

McMillan, Acquanette (Netta)

Subject: FW: Protest of Implementation of Water Rate Structure and Rate Adjustments

From: Rose Malmberg

Sent: Saturday, June 1, 2024 8:21 AM

To: PublicComment-AutoResponse <publiccomment@cityofpasadena.net>

Subject: Protest of Implementation of Water Rate Structure and Rate Adjustments

[⚠] CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you *know* the content is safe. Report phish using the Phish Alert Button. For more information about the Phish Alert Button view article "KB0010263" on the DoIT portal.

For both the sewer rate increase and the refuse rate increase there was information on the letter on how to email the protest. On this letter, that was not the case, we were instructed to deliver them to the office of the City Clerk. Additionally, we were instructed as follows, "For information on how to provide public comment, please refer to the posted agenda for additional details and instructions..." *But why not just provide the information on the form on how to email the protest?* There was plenty of space. This is not exemplary municipal service.

Why the disparity in how the public is noticed? Why isn't it standard?

I recommend that the department of water and power go through an *external audit* to see where programs can be cut before rates are raised again. There is already too much pork. This holds true for the entire SmartWater Program. How much does it cost to run this program that produces the "water reports"?

These color copies have been sent every two months in very well marked envelopes. This program has been in effect at least since 2019. But maybe as early as 2016 based on the fact that the energy reports have been in effect since 2016. How much money has been spent on this program since its inception?



PASADENA
Water & Power

SEVING THE COMMUNITY SINCE 1904

Pasadena Water & Power Public Benefits - Energy Reports
100 North Garfield Avenue, P.O. Box 7115
Pasadena, CA 91109-9866

0003204 0009-C141 P03207-730879

*****AUTO**S-DIGIT 91106 T6

RUTH JUNE KWAN

PASADENA CA 91107-2620



Here's how you compare to neighbors

Efficient
Neighbors



1,338 kWh

You



1,866 kWh

Average
Neighbors



2,187 kWh

Oct 20, 2015 - Feb 17, 2016

smaller homes within approx. 1 mi. Efficient neighbors

Home Energy Report

February 17, 2016

Account number: [redacted]

We've put together this report to help you understand your energy use and what you can do to save.

Find a list of rebates and energy-saving products and services you can buy.

▶ PWPweb.com/savemoney



Introducing a new energy report—
designed for you.



Great



Good



Using more than average

39% more electricity



PASADENA
Water & Power

WaterSmart Program
100 N. Garfield Avenue
P.O. Box 7115
Pasadena, CA 91109-9866

626.744.7311 water@cityofpasadena.net

YOUR HOME WATER REPORT

THIS IS AN INFORMATIONAL REPORT AND NOT A BILL.

SERVICE ADDRESS: [REDACTED]
ACCOUNT NUMBER: [REDACTED]

GO PAPERLESS. SEE ALL INFO & PRODUCTS AT:
pwpweb.com/watersmart

A 9011 41365 0003 000006216 00002680
Prithi Lina Kwan

[REDACTED]
Pasadena, CA 91107-2620



Your WaterScore

DEC 19 TO FEB 20, 2019

Way to go, WaterSaver!
You ranked in the top 20%.

Gallons Per Day (GPD)
4 HCF = 46 GPD

You	46 GPD
Top Savers	98 GPD
Average Households	166 GPD

Your water use is compared to homes in Pasadena with 2 occupants and a similar yard size.

Watershed Landscaping Series



PWP is offering workshops on how to transform your landscape using the watershed approach.

Learn about design features to create a beautiful, sustainable landscape! Visit PWPweb.com/Events

Remodeling your bathroom? Consider Greywater!



PWP will pay your permit fee for a simple greywater system and provide a free professional consultation at your home.

Visit: PWPweb.com/greywater

Your personalized plan

Selected based on your household characteristics, yard size, and historical water use.

Log on to update your profile

Save money and protect your home with the following actions:

 Choose water-wise plants 14 GALLONS PER DAY \$21 DOLLARS PER YEAR	 Switch to weather-based controller 4 GALLONS PER DAY \$6 DOLLARS PER YEAR <small>REBATE OFFER</small>	 Minimize fertilizer 1 GALLON PER DAY \$3 DOLLARS PER YEAR
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Log on

Get your full list of recommended actions, and see:

- Where you're using the most
- Your progress over time
- Efficient products for purchase

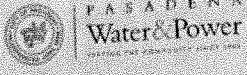
PWPweb.com/watersmart

Account Number: [REDACTED]
Zip Code: 91107

A free service offered by your water utility and powered by Watersmart Software® ©2019

The algorithm or equation that is used is based on what? In my case, the city assumes that there is only one person living at my property. This has not been the case for over 23 years. Whether the house was a rental or whether I have lived in it myself that assumption is wrong. Therefore, the report to me is erroneous every time it arrives. There could be four people living in my house in bunk beds with chickens and cats and dogs in the backyard that need to be watered.

In the case of Ruth Kwan, my great aunt, there was only one person living in her house at the time the report was generated. The irrigation was turned off and at a certain point, no one was living in the house as it was vacant because Ruth was in the South Pasadena Care Center and the toilet might have been flushed once a day if that! No laundry was done, no showers were taken, no dishes were washed and the pool was empty. Again. another error. These reports mean nothing and the neighbors laugh at how comical it is that we are being compared with one another.



PASADENA Water & Power
Serving the community since 1914

WaterSmart Program
100 N. Garfield Avenue
P.O. Box 7115
Pasadena, CA 91109-9856

626.744.7311 | water@cityofpasadena.net

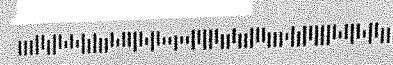
YOUR HOME WATER REPORT

THIS IS AN INFORMATIONAL REPORT AND NOT A BILL.

SERVICE ADDRESS: [REDACTED]
ACCOUNT NUMBER: [REDACTED]

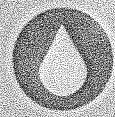
GO PAPERLESS. SEE ALL INFORMATION AT:
pwpweb.com/watersmart

A 0015 63428 V003 000008170 00006158
Rose Malmberg
[REDACTED]



Your WaterScore

DEC 5 TO JAN 30, 2024




You used more water than similar households.

Gallons Per Day (GPD)
18 HCF = 236 GPD

Top Savers	58 GPD
Average Households	105 GPD
You	236 GPD

Your water use is compared to homes in Pasadena with 1 occupant and a similar yard size.


Take Control of your Controller!



Save money AND water by adjusting your irrigation controllers. PWP offers a \$250 rebate for weather-based irrigation controllers.

Learn more at pwpweb.com/savewater

Slow It, Spread It, Sink It



Did you know PWP offers FREE water-smart landscaping guides? Maximize rainwater infiltration with permeable hardscapes, dry riverbeds, berms, and swales to slow down water runoff.




Learn more [here](#) and click on Rainwater Gardens.

Your personalized plan

Selected based on your household characteristics, yard size, and historical water use.

[Log on to update your profile](#)

Save money and protect your home with the following actions:

 <p>Replace grass</p> <p>63 GALLONS PER DAY \$91 DOLLARS PER YEAR REBATE OFFERED</p>	 <p>Don't water if soil is moist</p> <p>20 GALLONS PER DAY \$29 DOLLARS PER YEAR REBATE OFFERED</p>	 <p>Upgrade to rotating nozzles</p> <p>6 GALLONS PER DAY \$9 DOLLARS PER YEAR REBATE OFFERED</p>
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Log on

Get your full list of recommended actions, and see:

- Where you're using the most
- Your progress over time
- Relevant water saving tips

PWPweb.com/watersmart

Account Number: [REDACTED]
Zip Code: 91104

A free service offered by your water utility and powered by WaterSmart Software® © 2024

Who decided to do this? The entire “water smart” program should be audited to see how much money is being spent and wasted to tell people how much water they’re using. But I can see that in my bill. So this is *redundant*. This program might have been slightly effective at the inception. However, eight years later, it seems to be wasteful. I suggest that instead of raising our water rates, yet again, the city starts cutting programs that are a waste of money. Like this one. You’re raising our rates to sustain programs that do not provide any benefit to the rate payers.

By the way, if the City is \$5 million dollars or more in arrears for the bi-monthly bills, why not send out the bills on a monthly basis, just like The Gas Company, Spectrum, most all other bills? If you can send out these erroneous reports then why not redirect the money and send out monthly bills to the residents?

You have no idea how many people live in my house. You don’t know the age of the people who live in my house. You have no idea of the animals that need water, the fruit trees and vegetables that need water on my property. I’m not wasting water. but teenage kids require more water than an 85 year old woman.

Teenage people cannot take one shower a week like an 86 year old woman or wash clothes once a month. Animals need clean fresh water every day and more often than that when it is hot. It’s just not acceptable there are too many flaws in the reports to continue this program

Furthermore, it is an invasion of my privacy to ask who lives in my home. So to take your survey to correct your errors to justify your program is an odd way of invading my privacy. I have no idea how you will plan to use the information in the future and really, it is none of your business.

A few years ago, I called to ask about this very program and the employee stated that they could just not send the report to me. How strange..., that instead of looking at the waste of money, they would just not include me but keep the program running.

Please do not increase the water rates as we are wasting too much money already and the reports generated by staff or outside consultants may be just as flawed as this program.

One more thing, my plumber told me that the pipes for the sewer work when water flows. Therefore, we can cut back our water use, take out our turf, change the irrigation, change out the controller, but at the end of the day, the sewer will clog more often when the hard material flushed down the toilet does not have enough water to move it along. With all the new housing going in, with all the low flush toilets, the fecal material and material from the kitchen sinks that gets eviscerated by the garbage disposals will clog the main lines more often. The flow of the hard material is dependent on the fluids that flow through the pipes. I am sure you know that... but really to expect that houses only use 50 gallons of water per day is just nonsense and needs to be reconsidered.

Most people really do make an effort to be conscious of their water use and the electrical use. I understand that the electricity rates will be another rate increase before the end of the year. This really is too much. There must be better planning, but that does not seem to be something the City of Pasadena does. It's just a bunch of fear mongering like Chicken Little and the sky falling. If we don't do this now, it will cost us more... if there is an emergency, then it will cost us more... etc. During a state of emergency, like the wind storms of 2011, I am sure there were caveats on how money gets spent to protect the residents.

Rose Malmberg

RECEIVED

May 31, 2019

2024 JUN 06 AM 04:16
Comments of Ken Kules on the "Public Hearing to Approve Recommended Water Rate Adjustments (Water & Power Dept.)" (June 3, 2024 City Council Agenda; Item 11)

CITY CLERK
CITY OF PASADENA

protest the approval of the proposed water rates based on the following concerns:

- **Pasadena Water and Power (PWP) committed to implementing budget-based pricing by the end of FY 2022 and has not done so**
- **Use of meter size for allocation of fixed charges is not consistent with American Water Works Association (AWWA) principles and is a violation of the proportionality provisions of California law**
- **The "water cost-of-service analysis and rate design study" that PWP relied on for development of the proposed water rates were not made available timely to the public through the California Public Records Act and that has constrained review and comment on the proposed rates**

A detailed discussion of those issues is included in the following paragraphs.

