

Water Entitlement Market Prices



City Council
City of Pacific Grove

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Overview

- Purpose
- Background
- Local Water Pricing



Purpose

- Receive Report on Market Prices
 - Establish pricing for Water Entitlements
 - Consider adding Water Entitlements to the Master Fee Schedule
 - Request staff to prepare any fees related to sale of entitlements

Multi-Step Approach

- Consider the following items at a future meeting
 - Draft agreement
 - Overview of the timeline
 - Water distribution process
 - Approval for the sale of entitlements
 - How proceeds will be spent



Background

- Received funding for the Pacific Grove Local Water Project
 - Assists local water conservation efforts
 - Provides a non-potable resource to irrigate City-owned properties
 - Pacific Grove Golf Links
 - El Carmelo Cemetery
- Commenced operations
 - In 2018, saved 69.60 acre feet per annum (AFA) of potable water



Pacific Grove Entitlement ⁽¹⁾

Amount saved by PG Local Water Project:	69.60	Adjustment: 18.4 AF, 2018 use
68% Portion Supplied by Carmel River:	47.33	(0.68 x 69.60)
52% Illegal Portion from Carmel River:	24.61	(0.52 x 47.33)
Amt. Required by Ord. for River Benefit:	13.00	
Remaining Share of Illegal Diversions:	11.61	(24.61 minus 13.00)
Pacific Grove Entitlement per Ord. 168:	47.60	Adjustment: 18.4 AF, 2018 use
Entitlement Available for use in PG:	35.99	(47.60 minus 11.61)

1. Chart information provided by the Monterey Peninsula Water Management District, Adjusted for 2018 Cal-Am use

Market Comparison

Council Water Policy Subcommittee Policy Recommendation #5

- Sale of PG entitlement water to be set at the prevailing market rate

Costs	Malpaso Water Company ⁽²⁾	Pebble Beach Company
Acre foot per year (AFY)	\$240,000	\$250,000
.10 AFY	\$24,000	\$25,000
Water entitlements are sold in increments of .10 AFY, with min. additional increments at 1/100 AFY.		

2. Malpaso Water Company water entitlements were sold by January 2019

Questions?



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