

**MINUTES OF AN ANNUAL HEARING ON  
DETERMINATION OF OPERATING SAFE YIELD  
AND REGULAR MEETING OF  
THE MAIN SAN GABRIEL BASIN WATERMASTER  
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA  
HELD WEDNESDAY, MAY 14, 2014 AT 2:30 O'CLOCK P.M.**

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The annual hearing on determination of Operating Safe Yield and 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, May 14, 2014, 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, James Byerrum, Anthony Fellow, Craig Gott, Garry Hofer, David Michalko and Charles Trevino

**ABSENT:** Tom Love

(Mr. Love arrived later in the meeting.)

**STAFF AND OTHERS PRESENT**

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

Others present included: Dennis Ahlen, Brian Bowcock, Barbara Carrera, Dan Colby, Tom Coleman, Ken Deck, Greg Galindo, Edward Gharavi, Robert Hanford, Don Hicks, Dan Horan, Shawn Igoe, Victor Jimenez, Lynda Noriega, Steve Patton, Jeff Pellissier, Henri Pellissier, Jim Prior, Timothy Schaadt, Ken Tchong, Anteneh Tesfaye and Reymundo Trejo.

**ADOPTION OF AGENDA**

The Chair requested that the agenda be re-ordered to move Item No. 14, the presentation to Mr. Henri Pellissier, to the first action item. On motion made by Mr. Michalko, seconded by Mr. Arrighi and unanimously carried, the agenda was re-ordered and subsequently adopted.

**ADOPTION OF RESOLUTION OF APPRECIATION COMMEMORATING  
OUTSTANDING SERVICE AND LEADERSHIP OF HENRI PELLISSIER (Resolution No.  
05-14-266)**

Resolution No. 05-14-266 – The Executive Officer stated that a resolution of appreciation has been prepared commemorating the service of Mr. Henri Pellissier. He then read Resolution No. 05-14-266 expressing appreciation and commemorating the outstanding service of Mr. Henri Pellissier for the Producers of the San Gabriel Valley and Watermaster. The Executive Officer added that Mr. Pellissier is a man of integrity, and is the last active Producer in the original adjudication.

Mr. Pellissier stated that he and his wife are moving to Davis, California. He has lived his entire life in the San Gabriel Valley, and has been married for 63 years. The couple has seven children.

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

**RESOLUTION NO. 05-14-266**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER EXPRESSING APPRECIATION,  
COMMEMORATING AND INVITING  
PUBLIC ATTENTION TO THE OUTSTANDING SERVICES  
RENDERED BY HENRI PELLISSIER  
FOR THE PRODUCERS OF THE SAN GABRIEL VALLEY AND WATERMASTER  
(see next page)**



**PUBLIC HEARING ON OPERATING SAFE YIELD FOR FY 2014-15 THROUGH 2018-19**

The Chair stated that this was the time and place fixed and noticed for a public hearing to be conducted by the Main San Gabriel Basin Watermaster in accordance with the provisions of Section 43 of the amended Judgment entered in the action, "Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al.," regarding the determination of the Operating Safe Yield for the Main San Gabriel Basin for fiscal years 2014-15 through 2018-19. The Vice-Chair also noted that copies of Watermaster's report on the preliminary determination of the Operating Safe Yield (OSY) had been mailed to all parties on April 11, 2014.

The Executive Officer stated that staff has not received any comments relative to the OSY since the April meeting. The Consulting Engineer then provided a brief update and summary of his recommendation in establishing the OSY. He noted that the Preliminary Recommendation was to set the OSY at 150,000 acre-feet. The Consulting Engineer also referred to his detailed report presented at the April 2, 2014, Watermaster meeting, and provided a brief update on the water supply conditions in the Basin.

The Consulting Engineer stated that the Baldwin Park Key Well water level was at 192.1 feet as of May 2, 2014. The Consulting Engineer stated that levels are expected to continually decline into the summer's high water demands.

Additionally, the Consulting Engineer provided a brief hydrologic update and noted that rainfall in the Los Angeles area and across the Basin, as of April 2014, was at approximately 30-40 percent of average. Also, although the State Water Project Allocation has been raised from 0 to 5 percent, imported water supplies continue to be impacted.

