

**MINUTES OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, JULY 9, 2015
1:30 P.M.**

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

1. PLEDGE OF ALLEGIANCE

Panel Member Grajeda (Montebello Land & Water Co. - alternate) led the Pledge of Allegiance.

2. ROLL CALL

Panel Members

Dan Mueller	City of Downey
James Glancy	City of Lakewood
Kevin Wattier	City of Long Beach
Chris Cash	City of Paramount
Charlie Honeycutt	City of Signal Hill
Toby Moore	Golden State Water Co.
Mark Grajeda	Montebello Land & Water Co.

Also Present

Desi Alvarez	MCM Mgt.
Vince Brar	City of Cerritos
Chris Castillo	City of South Gate
Gladis Deras	City of Pico Rivera
Christian Dixon	City of Huntington Park
Tammy Hierlihy	Central Basin MWD
Chad Lamacchia	LA DWP
James Markman	Richards, Watson, Gershon
Bill Minasian	
Mohammad Mostahkami	City of Downey
Kevin Sales	KJServices Environmental Consulting
Jason Weeks	Water Replenishment District
Grace Kast	Grace Kast Consulting

3. PUBLIC COMMENTS

No public comments were received.

4. CONSENT CALENDAR

A correction was made to Item 5 of the minutes.

Panel Member Grajeda made a motion to approve Item No. 4a, with the correction noted above. Panel Member Moore (Golden State Water Co.) seconded the motion. Item 4a was approved by a unanimous voice vote of the Panel members.

Panel Member Cash (Paramount) made a motion to approve Item 4b, the Warrant Register, as presented. The motion was seconded by Panel Member Moore. Item 4b was approved by a unanimous voice vote of the Panel members.

5. TREASURER'S REPORT

Panel Member Moore presented the Treasurer Report.

Mr. Moore reviewed the financial report prepared by the City of Lakewood. The City's summary report showed that the balance of the WRP's account as of July 9, 2015 was \$78,404.56.

A motion to Receive and File the item was made by Panel Member Wattier (Long Beach) with a second by Panel Member Grajeda. The item was approved by a unanimous voice vote of the Panel members.

6. ADMINISTRATIVE BODY REPORT

Chairman Glancy introduced Mr. Jason Weeks of the Water Replenishment District to provide an update on the status of the Administrative Body.

Mr. Weeks reported the following updates:

2014-2015 Water Rights Activity

There have been 20 leases and no sales since the June Water Rights Panel meeting. A summary of water rights leases and sales is provided below. A detailed summary of the leases is provided in the attached *Allowed Pumping Allocation Transfers* dated July 2, 2015.

- Leases
 - There are currently 73 leases transferring a total of 32,169 acre-feet of water rights.

- 55 leases, totaling 24,122 acre-feet, are with flex (i.e. 40% Carryover).
- 18 leases, totaling 8,047 acre-feet, are without flex.

- Sales
 - There have been 5 water rights sales.
 - Petersburg, L.P to California Domestic Water Company
 - 373.75 acre-feet of Total Water Rights and 299.00 acre-feet of APA
 - California Domestic Water Company to Forestar (USA) Real Estate Group Inc.
 - 373.75 acre-feet of Total Water Rights and 299.00 acre-feet of APA
 - CECC, LLC to ECOGAS, INC.
 - 1.00 acre-foot of Total Water Rights and 1.00 acre-foot of APA
 - Atkinson Brick Company to LA Brickyard, LLC
 - 11.00 acre-feet of Total Water Rights and 9.00 acre-feet of APA
 - Aqua Capital Management to LADWP
 - 1,875.00 acre-feet of Total Water Rights and 1,500.00 acre-feet of APA

- Groundwater Production
 - May 2015 groundwater production was approximately 15,400 acre-feet. Year-to-date Central Basin groundwater production is approximately 164,400 acre-feet.

Effective June 29, 2015, the *Lenore S. Rosing Inter Vivos Trust* account was closed and their rights were split equally among *Barbara Hoke & Nancy Rosing* and *Kathryn Margulies & Jon Schwartz*.

2014-2015 Storage Activity

There is currently 20,377.31 acre-feet of water in storage, all of which is within Individual Storage Accounts; no water has been stored in the Community Storage Pool. A summary of stored water, as of June 2015, is shown in the table below.

PARTY	QUANTITY (ACRE- FEET)	STORAGE ACCOUNT
Downey, City of	1,350.00	Individual Storage Account

Cerritos, City of	500.00	Individual Storage Account
Lakewood, City of	500.00	Individual Storage Account
Long Beach, City of	13,177.31	Individual Storage Account
Los Angeles, City of	4,500.00	Individual Storage Account
Maywood Mutual Water Company No. 3	300.00	Individual Storage Account
Whittier Union High School District	50.00	Individual Storage Account

TOTAL **20,377.31**

Through June a total of 899.49 acre-feet of stored water has been extracted in 2014-2015. All of this extraction has occurred from Long Beach's Individual Storage Account and is reflected in the volumes reported above.

Through June, no water has been put into storage in 2014-2015, however, a request for 500 acre-feet of Carryover Conversion from South Gate has been received and is currently being processed.

Mr. Vince Brar, of the City of Cerritos, stated to the Panel members that the City had recently received an outside request regarding any water related leases or contracts that the City of Cerritos had entered into. Mr. Brar asked the Panel if any of their agencies or other water providers in attendance at the meeting had received any recent inquiries regarding water leases or contracts. None of the Panel members were aware of any recent inquiries received requesting that type of information.

FY 2015-2016 Assessment Billing Update

The Panel members will receive an update report on the status of the FY 2015-2016 Combined Assessment Billing.

Mr. Weeks presented a draft Consolidated Billing letter to be included with the combined Assessment Billing being prepared by the Water Replenishment District. After its review, the Consolidated Billing invoice cover letter was approved and will be sent out with the FY 2015-2016 Assessment invoices.

At the notice of the Panel's attorney, Mr. James Markman, a copy of the Rules of the Central Basin Water Rights Panel will be distributed in the FY 2015-2016 Assessment billing. The Court Judgment requires that a copy of the Panel Rules be provided to all the water rights owners that are parties to the Third Judgment. A copy of the Panel's Rules was included in the July 9th Panel Meeting agenda package.

7. COMMITTEE REPORTS

Chairman Glancy introduced this item.

Chairman Glancy reviewed the proposal that the Panel had received from Grace Kast (Grace Kast Consulting) and the Ogoscue Law Group for the administration of the Water Rights Panel's Regional Disadvantaged Communities Incentive Program (RDCIP). The proposal had been initially presented to the Panel members at their May 14th meeting, where a brief presentation was given by Ms. Kast, and the proposal was briefly discussed by the Panel members. At that meeting, the Panel members asked that the item be brought back at the June meeting to allow time for the Members to review it and prepare any questions or concerns.

At the June meeting, the Panel requested that action on the RDCIP Administrative Proposal be postponed until after the June 25th Court hearing which was scheduled to include the Court's approval of the proposed RDCIP.

At the July 9th Panel meeting the members resumed their review of the proposal to provide administrative support for the RDCIP program, which was approved by the Court at their June 25th hearing.

The Kast / Ogoscue proposal includes two tasks:

Task #1 - Write application and evaluation documents for Panel review; solicit input of stakeholders; revise as necessary. Proposed budget - \$15,000

Task #2 - Distribute and solicit application; respond to inquiries, assist applicants in collecting necessary information for Panel review. Communicate RDCIP to state and local decision-makers and seek support for the RDCIP program. Proposed Budget - \$25,000

After a review of the proposal's basic points, Chairman Glancy opened the item up for discussion.

Panel Member Moore stated that he recommends approving Task 1 only, including an initial solicitation of potential users of the RDCIP program to determine the general level of interest.

Panel Member Cash stated that he supported moving forward with both tasks as outlined in the Kast / Ogoscue proposal, stating that their experience with the development of the RDCIP program makes them the logical choice for moving forward with the next activities to support and implement the Program.

Panel Member Grajeda stated that while he supports using Grace Kast and Tracy Ogoscue to do the work, he is not sure what level of support is actually needed and he is hesitant to move forward to the extent outlined in the

proposal without more fully understanding the level of interest among water rights holders.

Panel Member Cash responded that Task 1 of the proposal includes activities that will need to be done regardless of what form the RDCIP program takes or what level of interest it receives.

Panel Member Wattier suggested an alternate proposal that would divide Task 1 into two parts, the first being an assessment of the potential demand among users for the Program. In other words, how many water poor / cash rich water purveyors are potentially interested in the RDCIP. He suggested that there are only a handful of these potential users and that these entities could easily be contacted first to assess their interest.

Panel Member Cash and Chairman Glancy both stated that they supported Mr. Wattier's suggestion to conduct an initial assessment of interest as the first part of Task 1. Mr. Cash went on to remind the Panel that the RDCIP program as submitted to the Court also included efforts to secure funds for the "RDCIP Bank" from the state or other agencies.

Ms. Kast (Grace Kast Consulting) reminded the panel members that the Court will assess how well the Panel implemented the RDCIP program as submitted and approved by the Court. She stated that some level of administrative support of the program will be necessary regardless of the level of interest shown in the program.

Panel Member Cash suggested that Task 1 be divided into two parts, the first being an assessment of the level of interest in the RDCIP program among those water purveyors that would be interested in purchasing water for storage under the RDCIP program. He further suggested that the consultant report back to the Panel and that their findings be reviewed prior to moving on to the other activities outlined under Task 1.

Panel Member Grajeda agreed with Mr. Cash's suggestion, further stating that the initial assessment should be able to be completed fairly quickly.

Chairman Glancy requested a motion to authorize Grace Kast and Tracy Ogoscue to move forward with Task #1 of their proposal, with the amendment that Task #1 will be divided into two sub tasks:

1a - Assess the potential interest in the RDCIP Program among those water purveyors that are its most likely users. That assessment will be reported back to the Panel prior to moving on to Task 1b.

1b - Write application and evaluation documents for panel review.
Task 1 will have a budget of not more than \$15,000.

Panel Member Moore made the motion as listed above. The motion was seconded by Panel Member Cash and was approved by a unanimous voice vote of the Panel.

Chairman Glancy presented an overview of the Administrative Proposal submitted by KJServices for FY 2015 - 2016. The proposal provides for KJServices' continued support of the Panel at their monthly meeting, the preparation of the monthly meeting agenda and supporting documents and the monthly meeting minutes. KJServices' proposal includes a not to exceed monthly budget of \$1800.

Panel Member Grajeda made a motion to approve the proposal from KJServices for administrative support for FY 2015 - 2016 as submitted. Panel Member Cash seconded the motion which was approved by a unanimous voice vote of the Panel members.

8. **WATER METER TESTING CONTRACT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

Chairman Glancy presented the Department of Water Resources' initial well testing reports for the weeks ending June 5, 2015 through June 30, 2015. All the well meters tested during the period passed their inspection. Copies of the well test results were mailed to each of the well owners.

Several Panel members suggested that the detailed water meter testing documents no longer be included in the agenda package. In the future only the Weekly Well Test Summary reports will be included.

The Panel received and filed this agenda item.

9. **SECRETARY'S REPORT**

Kevin Sales of KJServices Environmental Consulting, as the secretary for the Water Rights Panel, made comments on the following items:

1. Reminded all in attendance at the Water Rights Panel meetings to please remember to sign in to help ensure an accurate attendance listing for the meeting minutes.

2. Introduced Aliah Meza from KJServices. Aliah will be attending the September meeting in Kevin's absence.

10. **WRITTEN COMMUNICATIONS**

No written communications were received.

11. **AGENDA ITEMS FOR NEXT MEETING**

The agenda was discussed for the Water Rights Panel meeting of July 9, 2015. It was agreed that the following items would be included on the Panel's meeting agenda:

1. Treasurer's Report.
2. Attorney's Report
3. Administrative Body Report.
 - a. Draft storage rights accounting table.
 - b. Basin Update
4. Committee Reports
 - a. RDCIP interest assessment report.
5. Water Meter Testing monthly report.
6. Water Rights Panel officers' election.

12. WATER RIGHTS PANEL MEMBER COMMENTS

The Panel's attorney Mr. Jim Markman stated that the RDCIP report was filed with the Court. He also made a brief comment on SB 485 stating that there is nothing in the Central Basin Judgment that would be affected by the proposed legislation, including the interception and treatment of storm water runoff by the Sanitation Districts. With regard to SB 485, Chairman Glancy stated that most cities were supportive of the bill though there is some concern over vagueness in portions of the bill's language, particularly in areas where it says that the Sanitation Districts must "consult with" local cities prior to intercepting and treating their storm water runoff. Chairman Glancy went on to say that many water purveyors were opposed to the current language of the bill.

Panel Member Wattier stated that the August 13th meeting will be his final one as he will be beginning his retirement shortly after.

Panel Member Moore suggested that the panel members review the draft Sustainable Groundwater Management Act on the Department of Water Resources web site.

13. ADJOURNMENT

The meeting adjourned 2:20 pm.



CHAIRMAN

ATTEST:


