

**MINUTES OF THE
ASSOCIATION OF GROUND WATER AGENCIES (AGWA)
BOARD OF DIRECTORS MEETING
MONDAY, JANUARY 8, 2007
AT MAIN SAN GABRIEL BASIN WATERMASTER**

Chairman John Rossi called the meeting to order.

Directors/Alternates present:

Rick Iger, Vice Chair	Kern County Water Agency
Ken Manning	Chino Basin Watermaster
John Rossi, Chairman	Western Municipal Water District
Carol Williams, Secty/CFO	Main San Gabriel Basin Watermaster
Tony Zampiello	Raymond Basin Management Board

Affiliates present:

Terry Foreman	CH2M Hill
Kathy Kunysz	Metropolitan Water District of Southern California

Others present:

Donna DiLaura	Main San Gabriel Basin Watermaster
Tom Field	Three Valleys Municipal Water District
Keith Lyons	Municipal Water District of Orange County
Alfred Smith	Nossaman Guthner Knox & Elliott LLP
Jason Weeks	Water Replenishment District of Southern California

MINUTES/FINANCIAL STATEMENTS

The Chairman deferred approval of the September 18, 2006 and November 20, 2006 meeting minutes to the next meeting due to lack of a quorum.

DISCUSSION AND ACTIONS

Update on CRWQCB Santa Ana Region Proposed WDR's for Injection/Percolation of Imported Water- Chairman Rossi reported on the progress of the workgroup formed to develop an alternative to the Santa Ana Regional Water Quality Control Board's proposed Waste Discharge Requirements on imported water recharge. He noted that most of the workgroup participants want to avoid monitoring for wastewater requirements, although some Orange County stakeholders feel the additional monitoring could aid in protecting other groundwater supplies. Discussion followed regarding public perception if emerging contaminants and wastewater by-products are detected in groundwater, especially for constituents that are not addressed by Department of Health Services drinking water standards. Discussion also followed regarding the position of Santa Ana Regional Board members regarding the proposed waste discharge requirements, and Director Manning stated that he felt most of the board members appeared to support the cooperative groundwater protection plan.

Update on GAMA program implementation/results in AGWA member areas – Chairman Rossi reported that the GAMA study for the Temecula area is complete, but he has not yet reviewed it; a GAMA conference call is scheduled for January 10. Director Iger noted that the USGS representatives had committed to present the report in a new format to ACWA's Groundwater Committee, but so far USGS has not yet responded to comments made to date. Director Manning also reported that GAMA testing is now being conducted in the Upper Santa Ana region.

Status of MWD Groundwater Basin Assessments - Ms. Kathy Kunysz reported that Metropolitan Water District staff is working to complete a final draft of the Groundwater Basin Assessment, and is still compiling responses on the initial draft from the various basin agencies. She indicated that MWD staff hopes to have a complete draft available for the groundwater agencies, MWD member agencies and MWD board committees within the next few months. Ms. Kunysz stated that she can still accept additional comments and corrections if necessary, and she noted that the MWD staff's biggest challenge in compiling the report is in accurately distinguishing the safe yield variations and definitions for each basin. AGWA members suggested that MWD staff consider using the existing definitions within the judgments for the various adjudicated basins. Director Manning asked about the audience for the report and expressed concern that legislators might see the report and not understand the distinctions among the basins. AGWA members also thanked Ms. Kunysz and MWD staff for compiling the assessment and working closely with the basin managers for input.

Status of Cooperative Groundwater Legislative Education Effort with GRA and Others – Chairman Rossi reported that he and other AGWA members are working with the Groundwater Resources Association's Legislative Committee on a joint effort to educate legislators about groundwater, including the benefits of groundwater storage and the link between surface and groundwater storage. The group also hopes to encourage legislators to provide funding for storage and related groundwater projects. Chairman Rossi noted that the group representatives met recently with MWD Chairman Tim Brick to enlist MWD's support in the effort, and Chairman Brick and MWD staff were willing to assist.

COMMITTEE REPORTS

MWD Liaison Committee – Chairman Rossi reported that MWD staff is working with member agencies to evaluate the Local Resources Projects (LRP) program and consider elements of the program that member agencies would like to see changed, such as the requirement that a project cannot be started before the LRP agreement is signed. He stated that no changes have been made to the program yet, but may happen within the next two to three months. He also reported that the LRP program review also includes a discussion regarding the target of water to be developed through the program's projects, and whether or not \$250 per acre-foot is an appropriate subsidy for these projects, which consist mostly of desalters and water recycling projects.

