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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
EXECUTIVE SECRETARY

Darwin E. Duff
EXECUTIVE SECRETARY

January 31, 1995

To: Board of Directors (Water Problems Committee--Information)
Board of Directors (Legal and Claims Committee--Information)

From: General Manager

Subject: San Gabriel Valley Water Resource Issues

Report

Last month, staff presented background information regarding existing and potential water resources issues in the San Gabriel Valley (Valley). This month, staff returns with an activities update and an outline of potential strategies to help facilitate resolution of the issues. Additional efforts will be needed to further develop plans and alternatives that encourage optimization of the use of Valley resources.

The San Gabriel Valley overlies an important groundwater basin (Basin) which is the focus of intense efforts on the part of numerous interested parties. The problems are complex, involving significant institutional factors regarding differing goals of the stakeholders. Parties have turned increasingly to litigation and legislation as a means to force the decision-making process.

The five major issues in the Valley concerning Metropolitan are the Azusa Landfill, the Superfund cleanup, conjunctive use, the reclaimed water project, and Morris Dam. Descriptions of these issues are attached. A plan of action to seek resolution on these issues is under discussion at this time and will be reported to your Board as it develops. Also, as reported to your Board last month, a hearing was held January 27 concerning a request to modify language in the water rights management adjudication. The change, as requested, would cast doubt on the viability of the proposed reclamation project. At the conclusion of the hearing, the judge took all material under submission indicating she would make a ruling within two weeks of the hearing date.

Continuing Review

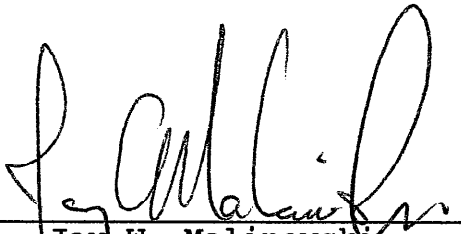
Metropolitan's interest in these five activities is to improve water supply reliability by reducing new and existing Basin contamination that impairs health and safety, and to reduce imported water needs by increasing the use of reclaimed water and optimizing the use of other available resources. Metropolitan's staff will continue to participate in these matters, to develop additional plans and alternatives, and to advise the Board of significant developments and possible additional involvement by Metropolitan.

Recommendation

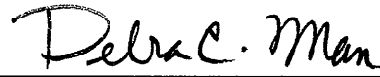
For information only.

John R. Wodraska
General Manager

Submitted by:

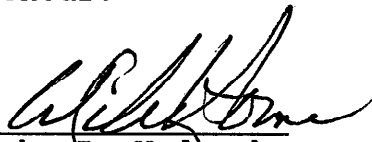


Jay W. Malinowski
Director of Public Affairs



Debra C. Man, Chief
Planning and Resources

Concur:



John R. Wodraska
General Manager

LA:bvf

Attachment

Descriptions of San Gabriel Valley Water Resource Issues

Azusa Landfill

Metropolitan has been aggressively working for the past five years to block the expansion of the Azusa Landfill. It is currently working through membership in the Azusa Landfill Task Force¹ (Task Force). This is primarily a Basin protection issue with water agencies being united in their opposition to dumping municipal waste next to the Basin's water recharge area. However, work is underway to show that the preexisting landfill may already be leaking and requires cleanup.

The Task Force has hired experts as required to make its cases before the State Water Resources Control Board and the Los Angeles Regional Water Quality Control Board. Persistence is required to counterbalance the extensive efforts of Browning-Ferris Inc. (BFI), the landfill owner. Staff is currently in the process of extending the Task Force agreement for another five years.

San Gabriel Valley MWD² has filed a common law (nuisance) suit against BFI for damage caused by contamination from the existing landfill. The Task Force is monitoring the progress of the suit, which parallels the regulatory process.

Superfund Cleanup

An effective plan to clean up the Basin contamination has been elusive. Although there have been many efforts and proposals since the Basin was declared a Superfund megasite over ten years ago, significant progress remains to be accomplished.

Implementation of a Basin cleanup is among the thorniest of issues. Although the US Environmental Protection Agency (USEPA) has specified a cleanup plan, opinions vary as to how to implement, finance, and manage the plan. Federal statutes and regulations guide the process by which industries are involved in the USEPA Superfund efforts as Potential Responsible Parties (PRPs). However, additional progress on this issue has been delayed due to differences among regulatory agencies, local water purveyors, other water management agencies, and PRPs.

¹ Azusa Landfill Task Force includes Upper San Gabriel Valley MWD, Three Valleys MWD, Main San Gabriel Basin Watermaster, San Gabriel Valley MWD, and Metropolitan.

² Represents the four Valley cities that are not within Metropolitan's service area (Alhambra, Azusa, Monterey Park, and Sierra Madre).

The Legislature established the San Gabriel Valley Water Quality Authority (WQA) two years ago to develop a basinwide groundwater quality management and remediation plan. Three Valleys MWD is now taking the lead as the potential project owner and operator, following a "consensus concept" initiated by the WQA. Three Valleys MWD has applied for financial assistance under Metropolitan's Groundwater Recovery Program (GRP). The project is in the formulation stages with critical negotiations concerning PRP payments and Watermaster approval of storage and export terms.

Conjunctive Use

Metropolitan is a party to the Valley water rights management adjudication³ (Judgment), and for the last two decades has stored imported water in the Basin. This imported water is currently limited to sale to in-Basin member agencies for replacing Basin overdraft. The related storage agreements for the Basin are coming up for renewal in the next 16 months, and their potential renewal may offer an opportunity to reopen a dialog with member agencies and Watermaster.

Metropolitan's 142,000 acre-foot storage agreement with Watermaster for Upper San Gabriel Valley MWD (Upper District) will end on June 30, 1995, and its 25,000 acre-foot storage agreement for Three Valleys MWD on June 1, 1996. The renewal and specific terms of these pre-delivery storage agreements have to be approved by Metropolitan, Watermaster and the respective member agency, and are open to re-negotiation every five years.

Expanding Basin conjunctive use in exchange for assistance in treating contaminated groundwater may provide greater regional water supply benefit. Metropolitan previously proposed a \$450 million plan to assist in the Basin cleanup with just such a scenario; however, efforts to reach an agreement with the Watermaster were unsuccessful. The different interests must be brought together into a common alignment before significant progress is achievable. The Three Valleys MWD GRP proposal may be a first step to expanding conjunctive use since the cyclic storage agreements were executed.

³ Upper San Gabriel Valley MWD v. Alhambra, et al. The 1972 Judgment in that case created a nine-person Watermaster to administer its provisions.

Reclaimed Water Project

The Upper District has proposed a San Gabriel Basin Water Reclamation Program that would use recycled water to assist in replenishing Basin overdrafts. Miller Brewing Company (Miller) is challenging the project by raising health issues. Metropolitan and other water agencies, including other member agencies⁴, support the project as an effective and safe way to supplement imported water supplies and increase Basin reliability. Opportunities for resolution might result from greater participation in the process by Metropolitan.

Miller has petitioned the court to modify reclaimed water provisions of the Judgment, and has filed a separate suit challenging the adequacy of the project's environmental compliance. Mediation is currently underway as part of the latter suit, between project owner Upper District, project proponent San Gabriel Valley MWD, and opponent Miller.

Metropolitan, as a party to the Judgment, has joined with the Upper District to ask the Court to reject Miller's request to modify the reclaimed water provisions of the Judgment. Metropolitan is not a party to Miller's environmental compliance suit.

Morris Dam

The transfer of Morris Dam ownership to Los Angeles County (County) is also part of staff's constructive efforts to promote maximum use of local water resources within the Basin, and to minimize Metropolitan's operational and maintenance costs. Metropolitan acquired Morris Dam in the 1940s as a result of a 1934 settlement agreement with Pasadena and San Gabriel Valley interests. It has been continuously operated under agreement with the County and local water-rights holders. In 1977, Metropolitan agreed to transfer Morris to the County. Morris Dam is an integral part of the San Gabriel River reservoir system, which the County has operated for four decades. The transfer process appears to be in the final stages.

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⁴ Metropolitan member agencies Central Basin MWD, Las Virgenes MWD, and West Basin MWD.