MINUTES OF THE
REGULAR MEETING OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, MAY 11, 2017
1:30 P.M.

Chairman Honeycutt (Signal Hill) called the regular meeting of the Central Basin Watermaster Water Rights Panel to order at 1:34 pm.

1. PLEDGE OF ALLEGIANCE

Chairman Honeycutt led the panel members and those in attendance in the Pledge of Allegiance.

2. ROLL CALL

Panel Members
John Oskoui          City of Downey
Derwin Dy           City of Lakewood
Chris Garner        City of Long Beach
Chris Cash          City of Paramount
Charlie Honeycutt   City of Signal Hill
Toby Moore          Golden State Water Company
Ken Bradbury        Montebello Land and Water Company

Also Present
Desi Alvarez         MCM Management
Christina Dixon      City of Huntington Park
Ted Johnson          Water Replenishment District
Chris Ropp           Los Angeles Department of Water and Power
Esther Rojas         Water Replenishment District
Kevin Wattier        Central Basin Municipal Water District
Ken Scott            EcoGas
Mark Grajeda         Pico Water District
Dave Schickling      City of Whittier
Frank Beach          City of Santa Fe Springs
Gina Nila            City of Commerce
Kristen Sales        KJServices Environmental Consulting
3. PUBLIC COMMENTS
During Public Comments, Kevin Wattier of the Central Basin Municipal Water District asked to address the Panel Members.

Mr. Wattier stated that because of the presence of quagga mussels in Metropolitan Water District (MWD) water supplies, the Water Replenishment District (WRD) has been unable to fulfill replenishment orders. In April 2017, MWD sought approval for a Cyclic Storage Agreement which would waive the capacity charge for water storage during the months of May through September, allowing the WRD to fulfill replenishment orders during the summer months without incurring surcharges.

Mr. Wattier asked the Panel Members, on behalf of the Central Basin Municipal Water District and the Water Replenishment District, to enter into this Cyclic Storage Agreement with Metropolitan Water District as a party member.

Mr. Wattier stated that, under the Cyclic Storage Agreement, the amount of water stored by MWD in the Central Basin would be 20,000 acre-feet. Under the Cyclic Storage Agreement, ownership of the stored water would transfer as soon as the WRD pays Central Basin for the water transferred from the Metropolitan Water District to Central Basin. Mr. Wattier explained that any parties to the Agreement would have veto power.

Lastly, Mr. Wattier stated that the quagga mussel testing done in WMD labs have detected the mussels at both the microscopic larval stage, and in DNA tests.

Mr. Wattier passed out draft copies of the Agreement to the Panel Members, and Chairman Honeycutt called for a period of questions from the Panel Members.

Panel Member Bradbury (Montebello Land and Water Company) asked if CBWMD entering into the Cyclic Storage Agreement would restore the balance of the original water purchase order. Mr. Wattier stated that the Cyclic Storage Agreement would deliver the remainder of the Fiscal Year 2016-2017 water that had already been purchased, but not yet delivered.

Panel Member Cash (Paramount) asked if the CBWRP should add the Cyclic Storage Agreement as an emergency item to the meeting agenda. Chairman Honeycutt stated that the Panel should first review the draft agreement, contact the Panel’s Attorney, and hold a Special Meeting to review the Attorney’s comments.

Ted Johnson (Water Replenishment District) echoed Mr. Wattier’s recommendation that the Panel enter into the Cyclic Storage Agreement. Mr. Johnson stated that WRD’s ability to acquire imported water has been so negatively affected by the quagga mussels, that a Cyclic Storage Agreement may be the only opportunity to access local water for the Central Basin.
Panel Member Moore (Golden State Water Company) asked if the CBWRP would need authority from the Storage Panel. Mr. Johnson answered that in order to access the stored water, CBWRP must be a party to the Agreement. If CBWRP became a party to the Cyclic Storage Agreement, they would be able to store water in the community space managed by the Water Replenishment District.

Mr. Wattier then strongly recommended that CBWRP call a Special Meeting on the Cyclic Storage Agreement, because, in Mr. Wattier’s opinion, the Agreement could not move forward without CBWRP’s participation as a party to the Agreement.

Panel Member Cskoui (Downey) asked to be excused from the Cyclic Storage Agreement discussion because he sits on the Board of Directors of the Central Basin Municipal Water District. Panel Member Oskoui then inquired on the timeline for the Attorney’s review of the draft Agreement.

Chairman Honeycutt stated that he would email the Panel’s Attorney Jim Markman a copy of the Cyclic Storage Agreement as soon as Mr. Wattier provided a draft with updated and current language. Chairman Honeycutt also stated that the Panel would decide on a date for a teleconference to review the Attorney’s comments and schedule the date of the Special Meeting.

The Public Comments were Received and Filed by a unanimous voice vote of the Panel.

4. CONSENT CALENDAR
Panel Member Moore made a motion to approve both item 4a and 4b. Panel Member Bradbury seconded the motion, which was approved by a unanimous voice vote of the Panel.

5. TREASURER’S REPORT
Derwin Dy (Lakewood) introduced himself as the alternate Panel Member, sitting in for Jason Wen. Mr. Dy presented the Treasurer’s Report.

Mr. Dy reviewed the financial report prepared by the City of Lakewood. The City’s summary report showed that the beginning balance of the WRP’s account as of its last meeting was $103,900.85. The WRP received six payments in the amount of $69,464.86, and made four payments in the amount $41,327.30, resulting in a net gain of $28,137.56.

A motion to Receive and File the item was made by Panel Member Oskoui, with a second by Panel Member Cash (Paramount). The item was approved by a unanimous voice vote of the Panel members.
6. ADMINISTRATIVE BODY REPORT
Chairman Honeycutt introduced Mr. Ted Johnson of the Water Replenishment District to provide an update on the status of the Administrative Body.

