



EXHIBIT 1-B

REVISED DRAFT MINUTES (1/26/16)
**Special Joint Meeting of the
Monterey Peninsula Water Management District and
Monterey Regional Water Pollution Control Agency
Board of Directors
January 14, 2016**

The Special Joint Meeting of the Board of Directors of the Monterey Peninsula Water Management District and Monterey Regional Water Pollution Control Agency and was called to order by MRWPCA Chair De La Rosa at 1:01 pm, on Monday, January 14, 2016 in the Board Room at 5 Harris Court, Building D, Monterey, California

1. Call to Order

Following the roll call, Chair De La Rosa called for a minute of silence in memory of Rich Smith who passed away on December 27, 2015. Chair De La Rosa described Mr. Smith as a man who left a great legacy for our valley.

2. Roll Call

MPWMD Board Members Present:

Jeanne Byrne – Chair, Division 4
Robert S. Brower, Sr. – Vice Chair, Division 5
Brenda Lewis – Division 1
Andrew Clarke – Division 2
Molly Evans – Division 3
David Pendergrass – Mayoral Representative

MPWMD Directors Absent:

David Potter – Monterey County Board of Supervisors Representative

General Manager present: David J. Stoldt

District Counsel present: David Laredo

MRWPCA Board Members Present

Gloria De La Rosa, Chair – Salinas
Rudy Fischer, Vice Chair – Pacific Grove
Linda Grier – Boronda County Sanitation District
Ron Stefani – Castroville Community Services District
Dennis Allion – Del Rey Oaks
Thomas P. Moore – Marina Coast Water District
Libby Downey – Monterey
Tom Razzeca – Moss Landing County Sanitation District
Dave Pendergrass – Sand City
Ralph Rubio – Seaside
Vacant – Ex-Officio – United States Army

MRWPCA Board Members Absent:

John M. Phillips – County of Monterey

MRWPCA Staff Present

Paul Sciuto – General Manager
Stephen Hogg – Assistant General Manager
Tori Hannah – Chief Financial Officer
Bob Holden – Principal Engineer
Rob Wellington – Legal Counsel
Mike McCullough – Gov. Affairs Administrator
Chayito Ibarra – Executive Assistant

Others Present

Keith Vandermaaten, Marina Coast Water District
Rebecca Lee – Public Member

No public comments were received.

Chair De La Rosa recessed the Open Session at 1:05 pm, and commenced Closed Session at 1:06 pm

Chair De La Rosa adjourned the Closed Session at 2:52 pm, and reconvened Open Session at 2:53 pm

MPWMD Counsel Laredo reported that in the Closed Session the MRWPCA and MPWMD Board of Directors, pursuant to an executed joint defense agreement, on the listed agenda item of 4-A (Application of California American Water to CPUC (No. 12-04-019) Monterey Peninsula Water Supply Project), the Boards received information about matters related to the CPUC proceeding, gave general direction to staff and legal counsel, and no reportable action was taken.

Chair De La Rosa led the Pledge of Allegiance.

Chair De La Rosa called for public comments.

Rebecca Lee, spoke in favor of the increased use of pervious surface paving materials. She suggested that a new rebate program be funded for every city in the Monterey Peninsula that will cover the cost difference between impervious and pervious surface materials in normal repairs and replacements.

MPWMD General Manager Stoldt stated that the Water Purchase agreement was presented to the Boards for approval, subject to the following two edits. (+) Correct the description of conveyances in (a) Section 7. Obligation to Pay Design and

3. Public Comment on Closed Session Items

4. Adjourn to Closed Session

A. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code 54956.9 (a)

1. Application of California American Water to CPUC (No.12-04-019) – Monterey Peninsula Water Supply Project

5. 2:00 P.M. Reconvene Open Session

6. Announcements from Closed Session

7. Pledge of Allegiance

8. Public Comments

9. Action Items

- A. Provide Direction to Staff on Pure Water Monterey Purchase Agreement and Cost Issues

Construction Costs, sentence 2, should be edited as shown in bold, italicized text: “Title to the structures, improvements, fixtures, machinery, equipment, ~~and~~ materials, *and pipeline capacity rights*...” (2) and also (b) Exhibit B, Description of Project, the section titled Product Water Facilities, should be amended as shown in the bold, italicized text: “new pipelines, *pipeline capacity rights*, booster pump station(s) appurtenant facilities.....”

Chair De La Rosa asked for questions from the Board, hearing none she asked for public comments. There were no public comments received.

Mr. Rubio made a motion to approve the staff recommendation, including the amendments to Section 7 and Exhibit B.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Downey, to approve form of the Water Purchase Agreement for Pure Water Monterey project, subject to amendments to Section 7 and Exhibit B, and direct submittal to the California Public Utilities Commission and carried by the following roll call vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Allion, Downey, Pendergrass, Rubio

Noes: None

Absent: Moore, Phillips

ACTION TAKEN: It was moved by Director Byrne and seconded by Director Brower to approve form of the Water Purchase Agreement for Pure Water Monterey Project, subject to amendments to Section 7 and Exhibit B, and direct submittal to the California Public Utilities Commission and carried by the following roll call vote:

Ayes: Byrne, Brower, Clarke, Evans, Lewis and Pendergrass

Noes: None

Absent: Potter

No Board Comments/Reports

At 3:00 p.m. with no further business, Chair De La Rosa adjourned the meeting to the next regularly scheduled MRWPCA Board Meeting to be held in the Board Room at 5 Harris Court, Building D, in Monterey, California on Monday, January 25, 2016 at 6:00 p.m.

10. **Board Member Comments/Reports**

11. **Adjournment**



General Manager's Report Item 8:

Status Report on Cal-Am Compliance
with SWRCB Orders and Seaside Basin
Decision as of January 1, 2016

Meeting Date: January 27, 2016

Staff contact: David J. Stoldt

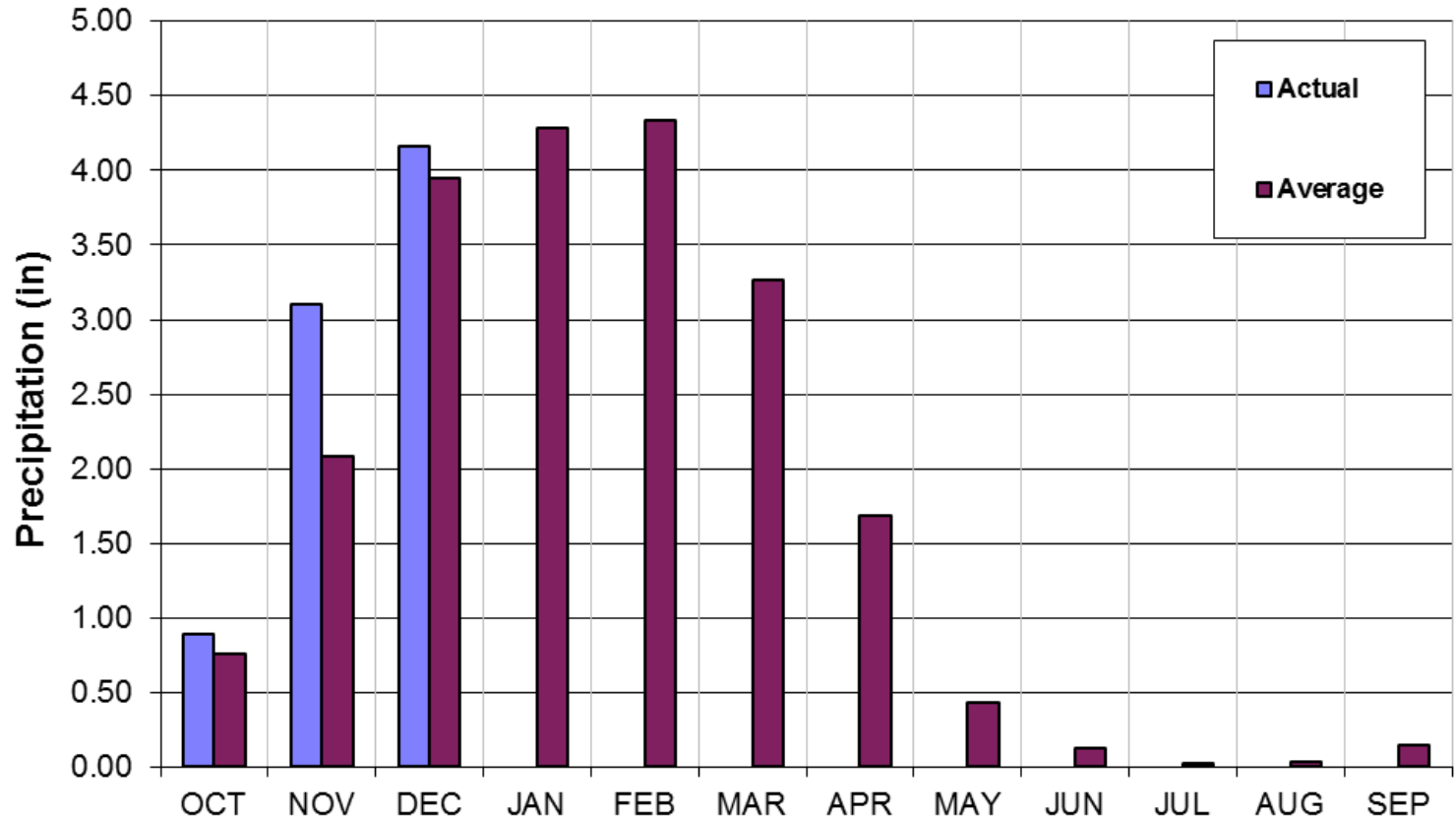
Actual versus Target Production for Cal-Am: Oct to Dec 2015 (All Values in Acre-Feet)

Year-to-Date Values	Carmel River Basin	Seaside Groundwater Basin		Water Rights and Projects			MPWRS Total
		Coastal	Laguna Seca	ASR Projects	Table 13	Sand City	
Target	1,865	800	11	0	24	75	2,775
Actual	1,574	520	71	0	0	11	2,177
Difference	291	280	-60	0	24	64	598

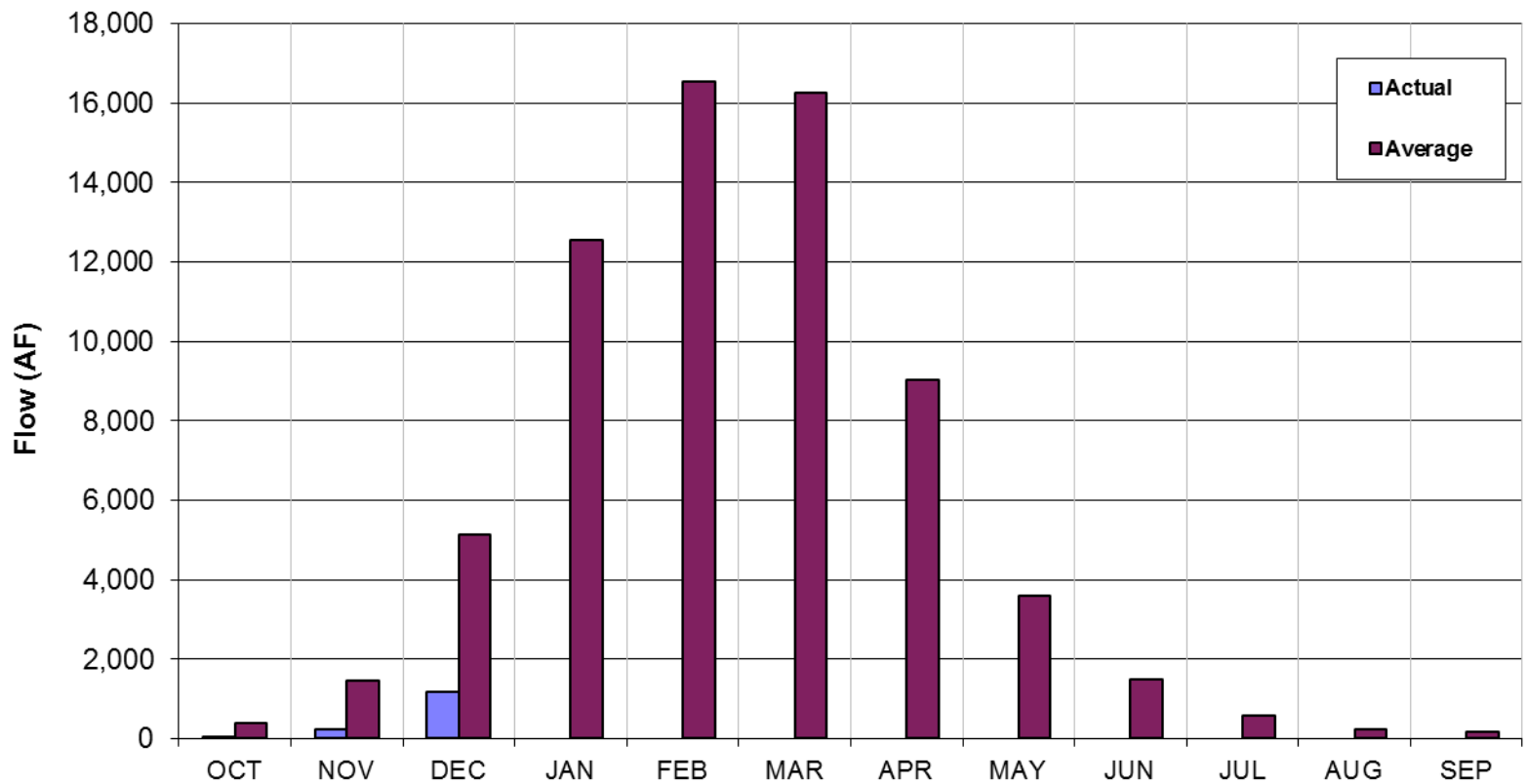
Notes:

1. “Sand City” refers to the Sand City Desalination Facility, which pumps brackish water from the Seaside Groundwater Basin as source water. The Sand City values refer to yield from the facility.
2. “ASR Projects” refers to the Phase 1 and 2 Aquifer Storage and Recovery (ASR) Project and the values refer to the amount of stored water recovered for customer service.
3. “MPWRS” refers to Monterey Peninsula Water Resource System.
4. Carmel River Basin Target reflects assumed annual production of 300 AF from Sand City.
5. Production numbers are estimated pending finalization of CAW production data.
6. Carmel River Basin target represents quarterly adjustments based on differences between budgeted values and actual production from other sources.

Recorded Rainfall at San Clemente Dam: Water Year 2016



Estimated Unimpaired Carmel River Flow at San Clemente Dam: Water Year 2016



Arlene Tavani

From: Luke Coletti <ljc@groknet.net>
Sent: Wednesday, January 27, 2016 1:14 PM
To: Lewis4water@gmail.com; wthayer@thayerconstruction.com; water@mollyevans.org; jcbarchfaia@att.net; sandcitymyr@aol.com; district5@co.monterey.ca.us; rbrower136@gmail.com; Dave Stoldt; David Laredo; Arlene Tavani
Cc: ddadamo@waterboards.ca.gov; felicia.marcus@waterboards.ca.gov; frances.spivy-weber@waterboards.ca.gov; smoore@waterboards.ca.gov; tdoduc@waterboards.ca.gov; thoward@waterboards.ca.gov; Barbara.Evoy@waterboards.ca.gov; Darrin.Polhemus@waterboards.ca.gov; O'Hagan, John@Waterboards; Marianna.Aue@waterboards.ca.gov; robert.maclean@amwater.com; Eric.Sabolsice@amwater.com; Richard.Svindland@amwater.com; larrysilver@earthlink.net; Brian LeNeve; O'Neill, Brian@Coastal
Subject: Jan 27, 2016 MPWMD Board Meeting, Item13 - CONSIDER SECOND READING AND ADOPTION OF ORDINANCE NO. 168 -- AMENDING RULE 11, AND ADDING RULE 23.9 TO ESTABLISH A WATER ENTITLEMENT FOR THE CITY OF PACIFIC GROVE
Attachments: rs2015_0070.pdf

MPWMD Board Members,

SWRCB Resolution 2015-0070:

At their Nov 17, 2015 meeting the SWRCB implemented a condition to the funding of the Pacific Grove Local Water project that affirms both Section 19.2 and Condition 2 of the Cal-Am Cease and Desist Order WRO 2009-0060 (see Whereas 12 and Condition 4b in SWRCB Resolution 2015-0070 - attached PDF).

Whereas 12 reads as follows: Section 19.2 of State Water Board Order WR 2009-0060 states that cities on the Monterey Peninsula that receive water from Cal-Am must first apply any new water developed to offsetting diversions from the Carmel River prior to using the water for growth.

Condition 4b reads as follows: The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board's Executive Director to apply the Project's recycled water and associated demand reductions to new service connections or to increased use at existing service addresses resulting from a change in zoning or use.

It appears to me that MPWMD staff doesn't believe this condition applies to the District. Also, there is absolutely no mention of 2015-0070 Condition 4b in the proposed text for MPWMD Ordinance 168. Instead, the District appears to be "thumping their nose" at the SWRCB by omitting Condition 4b from MPWMD Ordinance 168 and also by gifting yourself an entitlement of 9 afy that apparently can be allocated/used without complying with SWRCB desires, detailed in SWRCB Res. 2015-0070. Agenda reports for both the first and second readings of MPWMD Ordinance 168 are provided below:

<http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2015/20151214/19/Item19.htm>

<http://mpwmd.dst.ca.us/asd/board/boardpacket/2016/20160127/13/Item-13.htm>

CEQA:

In the Jan 17 agenda report MPWMD staff has added additional instructions that mention the "The District Board action must comply with CEQA". However, the Supplemental EIR for the Pacific Grove Local Water Project (that claims to have examined the environmental impacts of re-using the "saved" potable water freed up by the project) did not in fact analyze any of the impacts of re-using the portion of water that the district is gifting itself. I provide below my SEIR comment (E7) and the City's response (found on SEIR p. 2-35 - link below):

Coletti SEIR Comment E7: "Page S-1 states the SDEIR does not analyze potential environmental effects from the 35 AFY of water retained by MPWMD as it is not part of the City entitlement. While it is not part of the City entitlement, there are effects on the environment from gifting MPWMD water and those impacts are also a result of the project. The Final EIR must evaluate those cumulative impacts".

City Response: "Comment noted. However, any analysis of the potential impacts from use of the 35 AFY by the MPWMD would be highly speculative and therefore not required under CEQA Section 15145. In addition, use of entitlements by MPWMD would require subsequent analysis for their approval at the time any such use of all or a portion of the 35 AFY was contemplated".

<http://www.cityofpacificgrove.org/sites/default/files/general-documents/local-water-project/final-seir20150909compress.pdf>

Why are the potential environmental effects and impacts of the MPWMD entitlement (re-use) any more speculative than Pacific Grove's entitlement (re-use)? Citing CEQA Section 15145 (link below) seems like an extremely capricious means of dodging the impacts of the MPWMD entitlement. Therefore, I am formally requesting that the board make specific findings regarding how and why it is not necessary to evaluate the potential environmental impacts of the 9 afy entitlement you are gifting yourself.

<http://www.pclfoundation.org/publications/ceqaguidelines/Article-10.html#sec15145>

Finally, let me state that I believe any entitlement post WRO 95-10 and certainly post WRO 2009-0060 is, at best, problematic. I oppose the inclusion of any past use of unlawful water (diverted by Cal-Am) for the purpose of determining a MPWMD "entitlement". Is anyone really "entitled" to profit from something that was taken/used unlawfully? I certainly don't believe so. Also, how will carrying these entitlements into the future provide the much proclaimed conservation benefits (water and energy) that this state funded project was specifically meant to provide? I intend to advocate this position as part of the upcoming Cal-Am CDO extension hearings at the SWRCB, where the question of MPWMD entitlements (especially this one) will surely be discussed.

http://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_company/index.shtml

Please include this e-mail *and* the attached PDF into the public record.

Thank you for your consideration,

Luke Coletti
Pacific Grove

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2015-0070**

**APPROVING WATER RECYCLING FUNDING PROGRAM (WRFP) AND CLEAN WATER
STATE REVOLVING FUND (CWSRF) FINANCING FOR THE CITY OF PACIFIC GROVE
LOCAL WATER PROJECT (PROJECT)**

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on February 17, 2015, amended the "*Policy for Implementing the Clean Water State Revolving Fund*" (Policy);
2. The City of Pacific Grove (City) applied for a CWSRF Loan and WRFP Grant for a total of \$7.7 million for the construction of a new satellite recycled water treatment plant;
3. The Project is listed on the Project List;
4. The City of Pacific Grove (City) is the lead agency under the California Environmental Quality Act (CEQA), and has prepared an Environmental Impact Report (EIR) for the Project;
5. Adequate public participation was provided through the CEQA review process. The EIR was circulated through the State Clearinghouse (SCH) (No. 2014021058) from September 16, 2014 through October 30, 2014 for public review and commenting;
6. The City certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the Project on November 19, 2014;
7. The City filed a Notice of Determination (NOD) for the EIR with the Monterey County Clerk and Governor's Office of Planning and Research (OPR) on November 20, 2014 and November 24, 2014, respectively;
8. The City prepared a Supplemental EIR for the Project and distributed it to the public and circulated it through SCH for review from July 8, 2015 through August 6, 2015;
9. The City adopted the Supplemental EIR and approved the project on October 7, 2015 and filed an NOD with the Monterey County Clerk and OPR on October 8, 2015 and October 9, 2015, respectively;
10. State Water Board initiated consultation with the State Historic Preservation Officer (SHPO) on February 4, 2015. On March 11, 2015, the SHPO responded with a conditional concurrence. SHPO concurred with a finding of "No Adverse Effects to Historic Properties" with the condition that a qualified archaeological monitor and a Native American monitor be present for all ground-disturbing activities in the Project area;
11. The City's environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts. The Project will not result in any significant adverse water quality impacts; and

12. Section 19.2 of State Water Board Order WR 2009-0060 states that cities on the Monterey Peninsula that receive water from Cal-Am must first apply any new water developed to offsetting diversions from the Carmel River prior to using the water for growth.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$5,285,000 CWSRF construction financing and \$2,415,000 for Prop 13 Water Recycling Funding Program grant for the City's Project.
2. Condition this approval, as determined by the environmental review, with the following:
 - a. The City shall comply with the applicable mitigation measures of the November 2014 MMRP;
 - b. Per the March 11, 2015 concurrence letter from Carol Roland-Nawi of the SHPO to Madeleine Flandreau of the State Water Board, the City shall ensure that qualified archeological and Native American monitors are present during all earth-moving and ground disturbing activities in the Project area;
 - c. The City shall obtain a Coastal Development Permit from the California Coastal Commission, submit a copy to the State Water Board and comply with all required measures therein;
3. Condition this approval, as determined by the City's credit review, with the following:
 - a. The City shall pledge revenues of the Sewer Enterprise Fund for repayment of the proposed CWSRF financing agreement. This pledged revenue fund (source) shall be subject to lien and pledge as security for the Obligation;
 - b. The proposed financing agreement shall be issued on parity with the Capital One Public Funding LLC Wastewater Loan Agreement dated April 1, 2013. Parity debt requires debt service coverage of 1.20 times the total annual debt service;
 - c. The City shall establish rates and charges sufficient to generate net revenues of the Sewer Enterprise Fund equal to at least 1.20 times the total annual debt service;
 - d. The City shall establish a restricted reserve fund, held in the Sewer Enterprise Fund, equal to one year's debt service prior to the construction completion date of the project. The restricted reserve fund shall be maintained for the full term of the Finance Agreement and shall be subject to lien and pledge as security for the Obligation; and
 - e. The City shall submit a revised Pledged Revenue Fund/Source Resolution pledging the Net Revenues of the Sewer Enterprise Fund and the Sewer Enterprise Fund prior to a financing agreement being executed.

4. Condition this approval, as determined by the City's technical review, with the following:

a. The City must submit a Waste Discharge Permit approved by the Central Coastal Regional Water Quality Control Board with the Final Budget Approval package. The financing agreement will not be finalized and no funds will be disbursed for construction until the adopted Waste Discharge Permit is submitted to the Division of Financial Assistance.

b. The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board's Executive Director to apply the Project's recycled water and associated demand reductions to new service connections or to increased use at existing service addresses resulting from a change in zoning or use.

CERTIFICATION


The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on November 17, 2015.

AYE: Chair Felicia Marcus
Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board



The 2016 Monterey Peninsula Water Conservation and Rationing Plan

Public Hearing Item 14
MPWMD Board of Directors
January 27, 2016

“Old” Conservation/Rationing Plan

- 7-Stage Plan
- First 4 Stages intended to achieve regulatory compliance with Cease & Desist Order (CDO)
- Stages 5-7 Water Rationing
 - Regulatory
 - Drought
 - Emergency

Problems with the “Old” Plan

- Plan must be updated as part of CDO extension request
- Difficult and expensive to administer
- Landscape water use is lower than Stage 2 water budgets
- Using Cal-Am survey data, at the minimum ration of 35 GPCD, there is insufficient water for non-residential uses
- Commercial factors don't account for different business practices
- Shuttering businesses impacts the community
 - Jobs (hospitality industry provides 22,000 jobs)
 - Local economy

New 2016 Conservation/Rationing Plan

Stage 1	Stage 2	Stage 3	Stage 4
Prohibition on Water Waste	Voluntary Conservation	Conservation Rates	Rationing
<ul style="list-style-type: none">• Always in effect• Contains definition of water waste, enforcement process, and water waste fees	<ul style="list-style-type: none">• Increased water waste enforcement	<ul style="list-style-type: none">• 25% level 1 surcharge• 40% level 2 surcharge	<ul style="list-style-type: none">• Residential rations first• Non-essential & outdoor water use restrictions• Moratorium

New 2016 Conservation/Rationing Plan

- Best Management Practice-compliant commercial use variance
- “Hardship” variances available (Large Households, Medical, etc.)
- No variances/exemptions for:
 - Short-term residential housing (household ration only)
 - Guests and short-term visitors
 - Irrigation
 - Filling spas, ponds, fountains, etc.
 - Leaks that are not repaired within 72 hours of notice

New 2016 Conservation/Rationing Plan

- Stage Implementation Triggers
 - Physical shortage (Water Resource System storage)
 - Regulatory (missed production targets)
 - Regulatory order
 - Emergency

New 2016 Conservation/Rationing Plan

- Stage Sunset Triggers
 - Physical storage normal for 2 months
 - Less than or equal to its then-current annual production target for two (2) consecutive months
 - Governmental or regulatory agency rescinds the request and physical storage is normal and production targets are being met
 - Emergency over

New 2016 Conservation/Rationing Plan

- Stage 3 Triggers (applicable to Cal-Am only)
 - Stage 2 deemed unsuccessful after 6 months
 - Physical storage trigger at May Board meeting: Total Storage Available in Table XV-4 is below 95% of Total Storage Required
 - Cal-Am production is greater than 105 percent of the then-current annual production target and Stage 2 has not been implemented
 - Directed by a governmental or regulatory agency
 - Emergency exists

New 2016 Conservation/Rationing Plan

- Stage 3 has 2 levels of “conservation rates” at residential tiers 2-5 and non-residential divisions
 - Level 1: 25% increase (Residential Tier 1 exempt)
 - Level 2: 40% increase (Residential Tier 1 exempt)
- Cal-Am customers notified 30 days before Level 1 or Level 2 rates
- Level 2 conservation rates are implemented after 3 months

New 2016 Conservation/Rationing Plan

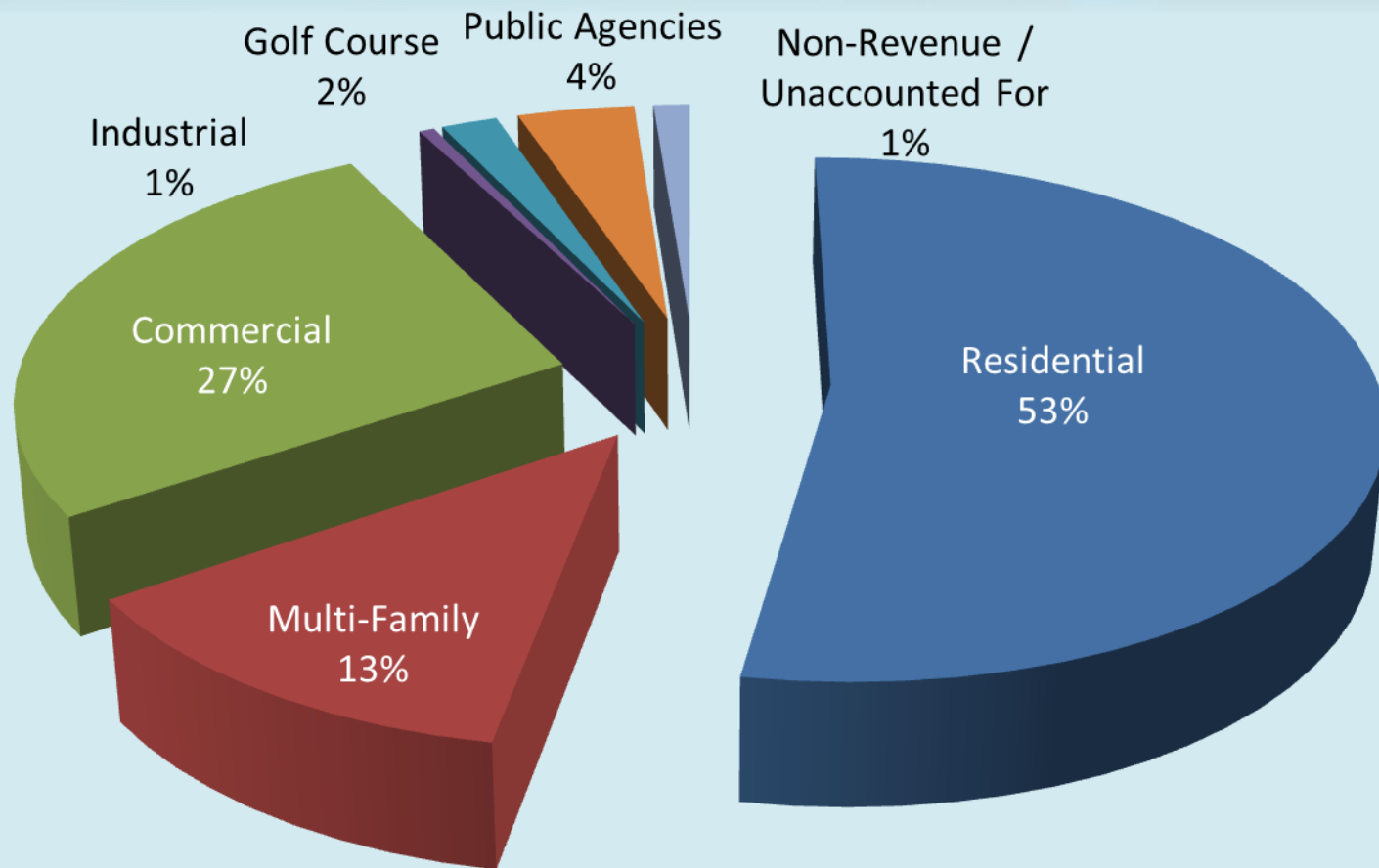
- Stage 4 Triggers
 - Regulatory: Stage 3 (Cal-Am) Stage 3 deemed unsuccessful after 8 months
 - Physical: Stage 3 (Cal-Am) and Stage 2 (non-Cal-Am) deemed unsuccessful after 8 months
 - Directed by a governmental or regulatory agency
 - Emergency exists
- Delay: General Manager determines that production targets (CDO) are likely to be met by a lower Stage
- May delay up to 60 days to ensure adequate operation of the program

New 2016 Conservation/Rationing Plan

- Stage 4 Sunset
 - Regulatory: 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months
 - Physical: remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months
 - Governmental or regulatory agency rescinds the request
 - Emergency ceases

Example of Stage 4 Water Rationing

Water Use on the Monterey Peninsula



Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Water Available:		
From Carmel River (per CDO Modification Application)	8,310	2,707,821,810
From Seaside Basin (after 2018 ramp-down)	<u>1,820</u>	<u>593,048,820</u>
Total	<u>10,130</u>	<u>3,300,870,630</u>
Adjust for Unaccounted for Water (2014 ratio 91.07%)	9,225	3,006,102,883

Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Water Available:		
From Carmel River (per CDO Modification Application)	8,310	2,707,821,810
From Seaside Basin (after 2018 ramp-down)	<u>1,820</u>	<u>593,048,820</u>
Total	<u>10,130</u>	<u>3,300,870,630</u>
Adjust for Unaccounted for Water (2014 ratio 91.07%)	9,225	3,006,102,883
Water Required:		
Prior year customer demand (2014)	10,158	3,309,994,458

Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Water Available:		
From Carmel River (per CDO Modification Application)	8,310	2,707,821,810
From Seaside Basin (after 2018 ramp-down)	<u>1,820</u>	<u>593,048,820</u>
Total	<u>10,130</u>	<u>3,300,870,630</u>
Adjust for Unaccounted for Water (2014 ratio 91.07%)	9,225	3,006,102,883
Water Required:		
Prior year customer demand (2014)	10,158	3,309,994,458
Reduction Required:		
Prior year minus water available	933	303,891,575

Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Water Available:		
From Carmel River (per CDO Modification Application)	8,310	2,707,821,810
From Seaside Basin (after 2018 ramp-down)	<u>1,820</u>	<u>593,048,820</u>
Total	<u>10,130</u>	<u>3,300,870,630</u>
Adjust for Unaccounted for Water (2014 ratio 91.07%)	9,225	3,006,102,883
Water Required:		
Prior year customer demand (2014)	10,158	3,309,994,458
Reduction Required:		
Prior year minus water available	933	303,891,575
Less amount to come from Commercial Irrigation	12	4,000,000
Less amount to come from Commercial Verification	<u>1</u>	<u>350,000</u>
Net Reduction Required	919	299,541,575

Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Net Reduction Required	919	299,541,575
Determine Ratio:		
Prior year residential demand		2,216,394,600
Reduction required		299,541,575
Percent reduction required		13.5%

Rationing Example: Loss of 1,000 AF

	Acre-Feet	Gallons
Net Reduction Required	919	299,541,575

Determine Ration:

Prior year residential demand	2,216,394,600
Reduction required	299,541,575
Percent reduction required	13.5%
Prior year single-family demand	1,683,080,866
Prior year single-family per household (33,309)	50,529
Prior year per household per day consumption	138
Revised per household with percent reduction	43,700
Revised per household per day ration	120

Rationing in the Commercial Sector

- Non-customer driven (only bathrooms) = small capacity for savings
- Customer driven (restaurants/hotels): TOT and sales tax feed the local budgets (if we ask these businesses to reduce service to customers, do we also ask DLI, NPS, MPC and MIIS to reduce enrollment?)
- Water driven businesses (nurseries, laundromats, and coffee shops)
- Water dependent businesses for health and safety purposes (hospitals, assisted living, dialysis, etc.)
- School sports fields, the two potable golf courses
- Previous investments in BMPs

Public and Committee Review

- Recommended by Water Demand Committee
- Two Public Workshops
- Cal-Am Public Workshop
 - Part of the current rate proceeding (A.15-07-019)

Recommendation

- Receive public comment
- Approve first reading of Ordinance No. 169

Staff reports, ordinances and presentation materials can be found on the District's website at:

www.mpwmd.net

PowerPoint presentations will be posted on the website the day after the meeting

REVISED 1/27/2016

ITEM 14

EXHIBIT A

**2015 MONTEREY PENINSULA
WATER CONSERVATION AND RATIONING
PLAN**

REVISED
DRAFT (January 27, 2016)
ORDINANCE NO. 169

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT REPEALING
REGULATION XV, THE EXPANDED WATER CONSERVATION
AND STANDBY RATIONING PLAN,
AND REPLACING IT WITH REGULATION XV, THE 2016 MONTEREY PENINSULA
WATER CONSERVATION AND RATIONING PLAN**

FINDINGS

1. The Water Management District is charged under the Monterey Peninsula Water Management District Law with the integrated management of the ground and surface water resources in the Monterey Peninsula area.
2. The Water Management District has general and specific power to cause and implement water conservation activities as set forth in Sections 325 and 328 of the Monterey Peninsula Water Management District Law.
3. This ordinance is enacted to respond to present and threatened water emergencies, as provided by Section 332 of the District Law. Water emergencies addressed by this ordinance are created by physical, regulatory, and legal circumstances which constrain the amount of water that is available to serve water users in the Monterey Peninsula area.
4. On July 6, 1995, the State Water Resources Control Board (SWRCB), in response to four complaints, issued Order No. WR 95-10 that found that the groundwater in the aquifer underlying and closely paralleling the Carmel River is water flowing in a subterranean stream and subject to the jurisdiction of the SWRCB.
5. SWRCB Order No. WR 95-10 also found that California American Water wells were drawing water from the subterranean stream associated with the Carmel River and had diverted an average of 10,730 acre-feet per year without a valid basis of right.
6. SWRCB Order No. WR 95-10 directed California American Water to reduce its average historical diversions from the Carmel River by 15% in Water Year 1996 and 20% in each subsequent water year until its unlawful diversions were terminated.
7. In Water Year 1997, California American Water's diversions from the Carmel River

1/27/2016

exceeded the limit specified in SWRCB Order No. WR 95-10 and the SWRCB issued an Administrative Civil Liability Complaint against California American Water.

8. On January 28, 1999, to enable compliance with SWRCB Order No. WR 95-10, the Water Management District adopted Ordinance No. 92 that established an Expanded Water Conservation and Standby Rationing Plan.
9. Since establishment of the Expanded Water Conservation and Standby Rationing Plan in 1999, California American Water has complied with the diversion limits specified in SWRCB Order No. WR 95-10 every year.
10. This ordinance repeals the original Regulation XV. Regulation XV was adopted with Ordinance No. 92 (1/29/99) and amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); Ordinance No. 147 (2/24/2011); Ordinance No. 151 (11/19/2012); Ordinance No. 159 (4/21/2014); and Ordinance No. 163 (3/16/2015). Also repealed are Table XV-1 adopted and amended by Resolution 2007-05 (5/21/2007); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Resolution 2009-08 (6/15/2009); Resolution 2009-17 (12/14/2009); Resolution 2010-06 (5/17/2010); Resolution 2011-01 (1/27/2011); Resolution 2011-12 (9/19/2011); Resolution 2012-13 (9/17/2012); Resolution 2013-15 (9/16/2013); Resolution 2014-15 (9/15/2014); Resolution 2015-18 (9/21/2015); Table XV-2 added by Ordinance No. 135 (9/22/2008); amended by Ordinance No. 137 (12/8/2008); Resolution 2009-08 (6/15/2009); Resolution No. 2009-17 (12/14/2009); Resolution 2010-06 (5/17/2010); Resolution 2011-01 (1/27/2011); Resolution 2011-12 (9/19/2011); Resolution 2012-13 (9/17/2012); Resolution 2013-15 (9/16/2013); Resolution 2014-15 (9/15/2014); Resolution 2015-18 (9/21/2015); Table XV-3 added by Resolution 2014-15 (9/15/2014); amended by Resolution 2015-18 (9/21/2015); Table XV-4 added by Resolution 2014-07 (5/19/2014); amended by Resolution 2014-15 (9/15/2014); Resolution 2015-08 (5/18/2015).
11. This ordinance is exempt from the California Environmental Quality Act (CEQA) under Water Code §10652. This ordinance is also exempt from the requirements of CEQA under the provisions of CEQA Guideline 15269 (c) and 15282 (v).

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: **Short Title**

This ordinance shall be known as “The 2016 Monterey Peninsula Water Conservation and Rationing Plan.”

Section Two: **Purpose**

This ordinance repeals the existing Regulation XV and replaces it with a streamlined conservation and rationing plan.

Section Three: **Repeal of Regulation XV, The Expanded Water Conservation and Standby Rationing Plan**

Regulation XV, The Expanded Water Conservation and Standby Rationing Plan of the Monterey Peninsula Water Management District, shall be repealed upon adoption of this ordinance and shall be replaced with the Rules adopted in this ordinance.

Section Four: **Amendment of Rule 11, Definitions**

Rule 11, Definitions, shall be amended as follows, with added language shown in *bold italic* type face and deleted language shown in ~~strikeout~~ type face.

1. ~~BASE USE~~ – “~~Base Use~~” shall mean a reasonable amount of water anticipated to be used by a California American Water User during Stages 1 through 3 Water Conservation. ~~Base Use correlates to the base block rate established by California American Water for the individual customer.~~
2. *CARRYOVER STORAGE* – “*Carryover Storage*” shall mean the volume of usable surface and Groundwater that is in storage at the end of the current Water Year and is projected to be available for use at the beginning of the following Water Year.
3. *CAWD/PBCSD WASTEWATER RECLAMATION PROJECT RECYCLED WATER USERS* – “*CAWD/PBCSD Wastewater Reclamation Project Water Users*” shall mean those Users of the wastewater reclamation project undertaken by the Carmel Area Wastewater District and the Pebble Beach Community Services District that supplies Recycled Water to the Golf Courses and certain open space areas within Pebble Beach.
4. *CCF*– “*CCF*” (or one-hundred cubic feet) shall mean 748 gallons.

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5. **CONSERVATION RATES** – *“Conservation Rates” shall mean the increase in the water rates for all customers at levels of either 25 percent (Level 1 Conservation Rates) or 40 percent (Level 2 Conservation Rates). Conservation Rates do not apply to Residential Tier 1 water use.*
6. **CONVEYOR CAR WASH** – *“Conveyor Car Wash” shall mean a commercial car wash where the vehicle moves on a conveyor belt during the wash and the driver of the vehicle can remain in, or wait outside of, the vehicle.*
7. ~~EMERGENCY RATES~~ – ~~“Emergency Rates” shall mean a higher block water rate used by California American Water during Stage 3 Water Conservation as a mechanism to discourage excessive water use.~~
8. ~~EQUIVALENT CONSUMPTION UNIT~~ – ~~“Equivalent Consumption Unit” or “ECU” shall mean a base water use multiplication factor assigned to every California American Water customer to provide a fair weighting of all customers as compared to the lowest level of water use by any customer. Each customer’s ECU factor shall be assigned by California American Water~~
9. ~~EVEN NUMBERED PROPERTY~~ – ~~“Even Numbered Property” shall mean all property with an official address ending in an even number. This definition shall also apply to properties located on the North or East side of the street in cities or other areas where no numbered street address is available. Landscaped areas associated with a building will use the number of that building as the address. Only one address shall be used for a Landscaped area associated with one building or activity, even if the Landscaped area is broken into many separate subareas.~~
10. **HOUSEHOLD** – *“Household” shall mean all of the people who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room occupied (or if vacant, intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and that have direct access from the outside of the building or through a common hall.*
11. **IN-BAY CAR WASH** – *“In-Bay Car Wash” shall mean a commercial car wash where the driver pulls into a bay, parks the car, and the vehicle remains stationary while either a machine moves over the vehicle to clean it or one or more employees of the car wash clean the vehicle, instead of the vehicle moving through a tunnel.*

12. **INTERRUPTION** – *“Interruption” shall mean an interruption for longer than 12 hours in the supply of Recycled Water to a Recycled Water Irrigation Area.*
13. ~~LARGE RESIDENTIAL WATER USER~~ – ~~“Large Residential Water User” shall mean any Residential Water User consuming at least 384 units (287,232 gallons) in the previous Water Year (or an average of 32 units per month).~~
14. **MEASURABLE PRECIPITATION** – *“Measureable Precipitation” shall mean rainfall of 0.1 inch or more.*
15. **MINIMUM DAILY WATER RATION** – *“Minimum Daily Water Ration” shall mean a Water Ration of 90 gallons per Household.*
16. **MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (DISTRICT)** – *“Monterey Peninsula Water Management District” (“District”) is a public agency created by the California State Legislature in 1977 and approved by the voters on June 6, 1978. The enabling legislation is found at West's California Water Code, Appendix Chapters 118-1 to 118-901.*
17. **MULTI-FAMILY HOUSEHOLD** – *“Multi-Family Household” shall mean the Ration for two or more Dwelling Units receiving water from a Master Meter.*
18. **NON-ESSENTIAL WATER USE** - *“Non-Essential Water Use” shall mean uses of water that are acceptable during times of normal water availability, as long as proper procedures to maximize efficiency are followed. However, when water is in short supply, Non-Essential Water Uses must be curtailed to preserve limited water resources for essential uses. Non-Essential Water Uses do not have health or safety impacts, are not required by regulation, and are not required to meet the core functions of a Non-Residential use. the indiscriminate or excessive dissipation of water which is unproductive, or does not reasonably sustain life or economic benefits. Non-Essential Water Use includes but is not limited to the following:*
1. ~~Serving drinking water to any customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.~~
 2. ~~Operation of fountains, ponds, lakes or other ornamental use of Potable water without recycling.~~

3. ~~Unreasonable or excessive use of Potable water for dust control or earth compaction without prior written approval of the General Manager where nonpotable water or other alternatives are available or satisfactory.~~
4. ~~Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the General Manager.~~
5. ~~Failure to meet MPWMD Regulation XIV retrofit requirements for an existing business after having been given a reasonable amount of time to comply.~~
6. ~~Draining and refilling of swimming pools or spas except (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the General Manager.~~
7. ~~Charity car washes.~~

19. ~~NON-REVENUE WATER METERED AND UNMETERED USE~~ – “Non-Revenue *Water Metered and Unmetered Use*” shall *mean those components of system input volume that are not billed and produce no revenue; equal to unbilled authorized consumption, plus apparent losses, plus real losses.* ~~include water used for Water Distribution System owned and leased facilities, flushing when necessary for health or safety purposes, use for production including filter back washing at two filter plants, rights-of-way, riverbank irrigation, and California American Water Well property irrigation. This definition shall also apply to estimated beneficial water use by fire departments and other municipal uses not prohibited under the definition of Water Waste or Non-Essential Water Use.~~

20. ~~PERMANENT RESIDENT~~ – “Permanent Resident” shall mean a Person who resides continuously in a Dwelling Unit for more than 30 days or a resident that can submit such other evidence to clearly and convincingly demonstrate Permanent Residency. ~~Parttime residents (those individuals who periodically reside in a Dwelling Unit on a regular basis) shall be counted as a fractional Permanent Resident.~~

21. ~~PRIMARY RESIDENCE~~ – “Primary Residence” shall mean the main or principal Dwelling Unit inhabited by one or more Persons.

22. **PRESSURE REGULATING DEVICE** – “*Pressure Regulating Device*” shall mean a *water pressure reducing device installed in the water line after the WaterMmeter that automatically reduces the pressure from the water supply main to a lower pressure.*

23. **RECYCLED WATER IRRIGATION AREAS** – *“Recycled Water Irrigation Areas” shall mean the golf courses and other vegetated areas located within the Del Monte Forest that are being irrigated with Recycled Water.*
24. **RESIDENCY AFFIDAVIT** – *“Residency Affidavit” shall mean a document attesting to the number of Permanent Residents in a Household.*
25. **RESPONSIBLE PARTY** – *“Responsible Party” shall mean the Person or Persons who assume through the District Permit process legal responsibility for the proper performance of the requirements of a Permit holder as defined in the Rules and Regulations and/or in conditions attached to a Permit. “Responsible Party,” when used in the context of the Expanded 2016 Monterey Peninsula Water Conservation and Standby Rationing Plan, shall mean the Person who is responsible for paying the water bill. When a property is served by a private Well or a small Water Distribution System, the “Responsible Party” shall be the Water Users of the Well and the small distribution system Operator.*
26. **SINGLE RESIDENTIAL HOUSEHOLD** – *“Single Residential Household” shall mean a Household that receives its water supply through a Water Meter that is not shared with other Households.*
27. ~~STAGE 1 WATER CONSERVATION~~ – ~~“Stage 1 Water Conservation” shall mean the first stage in the District’s Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water water use in the MPWRS below regulatory constraints by increasing conservation activities and preparing for further stages of conservation and rationing.~~
28. ~~STAGE 2 WATER CONSERVATION~~ – ~~“Stage 2 Water Conservation” shall mean the second stage in the District’s Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water water use in the MPWRS below regulatory constraints by requiring Landscape Water Budgets for large irrigators of over three acres, Large Residential Water Users and Users with Dedicated Irrigation Meters.~~
29. ~~STAGE 3 WATER CONSERVATION~~ – ~~“Stage 3 Water Conservation” shall mean the third stage in the District’s Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water water use in the MPWRS below regulatory constraints and to respond to potential drought or emergencies by imposing higher water charges for excessive water use.~~

30. ~~STAGE 4 WATER RATIONING~~ —“~~Stage 4 Water Rationing~~” is defined as the fourth stage in the ~~District’s Expanded Water Conservation and Standby Rationing Plan~~ that responds to a drought situation or emergency water supply shortage with a 15 percent reduction goal from system production limits for non-California American Water Water Users. Reductions are achieved by voluntary water use cutbacks in addition to Excessive Use Rates imposed during ~~Stage 3 Water Conservation~~.
31. ~~STAGE 5 WATER RATIONING~~ —“~~Stage 5 Water Rationing~~” shall mean the fifth stage in the ~~District’s Expanded Water Conservation and Standby Rationing Plan~~ that responds to a drought situation with a 20 percent mandatory reduction achieved by requiring water use cutbacks by User Category and by per capita water rations and by enacting a moratorium on Water Permits that Intensify Water Use.
32. ~~STAGE 6 WATER RATIONING~~ —“~~Stage 6 Water Rationing~~” shall mean the sixth stage in the ~~District’s Expanded Water Conservation and Standby Rationing Plan~~ that responds to a severe drought situation with a 35 percent mandatory reduction achieved by requiring water use cutbacks by User Category and by per capita water rations and by enacting a moratorium on Water Permits that utilize public or private Water Use Credits and by restricting outdoor water use.
33. ~~STAGE 7 WATER RATIONING~~ —“~~Stage 7 Water Rationing~~” shall mean the seventh stage in the ~~District’s Expanded Water Conservation and Standby Rationing Plan~~ that responds to a critical drought situation with a 50 percent mandatory reduction achieved by requiring water use cutbacks by User Category and by per capita water rations and by prohibiting all nonessential outdoor water use.
34. ***TOTAL STORAGE AVAILABLE*** – “***Total Storage Available***” shall mean the usable water as measured by the District on May 1 in any year that is contained in the Carmel Valley Alluvial Aquifer plus usable water in the Seaside Groundwater Basin and the usable water in the Los Padres Reservoir.
35. ***TOTAL STORAGE REQUIRED*** – “***Total Storage Required***” shall mean the combination of demand remaining from May 1 to September 30 and carryover storage for the next Water Year that is required to meet the following Water Year production limit for California American Water from Carmel River sources set by State Water Resources Control Board Order WR 2009-0060, plus the production limit for California American Water from the Seaside Groundwater Basin set by the Court in its March 27, 2006 Seaside Basin Adjudication Decision and the production limit specified for non-California American Water Users from the Monterey Peninsula Water Resource System set in the District’s Water Allocation Program.

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36. ~~VISITOR~~—“~~Visitor~~” shall mean an occasional occupant who resides in a Dwelling Unit for less than 30 days, but who is not a part-time resident according to the “Permanent Resident” definition.
37. ~~WATER BANK~~—“~~Water Bank~~” shall mean an account managed by the District or its agent that tracks the difference in the amount of water used and the amount of each User’s Water Ration during a Rationing Year.
38. ~~WATER RATIONING CONTINGENCY~~—“~~Water Rationing Contingency~~” shall mean a percentage of water production not allocated for rations.
39. WATER RATION - “Water Ration” shall mean a specific amount of water available to each Water User during Stage 5-7 ~~4~~ Water Rationing.
40. WATER SUPPLY EMERGENCY - “Water Supply Emergency” shall mean a declaration pursuant to Regulation XV, ~~Expanded~~ *The 2016 Monterey Peninsula* Water Conservation and ~~Standby~~ Rationing Plan, that a water shortage emergency condition prevails within the area *one or more Water Distribution Systems*.
41. WATER WASTE - “Water Waste” shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water *as defined in Rule 162*. ~~Water Waste shall include, but not be limited, to the following:~~
- ~~1. Waste caused by correctable leaks, breaks or malfunctions. This loss of Potable water may be cited as Water Waste after a reasonable period of time has passed in which the leak or malfunction could have been corrected. Exceptions may be granted by the General Manager for corrections, which are not feasible or practical.~~
 - ~~2. Indiscriminate or excessive water use which allows excess to run to waste.~~
 - ~~3. Use of Potable water for washing driveways, patios, parking lots, tennis courts, or other hard surfaced areas, except in cases where health or safety are at risk and the surface is cleaned with a Water Broom or other water efficient device or method. Water should be used only when traditional brooms are not able to clean the surface in a satisfactory manner.~~
 - ~~4. Use of Potable water for pressure/power washing buildings and structures, except when preparing surfaces for paint or other necessary treatments.~~

- ~~5. Hand watering without quick acting Positive Action Shut-Off Nozzles.~~
- ~~6. Irrigation between 9 a.m. and 5 p.m. on any day, and irrigation on any day other than Saturdays and Wednesdays, except for irrigation overseen by a professional gardener or landscaper who is available on Site and that is not exceeding a maximum two watering days per week, or that is water efficient non-sprinkler irrigation managed by an operational Smart Controller.~~
- ~~7. Failure to arrange for a Landscape Water Audit within 60 days of notification of a requirement to obtain an audit.~~
- ~~8. Failure to complete a Landscape Water Audit within 60 days of a significant modification to an audited Landscape.~~
- ~~9. Failure to maintain water use within a mandatory Landscape Water Budget.~~
- ~~10. Use of water for more than minimal Landscaping, as defined in the Landscaping regulations of the Jurisdiction or as described in Article 10.8 of the California Government Code.~~
- ~~11. Operation of fountains, ponds, lakes or other ornamental use of Potable water without recycling.~~
- ~~12. Draining and refilling of swimming pools or spas except (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the General Manager.~~
- ~~13. Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.~~
- ~~14. Use of water for washing commercial aircraft, cars, buses, boats, trailers or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use.~~
- ~~15. Operation of a commercial full service car wash without recycling at least 50 percent of the Potable water used per cycle.~~
- ~~16. Charity car washes.~~

- ~~17. Use of Potable water for street cleaning.~~
- ~~18. Failure to meet MPWMD Regulation XIV retrofit requirements for an existing business after having been given a reasonable amount of time to comply.~~
- ~~19. Serving drinking water to any customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.~~
- ~~20. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.~~
- ~~21. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.~~
- ~~22. Unreasonable or excessive use of Potable water for dust control or earth compaction without prior written approval of the General Manager where non-Potable water or other alternatives are available or satisfactory.~~
- ~~23. Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the General Manager.~~
- ~~24. Misrepresentation of the number of Persons permanently residing on a property where water is supplied by a Water Distribution System or by a private Well.~~
- ~~25. Water use in excess of a Water Ration.~~

The following activities shall not be cited as Water Waste:

- ~~1. Flow resulting from firefighting or essential inspection of fire hydrants;~~
- ~~2. Water applied to abate spills of flammable or otherwise hazardous materials, where water application is the appropriate methodology;~~
- ~~3. Water applied to prevent or abate health, safety, or accident hazards when alternate methods are not available;~~
- ~~4. Storm run-off;~~
- ~~5. Flow from fire training activities during Stage 1 Water Conservation through Stage 3 Water Conservation;~~

- ~~6. Reasonable quantities of water applied as dust control as required by the Monterey Bay Unified Air Pollution Control District, except when prohibited by Regulation XV.~~

Section Five: **Rule 160 – Regulatory Production Targets And Physical Storage Target**

The monthly distribution of water production from sources within the Monterey Peninsula Water Resource System (MPWRS), as shown in Tables XV-1, XV-2, and XV-3 shall be approved by the Board of Directors as part of the Quarterly Water Supply Strategy and Budget process. The Board shall hold public hearings during the Board’s regular meetings in September, December, March, and June, at which time the Board may modify Tables XV-1, XV-2, and XV-3 by Resolution.

The Physical Storage Target, as shown in Table XV-4 shall be approved as of May 1 each year by the Board of Directors. The Board shall hold a public hearing during the Board’s regular meeting in May, at which time the Board may modify Table XV-4 by Resolution.

EXAMPLE OF Table XV-1
Regulatory Water Production Targets
for All California American Water Systems from Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	1,097	1,097
November	922	2,019
December	812	2,831
January	813	3,644
February	763	4,407
March	867	5,274
April	933	6,207
May	1,135	7,342
June	1,180	8,522
July	1,284	9,806
August	1,264	11,070
September	<u>1,174</u>	12,244
TOTAL	12,244	--

Notes:

Monthly and year-to date at month-end production targets are based on the annual Production Limit specified for the California American Water (Cal-Am) systems for Water Year (WY) 2015 from Carmel River sources per State Water Resources Control Board Order WR 2009-0060 (9,945 Acre-Feet) and adjusted annual production limits specified for the Cal-Am satellite systems from its Coastal Subarea sources (2,251 Acre-Feet) and Laguna Seca Subarea sources (48 Acre-Feet) of the Seaside Groundwater Basin per the Seaside Basin Adjudication Decision. These values do not include consideration of any carryover credit in the Seaside Basin for WY 2015. This combined total (12,244 Acre-Feet) was distributed monthly based on Cal-Am's reported monthly average production for its main and satellite systems during the WY 2006 through 2013 period.

EXAMPLE OF Table XV-2
Regulatory Water Production Targets
for California American Water Satellite Systems from Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	5	5
November	3	8
December	3	11
January	3	14
February	2	16
March	3	19
April	3	22
May	5	27
June	5	32
July	6	38
August	5	43
September	5	48
TOTAL	48	--

Notes:
Monthly and year-to-date at month-end production targets are based on the adjusted annual production limit specified for the California American Water (Cal-Am) satellite systems for Water Year 2015 from its sources in the Laguna Seca Subarea of the Seaside Groundwater Basin per the Seaside Basin Adjudication Decision. This Laguna Seca Subarea total (48 Acre-Feet) was distributed monthly based on Cal-Am's reported monthly average production for its satellite systems during the 2006 through 2013 period.

EXAMPLE OF Table XV-3
Regulatory Water Production Targets
for California American Water Systems from Carmel River Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	891	891
November	749	1,639
December	660	2,300
January	661	2,961
February	620	3,581
March	704	4,285
April	758	5,043
May	922	5,965
June	958	6,923
July	1,043	7,965
August	1,027	8,992
September	953	9,945
TOTAL	9,945	---

Notes:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for California American Water (Cal-Am) for Water Year (WY) 2015 from its Carmel River system sources per State Water Resources Control Board Order WR 2009-0060 (9,945 Acre-Feet). This amount was distributed monthly based on Cal-Am's reported monthly average production for its Main California American Water System sources during the WY 2006 through 2013 period. These values incorporate consideration of the triennial reductions specified for the Cal-Am systems in the Seaside Basin Adjudication Decision, in setting the monthly maximum production targets from each source as part of the MPWMD Quarterly Water Supply Budget Strategy.

EXAMPLE OF Table XV – 4
Physical Storage Target
for the Monterey Peninsula Water Resource System
for the Remainder of WY 2015 and all WY 2016

PRODUCER	MAY-SEPTEMBER DEMAND	CARRYOVER STORAGE NEEDS FOR NEXT YEAR DEMAND	TOTAL STORAGE REQUIRED ON MAY 1
California American Water (Cal-Am)	7,071	12,123	19,194
<u>Non Cal-Am</u>	<u>1,946</u>	<u>3,046</u>	<u>4,992</u>
Total	9,017	15,169	24,186
			TOTAL STORAGE AVAILABLE ON MAY 1
			30,990⁵

Notes:

1. The May-September period refers to the remainder of the current Water Year.
2. Carryover Storage refers to the volume of usable surface and Groundwater that is in storage at the end of the current Water Year and is projected to be available for use at the beginning of the following Water Year.
3. Total Storage Required refers to the combination of demand remaining from May 1 to September 30 and Carryover Storage for the next Water Year that is required to avoid imposing various levels of water Rationing. The values in **bold type** represent the storage triggers that would be used for the system in Water Year 2015. The values are based on the production limits for California American Water (Cal-Am) from Carmel River sources (9,945 Acre-Feet in WY 2015 and 9,824 Acre-Feet in WY 2016) set by State Water Resources Control Board Order WR 2009-0060, the production limit for Cal-Am from the Seaside Groundwater Basin (2,299 Acre-Feet in WY 2015 and in WY 2016) set by the Court in its March 27, 2006 Seaside Basin Adjudication Decision, and the production limit specified for non-Cal-Am Users from the Monterey Peninsula Water Resource System set in the District's Water Allocation Program (Ordinance No. 87).
4. The rationing triggers are based on physical water availability and do not account for legal or environmental constraints on diversions from the Carmel River system.
5. May 1, 2015 System Storage = 30,990 Acre-Feet (26,220 Acre-Feet Carmel Valley Alluvial Aquifer; 3,100 Acre-Feet Seaside Groundwater Basin; 1,670 Acre-Feet Los Padres Reservoir); this is 97 percent of average and 82 percent of System Capacity (37,505 AF).

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Section Six: **Rule 161 – General Provisions**

- A. All Water Users within the Monterey Peninsula Water Management District shall comply with the District’s Water Waste Prohibitions of Rule 162 and with the requirements of MPWMD Regulation XIV, Water Conservation.

- B. California American Water shall amend its Urban Water Management Plan and its Rule 14.1.1 (Standard Practice U-40-W), Water Shortage Contingency Plan - Monterey County District, to conform to this Regulation. A copy of Rule 14.1.1 shall be filed with the California Public Utilities Commission (CPUC) and the District within thirty (30) days of the effective date of this Regulation and any amendment thereto.

- C. Water Distribution Systems regulated by the CPUC shall amend their Rule 14.1 to conform to this Regulation. A copy of Rule 14.1 shall be filed with the California Public Utilities Commission (CPUC) and the District within thirty (30) days of the effective date of this Regulation and any amendment thereto.

- D. At least ten (10) days prior to a first reading of amendments to Regulation XV, a copy of the proposed changes shall be provided to the CPUC Office of Ratepayer Advocates (ORA).

- E. California American Water shall provide the District with monthly consumption reports by customer classification and jurisdiction in a format approved by the District. A Water Year summary report shall be provided by December 1 of the next Water Year. Monthly reports shall be provided within fifteen (15) days of the close of the preceding month.

- F. Each Water Distribution System Operator shall provide individual consumption data pertaining to any Water User of that Water Distribution System upon written request of the General Manager. Data shall be in the form and manner specified by the General Manager and may be subject to a non-disclosure agreement with the Water Distribution System Owner/Operator. Each failure to respond in full to such written request by the date specified therein shall result in a penalty to the Water Distribution System of five-hundred dollars (\$500) per day for each day or portion thereof that the response is delayed.

- G. The General Manager shall retain and use any data received under this provision for the sole purposes of testing, administering, evaluating or enforcing water Rationing, Water Waste, or other provisions of the Rules and Regulations.

- H. California American Water shall maintain Non-Revenue Water in its Water District Systems at or below seven (7) percent. Average losses of more than seven (7) percent during the most recent twelve-month period shall be considered Water Waste.
- I. Each Water Distribution System Operator shall provide written notice of any adjustment to a Water Conservation or Rationing Stage to every customer via first class mail at least thirty (30) days before any change in Stage is imposed.
- J. At all times during Stages 2 through 4 each affected Water Distribution System shall send monthly conservation reminders.
- K. During a Water Supply Emergency, or at the direction of the Board *of Directors*, each Owner or Operator or Extractor of a private water Well, Water Distribution System, or other Water-Gathering Facility shall comply with the provisions of this Regulation, as they relate to such Well, Water Distribution System, or other Water-Gathering Facility.

Section Seven: Rule 162 -- Stage 1 Water Conservation: Prohibition on Water Waste

- A. Trigger. Stage 1 shall remain in effect at all times and shall apply to all Water Users subject to modification by the Board.
- B. Water Waste Prohibitions. Water Waste shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water. Water Waste shall include, but not be limited, to the following:
 - 1. Waste caused by correctable leaks, breaks or malfunctions. All leaks, breaks, or other malfunctions in a Water User's plumbing or distribution system must be repaired within 72 hours of notification that a leak exists. Exceptions may be granted by the General Manager for corrections, which are not feasible or practical.
 - 2. Indiscriminate or excessive water use which allows excess to run to waste.
 - 3. Washing driveways, patios, parking lots, tennis courts, or other hard surfaced areas with Potable water, except in cases where health or safety are at risk and the surface is cleaned with a Water Broom or other water efficient device or method. Water should be used only when traditional brooms are not able to clean the surface in a satisfactory manner.

4. Power or pressure washing buildings and structures with Potable water, except when preparing surfaces for paint or other necessary treatments or when abating a health or safety hazard.
5. Irrigation between 9 a.m. and 5 p.m. on any day, and irrigation on any day other than Saturdays and Wednesdays, except for irrigation overseen by a professional gardener or landscaper who is available on Site and that is not exceeding a maximum two watering days per week. This prohibition applies to hand watering with a hose, and irrigation systems whether spray, drip, or managed by a Smart Controller. Limited hand watering of plants or bushes with a small container or a bucket is permitted on any day at any time. Subsurface Graywater Irrigation Systems may also be operated at any time. An exemption may be given to a Non-Residential establishment whose business requires water in the course of its business practice (e.g. golf courses, nurseries, recreational space, among others) with notification by the business owner to the District, and subject to the approval of the General Manager.
6. Hand watering by a hose, during permitted hours, without a quick acting Positive Action Shut-Off Nozzle.
7. Irrigating during rainfall and for 48 hours after Measurable Precipitation.
8. Use of water for irrigation or outdoor purposes in a manner inconsistent with California's Model Water Efficient Landscape Ordinance (Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, and any successor regulations) where applicable, or in a manner inconsistent with local regulations.
9. Operation of fountains, ponds, lakes or other ornamental use of Potable water without recycling, and except to the extent needed to sustain aquatic life, provided such animals are of significant value and have been actively managed.
10. Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.
11. Washing commercial aircraft, cars, buses, boats, trailers or other commercial vehicles with Potable water, except at water efficient commercial or fleet vehicle or boat washing facilities where equipment is properly maintained to avoid wasteful use.

12. In-Bay or Conveyor Car Washes permitted and constructed prior to January 1, 2014, that do not recycle and reuse at least 50 percent of the wash and rinse water. In-Bay or Conveyor Car Washes that were permitted and constructed after January 1, 2014, that do not either (1) use and maintain a water recycling system that recycles and reuses at least 60 percent of the wash and rinse water; or (2) use recycled water provided by a water supplier for at least 60 percent of its wash and rinse water.
13. Charity car washes.
14. Use of Potable water for street cleaning.
15. Failure to meet MPWMD Regulation XIV water efficiency standards for an existing Non-Residential User after having been given a reasonable amount of time to comply.
16. Serving drinking water to any customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.
17. Visitor-Serving Facilities that fail to adopt and promote towel and linen reuse programs and provide written notice in the rooms, whereby towels and linens are changed every three days or as requested by action of the guest.
18. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.
19. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.
20. Delivery, receipt, and/or use of water from an unpermitted Mobile Water Distribution System.
21. Unreasonable or excessive use of Potable water for dust control or earth compaction without prior written approval of the General Manager where Sub-potable water or other alternatives are available or satisfactory.

22. Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the General Manager.
23. Water use in excess of a Water Ration.
24. Non-compliance with Regulations XIV and XV.

C. The following activities shall not be cited as Water Waste:

1. Flow resulting from firefighting or essential inspection of fire hydrants;
2. Water applied to abate spills of flammable or otherwise hazardous materials, where water application is the appropriate methodology;
3. Water applied to prevent or abate health, safety, or accident hazards when alternate methods are not available;
4. Storm run-off;
5. Flow from fire training activities during Stage 1 Water Conservation through Stage 3 Water Conservation;
6. Reasonable quantities of water applied as dust control as required by the Monterey Bay Unified Air Pollution Control District, except when prohibited.
7. When a Mobile Water Distribution System Permit is not obtained by a State licensed Potable water handler by reason of an emergency or health related situation, authorization for the Mobile Water Distribution System Permit shall be sought from the District by submittal of a complete application compliant with Rule 21, within five working days following commencement of the emergency or health related event.

D. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the District and its designated agents, unless indicated otherwise. All notices and assessments of Water Waste and/or excess water use charges made by a Water Distribution System Operator shall be reported to the District within thirty (30) days.

- E. Each occurrence of Water Waste or Non-Essential Water Use that continues after the Water User has had reasonable notice to cease and desist that type of water use shall constitute a Flagrant Violation.
- F. Repeated occurrences of Water Waste or Non-Essential Water Use, which continue or occur after the Water User has had a reasonable notice to cease and desist that type of water use, or which continues or occurs after the Water User has had a reasonable opportunity to cure any defect causing that type of water use, shall provide cause for the placement of a Flow Restrictor with a maximum flow rate of six (6) CCF/month within the water line or Water Meter. Exemptions to the installation of a Flow Restrictor as a means to enforce the Water Ration shall occur when there are provable risks to the health, safety and/or welfare of the Water User. An exemption shall be made for Master Meters serving three or more Multi-Family Households or Master Meters serving both Residential and Non-Residential Users by substituting an excess water use charge equivalent to the appropriate Water Meter size, Rationing stage, and 4th offense amount times the number of Dwelling Units located on the Water Meter during each month in which a violation of the Water Ration occurs. The Responsible Party shall be liable for payment of all excess water use charges.
- G. Water Waste Fines shall be assessed as shown in Table XV-5. Table XV-5 may be amended by Resolution of the Board. Amendments to this table shall be concurrently made to the Fees and Charges Table found in Rule 60.

**TABLE XV-5
Water Waste Fines**

First offense	No fee: Written notice and opportunity to correct the situation
Fine for first Flagrant Violation	\$100*
Fine for second Flagrant Violation within two (2) months	\$250*
Fine for third and subsequent Flagrant Violations within twelve (12) months	\$500*
Fine for Administrative Compliance Order or Cease & Desist Order	Up to \$2,500 per day* for each ongoing violation, except that the total administrative penalty shall not exceed one hundred thousand dollars (\$100,000.00) exclusive of administrative costs, interest and restitution for compliance re-inspections, for any related series of violations
Late payment charges	Half of one percent of the amount owed per month
*Fines triple for customers using over 500,000 gallons/year	

H. In addition to Water Waste fines and fees described in this Rule 162, enforcement of all District Rules and Regulations is subject to District Regulation XI and may include an Administrative Compliance Order, a Cease & Desist Order, or other remedy available to the District under its Regulation XI.

Section Eight: Rule 163 -- Stage 2 Water Conservation: Voluntary Reduction in Use

A. Trigger.

1. Physical Shortage Trigger (California American Water Company Distribution Systems): Stage 2 shall take effect for all California American Water Company Water Distribution Systems that rely, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas, on June 1 or such earlier date as may be set by the Board following the District's May board meeting if Total Storage Available in Table XV-4 is below the Total

Storage Required, but at least 95 percent of Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.

2. Physical Shortage Trigger (Non-California American Water Company Distribution Systems): Stage 2 shall take effect for any Water Distribution System, other than California American Water Company's Water Distribution Systems, that relies in whole or in part on production or production offsets from the Carmel River System or the Seaside Coastal Subareas on June 1 or such earlier date as may be set by the Board following the District's May board meeting if Total Storage Available in Table XV-4 is below the Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.
3. Regulatory Trigger – Production Targets: Stage 2 shall take effect on the California American Water Company Water Distribution System when the most recent 12 month California American Water production from the MPWRS is greater than the then-current annual production target as determined in Table XV-1 but no greater than 105 percent of the annual production target. The amount of voluntary reduction shall equal the percentage overage of the annual production.
4. Regulatory Trigger – Regulatory Order: Stage 2 shall take effect in any Water Distribution System when that system is directed to reduce use by a governmental or regulatory agency. The amount of voluntary reduction shall equal the percentage directed by that governmental or regulatory agency relative to a base year determined by the governmental or regulatory agency.
5. Emergency Trigger: Stage 2 shall take effect for any Water Distribution System, private Well, or Water User when the Board finds that a Water Supply Emergency exists for a Water Distribution System. Stage 2 shall take effect upon adoption of a Resolution of the District Board of Directors, or a declaration of a Water Supply Emergency by the Water Distribution System Operator or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production and shall name the Water Distribution System(s) affected. The amount of voluntary reduction shall be determined by the Board, the Water Distribution System Operator, or the State or County entity.

B. The Water Distribution System Owner or Operator shall provide notice of the amount of
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voluntary reduction requested to affected Water Users pursuant to Rule 161. Additional noticing and public outreach may be provided by the District at the direction of its Board of Directors.

- C. The District and its agents shall increase enforcement activities related to Water Waste prohibitions.
- D. Stage 1 shall remain in effect.
- E. Sunset.
 - 1. Without further action of the Board of Directors, Stage 2, when implemented pursuant to Rule 163-A-1 and Rule 163-A-2 shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
 - 2. Without further action of the Board of Directors Stage 2, when implemented pursuant to Rule 163-A-3, shall sunset for the California American Water Company and water use restrictions shall revert to Stage 1 when that Water Distribution System's 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
 - 3. Without further action of the Board of Directors Stage 2, when implemented pursuant to Rule 163-A-4, shall sunset for that Water Distribution System(s) and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request and conditions 163-E-1 and 163-E-2 have been met.
 - 4. Stage 2, when implemented pursuant to Rule 163-A-5, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists.

Section Nine: **Rule 164 -- Stage 3 Water Conservation: Conservation Rates**

- A. Trigger.
 - 1. Stage 2 Deemed Unsuccessful: Stage 3 shall take effect for all California American Water Company Water Distribution Systems if Stage 2 has been

implemented pursuant to Rule 162-A-1 or Rule 162-A-3 and has failed to sunset after a period of six (6) months.

2. Physical Shortage Trigger: Stage 3 shall take effect for all California American Water Company Water Distribution Systems, on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if Total Storage Available in Table XV-4 is below 95% of Total Storage Required.
 3. Regulatory Trigger – Production Targets: Stage 3 shall take effect for all California American Water Company Water Distribution Systems when the most recent 12 month California American Water production from the MPWRS is greater than 105 percent of the then-current annual production target as determined in Table XV-1 and Stage 2 has not been implemented.
 4. Regulatory Trigger – Regulatory Order: Stage 3 shall take effect for all California American Water Company Water Distribution Systems when directed by a governmental or regulatory agency to implement Stage 3.
 5. Emergency Trigger: Stage 3 shall take affect for all California American Water Company Water Distribution Systems when the Board finds that a Water Supply Emergency exists and upon adoption of a Resolution of the Board of Directors, or a declaration of a Water Supply Emergency by California American Water, or by a State or County entity due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production through the imposition of Stage 3 Conservation Rates.
- B. Stages 1 and 2 shall remain in effect.
- C. If Stage 2 has not already been implemented, Stage 2 shall be triggered simultaneously with Stage 3.
- D. Thirty days prior to implementation of Stage 3, California American Water shall file to implement Level 1 Conservation Rates within its Main California American Water Company Water Distribution System, the Bishop Water Distribution System, Hidden Hills System, and Ryan Ranch Water Distribution System and shall provide notification to its customers that such rates shall be implemented after thirty (30) days. Prior to an increase to Level 2 Conservation Rates, California American Water shall provide notification to its customers that such rates shall be implemented after thirty (30) days.

1. Level 1 Conservation Rates comprised of a 25 percent surcharge shall be implemented on the then existing rates for a minimum of three (3) months. The surcharge shall not apply to Tier 1 Residential customers.
2. Level 2 Conservation Rates comprised of a 40 percent surcharge shall be implemented on the then existing rates (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for three (3) months the monthly production in the California American Water System exceeds the monthly production target for the previous two (2) consecutive months. The surcharge shall not apply to Tier 1 Residential customers.

E. Sunset.

1. Without further action of the Board of Directors Stage 3, when implemented pursuant to Rule 164-A-2, shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
2. Without further action of the Board of Directors Stage 3, when implemented pursuant to Rule 164-A-3 shall sunset and water use restrictions shall revert to Stage 1 when the 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
3. Without further action of the Board of Directors Stage 3, when implemented pursuant to Rule 164-A-4 shall sunset and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request and Rules 164-A-2 and 164-A-3 do not apply.
4. Stage 3, when implemented pursuant to Rule 164-A-5, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists and Rules 164-A-2 and 164-A-3 do not apply.

Section Ten: **Rule 165 -- Stage 4: Water Rationing**

A. Trigger.

1. Stage 3 Deemed Unsuccessful (California American Water Company Distribution Systems): Stage 4 shall take effect for all California American Water Company

Water Distribution Systems if Stage 3 has been implemented and has failed to sunset after a period of 8 months.

