

**MINUTES OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL**

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

**THURSDAY, JUNE 11, 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 Falagan (Long Beach - alternate) led the Pledge of Allegiance.

2. ROLL CALL

Panel Members

John Oskoui	City of Downey
James Glancy	City of Lakewood
Anatole Falagan	City of Long Beach
Chris Cash	City of Paramount
Ken Farfsing	City of Signal Hill
Toby Moore	Golden State Water Co.
Mark Grajeda	Montebello Land & Water Co.

Also Present

Grace Kast	Grace Kast Consulting
Charlie Honeycutt	City of Signal Hills
Chad Lamacchia	LA DWP
Desi Alvarez	MCM Management
James Markman	Richards, Watson, Gershon
Mohammad Mostahkami	City of Downey
Michael Ackerman	City of Huntington Park
Kevin Sales	KJServices Environmental Consulting
Jason Weeks	Water Replenishment District

3. PUBLIC COMMENTS

No public comments were received.

4. CONSENT CALENDAR

A correction was made to Item 5 of the minutes, the May 14th Treasurer's report was presented by Panel Member Rowley (Golden State Water - alternate) rather than Panel Member Moore.

Panel Member Cash (Paramount) made a motion to approve Item Nos. 4a, with the correction noted above, and 4b. Panel Member Oskoui (Downey) seconded the motion. With abstentions from Panel Members Grajeda (Montebello Land & Water Co. - alternate) and Falagan, the Panel Members approved the Consent Calendar by a voice vote.

5. TREASURER'S REPORT

Panel Member Moore (Golden State Water) 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 June 11, 2015 was \$82,509.55.

A listing of the currently outstanding FY 14/15 Water Rights Panel Assessment billing was provided to the Panel members as an update. As of June 11, 2015 there were a total of 25 FY 2014 - 2015 Assessment Invoices that remain unpaid, totaling \$482.

Any FY 2014 - 2015 Assessment Invoices that remain outstanding at the time for next billing cycle will be rolled over to the FY 2015 - 2016 assessment invoice.

A motion to Receive and File the item was made by Panel Member Oskoui with a second by Panel Member Farfing. 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 0 leases and 1 sale since the May 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 June 1, 2015.

- Leases

- There are currently 53 leases transferring a total of 25,933 acre-feet of water rights.
 - 43 leases, totaling 20,829 acre-feet, are with flex (i.e. 40% Carryover).
 - 10 leases, totaling 5,104 acre-feet, are without flex.

- Sales
 - There have been 6 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
 - Mary E. Martin Testamentary Trust to
 - 20.00 of NCO to Montebello Land & Water Company

- Groundwater Production
 - April 2015 groundwater production was approximately 16,450 acre-feet. Year-to-date Central Basin groundwater production is approximately 150,000 acre-feet.

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 May 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 May, 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 May, no water has been put into storage in 2014-2015.

2015-2016 Administrative Body and Water Rights Panel Invoicing - Update

Mr. Jason Weeks (Water Replenishment District) told the Panel members that the FY 2015-2016 Combined Assessment Billing should be completed by the end of June or the first week of July. Any outstanding Water Rights Panel assessment invoices will be rolled-over and included with the assessment invoices for the new fiscal year.

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

7. COMMITTEE REPORTS

Panel member Farfsing presented this item.

Mr. Farfsing 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.

Mr. Markman (Richards, Watson, and Gershon) told the Panel that the Court hearing to review and potentially approve the submitted RDCIP plan was

scheduled for June 25th. He further stated that no opposition comments were received by the comment deadline and that it was possible that the June 25th Court hearing would be cancelled, and the proposed RDCIP program approved as submitted, because of the lack of opposition.

The Panel discussed the merits of hiring a consultant to assist with the development of the administrative procedures necessary to implement the RDCIP as well as the extent of support the Panel should provide to potential applicants. There was substantial discussion about the need for the Panel to provide any support, assistance and guidance to potential RDCIP applications, and if support was provided, what its extent should be and how best it would be provided. The Panel members were divided over the issue of support to potential RDCIP applicants.

Grace Kast briefly reviewed the proposal for the Panel members reminding them that her administrative proposal is made up of two tasks: development of documents and procedures to implement the Program, and a second task that would solicit and support potential applicants.

Panel member Oskoui suggested holding off on the RDCIP administrative proposal until the Program submitted to the Court is approved.

The general consensus of the Panel was to table the item and bring it back for further discussion at their next meeting. A motion to bring the item back at the July meeting was made by Panel Member Grajeda with a second by Panel Member Oskoui. The motion was approved by a unanimous voice vote of the Panel members.

