A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT 602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CA 91016 8:00 A.M. – MARCH 20, 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 March 20, 2012 at the hour of 8:00 a.m.

ROLL CALL

DIRECTORS PRESENT: Fellow, Treviño, Urias and Robinson (late).

DIRECTORS ABSENT: Chavez.

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

OTHERS PRESENT

Stephen Millard, R.K. Brown, Mariana Lake, Lenet Pacheco, Tony Zampiello, John Franklin, Ben Lewis, Ken Tcheng, Mike Touhey, Ken Manning, Dan Aguinaga and Dan Arrighi.

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

Mr. Brown expressed interest in the future of groundwater cleanup and contaminants found in the Main San Gabriel Basin (Basin).

Ms. Lenet Pacheco, Board member of Valley County Water District, thanked the Upper District Board for supporting St. John the Baptist Catholic School by placing an ad in their newsletter.

APPROVAL OF MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON MARCH 6, 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 March 6, 2012 at 6:30 p.m. Director Treviño seconded the motion, which 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 16613 through 16617 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of $35,038.00. Director Treviño seconded the motion.

The motion was approved by the following vote:

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

16613	Anthony R. Fellow	Director's Compensation, February 2012		
		6 Days District Business	1,200.00	
		Meeting/Travel Expenses/Other	967.88	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	(165.97)	1,501.91
16614	State Street Bank & Trust	CalPERS Deferred Compensation, February 2012		
		Fellow		750.00
16615	Joint Powers Insurance Authority	Property Insurance Renewal, 4/1/12 - 4/1/13		3,087.00
16616	U. S. Bank	CalCard Charges through 2/22/12		
		Meeting, Travel, Conferences, and Outreach	4,442.64	
		Public Information	299.15	
		Office Supplies	58.83	
		Water Conservation Program Expenses	805.00	5,605.62
16617	Upper San Gabriel Valley Municipal Water District Revolving Fund	Replenish Revolving Fund Account 3/1/12 - 3/15/12:		
		Office Supplies	1,652.71	
		Computer Systems/Equipment Maintenance & Service	9,705.93	
		Meeting/Travel/Conferences/Outreach	358.82	
		Building Maintenance/Telephone/Utilities	956.18	
		Medical Reimb - Employees	563.57	
		Medical Reimb - Retired Employees	207.72	
		Medical Reimb - Directors	755.18	
		Medical Reimb - Retired Directors	772.13	
		Opt-Den-Aud Reimb - Retired Employees	170.00	
		Opt-Den-Aud Reimb - Directors	477.00	
		Opt-Den-Aud Reimb - Retired Directors	366.00	
		Public Information	672.30	
		Water Conservation Program Expenses	2,208.50	
		Water Recycling Project Phase IIA - Operation & Maintenance	5,096.20	
		Water Recycling Project Phase IIB - Recycled Water Purchases	131.23	24,093.47
		TOTAL		**$ 35,038.00**

UPDATE REGARDING BASIN WATER QUALITY

The General Manager introduced Mr. Steve Johnson, Upper District's Consulting Engineer, to provide an overall assessment of water quality in the Basin.

Director Robinson arrived.

Mr. Johnson gave an overview of the U.S. Environmental Protection Agency (EPA) superfund operable units within the Basin, water quality issues, estimated cost for capital, treatment and remediation as well as sources of funding for the operable units. He also discussed EPA's monitoring wells for the evaluation of additional cleanup options.

Director Robinson and Mr. Johnson discussed an agreement with the responsible parties to facilitate the flow of funds through various escrow accounts for operating costs of the Baldwin Park Operable Unit (BPOU).

Director Treviño and Mr. Johnson discussed water contamination impacts, if any, of Monterey Park Wells 5 and 6.

Director Robinson and Mr. Johnson discussed operable unit remedies.

Mr. Manning stated that the San Gabriel Basin Water Quality Authority (WQA) is closely working with the EPA to make sure that the Whittier Narrows has ongoing long-term commitments. He discussed the progress of the CEQA process on the East Side Project as well as the necessary discharge permits and sources of funding for cleanup projects.

Director Robinson asked how small pumpers or mutual water companies have been affected.

Mr. Manning explained that pumpers in these operable units are mostly municipalities and that small pumpers have been unaffected or have been able to obtain water through other means.

Mr. Zampiello, Assistant Executive Officer for the Main San Gabriel Basin Watermaster (Watermaster), stated that although there is still a few years left in the BPOU agreement, Watermaster's goal is to start working with water agencies to look at what the new agreement would be like.

