MINUTES OF THE
CENTRAL BASIN WATERMASTER
WATER RIGHTS PANEL

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

THURSDAY, September 8, 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             City of Downey
Leon de los Reyes      City of Lakewood
Anatole Falagan        City of Long Beach
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
Chris Castillo         City of South Gate
Tammy Hierlihy         CBMWD
James Markman          Richards, Watson, Gershon
Mohammed Mostahkami    City of Downey
Jason Weeks            Water Replenishment District
Dennis Azevedo         Orchard Dale Water District
Ed Castaneda           Orchard Dale Water District
Greg Reed              LA DWP
Scott Hungerford       LA DWP
Gina Nila              City of Commerce
Lourdes Vargas         City of Downey
K. Majid Sadeghi       LA Sanitation
Kevin Sales            KJServices Environmental Consulting
3. PUBLIC COMMENTS

Mr. Dennis Azevedo, Vice President of the Orchard Dale Water District, spoke briefly to the Panel Members. Mr. Azevedo stated that he did not believe that comments made by Mr. Ed Castaneda, General Manager of the Orchard Dale Water District, during Public Comments at the Water Rights Panel's meeting on July 14, 2016 were accurately recorded in the minutes for that meeting. He presented Chairman Honeycutt and the other members of the Water Rights Panel a revised summary of Mr. Castaneda’s comments that he felt were more accurate. His revised summary was received by the Panel.

4. CONSENT CALENDAR

One correction was made to the July 14, 2016 meeting minutes. Under item #2-Also Present, Mr. Tom Coleman of the Rowland Water District, was incorrectly listed as Tess Coleman. The meeting minutes were corrected to reflect the proper name.

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. Panel members Oskoui, Falagan, and de los Reyes abstained.

5. TREASURER'S REPORT
Mr. Kevin Sales (KJServices) presented the Treasurer's Report.

Mr. Sales 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 August 15, 2016 was $111,710.71.

Panel Member Moore asked for an update on the status of the outstanding FY 15 / 16 assessment billing. Mr. Sales gave a brief update on the status of payments received and the total number and dollar value of the remaining outstanding assessment invoices. He stated that any outstanding assessment invoice amounts would be included in the new FY 16 / 17 assessment invoices that will be going out in November.

A motion to Receive and File the item was made by Panel Member Moore with a second by Panel Member Bradbury. 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**
Attachment 1 provides a summary of 2015-2016 leases that will be included in the Watermaster Report.

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.


**2016 / 2017 Water Rights Activity**
To date, there have been 29 leases processed for 2016 - 2017 transferring 8,541.63 acre-feet, 6,794.66 with flex (i.e. 60% carryover), and 1,747 acre-feet without flex.

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

**2015 / 2016 Groundwater Pumping**
2015 - 2016 Central Basin groundwater pumping was 182,900 acre-feet, which is slightly higher than the 180,000 acre-feet from 2014 - 2015.

**2016 - 2017 Groundwater Pumping**
July 2016 groundwater pumping was 17,087 acre-feet, which is 6% more than the 16,149 acre-feet that was extracted in July 2015.

**2015 / 2016 Storage Activity**
There were five storage requests being processed in 2015-2016 for a total of 6,728.07 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
4. Lakewood: 1,315.24 acre-feet
5. LADWP: 3,200 acre-feet

No stored water was extracted in 2015 - 2016.

2016 - 2017 Water Rights Panel Invoices
The Panel requested that an item be placed on the agenda for their November 10, 2016 meeting to discuss the Fiscal Year 2016 - 2017 assessment rate and assessment billing process.

Mr. Mark Grajeda of the Pico Water District, requested that the Panel consider reducing the current assessment billing rate for the new fiscal year, stating that he believed the current rate was too high given the revenue requirements of the Panel.

Panel Member Oskoui (City of Downey) stated that he would also like to see the assessment billing rate structure discussed but also stated that he felt that the rate needed to ensure the Panel had sufficient revenue to ensure an adequate budget reserve.

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

7. ATTORNEY'S REPORT
Mr. James Markman of Richards, Watson, and Gershon presented the Panel members with an update on his efforts to contact the California Department of Transportation (Caltrans) regarding their de-watering activities along the 105 Freeway.

As has been discussed at prior meetings, Caltrans has been extracting groundwater without water rights in the area along the 105 Freeway to prevent settling along its below grade portions, primarily in the Downey area.

