDINATE FILING/SERVICE</td>
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<td>08/05/16</td>
<td>BTX</td>
<td>FINALIZE NOTICE OF LODGMENT OF 2014-2015 ANNUAL WATER REPORT AND COORDINATE FILING/SERVICE; TELEPHONE CALLS TO COURT CLERK REGARDING ELECTRONIC FILING/SERVICE LOGISTICS</td>
<td>1.00</td>
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<td>08/16/16</td>
<td>JLM</td>
<td>SEND NEW LETTER TO CALTRANS REGARDING OVEREXTRACTIONS</td>
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<td>08/29/16</td>
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<td>TELEPHONE CALL FROM CALTRANS' ATTORNEY REGARDING FREeways DEWATERING; E-MAIL THEREON TO CLIENT</td>
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Total Hours 5.50
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<tr>
<td><strong>Totals</strong></td>
<td><strong>5.50</strong></td>
<td><strong>$317.27</strong></td>
<td><strong>$1,745.00</strong></td>
</tr>
</tbody>
</table>

### Client Costs Advanced:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/31/16</td>
<td>WORD PROCESSING CHARGES</td>
<td>$52.50</td>
</tr>
<tr>
<td>08/31/16</td>
<td>DUPLICATION</td>
<td>$50.85</td>
</tr>
<tr>
<td>07/14/16</td>
<td>MILEAGE - JAMES L. MARKMAN - 7/14/16</td>
<td>$23.76</td>
</tr>
<tr>
<td>08/09/16</td>
<td>ATTORNEY SERVICES - FIRST LEGAL NETWORK, LLC - FILING/LASC-COM 8/9/16</td>
<td>$56.81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Client Costs Advanced</strong></td>
<td><strong>$183.92</strong></td>
</tr>
</tbody>
</table>

- **Current Legal Fees**: $1,745.00
- **Current Client Costs Advanced**: $183.92
- **Total Current Fees and Costs**: $1,928.92
- **Balance Due From Previous Statement**: $2,525.00
- **Total Balance Due for this Matter**: $4,453.92
CENTRAL BASIN WATER RIGHTS PANEL
C/O Jason Wen
City Of Lakewood
5050 Clark Avenue
Lakewood, Ca 90711

October 7, 2016
Invoice # 208866

Re: 12962-0001 GENERAL LEGAL SERVICES TO WATER RIGHTS PANEL

For professional services rendered through September 30, 2016:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/08/16</td>
<td>JLM ATTEND PANEL MEETING; REVIEW AGENDA MATERIALS</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Total Hours 3.00

<table>
<thead>
<tr>
<th>Timekeeper</th>
<th>Hours Worked</th>
<th>Rate Per Hour</th>
<th>Fee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLM MARKMAN</td>
<td>3.00</td>
<td>$350.00</td>
<td>$1,050.00</td>
</tr>
</tbody>
</table>

Totals 3.00 $350.00 $1,050.00

Current Legal Fees ................................................................. $1,050.00
Current Client Costs Advanced .............................................. $0.00
Total Current Fees and Costs .............................................. $1,050.00

Balance Due From Previous Statement ................................. $1,028.92

TOTAL BALANCE DUE FOR THIS MATTER ........................................ $2,978.92

LOS ANGELES | ORANGE COUNTY | SAN FRANCISCO | TEMECULA | CENTRAL COAST
CENTRAL BASIN WATER RIGHTS PANEL  
C/O Jason Wen  
City Of Lakewood  
5050 Clark Avenue  
Lakewood, Ca 90713

Re: 12902-0001 GENERAL LEGAL SERVICES TO WATER RIGHTS PANEL  

For professional services rendered through September 30, 2016:

Current Legal Fees ......................................................... $1,050.00  
Current Client Costs Advanced ........................................ $0.00  

TOTAL CURRENT FEES AND COSTS .................................. $1,050.00  

Balance Due From Previous Statement ............................... $1,920.92  

TOTAL BALANCE DUE FOR THIS MATTER ............................ $2,970.92

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE
Matter Name: GENERAL LEGAL SERVICES TO WATER RIGHTS PANEL

ACCOUNT SUMMARY

OUTSTANDING INVOICERS AS OF OCTOBER 7, 2016

ACCOUNT AGING

<table>
<thead>
<tr>
<th></th>
<th>0 - 30 Days</th>
<th>31 - 60 Days</th>
<th>61 - 90 Days</th>
<th>91 - 120 Days</th>
<th>Over 120 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$1,928.92</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
CENTRAL BASIN WATER RIGHTS PANEL
AGENDA REPORT

Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Jason Wen, Treasurer, City of Lakewood

Subject: Treasurer's Report

Recommendation:
Receive and File.

Discussion:
The attached report is a summary of receivables and payables from the CBWRP Trust account. The update is provided by the City of Lakewood which is currently providing financial services support for the Water Rights Panel.

