

**MINUTES OF A REGULAR MEETING OF  
THE MAIN SAN GABRIEL BASIN WATERMASTER  
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA  
HELD WEDNESDAY, OCTOBER 1, 2014, AT 2:30 O'CLOCK P.M.**

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A regular meeting of the Main San Gabriel Basin Watermaster was duly and regularly held in the Conference Room of the City of Azusa Light and Water Administration Facility, at 729 North Azusa Avenue, in the City of Azusa, County of Los Angeles, State of California, 91702, on Wednesday, October 1, 2014, at the hour of 2:30 p.m.

**CALL TO ORDER**

James Byerrum, Chair, called the meeting to order and presided thereover.

**PLEDGE OF ALLEGIANCE**

Secretary 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:** Chet Anderson, Dan Arrighi, James Byerrum, Craig Gott, Garry Hofer and David Michalko

**ABSENT:** Anthony Fellow, Tom Love and Charles Trevino

**STAFF AND OTHERS PRESENT**

Staff present at the meeting included: Anthony Zampiello, Executive Officer; Fred Fudacz, Attorney; Kelly Gardner, Assistant Executive Officer; and Stephen Johnson, Consulting Engineer.

Others present included: Dennis Ahlen, Brian Bowcock, Barbara Carrera, Ted Carrera, Shane Chapman, Tom Coleman, Ken Deck, Frank Heldman, Dan Horan, Shawn Igoe, Ben Lewis, Jr., Ken Manning, George Morrow, Steve Patton, Jeffrey Pellissier and Jim Prior.

**ADOPTION OF AGENDA**

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

## **TIME RESERVED FOR PUBLIC COMMENT**

Chair Byerrum introduced Mr. Frank Heldman, the new Water Utilities Manager for the City of Monterey Park, and welcomed him to the meeting.

Mr. Steve Patton, City of Glendora, inquired as to whether or not the Producer members of Watermaster intended to return next year. The Producer members present confirmed their intent to serve next year.

## **CONSENT CALENDAR**

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

- a) Minutes of a Regular Meeting of Watermaster held September 3, 2014.
- b) Lists of Demands: Items 16480 through 16519 in the amount of \$227,815.83 on the Administrative Fund and Item 957 in the amount of \$1,415,685.71 on the Replacement Water Fund.
- c) Financial Statements, September 2014.

## **WATER QUALITY MANAGEMENT ACTIVITIES**

Valley County Water District, Section 28 Application to Drill Water Well – Lante Well - The Consulting Engineer stated that Valley County Water District (VCWD) has submitted an application to drill a new extraction well to be located at the intersection of Arrow Highway and Lante Street, in the City of Baldwin Park, approximately 400 feet southwesterly of the Lante Well. This area is located within the boundary of the Baldwin Park Operable Unit (BPOU).

The Consulting Engineer reported that the proposed new well will be used as an additional source of raw water supply for the Treatment Facility at the Lante Well site. The proposed new well will produce water very similar to the water quality found in the Lante Well. The Staff Report notes that the proposed new well is designed to be drilled to approximately 600 feet deep, will be perforated from 275 to 585 feet below ground surface, and is to be equipped with a pump capable of producing approximately 2,200 gallons per minute.

As referenced in the Staff Report, the United States Environmental Protection Agency (USEPA) recommended that extraction wells be included in the Upper Area (Subarea 1) of the BPOU to extract and treat groundwater contamination. The Consulting Engineer noted that the proposed new well could increase mass removal of contaminants by 66 percent in Subarea 1 of the BPOU.

Lastly, the Consulting Engineer stated that it is staff's recommendation that Watermaster approve VCWD's application to drill a new extraction well, subject to conditions set forth in the Staff Report.

On motion made by Mr. Arrighi, seconded by Mr. Michalko, and unanimously carried, Watermaster approved Valley County Water District's application to drill a new extraction well, subject to the conditions set forth in the Staff Report.

#### **REQUEST FROM VALLEY COUNTY WATER DISTRICT TO PURCHASE 2,600 AF WATER FROM USGVMWD FOR PRODUCER CYCLIC STORAGE**

The Executive Officer stated that Valley County Water District has submitted a request to pre-purchase an additional 2,600 acre-feet of water from Upper San Gabriel Valley Municipal Water District (USGVMWD) for its producer cyclic storage account. He noted that this is a standard request, and although water is not currently available, Watermaster is still compiling orders.

On motion made by Chair Byerrum, seconded by Mr. Michalko, and unanimously carried, Watermaster authorized the purchase of 2,600 acre-feet of cyclic storage water from USGVMWD, for Valley County Water District's individual producer cyclic storage account.

