




REGULAR MEETING OF THE
MUNICIPAL SERVICES COMMITTEE
Tuesday, September 13, 2011, 4:00 P.M.
100 North Garfield Avenue, Pasadena, Council Chambers

AGENDA

1. **CALL TO ORDER/ROLL CALL**
2. **PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**
3. **APPROVAL OF MINUTES** - July 26, 2011 – Regular Meeting*
August 9, 2011 and August 23, 2011 – Cancelled Meetings*
4. **NEW BUSINESS**
 - A. Lease Groundwater to Members of the Raymond Basin (Monk Hill Sub-basin)*
5. **INFORMATION ITEMS**
 - A. Power Supply Issues Update (IRP, RPS, GHG Regulations, GT 1 Repair)
 - B. Water Conservation/Supply Update (FY 2011 Results)*

6. **ADJOURNMENT**


Margaret McAustin, Chair
Municipal Service Committee

*Attachment

POSTING STATEMENT:

I HEREBY CERTIFY that this Agenda, in its entirety, was posted on the Council Chamber Bulletin Board S249, the bulletin board in the rotunda area at City Hall, 100 North Garfield Avenue, the City Clerk's Office, and a copy was distributed to the Central Library for posting on the 8th day of September, 2011 by 4:00 p.m.



Sharon Stovall

DISTRIBUTION:

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City Council	City Clerk	Director of Planning and Permitting	Pasadena Star-News
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**CITY OF PASADENA
REGULAR MEETING OF THE CITY COUNCIL
MUNICIPAL SERVICES COMMITTEE
JULY 26, 2011
COUNCIL CHAMBERS
100 N. GARFIELD AVENUE (2ND FLOOR)**

OPENING The Chair called the regular meeting of the Municipal Services Committee to order at 4:04 p.m.

ROLL CALL: Vice Mayor Margaret McAustin, Chair
Mayor Bill Bogaard
Councilmember Terry Tornek

Staff: Phyllis Currie, General Manager of Water and Power
Sandra Robles, Recording Secretary

PUBLIC COMMENT No one appeared for public comment.

APPROVAL OF MINUTES It was moved by Councilmember Tornek, seconded by Mayor Bill Bogaard, to approve the minutes of May 24, 2011, June 14, 2011, June 28, 2011, and July 12, 2011 (Cancellation), as submitted. (Motion unanimously carried).

NEW BUSINESS **AMMENDMENT TO THE LIGHT AND POWER RATE ORDINANCE TO IMPLEMENT EXPERIMENTAL ELECTRIC RATES (EV/TOU ELECTRIC RATES)**

Phyllis Currie, General Manager Water and Power, provided a PowerPoint presentation, summarized the agenda report, and responded to questions.

Hall Daily, Director of Government Relations Caltech, thanked the City for their energy efficiency efforts and stated that Caltech is supportive of the proposed program.

David Czamanski, Pasadena Sierra Club, informed the Committee of a grant the Sierra Club organization was to receive for their Green Air Campaign.

Following discussion, it was moved by Councilmember Tornek, seconded by Mayor Bill Bogaard, to support staff's recommendations, and forward the item to the City Council for consideration. (Motion unanimously carried)

Councilmember Tornek commented on an article he read regarding public opposition to wind turbines and solar fields.

ADJOURNMENT

On the order of the Chair, the regular meeting of the Municipal Services Committee was adjourned at 4:45 p.m.

ATTEST:

MARGARET McAUSTIN, Chair
Municipal Services Committee

Sandra S. Robles
Recording Secretary

**CITY OF PASADENA
REGULAR MEETING OF THE CITY COUNCIL
MUNICIPAL SERVICES COMMITTEE
AUGUST 9, 2011
COUNCIL CHAMBERS – ROOM S-249
100 N. GARFIELD AVENUE (2ND FLOOR)**

The regular meeting of the Municipal Services Committee, scheduled for Tuesday, August 09, 2011 at 4:00 p.m., was cancelled as ordered on August 4, 2011, and posted as required by law.

Margaret McAustin, Chair
Municipal Services Committee

ATTEST:

Sandra S. Robles
Recording Secretary

**CITY OF PASADENA
REGULAR MEETING OF THE CITY COUNCIL
MUNICIPAL SERVICES COMMITTEE
AUGUST 23, 2011
COUNCIL CHAMBERS – ROOM S-249
100 N. GARFIELD AVENUE (2ND FLOOR)**

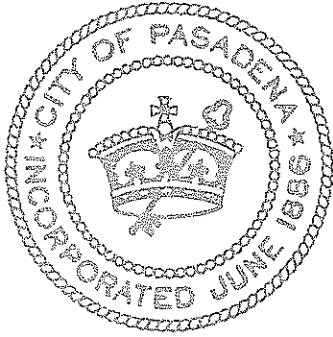
The regular meeting of the Municipal Services Committee, scheduled for Tuesday, August 23, 2011 at 4:00 p.m., was cancelled as ordered on August 18, 2011, and posted as required by law.

Margaret McAustin, Chair
Municipal Services Committee

ATTEST:

Sandra S. Robles
Recording Secretary

4.A



Agenda Report

September 19, 2011

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (September 13, 2011)

FROM: Water and Power Department

SUBJECT: ADOPT RESOLUTION TO AUTHORIZE THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT TO LEASE GROUNDWATER TO MEMBERS OF THE RAYMOND BASIN

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt a Resolution that authorizes the General Manager to take any and all actions necessary to lease groundwater rights to members of the Raymond Basin; and
2. Find that the action recommended herein is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15307, Actions by Regulatory Agencies for the Protection of Natural Resources.

EXECUTIVE SUMMARY:

The City of Pasadena (City) has long-term water pumping and storage rights ("decreed" rights) in the Raymond Basin groundwater aquifer. This is the City's lowest-cost source of water supply, and is typically sufficient to supply about one-third of Pasadena Water and Power's (PWP) total water demand.

Due to a number of contamination and operational issues, the City has not been able to pump all of its decreed water rights for a number of years. The City may forfeit some of the water it has stored in the Raymond Basin if PWP cannot make arrangements to lease additional storage rights. Staff recommends authorizing the sale of water that PWP cannot pump or store to other Raymond Basin members, rather than risking the loss of such water. Any sales of water will not impact the City's long-term decreed pumping or storage rights.

BACKGROUND:

The Raymond Basin Management Board, of which Pasadena is a member, has adopted rules that allow for transfers of pumping rights and storage, called "leases," between the members. These leases are temporary and typically involve the transfer of fixed quantity water pumping or storage rights for a fixed period of time to help members balance excess or deficiencies. Lease transactions have no impact on permanent decreed water rights.

PWP has routinely purchased such water leases under the authority granted to the General Manager under Council Resolution Number 3188 (1977), as modified by Resolution Number 7549 (1997). This authority does not extend to potential sales of water or storage to other Raymond Basin members.

As of July 1, 2011, the City's water rights in the Raymond Basin were as follows:

- Decreed pumping rights for FY2012: 11,305 acre-feet
- Estimated FY2012 spreading credits: 2,800 acre-feet
- Long-term storage: 13,400 acre-feet storage capacity, 100% full
- Short-term (leased) storage:
 - Approximately 1,400 acre-feet stored
 - Leased storage rights expire on June 30, 2012
 - Must be extracted in FY2012 if leases cannot be extended
- Temporary Perchlorate Clean-Up Pool Storage:
 - 12,000 acre-feet maximum storage capacity rights
 - Stored water must be pumped and treated to draw from this account
 - Approximately 9,000 acre-feet stored (75% full)
 - Storage rights expire on June 30, 2014
 - On average, approximately 3,000 acre-feet per year must be extracted and treated over the next three years

As shown in Table I, PWP must extract an estimated 15,505 acre-feet of water in FY2012 to avoid losing any stored water rights. However, due to a number of contamination and operational issues, PWP anticipates that it will only be able to pump about 13,000 acre-feet during this period. Thus, if PWP cannot make arrangements to pump, continue to lease temporary storage, or transfer water to another Raymond Basin member, the City will lose the right to use approximately 2,505 acre-feet of water. In the future, additional pumping capacity would be needed to start drawing down water from the Temporary Perchlorate Clean-Up Pool Storage account.

Table I
FY2012 Raymond Basin Water Supply and Withdrawal

<u>"Must Take" Supply Sources</u>	<u>(Acre-feet)</u>
Decreed pumping rights	11,305
Estimated spreading credits	2,800
<u>Leased storage</u>	<u>1,400</u>
Water Supply	15,505
<u>Estimated pumping capacity</u>	<u>(13,000)</u>
FY2102 Potential "Lost" Water	2,505

Providing the authority to sell excess water is both economically and environmentally advantageous, as it would provide value for the water in storage, rather than potentially losing it. Revenues from such sales would help offset a portion of PWP's purchased water costs while enabling another Raymond Basin member to use the water beneficially. While the City is currently storage deficient, it is possible that the City may have excess storage capacity in future years, thus it would be economically advantageous to have the authority to sell excess storage capacity should conditions warrant such a transaction in the future. Therefore, it is recommended that the City Council adopt a resolution to allow the General Manager of the Water and Power Department to enter into leases for the sale of water rights, including water and/or storage capacity that otherwise could not be used directly to benefit PWP's water customers.

COUNCIL POLICY CONSIDERATION

Leasing groundwater to members of the Raymond Basin provides an opportunity for local agencies to maximize the beneficial use of a valuable local resource. The leasing of groundwater is consistent with the General Land Use Designation Objective 9.5 (Stewardship of the Natural Environment), which encourages the stewardship of Pasadena's natural environment including water conservation. Leasing groundwater to agencies that have water treatment capabilities is consistent with the Land Use Element Policy 18 (Improved Environment), which calls to improve the quality of the environment for Pasadena and the region. In addition, removing contaminants through the treatment processes supports the City's commitment to the United Nations Urban Environmental Accords Action 20 – protect the ecological integrity of the City's primary drinking water sources. The leases are consistent with Land Use Policy 18.2 (Water Conservation), which promotes the increase efficiency of water use; thereby, reducing the amount of imported water.

ENVIRONMENTAL ANALYSIS:

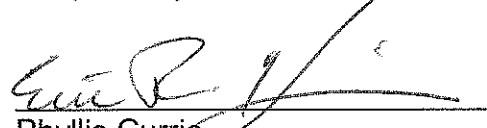
The leasing of groundwater has been determined to be exempt per Section 15301, Existing Facilities and Section 15307 of the CEQA Guidelines, Actions by Regulatory Agencies for Protection of Natural Resources. Section 15301 applies as the leasing of excess groundwater to members of the Raymond Basin does not expand or increase an existing use. The water rights are existing and the lease will allow another member the right to extract a fixed volume of groundwater. Section 15307 applies as this exemption consists of actions by regulatory agencies to maintain and enhance a natural resource (such as groundwater) where the regulatory process involves procedures for protection of the resource.

FISCAL IMPACT:

As a result of potential water sales, the Water Fund may receive additional wholesale revenues of up to \$1,250,000 for Fiscal Year 2012, depending upon the actual volume and price of water sold. Similar revenues could potentially be obtained in fiscal years 2013 and 2014. Such revenues would be credited to the Water Fund revenue account number 7274-402-881000 "Water Sales/Leases to Other Agencies."

Indirect or direct support cost requirements are anticipated to be negligible.

Respectfully submitted,



Phyllis Currie
General Manager
Water and Power Department

Prepared by:



Brad Boman
Engineering Manager
Water and Power Department

Approved by:



MICHAEL J. BECK
City Manager

Attachment:

Attachment A – Resolution

Resolution No. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AUTHORIZING THE GENERAL MANAGER OF PASADENA WATER AND
POWER TO TAKE ANY AND ALL ACTIONS NECESSARY TO LEASE
GROUNDWATER RIGHTS TO MEMBERS OF THE RAYMOND BASIN.**

WHEREAS, the City of Pasadena has certain rights to pump and store water in the Raymond Basin; and

WHEREAS, the Water and Power Department of the City of Pasadena is responsible to efficiently and effectively manage the City's water rights to supply retail water services for the benefit of its customers; and

WHEREAS, the Water and Power Department may, from time to time, be unable to fully utilize the City's water rights in the Raymond Basin to supply its retail water customers; and

WHEREAS, it would economically and environmentally beneficial to lease such water to other members of the Raymond Basin that have the capacity to utilize such water:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, that the General Manager of the City of Pasadena Water and Power Department be and is hereby authorized and directed to sell, pursuant to Section 303 and Subsection (E) of Section 1002 of the Charter, such water right licenses to persons with pumping rights in the Raymond Basin as he or she determines to be necessary from time to time to fully utilize the City's water rights in the Raymond Basin, and to execute the water right license or "lease" agreements for said sales.

BE IT FURTHER RESOLVED that The Director of Finance be and be hereby authorized and directed to credit the Water Fund for any revenues received in consideration for such sales.

Adopted at the regular meeting of the City Council of the City of Pasadena on the ____ day of September, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Mark Jomsky
City Clerk

APPROVED AS TO FORM:

