

Agenda Report

February 2, 2009

TO: City Council

THROUGH: Municipal Services Committee (January 27, 2009)

FROM: City Manager

SUBJECT: COMPREHENSIVE WATER CONSERVATION PLAN – 120 DAY UPDATE

RECOMMENDATION

This report is for information only. No City Council action is required.

BACKGROUND

The Pasadena Water and Power Department (PWP) has prepared this update in response to the City Council's September 22, 2008 directive for staff to provide a comprehensive water conservation plan outline with conservation targets of 10%, 20% and 30% within 60 days, a status report on the plan within 120 days, and a complete plan within 180 days.

PWP's draft Comprehensive Water Conservation Plan (Plan) is essentially complete. This report, included as Attachment A, is intended to support the 120 day update requested by City Council for the purposes of obtaining early review and feedback from City Council and Environmental Advisory Commission. For informational purposes, it outlines the goals, approaches and action plans contained in the Plan.

Whereas past programs relied heavily on for indoor efficiency, this plan reflects an emphasis on:

- Using price signals in rate design to encourage conservation;
- Increased emphasis on outdoor water efficiency; and,
- Maximizing efficiencies related to new construction.

Staff will present the completed Comprehensive Water Conservation Plan report to the Municipal Services Committee on March 24, 2009 and to the City Council on March 30, 2009. The completed plan will include additional details on timelines, financial impacts,

and other areas mentioned in the report. Due to the significance of water supply issues to the Pasadena community, on-going reporting of program results will be presented to the City Council as appropriate.

The Plan includes six water conservation approaches that will be used to meet the City's water conservation targets.

1. Implement Water Conservation Rate Design:
 - a. Modified block rate structure with higher cost tiers for high water use
 - b. Develop a budget-based water rate proposal
2. Adopt Sustainable Water Supply Ordinances:
 - a. Establish a Permanent Water Waste Prohibition Ordinance
 - b. Modify existing Water Shortage Ordinance
 - c. Adopt an Efficient Landscape Ordinance
 - d. Evaluate potential effectiveness of a Fixture Replacement on Resale Ordinance, and adopt if appropriate
 - e. Review the Gray Water Systems and Storm Water Capture Ordinances and update or modify as appropriate
 - f. Adopt appropriate water use limitations and mitigation measures associated with new development
3. Provide Incentives for Use of Water Efficient Technology and Practices:
 - a. Indoor fixture incentives
 - b. Irrigation technology incentives
 - c. Water-efficient landscape and turf replacement incentives
4. Provide Direct Installation and Distribution of Efficient Technologies
5. Provide Water Use Audits
6. Provide Water Use Information, Education, and Outreach:
 - a. Usage data on bills
 - b. Appropriate water use standards or guidelines
 - c. Efficient indoor and outdoor water use practices

The feasibility and cost impacts of 10%, 20% and 30% water conservation goals will be further evaluated as part of the Water Integrated Resource Plan (WIRP) study that staff will undertake over the next twelve months. The WIRP will include opportunities for input from policy makers and the public, and it will form the basis of the City's 2010 Urban Water Management Plan. Staff has developed a draft schedule for the WIRP process as follows:

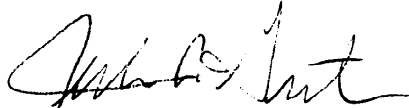
- Three inter-departmental Water issue workgroups were formed to develop recommendations by March 2009 related to:
 - Water Conservation Rate Design Alternatives
 - Landscape Water Reduction
 - Building Codes and New Development
- WIRP development from January 2009 to July 2009
- Public review from July 2009 to January 2010

In addition, the Metropolitan Water District of Southern California (MWD) is currently considering the potential of imposing additional restrictions on water supply by rationing water deliveries to its member agencies due to continuing dry conditions and restrictions on water deliveries from its own supplies. The details and timing of a rationing program have not yet been completed. Additional and urgent measures may be required if significant restrictions to Pasadena's water supply from MWD are implemented.

FISCAL IMPACT

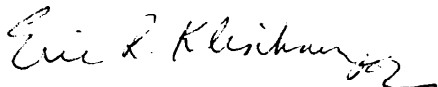
Each of the initiatives and policy considerations included in this report has fiscal impacts to the Water Fund and other City operations and those impacts become more significant as the conservation goals become more aggressive. Revenue requirements of the Water Fund to cover fixed obligations, including debt service, existing contracts and the general fund transfer must be preserved while various options are considered. Potential revisions to water rate design must be measured within the requirements of Proposition 218 and the economic impact on various ratepayer categories. Fiscal impacts will be prepared for specific initiatives and policy considerations as directed by City Council.

Respectfully submitted,



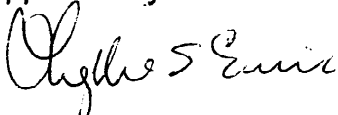
for MICHAEL J. BECK
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