

Agenda Report

DATE: September 29, 2014

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: SUPPORT FOR PROPOSITION 1: THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action taken herein is exempt from the California Environmental Quality Act pursuant to state CEQA Guidelines Sections 15061(b)(3) (general rule); and
2. Support Proposition 1 - The Water Quality, Supply, and Infrastructure Improvement Act of 2014 set for the November 2014 ballot.

BACKGROUND:

California voters will consider a \$7.525 billion water bond this November following bipartisan action by the Legislature and Governor Jerry Brown on August 13, 2014.

The compromise measure, which will appear as Proposition 1 on the November ballot, was five years in the making and represents a refocused, downsized replacement for the \$11.14 billion water bond previously set for the ballot. The earlier bond, widely considered to be too large to be approved and postponed twice by the Legislature, was repealed with passage of legislation and replaced with Proposition 1.

Entitled the Water Quality, Supply and Infrastructure Improvement Act of 2014, the new bond measure provides targeted funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water—particularly for disadvantaged communities. Governor Brown, lawmakers and supporters of the bond view it as a critical funding component for a comprehensive, statewide water plan for California.

The current drought has underscored the fact that a comprehensive, statewide water plan is needed to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health. If approved by voters, Proposition 1 will advance such a plan by funding programs and projects throughout the state to help combat drought and other challenges and secure our water future.

Key Funding Areas

Surface and Groundwater Storage - \$2.7 billion

- Continuous appropriation for above-and below-ground water storage projects.

Regional Water Reliability - \$810 million

- Integrated regional water management: \$510 million.
- Stormwater capture: \$200 million.
- Water conservation: \$100 million.

Safe Drinking Water - \$520 million

- Leverages federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program: \$260 million.
- Drinking Water Public Infrastructure: \$260 million.

Water Recycling - \$725 million

- Statewide water recycling projects and activities.

Groundwater Sustainability - \$900 million

- Prevent and reduce groundwater contaminants: \$800 million.
- Provide sustainable groundwater management planning and implementation: \$100 million.

Watershed Protection, Ecosystem Restoration, State Settlements - \$1.495 billion

- Conservancies: \$327.5 million.
- Wildlife Conservation Board: \$200 million (restoration of flows).
- Department of Fish and Wildlife: \$285 million (out of Delta, no mitigation on Bay Delta Conservation Plan).
- Department of Fish and Wildlife: \$87.5 million (in-Delta with constraints).
- State settlement obligations including Central Valley Project Improvement Act: \$475 million.
- Rivers and Creeks: \$120 million.

Statewide Flood Management - \$395 million

- Statewide flood management projects and activities: \$100 million.
- For Delta levee subvention programs and Delta flood protection projects: \$295 million.

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.

The sustainability of California's statewide infrastructure is critically important to Pasadena. Approximately 60% of Pasadena's water supply is imported from the Metropolitan Water District of Southern California, whose primary water source comes from the State Water Project.

Pasadena Water and Power ("PWP") hopes to obtain grants to help fund the following local projects:

- Construction of the recycled water project;
- Construction of new wells;
- Groundwater storage program in the Raymond Basin;
- Stormwater capture projects;
- Groundwater cleanup projects;
- Upgrade infrastructure and facilities; and
- Additional funds for water conservation programs.

COUNCIL POLICY CONSIDERATION:

Proposition 1 would support several of the City's priorities under its Legislative Platform:

- Protection of the State Water Project through funding for water conveyance and facilities;
- Support legislation and funding for the use of reclaimed water as an alternative water supply for landscape irrigation and industrial purposes;
- Ensure and conserve safe drinking water; and
- Support sustainable urban watershed and wastewater planning and implementation.

Proposition 1 would also support the Green City Action Plan - Action 20: Water Source Protection.

ENVIRONMENTAL ANALYSIS:

This action is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to state CEQA Guidelines Sections 15061(b)(3), which sets forth the general rule that CEQA does not apply where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment. The action proposed herein, support for a ballot proposition, will not have a significant effect on the environment.

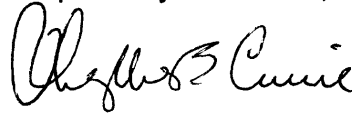
FISCAL IMPACT:

There is no fiscal impact as a result of this action and it will not have any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action is none.

However, with the approval of Proposition 1 by state voters on the November 2014 ballot, the City has the potential to obtain grants which could fund and/or supplement many existing water supply and infrastructure projects. The following list presents a summary of PWP projects that could benefit from such grants:

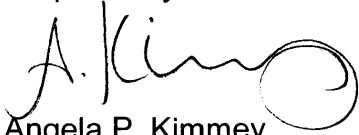
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Respectfully submitted,



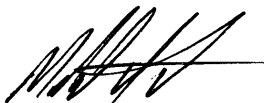
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