2. Physical Shortage Trigger. Stage 3 Deemed Unsuccessful for California American Water Company Distribution Systems and Stage 2 Deemed Unsuccessful for Non-California American Water Systems: Stage 4 shall take effect for any Water Distribution System that relies, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas if Stage 2 (Non-California American Water Company Water Distribution Systems, private Wells, or Water Users) and Stage 3 (California American Water Company Distribution Systems) have been implemented and have failed to sunset after a period of eight (8) months.
3. Regulatory Trigger: Stage 4 shall take effect in any Water Distribution System when that system is directed by a governmental or regulatory agency to enact Stage 4.
4. Emergency Trigger: Stage 4 shall take effect for any Water Distribution System, private Well, or Water User when the Board finds that a Water Supply Emergency exists and upon adoption of a Resolution of the Board of Directors, or a declaration of a Water Supply Emergency by the Company, or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production through the imposition of Stage 4 Water Rationing.
5. Stage 4 shall not be triggered if the General Manager determines upon credible evidence that the production targets associated with a final Cease and Desist Order are likely to be met by adhering to the requirements of a lesser Stage. The General Manager shall record this determination and any amendment thereto, by memorandum which may be appealed to the Board in accord with Regulation VII, Appeals.
6. Delay of Stage Implementation. The Board may delay implementation of Stage 4 Water Rationing for any Water Distribution System to ensure adequate operation of the program. Delays authorized by the Board shall not exceed sixty (60) days.

B. Amount of Reduction.

1. The amount of mandatory reduction shall equal the shortfall in Total Storage

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Available as compared to the Total Storage Required; or

2. The amount of mandatory reduction shall equal the overage of the last 12 months actual production as compared to the then-current annual production target; or
 3. The amount of mandatory reduction shall equal some other amount as reflected in a governmental or regulatory order.
- C. Stages 1, 2, and 3 (if applicable) shall remain in effect.
- D. Additional Prohibitions.
1. The Board shall consider prohibiting all or specific Non-Essential Water Uses. The Board may enact such prohibitions by Resolution.
 2. California American Water shall maintain Non-Revenue Water at or below seven (7) percent.
 3. Moratorium. Upon implementation of Stage 4, the Board shall declare a moratorium on accepting Water Permit applications within the affected Water Distribution System other than those applications that rely upon a Water Credit, Water Use Credit, or Water Use Permit. The Board may amend the moratorium to include the use of Water Credits and/or Water Use Credits if warranted. All pending Water Permits not issued within 120 days of declaration shall be suspended. Water Use Permits shall be exempt from any moratorium on Water Permits.
 4. No New Potable Water Service: Upon declaration of Stage 4 Water Rationing, no new Potable water service will be provided, no new temporary Water Meters or permanent Water Meters will be provided, and no statements of immediate ability to serve or provide Potable water service (e.g. will-serve letters, certificates, or letters of availability) will be issued by the Water Distribution System Operator, except under the following circumstances:
 - a. The project is necessary to protect the public health, safety, or welfare;
 - b. The setting of meters in the California American Water Company Water Distribution System shall not be terminated or diminished by reason of any water emergency, water moratorium or other curtailment on the

setting of meters for holders of Water Use Permits.

- c. This provision does not preclude the resetting or turn-on of Water Meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.
5. No New Annexations: Upon the declaration of a Stage 4, California American Water Company will suspend annexations to its Service Area. This subsection does not apply to boundary corrections and annexations that will not result in any increased use of water, or annexations required by a regulatory agency.
6. Customers utilizing portable Water Meters or hydrant Water Meters or using hydrants to fill water tanks without the use of a Water Meter, shall be required to cease use of the water, except upon prior approval of the General Manager. Portable Water Meters shall be returned to the Water Distribution System at least thirty (30) days before the implementation of Stage 4.
7. Draining and refilling of swimming pools or spas except (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the General Manager.
8. Restriction on Watering or Irrigating: Watering or irrigating of Lawn, landscape or other vegetated area with Potable water will be subject to restriction at the direction of the District. This restriction does not apply to the following categories of use, or where the District has determined that recycled Sub-potable water is available and may be applied to the use:
 - a. Businesses dependent on watering or irrigating in the course of business such as agriculture, nursery, and similar uses;
 - b. Maintenance of existing Landscaping necessary for fire protection;
 - c. Maintenance of existing Landscaping for soil erosion control;
 - d. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
 - e. Maintenance of Landscaping within active Public parks and playing fields, day care centers and school grounds, provided that such irrigation does not

exceed one (1) day per week;

- f. Actively irrigated environmental mitigation projects.

E. Residential Rations.

- 1. Upon adoption of a Resolution by the Board for a specific reduction in Residential water use, daily Household Water Rations shall be set at a level to achieve the necessary reduction. In no case shall daily Household Water Rations be less than 90 gallons per Household. This shall be known as the Minimum Daily Water Ration.

Where two or more Households are served by a Master Meter, it shall be the responsibility of the Water Users to divide the Water Rations among the Water Users.

- 2. Additional Water Rations for Large Households:

Where four or more Permanent Residents occupy a single Household served by one Water Meter, the Minimum Daily Water Ration may be increased by the amounts listed below:

	Residential Household Gallons per Day
Fourth Permanent Resident	30
Fifth Permanent Resident	25
Sixth Permanent Resident	20
Seven or More Permanent Residents (Per Additional Resident)	15

- 3. Procedure for Obtaining Additional Water Rations for Large Households:

- a. The Applicant shall complete a Residency Affidavit (obtained from the District) that requests the name, age and verification of full-time Permanent Residents for each resident in the Household for which the additional Water Ration is requested. The information on the application shall be presented under penalty of perjury. The additional Water Ration request shall be submitted to the General Manager, who will approve or

- disapprove the request within 10 business days of submission of a completed application.
- b. If the application is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the General Manager, the Applicant may appeal the General Manager's decision to the Board of Directors.
4. Procedure for Obtaining Additional Water Rations Where Two or More Households are Served by a Master Meter:
 - a. The Applicant must fill out the required form that lists the number of Residences served by the Master Meter and submit a use permit issued by the Jurisdiction for the Multi-Residential Dwelling Units served by the Master Meter. The District shall retain the right to require Residency Affidavits to determine the appropriate Water Rations. The additional Water Ration request shall be submitted to the General Manager, who will approve or disapprove the request within 10 business days of submission of a completed application. The Application shall be submitted under penalty of perjury.
 - b. If the application is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the General Manager, the Applicant may appeal the General Manager's decision to the Board of Directors.
 5. Additional Water Ration for Special Needs. Where more water than allowed in Sections 3 or 4 above is necessary to preserve the health or safety of a Household, the General Manager may increase the Water Ration during the period of need according to the needs of the Applicant.
 - a. The Applicant or his or her representative may file a request for an additional Water Ration and shall state to the General Manager: (1) the amount of the requested additional Water Ration, and (2) a general statement in support of the need. Where appropriate, Applicant shall provide a letter from a medical doctor stating the need for additional water usage and projected amount and duration of that need, if possible, or other appropriate justification for the special need.

- b. Additional Water Rations shall require the replacement of inefficient water fixtures to comply with Rule 142-E, Residential and Non-Residential Change of Ownership, Change of Use, and Expansion of Use Water Efficiency Standards.
 - c. Additional Water Rations shall require the Connection have a working Pressure Regulating Valve that maintains water pressure at a maximum of 60 psi.
 - d. If the General Manager does not approve an additional Water Ration, the Applicant may appeal to the Board. An appeal from the General Manager's decision must contain all of the following: (a) a copy of the original application; (b) a copy of the written explanation of the General Manager's decision; and (c) a written explanation of why the Applicant believes the decision should be changed.
6. Misrepresentation. Any Water User intentionally over-reporting the number of Permanent Residents in a Household may be charged with a misdemeanor punishable as an infraction as provided by Section 256 of the Monterey Peninsula Water Management District Law, Statutes of 1981, Chapter 986, as well as fines and penalties set forth in this Regulation. During this Stage 4, whenever there is a change in the number of Permanent Residents, the Water User shall notify the District.

F. Non-Residential Water Rations.

- 1. If Residential Water Rationing does not achieve measurable results as expected after a period of six (6) months, upon adoption of a Resolution by the Board for a specific reduction in Non-Residential water use, Non-Residential Water Rations shall be implemented at a level to achieve the necessary reduction in use.
- 2. Non-Residential Water Rations shall be determined by selection by the District of a previous year for which Stages 2, 3, or 4 Conservation or Rationing was not in place and then reducing each month's water use by a percentage determined by the District to achieve the Non-Residential reduction in use. Where a previous year history is deemed to be unavailable or inappropriate by the District, a Non-Residential Water Ration shall be established by the District based on type of Non-Residential water use, building design, and water fixtures.

3. Exemptions: In the Resolution to implement a level of Non-Residential Rationing, the Board shall include an exemption for compliance with District Rule 143 and an exemption for a Non-Residential establishment whose business requires water in the course of its business practice (e.g. laundromats, nurseries, among others.)
 4. An Applicant or his or her representative may file a request for an additional Water Ration. The Applicant shall state in a letter to the General Manager: (1) the amount of the requested additional Water Ration, and (2) a general statement in support of the need.
 5. Additional Water Rations shall require the Connection have a working Pressure Regulating Valve that maintains water pressure at a maximum of 60 psi.
 6. If the request for additional Water Ration is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the Board, the Applicant may appeal to the Board of Directors for a hearing.
- G. Irrigation required by the Mitigation Program adopted when the Water Allocation Program Environmental Impact Report was adopted in 1990, and as required by SWRCB Order No. WR 95-10, shall not be subject to reductions in use. Required irrigation of the Riparian Corridor shall be identified and reported by California American Water separately from other non-revenue water.
- H. CAWD/PBCSD Wastewater Reclamation Project Recycled Water Users. Recycled Water Irrigation Areas receiving water from the CAWD/PBCSD Wastewater Reclamation Project shall be subject to Stage 4 for Potable water used during an Interruption or emergency, in accordance with contractual Agreements between the District and the respective Owners of the Recycled Water Irrigation Areas.
1. The Owners of the Recycled Water Irrigation Areas shall have the respective irrigation requirements thereof satisfied to the same degree as any non-Project Golf Course or open space which derives its Source of Supply from the California American Water system. The irrigation requirements of the Recycled Water Irrigation Areas will be determined based on the most-recent non-Rationed four-year average irrigation water demand, including both Recycled Water and Potable water, for each respective Recycled Water Irrigation Area.

2. Each Recycled Water Irrigation Area shall be entitled to receive the average irrigation requirement determined above, reduced by the percentage reduction required by the current stage of Water Rationing. If the quantity of Recycled Water that is available is less than the quantity of water that the Recycled Water Irrigation Area is entitled to, Potable water shall be provided to make up the difference and satisfy the irrigation requirements of the Recycled Water Irrigation Areas to the same degree that the irrigation requirements of non-Project Golf Course and open space Users are being satisfied. The preceding sentence shall not apply to the extent that the irrigation requirements of any Recycled Water Irrigation Area are met with water legally available to Buyer from any source other than the Carmel River System or the Seaside Groundwater Basin, including percolating Groundwater underlying Buyer's Property, to make up any such difference.
3. When Recycled Water (as defined in Rule 23.5) is available in sufficient quantities to satisfy the irrigation requirements of the Recycled Water Irrigation Areas, such irrigation shall not be subject to Stage 4, and neither Potable water nor any water described in the preceding sentence (whether or not it is Potable) shall be used for irrigation of the Recycled Water Irrigation Areas except to the extent allowed in the circumstances described in the next two sentences.
4. If there is an Interruption in Recycled Water deliveries to any Recycled Water Irrigation Area (as the capitalized terms are defined in Rule 23.5), the temporary use of Potable water for irrigating each such Recycled Water Irrigation Area is authorized in the manner described in Rule 23.5, Subsection F.
5. If the District has adopted an ordinance in response to any emergency caused by drought, or other threatened or existing water shortage pursuant to section 332 of the Monterey Peninsula Water Management Law, said ordinance shall prevail over contrary provisions of this Rule. Notwithstanding the preceding sentence, Potable water shall be made available for irrigating tees and greens of the Recycled Water Irrigation Areas in sufficient quantities to maintain them in good health and condition during an Interruption, without any limitation on the duration.
6. The District shall have no obligation to furnish Potable water for irrigation of the Recycled Water Irrigation Areas except in the circumstances set forth above.
7. If (1) an emergency or major disaster is declared by the President of the United States, or (2) a "state of war emergency," "state of emergency," or "local

emergency,” as those terms are respectively defined in Government Code section 8558, has been duly proclaimed pursuant to the California Emergency Services Act, with respect to all or any portion of the territory of MPWMD, the provisions of this section shall yield as necessary to respond to the conditions giving rise to the declaration or proclamation.

I. Sunset.

1. Without further action of the Board of Directors, Stage 4, when implemented due to non-compliance with regulatory targets, shall sunset for all California American Water Company Water Distribution Systems and water use restrictions shall revert to Stage 1 when the 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
2. Physical Shortage Trigger: Without further action of the Board of Directors, Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
3. Regulatory Trigger: Without further action of the Board of Directors, Stage 4 shall sunset for that Water Distribution System(s) and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request.
4. Emergency Trigger: Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists.
5. Restoration of Lower Stage. A Resolution causing the sunset of one or more provisions of Stage 4 may also activate any lower Stage as may be warranted for good cause by circumstances affecting a particular Water Distribution System, private Well, or Water User.

