

# Agenda Report

August 16, 2010

**TO:** Honorable Mayor and City Council  
**FROM:** Water and Power  
**SUBJECT: APPROVE A PROGRAM FOR ELIGIBLE CUSTOMERS TO DONATE CREDIT FOR BLOCK 4 AND 5 WATER REBATES TO PASADENA LEARNS**

**RECOMMENDATION:**

It is recommended that the City Council approve a program to provide an option for Water and Power Department (PWP) customers who are eligible to receive a credit for Block 4 and 5 water rebates to donate all or a portion of the credit to Pasadena Learns.

**BACKGROUND:**

As directed by City Council in June 2009, PWP will be providing credits to eligible customers for water purchased at block 4 and 5 rates during fiscal year 2010. The credit is available because PWP did not exceed its allocation for water purchased from the Metropolitan Water District (MWD) during fiscal year 2010 and therefore was not subject to MWD's "penalty rates."

On July 23<sup>rd</sup> the City received a request from Pasadena Unified School District and Pasadena Educational Foundation (PEF) regarding the option for customers eligible for the credit to donate all or a portion of their credit to Pasadena Learns, a school-based program that creates programs for Pasadena students during non-school hours. A similar program was implemented in 2002, at which time PWP customers were eligible for a refund of excess funds collected to fund the Stranded Investment Reserve. At that time, about \$31,000 was contributed to Pasadena Learns by customers who chose to donate all or a portion of their refund. Additional funds may have been collected by Pasadena Learns from customers who opted to use a more direct method of donation.

The City will provide PEF with contact information for those customers eligible to receive credits for block 4 and 5 water rates. PEF will be responsible for notifying customers of the availability of this program. PWP will also provide billing system, call center and tracking support to ensure proper handling of donated credits but will not otherwise incur costs associated with this program. There is

no other fiscal impact to PWP since the credits will merely be transferred from the eligible customer's account to a special account for Pasadena Learns.

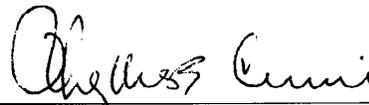
**COUNCIL POLICY CONSIDERATION**

This program is consistent with the City Council goal to support and promote the quality of life in Pasadena by encouraging quality programs for students during after-school hours.

**FISCAL IMPACT:**

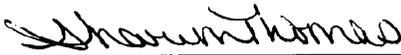
There are minor costs for PWP associated with providing billing system, call center and tracking support for this program, but there is no other fiscal impact.

Respectfully submitted,



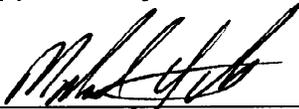
Phyllis E. Currie  
General Manager  
Water and Power

Prepared by:



Shari M. Thomas  
Assistant General Manager

Approved by:



MICHAEL J. BECK  
City Manager



**PASADENA UNIFIED SCHOOL DISTRICT**  
**OFFICE OF THE SUPERINTENDENT**

July 23, 2010

Bill Bogaard, Mayor  
City of Pasadena  
100 North Garfield Avenue  
Pasadena, California 91101

Dear Bill:

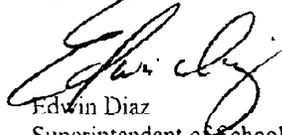
In 2002, the City of Pasadena, Pasadena Unified School District (PUSD), and the Pasadena Educational Foundation (PEF) collaborated on a tax rebate program to support PasadenaLEARNs, the after-school program in PUSD. Working with the Department of Water and Power, residents were given the opportunity to donate their rebate from the Temporary Surcharge Credit to the Pasadena Educational Foundation to support the after-school programs. Through this tax rebate program, \$133,000 in tax deductible donations were generated from businesses and individuals. In addition to the generous contributions, the outreach from this tax rebate program generated goodwill and positive feedback about the partnership, the City, and the schools.

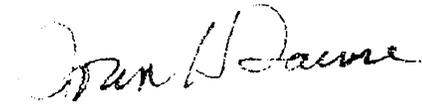
Greater than in 2002, the PUSD in 2010 has had to make the most drastic budget cuts in the history of our local public schools, reducing and/or eliminating school librarians, counselors, teachers, and arts and music programs. Because of this severity, PUSD and PEF are exploring all possible sources of new revenue. It is our understanding that in June 2009, the Pasadena City Council approved a water rate increase that included the addition of two additional rate blocks, 4 and 5, to collect revenue to offset the potential impacts of purchasing water from the Metropolitan Water District (MWD) at "penalty rates" if the City of Pasadena exceeded a new reduced allocation of water from MWD. At this time, the City Council also included a provision that any revenue collected in excess of actual penalty rates paid to MWD would be credited to those customers who paid for water at the rates set for Blocks 4 and 5.

Because significant conservation was successful, the customers from blocks 4 and 5 will receive credits for their efforts. The Pasadena Unified School District and the Pasadena Educational Foundation respectfully request that we again collaborate on a request for a donation of the credit that water users from blocks 4 and 5 will receive for their water conservation efforts. As was accomplished in 2002, we request that the contributions be made to the Pasadena Educational Foundation, a 501 (c)(3) nonprofit organization that supports educational programs in PUSD. It is our request that rate users be given the opportunity to donate their rebate to PEF to support our school librarians, counselors and teachers, all educational necessities that have been reduced due to the severe budget cuts and the failure of Measure CC. Therefore, we respectfully request that this item be placed on the City Council agenda for discussion and action.

Thank you for your consideration.

Sincerely,

  
Edwin Diaz  
Superintendent of Schools  
Pasadena Unified School District

  
Joan H. Favre  
Executive Director  
Pasadena Educational Foundation