



MEETING DATE: March 12, 2025

AGENDA ITEM: 6. Grizzly Lake Community Service District: Potential Water Project

FROM: Ryan Bonk

RE: Grizzly Lake Community Service District: Potential Water Project

BACKGROUND:

Grizzly Lake Community Services District (CSD) and their Engineering Consultant (GHD) met with City Staff on 02/24/2025. Grizzly Lake CSD has requested that the City assist in evaluating potential options to supply water to Grizzly Lake CSD.

Various conversations between Grizzly Lake CSD and the City of Portola on similar topics have been occurring for more than a decade. Staff has dedicated a substantial amount of staff time with Grizzly Lake CSD over this time period.

EXECUTIVE SUMMARY:

During the meeting on 02/24/2025, City staff provided Grizzly Lake CSD and GHD with a multitude of concerns we had with the potential project as a whole. City staff indicated that a wide array of challenges exist for the project including technical feasibility. In order to better understand the project intent and scope, city staff recommended that the two parties perform an engineering feasibility study to present to the City Council.

On 03/03/2025, the City has received correspondence from GHD informing the city that the State would like GHD to present a whole project not just a feasibility study. GHD also stated that the project plan draft would be provided to the City with comments requested back from the City within two weeks of receiving the plan.

Staff responded to this request by informing GHD that we believe the process is progressing prematurely as the necessary steps required by the City have not yet been completed. Staff informed GHD that the City Council would need to be informed and approve continuation of staff work towards this potential project prior to the continuation of efforts from the City's end.

In addition, the request was made to GHD and Grizzly Lake CSD to provide the following:

1. Written confirmation from the State, or party authorized to act on behalf of the State, that all funding related to the project will be provided from external resources with no financial liability or exposure to the City for project related expenses including design, construction, and all project phases.
2. Contractual agreement in place for the City to be reimbursed for costs associated with the

proposed project including but not limited to staff time for reviews, meetings, legal counsel, planning consulting (if required), engineering consulting, etc.

All parties met again on 03/05/2025 along with the California Water Board. During this meeting, GHD clarified their initial requests from the City as initial project planning level of effort from City resources and review of a draft contract for reimbursement for city staff time. Staff communicated to all parties that we would bring this update to the City Council for consideration.

RECOMMENDATION:

Staff seeks input from the City Council on any additional requests or information the City Council would like in order to better inform your decision to continue to commit staff resources to the potential project.

FISCAL IMPACT:

The City is seeking clarification from Grizzly Lake CSD and/or GHD on the potential financial impacts to the City for this project. Staff has expended resources for two meetings on this project already.
