The regular meeting of the Central Basin Watermaster Water Rights Panel was called to order at 1:35 p.m. by Chairman Glancy.

1. **PLEDGE OF ALLEGIANCE**

Ms. Gladis Deras, from the City of Pico Rivera led the Pledge of Allegiance.

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 Farfsing  
- City of Signal Hill
- Toby Moore  
- Golden State Water Co.
- Ken Bradbury  
- Montebello Land & Water Co.

**Also Present**
- Miles Hogan  
- Aleshire & Wynder
- Chad Lamaccia  
- LADWP
- Jason Weeks  
- WRD
- Kevin Sales  
- KJServices Environmental
- Robb Whitaker  
- WRD
- Desi Alvarez  
- Huntington Park
- Frank Beach  
- City of Santa Fe Springs
- Charlie Honycutt  
- City of Signal Hill
- Kevin Hastert  
- Suburban Water Systems
- David Pelser  
- City of Whittier
- Erik Deurmeier  
- CBWA
- Kelly Gardner  
- CBWA
- Jim Ciampa  
- Lagerlof, Senecal
- Jeanne-Marie Bruno  
- Park Water
- Gladis Deras  
- City of Pico Rivera
3. **PUBLIC COMMENTS**  
No public comments were received.

4. **CONSENT CALENDAR**  
Panel Member Bradbury (ML&W) made a motion to approve Item Nos. 4a, and 4b. Panel Member Moore (Golden State Water) seconded the motion. With an abstention by Panel Member Oskoui (Downey) the Panel Members approved the Consent Calendar by a unanimous voice vote.

5. **TREASURER'S REPORT**  
Panel Member Moore presented the treasurer Report. After some introductory comments confirming that the Water Rights Panel annual billing had been sent out to water rights holders effective July 31, 2014, and that payments are being temporarily remitted to the City of Lakewood, Mr. Moore introduced Kelly Gardner of the Main San Gabriel Basin Watermaster to provide a summary of current revenue and expenses.

Ms. Gardner stated that, as of August 7, 2014, the Watermaster had received, on behalf of the Water Rights Panel, $84,715 in initial payments from the members of the Water Rights Panel. Currently the Watermaster had $19,215.75 in expenses pending payment. Ms. Gardner stated that the Watermaster estimated that they would transfer the balance of the funds to the Water Rights Panel (c/o the City of Lakewood) by the end of September 2014. The estimated balance of that transfer is $65,499.25. This completed Ms. Gardner's report.

Mr. Moore stated that the City of Lakewood had received payments from 14 water rights holders totaling $20,404. These payments will be held in trust by the City until the Water Rights Panel establishes independent banking.

Chairman Glancy confirmed that the Panel had run into delays in receivables and establishing its own banking services because of continuing questions concerning the Water Rights Panel legal structure. The Panel has established a Federal Tax ID number.

6. **ADMINISTRATIVE BODY REPORT**  
Chairman Glancy introduced Mr. Jason Weeks of the Water Replenishment District to provide on update on the status of the Administrative Body.
Mr. Weeks reported the following updates:

1. **Summary of FY 13/14 Water Sales or Leases**
   - There were 7 water sales in FY 13/14 totaling just under 800 acre-feet.
   - There were 54 leases in FY 13/14 totaling 27,000 acre-feet of transferred rights.

2. **Storage Update**
   - WRD received carryover conversion requests for 6,700 acre-feet from five (5) water rights holders as of July 31, 2014.
   - Invoices will be mailed out early next week (week of 8/18/14).
   - This brings the total volume of water currently in storage is 21,276.80 acre-feet. All this storage is within 7 parties Individual Storage Accounts.

3. **Status of FY 14/15 Water Sales / Leases**
   - No reported sales to date for FY 14/15.
   - 15 active leases (approx. 6,000 af)
     i. Seven (7) are multi-year leases that were processed by DWR (approx. 3,000 af)
     ii. Eight (8) are for FY 14/15 (approx. 3,000 af)

7. **WRP ADMINISTRATIVE UPDATE**
   Chairman Glancy confirmed to the Panel Members that two contracts have been signed and finalized with the following firms for the services listed:

   1. KJServices Environmental Consulting for Administrative Services.
   2. Egoscue Law Group for the design of the Regional Disadvantaged Communities Incentive Program.

8. **SELECTION OF LEGAL SERVICES PROVIDER**
   Chairman Glancy provided the Panel with an update on the status of the selection of a legal services provider for the Water Rights Panel.

   Mr. Glancy stated that initially the Panel considered three possible legal firms, however two of those firms were objected to by one or more Panel Members. The one remaining firm, Richards, Watson, Gershon were invited to submit a proposal to the Panel. Mr. Jim Markman of Richards, Watson, Gershon was present at the meeting and Chairman Glancy invited him to introduce himself and describe his related expertise to the Panel.

   Mr. Markman gave a brief description of his experience with basin Judgments and watermaster regulations. He also mentioned the depth of his experience in working with cities, including action of City Attorney for several local cities, and private water firms throughout California. He mentioned that his firm was not involved as a part to the Central Basin Third Judgment, though he has
had experience in working with similar judgments in other water basins in California. He has also worked with other Watermaster agencies in California to help develop rules and procedures for their operation.

Panel Member Farfsing (Signal Hill) asked Mr. Markman if he is currently representing any water pumpers? Mr. Markman says he does though not in the area of water rights. He further stated that he would get consent and conflict waivers from any clients the firm currently represents to ensure that their are no conflicts with his work for the Water Rights Panel.

Panel Member Farfsing made a motion to retain Jim Markman and Richards, Watson, Gershon's proposal to provide legal services to the Water Rights Panel. The motion was seconded by Panel Member Oskoui and approved by a unanimous voice vote of the Panel Members.

9. COMMITTEE REPORTS
Chairman Glancy introduced this item and requested update reports from the Committee on Rules and Annual Report Coordination and the Committee on the Regional Disadvantaged Communities Incentive Program (RDCIP).

The Committee on Rules and Annual Report Coordination had no report.

Panel Member Farfsing introduced the report from the Committee on the Regional Disadvantaged Communities Incentive Program. He introduced Grace Kast (Grace Kast Consulting) to provide the details of the committee's activities.

Ms. Kast stated that the committee, made up of Panel members from the cities of Signal Hill, Paramount, Compton, and Bell Gardens along with representatives from the Pico Water District and the California Water Service Company, met via telephone and have organized two upcoming community workshops in order to solicit input on the development of the RDCIP. The two workshops are scheduled as follows:

1. August 21, 2014 in Cudahy
2. September 4, 2014 in Norwalk

Ms. Kast distributed copies of Workshop flyers and a list of RDCIP frequently asked questions.

The goal of the workshops is to collect ideas and develop the draft RDCIP for review and approval by the entire Water Rights Panel. Once the draft Plan is approved by the Water Rights Panel, it will be released for public comment. After incorporating the public comments, a finalized RDCIP plan will be submitted to the Court by December 23, 2014.
Ms. Kast went on to explain the required RDCIP plan is basically a "blank slate" and the form it takes will be developed with input from the Panel members, the affected communities and other interested parties.

Because of the tight timeline to develop the Plan, the Panel may need to hold a special meeting in mid-September and, possibly, another one in mid-October. To help facilitate the development of the RDCIP Plan, the Panel agreed to move their next meeting from September 11th to September 18th at 2pm at Progress Park.

10. WATER METER TESTING CONTRACT WITH THE DEPARTMENT OF WATER RESOURCES
Chairman Glancy provided the Panel with an update on the status of the contract with the Department of Water Resources (DWR) for the testing of water meters.

An email from DWR indicated that continued confusion over the legal structure of the Water Rights Panel has resulted in delay of DWR refunding over-collected Watermaster and a hold on a contract with the Panel to conduct the water meter testing program. The Panel has two options; 1) Hold off on the testing program until the panel's legal structure and standing is determined, or 2) Contract with the DWR through one of the City members of the Panel.

Chairman Glancy suggested that since the water meter testing program has been on hold and that there is not an immediate rush to begin it again, the Panel can afford to wait to clarify its legal status and establish its status to contract with the DWR directly.

The Panel instructed its attorney, Jim Markman to investigate how best to establish the Panel's legal structure to make it easy to enter into a contract with the DWR and other agencies in the future.

11. SECRETARY'S REPORT
Kevin Sales of KJServices Environmental Consulting, as the secretary for the Water Rights panel, made the following announcements:

1. The Panel's website is up and running. The address is www.cbwatermaster.org.

2. The meeting sign-in sheet is available and Mr. Sales asked that all Panel members and meeting attendees please be sure to sign in.

3. Mr. Sales asked Ms. Kast to provide him with all the flyers and information for the upcoming RDCIP workshops so that they can be added to the www.cbwatermaster.org web site.
4. Mr. Sales confirmed that the Watermaster Reports, once provided, will be added to the web site.

12. CBWA REPORT
Kelly Gardner of the Central Basin Water Association provided comments on the status of two bills that are pending in Sacramento; SB 1168 (Pavley) Groundwater management, and AB 1739 (Dickinson) Groundwater management. Both of these bills would implement regulations related to the management of groundwater basins throughout California. The impact of either of the bills on the status of adjudicated basins, such as the Central Basin, is unknown. She stated that the Central Basin Water Association was developing comments that would be submitted to the sponsor of each bill.

Mr. Rob Whitaker of the Water Replenishment District stated that he believed that neither of the proposed bills, if passed and signed by the Governor, would have any impact on the Central Basin because it is already operating under a court ruling.

A discussion among the Panel Members followed. Panel member Farfsing suggested that the panel send a comment letter to the appropriate legislators in Sacramento with the Panel's issues and concerns.

Panel Member Oskoui commented that he felt that, given its role in administering the Third Judgment, it would be inappropriate for the Panel to get involved directly in supporting or opposing pending legislation. He suggested that those sorts of communication would be better submitted through other organizations that represent the local water interests of cities and pumpers such as the Gateway Cities Water Management Authority, or the Southeast Water Coalition. The Panel members agreed with Mr. Oskoui's suggestion, and the Panel decided not to send a comment letter in response to either proposed bill.

Chairman Glancy suggested that information related to both SB 1168 and AB 1739 be placed on www.cbwatermaster.org.

13. WRITTEN COMMUNICATIONS
None received.

14. AGENDA ITEMS FOR NEXT MEETING
The agenda was discussed for the Water Rights Panel meeting of August 18, 2014. It was agreed that the following items would be included on the Panel's meeting agenda:

2. Regional Disadvantaged Communities Incentive Program update.
3. Committee on Rules and Annual Report Coordination update.

15. WATER RIGHTS PANEL MEMBER COMMENTS
Chairman Glancy commented that all Water Rights Panel members appointment resolutions had been received. He thanked the other members for getting those documents in so promptly.

Panel Member Oskoui asked if all the backup materials for each item that will be discussed at the monthly meeting be included in the agenda package. He also requested that a draft agenda be made available earlier, perhaps two week before the meeting, for review by the members. Lastly, he reiterated his comments that the Water Rights Panel should avoid becoming involved in any issues outside its responsibilities as outlined in the Third Judgment.

16. ADJOURNMENT
The meeting adjourned at 2:20 pm.

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CHAIRMAN

ATTEST:

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