PWP committed to implementing budget-based pricing by the end of FY 2022 and has not done so

Conservation water rates were discussed during the City Council deliberation regarding the "2020 Water System and Resources Plan" on October 4, 2021. In the course of those discussions, the PWP General Manager stated that he was "really comfortable saying that sometime in fiscal 2023 - most likely the early part - we would have the new [budget-based] rate structure." Councilmember Madison suggested that there be "a sort of call back by the end of calendar 2022."

In Councilmember Kennedy's follow-up on Councilmember Madison's comments, he elaborated that "if we were to do as Councilmember Madison suggests as it relates to budget-based pricing to achieve a level of water conservation that's fair, more equitable - possibly more complicated but certainly a city of the sophistication of Pasadena can do that." Mayor Gordo subsequently posed the following question to the PWP GM: "Now, with regard to the budgeting - the - the - the water based budgeting - the - coming back to Council as Mister Madison suggested - is - is there any objection to that?" The PWP GM responded "No objections."

The minutes of the meeting reflect that: "Following discussion, it was moved by Vice Mayor Wilson, seconded by Councilmember Madison, to approve the staff recommendation ... with staff to report back at the end of calendar year 2022 on rate strategies that promote water conservation and equity, including a water-based budget rate structure."

An expansive transcript of the relevant discussions is included as Attachment A to these comments.

PWP finally approached the Municipal Services Committee In July 2023 with a recommendation that budget-based pricing not be pursued.

Use of meter size for allocation of fixed charges is not consistent with AWWA principles and is a violation of the proportionality provisions of California law

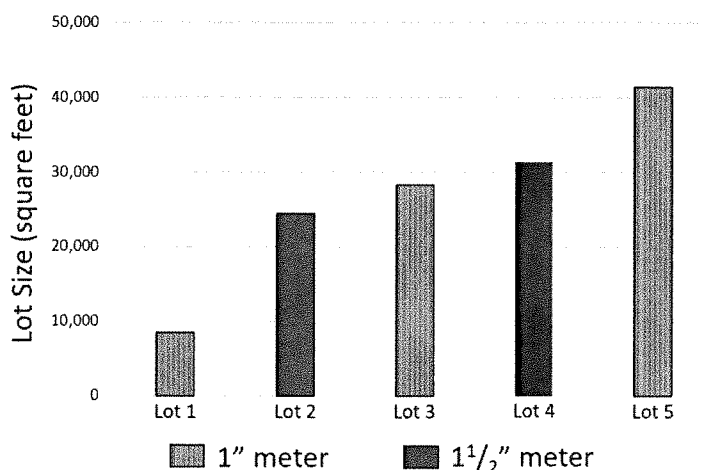
The AWWA is recognized as having established the industry "standard of care" for development of water rates and sizing of water meters. AWWA Manual M1 (Principles of Water Rates Fees and Charges) endorses use of meter size as the basis for characterizing customer classes. AWWA Manual M22 (Sizing

Water Service Lines and Meters), however, specifically cautions against using water meter size as a metric for volumetric consumption:

“...a cost-of-service study in support of a rate structure design can only be fair and equitable if all of the sample sites have properly sized meters.”

Meter sizing under AWWA Manual M22 focuses on the fact that each water meter size has a minimum and maximum operating limit in which the meter will accurately measure flows. For larger residential properties, the flow related to outdoor water use is the dominant factor in meter selection and directly relates to property size.

I have sampled meter size information for 5 single-family residential properties in Pasadena’s service area to develop the following chart that identifies meter size and associated lot size¹:



The conclusion drawn from this chart is that there is no correlation between lot size and meter size with resulting inequities in allocation of fixed charges under the proposed rate structure. The more extreme example of that inequity is that the largest lot in the sample has the smaller meter size and is about 5 times larger than the smallest lot, but both will pay the same fixed charge under the proposed rate structure.

California law² says that:

The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

Use of meter size by Pasadena in determining the fixed charge when meter sizing is not consistent among similarly-sized parcels is clearly a violation of the proportionality requirement of California law.³

¹ I recognized that a 5-property sample size analysis could be enhanced by acquiring a larger database and, on May 16, 2019, I submitted a Public Records Act request (No. 0011132) for address, water meter and lot size data for single-family residence properties in PWP’s service area. My request was denied based on Government Code Section 6254.16 that says that release of such information by an agency is not required.

² Cal. Const., art. XIII D, § 6, subd. (b), par. (3).

³ I first raised this issue before the City Council on May 18, 2015 and the PWP GM said in response that "...the point was made about needing to look at meter sizes and I think that's a valid point that's worth taking another look at..."

The “water cost-of-service analysis and rate design study” that PWP relied on for development of the proposed water rates were not made available timely to the public through the California Public Records Act and that has constrained review and comment on the proposed rates

On March 27, 2024, I submitted a Public Records Act (PRA) request (No. 0029762) for a copy of the “Cost of Service Analysis/Report that supports the 3-26-2024 [MSC] Staff recommendation” (see Attachment B). The language of my request supports an expectation that I would not receive a final report but rather an early draft of an analysis that was the basis for the recommendations to the MSC. I was notified by PWP on April 8, 2024 that “We [PWP] need additional time to gather items related to #3 [the cost of service analysis/report] and will forward them **as soon as available**” (see Attachment C).

On May 28, 2024, I received an email from PWP that directed me to the “requested” information posted at https://pwp.cityofpasadena.net/wp-content/uploads/2024/04/Water-Rate-Adjustments_Raftelis-Report-2024.pdf. That report is titled “Water Financial Plan & Rate Study FINAL DRAFT REPORT” (COS Report) and is dated May 15 2024 (see Attachment D excerpt). It should be noted that:

- My PRA request was misconstrued to be related to the COS Report which resulted in the requested information being sent 10 weeks after my PRA request was submitted
- There was a delay of 13 days between the completion of the 100-page COS Report and PWP providing it to me **six days prior to the hearing**
- The COS Report was cited in the Notice of Public Hearing but it didn’t exist at the time of issuance of that notice⁴
- The Title of the COS Report (“Final Draft”) and the word “DRAFT” prominently displayed on each page indicates that it’s not actually the final report

The delays described above have deprived me of the ability to meaningfully comment on the basis for the proposed rates and is a violation of California Public Records Act.

