

**MINUTES OF AN ANNUAL HEARING ON DETERMINATION OF
OPERATING SAFE YIELD AND A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
725 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
HELD WEDNESDAY, MAY 7, 2025 AT 2:30 O'CLOCK P.M.**

An annual hearing on determination of Operating Safe Yield and regular meeting of the Main San Gabriel Basin Watermaster (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 7, 2025, at the hour of 2:30 p.m.

CALL TO ORDER

Mrs. Lynda Noriega, Chair, called the meeting to order and presided thereover.

PLEDGE OF ALLEGIANCE

Mr. Paul Cranmer led the attendees in the Pledge of Allegiance.

ROLL CALL OF WATERMASTER MEMBERS

The following members of Watermaster were present on roll call:

PRESENT: Melissa Barbosa, Paul Cranmer, Dr. Anthony Fellow, David Michalko, Lynda Noriega, Steven Placido, Jennifer Santana and Martin Zvirbulis.

ABSENT: Garry Hofer

STAFF AND OTHERS PRESENT

Staff present at the meeting included: Kelly Gardner, Executive Officer; Fred Fudacz Attorney; Steve Johnson, Consulting Engineer; Heather Steele, Consulting Engineer; Arrica Jimenez, Administration Manager; Ana Mata, Executive Assistant; Ana Rodriguez, Accountant II and Lauren Augino, Water Resources Analyst II.

Others present included: Anthony Alberti, Nathan Au, Dan Colby, John Corona, Cris Fealy, Casey Feilen, Geo Herrera, Steve Kiggins, Matt Litchfield, Stephanie Lobos, Tom Love, Chuck Luas, Victor Magana, Dusty Moisio, Toby Moore, Stephanie Moreno, Tara Mullaly, David Muse, Christopher Nieto, Jeffrey Pellissier, Tara Robinson, Anteneh Tesfaye, and Paul Zampielo.

ADOPTION OF AGENDA

The Chair asked if there were any changes to be made to the agenda. On motion made by Dr. Anthony Fellow, seconded by Mr. Steven Placido, and unanimously carried, the agenda was adopted as presented.

**PUBLIC HEARING ON OPERATING SAFE YIELD FOR FISCAL YEARS 2025-26
THROUGH 2029-30**

The Chair stated that this was the time and place fixed and noticed for a public hearing to be conducted by Watermaster in accordance with the provisions of Section 43 of the amended Judgment entered in the action, "Upper San Gabriel Valley Municipal Water District (USGVMWD) vs. City of Alhambra, et al.," regarding the determination of the Operating Safe Yield (OSY) for the Main San Gabriel Basin (Main Basin) for Fiscal Years (FY) 2025-26 through 2029-30.

Ms. Heather Steele, Consulting Engineer, added that copies of Watermaster's report on the preliminary determination of the OSY had been delivered to all parties on April 3, 2025. Ms. Steele stated that this is one of the most important responsibilities of the Watermaster Board.

Since the Regular Board of Directors Meeting of Watermaster held April 2, 2025, Ms. Steele stated that staff has not received any comments relative to the OSY. She then provided a brief update and summary of her recommendation to the Board for use in establishing the OSY. Ms. Steele noted that the preliminary recommendation was to set the OSY at 160,000 acre-feet for FY 2025-26. She noted that Watermaster makes the ultimate decision following review of her recommendation, and referred to her report presented at the April 3, 2025, Watermaster meeting. She then provided a brief update on hydrologic and water supply conditions in the Main Basin and a general overview of the OSY.

During this time, the Watermaster reduced and held the OSY at 150,000 acre-feet for the last ten consecutive years, which is unprecedented. The Watermaster has used the Resource Development Assessment (RDA) and OSY as the primary "tools" for Main Basin water supply management. Ms. Steele reported that the unexpected below average normal rainfall in the Main Basin watershed so far during FY 2024-25 has been about 45 percent of average through April 30, 2025. Although the Los Angeles County Public Works replenishment records are incomplete this time of year, she stated that preliminary data indicated approximately 23,700 acre-feet (about 23 percent of annual average) of local runoff was replenished in the Main Basin between October 1, 2024 and March 31, 2025.

She stated that the amount of Carry-over Rights is also considered when recommending the OSY, noting that the Carry-over Rights at the beginning of FY 2024-25 were approximately 35,000 acre-feet, estimating at the beginning of FY 2025-26 will be about 42,000 acre-feet assuming production of about 190,000 acre-feet.

