

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
725 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, APRIL 1, 2020 AT 2:30 O'CLOCK P.M.**

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to protect both staff, its constituents, and elected officials, a regular meeting of the Main San Gabriel Basin Watermaster was duly and regularly held via Zoom Meeting on Wednesday, April 1, 2020, at the hour of 2:30 p.m.

CALL TO ORDER

Mrs. Lynda Noriega, Chair, called the meeting to order and presided thereover.

PLEDGE OF ALLEGIANCE

Secretary Dan Arrighi led the attendees in the Pledge of Allegiance.

ROLL CALL OF WATERMASTER MEMBERS

The following members of Watermaster were present on roll call:

PRESENT: Dan Arrighi, Ron Bow, DeJesus, Dr. Anthony Fellow, Benjamin Lewis, Jr., David Michalko, Lynda Noriega, Steven Placido and Charles Treviño

ABSENT: None

(Mr. Lewis left later in the meeting)

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Anthony Zampielo, Executive Officer; Fred Fudacz, Attorney; Kelly Gardner, Assistant Executive Officer; Arrica Jimenez, Administration Manager; Steve Johnson, Consulting Engineer; Ana Mata, Executive Assistant; and Melanie Felix, Accountant I.

Others present included: Dennis Azevedo, Melissa Barbosa, John Brettl, Ed Chavez, Ray Cordero, Patty Cortez, Paul Cranmer, Richard Gonzales, Ed Hills, Erik Hitchman, Garry Hofer, Bret Kadel, Steve Kiggins, Matthew Litchfield, Jared Macias, Myra Malner, Jose Martinez, Tom Mortenson, Bob Noonan, Jeffrey Pellissier, Jim Prior, Jessica Taylor, Robert Tock, David Warren and Paul Zampielo

ADOPTION OF AGENDA

The Chair asked if there were any changes to be made to the agenda. On motion made by Dr. Fellow, seconded by Mr. Lewis, and unanimously carried, the agenda was adopted as presented.

TIME RESERVED FOR PUBLIC COMMENT

No comments were offered.

CONSENT CALENDAR

On motion made by Mr. Treviño, seconded by Mr. Bow, and unanimously carried, the following items were approved:

- a) Minutes of a Regular Meeting of Watermaster held March 4, 2020
- b) Lists of Demands: Items 18918 through 18948, and two electronic debits, in the amount of \$296,100.95 on the Administrative Fund and Items 420-S, 420-U1, and 420-U2 in the amount of \$147,658.80 on the Replacement Water Fund.
- c) Financial Statements, March 2020

AUTHORIZATION TO EXECUTE EXTENSION AGREEMENT FOR STERLING MUTUAL WATER COMPANY FOR PRODUCER CYCLIC STORAGE

The Executive Officer reported that Sterling Mutual Water Company requested an extension agreement to the terms of its Individual Producer Cyclic Storage Account. He stated that this is a routine item, and no additional storage has been requested by Sterling Mutual Water Company.

On motion made by Mr. Treviño, seconded by Mr. Fellow, and unanimously carried, Watermaster authorized the extension agreement for Sterling Mutual Water Company/Watermaster Cyclic Storage Agreement for a period of five years, to expire on April 30, 2025.

AUTHORIZATION FOR EXECUTIVE OFFICER TO FINALIZE LETTER OF INTENT TO PARTICIPATE IN THE REGIONAL RECYCLED WATER PROGRAM ON BEHALF OF WATERMASTER

The Executive Officer, Mr. Anthony Zampielo, provided an overview on the non-binding Letter of Intent with MWD, Upper San Gabriel Valley Municipal Water District (USGVMWD) and Three Valleys Municipal Water District (TVMWD) to participate and collaborate in the Regional Recycled Water Project. Mr. Zampielo requested for the Board's consideration for approval.

Mr. Treviño made a motion to authorize the Executive Officer to finalize Letter of Intent to participate in the Regional Recycled Water Program on behalf of Watermaster.

Mr. Lewis seconded Mr. Treviño's motion.

Watermaster Attorney, Mr. Fred Fudacz recommended that Mr. Treviño and Mr. DeJesus as MWD Directors appointed by other member agencies, abstain from voting on the item. Mr. Treviño expressed some concern for that recommendation and would like his support for the project to be recognized and documented.

Chair Noriega asked if there were any questions of Mr. Zampielo. Following an in-depth discussion, Mrs. Noriega directed staff to appropriately document Mr. Treviño's support for the project.

On motion made by Mr. Lewis, seconded by Chair Noriega, with Mr. DeJesus and Mr. Treviño abstaining, and unanimously carried, authorized the Executive Officer to collaborate with USGVMWD, TVMWD to finalize the Letter of Intent to participate in the Regional Recycled Water Project on behalf of Watermaster.

PRELIMINARY DETERMINATION OF OPERATING SAFE YIELD FOR FY 2020-21 THROUGH 2024-25

The Consulting Engineer, Mr. Steve Johnson, stated that, pursuant to Section 43 of the amended Judgment, a Preliminary Determination of the Basin's Operating Safe Yield (OSY) is to be made by each April Watermaster meeting, with the final determination to be made at the May meeting. He explained that the OSY is the amount of water that Watermaster determines can be pumped from the Basin before Replacement Water must be purchased. The Consulting Engineer pointed out that he is only recommending a preliminary determination at this time, and will make a final recommendation at the May meeting. The Consulting Engineer provided a brief overview of how he typically presents the data used to determine his recommendations, and stated that his report this year would be somewhat different in order to best report the current water supply conditions.

The Consulting Engineer began his formal report by reading Section 42 of the Judgment, which states in part, "...Watermaster shall recharge Replacement Water in accordance with the Watermaster Operating Criteria and, insofar as practicable, to maintain the water level at the Key Well above Elevation two hundred (200)." He noted last year that it was not practical to set the OSY to meet the 200-foot groundwater level requirement because it was not possible to reach that level in one year; it will take multiple years of average to above average local rainfall.

The Consulting Engineer reported that the seven-year drought has not been good for Southern California, noting that the conditions in the San Gabriel Valley had been so dry that much of the rainwater received locally was absorbed into the watershed, creating very little runoff to area reservoirs, until this year. He added that the Key Well elevation was 208.0 feet on March 20, 2020, about 38 feet higher than the historic low of 169.4 feet set in November 2018.

He also stated that during this period of drought, Watermaster has been pro-active by implementing provisions of the Judgment, and developing and instituting new studies, programs and plans to address conditions. He added that without the actions of Watermaster and the Producers, Basin water supply conditions would have been much worse. He reported that Watermaster developed the Stormwater Augmentation Program using the Water Resource Development Assessment (RDA) to purchase available untreated imported water to supplement the significant shortage of local stormwater replenishment (RDA II).

Additionally, the Consulting Engineer reviewed current hydrologic conditions, and referred to a graph indicating accumulated rainfall at Puddingstone Dam of 8.26 inches,

noting that this only about 63 percent of average.

The Consulting Engineer also reported that total production in the Basin for the first two quarters of FY 2019-20 was about 102,300 acre-feet, adding that key factors keeping the Key Well from dropping any lower than it is, is reduced production and water conservation.

Finally, based on all of these factors, the Consulting Engineer stated that the recommendation for the Preliminary Determination of the OSY is 150,000 acre-feet for 2020-21, and 130,000 acre-feet for the subsequent four years. The Consulting Engineer distributed copies of a "Preliminary Determination of Operating Safe Yield" report for 2020, and stated that copies of the Preliminary Determination will be posted to Watermaster's website and notice of such will be distributed to all Parties.

In response to a question from Mr. Placido, the Executive Officer provided a detailed explanation of current and historic actions to responsibly manage the Basin. He added that the Preliminary Operating Safe Yield Report for FY 2020-21 through 2024-25 will be sent to all the Parties by electronic transmittal no less than ten days before the May 13, 2020 Public Hearing/ Regular Meeting of the Main San Gabriel Basin Watermaster.

