

**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, December 18, 2014 in the West Annex Meeting Room at Torrance City Hall.

**2. ROLL CALL:**

Present: Commissioners Craft, Leone, Kawai, Marshall,  
McGee, See, and Chairperson Nishinaga.

Absent: None.

Also Present: Senior Administrative Analyst Schaich,  
Senior Water Services Supervisor Berndt, and  
Metropolitan Water District Director Lefevre.

**3. FLAG SALUTE**

Commissioner Leone led the Pledge of Allegiance.

**4. AFFIDAVIT OF POSTING**

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

**5. APPROVAL OF MINUTES**

**5A. MINUTES OF OCTOBER 22, 2014**

Chairperson Nishinaga offered the following corrections to the October 22 minutes: Page 3: Items 6D and 6E should read Items 5E and 5F; Page 5: Item 9, line 3: "He announced a Connect2Met event..."

**MOTION:** Commissioner Marshall moved to approve the Water Commission meeting minutes of October 22, 2014 as amended. Commissioner Leone seconded the motion; a roll call vote reflected unanimous approval.

**6. ORAL COMMUNICATIONS FROM PUBLIC**

**6A.** The Commission welcomed former Water Commissioner Charles Deemer.

**7. OLD BUSINESS**

None.

**8. NEW BUSINESS**

**8B. CONSIDERATION REGARDING NEW 10 YEAR WATER PURCHASE AGREEMENT WITH METROPOLITAN WATER DISTRICT (MWD)**

Senior Administrative Analyst Schaich provided a PowerPoint presentation on the 10 Year MWD Water Purchase Order for January 1, 2015 through December 31, 2024. He noted that a similar agreement was executed from 2002 through 2011, with a two-year extension through 2014. He stated that the Purchase Order establishes both a maximum and minimum commitment to purchase imported MWD supplies. He noted that all purchases within the commitment would be priced at the Tier 1 MWD rate, and purchases above or below would be priced at the higher Tier 2 MWD rate. He stated that Torrance Municipal Water (TMW) has an exemption clause if it goes below the minimum amount because the commitment excludes production from new local resource development on line after January 1, 2014. He noted that new provisions include that the commitment excludes Water Supply Allocation years, that any unmet commitment is cumulative and paid at the end of the 10 year term, and that the base period demand can be reset based on a 5 fiscal year rolling average of purchases.

In response to Chairperson Nishinaga's inquiries, he explained reasons for the extension of the previous Purchase Order with MWD and stated that approximately 20% of MWD water is going into the seawater barriers.

Senior Administrative Analyst Schaich explained the disadvantages of purchasing MWD water without a Purchase Order, noting that the majority of MWD member agencies have elected to execute a Purchase Order. He added that MWD's original purpose for a purchase agreement was primarily revenue stability. He called attention to the chart of TMW Projected 10-year Water Purchases in attachments, pointing out that a 5% decline in water purchases is expected by 2024. He noted that any risk of under-purchasing the minimum commitment, however, is eliminated by the exemption clause. He recommended that the Commission take a position supporting that TMW enter into the agreement and stated that the item would be considered by City Council in January 2015.

Commissioner Marshall questioned if lower water costs would be passed on to TMW customers, and Senior Administrative Analyst Schaich explained that there would be a new rate structure study beginning in early 2015 and that customers would probably not see any savings for five years because of infrastructure costs. He further explained that recycled water has become more expensive due to higher treatment costs; however, even though it is not less expensive, it is available.

**MOTION:** Commissioner Marshall moved for the Water Commission to support that Torrance Municipal Water enter into the 10-year Metropolitan Water District Purchase Agreement from January 1, 2015 through December 31, 2024. Commissioner Leone seconded the motion; a roll call vote reflected unanimous approval

**8B. CONSIDERATION REGARDING METROPOLITAN WATER DISTRICT'S (MWD) PROPOSED WATER SUPPLY ALLOCATION PLAN (WSAP)**

Senior Administrative Analyst Schaich provided background and reported that MWD, in response to California's severe drought, approved updating and making several adjustments to its Water Supply Allocation Plan (WSAP). He noted that MWD supplies 80% of our potable water and that these changes could have a major impact on

Torrance Municipal Water and other member agencies. He stated that continuation of the drought would necessitate implementation of the WSAP in early to mid 2015 with the trigger point being if the State Water Project allocation continues to be below 40%.

Responding to Chairperson Nishinaga's inquiry, MWD Director Lefevre stated that the State Water Project's allocation is currently at 10% but may increase in the next few months based on snow surveys and water conditions. He noted that TMW has been using Colorado River water almost entirely for the last two years.

Senior Administrative Analyst Schaich reported that MWD is working with all member agencies to refine WSAP to meet current conditions, noting that it is a "needs based" program. He stated that each agency's allocation is derived from baseline usage during fiscal 2012-13 and 2013-14, with credits for conservation, mandatory conservation restrictions, and conservation based rate structures. He explained that the goal is to share the burden of cutbacks equitably among all agencies and that each stage of the plan would reflect a 5% cut in MWD deliveries. He noted that agencies that purchase MWD supplies above their prescribed allocation would be levied a surcharge for excess water use, an approximate \$1,000 penalty for each 1,000 acre feet. He stated that the depth of potential cutback has not been determined yet but that it will likely be higher than 10%.

He stated that member agencies are concerned about "conservation hardening" because they have less flexibility to achieve cutbacks due to past conservation reductions. He noted that the most significant change in the WSAP is that it now includes groundwater replenishment and that adding groundwater additional demand could deepen the cutback stage. He stated that TMW is considering placing one of the new saline groundwater wells for the Goldsworthy Desalter online in 2015 to increase production of the Desalter to offset the allocation impact. He expressed hope for a "March Miracle" and that the WSAP would not be implemented until the end of the wet season in April when water conditions can be determined.

Senior Administrative Analyst Schaich discussed the challenge of putting a program in place due to the limited capability of TMW's current contract billing system, Global Resources. Chairperson Nishinaga raised the possibility of changing billing companies or doing it in house. Senior Administrative Analyst Schaich explained that very few companies provide utility billing services.

MWD Director Lefevre reported that the Board voted to approve the WSAP's four point plan: 1) set baseline usage, 2) adjustment to modify the conservation demand hardening credit, 3) include groundwater replenishment, and 4) allocation enforcement.

Charles Deemer inquired about the Carlsbad Desalter and MWD Director Lefevre responded that it is expected to be online in 2015 and to sell water at approximately \$2,100 per acre foot.

Commissioner McGee received clarification from staff that the WSAP would similarly affect California Water Service.

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

MWD Director Lefevre reported that he was appointed to the energy committee Association of California Water Agencies (ACWA). He described his recent attendance at an ACWA meeting in San Diego and a Colorado River Water Users Association conference in Las Vegas. He stated that MWD, Central Arizona Project, and Southern Nevada Water Authority signed a Memorandum of Understanding to work together to add up to \$3 million acre feet to Lake Mead over the next five years. He discussed how MWD pays farmers to fallow their fields in the Palo Verde Irrigation District.

He showed slides of current Water Supply Conditions and pointed out that the Southern Sierra Snowpack is creeping up to 56% of normal, Lake Oroville has gained 245,000 acre feet since the recent storm activity began, and Diamond Valley Lake has just under 400,000 acre feet or 50% capacity. He noted that the Upper Colorado Basin Snowpack is 86% of normal and discussed the structural imbalance of the Colorado River that allows more water to be extracted than is put in.

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

Senior Administrative Analyst Schaich reported that few attended the last West Basin Water Association meeting due to the ACWA meeting. He stated that the major topic of discussion was the conjunctive use program, noting that they are waiting for the opinion from the Superior Court judge. He expressed hope that they will soon be able to implement conjunctive use in the West Basin. He stated that, once the ruling comes down, the Association would have 90 days to form a new Watermaster and regulations.

MWD Director Lefevre stated that he would like to set up a tour of the Jensen Treatment plant and Edmunston Pumping plant on a Saturday in late April 2015.

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

Senior Water Services Supervisor Berndt noted that the Monthly Department Report for November 2014 was included in agenda packets. He reported that production of potable water for the month was 1,599.3 acre-feet, a decrease of approximately 2.5% compared to November 2013. He stated that there were two minor water main breaks in November compared to six for the same period last year. He noted that, if the trend continues through December, 2014 will have the lowest number of main breaks in approximately 30 years. He reported that the Goldsworthy Desalter has been undergoing rehabilitation since September to restore capacity and that the drilling of two new saline water source wells will begin in mid-January 2015.

#### **12. ORALS**

**12A.** Commissioners expressed appreciation to staff for arranging the Colorado River trip and wished each other a happy holiday season.

**12B.** Commissioner Marshall and Chairperson Nishinaga discussed their attendance at the Vander Lans Advanced Water Treatment Facility's dedication ceremony, noting that the Alamitos barrier in Long Beach is using 100% recycled water now.

**12C.** Commissioner Kawai stated that the water main was replaced on his block and initiated a brief discussion regarding the pros and cons of installing artificial turf.

**12D.** MWD Director Lefevre noted that 13 individuals have joined the MWD Board since his appointment, that Councilmember Goodrich has removed all of his turf, and that he is planning an inspection tour to the Coachella Valley in the fall.

**12E.** Chairperson Nishinaga stated that he has enjoyed being Chairperson this year and expressed his appreciation to staff and fellow Commissioners for their support.

**12F.** Senior Water Services Supervisor Berndt described a new type of flushing truck that TMW is considering purchasing.

**13. ADJOURNMENT**

**MOTION:** At 9:18 p.m., Commissioner See moved to adjourn the meeting to Wednesday, January 22, 2015 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner Craft seconded the motion and, hearing no objection, Chairperson Nishinaga so ordered.

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Approved as amended January 28, 2015 s/ Rebecca Poirier, City Clerk
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