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Direct questions or concerns to the Commission Liaison at (310) 781-6900 or individual department head prior to submission to the Commission. Parties will be notified if the complaint will be included on a subsequent agenda.

The Water Commission is an advisory body to the City Council that meets on the fourth Wednesday of each month at 6:30 p.m. All meetings are open to the public.

Staff reports are attached to the agenda and available for review online. Questions or concerns may be directed to Chuck Schaich at (310) 781-6900. Agendas and Minutes are posted on the City of Torrance Home Page www.TorranceCA.Gov.

**TORRANCE WATER COMMISSION AGENDA
WEDNESDAY, MAY 22, 2024
REGULAR MEETING
6:30 P.M.
WEST ANNEX COMMISSION MEETING ROOM
AT 3031 TORRANCE BOULEVARD
TORRANCE, CA 90503**

**WATER COMMISSION MAY TAKE ACTION ON ANY ITEM
LISTED ON THE AGENDA**

1. CALL MEETING TO ORDER

ROLL CALL: Commission Members: Deemer, Jay, Masnek, Siani, Thomas, and Chair Kawai

2. FLAG SALUTE

3. REPORT OF THE PUBLIC WORKS STAFF ON THE POSTING OF THE AGENDA

The agenda was posted on the Public Notice Board at 3031 Torrance Bl. and on the City's Website on Thursday May 16, 2024.

4. ANNOUNCEMENT OF WITHDRAWN, DEFERRED, AND/OR SUPPLEMENTAL ITEMS

5. ORAL COMMUNICATIONS (Limited to a 15-minute period)

This portion of the meeting is reserved for public comment on items on the agenda or on topics of interest to the general public. Under the Ralph M. Brown Act, Commissioners cannot act on items raised during public comment but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. Speakers under this Public Comment period will have no longer than 1 minute per speaker.

6. CONSENT CALENDAR

Matters listed under the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed by a Commissioner from the Consent Calendar and considered separately.

**6A. Approval of Minutes –
Regular Meeting March 27, 2024.**

7. ADMINISTRATIVE MATTERS

Matters listed under Administrative Matters are considered separately. Comments by members of the public on each item is limited to a maximum of 1 minute per item. Speakers must stay on topic and confine their comments to the item under consideration.

- 7A. Presentation and Discussion – Update Regarding Water Supply Conditions**
Recommendation of the Deputy Public Works Director - Operations that the Water Commission accept and file this report.

- 7B. Presentation and Discussion – Metropolitan Water District Wholesale Rates For Imported Water Supplies in Calendar 2025 and 2026 and Projection for Future Rates**
Recommendation of the Deputy Public Work Director - Operations that Water Commission accept and file this report.

- 7C. Discussion – Monthly Water Operations Report**
Recommendation of the Deputy Public Works Director - Operations that the Water Commission accept and file this report.

8. METROPOLITAN WATER DISTRICT MATTERS

- 8A. Metropolitan Water District Director's Report**
Recommendation of the Deputy Public Works Director - Operations that the Water Commission accept and file this report.

9. COMMISSION AND STAFF ORAL COMMUNICATIONS

10. ADJOURNMENT

- 10A.** Adjournment of the Water Commission Meeting to Wednesday, June 26, 2024, at 6:30 p.m. in the West Annex Commission Meeting Room.

TO: WATER COMMISSION
FROM: MATTHEW KNAPP, DEPUTY PUBLIC WORKS DIRECTOR - OPERATIONS
SUBJECT: UPDATE REGARDING WATER SUPPLY CONDITIONS

Due to heavy precipitation and snowpacks received in key northern California and Colorado River Basin watersheds during February and March, and recent late season storms in the Sierra range, almost all of California has experienced above normal water conditions. As a result, the Department of Water Resources increased its allocation of State Water (SWP) supplies to its SWP contractors, including the Metropolitan Water District, from 15% to 30% in March and then again to 40% in late April. With the recent snowstorms in the Sierras and the high levels of storage in major reservoirs, it is possible that DWR may again increase SWP allocations in late May. Currently, there are no areas in the state that are in drought condition, and there are only two small areas in northern and eastern part of the state that are abnormally dry.

With the current SWP allocation, MWD will realize a projected surplus of approximately 230,000 acre-feet (AF) of water that will be banked into both underground and surface storage. Provided that there is adequate capacity to store all of this surplus water, this would bring MWD's usage storage reserves to an all-time record high of approximately 3.6 million AF. This will provide a reliability buffer to withstand several consecutive drought years without necessitating water rationing measures in the MWD service area.

Although the Colorado River Basin also experienced above average snowpack and precipitation conditions this winter and spring, storage levels in both Lake Powell and Lake Mead remain at critically low levels respectively at 35 % and 32% of capacity. The last time these reservoirs were full was in 2000, after several years of very wet weather. However, this year there is significant improvement from 2022, when both reservoirs reached their historic low levels of storage.

While the immediate water situation is highly favorable, it is imperative to continue concerted conservation efforts, diversification of water resources, and augmentation of storage to promote long-term reliability and sustainability of our water resources. Prolonged droughts are an endemic occurrence in California and long-term climate forecasts indicate hotter and drier conditions in the future.

Staff will provide a brief presentation on this matter.



Matthew Knapp
Deputy Public Works Director - Operations

Roll Call: _____ Deemer _____ Jay _____ Masnek _____ Vacant
_____ Siani _____ Thomas _____ Chairperson Kawai

TO: WATER COMMISSION
FROM: MATTHEW KNAPP, DEPUTY PUBLIC WORKS DIRECTOR - OPERATIONS
SUBJECT: METROPOLITAN WATER DISTRICT WHOLESALE RATES FOR IMPORTED WATER SUPPLIES IN CALENDAR YEAR 2025 AND 2026 AND PROJECTION FOR FUTURE RATES

In early April, the Metropolitan Water District adopted its biennial budget and established wholesale rates for potable imported water supplies for both calendar 2025 and calendar 2026, which become effective in January of each year. It has long been MWD's policy to set wholesale rates for a two-year period, in conjunction with the approval of its two-year operating and capital budgets.

The last two "wet weather years" have substantially reduced MWD's sale of imported water supplies to its member agencies resulting in a substantial shortfall in actual revenue compared to original projections. Over the past year, MWD's sales plummeted to levels not seen since the late 1940s. As a result, MWD was forced to draw down a portion of its reserves to cover a structural in-balance between costs and revenues.

MWD's rates have been a major topic of consideration over the last 18 months, and after considerable deliberation and consideration of multiple rate/financial options, the MWD Board of Directors took the following actions:

- Increased annual rates by an overall average of 8.5% effective in January 2025 and January 2026. For agencies receiving treated MWD water, which includes over half of the MWD member agencies including Torrance, the increase will be 11% in 2025 and 10% in 2026.
- Approved a \$2.4 billion budget that put various cost containment measures in place, including reducing spending by approximately \$18 million.
- Adopted a budget that included an increase in MWD's property tax levies by increasing the ad valorem tax rate of 0.0035% to 0.007%, which amounts to an increase in the average annual residential customer's tax bill by approximately \$30. The increase in property tax provides a more stable revenue source that is not dependent on hydrology, and reduces the magnitude of the original rate projection by approximately 5%. This is first time that MWD raised its tax rate since 1990, and the new tax rate will still only be 17% of the original rate collected when the State Water Project (SWP) was built.
- The budget also anticipates increasing new revenue through outside sources including state and federal grants and possible new partnership opportunities.

Although the adopted rate increases are substantial, they are necessary to maintain MWD's continued reliability and to ensure future sustainability in a highly variable water environment. The adopted rate increases are primarily due to four factors 1) substantially lower water sales due to either extreme droughts (2020 - 2022) and near record-breaking precipitation periods during the

Roll Call: _____ **Deemer** _____ **Jay** _____ **Masnek** _____ **Vacant**
_____ **Siani** _____ **Thomas** _____ **Chairperson Kawai**

intervals between drought years; 2) major cost increases due to inflation affecting commodity prices and escalation in labor, energy and infrastructure costs; 3) the need to recover costs and maintain adequate reserves; and 4) an over-estimation of annual water sales revenues, as a result of pressure from various member agencies to keep rates down in the short term, which often results in future rate spikes to recover revenue deficits.

The approved budget and rate adjustments provide financial stability over the next two years as MWD, in conjunction with its member agencies, work through developing an adaptive long-range financial plan and new business model that addresses the increasing variability of the new water environment.

Staff will provide an overview presentation on this matter.



Matthew Knapp
Deputy Public Works Director - Operations

Roll Call: _____ Deemer _____ Jay _____ Masnek _____ Vacant
_____ Siani _____ Thomas _____ Chairperson Kawai

TO: WATER COMMISSION
FROM: MATTHEW KNAPP, DEPUTY PUBLIC WORKS DIRECTOR - OPERATIONS
SUBJECT: ACCEPT AND FILE MONTHLY WATER OPERATIONS REPORT FOR APRIL 2024

It is the recommendation of the Deputy Public Works Director - Operations that the Water Commission accept and file this report.

Monthly Water Department highlights for the month of April 2024 are:

1. Total potable water produced from local potable sources is 1.6% higher than in April 2023. On a year-to-date basis, total potable water is 7.8% higher than last year and total water produced from all sources, including recycled water is 6.4% higher than in 2023.

Water Produced and Imported (Acre-feet)

Month: April			
Water Source	April 2023	April 2024	Change
Potable Groundwater			
Wells*	1.1	176.3	16225.9%
WRD Desalter*	346.0	176.3	-49.1%
Subtotal	347.1	352.6	1.6%
Imported Potable			
MWD	1,058.7	1,164.9	10.0%
Imported Recycled			
WBMWD	388.3	299.0	-23.0%
Total Produced/Imported			
All Potable Sources	1,405.8	1,517.5	7.9%
All Sources + Recycled	1,794.1	1,816.5	1.2%

Year to Date: 2023 vs 2024			
Water Source	2023 YTD	2024 YTD	Change
Potable Groundwater			
Wells	91.1	792.5	770.0%
WRD Desalter	1,062.3	961.0	-9.5%
Subtotal	1,153.4	1,753.5	52.0%
Imported Potable			
MWD	4,323.2	4,152.5	-3.9%
Imported Recycled			
WBMWD	1,346.8	1,352.0	0.4%
All Potable Sources	5,476.6	5,906.0	7.8%
All Sources + Recycled	6,823.4	7,257.9	6.4%

*data estimate based on production reads

2. There was 1 water main break for the month of April 2024, compared to 2 for the same period in 2023. Total main breaks for calendar year 2024 are 9 compared to 14 in 2023.
3. Goldsworthy Desalter will be producing approximately 200 to 275 acre feet (AF) per month to prevent premature loss of production in wells due to over pumping. The Water Replenishment District (WRD) continues to work on plans to connect the Brewer Well with the Goldsworthy Desalter planned expansion. In addition, WRD is planning to begin preliminary construction work on the Desalter expansion project in Summer 2024.
4. Currently, our contractor completed a three-month test cycle for new blowers and scrubber system on the North Torrance Wellfield storage tank for the removal of hydrogen sulfide. TMW is exploring purchasing a permanent blower and scrubber system. Water continues to be introduced into the system based on a phased approach and is meeting all water quality requirements. We anticipate increasing groundwater production at the North Torrance Wellfield in the near future.


 Matthew Knapp
 Deputy Public Works Director - Operations

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 _____ Siani _____ Thomas _____ Chairperson Kawai