San Gabriel Basin Water Quality Authority ANNUAL REPORT 2015



Cleaning up the Basin's Groundwater and Providing a Much Needed Boost to Groundwater Supplies

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Cleaning and Protecting the Groundwater Reservoir Beneath Our Feet

A min



GROUNDWATER CLEANUP HAS PRODUCED 1.36 MILLION ACRE-FEET OF NEEDED WATER SUPPLIES

A Message from the Executive Director

Cleanup: Helping to Build Water Independence Even During Drought. Since the groundwater cleanup began in the early 1990s, San Gabriel Basin Water Quality Authority (WQA) and its partners have together cleaned and provided to customers 1.36 million acre-feet of treated groundwater. That is nearly five years' worth of the total water demand in the San Gabriel Valley.

Drought Highlights Critical Need for Water from Cleanup. The critical need for this cleaned, potable water supply, has become apparent as we endure an unprecedented fifth year of drought. The newly cleaned water has provided an invaluable, local and reliable source of water to enhance regional water supply independence. This has occurred even as the reliability of imported supplies continues to decrease and is unavailable at times.

Major Achievements of 2015. This year's key accomplishments include: initiated the contract extension for the Baldwin Park Operable Unit early, following 15 years of effective operation; received and distributed Proposition 84 cleanup funds; made progress on the Puente Valley Operable Unit Cleanup; and much more.

"The ability of WQA to manage all of the working parts of the cleanup has allowed the aquifer to be a real asset during this long drought." Felicia Marcus, Chair of the State Water Resources Control Board

Ability to Work Together Remains Key to Our Shared Success. Our cleanup successes have depended on development of advanced technology, construction of extensive facilities and investments in treatment and remediation. However, the most important element in the cleanup is the active collaboration of stakeholders across the Basin. Without our highly developed ability to work together, none of this would have been possible.

Funding Issues Threaten Progress. Gridlock in Washington has frozen new and needed funding for several years, threatening our ability to complete the cleanup. We are focused on overcoming this and other challenges with the contributions of all involved stakeholders.

Thank You to Everyone Involved in this Critical Cleanup: my colleagues in WQA, regulators, Watermaster, water suppliers, legislators, and the water users that we ultimately all serve.



Kenneth R. "Ken" Manning *Executive Director*

Cleaning the Basin Provides San Gabriel

Over the past two decades or more, San Gabriel Basin Water Quality Authority and its partners have cleaned up 1.36 million acre-feet of water – enough to meet the needs of Basin customers for almost five years.



San Gabriel Valley Water Company Plant B6 Treatment Facility.

We Must Continue to Invest for the Future to Build Upon Past Investments in Groundwater Cleanup

History: Contaminants from Past Agricultural and Industrial Practices. San Gabriel Valley is blessed to have a very large, natural underground water Basin that is the source of much of the region's water. In the first half of the 20th century, agriculture and then the post-World War II industrial boom left contaminants in the groundwater.

During this unprecedented drought, the benefits of treated water are apparent – a massive supply of locally controlled, drought-proof water that has met the needs of residents, open spaces, landscapes and businesses. Kenneth R. "Ken" Manning, Executive Director, Water Quality Authority.

22 Years of Cleanup Successes. In the late 1980s, these contaminants were first identified and a cleanup began in the early 1990s. Since its formation, Water Quality Authority and its partners have cleaned up a vast amount of formerly contaminated groundwater. All of it was treated to drinking water quality levels so that it could be productively used.



Valley With Essential Water Supplies

In this unprecedented drought, it wouldn't even be possible to import the amount of additional needed water that has been provided through the cleanup process.

Photo courtesy of the State Department of Water Resources.

Cleaning the Basin Results in Less Need for Imported Water and Lower Costs to Customers

Local Water Sources are More Reliable and Less Costly to Water Customers. Achieving a clean local drinking water supply is an increasing priority as imported supplies become less available and impossible to count on.

> 1,363,000 Acre-Feet TREATED

is 1,363,000 Acre-Feet NOT IMPORTED

1,363,000 Acre-Feet is ENOUGH To Meet Basin Needs FOR 5 YEARS



Cleaning the Basin Benefits Other Regions and the Environment

Cleaning and using local groundwater decreases the need to import water from sensitive watersheds in Northern California and the Colorado River. It also saves the electrical power needed to pump and transport it long distances.

KEY TO SUCCESS: Working Together to Clean the Basin



San Gabriel Valley Water Company Plant 8 Treatment Facility.

EARLY START ON MASSIVE CLEANUP AGREEMENT

Southern Remedy:	Northern Remedy:	CDWC Remedy:
229,574.36	64,829.40	320,403.22
Acre-Feet Treated.	Acre-Feet Treated.	Acre-Feet Treated.

