



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** Public Works

**MEETING DATE:** June 17, 2014

**PREPARED BY:** Carl E. Hassel, P.E., Director

**AGENDA LOCATION:** CC-12

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**TITLE:** Temporary Lease of Main San Gabriel Basin Water Rights from the City of Azusa in the amount of \$605,700.00

**OBJECTIVE:** To lease 1,000 acre feet of water production rights from the City of Azusa for the Fiscal Year 2013-2014

**BACKGROUND:** The City of Monrovia's water is supplied from the Main San Gabriel Groundwater Basin. The Main San Gabriel Basin Watermaster is a nine-person board appointed by the Superior Court of Los Angeles County to administer water rights and manage the water quality and supply in that basin. Watermaster was created in 1973 pursuant to Judgment No. 924128, which adjudicated Basin water rights and established the framework for Basin Management. Based on historical data, the City of Monrovia was granted 3.09 percent of the available safe yield (amount of water that can be pumped from the Basin-set by Watermaster in May of each year). Any water pumped over this allowed amount must be paid as overproduction (Replacement Water Assessment) at a per-acre-foot price. This money is set aside by Watermaster to purchase water (from another source-Metropolitan Water District (MWD), for example) to replenish the Basin supply.

**ANALYSIS:** The safe yield of the Basin has varied from a low of 170,000 acre feet in 2010-2011 to a high of 210,000 acre feet in 2011-2012. This equated to a pumping allowance in 2010-2011 of 5,253.00 acre feet, which increased to 6,489.00 acre feet in 2011-2012 for the City of Monrovia. In 2011-2012, overproduction was 495.83 acre feet at a cost of \$253,864.96 (\$512.00 acre foot). The current cost of the Replacement Water Assessment from Watermaster is \$673.00 per acre foot. The water lease from the City of Azusa sets the price at 90% of the cost from Watermaster or \$605.70 per acre foot. This is a savings of \$67.30 per acre foot or \$67,300.00 for the requested 1000 acre foot lease. Any portion of the 1000 acre feet not used to supplement the 2013-2014 overproduction would be put into Cyclic Storage (water banking) in the Basin and available to the City of Monrovia in the 2014-2015 year. The Replacement Water Assessment for 2014-2015 has been set by Watermaster at a cost of \$775.00 per acre foot, and the safe pumping yield set at 150,000 acre feet with the City of Monrovia's share at 4,642 acre feet. Therefore, the purchase of the water production rights from the City of Azusa in this fiscal year will avoid the increase to \$775.00 per acre foot set by the Watermaster.

**ENVIRONMENTAL IMPACT:** Approving this Lease of water rights is consistent with Action Item 21 of the Environmental Accords, which states "Increase groundwater recharge by five percent (5%) by 2020".

**FISCAL IMPACT:** The funds are available from the Water Fund reserves.

**OPTIONS:** The following options are provided for consideration:

1. Approve the temporary lease with the City of Azusa in the amount of \$605,700.00

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2. Reject the lease and direct Staff to explore other options.

**RECOMMENDATION:** Staff recommends approving a temporary lease of water rights from the City of Azusa in the amount of \$605,700.00.

**COUNCIL ACTION REQUIRED:** If the City Council concurs, the appropriate action would be a motion to approve the Temporary Lease of Water Rights from the City of Azusa in the amount of \$605,700.00, and authorize the City Manager to execute the necessary documents in a form approved by the City Attorney.