



**EXHIBIT 18-B**

**FINAL MINUTES**  
**Water Demand Committee of the**  
**Monterey Peninsula Water Management District**  
*August 28, 2015*

**Call to Order**

The meeting was called to order at 2:10 pm in the MPWMD conference room.

**Committee members present:** Kristi Markey, Chair  
Jeanne Byrne

**Committee members absent:** Brenda Lewis

**Staff members present:** David J. Stoldt, General Manager  
Stephanie Locke, Water Demand Division Manager  
Arlene Tavani, Executive Assistant

**District Counsel present:** David Laredo

**Comments from the Public:** No comments.

On a motion by Markey and second of Byrne, the agenda was amended to defer item 4, Discuss Modifications to Commercial Laundry Efficiency Standards, and replace it with a discussion item regarding conservation offsets. The motion was approved on a vote of 2 – 0 by Markey and Byrne.

**Action Items**

**1. Consider Adoption of July 2, 2015 Committee Meeting Minutes**

On a motion by Markey and second of Byrne, the committee approved the April 30, 2015 minutes with the following amendment: at the end of item 4, Update on Draft Water Conservation and Rationing Plan, add the words, “The committee discussed concerns with the Cal-Am proposal to move from a per-person rationing plan to a per-household strategy.” The motion was approved on a vote of 2 – 0 by Byrne and Markey.

**2. Consider Establishment of Lawn Removal Rebate for Common Areas of Multi-Family Housing Complexes**

On a motion by Byrne and second of Markey, the committee recommended that a lawn removal rebate for common areas of multi-family housing complexes be set at \$250 per single-family unit, limited to 50 units for a maximum rebate of \$12,500. The motion was approved on a unanimous vote of 2 – 0 by Byrne and Markey. No comments from the public were directed to the committee on this item.

3. **Consider Support for Water Line Insurance Program by Utility Service Partners**  
On a motion by Byrne and second of Markey, the committee voted to take no action on participation in the water line insurance program. The motion was adopted on a vote of 2 – 0 by Byrne and Markey. No public comment was directed to the committee on this item.

4. ~~**Discuss Modifications to Commercial Laundry Efficiency Standards**~~

4. **Conservation Offsets**

Stoldt explained that the concept of conservation offsets would allow a property owner to invest in water conservation measures off-site. This might be utilized under specific circumstances. For example, the water permit for Sunrise Assisted Living requires that should water use on the site exceed the quantity specified in the permit, then the jurisdiction's allocation must be debited for the overage. Water use did exceed the permitted limit; however, the City of Monterey has no water to allocate to the project. Sunrise Assisted Living has completely retrofitted the facility and can achieve no further water reductions. One solution would be to allow Sunrise to pay for retrofits at another site within the City of Monterey. Other projects such as the proposed expansion of the Monterey Salinas Transit facility in Ryan Ranch, and construction of the proposed Bella Hotel may need to be permitted under special circumstances similar to Sunrise Assisted Living, and the concept of conservation offsets could be a solution. During the discussion of this item, a committee member stated that documenting conservation offsets would be a difficult administrative process. Instead, a property owner should be free to sell water credits for use on another site, as was done previously for the Grove Laundry property. Staff noted that existing regulations allow water from one site to be transferred to the jurisdiction's allocation for transfer to another site, but the water cannot be sold. Also, when water credit at a site expires, the water must be credited to the jurisdiction so that it can be used elsewhere. It was suggested that if a water permit must be issued with special circumstances similar to Sunrise Assisted Living, the applicant could specify before the permit is issued what the source of any additional water needed would be, should they exceed the permitted use. There was consensus that no new regulation authorizing conservation offsets should be developed, and that staff should continue to bring to the committee applications that require special circumstances.

5. **Discuss 2015 Clean-Up Ordinance**

Markey made a motion that was seconded by Byrne to incorporate into an ordinance committee comments on Section 1 through Section 3, and to discuss Section 4 – Section 6 at a subsequent meeting. In addition, the proposed ordinance should be split into two or more ordinances: (a) Section 1, items 1 through 4 that relate to transfer of water credits to non-contiguous sites within a jurisdiction owned by an accredited institution of higher education; and (b) all other clean up issues identified. The motion was approved unanimously by Markey and Byrne.

The changes to section 1 through 4 that were suggested during the discussion are as follows. (A) Section 1, item 2 should be revised to remove the reference to a "single" accredited institution. (B) Section 1, item 5, Measurable Precipitation, should be amended to specify a quantity of precipitation received in a specific amount of time at a defined location. The rule might refer to a page on the MPWMD website that would

track precipitation at a specific location in real-time. (C) Language in Section 2, item 10 needs to be revised – the meaning is not clear as written. (D) The definition of Benefited Properties – make sure that it is consistent throughout the Rules and Regulations. (E) Section 4, item 15 – sub-metering of residential buildings across contiguous property lines should not be allowed.

A representative from the Monterey Institute of International Studies (MIIS) addressed the committee during the public comment period on this item. He expressed appreciation to the committee for considering the water credit transfer issue, as the MIIS campus is divided by city roads and parking lots and this would facilitate the Institute's long-term development plans.

**Other Items:** No discussion of other items.

**Set Next Meeting Date:** The meet was scheduled for September 23, 2015 at 1 pm.

### **Adjournment**

The meeting was adjourned at 3:10 pm.

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