Attachment(s):
1. Treasurer’s Report as of 10/10/16

ITEM No. 5
<table>
<thead>
<tr>
<th>Beg. Balance</th>
<th>111,710.71</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td></td>
</tr>
<tr>
<td>Payor</td>
<td>Date</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements</td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td>Date Paid</td>
</tr>
<tr>
<td>Richards Watson &amp; Gershon</td>
<td>9/20/2016</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending Balance</td>
<td>106,186.37</td>
</tr>
</tbody>
</table>

*GL balance 106,186.37
Variance -*
CENTRAL BASIN WATER RIGHTS PANEL
AGENDA REPORT

Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Jason Weeks, Water Replenishment District

Subject: Administrative Body Report

Recommendation:

1. Receive and File the Monthly Water Rights Activity.

Discussion:

The Panel will receive a report from Jason Weeks of the Water Replenishment District, as the Administrative Body for the Central Basin Watermaster, updating the following items:

1. 2016 - 2017 Water Rights Activity
2. 2016 - 2017 Groundwater Pumping
3. 2016 - 2017 Storage Activity
4. 2015 - 2016 Watermaster Invoices - Water Rights Panel

Attachment(s):
1. Administrative Body Report
2. FY 15/16 Watermaster Report - draft
3. WRD Memo #4 - Update on the Sustainable Groundwater Management Act
4. Email from James Markman regarding his work related to the Groundwater Management Act - Alternative Plan

ITEM No. 3
Date: November 13, 2016  
To: Central Basin Water Rights Panel  
From: Jason Weeks, Water Replenishment District

Subject: Administrative Body Report

2016-2017 Water Rights Activity
To date, there have been 32 leases processed for 2016-2017 transferring 11,721.66 acre-feet. 28 leases transferring 9,974.66 acre-feet with flex (i.e. 60% carryover), and 4 leases transferring 1,747 acre-feet without flex.

There have been no water right sales processed in 2016-2017.

2016-2017 Groundwater Pumping
Year-to-date 2016-2017 Central Basin groundwater pumping was 182,900 acre-feet, which is slightly higher than the 180,000 acre-feet from 2015-2016. The chart below summarizes 2015-2016 and 2016-2017 year-to-date pumping.

July-August 2016 groundwater pumping was 34,400 acre-feet, which is 3.6% more than the 33,200 acre-feet that was extracted in July-August 2015. The table below compares year-to-date 2015-16 and 2016-17 pumping for groundwater producers within the Central Basin.
<table>
<thead>
<tr>
<th>Pumper</th>
<th>2015-16</th>
<th>2016-17</th>
<th>Difference</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>1,601</td>
<td>811</td>
<td>-789</td>
<td>-48%</td>
</tr>
<tr>
<td>Long Beach</td>
<td>5,850</td>
<td>5,986</td>
<td>-136</td>
<td>-3%</td>
</tr>
<tr>
<td>Suburban Water Systems</td>
<td>632</td>
<td>498</td>
<td>-134</td>
<td>-21%</td>
</tr>
<tr>
<td>Lynwood</td>
<td>976</td>
<td>847</td>
<td>-129</td>
<td>-13%</td>
</tr>
<tr>
<td>Vernon</td>
<td>1,125</td>
<td>1,007</td>
<td>-118</td>
<td>-11%</td>
</tr>
<tr>
<td>Santa Fe Springs</td>
<td>520</td>
<td>428</td>
<td>-92</td>
<td>-18%</td>
</tr>
<tr>
<td>Whittier</td>
<td>556</td>
<td>466</td>
<td>-90</td>
<td>-16%</td>
</tr>
<tr>
<td>Cerritos</td>
<td>320</td>
<td>290</td>
<td>-30</td>
<td>-13%</td>
</tr>
<tr>
<td>La Habra Heights CWD</td>
<td>558</td>
<td>532</td>
<td>-26</td>
<td>-5%</td>
</tr>
<tr>
<td>CWSC</td>
<td>1,592</td>
<td>1,566</td>
<td>-26</td>
<td>-2%</td>
</tr>
<tr>
<td>Huntington Park</td>
<td>496</td>
<td>472</td>
<td>-24</td>
<td>-5%</td>
</tr>
<tr>
<td>Orchard Dale Water District</td>
<td>388</td>
<td>365</td>
<td>-23</td>
<td>-6%</td>
</tr>
<tr>
<td>Lynwood Park MWC</td>
<td>49</td>
<td>37</td>
<td>-12</td>
<td>-24%</td>
</tr>
<tr>
<td>California-American</td>
<td>413</td>
<td>403</td>
<td>-10</td>
<td>-5%</td>
</tr>
<tr>
<td>Rowland Water District</td>
<td>4</td>
<td>0</td>
<td>-4</td>
<td>-100%</td>
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<tr>
<td>Liberty Utilities</td>
<td>790</td>
<td>788</td>
<td>-2</td>
<td>-0%</td>
</tr>
<tr>
<td>Salvia LA County Water District</td>
<td>83</td>
<td>90</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Montebello</td>
<td>25</td>
<td>26</td>
<td>1</td>
<td>4%</td>
</tr>
<tr>
<td>Maywood MWC No. 1</td>
<td>80</td>
<td>82</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Bellflower</td>
<td>117</td>
<td>120</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>Tract 369 MWC</td>
<td>130</td>
<td>133</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Maywood MWC No. 3</td>
<td>212</td>
<td>217</td>
<td>5</td>
<td>2%</td>
</tr>
</tbody>
</table>

2016-2017 Storage Activity
No water has been put into storage 2016-17, and 695.55 acre-feet has been extracted from storage by the City of Lakewood.

2015-2016 Watermaster Invoices -- Water Rights Panel

The Central Basin Watermaster Administrative Body (WRO) and Water Rights Panel (WRP) developed a consolidated invoice to collect Watermaster funds for their respective budgets for the 2015-16 Administrative Year.

Through October 20, 2016, WRP, acting as Central Basin Watermaster Administrative Body, has received Water Rights Panel payments from 90 of the 130 Central Basin water rights holders. This represents $185,546.33 of the total $195,630.30 that was invoiced. This outstanding balance can be included on the 2016-2017 invoices.

All of the funds collected on behalf of the Water Rights Panel have been transferred to the Water Rights Panel account with the City of Lakewood.
## Allowed Pumping Allocation Transfers (acre-feet)

<table>
<thead>
<tr>
<th>Party</th>
<th>Transaction Type</th>
<th>Amount</th>
<th>Recordation Date</th>
<th>TO Party</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Unified School District</td>
<td>Lease with flex</td>
<td>250.00</td>
<td>6/19/2016</td>
<td>Cerritos, City of</td>
<td>-250.00</td>
</tr>
<tr>
<td>Baker Commodities Inc.</td>
<td>Lease with flex</td>
<td>60.00</td>
<td>4/4/2016</td>
<td>Tract 349 Mutual Water Company</td>
<td>-60.00</td>
</tr>
<tr>
<td>Bell Gardens, City of</td>
<td>Lease with flex</td>
<td>749.94</td>
<td>3/31/2016</td>
<td>Golden State Water Company</td>
<td>-749.94</td>
</tr>
<tr>
<td>Bellflower Home Garden Water Company</td>
<td>Lease with flex</td>
<td>306.00</td>
<td>5/15/2013</td>
<td>Puente Basin Water Agency</td>
<td>-306.00</td>
</tr>
<tr>
<td>Bellflower Unified School District</td>
<td>Lease with flex</td>
<td>89.00</td>
<td>6/20/2014</td>
<td>Liberty Utilities Corporation</td>
<td>-89.00</td>
</tr>
<tr>
<td>Bellflower, City of</td>
<td>Lease with flex</td>
<td>680.00</td>
<td>10/12/2016</td>
<td>Bellflower-Somerset Mutual Water Company</td>
<td>-680.00</td>
</tr>
<tr>
<td>Bellflower-Somerset Mutual Water Company</td>
<td>Lease with flex</td>
<td>680.00</td>
<td>10/12/2016</td>
<td>FROM Bellflower, City of</td>
<td>680.00</td>
</tr>
<tr>
<td>Buell, Mary Dolores</td>
<td>Lease with flex</td>
<td>1.00</td>
<td>7/27/2016</td>
<td>TO Cerritos, City of</td>
<td>-1.00</td>
</tr>
<tr>
<td>California American Water Company</td>
<td>Lease with flex</td>
<td>500.00</td>
<td>9/29/2016</td>
<td>FROM Suburban Water Systems</td>
<td>500.00</td>
</tr>
<tr>
<td>Central Basin Municipal Water District</td>
<td>Lease with flex</td>
<td>4.00</td>
<td>11/13/2012</td>
<td>TO Walnut Park Mutual Water Company</td>
<td>-4.00</td>
</tr>
<tr>
<td>Cerritos Community College District</td>
<td>Lease with flex</td>
<td>147.00</td>
<td>6/16/2014</td>
<td>TO Tract 349 Mutual Water Company</td>
<td>-147.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>1.00</td>
<td>7/27/2016</td>
<td>FROM Buell, Mary Dolores</td>
<td>1.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>4.00</td>
<td>6/30/2015</td>
<td>FROM Nancy Dee Keane Living Trust</td>
<td>4.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease</td>
<td>1,000.00</td>
<td>6/22/2016</td>
<td>FROM Lakewood, City of Water Department</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>500.00</td>
<td>2/29/2016</td>
<td>FROM PABCO Building Products, LLC</td>
<td>500.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>250.00</td>
<td>6/19/2016</td>
<td>FROM ABC Unified School District</td>
<td>250.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease</td>
<td>100.00</td>
<td>6/23/2016</td>
<td>FROM Long Beach, City of</td>
<td>100.00</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>3.75</td>
<td>6/30/2015</td>
<td>FROM coming Trust</td>
<td>3.75</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>Lease with flex</td>
<td>27.97</td>
<td>7/27/2016</td>
<td>FROM Kotake, Massao</td>
<td>27.97</td>
</tr>
<tr>
<td>Commerce, City of</td>
<td>Lease with flex</td>
<td>3,000.00</td>
<td>6/15/2016</td>
<td>TO Whittier, City of</td>
<td>-3,000.00</td>
</tr>
<tr>
<td>Compton, City of</td>
<td>Lease with flex</td>
<td>2,000.00</td>
<td>3/17/2016</td>
<td>FROM South Gate, City of</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>
# Allowed Pumping Allocation Transfers (acre-feet)