\$250 Million Paid to-Date by Responsible Parties. First signed in 2002, the 15-years-long Baldwin Park Operable Unit (BPOU) Agreement has resulted in substantial progress in cleaning up the largest area of groundwater contamination in the San Gabriel Valley. As a result of the original agreement, the parties responsible for contamination have paid roughly \$250 million for the cleanup.

Expected \$450 Million Cleanup Contributions from Responsible Parties. WQA and the many other stakeholders began negotiating on the successor agreement early to give time to ensure it is completed without delay. The goal is to have an agreement before summer of 2016, nearly a year early. It is critical that there be no delay in this successor agreement because it could result in \$450 million in contributions to the cleanup during a period in which Federal grants are limited to non-existent.

BPOU Monitoring Well Agreements Being Consolidated Under WQA. In order to consolidate monitoring and simplify reporting and administration, all well-monitoring agreements not already under WQA are being transferred. WQA's costs will be reimbursed in each case. Similar agreements were also reached with City of El Monte and Los Angeles County Flood Control District.

NEW DATABASE TO IMPROVE UNDERSTANDING OF THE BASIN

More Effective, Accessible and Easier to Use Collaborative Database. Effectively designing and overseeing groundwater cleanup requires a massive amount of data about contaminants, where they are and are not, how groundwater moves, effectiveness of treatment technologies, and more. WQA is working with United States Environmental Protection Agency (USEPA), the Main San Gabriel Basin Watermaster, and others to develop a single database. It will be accessible and provide the easiest to access, most accurate cleanup information available. With data coming from a variety of sources and formats, it is a slow process but will yield benefits in efficiency and transparency.

WQA also purchased new cloud-based software that will improve the ability to make useful maps and displays for analysis of the groundwater Basin. WQA incorporates environmental, business and cost considerations into its water cleanup planning. As a result, WQA receives the active support of the water, government, regulatory, environmental, and business communities.



Captured rainwater flowing into a local spreading ground.

BOOSTED GRANTS WITH LOCAL FUNDS TO EXPEDITE AND EXTEND CLEANUP

The final disbursement of State Proposition 84 funds was in 2015, but WQA will still be withdrawing funding for a number of cleanup projects for another six to seven years. The continuing funding comes as a result of lawsuits filed by WQA against parties responsible for contamination. The parties paid into a fund, administered by USEPA but made available to WQA, to support ongoing cleanup. From before Proposition 84 was approved, through its funding cycles and beyond, WQA has continued to work with a variety of other agencies and local water providers to make sure high-priority projects in San Gabriel Basin are funded.

SEVERAL LOCAL CLEANUP PROJECTS RECEIVED OR ARE RECEIVING FUNDING

Valley County Water District: Nitrate treatment San Gabriel Valley Water Company: Nitrate treatment

Covina Irrigating Company: Pumping plants San Gabriel Valley Water Company: B6 B24 transmission pipe

Whittier Narrows Operable Unit Treatment Facility.

LEADER IN REGIONAL WATER PLANNING PROGRAM

WQA staff serve as Vice-Chair of the Upper San Gabriel River and Rio Hondo River Sub-region of the Greater Los Angeles County (GLAC) Regional Water Management Group under the State Integrated Regional Water Management (IRWM) program and also sits on the GLAC Leadership Committee. The State Department of Water Resources announced a call for projects for a fourth round of Proposition 84 funding for the IRWM program. Staff applied for and was awarded funding from this source to advance the cleanup as well as support other needed water supply projects.

ACTIVE LOCALLY, REGIONALLY AND STATEWIDE

WQA is active in groundwater cleanup activities at all levels. For example, WQA supported the San Gabriel Valley Economic Forum. In addition, staff spoke at numerous conferences and events, including the Groundwater Resources Association Legislative Symposium, and Assemblyman Ian Calderon's Water Conservation event in Whittier. Despite a difficult funding environment, WQA and its partners continue advancing the groundwater cleanup across the Basin, and removed over 77 tons of contaminants over the years.

ENGAGED TO MAXIMIZE ACCESS TO PROPOSITION 1 FUNDING

Focus on Cleaning Up Drinking Water Makes a Difference. Previously, WQA worked to successfully insert language providing \$80 million in funding from Proposition 1 to be available to prevent or reduce the contamination of groundwater that serves as a source of drinking water. WQA is the only agency in the State focused on this issue. WQA is actively monitoring the implementation timelines and working closely with the San Gabriel Valley State Legislative Caucus to further enhance WQA's ability to access funding, which it is well positioned to access as an agency responsible for overseeing groundwater cleanup.