#### **REQUEST FROM CITY OF GLENDORA TO PURCHASE 1,000 AF WATER FROM USGVMWD FOR PRODUCER CYCLIC STORAGE**

The Executive Officer stated that the City of Glendora has submitted a request to pre-purchase an additional 1,000 acre-feet of water from USGVMWD for its producer cyclic storage account. He noted that this order is unique in that it is part of a three-party purchase for emergency deliveries to the Basin.

On motion made by Mr. Gott, seconded by Mr. Anderson, and unanimously carried, Watermaster authorized the purchase of 1,000 acre-feet of cyclic storage water from USGVMWD, for the City of Glendora's individual producer cyclic storage account.

#### **REQUEST FROM SAN GABRIEL VALLEY WATER COMPANY TO PURCHASE 5,000 AF WATER FROM USGVMD FOR PRODUCER CYCLIC STORAGE**

Deferred to the November meeting due to lack of a quorum, with Mr. Arrighi's abstention.

#### **CONSIDERATION OF RENEWAL OF LOAN DOCUMENTS WITH CITIZENS BUSINESS BANK FOR LINE OF CREDIT UP TO \$15,000,000 WITH A TWO-YEAR TERM**

The Executive Officer reported that the agreement in place between Watermaster and Citizens Business Bank (CBB) for a line of credit up to \$15,000,000 is due for renewal. He provided background information on the current agreement, and stated that CBB is offering a two-year renewal. A discussion was held relative to terms and fees. The Executive Officer noted that CBB may consider a refund of a portion of the fees if Watermaster utilizes the line of credit within the new two-year term.

On motion made by Mr. Michalko, seconded by Mr. Hofer, and unanimously carried, Watermaster approved the two-year renewal agreement with Citizens Business Bank for a line

of credit up to \$15,000,000.

#### **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 September 17, 2014, to discuss USGVMWD's Indirect Reuse Replenishment Project (IRRP) Draft Terms, and the CBB agreement. Following a review of the Committee report, Mr. Arrighi stated that no additional action is required by Watermaster at this time.

Relative to Upper District's IRRP, the Executive Officer noted that Watermaster's Attorney is reviewing the draft terms, and will provide comments for review and discussion by the Administrative Committee.

#### **REPORT FROM BASIN WATER MANAGEMENT COMMITTEE**

Mr. Michalko reported that the next Basin Water Management Committee meeting is scheduled for October 14, 2014, at 10:00 a.m. He also reported that the Emergency Ad Hoc Committee met on August 13, 2014, September 8, 2014, and September 22, 2014. Mr. Michalko referred to three written Committee reports included in the board packet and reported briefly on the items discussed.

#### **RECEIVE AND FILE THREE-YEAR PURCHASED WATER PLAN FOR FY 2014-15 TO 2016-17**

The Consulting Engineer reported that this is a routine item that will be presented to Watermaster to receive and file each year. He provided a detailed overview of the Three-year Water Plan (Plan), including how it relates to Watermaster's responsibilities under the revised Judgment. He noted the various criteria for pre-purchases, and explained that the criteria include Key Well projections, taking into consideration rainfall and statistical averages. Lastly, he stated that the new Water Resource Development Assessment works with the Plan to improve the overall health of the Basin and assist with long-term water supply planning.

On motion made by Mr. Arrighi, seconded by Mr. Michalko, and unanimously carried, Watermaster received and filed the Three-year Purchased Water Plan.

#### **REPORT FROM FINANCE COMMITTEE**

Mr. Gott reported that the Finance Committee met on September 16, 2014, and discussed two items requiring Watermaster action.

Review of Draft Audit Report for Fiscal Year 2013-14 – Mr. Gott stated that the Committee reviewed the audit of Watermaster's financial statements for Fiscal Year (FY) 2013-14 as presented by Vicenti, Lloyd & Stutzman, LLP (VLS). He stated that the Committee recommends that Watermaster receive and file the audit report.

On motion made by Mr. Michalko, seconded by Mr. Anderson, and unanimously carried,

Watermaster received and filed the audit report as presented by VLS.

Reaffirm Cash Investment Policy – Mr. Gott reported that, as required each year, the Finance Committee has also reviewed the Watermaster’s Cash Investment Policy. He stated that the consensus of the Committee was to recommend that Watermaster approve and reaffirm the Cash Investment Policy.

On motion made by Mr. Anderson, seconded by Mr. Arrighi, and unanimously carried, Watermaster reaffirmed its Cash Investment Policy.

