

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, OCTOBER 3, 2012 AT 2:30 O'CLOCK P.M.**

The 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 3, 2012 at the hour of 2:30 p.m.

CALL TO ORDER

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

ROLL CALL OF WATERMASTER MEMBERS

The following members of Watermaster were present on roll call:

PRESENT: Chet Anderson, Dan Arrighi, James Byerrum, Ed Chavez, Thomas Love, Pat Malloy, David Michalko, Michael Quinn and Charles Trevino

ABSENT: None

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Tony Zampello, Assistant Executive Officer; Fred Fudacz, Attorney; Stephen Johnson, Consulting Engineer; Wendy La, Staff Engineer; and Kelly Gardner, Administration Manager.

Others present included: Brian Bowcock, Ron Bow, Ted Carrera, Ken Deck, Dan Horan, Kevin Hostert, Mariana Lake, Ben Lewis, Ken Manning, Stephen Millard, Lynda Noriega, Lenet Pacheco, James Prior, Martin Ray, Richard Rich, Tom Tait and Che Venegas.

ADOPTION OF AGENDA

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

CONSENT CALENDAR

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

- a) Minutes of the Regular Meeting of Watermaster held September 5, 2012.

- b) List of Demands: Items 15539 through 15582 in the amount of \$406,942.76 on the Administrative Fund, Item 922 in the amount of \$133,429.20 on the Replacement Water Fund and Item 442 in the amount of \$66,000.00 on the Make-up Water Fund.
- c) Financial Statements, September 2012

WATER QUALITY MANAGEMENT ACTIVITIES

Section 28 Permit Application from the City of Glendora to Destroy Water Well No. 1E –
The Consulting Engineer stated that the City of Glendora has submitted an application to “destroy water well” for its Well No. 1E located at 1051 E. Sierra Madre Avenue, in the City of Glendora. Back in 2010, the City of Glendora applied for and received a permit to drill Well No. 14E as a replacement for a deteriorating Well 2E. The permit conditioned that the City of Glendora destroy Well 2E after putting Well 14E into service.

Following the drilling and testing operations for Well No. 14E, it was determined that the well would not produce the anticipated yield of approximately 750 gallons per minute (gpm). In an effort to maximize production with declining water levels in the Glendora Basin, the City of Glendora has proposed to destroy Well 1E as a substitute for Well 2E, and continue to produce from both Well 2E and Well 14E, a combined yield of approximately 750 gpm. Well 1E is located on the same property as Well 2E and was drilled in 1915. It is 97 years old and has developed several cracks in the casing leaving it unable to be operated. The City of Glendora ceased operation of Well 1E during the second quarter of fiscal year 2008-09.

Well No. 2E currently has a pumping capacity of about 300 gpm and because Well 14E did not meet its anticipated design yield, it has been redesigned to pump about 350 gpm. Therefore, it is staff’s recommendation to allow the City of Glendora to substitute the destruction of Well 2E for Well 1E, subject to conditions as specified in the staff report.

On motion made by Mr. Love, seconded by Mr. Arrighi, and unanimously carried, Watermaster approved the City of Glendora’s application to destroy water well No. 1E located at 1051 E. Sierra Madre Avenue, in the City of Glendora, subject to conditions stated in the staff report dated June 8, 2012.

AUTHORIZATION TO EXECUTE EXTENSION AGREEMENT FOR SAN GABRIEL VALLEY WATER COMPANY CYCLIC STORAGE ACCOUNT

The Executive Officer reported that Watermaster’s cyclic storage agreement with San Gabriel Valley Water Company (SGVWC) is due to expire in December 2012. He stated that it is staff’s recommendation that Watermaster execute an extension agreement for a period of five years. He noted that the cyclic storage agreement with SGVWC provides for a maximum storage of 30,000 acre-feet of water; which is consistent with two times their average annual overproduction.

On motion made by Mr. Quinn, seconded by Mr. Malloy, and unanimously carried, with Mr. Arrighi abstaining, Watermaster authorized execution of the amendment extending the cyclic storage agreement with SGVWC for five years, through December, 2017.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

Authorization to Expend Allocated Budget for UCMR3 Compliance - Mr. Malloy reported that the Basin Water Management Committee met on September 12, 2012 and discussed several items, with one requiring action. He stated the mandatory compliance with the United States Environmental Protection Agency's (USEPA), Unregulated Contaminant Monitoring Rule (UCMR3) is due on November 28, 2012. In anticipation of this requirement, Watermaster established a budget item as part of its 2012-13 fiscal budget for this work. At this time, the Committee is asking Watermaster to authorize the necessary expenditures out of the already established budget.

On motion made by Mr. Trevino, seconded by Mr. Arrighi, and unanimously carried, Watermaster authorized the expenditure of the allocated budget for UCMR3 compliance.

REPORT FROM FINANCE COMMITTEE

Mr. Michalko stated that the Finance Committee met on September 26, 2012 and discussed two items requiring Watermaster action.