SUPPORT LEGISLATION TO PROTECT SAN GABRIEL WATER RIGHTS

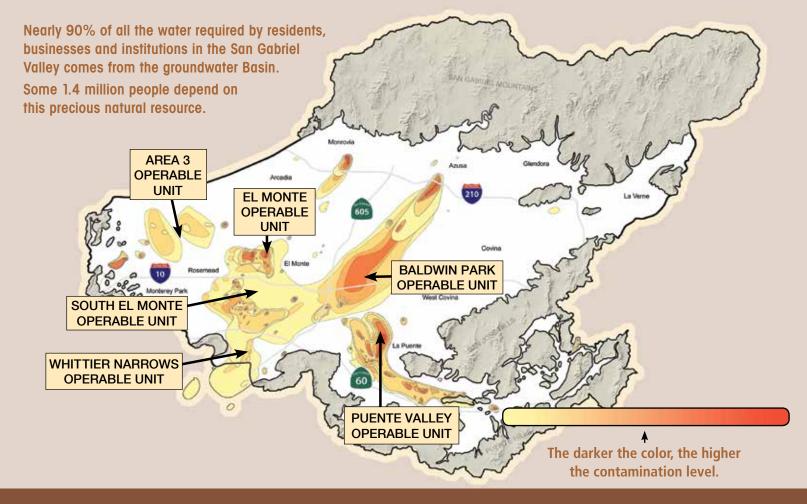
SB485 would allow Sanitation Districts of Los Angeles County to assist local jurisdictions in stormwater and dry weather runoff management. San Gabriel Valley Water stakeholders, including WQA, developed amendments that Senator Ed Hernandez agreed to, that protect water rights and conform to the adjudication of the Main San Gabriel Basin.

PUENTE VALLEY OPERABLE UNIT (PVOU)

Plants B7 and B11: 92,559.79 Acre-Feet Treated.

Funded Sealing of Wells. WQA helped initiate action on this slow-moving project, and helped fund water suppliers in PVOU to seal non-producing wells. The purpose is to prevent the non-producing wells from serving as a conduit for contaminant migration.

Year-by-Year Advancing the



Cleanup Across the Basin

EL MONTE OPERABLE UNIT (EMOU)

West Side Shallow Zone: 231.29 Acre-Feet Treated. West Side Deep Zone: 24,953.01 Acre-Feet Treated.

Lead Agency on East Side Treatment. In coordination with the City of El Monte and Responsible Parties, WQA completed construction of the eastern side remedy and the project began operation in early 2015.

Together, the EMOU's shallow zone remedies will serve to contain the migration of the contamination into the intermediate (potable) aquifers and prevent the further spread of contamination into critical potable groundwater supplies. Because of elevated levels of nitrates and total dissolved solids, local water suppliers cannot use the water for direct potable use. However, it is being used for recharge. Requiring the beneficial use of shallow zone treated water will enhance the local water supply and help to mitigate the current water shortage caused by impairment of water supply wells.

SOUTH EL MONTE OPERABLE UNIT (SEMOU)

Intermediate Zone Remedy: 136,968.48 Acre-Feet Treated. Other Intermediate Zone: 29,386.69 Acre-Feet Treated. Shallow Zone: 276.97 Acre-Feet Treated.

WQA continues to disperse funding for the projects in the SEMOU, all of which are funded through 2016 and the settlement agreements are complete. WQA is currently working on an extension of the SEMOU Cooperative Agreement with USEPA and involved water purveyors. The extension would run through 2022, and will allow WQA to continue accessing funding that resulted from a lawsuit filed by WQA against the responsible parties a number of years ago. The funding will be used to reimburse affected water purveyors for future treatment and remediation costs.

WHITTIER NARROWS OPERABLE UNIT (WNOU)

Shallow Zone Remedy: 30,065.52 Acre-Feet Treated. Intermediate Zone Remedy: 44,802.18 Acre-Feet Treated.

AREA 3 OPERABLE UNIT

31,045.15 Acre-Feet Treated.

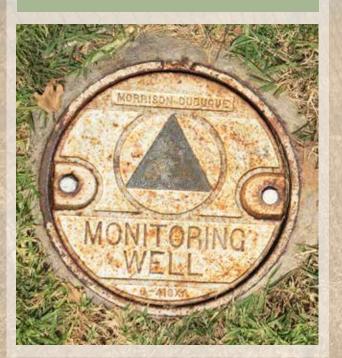
Additional Funding Needed to Meet Cleanup Needs

THIS YEAR, WQA TOOK ACTION ACROSS THE BOARD TO BREAK THE CURRENT LOGJAM IN FUNDING

DECREASED FUNDING THREATENS CLEANUP

WQA Has Helped Fund Half the Cleanup Costs \$667 MILLION INVESTED TO-DATE

But Years of Cleanup Are Still Needed \$564 MILLION FUNDING GAP REMAINS



FOCUS ON INCREASING FUNDING AND CONTINUING THE CLEANUP

Seeking Renewed Federal Funding and Increased Operational Flexibility. Gridlock in Congress has frozen Federal funding since 2010. WQA is seeking a \$10 million appropriation for the San Gabriel Basin Restoration Fund for Fiscal Year 2017.