<table>
<thead>
<tr>
<th>Party</th>
<th>Transaction Type</th>
<th>Amount</th>
<th>Recordation Date</th>
<th>Party</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compton, City of</td>
<td>Lease with flex</td>
<td>378.00</td>
<td>7/2/2013</td>
<td>FROM Norwalk-La Mirada Unified School District</td>
<td>378.00</td>
</tr>
<tr>
<td>Corning Trust</td>
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<td>3.75</td>
<td>6/30/2013</td>
<td>TO Cerritos, City of</td>
<td>-3.75</td>
</tr>
<tr>
<td>Farmers &amp; Merchants Trust Co of Long Beach</td>
<td>Lease with flex</td>
<td>14.00</td>
<td>1/5/2016</td>
<td>TO Rockview Dairies, Inc.</td>
<td>-14.00</td>
</tr>
<tr>
<td>Golden State Water Company</td>
<td>Lease with flex</td>
<td>749.94</td>
<td>3/31/2016</td>
<td>FROM Bell Gardens, City of</td>
<td>749.94</td>
</tr>
<tr>
<td>Graham, Hugh W or Marcia K, Trustees</td>
<td>Lease with flex</td>
<td>6.00</td>
<td>4/4/2016</td>
<td>TO Tract 349 Mutual Water Company</td>
<td>-6.00</td>
</tr>
<tr>
<td>Hoke, Barbara and Rosina, Nancy</td>
<td>Lease with flex</td>
<td>3.00</td>
<td>4/27/2016</td>
<td>TO Montebello Land and Water Company</td>
<td>-3.00</td>
</tr>
<tr>
<td>Inglewood Park Cemetery</td>
<td>Lease with flex</td>
<td>317.00</td>
<td>3/14/2014</td>
<td>TO Liberty Utilities Corporation</td>
<td>-317.00</td>
</tr>
<tr>
<td>Kotake, Massao</td>
<td>Lease with flex</td>
<td>27.97</td>
<td>7/27/2016</td>
<td>TO Cerritos, City of</td>
<td>-27.97</td>
</tr>
<tr>
<td>Lakewood, City of Water Department</td>
<td>Lease</td>
<td>1,000.00</td>
<td>6/22/2016</td>
<td>TO Cerritos, City of</td>
<td>-1,000.00</td>
</tr>
<tr>
<td>Liberty Utilities Corporation</td>
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<td>33.00</td>
<td>6/30/2014</td>
<td>FROM Simmons Survivors Trust</td>
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</tr>
<tr>
<td>Liberty Utilities Corporation</td>
<td>Lease with flex</td>
<td>89.00</td>
<td>6/20/2014</td>
<td>FROM Bellflower Unified School District</td>
<td>89.00</td>
</tr>
<tr>
<td>Liberty Utilities Corporation</td>
<td>Lease with flex</td>
<td>500.00</td>
<td>8/31/2016</td>
<td>FROM Suburban Water Systems</td>
<td>500.00</td>
</tr>
<tr>
<td>Liberty Utilities Corporation</td>
<td>Lease with flex</td>
<td>317.00</td>
<td>3/14/2014</td>
<td>FROM Inglewood Park Cemetery</td>
<td>317.00</td>
</tr>
<tr>
<td>Long Beach, City of</td>
<td>Lease</td>
<td>100.00</td>
<td>6/23/2016</td>
<td>TO Cerritos, City of</td>
<td>-100.00</td>
</tr>
<tr>
<td>Los Angeles, City of Dept of Water and Power</td>
<td>Lease with flex</td>
<td>46.00</td>
<td>11/13/2012</td>
<td>TO Walnut Park Mutual Water Company</td>
<td>-46.00</td>
</tr>
<tr>
<td>Margulies, Kathryn and Schwartz, Jon</td>
<td>Lease with flex</td>
<td>3.00</td>
<td>4/21/2016</td>
<td>TO Montebello Land and Water Company</td>
<td>-3.00</td>
</tr>
<tr>
<td>Martin, Mary</td>
<td>Lease with flex</td>
<td>28.00</td>
<td>4/28/2016</td>
<td>TO Montebello Land and Water Company</td>
<td>-28.00</td>
</tr>
<tr>
<td>Montebello Land and Water Company</td>
<td>Lease with flex</td>
<td>3.00</td>
<td>4/21/2016</td>
<td>FROM Margulies, Kathryn and Schwartz, Jon</td>
<td>3.00</td>
</tr>
<tr>
<td>Montebello Land and Water Company</td>
<td>Lease with flex</td>
<td>28.00</td>
<td>4/28/2016</td>
<td>FROM Martin, Mary</td>
<td>28.00</td>
</tr>
<tr>
<td>Montebello Land and Water Company</td>
<td>Lease with flex</td>
<td>3.00</td>
<td>4/27/2016</td>
<td>FROM Hoke, Barbara and Rosina, Nancy</td>
<td>3.00</td>
</tr>
<tr>
<td>Montebello Land and Water Company</td>
<td>Lease with flex</td>
<td>50.00</td>
<td>6/9/2016</td>
<td>FROM Whittier Union High School District</td>
<td>50.00</td>
</tr>
</tbody>
</table>

2. Central Basin Watermaster

Transfers of Allowed Pumping Allocations - 2016 - 2017
## Allowed Pumping Allocation Transfers (acre-feet)

<table>
<thead>
<tr>
<th>Party</th>
<th>Transaction Type</th>
<th>Amount</th>
<th>Recordation Date</th>
<th>From/To</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nancy Dee Keane Living Trust</td>
<td>Lease with flex</td>
<td>4.00</td>
<td>6/30/2015</td>
<td>TO Cerritos, City of</td>
<td>-4.00</td>
</tr>
<tr>
<td>Norwalk-La Mirada Unified School District</td>
<td>Lease with flex</td>
<td>378.00</td>
<td>7/2/2013</td>
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<td>2/29/2016</td>
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<td>Rockview Dairies, Inc.</td>
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<td>FROM Farmers &amp; Merchants Trust Co of Long Beach</td>
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<td>September Properties LLC</td>
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<td>Simmons Survivors Trust</td>
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3 Central Basin Watermaster

Transfers of Allowed Pumping Allocations - 2016 - 2017
DATE: AUGUST 22, 2016

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: UPDATE ON GROUNDWATER SUSTAINABILITY MANAGEMENT ACT

This staff report is being provided as a status update on the Groundwater Sustainability Management Act (the Act or SGMA).

The Act was signed into law on September 16, 2014. It recognizes groundwater as an integral part of the state’s water supply and provides a framework for managing groundwater in a sustainable way throughout the State of California. The attached memorandum provides additional details and was submitted to the groundwater producers within the Central Basin and West Coast Basin (CBWCB) on October 27, 2015.

Adjudicated basins including the Central Basin and the West Coast Basin are mostly exempt from SGMA requirements. However, there are two small areas outside of the Central Basin adjudicated boundary that are still within the geologic basin boundary as described by the Department of Water Resources (DWR). These areas are referred to as “fringe areas” and must be addressed per SGMA. A working group was formed to conduct a groundwater sustainability analysis of these “fringe areas” with various interested stakeholders including representatives of the City of Beverly Hills, City of Culver City, Los Angeles County Department of Public Works (LACDPW), City of Los Angeles Department Water and Power (LADWP), Golden State Water Company (GSWC), and Water Replenishment District of Southern California (WRD). The stakeholder group is in the process of preparing a SGMA-allowed alternative analysis for the entire Central Basin, including the “fringe areas” and will be submitted to the state no later than the deadline of January 1, 2017. The Alternative Analysis will demonstrate how the entire Central Basin meets the groundwater sustainability requirements and that simple monitoring and future reporting will be all that is required.

Public participation is a requirement of SGMA. As such, each stakeholder representative is in the process of discussing the alternative analysis contents with their respective organizations in anticipation of the submittal deadlines imposed by DWR. Staff will provide an update to the committee on the development of the alternative analysis at the upcoming Committee meeting.

FISCAL IMPACT
None.

STAFF RECOMMENDATION
For discussion.

Attachment: Memorandum
MEMORANDUM

DATE: OCTOBER 27, 2015
TO: GROUNDWATER PRODUCERS IN CENTRAL AND WEST COAST BASINS
FROM: ROBB WHITAKER
SUBJECT: THE 2014 SUSTAINABLE GROUNDWATER MANAGEMENT ACT

I have been receiving a few questions about the Sustainable Groundwater Management Act, and if/how it affects the Central and West Coast Basins. In general, no actions are necessary since the two basins are adjudicated and therefore exempt from the Act. The only actions that are required are for WRD and Watermaster to submit evidence of adjudication, and then to submit our annual reports that we already prepare.

Other than that, the only other issues that may need to be addressed are to evaluate those areas that are technically outside of the adjudicated boundaries of the Central and West Coast Basins, but still within the geologic boundaries as defined by DWR. Those external areas, known as "fringe areas", may need to be addressed through discussions with DWR and could include minor boundary adjustments and/or routine groundwater monitoring incorporated into our annual reports. We are working with DWR and others to address these fringe areas and will keep you informed of any activities that occur related to those areas.

So there is no action required on your part related to the 2014 Sustainable Groundwater Management Act for the Central and West Coast Basins. If you would like more information on the Act, I asked my staff to prepare the following more detailed summary:

What is the Sustainable Groundwater Management Act (SGMA)?
The SGMA was signed into law on September 16, 2014. It recognizes groundwater as an integral part of the state's water supply and provides a framework for managing groundwater in a sustainable way throughout the State of California. The SGMA specifically:

- Requires all high- and medium-priority basins in the State (as defined by the Department of Water Resources [DWR]) to have sustainable groundwater basins. Some basins are already sustainable (like the Central and West Coast Basins) whereas others are not sustainable (such as some in California's Central Valley). The designations were based on population, well density, irrigated acreage, and groundwater reliance (usage and amount of total supply), and were not based on any negative aspects or conditions of the basins. The State ratings were used to classify each basin as very low (<5.75), low (5.75 to 13.42), medium (13.42 to 21.08), and high...
Central Basin was classified as a high priority basin due to large population and groundwater use, with a score of 24.8. West Coast Basin was classified as medium priority basin with a score of 20.8.

- Establishes a definition of sustainable groundwater management.
- Establishes a framework for local agencies to develop plans and implement strategies to sustainably manage groundwater resources.
- Sets a 20-year timeline for implementation.
- Exempts adjudicated basins (including Central Basin and West Coast Basin) from most of the requirements defined in the SGMA.

**Key definitions described in the SGMA.**

1. "Sustainable Yield" is the maximum quantity of water that can be withdrawn annually from a groundwater supply without causing an undesirable result.

2. "Sustainable Groundwater Management" is the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.

3. "Undesirable Result" means any of the following:
   a. Chronic lowering of groundwater levels, but excluding reductions in groundwater levels during a drought if they are offset by increases in groundwater levels during other periods;
   b. Significant and unreasonable reductions in groundwater storage;
   c. Significant and unreasonable seawater intrusion;
   d. Significant and unreasonable degradation of water quality;
   e. Significant and unreasonable land subsidence; and
   f. Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses.

The law stipulates that a local agency response to implementing the act is not a "one size fits all" and those basins that are high-to medium-priority and not critically overdrafted must achieve sustainability by 2042, versus those that are critically overdrafted and must achieve sustainability earlier by 2040.

**Who will be responsible for implementing the SCMA?**

Unless exempt, the Act requires the formation of a Groundwater Sustainability Agency (GSA). Any local agency or combination of local agencies overlying a groundwater basin may form a GSA. Any areas not covered by a local agency will automatically default to the county (in our case Los Angeles County), unless they opt out. If no entity forms a GSA or does not meet minimum requirements, the State Water Resources Control Board has the authority to step in as a backstop and take control. In some basins, there may be multiple GSA’s formed. If so, it will require close coordination and may require a memorandum of agreement across basin
boundaries. GSA's must be formed by June 30, 2017. A GSA is not required for the adjudicated Central Basin and West Coast Basin since they are exempt from the Act.

**What will be the responsibility of the GSA?**

The GSA will be the primary agency responsible for achieving groundwater sustainability by developing and implementing a (to be determined) Groundwater Sustainability Plan (GSP). GSA's will have numerous tools and authorities to manage groundwater and implement the objectives of the GSP. These include the authority to conduct investigations, determine the sustainable yield of the groundwater basin, measure and limit extraction, impose fees for groundwater management, and enforce the terms of a GSP. The DWR is still developing how it is going to evaluate GSPs (deadline is June 1, 2016). For the adjudicated Central Basin and West Coast Basins, GSPs are not required. Only the annual reports from WRD and Watermaster are needed for submittal to the State for SGMA compliance.

**How will this act affect the Los Angeles Basin?**

Adjudicated basins (such as Central Basin and West Coast Basin) are listed in the bill as not having to form GSAs or develop GSPs [Section 10720.8 (a)]. In this case, SGMA requires the submittal of annual reports, similar to the ones already prepared as part to the adjudications, to the DWR. Therefore, the Watermaster Reports and WRD's annual Engineering Survey and Report will suffice as SGMA compliance.

However, there are some areas of the Central Basin and West Coast Basin where the geologic boundaries defined by DWR in their Bulletin 118 do not line up exactly with the adjudicated boundaries established by the courts, and these “fringe areas” may need to be rectified. DWR is currently drafting regulations to provide additional boundary realignment guidance, which is anticipated to be available soon. WRD will be working with the DWR and other local entities as needed to determine if the boundaries should be modified or if monitoring of the fringe areas will be required. As of now, 90 days will be allowed by DWR for the boundary realignment process and will commence January 1, 2016.

**Where to find out more information about SGMA?**

Please contact Mr. Ted Johnson or Mr. Brian Partington of my staff at (562) 921-5521 for more information on SGMA. There are also many resources available on the Internet discussing SGMA. The best source of information we have found is available through the DWR on their website at [http://www.water.ca.gov/groundwater/sgma/](http://www.water.ca.gov/groundwater/sgma/).
Item 6 on the agenda includes a report from WRD on activities under the Groundwater Sustainability Act. I am informed that that report will include activities involving the generation of an alternative plan for sustainability which includes the adjudicated area and fringe areas (referred to as Management Areas A and B). This is a means of persons interested in Areas A and B to comply with the Act. I will not participate in the discussion of that item, should there be any, due to the fact that I represent the City of Beverly Hills in that specific process. I do not discern any actual function which the Panel would perform related to that process or any conflict in my representation of the Panel and my representing Beverly Hills in that process. However, at the January meeting of the Panel I will ask the Panel to consent to my representation of Beverly Hills in the Sustainability Act process, and, specifically, in working on the Alternative Plan. Please call me with any questions.

Charlie and Chris,
I have attached a draft agenda for the next Central Basin Water Rights Panel meeting. Please let me know if there are any other items that should be included.

Chris, since Charlie will not be at the meeting, I have listed you for a few of the items.

Thanks,

Kevin

Kevin Sales
KJServices Environmental Consulting
(562) 944-4766
(562) 944-3267 fax
KJServices on Facebook

Click [here](https://mail.aol.com/webmail-std/en-us/PrintMessage) to report this email as spam.
Date: November 21, 2016
To: Central Basin Water Rights Panel
From: James Markman - Richards, Watson, Gershon

Subject: Attorney's Report

Recommendation:
Receive and File.

Discussion:
As events require, the Panel's attorney will provide an update on any issues or matters that are pending or that will potentially impact the Panel or water purveyors in the Central Basin, as well as issues related to the Third Judgment.

Mr. Markman will provide the Panel members with an update on the status of the following items:

- Caltrans dewatering activity along the 105 freeway.
- Attorney Conflict Waiver in Connection with Legal Work on Behalf of the City of Beverly Hills Concerning the Processing of an Alternate Plan for Central Basin Pursuant to the Sustainable Groundwater Management Act

Attachment(s):
1. Caltrans email correspondence with Ms. Iris Malsman
2. Consent letter
Kevin, I have contacted CalTrans and had a positive discussion with Ms. Malsman from the Caltrans legal staff as indicated in the attached e-mail. Please note her comment on the status of resolving the production problem. I will be discussing this with the Panel at the next meeting.

From: Malsman, Iris S@DOT [mailto:iris.malsman@dot.ca.gov]
Sent: Monday, August 29, 2016 1:54 PM
To: James L. Markman
Cc: Romero Jr, Leon@DOT
Subject: Central Basin Water Rights issues re: Caltrans

Dear Mr. Markman:

It is my pleasure to speak with you regarding the above-referenced matter. Caltrans looks forward to working with you to resolve the issues still pending with Water Replenishment District regarding Caltrans’ pumping at the 105 when necessary to prevent flooding. If possible, please keep me posted on your discussions with WRD regarding a potential resolution of the matter. As we discussed today, we have been anxious to resolve the spreading grounds projects so that the Caltrans’ pumped water may circulate back to the Central Basin.

Thank you.

Iris Malsman
Deputy Attorney IV
Dept. of Transportation
Los Angeles Division
(213) 687-6000 telephone
(213) 687-8300 fax

NOTICE: This communication may contain privileged and/or attorney work product or other confidential information. If you are not the intended recipient of this communication, or an employee or agent responsible for delivering this communication to the intended recipient, please advise the sender by reply without copying, reading or disclosing the contents.
November 1, 2016

Charlie Honeycutt, Chair
Central Basin Water Rights Panel
c/o Kevin Sales, Secretary
KJ Services Environmental Consulting
12025 Florence Avenue
Santa Fe Springs, California 90670

Re: Attorney Conflict Waiver in Connection with Legal Work on Behalf of the City of Beverly Hills Concerning the Processing of an Alternate Plan for Central Basin Pursuant to the Sustainable Groundwater Management Act

Dear Mr. Honeycutt:

Richards, Watson & Gershon ("Firm"), through me, currently represents the City of Beverly Hills ("City") on water related matters. One of those matters is compliance with the Sustainable Groundwater Management Act ("SGMA") as to a nonadjudicated fringe area of Central Basin commonly referred to as the La Brea Subbasin in order to demonstrate the sustainability of water resources in that area. In that regard, the City is working with other entities, including LADWP and Golden State Water Co. to generate what is referred to as an "Alternate Plan." That plan’s area includes all of Central Basin as defined in Bulletin 118, as required by the California Department of Water Resources but does not alter operations of the adjudicated area within the jurisdiction of WRD and regulated in part by the Panel. The adjudicated area in and of itself is exempt from SGMA. The City is not a party to the adjudication and, therefore, is not subject to regulation by the Panel.

The purpose of this letter is to disclose our representation of the City on matters noted above and to seek your informed consent to continue to represent the City thereon while simultaneously representing the Panel as general counsel in unrelated matters.
Charlie Honeycutt, Chair  
November 1, 2016  
Page 2

Attorney Conflict of Interest Rules

A. Disclosure – Rule 3-310(B)

Rule 3-310(B) of the Rules of Professional Conduct requires the Firm to provide written disclosure to a client where the Firm has a legal relationship with a party in the same matter. See Rule 3-310(B)(1). The Firm is also required to disclose existing or previous relationships with other persons or entities that may be substantially affected by resolution of the current matter. See Rule 3-310(B)(3).

Rule 3-310(E) states:

“(B) A member shall not accept or continue representation of a client without providing written disclosure to the client where:

(1) The member has a legal, business, financial, professional, or personal relationship with a party or witness in the same matter; or

(2) The member knows or reasonably should know that:

(a) the member previously had a legal, business, financial, professional, or personal relationship with a party or witness in the same matter; and

(b) the previous relationship would substantially affect the member’s representation.

(3) The member has or had a legal, business, financial, professional, or personal relationship with another person or entity the member knows or reasonably should know would be affected substantially by resolution of the matter”

Again, our representation of the City is in connection with providing advisory services on water issues, including SGMA compliance for the La Brea Subbasin which, for the reasons stated above, we feel is unrelated to our advising the Panel. The Panel’s authority is limited to items involved in the adjudication within the
adjudicated area. However, we seek the Panels consent to exercise the maximum amount of caution and prudence possible.

**B. Potential or Actual Conflict – Rule 3-310(C)**

Rule 3-310(C) of the Rules of Professional Conduct of the State Bar of California states:

“(C) A member shall not, without the informed written consent of each client:

(1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or

(2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or

(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.” (Emphasis added.)

Based upon the above-stated description of our work for the City, we believe the Firm is able to fully represent the City on SGMA compliance in the La Brea Subbasin and that there is no potential or actual conflict between the Panel and the City in that matter. *See Rule 3-310(C)(1) and (C)(2).*

We are unaware of any adverse consequences to the City in connection with the current representation described herein in unrelated matters. We do believe, however, that the Panel should consider whether it perceives any potential appearance problems with our Firm representing the City as specifically described in this letter. It is common for firms of our size with specialized expertise to represent potentially adverse clients in such situations with their mutual consent. We are sensitive to appearance concerns where public entities are involved and request the Panel grant the consent requested herein only if it concurs with our view regarding the unlikely chance of adverse public perception.
Charlie Honecutt, Chair  
November 1, 2016  
Page 4

If, after reviewing this letter, the Panel consents to the representation described herein, kindly have the attached Acknowledgment, Waiver and Consent form executed and return on executed copy of this letter to our office. We greatly appreciate the Panel’s consideration in this matter. Please do not hesitate to contact me if you have any questions or concerns.

Very truly yours,

James L. Markman

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ACKNOWLEDGMENT, WAIVER AND CONSENT

The Central basin Water Rights Panel has reviewed and understands the disclosures and description of potential adverse consequences set forth in the letter ("Disclosure and Consent Letter") of Richards, Watson & Gershon ("Firm") dated November 1, 2016, above. The Panel acknowledges the disclosures in the Disclosure and Consent Letter and hereby waives any actual or potential conflicts on the terms described therein.

Dated: ________________________  CENTRAL BASIN WATER RIGHTS PANEL

By: ____________________________  Charles Honeycutt

Title: ___________________________
Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Kevin Sales, WRP Secretary, KJServices Environmental Consulting

Subject: Water Meter Testing Contract

Recommendation:

Receive and File.

Discussion:
Per the Central Basin Water Rights Panel's contract with the California Department of Water Resources (CWR) (Contract # 333182), testing of water production wells in the Central Basin continue. The Panel's contract with the DWR has been renewed through June 2018.

No meter testing activity has taken place since the week ending June 17th. Per the Department of Water Resources, meter testing will begin again in November 2016.

Attachment(s):
None
Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

Subject: FY 2016 - 2017 ASSESSMENT BILLING RATE DETERMINATION AND APPROVAL

Recommendation:
That the Water Rights Panel take the following action:

1. Determine an assessment billing rate for FY 2016 - 2017

2. Direct the Water Replenishment District to produce and mail the combined assessment billing to all water rights holders.

Discussion:
The Water Rights Panel is authorized through the Third Amended Judgment to issue an annual Assessment Billing to all parties to the Judgment (Central Basin water rights holders). This annual assessment billing can be at a rate up to $1.00 per acre feet of APA.

In FY 2014 - 2015, the first year of the Panel's operation, water rights holders were billed at an assessment rate of $1 per APA. For FY 2015 - 2016 the Panel set the assessment rate at $0.90 per APA.

The Panel needs to determine the assessment billing rate for FY 2016 - 2017 and then instruct the Administrative Body, represented by the Water Replenishment District (WRD), to generate the combined billing and send invoices out to all Central Basin water rights holders.

Attachment(s):
1. List of Central Basin Water Rights holders and APA.

ITEM No. 9
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
<th>City</th>
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<tr>
<td>John Doe</td>
<td>Manager</td>
<td>123 Main St</td>
<td>New York</td>
<td>NY</td>
<td>10001</td>
<td><a href="mailto:jdoe@email.com">jdoe@email.com</a></td>
</tr>
<tr>
<td>Jane Smith</td>
<td>Engineer</td>
<td>456 Oak Ave</td>
<td>Chicago</td>
<td>IL</td>
<td>60601</td>
<td><a href="mailto:jsmith@email.com">jsmith@email.com</a></td>
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<tr>
<td>Michael Brown</td>
<td>Analyst</td>
<td>789 Pine St</td>
<td>Los Angeles</td>
<td>CA</td>
<td>90210</td>
<td><a href="mailto:mbrown@email.com">mbrown@email.com</a></td>
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Central Bank
Water Rights Holders
Contact List
CENTRAL BASIN WATER RIGHTS PANEL
AGENDA REPORT

Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

Subject: FY 16-17 Budget

Recommendation:
That the Water Rights Panel take the following action:

1. Adopt a budget for FY 2016 - 2017

Discussion:

Based on an assessment rate of $1 per APA to all Central Basin Water Rights holders, the Water Rights Panel has a maximum annual revenue stream of $217,000. This revenue will vary depending upon what actual assessment rate the Panel establishes.

The Panel Treasurer estimates that there will be a year-to-year carry over of funds in the amount of approximately $106,000.

During the first two year's of the Water Rights Panel's operation, the annual costs have been as follows:

2014 - 2015 - $164,050.86
Administrative Support - $18,679.28
Legal services - $52,675.35
Consulting services - $39,050
Water meter testing - $52,700
Misc - $2,946.23

2015 - 2016 - $124,238.01
Administrative Support - $19,599.18
Legal services - $34,599.18
Consulting services - $8,068.75
Water meter testing - $61,800
Misc - $170.90

Attachment(s):
Central Basin Water Rights Panel  
Draft 2016-17 Budget

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<td><strong>TOTAL REVENUE</strong></td>
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|                      |         |             |
| **EXPENSES**         |         |             |
| Administrative/Clerical|         | $25,000    |
| Website             |         | $ 5,000    |
| Book Keeping        |         | $ 5,000    |
| Meter Testing       |         | $75,000    |
| As needed Professional Services | | $40,000    |
| Legal               |         | $50,000    |
| Contingency         |         | $50,000    |
| **TOTAL EXPENSES**  |         | $250,000    |
Date: November 21, 2016
To: Central Basin Water Rights Panel
From: Charlie Honeycutt - Water Rights Panel Chair - City of Signal Hill

Subject: Storage Panel Subcommittee Process

Recommendation:

That the Water Rights Panel take the following action:

1. Establish the framework for the Water Rights Panel's participation in the Storage Panel as established by the Third Amended Judgment.

Discussion:
At its September 8, 2016 meeting the Panel received a brief presentation on the City of Los Angeles' Forebay Storage Concept. As part of the discussion that followed, several of the Panel members questioned exactly how the Panel will operate within its responsibility as half of the Storage Panel.

Per the Third Amendment Judgment;

"Storage Panel" or "Central Basin Storage Panel" means a bicameral constituent body of Watermaster consisting of (i) the Central Basin Water Rights Panel and (ii) the Board of Directors of WRD.

The Judgment further states that;

The Storage Panel.
The Storage Panel of the Central Basin Watermaster ("Storage Panel") shall be a bicameral body consisting of (i) the Water Rights Panel and (ii) the Board of Directors of WRD. Action by the Storage Panel shall require separate action by a majority of each of its constituent bodies. The Storage Panel shall have the duties and responsibilities specified with regard to the Provisions for the Storage and Extraction of Stored Groundwater as set forth in Part IV and the other provisions of this Judgment.

Per comments made by several Panel members, the Water Rights Panel needs to determine how it will operate in its role as the Storage Panel, establish a framework for the its operation and develop evaluation criteria for the review of proposed projects and requests for the extractions from groundwater storage.

Attachment(s):
None

ITEM No. 11