



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Anastazia Aziz, AICP, Sr. Planner, CEDD
MEETING DATE: September 7, 2016
SUBJECT: Status of the City's MPWMD Water Allocation
CEQA STATUS Not a Project

RECOMMENDATION

Receive a report on the status of the City's water reserves per the July 2016 Monterey Peninsula Water Management District (MPWMD) monthly allocation report and assign 0.011 water allocation credit from MPWMD to the Commercial Reserve, for a total of 0.031 acre feet in the Commercial Reserve.

BACKGROUND

Pacific Grove Municipal Code (PGMC) Chapter 11.68 governs the City's water allocation regulations, and establishes four allocation categories, based on use, for: Residential, Commercial, Governmental, and City-administered community reserve. The City maintains a [Water Wait List](#) webpage. Potable water is extremely scarce in Pacific Grove and water demand exceeds the City's current supply. The City Council last received a status report on the City's water allocation on February 3, 2016.

Each month, the MPWMD releases a Monthly Allocation Report included in the MPWMD Regular meeting agenda packet. The July 2016 MPWMD monthly water allocation report, the most recent available, states that Pacific Grove has a total of 0.145 acre-feet (AF) of water available for allocation.

DISCUSSION

A total of 0.145 AF of potable water remains in the City's reserves and is summarized below, which includes a 0.011 allocation credit resulting from a completed residential project that did not require all of the potable water previously allocated by the City a number of years ago. Given the limited water available in the Commercial Reserve and the potential for increased economic development and associated City revenues, the additional water credit has the greatest potential at this time to benefit the community in the Commercial Reserve. The status of each potable water reserve is discussed briefly below.

Residential Reserve

There are 12 residential projects on the Wait List requesting a total of 1.4705 AF. Many of these projects have been on the Wait List since 2009 and range from new single-family dwellings on vacant lots, to interior remodels and renovations.

Commercial Reserve

0.02 AF of water, which increases to a total of 0.031 AF with the additional 0.011 AF water credit, remains in the City's commercial water category that is available for distribution. As previously directed, water allocations in the Commercial category have been granted in accordance with priorities for distribution of water to commercial projects:

1. Motel projects within the R-3-M zone.
2. Projects within the Downtown Commercial area.
3. Projects that generate sales tax revenue.
4. Diversification of business activities/types.
5. Expansion of existing uses.
6. Correction of existing problems.

There is one mixed commercial and residential use project downtown, requesting a total of 0.546 AF. Applicant Susan Hall of Eric Miller Architects applied for 0.546 AF for a restaurant use located at 223 Grand Ave. on December 19, 2014 which exceeds the total amount available in the Commercial Reserve.

There is one additional commercial bakery use requesting 0.142 AF of water for a tenant space at Country Club Gate. The applicant, Ms. Lam, is currently working with the property owner, Retail Opportunity Investment Corporation, and MPWMD staff to determine the water allocation status for the Country Club Gate property. Until that process is concluded and water availability is determined, the applicant has elected to maintain a position on the water wait list.

Community Reserve

The remaining amount of water in the Community Reserve Category is approximately 0.114 acre-feet. No projects are on the Wait List.

Governmental

There is no potable water available in the Governmental Reserve and no projects are on the Wait List.

The information is summarized in the table below. For more detailed information, please see the attached Water Wait List.

Available Potable Water Reserve Summary Table (All units in Acre Feet)

	Residential	Commercial	Governmental	Community	Total
Water Available*	0.0	0.031	0.0	0.114	0.145
Pending Distribution**	0.0	0.0	0.0	0.0	0.0
Wait Listed***	1.4705	0.657	0.0	0.0	2.1275

*Water Available - water available for City Council to allocate.

**Pending Distribution - water the City Council has allocated at previous Council meetings, but the water has not yet been distributed by the Monterey Peninsula Water Management District.

***Wait Listed – amount of additional water requested by project applicants

OPTIONS

1. Redistribute water in different amounts to the Commercial, Governmental, Residential and Community Reserve Categories.

FISCAL IMPACT

Allocation of potable water to development projects may result in increased tax revenue for the City. Potential financial impacts include increased sales tax from commercial projects, increased sales taxes from commercial leases on City owned property, and potential increased revenue from higher assessed values of residential projects.

CEQA

Receipt of the allocation report and City receipt of MPWMD water credits are administrative actions and not a project under CEQA.

ATTACHMENTS

1. July 2016 MPWMD Monthly Allocation Report
2. Water Wait List

RESPECTFULLY SUBMITTED:

REVIEWED BY:

Anastazia Aziz

Ben Harvey

Anastazia Aziz, ACIP
Senior Planner

Ben Harvey
City Manager

EXHIBIT 15-A**MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of July 2016**

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.203	50.659	0.000	0.030	38.121	0.000	3.661	3.894
Monterey County	87.710	0.000	10.284	13.080	0.000	0.000	7.827	0.000	1.891	12.175
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.012	15.874	0.000	0.133	0.145
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	8.749	34.438	0.000	34.438	2.693	0.000	1.144	44.331
TOTALS	342.720	0.000	25.830	101.946	0.000	35.561	90.142	0.000	30.384	91.775

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.237	0.763
Water West	12.760	0.053	9.039	3.721

* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.

