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

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

THURSDAY, SEPTEMBER 14, 2017
1:30 P.M.

Vice Chair Cash (Paramount) called the regular meeting of the Central Basin Watermaster Water Rights Panel to order at 1:35 pm.

1. PLEDGE OF ALLEGIANCE

Panel Member Wen (Lakewood) lead the panel members and those in attendance in the Pledge of Allegiance.

2. ROLL CALL

Panel Members
John Oskouli City of Downey
Jason Wen City of Lakewood
Chris Garner City of Long Beach
Chris Cash City of Paramount
Toby Moore Golden State Water Company
Ken Bradbury Montebello Land and Water Company

Also Present
Desi Alvarez MCM Management
Tammy Herlihy Central Basin MWD
Ted Johnson Water Replenishment District
B. Tildan Kim Richards, Watson, Gershon
Chris Repp Los Angeles Department of Water and Power
Dan Arrighi SGVW Company
Kevin Sales KJServices Environmental Consulting

3. PUBLIC COMMENTS
No public comments were received.
4. CONSENT CALENDAR
Panel Member Moore (Golden State Water Co.) made a motion to approve both items 4a and 4b. Panel Member Oskoui (Downey) seconded the motion.

With an abstention by Panel Member Garner (Long Beach), the motion was approved by the Panel.

5. TREASURER'S REPORT
Panel Member Jason Wen (Lakewood) presented the Treasurer's Report.

Mr. Wen reviewed the financial report prepared by the City of Lakewood. The City's summary report showed that the beginning balance of the Water Rights Panel's (WRP) account as of its last meeting was $158,328.19. The WRP received five (5) payments in the amount of $56,924.11, and made eight payments in the amount $16,101.05, resulting in a net gain of $40,823.06. The balance of the Water Rights Panel's account, as of the date this meeting, was $199,151.25.

A motion to Receive and File the item was made by Panel Member Bradbury (Montebello Land & Water Co.), with a second by Panel Member Garner. The item was approved by a unanimous voice vote of the Panel members.

6. ADMINISTRATIVE BODY REPORT
Ted Johnson of the Water Replenishment District provided an update on the status of the Administrative Body.

Mr. Johnson reported the following updates:

2016 - 2017 Central Basin Watermaster Report
The Water Replenishment District (WRD), as the Administrative Body, presented the draft 2016 - 2017 Watermaster Report. The Report contains the required information on Watermaster activities for the Administrative year. The submittal meets the Central Basin Judgment requirement that the Report be submitted to the Water Rights Panel (WRP) by October 15. WRD will work to incorporate any comments received from the WRP or other water rights holders by October 28th and prepare a finalized draft copy that will be presented to the WRP for approval at their November meeting.

2016 - 2017 Groundwater Pumping
The 16-17 Administrative Year ended on June 30, 2017. The Central Basin groundwater pumping was 182,890 af, which is approximately the same as the previous year, but about 34,600 af below the allowed pumping allocation of 217,367 af. Details of the 16-17 pumping are presented in the draft Watermaster report.
For the first month of the new Administrative Year (July 2017), Central Basin pumping was 17,189.5 af, or 0.4% higher than July 2016.

**2016 / 2017 Water Rights Activity**
For the 2016 - 2017 Administrative Year, there were 52 leases processed transferring 20,926.66 af, three sales that totaled 123 af, and one transfer of normal carryover. There were four parties added to the Judgment with zero acre-feet of rights (Artesia Ice, Atlas Iron and Metal Company, John Grant, and Nancy Furr). Details are included in the draft Watermaster report for FY 2016-2017.

**2016 / 2017 Storage Activity**
A total of 5,858.27 af were put into storage in 2016 - 2017 and 1,815.24 af were extracted from storage. The draft Central Basin Watermaster Report provides details of the storage activity.

**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. Payment reminder letters were sent out on March 24, 2017.

As of the date of the meeting, there were $440.87 of unpaid invoice still outstanding.

**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 $198,873.10. It is anticipated that WRD will generate and mail a consolidated invoice with the adopted Water Rights Panel Budget to applicable parties in September or early October 2017.

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

**7. ATTORNEY’S REPORT**
Mr. B. Tildan Kim of Richards, Watson, Gershon presented the Panel with an update on the following issues:

1. Mr. Robert Becock of NCL Co. filed a stipulation with the Superior Court to become a party to the Central Basin Judgment. The stipulation, which was filed with
the Court in January 2017 was subsequently rejected by the Court. The party intends to file again and join the Judgment as a party with zero water rights. The intention seems to be that this new party to the Judgment will be either purchasing or leasing water rights in the Central Basin at a future date.

2. Mr. Kim, commented on Table 1 of the draft 2016 - 2017 Watermaster Report and stated that normal carryover can be converted to storage until August 2018 by paying the WRD replenishment fee, and that the total amount of the carryover does not need to be converted in a single step but can also be accomplished via a series of partial conversions that are completed prior to the August 2018 date.

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

8. WATER METER TESTING PROGRAM
Mr. Kevin Sales (KJServices) provided an overview of this item.

Mr. Sales stated that all the water well meters that were inspected during June passed their flow tests.

No further action was taken by the Panel on this reported item.

9. STORAGE PROJECT APPLICATION FORM - AD HOC COMMITTEE UPDATE
Panel Member Moore presented the other members of the Panel with an update of the progress made by the ad hoc committee, which was made up of members of both the Water Rights Panel and the Administrative Entity, including a review of the developed application forms.

Prior to the meeting the Water Replenishment District had provided copies of the application forms for both Groundwater Storage Projects and Water Augmentation projects to the Water Rights Panel secretary for inclusion in the meeting agenda package. When the forms were downloaded for inclusion with the agenda package the files were corrupted and not all the document formatting was correct. As a result, both application packages were included in the agenda with formatting errors. However, in spite of these errors, Panel Member Moore was able to review the basic content of the forms with the other WRP members.

The ad hoc committee developed two application packages:

1. Water Augmentation Projects - projects which provide new, ongoing water yield to the Basin; and
2. Water Storage Projects - projects which enable an increase in the amount of water storage in the basin.
The Panel discussed the application forms for both types of projects. Several Panel members had questions about the fees that would be associated with either type of application. Ted Johnson of the WRD responded that the fees for an individual application will be determined by the Storage Panel based on the costs to evaluate the proposed project.

The Panel also discussed what entities would be eligible to submit applications. It was generally agreed upon that applications would most likely be received from only those organizations that are party to the Central Basin Judgment. There was also a brief discussion of how interested parties who are not part of the Central Basin Judgment would benefit from developing and submitting or participating in a project application.

The Panel instructed the secretary to send correctly formatted copies of the project application forms to all of the members.

The Panel took no additional action on this item.

10. CALIFORNIA WATERFIX PROJECT
Vice Chair Cash presented an overview of the proposed California WaterFix Project.

The California WaterFix, formerly known as the Bay Delta Conservation Plan, is a comprehensive strategy aimed at securing statewide water supplies with new infrastructure and operating systems to improve the health of the Delta. The proposed project has been developed by several state and federal water agencies, in cooperation with public water districts, to modify how water is diverted from the Sacramento-San Joaquin Delta by constructing two underground tunnels to move water from the northern part of the Delta to the start of the California Aqueduct located in the south Delta. The Delta is a source of water for two-thirds of California’s population and one-third of its irrigated farmland.

Most of the members of the WRP had already received several presentations on the California WaterFix Project at other meetings and, as a result, the panel’s discussions were relatively brief. Vice Chair Cash made mention that the project was scheduled to be considered at the October 10th meeting of the Metropolitan Water District (MWD).

Mr. Desi Alvarez (MCM Management) asked the WRP if the panel would be taking a formal position on the project? Panel Member Moore responded that because the Panel’s focus is strictly the Central Basin it did not seem in its purview to take a position on a state-wide water project.

Tammy Hierlihy (Central Basin Municipal Water District - CBMWD) provided the panel with an update on their position on the project. She stated that the CBMWD
has supported the project in the past and will continue to support it moving forward. She stated that the California WaterFix Project is scheduled to be considered again by the CBMWD's Board at their September 25th meeting and she invited the panel members and other water purveyors to attend the meeting and hopefully voice their support of the project.

A motion to receive and file this items was made by Panel Member Oskoui with a second by Panel Member Garner. The receive and file motion was approved by a unanimous voice vote of the Panel members.

11. SECRETARY'S REPORT
No report.

12. WRITTEN COMMUNICATIONS
There were no written communications received.

15. AGENDA ITEMS FOR THE NOVEMBER 9, 2017 WATER RIGHTS PANEL MEETING
The agenda was discussed for the Water Rights Panel meeting of November 9, 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:
   a. Storage project application form.
   b. Cyclic Storage Program.

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

Regular Meeting adjourned at 2:20 p.m.

[Signature]
CHAIRMAN

ATTEST: