

**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 Wednesday, September 28, 2016 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

Present: Commissioners Chim-Lieu*, Kawai, McGee,
Nishinaga, Walser, and Chairperson Craft.

Absent: Commissioner Marshall.

Also Present: Senior Administrative Analyst Schaich and
Deputy Public Works Director Knapp.

*Commissioner Chim-Lieu arrived at 7:35 p.m.

MOTION: Commissioner Nishinaga moved to grant Commissioner Marshall an excused absence for the September 28, 2016 Water Commission meeting. Commissioner Kawai seconded the motion; a roll call vote reflected 5-0 approval.

3. FLAG SALUTE

Commissioner Walser 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 roll call vote reflected 5-0 approval.

5. APPROVAL OF MINUTES

5A. MINUTES OF AUGUST 24, 2016

MOTION: Commissioner McGee moved to approve the August 24, 2016 Water Commission meeting minutes as presented. Commissioner Kawai seconded the motion; a roll call vote reflected 4-0 approval (Chairperson Craft abstaining).

6. ORAL COMMUNICATION FROM PUBLIC

Chairperson Craft welcomed guests Charles Deemer and Raymond Jay.

In response to Mr. Deemer's inquiry, Deputy Public Works Director Knapp stated that the Goldsworthy Desalter Expansion Project would be complete in summer 2017 and the distribution line for discharge is being installed.

8A. PRESENTATION BY WATER REPLENISHMENT DISTRICT REGARDING THE TRANSFER OF THE WATERMASTER FUNCTION IN THE WEST COAST BASIN AND RELATED CHANGES IN BASIN MANAGEMENT

This item was taken out of order.

Senior Administrative Analyst Schaich introduced the item and the Commission welcomed Jason Weeks, Manager of Water Resources, Water Replenishment District (WRD) of Southern California.

Manager Weeks provided a PowerPoint presentation “West Coast Basin Adjudication.” He presented background on the original adjudication in the 1960s as a result of severe overpumping, plunging groundwater levels, and seawater intrusion. He stated that pumping limits were set at 64,500 acre-feet (AF) per year in the West Coast Basin, with Torrance’s portion at 5,640 AF. He stated that it was agreed that there was 450,000 AF of “available dewatered space” in the Basins—330,000 AF in the Central Basin and 120,000 AF in the West Coast Basin. He noted, however, that the original judgments were rigid and did not contain provisions for this storage space.

He reported that, after 15 years of litigation and facilitative process with Central Basin, in December 2014 the California Superior Court approved an amendment to the judgment that provides for the implementation of a groundwater storage program in the West Coast Basin, known as Conjunctive Use (CU). He stated that CU allows agencies with unused groundwater rights to carry over unpumped rights into individual storage accounts for future use. He explained how the West Coast Basin’s available space is divided into Basin Operating Reserve, Regional Storage, Community Storage, and Individual Storage Allocation (40% of adjudicated right).

Responding to Commissioner McGee’s inquiry, Manager Weeks explained that Central Basin has more dewatered space because it is much larger geographically and has two areas that are unconfined aquifers.

Chairperson Craft asked if TMW is able to increase its annual adjudicated right, and Senior Administrative Analyst Schaich explained that TMW could buy, lease, or trade additional water rights on a long-term basis.

Manager Weeks stated that, in addition to providing for the implementation of CU, the amended judgment changed the organizational structure of the Watermaster function. He noted that previously the State Department of Water Resources (DWR) served as Watermaster for both Basins, but now the function has been transferred to local control. He stated that a five-member Water Rights panel of groundwater producers is now responsible for water rights enforcement, that recordkeeping and reporting has been transferred to WRD, and that storage approval is now a function of the Water Rights panel and WRD Board of Directors.

In response to Chairperson Craft’s inquiry, Senior Administrative Analyst Schaich stated that Public Works Director Beste represents Torrance on the Water Rights panel.

Manager Weeks explained that under the amended judgment, adjudicated rights, or carryover, in any given year can now be converted to storage rights through WRD administrative review and payment of the \$297 per AF replenishment assessment (RA).

He stated that carryover of unused rights equals 100% of a party's adjudicated rights minus the amount of water in storage, but not less than 20% of a party's rights. He showed case studies comparing TMW carryover in 2014-15 under the old judgment and under the current judgment, describing how TMW lost some of its water rights over the years until the judgment was amended.

Responding to Commissioner Nishinaga's inquiry, he stated that there is a limit of 200% of adjudicated rights on the total amount of water that can be stored.