Review of Draft Audit Report for Fiscal Year 2011-12 – Mr. Michalko stated the Committee reviewed the audit of Watermaster's financial statements for Fiscal Year 2011-12 as presented by Vicente, Lloyd and Stutzman, LLP. He stated that the Committee recommends that Watermaster receive and file the audit report.

On motion made by Mr. Michalko, seconded by Mr. Malloy, and unanimously carried, Watermaster received and filed the audit report as presented by Vicente, Lloyd and Stutzman, LLP.

Reaffirm Cash Investment Policy – Mr. Michalko reported that as required each year, the Finance Committee also reviewed 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. Michalko, seconded by Mr. Anderson, and unanimously carried, Watermaster reaffirmed its Cash Investment Policy.

REPORT FROM ADMINISTRATIVE COMMITTEE

Mr. Arrighi reported that the Judgment Amendments Ad Hoc Committee (Committee) met on September 19, 2012 to discuss the integration of the recently approved Judgment Amendments into Watermaster's Rules and Regulations; however no action is required at this time. He stated that the Committee is working to develop policies for Replacement Water Assessment Rates, Purchased Water Plan and Borrowing. Once completed, Mr.

Arrighi noted that the Committee will bring final drafts to the Administrative Committee for review.

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 Adams Ranch Mutual Water Company to Victor Ybarra
- b) Temporary assignment or transfer of .25 acre-feet production right from Vulcan Materials Corp. to City of Azusa for FY 2012-13
- c) Transmittal of SGVMWD monthly report for August 2012
- d) Various newspaper articles

ATTORNEY'S REPORT

Mr. Fred Fudacz, Attorney, reported that South El Monte Operable Unit (SEMOU) litigation, final wrap-up is expected in December 2012.

The Attorney also reported that in September, Watermaster filed a Proposed Management Plan regarding the Southwestern Willow Flycatcher with the Department of Fish and Wildlife. He thanked the Executive Officer and Staff Engineer for their diligence in pursuing a cooperative effort with Los Angeles County. He requested a Closed Session to further discuss endangered species matters.

ENGINEER'S REPORT

The Consulting Engineer reported that the Baldwin Park Key Well elevation was 212.9 feet as of September 21, 2012; a decrease of .5 feet from the prior week. Rainfall between July 1st and September 24th totaled .01 inches which is about four percent of average.

Additionally, the Consulting Engineer reported that this is approximately 15,000 acre-feet in the San Gabriel Canyon reservoir storage with inflow into the San Gabriel Reservoir measuring about 94 cubic feet per second.

Regarding landfills in the Basin, the Consulting Engineer reported that all five were inspected and found to be operating normally with no violations.

And lastly, the Consulting Engineer reported that production for 2011-12 totaled nearly 240,000 acre-feet.

EXECUTIVE OFFICER'S REPORT

The Assistant Executive Officer provided a brief summary of staff's interactions over the

past month. He stated that on September 4th, USGVMWD and Stetson presented on the IRRP to the Department of Public Health and others. He thanked Shane Chapman and Reymundo Trejo for their thorough presentation and stated that it was very well received.

The Assistant Executive Officer also noted that an Ad Hoc Committee was formed to address changes in the Rules and Regulations as a result of the recently approved Judgment Amendments. Staff is currently working on notification information update forms that will be sent to all Parties.

Additionally, he reported that Mr. Craig Gott, Chair of the San Gabriel Valley Protective Association, Distribution Committee, had contacted him regarding canyon storage.

And lastly, the Executive Officer stated that the Committee of Nine has been in contact with staff regarding Santa Ana Sucker litigation. He stated that he and/or the Staff Engineer will make a presentation at the Committee of Nine meeting on October 10, 2012.

REPORT FROM RESPONSIBLE AGENCIES

Mr. Trevino stated that he had distributed copies of the USGVMWD Agency Report to all Board members. It has detailed information relative to actions taken at recent Board Meetings.

Mr. Brian Bowcock representing Three Valleys Municipal Water District (TVMWD) congratulated the Executive Officer on his appointment. He also stated that it was great to see all the various groups and agencies in the Basin come together for the San Gabriel Valley Water Forum.

COMMENTS FROM WATERMASTER MEMBERS

Mr. Anderson, Mr. Arrighi, Mr. Love, Mr. Michalko and Mr. Quinn congratulated the Executive Officer on his recent appointment.

CLOSED SESSION

The Watermaster then adjourned to a Closed Session.

ADJOURNMENT

The Chairman asked if there were other business to come before Watermaster, and there being none, upon motion duly made by Mr. Malloy, seconded by Mr. Arrighi, and unanimously carried, the meeting was adjourned to the next regular meeting of Watermaster on Wednesday, November 7, 2012, 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

DAN ARRIGHI

ATTEST:

JAMES BYERRUM
CHAIRMAN