

**MINUTES OF A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, JUNE 4, 2008 AT 3:00 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 4, 2008 at the hour of 3:00 p.m.

CALL TO ORDER

Paul Carver, 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, Robert W. Bowcock, Paul S. Carver, Frank Forbes, James B. Gallagher, Leon M. N. Garcia, and Charles E. Shaw.

ABSENT: Thomas Love and Pat Malloy

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Carol Williams, Executive Officer; Fred Fudacz, Attorney; Stephen Johnson, Consulting Engineer; Tony Zampiello, Assistant Executive Officer; Christine Borja, Engineering Program Administrator, and Donna DiLaura, Administrative Coordinator.

Others present included: Chet Anderson, Don Berry, Brian Bowcock, Jim Byerrum, Barbara Carrera, Jonathan Contreras, Brian Dickinson, Dave Johnson, Tom Lindros, Dave Michalko, Steve Patton, Jim Prior, Martin Ray, Patrick Scanlon and Dale Wert.

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. Forbes, 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. Shaw, seconded by Mr. Garcia, 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 14, 2008.
- b) Lists of Demands: Items 13410 through 13443 in the amount of \$461,908.28, on the Administrative Fund, and Item 837 in the amount of \$49,679.21 on the Replacement Water Fund.
- c) Financial Statements, May 2008

Mr. Love arrived.

WATER QUALITY MANAGEMENT ACTIVITIES

Application from Suburban Water Systems to Destroy Well 140W-2 – The Consulting Engineer stated that Suburban Water Systems (SWS) has submitted an application to destroy its Well 140W-2. He noted that it is an inactive well located in an unincorporated area of Los Angeles County north of the City of La Puente. He also noted that the pumping equipment has been removed from this well, the power has been disconnected, and the well is capped.

The Consulting Engineer stated that SWS Well 140W-2 is 83 years old and has not produced water since 1970 due to high nitrate and volatile organic compound (VOC) concentrations in the groundwater. He also stated that SWS is not willing to retain the well and desires to destroy the well due to groundwater quality, age and to minimize potential liabilities. The Consulting Engineer recommended that Watermaster approve SWS's application to destroy Well 140W-2, subject to the conditions in the staff report.

On motion made by Mr. Forbes, seconded by Mr. Arrighi, and unanimously carried with Mr. Carver abstaining, Watermaster approved Suburban Water Systems' application to destroy its Well 140W-2, subject to the conditions in the staff report.

Application from Suburban Water Systems to Destroy Wells 201W-2 and 201W-6 - The Consulting Engineer stated that Suburban Water Systems (SWS) has submitted an application to destroy its Wells 201W-2 and 201W-6. He noted that both wells are inactive and located at SWS Plant 201 in the Whittier Narrows Recreation Area. He also noted that the pumping equipment has yet to be removed from both wells.

The Consulting Engineer stated that SWS Well 201W-2 is over 95 years old and has not produced water since fiscal year 2006-07. Well 201W-6 is approximately 45 years old, and capacity has decreased dramatically. SWS has constructed two new wells to provide a more reliable source of supply. He also stated that SWS is not willing to retain the wells and desires to destroy both wells to minimize potential liabilities. The Consulting Engineer

recommended that Watermaster approve SWS's application to destroy Wells 201W-2 and 201W-6, subject to the conditions in the staff report.

On motion made by Mr. Forbes, seconded by Mr. Bowcock, and unanimously carried with Mr. Carver abstaining, Watermaster approved Suburban Water Systems' application to destroy its Wells 201W-2 and 201W-6, subject to the conditions in the staff report.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

Mr. Bowcock reported that the Basin Water Management Committee met on May 21, 2008, and discussed various items, and encouraged those who are interested to read through the Board packet for more details. Mr. Bowcock then reported on the following two items.

Recommendation to award the Title 22 Water Quality Laboratory Services Contract– Mr. Bowcock reported that the laboratory services contract between Watermaster and Associated Laboratories expires on June 30, 2008. He stated that staff solicited competitive bids from six laboratories, and that the low bidder for the 2008-09 sampling schedule was TestAmerica Laboratories. TestAmerica has performed well on other Watermaster projects and has the qualifications necessary to perform the work required. He stated that it is the committee's recommendation to award the 2008-09 contract to TestAmerica.

