Council Meeting of
April 24, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works-Resolution in Opposition to AB 640, which mandates a Split Replenishment Assessment (RA) for Groundwater Recharge in both Central and West Coast Basins. Expenditure: Not Applicable at this time.

RECOMMENDATION

The Public Works Director and the Torrance Water Commission recommend that the City Council adopt a resolution opposing the passage of AB 640, which would, for the first time, mandate a split Replenishment Assessment (RA) between the Central and West Coast groundwater basins. This bill would have major adverse impacts on the local and regional water supply reliability and would result in unjustified higher water rates for parties in the West Coast Basin, including the City of Torrance.

FUNDING

There are no funding requirements at this time.

BACKGROUND/ANALYSIS

In December, 2006, a group known as the Southeast Water Coalition (SEWC) issued a report on the current uniform groundwater Replenishment Assessment (RA) that all agencies in both the Central and West Basins pay the Water Replenishment District to recharge the basins. The SEWC report, by its own admission, is a very simplistic economic study and does not take into account many important factors such as basin interconnectivity. This study recommends that a separate RA be established for both the Central and West Basins whereby the Central Basin RA would be reduced by 40% and the West Basin RA would be increased by over 160%. This would make ground water in the West Basin the most expensive ground water in the State of California.

In February, 2007, the SECW convinced Assemblyman Hector De La Torre to introduce AB 640 that was amended to incorporate language to mandate that the Water Replenishment District establish a differential RA for both the Central and West Basins in accordance with the SECW report. Passage of AB 640 would end over 50 years of cooperative effort to supply local ground water to

communities in the West Basin and increase the dependence of the region on imported water from the Bay Delta.

As a result of this report, there have been a series of meetings held between members of both the Central and West Basins to find ways to manage the basins in the most cost-effective way and to understand the underlying reasons why a uniform RA was established 50 years ago. The information indicates that, considering all factors, including the former groundwater underflow that came from Central Basin into West Basin, the uniform RA is fully justified and appropriate.

AB 640 is scheduled to be introduced into the Local Government Committee on April 25, 2007. To counter this effort, cities and water agencies in the West Basin and other areas are being encouraged to pass resolutions of their respective City Councils and governing boards to oppose this bill. Staff recommends passing this resolution opposing AB 640 to protect our local ground water supplies.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director

CONCUR:

LeRoy J. Jackson
City Manager

RESOLUTION NO._____

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF TORRANCE
OPPOSING CALIFORNIA ASSEMBLY BILL 640
AUTHORED BY ASSEMBLY MEMBER DE LA TORRE**

WHEREAS, a study was commissioned by the Southeast Water Coalition (SEWC) to assess the direct cost of groundwater replenishment in both the Central and West Coast Basins, which are managed by the Water Replenishment District of Southern California (WRD); and

WHEREAS, this proposed legislation is based solely on the findings in the Southeast Water Coalition study, which is a very simplistic cost allocation study that does not take the inter-connectivity issues between the basins and numerous economic, environmental, institutional and historic factors that must be considered in any such evaluation; and

WHEREAS, AB 640 would mandate a" split-rate" replenishment assessment (RA) be levied in both basins managed by WRD, rather than the current uniform replenishment assessment, which has successfully balanced equity in both basins for nearly 50 years; and

WHEREAS, this proposed legislation would threaten the sustainability of the West Cost Basin and likely increase dependence on limited imported water deliveries from the environmentally-sensitive Bay-Delta region;

WHEREAS, AB 640 runs counter to fundamental precepts of an Integrated Regional Water Management Plan for Southern California, that endeavors to enhance, rather than limit, the integration of regional water supply sources and management programs to increase overall water supply reliability; and

WHEREAS, if passed, AB 640 would diminish water supply reliability in the region by discouraging local groundwater conjunctive use programs and water banking opportunities; hamper local water conservation and water recycling programs; and increase the area's vulnerability to water shortages in the future; and

WHEREAS, this legislation fails to take into consideration the legal precedents and essential data related to groundwater "underflow" from Central Basin, that was formerly a major source of groundwater for the West Coast Basin; and passage of this measure could led to protracted litigation; and

WHEREAS, AB 640 would unjustly increase the cost of water to all parties in the West Coast Basin, including the City of Torrance, and harm many economically disadvantaged communities within the South Bay

NOW, THERFORE, BE IT RESOLVED that the Torrance City Council hereby resolves as follows:

1). That AB 640 jeopardizes water supply reliability in the City of Torrance and would impose unjustified higher water rates on residents and businesses in the City.

2). That AB 640 is fundamentally flawed and places narrow self-serving economic interests above balanced regional water supply planning and sound decision making.

3). That, in order to protect the residents and businesses of the City of Torrance and ensure a safe and reliable water supply for the City and the region, the Torrance City Council herby opposes AB 640.

4). That the City Manager, or other designated officers or employees of the City, inform Assembly Member De La Torre, the Assembly Committee on Local Government, Assembly Member Ted Lieu, and other state and local officials regarding the City's opposition to AB 640.

INTRODUCED, APPROVED AND ADOPTED this_____ day_____ 2007

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Mayor of the City of Torrance

ATTEST:

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City Clerk of the City of Torrance

APPROVED AS TO FORM:

JOHN FELLOWS
CITY ATTORNEY

BY_____
Ronald T. Pohl
Assistant City Attorney