

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, APRIL 3, 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, April 3, 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, Garry Hofer, Thomas Love, David Michalko, and Richard Rich

ABSENT: Anthony Fellow and Charles Trevino

(Dr. Fellow arrived later in the meeting.)

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Anthony Zampello, 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, Ken Herman, Kevin Hostert, Ben Lewis, Ken Manning, George Morrow, Lynda Noriega, Steve Patton, Lenet Pacheco, James Prior, Che Venegas and Ken Woods.

ADOPTION OF AGENDA

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

TIME RESERVED FOR PUBLIC COMMENT

Ms. Lenet Pacheco, President of the Board of Directors for Valley County Water District, introduced Mr. Ken Woods, newly elected Director to Valley County Water District. Chair Byerrum welcomed both to the meeting.

CONSENT CALENDAR

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

- a) Minutes of the Regular Meeting of Watermaster held March 6, 2013.
- b) Lists of Demands: Items 15787 through 15827 in the amount of \$321,782.94 on the Administrative Fund and Items 932 and 933 in the amount of \$97,720.86 on the Replacement Water Fund.
- c) Financial Statements, March 2013

PRELIMINARY DETERMINATION OF OPERATING SAFE YIELD FOR FY 2013-14 THROUGH 2017-18

Dr. Fellows joined the meeting.

The Consulting Engineer stated that, pursuant to Section 43 of Watermaster's 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 which Watermaster determines can be pumped from the Basin before Replacement Water must be purchased. He also briefly explained the method by which Watermaster determines the amount of water rights made available to Watermaster Producers each year.

The Consulting Engineer then reviewed current hydrologic conditions compared to conditions at this same time last year. He also reviewed water in storage, and other considerations in determining the OSY, and stated that a more detailed report will be provided at the May meeting. He pointed out that his recommendation takes into consideration the fact that local storage is less than last year, and also that the Key Level today is eighteen feet lower than this time last year. In April of 2012, the Key Well was at 228 feet, and today it is at approximately 210 feet. The Consulting Engineer pointed out the drop in levels results in about 150,000 acre-feet less water in the Basin compared to last year. By this fall, the Key Well may drop below the 200 foot level. He noted that the Basin currently has approximately 80,000 acre-feet of cyclic storage, and without that water the Key Well would already be at the 200 foot level.

The Consulting Engineer stated that the Basin has received rainfall that is considerably below average for this year. He also stated that local runoff is quite low for this time of year and imported water supplies are worse than last year and dropping. Finally, based on hydrology

and current conditions, the Consulting Engineer stated that the recommendation for the Preliminary Determination of the OSY is 180,000 acre-feet for 2013-14, 170,000 acre-feet for 2014-15, 170,000 acre-feet for 2015-16, 170,000 acre-feet for 2016-17, and 170,000 acre-feet for 2017-18. A hearing on the final determination of OSY will be held on May 1. In response to a question by Mr. Love, the Consulting Engineer confirmed that the amount of water in Cyclic Storage equates to approximately 10 feet in the basin. The Consulting Engineer distributed copies of a "Preliminary Determination of Operating Safe Yield" report for 2013, and stated that copies of the Preliminary Determination will be mailed to all Parties.

REPORT FROM ADMINISTRATIVE COMMITTEE

Mr. Arrighi reported that the Administrative Committee (Committee) met on March 20, 2013 and discussed several items, one of which requires Watermaster action today. Mr. Arrighi deferred to the Executive Officer for further detail on this item.

The Executive Officer reported that at the last Committee meeting, Watermaster staff presented proposed revisions to Administrative Policies included in the Employee Handbook. He noted that five policies required clarification relative to protocols and disciplinary actions and briefly reviewed each item as follows:

- i. Attendance and Punctuality – Corrective Action
- ii. Personal Appearance – Examples of Appropriate Dress
- iii. Probationary Period – Extended to 180 Days for New Hire
- iv. Sick Leave Benefits – Increments of 30 Minutes
- v. Vacation Leave Benefits – Clarification of Increments

Mr. Arrighi reported that the Committee recommendation is that Watermaster adopt the proposed Revised Administrative Policies as presented. On motion made by Mr. Arrighi, seconded by Mr. Michalko and unanimously carried, Watermaster adopted the proposed Revised Administrative Policies relating to Attendance and Punctuality, Personal Appearance, Probationary Period, Sick Leave Benefits, and Vacation Leave Benefits.

Lastly, Mr. Arrighi noted that a Committee Report is included in the board packet for review should anyone be interested in the other discussion items.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

Mr. Michalko reported that the Basin Water Management Committee (BWMC) met on March 13, 2013 and discussed several items, one of which requires Watermaster action today.

He stated that Watermaster currently has a contract with Weck Laboratories (Weck) to provide analytical testing and reporting services in support of Watermaster's Title 22 groundwater monitoring program. This contract has been in place since 2009 and the terms of the current contract end on June 30, 2013. Mr. Michalko stated that Weck has agreed to extend the contract for two additional years at the existing prices specified in the existing

contract. The BWMC recommendation is that Watermaster authorize a two-year extension of the current Weck contract.

On motion made by Mr. Michalko, seconded by Mr. Rich and unanimously carried, Watermaster authorized a two-year extension of the existing Title 22 Laboratory Contract with Weck Laboratories under the conditions and unit analytical prices as specified in the current contract.

Lastly, Mr. Michalko noted that the BWMC also established two Ad Hoc Committees relative to Basin Management Operations Planning and Database Development. He requested that anyone interested in serving on one of the committees to please contact the Executive Officer. A copy of the BWMC Report is included in the board packet for review should anyone be interested in the other discussion items.

REPORT FROM FINANCE COMMITTEE

Mr. Rich reported that the Finance Committee met on March 19, 2013 to review the Preliminary Draft Administration Budget and Assessment for Fiscal Year 2013-14. He noted that the Draft Budget is based on a \$15.00 per acre-foot assessment, which is a \$2.00 increase to the Fiscal Year 2012-13 Assessment of \$13.00 per acre-foot. Mr. Rich also reported that the Finance Committee will meet again on Monday, April 22, 2013 to discuss this item further and make a final recommendation to Watermaster for approval.

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 63.12 AF Production right and 105.78 AF Carryover right from Driftwood Dairy to Valley County Water District for FY 2012-13
- b) Notice of Change of Designee for Suburban Water Systems to Richard J. Rich
- c) Notice of Change of Designee for SouthWest Water Company to Michael Quinn
- d) SGVMWD transmittal of monthly report for February 2013
- e) Various newspaper articles

ATTORNEY'S REPORT

The Attorney reported that staff is continuing to develop an e-mail list for electronic service of Watermaster correspondence to be filed with the Court. He noted that a few members did not respond to the service request, and an additional few prefer to continue to receive hard copies of all Watermaster correspondence. The Attorney noted that staff is also working on a procedure to remove parties from the Watermaster service list when appropriate and will of

course be diligent in assuring that all parties receive due process. A court date is scheduled for June 21, 2013 for review and, hopefully, approval of the proposed electronic service procedures.

Additionally, the Attorney provided a brief update as to the United States Fish and Wildlife Service (FWS) Critical Habitat Designation for the Southwestern Willow Flycatcher (Flycatcher). He noted that the recent decision by the FWS was less than desirable as it may significantly affect water supply in the Basin. Watermaster staff continues to work with representatives of the Los Angeles County Department of Public Works (LADPW) and other interested parties on a coordinated approach to this decision. A meeting is scheduled for April 9, 2013 with LADPW to discuss this matter.

The Attorney also reported that Watermaster staff is monitoring a number of other issues related to water supply in the Basin. These include a proposal by the United States Department of Interior - National Park Service to designate a considerable portion of the San Gabriel Watershed and Mountains as a unit of the National Park System, and a critical habitat designation for the Santa Ana Sucker. He noted that such designations will likely result in restraints to water supply and significant costs to water producers in the Basin.

Lastly, the Attorney reported that efforts to establish a line of credit with Citizens Business Bank continue. He noted that this has been a time-consuming process; however, there are issues that must be worked out, such as how to address collateral. The Attorney noted that Watermaster is the first of its kind to seek such a line of credit with a bank. He will continue to report on this as more information becomes available.

ENGINEER'S REPORT

The Consulting Engineer reported that, as of March 22, 2013, the Key Well elevation was 210.5 feet. He also reported that all five landfills were inspected and found to be operating normally with no violations.

The Consulting Engineer also reported that after reviewing production for the first two quarters of this year, he expects total production for the year to mirror last year's total of 240,000 acre-feet.