Ken Kules, District 4 resident
i, Pasadena

⁴ The 45-day requirement for issuing the Public Notice would have required that it be sent on or before April 19, 2024.

ATTACHMENT A

Transcript (excerpts) from the October 4, 2021 City Council meeting regarding the 2020 Water System & Resources Plan

Note: The times shown correspond to the timing of the dialogue in the video that is posted at https://pasadena.granicus.com/player/clip/5801?view_id=25&redirect=true

At 2:10:47

Councilmember Madison: You know we have been talking for years about going to a truly budget-based pricing and we always seem to just sort of kick the can down the road so I wonder what - you know - either the chair of Municipal Services [Committee] or Bawa you know what the response is to that?

Mayor Gordo: Bawa?

PWP GM Bawa: [unintelligible] Madison, it's not really the desire or intent to push the can down the street but it's been just circumstantially like that we had a antiquated billing system that could accommodate limited changes - however - if you remember about 2-1/2 ... 3 years ago we undertook the project of - uh - what we call customer information system upgrade - it's a total actually a new system now that is far more capable a state of the art system expected to go live by end of this year it'll take about 5-6 months to stabilize just to make sure that the system has - doesn't have problems like some of the utilities as you know had - however - right on the heels of that project being stabilized by the end of fiscal 2022 we have plans and - we're committed we have spent the spoken in public including at MSC that we would undertake a cost of service study and develop rate structure and rates with full transparency to the public process. The new rates will include of course would be a public process of we would certainly take public comments at that time but it will include budget-based and other appropriate concepts aimed towards increased water conservation - that's our commitment - so yes it did take us time but I think we're getting close now to make it happen.

Councilmember Madison: You know I'm reminded of the old joke about being in court and the lawyer says you know - the judge asks a question and the lawyer says I'm getting there, I'm getting there and the judge says you are there. You know I really feel like as a city we need to do to pursue this and I appreciate your answer so when can we expect to see something back from that process?

PWP GM Bawa: So I would say sometime - and we'll start the process sometime between July...July/August next year. It'll be a few months process it's a - it's a complicated process it's got to comply with Prop 218 so public notices and things like those would be done but I'm really comfortable saying that sometime in fiscal 2023 - most likely the early part - we would have the new rate structure.

Councilmember Madison: You know from time to time we - we ask as a condition of approval of matters that we come back with a report I might suggest, if everyone's comfortable with it, a sort of call back by the end of calendar 2022. And I guess that these are complicated things but you know it's sort of the - the whole story of climate change and - and conservation that you know we're these are long processes but meanwhile the situation is deteriorating so thank you very much, I appreciate the info.

Break -----

At 2:24:19

Councilmember Kennedy: I believe that the department must be an early adopter and implement those revisions as soon as possible with full disclosure as an operating principle, so Mayor, if I could piggy-backing on - Councilmember Madison - I would ask if the full Council wants to move forward tonight that that last sentence that I just read be at least provided for consideration in the adoption if we move forward tonight along with the suggestion that councilmember Madison made related to water budget-based rates. Then, we need a clear Council policy that states that water conservation is the preferred approach to address our supply and demand issue. The Council must signal its expectation that both Raymond basin topic and budget based pricing is addressed by staff at the earliest opportunity that would be consistent with the comments that Councilmember Madison has raised. And finally - um - if we were to do as Councilmember Madison suggests as it relates to budget-based pricing to achieve a level of water conservation that's fair, more equitable - possibly more complicated but certainly a city of the sophistication of Pasadena can do - that would allow the city to back off its existing level of pumping.

Break-----

At 2:28:27

Mayor Gordo: Now, with regard to the budgeting – the - the – the water based budgeting - the - coming back to Council as Mister Madison suggested – is - is there any objection to that?

PWP GM Bawa: No objections.

Break-----

At 2:40:14

Councilmember Kennedy: I hope that - I hope that we can include the recapitulation of Mr. Madison's and my comments that were acceptable into the actual adoption where that would be a time certain - meaning a range - that they would come back - meaning staff would come back with a water-budget based rates for articulation of a program and the other items that I referenced and the mayor captured so articulately.

Mayor Gordo: Thank you Mr Kennedy thank you. By Vice Mayor Wilson – did you...

Councilmember Wilson: Yes, Mayor. It - it - I don't know if there are other people in the queue but at the right time I would like to move staff recommendations which already includes the increased scrutiny of the preservation of the water supply at the Arroyo Basin with a 6 month review with an additional item for the staff to report back by the end of calendar year 2022 on rate strategies that promote conservation and equity including a budget based rate structure.

Councilmember Madison: If that includes the ca... - come back and I think it did for the end of 2022, I second the motion.

Councilmember Wilson: Thank you Steve...

Mayor Gordo: It does. It's been moved and seconded and... this is an important issue and I you know suspect that even before the end of the calendar year 2022, certainly Municipal Services will be talking about the issue of water and I just don't see how it's of - it's - it's - we can avoid the issue as a Council it's - it's - nor should we will do we'll have to keep tackling it and our department very - very ably led by Mr. Bawa and his senior staff continues to monitor it and I suspect again that the MSC committee will bring - will track the issue together with Bawa and his staff and come back to us sooner rather than later on not just the water-based budgeting but other issues.



label:pasadena

X



83 of 5,373

Pasadena Public Records Request - Receipt

Pasadena x

CityWeb-Server@cityofpasadena.net
to me

Wed, Mar 27, 9:25 AM

Thank you for your public records request to the City of Pasadena. The city will research your request and contact you should there be any questions.

2024 Water Rate Proceeding Documents

Copies of: 1. Powerpoint presentation by staff at the 2-13-2024 MSC meeting 2. Powerpoint presentation by staff at the 3-26-2024 MSC meeting 3. Cost of Service Analysis/ Report that supports the 3-26-2024 Staff recommendation

Your public records request number is: 0029762

Please refer to this number if contacting the city regarding this request.

Thank you for your patience in this matter.

Reply

Forward

ATTACHMENT B

REQUEST FOR PUBLIC RECORDS (City Request No.: 0029762)

REQUESTOR'S NAME: Ken Kules

Company:

Address:

City: Pasadena

Zip Code: 91107

State: CA

Or Email:

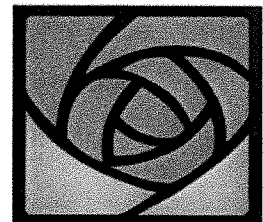
In response to your Public Records Act request to the City of Pasadena:

- Attached please find documents the City believes are responsive to your request.
- The records you requested are ready for inspection. Please call the phone number below for more information.
- Our search revealed no records responsive to your request.
- Some or all of the records you requested are exempt from disclosure (see reverse).
- The City needs additional time to search for, review and/or decide if any records are responsive to your request pursuant to Gov't Code Section 7922.535. If some or all responsive records are deemed exempt from disclosure and will not be provided, you will be advised on the action and reason for the decision. Unless we notify you otherwise, some or all of the requested records will be available on and after _____ . If additional time is needed, we will notify you.
- Please provide us with your telephone, fax number and/or address so we may contact you.
- Your copying charge is \$ _____ based on _____ pages copied.
Our per page charge for copying records is fifteen cents (\$0.15). Payment must be made by check payable to **CITY OF PASADENA** (cash or credit cards cannot be accepted). For certified payroll records (Labor Code Section 1776) there is a \$10.00 charge (check payable to Contractor) plus \$1.00 for the first page and \$0.25 for each page thereafter (check payable to City of Pasadena). Payment must be received no later than the time the copies are given to you.
- Your mailing charge is \$ _____ based on postage and envelope.
- The cost for a CD or other electronic device is \$ _____.
- Other: Good afternoon, Mr. Kules,
 Attached please find documents responsive to #1 and #2 of your request. We need additional time to gather items related to #3 and will forward them as soon as available.

Date: April 8, 2024

By: Susana Castro

Phone: (626) 744- 7029



PASADENA

Revised 01/2023

ATTACHMENT D

CITY OF PASADENA

Water Financial Plan & Rate Study

FINAL DRAFT REPORT / MAY 15, 2024



PASADENA



RAFTELIS

This page is intentionally blank to facilitate two-sided printing.



May 15, 2024

Elena Chamorro
Principal Financial/Rate Analyst
City of Pasadena
100 N. Garfield Ave.,
Pasadena, CA 91101

Subject: Water Financial Plan & Rate Study Report

Dear Ms. Chamorro,

Raftelis is pleased to present this Water Financial Plan & Rate Study Report. The rate study involved a comprehensive review of Pasadena Water and Power's financial plan, an assessment of and presentation to the Municipal Services Committee of alternative tiered rate structures (including budget-based tiered rates), and an allocation of costs to customer classes and tiers using Cost of Service principles. The report provides a brief Executive Summary followed by a detailed discussion regarding study assumptions and an in-depth rate derivation.

It was a pleasure working with you and we wish to express our thanks for the support from you and your staff. If you have any questions, please call me at 213 262 9308.

Sincerely,

Handwritten signature of Steve Gagnon in black ink.

Steve Gagnon
Vice President, PE
Project Manager

Handwritten signature of Sarah Wingfield in black ink.

Sarah Wingfield
Associate Consultant

McMillan, Acquanette (Netta)

From: cityclerk
Sent: Saturday, June 1, 2024 7:47 PM
To: Iraheta, Alba; Jomsky, Mark; Robles, Sandra; Sabha, Tamer; McMillan, Acquanette (Netta); Kenebrew, Jerice; Soo, Christine; Haskett, John
Subject: FW: Water rates

From: james Maund
Sent: Saturday, June 1, 2024 7:47:15 PM (UTC-08:00) Pacific Time (US & Canada)
To: cityclerk <cityclerk@cityofpasadena.net>
Subject: Water rates

You don't often get email from [arn why this is important](#)

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I am writing to because of the huge increase in water rates which has no incentives for water conservation. The only real solution to preserving our supply is through mindful conservation by residents of Pasadena. The new rates are not encouraging for saving water.

Understandably prices increase but it should reflex on consumption and not fixed charges.
Regards James Maund

McMillan, Acquanette (Netta)

From: Tim Brick
Sent: Sunday, June 2, 2024 6:20 PM
To: PublicComment-AutoResponse
Subject: June 3, 2024 - 11. PUBLIC HEARING TO APPROVE RECOMMENDED WATER RATE ADJUSTMENTS

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Dear Mayor Gordo and Members of the Pasadena City Council:

Pasadena Water and Power (PWP) is presenting a massive rate increase for your approval, a 24% immediate increase for most residential users and up to 70% over the five-year term. The size of that increase merits considerable attention from the City Council, Pasadena citizens, and objective third-party consultants.

The rate structure changes included in PWP's proposal, however, will determine how those massive increases will impact various types of customers. ***The changes are unjust and will be counterproductive to PWP in the long run. The rate restructuring puts an inordinately large burden on small users and proportionately less burden on users of various classes who use water excessively and even wastefully.***

Such a substantial rate increase can have a conservation impact on PWP customers, but small users in general are careful users and burdening them disproportionately will be unjust and will have minimal conservation impact because those users are already conserving. Sparing excessive and wasteful users from the full burden of the rates increases, however, will diminish the conservation impact for those users. In economic terms, small users are "inelastic," i.e. incapable of responding to rate changes by increasing their conservation efforts. Excessive and wasteful users on the other hand are "elastic," i.e. have the ability to reduce consumption due to rate changes. Beyond that, those excessive and wasteful users should pay their full share, including the marginal cost of new supplies.

The rate structure PWP proposes might achieve the financial stability goals of PWP, but it neglects other important goals of rate policy, such as conservation, affordability, equity, and social justice. The Pasadena City Council should not neglect those goals. It is particularly glaring that the rate proposal does not consider affordability, an increasingly important factor in the era of climate change.

The PWP proposal undermines the broader goals of rate-making policy in several critical ways:

1. More than half of the customer bill will come from "fixed charges" that are not related to actual water consumption. Fixed charges are inherently "inelastic," i.e. do not promote conservation.
2. The customer categories are based on meter sizes, which are often arbitrary and generally favor big users.
3. The tiers, PWP recommends, are not based on a true cost-of-service accounting of PWP customers, but rather on broad national averages recommended by the American Water Works Association.
4. The two upper tiers are improperly sized and do not reflect the marginal cost of new supplies.

As our municipally-owned utility, PWP must have broader goals than just “financial stability.” I urge you to exercise your governance responsibility and send them back to the drawing boards to develop a more appropriate rate program that will meet Pasadena’s resilience goals in the era of climate change.

Respectfully yours,
Timothy F. Brick

Pasadena, CA 91101

I support the statement of “Pasadenans for Fair Water Rates.”

Pasadenans for Fair Water Rates

On Monday, June 3rd, the Pasadena City Council will consider massive water rate increases for most Pasadena residents. That's on top of big increases already approved this month for sewer and trash fees.

- May 6th: Sewer rates more than double for the average residential user from \$4.55 to \$11.05 monthly
- May 13th: Trash rates increase 7% annually through 2029
- June 3rd : The biggest increase of all! Water rates going up more than 24% this year for single family homes and residential users but less for large commercial users. Rates will climb as high as 70% over a five-year term.

We realize that Pasadena Water & Power (PWP) needs to deal with the challenges of climate change and declining water supplies, **but any rate changes must be fair**. Of course, water rates should provide financial stability for our municipally owned utility, but they must also promote conservation and be equitable and affordable.

What's Wrong with the Proposed Water Rates?

Regressive	The proposed rates pile the burden of massive increases disproportionately on small careful users of water including most low-income residents.
Favors Big Users	Rate categories are based on meter size which are often arbitrary but generally favor larger users. Some large commercial users will actually see a reduction in their fixed charges.
Undermines Conservation Incentive	Roughly half the consumer bill will consist of "fixed charges" that don't take into account water consumption at all. This undermines the conservation "incentive" of inclining block rates and is unjust.

Not Affordable	There is no provision in the rates increases to cushion the increases for low-income residents who tend to be careful users of water.
Locked in for Five Years	Unfair rates imposed during a tumultuous period of change for water and power users
Ignores Previous Council Promises	The rate changes fail to heed previous City Council promises to develop a more equitable rate structure based on carefully conceived customer characteristics and usage.
Inconsistent and Confusing	Customers are already conserving, but where is the reward?

We Demand FAIR Water Rates!

McMillan, Acquanette (Netta)

From: Nun Chau
Sent: Monday, June 3, 2024 12:49 AM
To: PublicComment-AutoResponse
Subject: Implementation of Water Rate Structure and Rate Adjustments - OPPOSE

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To City of Pasadena Mayor and Council Members,

I am Pasadena resident and property owner at _____ Pasadena, CA 91107.

Please consider this email as public comments for PWP Implementation of Water Rate Structure and Rate Adjustments.

The New Water Rate Structures hit the hardest at the bottom level of Pasadena residents, in particular Single Family Residential (SFR).

I. **Quantity** - SFR Tier 1 changes from 0-8 to 0-7. The study factored in the water conservation concept giving minimum allowance of water use only. This does not take into consideration the reality of changes in our current community. Since post COVID, working modes have changed, more workers are working from home, students do online classes resulting in more water consumption. The affordable housing crisis also pushes the younger generation to stay longer with parents/ grandparents since they are unable to purchase or are facing high rental housing. Perhaps, Tier 1 range should be expanded higher rather than shrinking.

II **Unit Rate**

II.1 **New Variable Charges** per Billing Unit aim at equity rate by all class (Ref. Att-A pg.67). All class of customers pay the same rate for Wholesale Supply (Column D) and Base Rate (Column E). The costs to operate and maintain residential and commercial customers are not the same, probably more complex in the commercial. This basis takes no consideration that residential customers are at the lower ability to earn income vs. commercial customers who are able to generate revenues or even pass on to consumers.

II.2 **New Fixed Charge Rate**

3/4"- 5/8" size rate increase **\$12.16** or **45.95%**

1" size rate increase 20%

1 1/2" size rate increase 9.3%

The majority of SFR has 3/4" so hit hard

The 2", 3", 4" size new rates DECREASE. Why does the commercial sector get a reduction in Fixed Charge? This is NOT EQUITABLE!

The proposed water rate increase just add more burden to Pasadena residents as council recently approved increases of Sewer and Refuse Charges.

The current water rates were increased 2 years ago, in May 2022 and look like adjusted by CPI.

I also think that the water report generated is unhelpful. PWP can save costs by discontinuing the report.

