

**MINUTES OF A PUBLIC HEARING AND REGULAR MEETING OF  
THE MAIN SAN GABRIEL BASIN WATERMASTER  
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA  
HELD WEDNESDAY, JANUARY 6, 2010 AT 2:30 O'CLOCK P.M**

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A public hearing 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, January 6, 2010 at the hour of 2:30 p.m.

**CALL TO ORDER**

James Byerrum, Chairman, called the meeting to order and presided thereover.

**ROLL CALL OF WATERMASTER MEMBERS**

The following members of Watermaster were present on roll call:

**PRESENT:** Dan Arrighi, James Byerrum, Robert W. Bowcock, Ed Chavez, Al Contreras, Thomas Love, Pat Malloy, Michael Quinn and Charles E. Shaw.

**ABSENT:** None

**STAFF AND OTHERS PRESENT**

Staff present at the meeting included: Carol Williams, Executive Officer; Fred Fudacz, Attorney; Stephen Johnson, Consulting Engineer; Tony Zampielo, Assistant Executive Officer; Donna DiLaura, Administrative Coordinator; and Wendy La, Staff Engineer.

Others present included: Brian Bowcock, Todd Brown, Mark Carney, Barbara Carrera, Ted Carrera, Jon Contreras, Ken Deck, Brian Dickinson, Rick Hansen, Ken Herman, Dave Johnson, Marianna Lake, Ben Lewis, Tom Lindros, Dave Michalko, Martin Ray, Richard Rich and Tom Tait.

**ELECTION OF OFFICERS**

The Chairman stated that it would be in order to elect the officers of Watermaster for calendar year 2010. The Attorney then opened nominations for Board Chairman and the remaining officers.

Mr. Bowcock presented a slate of officers for calendar year 2010, consisting of: Jim Byerrum, Chairman; Pat Malloy, Vice-Chairman; Dan Arrighi, Secretary; and Charles E. Shaw, Treasurer. There being no further nominations, a unanimous ballot was cast for Watermaster's 2010 officers.

In regard to Watermaster members, the Attorney reported that the court confirmed all Producer and Public members to Watermaster on December 23, 2009.

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

The Chairman 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. 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 9, 2009. He stated that he would give a brief overview of the draft Five-Year Quality and Supply Plan, since a more thorough report had been given at the November 4, 2009 Watermaster meeting.

The Consulting Engineer reported that the draft Five-Year Water Quality and Supply 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 received one set of comments from San Gabriel Valley Water Company to the draft Plan. The comments referred primarily to updates to the operating status and well designations of wells in San Gabriel Valley Water Company's service area.

The Chairman then opened the Public Hearing for public comment and, there being none, he declared the public hearing closed. On motion made by Mr. Shaw, seconded by Mr. Malloy, and unanimously carried, Watermaster adopted the Five-Year Water Quality and Supply Plan with changes as noted.

## **ADOPTION OF AGENDA**

The Chairman then asked if there were any changes to be made to the agenda. On motion made by Mr. Arrighi, seconded by Mr. Contreras, 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. Bowcock, and unanimously carried, the following items were approved:

- a) Minutes of a Regular Meeting of Watermaster held December 9, 2009.
- b) Lists of Demands: Items 14187 through 14234 in the amount of \$458,116.75 on the Administrative Fund, and Item 868 in the amount of \$65,830.88 on the Replacement Water Fund.
- c) Financial Statements, December 2009

## **AUTHORIZATION TO AWARD CONTRACT FOR BPOU GROUNDWATER MONITORING SERVICES TO BLAINE TECH SERVICES, INC.**

The Executive Officer reported that Watermaster, as project administrator for the Baldwin Park Operable Unit Project, is responsible for maintaining project accounting, and performing project monitoring and reporting activities on behalf of the Cooperating Respondents (CRs) – the Responsible Parties who are party to the agreement – as required by USEPA. As noted in the Staff Report, Watermaster’s role as project administrator also includes employing various consultants who provide services for the project, such as the Project Manager, the Cost Consultant and the Risk Manager.

The Executive Officer stated that under the BPOU Project Agreement, Watermaster is charged with administering the Performance Standards Evaluation Plan (“PSEP”) work. She explained that PSEP is a USEPA-required groundwater monitoring program designed to assist in evaluating the effectiveness of the BPOU remedy. Since the inception of the Agreement in 2002, Stetson Engineers has performed PSEP monitoring on behalf of Watermaster. For 2010, however, in a continued effort to manage project costs, the BPOU parties have agreed to award the contract for PSEP work on a competitive bid basis. The Scope of Work for this task has also been reduced significantly with USEPA approval.

The Executive Officer reported that Watermaster staff solicited bids from several pre-qualified firms. The low responsive bidder was Blaine Tech services, Inc. She stated that staff has checked the contractor’s references and in concurrence with CR representatives, recommends that Watermaster award the 2010 PSEP contract to the low bidder. All costs incurred pursuant to this contract will be fully reimbursed by the CRs; there is no net cost to Watermaster to administer this contract.

On a motion made by Mr. Conteras, seconded by Mr. Love, and unanimously carried, Watermaster approved award of the contract for BPOU Project Groundwater Monitoring to Blaine Tech Services, Inc., and authorized the Executive Officer to execute the contract, subject to the Attorney’s approval of an acceptable contract.

In response to questions by Mr. Contreras and Mr. Love, the Executive Officer stated that the estimated amount of the contract is \$65,000 and that Blaine Tech Services, Inc. is experienced and well regarded in the industry.

## **WATER QUALITY MANAGEMENT ACTIVITIES**

The Consulting Engineer reported that Golden State Water Company (GSWC) has submitted an application for destruction of Earle Well No. 1, located near the intersection of Garvey Avenue and Earle Avenue in the City of Rosemead, near the Garvey Plant site. He noted that by submitting the application, GSWC has met a requirement set forth by Watermaster in March 2009 relative to the approval of GSWC’s application to drill new Garvey Well No. 3, and to construct a Water Treatment Facility at its Garvey Plant site. He also noted that the well was originally slated for destruction and then allowed to remain as a monitoring well; however, the well is no longer needed in that capacity.

The Consulting Engineer stated that Earle Well No. 1 was drilled in 1935 to a depth of 630 feet below ground surface, has a 16-inch casing and had a pumping capacity of about 400

gallons per minute in 2003 just prior to the well being shut down due to Volatile Organic Compound (VOC) contamination. Electrical service has been disconnected, pumping equipment has been removed and the well has been capped. GSWC has indicated it will no longer produce from this well. The Consulting Engineer noted that GSWC has received a Watermaster permit to construct Garvey Well No. 3 to replace lost production capacity from Garvey Wells No. 1, No. 2 and Earle Well No. 1, and to also serve as a monitoring well for water quality and water levels. The Consulting Engineer recommended that Watermaster approve GSWC's application to destroy Earle Well No. 1, subject to the conditions in the staff report.

On motion made by Mr. Arrighi, seconded by Mr. Bowcock, and unanimously carried, Watermaster approved Golden State Water Company's application to destroy Earle Well No. 1, subject to the conditions in the staff report.

In response to a question by Mr. Arrighi, the Consulting Engineer stated that USEPA has not submitted any comments on this well or the other wells recently destroyed by GSWC.

## **REPORT FROM FINANCE COMMITTEE**

Recommendation to use surplus funds in Replacement Water account to pay unfunded balance of Replacement Water order – The Executive Officer reported that the Finance Committee recently met to discuss the funding of available Tier 1 water (up to 4,000 acre-feet) as well as the balance of the year's Replacement Water obligation. She noted that the Replacement Water Assessment collected for overproduction within Upper San Gabriel Valley Municipal Water District was at the rate of \$450.00/AF. The assessment had anticipated that water would be available sometime in 2010 or 2011 at a Replenishment Service rate; however, that rate continues to be suspended. The Executive Officer also noted that the MWD Drought Allocation is still in effect, and only 2,000 to 4,000 acre-feet of water would be available this fiscal year through Upper District at the Tier 1 rate, resulting in a difference of \$76/AF.