On motion made by Mr. Bowcock, seconded by Mr. Garcia, and unanimously carried, Watermaster authorized award of the laboratory services contract to TestAmerica for the period July 1, 2008 to June 30, 2009.

Efforts to Seek Alternate Sources of Supplemental Water – Mr. Bowcock reported that the Committee is considering all suggestions related to alternate sources of supplemental water to the Basin. He also reported that the Committee will meet again in June to continue discussions and to draft an informational paper regarding the drought situation and the need for replenishment water in the region. As requested by many of the producer members, this paper can be used to educate elected officials on the water supply needs of the region. Mr. Bowcock thanked those who are participating in the discussions and requested that they continue to do so.

INFORMATION ITEMS

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

- a) Notice of Change of Designee for City of South Pasadena to Marcelino Aguilar, Water Manager
- b) Letter dated 5/21/08 from Metropolitan Water District offering 184.92 AF production right for lease for FY 2007-08
- c) Letter dated 5/22/08 from Three Valleys MWD regarding replenishment water rates for CY 2008 and CY 2009

- d) Transmittal of Puente Narrows Underflow report from Stetson Engineers
- e) Transmittal of SGVMWD monthly report for April 2008
- f) Notice of Water Education Foundation Hetch Hetchy Tour, July 23-25
- g) Various newspaper articles

ATTORNEY'S REPORT

The Attorney reported that staff from both Watermaster and Stetson Engineers have received subpoenas from attorneys involved in a suit against Aerojet requesting water quality data, models, and well locations in the basin. He reported that the Executive Officer will not have to appear; however, the Consulting Engineer, Steve Johnson, will have to appear and provide limited information.

The Attorney also reported on recent developments relative to the SEMOU litigation. He provided a brief review of the litigation, and stated that a mediator sponsored hearing is scheduled for June 23, 2008 to determine a possible settlement between two defendants and the plaintiffs. Should a settlement be reached, Watermaster would then be responsible for more than its current share of mediator costs.

Additionally, the Attorney reported that negotiations continue in regard to Amendment Number Six to the BPOU Agreement. Watermaster has yet to receive a revised draft of the amendment from the CRs' attorneys, and intends to schedule a conference call with Water Entity attorneys in the near future to seek support for a swift resolution.

Lastly, the Attorney reported that Watermaster continues to monitor the bankruptcy proceedings of the owners of the former Crown City Plating property.

ENGINEER'S REPORT

The Consulting Engineer reported that the level of the Baldwin Park Key Well, as of May 30, was 204.5 feet, nearing the 200 foot management level. He noted that the Key Well is approximately 19 feet lower than at this time last year, and dropping. The Consulting Engineer also reported that canyon storage is currently at approximately 66,000 acre-feet, an increase of 2,000 acre-feet from last month due to the recent rain. Additionally, the Consulting Engineer stated that the six area landfills were inspected and no violations were found.

Relative to hydrologic conditions, the Consulting Engineer stated that rainfall at the Los Angeles Civic Center to date is 90 percent of normal at this time of year. He also stated that rainfall at the San Gabriel Dam is 88 percent of normal for the year.

EXECUTIVE OFFICER'S REPORT

The Executive Officer reported that Governor of California has officially proclaimed a

statewide drought.

COMMENTS FROM WATERMASTER MEMBERS

Mr. Garcia reported that Upper District and the other two districts have joined the San Gabriel Valley Council of Governments, and he has been appointed as the representative to the SGVCOG. He noted that this involvement will allow the cities to be more informed of current water issues.

ADJOURNMENT

The Chairman asked if there were other business to come before Watermaster, and there being none, upon motion duly made by Mr. Forbes, seconded by Mr. Garcia, and unanimously carried, the meeting was adjourned to the next regular meeting of Watermaster on Wednesday, July 2, 2008, at 3:00 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

JAMES B. GALLAGHER

ATTEST:

PAUL S. CARVER
CHAIRMAN