

CENTRAL BASIN
REGIONAL DISADVANTAGED COMMUNITIES INCENTIVE PROGRAM

I. BACKGROUND

The Central Basin Watermaster Service Area overlies about 227 square miles of the Central Groundwater Basin (“Central Basin” or “Basin”) and includes a population of more than 2 million people. (See Exhibit A.) Groundwater from the Basin provides a substantial portion of the water supply needed by residents, businesses, and industries in the area overlying the Central Basin.

Beginning in the 1960’s, Central Basin has been managed as an adjudicated groundwater basin pursuant to a court ordered judgment that has been amended three times. The Third Amended Judgment (“Judgment”) established a new plan for the Central Basin and for the first time established water storage rights.

This new plan adds flexibility to allow the purchase, storage and use of water when it makes the most economic sense, and divides over 330,000 acre-feet of groundwater storage capacity above that of existing water rights in the Central Basin. The Judgment determined that of the available storage space, 110,000 acre-feet would be set aside for use by the Water Replenishment District of Southern California (“WRD”) as a Basin Operating Reserve and that water rights holders may store 108,750 acre-feet through individual storage allocations. The remaining 111,250 acre-feet represent the Community Storage Pool, which includes an allocation for Disadvantaged Communities through the Regional Disadvantaged Communities Incentive Program (“RDCIP” or “Program”). With the State of California in addition to regional water agencies stressing the importance of careful management of groundwater basins including storage, any and all available storage in the Central Basin is extremely valuable.

A Disadvantaged Community, as defined by the Judgment, means an area served by a “Water Purveyor and that consists of one or more contiguous census tracts which, based upon the most recent United States Census data, demonstrates a median household income which is less than eighty percent (80%) of the median household income for all Census Tracts within the State of California.” (Judgment, pp. 8-9.) Portions of several communities in the Central Basin are classified as Disadvantaged Communities and will be eligible for the RDCIP.

II. DEVELOPMENT OF THE RDCIP

On June 29, 2014, the Central Basin Water Rights Panel retained an independent consultant team (“Consultant”) to develop the RDCIP. Under the Judgment, the Consultant was required to provide the Central Basin Water Rights Panel with a detailed RDCIP within 90 days of the Consultant’s retention, which must be submitted to the

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Court for its review and approval. Despite good faith efforts to develop the RDCIP within the original timeline provided by the Judgment, the public interest in the RDCIP coupled with the complexity and importance of the Program, has resulted in the request for additional time. The Central Basin Water Rights Panel requested a 180-day extension from the Court in November 2014 and the Court granted a hearing on the request currently scheduled for February 4, 2015.

During the development of the RDCIP and assisted by an Ad Hoc Committee (Exhibit B) chosen by the Central Basin Water Rights Panel, the Consultant conducted two well-attended public workshops to solicit stakeholder input and ideas. The workshops were held on August 21, 2014 in Cudahy and September 4, 2014 in Norwalk.

After three meetings with the Ad Hoc Committee where the draft RDCIP was discussed and revised, the Ad Hoc Committee and the Consultant presented drafts to the Central Basin Water Rights Panel on December 11, 2014 and on January 8, 2015. The Central Basin Water Rights Panel provided additional feedback and direction, which resulted in a revised version. The draft RDCIP will be submitted to the Court for approval after a period of public review and comment.

All documents related to or created during the development of the RDCIP were made available on the Central Basin Watermaster website at www.cbwatermaster.org and are attached as Exhibit C.

III. RDCIP PROGRAM INFORMATION

The Judgment provides the RDCIP with a second priority right to occupy up to 23,000 acre-feet within the Community Storage Pool. (Judgment, Section IV.E.2.) This storage must be made available to or for the benefit of Disadvantaged Communities within the Central Basin. (Judgment, Section II.H.) Regional Disadvantaged Communities may not have the necessary staff or resources to take advantage of the RDCIP or to secure other much needed funding and grant opportunities for water supply projects. The RDCIP encourages the leveraging of resources to assist in securing funds at the State and local level to supplement those available through the RDCIP or otherwise. The Central Basin Water Rights Panel shall ensure that the application process is not burdensome or costly. Therefore, the application process will be limited to a simple, standardized application developed by the Central Basin Water Rights Panel.

IV. DEFINITIONS

- A. Central Basin Water Rights Panel – The constituent body of Watermaster consisting of seven (7) Parties elected from among the parties holding Allowed Pumping Allocations as provided in Section II (B) of the Judgment.
- B. Community Storage Pool – The cumulative quantity of Adjudicated Storage Capacity allocated to Community Storage is 111,250 acre-feet.

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- C. Disadvantaged Community – means any area that is served by a Water Purveyor and that consists of one or more contiguous census tracts which, based upon the most recent United States Census data, demonstrates a median household income which is less than eighty percent (80%) of the median household income for all Census Tracts within the State of California. (Judgment, pp. 8-9.)
- D. Party – means any Party (and successors in interest) to Central and West Basin Water Replenishment District, etc., v. Charles E. Adams, et al., No. 786,656 (1965).
- E. Project Area – means the subject area of an application submitted by a Disadvantaged Community or coalition of Disadvantaged Communities. The subject area may consist of a variety of the following; subwatershed, watershed, multiple subwatersheds or watersheds, community, or communities.
- F. Storage Panel – means the bicameral constituent body of Watermaster consisting of (i) Central Basin Water Rights Panel and (ii) the Board of Directors of WRD.
- G. Water Purveyor – means a Party (and successors in interest) which sells water to the public, whether a regulated public utility, mutual water company or public entity.

V. DISADVANTAGED COMMUNITY

RDCIP benefits are limited to Disadvantaged Communities located within the Central Basin. (Judgment, Section II.H.) Accurate GIS census tract mapping of Disadvantaged Communities shall be provided by the Central Basin Water Rights Panel, and shall be made available through the Central Basin Watermaster website within 90 days of the availability of decennial U.S. Census data. Following each decennial census, the Central Basin Water Rights Panel shall identify Disadvantaged Communities in the Central Basin. It shall be the responsibility of the applicant to demonstrate eligibility based on the Disadvantaged Communities identified by the Central Basin Water Rights Panel. Eligible Disadvantaged Communities are encouraged to apply to the RDCIP.

VI. OUTREACH PROGRAM

In order to ensure a full and robust participation by all qualifying Disadvantaged Communities to the maximum extent possible, the Central Basin Water Rights Panel may develop an outreach program to assist Disadvantaged Communities with the application and reporting requirements of the RDCIP as appropriate.

VII. RDCIP WATER STORAGE ALLOCATION

The Judgment provides the RDCIP with a second priority right to occupy up to 23,000 acre-feet within the Community Storage Pool. This storage must be made available to or for the benefit of Disadvantaged Communities within the Central Basin. The Central Basin Water Rights Panel may allocate all or a portion of water storage to one or more qualifying entities in order to effectuate the highest benefit to Disadvantaged Communities in the Central Basin. The 23,000 acre-feet of available storage will not be divided among the identified Disadvantaged Communities, but will instead be allocated by the Central Basin Water Rights Panel in a manner that will provide the benefit to all of the Disadvantaged Communities in the Central Basin.