## **ATTORNEY'S REPORT**

The Attorney reported that Federal land within the boundaries of the proposed National Recreation Area (NRA) legislation has been proposed as a National Monument. He stated that the President of the United States has the authority to issue an Executive Order declaring the San Gabriel Mountains as such a monument under the Antiquities Act. The Attorney provided a review of the process by which the original NRA legislation language was developed, and noted that the process for designating a National Monument is different. He noted that Watermaster staff is participating in discussions with the Department of Agriculture to incorporate language similar to the language prepared for the NRA, relative to protecting groundwater rights and supply.

The Attorney also reported that discussions continue relative to renewal of the Baldwin Park Operable Unit Agreement and a plan for ongoing operations. He noted that the current agreement expires in March, 2017.

Lastly, the Attorney provided a brief update on substantive groundwater legislation recently signed into law by Governor (AB 1739 – Dickinson, SB 1168 – Pavley, and SB 1319 – Pavley). He reported that many of the potentially impacted parties are discussing clean-up language and possibly legislation to address their concerns.

## **ENGINEER'S REPORT**

The Consulting Engineer provided a report on current water supply conditions, and stated that, as of September 26, 2014, the Key Well elevation was 182.3 feet, reflecting .3 foot decrease in elevation from the prior week. He stated that this is a new Historic Low for the Basin. Prior to June of this year, the previous Historic Low was 189.2 feet, set in December of 2009. The water level in the Key Well is currently 14 feet lower than this same time last year, and is expected to continue dropping through October/November.

The Consulting Engineer also reported briefly on hydrologic conditions, and stated that rainfall recorded from July 1, 2014, through October 1, 2014, at both the Los Angeles Civic Center and at the Puddingstone Dam is 0 inches. He stated that total canyon storage is currently at 11,000 acre-feet, down from 18,000 acre-feet in the spring. The Consulting Engineer noted that USGVMWD is making canyon deliveries of approximately 5,000 acre-feet.

Relative to cyclic storage, the Consulting Engineer reported that 63,000 acre-feet of water is currently available in cyclic storage, reflecting a reduction of about 40,000 acre-feet for over-production. Lastly, the Consulting Engineer also reported that all four landfills were inspected and found to be operating normally with no violations. The Consulting Engineer 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 reported that a written copy of his report on Outside Activities is included in the board packet. He highlighted a few items, including staff's participation in the GLAC Leadership Committee Meeting and attendance at a number of Responsible Agency board meetings.

The Executive Officer also reported that the Third Annual San Gabriel Valley Water Forum will be held tomorrow, Thursday, October 2, 2014, at the Fairplex Sheraton in Pomona. Program and registration information is available online at [www.sgvwaterforum.com](http://www.sgvwaterforum.com). Lastly, the Executive Officer reported that he has been interviewed a few times recently by local television station reporters about the drought and other water supply matters.

## **REPORT FROM RESPONSIBLE AGENCIES**

Mr. Shane Chapman, reporting on behalf of USGVWMD, referred to the written report provided to Watermaster. He noted that USGVWMD approved changing the meeting time for the first meeting of each month (the first Tuesday) to 6:30 p.m., effective December 1, 2014.

Mr. Brian Bowcock, reporting on behalf of Three Valleys Municipal Water District, stated that about 350 attendees have registered for the 2014 San Gabriel Valley Water Forum.

## **REPORT FROM OUTSIDE COMMITTEE LIAISONS**

Mr. Arrighi and Mr. Michalko referred to written reports provided to Watermaster.

## **INFORMATION ITEMS**

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

- a) Notice of Change of Designee for the City of Monterey Park to Ron Bow
- b) Notice of Change of Designee for Miller Coors LLC to Courtney Hicks
- c) Transmittal of SGVMWD Monthly Report for August 2014
- d) Various newspaper articles

**COMMENTS FROM WATERMASTER MEMBERS**

Mr. Arrighi requested that Watermaster adjourn the meeting in memory of Officer Jordan Corder, City of Covina, who passed away yesterday.

**FUTURE AGENDA ITEMS**

- a) Renewal of Cyclic Storage Account for San Gabriel Valley Municipal Water District
- b) Request from San Gabriel Valley Water Company to Purchase 5,000 AF Water from USGVMWD for Producer Cyclic Storage

**ADJOURNMENT**

The Chair asked if there were other business to come before Watermaster, and there being none, the meeting was adjourned in memory of Officer Jordan Corder to the next regular meeting of Watermaster on Wednesday, November 5, 2014, at 2:30 p.m. in the Conference Room of the City of Azusa Light and Water Administration Facility at 729 North Azusa Avenue, Azusa, CA 91702.

SECRETARY'S SIGNATURE

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DAN ARRIGHI

ATTEST:

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JAMES BYERRUM  
CHAIR