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General Manager

August 21, 2013

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Attention: Councilmember Felipe Fuentes
Chairperson, Energy and Environment Committee

Honorable Members:

Subject: Council File No. 13-0952 – Local Water Supplies and San Fernando Basin
Groundwater Remediation

In response to Los Angeles City (City) Council Motion 13-0952 (Council File enclosed) adopted on July 30, 2013, requesting the Los Angeles Department of Water and Power (LADWP) to report on the progress of:

- I. Accelerating Local Water Supply Development
- II. Remediation of the San Fernando Basin (SFB)
- III. Development of the Stormwater Capture Master Plan

I. Accelerating Local Water Supply Development

On October 4, 2012, the Board of Water and Power Commissioners (Board) adopted the Board Resolution "LADWP Guiding Principles for the Development and Implementation of the Local Water Supply Program" which called for LADWP to generate a plan to accelerate local water supply development and remediate contamination in SFB. As a result of this Board Resolution, LADWP began developing the initiative entitled LA's Water Reliability 2025.

LADWP is currently finalizing the first draft report of LA's Water Reliability 2025. Preliminary findings show that LADWP can potentially meet its 2010 Urban Water Management Plan (UWMP) goals for local water resource development approximately

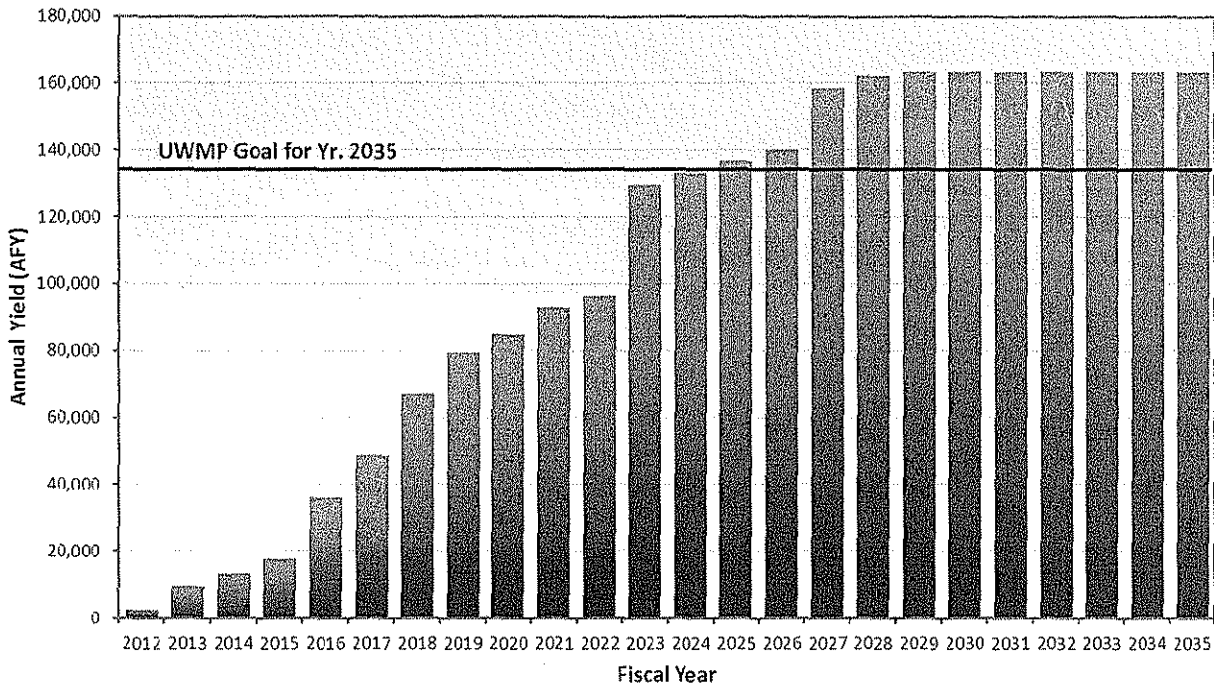
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10 years early by accelerating plans to implement specific stormwater capture, water conservation, and recycled water projects and programs.

LA's Water Reliability 2025 Annual Local Resource Development Targets



LA's Water Reliability 2025 includes a significant acceleration in the Recycled Water Program's Groundwater Replenishment Project by achieving 30,000 AFY of groundwater recharge in SFB with recycled water by 2023. This equates to an acceleration of 12 years when compared to the 2010 UWMP goal of achieving 30,000 AFY of groundwater recharge with recycled water by 2035.

II. Remediation of the San Fernando Basin

Groundwater System Improvement Study (GSIS)

In 2009, LADWP initiated a 6-year, \$24 million comprehensive analysis by independent experts that will provide recommendations and assistance in developing short and long-term projects, including the design and construction of the Groundwater Remediation Facilities (described below). As part of GSIS, LADWP is in the process of drilling approximately 26 new groundwater monitoring wells to obtain supplemental water quality data necessary to fully map and monitor the extent of the contamination. This

information will then be used to plan the Groundwater Remediation Facilities in SFB. The drilling of the new monitoring wells was initiated in April 2012, and is anticipated to be completed by January 2014.

Groundwater Remediation Facilities

Given the extent of groundwater contamination and the increasing regulatory and environmental restrictions on imported water from both the Los Angeles Aqueduct and the State Water Project, a viable alternative resource is cleanup of the City's local groundwater supplies. Based on GSIS, LADWP has embarked on an ambitious capital intensive plan to cleanup groundwater in SFB. This project will provide environmental benefits, meet safe drinking water regulations, and prevent further loss of this important groundwater resource, which will be of growing importance to Los Angeles as imported water supplies come under increased pressure.

