MINUTES OF THE

CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, JULY 14, 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
Dan Mueller City of Downey
Jason Wen 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
Ken Scott Ecogas
Tom Coleman Rowland Water District
Bill DeWitt City of South Gate
Adam Ly Liberty Utilities
Mohammed Mostahkami City of Downey
David Polcor HR Green
Dave Warren Rowland Water District
Erik Hitchman Walnut Valley Water District
Hye Jin Lee City of Whittier
James Markman Richards, Watson, Gershon
Kevin Sales KJServices Environmental Consulting
Ed Castaneda Orchard Dale Water District
Jason Weeks Water Replenishment District
3. PUBLIC COMMENTS

Mr. Ed Castaneda, of Orchard Dale Water District, spoke to the Panel regarding the Puente Basin Water Agency’s petition regarding an adjustment to Amendment 4 of the Third Judgment. Amendment 4 allows for the importation of 5,000 AF of water from the Central Basin to the San Gabriel Main Basin.

Mr. Castaneda stated that the Orchard Dale Water District, along with the La Habra Heights County Water District and the California Domestic Water Company, which are the three recipients of the imported water allocated under Amendment 4, were not consulted on the Puente Basin Water Agency’s petition. He recommended that the Panel not approve the requested petition.

Chairman Honeycutt responded that the item was included on the meeting agenda and that the Panel would be considering establishing an ad-hoc committee to review the petition and develop a recommendation for any required further action.

4. CONSENT CALENDAR

Panel Member Moore (Golden State Water) made a motion to approve both item 4a and 4b. Panel Member Bradbury (Montebello Land and Water Company) seconded the motion which was approved by a unanimous voice vote of the Panel.

5. CERTIFY THE RESULTS OF THE CENTRAL BASIN WATER RIGHTS PANEL ELECTION

Chairman Honeycutt presented a summary of the results of the Water Rights Panel election held at the Panel's May 12th meeting.

The Chairman called for a motion to approve Panel Resolution 2016-001 to accept and certify the results of the May 12 election.

Panel Member Mueller (Downey) made a motion to accept and certify the results of the Water Rights Panel election. Panel Member Garner (Long Beach) seconded the motion which was approved by a unanimous voice vote of the Panel members.

6. ELECTION OF OFFICERS FOR FY 2016 / 2017 AND FY 2017 / 2018

Chairman Honeycutt presented this item.

The Panel has three elected positions; Chairman, Vice Chairman and Treasurer. The current Chair (Charlie Honeycutt), and Vice Chair (Chris Cash) are serving out the terms of previously elected members that left the Panel because of retirement. Their terms, along with that of the Treasurer (Toby Moore) expired on June 30, 2016. The Panel needs to elect members to serve in these positions for a two year term through June 30, 2018.
Chairman Honeycutt called for nominations. Panel Member Cash (Paramount) nominated the current slate of officers for another term. This motion was seconded by Panel Member Bradbury.

Panel Member Moore stated that he would rather not continue to serve as the Treasurer. Panel Member Wen (Lakewood) stated that he would be willing to serve as the Treasurer.

A new motion was made by Panel Member Gamer nominating the City of Signal Hill as Chairman, the City of Paramount as Vice Chair, and the City of Lakewood as Treasurer. Panel Member Cash seconded the motion which was approved by a unanimous voice vote of the Panel.

7. 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 15, 2016 was $92,289.03.

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

8. 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 noted that with the end of the Administrative year being June 30, 2016, there had been a flurry of activity related to water rights holders making final changes before the end of the administrative year.

Mr. Weeks reported the following updates:

2015 / 2016 Water Rights Activity
Attachment 1 provides a summary of 2015-2016 leases that have been processed as of June 28, 2016. Note that in addition to those listed on Attachment 1, some leases were processed after June 28 and are shown below:

1. Puente Basin Water Agency to Rowland Water District: 221 AF without flex
2. Pico Boys Baseball to Montebello Land and Water Company: 13AF without flex
3. Norwalk to South Montebello Irrigation District: 50 AF without flex
4. Pico Rivera to Golden State Water Company: 1,100 AF with flex
5. Tract 180 MWC to Maywood MWC No. 2: 200 AF with flex
6. Tract 180 MWC to Suburban Water Systems: 300 AF with flex
7. Signal Hill to Suburban Water Systems: 100 AF without flex

In summary, there were 65 leases transferring 26,715.04 acre-feet of APA; 15,897.04 with flex (i.e. 50% carryover), and 10,818 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 May 2016 Central Basin groundwater pumping is 166,500 acre-feet, which is slightly higher than the 166,400 acre-feet from the same period last year.