Mr. Dan Arrighi, Water Resources Manager for the San Gabriel Valley Water Company, stated that the operable units are being operated to the best of their abilities. He then discussed Plant B6's failure on March 8, 2012 and the efforts made to rectify it in less than 24 hours.

Director Robinson stated that he feels regulation of total Chromium is unreasonable. He expressed concern that the BPOU may affect the cyclic storage and conjunctive use program. He then asked if the Upper District's spreading grounds have been protected from contamination.

Mr. Johnson stated that the basin model created to develop the remedies were based upon historic basin operation for both pumping and replenishment. He added that these remedies have been designed to develop a capture zone in the area where the operable unit is to remove the contaminants.

Mr. Manning stated that the Upper District considered the idea of using the Olive Pit in the late 1990s yet did not move forward on the matter due to concerns on potential plumes would push the BPOU away from some of the remedies that had been developed.

Director Treviño asked if storing water in the Basin is a concern in terms of contamination.

Mr. Manning and Mr. Johnson stated that contaminants should not be a concern. Mr. Manning added that every drop of water pumped out of the Basin for potable use meets drinking water standards.

The General Manager thanked Mr. Johnson for the update provided on the water quality of the Basin. He stated that Watermaster and WQA have excellently managed water quality issues ahead of other areas. He also stated that the basin model provides an overview of impacts of water quality in the Basin and how it may affect Upper District's investment choices and resources.

Director Robinson and the General Manager discussed the positive influence of WQA and Watermaster to efficiently remediate groundwater contamination and assist in preventing future contamination risks.

Director Robinson stated that although Watermaster has made great progress, he feels skeptical that changes to the Judgment might improve the situation.

Director Treviño stated that the Upper District should support partners' desire to pursue other funding possibilities in order to sustain the water quality and quantity in the Basin.

Director Robinson expressed concern that allowing financial flexibility would make it easier for agencies to get into the ratepayers pocket.

CONSENT CALENDAR

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

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

(a) Authorization to attend Southern California Water Utilities Association's March 2012 Program on March 22, 2012 at the Sheraton Fairplex Hotel in Pomona, CA.

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

District Legal Counsel reported that the Court of Appeals decided to accept a petition filed by Metropolitan to have the Court of Appeals review the Superior Court's decision allowing discovery in the San Diego County Water Authority vs. Metropolitan case.

ENGINEER'S REPORT

The District Engineer reported that the Baldwin Park key well was 229.2 feet as of March 16, 2012 and that there were no public notices of wells shut down.

Director Robinson questioned how the media seems to always find issues affecting the water such as brine found in Plant B6 before the Upper District does.

GENERAL MANAGER'S REPORT

The General Manager reported that Southern California Edison will receive the Recycled Water Customer of the Year Award on March 26, 2012 at the WateReuse Annual Conference in Sacramento and that Mr. Trejo, will be giving a presentation on the Upper District's Direct Use Project at the conference.

He then commended EcoTech, Upper District's High Efficiency Toilet (HET) distribution consultant, and staff for the successful HET distribution event held Saturday, March 17, 2012, at Gabrielino High School. He also thanked Mr. Ken Tcheng, President of Sunny Slope Water Company, for facilitating the use of the high school's gym to conduct the event during that rainy day.

DIRECTOR'S COMMENTS

Director Treviño echoed the General Manager's comments regarding staff and consultant's efforts for holding the distribution event despite the rain. He also commended WQA and Watermaster's diligence in managing the water quality of wells. He then stated that he is pleased to hear from WQA and Mr. Johnson that there is nothing to be concerned about storing water in the Basin.

Director Robinson thanked Mr. Johnson for the informative presentation provided on water quality of the Basin. He then suggested scheduling periodic update regarding the Basin's water quality.

President Urias acknowledged the presence of various local officials. He also commended staff for another successful HET distribution event. He thanked Mr. Johnson for the presentation given on water quality in the Basin and asked that an update on the matter be provided on an annual basis. He then directed staff to work with water companies to formulate an emergency response protocol to notify the public in case of possible water contamination and/or natural disasters that may cause failure in the water system.

Director Robinson suggested including a detailed map of the neighborhood with the emergency response to show the areas affected.

FUTURE AGENDA ITEMS

None.

ADJOURN TO CLOSED SESSION

No closed session was held.

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 April 3, 2012 at 6:30 p.m. at the Upper District offices, 602 E. Huntington Drive, Suite B, Monrovia, CA 91016.

ATTEST

PRESIDENT

VICE PRESIDENT

VICE PRESIDENT

SEAL