The Executive Officer explained, as noted in the Committee Report, that the Replacement Water Fund contains surplus funds that have accumulated through interest over the past 35 years, amounting to more than \$8 million, which, pursuant to the Judgment, may be used to pay for increases or changes in water rates. The staff recommendation, therefore, is that Watermaster order the balance of available Tier 1 untreated full service water from Upper District (up to 4,000 acre-feet) at the Upper District Tier 1 rate of \$526.00/AF, and use surplus accrued funds in the Replacement Water account to fund the difference of \$76.00/AF between the amount collected in assessments (\$450.00/AF) and the Tier 1 rate (\$526.00/AF), or up to \$304,000.

The Committee also discussed the balance of its Replacement Water requirement from Upper District. Depending on the status of the Drought Allocation and statewide water supplies, Replacement Water may become available in mid-2010. Should the balance of water (approximately 20,000 acre-feet or more) become available, staff had noted at the committee meeting that it would likely be at the Tier 2 rate of \$655/AF, resulting in a difference of \$205.00/AF over the collected amount of \$450.00/AF. The Executive Officer reported that it was the consensus of the committee that surplus funds in the Replacement Water Fund should also be used to pay the additional \$205.00/AF in order to purchase Watermaster's Replacement Water obligation from Upper District, should the water become

available at either Tier 1 or Tier 2 rates. She noted that this would result in use of more than \$4 million of the accrued surplus funds to offset the higher water rate for untreated water.

In response to a question by Mr. Contreras, the Executive Officer noted that once Watermaster places the order for Replacement Water, Watermaster is obligated to receive the water unless the order is cancelled before delivery. She also assured the board that only the available Tier 1 water would be ordered at this time. The earliest that additional water may be made available above the current allocation would likely be April or later. Because the storm season would be generally over by then, staff would then be able to better re-evaluate Basin water needs and determine when additional imported water should be purchased. In response to a question by Mr. Love, both Mr. Hansen and the Consulting Engineer confirmed that Three Valleys has no additional Tier 1 water allocation available for Watermaster purchase at this time.

On motion made by Mr. Shaw, seconded by Mr. Malloy, and unanimously carried, Watermaster directed staff to use surplus funds from its Replacement Water account to cover the unfunded balance of up to approximately \$4.5 million in order to purchase its Replacement Water obligation for FY 2008-09 from Upper District at the applicable Tier 1 and/or Tier 2 rates.

Recommendation to use In-lieu Assessment to fund purchase of additional 15,000 AF of replenishment water for benefit of all Basin Producers – Watermaster deferred consideration of this item to such time that additional water is available for purchase.

## **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 407.64 acre-feet production right and 431.62 AF carryover right from City of Covina to Covina Irrigating Co. for FY 2009-10
- b) Temporary assignment or lease of 188 acre-feet production right from Valarie Maggiore, Crystal Fox and Jeffery Kirklen to California Domestic Water Co. for FY 2009-10
- c) Temporary assignment or lease of 437.50 acre-feet prescriptive pumping right from Valarie Maggiore, Crystal Fox and Jeffery Kirklen to California Domestic Water Co. for FY 2009-10
- d) Temporary assignment or lease of 21.57 acre-feet production right from Carolyn Heinrich to San Gabriel Valley Water Co. for FY 2009-10
- e) Order appointing Watermaster members for calendar year 2010
- f) SGVMWD transmittal of monthly report for November 2009
- g) Various newspaper articles

## **ATTORNEY'S REPORT**

The Attorney reported again that a status conference is scheduled with the judge for March 3, 2010. The conference is intended to educate the judge relative to the proposed Judgment amendments, the current water supply situation in the Basin and the need for replenishment water. He noted that the status conference is open to all Watermaster parties.

The Attorney also reported that a number of disputes raised by the Cooperating Respondents in the Baldwin Park Operable Unit continue. He noted that Watermaster is named in five or six disputes and is monitoring others. The Attorney expects that the first dispute to be mediated will be the issue of lost water. A hearing was held and the judge requested an additional briefing; briefs are due by January 15, 2010. The assessments relating to lost water, which were also in dispute, should now be a minor dispute matter. He also noted that Watermaster is set to file a joint statement with San Gabriel Valley Water Company and Suburban Water Systems regarding alternative water.

## **ENGINEER'S REPORT**

The Consulting Engineer reported that the level of the Baldwin Park Key Well, as of December 31, was 189.8 feet. He noted that the previous low of 195.5 was set on December 3, 2004, and the current level is almost six feet below that. The Consulting Engineer stated that first quarter production for FY 2009-10 is 73,000 acre-feet, slightly below first quarter production of 77,000 acre-feet for FY 2008-09. For informational purposes, the Consulting Engineer reported that first quarter production for FY 2007-08 was 76,000 acre-feet compared to 80,000 acre-feet for FY 2006-07 and FY 2005-06. Additionally, the Consulting Engineer stated that the five area landfills were inspected and no violations were found.

The Consulting Engineer provided a brief hydrologic update and stated that rainfall levels are currently at 125 percent of normal. He noted that canyon reservoirs remain at minimum pool and there is room for storage in the event of significant rainfall.

## **EXECUTIVE OFFICER'S REPORT**

The Executive Officer reported that the Watermaster Administrative Committee will be meeting this month; however, Mr. Arrighi, Chair, has a conflict on the original meeting date of January 20, 2010, so staff will poll the Committee members to reschedule the meeting date for the month.

## **REPORT FROM RESPONSIBLE AGENCIES**

Mr. Contreras reported that Upper District reelected the existing Board of Directors for 2010. He noted that the first Board meeting of each month will start at 8:00 a.m. beginning in February. Mr. Contreras also reported that Upper District is advertising for its General Manager position on various websites including [www.jobsavailable.com](http://www.jobsavailable.com), [www.awwa.com](http://www.awwa.com) and [www.bcwaterjobs.com](http://www.bcwaterjobs.com). The deadline to apply is January 31.

Mr. Love reported that the California Department of Water Resources (DWR) released its allocation percentage to contractors of the State Water Project (SWP). Beginning in January, contractors will only receive five percent of their normal entitlement of water. Mr. Love also reported that snowpack levels are 85 percent of normal, and while February and March are

usually the wettest months of the year, the chances of an increase in the allocation are not looking good.

On behalf of Three Valleys Municipal Water District, Mr. Richard Hansen reported that the Board of Directors reelected the current slate of officers and committee members for 2010. He also reported that Metropolitan Water District is having a meeting next week regarding revenue requirements, rates and the budget. Mr. Hansen stated that expenditures are not as high as originally budgeted and may result in a rate increase that is lower than anticipated. Other items for discussion include the continued lack of replenishment water available and consideration of a two-year budget plan.

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

Mr. Arrighi thanked the producer members for their vote of confidence.

Mr. Love wished everyone a Happy New Year.

Mr. Malloy congratulated Tom Tait on his promotion to Director of Public Works for the City of Arcadia.

#### **ADJOURNMENT**

The Chairman asked if there were other business to come before Watermaster, and there being none, upon motion duly made by Mr. Contreras, seconded by Mr. Arrighi, and unanimously carried, the meeting was adjourned to the next regular meeting of Watermaster on Wednesday, February 3, 2010, 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

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DAN ARRIGHI

ATTEST:

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JAMES BYERRUM  
CHAIRMAN