Water Requested & Available as of 08/30/16										Agenda No. 9A, Attachment 2	
	Date Listed	Applicant (Owner)	Address	FU Req.	FU Alloc.	AF Req.	AF Alloc.	Running Balance AF	Source	Notes	Water Permit
Residential Water - WWL I								0.0000			
1	02/25/09	Moore (Cornell)	1601 Sunset (APN 007-014-015)	1.00	0.00	0.0100	0.000				
2	03/10/09	Larson	1040 Benito (APN 007-592-046)	27.60	0.00	0.2760	0.000			vacant lot	
3	03/11/09	Wasley	427 Evergreen (APN 006-421-034)	2.00	0.00	0.0200	0.000				
4	05/12/09	Chandler (Scholink)	505 Chestnut (APN 006-446-013)	27.60	0.00	0.2760	0.000			vacant lot	
5	05/26/09	Bailey (Perkins)	945 Cedar (APN 006-641-084)	27.15	0.00	0.2715	0.000			vacant lot	
6	06/23/09	Higbie	874 Gibson (APN 006-562-010)	1.00	0.00	0.0100	0.000				
7	09/04/09	O'Halloran	1107 Pico (APN 006-421-016)	6.80	0.00	0.0680	0.000				
8	10/19/09	Watts	1125 Piedmont (APN 007-585-003)	2.00	0.00	0.0200	0.000				
9	03/05/10	Jovellana	1007 Hillside (APN 007-592-025)	20.10	0.00	0.2010	0.000			vacant lot	
10	03/12/14	McCord (Posey Estate)	373 Junipero Ave (APN 006-533-014)	5.30	0.00	0.0530	0.000				
11	07/03/14	Tomlinson	1255 Shell Ave. (APN 006-015-005)	7.40	0.00	0.0740	0.000				
12	03/16/16	Miller	506 Walnut (APN 006-446-014)	19.10	0.00	0.1910	0.000			vacant lot	
Subtotal:				147.05	0.00	1.4705	0.000	-1.4705			
Commerical Water								0.031			
1	12/19/14	Dermicek (Eric Miller)	223 Grand Ave.			0.5460		0.546			
2	8/29/2016	Lam	120 Country Club Gate #130			0.1420		0.142			
Subtotal:				0.00	0.00	0.6880	0.00	-0.657	AF Available		
Governmental Water								0.000			
	n/a										
Subtotal:				0.00	0.00	0.0000	0.000	0.000	AF Available		
Community Reserve Water								0.114			
	n/a										
Subtotal:				0.00	0.00	0.0000	0.000	0.114	AF Available		
Total Balance/Deficit								-2.014			
Previously Distributed											
1	4/29/2011	Branum	1199 Forest (Aqua Spa)	5.00	5.00	0.0500	0.050		Pre-Peralta	Commercial	31148
2	9/23/2011	Favaloro	543 Lighthouse (Café Ariana)	13.65	13.65	0.1365	0.137		Public	Commercial	31426
3	2/19/2013	City of Pacific Grove	80 Asilomar (Pt Pinos Lighthouse)	12.80	12.80	0.1280	0.128		Public	Governmental	32265
4	3/20/2013	City of Pacific Grove	620 Lighthouse (Childrens Pool)	2.44	2.44	0.0244	0.024		Public	Governmental	26601
5	3/29/2013	Favaloro	545 Lighthouse (Big Night Bistro)	44.00	44.00	0.4400	0.440		Pre-Peralta	Commercial	32407
6	8/14/2013	Davi Jr.	529 Central (Dory Ford/Catering)	21.45	21.45	0.2145	0.215		Pre-Peralta	Commercial	32702
7	5/7/2013	Case (Zimmerman/Foux)	1100 Lighthouse (Sea Breeze Inn)	50.00	50.00	0.5000	0.500		Pre-Peralta	Commercial	32424
8	10/7/2014	Case (Zimmerman/Foux)	1101 Lighthouse (Sea Breeze Lodge)			0.5000	0.456		Pre-Peralta	Commercial	33463
9	5/23/2016	Case (Zimmerman/Foux)	1100 Lighthouse (Sea Breeze Inn)			0.3000	0.300		Pre-Peralta	Commercial	34650
10	5/2/2016	Kevin Phillips/City	620 OVB			0.1060	0.106		Pre-Peralta	Community Reserv	34645
TOTAL:				149.34	149.34	2.3994	2.356				