



Agenda Report

January 17, 2025

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: APPROVE THE UPDATED WATER LEAK ASSISTANCE PROGRAM TO PROVIDE AID TO CUSTOMERS IMPACTED BY THE EATON FIRE AND AUTHORIZE THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT TO MAKE ADJUSTMENTS TO WATER UTILITY BILLS FOR HIGH USAGE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action proposed herein is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b);
2. Approve the updated Water Leak Assistance Program to provide aid to customers impacted by the Eaton Fire; and
3. Authorize the General Manager (or designee) of the Water and Power Department to adjust water utility bills for high usage due to the impacts of the Eaton Fire.

BACKGROUND:

The Water and Power Department (“PWP”) provides water delivery service to approximately 165,000 customers within the City of Pasadena (“City”) and to specific areas located adjacent to the City limits. Service is provided through approximately 38,000 metered connections to PWP’s water distribution system.

The Eaton Fire, which ignited on January 7, 2025, prompted evacuation orders for more than 100,000 residents in Pasadena and surrounding communities. The fire has considerably impacted PWP water bills for several reasons, including increased usage for firefighting efforts, evacuation impacts such as leaving water running, and fire-damaged customer-owned water pipes.

On August 3, 2020, the City Council approved a Water Leak Assistance Program that gives the PWP General Manager authority to address the occasional requests from customers who have experienced excessive water loss resulting in high water bills from leaks on private property.

Staff recommends updating the existing Water Leak Assistance program to include additional criteria to help residential and commercial customers impacted by the Eaton Fire. The proposed update increases the program's annual funding from \$50,000 to \$500,000 per fiscal year. Excerpts of the recommendation to update this program are listed in Table 1. The complete program incorporating the recommendation is provided in Attachment A.

Table 1

<p>Program Description:</p> <ul style="list-style-type: none"> • Increase annual funding from \$50,000 to \$500,000 per fiscal year • Funding provided from non-retail rate revenues • Leak assistance provided only as a bill credit to water charges (no cash payments) • Assistance applications are processed on a first-come, first-served basis until funds are fully expended • The General Manager may approve a bill credit over the not-to-exceed amount on a case-by-case basis
<p>Leak Assistance Criteria (Previously Approved):</p> <ul style="list-style-type: none"> • Customers must complete the Water Leak Assistance Request form to be considered • Maximum bill credit up to 50% of water lost to leak condition, not-to-exceed \$3,000 per customer • Must present evidence (plumber's invoice, receipts for materials purchased, etc.) that leak was repaired within 7 (seven) days of discovering or being notified of leak • Bill adjustment for Water leak assistance is available one time per customer in a 36-month cycle
<p>Eaton Fire Assistance Criteria (Recommended):</p> <ul style="list-style-type: none"> • Maximum bill credit not-to-exceed \$5,000 per customer • Property must be located within an Eaton Fire mandatory or voluntary evacuation zone • Excessive water usage must have happened on January 7, 2025, or within the subsequent 30 days ending February 6, 2025. • Bill adjustment for Water leak assistance is available one time per metered account. • Customers who previously received water leak assistance are eligible under the Eaton Fire assistance criteria

COUNCIL POLICY CONSIDERATION:

The recommendations to authorize the General Manager to provide bill adjustments for water leaks on private properties within the Pasadena Water System service area supports the City Council's goals to maintain fiscal responsibility and stability, and improve the quality of life and the local economy in Pasadena by enhancing customer satisfaction and confidence.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" administrative activities of governments that will not result in direct or indirect physical changes in the environment. The actions proposed herein, authorizing the temporary pause of billing and suspending collections and interruptions due to the 2025 Eaton Wildfire Disaster, is an administrative activity, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The total estimated cost of the recommended actions is not-to-exceed \$450,000 per fiscal year, with funding to be provided from non-rate payer funded revenue such as rental fees generated from the use of properties and facilities owned and operated by the Water System. The Water Leak Assistance Program will not rely on revenues generated by rates and charges for water service and will not have an impact on rates charged to customers of the Water System. Funding will be approved by the City Council as part of the annual operating budget. There is no impact to the General Fund.

Respectfully submitted,



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Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachments:

Attachment A – Water Leak Assistance Program