Ms. Steele reported that Watermaster has used funds from Replacement Water/Cyclic Storage orders and RDA requirements from USGVMWD in order to purchase water from Metropolitan Water District of Southern California's (MWD) Pre-Delivery Agreement over five to ten years. Currently, there are plans to deliver water into MWD's Cyclic Storage under the Pre-Delivery Agreement starting in the spring.

Ms. Steele reported that on May 2, 2025, the Key Well elevation was about 244.3 feet, noting that without 195,000 acre-feet in cyclic storage, the Key Well elevation would have been about 220.0 feet.

She reported that the first two quarters of FY 2024-25, production was about 103,000 acre-feet, similar to the first two quarters of FYs 2019-20 (103,000 acre-feet). Assuming production for the last two quarters of FY 2019-20 is similar to the production for the last two quarters of FYs 2024-25, which was about 90,000 acre-feet, it is anticipated that the total FY 2024-25 production will be about 190,000 acre-feet. Direct treated water deliveries have remained about the same. In addition, drought conservation activities have continued, which also have impacted production.

After consideration of all relevant information, Ms. Steele stated that these factors serve as justification to set the OSY at 160,000 acre-feet for FY 2025-26, and 140,000 acre-feet for the subsequent four years.

The Chair then opened the Public Hearing and asked if there were any comments to come before Watermaster on this matter.

Seeing no additional speakers, the Chair thanked Ms. Steele for her report and declared the Public Hearing closed.

ADOPTION OF OPERATING SAFE YIELD (Resolution No. 05-25-338)

The Chair resumed the regular meeting and asked for comments from Watermaster members. Hearing none, and with no further discussion, Mr. Placido, moved to adopt the Consulting Engineer's recommendation for an OSY of 160,000 acre-feet for FY 2025-26; and for the subsequent four years at 140,000 acre-feet, it was seconded by Dr. Fellow, and unanimously carried, the following resolution was then read, adopted and passed as read:

RESOLUTION NO. 05-25-338

A RESOLUTION OF THE MAIN SAN GABRIEL BASIN WATERMASTER DETERMINING OPERATING SAFE YIELD FOR SAID BASIN FOR FISCAL YEAR 2025-26 THROUGH 2029-30

(see next page)

TIME RESERVED FOR PUBLIC COMMENT

No comments were offered.

CONSENT CALENDAR

On motion made by Mr. David Michalko, Vice Chair, seconded by Mr. Martin Zvirbulis, Secretary, and unanimously carried, the following items were approved:

- a) Minutes of a Regular Meeting held April 2, 2025 of Watermaster;
- b) Lists of Demands: Items 20824 through 20852, and three electronic debits, in the amount of \$369,208.29 on the Administrative Fund and Items 0425-S and 0425-U in the amount of \$161,889.50 on the Replacement Water Fund, and
- c) Financial Statements, April 2025.

REPORT FROM BASIN WATER MANAGEMENT COMMITTEE

Vice Chair Michalko referred to a written Committee report included in the Board packet. He reported that the Basin Water Management Committee (BWMC) met on April 9, 2025, stating that discussion included the Water Quality Monitoring Program and the Golden Mussel.

REPORT FROM ADMINISTRATIVE COMMITTEE

Secretary Zvirbulis referred to a written Committee report included in the Board packet. He reported that the Administrative Committee met on April 16, 2025, and reviewed a draft of Resolution No. 05-25-339 adopting FY 2025-26 Administration Budget and Assessments.

He stated that the Administrative Committee recommends that Watermaster adopt Resolution No. 05-25-339, including assessments and the FY 2025-26 Administration Budget. The proposed assessments to be included in the resolution are as follows:

Adoption of FY 2025-26 Administration Budget in the amount of \$5,960,095.00 and Assessments as follows (Resolution No. 05-25-339)

On motion made by Vice Chair Michalko, seconded by Mr. Cranmer, and unanimously carried, it was

RESOLVED: That Watermaster adopt the Administration Budget for FY 2025-26 as presented in the amount of \$5,960,095.00.

Adoption of Administration Assessment of \$21.00/acre-foot on FY 2024-25 Production

On motion made by Vice Chair Michalko, seconded by Mr. Cranmer, and unanimously carried, it was

RESOLVED: That Watermaster adopt the Administration Assessment for

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production from the Main Basin during FY 2024-25 be established at \$21.00 per acre-foot.

In-Lieu Assessment of \$5.00/acre-foot on FY 2024-25 Production

On motion made by Vice Chair Michalko, seconded by Mr. Cranmer, and unanimously carried, it was

RESOLVED: That the In-Lieu Assessment for production from the Main Basin during FY 2024-25 be established at \$5.00 per acre-foot.

Water Resource Development Assessment of \$175.00/acre-foot on FY 2024-25 Production

On motion made by Vice Chair Michalko, seconded by Mr. Cranmer, and unanimously carried, it was

RESOLVED: That the Water Resource Development Assessment on all FY 2024-25 production be established at \$175.00 per acre-foot.

Replacement Water Assessments on FY 2024-25 and 2025-26 Overproduction

On motion made by Vice Chair Michalko, seconded by Mr. Cranmer, and unanimously carried, it was

RESOLVED: That Watermaster set the Replacement Water Assessments for FY 2024-25 and FY 2025-26 excess production within SGVMWD at \$240.00 and \$260.00 per acre-foot respectively; at \$1,012.00 and \$1,116.00 per acre-foot respectively for excess production within Three Valleys Municipal Water District (TVMWD); and at \$1,115.00 and \$1,187.00 per acre-foot respectively for excess production within USGVMWD.

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

RESOLUTION NO. 05-25-339

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN
WATERMASTER RESCINDING RESOLUTION NO. 05-24-320 AND ADOPTING
ASSESSMENTS FOR PRODUCERS OF THE BASIN FOR FISCAL YEAR 2024-25 AND
SETTING REPLACEMENT WATER ASSESSMENTS FOR 2024-25 AND 2025-26**

(see next page)

FIRST AMENDMENT TO THE CYCLIC STORAGE AGREEMENT BETWEEN METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AND WATERMASTER

Mrs. Kelly Gardner, Executive Officer, referenced the First Amendment Cyclic Storage Agreement among MWD, USGVMWD and Watermaster included in the Board packet. She reported that an extension has been requested to renew the current agreement requirements to meet the needs of a program offered by MWD.

On motion made by Vice Chair Michalko, seconded by Secretary Zvirbulis, and unanimously carried, authorized the Executive Officer to sign the First Amendment to the Cyclic Storage Agreement between MWD, USGVMWD and Watermaster.

AUTHORIZE THE EXECUTIVE OFFICER TO SIGN LETTER AGREEMENT REGARDING A SCHEDULE FOR PAYMENT OF CYCLIC WATER PRE-DELIVERED TO UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT IN CALENDAR YEAR 2025

Mrs. Gardner reported that Watermaster has received a letter agreement regarding a schedule for payment of cyclic water pre-delivered to USGVMWD in calendar year 2025.

She further explained that the letter agreement provides the funding mechanism that allows MWD with an opportunity to deliver water to the Main Basin in advance of demand for the water by Watermaster and USGVMWD on behalf of its member agencies. Mrs. Gardner added that the language and anticipated amounts for the purchase schedule is currently under review.

On motion made by Chair Noriega, seconded by Dr. Fellow, and unanimously carried, authorized the Executive Officer to sign the letter agreement, upon final amounts, regarding a schedule for payment of cyclic water pre-delivered to USGVMWD in calendar year 2025.

AUTHORIZE THE EXECUTIVE OFFICER TO SIGN THE THIRD AMENDMENT TO THE 2017 BALDWIN PARK OPERABLE UNIT AGREEMENT – EXTENSION AS TO THE TOLLING PERIOD

Mr. Fred Fudacz, Attorney, referenced the third amendment to the 2017 Baldwin Park Operable Unit (BPOU) Project Agreement included in the Board packet, stating that Section 6.4 Tolling, that provides direction, if applicable, of “any and all rights, claims, causes of action, counterclaims or cross claims the Water Entities have against the Cooperating Respondents, for any and all project costs that may be incurred by the Water Entities,” is due for a planned four-year renewal.

On motion made by Secretary Zvirbulis, seconded by Treasurer Melissa Barbosa, and unanimously carried, authorized the Executive Officer to sign the Third Amendment to the 2017 BPOU – Extension as to the Tolling Period through August 26, 2027.

ATTORNEY'S REPORT

Mr. Fred Fudacz, Attorney, provided an update on the BPOU Project Agreement renewal process, stating that the April 22, 2025 pre-negotiation meeting included a legal perspective, modeling update and the Water Entities' comments.

He additionally provided a brief update on the matter with the Los Angeles County Department of Parks and Recreation's water production agreement for the Whittier Narrows Operable Unit, stating that the agreement is set to expire on June 30, 2025 and will be agendized for renewal on the June agenda for the Board's consideration and approval.

ENGINEER'S REPORT

Ms. Steele reported that the Key Well level was 243.3 feet on April 25, 2025, an increase of about 1.0 feet from the prior week, an increase of about 1.0 feet from the prior month, and about 8.0 feet higher than one year ago. She also reported that it includes about 136,000 acre-feet of water in Producer cyclic storage accounts, which represents about 17.0 feet of groundwater elevation at the Key Well. The historic low for the Key Well has been established at 169.4 feet on November 21, 2018.

Ms. Steele then reported briefly on hydrologic conditions as of April 30, 2025, stating that total rainfall at Puddingstone Dam is 7.01 inches, which is about 40 percent of average; and at the Los Angeles Civic Center, rainfall is 7.93 inches, which is 54 percent of average, for this time of year. Additionally, she reported that stormwater capture for Water Year 2024-25 as of March 31, 2025 was 23,714 acre-feet.

Additionally, Ms. Steele stated that total combined canyon storage, as of April 29, 2025, was 28,993 acre-feet, about 35 percent of capacity. She also stated that as of April 29, 2025, the San Gabriel Reservoir inflow was 68 cubic feet per second (cfs), release was 100 cfs and the Morris Reservoir inflow was 89 cfs, release was 30 cfs. She also provided an update on imported water deliveries and water quality.

Ms. Steele then reported that the Azusa Land Reclamation and Peck Road landfills were inspected and found to be operating normally with no violations. He referred to a written report included in the Board packet that includes additional water supply and rainfall information.

EXECUTIVE OFFICER'S REPORT

Mrs. Gardner stated that a written copy of her report on Outside Activities is included in the Board packet.

She thanked Watermaster staff for participating and operating an informational booth at USGVMWD's Waterfest event held on May 2, 2025 at Santa Anita Regional Park in Arcadia.

Lastly, Mrs. Gardner thanked Mr. Tom Love, General Manager, USGVMWD, for his leadership and initiative in addressing the issue of the Golden Mussel presence in the SWP system.

REPORT FROM RESPONSIBLE AGENCIES

Dr. Fellow reported on MWD activities, announcing the appointment of Ms. Gretchen Shepard Romey to the MWD Board of Directors representing the City of San Marino. He also reported that the MWD Board of Directors are scheduled to meet on May 12 and 13, 2025, noting the focus will be MWD's business plan.

Lastly, Dr. Fellow mentioned that the recruitment process for a new General Manager will soon begin to succeed Mr. Deven Upadhyay who is set to retire in December 2025.

Mrs. Jennifer Santana reported on behalf of USGVMWD, referencing a report provided by USGVMWD to Watermaster. She stated that this afternoon's USGVMWD's Board meeting includes a discussion on the Golden Mussel.

Mr. Love also reported on behalf of USGVMWD, provided a water supply update that included USG-3 imported water deliveries.

He also provided a brief discussion related to MWD's Business Model that included a rate structure for the treated water surcharge, engineering, and water resources.

Lastly, Mr. Love reported that a coordination meeting was held on May 6, 2025, with representatives from MWD, Watermaster, and the Responsible Agencies. The primary objective of the meeting was to assess and monitor the potential impact of the Golden Mussel on the water delivery system of the SWP.

Mr. Matt Litchfield, General Manager, reported on behalf of Three Valleys Municipal Water District (TVMWD), providing a discussion related to MWD's water cost recovery and potential treatment solutions related to the Golden Mussel.

He then provided a brief update on cyclic deliveries through the PM-26 connection into the San Dimas Wash. Lastly, he reported that on April 16, 2025, the TVMWD Board of Directors adopted its 2026-26 budget and rates going into effect January 1, 2026.

Mr. Placido reported on behalf of San Gabriel Valley Municipal Water District (SGVMWD), stated that on April 14, 2025, the SGVMWD Board of Directors approved the following:

- Approved Resolution No. 04-2025-845 Adopting Water Rates
- Approved San Gabriel Valley Council of Governments Affiliate Membership

Mr. Steve Kiggins, Assistant General Manager, also reported on behalf of SGVMWD, stating that for safety reasons a six-week pipeline outage for storm drain construction is scheduled for beginning May 19, 2025.

REPORT FROM LOS ANGELES COUNTY

Mrs. Gardner provided an update on current Los Angeles County Flood Control District activities referencing a report submitted in advance by the Los Angeles County to Watermaster.

REPORT FROM OUTSIDE COMMITTEE LIAISONS

Chair Noriega reported that any reports from the Outside Committee Liaisons are included in the Board packet.

INFORMATION ITEMS

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

- a) Permanent transfer of 6,375.25 acre-feet of Prescriptive Pumping Right and 100% of Carryover Right from Covina Irrigating Company to Covina Valley Water Company
- b) Permanent transfer of 2,717.12 acre-feet of Base Annual Diversion Right from Covina Irrigating Company to Covina Valley Water Company
- c) Temporary assignment or lease of 300.00 acre-feet of Production Right from La Puente Valley County Water District to City of Industry Waterworks System for FY 2024-25
- d) Temporary assignment or lease of 3,000.00 acre-feet of Production Right from City of Whittier to San Gabriel Valley Water Company for FY 2024-25
- e) Temporary assignment or lease of 1,323.98 acre-feet of Production Right and 76.02 acre-feet of Carryover Right from Workman Mill Investment Company to San Gabriel Valley Water Company for FY 2024-25
- f) Temporary assignment or lease of 100% of Prescriptive Pumping Right from City of Brea to California Domestic Water Company for FY 2024-25
- g) Change of Designee for City of Brea to Kristin Griffith
- h) Notice of available water rights for lease from Metropolitan Water District of Southern California FY 2024-25
- i) Transmittal of San Gabriel Valley Municipal Water District Monthly Report for March 2025

COMMENTS FROM WATERMASTER MEMBERS

Dr. Fellow provided brief comments regarding MWD's Colorado River system. Lastly, he announced the forthcoming of his new book, American Media History, 4th Edition.

Related to the Golden Mussel, Treasurer Barbosa thanked Mr. Love for his leadership and collaboration in driving the essential efforts alongside Watermaster, SGVMWD, and other stakeholders. This poses a significant challenge, as the SWP is vital to our region, emphasizing the need for collective discussions to effectively address this issue.

Lastly, Treasurer Barbosa thanked the San Gabriel Valley Municipal Water District for coordinating the legislative staff briefing and tour held on April 30, 2025, noting that it was informative.

Vice Chair Michalko reported that the Basin Water Management Committee meeting scheduled for May 14 is being rescheduled to May 21, 2025 at 1:00 p.m., noting that the agenda will include a presentation by Mr. Adán Ortega, Chair, Board of Directors, MWD, regarding MWD's Climate Adaptation Master Plan for Water.

Chair Noriega thanked Mrs. Gardner, Mr. Love, Mr. Litchfield, and the County for their collaborative efforts in addressing the Golden Mussel issue.

FUTURE AGENDA ITEMS

No future agenda items were offered.

CLOSED SESSION

A Closed Session was held to discuss the Executive Officer's employment contract.

REGULAR MEETING RESUMES

The Chair reported that in Closed Session, action was taken.

Mr. Fudacz reported that the following action was taken:

On motion by Mr. Cranmer, seconded by Dr. Fellow, the Board of Directors approved the terms of an agreement with Mrs. Kelly Gardner to serve as the Executive Officer by the following vote:

ACTION:	Passed [8 to 0]
AYES:	Barbosa, Cranmer, Fellow, Michalko, Noriega, Placido, Santana, and Zvirbulis
NOES:	None
ABSENT:	Hofer

ADJOURNMENT

The Chair asked if there were other business to come before Watermaster, and there being none, the meeting was adjourned to a regular meeting of Watermaster on Wednesday, June 4, 2025 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

MARTIN ZVIRBULIS

ATTEST:

A handwritten signature in blue ink, appearing to read 'Lynda Noriega', is written over a horizontal line.

LYNDA NORIEGA
CHAIR