

**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, May 17, 2012 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

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

Absent: Commissioner Lefevre.

Also Present: Senior Administrative Analyst Schaich, Engineering Manager Dettle, and Metropolitan Water District Director Wright.

MOTION: Commissioner See moved to grant Commissioner Lefevre an excused absence for the May 17, 2012 Water Commission meeting. Commissioner Haddon seconded the motion; a voice vote reflected unanimous approval.

3. FLAG SALUTE

Chairperson 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 Deemer seconded the motion; a voice vote reflected unanimous approval.

5. APPROVAL OF MINUTES

5A. MINUTES OF APRIL 19, 2012

MOTION: Commissioner See moved to approve the April 19, 2012 Water Commission meeting minutes as presented. Commissioner Haddon seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Lefevre, Commissioner Deemer abstaining).

6. ORAL COMMUNICATIONS FROM PUBLIC - None.

7. OLD BUSINESS - None.

8. NEW BUSINESS

8A. PRESENTATION REGARDING THE COMPLETION OF PRE-DESIGN ENGINEERING REPORT FOR DEVELOPMENT OF THE NORTH TORRANCE WELL FIELD PROJECT

Senior Administrative Analyst Schaich described old Well Number 6 and replacement Well Number 9 at McMaster Park as well as acquisition of property behind Yukon Elementary School for development of new groundwater wells Numbers 10 and 11, a storage tank, treatment facilities, pumping plant, and ancillary facilities. With the

aid of slides, he highlighted the goals of the North Torrance Well Field Project: diversification of water supply, reliable water source, emergency preparedness, lower cost of water, and rate stability. He noted that groundwater costs half of MWD imported water and that water costs constitute 60% of the total operating budget.

Responding to Commissioner Deemer's inquiry, Senior Administrative Analyst Schaich stated that an emergency, such as an earthquake, would not change adjudicated water rights but expressed hope that they would be able to pump water stored in the Basin through conjunctive use.

MWD Director Wright pointed out that Diamond Valley Lake was built to provide water from gravity flow to Southern California service areas.

Senior Administrative Analyst Schaich showed graphs of the current, near term, and future water source mix and the water cost savings by investing in groundwater wells. He noted the net savings of \$179 million, total debt service of \$37 million, the benefit/cost ratio of 4.8, and the break-even point in 2016.

Engineering Manager Dettle showed aerial views of the North Torrance Well Field and described the landlocked property behind Yukon Elementary School purchased for \$2 million. He stated that they have been working with Torrance Unified School District to obtain construction and permanent easements as well as with the School's principal to address her main concern about drop-off and pick-up of students during the school year. He stated that major utilities, transmission main, storm drain line, and sewer line would need to be installed during summer months.

He described the Yard Piping Plan with stand-by generators on truck beds and a 3 million gallon reinforced concrete tank with an aeration system and geodesic dome. He showed elevations of the cinder-block utility building and how utilities would come in and out. He stated that they need to go to the Planning Commission to re-zone property for public use and for CEAQ approval for a mitigated negative declaration. He discussed plans to develop the parking lot to share with the school as well as installation of electrical conduits and foundation for the school to have a lighted message sign.

Engineering Manager Dettle provided an estimated timeline for the project. He reported that the engineering firm AECOM has prepared a pre-design engineering study and represents approximately 30% of the final design of the project. He stated that the pre-design study provides the necessary preliminary engineering data to select a firm to prepare the final design plans and perform the actual construction work. He noted that this design-build process will reduce the timeframe for completion of the project and may provide significant cost savings. He stated that the contractor will decide the sequencing of the project and estimated its completion in September 2014.

In response to an inquiry by Chairperson McGee, he stated that chemicals would be delivered after school hours.

Engineering Manager Dettle concluded his presentation by describing outstanding issues that include receipt of access easements, Health Department permit process for total dissolve solids and manganese, re-zoning, finalize RFQ and RFP for design-build process, and looking at the cost of gas vs. electric powered generation. He presented the last step once Wells Numbers 10 and 11 are online—removal of the existing storage tank, treatment, and pumping facilities at McMaster Park. He stated that water from Well Number 9 would be piped to the Yukon site for treatment and delivery to the system. He noted that the current plan is to restore the land and expand the park area with more grass and irrigation.

