MINUTES OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, OCTOBER 9, 2014
1:30 P.M.

The regular meeting of the Central Basin Watermaster Water Rights Panel was called to order at 1:30 pm by Chairman Glancy.

1. **PLEDGE OF ALLEGIANCE**

   The meeting began with the Pledge of Allegiance led by Panel Member Wattier.

2. **ROLL CALL**

   **Panel Members**
   - John Oskoui        City of Downey
   - James Glancy       City of Lakewood
   - Kevin Wattier      City of Long Beach
   - Chris Cash         City of Paramount
   - Ken Farasing       City of Signal Hill
   - Toby Moore         Golden State Water Co.
   - Ken Bradbury       Montebello Land & Water Co.

   **Also Present**
   - Charlie Honeycutt  City of Signal Hill
   - Dan Mueller        City of Downey
   - Chad Blais         City of Compton
   - Jeanne-Marie Bruno Park Water
   - Chris Castillo     City of South Gate
   - Gladis Deras       City of Pico Rivera
   - Grace Kast         Grace Kast Consulting
   - Bill Kruse         Lagerlof
   - Jim Markman        Richards, Watson, Gershon
   - Jason Weeks        Water Replenishment District
   - David Pelser       City of Whittier
   - Desi Alvarez       MCM Management
   - Scott Rigg         City of Vernon
   - Chris Repp         LA DWP
3. PUBLIC COMMENTS
No public comments were received.

4. CONSENT CALENDAR
Panel Member Wattier (Long Beach) made a motion to approve Item Nos. 4a, and 4b. Panel Member Oskoui (Downey) seconded the motion. The Panel Members approved the Consent Calendar by a unanimous voice vote.

5. TREASURER'S REPORT
Panel Member Moore (Golden State Water Co.) 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 10/2/14 is $140,426.62.

The Treasurer's Report was received and filed by the Water Rights Panel members.

6. ADMINISTRATIVE BODY REPORT
Chairman Glancy (Lakewood) 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 Activity

- Water Leases
  - There are currently 36 leases transferring a total of 16,846 acre-feet of water rights.
    - 30 leases, totaling 14,042 acre-feet, are with flex (i.e. 40% Carryover).
    - 6 leases, totaling 2,804 acre-feet, are without flex.

(As of the date of the meeting, 10/9/14, there were a total of 38 lease transfers.)
Water Sales

- There have been 3 water rights sales to date.
  - 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

Groundwater Pumping

- August 2014 groundwater production was approximately 18,700 acre-feet, a decrease of 2.6% compared to August 2013.

Storage Activity

There are currently 21,015.51 acre-feet of water in storage, all of which are within Individual Storage Accounts; no water has been stored in Community Storage Pool. A summary of stored water is shown in the table below.

<table>
<thead>
<tr>
<th>Party</th>
<th>Quantity</th>
<th>Storage Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downey, City of</td>
<td>1,350.00</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Cerritos, City of</td>
<td>500.00</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Lakewood, City of</td>
<td>500.00</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Long Beach, City of</td>
<td>13,815.51</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Los Angeles, City of</td>
<td>4,500.00</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Maywood Mutual Water Company No. 3</td>
<td>300.00</td>
<td>Individual Storage Account</td>
</tr>
<tr>
<td>Whittier Union High School District</td>
<td>50.00</td>
<td>Individual Storage Account</td>
</tr>
</tbody>
</table>

TOTAL 21,015.51
Through August, a total of 261.29 acre-feet of stored water have been extracted from storage in 2014-2015. All of this extraction has occurred from Long Beach’s Individual Storage Account (131.46 acre-feet in July and 129.83 acre-feet in August). This extraction is reflected in the storage volumes reported above.

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

Mr. Weeks closed his report stating that a draft Annual Report will be completed and forwarded to the panel Members by October 15, 2014 for review. His goal is to incorporate the Panel Members’ comments into the draft Annual Report by October 31st. The draft will be finalized and will be tentatively presented to the Panel Members for approval at their November 13, 2014 meeting.

7. COMMITTEE REPORTS

Rules and Annual Report Coordination
Chairman Glancy and Mr. Markman, of Richards, Watson, Gershon, provided the Panel Members with an update on the development of the Panel’s Rules and a resolution for their adoption. Mr. Markman stated that draft Panel Rules and a Resolution for adoption will be presented at their November 13, 2014 meeting.

