

RESOLUTION NO. 19-014

AUTHORIZING SALE OF WATER ENTITLEMENTS DERIVING FROM THE PACIFIC GROVE LOCAL WATER PROJECT AND SETTING THE PRICE FOR THE SALE

FINDINGS

1. The Pacific Grove Local Water Project (PGLWP) began operation in January 2018 and produces recycled water that replaces potable water previously supplied by Cal-Am.
2. The Monterey Peninsula Water Management District (MPWMD) approved Ordinance No. 168 on January 27, 2016 to establish the City's water entitlement based on potable water saved by the PGLWP.
3. The State Water Resources Control Board (SWRCB) has confirmed the City can allocate 47.88 acre-feet of entitlement water to allow increased uses of water at existing service addresses within the City, but provides terms and conditions limiting the sale and use. The entitlement water is available to use on most Cal-Am service addresses within the City but cannot be used on properties without access to a pre-existing water meter.
4. Pacific Grove Municipal Chapter 11.68, as it may be amended, sets requirements by which water entitlements may be distributed. The Chapter also requires Water entitlements to be subject to revocation if not used in a timely fashion.
5. This resolution provides present authority and direction to the City Manager (1) to sell PGLWP water entitlements and (2) (to) reserve a portion of available PGLWP water entitlement water for affordable housing.
6. This resolution also authorizes discounts to the entitlement water price from that shown on the Master Fee Schedule. The discount for entitlement purchases advances City goals to a) increase housing supply, b) promote visitor service opportunities and c) encourage renovation. The City will also charge associated processing fees to offset administrative costs.
7. This resolution facilitates the following City Goals: a) Financial Stability, b) Increase Affordable Housing, and c) Help Local Business Thrive.
8. The Local Water Project EIR was certified 11/19/2014 (SCH#2014021058); The resolution authorizing sale of water is an administrative act that does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378.b.5. The City certified a Supplemental Environmental Impact Report (EIR) for the Local Water Project on November 19, 2014, in accord with the California Environmental Quality Act (CEQA). In certifying this EIR, the City made specific findings. The City thereafter prepared and certified a Supplemental EIR (SEIR) on modification to the PG

Local Water Project (SCH# 2014021058) which examined impacts that might result from implementation of this ordinance. This resolution will not have a significant effect on the environment, based on information contained in the SEIR. In the review of this resolution, the City followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Sections 15000, et seq. The City has considered the applicable EIR and SEIR sections prepared by Brezack & Associates Planning that relate to hydrology, water quality and water supply. The EIR and related documents can be found at <http://www.cityofpacificgrove.org/living/public-works/local-water-project>.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:

1. The foregoing Findings are adopted by the City Council as though set forth in full.
2. The City Manager is authorized to sell 47.88 acre/ft (AF) of water entitlements to be distributed and used in accord with Pacific Grove Municipal Chapter 11.68, and further to be sold and used in accord with terms and conditions set by the SWRCB letter dated April 19, 2019. Water sales to satisfy water demand from the 12-31-2018 water wait list shall be granted a priority.
3. The City Manager is directed to create a reserve of 11.5 AF of water entitlements for affordable housing, to be deducted from the 47.88 of entitlement water available for sale.
4. The City Manager is directed to apply a 30% discount to the entitlement water price shown on the Master Fee Schedule for any commercial or residential use through December 31, 2020.
5. This Resolution shall take effect immediately following its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 15th day of May, 2019, by the following vote:

AYES: Mayor Peake, Councilmembers Amelio, Huitt, McAdams, Smith and Tomlinson.

NOES: None.

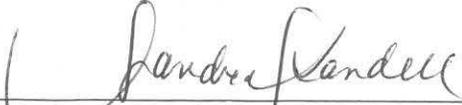
ABSENT: Councilmember Garfield.

APPROVED:



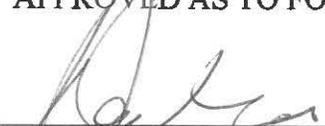
BILL PEAKE, Mayor

ATTEST:



SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:



DAVID C. LAREDO, City Attorney