Thank you for your consideration.

Chau Family

McMillan, Acquanette (Netta)

From: cityclerk
Sent: Monday, June 3, 2024 8:02 AM
To: Iraheta, Alba; Jomsky, Mark; Robles, Sandra; Sabha, Tamer; McMillan, Acquanette (Netta); Kenebrew, Jerice; Soo, Christine; Haskett, John
Subject: FW: water rates

From: Petrea Burchard <petrea@cityofpasadena.net>
Sent: Monday, June 3, 2024 8:00:00 AM (UTC-08:00) Pacific Time (US & Canada)
To: Gordo, Victor <vgordo@cityofpasadena.net>; Hampton, Tyron <THampton@cityofpasadena.net>; Jones, Justin <justinjones@cityofpasadena.net>; Rivas, Jessica <jerivas@cityofpasadena.net>; cityclerk <cityclerk@cityofpasadena.net>; Masuda, Gene <gmasuda@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>; Madison, Steve <smadison@cityofpasadena.net>; Lyon, Jason <jllyon@cityofpasadena.net>
Subject: water rates

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Hi everyone,

Thank you for all you do. It's much appreciated.

I'm concerned about a possible rise in water rates. I ask that it be equitable.

We have not watered a lawn in 12 years. We use shower run-off for plants. We even use coffee pot rinse water for soaking dishes. I believe people who conserve water should not be charged in the same way as those who water a lawn (a useless crop) three times a week.

Please take that into consideration when considering rate hikes.

Thank you.

Petrea Burchard Sandel
District 3

Jomsky, Mark

From: Ken Kules <>
Sent: Sunday, June 2, 2024 5:47 PM
To: Jomsky, Mark
Cc: Gordo, Victor; Williams, Felicia; Masuda, Gene; Lyon, Jason; Madison, Steve; Rivas, Jessica; Justin Jones; Hampton, Tyron
Subject: Additional comments on the 6-3-2024 water rate hearing

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It should be understood that one-half of the customer's bill is fixed. The elusive Cost of Service report explains that the "Tier 2 breakpoint was set to the average summer use for single family residences" which means that one-half of residential customers will stay within tier 2 and the other half will be in tier 3 with no additional tier to address unreasonable use of water. If you evaluate the customer bill impact over the 5-year rate proposal, you'll see that the increase is more than 70%. How many people expect their take-home pay to increase by 70% in the next 5 years?

So, if residential customers want to avoid the 70% rate impact, they could pay to downsize their meter but that isn't an option available to 62% of residential customers that have small meters. For some that have been aggressive water conservers, increased conservation is not an available strategy and for others it might mean cutting back on things like watering trees. If a customer was able to increase conservation by 10%, they would reduce their total bill increase by only 5%. Where's the price incentive to conserve?

McMillan, Acquanette (Netta)

From: cityclerk
Sent: Monday, June 3, 2024 10:26 AM
To: Iraheta, Alba; Jomsky, Mark; Robles, Sandra; Sabha, Tamer; McMillan, Acquanette (Netta); Kenebrew, Jerice; Soo, Christine; Haskett, John
Subject: FW: Item 11. Proposed Water Rate Increases

From: gfoster102@sbcglobal.net
Sent: Monday, June 3, 2024 10:24:01 AM (UTC-08:00) Pacific Time (US & Canada)
To: Gordo, Victor <vgordo@cityofpasadena.net>; Hampton, Tyron <THampton@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>; Jones, Justin <justinjones@cityofpasadena.net>; Masuda, Gene <gmasuda@cityofpasadena.net>; Rivas, Jessica <jerivas@cityofpasadena.net>; Madison, Steve <smadison@cityofpasadena.net>; Lyon, Jason <jlyon@cityofpasadena.net>
Cc: cityclerk <cityclerk@cityofpasadena.net>
Subject: Item 11. Proposed Water Rate Increases

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Dear City Council Members and Mayor Gordo,

Please DO NOT APPROVE the currently proposed water rate increases. While acknowledging that an increase is needed to meet the challenges of climate change, declining water supplies and increased costs, water rates in the current proposal are punitive, especially for residential users.

There are many unexplained inconsistencies between the *Water Financial Plan & Rate Study Report* ["Raftelis"] and reports which PWP presented to the Municipal Services Committee (MSC) and City Council. These differences call into question the accuracy of both the Raftelis Report and other reports by PWP to the City and to Ratepayers. **Unreliable assumptions produce unreliable conclusions.**

Single Family Residential Water Cost Comparison

Raftelis comparison of water prices to regional agencies is misleading (*Figure 1.1 Monthly Bill Comparisons for Neighboring Agencies*). Approximately 30% of Pasadena's municipal water supply comes from the Raymond Basin. With an allocation of 42% of the basin's total safe yield, Pasadena is the largest recipient of Raymond Basin water. For the City of Pasadena, this is an inexpensive source of water which significantly reduces the amount of expensive imported water required; it also serves as a vital emergency source of water. Although included for comparison, the Cities of Glendale, Burbank, Santa Monica, South Pasadena and Los Angeles receive no water from the Raymond Basin. Two of the utilities listed are small private districts with allocations of less than 1% (Lincoln Avenue and Las Flores). With 18% of the basin total, the City of Arcadia has the second highest allocation of Raymond Basin Water; it is not listed for comparison.