WQA is also seeking an amendment to Public Law 106-554 that would allow an additional five years to operate and maintain projects constructed under the San Gabriel Basin Restoration Fund.

Representatives of WQA met with members of Congress, the Administration, and the Bureau of Reclamation, with support of Representative Judy Chu and her staff seeking flexibility with the remaining funds and additional funding from Congress.

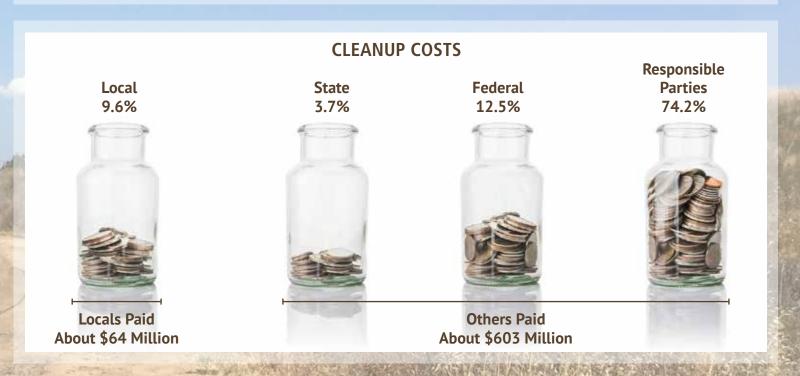
Focus at the State Level is Proposition 1 Funding. Proposition 1 contains \$900 million for groundwater cleanup and Section 79772 contains \$80 million of groundwater treatment and remediation that is favorable to WQA. In addition, State drought legislation and other sources are constantly being sought as potential sources of funding.

Engaged with Responsible Parties to Continue Funding. WQA remains focused on working to ensure the parties responsible for the contamination continue to pay their fair share of cleanup costs.

Most of the Needed Treatment Facilities Have Been Built. The primary need now is to fund long-term cleanup costs involving maintenance, monitoring and operational costs. All funds appropriated by the Federal Government have been allocated by WQA and are expected to be utilized within a year or so for cleanup. Cutbacks in Federal funding threaten WQA's ability to settle with and obtain contributions from responsible parties – jeopardizing the entire cleanup.

PUMPING RIGHTS ASSESSMENT KEPT STEADY AT \$10 PER ACRE-FOOT

The Pumping Rights Assessment has been held steady at \$10 per acre-foot. These funds are only used when other funding is not available. A legal analysis was undertaken showing that WQA is authorized to increase the pumping rights assessment by an amount up to the change in the CPI between the date it was initiated in 2004 and the date of the adjustment. There is no plan for increases now, but this can be used in future planning if needed.



WQA HAS ACHIEVED ITS GOAL OF MINIMIZING THE CLEANUP COST TO LOCAL CUSTOMERS

WQA has identified polluters responsible for the contamination and has worked to ensure that the lion's share of the cleanup costs has come from the responsible parties, augmented by some Federal and State funding. This has saved ratepayers more than \$642 million. Cutbacks in Federal funding are limiting the ability to keep projects moving forward.

COST SAVINGS A CONTINUED PRIORITY

Quantifiable Savings. WQA staff has implemented numerous cost-saving actions, including: conversion to paperless office; transfer of archives to a laser-fiche document management system; decreased use of office supplies; obtaining pricing concession from contractors; utilizing contractors rather than permanent employees where possible; and not filling vacant positions.

A HISTORY OF CLEANING THE **BASIN AND ENHANCING WATER** SUPPLY INDEPENDENCE

Over the past two decades or more, San Gabriel Basin Water Quality Authority (WQA) and its partners have cleaned up 1.36 million acre-feet of water - enough to meet the needs of Basin customers for almost five years.

- 2016: 32 cleanup facilities around the San Gabriel Valley are removing contaminants from the groundwater that have been there since the 1950s
- 2014: Acquired General Discharge Permit
- 2013: Extended WQA mandate through 2030
- 2012: Secured \$10 million funding for four projects
- 2009: Obtained additional \$50 million for WQA Restoration Fund
- 2000: H.R. 910, which established the San Gabriel Basin Restoration Fund to facilitate the groundwater cleanup efforts in the Valley, became Public Law 106-554
- 1999: Spearheaded legislation for \$75 million in Federal funding
- 1995: WQA's first treatment facility completed in Monrovia
- 1994: Developed Consensus Approach to integrating both water supply and cleanup programs
- 1993: WQA established by the State Legislature

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