Brad L. Fuller
Assistant City Attorney

5.B



PASADENA WATER AND POWER

MEMORANDUM

September 13, 2011

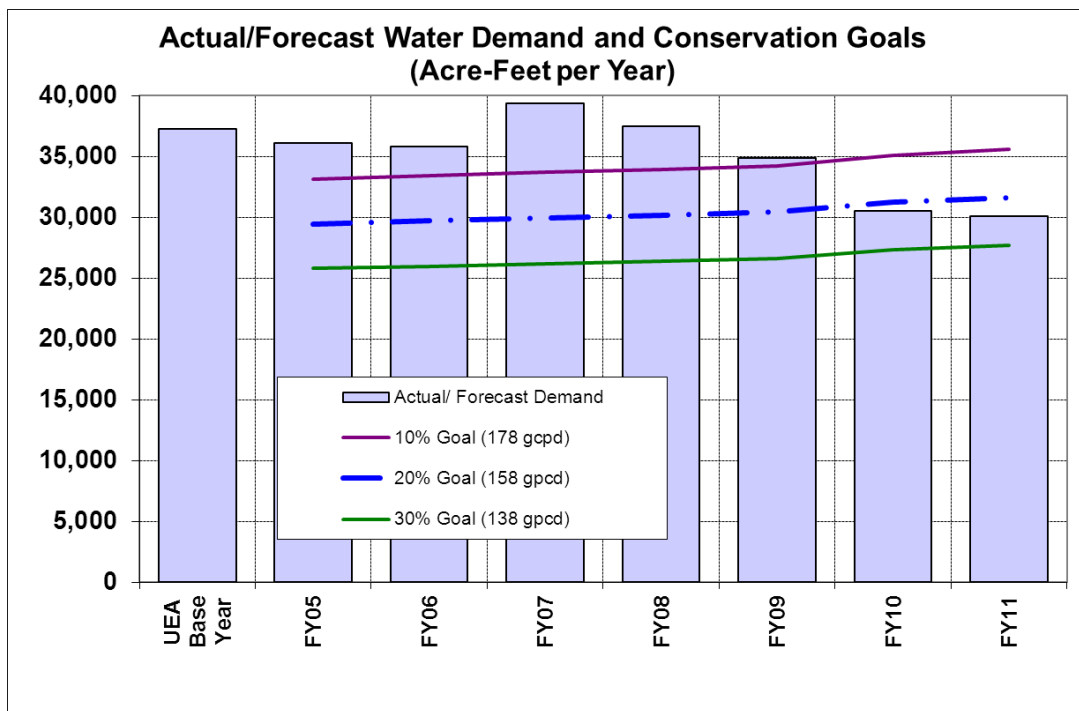
To: Municipal Services Committee

From: Phyllis, Currie *Phyllis S. Currie*
General Manager

Subject: FY2011 Water Conservation Update

Summary

Pasadena's water demand reflects our customers continued efforts to conserve water. Fiscal year 2011 water consumption is the lowest in over 18 years. Pasadena Water and Power (PWP) customers have saved 114 million gallons, or 1.2%, compared to fiscal year 2010. On a per-capita basis, FY 2011 water consumption is nearly 24% less than the Urban Environmental Accords (UEA) baseline consumption (using population data from the 2010 Water Integrated Resource Plan).



PWP's water demand was well below the limit under the Metropolitan Water District (MWD) Water Supply Allocation Plan (WSAP) for FY2011. MWD has terminated the WSAP and will not impose import limitations for FY2012.

Conservation Program Results

Tables I and II summarize the results of PWP’s water conservation incentive programs during FY2011, and show the year over year increase (decrease) versus program results for FY2010. Consistent with the Comprehensive Water Conservation Plan (adopted April 13, 2009) and the 2010 Water Integrated Resource Plan, PWP has put substantial effort into reducing irrigation demand, and savings achieved in this category are nearly double those from FY2010 programs. The total annual water savings increased by 25% versus FY2010 programs.

Table I: FY2011 Conservation Program Results

Program Metric	Residential Programs	Commercial Programs	Total
Annual Water Savings (AFY)			
Indoor/Process	15.1	12.4	27.5
Irrigation	8.6	11.2	19.8
Total	23.7	23.6	47.3
Change in Annual Water Savings versus FY2010			
Indoor/Process	77%	(-35%)*	0%
Irrigation	48%	156%	94%
Total	65%	0%	25%

* There was a dramatic reduction in commercial participation in high-efficiency toilet replacement programs in FY2011.

Table II: FY2011 Conservation Program Cost

Program Metric	Residential Programs	Commercial Programs	Total
PWP Cost (\$)*	\$81,557	\$7,937	\$89,494
MWD Cost (\$)*	\$43,750	\$31,063	\$74,813
Total Cost (\$)	\$125,307	\$39,000	\$164,307
Lifetime Savings (AF)	295.5	337.7	633.1
PWP Avg Cost (\$/AF)**	\$276	\$24	\$141
MWD Avg Cost (\$/AF)**	\$148	\$92	\$118
Total Avg Cost (\$/AF)**	\$424	\$116	\$260

** Excludes vendor fees, marketing, labor and program overhead costs.