RESOLUTION NO. 2014-009

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE IN SUPPORT OF WATER RATE RELIEF BONDS FOR THE MONTEREY PENINSULA WATER SUPPLY PROJECT

WHEREAS, the Monterey Peninsula receives its water supply from surface and sub-surface water in the Carmel River and water in the Seaside Groundwater Basin; and

WHEREAS, by State Water Resources Control Board (SWRCB) Order No. WR 95-10 dated July 6, 1995, the SWRCB determined that California American Water (Cal-Am) did not possess the right to divert from the Carmel River system the amount of water historically (and presently) being diverted and ordered Cal-Am to terminate its unpermitted diversions from the Carmel River, to maximize its production from the Seaside Groundwater Basin, and to diligently pursue a substitute water supply; and

WHEREAS the SWRCB issued a Cease and Desist Order (CDO) WR 2009-0060 in October 2009 which prescribes a series of significant cutbacks to Cal-Am’s production from the Carmel River through December 2016 and subjects Cal-Am’s customers to a moratorium on water permits for new construction and remodels, and may subject customers to water rationing and/or fines if Cal-Am production limits are exceeded; and

WHEREAS, Cal-Am’s ability to produce water from the Seaside Groundwater Basin has also been limited by the adjudication of the Monterey County Superior Court which, in a final judgment in 2006, imposed a series of pumping reductions designed to limit production of natural basin water; and

WHEREAS, In order to meet the mandated reductions in water supply, Cal-Am has submitted an application to the California Public Utilities Commission (CPUC) to build a desalination plant plus conveyance and storage facilities that are estimated to cost $277 to $320 million; and

WHEREAS, SB 936 authorizes the California Public Utilities Commission to allow Cal-Am to collaborate with the Monterey Peninsula Water Management District on the issuance of Water Rate Relief Bonds to the public for the purpose of financing a portion of the Cal-Am Monterey Peninsula Water Supply Project; and

WHEREAS, the use of Water Rate Relief Bonds will result in lower costs to customers of Cal-Am as compared to traditional utility financing mechanisms;
NOW, THEREFORE, BE IT RESOLVED, that the City Council of Pacific Grove hereby supports SB-936 and encourages its adoption by the California Legislature and Governor.

On a motion by Councilmember Cuneo and second by Councilmember Cohen the foregoing resolution is duly adopted this 5th day of March, 2014 by the following votes.

AYES: Mayor Kampe, Councilmembers Cohen, Cuneo, Fischer, Huit, Lucius and Miller

NAYS: None.

ABSENT: None.

APPROVED:

BILL KAMPE, Mayor

ATTEST:

DEBORAH THOMSEN, Interim City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney