

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, JUNE 5, 2013 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, June 5, 2013 at the hour of 2:30 p.m.

CALL TO ORDER

James Byerrum, Chair, 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, Anthony Fellow, Garry Hofer and Richard Rich

ABSENT: Thomas Love and Charles Trevino

(Mr. Trevino arrived later in the meeting.)

STAFF AND OTHERS PRESENT

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

Others present included: Dennis Ahlen, Ron Bow, Brian Bowcock, Barbara Carrera, Ted Carrera, Ken Deck, Myra Evangelista, Greg Galindo, Rick Hansen, Ken Herman, Scott Hopkins, Kevin Hostert, Dan Horan, Ben Lewis, Jr., Jason Manning, Ken Manning, Lynda Noriega, Lenet Pacheco, Jim Prior, Reymundo Trejo and Che Venegas.

ADOPTION OF AGENDA

The Chair asked if there were any changes to be made to the agenda. On motion made by Mr. Arrighi, seconded by Mr. Michalko 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. Arrighi, seconded by Mr. Anderson, and unanimously carried, the following items were approved:

- a) Minutes of the Annual Hearing on Determination of Operating Safe Yield and Regular Meeting of Watermaster held May 1, 2013.
- b) Lists of Demands: Items 15863 through 15903 in the amount of \$382,400.03 on the Administrative Fund and Item 935 in the amount of \$98,307.28 on the Replacement Water Fund.
- c) Financial Statements, May 2013

DISCUSSION OF JULY MEETING DATE

The Executive Officer reported that the regular Watermaster meeting in July is on July 3, 2013, one day before the 4th of July Holiday. He asked the Watermaster members to verify their availability for July 3, 2013 to ensure a quorum will be present to conduct business. He stated that staff has confirmed the availability of the board room on Wednesday, July 10, 2013, if needed.

Following a brief discussion, on motion by Mr. Rich, seconded by Mr. Arrighi and unanimously carried, the July meeting was rescheduled to Wednesday, July 10, 2013.

AUTHORIZATION TO EXECUTE EXTENSION AGREEMENTS FOR METROPOLITAN WATER DISTRICT CYCLIC STORAGE ACCOUNTS

The Executive Officer reported that Watermaster's cyclic storage agreements with Metropolitan Water District (MWD) are due to expire at the end of this month. He stated that this is a routine item and it is staff's recommendation that Watermaster execute extension agreements for a period of one year. He noted that the cyclic storage agreement with MWD and Upper San Gabriel Valley Municipal Water District (USGVMWD) provides for maximum storage of 100,000 acre-feet of water, and the agreement with MWD and Three Valleys Municipal Water District (TVMWD) is for a maximum of 40,000 acre-feet.

Approval of MWD/USGVMWD/Watermaster agreement to store up to 100,000 AF – On motion made by Mr. Arrighi, seconded by Dr. Fellow, and unanimously carried, Watermaster authorized execution of the amendment extending the cyclic storage agreement with MWD/USGVMWD for one year, through June 30, 2014.

Approval of MWD/TVMWD/Watermaster agreement to store up to 40,000 AF - On motion made by Mr. Anderson, seconded by Mr. Rich, and unanimously carried, Watermaster authorized execution of the amendment extending the cyclic storage agreement with MWD/TVMWD for one year, through June 30, 2014.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

Mr. Trevino joined the meeting.

Mr. Michalko reported that the Basin Water Management Committee (BWMC) met on May 15, 2013 and discussed two items, neither of which requires Watermaster action today. He also reported that a Committee Report is included in the board packet for review should anyone be interested in the discussion items, in addition to two Committee Reports of the Basin Operation Management Ad Hoc Committee. The Ad Hoc Committee met on May 23, 2013 and May 29, 2013 to discuss Basin storage goals and alternatives.

Mr. Michalko then deferred to the Executive Officer for a presentation on Basin reliability and storage. Mr. Michalko noted that the information included in the presentation is a culmination of efforts made by Watermaster over the past few years to enhance the overall management of the Basin. For example, the revised Judgment and the revised Rules and Regulations allow Watermaster to seek alternative storage scenarios. The Executive Officer then presented the proposed scenarios in his presentation. At the conclusion of the presentation, Mr. Michalko noted that the Basin Operation Management Ad Hoc Committee would soon meet to discuss and implement the plan as set forth in the presentation.

In response to a request for comments or questions, Dr. Fellow stated that he is very happy with the information in the presentation, and understands the need for greater awareness and emergency preparation. Dr. Fellow noted that he would like to talk with the Executive Officer in more detail on this matter.

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 402.46 AF production right from Mary Kay Partridge (Dawes) to La Puente Valley County Water District for FY 2013-14
- b) Temporary assignment or lease of 25.38 AF production right from Carolyn Heinrich to San Gabriel Valley Water Company for FY 2012-13
- c) Temporary assignment or lease of 1,000 AF production right from SouthWest Water Company to Valley County Water District for FY 2012-13
- d) Temporary assignment or lease of 1,000 AF production right from Covina Irrigating Company to SouthWest Water Company for FY 2012-13
- e) Temporary assignment or lease of 300 AF production right from Azusa Valley Water Company to La Puente Valley County Water District for FY 2012-13
- f) Temporary assignment or lease of 300 AF production right from Azusa Valley Water Company to City of Industry Waterworks System for FY 2012-13

