

**MINUTES OF A PUBLIC HEARING
AND AN ADJOURNED REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
729 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
AUGUST 1, 2007 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, August 1, 2007 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, Thomas Love, Pat Malloy 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; Christine Borja, Engineering Program Administrator, and Donna DiLaura, Administrative Coordinator.

Others present included: Chet Anderson, Joseph Armendariz, Don Berry, Brian Bowcock, Jim Byerrum, Barbara Carrera, Koby Cohen, Al Contreras, Brian Dickinson, Greg Galindo, Dave Johnson, Marianna Lake, Tom Lindros, Michael Lui, Victor Meza, Christine Montan, Steve Patton, Ken Reich, Stacey Roberts, Steve Seffer, Alice Shiozawa, Josh Swift and Tom Tait.

ADOPTION OF AGENDA

The Chairman then asked if there were any changes to be made to the agenda. On motion made by Mr. Malloy, seconded by Mr. Arrighi, and unanimously carried, the agenda was adopted as presented.

PUBLIC HEARING ON PUBLIC HEALTH GOALS

The Chairman 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 California Health and Safety Code Section 11640 to discuss Public Health Goals established for drinking water by Cal-EPA. Mr. Johnson, Consulting Engineer, introduced Mr. Ken Reich, Project Manager for Stetson Engineers, to conduct the hearing.

Mr. Reich stated that Watermaster had authorized Stetson Engineers to prepare Public Health Goal reviews for 10 water systems within the Main San Gabriel Basin, and the purpose of today's meeting was to address public concerns on behalf of nine of those systems: City of Alhambra, City of Arcadia, City of Azusa Light and Water, City of Glendora, City of Monterey Park, San Gabriel Valley Water Company's El Monte/Whittier System, Golden State Water Company's San Dimas and Claremont Systems, Suburban Water Systems' San Jose and Whittier/La Mirada Districts, Valley County Water District and City of Whittier.

Mr. Reich noted that Public Health Goal requirements are the result of SB 1307 which, enacted in 1996 and effective since 1997, governs any water system with at least 10,000 service connections. He stressed that Public Health Goals are not actual regulatory standards and that all ten of the water systems subject to today's hearing have met all state and federal requirements. He further explained that the review identifies contaminants of concern which may have registered levels above the Public Health Goals, notes human health risks associated with the contaminants, describes best available treatment technologies, estimates costs to bring contaminant levels down to Public Health Goal levels and identifies any other actions which may enhance water quality.

Finally, Mr. Reich noted that public notices for today's hearing had been published in the Los Angeles Times on July 18 and 19, and the San Gabriel Valley Tribune newspaper group on July 18 and July 25. Additionally, Watermaster had posted public notice of the hearing and provided copies to the ten affected water systems. Mr. Reich further noted that representatives of the ten water systems were present at the hearing to answer questions.

The Chairman then invited those present to submit comments on the Public Health Goal reviews. There being no comment offered, the Chairman closed the public hearing.

TIME RESERVED FOR PUBLIC COMMENT

No public comment was offered.

CONSENT CALENDAR

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

- a) Minutes of a Regular Meeting of Watermaster held July 11, 2007
- b) Lists of Demands: Items 12992 through 13037 in the amount of \$789,278.28 on the Administrative Fund, and Item 822 in the amount of \$47,822.91 on the Replacement

Water Fund

- c) Financial Statements, July 2007

REQUEST FROM CITY OF MONTEREY PARK TO ACCEPT LATE LEASE (1,107 AF to San Gabriel Valley Water Co. for FY 2006-07)

The Executive Officer stated that the City of Monterey Park has requested that Watermaster accept a late transfer of 1,107 acre-feet production rights to San Gabriel Valley Water Co. for Fiscal Year 2006-07. She also stated that the late transfer is due to a delay by the City of Monterey Park in executing the lease, and will not result in any cost implications. Staff has reviewed the lease and recommends approval. On motion made by Mr. Shaw, seconded by Mr. Gallagher, and unanimously carried, with Mr. Arrighi abstaining, Watermaster approved and accepted the late production rights transfer between the City of Monterey Park and San Gabriel Valley Water Co. for FY 2006-07.

REQUEST FROM CITY OF GLENDORA TO PURCHASE 1,000 AF FULL SERVICE, UNTREATED WATER FOR CANYON BASIN

The Executive Officer reported that the City of Glendora has requested Watermaster purchase 1,000 acre-feet of full service untreated water from in order to meet the City's obligation under the voluntary Canyon Basin Management Plan, and to help sustain water supplies in the Canyon Basin.