After consideration of all relevant information, the Consulting Engineer stated that these factors serve as justification to set the OSY at 150,000 acre-feet for Fiscal Year (FY) 2014-15. He is firm on his preliminary recommendation of 150,000 acre-feet for FY 2014-15, and 150,000 acre-feet for the subsequent four years. The Consulting Engineer noted that, should there be subsequent dry years; the Engineer's Recommendation for next year will likely be lower.

The Chair then opened the Public Hearing and asked if there were any comments to come before Watermaster on this matter. Ms. Lynda Noriega encouraged the Board to consider setting the OSY at 165,000 acre-feet for the coming year for smoother transitioning from the current OSY down to a lower OSY. Mr. Greg Galindo stated that Watermaster needs to consider the fact that water is not getting any cheaper, and he supports the recommendation of 150,000 acre-feet. Mr. Ken Tchong echoed Ms. Noriega's comments and recommended a more transitional reduction.

In response to a question from Mr. Love, the Consulting Engineer reported that from year to year, the typical range is 10-20,000 acre-feet above or below the prior year. Dr. Fellow stated that financial impacts are burdensome for most cities; therefore, he recommends that area City Managers work together to consider joint public messaging. Mr. Trevino stated that he

would rather see incremental transitions and made a motion that the OSY be set at 160,000 AF for fiscal years 2014-15 through 2018-19. Without a second, the motion failed.

Mr. Love made a motion to accept the Engineer's recommendation of 150,000 acre-feet for the upcoming five years. Mr. Arrighi suggested that the Board consider adopting 150,000 acre-feet for the 2014-15 year and setting the remaining four years, through 2018-19 at 130,000 acre-feet.

Before closing the Public Hearing, the Chair stated that Producer's need to plan and budget for the likelihood that water levels will not improve next year. He thanked the Consulting Engineer for his report and declared the Public Hearing closed. He resumed the regular meeting.

### **ADOPTION OF OPERATING SAFE YIELD**

The Chair then asked for comments from Watermaster members.

In response to a question from Mr. Love, the Consulting Engineer reported that from year to year, the typical range is 10-20,000 acre-feet above or below the prior year. Dr. Fellow stated that financial impacts are burdensome for most cities; therefore, he recommends that area City Managers work together to consider joint public messaging. Mr. Trevino stated that he would rather see incremental transitions and made a motion that the OSY be set at 160,000 acre-feet for fiscal years 2014-15 through 2018-19. Without a second, the motion failed.

Mr. Love made a motion to accept the Engineer's recommendation of 150,000 acre-feet for the upcoming five years. Mr. Arrighi suggested that the Board consider adopting 150,000 acre-feet for the 2014-15 year and setting the remaining four years, through 2018-19 at 130,000 acre-feet.

With no further discussion, on motion made by Mr. Love, seconded by Mr. Arrighi and unanimously carried, the following resolution was then read, adopted and passed as read:

### **RESOLUTION NO. 05-14-261**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER DETERMINING OPERATING SAFE YIELD FOR  
SAID BASIN FOR FISCAL YEAR 2014-15 THROUGH 2018-19  
(see next page)**



(Mr. Byerrum left the meeting, Mr. Michalko presided as Vice-Chair.)

## **TIME RESERVED FOR PUBLIC COMMENT**

No comments were offered.

## **CONSENT CALENDAR**

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

- a) Minutes of the Regular Meeting of Watermaster held April 2, 2014.
- b) Lists of Demands: Items 16298 through 16335 in the amount of \$349,105.39 on the Administrative Fund and Item 952 in the amount of \$1,937,177.15 on the Replacement Water Fund.
- c) Financial Statements, April 2014

## **WATER QUALITY MANAGEMENT ACTIVITIES**

Section 28 Application for Water Treatment Facility, City of El Monte Well No. 3 – The Consulting Engineer reported that the City of El Monte (City) has submitted an application for a Water Treatment Facility for its Well No. 3. A detailed staff report is included in the board packet for this item. The Consulting Engineer stated that, over time, the City has voluntarily taken a number of its wells out of service due to Nitrate and Perchloroethylene (PCE) concentrations approaching or exceeding the maximum contaminant level (MCL). As a result, the City reduced its production capacity significantly. He provided a brief review of efforts taken by the City over the years to improve treatment and production at its wells, and stated that the proposed Water Treatment Facility will considerably improve operations overall for the City. The Consulting Engineer recommends approval of the City's application for construction of a new Water Treatment Facility, subject to the conditions stated in the staff report. He specifically noted requirements set forth by the United States Environmental Protection Agency that must be followed.

On motion made Mr. Dr. Fellow, seconded by Mr. Anderson, and unanimously carried, Watermaster approved the City of El Monte's application for a Water Treatment Facility, subject to the conditions stated in the staff report.

## **AUTHORIZATION TO DELIVER SUPPLEMENTAL WATER SUPPLIES – POTENTIAL DELIVERY OF COLORADO RIVER WATER**

The Executive Officer reported that this item was previously discussed at the April 2, 2014 meeting, and requires action by Watermaster at this time. He noted that, currently, the State Water Project (SWP) allocation remains at zero percent of requested deliveries; therefore, seeking alternate sources of supplemental supply for the Producers in the Main Basin is of the utmost importance.

The Executive Officer referred to a detailed written report included in the board packet, and stated that a number of Producers have requested water deliveries for their Cyclic Storage accounts. As stated in the report, since SWP water is not available for delivery, the Metropolitan Water District (MWD) is considering delivery of Colorado River Water (CRW) as Supplemental Water after September 1, 2014. The Executive Officer briefly reviewed concerns relative to the Quagga Mussels and the water quality of the CRW; however, he noted that there are conveyance controls in place to mitigate these concerns. A discussion followed, with clarifications provided by the Executive Officer and the Attorney relative to delivery methods and water quality concerns.

The Executive Officer noted that staff is requesting authorization of delivery of Colorado River Water for Supplemental Water to the Main Basin for Replacement Water and/or Cyclic Storage deliveries only through September 30, 2014. After that time, Watermaster will reevaluate the need for additional Supplemental Water, and will provide requests for additional authorizations to Watermaster as needed.

Following discussion, on motion made by Mr. Arrighi, seconded by Dr. Fellows and unanimously carried, Watermaster authorized the Executive Officer to request delivery of Colorado River Water from MWD for Supplemental Water to the Main Basin through September 30, 2014.

(Mr. Love left the meeting.)

## **REPORT FROM ADMINISTRATIVE COMMITTEE**

As previously reported by Mr. Arrighi at the April 2, 2014 meeting, the Administrative Committee met on March 19, 2014 and discussed several items, two of which were introduced at the April 2, 2014 meeting for review and discussion, and are presented today for final action by Watermaster.

Adoption of In-Lieu Assessment of \$2.05/AF on FY 2013-14 Production (Resolution No. 05-14-262) – Mr. Arrighi reported that the In-Lieu Assessment provides funding for Watermaster's share of the Cooperative Water Exchange Agreement (Alhambra Exchange). The Administrative Committee recommended adoption of an In-Lieu Assessment on FY 2013-14 Production of \$2.05 acre-feet.

On motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, it was

**RESOLVED:** That the In-Lieu Assessment for production from the Basin during fiscal year 2013-14 be established at \$2.05 per acre-foot to pay for costs associated with the Cooperative Water Exchange Agreement.

On motion duly made, seconded, and unanimously carried, the following resolution was then read, adopted and passed as read:



**RESOLUTION NO. 05-14-262**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER FIXING, ESTABLISHING, AND LEVYING  
AN IN-LIEU ASSESSMENT ON ALL PRODUCTION FROM  
THE BASIN DURING FISCAL YEAR 2014-15  
(see next page)**



Adoption of Water Resource Development Assessment (RDA) of \$20.00 AF on All FY 2014-15 Production (Resolution No. 05-14-263) – Mr. Arrighi deferred his report on this item to the Executive Officer. The Executive Officer provided a brief review of the RDA, including background, methodology, and the intent to increase water reliability through the use of the assessment. Mr. Michalko stated that he believes that the RDA is a very important assessment.

On motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, it was

**RESOLVED:** That the Water Resource Development Assessment on all fiscal year 2014-15 production be established at \$20.00 per acre-foot.

On motion duly made, seconded, and unanimously carried, the following resolution was then read, adopted and passed as read:

**RESOLUTION NO. 05-14-263**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER FIXING, ESTABLISHING, AND LEVYING  
THE WATER RESOURCE DEVELOPMENT ASSESSMENT  
FOR FISCAL YEAR 2014-15 ON ALL PRODUCTION  
FROM THE MAIN SAN GABRIEL BASIN  
(see next page)**



**REPORT FROM FINANCE COMMITTEE**

As previously reported by Mr. Gott at the April 2, 2014 meeting, the Finance Committee met on March 27, 2014, and reviewed the Draft FY 2014-15 Administration Budget and Assessment which were introduced at the April 2, 2014 meeting for review and discussion, and are presented today for final action by Watermaster.

Adoption of Administration Budget for FY 2014-15 in the Amount of \$4,5571,298 and Administration Assessment on FY 2013-14 production in the Amount of \$15 per acre-foot (Resolution No. 05-14-264) – Mr. Gott stated that no changes had been requested on the preliminary draft Administration Budget presented at the April meeting; therefore, the Finance Committee recommended adoption of the draft FY 2014-15 Administration Budget, including the Administration Assessment of \$15.00 per acre-foot of production during FY 2013-14.

On motion made by Mr. Gott, seconded by Mr. Arrighi, and unanimously carried, it was

**RESOLVED:** That Watermaster adopt the draft Administration Budget for fiscal year 2014-15 as presented in the amount of \$4,571,298 and levy an Administrative Assessment of \$15.00 per acre-foot on all water produced from the Basin during fiscal year 2013-14.

On motion duly made, seconded, and unanimously carried, the following resolution was then read, adopted and passed as read:

**RESOLUTION NO. 05-14-264**

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN  
WATERMASTER ADOPTING ITS ADMINISTRATION BUDGET  
FOR FISCAL YEAR 2014-15 AND FIXING, ESTABLISHING,  
AND LEVYING THE ADMINISTRATION ASSESSMENT FOR ALL  
PRODUCTION FROM THE BASIN  
DURING FISCAL YEAR 2013-14  
(see next page)**



Adoption of Replacement Water Assessment on FY 2013-14 Overproduction (Resolution No. 05-14-265) – Additionally, Mr. Gott reported that the Finance Committee has reviewed and discussed in detail the Replacement Water Assessments for FY 2013-14 Overproduction.

Mr. Gott reported that the recommended assessments are as follows: for overproduction within the San Gabriel Valley Municipal Water District boundary, the rate for FY 2013-14 will be \$230.00 per acre-foot and for FY 2014-15, the rate will also be \$230.00 per acre-foot; for overproduction within Three Valleys Municipal Water District's boundary, the rate for FY 2013-14 will be \$700.00 per acre-foot and for FY 2014-15, the rate will also be \$700.00 per acre-foot; and for overproduction with the Upper San Gabriel Valley Municipal Water District boundary, the rate for FY 2013-14 will be \$773.00 per acre-foot and for FY 2014-15, the rate will also be \$773.00 per acre-foot.

On motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, it was

**RESOLVED:** That Watermaster set the Replacement Water Assessment for FY 2013-14 and FY 2014-15 excess production within SGVMWD at \$230.00 and \$230.00 per acre-foot respectively; at \$700.00 and \$700.00 per acre-foot respectively for excess production within TVMWD; and at \$773.00 and \$773.00 per acre-foot respectively for excess production within USGVMWD.

On motion duly made, seconded, and unanimously carried, the following resolution was then read, adopted and passed as read:

#### **RESOLUTION NO. 05-14-265**

**A RESOLUTION OF THE  
MAIN SAN GABRIEL BASIN WATERMASTER  
RESCINDING RESOLUTION 05-13-255 AND  
FIXING, ESTABLISHING, AND LEVYING THE RATES  
OF REPLACEMENT WATER ASSESSMENTS FOR FISCAL YEAR 2013-14  
EXCESS PRODUCTION FROM THE BASIN AND PROJECTING  
THE REPLACEMENT WATER ASSESSMENT FOR EXCESS PRODUCTION  
(see next page)**

## **CONSIDERATION OF SUPPORT FOR THE PROPOSED SAN GABRIEL NATIONAL RECREATION AREA**

The Executive Officer provided a brief update on Watermaster staff's involvement in efforts related to proposed legislation to create the San Gabriel National Recreation (NRA). The Attorney provided a detailed explanation of the legislation, including the potential impacts such legislation may have on water supply conditions in the Main Basin. The Attorney noted that Watermaster has provided comments to the language in the proposed legislation, and a copy of the comment letter is included in the board packet for review. The Executive Officer stated that staff requests that Watermaster consider submitting a letter in support of the proposed San Gabriel National Recreation Area.

On motion made by Mr. Arrighi, seconded by Dr. Fellow, and unanimously carried, Watermaster authorized the Executive Officer to submit a letter of support of the proposed San Gabriel National Recreation Area.

## **GOVERNMENTAL EXECUTIVE RETIREMENT PLAN AMENDMENTS**

Adopt First Amendment to Executive Retirement Plan – Following a brief review by the Executive Officer of the proposed plan, on motion made by Mr. Arrighi, seconded by Mr. Anderson, and unanimously carried, Watermaster adopted the First Amendment Retirement Plan as presented.

Adoption of Resolution No. 05-14-267 Approving Contribution – Following the above said action, on motion made by Dr. Fellow, seconded by Mr. Hofer, and unanimously carried, it was

**RESOLVED:** That Watermaster shall make contributions to the Executive Retirement Plan as presented.

On motion duly made, seconded, and unanimously carried, the following resolution was then read, adopted and passed as read:

### **RESOLUTION NO. 05-14-267**

**A RESOLUTION OF THE  
MAIN SAN GABRIEL BASIN WATERMASTER  
APPROVING AND ADOPTING  
THE GOVERNMENTAL EXECUTIVE RETIREMENT PLAN  
(see next page)**





## **ATTORNEY'S REPORT**

The Attorney reported that Watermaster is not allowed to hire a registered lobbyist. With so much legislative activity going on, he encouraged the Producers with the ability to work with their lobbyists to do so in order to keep and maintain local control.

## **ENGINEER'S REPORT**

The Consulting Engineer referred to a written report included in the board packet.

## **EXECUTIVE OFFICER'S REPORT**

The Executive Officer reported that a written copy of his report on Outside Activities is included in the board packet.

## **REPORT FROM RESPONSIBLE AGENCIES**

Dr. Fellow, reporting on behalf of USGVMWD, referred to a written report provided to Watermaster. He also reported on USGVMWD's support of a project in the City of Duarte.

Mr. Brian Bowcock recommended participation in the Diamond Valley Tour on June 6, 2014, offered by the Southern California Water Utilities Association. On a personal note, Mr. Bowcock also reported that he is now a Great Grandfather to a new baby girl.

## **REPORT FROM OUTSIDE COMMITTEE LIAISONS**

Mr. Arrighi referred to a written report provided 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 lease of 37.98 AF Production right from Ruth Elaine Ailor Garnier Trust to Suburban Water Systems for FY 2013-14
- b) Temporary assignment or lease of 15.21 AF Production right from the Bandel Family Trust to Suburban Water Systems for FY 2013-14
- c) Temporary assignment or lease of 2,000 AF Production right from Hanson Aggregates West Inc. to California Domestic Water Company for FY 2013-14
- d) Permanent transfer of 203.12 AF Diversion Component of Integrated Production Right from Aqua Capital Management LP to California Domestic Water Company for FY 2013-14
- e) Permanent transfer of 1,074.60 Prescriptive Pumping Right from Aqua Capital

Management LP to California Domestic Water Company for FY 2013-14

- f) San Gabriel Valley Water Association Comment Letter on the San Gabriel National Recreation Area Dated April 29, 2014
- g) Letter from San Gabriel Valley Municipal Water District dated March 4, 2014, regarding Joint Connections and Water Exchange between SGVMWD-MWD
- h) Letter from Three Valleys Municipal Water District dated April 17, 2014, regarding Replenishment Rate for CY 2015
- i) Notice of Change of Designee for Southern California Edison Company to Maria Parcell
- j) Transmittal of SGVMWD monthly report for March 2014
- k) Various newspaper articles

#### **COMMENTS FROM WATERMASTER MEMBERS**

Dr. Anthony Fellow wished Jim Byerrum a Happy Birthday. Mr. Dan Arrighi thanked Mr. Pellissier for years of mentoring. Lastly, Mr. David Michalko thanked everyone for participating in today's meeting.

#### **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, June 4, 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