- g) Temporary assignment or lease of 8.46 AF production right from Susan Andrade to San Gabriel Valley Water Company for FY 2012-13
- h) Temporary assignment or lease of 2,150 AF production right from Hanson Aggregates West, Inc. to California Domestic Water Company for FY 2012-13
- i) Temporary assignment or lease of 1,000 AF production right from California Domestic Water Company to Sunny Slope Water Company for FY 2012-13
- j) Temporary assignment or lease of 3,000 AF production right from Co-Tenancy of Laurence R. Pellissier Irrevocable QTIP Trust, et al to Covina Irrigating Company for FY 2012-13
- k) Temporary assignment or lease of 500 AF production right from California Domestic Water Company to San Gabriel County Water District for FY 2012-13
- l) Temporary assignment or lease of 72.56 AF production right from Walter Green to California Domestic Water Company for FY 2012-13
- m) Temporary assignment or lease of 58.52 AF production right from Phillip G. and Sieglinde A. Tate to La Puente Valley County Water District for FY 2012-13
- n) Temporary assignment or lease of 1,100 AF production right from Workman Mill Investment Company to San Gabriel Valley Water Company for FY 2012-13
- o) Temporary assignment or lease of 380.5 AF production right from City of Irwindale to California Domestic Water Company for FY 2012-13
- p) Notice of Change of Designee for City of Whittier to David A. Pelser, Director of Public Works
- q) Notice of Change of Designee for City of South Pasadena to Paul Toor, Director of Public Works
- r) Letter dated 5/20/13 from the City of Azusa stating concerns relative to proposed charges from USGVMWD
- s) Letter dated 5/21/13 from the Puente Basin Water Agency relative to proposed charges from USGVMWD
- t) Letter dated 5/13/13 from California Domestic Water Company stating concerns relative to proposed charges from USGVMWD
- u) Letter dated 5/13/13 from Valencia Heights Water Company stating concerns relative to proposed charges from USGVMWD
- v) Letter dated 5/14/13 from Metropolitan Water District offering 176.57 AF integrated

production right for lease for FY 2012-13

- w) SGVMWD transmittal of monthly report for April 2013
- x) Various newspaper articles

ATTORNEY'S REPORT

The Attorney reported that efforts to establish a line of credit with Citizens Business Bank continue. Considerable progress has been made; however, a few issues remain that need to be resolved before the credit line can be established. The Attorney stated that he will be meeting later today with the Executive Officer to discuss the next step in the process, and hopes to have an agreement to present to Watermaster at the July meeting.

The Attorney also reported that staff is continuing to develop an e-mail list for electronic service of Watermaster correspondence to be filed with the Court. A court hearing is scheduled for June 21, 2013 for review and, hopefully, approval of the proposed electronic service list and procedures.

Lastly, the Attorney provided a brief update on issues that Watermaster staff is monitoring related to water supply in the Basin. He reported that Watermaster is going to file an amicus brief on June 10, 2013 relative to the United States Fish and Wildlife Service (FWS) Critical Habitat Designation for the Santa Ana Sucker. Watermaster has partnered with the Los Angeles County Department of Public Works (LADPW) on a coordinated approach to this matter, and the brief will be filed on behalf of both Watermaster and LADPW. Additionally, the Attorney noted that staff is working with LADPW to host an area tour for representatives of the FWS in order to better educate them on the areas that will be impacted by the designation.

ENGINEER'S REPORT

The Consulting Engineer commented briefly on the presentation given by the Executive Officer, and noted that there are two significant factors that trigger the implementation of the strategies described in the presentation. The first trigger is an interruption in water supply and the second is a drought. He noted that the Basin is experiencing drought conditions now and provided water supply data to support that statement.

The Consulting Engineer reported that, as of May 31, 2013, the Key Well elevation was 205.2 feet, reflecting a decrease of four feet since mid-April, which he noted is significant for this time of year. The current water supply conditions, especially groundwater supply and stormwater run-off, are very similar to those usually experienced in late summer. The Consulting Engineer stated that, should the current drought conditions continue, the Key Well may drop to levels near the historic low of 189.2 feet set in December of 2009.

The Consulting Engineer also reported on rainfall totals so far this year, stating that rainfall measured at Puddingstone Dam through the end of May is only approximately 44 percent of average, with Downtown Los Angeles measuring about 40 percent of average.

The Consulting Engineer noted that inflow into the San Gabriel Reservoir is very low, with only approximately 16,000 acre-feet of water in canyon storage. Conditions in the canyon are very dry.

Lastly, the Consulting Engineer reported that all five 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

A written copy of the Executive Officer's report on Outside Activities is included in the board packet.

REPORT FROM RESPONSIBLE AGENCIES

Dr. Fellow reported on behalf of USGVMWD. Dr. Fellow reported that the Board took three actions at the May 21, 2013 Board Meeting.

1. Approval to amend the professional services agreement with DRP Engineering, Inc. for part-time project engineering services for a total not-to-exceed amount of \$200,000 through May of 2015.
2. Approval to extend the contract with Willdan Financial Services to provide standby charge administration services for fiscal years 2013-14 through 2015-16 for a total not-to-exceed amount of \$56,000.
3. Approval of a ten percent salary increase for the General Manager effective July 1, 2013.

REPORT FROM OUTSIDE COMMITTEE LIASONS

Mr. Anderson, Mr. Arrighi, and Mr. Michalko submitted Outside Committee Reports that are included in the packet.

COMMENTS FROM WATERMASTER MEMBERS

Dr. Fellow stated that he is annoyed with both MWD and the Association of California Water Agencies for ignoring the issue of securing reliable groundwater sources, and thinks Watermaster and its member agencies need to band together as one voice on the matter.

Mr. Trevino commended the Executive Officer for addressing the need for reliable groundwater supplies. He stated that having all of the interested parties working together is a win-win, as we are all in this together.

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 (rescheduled due to quorum) on Wednesday, July 10, 2013, 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