

Jomsky, Mark

From: Ken Kules <kules.ken@gmail.com>
Sent: Saturday, December 14, 2019 1:04 PM
To: Tornek, Terry; McAustin, Margaret; Wilson, Andy; Hampton, Tyron; Masuda, Gene; Kennedy, John; Madison, Steve; Gordo, Victor
Cc: Jomsky, Mark; Daniel Rossman; Morey Wolfson; Mark Nay; Robert Kurkjian; Bawa, Gurcharan; Dion, Mitch; kurtz@mwdh2o.com
Subject: 12-16-2019 City Council Agenda Item 10 (Cyclic Storage Agreement)

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

The Pasadena Water Department (PWP) proposes to execute a Cyclic Storage Agreement with the Metropolitan Water District (Metropolitan) to allow the City of Pasadena to receive "excess" imported Metropolitan water at a discounted rate. I support execution of that agreement but I disagree - in part - with PWP's assessment of the benefits/costs regarding deliveries in CY 2019.

The City Council Agenda Report explains that (emphasis added):

The underlying intent [of Metropolitan's Cyclic Storage Program] is that the water purchased under the Cyclic Agreement is **in addition to the normal expected annual water purchase from the Metropolitan by the purchaser.**

This transaction is **financially neutral to Pasadena ratepayers** and does not affect the FY2020 budget but **creates a sustainable remedial mechanism for the Raymond Basin.**

The proposed action has an environmental benefit as it is an agreement that would enable PWP to **use surplus water supplies from Metropolitan rather than pumping additional groundwater from the Raymond Basin.**

I note that there are substantive differences between the language in the City Council Agenda Report and the Agenda Report considered by the Municipal Services Committee that have a direct bearing on whether the proposed operations meet the basic Cyclic Storage objectives. I will address the water purchased - and sold - for the benefit of the Raymond Basin Management Board (Replenishment Water) and the water purchased solely by Pasadena (Pasadena Purchased Water) separately.

Replenishment Water

The MSC Agenda Report said that (emphasis added):

The remaining 1,000 AF [Replenishment Water] purchased, will **remain in the groundwater basin.** The groundwater basin management board, the Raymond Basin Management Board ("RBMB"), will pay PWP the cost of the MWD discounted purchase reduced by PWP pumping costs to **retire this water.**

If the water is accounted for as described in the MSC Agenda Report, the Raymond Basin remediation objective described above would be met, but there would be a cost to Pasadena since about one-half of the money contributed by Pasadena to the RBMB replenishment fund would be used to pay for water that will not produce revenues. That being said, I agree with taking that action as there is a dire need to arrest the serious decline of

stored water in the Raymond Basin. It is important to recognize that the cost to replenish with imported water highlights the importance of developing cost-effective projects to replenish the Raymond Basin with natural inflows from the San Gabriel Mountains and local runoff.

If the Replenishment Water is instead used to increase groundwater pumping in excess of the Raymond Basin Safe Yield, none of the objectives described will be met.

Pasadena Purchased Water

The MSC Agenda Report said that (emphasis added):

*Beginning January 2020, PWP will **increase groundwater pumping and decrease MWD purchases** by about 1,000 AF.*

Under this operating scenario, the PWP objective of financial neutrality would be met and there would actually be a reduced cost to Pasadena, but the Cyclic Storage Program objective of increased Metropolitan deliveries would not be met as water would be in storage for only a short time. Buying water through the Cyclic Program would result in savings to Pasadena with no real water supply benefit to Pasadena or the region.

While there is no obligation under Metropolitan's Cyclic Storage Agreement to account for how Cyclic water is withdrawn from storage, there are philosophical issues raised by only holding the water in storage for a matter of months without providing a real benefit to regional water supply. Pasadena has taken pride in its status as a "founding member" of Metropolitan and should consider the implications of how it participates in Metropolitan programs.

Ken Kules
Pasadena Resident - District 4