

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, AUGUST 6, 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, August 6, 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

Mr. 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, Anthony Fellow, Craig Gott, Garry Hofer and Tom Love

ABSENT: David Michalko 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, Ed Chavez, Robert Hanford, Shawn Igoe, Claudine Meeker, George Morrow, Lynda Noriega, Steve Patton, Jeffrey Pellissier, Jim Prior, Tim Schaadt, Tom Tait, Mike Touhey and Reymundo Trejo.

ADOPTION OF AGENDA

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

- a) Minutes of a Regular Meeting of Watermaster held July 2, 2014.
- b) Lists of Demands: Items 16411 through 16445 in the amount of \$674,271.67 on the Administrative Fund and Item 955 in the amount of \$148,211.92 on the Replacement Water Fund.
- c) Financial Statements, July 2014.

AUTHORIZATION TO EXECUTE EXTENSION AGREEMENT FOR VALLEY COUNTY WATER DISTRICT CYCLIC STORAGE ACCOUNT

The Executive Officer reported that Valley County Water District submitted a request 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.

On motion made by Mr. Gott, seconded by Mr. Anderson, and unanimously carried, Watermaster authorized extending the terms of Valley County Water District's Individual Producer Cyclic Storage Agreement through August 2019.

REQUEST FROM AZUSA LIGHT AND WATER TO PURCHASE 4,500 AF WATER FROM SGVMWD FOR PRODUCER CYCLIC STORAGE

The Executive Officer stated that Azusa Light and Water has submitted a request to pre-purchase an additional 4,500 acre-feet of water from San Gabriel Valley Municipal Water District (SGVMWD) for its producer cyclic storage account.

On motion made by Chair Byerrum, seconded by Mr. Gott, and unanimously carried, with Mr. Anderson abstaining, Watermaster authorized the purchase of 4,500 acre-feet of cyclic storage water from SGVMWD, for Azusa Light and Water's individual producer cyclic storage account.

REQUEST FROM AZUSA LIGHT AND WATER TO PURCHASE 3,000 AF WATER FROM USGVMWD FOR PRODUCER CYCLIC STORAGE

The Executive Officer stated that Azusa Light and Water has submitted a request to pre-purchase an additional 3,000 acre-feet of water from Upper San Gabriel Valley Municipal Water District (UGVMWD) for its producer cyclic storage account.

On motion made by Chair Byerrum, seconded by Dr. Fellow, and unanimously carried, with Mr. Anderson abstaining, Watermaster authorized the purchase of 3,000 acre-feet of cyclic storage water from USGVMWD, for Azusa Light and Water's individual producer cyclic storage account.

REQUEST FROM CITY OF ARCADIA TO PURCHASE 2,676 AF WATER FROM USGVMWD FOR PRODUCER CYCLIC STORAGE

The Executive Officer stated that the City of Arcadia has submitted a request to pre-purchase an additional 2,676 acre-feet of water from USGVMWD for its producer cyclic storage account.

On motion made by Dr. Fellow, seconded by Mr. Anderson, and unanimously carried, Watermaster authorized the purchase of 2,676 acre-feet of cyclic storage water from USGVMWD, for the City of Arcadia's individual producer cyclic storage account.

REQUEST FROM CALIFORNIA AMERICAN WATER COMPANY TO PURCHASE 1,000 AF WATER FROM USGVMWD FOR PRODUCER CYCLIC STORAGE

The Executive Officer stated that California American Water Company has submitted a request to pre-purchase an additional 1,000 acre-feet of water from USGVMWD for its producer cyclic storage account.

On motion made by Mr. Gott, seconded by Mr. Arrighi, and unanimously carried, with Mr. Hofer abstaining, Watermaster authorized the purchase of 1,000 acre-feet of cyclic storage water from USGVMWD, for California American Water Company's individual producer cyclic storage account.

REPORT FROM ADMINISTRATIVE COMMITTEE

Mr. Arrighi referred to a written Committee report included in the board packet. He reported that the Administrative Committee (Committee) met on July 16, 2014, and discussed one item that requires Watermaster action at this time.

Recommendation to Adopt 2014 Watermaster Employee Handbook – The Executive Officer reported that staff has been working with the Committee to revise the Employee Handbook to comply with changes in State and Federal Labor Laws for quite some time now. He noted that two primary revisions have taken place since the Committee's last review. The first revision is the addition of the Employee Assistance Program, and the second is related to the Tuition Reimbursement Program. Upon approval of these revisions, the updated handbook will be distributed to staff.

On motion made by Mr. Arrighi, seconded by Dr. Fellow, and unanimously carried, Watermaster adopted the revised Watermaster Employee Handbook.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

The Executive Officer referred to a written Committee report included in the board packet. He reported that the Basin Water Management Committee (BWMC) met on July 9, 2014, and discussed two items, one of which requires Watermaster action at this time.

Recommendation to Approve Contract Extension with McCall's Meters Inc. – The Executive Officer stated that, for several years, Watermaster has contracted with McCall's Meter Inc. (McCall's) for meter testing. The current contract between Watermaster and McCall's expired on June 30, 2014. He noted that McCall's has provided Watermaster with a proposal to extend the contract for two-years at a cost of \$215 per meter, which is an increase of \$10 per meter. As noted in the Committee report, the increase is due to increased fuel and insurance costs. Additionally, the Executive Officer noted that Stetson Engineers has reported that McCall's is doing a good job overall. Taking all of this under consideration, the Committee recommends that Watermaster authorize a two-year contract extension to McCall's current contract as proposed.

On motion made by Mr. Arrighi, seconded by Mr. Gott, and unanimously carried, Watermaster approved a two-year contract extension with McCall's Meters Inc., at a cost of \$215 per meter. The contract is hereby extended to June 30, 2016.

ATTORNEY'S REPORT

The Attorney reported that discussions continue with the proponents of legislation relating to the Wild and Scenic River Designation and the proposed Wilderness Designation. He noted that protection of water rights remains a key concern, and similar protections are under review for each of the proposed designations.

The Attorney also reported on substantive groundwater legislation underway as a result of Governor Brown's Drought Declaration (AB 1739 – Dickinson and SB 1168 - Pavley). He is working with the Executive Officer to prepare comments on the proposed legislation, especially as it relates to adjudicated basins and the continuing jurisdiction of the Superior Court.

The Attorney then provided a review of potential legal challenges that may occur as a result of such legislation. Lastly, a discussion followed amongst the Watermaster members, and both the Attorney and the Executive Officer assured all that they will continue to remain involved in activities relating to these designations and groundwater legislation.

ENGINEER'S REPORT

The Consulting Engineer provided a report on current water supply conditions, and stated that, as of August 1, 2014, the Key Well elevation was 185.5 feet, reflecting .4 foot decrease in elevation from the prior week. He stated that this is a new Historic Low for the Basin. 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 July 31, 2014, at both the Los Angeles Civic Center and at the Puddingstone Dam is 0 inches. Last year, rainfall totals for July 1, 2013 through July 31, 2013, were 0 inches and 0.09 inches respectively. Additionally, the Consulting Engineer provided the rainfall totals from the rainstorm on August 3, 2014, and noted that the rain was very sporadic and did not result in any significant stormwater capture.

The Consulting Engineer also reported that inflow into the San Gabriel Reservoir is 3 cubic feet per second (cfs). Total canyon storage is currently at 14,558 acre-feet. The Consulting Engineer also reported that all four landfills were inspected and found to be operating normally with no violations. Lastly, 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 also reported that Vulcan Materials recently contacted staff to report low water levels in its wells. A discussion was held relative to efforts to secure water deliveries to the Canyon Basin, and the Executive Officer thanked everyone involved for working together on this matter.

Additionally, the Executive Officer stated that he met earlier today with Mr. Richard Hansen, General Manager of Three Valleys Municipal Water District, to discuss Watermaster's Three-Year Purchase Water Plan and Metropolitan Water District (MWD) drought allocations. He noted that both he and Mr. Hansen will be attending a meeting on MWD issues next month.

Lastly, the Executive Officer reported that the Emergency Supply Ad Hoc Committee tasked with assisting the agencies that will be most impacted by the low water levels, met in July and developed a set of goals and objectives and reviewed a system interconnection map.

REPORT FROM RESPONSIBLE AGENCIES

Dr. Fellow, reporting on behalf of USGVMWD, referred to a written report provided to Watermaster. He noted that the USGVMWD Board of Directors took action on two items at its August 5, 2014, regular meeting. The Board of Directors authorized a Cost of Living Adjustment to salaries and wages in the amount of 1.40 percent, effective July 1, 2014, and adopted the Investment Policy in its current form.

REPORT FROM OUTSIDE COMMITTEE LIAISONS

No reports were offered.

INFORMATION ITEMS

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

- a) Temporary transfer or lease of 800 AF Production Right from Covina Irrigating Company to Canyon Water Company for FY 2013-14
- b) Temporary transfer or lease of 440 AF Production Right from City of El Monte to San Gabriel Valley Water Company for FY 2013-14
- c) Temporary transfer or lease of 30 AF Production Right from Adams Ranch Mutual Water Company to California Domestic Water Company for FY 2013-14
- d) Temporary transfer or lease of 615 AF Production Right from Co-Tenancy of Laurence R. Pellissier Irrevocable QTIP Trust, et al to Sunny Slope Water Company for FY 2013-14
- e) Temporary transfer or lease of 2,600 AF Production Right from Covina Irrigating Company to California Domestic Water Company for FY 2014-15
- f) Temporary transfer or lease of 1,000 AF Carry-over Right from Canyon Water Company to California Domestic Water Company for FY 2014-15
- g) Notice of Change of Designee from MillerCoors, LLC to Donell Hicks
- h) 2014 San Gabriel Valley Water Forum Information
- i) Transmittal of SGVMWD monthly report for June 2014
- j) Various newspaper articles

COMMENTS FROM WATERMASTER MEMBERS

Dr. Fellow reported that the City Council for the City of Arcadia has requested that Watermaster engage and work with local cities to implement mandatory reductions. The Executive Officer indicated that, as part of Watermaster's joint outreach efforts with the San Gabriel Valley Water Association (SGVWA), staff is developing a program to compare the Key Well level rate of decline to the same time last year to indicate how Basin producers have reduced their usage. The resulting data will then be graded with either a Pass or Fail depending on whether the Key Well level rate of decline was greater or less than last year. He noted that once the SGVWA posts the program on its website, other agencies and cities can copy and paste the program widget onto their own websites.

FUTURE AGENDA ITEMS

- a) Public Hearing regarding Request to Waive Assessments on Water Discharged from San Gabriel Valley Water Company's Plant B6 Water Treatment Facility.

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, September 3, 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