EXECUTIVE OFFICER'S REPORT

The Executive Officer stated that a written copy of his report on Outside Activities is included in the board packet. He highlighted a few items from his written report, and noted that the San Gabriel Valley Water Association (SGVWA) continues to move forward on matters relating to the National Park System (NPS) designation to study the impacts on the watershed, water rights holders, and adjacent water facility operations. Watermaster staff participated in an NPS group meeting held on March 11, 2013, to review the proposed impacts to the area watershed, and coordinated a variety of presentations to outside agencies on this important matter.

Additionally, the Executive Officer reported that Upper San Gabriel Valley Municipal Water

District (USGVMWD) held a Joint Board Meeting on March 18, 2013 with the San Gabriel Basin Water Quality Authority, Three Valleys Municipal Water District, Metropolitan Water District, and San Gabriel Valley Municipal Water District. He noted that he attended the meeting and had the opportunity to present on various Watermaster activities. The Executive Officer noted that the meeting was well attended and productive.

The Executive Officer stated that bound hard copies of the recently revised Rules and Regulations are available for those who would like a set for their files. He also stated that he is proud to report that Ms. Wendy La, Staff Engineer, received an award from Senator Ed Hernandez's office. Ms. La was named a Woman of Achievement for Environmental Protection and Justice. Lastly, the Executive Officer reported that due to a last minute conflict, the Producers Meeting originally scheduled for Thursday, April 4, 2013 has been cancelled.

REPORT FROM RESPONSIBLE AGENCIES

Dr. Fellow reported on behalf of USGVMWD. He provided a written copy of his report and highlighted five of the six actions taken by the USGVMWD Board of Directors at its April 2, 2013 regular board meeting.

1. Approval of the Wireless Moisture Sensor Demonstration Project and authorized staff to execute an agreement with UgMO for a not-to-exceed amount of \$44,000.
2. Approval of amendments to Section 2.6.3 (e), as it relates to Director compensation and reimbursement, and Section 2.15.6 (a), as it relates to dental, optical, and hearing benefits.
3. Authorized the General Manager to execute a professional employment recruitment services agreement with RJA Management Services, Inc., for a not-to-exceed amount of \$64,000.
4. Adopted Resolution No. 4-13-527, a resolution initiating proceedings for the establishment of a Water Availability or Standby Charge for Fiscal Year 2013-14. USGVMWD also scheduled a public hearing on this matter for June 4, 2013, and instructed the General Manager to publish notice of the hearing as required by statute.
5. Received Phase 1 water transfer and storage agreement investigative work, authorized the General Manager to amend the professional services agreement with GEI Consultants, Inc. to maximize amount payable not-to-exceed \$120,000 and negotiate draft terms for a water transfer/storage agreement for consideration by the Board of Directors.

Mr. Love reported on behalf of San Gabriel Valley Municipal Water District (SGVMWD), and stated that he also attended the Joint Meeting at USGVMWD and said that it was a great event. He encouraged more communication and cooperation between the Board Members of the participating agencies. Mr. Love also reported that Shane Chapman, USGVMWD

General Manager, gave a presentation on USGVMWD's Integrated Resource Planning at a recent SGVMWD meeting. Lastly, Mr. Love reported that SGVMWD continues to move forward with its strategic planning process. In response to a question by Chair Byerrum, Mr. Love confirmed that the SGVMWD meetings are open to the public.

Mr. Bowcock, reporting on behalf of Three Valleys Municipal Water District (TVMWD), reported on the District's draft budget and stated that there may soon be a \$15 per acre-foot price differential between TVMWD treated water and water out of the F.E. Weymouth Treatment Plant.

REPORT FROM OUTSIDE COMMITTEE LIASONS

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

COMMENTS FROM WATERMASTER MEMBERS

Dr. Fellow referred to the Consulting Engineers report on current water supply conditions and suggested that Watermaster look at alerting the public about water conservation. A brief conversation followed relative to canyon storage and minimum pool. In response to a question by Chair Byerrum, the Consulting Engineer confirmed storage in the canyon reservoirs was above minimum pool earlier this year, but now water levels are among the lowest on record for this time of year.

Mr. Anderson reported that according to the Committee of Nine records, this is the fourth worst water year on record.

Mr. Arrighi and Chair Byerrum congratulated Ms. La on her award.

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, May 1, 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