A. RDCIP Water Storage Application Requirements

1. Required Contents of Application:

A Party to the Judgment or a group of entities, which includes at least one Party to the Judgment, may submit an application to the Central Basin Water Rights Panel to receive a water storage allocation. An applicant must disclose in its application all participants of the proposed water storage allocation, state the total amount of storage space they are seeking, and estimate the proposed duration of the proposed water storage allocation. Applications shall also include a timeline with designated milestones and corresponding progress reports.

2. Central Basin Water Rights Panel Determination:

Central Basin Water Rights Panel shall make the determination of which applicants shall receive a water storage allocation and the size of the allocation to be granted. The Central Basin Water Rights Panel shall make such determination taking into consideration which allocation(s) will provide for the greatest benefit to the maximum number of Disadvantaged Communities pursuant to an objective evaluation of the application. The Central Basin Water Rights Panel will establish an evaluation process based upon information the applicant provides using a standardized format provided by the Central Basin Water Rights Panel.

Potential factors that may be considered by the Central Basin Water Rights Panel to objectively rank and evaluate applicants for RDCIP water storage allocations are listed below and are not listed in any specific order. The Central Basin Water Rights Panel may also consider other factors it deems necessary:

- a. The ratio of Disadvantaged Community census tracts located within the proposed project area in the application for storage in comparison to the total census tracts in that same project area;

- b. Disparity between the cost of water service provided within the project area and the median household income by the ratepayers within said project area;
- c. Existing infrastructure needs of the project area;
- d. Number of water purveyors providing water service to the project area;
- e. Amount of allocated water rights;
- f. Working relationship between community and water purveyor;
- g. Applicant is in good standing and current on all Watermaster fees and replenishment assessments;
- h. Analysis or explanation of the type and value of the benefit to a Disadvantaged Community or group of Disadvantaged Communities; and
- i. Any other objective factors the Central Basin Water Rights Panel deems appropriate.

Based on the information provided, the Central Basin Water Rights Panel shall designate priority ranking for each applicant.

The Central Basin Water Rights Panel shall determine the duration of each storage allocation based on the information provided in the application, however for the duration prescribed, the storage allocation is not subject to revocation in the event a qualifying Disadvantaged Community experiences a change in status based upon the most recent Census data. In the event storage project milestones are not met, storage is leased or resold without express permission from the Central Basin Water Rights Panel, or gross negligence, fraud, or misuse is determined by the Central Basin Water Rights Panel to have occurred, awarded storage may be revoked by a supermajority vote of the Central Basin Water Rights Panel. A supermajority consists of two-thirds of the total sitting membership of the Central Basin Water Rights Panel. The Central Basin Water Rights Panel may develop additional project approval parameters and may make additional allocations as RDCIP storage space becomes available.

B. Storage Panel Review

When required by the Judgment, the Storage Panel may review water storage construction projects proposed under this Program.

C. Recording of Storage and Use

All entities allocated water storage through the Program must properly account for the amounts of all water stored and extracted and submit a report to the Watermaster and Central Basin Water Rights Panel on a monthly basis and not more than two months in arrears. Any adjustments to the monthly submittals shall be submitted to the Watermaster and Central Basin Water Rights Panel in a timely manner for consideration in the preparation of the Watermaster's annual

assessment package. Within one year following the end of the fiscal year, an annual reconciliation shall be performed of storage and extraction. Production reports must include a statement under penalty of perjury that production was for the benefit of a Disadvantaged Community (or group of Disadvantaged Communities).

VIII. CENTRAL BASIN REGIONAL DISADVANTAGED COMMUNITIES INCENTIVE PROGRAM BANK ACCOUNT

A Central Basin Regional Disadvantaged Communities Incentive Program account (“RDCIP Bank Account”) shall be established for the sole use and benefit of the Central Basin Disadvantaged Communities. The RDCIP Bank Account shall be separate and not commingled with any other financial or trust accounts of the Watermaster or Central Basin Water Rights Panel. The RDCIP Bank Account shall be a restricted account until such time as the account monies total one million dollars; thereafter a trust account will be utilized. The RDCIP Bank Account shall be overseen by the Watermaster and will be used to benefit the Disadvantaged Communities and to fund an independent annual financial and end-use audit of the RDCIP. RDCIP Bank Account funds will be made available for Disadvantaged Community drinking water supply related infrastructure or projects, as detailed below.

A. Allocation of RDCIP Bank Account Funds

RDCIP Bank Account funds shall be allocated to those Disadvantaged Communities that submit an application to the Central Basin Water Rights Panel. Based on the information provided, the Central Basin Water Rights Panel shall determine which RDCIP Bank Account applicants are awarded funds and the amount awarded to each. The evaluation will be based upon information the applicant provides using a standardized format provided by the Central Basin Water Rights Panel. The Central Basin Water Rights Panel shall take into account the number of Disadvantaged Community census tracts located within the applicant’s project area. Collaborative efforts between multiple agencies and industries are encouraged to apply for and develop drinking water supply related infrastructure and projects that benefit Central Basin Disadvantaged Communities.

Allocations made must be used to fund drinking water supply related infrastructure and projects that benefit Disadvantaged Communities as defined by the Judgment. Applications shall include a timeline with designated milestones and corresponding progress reports. The Central Basin Water Rights Panel shall review project progress and awarded funds may be revoked by a supermajority vote, receiving two-thirds of the total sitting membership of the Central Basin Water Rights Panel, at any time in the event that milestones are not met, or gross negligence or misuse is determined by the Central Basin Water Rights Panel to have occurred. Additional Central Basin Water Rights Panel

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approval must be obtained prior to use of any RDCIP Bank Account funds not included in the approved RDCIP Bank Account application, as agreed to between the Central Basin Water Rights Panel and the applicant. In the case that it is found that RDCIP Bank Account funds were used in an improper manner, the entity that received those funds must repay such funds to the RDCIP Bank Account.

B. Drinking Water Supply Related Infrastructure and Projects

An identified Disadvantaged Community may submit an application to the Central Basin Water Rights Panel for use of RDCIP Bank Account funds. The Central Basin Water Rights Panel will review the applications and award funds to applicants that demonstrate that their drinking water supply related infrastructure and/or project would benefit one or more Disadvantaged Communities.

1. Drinking water supply related infrastructure and projects include but are not limited to the following activities:
 - a. Develop or rehabilitate potable water supply distribution systems,
 - b. Cleanup of naturally occurring or human produced contamination of groundwater for direct potable water supply distribution or infiltration,
 - c. Improve quality of stormwater through infiltration,
 - d. Develop and/or expand recycled water programs,
 - e. Increase groundwater replenishment, or
 - f. Develop and/or expand low impact development projects.
2. All drinking water supply related infrastructure and cleanup projects must clearly demonstrate a benefit to one or more Central Basin Disadvantaged Communities.

C. Audit and Annual Reports

1. RDCIP Account Audit

The RDCIP Bank Account shall be audited annually as part of the Central Basin Water Rights Panel audit with special instructions. The audit findings shall be included in the RDCIP annual report. The Central Basin Water Rights Panel's independent auditor shall possess proper education and training to evaluate trust administrative and operational functions. The account auditor shall be paid at a rate not to exceed the customary professional fee for work of this nature. All RDCIP projects may be subject to audit. Any Disadvantaged Community that accesses funds in the RDCIP Bank Account shall maintain all records pertaining to any project funded with those funds for at least five (5) years after completion of that project.

2. Annual Reports

Each applicant that has received a water storage allocation or a disbursement of RDCIP Bank Account funds shall submit an annual report to the Central Basin Water Rights Panel using a simple, standardized report form on the use of such storage, funds, and/or the status of the drinking water supply related infrastructure and project. Annual reports shall include production records and a signed statement certifying its contents. Additional Central Basin Water Rights Panel approval must be obtained prior to use of any RDCIP Bank Account funds not included in the approved RDCIP Bank Account application, as agreed to between the Central Basin Water Rights Panel and the applicant. In the case that it is found that RDCIP Bank Account funds were used in an improper manner the entity must repay such funds to the RDCIP Bank Account.

D. Central Basin Water Rights Panel Use of RDCIP Funds for Program Administration

RDCIP funds may be used for Program Administration. Watermaster or Central Basin Water Rights Panel general funds shall not be used for Program Administration.

IX. WATER STORAGE USE

The RDCIP is given a second priority right to the storage in the Community Storage Pool. Once the storage is allocated to an applicant that applicant may store and pump water from the Community Storage Pool in accordance with the Judgment, but subject to any limitations or conditions that the Central Basin Water Rights Panel may impose in connection with the granting of an application for use of the storage.

X. WATER STORAGE RECOVERY

Water Storage recovery and replenishment under the RDCIP must be conducted in accordance with the withdrawal and refill requirements of the Judgment.

A. Limit on Storage

Each party to the Judgment may not cumulatively have in storage at any time Stored Water totaling more than two hundred percent (200%) of that party's Allowed Pumping Allocation. (Judgment, Section IV.F.)

Any quantity of water held in the Community Storage Pool for a term greater than ten (10) consecutive years shall be assessed an annual water loss equal to 5% of the lowest quantity of water held within the party's Community Storage Pool

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account at any time during the immediately preceding ten-year period. (Judgment, Section IV.E.6.)

B. Avoidance of Material Physical Harm

The storage and recovery of water from the Community Storage Pool through the RDCIP shall not create a material physical harm, or imminent threat thereof, to the Central Basin as defined by the Judgment. (Judgment, p. 10.)

XI. WATER QUALITY

Water storage under the RDCIP must not cause or contribute to a violation of any applicable water quality objective, standard, criteria or drinking water standards.

XII. ANNUAL REPORT TO THE COURT

The status of the RDCIP shall be included as part of the Watermaster's annual report to the Court. The Central Basin Water Rights Panel shall give notice and allow for comment prior to the submittal of the annual report to the Court.

XIII. AMENDING THE RDCIP

The Central Basin Water Rights Panel shall have the ability to invoke a review of the RDCIP and if necessary propose amendments to better achieve the RDCIP's purpose to benefit Central Basin Disadvantaged Communities. Amendments made by the Central Basin Water Rights Panel shall be presented to the Court for review and approval.

EXHIBITS

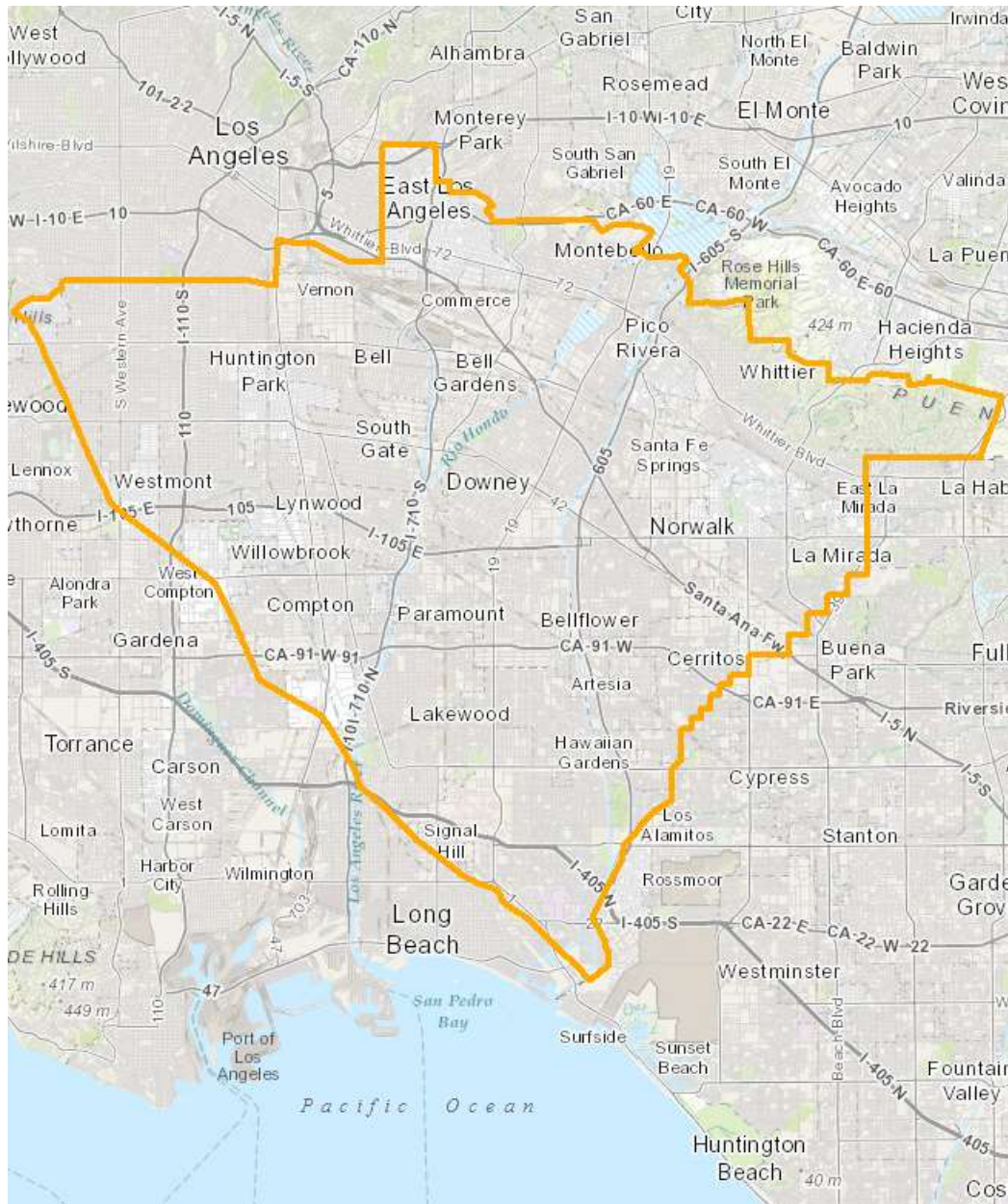
Exhibit A – Central Basin Boundary Map

Exhibit B – Central Basin Water Rights Panel 2014 RDCIP Ad Hoc Committee Member List

