

**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, February 24, 2016 in the West Annex Meeting Room at Torrance City Hall.

2. ROLL CALL:

Present: Commissioners Chim-Lieu, Craft, Marshall, McGee, Nishinaga, See, and Chairperson Kawai.

Absent: None.

Also Present: Deputy Public Works Director Knapp, Senior Administrative Analyst Schaich, and Water Operations Superintendent Berndt.

3. FLAG SALUTE

Commissioner Chim-Lieu led the Pledge of Allegiance.

4. AFFIDAVIT OF POSTING

MOTION: Commissioner McGee 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 JANUARY 27, 2016

MOTION: Commissioner Marshall moved to approve the January 27, 2016 Water Commission meeting minutes as presented. Commissioner Craft seconded the motion; a roll call vote reflected unanimous approval.

6. ORAL COMMUNICATIONS FROM PUBLIC

The Commission welcomed guest Charles Deemer.

7. OLD BUSINESS

7A. STATUS REGARDING WATER CONSERVATION IN MUNICIPAL SERVICE AREA

Senior Administrative Analyst Schaich provided an update on water conservation savings. He reported that in January 2016 total potable water use declined by approximately 21% compared to the 2013 baseline year. He informed the Commission

that the State Water Resources Control board has extended mandated reductions through October 2016 and are making adjustments for areas with higher climates and population growth. He noted that Torrance Municipal Water (TMW) may benefit from a proposed credit adjustment for indirect potable use for recycled water pumped out of the ground. Referring to Metropolitan Water District's (MWD) Water Supply Allocation Plan, he announced that TMW is 14-15% below their goal for imported deliveries. He added that the program ends on June 30, 2016 but could also be extended depending on the State Water Project allocation.

7B. STATUS REGARDING COMPREHENSIVE FIVE YEAR WATER RATE STUDY

Senior Administrative Analyst Schaich presented a draft Demand Reduction Surcharge (DRS) narrative in Section 5 of the Water Rate and Cost of Service Study. He reviewed the purpose of the DRS to make up for revenue shortfalls when there are major decreases in demand and to provide revenue stability in an uncertain water demand environment. He noted that the DRS is a temporary measure that would be rescinded once the water shortage has ended. He explained how the surcharge would be calculated: projecting the reduced water demand for each customer class and tier and comparing it to estimated water cost savings due to demand reduction. Referring to Table 5-3, Calculated Demand Reduction Surcharges, he stated that surcharges would be assessed by a fixed percentage increase per unit of water or by a uniform dollar increase per unit of water. He noted that the DRS would only be activated during Level 2 or Level 3 stages of the Conservation Ordinance and only by majority vote of the City Council. He added that without this DRS contingency provision another Rate Study and Proposition 218 rate process would be required.

Commissioner Nishinaga received clarification from staff that Torrance is currently at a Level 2 condition but that activation of the surcharge is not being proposed unless there is a major drought again next year.

In response to a question from Commissioner See, Senior Administrative Analyst Schaich explained that, if there should be a sustained reduction of 30% to 40% in sales, the DRS would not cover the shortfall and there would need to be another Proposition 218 rate process.

Commissioner Marshall expressed concern that, since the City is already in Level 2, future reserve balances and limiting growth in expenses are not being considered. He indicated that activating the DRS should not be based on hard numbers, not by a vote, and that there should be an automatic revisit.

Commissioner Nishinaga stated that he would like more language in the DRS about the trigger mechanism due to uncertainty about the climate and "new normal."

Senior Administrative Analyst Schaich stated that the trigger is lower water sales and less revenue. He pointed out that the provision is a broad-based concept as a contingency only and that details of implementation could be developed as they move forward. He stated that they hope to bring the Water Rate and Cost of Service Study for City Council's consideration to hold the public hearing on March 22, 2016.

Commissioner Marshall stated that he would like to language reflecting required revisiting by City Council or a temporary time period that the DRS would be in effect.

Senior Administrative Analyst Schaich suggested limiting the DRS to a maximum duration of 18 months and periodic revisiting by City Council.

MOTION: Commissioner Marshall moved to recommend that the Demand Reduction Surcharge provision be incorporated as part of the Water Rate and Cost of Service Study with limitations that it be in place no longer than 18 months at any one time and that City Council revisit the need for it every six months once it is activated. Commissioner Nishinaga seconded the motion; a roll call vote reflected unanimous approval.

8. NEW BUSINESS

8A. RECOMMENDATION TO OPPOSE AB 1713 (EGGMAN) REQUIRING A VOTE OF THE ELECTORATE ON THE CALIFORNIA DELTA FIX

Senior Administrative Analyst Schaich presented Assembly Bill 1713 introduced by Assemblymember Eggman that would prohibit the construction of a “peripheral canal” unless authorized by an initiative voted on by the voters of California on or after January 1, 2017. He stated that, under their definition, the proposed twin tunnel conveyance facility under the Delta would fall under this provision. He provided a number of reasons why the bill is flawed and should be opposed that includes that it undermines over 10 years of work to resolve problems in the Bay-Delta through the Bay Delta Conservation Plan and California WaterFix process. He stated that MWD is spearheading the campaign to oppose the bill and is asking the Water Commission to sign a joint coalition letter opposing it.

MOTION: Commissioner See moved for the Water Commission to take a position in opposition to Assembly Bill 1713 by becoming a signatory to a joint coalition letter opposing the legislation. Commissioner Craft seconded the motion; a roll call vote reflected unanimous approval.

9. METROPOLITAN WATER DISTRICT DIRECTOR’S REPORT

Senior Administrative Analyst Schaich reported that the MWD Board is working on its two-year budget process. He announced that the Board consideration to restructure their treatment charges would be favorable to TMW.

10. WEST BASIN WATER ASSOCIATION REPORT

Senior Administrative Analyst Schaich reported that at the last West Basin Water Association meeting the Water Replenishment District provided an update on its GRIP project. He stated that the City of Los Angeles, Department of Water and Power, is cleaning up groundwater basins impacted by contamination in the San Fernando Valley. He reported that West Basin Municipal Water District is in the Environmental Impact Report process for its ocean desalination plant, tentatively scheduled for construction by 2020 if they are able to secure funding.

11. MONTHLY DEPARTMENT REPORT

Water Operations Superintendent Berndt distributed a Monthly Department Report for January 2015. He reported that production of potable water for the month was 1,139.6 AF, a decrease of approximately 20% compared to January 2015. He noted that total water production in 2016, including recycled water, was nearly 27% below last year. He stated that there were 14 water main breaks during January, compared to seven for the corresponding period last year. He showed videos from the Goldsworthy Desalter expansion kickoff groundbreaking event on February 11, 2016. He discussed the need to replace the membranes at the plant.

12. ORALS

12A. Commissioners Marshall, McGee, and Nishinaga stated that they enjoyed the groundbreaking event at the Goldsworthy Desalter facility.

12B. Commissioner Nishinaga discussed the original 1982 Peripheral Canal bill and the regional divisiveness that came as a result.

12C. Commissioners Craft, See, Chim-Lieu, Chairperson Kawai, and Charles Deemer spoke.

13. ADJOURNMENT

MOTION: At 8:40 p.m., Commissioner Marshall moved to adjourn the meeting to Wednesday, March 23, 2016 at 7:00 p.m. in the West Annex Commission meeting room. Commissioner See seconded the motion; a roll call vote reflected unanimous approval.

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Approved as amended April 27, 2016 s/ Rebecca Poirier, City Clerk
