

Agenda Report

November 25, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: ADOPT A RESOLUTION TO AUTHORIZE THE CITY MANAGER, THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT, OR THEIR DESIGNEES TO APPROVE PAYMENTS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FOR PURCHASED WATER IN AMOUNTS NECESSARY TO MEET THE BUSINESS NEEDS OF THE CITY

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
2. Adopt a resolution authorizing the City Manager, the General Manager of the Water and Power Department, or their designees to approve payments to The Metropolitan Water District of Southern California for purchased water in amounts necessary to meet the business needs of the City.

BACKGROUND:

The Metropolitan Water District of Southern California ("MWD"), a public agency of the State of California, is a wholesale water provider to its 26 member agencies. The City of Pasadena ("City"), acting through the Water and Power Department ("PWP"), is a public member agency of MWD and a retail water provider.

PWP provides to its customers drinking water consisting of local groundwater and purchased water from MWD. Annually, purchased water from MWD makes up approximately two-thirds of water served. MWD invoices its member agencies monthly. PWP utilizes an administrative agreement with the approval by the General Manager for processing payment to MWD for purchased water.

Authority of the General Manager to approve payment for purchased water is provided by a minimum purchase order commitment contract between the City and MWD.

MWD intends to sunset this minimum purchase order program on the contract expiration date of December 31, 2024. To continue to effectively process payment to MWD for purchased water, it is in the best interest of the City to adopt a resolution authorizing the City Manager, General Manager of PWP, or their designees the authority to approve payment for invoices of purchased water from MWD in amounts necessary to meet the business needs of the City. In fiscal year 2024, PWP paid approximately \$21,600,000 to MWD for purchased water.

Pursuant to Section 303 and Subsection 1002(H) of the City Charter, the City is exempt from competitive bidding when contracting with other governmental entities for the purchase, sale, exchange, or storage of water.

COUNCIL POLICY CONSIDERATION:

The adoption of a resolution authorizing the City Manager, PWP's General Manager, or their designees to approve payment for purchased water with MWD is consistent with the City Council's strategic goals to maintain fiscal responsibility and stability, and to support and promote the quality of life and local economy.

ENVIRONMENTAL ANALYSIS:

The proposed action to adopt a resolution authorizing the City Manager, PWP's General Manager, or their designee to approve payment for purchased water with MWD is not a project subject to the CEQA process pursuant to Section 21065 of CEQA and sections 15060(c)(2), 15060(c)(3), and 15378(a)(2) of the State CEQA Guidelines. The authorization to approve payments to MWD is administrative and government fiscal activity that will not result in direct or indirect physical changes in the environment. Therefore, the proposed action is not a "project" subject to CEQA, and, as such, no environmental document pursuant to CEQA is required.

FISCAL IMPACT:

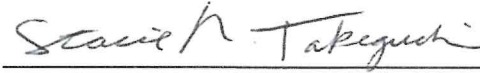
There is no cost for approving the recommended action. PWP will utilize existing and future appropriations in the Water Operating Fund (402) to support annual purchased water costs from MWD. There is no impact to the General Fund.

Respectfully submitted,



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Approved by:



MIGUEL MÁRQUEZ
City Manager