MINUTES

CENTRAL BASIN WATER RIGHTS PANEL

JULY 10, 2014

15500 Downey Avenue, Paramount, CA

The Central Basin Water Rights Panel met at 1:30 p.m. on July 10, 2014. All members of the Water Rights Panel were represented as follows:

City of Downey – Dan Muellar
City of Lakewood - James Glancy
City of Long Beach - Kevin Wattier
City of Paramount - Chris Cash
City of Signal Hill - Ken Farfsing
Golden State Water Company - Toby Moore
Montebello Land and Water Company - Ken Bradbury

The Agenda and sign-in sheet for the meeting is attached.

The Minutes of the meeting occurring June 12, 2014 were reviewed and approved, with Mr. Wattier abstaining.

The panel received a report from the Committee on Rules & Annual Report Coordination. Mr. Weeks reported that he had met with members of the Committee and they had reviewed the general format for the annual report in addition to certain tables that had been refined for that purpose. Mr. Weeks said that he would have drafts of the completed tables sometime in early August, and he expected to be able to finalize a draft report sometime in mid-August. The Water Rights Panel will have an opportunity to review the report in draft form in September.

The Panel next received a report from Mr. Weeks as Administrative Body Representative. Mr. Weeks said that all records had been delivered by DWR to WRD as agreed. He reported that a budget is to be established in the near future and that WRD would propose a form of joint letter to be sent to all water rights holders advising them of the two assessments now payable under the Third Amended Judgment.

Mr. Kruse reported that the Water Rights Panel had received a taxpayer identification number and was in a position to open one or more bank accounts for the purpose of receiving funds to be distributed from the Department of Water Resources and funds to be paid pursuant to the assessment. Upon motion by Long Beach, seconded by Paramount, and unanimously carried, the following resolution was adopted:
RESOLVED, that the Water Rights Panel establish one or more bank accounts at Bank of America. Any checking account shall require the signatures of two Panel representatives.

The Panel also discussed potential rules regarding the administration of carryover conversion. It was the sense of the Panel that claims for carryover conversion should be required to be received within 30 days after the close of the fiscal year and that carryover conversion would be provisionally recognized if otherwise consistent with the terms of the Judgment. Final recognition of carryover conversion would be contingent upon WRD’s receiving the necessary replenishment assessment payment within 60 days after the close of the fiscal year.

Proposals for providing administrative services to the Panel were next discussed. Mr. Zampiello reviewed a revised proposal from the Main San Gabriel Basin Watermaster to provide interim administrative services on a time and material basis. Upon motion by Signal Hill, seconded by Long Beach, the following resolution was unanimously adopted:

RESOLVED, that the Main San Gabriel Basin Watermaster is approved to provide interim administrative services on the basis of the proposal presented, and is further authorized to prepare and send notice to appropriate parties and an invoice for the Water Rights Panel assessment as provided in the Third Amended Judgment.

A proposal for administrative services by K.J. Environmental Consulting was next discussed. Members of the Committee expressed support for a time and materials arrangement with a monthly cap which could be waived by specific Panel approval. Upon motion by Long Beach, seconded by Signal Hill, the following resolution was unanimously adopted:

RESOLVED, that the Chair is authorized to move forward to sign a contract with K.J. Environmental Consulting based generally on their June 30, 2014 correspondence. Such contract shall provide for services to be rendered during this fiscal year for a maximum of $40,000, and shall be cancellable on thirty days’ notice.

The Panel reviewed a draft budget outline showing projected expenses of about $200,000, but which could be reduced by $75,000 reimbursed by entities for production meter-testing services. The Panel authorized preparation of a more complete budget showing total revenue. The sense of the Panel was that, following this clarification, the budget could be included with the correspondence to parties regarding the assessment.

A proposal from DWR to conduct meter-testing services on behalf of the Panel was next discussed. A general form of a proposal from DWR was reviewed which provides for meter-testing services at a cost of $75,000 per year. The Panel asked that DWR refine the Agreement and present a final proposal within a reasonable time, which will then be considered by the Panel for approval.
The design and implementation of the Regional Disadvantaged Communities Incentive Program was next discussed. Grace Kast was introduced along with Tracy Escogue. The Panel reviewed certain deadlines provided within the Third Amended Judgment. Ms. Kast described in general terms the approach that she would propose to utilize in gathering appropriate community input concerning infrastructure needs important to the design of a program appropriate for disadvantaged communities. A proposal was reviewed which contained a proposal for services at a cost not to exceed $40,000. Ms. Kast recommended that the Panel consider the formation of a sub-committee to assist in the program design process. After discussion, the Chair appointed the City of Signal Hill and the City of Paramount to serve on the Regional Disadvantaged Communities Incentive Program Design Committee. The Panel solicited volunteers that are not Panel members to assist in the process. The following individuals indicated their willingness to serve on the committee along with Signal Hill and Paramount:

Mark Grajeda, Pico Water District  
Chad Blais, City of Compton  
Ken Putnam, City of Bell Gardens  
Daniel Armendariz, Jr., California Water Service Company

After discussion, upon motion by City of Long Beach, seconded by City of Signal Hill, the following resolution was unanimously adopted:

RESOLVED, that the Panel approves and the Chair is authorized to sign a contract for the design of the Regional Disadvantaged Communities Incentive Program with Grace Kast Consulting, at a cost not to exceed $40,000.

The Panel’s need for independent legal services was next discussed. Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the Panel will request a proposal from law firms for legal services to be provided to the Panel for review at the next meeting. The following firms were discussed:

Lemieux and O’Neill  
Nossamon  
Richards, Watson & Gershon

There being no further business to discuss, the meeting was adjourned.