8. CENTRAL BASIN WATER RIGHTS PANEL - BUDGET FOR FY 2015 – 2016

Chairman Glancy presented the Panel members with the proposed budget for Fiscal Year 2015 - 2016. The budget was based on expense categories and funding levels approved for the previous year's budget. Chairman Glancy stated that with the Panel just completing its first year of operation, there is not a substantial expense history to refer to.

Based on continuing the annual assessment at \$1 per acre foot of APA, the Panel would generate yearly revenue of \$217,000. The Panel treasurer estimates that their will be approximately \$83,000 remaining in the Panel's account for carryover to the new fiscal year.

Based on last year's funding levels, the Panel's estimated expense budget, by category, would be:

- Administration / Clerical \$24,000
- Bookkeeping \$4,900
- Legal \$39,000

• Meter Testing	\$60,000
• RDCIP	\$50,000
• Website	\$10,000
Total budget	\$187,900

The Panel members discussed the budget categories and asked for some detail on actual expenses to date. Using some of the actual expenses, the members adjusted a number of budget category totals.

Panel Member Grajeda stated that he felt the Panel should do all it can to reduce the per acre assessment amount because the amount of funding being received was substantially larger than what was being expended. While he stated that he agreed with other members who stated that the budget should include some cushion for unexpected expenses, such as legal fees, he felt as the representative of the water purveyors, the Panel members had an obligation to keep the assessment cost as low as possible.

After some additional discussion, the Panel agreed on the following budget for Fiscal Year 2015 - 2016:

FY 2015 - 2016 Annual Assessment Fee = \$.90 per acre foot of APA

Estimated Revenue - \$195,300 (217,000 af/APA x \$.9)

Estimated Budget Carryover - \$83,000

Total Revenue - \$278,300

FY 2015 - 2016 Budget:

• Administration / Clerical	\$20,000
• Bookkeeping	\$5,000
• Legal	\$40,000
• Meter Testing	\$75,000
• Regional Programs	\$40,000
• Website	\$5,000
Total budget	\$185,000

Panel Member Oskoui made a motion to approve the annual assessment rate and annual budget, as amended. The motion was seconded by Panel member Farfing and approved by a unanimous voice vote of the Panel members.

9. 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 May, 8, 2015 through May 29, 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. All the wells tested during the reporting period passed.

Paradise Memorial Park - SWN/Owner# 03S12W01K009S/2

Per a conversation had with Paradise memorial Park staff, Mr. Sales, the Water Rights Panel Secretary, reported that the well owners had decided to move ahead with the repair of their well rather than switching to the use of recycled water for the Memorial Park's irrigation needs. The Panel suggested that the Water Replenishment District go ahead and bill Paradise Memorial Park for their RA based on their historical well water use.

The Panel received and filed this agenda item.

10. SECRETARY'S REPORT

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

1. Confirmed that he has spoken with Paradise Memorial Park regarding their leaking well. The owners now state that they will make the necessary repairs to their well rather than switch to the use of recycled water, as they had earlier considered. He suggested that WRD go ahead and bill the memorial Park for their RA fee based on their historical water use.

2. He stated that the City of Lynwood had paid their FY 2014 - 2015 assessment fee and that there remained 25 water rights holders that still had not paid last year's invoice. The total of all the outstanding invoices was less than \$500. Any outstanding invoice amounts will be rolled-over into the new assessment billing for FY 2015 - 2016.

11. WRITTEN COMMUNICATIONS

No written communications were received.

12. 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. Administrative Body Report.
3. Committee Reports
 - a. Proposal for RDCIP implementation.
 - b. Proposal for Panel administrative support for FY 2015 - 2016
4. Water Meter Testing monthly report.
5. FY 2015 - 2016 Budget.

13. WATER RIGHTS PANEL MEMBER COMMENTS

Panel Member Ken Farfsing stated that this meeting would be his last as a representative on the Panel because of his upcoming retirement from the City of Signal Hill. The Panel members thanked Ken for all his work and help with the establishment of the Water Rights Panel, with the development of the Regional Disadvantaged Communities Incentive Program, and with his crucial help in securing the Central Basin Third Judgment which made both possible.

13. ADJOURNMENT TO CLOSED SESSION

The meeting adjourned to closed session at 2:31 pm.

14. CLOSED SESSION OF THE CENTRL BASIN WATER RIGHTS PANEL



CHAIRMAN

ATTEST:


