

**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, November 15, 2012 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

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

Absent: Commissioner Nishinaga.

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

*Commissioner McCabe arrived a 7:06 p.m.

3. FLAG SALUTE

Commissioner McGee led the Pledge of Allegiance.

4. AFFIDAVIT OF POSTING

MOTION: Commissioner Haddon 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 AUGUST 16, 2012

MOTION: Commissioner McCabe moved to approve the August 16, 2012 Water Commission meeting minutes as presented. Commissioner Deemer seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Nishinaga, Commissioner See abstaining).

6. ORAL COMMUNICATIONS FROM PUBLIC - None.

7. OLD BUSINESS - None.

8. NEW BUSINESS

8A. PRESENTATION BY METROPOLITAN WATER DISTRICT REPRESENTATIVE REGARDING BAY-DELTA CONSERVATION PLAN UPDATE AND GOVERNOR'S SUPPORT FOR WATER CONVEYANCE FACILITY

Senior Administrative Analyst Schaich introduced the item and welcomed Margie Wheeler, Executive Strategist, Metropolitan Water District (MWD).

Ms. Wheeler provided a PowerPoint presentation regarding the Bay-Delta Conservation Plan and the Governor's endorsement of a conveyance tunnel to transport water supplies through the Bay-Delta. She briefly reviewed MWD's service area and \$1 trillion regional economy, Southern California's water portfolio, and sources of water for Southern California, noting that 30% comes from the State Water Project that flows through the Delta. She pointed out that the State Water "Hub," the Bay-Delta, provides drinking water for 25 million Californians and serves as irrigation for half of the Nation's fruits and vegetables.

She showed an animation of what the 738,000 acre Bay-Delta area looked like 150 years ago progressing to what it looks like today—a mix of islands and channels due to man-made levees. She stated that the Bay-Delta is a valuable ecosystem with over 750 plant, bird, animal, and fish species. She showed slides of key Delta risks that include fish declines, seismic risk, subsidence, sea level rise, and salt water intrusion.

Ms. Wheeler provided an audiotape of the July 25, 2012 announcement of plans for moving forward with the Bay-Delta Conservation Plan (BDCP). She described the three key components of the BDCP Action Plan: water supply conveyance, ecosystem restoration, and reducing environmental stressors. She stated that the conveyance facility in the North Delta would include three diversion points, two gravity-flow tunnels underneath the Delta, and state-of-the-art fish screens. She described plans for habitat restoration of up to 113,000 acres to help the ecosystem and improve the degradation that has occurred over the last 150 years. The third component, reducing environmental stressors, involves actions to reduce and/or eliminate stressors that include toxic pollutants, invasive species, poaching, and predator control.

She presented estimated project costs: \$14 billion for the conveyance facility funded by water contractors and \$3.6 billion for eco-restoration and other stressors paid for by Federal, State, water contractors, and existing funds. She noted that the average cost for Southern Californians would be \$5 to \$6 per month per household and that MWD's share of the BDCP cost would be approximately \$3.5 billion or 25%. She showed capital cost comparisons of BDCP with other State projects, regional cost comparisons, diversification of water supplies over the last 20 years, and how much has been saved per year through MWD's investments with member agencies.

Ms. Wheeler concluded her presentation with a list of current supporters and organizations involved with the BDCP and next steps: draft BDCP and EIRs in fall 2012, final BDCP and ROD in summer 2013, habitat restoration from 2010 to 2050, and tunnel construction from 2016 to 2026. She noted that construction is expected to add 170,000 jobs statewide.

MWD Director Wright pointed out that State Water Project water is essential because it is basically rainwater while Colorado River water is highly salty and requires

costly treatment. He further noted that State Water Project water comes down through the Central Valley and that MWD has the ability to store water there if it is not needed.

In response to Commissioner Deemer's inquiries, Ms. Wheeler stated that they are currently in the process of developing strategies for habitat restoration, that tunnels below ground are more secure than open canals above ground in the event of a major earthquake, and that the \$14 billion construction cost does not include interest.

Deputy Public Works Director van der Linden pointed out the saving of 800,000 acre feet per year due to conservation efforts and, in response to his inquiry, Ms. Wheeler discussed plans being considered to minimize damage caused by potential seawater intrusion.