Senior Administrative Analyst Schaich discussed economic advantages of CU, noting that the differential between MWD imported water and stored groundwater is \$500 per AF. He stated that it is an added resource that can be banked and pumped later when needed, RAs are paid at time of storage at the prevailing rate, and water rights are preserved.

Deputy Public Works Director Knapp added that in the future, with new well development, TMW may not need as much carryover but that it is beneficial to be able to take advantage of it when there are operational ebbs and flows.

Commissioner Chim-Lieu inquired about other cities affected by the judgment, and Manager Weeks responded that all agencies in the West Coast Basin, including those served by Golden State Water Company and California Water Service Company, are affected.

In response to Commissioner Nishinaga's inquiry, Senior Administrative Analyst Schaich stated that in four to five years TMW would have six groundwater wells and expects to import less than 50% MWD water.

7. OLD BUSINESS

7A. STATUS REGARDING WATER CONSERVATION IN THE MUNICIPAL SERVICE AREA

Senior Administrative Analyst Schaich provided background and reported that in August TMW potable water use was 6.4% less than the same period in 2013 baseline year. He stated that there has been a little rebound in retail sales; however, the primary mitigating factor for increased water use is because Torrance Refining Company had to temporarily take delivery of additional potable water supplies due to water quality problems with recycled water coming from Hyperion Treatment Plant. He stated that West Basin is working to resolve the problem and he expressed hope that by the end of the year Torrance Refining Company would be able to take more recycled water.

Responding to Commissioner Nishinaga's inquiries, he stated that recycled water now costs as much as MWD imported water and that WRD is also impacted because it uses recycled water for the seawater intrusion barrier.

9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT

Staff reported that MWD Director Lefevre is out of town for two weeks.

10. WEST BASIN WATER ASSOCIATION REPORT

Senior Administrative Analyst Schaich reported that at the last West Basin Water Association meeting WRD reported on groundwater production and the Goldsworthy Desalter Expansion Project. He added that West Basin Municipal Water District discussed a water project in the Mohave Desert and recycled water lines to Palos Verdes Peninsula.

11. MONTHLY DEPARTMENT REPORT

Deputy Public Works Director Knapp distributed a Monthly Department Report for August 2016. He reported that production of potable water for the month was 1,815.5 AF, an increase of approximately 11.5% compared to August 2015. He noted that total water production in 2016 year to date, including recycled water, was 5.7% higher than last year. He stated that there were five water main breaks during August, compared to six for the corresponding period last year. He reported that the Goldsworthy Desalter Expansion Project is on schedule and that Well #9 is being rehabilitated and is expected to be operational in mid-October.

12. ORALS

12A. Commissioner Walser distributed flyers for West Basin Municipal Water District's Water Harvest Festival on October 22.

12B. Commissioner Chim-Lieu apologized for being late for this meeting due to Back to School Night.

12C. Commissioner Kawai stated that he is looking forward to the October 14-16 MWD water inspection trip.

12D. Commissioner Nishinaga stated that average Torrance customers under the jurisdiction of California Water Service Company (CWS) apparently pay roughly 25-37% more for water than many TMW customers. He noted that the water sources for both agencies are essentially the same and that many CWS customers are not aware that they are paying more. He presented his recommendation that TMW consider conducting a draft feasibility study for consolidation of TMW and CWS within the City of Torrance.

Staff stated that his proposal is a major policy question and initiative and would require approval from the City Manager and City Council, significant capital investment for outside expertise, and first initiating discussion with CWS. They described the development of water jurisdictions in the City. It was noted that consolidation has been under discussion for at least 10 years that they look for opportunities to expand when they can, and would relay his suggestion to the City Manager.

12E. Charles Deemer received clarification that prepaying the replenishment assessment to store water is not considered a reserve fund but as an asset.

12F. Raymond Jay stated that he sees the value of storing water but questioned if the City will be able to use it.

Senior Administrative Analyst Schaich stated that until recently TMW was unable pump its water rights for nearly 20 years. He noted that they are building new wells that will enable them to pump more, adding if they are unable to use the water in storage they have the ability to sell or lease water rights.

13. ADJOURNMENT

MOTION: At 9:02 p.m., Commissioner McGee moved to adjourn the meeting to Wednesday, October 26, 2016 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner Nishinaga seconded the motion; a roll call vote reflected approval.

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Approved as amended October 26, 2016 s/ Rebecca Poirier, City Clerk