Mr. Johnson reported the following updates:

2016 / 2017 Water Rights Activity
To date, there have been 47 leases processed for 2016 - 2017 transferring 18,658.66 acre-feet. 40 leases transferring 14,911.66 acre-feet with flex (i.e. 60% carryover), and 7 leases transferring 3,747 acre-feet without flex.

There have been no water right sales processed in 2016-2017.

2016 - 2017 Groundwater Pumping
July 2016 - March 2017 Central basin groundwater pumping is 134,168 acre-feet, which is 1.1% lower than the 135,649 acre-feet from the same period in 2015-2016.

2016 / 2017 Storage Activity
1,000 acre-feet has been put into storage in 2016 - 2017 by the City of Cerritos, and 695.55 acre-feet has been extracted from storage by the City of Lakewood.

For any parties wishing to convert their normal carryover into storage for the current Administrative Year (either individual Storage Account or after that is full, Community Storage), the deadline to file the paperwork to WRD is August 15, 2017. If filed prior to that time, and if confirmed, then the fee is the WRD Replenishment Assessment rate of $297 per acre-foot. After August 15, 2017 and until August 15, 2018, the rate will be the new WRD Replenishment Assessment of $318 per acre-foot. The deadline of August 15th allows the June pumping numbers to be received and recorded by WRD by the end of July, and allows a 2 week period for a pumper to contact WRD to inquire about their normal carryover amounts for the just completed Administrative Year. The form for converting normal carryover to storage can be found on the WRD website under Watermaster.

FY 2016 / 2017 Watermaster Invoices - Water Rights Panel
The Central Basin Watermaster Administrative Body (WRD) and the Water Rights Panel (WRP) developed a consolidated invoice to collect Watermaster funds for their respective budgets for the 2016-2017 Administrative Year. The invoices were mailed on January 27, 2017 and were due March 8, 2017.

A summary of the funds received to date was provided to the WRP members. A payment was made to the Water Rights Panel (in care of the City of Lakewood) on March 13, 2017 for their portion received to date in the amount of $67,246.25. WRD will make follow-up calls, emails and/or letters to parties that are past due on their payments.

2017-2018 Administrative Body Watermaster Budget
The 2017-2018 Administrative Body Watermaster Budget remains unchanged for the new Administrative Year beginning July 1, 2017. The budget is $198873.10. It is anticipated that WRD will generate and mail a consolidated invoice with the adopted Water Rights Panel Budget to applicable parties.

Groundwater Storage / Water Augmentation Projects Application Development
It is the intent of the Administrative Body to work with the Water Rights Panel to develop an application form(s) for parties planning storage projects (beyond Carryover Conversion) or water augmentation projects. A subcommittee, made up of members from each organization, will be created to work on the required forms.

A motion to Receive and File the Administrative Body’s Item was made by Panel Member Garner (Long Beach) with a second by Panel Member Oskoui. The item was approved by a unanimous voice vote of the Panel members.

7. WATER METER TESTING PROGRAM
Chairman Honeycutt provided an overview of this item.

Chairman Honeycutt stated that all the inspected meters during February and March passed their flow tests.

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

8. STORAGE PROJECT APPLICATION FORM – AD HOC COMMITTEE
Chairman Honeycutt introduced Ted Johnson to provide an overview of this item.

Mr. Johnson stated that WRD has been working on developing an application form for the Storage Project. Mr. Johnson recommended that an ad-hoc committee of two Panel Members would, in conjunction with WRD, review the requirements of the Storage Panel and develop the processes and procedures to be completed by agencies submitting future groundwater storage projects to the Storage Panel.

Chairman Honeycutt called on the Panel Members to submit names for the two-person storage project ad hoc committee.

A motion was made by Panel Member Cash (Paramount) to approve Toby Moore and Chris Garner as the storage project ad-hoc committee members. The motion was seconded by Panel Member Bradbury (Montebello Land and Water Company), and was approved by a unanimous voice vote of the Panel members.
9. FY 2017/2018 PRELIMINARY BUDGET REVIEW
Chairman Honeycutt presented this item to the Panel.

Chairman Honeycutt stated that the WRP should form a three-member ad hoc committee to review the preliminary budget for Fiscal Year 2017—2018 to present to the full Panel at their next meeting on July 13, 2017. Chairman Honeycutt submitted himself for the ad hoc committee, and called for two more volunteers among the Panel.

Panel Member Bradbury volunteered, and Panel Member Dy volunteered Panel Member Wen (Lakewood) as the third ad hoc member.

A motion to approve Panel Members Honeycutt, Wen and Bradbury as the budget ad hoc committee was made by Panel Member Oskoui. Panel Member Cash seconded the motion. The item was approved by a unanimous voice vote of the Panel members.

10. SECRETARY'S REPORT
The Panel's secretary reminded all the Panel Members and members of the public to remember to sign in.

11. WRITTEN COMMUNICATIONS
There were no written communications received.

12. AGENDA ITEMS FOR THE JULY 13, 2017 WATER RIGHTS PANEL MEETING
The agenda was discussed for the Water Rights Panel meeting of July 13, 2017.

In addition to the Panel's recurring meeting items--Consent Calendar, Treasurer's Report, Administrative Body Report, Attorney's Report, and Water Meter Testing Program Report--the following items will be included on the Water Rights Panel's next meeting agenda:

- Approval of the FY 2017-2018 Budget
- Cyclic Storage Agreement

13. WATER RIGHTS PANEL MEMBER COMMENTS
No Panel comments were received.

Regular Meeting adjourned at 2:01 p.m.

15. RECESS TO CLOSED SESSION
There was no action taken or information to report out from the Panel's closed session.

CHAIRMAN

ATTEST: