DATE: June 4, 2019

TO: Mayor and Council Members

FROM: Public Works Department

SUBJECT: Water Rights Lease License and Agreement

RECOMMENDATION:
It is recommended that the Mayor and Council Members approve the Water Rights License and Agreements between the City of Inglewood and County of Los Angeles Department of Parks and Recreation for the lease of 48 acre-feet of City’s groundwater rights at $125 per acre-foot, for a total amount of $6,000. (Water Fund)

BACKGROUND:
Pursuant to the Judgment issued on August 18, 1961, in the Los Angeles Superior Court Case No. 506806 entitled “California Water Services Company, et al. vs. the City of Compton, et al.,” the City received 4,449.89 acre-feet of groundwater pumping rights per year in the West Coast Basin. The Water Replenishment District of Southern California (WRD) monitors groundwater production by water right holders in the West Coast Basin and provides a monthly production report. The following is the March 2019 Groundwater Production and Assessment Statement generated by WRD.

<table>
<thead>
<tr>
<th>City’s Adjudicated Annual Pumping Rights</th>
<th>4,449.89 acre-feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryover from previous Year</td>
<td>4,636.89 acre-feet</td>
</tr>
<tr>
<td>Transfer from Hollywood Park Land Company</td>
<td>282 acre-feet</td>
</tr>
<tr>
<td>Total on 7/1/2018</td>
<td>9,368.78 acre-feet</td>
</tr>
<tr>
<td>FY2018-19 Water pumped up to 3/31/2019</td>
<td>954.54 acre-feet</td>
</tr>
<tr>
<td>Remaining Balance on 3/31/2019</td>
<td>8,414.24 acre-feet</td>
</tr>
</tbody>
</table>

During the remaining months of the year ending on June 30, 2019, the City anticipates pumping an additional 600 acre-feet of water, leaving approximately 7814.24 acre-feet unused.

On December 5, 2014, the Superior Court of California, County of Los Angeles amended the judgment dated August 18, 1961 (California Water Services Company et al. vs. City of Compton et al.). The amended judgment allows the water rights holders in the West Coast Basin to “Carry Over” up to one hundred percent (100%) of its adjudicated rights to the next year with an option to store up to two hundred percent (200%) of its adjudicated rights. The carryover or stored portion can be pumped or leased in the future.

DISCUSSION:
The County of Los Angeles, Parks and Recreation Department has agreed to lease 48 acre-feet of groundwater at the rate of $125 per acre foot.
The City can lease 48 acre-feet of leasable City water rights to the County of Los Angeles Parks and Recreation Department, to supplement water funds and will still have sufficient groundwater in storage to meet future pumping capacity of City wells.

FINANCIAL/FUNDING ISSUES AND SOURCES:
Proceeds from the lease agreements amounting to $6,000 will be deposited in the account code number 110-060-6025-7042-00 (Water Utility Fund - Public Works-Water Division-Production-Groundwater Lease Revenues).

LEGAL REVIEW VERIFICATION: 
Administrative staff has verified that the legal documents accompanying this report have been submitted to, reviewed, and approved by, the Office of the City Attorney.

FINANCE REVIEW VERIFICATION: 
Administrative staff has verified that this report in its entirety, has been submitted to, reviewed, and approved by, the Finance Department.

DESCRIPTION OF ANY ATTACHMENTS:
Attachment No. 1 - Water Right License and Agreement- County of Los Angeles, Department of Parks and Recreation
APPROVAL VERIFICATION SHEET

PREPARED BY:
Louis A. Atwell, P.E., Assistant City Manager/Public Works Director
Barmeshwar Rai, P.E., Principal Engineer
Thomas Lee, P.E., Associate Engineer
Joi L. Aldridge, Management Assistant to Director

COUNCIL PRESENTER:
Louis A. Atwell, P.E., Assistant City Manager/Public Works Director

DEPARTMENT HEAD/
ASST. CITY MANAGER APPROVAL:  

CITY MANAGER APPROVAL:  
Artie Fields, City Manager
ATTACHMENT NO. 1
FISCAL YEAR 2018-2019
WATER RIGHTS LICENSE AND AGREEMENT
West Coast Basin

For a valuable consideration, the **City of Inglewood** (Licensor), a Municipal Corporation hereby grants to the County of Los Angeles, Department of Parks and Recreation (Licensee) a license to extract **48 acre-feet** of Licensor’s Allowable Pumping Allocation to Licensor (or predecessors in interest) under and pursuant to Judgment dated August 18, 1961 and entered in Los Angeles Superior Court Case No. 506806 entitled “California Water Service Company, et al. vs. City of Compton, et al.” during the period commencing July 1, 2018 and continuing to and including June 30, 2019.

Said License is granted subject to the following conditions:

1. Licensee shall exercise said right and extract the same on behalf of the City of Inglewood during the period above specified and put the same to beneficial use and Licensee shall not by the exercise hereunder of said right acquire any right to extract water independent of the rights of Licensor.

2. Licensee shall pay assessments levied upon the pumping of said ground waters by the Water Replenishment District (District) of Southern California.

3. Licensee shall notify the District and the Watermaster that said pumping was done pursuant to this License and provide District with a copy of the document.

4. Licensee shall note, in any recording of water production for the period of agreement that that said pumping was done pursuant to this license.

5. Payment of the $125.00 per acre foot for the 48 acre feet will be made as per agreement following acceptance of this agreement by Watermaster.

6. Licensee’s Adjudicated Right shall be increased by the amount hereby leased when computing carryover or allowable over extraction as provided by Paragraph V(1) in said Judgment.

The **City of Inglewood**, warrants that it has **48 acre-feet** of Adjudicated Right and it has not pumped and will not pump or permit or license any other person to pump any part of said **48 acre-feet** during the License Period starting July 1, 2018 through June 30, 2019.

Dated: _______________________, 2019

Licensor: CITY OF INGLEWOOD  Licensee: COUNTY OF LOS ANGELES,
DEPARTMENT OF PARK AND RECREATION

By: _______________________
   James T. Butts Jr.
   Mayor

Attest: ____________________
   Yvonne Horton, City Clerk

By: _______________________
   John Wicker
   Director

Date: _______________________

Approved as to Form:

__________________________
Kenneth R. Campos, City Attorney