Committee on the Regional Disadvantaged Communities Incentive Program (RDCIP)
Panel Member Farfsing (Signal Hill) presented an update on the status of the RDCIP. He stated that the next RDCIP Committee meeting is set for October 29th. He further stated that Grace Kast and Tracy Egoscue, the Water Rights Panel consultants for the development for the RDCIP, have prepared a matrix of comments received at the two workshops and via emails and comments letters, that will be reviewed and use to further refine the draft program.

Chairman Glancy introduced an RDCIP comment letter from the City of Commerce that was presented to the Southeast Water Coalition (SEWC) at their October 2, 2014 meeting. A copy of the letter was submitted to the RDCIP Committee, without further SEWC comment, on behalf of the City of Commerce as one of its members.

A question was received from a representative of Los Angeles Department of Water and Power at the meeting, requesting an update on the current status of the RDCIP. Panel Member Farfsing responded that the RDCIP Committee is comparing comments and developing a draft plan that meets the requirements of the 3rd Judgment but that does not exceed it or take the program into areas outside the scope of the Judgment’s instructions.
8. WATER METER TESTING CONTRACT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES
Chairman Glancy introduced this item and then turned it over to Mr. Jim Markman.

The contract for Water Meter Testing between the Water Rights panel and the Department of Water Resources (DWR) has been signed. The DWR has sent an initial list of affected water wells along with notes indicating when each had last been tested. A copy of the DWR's list was provided to each of the Pane members. The DWR is using this data to develop a schedule for the testing of the water wells and is beginning to schedule the next round of testing appointments.

9. STATE OF THE BASIN REPORT
Chairman Glancy introduced Mr. Ted Johnson, Chief Hydrologist for the Water Replenishment District, who provided the Panel members with an update on groundwater levels in the Central Basin. Copies of Mr. Johnson's presentation were provided to the Panel members.

The presentation included historical comparisons to Central Basin drought conditions in the past, as well as a comprehensive update on the current drought's impact. The normal 3-year average of rainwater received in the Central Basin is 43". Over the past 3 years the Basin has only received 21" of rain. Mr. Johnson described the drought's impact on groundwater levels throughout the Basin as well as the negative impact it is having on the Water Replenishment District's ability to secure water for recharge.

Panel Member Moore asked if the current drought is having an impact on the water quality of the Central Basin's groundwater. Mr. Johnson replied that so far, in spite of lowering groundwater levels, the quality of the water remains fine.

10. SECRETARY'S REPORT
Kevin Sales of K.IServices Environmental Consulting, as the secretary for the Water Rights Panel, made the following announcement:

1. Reminded the Panel members as well as the general attendees at the meeting to sign in on the provided sign-in sheets. The sign-in sheets are used to create and maintain the Water Rights Panel email distribution list, as well as record each meeting's attendees.

12. WRITTEN COMMUNICATIONS
None of the Panel members reported on having received any written communications.

13. AGENDA ITEMS FOR NEXT MEETING
The agenda was discussed for the Water Rights Panel meeting of November 13, 2014. It was agreed that the following items would be included on the Panel’s meeting agenda:

1. Treasurer’s Report.
3. Committee Reports - a) Adoption of Panel Rules b) RDCIP Update from 10/29/14 Committee mtg.

15. WATER RIGHTS PANEL MEMBER COMMENTS
At the request of Chairman Glancy, Mr. Bill Kruse of Lagerlof, Senecal, Gosney & Kruse, provided the Panel members with an update on the status of the West Basin adjudication.

Mr. Kruse stated that the Tesoro Corporation will be withdrawing their objections to the settlement, so the West Basin Judgment will be approved by the Court. Panel Member Oskoui asked if the agenda package could be made available the Friday before the monthly meeting. This would allow additional time to review the scheduled items prior to the meeting. While the Judgment will be similar to the Central Basin settlement, it will differ in the following respects:

1. No Regional Disadvantaged Communities Incentive Program
2. Some differences in the categories of storage

The West Basin Judgment will include its own version of the Water Rights Panel.

16. ADJOURNMENT
The meeting adjourned at 2:22 pm.

[Signature]
CHAIRMAN

ATTEST:

ITEM No. 4a