



# Council Subcommittee Water Policy Recommendations

Councilmembers:

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Staff:

City Manager Ben Harvey

City Attorney David Laredo



# Water Issue Background

- Multiple factors limit Cal-Am water
- PG Local Water Project fully operational - 1/1/2017
- Delivers non-potable water to Golf Links & El Carmelo Cemetery to free Cal-Am water
- \$7.7 million in State grants (\$2.35 M) & loans (\$5.36 M) to finance PGLWP
- Water Management District Ord. 168 created PG Water Entitlement - 1/27/2016
- Water Entitlement allows potable water use from Cal-Am
- Water District will also allocate new water when available
- Policy will guide distribution of available water to end users



# Draft Report Reviewed - 10/3/2018

- Report reviews Cal-Am water issues
- Examines SWRCB & CPUC limits on water use
- Recommends immediate use of water; no water banking
- Water policy recommendations include:
  - Objectives
  - Processes
  - Quantifies Water Entitlements
  - Water Wait List Considerations
  - Water Entitlement Cost Factors



# Water Policy Action Steps

(summary, each will be reviewed in detail)

- Receive Subcommittee Report & approve specific actions
- Consider Resolution to adopt Council Policy 600-4  
& repeal (outdated) Council Policy 600-4
- Consider 1<sup>st</sup> Read of Ordinance to repeal PGMC Ch.11.68  
& adopt revised Chapter 11.68



# Report Recommendations

1. Direct staff report on Water Project financing, including:
  - a) finance terms & project status
  - b) quantify water produced by the project
  - c) market price for water entitlements
  - d) other water entitlement sale terms
  - e) rates & fees for water entitlements
2. Direct City Manager contact SWRCB & identify water entitlement use-limits
3. Direct City Attorney draft use-limit terms for entitlement sales
4. Direct Staff then seek Council authorization to set water entitlement prices & terms of use to sell water entitlements



# Policy 600-4

## Recommended by Sub-Committee

Resolution repeals former (outdated) Council Policy 600-4 (Water Allocation Policy), and

Adopts revised Council Policy 600-4 (Water Distribution, Water Use and Water Entitlements)



# Ordinance Recommended by Sub-Committee

Hold 1<sup>st</sup> Reading of Ordinance

- Ordinance repeals Pacific Grove Municipal Code Chapter 11.68,
- Ordinance adopts revised Chapter 11.68, and
- Direct publication of a summary approved by the City Attorney