MINUTES OF THE

CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, MAY 12, 2016
1:30 P.M.

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

1. PLEDGE OF ALLEGIANCE

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

2. ROLL CALL

Panel Members
John Oskoui
Jason Wen
Chris Garner
Chris Cash
Charlie Honeycutt
Toby Moore
Ken Bradbury

City of Downey
City of Lakewood
City of Long Beach
City of Paramount
City of Signal Hill
Golden State Water Company
Montebello Land and Water Company

Also Present
Desi Alvarez
Scott Rigg
Chris Castillo
Hye Jin Lee
Dave Warren
Eric Hitchman
Mike Holmes
Mohammed Mostahkami
Rodney Smith
Lee West
Greg Reed
James Markman
Kevin Sales

MCM Mgt.
City of Vernon
City of South Gate
City of Whittier
Rowland Water District
Walnut Valley Water District
Walnut Valley Water District
City of Downey
Stratecom
CTX
LADWP
Richards, Watson, Gershon
KJServices Environmental Consulting
3. PUBLIC COMMENTS

Mr. Bill De Witt, the Mayor of the City of South Gate, spoke to the Panel regarding Caltrans' pumping of ground water from underneath the 105 Freeway without water rights. He encouraged the Panel to address the issue and require Caltrans to purchase sufficient water rights to cover this extraction.

4. CONSENT CALENDAR

Panel Member Oskoui (Downey) made a motion to approve both item 4a and 4b. Panel Member Bradbury (Montebello Land and Water Company) seconded the motion which was approved, with the City of Paramount's abstention, by a unanimous voice vote of the Panel.

5. TREASURER'S REPORT

Panel Member Moore (Golden State Water) presented the Treasurer's 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 May 4, 2016 was $52,902.10.

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

6. ADMINISTRATIVE BODY REPORT

Chairman Honeycutt 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:

2015 / 2016 Water Rights Activity
Mr. Weeks provided a summary of the 2015/2016 leases that have been processed as of May 5, 2016. There were 50 leases transferring 17,471.04 acre-feet of APA; 9,734.04 with flex (i.e. 50% carryover), and 8,097 acre-feet without flex.

In addition to the leases, two water-rights sales have been processed in 2015 - 2016.


2015 / 2016 Groundwater Pumping
July 2015 through March 2016 Central Basin groundwater pumping is 135,500 acre-feet, which is slightly less than the 135,900 acre-feet from the same period last year.

2015 / 2016 Storage Activity
There has been no storage activity to date in 2015 - 2016, however, carryover conversion requests are currently being processed for Maywood Mutual Water Company No. 3 and Walnut Park Mutual Water Company. A summary of current water storage shows 22,397.31 acre-feet among eight (8) water rights holders.

2015 - 2016 Water Rights Panel Invoices
Through May 5, 2016, WRD, acting as Central Basin Watermaster Administrative Body, has received Water Rights Panel payments from 86 of the 130 Central basin water rights holders. This represents $136,419.03 of the total $195,630.30 that was invoiced.

$73,581.22 of the $136,419.03 was transferred to the Water Rights Panel account with the City of Lakewood on December 31, 2015. The remaining $65,837.81 was transferred in early May.

Two of the 86 payments received slightly unpaid their Assessment invoice.
  o Bellflower Home Garden Company paid $275 of a $275.40 assessment
  o Hathaway, Merrie F. paid $1.62 of a $1.67 assessment

2014 - 2015 Watermaster Report draft
Mr. Weeks presented the Panel members with the final draft of the FY 2014 - 2015 Watermaster Report. The draft report will be discussed and reviewed for approval at the Panel's July meeting.

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

7. SUSTAINABLE GROUNDWATER MANAGEMENT ACT UPDATE


The Act requires that all groundwater basins statewide, that are identified as medium or high priority must develop a sustainable groundwater plan. However, the Act exempts adjudicated basins, including the Central Basin.
Mr. Johnson did state that, even though the Central Basin is an adjudicated basin, the Act still requires some documents to be submitted each year. These include the Engineering Survey and the annul Watermaster Report. These documents are available on-line at:

sgma.water.ca.gov/adjudbasins/report/publicview


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

8. CENTRAL BASIN WATER RIGHTS PANEL ELECTION / SELECTION OF ELECTION TELLERS (RULE 13C)

Chairman Honeycutt presented an overview of this item.

The Term of three of the members of the Water Rights Panel expire on June 30, 2016. The Panel had scheduled an election to occur at its last meeting prior to term expiration for the three effected seats. The following panel seats were up for election:

1. A member of the Panel elected by Parties with Allowed Pumping Allocation of less than 5,000 acre feet who is not a member of the Small Water Producers Group (now the City of Signal Hill).

2. A member of the Panel elected by Parties with Allowed Pumping Allocation of at least 5,000 acre feet, but less than 10,000 acre feet (now the City of Lakewood); and

3. A member of the Panel elected by all Parties holding Allowed Pumping Allocation (now the City of Paramount).

The election to fill these three seats took place at the Water Rights Panel's regularly scheduled meeting on May 12, 2016.

The panel had previously approved three (3) electors to conduct the election and tally the votes received from Central Basin water rights holders. The electors were Kevin Sales (Water Rights Panel secretary), Panel Member Ken Bradbury (Montebello Land and Water Company), ad Kimberly Boles (City of Signal Hill Deputy City Clerk).

Ballots were mailed out to all Central Basin water rights holders and were accepted up to the start of the Panel's May 12th meeting. The following are the results of the count of the received ballots:
Official Results

1. The following party is elected by Parties with total Allowed Pumping Allocation of less than 5,000 acre feet who is not a member from the Small Water producers Group.

The City of Signal Hill * - 7,415.98 APA votes

2. The following party is elected by Parties with total Allowed Pumping Allocation of at least 5,000 acre feet, but less than 10,000 acre feet.

The City of Lakewood * - 20,396 APA votes

3. The following Party is elected by all Parties with Allowed Pumping Allocation.

   1. City of Paramount * - 9 votes
   2. City of South Gate - 1 vote

* Elected to serve a four-year term through June 30, 2020.

9. ATTORNEY’S REPORT

Mr. Jim Markman (Richards, Watson, Gershon) presented an update on the Environmental Protection Agency’s (EPA’s) recently released Consent Decree on the Omega Plume.

The Consent Decree presents a process that the EPA and the Potentially Responsible Parties (PRPs) will follow to address the cleanup of the contamination plume emanating from the Omega Chemical Superfund site.

The 30-day public comment period for the Consent Decree continues until May 27, 2016. After the comments are received the EPA and the PRPs will develop a final decree and cleanup action plan.

Panel Member Moore made a comment on a number of different issues that the Panel will need to monitor. These include monitoring cleanup related issues, water rights issues, monitor the size and actual spread of the contamination plume, and industrial controls that might impact local groundwater water supplies.

Panel Member suggested that the Panel review the Southeast Water Coalition’s (SEWC) previous efforts in addressing the Omega Plume and the development of the Record of Decision (ROD). Mr. OskouI recommended that the Panel review SEWC’s history on Omega Plume at their July meeting.
A motion to Receive and File the item was made by Panel Member Garner with a second by Panel Member Bradbury. The item was approved by a unanimous voice vote of the Panel members.

10. WATER METER TESTING

Chairman Honeycutt reported the results of the most recent water meter tests.

Result letters have been sent to those water provides that have had their wells tested. With the exception of one (City of Paramount SWN / Owner No. 03S12W28D001S/14), all tested wells have passed.

At their last meeting (March 10, 2016), the Panel reviewed a proposal from the California Department of Water Resources to continue to provide water meter testing services through June 2018. The cost per meter test would remain the same.