On motion made by Mr. Trevino, seconded by Mr. Michalko, and unanimously carried, Watermaster received and filed the "Preliminary Determination of Operating Safe Yield" report for 2020-21 through 2024-25.

REPORT FROM ADMINISTRATIVE COMMITTEE

Mr. Arrighi referred to a written Committee report included in the Board packet. He reported that the Administrative Committee met on March 18, 2020 via teleconference. He stated that the Executive Officer, Mr. Zampiello, distributed copies of the draft assessment resolution and reported on proposed Watermaster Assessments, as well as rates from the three Responsible Agencies.

Additionally, he also reported that the Committee discussed staff's recommendation to increase the Administrative Assessment to \$17.00 from \$15.00 per acre-foot, noting that the key components of the budget supporting this recommendation to increase the Administrative Assessment, including Water Quality Sampling and Reporting for PFAS as well as expenses for the Basin Outreach Campaign.

Mr. Arrighi added that the Committee also discussed reducing the In-Lieu Assessment from \$10.00 to \$8.00 per acre-foot to offset the cost of the Cooperative Water Exchange Agreement, resulting in carrying forward a partial un-met obligation to be cleared in no more than three years. He added that the reduction does not place Watermaster in an unfavorable position financially.

Mr. Arrighi reported that the Committee discussed the scheduled Water Resource Development Assessment (RDA) from \$140.00 to \$175.00 per acre-foot, an increase of \$35.00 per acre-foot, consistent with the 5-year schedule created during the program origination and adoption. He added that it is anticipated that there will not be an increase needed under the current purchase agreement schedule for 2021.

As to other items, he stated that Mr. Zampielo reported that in the March Watermaster Board of Directors Meeting, a letter from San Gabriel Valley Municipal Water District was included stating their inability to deliver its RDA water. He added that Watermaster will be working with San Gabriel Valley Municipal Water District (SGVMWD) and the other Responsible Agencies to find the best solution to delivering this water most cost effectively.

Lastly, Mr. Arrighi reported that Mr. Zampielo discussed Watermaster's three-phase plan for staffing and protection of workers, while complying with the local and state orders related to the COV-19.

REPORT FROM FINANCE COMMITTEE

Review of Preliminary Draft Administration Budget for FY 2020-21: Chair Noriega referred to a written Committee report included in the Board packet. She reported that the Finance Committee met on March 21, 2020 via teleconference, to review the Preliminary Draft Administration Budget and Assessments for FY 2020-21. She stated that Mr. Zampielo briefly reviewed key components of the Draft budget, and noted a proposed increase to \$17.00 from \$15.00 per acre-foot Administrative Assessment and based on a Production estimate of 185,000. She explained that the amount collected in 2019 was lower than expected due to reduced Production from the 195,000 acre-feet estimate.

Additionally, under expenditures, she stated that Mr. Zampielo explained that staff has based the proposed budget on prior year expected actuals, as well as projects and programs for the coming year. She added that Mr. Zampielo brought attention to additional expenditures incurred during the year relative to PFAS sampling and the Basin Outreach campaign.

Chair Noriega noted relative to expected expenditures, the two most significant budget increases are in the Engineering Section, under Water Quality Monitoring, for compliance with potential Basin-wide PFAS sampling and public outreach to facilitate the current Basin Outreach campaign. Chair Noriega also stated that the proposed budget would include a 2.5% cost of living increase for the employees.

By consensus, Watermaster received and filed the Preliminary Draft Administration Budget for FY 2020-21 and Assessments for FY 2019-20 productions.

ATTORNEY'S REPORT

The Attorney, Mr. Fred Fudacz, provided a brief update on the matter with the Los Angeles County Department of Parks and Recreation related to Watermaster assessments for Legg Lakes water usage as part of a water production agreement for the Whittier Narrows Operable Unit. He stated that progress continues, noting that a meeting will be arranged with the intention to hopefully resolve the matter and reach a mutual agreement.

Mr. Fudacz stated that due to the Executive Order N-29-20 issued by Governor Gavin Newsom in response to COVID-19, it's unlikely that the status conference will proceed

as scheduled on July 20, 2020. He added that he will keep the Board apprised of any developments.