Raymond Basin Water Levels and Tier 1 Water

The Raymond Basin is the primary source for Pasadena's least expensive water, Tier 1. PWP's May 14, 2024 presentation to MSC stated that "rate increases from MWD will be offset by volume reduction in purchase water with **an anticipated increase of groundwater from the Raymond Basin**" (Slide 19). Yet, the City's stated

objective is to preserve and increase depleted water level in the Raymond Basin. However, Raftelis (*Table 2-7. Projected Water Supply by Source*) assumes that pumping from the Raymond Basin and increased purchase of water from MWD will both increase at 1.5%, FY 2025-FY 2028. PWP continues to ask customers to use less water which should result in further reduction to municipal water requirements. Among its accomplishments for FY 2024, the Water Fund cites launching the *Ripple Effect Campaign*, “a multiyear effort to build climate resilience and water sustainability”. Unfortunately, reduced water use (“sustainability”) is a rationale for raising rates – reduced consumption is rewarded with higher prices.

Detailed Capital Improvement Program (Table 2-8)

Comparison of the Capital Improvement budget for FY 2025 in Raftelis Table 2-8 to the approved FY 2025 Capital Improvement Project (CIP) budget reveals significant discrepancies with eight of the line items requested in Table 2-8 which are “zeroed out” in the approved FY 2025 budget. It appears that Raftelis Table 2-8 overstates required FY 2025 capital expenditures by \$11.5 million (40%). However, FY 2026-29 allocations in the 5-year FY 2025-29 CIP are identical to those presented in Raftelis Table 2-8. Are future proposed CIP requirements as unreliable as FY 2025 capital requirements appear to be?

Bond Funds, Indebtedness and the Capital Financing Plan

The Capital Plan presented in community meetings did not make clear that proposed capital spending includes **two new bond issues** of \$30 million in FY 2025 and \$35 million in FY 2026 (Raftelis Table 2-12). The proposed indebtedness increases would result in large corresponding increases for annual debt service payments.

The Proposed Financial Plan (Raftelis Table 2-14) shows an expected loss of \$31 million in FY 2027 which would to be paid entirely by ratepayers (Raftelis Figure 2-2 and PWP Water Rate Virtual Community Meeting, Slide 11). Is it only a coincidence that proposed water rates show a second large rate increase for FY 2028 effective July 1, 2027?

Reserve Balances

At a community meeting, it was stated that the Water Fund wants to increase its reserve balance from the current 2-months to 6-months of operating costs. Raftelis *Figure 2-3 FY Ending Reserve Balance* indicates that proposed reserves would consist of an increased Operating Reserve as well as a Capital Reserve, all funded by rate increases. While this may be an ideal situation for the Water Fund, it is not fair to place the entire burden of proposed reserve increases on ratepayers within a 5-year period.

Pension Liabilities -vs- Requests for New Positions

The PWP 2023 Annual Report states that “net pension and other postemployment benefits (OPEB) liabilities for the Water Fund increased \$11.2 million” from the previous year (see page 33). Although 2023 net pension and OPEB liabilities of \$11.2 million for the Water Fund exceeded Total Liabilities of \$10.4 million, they were offset by other revenue increases.

PWP’s May 14 presentation of its Recommended Operating Budget to MSC was dominated by the Power Fund and did not clearly distinguish between Power Fund and Water Fund requests for new positions which are euphemistically called “Enhancement Requests” (see Slide 23). It appears that the Water Fund is requesting four (4) new FTEs. There is no mention of the problem with pension and OPEB liabilities.

No Plan for Lower Income Water Rate Subsidies.

There is no provision in proposed water rate adjustments to ease the burden for low-income residents who tend to be careful users of water. For qualifying low-income customers, PWP will provide a \$10 monthly bill credit on the electric portion of their utility bill but there is no corresponding program for water. The recently approved Sewer rate increase also includes a fixed fee. Added to fixed fees already charged for Electric customers and proposed

new Water rates, total fixed fees for typical single-family households would be about \$116 per billing cycle. Even \$10 per month is inadequate.

Sincerely,
Genette Foster

Iraheta, Alba

From: cityclerk
Sent: Monday, June 3, 2024 2:53 PM
To: Iraheta, Alba; Jomsky, Mark; Robles, Sandra; Sabha, Tamer; McMillan, Acquanette (Netta); Kenebrew, Jerice; Soo, Christine; Haskett, John
Subject: FW: Item 11 - Water Rate Increase

From: Donna Sider <dsider13@gmail.com>
Sent: Monday, June 3, 2024 2:52:39 PM (UTC-08:00) Pacific Time (US & Canada)
To: Gordo, Victor <vgordo@cityofpasadena.net>; cityclerk <cityclerk@cityofpasadena.net>; Williams, Felicia <fwilliams@cityofpasadena.net>
Subject: RE: Item 11 - Water Rate Increase

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We Demand FAIR Water Rates!

From this city's first notice, we recognized that PWP/Council is NOT respecting its citizens, especially average Pasadenans. I and many of my neighbors are on fixed incomes. There **MUST** be a provision added for low-income residents! Many, like myself, have been water-wise and conserving for decades. These regressive rates pile the burden of massive increases disproportionately on small careful users of water including most low-income residents.

Council, we're beyond urging you to go back to PWP for amendment NOW!!!

D Sider

Homeowner, resident of 36 years in D2

Regressive	The proposed rates pile the burden of massive increases disproportionately on small careful users of water including most low-income residents.
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Inconsistent and Confusing	Customers are already conserving, but where is the reward?

McMillan, Acquanette (Netta)

From: Allen Clason
Sent: Monday, June 3, 2024 3:48 PM
To: PublicComment-AutoResponse
Subject: Water Rate Increase
Attachments: allenclason.vcf

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This is to advise the council that I am opposed to the rate increase and the new tier structure.

I am opposed to a single person having authority to increase the rates during dry times. This should be a council process with full view for all the voters - always.

This increase would not need to include maintenance upgrades if the remaining balances of the last 138 years had been used correctly instead of making an annual transfer to the general fund. This amount in reality becomes an overcharged tax without proper voter authorization.

--

Allen Clason

Pasadena, CA 91107