

**MINUTES OF A REGULAR MEETING OF  
THE TORRANCE WATER COMMISSION**

**1. CALL TO ORDER**

The Torrance Water Commission convened in a regular session at 7:00 p.m. on Thursday, January 17, 2013 in the West Annex Meeting Room at Torrance City Hall.

**2. ROLL CALL:**

Present: Commissioners Deemer, Haddon, McCabe, McGee, Nishinaga, See, and Chairperson Lefevre.

Absent: None.

Also Present: Public Works Director Beste, Deputy Public Works Director van der Linden, Senior Administrative Analyst Schaich, and Metropolitan Water District Director Wright.

**3. FLAG SALUTE**

Commissioner McGee led the Pledge of Allegiance.

**4. AFFIDAVIT OF POSTING**

**MOTION:** Commissioner Nishinaga moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. Commissioner McGee seconded the motion; a voice vote reflected unanimous approval.

**5. APPROVAL OF MINUTES**

**5A. MINUTES OF NOVEMBER 15, 2012**

**MOTION:** Commissioner Haddon moved to approve the November 15, 2012 Water Commission meeting minutes as presented. Commissioner See seconded the motion; a voice vote reflected unanimous approval.

**6. ORAL COMMUNICATIONS FROM PUBLIC - None.**

**7. OLD BUSINESS - None.**

**8. NEW BUSINESS**

**8A. PRESENTATION BY WEST BASIN MUNICIPAL WATER DISTRICT (WBMWD) REPRESENTATIVE REGARDING OCEAN DESALINATION AND STATUS OF THE WBMWD OCEAN DESALINATION DEMONSTRATION PROJECT**

Senior Administrative Analyst Schaich introduced the item and welcomed Fernando Paludi, Manager of Water Policy and Resources Development.

Mr. Paludi provided a PowerPoint presentation regarding ocean desalination and the status of the WBMWD Ocean Desalination Demonstration Project in Redondo Beach. He showed the West Basin service area that serves one million people in 17 cities as well as the current Board of Directors. He discussed water supply challenges and their Water Reliability 2020 mandate to create local water supplies to reduce demand of imported water from 66% to 33% by the 2020. He described West Basin's water supply portfolio from 1947 to date and vision to add ocean desalination by 2020 to diversify their water portfolio.

He showed the Edward C. Little Water Recycling Facility in El Segundo and recycled water distribution system through 120 miles of pipeline. He described the five qualities, uses, and prices of recycled water that is produced: tertiary, nitrified, reverse osmosis: barrier water, reverse osmosis: single pass, and reverse osmosis: double pass.

Responding to Commissioner Lefevre's inquiry, Mr. Paludi explained that barrier water goes through an additional treatment of ultraviolet radiation to disinfect it as it will eventually be blended and used for drinking water after approximately 20 years.

Mr. Paludi discussed conservation efforts to reduce demand of water use in residential, commercial and industrial, and landscape sectors.

In response to Commissioner Haddon's inquiry, he described the Ocean Friendly Garden grant program.

Mr. Paludi provided information about their Ocean Water Desalination pilot facility in El Segundo from 2003 to 2010 that proved that they could get stable water quality at drinking water standards using reverse osmosis on seawater. He stated that the Demonstration Project in Redondo Beach is a larger facility that uses full-scale components to determine what it would take to meet permit requirements and to test energy recovery methods, intake methodologies, and brine discharge. He noted that the goal of responsible ocean desalination is to design safe seawater intakes that protect reproductive adult fish, juvenile fish, and mature larvae that will sustain future populations—the whole life cycle approach. He stated that they are testing passive Wedgewire screen to meet intake regulations, adding that results have shown no impingement. He noted that they are also researching effects of brine discharge and how a diffuser system could work.

Discussion centered on Surfrider Foundation's position regarding ocean desalination, the challenges of meeting the State's recycled water goals, and the Carlsbad desalination plant.

MWD Director Wright stated that MWD gives member agencies, including West Basin, \$250 per acre-foot to produce desalinated water. He noted that MWD is considered going into the business of ocean desalination but one drawback is the large amount of power it would take to get into the system. He pointed out that one of the reasons MWD is able to deliver water to Southern California for reasonable rates is because of their power contract with Hoover Dam.

In response to an inquiry from Commissioner Nishinaga, Mr. Paludi stated that West Basin has not researched capturing tidal or surge energy but it is his understanding that it is used in other countries.

Public Works Director Beste discussed advantages of having a desalination facility within the confines of a power plant, the conjunctive use program, and the importance of developing more local wells for long-term reliability. He stated that most people are not willing to pay double or triple current water rates but noted that, as MWD water costs continue to rise and technology improves, ocean desalination may become a viable option.

