

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

1. CALL TO ORDER

The Torrance Water Commission convened in a regular session at 7:01 p.m. on Monday, March 18, 2010 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

Present: Commissioners Deemer, Haddon, Lefevre, McGee, Lew, White, and Chairperson See.

Absent: None.

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

3. FLAG SALUTE

Commissioner White led the Pledge of Allegiance.

4. AFFIDAVIT OF POSTING

MOTION: Commissioner White 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 FEBRUARY 18, 2010

MOTION: Commissioner White moved to approve the February 18, 2010 meeting minutes as submitted. Commissioner Haddon seconded the motion; a voice vote reflected unanimous approval.

6. ORAL COMMUNICATIONS FROM PUBLIC

The Commission welcomed guest Phil Elliot from Weather Track.

Senior Administrative Analyst Schaich stated that the City is considering using some of the Federal stimulus funds it received for irrigation improvements in parks and streetscapes.

7. UNFINISHED BUSINESS

None.

8. NEW BUSINESS

8B. STATUS OF CITY'S CURRENT UTILITY SERVICE BILLING CONTRACT AND REQUEST FOR PROPOSAL (RFP) FOR COMPREHENSIVE BILLING AND CUSTOMER SERVICE SYSTEM

This item was taken out of order.

Senior Administrative Analyst Schaich reported that the City is under contract through 2012 with Golden State Water Company (GSWC) for utility billing and customers' service functions for water, refuse, and sewer enterprise functions. He informed Commissioners that the California Public Utilities Commission (PUC) has recently rendered decisions that adversely impact GSWC's ability to remain in this business and, as a result, GSWC will be forced to increase the City's current contract fee by nearly 100%. He stated that the City and GSWC have mutually agreed that the City should find another billing contractor to perform this work and the Finance Department and Torrance Municipal Water (TMW) are actively looking for another vendor. He advised that a staff team is conducting preliminary interviews with billing companies, developing a Request for Proposal (RFP), and also evaluating the feasibility of bringing the function back "in-house." He noted that a new contract will cost more, will have a significant budgetary impact, and will impact the rate study that is currently being developed. He stated that they hope to have a contractor in place by July 2010 and will bring back an update next month.

Responding to Commissioner White's inquiry, he explained that TMW's share is 60% of total billing/customer services costs because TMW derives 60% of total revenues.

Commissioner White, with concurrence by Commissioner Lefevre, recommended that Commissioner Haddon be on the evaluation committee; Deputy Public Works Director van der Linden offered to relay the recommendation to the Finance Director and Public Works Director Beste.

8C. SB 1412 (CALDERON) BILL

This item was taken out of order.

Senior Administrative Analyst Schaich provided background on the defeat of AB640 and recently introduced SB 1412 which would significantly change the State Replenishment Act by requiring a water replenishment district to impose a replenishment assessment that is "basin specific." He explained that Central and West Basins mutually agreed to establish a uniform rate in 1959 and most parties still agree that a uniform replenishment assessment should be maintained to avoid litigation, delays in implementing a conjunctive use program, and addressing basin-wide concerns. He noted that West Basin is opposing the bill because it does not take underflow into consideration and because Central Basin is naturally replenished through run-off.

In response to Commissioner White's inquiry, he stated that SB 1412 was introduced by State Senator Calderon who is closely connected politically with the City of Downey.

Deputy Public Works Director van der Linden stated that West Basin Water Association, West Basin Municipal Water Association, Water Replenishment District, Golden State Water, Long Beach, and Lakewood have expressed opposition to the bill.

MOTION: Commissioner Lefevre moved that the Water Commission 1) take a position to oppose SB1412 and 2) to recommend to City Council that it oppose SB1412 and to have City Council communicate this position to the California State Legislature. Commissioner McGee seconded the motion; a roll call vote reflected unanimous approval.

Senior Administrative Analyst Schaich advised that the recommendation is expected to be considered at the March 23, 2010 City Council meeting.

MWD Director Wright reminded Commissioners that MWD and Los Angeles County Sanitation District are conducting a one-year feasibility study to determine if wastewater from the Carson Reclamation Plant can be further treated and used for the barriers or to replenish groundwater basins.

8A. PRESENTATION BY WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REGARDING GROUNDWATER SALINITY MITIGATION PLAN AND STATUS OF GOLDSWORTHY DESALTER PROJECT

Ted Johnson, Chief Hydrogeologist with Water Replenishment District (WRD) of Southern California, provided a power point presentation "Saline Plume in the West Coast Basin." He showed a map of the West Coast and Central Basins and provided a history of the contamination of fresh water by seawater intrusion due to overpumping the last 100 years. He stated that by the 1950's, the groundwater was below sea level in half of the basins, resulting in seawater intrusion along the coast. He discussed the installation of Los Angeles County's 16-mile, 300 barrier injection wells along the coast that have halted the intrusion and which provide fresh water to replenish the aquifers. He explained that WRD buys all the imported and reclaimed water that goes into these wells, noting that about half the water is potable.

