

Agenda Report

September 11, 2006

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A FUNDING AGREEMENT WITH THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FOR PRELIMINARY DESIGN AND ENVIRONMENTAL COMPLIANCE ON THE RAYMOND BASIN CONJUNCTIVE USE PROGRAM

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into a funding agreement with the Metropolitan Water District of Southern California (MWD) for preliminary design, environmental studies, and environmental compliance to implement the Raymond Basin Conjunctive Use Program (RBCUP).

BACKGROUND

In January 2000, an agreement was entered into between MWD, City of Pasadena, Foothill Municipal Water District (FMWD) and Raymond Basin Management Board to implement RBCUP. RBCUP is a groundwater storage program in the Raymond Basin that will store up to a maximum of 75,000 acre-feet (AF) of MWD water and enhance water supply reliability during dry years and emergencies. RBCUP will offer protection against times of water shortage, meet local demands during water shortage years and allow more flexibility in the operation of the water system by the additional wells and other infrastructure.

Pasadena Water and Power (PWP) will be responsible for completing and funding the California Environmental Quality Act (CEQA) process, which includes preliminary engineering, design and environmental documentation necessary to implement the RBCUP.

This agreement provides that MWD will reimburse PWP up to \$480,000 towards expenses incurred by PWP to complete the CEQA process. PWP will not incur any expenses under this agreement.

PWP estimates the total CEQA-related costs will be approximately \$470,000, and therefore fully reimbursed by MWD. In the unlikely scenario that environmental

expenses exceed the \$480,000 limit, these additional costs will be paid from the Water CIP Fund #1021 at PWP's expense. PWP will seek authorization from the City Council for consulting services to perform the CEQA process at a later date.

The future construction phase of the RBCUP will provide capital facilities for the program that would be constructed, owned and operated by PWP and FMWD. This phase will also be funded by MWD. All environmental requirement funds and construction costs will be paid by MWD pursuant to this agreement, with a total budget for RBCUP not to exceed \$25 million. The program operations would be monitored and regulated by the Raymond Basin Management Board which will ensure no harm to the basin or basin parties. The program will have a term of 25 years.

The City will be the CEQA lead agency since PWP will construct and own the majority of the proposed facilities and will incorporate FMWD's facilities into the preliminary design and CEQA document. All future operations and maintenance expenses of the new facilities will become the responsibility of PWP and FMWD.


FISCAL IMPACT

PWP will not incur any expenses under this agreement. Under this agreement, MWD will provide PWP with up to \$480,000 in reimbursement funds for CEQA-related expenses incurred by PWP for the RBCUP.

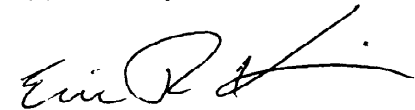
Respectfully submitted,

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