2015 / 2016 Storage Activity
There are three storage requests being processed in 2015-2016 for a total of 2,112.83 acre-feet:
1. Maywood Mutual Water Company No. 3: 115.83 acre-feet
2. Walnut Park Mutual Water Company: 497 acre-feet
3. Cerritos: 1,500 acre-feet

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 July 7, 2016, WRD, acting as Central Basin Watermaster Administrative Body, has received Water Rights Panel payments from 88 of the 130 Central Basin water rights holders. This represents $180,733.23 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. An additional $65,837.81 was transferred in early May. A third transfer of $44,314.20 will be made in early July.
Two of the 86 payments received slightly underpaid 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.

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

Panel Member Moore made a motion to approve the FY 2014 - 2015 Watermaster Report. The motion was seconded by Panel Member Garner and was approved by a unanimous voice vote of the Panel.

9. ATTORNEY'S REPORT
Mr. Jim Markman of Richards, Watkins and Gershon had no new information to report to the panel. He did state that there were a couple of updates that he would provide to the Panel members during the Closed Session.

10. WATER METER TESTING PROGRAM
Chairman Honeycutt presented this item.

Per the Central Basin Water Rights Panel's contract with the California Department of Water Resources (DWR) (Contract # 333182), testing of water production wells in the Central Basin continues. Copies of the DWR's well reports are submitted to the Panel as part of this agenda item.

Result letters have been sent to those water providers that have had their wells tested. With the exception of the following, all tested wells have passed.

1. Bellflower Somerset Mutual Water Company - meter 14% slow. The meter has been replaced and certified.

2. City of Vernon - meter locale inaccessible. The City has been notified and is correcting the issue.

The Water Right Panel's new two-year contract with the California Department of Water Resources was approved by the Panel at their May 2016 meeting. The new contract has been signed by Chairman Honeycutt and returned to the DWR. The new contract is effective through June 30, 2018.
A motion to Receive and File the item was made by Panel Member Bradbury, with a second by Panel Member Mueller. The item was approved by a unanimous voice vote of the Panel members.

11. PUENTE BASIN WATER AGENCY PETITION
Chairman Honeycutt presented the Panel members with an update on this item.

The Puente Basin Water Agency previously presented the panel with a request for an adjustment to Amendment 4 of the Third Judgment. Upon discussion by the Panel members, and based on input received from one of the water companies that would be affected by any change, the consensus was to establish an ad-hoc committee made up of three Panel members (City of Lakewood, Golden State Water Company, the Montebello Land and Water Company) to investigate the Puente Basin Water Agency’s petition and, in conjunction with the guidance of the Panel’s legislative council, make a determination of how to proceed.

A motion was made by Panel Member Cash to establish an ad-hoc committee to review the Puente Basin Water Agency’s petition. The motion was seconded by Panel Member Garner and was approved by a unanimous voice vote of the Panel.

12. ELECTRONIC WATER EXCHANGES
Chairman Honeycutt lead a discussion of the Electronic Water Exchange pilot project that was presented at the Panel’s May meeting. While some members stated that they felt the water lease and sale activity would eventually move to a similar electronic format, most felt that there was not enough activity to support a trade exchange type system like the one proposed by Stratecon. There was also some concern about the costs associated with the system.

Because of these concerns the Panel decided to take no action at this time.

No motion was made on this item.

13. SECRETARY’S REPORT
The Panel’s secretary presented a brief update on the status of the FY 15/16 assessment billing and what steps needed to be taken to collect the invoices that were still outstanding. The bulk of the remaining outstanding invoices are in three accounts; California-America Water Company (Party ID 0679), City of Commerce (Party ID 1017), and the City of Lynwood (Party ID 3060).

Chairman Honeycutt said he would contact the City of Commerce about their outstanding invoice. Other Panel members were asked to contact either of the other two parties if they had a contact at either.

A motion was made to receive and file the item by Panel Member Garner with a second by Panel Member Moore. The receive and file motion was approved by a unanimous voice vote of the Panel.

14. WRITTEN COMMUNICATIONS
No written communications were received.

15. AGENDA ITEMS FOR THE SEPTEMBER 8, 2016 WATER RIGHTS PANEL MEETING
The agenda was discussed for the Water Rights Panel meeting of September 8, 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:
- FY 2016 - 2017 Assessment Billing
- Ad-Hoc Committee update on the Puente Basin Water Agency petition
- Caltrans Update

16. WATER RIGHTS PANEL MEMBER COMMENTS
No Panel member comments were received.

17. ADJOURNMENT
Chairman Honeycutt adjourned the meeting at 2:10 pm.