Exhibit C – RDCIP Development Documents

Exhibit D – Comments Matrix Regarding Draft RDCIP

Central Basin Boundary Map



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EXHIBIT B

Central Basin Water Rights Panel 2014 RDCIP Ad Hoc Committee

Co-Chair – Ken Farfsing, Water Rights Panel Member
Co-Chair – Christopher Cash, Water Rights Panel Member
Daniel Armendariz, California Water Service Company
Mark Grajeda, Pico Water District
Ken Putnam, City of Bell Gardens
Chad Blais, City of Compton

EXHIBIT C

RDCIP DEVELOPMENT DOCUMENTS

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**QUICK FACTS
ABOUT THE DEVELOPMENT OF A
CENTRAL BASIN REGIONAL DISADVANTAGED COMMUNITIES INCENTIVE PROGRAM**



A new and important program is being developed in order to benefit our community. A first of its kind anywhere in the State, the Regional Disadvantaged Communities Incentive Program ("RDCIP") was specifically created for the benefit of the Central Basin's disadvantaged communities. This new program allocates water storage rights to those communities that need it most and that otherwise may not have the resources to access it.

In 2013, a court issued a judgment granting more flexibility and localized management of the Central Groundwater Basin. This new plan allows for the purchase, storage and use of water when it makes the most economic sense and will divide over 330,000 acre-feet of groundwater storage capacity in the Central Basin.

An important component of this judgment is the RDCIP that allocates 23,000 acre-feet of storage from the Community Storage Pool for the use or benefit of disadvantaged communities. While the judgment does provide guidance and a purpose for the program, it leaves it to the region's stakeholders to decide how best to set up and implement the program.

All stakeholders and interested parties are encouraged to provide input into the development of the program.

Facts from the Judgment:

- 23,000 acre-feet of storage will be made available to cities for the benefit of disadvantaged communities within the Central Basin;
- A disadvantaged community - means an area served by a water purveyor with one or more contiguous census tracts based on the most recent U.S. Census data and with a median household income less than 80% of the median household income in the State of California;
- The RDCIP must be developed within a 90 day timeframe (October 27, 2014 completion date). The Water Rights Panel will present the final RDCIP to the Court for approval on or before December 23, 2014;
- The Water Rights Panel will administer, through the General Manager of the Water Replenishment District of Southern California, the RDCIP and insure that the program benefits regional disadvantaged communities.
- The status of the program will be included as part of the annual report to the Court.



For more information or if you have questions and/or comments on the RDCIP, please contact Grace Kast at 626-485-0338 or grace.gkconsult@gmail.com.

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1 of use by that party" include such extractions and cessations by any predecessor or predecessors
2 in interest.

3 "Basin Operating Reserve" means a total of 110,000 acre feet of Available Dewatered
4 Space available for Basin operations as provided in Section IV(L). The Basin Operating Reserve
5 added to the Adjudicated Storage Capacity equals the amount of Available Dewatered Space.

6 "Calendar Year" is the twelve month period commencing January 1 of each year and
7 ending December 31 of each year.

8 "Carryover" is defined in Section III(A).

9 "Carryover Conversion" means the process of transferring water properly held as
10 Carryover into Stored Water, or the water so converted to Stored Water.

11 "Central Basin" is the underground basin or reservoir underlying the Central Basin Area,
12 the exterior boundaries of which Central Basin are the same as the exterior boundaries of Central
13 Basin Area.

14 "Central Basin Area" is the territory described in Appendix "1" to this Judgment and is a
15 segment of the territory comprising Plaintiff District.

16 "Central Basin Water Rights Panel" means the constituent body of Watermaster
17 consisting of seven (7) Parties elected from among parties holding Allowed Pumping Allocations
18 as provided in Section II(B).

19 "CEQA" refers to the California Environmental Quality Act, Public Resources Code
20 §§ 21000 *et seq.*

21 "Community Storage Pool" is defined in Section IV(E).

22 "Declared Water Emergency" means a period commencing with the adoption of a
23 resolution of the Board of Directors of WRD declaring that conditions within the Central Basin
24 relating to natural and imported supplies of water are such that, without implementation of the
25 water emergency provisions of this Judgment, the water resources of the Central Basin risk
26 degradation. Such Declaration may be made as provided in Section III(A)(3).

27 "Disadvantaged Community" means any area that is served by a Water Purveyor and that
28 consists of one or more contiguous census tracts which, based upon the most-recent United

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ANNOUNCING COMMUNITY GROUNDWATER STORAGE WORKSHOPS

**YOU ARE INVITED TO ATTEND A REGIONAL
WORKSHOP REGARDING A NEW WATER
STORAGE PROGRAM TO BENEFIT
DISADVANTAGED COMMUNITIES IN THE
CENTRAL BASIN REGION**

A recent judgment regarding water purchase, storage and use includes an important component which allocates 23,000 acre-feet of storage to benefit Disadvantaged Communities. While the judgment does provide guidance and a purpose for the program, it leaves it to the region's stakeholder on how best to set up and implement the program.

Workshop #1 – 10 a.m. on Thursday, August 21

- **Clara Street Park Community Center
4835 Clara St, Cudahy**

Workshop #2 – 10 a.m. on Thursday, September 4

- **Norwalk Arts and Sports Complex
13000 Clarkdale Avenue, Norwalk**

Two locations and two dates (maps on back or page 2).
We look forward to your attendance and ideas.

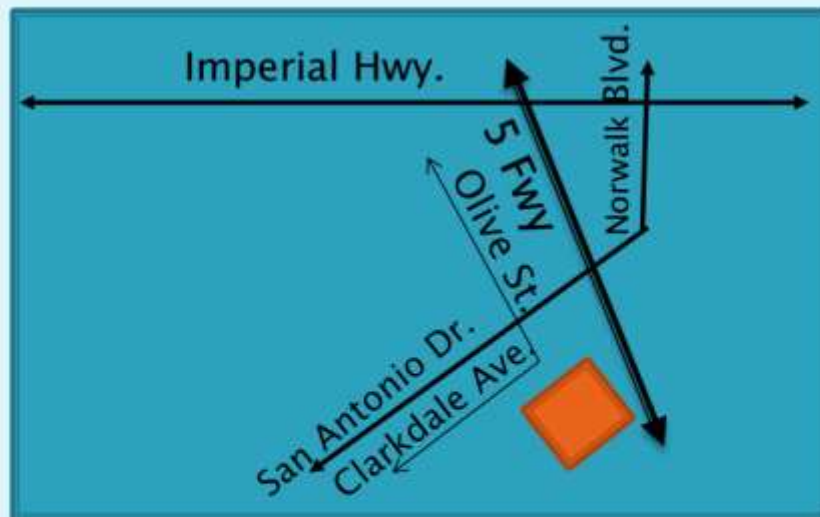
For a fact sheet or if you have questions and/or
comments, please contact Grace Kast at 626-485-0338
or grace.gkconsult@gmail.com.

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Workshop #1 Clara Street Park Community Center
4835 Clara Street, Cudahy, CA



Workshop #2 Norwalk Arts and Sports Complex
13000 Clarkdale Avenue, Norwalk, CA



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**CENTRAL BASIN REGIONAL DISADVANTAGED COMMUNITIES
INCENTIVE PROGRAM ("RDCIP")**

Workshop #1: 10-11:30 a.m. on Thursday, August 21
Clara Street Park Community Center
4835 Clara St, Cudahy

Workshop #2: 10 – 11:30 a.m. on Thursday, September 4
Norwalk Arts and Sports Complex
13000 Clarkdale Avenue, Norwalk

Public Comment Period Ends 10/15/14 • Submitted to Court 12/23/14

AGENDA FOR WORKSHOPS

Questions/Comments? Please contact Grace Kast at 626-485-0338 or grace.gkconsult@gmail.com.

1. Welcome and Self-Introductions

2. Background, Purpose and Timeline

3. Discussion to Identify Possible Concepts and Criteria

a. Valuation of Water Storage and Revenue

b. Qualification of Cities to Apply

c. Program Process and Allocation of Water Storage

d. Program Checks and Balances

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INCENTIVE PROGRAM ("RDCIP")**

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EXHIBIT D

COMMENTS MATRIX REGARDING DRAFT RDCIP

Comments on the Draft Central Basin Regional Disadvantaged Community Incentive Program					
No.	Comment by	Section	Reference Text	Comment	Response
1	Chad Lamacchia, LADWP	Section I, p. 1.	"After the Water Replenishment District of Southern California ("WRD") is granted their annual allocation of approximately 110,000 acre-feet to recharge the aquifer with imported water..."	WRD is not granted an <i>annual</i> allocation of 110,000 AF to recharge the aquifer. Section IV (C) of the Judgment splits the 330,000 AF of storage space into Adjudicated Storage Capacity (220,000 AF) for use by rights-holders, and Basin Operating Reserve (110,000 AF) for use by WRD.	<p>The Draft RDCIP has been edited to better reflect the language in the Judgment.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
2	Mark Grajeda, Pico Water District	Section VIII, pp. 6-8.	General: Bank Account/Assessment Fee	Without out a funding mechanism (assessment fee), how is this program supposed to generate revenue? When the RDCIP ad hoc committee met we discussed an assessment fee, and we proposed a fee of \$250/AF and we also proposed allowing for the reduction of that fee for disadvantaged communities who wished to take advantage of storing water themselves. I don't understand why the Panel has decided to leave setting a rate for this fee up to the disadvantage community requesting to use the storage space. If you set a fee now, as recommended by the ad hoc committee when there is no demand for the program, and set that fee based on a strong demand, and based on the belief that most disadvantage	<p>The Central Basin Water Rights Panel discussed this issue at public meetings held on December 12, 2014 and January 8, 2015. The Central Basin Water Rights Panel directed that the Bank Account and assessment fee be removed from the draft RDCIP at its December 12, 2014 meeting, but restored the Program's Bank Account at its January 8, 2015 meeting. The Central Basin Water Rights Panel further directed that any mention of an "assessment" be removed from the RDCIP.</p> <p>As reflected in minutes of the January 8, 2015 meeting, the Central Basin Water Rights Panel</p>

				communities are not going to store water, and finally based on the belief that only large water purveyors are going to have the capacity to store water (or have the need to store water) and therefore the means to pay to store the water, then now is the time to set an assessment fee. The Panel should set a price now so that no one can come in and take up this storage space at a bargain price.	<p>explained that the RDCIP should not include an assessment fee that is determined by the Central Basin Water Rights Panel, but should instead allow each Disadvantaged Community applicant to propose a cost per acre-foot to be paid to the Central Basin Water Rights Panel, however, the Central Basin Water Rights Panel ultimately did not amend the RDCIP to reflect that explanation.</p> <p>No edits are made in response to this comment.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
3	Chad Blais, City of Compton	Section VIII, pp. 6-8.	General: Bank Account/Assessment Fee	The current RDCIP language does not include any mention of how the program or bank account will be funded. What is the method and cost to potential users of the pool?	<p>No edits are made in response to this comment.</p> <p>See response to Comment No. 2.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
4	Chad Blais, City of Compton	Section VIII, pp. 6-8.	General: Bank Account/Assessment Fee	If the RDCIP is going to have an assessment (beyond the RA fee) to use the pool, it would seem important to	The current Draft RDCIP does not include an assessment fee.

				have language that exempts proposed users that represent disadvantaged communities? I don't believe it makes sense to charge a disadvantage community an additional assessment because then it reduced the fiscal benefit to said community.	See response to Comment No. 2. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
5	Chad Blais, City of Compton	General	General: Physical solution projects	The RDCIP language seems to focus on considering only physical projects or solutions that would aid disadvantaged communities. However, what if an agency simply wants to store available water rights in the pool that are over the allowable carryover allotment specified in the judgment. We can show a clear nexus that purchasing available groundwater rights now at a lower rate for future benefits disadvantaged communities because it will allow the City to draw water from storage and avoid purchasing imported water from MWD. Is this type of project going to be allowed under the RDCIP?	Pursuant to the current Draft RDCIP, the Central Basin Water Rights Panel will evaluate all applications and proposed benefits to Disadvantaged Communities. The Draft RDCIP states that: "The Central Basin Water Rights Panel shall make the determination of which applicants shall receive a water storage allocation and the size of the allocation to be granted. The Central Basin Water Rights Panel shall make such determination taking into consideration which allocation(s) will provide for the greatest benefit to the maximum number of Disadvantaged Communities pursuant to an objective evaluation of the application." (Section VII.A.2, p.4.) The Draft RDCIP has been edited to replace the term "project" with
					"water storage allocation," for clarity. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
6	Jeanne-Marie Bruno, Park Water Co.	Section VII, pp. 3-5.	Water Storage Allocation	This section describes the application requirements and various evaluation criteria. If there is more than one project with comparable benefit to Disadvantaged Communities, will this program allow for proportional allocation? For some projects, a partial reward of allocation will not be cost effective. Will revision of project scope change the ranking?	No revisions are made in response to this comment at this time. The Draft RDCIP is the program's structure; it does not include details of the Central Basin Water Rights Panel determination process. Therefore, pursuant to the RDCIP, the Central Basin Water Rights Panel determines the size of the water storage allocation and may, therefore, allow for a proportional allocation. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
7	Jeanne-Marie Bruno, Park Water Co.	Section VII, pp. 3-5.	Duration of Water Storage Allocation	The Panel will determine the duration of each storage allocation. Are there criteria set up for this determination?	There are no criteria established in the Draft RDCIP for the determination of duration, however, projects will be evaluated based on the benefit