Responding to Commissioner McGee's inquiry, Mr. Paludi stated that construction of an ocean desalination facility would probably take two years and is less of a problem than permitting it.

He concluded his presentation with favorable public opinion research and next steps that include a water quality integration study, brine diffuser entrainment study, Master Plan status, and full scale EIR RFP.

#### **10. WEST BASIN WATER ASSOCIATION REPORT**

This item was taken out of order.

Deputy Public Works Director van der Linden provided a report on the January 8, 2013 West Basin Water Association meeting. He reported that the Watermaster stated that pumping from the West Coast Basin in November 2012 decreased 11% compared to November 2011. He noted that the cumulative total for this water year is 18,600 acre-feet, a 5% decrease in total groundwater production as compared to the same time period last year. Referring to entities not paying the Replenishment Assessment, he relayed the Watermaster's comment that such issues are not within his purview.

He reported that Directors Dear and Kwan would be re-instated onto the West Basin Municipal Water District Board for new terms and distributed a flier for the State of the District luncheon on January 23, 2013 in Carson. He stated that MWD is projecting 1.75 million acre-feet in water sales this coming budget year.

Deputy Public Works Director van der Linden stated that the Water Replenishment District discussed their four injection barriers and injunctions they have brought before the Courts for damages and collection of unpaid Replenishment Assessments by parties in the Central Basin and West Coast Basin.

#### **11. MONTHLY DEPARTMENT REPORT**

Deputy Public Works Director van der Linden noted that the Monthly Department Report for December 2012 was included in agenda packets. He reported that total water production for December was approximately 11% lower compared to last year but noted that recycled water use increased this year by nearly 20%. He attributed the eight water main breaks to higher system pressures in the distribution system and advised that the Goldsworthy Desalter went back online today after undergoing major rehabilitation.

**MOTION:** Commissioner Deemer moved to accept and file the Monthly Department Report for December 2012. Commissioner Nishinaga seconded the motion; a voice vote reflected unanimous approval.

**8B. PRESENTATION REGARDING NEW TORRANCE MUNICIPAL WATER RATES FOR 2013**

Senior Administrative Analyst Schaich provided a PowerPoint presentation on new Torrance Municipal Water Rates for calendar year 2013. He recalled that City Council approved a five year rate plan in February 2011 for years 2011 through 2015 and established a tiered conservation based rate structure. He stated that the reason for the rate plan was to fund local water supply improvements, system infrastructure replacements, operations and maintenance requirements, meet regulatory requirements, and revise the pass-through adjustment methodology. He discussed benefits that include lower long-term water costs, stabilize future rates, implement systematic CIP to ensure integrity of the water system, and enhance water supply reliability.

He presented current budget projections for fiscal year 2012-13: total revenues - \$35.19 million and total operating expenses - \$33.50 million. He reviewed projected operating expenses and revenues and noted that expenses include a non-cash depreciation expense of \$1.2 million.

In response to Commissioner Deemer's inquiry, he stated that anything with a life cycle over one year is depreciated and includes meters, pipelines, and reservoirs.

Senior Administrative Analyst Schaich reviewed charts of the Water Rate Plan, 2013 rates, monthly fixed service charge for 2013, water usage characteristics, and cost comparison with other water providers. He discussed the economic benefit of new wells that have a benefit/cost ratio of 5:1 and a lifecycle savings of \$180 million. He concluded his presentation with next steps: develop updated rate model for CIP Financial Plan, sizing of bond issue, retaining bond consultant, structuring of revenue bond issue and preparing bond documents, and marketing and sale of bonds. He noted that other options are being considered and that the bond may not be \$23 million after all.

**9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT**

MWD Director Wright distributed copies of MWD's current water supply conditions, noting that Northern California is 180% of normal for snowpack and precipitation. He stated that the State Water Project increased their allocation to 40% and MWD has been storing a lot of that water in Central Valley's groundwater basins.

**12. ORALS**

**12A.** Commissioner Nishinaga raised the possibility of changing the meeting date to the fourth Thursday of the month and Senior Administrative Analyst Schaich responded that the meeting room is available on the fourth Wednesday or fourth Thursday.

Commissioners were asked to consider his request and to e-mail their availability.

**12B.** Deputy Public Works Director van der Linden announced an April 26-27, 2013 inspection tour to the Colorado River and Hoover Dam.

**12C.** Commissioners and staff expressed appreciation to Commissioner Deemer for his years of service on the Commission and bid him a fond farewell.

**13. ADJOURNMENT**

**MOTION:** At 9:05 p.m., Commissioner Haddon moved to adjourn the meeting to February 21, 2013 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner See seconded the motion and, hearing no objection, Chairperson Lefevre so ordered.

Approved as Submitted February 21, 2013 s/ Sue Herbers, City Clerk
--