Chairman Rossi also reported that the proposed MWD rates for 2008 are now available, and they include a rate increase of approximately seven percent. The increase is due to increased charges from the Department of Water Resources on the State Water Project, as well as an increase in treatment charges. He also noted that San Diego representatives are considering asking for a revenue scenario using a five percent increase and identifying where cost cuts would need to be made, although other MWD members do not agree with such an approach.

Finally, Chairman Rossi reported that MWD has named Karen Tachiki as its new General Counsel.

Communications Committee –Director Manning reported that the AGWA/AGWT groundwater conference is set for February 5, 2007, at the Ontario Convention Center; however, the keynote speaker for the conference is still pending. He urged those interested in attending to register as soon as possible. Additionally, he stated that he spoke with the AGWT executive director about AGWA's contractual obligations for the conference and noted that he will ensure that AGWA complies with its responsibilities in providing conference support and follow-up. He plans to make Chino Basin Watermaster staff available to assist with the conference, since the conference will be held on a day that AGWA staff is not able to attend.

With regard to the ongoing website upgrades, Director Manning reported that he is working with the website designer to arrange a demonstration, and is awaiting the information to access the demonstration site.

Legislative/Regulatory Committee -- Director Iger referenced legislation that failed in the last session that pertained to open space but required that levee setbacks include a recharge area, and make requirements for local planning commissions in considering land use applications. He suggested that similar legislation could be proposal again for this session.

Director Williams reminded AGWA members that the GRA Legislative Symposium and Lobby Day would be coming up within the next few months and noted that, with the new joint effort, AGWA would be co-sponsor the event with GRA. She stated that she did not have the date yet, but would forward the information to AGWA members once she received it, especially if the event occurred before the next scheduled AGWA meeting.

AGENCY REPORTS

Director Zampielo reported that the Raymond Basin agencies are working jointly with Main San Gabriel Basin water agencies to obtain federal funding for the proposed Foothill Communities Water Supply Reliability Projects. He explained that a funding authorization had been in the House version of the Water Resource Development Act last year, but with changes in Congress in November, the WRDA bill did not move, and a new bill is expected to be developed early this year; therefore, RBMB and its partners are working again to have the funding authorization included in the new WRDA bill.

Director Williams reported that the Baldwin Park Operable Unit cooperative cleanup project is nearly complete but is experiencing problems. She stated that the discovery of 1,2,3-TCP at one site has required the addition of another treatment process, liquid-phase granular activated carbon, and that facility is expected to be completed and online within the next several months. Additionally, she reported that the project agreement required that the treatment facilities cease discharge of perchlorate-laden brine by October 2006; however, a cost-effective brine treatment process has not been determined, so the parties have worked to negotiate an amendment to the agreement to extended the deadline to 2009 and include a process for evaluating options such as disposable resin for the ion-exchange plants.

Director Manning reported that the State Water Resources Control Board has notified parties that it intends to begin hearings, perhaps as early as March or April, on water rights

applications that are pending for the Santa Ana River. Chino Basin Watermaster, Western MWD and others submitted applications several years ago to appropriate additional water made available by the operation of the Seven Oaks Dam.

Director Iger reported that an \$80 million water conveyance project is underway in the Kern County area. The project will allow more State Water Project water to be brought into the area and will provide greater flexibility in managing water supplies throughout the area. He also reported that a record amount of water was recharged last year: water received from the SWP, Central Valley Project, the Kern River, and releases from Lake Isabella resulted in 1.3 million acre-feet of water recharged in Kern County facilities. Director Iger also noted that Article 21 water is also now available.

Mr. Smith reported that the South El Monte Operable Unit litigation continues in the San Gabriel Valley, although the litigation has been stayed until April 2, 2007 while a mediator attempts settlement among the parties.

Mr. Tom Field reported that Three Valleys Municipal Water District and neighboring agencies are preparing for the upcoming 7-day Weymouth Treatment Plant shutdown. He also reported that improvements are being made to support the San Antonio Spreading Grounds Conjunctive Use project.

Ms. Kunysz reported that the long-awaited Pasadena (Raymond Basin) conjunctive use program is moving forward; she noted that with Pasadena's representative now chairing the MWD board, she is hopeful that the project will come together.

FUTURE AGENDA ITEMS

Director Manning offered to provide a presentation by Mark Wildermuth on perchlorate testing in the Chino Basin for the next meeting.

NEXT MEETING

The Chairman stated that the next regular meeting of AGWA is scheduled for **Monday, March 19, 2007, at 1:30 p.m.** at the offices of the Chino Basin Watermaster, located at 9641 San Bernardino Rd., Rancho Cucamonga, CA, 91730. **(NOTE: The meeting was subsequently changed to Monday, March 26, at 1:30 p.m., at the Chino Basin Watermaster office.)**

Carol Williams, Secretary/CFO

ATTEST:

John Rossi, Chairman