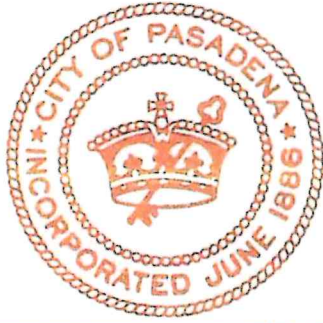




Agenda Report

August 17, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: **ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER OR DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION TO ACCEPT GRANT FUNDING FROM THE WATER AND ENERGY EFFICIENCY GRANT PROGRAM IN THE AMOUNT OF UP TO \$2,000,000 TO IMPLEMENT THE ADVANCED METERING INFRASTRUCTURE PROJECT**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the 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); and
2. Adopt a resolution authorizing the City Manager, or designee, to accept the Water and Energy Efficiency Grant ("WEEG") from the United States Bureau of Reclamation ("USBR") in an amount up to \$2,000,000 for the Advanced Metering Infrastructure ("AMI") project, execute agreements with USBR to receive the grant funding, and administer grant agreements, amendments, and associated contract documents for this grant award.

BACKGROUND:

The USBR WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for federal assistance to expand existing water supplies and secure new supplies for future generations. Through WaterSMART, USBR leverages federal and non-federal funding to work cooperatively with states, tribes, and local entities to increase water supply sustainability through investments in existing infrastructure and resolution of local water conflicts. Under WaterSMART, USBR offers grant opportunities, including the WEEG. The objectives of WEEG are to provide support for projects that result in quantifiable and sustainable water savings, implement renewable energy components where feasible, and support broader sustainability benefits. On June 6, 2026, the Pasadena Water and Power Department ("PWP") was

awarded up to \$2,000,000 in funding through WEEG to support PWP's AMI project (01078) of the Capital Improvement Program ("CIP").

The AMI project includes the installation of hardware, software, and communication networks that will improve meter reading and billing accuracy, enable early detection of meter failures, enhance asset management capabilities, and reduce operational support expenses. The project will also increase water conservation through real-time water leakage detection, providing customers with immediate notifications of water leaks, reducing customer bills and water waste. This project is part of the City of Pasadena's ("City") long-term goal of water supply reliability, efficient water management, and energy savings. Based on current water losses, faster leak detection and enhanced conservation from this project could result in an estimated water savings of approximately 4,300 acre-feet per year, associated energy savings of 7,000 megawatt-hours per year, and a total reduced greenhouse gas emissions of 4,900 metric tons of carbon dioxide per year.

COUNCIL POLICY CONSIDERATION:

The recommended authorizations are consistent with the City Council's Strategic Planning Goals to maintain fiscal responsibility and stability, increase conservation and sustainability, and improve, maintain, and enhance infrastructure. The AMI project is consistent with the 2020 Water System and Resources Plan and supports the goal to implement new conservation programs to meet future regulations.

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 of the State CEQA Guidelines. Sections 21065 and 15378 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" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing the City Manager, or their designee to enter into an agreement to receive grant funding, is an organizational or administrative governmental activity that does not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. In addition, the authorization to accept grant funding would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Rather, the subject grant would make funding available for future Advanced Metering Infrastructure. Such infrastructure could include the installation of hardware, software, and communication networks, which if such projects involve physical changes in the environment, would be subject to individual CEQA consideration. Since the action proposed herein is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

Approval of the recommended action will result in a total grant award of up to \$2,000,000 over three fiscal years. Grant funds will be applied to the Advanced Metering Infrastructure project (01078). Per the grant requirements, this project includes a mandatory recipient cost-share of at least fifty percent (50%), which will be funded by the AMI project (01078) CIP budget. There is no impact to the General Fund.

Respectfully submitted,



DAVID M. REYES
General Manager
Water and Power Department

Prepared by:



Stacie N. Takeguchi
Chief Assistant General Manager
Water and Power Department

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager

Attachments:

Attachment A – USBR WEEG Award Letter