

Sale of Water Entitlements

- PG Local Water Project (PGLWP) replaces Cal-Am water with recycled water
- City water entitlement created by MPWMD Ordinance No. 168
- SWRCB confirmed City can allocate 47.88 AF of entitlement water

Water Use Limits

- Water Entitlement Use Limits set by 4-19-2019 SWRCB letter
- Entitlements may be used at most Cal-Am service addresses
 - Site of use must have an existing Cal-Am water meter
 - Site of use cannot be subject to any zoning change
 - Cannot be used for changed use on the site – examples...
 - Commercial use to Residential use
 - Residential use to Commercial use

Water Entitlement Sales

- City Manager to sell 47.88 AF
- Priority for 3-6-19 water wait list – total demand is 21.434 AF
- City Manager to create 11.5 AF affordable housing reserve
- Remaining entitlement: 14.964 AF (sale on a first-come basis)

Water Entitlement Cost

- FY19/20 Master Fee Schedule – water entitlement @ \$250,000/AF
- Processing fees also apply
- Demand for avg new home – 0.25 to 0.33 AF
- Affordable housing demand @ 0.10 AF/unit
- Resolution sets 30% discount from Master Fee Schedule
- Discount advances City goals
 - Financial Stability,
 - Increase Affordable Housing &
 - Help Local Business Thrive

Fiscal Impact

- Proceeds from entitlement sales go into General Fund
- Revenue from non-affordable housing use @ 70% discount approximates ($\$250,000/\text{AF} \times 70\%$) \$6.36 million