



January 29, 2018

DRAFT MEMORANDUM

To: Robert Parris, Chair
Antelope Valley Watermaster Board of Directors

Craig Parton,
Price Postel & Parma LLP, Watermaster Legal Counsel

From: Phyllis Stanin, Vice President/Principal Geologist
Kate White, Senior Engineer
Todd Groundwater, Watermaster Engineer

Re: Request for Permanent Change of Filing Date to August 1 for the Annual Report

This Draft Issue Paper requests a revision of the filing date for the Antelope Valley Watermaster Annual Report with the Court. According to the Judgment, the Annual Report is due to the Court on April 1 of each year.¹ For reasons set forth in this memorandum, the Watermaster Engineer requests a permanent revision of the filing date from April 1 to August 1. It is recognized that this request is subject to legal review and must be approved by the Court.

BACKGROUND

The Final Judgment was entered December 23, 2015. The first Annual Report, *Final Antelope Valley Watermaster 2016 Annual Report*, was prepared in 2017 in compliance with the Judgment and submitted to the Court on August 1, 2017, pursuant to a Court-approved filing extension from April 1 to August 1. That filing extension was a one-time request to allow Todd Groundwater, as the newly-retained Watermaster Engineer, to develop initial data sets and complete the other Annual Report sections required by the Judgment.

Since the filing of the first Annual Report, the Watermaster Engineer has proceeded with compilation of required data sets to ensure proper water accounting and tracking of production for the Parties in the Judgment. Much of the work has involved development of key sections of the Rules and Regulations to document the process and procedures whereby the Watermaster Board, Legal Counsel, Watermaster Staff, Advisory Committee and Watermaster Engineer all work

¹ "The Watermaster Engineer shall prepare an Annual Report for filing with the Court not later than April 1 of each Year, beginning April 1 following the first full Year after entry of this Judgment." (§18.5.17).

cooperatively to ensure the successful implementation of the Judgment. Retention of Watermaster Legal Counsel in November 2017 has significantly expedited that process.

To date, the Watermaster Board has successfully adopted three annual budgets and approved Rules and Regulations for Well Metering Requirements² and Administrative Assessments³. Additional sections of Rules and Regulations are in progress; several sections have been delayed while interpretive guidance of the Judgment is being requested from the Court. Nonetheless, the Watermaster Board, Legal Counsel, Administrative Staff, Advisory Committee, and the Watermaster Engineer are all working productively to complete draft Rules and Regulations in 2018.

SCHEDULE CONSIDERATIONS FOR THE ANNUAL REPORT

Numerous procedures required for proper preparation of the Annual Report impact the schedule for the Court filing, as summarized below.

Time Needed to Reconcile Water Accounts

The current due date of April 1 is only three months after the end of the accounting period (previous calendar year). Three months is insufficient to receive and review the reported production data and reconcile the numerous water accounts for each Party in the Judgment. In order to develop the proper water accounting procedures and audit for the previous year, the Watermaster Engineer has to complete the following activities:

- receive, review, and enter the previous year production reports into the database,
- document imported water use by Party and reconcile with reports provided by the imported water suppliers,
- calculate the 5-year moving average of imported water use and determine the right to imported water return flows for the coming year,
- determine the amount of groundwater production to assign to each Party's account (e.g., Production Right, Unused Federal Water Right, Rampdown Production, Imported Water Return Flows, Carry Over Water, Stored Water, Transfers)
- determine Replacement Water Assessment obligations,
- update accounts with annual information and work with administrative staff on variable administrative assessments.

Most of this accounting cannot be conducted until final production/imported water use reports are available from the Parties. Many Parties, including the U.S. Federal Government, the State of California, and others have not been able to develop complete production reports until about 60 days following the end of the year.

² Approved by the Court on November 28, 2017.

³ The Administrative Assessments section of the Rules and Regulations will be before the Court for approval after final comments are incorporated from the Public Hearing, scheduled for February 28, 2018.

