

Council Meeting of  
September 22, 2009

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

Members of the Council:

**SUBJECT: Public Works – Accept and file the fiscal 2008-2009 Water Commission Annual Report**

### **RECOMMENDATION**

Recommendation of the Water Commission and Public Works Director that the City Council accept and file the 2008-2009 Water Commission Annual Report.

### **BACKGROUND AND ANALYSIS**

The Water Commission Annual Report for the period of July 1, 2008 through June 30, 2009 is attached for your information and review. The Water Commission was presented with the report at their regular meeting of August 20, 2009 and approved its acceptance, with minor revisions, and its submittal to City Council for acceptance.

Some of the major highlights of the report include:

- Recommendation to approve in principle a Water Resources and Infrastructure Business Plan to diversify municipal water sources and provide funding for water resource and system infrastructure needs.
- Review of municipal water rates and pass-through adjustments for Metropolitan Water District and Water Replenishment District wholesale rate increases. In addition, the Commission recommended approval for development of a comprehensive water rate and capital improvement funding study to be completed in the fall 2009.
- Review of Torrance Municipal Water's (TMW) Water Capital Improvement (CIP) program and status of CIP projects.
- Consideration of water conservation strategies and programs to meet commitments incorporated in the City's current Urban Water Management Plan.
- Formation of a Conservation Committee to address major priorities in conjunction with staff including: development of a Conservation Ordinance; activation of a Level 1 Water supply Shortage calling for 10% reduction in water usage citywide and a conservation based rate structure.

- Consideration of water resource situation and regional water management planning efforts to enhance local water supply reliability and sustainability including implementation of a viable Conjunctive Use storage and exchange program.
- Review and recommendations regarding the implementation and acceptance of grant funding to fluoridate local municipal water sources to optimized levels to match Metropolitan Water District supplies furnished by the City.
- Consideration of Metropolitan Water District, Water Replenishment District of Southern California and West Basin Municipal Water District and related regional water matters.

Respectfully Submitted,

WATER COMMISSION



Alex See, Chair

ROBERT J. BESTE  
Public Works Director



By Charles J. Schaich  
Senior Administrative Analyst

CONCUR:



Jack van der Linden  
Deputy Public Works Director



Robert J. Beste  
Public Works Director

NOTED:



LeRoy J. Jackson  
City Manager

Attachment: A. Fiscal 2008-2009 Water Commission Summary Annual Report

**FISCAL 2008-2009 WATER COMMISSION REPORT  
JULY 1, 2008 THROUGH JUNE 30, 2009**

**SUMMARY REPORT**

**PURPOSE AND GOALS OF THE WATER COMMISSION**

The Water Commission is an advisory board to the City Council on water policy matters. The Commission makes recommendations regarding plans for development of the City's water service facilities, as well the capital improvement programs of both the Torrance Municipal Water system (TMW) and the Metropolitan Water District of Southern California (MWD). In addition, the Commission advises the Council regarding water rates, the provision of adequate water supplies, water resource and conservation issues, matters regarding water service and other water policy issues.

**Major Focus Areas in Fiscal 2008-09**

In its role as an advisory body to City Council the Water Commission focused on a number of policy areas during the past fiscal year including: a water conservation program and development of a Water Conservation Ordinance; a water shortage supply contingency program; a Water Resources and Infrastructure Business Plan; a comprehensive water rate and capital funding study; water system capital improvements; legislative matters; regional and local water issues; water resource and reliability matters; water rate and funding matters; fluoridation of Municipal water supplies and water quality issues. The major policy areas addressed were as follows:

- **Municipal and Wholesale Water Rates** – The Commission reviewed the automatic pass-through rate increase of approximately 7.7%, which became effective the beginning of 2009 to compensate for higher water costs. There have been no rate increases beyond these pass-through adjustments in the last 14 years, and Municipal rates have only increased by approximately one and one half percent annually during this period. The Commission reviewed a number of items related to projected substantially higher Metropolitan Water District (MWD) wholesale rates over the next five years, and the potential impacts on municipal water rates. The Commission was advised of an additional 21% MWD wholesale rate increase to become effective in September 2009.

The Commission has been working with staff regarding future rate policies and studies, including the development of a comprehensive water rate and capital funding study, which will be completed in the early fall 2009. The study will develop alternative water rate recommendations, rate structure modifications, capital improvement funding options and conservation pricing alternatives.

- Fluoridation Treatment – The Commission considered this issue and reviewed a staff report and presentation regarding this matter. The Commission supported fluoridation proposals and concurred with a staff recommendation to enter into a reimbursement agreement to receive grant funding from the First Five LA organization, to offset capital costs for converting (TMW) sources to an optimized fluoridated treatment level. The fluoridation of local water supplies would match fluoridation levels of water supplied from the Metropolitan Water District to ensure uniformity of water supplies throughout the Municipal system.
- Water Conservation and Conservation Ordinance – The Commission considered water conservation strategies, measures and initiatives at several meetings with an emphasis on addressing the seriousness of the water shortage situation, including the governor’s declaration of an emergency drought declaration in 2009. The Commission reviewed both MWD’s regional and TMW’s local conservation programs, and supported expanding scope of the local conservation program and community outreach efforts. The Commission supported extension of partnership agreements with both the South Bay Cities Council of Governments (SBCCOG) and West Basin Municipal Water District (WBMRD) for provision of conservation marketing and implementation services.

The Commission reactivated its Conservation Committee in July 2008 and held four meetings throughout the fiscal year to consider the development of a new permanent Water Conservation Ordinance and the development of contingency measures to meet a reduction in imported water supplies imposed by MWD. The Commission actively supported the development of a Water Conservation Ordinance enacted by City Council in the spring of 2009.

- Water Shortage and Drought Management Strategies– The Commission reviewed a number of presentations and reports from staff and representatives from the Metropolitan Water District regarding the severe water shortage situation in Southern California due to reductions in imported water from the Colorado River Aqueduct and the State Water Project, as result of diminished snow packs, pumping restrictions on the SWP and draw down of storage reserves. The Commission reviewed the governor’s emergency declaration of a statewide drought emergency and MWD’s subsequent declaration of a Water Supply Shortage mandating cutbacks in imported water deliveries to member agencies.
- Water Quality Matters – The Commission considered TMW’s Annual Consumer Confidence Report (CCR) to inform customers regarding the quality of TMW’s water supply for the prior year, and a presentation regarding TMW’s water quality assurance and monitoring programs.
- Conjunctive Use Program – Conjunctive Use (CU) is a water resource program to improve reliability that involves the storage of surplus imported water supplies into the groundwater basins for future extraction during a water shortage condition. The Commission received a number of interim reports regarding progress on the CU

program development; including the submittal of petitions to the Superior Court to amend the current groundwater judgment to permit the implementation of conjunctive use programs. This program could be extremely beneficial to TMW and all agencies in both the local Central and West Basin groundwater basins by augmenting storage reserves in the local basins, enhancing local water supply reliability, facilitating more flexibility for using and transferring groundwater, and in lowering long term water costs.

- Water Capital Improvement Program (CIP) – The Commission is apprised monthly regarding the status of current major water capital projects and the TMW's proposed Five Year CIP program, which has been incorporated into a Water Resources and Infrastructure Business Plan.
- Metropolitan Water District Matters – The City's MWD Director, Bill Wright, attends Water Commission meeting and apprises the Commission regarding important policy matters at MWD that could impact the City. Issues addressed by Mr. Wright during the past year included: MWD's projected annual double digit increases in wholesale water rates over the next 5-6 years; a temporary suspension of MWD sponsored conservation programs due to budget constraints; Bay-Delta issues and extended court mandated pumping restrictions affecting State Water Project deliveries; the mandatory reduction in imported MWD deliveries to member agencies beginning in July 2009 due to the lingering drought conditions and restrictions on SWP pumping; potential long term imported water shortages due to climate change; various MWD water transfer and new conservation programs to enhance reliability; control of quagga mussels in the Colorado River system; the governor's proposals for construction of additional facilities on the SWP and interim Bay-Delta fixes; the progress of an MWD sponsored program to "bank" Colorado river supplies in Lake Mead. Director Wright also sponsored inspection tours of the State Water Project facilities in July 2008 and a Colorado River Aqueduct in April 2009, which were attended by various Commissioner and Council members.
- West Basin Water Association and Related Water Management Issues – Deputy Public Works Director serves as the City's representative on the West Basin Water Association and is currently the president of the Association. The Association has been very active in formulating policy positions on water matters, developing a viable conjunctive use program and in formulating various initiatives to improve the reliability of the region's water supply.

The Commission received reports from the City's West Basin representative of a number of regional water policy issues including: the potential expansion of the West Basin Municipal Water District's Water Recycling facilities; the development of a pilot seawater desalination facility by the WBMWD; a decline in groundwater pumping in the local basin; updates from the Watermaster regarding groundwater conditions in the West Basin; the status of converting protective barrier seawater intrusion wells to 100% recycled water; the results of the Water Replenishment's District's (WRD) recent groundwater assessment study of West Basin; the status of

the ongoing conjunctive use process including submittals of petitions to the Superior to amend the current groundwater adjudication judgment; the impacts of the drought on replenishment of the local groundwater basins; the levying of a special assessment to pay for legal services related to the conjunctive use process; and proposed future increases in groundwater pumping assessments. Various Commissioners attended West Basin sponsored events including quarterly meetings.

- **Water Resources and Infrastructure Business Plan** – The Commission reviewed and provided input on several of the elements of the draft Business plan, which is designed to provide a plan for diversification of water resources to increase water supply reliability and sustainability, lower long term costs, stabilize rates in the future, and provide for critical infrastructure development and replacement. The Commission considered a draft of the Business Plan and presentations by staff, and concurred with recommendations to invest in local water resources to diversify the City's water portfolio and in systematic infrastructure improvement program.
- **Water Resource and Related Matters** – The Commission was apprised regarding the development of new Well Number 9 located at McMaster Park, which will replace a 45 year old Well # 6. The new well will nearly double TMW's groundwater production capacity and is expected to be in service by the end of 2009. The Commission was apprised of and supported the purchase of a vacant parcel of property adjacent to the Yukon Elementary school to serve as the central production, pumping and treatment site for planned additional groundwater wells. The Commission also considered the drilling of a pilot well for a new Well Number 10 at this site, and supported this action. The Commission also reviewed reports and received presentations regarding the planned expansion of the recycled water system in the city, including the new Anza Avenue extension, by the WRD and staff.
- **Commission Appointments and Membership Changes** – In July 2008, Commissioner Ken Lew was reappointed as Commission Chair and Commissioner Alex See was appointed as Vice Chair for fiscal 2008-09. Commissioner John McGee replaced former Commissioner Peter Warner. In April 2008, Commissioner Kay White resigned her seat on the Water Commission to serve on the new Ethics Commission. Commissioner White has served a total of nearly 14 total years as Water Commissioner, and the Commission wishes to acknowledge her many contributions during her tenure, particularly in the area of water resources and conservation.