

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, JANUARY 8, 2014 AT 2:30 O'CLOCK P.M.**

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, January 8, 2014 at the hour of 2:30 p.m.

CALL TO ORDER

James Byerrum, Chair, called the meeting to order and presided thereover. He wished everyone a Happy New Year and welcomed Mr. Gott to the Watermaster Board.

ROLL CALL OF WATERMASTER MEMBERS

The following members of Watermaster were present on roll call:

PRESENT: Chet Anderson, Dan Arrighi, Anthony Fellow, Craig Gott, Garry Hofer and David Michalko

ABSENT: Thomas Love and Charles Trevino

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Anthony Zampielo, Executive Officer; Kelly Gardner, Assistant Executive Officer; Erik Deurmeier, Administration Manager; Fred Fudacz, Attorney and Steve Johnson, Consulting Engineer.

Others present included: Dennis Ahlen, Bob Bowcock, Brian Bowcock, Barbara Carrera, Ed Chavez, Tom Coleman, Al Contreras, Ken Deck, Rick Hansen, Dan Horan, Shawn Igoe, Benjamin Lewis, Jr., Steve Patton, Jim Prior and Tom Tait.

ELECTION OF OFFICERS

The Attorney stated that the nominations to the Watermaster Board were duly confirmed by the Court on December 13, 2013. He then opened nominations for Board Chairman and the remaining officers.

Mr. Arrighi presented a slate of officers for appointment: James Byerrum, Chair; David Michalko, Vice-Chair; Dan Arrighi, Secretary; and Craig Gott, Treasurer. There being no further nominations, a unanimous ballot was cast for Watermaster's 2014 Officers.

PUBLIC HEARING ON WATERMASTER DRAFT 5-YEAR WATER QUALITY AND SUPPLY PLAN

The Chair stated that it was the time and place duly noticed for the public hearing on the Watermaster Draft Five-Year Water Quality and Supply Plan (Plan). He declared the hearing open and asked the Consulting Engineer for a review of the Plan and comments received.

The Consulting Engineer explained that the Five-Year Plan is prepared every year in accordance with Section 28(g) of Watermaster's Rules and Regulations, and notice of the public hearing was mailed out to all of the Parties on November 6, 2013. He stated that he would give a brief overview of the draft Plan since a more thorough report had been given at the November 6, 2013 Watermaster meeting.

The Consulting Engineer reported that the draft Plan consists of an introduction, current water supply conditions, current water quality conditions, the actual five-year plan and appendices with supporting data. He noted that, to date, Watermaster has not received any comments to the Plan.

The Chair then opened the Public Hearing for public comment. No comments were offered; therefore, on motion made by Mr. Anderson, seconded by Mr. Michalko, and unanimously carried, Watermaster closed the Public Hearing.

On motion made by Mr. Anderson, seconded by Mr. Michalko, and unanimously carried, Watermaster adopted the Five-Year Water Quality and Supply Plan as presented.

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. Anderson 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. Anderson, seconded by Dr. Fellow, and unanimously carried, the following items were approved:

- a) Minutes of the Regular Meeting of Watermaster held December 11, 2013.
- b) List of Demands: Items 16145 through 16182 in the amount of \$182,967.01 on the Administrative Fund, and Items 947 through 948 in the amount of \$467,077.72 on the Replacement Water Fund
- c) Financial Statements, December 2013

**ADOPTION OF RESOLUTION IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES' STATEWIDE WATER ACTION PLAN (Resolution No. 01-14-259)**

The Executive Officer stated that a resolution of appreciation has been prepared in support of the Association of California Water Agencies' (ACWA) Statewide Water Action Plan. He noted that staff and the Administrative Committee have reviewed ACWA's Statewide Water Action Plan, and recommend Watermaster adopt a resolution of support. Additionally, the Executive Officer stated that, following the recommendations by a number of water entities statewide, ACWA added finer points emphasizing Integrated Resource Management Planning, groundwater management, water storage, surface water storage and project streamlining.

The ACWA Board of Directors unanimously approved the Statewide Water Action Plan on September 27, 2013, and submitted the Statewide Water Action Plan to California Governor Edmund G. Brown, Jr. on October 2, 2013, as the water community's recommendations for developing the Administration's water plan for the state.

On motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, the following resolution was adopted and passed as read:

RESOLUTION NO. 01-14-259

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN WATERMASTER IN
SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES'
STATEWIDE WATER ACTION PLAN**

(see next page)

AUTHORIZATIONS TO EXECUTE EXTENSION AGREEMENT FOR PRODUCER CYCLIC STORAGE ACCOUNTS

The Executive Officer reported that the following agencies have submitted requests to extend the terms of their Cyclic Storage Agreement for an additional five years. Staff recommends approval of an extension of five years in accordance with Section 26(5)(e) of the Judgment.

