



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Neil Miller, Director of Public Works

DATE: April 19, 2005

SUBJECT: Authorize the Mayor to Sign a Letter in response to solicitation for Comments from the Water Replenishment District of Southern California regarding Proposed Rules for Ground Water Storage Projects

RECOMMENDATION:

Staff recommends that the City Council authorize Mayor Fahey to execute a letter (copy attached) in response to a solicitation for comments from the Water Replenishment District of Southern California regarding proposed interim rules for ground water storage projects.

FISCAL IMPLICATION:

There are no immediate fiscal implications of this action. However, the final determination of rules and governance for the use of available ground water storage area could have significant impact on future water costs for the City's rate payers.

BACKGROUND:

More than forty-five years ago the Water Replenishment District (WRD) was created as a vehicle for replenishing ground water in the Southeast Los Angeles County region. Prior to then, due to over-pumping, an adjudication (court order) was imposed which restricted groundwater pumping by each pumper to a fixed maximum amount to maintain a safe yield and not further deplete ground water resources. The Water Replenishment District was established to collect funds in order to purchase imported water to replenish ground water. In addition WRD utilizes storm water run off captured by Los Angeles County Flood Control or finds other sources of water to either inject or send to their natural water spreading grounds where water soaks down to replenish ground water.

As a result of these actions, ground water production is stabilized. However, due to the over pumping of previous decades there exists at least 400,000 acre-feet of available underground storage of water in the West and Central basins.

The current debate among the water stakeholders in the regions is: Who has rights to use the available ground water storage and how should these rights be governed?

DISCUSSION

Use of the available ground water storage for future pumping needs is known as "Conjunctive Use"

of water resources. The simplest form of a water storage program is for a pumper to buy water today (possible at lower cost for surplus water), inject it into the ground, and have it available for extraction at a future time, either in time of drought, surface water system interruption, or other purpose. Ground water storage rights have value and are much less expensive than building new surface storage like a dam or reservoir.

Over the last several years the State Department of Water Resources (DWR) has had grant funds available to pay for conjunctive use projects that would have regional benefits in ground water basins. However, the criteria for DWR was for the water stakeholders to submit projects that demonstrated cooperation among the stakeholders in a given region called an Integrated Plan. This is where the problems arise. The stakeholders in the Southeast Los Angeles County (West and Central groundwater basins) include: cities; private water companies; other private water pumpers; the Water Replenishment District; and the surface water wholesalers West and Central Basin Municipal Water Districts. All of these entities have an interest in having access to the available ground water storage.

Since the storage is available, but rules of how this storage is used or allocated have not been determined, all of the stakeholders agreed several years ago to begin to meet to work out the rules of governance of the ground water storage rights. The DWR even paid for a professional facilitator to lead these meetings. The Manhattan Beach City Council adopted Resolution 5864 in November of 2003 in support of this facilitated process.

Nearly 40 meetings of the stakeholders and smaller subgroups have been held since 2003 to work through the areas of agreement and disagreement. Many of these meetings have been all-day sessions. Many draft rules proposals have been developed and revised. However, the stakeholders still remain divided on a small number of critical issues. Some of these are:

- Does the Water Replenishment District have legal authority to control all storage projects in the basins? If the WRD does not have ultimate authority, what body does? (A storage Project Review Committee has been proposed to make recommendations to WRD– but the make up of the committee is also an issue).
- Do pumpers who have adjudicated water pumping rights for a set amount of water (such as Manhattan Beach) have priority to store water for the overlying population? Or does the WRD have the authority to set priorities for storage projects.
- The Metropolitan Water District (MWD) (California’s largest water agency) will finance storage projects (once governance issues are resolved) with pumpers that are direct member agencies only. Therefore, cities such as Manhattan Beach must work through the West Basin Municipal Water District (our water supplier and MWD member agency) to have access to this financing. We believe all pumpers should have priority storage available to them and direct access to MWD rather than working through the West Basin Municipal Water District.

The fact that substantial State grant funds are again available, the Water Replenishment District has decided to go forward with “Interim Rules” for ground water storage programs. They believe these rules would allow storage programs to be proposed and thus become eligible for grant funding. However, the State requirement of an Integrated Plan is not met, as there certainly is not a consensus among the stakeholders that this is correct procedure. Rather, many stakeholders including many cities believe the facilitated rules-making process should be the priority and continue until resolved. If the stakeholders cannot resolve the issues then it may be that a court will

need to make the final determination. The WRD has elected to force the issue by proposing the interim rules. WRD does have the support of some larger cities that are direct members of the MWD. Those of us who are not direct members of the MWD, however, believe this is a power play by the larger agencies to have access to not only the State's grant funds but also the sole access to MWD funds to build storage projects.

CONCLUSION:

Staff recommends that the City Council authorize Mayor Fahey to execute a letter in response to the WRD's request for comments that included the following points:

1. That the Water Replenishment District not proceed with consideration of the interim rules for water storage projects and resume participating in the facilitated process to resolve the few issues remaining.
2. If the facilitated process is exhausted without a consensus agreement then all parties should participate in an adjudicated process to resolve the governance issues of the ground water storage space.
3. The availability of State grant funds should not result in a shortened decision process that will continue to divide the interests of the stakeholders rather than unite them.

Attachments: Letter from WRD soliciting comments regarding proposed rules for water storage
(not available in electronic format)
Resolution number 5864
Draft letter of Response to WRD

RESOLUTION NO. 5864

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MANHATTAN BEACH, CALIFORNIA, IN SUPPORT OF THE CENTRAL
AND WEST COAST BASINS CONJUNCTIVE USE WORKING GROUP

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES
HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the water stakeholders of the Central Basin and West Coast Basin have established a Conjunctive Use Working Group ("Working Group") for the purpose of exploring the development, through a facilitated process, of an integrated program of regional conjunctive use of water resources;

WHEREAS, one of the purposes of the Working Group is to improve communication among stakeholders and to reduce the potential for conflicts;

WHEREAS, the Working Group proposes to, among other things, identify the diverse interests and capabilities of the stakeholders and to develop ways by which the parties' strengths can be constructively combined;

WHEREAS, the rational and efficient use of water resources through a conjunctive use program will enhance water supplies and benefit the public generally; and

WHEREAS, it is in the best interest of the City to support the efforts of the Working Group and to participate in the facilitated process,

IT IS RESOLVED, that the City of Manhattan Beach supports and will participate in good faith in the Working Group, and agrees that the Working Group should be afforded a reasonable amount of time to pursue its efforts.

RESOLVED FURTHER, that the City of Manhattan Beach agrees that, absent full disclosure at a meeting of the Working Group and extraordinary circumstances, until at least April 1, 2004, it will not:

- a. File any motion or lawsuit that seeks to amend the Judgments comprising the Central Basin Adjudication or the West Coast Basin Adjudication;
- b. Introduce or pursue state legislation concerning either conjunctive use of water in the Central Basin or West Coast groundwater basins ("Basins"), or the respective roles, responsibilities or powers of any participant in the Working Group with respect thereto; or
- c. Approve any new conjunctive use related water supply project located within the geographical boundaries of the Basins.

RESOLVED FURTHER, that the Working Group has recognized that each entity's participation in the Working Group is voluntary and that no participant has made any commitment to enter into any substantive agreement or policy concerning conjunctive use. Nothing in this Resolution shall be construed to the contrary.

NOW THEREFORE BE IT BE RESOLVED THAT THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED, and ADOPTED this 4th day of November, 2003.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk



City Hall 1400 Highland Avenue Manhattan Beach, CA 90266-4795
Telephone (310) 802-5000 FAX (310) 802-5001 TDD (310) 546-3501

April 19, 2005

Willard H. Murray
President, Board of Directors
Water Replenishment District of Southern California
12621 E. 166th Street
Cerritos, CA 900703

Dear President Murray,

RE: Comments regarding Rules to Coordinate Water Storage in Southeast Los Angeles County

Thank you for your letter of March 30, 2005 in which you explained that the WRD is considering adopting rules for the coordination of ground water storage in the Central and West Coast ground water basins. It is our understanding the WRD is considering implementing rules to facilitate ground water storage projects even though the facilitated process which all parties agreed to is still in process. We realize that the process has been deliberate and that progress on the most difficult issues is slow. However, for the benefit of all of the rate-payers in the West Coast and Central groundwater basins, we urge you not to proceed with the proposed rules.

We further understand that a few of the larger pumpers in the region and the Metropolitan Water District (WRD) member agencies are encouraging your Board of Directors to take these actions in part because of the availability of State grant funds. Please remember, however, that the interests of all rate payers in the region are to be protected. Until the governance issues for the available ground water storage have been resolved, either through the facilitated process, or some other agreed upon process, it is not appropriate for a single agency to break ranks for the benefit of a small number of large pumpers. All pumpers should have equal access to available funds and be a part of the consensus rules making process. Although we support the concept of conjunctive use and better utilization of available ground water storage space, we do not support diverting from the agreed upon process so that certain larger pumpers can get a jump start on using the storage.

In November of 2003, our City Council adopted Resolution number 5864 which approved our City's support and involvement in the conjunctive use facilitated process. Unless and until there is consensus that this process is no longer useful or that another process has been agreed to, we respectfully request the Water Replenishment District of Southern California discontinue its consideration of interim rules for water storage projects and continue with the process agreed upon in 2003.

Sincerely,

Mayor Fahey

Fire Department Temporary Facility Address: 1599 Valley Drive, Manhattan Beach, CA 90266 FAX (310) 802-5201
Police Department Temporary Facility Address: 1501 N. Peck Ave., Manhattan Beach, CA 90266 FAX (310) 802-5101
Public Works Department Address: 3621 Bell Avenue, Manhattan Beach, CA 90266 FAX (310) 802-5301
Visit the City of Manhattan Beach Web Site at www.citymb.info

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