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, Principal Planner, Community and Economic Development Department
MEETING DATE:	September 19, 2018
SUBJECT:	Status of the City's MPWMD Water Allocation and City's Water Wait List
CEQA STATUS	Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Receive a report on the status of the City's water reserves per the July 2018 Monterey Peninsula Water Management District (MPWMD) monthly allocation report.

DISCUSSION

Water Allocation Policy 600-4 and Pacific Grove Municipal Code (PGMC) Chapter 11.68 governs the City's water allocation regulations and establishes four allocation categories based on use: Residential, Commercial, Governmental, and City-administered Community Reserve. The City maintains a Water Wait List webpage with publicly available information including the wait list. The City Council last received a status report on the City's potable water allocation on March 21, 2018.

Each month, the MPWMD releases a Monthly Allocation Report included in the MPWMD Regular meeting agenda packet. The most recent report available states Pacific Grove has a total of 0.155 acre-feet (AF) of water available for allocation.

Potable water remains extremely scarce in Pacific Grove and water demand exceeds the City's current supply by approximately 20.6 acre feet. This represents about 17.8 AF increase in demand since the Council's last status report due primarily to the recent approval of UP/AP 16-203 referred to as Hotel Durell requesting 10.8 AF located on the northern portion of the Holman Block and UP/AP 18-364 located at 522 Lighthouse Ave requesting 6.75 AF. The remainder of the difference is accounted for by new residential requests.

At this time a California Public Utility Commission (CPUC) moratorium may interfere with Cal-Am's ability to set new water meters to serve projects that do not have access to a current, active Cal-Am water meter.

Residential Reserve

There are numerous single-family residential projects on the Wait List requesting a total of 2.2082 AF. Many of these projects have been on the Wait List since 2009 and range from new single-family dwellings on vacant lots which required approval of an Architectural Permit, to additional bathrooms

which require no planning permits and are poised to apply for a building permit. No inclusionary housing units are currently wait-listed.

Commercial Reserve
A total of 0.031 AF 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 the following priorities for distribution:

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 are four applicants requesting a total of 18.5941 AF of commercial water for downtown uses which exceeds the total amount available in the Commercial Reserve. The significant commercial water increase is due primarily to the recent approval of UP/AP 16-203 referred to as Hotel Durell requesting 10.8 AF located on the northern portion of the Holman Block or 157 Grand Ave. and UP/AP 18-364 located at 522 Lighthouse Ave requesting 6.75 AF.

Governmental
A total of 0.0732 AF is in the governmental reserve for two City capital improvement projects:

1) New cemetery administration building requiring 0.0152 AF, and;
2) Restroom in the Monarch Sanctuary with a demand of 0.058 AF.

Community Reserve
A total of 0.0508 acre-feet is available in the Community Reserve. Water assigned to the city-administered Community Reserve may be allocated by the Council to any or all of the three allocation categories once there is a reserve supply of water sufficient to warrant such allocation dependent on community needs.

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

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

	Residential	**Commercial**	**Governmental**	**Community**	**Total**
Water Available*	0.0	0.031	0.0732	0.0508	0.155
Pending Distribution**	0.0	0.0	0.0732	0.0	0.0732
Wait Listed***	2.2082	18.5941	0.0	0.0	20.8023

*Water Available - water available for potential projects.
**Pending Distribution – water allocated but has not yet been distributed by the Monterey Peninsula Water Management District.
***Wait Listed – amount of additional water requested by project applicants

OPTIONS

1. Take no action.

2. 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 increased tourism due to improvements, and potential increased revenue from higher assessed values of residential projects.

CEQA
Receipt of the allocation report and allocation of available water is an administrative action and does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378.b.5.

GOAL ALIGNMENT
This agenda item is consistent with City Council Goal #2 – Infrastructure – Continue to build and improve the infrastructure needed to match existing and anticipated needs. The Water Wait List procedures help to fulfill this goal.

ATTACHMENTS
1. July 2018 MPWMD Monthly Allocation Report
2. Water Wait List

RESPECTFULLY SUBMITTED:

Anastazia Aziz

Anastazia Aziz, ACIP
Principal Planner

REVIEWED BY:

Ben Harvey
City Manager

EXHIBIT 18-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of July 2018

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	1.398	1.081	0.000	1.081	0.910	0.000	0.182	2.661
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	0.263	50.659	0.000	0.030	38.121	0.000	2.325	2.618
Monterey County	87.710	0.000	10.717	13.080	0.000	0.352	7.827	0.000	1.775	12.844
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.022	15.874	0.000	0.133	0.155
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	7.146	34.438	0.000	34.438	2.693	0.000	1.144	42.728
TOTALS	**342.720**	**0.000**	**24.721**	**101.946**	**0.000**	**35.923**	**90.142**	**0.000**	**28.932**	**89.576**

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.372	3.388

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

Water Requested & Available as of 9/4/18

Permit	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			remodel	
2	03/10/09	Larson	1040 Benito (APN 007-592-046)	27.60	0.00	0.2760	0.000			new structure	
3	03/11/09	Wasley	427 Evergreen (APN 006-421-034)	2.00	0.00	0.0200	0.000			remodel	
4	05/12/09	Chandler/Scholink/Miller	503 Chestnut (APN 006-446-013)	27.60	0.00	0.2760	0.000			new structure	
5	05/26/09	Bailey (Perkins)	945 Cedar (APN 006-641-084)	27.15	0.00	0.2715	0.000			new structure	
6	06/23/09	Higbie	874 Gibson (APN 006-562-010)	1.00	0.00	0.0100	0.000			remodel	
7	09/04/09	O'Halloran	1107 Pico (APN 006-421-016)	6.80	0.00	0.0680	0.000			remodel	
8	10/19/09	Watts	1125 Piedmont (APN 007-585-003)	2.00	0.00	0.0200	0.000			remodel	
9	03/05/10	Jovellana	1007 Hillside (APN 007-592-025)	20.10	0.00	0.2010	0.000			new structure	
10	03/12/14	McCord (Posey Estate)	373 Junipero Ave (APN 006-533-014)	5.30	0.00	0.0530	0.000			remodel	
11	07/03/14	Tomlinson	1255 Shell Ave. (APN 006-015-005)	7.40	0.00	0.0740	0.000			remodel	
25	03/16/16	Miller	506 Walnut (APN 006-446-014)	19.10	0.00	0.1910	0.000			new structure	
27	12/20/16	Llantero	404 Grove Acre (APN 006-421-026)	4.80	0.00	0.0480	0.000			additional bathroom	
28	12/22/16	Bluhm	217 Grand Ave (APN 006-283-018)	5.67	0.00	0.0567	0.000			kitchen	
30	01/26/17	Bluhm	215 Grand Ave (APN 006-283-017)	4.10	0.00	0.0410	0.000			remodel	
31	03/17/17	Lazarre	213 Granite (APN 006-314-016)	4.60	0.00	0.0460	0.000			additional bathroom	
33	01/29/18	Becom	1239 Ocean View Blvd (006-012-003)	0.30	0.00	0.0030	0.000			bar sink	
34	03/12/18	Rock (Smith)	1355 Lighthouse Ave (007-031-017)	16.40	0.00	0.1640	0.000			new structure	
35	03/12/18	Panzer (Cieslak)	1635 Sunset Dr. (007-041-020)	24.50	0.00	0.2450	0.000			new structure	
36	4/6/2018	Enterline (same)	1305 Lincoln Ave.	2.30	0	0.0230	0.000			bathroom	
37	5/4/2018	Robinson	624 Forest Ave.	6.80	0	0.0680	0.000			Bathroom and laundry	
42	8/28/2018	N. Redman (same)	1317 Lawton Ave.	4.30	0	0.0430	0.000			Bathroom	
Subtotal:				*220.82*	*0.00*	*2.2082*	*0.000*	***-2.2082***			
Commerical Water								0.031			
21	12/19/14	E. Miller (Miller)	223 Grand Ave. (APN 006-283-011)			0.5460				dining seats	
32	11/21/17	M Scanlon (R. Stillwell)	208 17th (APN 006-293-026)			0.5000				dining seats	
40	05/18/18	Russon(Agha)	157 Grand (APN 006-173-001)			10.8000				hotel	
41	6/8/2018	Johnston (Zimmerman LLC)	522 Lighthouse Ave. (APN 006-178-009)			6.7481				retail and residential	
Subtotal:				*0.00*	*0.00*	*18.5941*	*0.00*	***-18.563***	***AF Available***		
Governmental Water								0.0732			
	2/15/2018	City of PG - PW	New Cemetery Admin. Building			*0.0152*				Pending distribution	
	2/15/2018	City of PG - PW	Monarch Sanctuary Restroom			*0.0580*				Pending distribution	
Subtotal:				*0.0000*	*0.0000*	*0.0732*	*0.0000*	***0.0000***	***AF Available***		
Community Reserve Water								0.0508			
	n/a										
Subtotal:				*0.00*	*0.00*	*0.0000*	*0.000*	***0.0508***	***AF Available***		
Total Water Requested								20.8755			
Total Water Available for Allocation								0.1550			
Total Balance/Deficit								**-20.7205**			