- a) City of Alhambra – On motion made by Mr. Michalko, seconded by Mr. Arrighi, and unanimously carried, Watermaster authorized extending the terms of the City of Alhambra’s Individual Producer Cyclic Storage Agreement through November 2018.
- b) City of Azusa – On motion made by Mr. Michalko, seconded by Mr. Gott, and unanimously carried, with Mr. Anderson abstaining, Watermaster authorized extending the terms of the City of Azusa’s Individual Producer Cyclic Storage Agreement through March 2019.
- c) California-American Water Company – Duarte – On motion made by Mr. Gott, seconded by Dr. Fellow, and unanimously carried, with Mr. Hofer abstaining, Watermaster authorized extending the terms of California-American Water’s – Duarte Individual Producer Cyclic Storage Agreement through February 2019.
- d) California-American Water Company – San Marino – On motion made by Mr. Anderson, seconded by Mr. Michalko, and unanimously carried with Mr. Hofer abstaining, Watermaster authorized extending the terms of California-American Water’s – San Marino Individual Producer Cyclic Storage Agreement through March 2019.
- e) City of Glendora – On motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, Watermaster authorized extending the terms of the City of Glendora’s Individual Producer Cyclic Storage Agreement through March 2019.
- f) Golden State Water Company – San Gabriel District – On motion made by Mr. Arrighi, seconded by Mr. Michalko, and unanimously carried, Watermaster authorized extending the terms of Golden State Water Company’s Individual Producer Cyclic Storage Agreement through February 2019.
- g) La Puente Valley County Water District – On motion made by Mr. Arrighi, seconded by Dr. Fellows, and unanimously carried, Watermaster authorized extending the terms of La Puente Valley County Water District’s Individual Producer Cyclic Storage Agreement through March 2019.
- h) City of Monrovia – On motion made by Mr. Anderson, seconded by Mr. Arrighi, and unanimously carried, Watermaster authorized extending the terms of The City of Monrovia’s Individual Producer Cyclic Storage Agreement through February 2019.
- i) City of Monterey Park – On motion made by Mr. Anderson, seconded by Dr. Fellow, and unanimously carried, Watermaster authorized extending the terms of the City of

Monterey Park's Individual Producer Cyclic Storage Agreement through June 2018.

- j) Sunny Slope Water Company – On motion made by Mr. Michalko, seconded by Mr. Arrighi, and unanimously carried, Watermaster authorized extending the terms of Sunny Slope Water Company's Individual Producer Cyclic Storage Agreement through February 2019.

REPORT FROM THE ADMINISTRATIVE COMMITTEE

Mr. Arrighi referred to a written Committee report included in the board packet. He reported that the Administrative Committee met on December 18, 2013 to discuss a number of items, one of which requires Watermaster action at this time.

Approval of Water Production Agreement for the El Monte Operable Unit: The Executive Officer reported that a draft standard production agreement (Agreement) has been developed with Gould Electronics, Inc. and Johnson Controls, Inc. as Responsible Parties in the El Monte Operable Unit (EMOU). He stated that the agreement will become part of the EMOU remedy and is consistent with other Responsible Party production agreements.

The Executive Officer provided a brief review of the Agreement, and noted that the recommendation of both staff and the Committee is that Watermaster authorize the Executive Officer to execute the Agreement.

On motion made by Mr. Arrighi, seconded by Mr. Michalko, and unanimously carried, Watermaster approved the Water Production Agreement for the El Monte Operable Unit as presented.

REPORT FROM THE BASIN WATER MANAGEMENT COMMITTEE

Mr. Michalko referred to a written Committee report included in the board packet. He reported that the Basin Water Management Committee met on December 18, 2013 and discussed two items, neither of which requires Watermaster action at this time.

ATTORNEY'S REPORT

The Attorney reported that staff continues to monitor activities related to the Santa Ana Sucker critical habitat designation and the Southwestern Willow Flycatcher Critical Habitat Designation. He provided a brief review of staff efforts to date, and noted that there has been little activity in the legislature on both issues due to the recent government sequestration. The Attorney stated that he will continue to report on both items as more information becomes available.

The Attorney also reported that a hearing confirming the recently elected Watermaster Board Members representing San Gabriel Valley Municipal Water District, USGVMWD, and the Producers was held on December 13, 2013.