8B. RECOMMENDATION TO SUPPORT APPROVAL OF A TWO-YEAR EXTENSION TO A WATER PURCHASE AGREEMENT WITH THE METROPOLITAN WATER DISTRICT

Senior Administrative Analyst Schaich provided background on the ten-year purchase order agreement with MWD for the purchase of imported water supplies for 2003 through 2012. He stated that MWD's current member agency purchase orders expire on December 31, 2012 and that there was a consensus to extend the current purchase orders for two additional years through December 2014 under essentially the existing terms and conditions. He explained that the other option would be to purchase MWD supplies at a higher rate for purchases over a certain baseline amount. He presented staff's recommendation that the Commission support the two-year purchase order extension and called attention to the estimated \$880,000 in savings over the next two years in Attachment 2 compared to the non-purchase order option.

Responding to Chairperson Lefevre's inquiry, he stated that a two-year extension was agreed upon to allow them time to develop a more permanent agreement and rate structure for the future.

Public Works Director Beste added that the two years would also allow them to resolve replenishment rate issues and pending lawsuits.

MOTION: Commissioner McGee moved to support approval of a two-year extension to a water purchase agreement through December 31, 2014 with the Metropolitan Water District. Commissioner Deemer seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Nishinaga).

8C. RECOMMENDATION TO APPROVE WATER COMMISSION ANNUAL REPORT FOR FISCAL 2011-12

Senior Administrative Analyst Schaich briefly reviewed the draft Water Commission Annual Report for the 12-month period from July 1, 2011 through June 30, 2012. He stated that, once approved by the Commission, the report would be submitted to City Council for acceptance.

Commissioner McCabe suggested shortening the report and Chairperson Lefevre offered minor editorial suggestions and corrections.

MOTION: Commissioner Haddon moved to approve as amended the Water Commission Annual Report for the 12-month period from July 1, 2011 through June 30, 2012. Commissioner Deemer seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Nishinaga).

9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT

MWD Director Wright distributed copies of his October 17 and November 13, 2012 reports to Mayor and Council Members as well as MWD's water supply conditions as of November 6, 2012. He provided information about a new five-year agreement with Mexico to store part of their Colorado River supply in Lake Mead. He stated that the plan also calls for MWD to spend \$5 million on a Conservation Program in the Mexicali Valley and in return MWD would receive approximately 47,500 acre feet of Mexico's allocated Colorado River supply.

In response to Chairperson Lefevre's inquiry, he stated that Diamond Valley Lake is approximately 90% full.

Commissioner Deemer inquired why storage in Lake Powell has decreased and MWD Director Wright explained that it is because of a recent equalization release.

10. WEST BASIN WATER ASSOCIATION REPORT

Deputy Public Works Director van der Linden reported on the West Basin Water Association meeting of November 6, 2012. He stated that the Watermaster reported that 3,400 acre feet was pumped from the West Coast Basin in September 2012, an 11% decrease compared to September 2011. He added that the cumulative total for this water year is still 2% lower than last year.

He stated that West Basin Municipal reported on a multi-agency signing ceremony for 100% recycled water use at the Alamitos Barrier as well as their Water Harvest Festival at the Edward C. Little recycling facility. Referring to MWD's report, he stated that MWD continues to face increased litigation with San Diego Water Authority over water rates.

Deputy Public Works Director van der Linden reported that the Water Replenishment District is finalizing its feasibility study of the Goldsworthy Desalination Facility expansion, celebrated the 50-year anniversary for recycled water use, and completed their Groundwater Master Plan.

A brief discussion centered on Tesero's decision not to pay replenishment assessment for extracted groundwater.

11. MONTHLY DEPARTMENT REPORT

Deputy Public Works Director van der Linden noted that the Monthly Department Report for October 2012 was included in agenda packets. He reported that total water production in October was approximately 1% lower compared to last year but that there has been a 5% increase in overall usage. He reported that there were 15 water main breaks and described the break that occurred near the intersection of Crenshaw Boulevard and Skypark Drive on October 2. He advised that the Goldsworthy Desalter

was taken out of service in September to undertake a major rehabilitation and should be back on line in December.

Commissioner See relayed a friend's inquiry about a high water bill and possible causes and resolutions were discussed.

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

12. ORALS

12A. Commissioners and staff wished each other a happy Thanksgiving.

12B. Chairperson Lefevre shared information about the Carlsbad Desalter.

12C. Public Works Director Beste stated that 500 acre feet of water rights were sold recently in the Central Basin for \$12,000 per acre foot and stressed the importance of local water supply.

12D. Senior Administrative Analyst Schaich pointed out that the next regularly scheduled meeting is December 20, 2012 and it was decided to adjourn this meeting to December 13, 2012.

13. ADJOURNMENT

MOTION: At 8:52 p.m., Commissioner Haddon moved to adjourn the meeting to December 13, 2012 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner McGee seconded the motion and, hearing no objection, Chairperson Lefevre so ordered.

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| Approved as Submitted January 17, 2013 s/ Sue Herbers, City Clerk |
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