

**REGULAR MEETING OF THE WATER RESOURCES COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166TH STREET, CERRITOS, CALIFORNIA
12:00 P.M., THURSDAY, JUNE 8, 2006**

AGENDA

EACH ITEM ON THE AGENDA, NO MATTER HOW DESCRIBED, SHALL BE DEEMED TO INCLUDE ANY APPROPRIATE MOTION, WHETHER TO ADOPT A MINUTE MOTION, RESOLUTION, PAYMENT OF ANY BILL, APPROVAL OF ANY MATTER OR ACTION, OR ANY OTHER ACTION. ITEMS LISTED AS "FOR INFORMATION" MAY ALSO BE THE SUBJECT OF ANY "ACTION" TAKEN BY THE BOARD OR A COMMITTEE AT THE SAME MEETING.

- 1. DETERMINATION OF A QUORUM**
- 2. PUBLIC COMMENT**
- 3. MINUTES OF THE MEETING OF APRIL 13, 2006**
Staff Recommendation: Approve the minutes as submitted.

- 4. WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS**

- 5. PRIORITIZATION OF NEW MONITORING WELLS**
Staff Recommendation: For information.
- 6. WEST COAST BASIN OPERATING PLAN STUDY UPDATE**
Staff Recommendation: For information.
- 7. FY 2006-07 IN-LIEU PROGRAM**
Staff Recommendation: For information.
- 8. DIRECTORS' REPORTS, INQUIRIES, AND DIRECTIONS TO STAFF**
Staff Recommendation: For information.
- 9. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, June 1, 2006.

**MINUTES OF APRIL 13, 2006
REGULAR MEETING OF THE WATER RESOURCES COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A regular meeting of the Water Resources Committee of the Board of Directors of the Water Replenishment District of Southern California was held on April 13, 2006 at 12:20 p.m., at the District Office, 12621 E. 166th Street, Cerritos, California. Chairperson Robert Katherman called the meeting to order and presided thereover. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF A QUORUM

Attendees at the meeting were as follows:

Committee: Directors Pat Acosta and Robert Katherman
Staff: Robb Whitaker, Mario Garcia, Ted Johnson, Jason Weeks,
Helene Mendoza, Mary Sellers
Public: See attached participant guest.

2. PUBLIC COMMENT

None.

3. MINUTES OF THE REGULAR MEETING OF MARCH 9, 2006

The minutes were approved as submitted.

4. GROUNDWATER BASINS OVERVIEW – RAYMOND BASIN

Tony Zampiello, Executive Officer of the Raymond Basin Management Board, provided an overview of the Raymond Basin. Mr. Zampiello stated the Raymond Basin is about 40 square miles in size and is comprised of 16 water agencies pumping groundwater from the basin, including cities such as Pasadena, Sierra Madre, Arcadia, Altadena, and La Canada-Flintridge. He informed everyone that Raymond Basin was the first basin adjudicated in California in 1944 with the Judgment modified in 1955 and in 1974.

Mr. Zampiello noted that the Raymond Basin faces many basin issues, among them, dependence on natural recharge, detection of volatile organic compounds (VOCs) in the 1980s and perchlorate in the 1990s, a declining water table, and growing dependence on imported water. The area purchases treated imported water to meet nearly 50% of its current needs. He stated the Raymond Basin Management Board (RBMB), comprised of 10 members, manages the groundwater resources of the Basin and was formed by the Court on March 26, 1984. The Main San Gabriel Basin Watermaster now provides the administrative support to the Board.

Mr. Zampiello stated the RBMB's future goals and objectives include continuation of basin characterization, implementation of the Foothill Municipal Water District conjunctive use project, Pasadena/MWD dry-year storage program, development of replenishment with imported water, and development of remaining basin storage.

5. WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS

General Manager Robb Whitaker stated staff reviewed the results of the past four workshops and would like to solicit feedback today on the potential changes to better understand the issues presented.

Assistant General Manager/Chief Engineer Mario Garcia stated there were three potential changes discussed over the course of the four workshops: 1) increase carryover from 20% to 60%; 2) convert carryover water to storage; and 3) increase available pumping rights by 6,600 AFY.

Discussion followed on each of the three potential changes. There was support for the increased carryover from 20% to 60% from a majority of the pumpers as long as it is administered in a phased-in approach and extractions limited to 20% per year. Discussion followed on the potential effect on the lease market. In order to address the concern, the Committee recommended language be drafted such that carryover shall be no more than 20% of carryover rights. The Committee requested this item be discussed at the June 8th workshop.

The Committee recommended that conversion of carryover water to storage be tabled at the present time.

There was consensus that increasing available pumping rights by 6,600 AFY would require amendment to the adjudication. There was also concern on the mechanics of the program and the potential effects on the lease market. Discussion followed and it was recommended that beginning Fiscal Year 2006-07 that 3,300 AF (half of the 6,600 AF) of water be budgeted for a "storage pool" from which pumpers could draw to lessen the negative impacts on the lease market.

Chief Hydrogeologist Ted Johnson informed everyone the District will be hosting a workshop with the United States Geological Survey (USGS) regarding emergency use of groundwater in the event of a Metropolitan Water District (MWD) disruption.

6. I-105 FREEWAY DEWATERING WELLS BENEFICIAL USE STUDY UPDATE

Assistant General Manager Garcia provided an update on the Caltrans I-105 Freeway Dewatering Wells Project. Mr. Garcia explained that as part of the effort to evaluate the project, the District directed the consultant to continue with Phase II of the evaluation including the completion of the CEQA process. It is

anticipated that after the CEQA process is completed, the WRD Board can officially approve or deny moving forward with the project.

Mr. Garcia added the project was reviewed with the WRD Technical Advisory Committee (TAC) at its March meeting. He noted that staff provided an overview of the project, the cost components, and cost/benefit analysis. At the close of the discussion, the TAC recommended that no further funds be expended on the project until 1) completion of the West Coast Basin Operating Plan Study verifying the validity of continued operations (injection) of the Dominguez Gap Barrier, 2) full exploration of the Long Beach concept, which consists of using the water from the dewatering wells within Long Beach's distribution system and 3) resolution of any legal or institutional issues related to the interbasin transfer of water.

Mr. Garcia stated staff disagrees with the TAC's recommendations on the project for the following reasons: 1) preliminary modeling performed as part of the WCB Operating Plan Study indicates that as long as there is continued pumping in the Dominguez Gap area, there remains the need to inject at the barrier. Furthermore, sustaining groundwater production for the West Coast Basin will ALWAYS require the need to replenish that basin; 2) the "Long Beach concept" requires a great deal more evaluation by LBWD before DHS is willing to accept the project for potable use. At this time, LBWD is still evaluating its interest in following through with this project concept. Also, while this concept provides Long Beach direct benefit for its system, it does not provide the regional benefit to all pumpers of the Central and West Coast Basins in the same fashion as would the present project concept; and 3) given the factual circumstances surrounding the project, it is the District's position that the project fully complies with the 1965 Central Basin Judgment and the District's own enabling act. Accordingly, the project will not require an amendment to the Judgment.

Mr. Garcia further noted that funds currently being used for the evaluation of the project are drawn from the \$8 million received from Caltrans through its 2003 agreement with WRD. The agreement obligates the District to promptly obtain all environmental studies needed for the project, including the preparation of an Environmental Impact Report. The Environmental Impact Report will identify all legal and regulatory approvals needed for the project. Any postponement of the environmental work necessary for the project will delay the Board's ability to make a decision on whether or not to move forward and will further prolong the overall process.

7. DISCUSSION ON THE GROUNDWATER MODEL

Chief Hydrogeologist Ted Johnson provided an overview of the District's regional groundwater flow model. Mr. Johnson stated the model was developed by the United States Geological Survey (USGS) in conjunction with WRD and calibrated to 30 years of actual water data. He explained that the model simulates

groundwater flow in Central and West Coast basins, including conjunctive use alternatives.

Mr. Johnson stated the groundwater model was instrumental in the completion of the following model runs: no West Coast Basin pumping – continue pumping, increased pumping in-lieu, increase pumping by 27,000 AF, increase spreading and extraction in the Montebello Forebay by 25,000 AF, determine basin storage availability, reduced refinery extractions in Dominguez Gap, etc., among others.

Mr. Johnson stated the District retained the consulting firm of Camp Dresser & McKee (CDM) in the 1990s to develop the Dominguez Gap Barrier model in order to obtain the permit for recycled water injection. The model was developed by Stephen Thomas of CDM using their proprietary software program "DynFlow."

Mr. Johnson explained the model has not been used in seven years as staff awaited project startup and updates. He also noted that staff would like to convert the model to a public domain software program that is in a more usable format rather than remaining in the proprietary DynFlow format.

Mr. Johnson stated Mr. Thomas is now with Golder Associates and has agreed to update and reformat the model. Mr. Thomas is uniquely qualified to perform the work since he was working at CDM at the time of model development and has the most familiarity with the model. The cost for Golder Associates will be on a time-and-materials basis not to exceed \$30,000.

The Committee concurred with staff's recommendation and requested the item be agendaized for Board approval at the April 19 board meeting.

8. MONITORING WELL NETWORK

Mr. Johnson provided an update on the District's Regional Groundwater Monitoring Program, focusing on the existing well network. He noted that presently there are 35 specialized United States Geological Survey (USGS) wells, 12 project specific wells, and three production wells.

Mr. Johnson stated the last monitoring well was installed in 2002 and staff has since been evaluating the needs for additional wells to improve the overall network. He explained that the following criteria are used to prioritize the siting of new wells: provide adequate coverage (currently desired maximum spacing is four miles); answer key District-related questions with respect to basin management such as replenishment and water quality issues; and/or provide additional information on project-specific needs to help further the understanding of an issue.

Discussion followed on the financing option for the proposed 16 new wells. The Committee approved the installation of 16 wells over a period of several years and wanted staff to provide the Committee with a prioritization of wells in an

upcoming meeting. The Committee recommended budgeting four wells for the next Fiscal Year if the District decides to debt-finance the project for fiscal year 2006-07 and to budget for two wells under a pay-as-you-go option.

9. DIRECTORS' REPORTS, INQUIRIES, AND DIRECTIONS TO STAFF

The Committee requested a summary of the District's Regional Groundwater Monitoring Report for 2004-05 be presented at the June meeting.

8. ADJOURNMENT

With no further business for the Committee, the meeting was adjourned at 3:50 p.m.

ATTEST:

Director

Chairperson

Water Resources Committee Meeting
April 13, 2006
Participant Guest List

Christina Dixon, City of Huntington Park
Mark Stuart, Department of Water Resources
Bob Pierotti, Department of Water Resources
Tammy Jones, Weston Benshoof
Alex Santos, City of Compton
Terry Tamble, California Water Service
John Tuttle, California Water Service
Lindsay Swain, GeoTrans
Jack Vander Linden, City of Torrance
Chuck Schaich, City of Torrance
Kevin Wattier, Long Beach Water Department
Eric Leung, Long Beach Water Department
Michael Gagan, GCG Rose and Kindel
Dennis Brooks, Park Water Company
Dan Meuller, City of Downey
Ken Bradbury, Montebello Land and Water Company
Jim Glancy, City of Lakewood
Milan Cernosek, Department of Water Resources
Steve Myrter, City of Paramount
Chris Cash, City of Paramount
Fernando Paludi, West Basin Municipal Water District



MEMORANDUM

ITEM NO. 4

Prepared by: Mario Garcia

Reviewed by:

DATE: JUNE 8, 2006

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS

SUMMARY

This workshop is the fifth in a series of meetings to discuss possible changes to the judgments. Based on discussions at the previous workshop held on April 13th, the committee directed WRD staff and legal counsel to develop language that would capture the following three objectives in a potential Judgment amendment:

1. *increase carryover amount from 20% to 60%*
2. *"phase in" the carryover increase over a three to five-year period*
3. *limit the maximum extraction in any subsequent year to 120% of pumping rights/APA.*

While the first two objectives can be accommodated with relatively simple changes in the judgments, the third point is more complex than originally anticipated.

The existing use of carryover allows first and full use of carryover rights in the ensuing administrative (fiscal) year. For all intents and purposes, the 20% is the first to be extracted and no limitation in the quantity of that amount is set. If a limitation is established on the extraction of 60% carryover, changes to the carryover provision require greater evaluation. In effect, a party may be allowed to "store" the unused carryover into future years, which is not currently allowed in the judgments. This situation would require additional effort accounting for that unused carryover amount and would complicate matters when trying to distinguish this "extended" carryover account from future storage accounts.

If a simple change to the judgments is what is desired, then language to revise the carryover amount from 20% to 60% and phasing in that increase without further limitation on the extraction side (i.e. Objectives #1 and #2 without Objective #3) provides an option. The greater carryover would then be utilized in the same manner as currently exists. This would certainly simplify the process and achieve greater ability to carryover unused rights.

If Objective #3 is necessary, then much more crafting and understanding is required. The following summarizes the basic terms that are understood:

BASIC TERMS OF PROPOSED CENTRAL AND WEST COAST BASIN JUDGMENT AMENDMENTS

General Proposal

WRD proposes to amend the Central and West Basin Judgment to allow for 60% carryover (rather than the current 20%) each year for an indefinite time period. An annual limitation of 20% would be placed on the extraction of the carryover water.

Basic Terms

1. The carryover will be a percentage of the Allowed Pumping Allocation (“APA”) and will be phased in over a four-year period. The phasing will be as follows: Year 1 = 30%; Year 2 = 40%; Year 3 = 50%; and Year 4 = 60%.
2. The first water extracted in any given year shall be carryover water.
3. The amount of carryover water extracted in any given year will not exceed 20% of the amount of the water in the carryover account.
4. The Judgment’s existing one-year cap on carryover water will be removed.
5. The aggregate maximum that can be extracted in any given year is 100% of a party’s APA and 20% of that party’s carryover water.
6. The amendment will apply to both the Central and West Coast Groundwater Basins. Since the West Coast Judgment does not reference “APA”, the increased carryover provisions shall relate to “adjudicated rights.”



MEMORANDUM

ITEM NO. 5

Prepared by: Ted Johnson

Reviewed by: Mario Garcia

DATE: JUNE 8, 2006

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: PRIORITIZATION OF NEW MONITORING WELLS

SUMMARY

At the April 13th Committee meeting, Staff presented plans for expanding the District's groundwater monitoring well network. This network is the best tool available to collect aquifer-specific information throughout the Central and West Coast basins so that informed decisions can be made for groundwater management. The information has been used to create groundwater models, derive water table elevation maps, define water quality in the basins, calculate change in storage year to year, and greatly improve the geologic understanding of the complex aquifer systems in the basins. However, data gaps still exist in the network where information is not known which is why the network needs to be expanded. Before drilling any new wells, all locations are carefully thought out to establish short and long term benefits to the District. New monitoring wells are located to meet one or more of the following criteria:

- 1) The wells are roughly evenly spaced to provide a comprehensive, basin-wide network to allow sufficient correlation between locations and good coverage, without being too close to cause redundancy. Currently, the maximum spacing between wells is 4 miles;
- 2) The wells answer key District-related questions with respect to basin management, such as replenishment and water quality issues.
- 3) The wells are for project-specific purposes, such as better defining the extent of the saline plume or for recycled water tracking for permit compliance at the spreading grounds or barrier wells.

At the April 13th meeting, the Committee members requested Staff to present the priority list for which wells are needed first. Staff will present this information at the June 8 meeting.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 6

Prepared by: Jason Weeks

Reviewed by: Mario Garcia

DATE: JUNE 8, 2006

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: WEST COAST BASIN OPERATING PLAN STUDY UPDATE

SUMMARY

Over the past several months, the District has been executing model runs with the assistance of the U.S. Geological Survey (USGS) to evaluate alternative management scenarios for the West Coast Basin. The results of these model runs have been discussed with the Water Resources Committee and Technical Advisory Committee (TAC). It was the consensus of the Water Resources Committee, staff and TAC that based on these model results, it would be prudent to begin moving forward with assigning costs to the various components of the operational scenarios.

The District's consultant, CH2MHILL, has started assigning costs to the scenario components and presented the approach at the May 24, 2006 TAC meeting. At this meeting, there was a lengthy discussion on how various costs associated with modified operational scenarios would be allocated among basin stakeholders and which costs should even be considered in the evaluation (replacement cost of barrier wells, additional wellhead treatment, etc.).

CH2MHILL is continuing to develop cost estimates for the scenario components and expects to have this task completed in time for the June TAC meeting, at which time they will be discussed in further detail.

Staff will present the Committee with an overview of discussion at the TAC meeting and the approach and schedule for completion of this study.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 7

Prepared by: Jason Weeks

Reviewed by: Mario Garcia

DATE: JUNE 8, 2006

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: FY 2006-07 IN-LIEU PROGRAM

SUMMARY

The purpose of WRD's In-Lieu program is to provide an alternative source of replenishment water to those areas of the Central and West Coast Basins that are difficult or relatively expensive to replenish. The District's In-Lieu program provides incentive payments to participating agencies in exchange for their retirement of water rights for the current year. The In-Lieu payment is intended to make up the cost difference between the retired groundwater right and the seasonally discounted imported water available from MWD. There is approximately \$1.6 million included in the District's draft FY2006-07 budget for 10,300 acre-feet of In-Lieu replenishment water.

On April 18, 2006, the California Department of Water Resources announced that the State Water Project supplies are projected to meet 100% of contracting agency amounts, including over 1.9 million acre-feet for MWD. Given this large allocation of imported water there exist opportunities for the District to work with basin stakeholders to place this water in the Central and West Coast Basins. One such opportunity may be the expansion of the In-Lieu Program to areas of the Los Angeles Forebay, which is generally difficult to replenish and contains large amounts of available space.

Staff will present the Committee with an overview of the existing In-Lieu Program and discussion of alternatives to take advantage of the surplus water available this year.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.