

The WIRP will form the basis for Pasadena's 2010 Urban Water Management Plan ("UWMP") which is a state-mandated document due to the California Department of Water Resources by July 1, 2011.

Figure 1, summarizes Pasadena's actual and recommended water supply and conservation mix. The Urban Accords Baseline, shown for reference, reflects the five-year average of actual water supply used to establish metrics for Pasadena's Urban Environmental Accords water conservation goals. The Demand Forecast for 2010 and 2035, shown as circles connected by dotted lines, reflects underlying trend-based demand forecast developed by the consultant for use in the WIRP. The dark blue bars depict actual or recommended water resources, and the lighter bars reflect demand met through conservation. The nearly 8,000 acre-feet ("AF") of conservation shown for Year 2010 reflects a mix of permanent "programmatic" conservation achieved through incentive programs, appliance standards, and regulatory requirements as well as "short-term response" to drought conditions, favorable weather, and the economy. The conservation shown for Year 2035 reflects the 9,000 AF of permanent conservation measures recommended in the WIRP.

Figure 1 - Actual/Forecast Water Supply & Demand (AF)

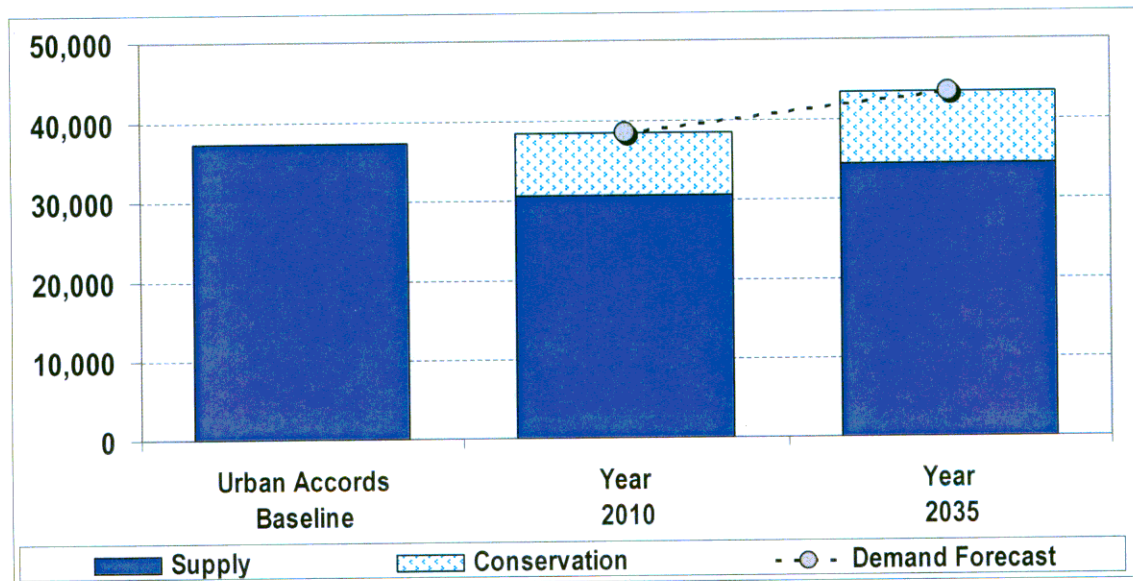
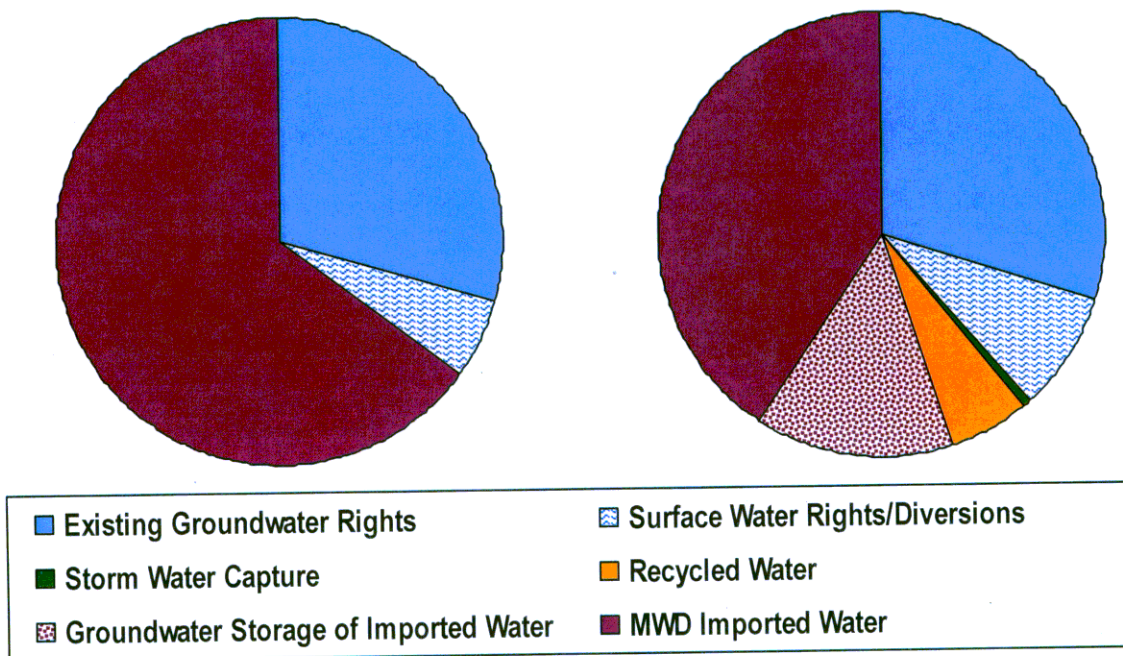


Figure 2 depicts the current and recommended water supply portfolio used to meet trend water demand net of conservation (the "Supply" amounts shown in Figure 1). The recommended water supply portfolio represents a shift from Pasadena's historic reliance on the Metropolitan Water District of Southern California ("MWD") to provide the majority of the City's water supply and future growth in demand. The increased use of local supplies will improve reliability, groundwater basin levels, surface water quality, and the City's ability to adapt to climate change. It is also consistent with MWD's 2010 Integrated Resource Plan.

Figure 2 - Current and Future Water Supply Portfolio (net of conservation)

FY2010 Supply Mix
 (Net Demand = 30,521 AF)

Recommended 2035 Supply Mix
 (Net Demand = 34,380 AF)



The recommended 2035 supply mix includes the following capital projects: recycled water for irrigation and groundwater recharge, building a pipeline to carry water from Devil's Gate Dam to Eaton Canyon for spreading and groundwater recharge, storing excess MWD water in the local groundwater basin when the water is available, and capturing and using stormwater. A phased implementation strategy is recommended to adapt to uncertain future conditions. The phased strategy prioritizes cost-effective elements in the near term with other elements coming on-line when needed based on triggers outlined in the WIRP.

Realization of the recommended water portfolio will require substantial capital investment and increased annual expenditures for operations and conservation program funding. Conversely, annual expenses for purchased water imports will decline. On balance, the consultant concluded that the total cost of water to PWP consumers will be slightly lower than it would otherwise be under "status quo" operations.

Migration from today's water portfolio to the recommended one will take many years and face a number of significant hurdles. Furthermore, assumed future conditions including baseline water demand, MWD water availability and costs, capital costs of various local supply projects and regulatory requirements governing the use of proposed supplies are likely to change over time. Therefore, the consultant has recommended an adaptive approach to implementing the WIRP.