Mr. Markman had sent letters to both the Caltrans District Director, Mr. Douglas Failing, and the Southern District project manager, Mr. Leon Romero, to engage the Department in discussions to address their extraction of groundwater without water rights. No replies were received from either letter.

During a follow-up with Caltrans, Mr. Markman contacted Ms. Iris Malsman, an attorney for the Los Angeles Division of Caltrans. She contacted Mr. Markman and stated that Caltrans locked forward to working with the Water Rights Panel to address the groundwater extraction issue. Mr. Markman stated that we will continue the discussions with Caltrans now that they are aware of the situation and have expressed a desire to reach an appropriate resolution.
A motion to Receive and File the item was made by Panel Member Oskoui with a second by Panel Member Moore. The item was approved by a unanimous voice vote of the Panel members.

8. 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.

The Water Rights 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. Per the Department of Water Resources, water meter testing will resume in November.

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.

9. PUENTE BASIN WATER AGENCY PETITION
At their July 14, 2016 meeting the Water Rights Panel established an ad-hoc committee to review the petition presented by the Puente Basin Water Agency to combine two carve outs in the Third Amended Judgment that allows for the export of 2,500 acre-feet (5,000 acre-feet total) from the Central Basin.

After meeting on August 1, 2016, the ad-hoc committee determined that the Panel does not have the authority to grant the Puente Basin Water Agency's petition, but rather the request would need to be made to the Court under the requirements of the Third Amended Judgment. A letter explaining the ad-hoc committee's position was sent to the Puente Basin Water Agency's general counsel.

Based on that letter, the parties have dropped their petition and there is no additional action that needs to be taken by the Water Rights Panel at this time.

A motion to receive and file this item was made by Panel Member Bradbury with a second by Panel Member Falagan (City of Long Beach). The motion was approved by a unanimous voice vote of the Panel members.
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. ADMINISTRATIVE SUPPORT SERVICES CONTRACT EXTENSION
This item was presented by Chairman Honeycutt.

Mr. Kevin Sales of KJServices presented a proposal to review his current administrative support services contract, which had expired on June 30, 2016, to be renewed for Fiscal Year 2016 - 2017.

The proposal for the new fiscal year continued Mr. Sales’ current billing rate and administrative responsibilities and included an estimated budget of Not to Exceed $25,000.

After a brief discussion among the Panel members regarding how this types of consulting contracts should be presented to the Panel, Chairman Honeycutt asked for a motion to approve Mr. Sales’ contract for the 2016 - 2017 fiscal year.

A motion to approve the contract in an amount not to exceed $25,000 was made by Panel Member Oskouji with a second by Panel Member Bradbury. The motion was approved by a unanimous voice vote of the Panel members.

11. CITY OF LOS ANGELES FOREBAY STORAGE CONCEPT
Chairman Honeycutt presented Mr. Jason Weeks of the Water Replenishment District to provide an overview of the City of Los Angeles's Forebay Groundwater Storage Concept.

The City of Los Angeles is in initial discussions with the Water Replenishment District to develop a project that would capture storm water runoff and infiltrate it into the Central Basin Forebay area. The project is still in the initial development stage.

The general project description initiated a discussion among the Panel members, who were generally supportive of the project concept, though had many questions and concerns about how the projects may impact existing groundwater recharge in the Basin. Their initial issues included:

- Determine how to accurately meter the runoff flow
- Insure the infiltration location was in the Basin forebay area
- Ensure that the water being captured was not being detoured from other, existing WRD recharge / infiltration areas (i.e.; that the project was capturing "new" runoff)
- Address possible water quality issues

The Panel then discussed how they should best be involved with these types of runoff capture and infiltration projects. The Panel members discussed how they should work with the WRD through the Storage Panel process established by the Third Amended Judgment.

The Panel members decided to bring the Storage Panel question back at its next meeting and discuss it in detail.
A motion was made by Panel Member Oskoui to receive and file this item. A second was made by Panel Member Bradbury and the item was approved by a unanimous voice vote of the Panel members.

12. SECRETARY'S REPORT
The Panel's secretary had no information to report.

13. WRITTEN COMMUNICATIONS
No written communications were received.

14. AGENDA ITEMS FOR THE NOVEMBER 10, 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 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:

- FY 2016 - 2017 Assessment Billing
- FY 2016 - 2017 Budget
- Storage panel Subcommittee

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

17. ADJOURNMENT
Chairman Honeycutt adjourned the meeting at 2:09 pm.

[Signature]
CHAIRMAN

[Signature]
ATTEST: