

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CALIFORNIA 91016
8:00 A.M. – JANUARY 17, 2012**

A regular meeting of the Board of Directors of the Upper San Gabriel Valley Municipal Water District was held in the office of the District, 602 E. Huntington Drive, Suite B, City of Monrovia, County of Los Angeles, State of California, within said Water District, on January 17, 2012 at the hour of 8:00 a.m.

ROLL CALL

DIRECTORS PRESENT: Fellow, Treviño and Urias.

DIRECTORS ABSENT: Robinson and Chavez.

STAFF PRESENT: Shane Chapman, General Manager; Steven O'Neill, Legal Counsel; Steve Johnson, Consulting Engineer; Evelyn M. Rodriguez, Chief Financial Officer; Peter Rodriguez, Community and Government Affairs; Christy Hawkins, Executive Assistant; Kenya Torres, Administrative Assistant.

OTHERS PRESENT

Stephen Millard, R.K. Brown, Ken Tchong, Karen Maas, Dan Arrighi, Dan Rodrigo, David Ebersold, Lenet Pacheco, Jonathan Contreras, Barbara Carrera, Jim Prior, Jim Byerrum, Paul Solano, Mariana Lake, Ben Lewis, Mike Nutt, Nelson Martinez and John Franklin.

ADOPTION OF AGENDA

On motion by Vice President Fellow and seconded by Director Treviño, the agenda was accepted as presented by the following vote:

AYES: FELLOW, TREVIÑO, URIAS

NOES: NONE

ABSTAIN: NONE

ABSENT: ROBINSON, CHAVEZ

PUBLIC COMMENT

None.

APPROVAL OF MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 3, 2012 AT 6:30 P.M. AND A SPECIAL/ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 11, 2012 AT 6:30 P.M.

Vice President Fellow moved to approve the minutes of a regular meeting of the Board of Directors held on January 3, 2012 at 6:30 p.m. and a special/adjourned regular meeting held on January 11, 2012 at 6:30 p.m. Director Treviño seconded the motion.

President Urias requested that his vote regarding the reelection of Director Chavez as Secretary/Treasurer of the Board recorded on page 11955 of the minutes of the meeting held on January 3, 2012 be recorded as an aye vote instead of a nay vote.

The motion to approve the minutes as amended was approved by the following vote:

AYES: FELLOW, TREVIÑO, URIAS

NOES: NONE

ABSTAIN: NONE

ABSENT: ROBINSON, CHAVEZ

DEMANDS ON GENERAL FUND ACCOUNT

Vice President Fellow moved to approve and order paid demands numbered 16517 through 16523 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of \$594,685.28. Director Treviño seconded the motion which was approved by the following vote:

AYES: FELLOW, TREVIÑO, URIAS
NOES: NONE
ABSTAIN: NONE
ABSENT: ROBINSON, CHAVEZ

16517	Department of Water and Power	Inv. GA420683, Recycled Water Annual Permit, 1/1/12-12/31/12		1,000.00
16518	Golden State Consultants & Associates	Inv. 402, Board Redistricting Services <i>(Board Approved 9/20/11)</i>		11,666.00
16519	WaterReuse Association	Subscriber Fees for Calendar Year 2012		12,000.00
16520	Stetson Engineers, Inc.	Inv. 21314 Engineering Support Services, October 2011 General Engineering/MWD Programs Reclaimed Water/Direct Use Project	20,371.21 <u>88,505.24</u>	108,876.45
16521	Sunny Slope Water Company	Inv. 11/8/11, Cooperative Funding for the Liquid Phase Granular Activated Carbon Treatment Project <i>(Board Approved 8/3/10)</i>		344,268.61
16522	Upper San Gabriel Valley Municipal Water District Revolving Payroll Fund	To Reimburse the Payroll Fund for Employees' Payroll and District's Share of Payroll Taxes, December 2011		114,074.50
16523	Upper San Gabriel Valley Municipal Water District Revolving Payroll Fund	To Reimburse the Payroll Fund for District's Share of Payroll Taxes for Director Compensation, December 2011		<u>2,799.72</u>
TOTAL				<u>S 594,685.28</u>

UPDATE REGARDING INTEGRATED RESOURCES PLAN (IRP) DEVELOPMENTS

Mr. Ebersold, a representative from Camp, Dresser and McKee, Inc. (CDM) provided background regarding water demand as well as the development and evaluation of alternatives to determine a preferred long-term strategy of new local water supply. He then introduced Mr. Dan Rodrigo to discuss the water demand forecast.

Mr. Rodrigo discussed the statistical water model of historical variations in water production impacted by normal weather, economy and droughts based on water conservation and demographic projections. He also discussed water demand for the Upper District compared to existing firm water supply under Metropolitan's drought allocation, resources available to the San Gabriel Valley as well as various alternatives to comply with 20% per capita reduction by the year 2020 through water conservation and stormwater capture. He then discussed the IRP's objective to provide a reliable water supply while increasing local control of supply in order to meet water quality regulations to achieve basin goals at the lowest possible cost.