Senior Administrative Analyst Schaich provided information about the revenue bond process. He stated that the Finance Department would submit an RFP to engage the service of a bond consultant and council. He noted that the estimated cost of the project is \$12 million but they may include other capital improvement projects. He explained the development of the bond prospectus, bond underwriting bid, selling of the bond issue, and issuance of bond proceeds. He stated that they may also need to buy insurance to upgrade their rating and that the bond process may take nine months.

In response to Commissioner Deemer's inquiry, he stated that typically revenue bonds are for 20 years.

Commissioner McCabe inquired if the Commission was going to be asked to take a position or make any recommendations regarding this project.

Senior Administrative Analyst Schaich explained that the Commission and City Council approved the rate study, five-year rate plan, and conceptual development of the project. He stated that City Council would be considering the design-build process, easements, CEAQ, re-zoning, final award, and how to pay for the project. He noted that the Commission would be reviewing the overall Capital Improvement Program.

Responding to Commissioner McCabe's inquiry, Engineering Manager Dettle stated that they will work with Southern California Edison to make sure they are getting the most efficient pumps and that green building standards will apply to the buildings.

9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT

MWD Director Wright distributed his May 2012 report to City Council regarding MWD activities as well as Water Supply Conditions as of May 6, 2012. With the aid of slides, he showed that Donner Summit snowpack is 59% of normal and the Upper Colorado Basin snowpack is 29% of normal. He noted that this past winter's snowpack in Northern California and Colorado River Basin was much less than normal; however, the prior year's precipitation was way above average and MWD was able to store excess water and all MWD reservoirs are full. He described MWD's intentionally created surplus in Lake Mead, following land in Palo Verde Valley, and storing water in groundwater basins in Central Valley.

In response to an inquiry by Commissioner Deemer, he explained that additional water could be stored in groundwater basins in the Palm Springs area if Lake Mead goes above the surplus line.

10. WEST BASIN WATER ASSOCIATION REPORT

Senior Administrative Analyst Schaich reported on recent Assembly Bill 1386 introduced by State Senator Lowenthal to clarify groundwater management responsibility for the Basins. He stated that Central Basin Municipal Water District has on several occasions tried to displace WRD as groundwater manager of the Basins. He stated that the bill would clarify ambiguity in the language of the State Code. He announced that the bill went to Committees last week and that it passed 31 to 4 in the State Senate today. He expressed hope that it would pass in the Assembly next week and once and for all the responsibilities of WRD and those of Central Basin would be clarified.

He announced a West Basin Water Association Annual Luncheon on May 30 at Carson Community Center. He noted that Jason Weeks from WRD would speak about the Groundwater Master Plan and Delta Vision Task Force. He discussed potential

expansion of the Goldsworthy Desalter and the possibility of acquiring additional groundwater pumping rights

Senior Administrative Analyst Schaich distributed a WRD news release regarding Central Basin Municipal Water District, along with cities of Downey, Signal Hill, Cerritos, and Tesoro Oil Company, and their challenge to WRD's authority to raise rates without going through Proposition 218. He was pleased to announce that the California Supreme Court ruled in favor of WRD and ratepayers.

11. MONTHLY DEPARTMENT REPORT

Engineering Manager Dettle noted that the Monthly Department Report for April 2012 was included in agenda packets. He reported that total water production in April was approximately 4% higher compared to last year and that there were no water main breaks last month. He reported that Goldsworthy Desalter is producing approximately 150 acre feet per month and that Well Number 9 is expected to produce a total of approximately 2,000 acre feet at year end.

MOTION: Commissioner Nishinaga moved to accept and file the Monthly Department Report for April 2012. Commissioner Haddon seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Lefevre).

12. ORALS

12A. Senior Administrative Analyst Schaich distributed fliers for a Water Wise Plant Sale sponsored by Home Depot on May 19 and an Ocean Friendly Landscaping Workshop at West High School on June 2.

12B. Senior Administrative Analyst Schaich distributed copies of the Urban Water Management Plan – 2010.

12C. A brief discussion centered on a May 16 Los Angeles Time article about Cadiz Inc. that hopes to build a pipeline to export groundwater from the Mojave Desert.

13. ADJOURNMENT

MOTION: At 9:03 p.m., Commissioner See moved to adjourn the meeting to June 21, 2012 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner Haddon seconded the motion and, hearing no objection, Chairperson McGee so ordered.

Approved as Amended June 21, 2012 s/ Sue Herbers, City Clerk
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