At the meeting Mr. Mark Stuart of the DWR comments that, in the past, they have had scheduled water meter test appointments that had to be cancelled because of access or staff availability issues caused by the water purveyor being tested. As a result, the Panel suggested that the WRD edit their proposal to include a fee "equal up to the cost of a well meter inspection" to be charged to water purveyors that caused missed or cancelled appointments.

The DWR provided an updated proposal that included a fee for missed water meter test appointments. All other costs and elements of the DWR proposal remained the same.

A motion to Receive and File the Water Meter Testing Results was made by Panel Member Garner (Long Beach) and was seconded by Panel Member Oskouii. The motion was approved by a unanimous voice vote of the Panel.

A motion to approve the water meter testing contract with the California Department of Water Resources was made by Panel Member Oskouii and was seconded by Panel Member Wen. The motion was approved by a unanimous voice vote of the Panel.

11. PUENTE BASIN WATER AGENCY PETITION

Mr. Markman gave the Panel an overview on the request made by the Puente Basin Water Agency for an amendment to the 3rd Amended Judgment.

Mr. Mike Holms of the Walnut Valley Water District made a presentation regarding the District's request pertaining to the exportation of water to the San Gabriel Main Basin from the Central Basin.
The Puente Basin Water Agency (PBWA) and Rowland Water District (RWD) received special carve outs from the export prohibition that was added in the Amended Judgment. Those carve outs are set forth in Appendix 4 to the Amended Judgment. Appendix 4 provides RWD with the right to export up to 2,500 acre-feet of Central Basin Allowed Pumping Allocation in connection with its Water Production and Delivery Agreement with La Habra Heights County Water District and Orchard Dale Water District (the "LHHCWD Agreement"). Exhibit 4 also provides PBWA with the right to export up to 2,500 acre-feet of Central Basin Allowed Pumping Allocation in connection with its agreement with California Domestic Water Company (the "Cal. Domestic Agreement").

Based on the practical realities of these two projects, PBWA and RWD desire to adjust the provisions of Appendix 4 to the Amended Judgment to provide greater flexibility in the operations of those projects, so that between PBWA and RWD they will continue to be limited to export from the Central Basin a total amount of 5,000 acre-feet in any single water year, regardless of the project from which such water may be produced.

Several Panel members had questions regarding the requested amendment and what specific projects that the Puente Basin Water Agency might have in mind. After a period of discussion the Panel agreed to consider creating an ad-hoc committee at their July meeting to investigate the Agency's request and prepare accommodation to the whole Water Rights Panel.

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

12. ELECTRONIC WATER EXCHANGES

Panel Member Moore introduced Dr. Rodney Smith (Stratecon) and Mr. Lee West (CTX) who gave a PowerPoint presentation on Electronic Water Exchanges and explained how they might be implemented and used in the Central Basin. Copies of their presentation, which included a detailed explanation of the Exchange and how it is being used in other area, were provided to all the Panel members.

Several Panel members expressed interest in the Exchanges and asked a number of detailed questions. The Panel members agreed to review the materials provided by Mrs. Lee and West and discuss the issue further at their July meeting.

13. SECRETARY'S REPORT

Kevin Sales of KJ Services Environmental Consulting gave the Panel an update on the status of the FY 2015/2016 Assessment Billing.

14. WRITTEN COMMUNICATION
No written communications received.

15. AGENDA ITEMS FOR THE MAY 12, 2016 WATER RIGHTS PANEL MEETING

The agenda was discussed for the Water Rights Panel meeting of July 14, 2016.

In addition to the Panel's reoccurring 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:

- Certify the results of the CBWRP election.
- Election of officers for FY 16/17 through 17/18.
- Puente Basin Water Agency Petition.
- Electronic Water Exchange follow-up discussion.
- Omega Chemical Superfund Consent Decree discussion.

16. WATER RIGHTS PANEL MEMBER COMMENTS

No Panel member comments were received.

17. ADJOURNMENT

Chairman Honeycutt adjourned the meeting at 3:00 pm.