The Executive Officer reported that Metropolitan Water District has currently suspended its replenishment deliveries, and the Upper San Gabriel Valley Municipal Water District is currently purchasing water through USG-3 for Covina Irrigating Company and the City of Azusa at the MWD full service, untreated Tier I rate (as much as \$333.00/AF). USGVMWD is also willing to make this water available to Glendora, and Three Valleys Municipal Water District has agreed that USGVMWD may sell the water to Glendora, which falls within TVMWD. The City is willing to pay the higher rate for this limited purchase. The Executive Officer recommended that Watermaster authorize the purchase.

On a motion made by Mr. Shaw, seconded by Mr. Malloy, and unanimously carried, Watermaster authorized the purchase of 1,000 AF of full service, untreated water from USGVMWD on behalf of the City of Glendora at a rate not to exceed \$333.00/AF.

WATER QUALITY MANAGEMENT ACTIVITIES

Application from Golden State Water Co. to Destroy Saxon No. 1 Well – The Consulting Engineer stated that Golden State Water Co. (GSWC) has submitted an application for destruction of Saxon No. 1 Well, located in the City of San Gabriel. The well was constructed in 1922 to a depth of 664 feet, and had a pumping capacity of 410 gallons per minute at the time the well ceased production in 1998. The casing of the well has collapsed in several sections and cannot be repaired.

After reviewing various alternatives to well destruction, and determining that destroying the well will not adversely affect contaminant migration in the area of the well, the Consulting

Engineer recommended that Watermaster approve the GSWC's application to destroy Saxon No. 1 Well, subject to the conditions in the staff report.

On motion made by Mr. Love, seconded by Mr. Arrighi, and unanimously carried, with Mr. Gallagher abstaining, Watermaster approved Golden State Water Co.'s application to destroy Saxon No. 1 Well, subject to the conditions in the staff report.

REPORT FROM ADMINISTRATIVE COMMITTEE

Executive Officer's Annual Performance Evaluation - Mr Gallagher reported that the Administrative Committee met on July 18, 2007 regarding the Executive Officer's annual performance evaluation. Further discussion will take place in closed session.

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 27.31 AF Production right from Polopolus, et al, to Valley County Water District for FY 2006-07
- b) Temporary assignment or lease of 245 AF Production right from Vulcan Materials Company to Aqua Capital Management LP for FY 2007-08
- c) Letter from RWQCB to SWRCB dated July 18, 2007, supporting WQA request for funds from Cleanup and Abatement Account
- d) Transmittal of SGVMWD monthly report for June 2007
- e) Notice of CBMWD 6th annual Barbecue, September 20, 2007, in Sante Fe Springs
- f) Notice of WEF Northern California Tour, September 12-14, 2007
- g) Various newspaper articles

ATTORNEY'S REPORT

The Attorney reported that Amendment Number Six to the BPOU Agreement is still under negotiation, and he hopes that he will have a final draft for Watermaster consideration next month.

Additionally, the Attorney reported that AISLIC has not responded to the two demand letters sent with regard to Watermaster's claim relating to South El Monte Operable Unit insurance litigation. A Status Conference with the Court is scheduled for August 8, 2007, and if there is still no response at that time from AISLIC, the Attorney will seek mediation and an early trial date from the court.

ENGINEER'S REPORT

The Consulting Engineer reported that the level of the Baldwin Park Key Well, as of July 27, was 217.8 feet, decreasing approximately three feet per month. He reported that the Key Well is approximately 30 feet lower than at this time last year. USG-3 is still open at approximately 20-30 cfs, and the water is being diverted to Covina Irrigating Company (CIC) and City of Azusa to supplement surface water from the canyon. The Consulting Engineer also reported that all canyon storage remains at minimum pool, at approximately 15,000 AF compared to approximately 22,000 AF this time last year. The Consulting Engineer also stated that the six area landfills were inspected in July and no violations were found.

EXECUTIVE OFFICER'S REPORT

The Executive Officer reported that the San Gabriel Valley Water Association quarterly meeting and annual barbecue would be held at a new location this year on Wednesday, August 8, 2007, at 6:00 p.m., at the Monrovia Historical Museum located at 742 East Lemon Avenue, in Monrovia, California.

COMMENTS FROM WATERMASTER MEMBERS

Mr. Shaw, Mr. Love and Mr. Arrighi stated that they would not be present at the September Watermaster meeting.

CLOSED SESSION

The Watermaster then adjourned to a Closed Session.

REGULAR MEETING RESUMES

The Chairman reported that, in Closed Session, the following actions were taken:

Executive Officer's Annual Performance Evaluation: Watermaster authorized the Executive Officer's annual salary to be increased by \$6,300.00, effective July 1, 2007, and directed that the remaining .5 percent of the approved and budgeted 4.3 percent cost-of-living adjustment be applied to the Retiree Medical Benefit.

ADJOURNMENT

The Chairman asked if there were other business to come before Watermaster, and there being none, upon motion duly made by Mr. Garcia, seconded by Mr. Malloy, and unanimously carried, the meeting was adjourned to the next regular meeting of Watermaster on Wednesday, September 5, 2007, 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