The draft conceptual plan includes construction and operation of centralized and localized remediation facilities in the vicinity of LADWP's North Hollywood, Rinaldi-Toluca, and Tujunga Wellfields. Future treatment facilities may treat up to 123,000 acre-feet of contaminated groundwater per year from the San Fernando Groundwater Basin. LADWP is planning to have these facilities in-place and operational by 2021/2022, subject to securing the necessary funding and approvals. These proposed facilities will facilitate restoration of Los Angeles' historic groundwater pumping capacity from the San Fernando Groundwater Basin, and provide a reliable local source of high-quality water to Los Angeles' residents and businesses well into the future.

III. Stormwater Capture Master Plan

In May 2013, LADWP hired Geosyntec Consultants to assist LADWP in developing the City's Stormwater Capture Master Plan (Master Plan) which will be used to guide decision makers in the City when making decisions affecting how the City plans to implement both centralized and decentralized stormwater capture strategies.

Master Plan will include a number of tasks and objectives including:

1. Evaluate Existing Stormwater Capture Facilities and Projects
2. Quantify the Maximum Stormwater Capture Potential
3. Provide Potential Strategies to Increase Stormwater Capture
4. Recommend Stormwater Capture Projects, Programs, Policies, and Incentives

Currently, the project team is in the process of developing a customized outreach approach for the Master Plan. Public outreach will be an integral part of the Master Plan development process. Public outreach will include the involvement of key technical

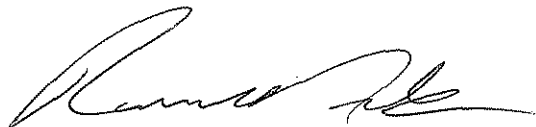
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personnel, regional stakeholders, general public and the media. Work to-date has included data collection, existing conditions analysis, and evaluation of various hydrologic models to determine which is most suitable for the Master Plan's goals.

Master Plan development began on July 5, 2013, and is scheduled for completion in July 2015. The estimated cost of the Master Plan is \$828,068. LADWP has applied for grant funding of up to 50 percent of this cost from the Metropolitan Water District of Southern California.

If you have any questions or require further information, please contact me at (213) 367-1338, or have a member of your staff contact Ms. Winifred J. Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Ronald O. Nichols
General Manager

JL/SH:yrp
Enclosures

c/enc: Councilmember Bob Blumenfield, Vice-Chair, Energy and Environment
Committee
Councilmember Tom LaBonge, Member
Councilmember Jose Huizar, Member
Councilmember Paul Koretz, Member
Mr. Adam R. Lid, Legislative Assistant
Mr. Miguel A. Santana, City Administrative Officer
Mr. Gerry F. Miller, Chief Legislative Analyst
Ms. Winifred J. Yancy

13-0952
Ref CF 10-0104

JUL 30 2013

MOTION

ENERGY & ENVIRONMENT

In August 2012, the Department of Water and Power (DWP) committed to develop more aggressive goals for increasing local water supply so as to alleviate the environmental concerns associated with imported water and to reduce our reliance on increasingly expensive imported supplies. The DWP maintains that more local water is needed to address declining water supplies from its existing sources.

DWP hired Geosyntec in May 2013 to determine the potential for increasing local water supplies through the capture of stormwater. This effort seeks to incorporate watershed management principles and strategies to increase water storage and use.

In late June 2013, DWP unveiled plans to build a groundwater treatment center over the San Fernando Basin. It is estimated that the groundwater treatment center will cost approximately \$600 to \$800 million; with construction beginning in five years and reaching completion in 2022. It is reported that the treatment center could provide City residents up to a quarter of its annual water supply.

The development of the groundwater treatment center will help to mitigate the City's water supply concerns, however it must deal with groundwater contamination issues associated with the San Fernando Basin. The Basin includes a Superfund pollution site caused by the use of high levels of chlorinated solvents during World War II. The solvents, which were used to degrease metal and electronic parts, ultimately seeped into the groundwater aquifer and contaminated the wells. The DWP plans to remove the contaminants in order to successfully implement the treatment center and derive clean water.

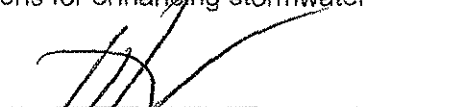
The DWP should report to the Council on these various efforts and strategies to address the City's water supply challenges.

I THEREFORE MOVE that the Department of Water and Power be requested to report to the Council in 30 days on its development of enhanced goals for increasing local water supply and anticipated timelines for projects to achieve these goals, including those that expand the use of recycled water.

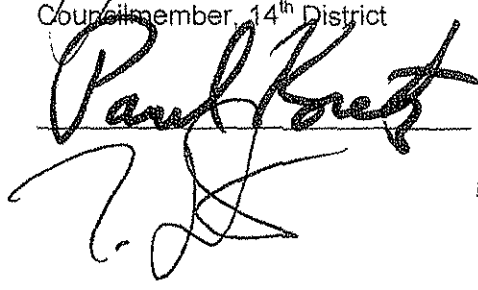
I FURTHER MOVE that the Department of Water and Power report on its plans to construct a groundwater treatment center in the San Fernando Basin; and how it will effectively mitigate contamination and ensure a clean water supply.

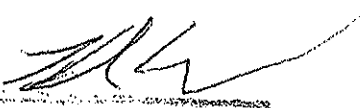
I FURTHER MOVE that the Department of Water and Power report on the status of the Geosyntec stormwater capture study and the range of options for enhancing stormwater capture.

PRESENTED BY:


JOSE HUIZAR
Councilmember, 14th District

SECONDED BY:




JUL 30 2013

ORIGINAL