Additionally, the Attorney reported that staff is working on an issue relative to the Baldwin

Park Operable Unit (BPOU). Of primary concern among the parties is how best to dispose of the spent resin. The Attorney stated that the Cooperating Respondents (CR's) recommend disposal of the resin in landfills. The Water Entities (WE's) are concerned with the possibility of future liability, should the resin be stored in this way. The current insurance policy to cover against such risks expires in 2017, and the parties are researching other insurance options.

The Attorney also reported on a recent appellate case regarding Proposition 218 compliance with water rates. Watermaster, as an arm of the Court, is not subject to Proposition 218; however, in the interest of the Producers, Watermaster staff will continue to follow the case and report back to the Board.

ENGINEER'S REPORT

The Consulting Engineer reported that, as of January 3, 2014, the Key Well elevation was 197.6 feet, reflecting a .7 foot change in elevation from the prior week. Traditionally, the Key Well levels drop approximately 10 feet during the summer season; therefore, it is possible that the Key Well level will drop below the Historic Low of 189.2 feet.

The Consulting Engineer also reported that inflow into the San Gabriel Reservoir continues to be very low, resulting in only about 11,000 acre-feet of water in canyon storage. The total storage capacity is 85,000 acre-feet.

Additionally, the Consulting Engineer reported briefly on hydrologic conditions, and stated that rainfall recorded to date at the Los Angeles Civic Center is about twenty-seven percent of average, and rainfall recorded at Puddingstone Dam is about twenty-four percent of average.

Lastly, the Consulting Engineer 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 referred to his Outside Activities Report that is included in the board packet. He highlighted a few items, including the 2014 American Ground Water Trust/Association of Groundwater Agencies Conference to be held on February 10 and 11, 2014, in Ontario, California. The Executive Officer stated that he will be moderating a panel discussion on the legal aspects of adjudicated basins, including specifically the Main Basin and the impacts of the recent Judgment Amendments. He also stated that contact hours are being offered to the attendees of the conference.

Additionally, the Executive Officer introduced Mr. Erik Deurmeier, Administration Manager. Mr. Deurmeier joined Watermaster on January 2, 2014.

The Executive Officer reported that Watermaster staff has reviewed the Groundwater Workplan Concept Paper prepared by the State Water Resources Control Board (SWRCB), and has submitted comments to the SWRCB.

REPORT FROM RESPONSIBLE AGENCIES

Mr. Brian Bowcock, reporting on behalf of Three Valleys Municipal Water District (TVMWD), wished everyone Happy Holidays and Happy New Year.

Dr. Fellow, reporting on behalf of USGVMWD, provided a written agency report and noted that at its regular meeting of January 7, 2014, the Board of Directors voted to reappoint the following officers for calendar year 2014:

President – Dr. Anthony Fellow
 Vice President – Ed Chavez
 Secretary/Treasurer – Mike Touhey

Additionally, Dr. Fellow reported that USGVMWD appointed representatives to outside agencies and continues outreach efforts.

REPORT FROM OUTSIDE COMMITTEE LIASONS

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

INFORMATION ITEMS

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

- a) Temporary assignment or transfer of 70 acre-feet Production Right from Del Rio Mutual Water Company to San Gabriel Valley Water Company for FY 2013-14
- b) Permanent transfer of 116 acre-feet Base Annual Diversion Right from City Ventures to City of Glendora
- c) Permanent transfer of 163.80 acre-feet Prescriptive Pumping Right and 11.46 acre-feet Carry-Over from Driftwood Dairy, Inc. to San Gabriel Valley Water Company
- d) Notice of Public Meeting regarding the proposed transfer of the Drinking Water Program from the California Department of Public Health to the State Water Resources Control Board
- e) SGVMWD transmittal of monthly report for November 2013
- f) Various newspaper articles

COMMENTS FROM WATERMASTER MEMBERS

Mr. Arrighi and Mr. Michalko welcomed Mr. Deurmeier and Mr. Gott.

Dr. Fellow reported that a local Catholic Bishop has requested prayers for rain.

Mr. Gott thanked the Producer members for the opportunity to serve on the Watermaster Board. He stated that he recognizes the challenges Watermaster faces, and appreciates the opportunity to work with the other Board members.

FUTURE AGENDA ITEMS

- a) Consideration of Extension Agreement for California Domestic Water Company's Cyclic Storage Account
- b) Consideration of Extension Agreement for Covina Irrigating Company's Cyclic Storage Account
- c) Consideration of Extension Agreement for San Gabriel County Water District's Cyclic Storage Account
- d) Consideration of Extension Agreement for Suburban Water System's Cyclic Storage Account

ADJOURNMENT

The Chair asked if there were other business to come before Watermaster, and there being none, the meeting was adjourned to the next regular meeting of Watermaster on Wednesday, February 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

DAN ARRIGHI

ATTEST:

JAMES BYERRUM
CHAIR