Related to the Baldwin Park Operable Unit agreement, he reported that the insurance policies that provide products and liability coverage for purveying the water treated is up for renewal. Mr. Fudacz added that quotes from insurance companies are being reviewed for consideration, and he will work with the Executive Officer to coordinate the renewal.

ENGINEER'S REPORT

The Consulting Engineer, Mr. Steve Johnson, reported that the Baldwin Park Key Well level was 208.0 feet on March 20, 2020, noting a decrease of 0.5 feet from the prior week; about 2.0 feet from the prior month, and about 23.0 feet higher than one year ago. He also reported that it includes about 215,000 acre-feet of untreated imported water in cyclic storage accounts, which represents about 27 feet of groundwater elevation at the Key Well. The historic low for the Key Well has been established at 169.4 feet on November 21, 2018.

The Consulting Engineer then reported briefly on hydrologic conditions as of March 24, 2020, stating that total rainfall at Puddingstone Dam is 12.89 inches, which is 80 percent of average; and at the Los Angeles Civic Center, rainfall is 11.67 inches, which is 84 percent of average, for this time of year. He added that the average rainfall from July 1, 2019 through March 31, 2020 at Puddingstone Dam is 16.10 inches, and at the Los Angeles Civic Center is 13.88 inches.

Additionally, Mr. Johnson stated that total combined canyon storage, as of March 24, 2020, was 40,970 acre-feet. Excluding minimum pool storage, about 30,400 acre-feet is available for direct use or groundwater replenishment. He also stated that as of March 24, 2020, the San Gabriel Reservoir inflow was 202 cubic feet per second (cfs), release was 30 cfs and the Morris Reservoir inflow was 39 cfs, release was 34 cfs. He noted that all of the release was diverted from the San Gabriel River at the Azusa Duarte intake for use by the Committee of Nine.

He reported that all four landfills were inspected and found to be operating normally with no violations. He referred to a written report included in the Board packet that includes additional water supply and rainfall information.

EXECUTIVE OFFICER'S REPORT

The Executive Officer, Mr. Zampiello reported that a written copy of a report on Outside Activities is included in the Board packet.

Mr. Zampiello thanked the Watermaster staff for adjusting to working remotely. He also recognized Ms. Kelly Gardner and Ms. Arrica Jimenez for coordinating with Watermaster's information technology consultant, Highroad IT, to ensure that the necessary technology resources and tools were provided.

He stated that the San Gabriel Valley Water Forum scheduled for April 16, 2020 has been cancelled, noting that a call with the Water Forum Committee will be scheduled in the next couple of weeks to discuss rescheduling or postponement.

Mr. Zampielo also stated that a conference call was held with the Regional Water Quality Control Board on March 25, 2020 to discuss tentative waste discharge requirements related to Vulcan Materials Company's Durbin Landfill.

REPORT FROM RESPONSIBLE AGENCIES

Mr. Treviño, reporting on behalf of USGVMWD, referenced a report provided by USGVMWD to Watermaster. He also reported on the following items that were approved by the USGVMWD Board on March 11, 2020:

- Authorized Funding for the USGVMWD's "6 for 60" Water Efficiency Pilot Program totaling up to a maximum of \$221,000 and authorized the General Manager to amend the agreement with EcoTech Services, Inc., for the administration of the program, and increase the total contract amount not-to-exceed total of \$481,000.
- Approved Non-Binding Letter of Intent to Collaborate on the Development of Future Agreements for the Purchase and Delivery of Advanced Treatment Water for Replenishment of the Main San Gabriel Groundwater Basin.

Mr. Treviño also reported that at the USGVMWD Board meeting on March 25, 2020, Mr. Tom Love, General Manager, provided an update regarding COVID-19 including Governor Newsom's Executive Order implementing the "Stay at Home" order.

Mr. Love also reporting on behalf of USGVMWD, provided the following key dates:

- USGVMWD Regular Board of Directors Meeting - April 8, 2020 at 9:00 a.m.
- Water Producers Meeting – April 8, 2020 at 11:00 a.m.

