



MAIN SAN GABRIEL BASIN WATERMASTER

ADMINISTRATIVE COMMITTEE

April 20, 2016 – 1:30 p.m.

Agenda

- I.** Review Assessment Resolution
- II.** Discussion Regarding Executive Officer Performance Evaluation
- III.** Other

Chair Dan Arrighi Presiding

RESOLUTION NO. 05-15-273

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN WATERMASTER
RESCINDING RESOLUTION NO. 05-15-273 AND
ADOPTING ASSESSMENTS FOR PRODUCERS OF THE BASIN
FOR FISCAL YEAR 2015-16 AND
SETTING REPLACEMENT WATER ASSESSMENTS FOR 2014-15 and 2015-16**

WHEREAS, the Main San Gabriel Basin Watermaster “Watermaster” is the Court-appointed agency with the responsibility to manage and maintain the quality and quantity of water in the Main San Gabriel Basin “Basin”.

WHEREAS, pursuant to the most recent amendments to the Judgment, dated June 21, 2012, and Rules and Regulations adopted by Resolution No. 03-13-251, Watermaster has established assessments to be levied on water production for specific purposes detailed in this resolution; and

WHEREAS, Watermaster has adopted assessments effective July 1, 2016; and

NOW THEREFORE, BE IT RESOLVED BY THE MAIN SAN GABRIEL BASIN WATERMASTER, as follows:

Section 1. Resolution No. 05-15-273 is hereby rescinded.

Section 2. There is hereby fixed, established, and levied an In-Lieu Assessment in the amount of Ten Dollars (\$10.00) per acre-foot on all Production from the Basin during Fiscal Year 2015-16, except that such In-Lieu Assessment shall not be applicable to the non-consumptive use portion of an Overlying Right.

Section 3. There is hereby fixed, established, and levied, a Water Resource Development Assessment (RDA) of Twenty Dollars (\$20.00) per acre-foot on all Production from the Basin during Fiscal Year 2015-16 and 2016-17, in accordance with Resolution No. 05-15-273 as described in Attachment “A” (ten-year schedule) of said RDA Resolution, except that such RDA Assessment shall not be applicable to the non-consumptive use portion of an Overlying Right.

Section 4. There is hereby adopted, an Administration Budget for Fiscal Year 2016-17, in the amount of Four Million, Seven Hundred Thirty Six Thousand, Four Hundred Ninety-Nine Dollars (\$4,736,499), attached hereto.

Section 5. There is hereby fixed, established, and levied an Administration Assessment in the amount of Fifteen Dollars (\$15.00) per acre-foot on all Production from the Basin during Fiscal Year 2014-15, to meet the said expenses of said adopted Administration Budget.

Section 6. There is hereby fixed, established, and levied the Replacement Water Assessments on Excess Production from the Basin during Fiscal Year 2015-16, and 2016-17, from within each of the three Responsible Agencies within the Basin as referenced, below.

Production Based Assessments		
Assessment Description	2015-16 Amount per Acre-Foot	2016-17 Amount per Acre-Foot
In Lieu Assessment	\$10.00	Not determined at this time.
Water Resource Development Assessment	\$20.00	\$20.00
Administrative Assessment	\$15.00	Not determined at this time.
Make-Up Water Assessment	\$0.00	Not determined at this time.
Other Assessment as may be determined by Watermaster Board pursuant to the Amended Judgment.	Not determined at this time.	Not determined at this time.

Replacement Water Assessments		
Assessment Description	2015-16 Amount per Acre-Foot	2016-17 Amount per Acre-Foot
SGVMWD	\$165.00	\$165.00
TVMWD	\$700.00	\$700.00
USGVMWD	\$773.00	\$797.00

1
2 Section 7. Description of Assessments:

3 In-Lieu Assessment

4 Watermaster entered into the Alhambra Exchange Agreement on March 24, 1975
5 establishing the Basin-wide In-Lieu Assessment. The City of Alhambra agreed to forgo
6 pumping its wells and take direct treated water through an MWD connection for the benefit of
7 the Basin as a whole. The In-Lieu Assessment applies to all Pumping except for the non-
8 consumptive use portion of an Overlying Right. Also included in this In-Lieu Assessment is
9 Production related to Watermaster's Direct-Delivery Imported Water Program implemented on
10 January 1, 2015 by Resolution No. 12-14-270.

11 Water Resource Development Assessment

12 Watermaster adopted Resolution No. 05-14-263 providing for the development of
13 a long term storage program to purchase and store imported water in the Basin, when available,
14 as defined by Section 45(b)(7) of the Amended Judgment.

15 Administration Assessment

16 Within thirty (30) days after completion of the hearing on the Preliminary
17 Determination of the Operating Safe Yield of the Basin and Watermaster's determination
18 thereof, Watermaster shall adopt a proposed budget for the succeeding fiscal year. The
19 Administrative Assessment shall be uniformly applicable to each acre-foot of Production.

20 Make-up Water Assessment

21 Watermaster is obligated to deliver an amount of water, calculated by the San
22 Gabriel River Watermaster to the Lower Area as a result of the Long Beach Judgment. At times
23 when natural delivery isn't possible, Watermaster must purchase Replacement Water to deliver
24 resulting in a Make-Up Water Assessment.

1 Replacement Water Assessment

2 Replacement Water Assessments shall be collected from each party on account of
3 such party's Production in excess of its Diversion Rights, Pumper's Share or Integrated
4 Production Right, and on account of the consumptive use portion of Overlying Rights, computed
5 at the applicable rate established by Watermaster consistent with the Watermaster Operating
6 Criteria, and other relevant factors, including the projected cost and availability of Supplemental
7 Water supplies. Subject to Rules and Regulations adopted by Watermaster, Replacement Water
8 Assessment rates may be in an amount calculated to allow Watermaster to purchase more than
9 one acre-foot of Supplemental Water for each acre-foot of excess Production to which such
10 Replacement Water Assessment applies, when such purchases are necessary to secure
11 Supplemental Water supplies for the benefit of the Basin and parties.

12 The Watermaster Board recognizes the challenges associated in securing
13 Supplemental Water and varied pricing, and has determined that pricing should better anticipate
14 varying short-term costs and conditions while at the same time, provide economic incentive for
15 Producers to pre-purchase Replacement Water to every extent practicable.

16 The Judgment enables each Producer to establish an Individual Producer Cyclic
17 Storage Account which allows Replacement Water to be pre-purchased and stored to meet the
18 Producer's current and ongoing pumping needs. Supplemental Water pre-purchased for
19 Individual Producer Cyclic Storage, when available, may be made at the prevailing rate
20 applicable from within each of the three Responsible Agencies and not the Replacement Water
21 Rate adopted by this Resolution.

22 Section 8. Upon receipt of the final Production Reports for the appropriate Fiscal Year, the
23 Secretary of Watermaster is, hereby, instructed to calculate the required Assessments due from each
24 Producer from the Basin by multiplying its total production from the Basin by the appropriate

1 Assessment Rate, per acre-foot. The Secretary shall then furnish each Producer with a statement of the
2 amount due to Watermaster on account of such required Assessments, on or before August 15, 2016.

3 Section 9. Said required Assessments shall be payable by all Producing Parties within the
4 Basin during Fiscal Year 2015-16, on or before September 20, 2016, and the same shall be delinquent
5 thereafter.

6
7
8
9 Dated: May 11, 2016

10 _____
Chair

11 Attest:

12 _____
Secretary



Main San Gabriel Basin WATERMASTER

2016-17 Proposed Administration Budget

	2015-16 Adopted Budget	2015-16 Estimated Actual	2016-17 Proposed Budget
REVENUE			
Administrative Assessment*	\$ 3,375,000	\$ 3,111,000	2,850,000
Settlement Income	-	-	-
Section 28 - Staff Reports/Permits	-	5,000	-
BPOU Reimbursements	166,000	164,000	166,000
Interest Income	5,000	10,000	10,000
Admin/Other Income	283,100	283,100	285,500
Transfer-Special Assessment Fund	-	-	-
Forward from Previous Fiscal Year	1,243,113	1,428,499	1,424,999
TOTAL REVENUE	\$ 5,072,213	\$ 5,001,599	\$ 4,736,499
EXPENSES			
Watermaster Board Compensation	\$ 20,000	\$ 19,000	20,000
Salaries, Benefits & Employee Development	1,478,250	1,450,000	1,563,200
Meeting and Travel	20,000	17,000	20,000
Vehicle Expense	13,500	13,000	13,500
Insurance	44,250	35,100	38,250
Office Supplies, Services, Rent and O&M	241,500	250,000	259,700
Legal Services	750,000	350,000	750,000
Audit	22,500	18,500	24,000
Ready-to-Serve Charges	99,500	99,500	99,500
Public Education	10,000	10,000	20,000
Engineering	677,500	618,000	625,000
Production Reporting	6,500	6,500	6,500
Water Quality Monitoring	415,000	430,000	425,000
Inspection/Meter Checks	40,000	40,000	40,000
Water Quality Management	250,000	220,000	225,000
Contingency (Balance Figure)**	983,713	-	606,849
TOTAL EXPENSES	\$ 5,072,213	\$ 3,576,600	\$ 4,736,499

* Figure based on Administrative Assessment of \$15.00/AF (\$15.00/AF X 190,000 AF = \$2,850,000)

**Main San Gabriel Basin Watermaster
2016-17 Administration Budget
Detail of Revenues**

Assessments Received (2015-16 Production)		\$ 2,850,000
Estimate of Production (AF)	190,000	
Proposed Admin. Assessment (\$/AF)	\$15	
Settlement Income	0	0
Section 28 - Staff Reports/Permits	0	0
BPOU Reimbursement		\$ 166,000
Estimate of 2015-16 BPOU Expenses	166,000	
Interest		\$ 10,000
Interest on Operating Cash	10,000	
Other Income		\$ 285,500
Other Income (Carrier plus Sale of Annl Rpts etc.)	1,100	
Administrative Reimbursement	284,400	
Transfer-Special Assessment Fund	-	\$ -
Forward from Previous Fiscal Year		\$ 1,424,999
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<i>TOTAL REVENUE</i>		\$ 4,736,499

**Main San Gabriel Basin Watermaster
2015-16 Administration Budget
Detail of Expenditures**

Watermaster Board Compensation	\$	20,000
Salaries/Benefits/Employee Development	\$	1,563,200
Salaries & Overtime	960,700	
Benefits & Taxes	525,000	
Contribution to Medical Retiree Fund	62,500	
Employee Educational Reimbursement	10,000	
Employee Training	5,000	
Meeting/Travel	\$	20,000
ACWA / Basin conferences	14,000	
In-house meeting expense	3,400	
Outside meeting expense	2,250	
Employee Recognition Luncheon	350	
Vehicle Expense	\$	13,500
1 car allowance @ \$700/mo	8,400	
Staff mileage reimbursement	5,100	
Insurance	\$	38,250
Staff, Treasurer's Bonds & Notary	500	
Travel / Accident Insurance	750	
Professional Liability / D & O	8,500	
General Liability / Commercial / Package	3,500	
Pollution Liability	25,000	
Supplies/O&M	\$	259,700
Building lease @ \$5,578/mo	67,000	
Management Fee and O & M	25,000	
Office Improvements	15,000	
Postage & meter lease	6,000	
Copier lease/usage	8,500	
Telephone	10,200	
Printing Expense	14,000	
Office supplies & services	45,000	
Dues (associations, professional)	33,000	
Equipment maintenance/agreements	20,000	
Computer/office equipment	16,000	
Legal Services	\$	750,000
Nossaman, Guthner, Knox & Elliott	750,000	
Auditing Fees	\$	24,000
Financial Audit	19,000	
FASB - Discloser Cost (Biennial)	5,000	
Ready-to-Serve Charge	\$	99,500
SGVMWD (990/mo)	11,900	
USGVMWD (6,300/mo)	75,600	
TVMWD (12,000 1x.)	12,000	
Public Education	\$	20,000
Events (Water Forum)	10,000	

WM public education/relations material

10,000

Engineering		\$	329,000
General (meetings, OSY, annual report, etc.)	314,000		
Landfill inspections	15,000		
Federal, State, County - Technical Review			296,000
General Review (meetings, report prep, studies, etc.)	134,000		
Database Management	30,000		
CASGEM	2,000		
Salt & Nutrient Management Plan	30,000		
Model Upgrade	100,000		
Inspection/Meter Checks	40,000	\$	40,000
Production Reporting	6,500	\$	6,500
Water Quality Monitoring		\$	425,000
Sampling/Administration & Lab (Title 22)	425,000		
Sampling/Administration & Lab (Stage 2 & UCMR3)	-		
Area Agency report	-		
SOC Waivers (every 3 years)	-		
Water Quality Management		\$	225,000
Section 28 Staff Reports	60,000		
Five-Year Plan	50,000		
Groundwater monitoring /well testing program	115,000		
Contingency (balance figure)		\$	<u>606,849</u>
<i>TOTAL EXPENSES</i>		\$	<i>4,736,499</i>



STAFF REPORT

TO: Board of Directors

FROM: Anthony C. Zampello, Executive Officer

RE: Accomplishments

DATE: April 13, 2016

As a follow-up to my performance evaluation dated April 15, 2015, I have prepared the following Goals and Objectives status update.

- As suggested during my previous evaluation, I have worked with the Ortega Strategies Group to develop an informational brochure as an educational tool to provide a greater understanding of Watermaster's roles and responsibilities in managing the groundwater system and supply in the San Gabriel Valley. I have made one round of edits and look forward to presenting my final draft at the April 20, 2016 Administrative Committee meeting.
- Under my direction, the newly revamped Watermaster website has been launched. The new site is much more reader friendly than the previous site, and allows staff to use it more easily to post legal notices, reports and pertinent information including Committee materials. The site is updated weekly with Key Well data to keep the Producers and public informed more expeditiously. I have received very positive feedback on its format and ease of use.
- Watermaster's relationship with the Metropolitan Water District (MWD) has been very productive this year. I have been asked to participate in several MWD Groundwater Committee meetings relative to their IRP, drought impacts, and planning discussions for the Carson Recycled Water Project pilot program. I meet monthly with members of MWD's team to collaborate on study parameters, potential recharge opportunities and possible project hurdles.
- My collaborative efforts with Los Angeles County Public Works Department and Flood Control District have continued throughout the year. I meet monthly with County representatives to stay informed of upcoming projects and spreading activities, as well as

provide technical assistance and agency support when needed. As a result of this connection, I was invited to participate in the 100-year celebration of the Flood Control District festivities including the Morris Dam celebration where Watermaster was recognized for its partnership with the County on Basin-wide projects.

- Over the past year, my staff and/or I have actively participated in monthly San Gabriel Valley Council of Governments (COG) meetings including the Water Committee and Energy, Environment and Natural Resources (EENR) Committee. I continue to engage in COG programs and projects, and also use it as an avenue to inform local governmental groups about challenges and regulations of the Water Industry. Watermaster is designated as an “Ex-Officio Member” of COG EENR, Water and Technical Advisory Committees. As part of these committees, Watermaster staff established a connection to local Enhanced Watershed Management Plan (EWMP) groups to better understand the regulations associated with the Municipal Separate Storm Sewer System (MS4) permits and how they may impact groundwater recharge opportunities and water quality.
- Through educational opportunities, I have had the pleasure of working with several legislators this last year. I was asked to participate in Assemblyman Ed Chau’s Water Informational Forum in Temple City, Three Valleys Municipal Water District’s Forum with Senators Bob Huff and Connie Leyva, and Congresswoman Grace Napolitano’s stormwater forum at the City of Hope, providing general overview of San Gabriel Valley’s groundwater Basin reliability, water quality, and conservation measures.
- The drought impacting Southern California has heightened public awareness. I was invited to participate in public forums and round-table discussions hosted by the Los Angeles Regional Water Quality Control Board; the Bureau of Reclamation on its Los Angeles Basin Stormwater Conservation Study, the Southern California Water Committee; Whittier Library’s Citizens Informational Lunch, and the West Covina Republican Women’s Caucus.
- I have worked with the Water Quality Authority to participate in filming three water awareness and conservation importance public outreach segments with Jack Zhao, from EDI Media, in an effort to involve the Chinese American Community in conveying these messages to the local communities.
- As a member of the California Water Commission’s Water Storage Investment Program, Stakeholder Advisory Committee for Prop 1 funding, I participated in the formulation of draft regulations and guidelines for groundwater storage program eligibility on behalf of the San Gabriel Valley.

- Now that Watermaster is fully staffed and the new hires working more independently with Raymond Basin and Central Basin, I am able to be more available to participate in higher level collaborative endeavors such as meeting with Los Angeles County Supervisor Sheila Kuehl, Gary Hildebrand and Mark Pastrella on the County's role in stormwater recharge activities that impact groundwater management in the San Gabriel Valley, participate in the USC Price School's study of Groundwater Governance, and discussions with MWD on their role in San Gabriel Valley groundwater management strategies. Kelly Gardner continues to chair the IRWMP sub-region meetings and represents Watermaster in various other groups such as the COG Water Committees, Groundwater Recharge Working Group, and has taken on a more direct role with Raymond Basin and Central Basin. My goal in this is to ensure that Watermaster staff can accurately report and adequately respond to Producer needs at various levels within the small organization.
- I continue to serve as Executive Officer for the Raymond Basin Management Board (RBMB). The current contract with the RBMB is \$238,000 with an annual renewal. We also maintain our administrative support duties for the San Gabriel Valley Water Association (SGVWA), Central Basin Water Association (CBWA), San Gabriel Valley Protective Association (SGVPA), Association of Ground Water Agencies (AGWA), and the California Groundwater Coalition (CGC). SGVWA completed its strategic planning session last year and it has provided staff with a clear understanding of our role in the organization and greater communications. With regard to the SGVPA, staff provides administrative services that are low frequency but provide necessary coordination between Watermaster, Producers, Los Angeles County and representatives along the San Gabriel River. AGWA and CGC's financials are managed by Watermaster staff and I serve as President and Secretary, respectively. These affiliations afford Watermaster with an opportunity to stay engaged in legislative matters and provide connections to local groups as it pertains to water rights, groundwater protection, etc. CBWA administrative duties include monthly responsibilities associated with meetings, minutes, legislation, and financials – similar to those of the SGVWA. While it is quite a distance to travel in order to facilitate and coordinate these meetings, it is also an opportunity to stay “plugged in” to matters in the Central Basin – most importantly, the Long Beach Judgment. During the past year I have attended fewer meetings and rely more on my staff to fulfill Watermaster's involvement in CBWA. A change in the CBWA's Presidency has also helped minimize my direct involvement and I will continue to scale back my role in the coming year.
- In September of 2015 Watermaster collected the first Water Resource Development Assessment (RDA) that was implemented to provide flexibility in purchasing available imported water. All orders were placed with each respective Responsible Agency and Watermaster's audit firm approved of the accounting procedures that detail transactions by individual Producer and Responsible Agency.

- On May 26, 2015, I organized a tour of the Basin with Judge Maureen Duffy-Lewis. During the status conference in February, Judge Duffy-Lewis expressed interest in having a visual overview of the Basin and some of the facilities that serve water to the San Gabriel Valley communities. She expressed her appreciation and encouraged staff to keep her updated more frequently. The next status conference is scheduled for April 18, 2016, to primarily discuss the Baldwin Park Operable Unit (BPOU) project and ongoing agreement renewal negotiations.
- As negotiations continue in the BPOU project agreement extension, I continue to work with Watermaster's attorney on behalf of the Water Entities to ensure that the clean-up continues uninterrupted. The group has met monthly over the past year, including three trips to San Francisco to meet with the Environmental Protection Agency (EPA) to impress upon them the importance of keeping the conditions of the current agreement intact.
- April 1, 2016, was the first reporting submission deadline for compliance with the Sustainable Groundwater Management Act (SGMA). I was asked by Tim Ross, with the Department of Water Resources (DWR), to assist in the development of the compliance check-list and on-line tool to be used by all adjudicated basins for SGMA compliance reporting. In February 2016, Watermaster filed a letter with DWR requesting to maintain the Main Basin's Bulletin 118 Boundary and completed the first reporting requirements on April 1. Additionally, the 2014-15 Annual Report included information necessary for reporting on basin water levels, change in storage and overall production. I also worked with Ed Means, consultant hired by the unadjudicated Spadra Basin to assist in the formation of a GSA to meet their reporting requirements under SGMA.
- EPA approached me in January of this year to ask for Watermaster's assistance in developing a database that would eventually be used to manage all Operable Units in the state. Their intent is to use the BPOU framework as the template by which all others will be managed. With Stetson's help, Watermaster staff is working with EPA representatives to migrate the data and set appropriate parameters for future uses. This will ultimately assist with management of the Puente Valley Operable Unit, the El Monte Operable Unit, the Whittier Narrows Operable Unit (WNOU), and the South El Monte Operable Unit.
- Specifically with regard to the WNOU, I facilitated discussions between the Department of Toxic Substances Control (DTSC) and the Water Replenishment District (WRD) to maximize beneficial use in the Main Basin for water pumped from that facility. Additionally, I met with the City of Whittier to discuss their interest in taking WNOU water into their system again.

- I continue to serve as the Groundwater Representative to the Greater Los Angeles County (GLAC) Integrated Regional Water Management Leadership Committee. Kelly Gardner currently serves as Chair of the Upper San Gabriel and Rio Hondo Rivers Steering Committee as well as a member of the GLAC Planning Committee.
- I regularly participate in the West Fork Working Group and the Groundwater Replenishment Working Group. These meetings bring together representatives from agencies such as MWD, Municipal Water Districts, Los Angeles County, Water Replenishment District and Army Corps of Engineers to discuss the status of water levels in respective basins, opportunities for collaboration, and issues such as the MWD allocation plan.
- Watermaster staff assisted in the coordination and facilitation of the February Association of Ground Water Agencies (AGWA)/American Ground Water Trust Conference. As the President of AGWA, I moderated the opening session and selected speakers to present on SGMA, groundwater modeling, including Debra Man from MWD to discuss the Carson Recycled Water Project.
- Following the Governor's Drought Declaration in 2014 and mandatory restrictions in 2015, I worked closely with the City of Pasadena to reconvene the Foothill Water Coalition. The group met monthly until December 2015 looking at various funding opportunities and collaborative efforts to enhance groundwater reliability in the San Gabriel Valley.
- I remain fully committed to continuing to work with Producers to facilitate planning and preparations for the potential impacts on their water supply as the drought continues. I will continue to provide any assistance and resources at Watermaster's disposal to inform and support Basin pumpers with these preparations. I have made presentations on Basin reliability to help governing bodies understand the immediate and potential impacts of the drought both short, and long-term. (City of Monrovia, San Gabriel County Water District, Three Valleys Municipal Water District and San Gabriel Municipal Water District).
- During fiscal year 2015-16, I included an item in the budget to begin enhancing Watermaster's groundwater model to include 3D capabilities.
- I have participated with the Upper San Gabriel Valley Municipal Water District in developing its surface and recharge decision tool, as well as their Indirect Reuse Replenishment Project.
- The Puente Valley Water Agency's storage and export agreement was finalized and approved by the Watermaster Board in July of 2015.

- I approached the San Gabriel Valley Municipal Water District to assist in estimating long-term replacement water needs given the persistent drought and reduced State Water Project allocations.
- Staff continues to utilize the Microsoft Outlook Calendar system to send Committee Meeting notices, materials and availability.
- And for the record, I did “make” it rain, however, just not enough!

These specific accomplishments are in addition to regular attendance and participation in various water resource management and project planning committees throughout the San Gabriel Valley and greater Los Angeles region.