Monitoring of Safe Yield Components and Change of Groundwater in Storage

As required by the Judgment (§18.5.6), the Watermaster Engineer has instituted a program to collect hydrologic data (including groundwater levels) and monitor safe yield components in the Adjudication Area. To obtain cost-effective monitoring of groundwater levels, the Watermaster is participating in a basin-wide monitoring program conducted by the U.S. Geological Survey (USGS). Costs for the program are shared among the Antelope Valley State Water Contractors Association, the Antelope Valley Integrated Water Management Group, the Antelope Valley Watermaster, and USGS.

This regional water level monitoring program provides the best available annual data from monitoring wells with long-term records. These data provide the basis for an annual calculation of change in groundwater in storage throughout the Adjudication Area, which supports the monitoring of safe yield components. Wells are typically monitored in March of each year, a schedule based on both technical reasons and reporting requirements for other programs. Final water level data are generally available near the end of April. This schedule does not allow for the inclusion of current groundwater elevation data or the calculation of groundwater in storage change to be made in a timely manner for the Annual Report if due April 1.

Additional Collection of Hydrologic Data

We anticipate that the number of hydrologic data sets to be monitored in the basin will increase over time. The analysis of groundwater levels will need to incorporate an understanding of aquifer-specific water levels. In addition, there may be a need to add monitoring points along the key streams associated with recharge.

As groundwater banking expands across the basin, there will be a need to document details of operation and reconcile inflow and outflows to the groundwater system. Projects are currently being evaluated to increase recharge of treated wastewater and expand the use of tertiary-treated wastewater for irrigation. Also, the amounts and locations of current wastewater discharge (urban return flows) need to be documented for the Annual Report. Although all of these activities will provide a better understanding of the groundwater system and flexibility for future groundwater management, they also increase the need for data compilation and analysis in the Annual Reports.

Timing of Administrative Draft and Public Hearing Requirements

For the first Annual Report, the Watermaster Engineer produced an Administrative Draft to the Watermaster at its regular board meeting on June 28, 2017. After incorporating comments from numerous Parties and the Advisory Committee, the Watermaster Engineer revised the Administrative Draft to produce a Draft 2016 Annual Report that was posted on the Watermaster website on July 12, 2017. Parties and the public were noticed that the Draft 2016 Annual Report was available for download, review, and comment. Based on additional comments, a Revised Draft was made available to all Parties on Monday, July 24, 2017. The Watermaster Board held a public hearing on July 26, 2017 to consider additional comments on both the Draft (and Revised Draft) 2016 Annual Report. After the public hearing, the Watermaster Board unanimously voted to

incorporate public comments and recommendations received prior to and at the July 26 public hearing. The Watermaster also unanimously approved the filing of the Final 2016 Annual Report to the Court by August 1, 2017 (Resolution No. 17-05), in compliance with the Court's previously-approved time extension.

As indicted by this schedule, the Administrative Draft requires preparation more than six weeks prior to the filing deadline (in order to be reviewed by the Advisory Committee and included in the Board packet in compliance with the Brown Act). If the deadline remains at April 1, the Administrative Draft would need to be completed in February, prior to receipt of the groundwater elevation monitoring data and prior to receipt of all of the Parties' production reports. By changing the filing date to August 1, the Watermaster Engineer will have time to prepare the Administrative Draft by June and the Draft by July, allowing the Watermaster, legal counsel, the Advisory Committee, Parties to the Judgment and the public ample time for review, commenting, and the public hearing.

REQUEST

Finally, we note that three months between the end of the reporting period and the filing date of the Annual Report is a shorter deadline than all of the other adjudicated basins in the state with the exception of the much smaller Raymond and Seaside Basins. For the adjudicated basins requiring annual reports and providing those schedules on their websites, most have a six-month or longer filing period and many have a seven-month filing period, consistent with this request. For the reasons provided above, we respectfully request that the required filing date of the Antelope Valley Watermaster Annual Report be changed from April 1 to August 1 of each year beginning in 2018.