Mr. Matthew Litchfield, reporting on behalf of TVMWD, reported that the cyclic storage agreement extension with MWD and Watermaster is a priority, noting that TVMWD is currently reviewing a draft of the new agreement for a 10-year term. He additionally stated that the TVMWD Administration staff is working remotely and they have implemented safety protocols for Operations.

Mr. Placido, reporting on behalf of San Gabriel Valley San Gabriel Valley Municipal Water District, stated that the Board did not meet this month.

Mr. Ed Hills, also reporting on behalf of SGVMWD, reported that the staff is working remotely and its system is fully operational.

REPORT FROM OUTSIDE COMMITTEE LIAISONS

Chair Noriega stated that any reports from the Outside Committee Liaisons are included

in the Board packet.

INFORMATION ITEMS

The following items listed on the agenda for information of Watermaster were noted, and ordered received and filed:

- a) Temporary assignment or lease of 36.28 AF Production Right from Walter Green to California Domestic Water Company for FY 2019-20
- b) Temporary assignment or lease of 172.95 AF Production Right from Bank of America N.A, Trustee of the William Knight Living Trust UTD 05/11/2000 to California Domestic Water Company for FY 2019-20
- c) Temporary assignment or lease of 2,462.88 AF Production Right from Co-Tenancy of Laurence R. Pellissier to Covina Irrigating Company for FY 2019-20
- d) Notice of Change of Designee for Bank of America N.A. Trustee of the William Knight Living Trust UTD 05/11/2000 to Ben Jertberg
- e) Notice of Change of Designee for MWD to Arman Motavvef
- f) Notice of Water Rights for Lease from MWD
- g) Testimony by Mr. Anthony Zampiello before the House Subcommittee on Water and the Environment of the House Transportation and Infrastructure Committee on March 6, 2020 hosted by Congresswoman Grace F. Napolitano, Chair, Subcommittee on Water Resources and Environment on the “Concepts for the Development of a New Water Resources Development Act”
- h) Transmittal of SGVMWD monthly report for January & February, 2020

(Mr. Lewis left the meeting)

COMMENTS FROM WATERMASTER MEMBERS

Chair Noriega thanked everyone and expressed appreciation for participating in today’s Watermaster Board Meeting. She also thanked Mr. Zampiello and staff for their efforts in coordinating a successful meeting via Zoom Meeting (web-based video conferencing). She acknowledged everyone for their commitment as we are all essential workers in keeping the water flowing to our customers. Lastly, Chair Noriega extended ‘prayers’ to stay healthy and safe.

Related to accounting procedures, Chair Noriega stated that due to the WM Board and staff working remotely during the COVID-19 pandemic, business checks will be signed in the interim by herself, Chair Noriega and the Executive Officer, Mr. Zampiello

Dr. Fellow thanked Mr. Zampiello for his testimony before the House Subcommittee on Water and the Environment of the House Transportation and Infrastructure Committee

March 6, 2020 hosted by Congresswoman Grace F. Napolitano, Chair, Subcommittee on Water Resources and Environment. He referred to the testimony included in the Board packet stating that it was excellent in covering the “Concepts for the Development of a New Water Resources Development Act.”

Mr. Placido thanked and expressed how impressed he was by the Watermaster staff for their continued dedication and commitment under these unusual circumstances.

FUTURE AGENDA ITEMS

- a) Cyclic Storage Agreement Extension with Metropolitan Water District of Southern California and Three Valleys Municipal Water District
- b) Executive Officer Annual Performance Appraisal

CLOSED SESSION

A Closed Session was not held.

ADJOURNMENT

The Chair asked if there were other business to come before Watermaster, and there being none, the meeting was adjourned to the next public hearing and regular meeting of Watermaster on Wednesday, May 13, 2020, at 2:30 p.m. to be held via Zoom Meeting.

SECRETARY'S SIGNATURE

DAN ARRIGHI

ATTEST:

LYNDA NORIEGA
CHAIR