Director Treviño and Mr. Ebersold discussed the potential for developing a joint powers agreement with other agencies to implement a small scale project similar to GRIP.

Director Fellow praised the various proposed approaches presented by CDM. He expressed concern about rapidly vanishing state and federal funds for recycled water projects. He added that, if issues in the Bay Delta are not solved and there is a major catastrophe, the water supply to Southern California would be cut by approximately 60%.

Director Treviño emphasized the importance of working with water producers and other local agencies to develop aggressive local control of resources.

Director Fellow stated that he believes local control of resources could be better handled through basin clean up.

The General Manager and Director Fellow discussed water transfers versus basin clean up costs.

Director Fellow asked if conjunctive use with Metropolitan is off the table.

The General Manager stated that conjunctive use is not off the table. However, the Upper District has not yet been able to agree to the terms offered by Metropolitan. He explained that Metropolitan is now in the position of being able to pick and choose where they place water since they have so much operating flexibility and storage capacity.

Mr. Brown suggested, as a future Upper District project, the building of a pipeline through the Santa Fe Dam utilizing the spill area for recharge in order to increase the amount of water into the groundwater basin.

President Urias stated that although investing in the IRP appears to be an economic burden, it will be relatively minor in comparison to the substantial long-term benefit it will bring.

None.

**ITEMS REMOVED FROM
CONSENT CALENDAR**

CONSENT CALENDAR

Vice President Fellow moved to approve Consent Calendar items (a) through (f). Director Treviño seconded the motion, which was approved by the following vote:

AYES: FELLOW, TREVIÑO, URIAS
NOES: NONE
ABSTAIN: NONE
ABSENT: ROBINSON, CHAVEZ

- (a) Authorization to attend Southern California Water Utilities Association's January 2012 Program on January 26, 2012 at the Sheraton Fairplex Hotel in Pomona, CA.
- (b) Authorization to attend Southern California Water Committee's First Quarterly Meeting of 2012 on January 27, 2012 at the Pacific Palms Hotel and Conference Center in Industry, CA.
- (c) Authorization to attend Central Basin Water Association's Quarterly Membership Meeting on February 2, 2012 at the Rio Hondo Event Center in Downey, CA.
- (d) Authorization to attend San Gabriel Valley Water Association's Quarterly Luncheon Meeting on February 8, 2012 at the Swiss Park Restaurant in Whittier, CA.
- (e) Authorization to attend Three Valleys Municipal Water District's Leadership Breakfast on February 16, 2012 at the Avalon Restaurant Pomona Fairplex, in Pomona CA.
- (f) Authorization to attend Water Education Foundation's Lower Colorado River Tour on March 14-16, 2012 beginning at the Las Vegas International Airport in NV.

INFORMATION ITEMS

The following items listed on the agenda for the information of the Board were read and ordered received and filed.

- (a) Press Releases.
- (b) Newspaper Articles.

ATTORNEY'S REPORT

None.

ENGINEER'S REPORT

The District Engineer reported that the Baldwin Park key well elevation was 234.1 feet as of January 13, 2012. He also reported that there have been no public notices of wells shut down due to contamination.

GENERAL MANAGER'S REPORT

The General Manager stated that he looks forward to working with the Board, producers and other stakeholder communities on the IRP and Water Use Efficiency Master Plan.

DIRECTOR'S COMMENTS

Director Fellow stated that he will be speaking to the CORO foundation tonight about regional issues in the San Gabriel Valley.

President Urias acknowledged the presence of various local officials. He then stated that he is pleased by the Board's decision to move forward with the IRP process. He stated that he believes the IRP will set a road map to make a difference not only for the Upper District but also for the ratepayers by utilizing its resources in an innovative manner.

FUTURE AGENDA ITEMS

None.

ADJOURN TO CLOSED SESSION

A closed session was held regarding potential litigation. *(Closed session consideration authorized under Government Code Section 54956.9.)*

RESUME REGULAR MEETING AND REPORT ON CLOSED SESSION

District Legal Counsel reported that a briefing was delivered by staff and instruction was given to the General Manager. No vote nor formal action was taken.

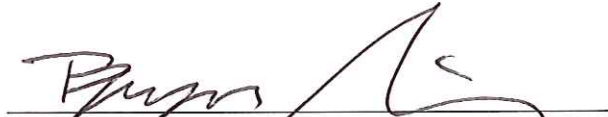
ADJOURNMENT

President Urias asked if there were other business to come before the Board; there being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on February 7, 2012 at 6:30 p.m. at the Upper District offices, 602 E. Huntington Drive, Suite B, Monrovia, CA 91016.

ATTEST



 SECRETARY



 PRESIDENT



 SECRETARY

SEAL