He discussed the residual salt water, or saline plume, that made it past the barriers before they were put in. He showed the history of the saline plume movement, which has now reached Crenshaw Boulevard, as well as a "hot spot" between 190th Street and Del Amo Boulevard. He stated that the plume is moving eastward approximately 250 feet per year and is getting higher concentrations of chlorides. He noted that in 2009 the plume was 650,000 acre-feet in size.

Chief Hydrogeologist Johnson described installation and provided results of the two monitoring wells that were drilled at Columbia Park and Madrona Marsh Preserve in 2009. He reported that they drilled 1,509 feet at Columbia Park and discovered mostly fresh water with just a little salt; however, the monitoring well at Madrona Marsh, drilled to 1,260 feet, showed significant seawater intrusion. He concluded his presentation with ways to mitigate the impact of saline water intrusion that includes expansion of the Goldsworthy Desalter and redevelopment of Madrona Well #2.

Responding to Commissioner McGee's inquiry, he stated that fresh water is injected into the barrier wells to depths of 300 to 800 feet.

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MWD Director Wright noted that when this salt water is removed it creates a reservoir of water in this area.

In response to an inquiry by Commissioner Lefevre, Chief Hydrogeologist Johnson stated that they also operate a wastewater treatment plant in Long Beach.

9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT

MWD Director Wright distributed his March report regarding MWD activities to the Mayor and Council Members dated March 15, 2010 and MWD Board Letter 9-1 dated March 9, 2010. He provided background on reasons why MWD needs to raise its water rates, noting that one of the main reasons is to maintain its AA+ and AAA Bond Ratings. He discussed three options that the Board is considering on how to raise rates: Option 1 – average rate increase of 12.4% on January 1, 2011, Option 2 – average rate increases of 7.5% on January 1, 2011 and 7.5% on January 1, 2012, and Option 3 – average rate increase of 9.6% on January 1, 2011 and no change to MWD's property tax rate. He stated that MWD has to set its budget in April 2010 and the budget sets the rates.

Commissioner Lefevre received clarification that for Option 3 MWD would need to sponsor legislation to change the MWD Act to allow MWD to cap the maximum tax levy rate at the rate in effect for fiscal year 2009-10.

In response to Commissioner Deemer's inquiry, MWD Director Wright explained that the water stewardship rate goes for advertising and incentives.

10. WEST BASIN WATER ASSOCIATION REPORT

Deputy Public Works Director van der Linden reported that at the March 2, 2010 Association meeting the Water Master announced a 9% increase in pumping in the West Coast Basin compared to last year. He stated that the West Basin Municipal Water District noted that Gloria Gray was appointed to the Delta Stewardship Council and that a survey is being mailed to California Water Service customers asking if property owners are willing to support an annual fee on their property tax bill. He stated that MWD discussed the three options to increase its rates and provided a presentation on SB1412. He reported that the Water Replenishment District had its "Treasure Beneath Our Feet" celebration on March 13, 2010, will have a replenishment assessment meeting on May 7, 2010, and are developing a West Coast Master Plan. He noted that the West Basin Water Association sent an opposition letter to Senator Calderon on SB1412.

11. MONTHLY DEPARTMENT REPORT

Deputy Public Works Director van der Linden presented the Monthly Department Report for February 2010. He stated that overall water production decreased 11% from January 2009 and that there were seven water main breaks last month. He reported that as of January 1, 2010 the City has taken over operation of the Goldsworthy Desalter and last month the facility produced over 170 acre-feet of potable water. He noted that the Desalter would be shut down for approximately four weeks to change membranes

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and to find ways to increase water production. He stated that completion of Well #9 is expected in July 2010.

MOTION: Commissioner Deemer moved to accept and file the Monthly Department Report as presented. Commissioner Lew seconded the motion; a voice vote reflected unanimous approval.

12. ORALS

12A. Commissioner Haddon distributed 2010 Census brochures.

12B. Commissioner Deemer stated that he saw a bus stop on Madrona Avenue and Torrance Boulevard advertising donations of water for UNICEF.

12C. Commissioners Lefevre and McGee requested excused absences for the April Commission meeting.

12D. Senior Administrative Analyst Schaich encouraged Commissioners to attend the City's Environmental Fair on March 27, 2010.

12E. At Commissioner Deemer's request, MWD Director Wright provided a status report on the Salton Sea and Quantitative Settlement Agreement.

13. ADJOURNMENT

MOTION: At 9:02 p.m., Commissioner Haddon moved to adjourn the meeting to April 15, 2010 at 7:00 p.m. in the West Annex Commission meeting room. The motion was seconded by Commissioner Haddon and, hearing no objection, Chairperson See so ordered.

Approved as Submitted May 20, 2010 s/ Sue Herbers, City Clerk