APPROVED BY CENTRAL BASIN WATER RIGHTS PANEL ON APRIL 9, 2015
APPROVED BY COURT ON JUNE 25, 2015 CASE NO. C786656

					<p>provided by the proposed project to disadvantaged communities in the Central Basin service area.</p> <p>No edits to the Draft RDCIP are suggested in response to this comment at this time.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
8	Jeanne-Marie Bruno, Park Water Co.	Section VIII, pp. 6-8.	Bank Account	<p>This section describes the Bank Account and how it works. It is not clear how the bank account is funded. Will the applicant have to pay to use the storage allocation? Has some fee or \$ per acre-foot charge been established to fund the bank account? How is the fee determined? Is it a one-time charge or yearly charge? If a Disadvantaged Community is an applicant, will it be required to pay into the bank account?</p>	<p>The Central Basin Water Rights Panel discussed this issue at public meetings held on December 12, 2014 and January 8, 2015. The Central Basin Water Rights Panel directed that the Bank Account and assessment fee be removed from the draft RDCIP at its December 12, 2014 meeting, but restored the Program's Bank Account at its January 8, 2015 meeting.</p> <p>See response to Comment No. 2.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
9	Jeanne-	Section	Allocation of Bank	Is the allocation of bank account funds	Currently in the Draft RDCIP

	Marie Bruno, Park Water Co.	VIII.A, p. 6.	Account Funds	a matching grant? If it is, what is the matching percentage?	<p>there is no requirement for matching funds. The Central Basin Water Rights Panel may determine detailed application requirements at a future time.</p> <p>No edits to the Draft RDCIP are suggested in response to this comment at this time.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
10	Jeanne-Marie Bruno, Park Water Co.	Section VIII.B.1(f), p. 7.	"f. Develop and/or expand low impact development projects."	Please explain what is a "low impact development project" mentioned in B.1(f).	<p>"Low impact development project" is a broad term to describe projects that use an approach to land development (or re-development) that works with nature to manage stormwater as close to its source as possible. Many cities and the County of Los Angeles have definitions of Low Impact Development, and it is a term of art used in stormwater permits.</p> <p>No edits to the Draft RDCIP are suggested in response to this comment at this time.</p> <p>However, all comments and any possible edits in response will be</p>

					considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
11	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VII, p. 4.	"...but will instead be allocated by the Central Basin Water Rights Panel in a manner that will provide the highest benefit to all of the Disadvantaged Communities in the Central Basin."	We doubt that this Program can be administered in a way to benefit all Disadvantaged Communities in the Central Basin and do not see how the Program can be easily implemented to do so. Thus, we believe "all of the" should be replaced with to "participating" DACs, as it is those participating DACs, either by being involved in storage projects or accessing the RDCIP account, that will benefit from the Program.	Benefits are not exclusive to Disadvantaged Communities that submit applications. No edits are made in response to this comment at this time. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
12	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VII, p. 3.	"The Judgment provides the RDCIP with a second priority right to occupy up to 23,000 acre-feet within the Community Storage Pool."	Sentence should read: "The Judgment provides the RDCIP with a second priority right to occupy up to 23,000 acre-feet within the Community Storage Pool (that portion of the Community Storage Pool is referred to herein as the "RDCIP Storage Pool")."	The Central Basin Water Rights Panel did not prescribe the possible RDCIP storage within the Community Storage Pool with a new reference, as the comment suggests here. In addition, there is no defined RDCIP Storage Pool in the Judgment. No edits are suggested in response to this comment at this time. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
13	Jim Ciampa on	Section VIIA, p. 4.	"A Party to the Judgment or a group	Section should read:	This section has been edited to reflect a separation of the
	behalf of Tract 349 Mutual Water Company		of entities, which includes at least one Party to the Judgment, may submit an application to the Central Basin Water Rights Panel to receive a water storage allocation. Applicants must disclose all participants of the proposed project in its application. The Central Basin Water Rights Panel shall make the determination of which applicants shall receive a water storage allocation and the size of the allocation to be granted. The Central Basin Water Rights Panel shall make such determination taking into consideration which allocation(s) will provide for the greatest benefit to the maximum number of Disadvantaged Communities pursuant to an objective evaluation	1. "Required Contents of Application: A Party to the Judgment or a group of entities, which includes at least one Party to the Judgment, may submit an application to the Central Basin Water Rights Panel to receive a water storage allocation in the RDCIP Storage Pool. An applicant must in its application disclose all participants of the proposed project, state the total amount of storage space in the RDCIP Storage Pool which they are seeking for that proposed project, and estimate the proposed duration of the proposed project. Applications shall also include a timeline with designated milestones and corresponding progress reports. 2. Central Basin Water Rights Panel Determination: The Central Basin Water Rights Panel shall consider all applications for use of the RDCIP Storage Pool that are submitted and, within forty-five (45) days of the date any application is submitted, shall determine whether any such application shall be approved in whole or approved in part (which determination shall include the	application requirements and the Central Basin Water Rights Panel evaluation/determination process. As currently drafted, the RDCIP allows applications and determinations of water storage allocations to be considered in a manner that allows for flexibility by the Central Basin Water Rights Panel. Therefore, no revisions are made regarding timing of application reviews in response to this comment. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.

			<p>of the application. The Central Basin Water Rights Panel will establish an evaluation process based upon information the applicant provides using a standardized format provided by the Central Basin Water Rights Panel.</p> <p>Potential factors that may be considered by the Central Basin Water Rights Panel to objectively rank and evaluate applicants for RDCIP water storage allocations are listed below and are not listed in any specific order. The Central Basin Water Rights Panel may also consider other factors it deems necessary:"</p>	<p>amount of RDCIP Storage Pool space allocated to the applicant) or denied completely. The Central Basin Water Rights Panel shall make such determination taking into consideration whether an allocation will provide for the greatest benefit to the maximum number of Disadvantaged Communities pursuant to an objective evaluation of the application. The Central Basin Water Rights Panel will establish an evaluation process based upon information the applicant provides using a standardized format provided by the Central Basin Water Rights Panel.</p> <p>Potential factors that may be considered by the Central Basin Water Rights Panel to objectively rank in priority order and evaluate applicants for RDCIP water storage allocations are listed below and are not listed in any specific order; provided, however that the Central Basin Water Rights Panel may also consider other factors it deems necessary:"</p> <p>If instead of considering projects on an individual, first-come, first-served basis as contemplated by the</p>	
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				added language in the prior paragraph, there is going to be a ranking of projects, then the Program needs to specify definite timelines on when applications must be submitted for comparison purposes. For example, <i>"All applications must be submitted during one of two windows for consideration, on or before February 1 or August 1 of each year. The Water Rights Panel shall make its determinations on or before March 15, as to the February 1 applications, and on or before September 15, as to the August 1 applications, of each year."</i> In other words, there needs to be some way to manage the flow of applications so they can be considered collectively at a given point in time.	
14	Jim Ciampa on behalf of Tract 349 Mutual Water Company.	Section VII.A(a-i), p. 4-5.	a. "The ratio of Disadvantaged Community census tracts located within the proposed project area in the application for storage in comparison to the total census tracts in that same project area; b. Disparity between the cost of water	Should be placed in priority order: a. "The ratio of Disadvantaged Community census tracts located within the proposed project area in the application for storage in comparison to the total census tracts in that same project area; b. Disparity between the cost of water service provided within the project area and the median household income by the ratepayers within	The Ad-Hoc Committee discussed the ranking factors during its meetings. It was determined that the list of factors are "potential" factors that "may be considered by the Central Basin Water Rights Panel to objectively rank and evaluate applicants for RDCIP water storage allocations..." and should not be a mandatory or prioritized list of factors.

			<p>service provided within the project area and the median household income by the ratepayers within said project area;</p> <p>c. Existing infrastructure needs of the project area;</p> <p>d. Number of water purveyors providing water service to the project area;</p> <p>e. Amount of allocated water rights;</p> <p>f. Working relationship between community and water purveyor;</p> <p>g. Applicant is in good standing and current on all Watermaster fees and replenishment assessments;</p> <p>h. Analysis or explanation of the type and value of the benefit to a Disadvantaged Community or group of Disadvantaged Communities; and</p> <p>i. Any other objective</p>	<p>said project area;</p> <p>c. Existing infrastructure needs of the project area;</p> <p>d. Number of water purveyors providing water service to the project area;</p> <p>e. Amount of allocated water rights;</p> <p>f. Working relationship between community and water purveyor;</p> <p>g. Applicant is in good standing and current on all Watermaster fees and replenishment assessments;</p> <p>h. Analysis or explanation of the type and value of the benefit to a Disadvantaged Community or group of Disadvantaged Communities; and</p> <p>i. Any other objective factors the Central Basin Water Rights Panel deems appropriate."</p>	<p>No edits are suggested in response to this comment at this time.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>
15	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VII.A, p. 5.	<p>factors the Central Basin Water Rights Panel deems appropriate."</p> <p>"The Central Basin Water Rights Panel shall determine the duration of each storage allocation based on the information provided in the application, however for the duration prescribed, the storage allocation is not subject to revocation in the event a qualifying Disadvantaged Community experiences a change in status based upon the most recent Census data. Applications shall include a timeline with designated milestones and corresponding progress reports. In the event storage project milestones are not met, storage is leased or resold without express</p>	<p>Section should read:</p> <p>"The Central Basin Water Rights Panel shall determine the duration of each storage allocation from the RDCIP Storage Pool based on the information provided in the application. However, for the duration for which the Central Basin Water Rights Panel approves a project, the storage allocation is not subject to revocation in the event a qualifying Disadvantaged Community experiences a change in status based upon the most recent Census data. In the event storage project milestones as specified in a project application are not met, storage is leased or resold without express permission from the Central Basin Water Rights Panel, or gross negligence, fraud, or misuse is determined by the Central Basin Water Rights Panel to have occurred, awarded storage may be revoked by a supermajority vote of the Central Basin Water Rights Panel. A supermajority consists of at least two-thirds of the total sitting membership of the Central Basin Water Rights Panel. The Central Basin Water Rights Panel may develop additional project approval parameters</p>	<p>The Draft RDCIP has been edited to move "Applications shall also include a timeline with designated milestones and corresponding progress reports" to Section VII.A.1.</p> <p>Additionally, the term "evident" was replaced with the phrase determined by the Central Basin Water Rights Panel to have occurred" in Section VII.A.2.</p> <p>No additional edits were made in response to this comment.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>

			<p>permission from the Central Basin Water Rights Panel, or gross negligence, fraud, or misuse is evident, awarded storage may be revoked by a supermajority vote of the Central Basin Water Rights Panel. A supermajority consists of two-thirds of the total sitting membership of the Central Basin Water Rights Panel. The Central Basin Water Rights Panel may develop additional project approval parameters and may make additional allocations as RDCIP storage space becomes available."</p>	<p>and may make additional allocations as RDCIP storage space becomes available."</p>	
16	<p>Jim Ciampa on behalf of Tract 349 Mutual Water Company</p>	<p>Section VII.C, p. 5.</p>	<p>"All entities allocated water storage through the Program must properly account for the amounts of all water stored and extracted and submit a report to the Watermaster and</p>	<p>Section should read: "All entities allocated water storage through the Program must properly account for the amounts of all water stored and extracted and submit a report to the Watermaster and Central Basin Water Rights Panel on a monthly basis, by the twentieth (20th) day of</p>	<p>No edits are made in response to this comment at this time.</p> <p>However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.</p>

			<p>Central Basin Water Rights Panel on a monthly basis and not more than two months in arrears. Any adjustments to the monthly submittals shall be submitted to the Watermaster and Central Basin Water Rights Panel in a timely manner for consideration in the preparation of the Watermaster's annual assessment package. Within one year following the end of the fiscal year, an annual reconciliation shall be performed of storage and extraction. Production reports must include a statement under penalty of perjury that production was for the benefit of a Disadvantaged Community (or group of Disadvantaged Communities)."</p>	<p>each month for storage and extractions from the prior month. Any adjustments to the monthly submittals shall be submitted to the Watermaster and Central Basin Water Rights Panel in a timely manner for consideration in the preparation of the Watermaster's annual assessment package. Within one year following the end of the fiscal year, an annual reconciliation shall be performed of storage and extraction. Production reports must include a statement under penalty of perjury that production was for the benefit of a Disadvantaged Community (or group of Disadvantaged Communities)."</p>	
17	Jim	Section VII.C,		What happens if the production is not	The Central Basin Water Rights

	Ciampa on behalf of Tract 349 Mutual Water Company	p. 5.		for the benefit of a Disadvantaged Community? For example, if a non-Disadvantaged Community desires to utilize the RDCIP Storage Pool for a project because that party's individual allocation is full. Should "If applicable," be added to the beginning of last sentence?	Panel has directed that all production of storage must be for the benefit of a Disadvantaged Community, whether it is through a direct supply project, a fee contributed to the Bank Account, or through a different benefit (as approved by the Central Basin Water Rights Panel). No edits are suggested in response to this comment at this time. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
18	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VIII, p. 6.	"A Central Basin Regional Disadvantaged Communities Incentive Program account ("RDCIP Bank Account") shall be established for the sole use and benefit of the Central Basin Disadvantaged Communities. The RDCIP Bank Account shall be separate and not commingled with	There is a significant hole in the Program in that it does not specify how the monies that will be deposited in the RDCIP Bank Account are generated. In other words, are the monies generated through assessments imposed on persons that use the RDCIP Storage Pool? Our suggestion is to add the first sentence and revised the second sentence of this paragraph as stated above. Section should read: "From time to time, the Central Basin Water Rights Panel shall determine a	The Central Basin Water Rights Panel discussed this issue at public meetings held on December 12, 2014 and January 8, 2015. The Central Basin Water Rights Panel directed that the Bank Account and assessment fee be removed from the draft RDCIP at its December 12, 2014 meeting, but restored the Program's Bank Account at its January 8, 2015 meeting. No edits are suggested in response to this comment at this time. See response to Comment No. 2.
			any other financial or trust accounts of the Watermaster or Central Basin Water Rights Panel. The RDCIP Bank Account shall be a restricted account until such time as the account monies total one million dollars; thereafter a trust account will be utilized. The RDCIP Bank Account shall be overseen by the Watermaster and will be used to benefit the Disadvantaged Communities and to fund an independent annual financial and end-use audit of the RDCIP. RDCIP Bank Account funds will be made available for Disadvantaged Community drinking water supply related infrastructure or projects, as detailed below."	fair and equitable way to generate revenues through use of the RDCIP Storage Pool for the benefit of the Central Basin area's Disadvantaged Communities. A Central Basin Regional Disadvantaged Communities Incentive Program account ("RDCIP Bank Account") shall be established for the sole use and benefit of the Central Basin Disadvantaged Communities, and shall act as a depository for any revenues collected pursuant to the prior sentence. The RDCIP Bank Account shall be separate and not commingled with any other financial or trust accounts of the Watermaster or Central Basin Water Rights Panel. The RDCIP Bank Account shall be a restricted account until such time as the account monies total one million dollars; thereafter a trust account will be utilized. The RDCIP Bank Account shall be overseen by the Watermaster and will be used to benefit the Disadvantaged Communities and to fund an independent annual financial and end-use audit of the RDCIP. RDCIP Bank Account funds will be made available for Disadvantaged Community drinking water supply related infrastructure or projects, as detailed in Subparagraph B, below."	However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
19	Jim Ciampa on	Section VIII.A, p. 6.	General Bank Account	Similar to the issues with respect to the project applications, if applications for	The Draft RDCIP does not specify application timing.

	behalf of Tract 349 Mutual Water Company			the use of RDCIP Bank Account funds will be considered on a competitive basis, then the Program should specify the timing requirements for such applications. If they will not be considered competitively, then the Program should reflect a priority for those applications that are filed before other applications.	No edits are suggested in response to this comment at this time. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
20	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VIII.A, p. 6.	"RDCIP Bank Account funds shall be allocated to those Disadvantaged Communities that submit an application to the Central Basin Water Rights Panel. Based on the information provided, the Central Basin Water Rights Panel shall determine which RDCIP Bank Account applicants are awarded funds and the amount awarded to each. The evaluation will be based upon information the applicant provides using a standardized format provided by the Central Basin	The Program needs to specify the criteria upon which such applications will be judged. Section should read: "RDCIP Bank Account funds shall be allocated to those Disadvantaged Communities that submit an application for the use of such funds to the Central Basin Water Rights Panel. Based on the information provided, the Central Basin Water Rights Panel shall determine which RDCIP Bank Account applicants are awarded funds and the amount awarded to each. The evaluation will be based upon information the applicant provides using a standardized format provided by the Central Basin Water Rights Panel. The Central Basin Water Rights Panel shall take into account the number of Disadvantaged Community census tracts located within the	The criterion for how projects will be evaluated has been moved from Section VIII.B to VIII.A to improve clarity. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.

			Water Rights Panel. Allocations made must be used to fund drinking water supply related infrastructure and projects that benefit Disadvantaged Communities as defined by the judgment."	applicant's project area. Collaborative efforts between multiple agencies and industries are encouraged to apply for and develop drinking water supply related infrastructure and projects that benefit Central Basin Disadvantaged Communities. Allocations made must be used to fund drinking water supply related infrastructure and projects described in Subparagraph B, below."	
21	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VIII.A, p. 6.	"Applications shall include a timeline with designated milestones and corresponding progress reports. The Central Basin Water Rights Panel shall review project progress and awarded funds may be revoked by a supermajority vote, receiving two-thirds of the total sitting membership of the Central Basin Water Rights Panel, at any time in the event that milestones are not met, or gross negligence or misuse is found."	Section should read: "Applications shall include a timeline with designated milestones and corresponding progress reports. The Central Basin Water Rights Panel shall review project progress and awarded funds may be revoked by a supermajority vote, receiving at least two-thirds of the total sitting membership of the Central Basin Water Rights Panel, at any time in the event that milestones are not met, or gross negligence, fraud or misuse is determined by the Central Basin Water Rights Panel to have occurred. Additional Central Basin Water Rights Panel approval must be obtained prior to use of any RDCIP Bank Account funds not included in the approved RDCIP Bank Account application, as agreed to between the Central Basin Water Rights Panel and the applicant. In the case that it is found that RDCIP	The requirement for Central Basin Water Rights Panel approval for use of any Bank Account funds not previously approved will be moved to this Section VIII.A for clarity. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.

				Bank Account funds were used in an improper manner, the entity who received those funds must repay such funds to the RDCIP Bank Account.” The prior two sentences moved from Paragraph C(2); “who received funds” was added.	
22	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VIII.C.1, p. 7.	“Every account auditor must be independent from all participating parties and shall possess proper education and training to evaluate trust administrative and operational functions.”	More clarity is need with respect to what is a “participating party” – a party to the Judgment? A party participating in the RDCIP Program?	“[P]articipating party” has been clarified. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
23	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section VIII.C.1, p. 7.	“The RDCIP Bank Account shall be audited annually as part of the Central Basin Water Rights Panel audit with special instructions. The audit findings shall be included in the RDCIP annual report. Every account auditor must be independent from all participating parties and shall possess	The following should be added to the end of the paragraph: “Any Disadvantaged Community that accesses funds in the RDCIP Bank Account shall maintain all records pertaining to any project funded with those funds for at least five (5) years after completion of that project.”	The Draft RDCIP has been edited to include a requirement to maintain records. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
			proper education and training to evaluate trust administrative and operational functions. The account auditor shall be paid at a rate not to exceed the customary professional fee for work of this nature. All RDCIP projects may be subject to audit.”		
24	Jim Ciampa on behalf of Tract 349 Mutual Water Company	Section IX, p. 8.	“Once the storage is allocated to an applicant that applicant may store and pump water from the Community Storage Pool in accordance with Section VII.A and the Judgment.”	Delete the words “Section VII.A and” Add to end of sentence: “, but subject to any limitations or conditions that the Central Basin Water Rights Panel may impose in connection with the granting of an application for use of the RDCIP Storage Pool”	Text has been added to Section IX for clarification. However, all comments and any possible edits in response will be considered at the March 12, 2015 Central Basin Water Rights Panel Meeting.
25	Central Basin Water Rights Panel at Meeting on March 12, 2015	Section VII, A.2, p.7	“A supermajority consists of at least two-thirds of the total sitting membership of the Central Basin Water Rights Panel.”	Delete “at least”.	Text “at least” has been removed as directed by the Water Rights Panel on March 12, 2015.
26	Central Basin Water	Section VIII, A, p.6	The Central Basin Water Rights Panel shall review project	Delete “at least”.	Text “at least” has been removed.

	Rights Panel at Meeting on March 12, 2015		progress and awarded funds may be revoked by a supermajority vote, receiving two-thirds of the total sitting membership of the Central Basin Water Rights Panel, at any time in the event that milestones are not met, or gross negligence or misuse is determined by the Central Basin Water Rights Panel to have occurred.		
27	Central Basin Water Rights Panel at Meeting on March 12, 2015	Section VIII,C.1, p.8	"Every account auditor must be independent from all parties participating in the RDCIP, and shall possess proper education and training to evaluate trust administrative and operational functions."	Replace "Every account auditor must be independent from all parties participating in the RDCIP, and..." with "The Water Rights Panel independent auditor..."	Text has been changed to read "The Central Basin Water Rights Panel's independent auditor shall possess proper education and training to evaluate trust administrative and operational functions."