Section Eleven: Rule 166 – Water Rationing Exemptions and Variances

A. Special Needs Exemptions. The following needs shall be given additional Rations:

1. Medical and/or sanitation needs certified by a doctor;
2. Hospital and/or health care facilities that have achieved all BMPs for those uses;

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3. Riparian irrigation using water efficient irrigation technology when required as a condition of a River Works Permit issued by the District;
 4. Non-Residential Users that can demonstrate compliance with all District regulations appropriate for the type of use and where there is minimal exterior water use on the Water Meter or water supply serving the use.
- B. Hardship Variances. The following shall be given consideration of additional Rations to meet extraordinary needs:
1. Health and safety situations on a case-by-case basis;
 2. Drinking water for large livestock;
 3. Commercial laundromats with signs advising full loads only;
 4. Business in a home on a case-by-case basis;
 5. Emergency, extreme, or unusual situations on a case-by-case basis.
- C. No Exemption or Variance. The following categories of water use shall not qualify for an additional Ration:
1. Short-Term Residential Housing as defined in Rule 11 (Definitions).
 2. Guests and short-term visitors.
 3. Irrigation, other than variances allowed for required riparian irrigation or safety.
 4. Filling pools, spas, ponds, fountains, etc.
 5. Leaks that are not repaired within 72 hours of notice.
- D. Mandatory Conditions of Approval. Prior to approving any variance, the Site must be in compliance with all applicable District Rules and Regulations and the water conservation standards. Verification by District inspection may be conducted prior to granting a variance.

Section Twelve: Rule 167 – Definitions Used in Regulation XV

Acre-Foot – “Acre-Foot” shall mean an amount of water equal to 325,851 gallons.

Administrative Compliance Order – “Administrative Compliance Order” shall mean a written order issued by the General Manager directing any Person responsible for serious, continuing or recurring violations to take affirmative action to remedy consequences of those violations. Administrative Compliance Orders are in addition to all other legal remedies, criminal or civil, which may be pursued by the Water Management District. An Administrative Compliance Order may be issued in conjunction with a Cease & Desist Order.

Applicant – “Applicant” shall mean the Person or Persons responsible for completing the requirements of an application.

Best Management Practices (BMPs) – “Best Management Practices” shall mean a conservation measure or series of measures that is useful, proven, cost-effective, and generally accepted among conservation experts to reduce water consumption and protect water quality.

Bishop Water Distribution System – “Bishop Water Distribution System” or “Bishop” shall mean the California American Water subsystem as described in the purchase agreement between Bishop Water Company and California American Water dated September 1, 1996.

California American Water Company Water Distribution System – “California American Water Company Water Distribution System” shall mean all California American Water Company Water Distribution Systems that rely, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas.

Carmel River System – “Carmel River System” shall mean water from the Carmel River and underlying alluvial aquifer.

CAWD/PBCSD Wastewater Reclamation Project Recycled Water Users – “CAWD/PBCSD Wastewater Reclamation Project Water Users” shall mean those Users of the wastewater reclamation project undertaken by the Carmel Area Wastewater District and the Pebble Beach Community Services District that supplies Reclaimed Water to the Golf Courses and certain open space areas within Pebble Beach.

Cease & Desist Order – “Cease & Desist Order” shall mean an order issued by the General Manager prohibiting a Person from continuing a particular course of conduct. Cease & Desist Orders are in addition to all other legal remedies, criminal or civil, which may be pursued by the Water Management District. A Cease & Desist Order may be issued in conjunction with an Administrative Compliance Order.

CCF– “CCF” (or one-hundred cubic feet) is equivalent to 748 gallons.

Conservation Rates – “Conservation Rates” shall mean the increase in the water rates for California American Water customers at levels of either 25 percent (Level 1 Conservation Rates) or 40 percent (Level 2 Conservation Rates). Conservation Rates do not apply to Residential Tier 1 water use.

Conveyor Car Wash – “Conveyor Car Wash” shall mean a commercial car wash where the vehicle moves on a conveyor belt during the wash and the driver of the vehicle can remain in, or wait outside of, the vehicle.

District – See Monterey Peninsula Water Management District.

Dwelling Unit – “Dwelling Unit” shall mean single or multiple residences suitable for single household occupancy but shall not refer to non-permanent student or transient housing, the occupancy of which is projected to average 24 months or less.

Extractor – “Extractor” shall mean a user, or consumer of water delivered by a water Well or Water-Gathering Facility, which is not a part of any Water Distribution System.

Flagrant Violation – “Flagrant Violation” shall mean any willful or wanton disregard of the Rules and Regulations of the District which results in unreasonable waste, contamination, or pollution of District waters by any Extractor, User, or by the Owner or Operator of a Well, Water-Gathering Facility or Water Distribution System.

Flow Restrictor – “Flow Restrictor” shall mean a device placed into the Water Distribution System by the distribution system Operator, or put into the output of a private Well, that restricts the volume of flow to the User.

Graywater Irrigation System – “Graywater Irrigation System” shall mean an onsite wastewater treatment system designed to collect Graywater and transport it out of the structure for distribution in an Irrigation System.

Hidden Hills System – “Hidden Hills System” shall mean the California American Water subsystem as described in the purchase agreement between Carmel Valley Mutual Water Company and California American Water recorded July 8, 1994, Document #49389, Reel 3125, Page 696.

Household – “Household” shall mean all the people who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room occupied (or if vacant, intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and that have direct access from the outside of the building or through a common hall.

In-Bay Car Wash – “In-Bay Car Wash” shall mean a commercial car wash where the driver pulls into bay, parks the car, and the vehicle remains stationary while either a machine moves over the vehicle to clean it or one or more employees of the car wash clean the vehicle, instead of the vehicle moving through a tunnel.

Interruption – “Interruption” shall mean an interruption for longer than 12 hours in the supply of Recycled Water to a Recycled Water Irrigation Area.

Laguna Seca Subarea – “Laguna Seca Subarea” shall mean one of the subdivisions of the Southern Seaside Subbasin. Its boundary is shown on a map maintained at the offices of the Water Management District, as that map may be amended from time to time.

Landscaping – “Landscaping” shall mean the arrangement of plants and other materials that may result in outdoor water use.

Lawn – “Lawn” shall mean an area of land planted with live, healthy grass which is regularly maintained, irrigated and groomed at a low, even height.

Main California American Water System – “Main California American Water System” shall mean the California American Water’s Water Distribution System that derives its Source of Supply from the Carmel River System and the Seaside Coastal Subareas of the Seaside Groundwater Basin.

Master Meter – “Master Meter” shall mean a single Water Meter that supplies water to more than one Water User.

Measurable Precipitation – “Measurable Precipitation” shall mean rainfall of 0.1 inch or more.

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Minimum Daily Water Ration – “Minimum Daily Water Ration” shall mean a minimum Water Ration of 90 gallons per day per Household.

Mobile Water Distribution System – “Mobile Water Distribution System” shall mean any Potable or Sub-potable Water delivery that originates at a location apart from the Site of use and that is delivered via a truck or other movable container. This definition includes, but is not limited to, trucked water. This definition shall not apply to deliveries of water by commercial companies in volumes less than or equal to 55 gallons per container.

Model Water Efficient Landscape Ordinance – “Model Water Efficient Landscape Ordinance” shall mean the ordinance found at California Code of Regulations, Title 23. Waters, Division 2. Department of Water Resources, Chapter 2.7.

Monterey Peninsula Water Management District (District) – “Monterey Peninsula Water Management District” (“District”) is a public agency created by the California State Legislature in 1977 and approved by the voters on June 6, 1978. The enabling legislation is found at West's California Water Code, Appendix Chapters 118-1 to 118-901.

Monterey Peninsula Water Resource System (MPWRS) – “Monterey Peninsula Water Resource System” (“MPWRS”) shall mean the surface water in the Carmel River and its tributaries, Groundwater in the Carmel Valley Alluvial Aquifer which underlies the Carmel River, and Groundwater in the Seaside Groundwater Basin.

MPWMD– See Monterey Peninsula Water Management District.

Multi-Family Household – “Multi-Family Household” shall mean a Household where two or more Dwelling Units receive water from a Master Meter.

Non-Essential Water Use – “Non-Essential Water Use” shall mean uses of water that are acceptable during times of normal water availability, as long as proper procedures to maximize efficiency are followed. However, when water is in short supply, Non-Essential Water Uses must be curtailed to preserve limited water resources for essential uses. Non-Essential Water Uses do not have health or safety impacts, are not required by regulation, and are not required to meet the core functions of a Non-Residential use.

Non-Residential – “Non-Residential” shall mean water uses not associated with Residential use. These uses include Commercial, Industrial, Public Authority, Golf Course, Other Use, Non-Revenue Metered Use, and Reclaimed Water.

Non-Revenue Water – “Non-Revenue Water” shall mean those components of system input volume that are not billed and produce no revenue; equal to unbilled authorized consumption, plus apparent losses, plus real losses.

Open Space – “Open Space” shall mean public land area left in an un-built state as defined in the California Government Code, Section 65560. Open Space includes plazas, parks, and cemeteries.

Owner or Operator – “Owner or Operator” shall mean the Person to whom a Water Gathering Facility is assessed by the County Assessor, or, if not separately assessed, the Person who owns the land upon which a Water-Gathering Facility is located.

Permanent Resident – “Permanent Resident” shall mean a Person who resides continuously in a Dwelling Unit for more than 30 days or a resident that can submit such other evidence to clearly and convincingly demonstrate permanent residency.

Positive Action Shut-Off Nozzle – “Positive Action Shut-Off Nozzle” shall mean a device that completely shuts off the flow of water from a hose when released.

Potable – “Potable” shall mean water that is suitable for drinking.

Pressure Regulating Device – “Pressure Regulating Device” shall mean a water pressure reducing device installed in the water line after the water meter that automatically reduces the pressure from the water supply main to a lower pressure.

Production Limit – “Production Limit” shall mean the maximum production permitted for a Water Distribution System.

Reclaimed Water – “Reclaimed Water” shall mean wastewater that has been treated to the tertiary level, including disinfection. Reclaimed Water is a form of Recycled Water.

Recycled Water – “Recycled Water” shall mean water that originates from a Sub-potable Source of Supply such as wastewater treated to the tertiary level.

Recycled Water Irrigation Areas – “Recycled Water Irrigation Areas” shall mean the golf courses and other vegetated areas located within the Del Monte Forest that are being irrigated with Recycled Water.

Residency Affidavit – “Residency Affidavit” shall mean a document attesting to the number of Permanent Residents in a Household.

1/27/2016

Residential – “Residential” shall mean water used for household purposes, including water used on the premises for irrigating lawns, gardens and shrubbery, washing vehicles, and other similar and customary purposes pertaining to Single-Family and Multi-Family Dwellings.

Responsible Party – “Responsible Party” shall mean the Person or Persons who assume through the District Permit process legal responsibility for the proper performance of the requirements of a Permit holder as defined in the Rules and Regulations and/or in conditions attached to a Permit. “Responsible Party,” when used in the context of the 2016 Monterey Peninsula Water Conservation and Rationing Plan, shall mean the Person who is responsible for paying the water bill. When a property is served by a private Well or a small Water Distribution System, the “Responsible Party” shall be the Water Users of the Well and the small distribution system Operator.

Riparian Corridor – “Riparian Corridor” shall mean: All that area which comprises the Riverbed and riverbanks of the Carmel River which lies within the boundaries of the Carmel River Management Zone (Zone No. 3), and All those areas which lie within 25 lineal feet of the Riverbank Assessment Line, excepting however, all lands which lie outside of the Zone No. 3 boundary, and exempting lawns, Landscaping and cultivated areas as shown on the spring 1983 aerial photographs taken by California- American Water pursuant to the agreement with the District in accord with MPWMD Rule 123 A.

Ryan Ranch Water Distribution System – “Ryan Ranch Water Distribution System” or “Ryan Ranch” shall mean the California American Water subsystem as described in the purchase agreement between Neuville Co. N.V. (a Delaware Corporation) and California American Water dated April 30, 1990.

Seaside Basin Adjudication Decision – “Seaside Basin Adjudication Decision” or “Seaside Decision” shall mean the March 27, 2006 court adjudication, as amended, determining water rights in the Seaside Groundwater Basin that restrict California American Water production from the Coastal Subareas and Laguna Seca Subarea of the basin.

Seaside Groundwater Basin – “Seaside Groundwater Basin” shall mean the set of geologic formations that stores, transmits, and yields water in the Seaside area, comprising of the Northern Seaside Subbasin and the Southern Seaside Subbasin. The Seaside Groundwater Basin also includes those areas known as the Northern Coastal Subarea, the Northern Inland Subarea, the Southern Coastal Subarea and the Laguna Seca Subarea.

Short-Term Residential Housing – “Short Term Residential Housing” shall mean one or more Residential Dwelling Units on a property that are occupied by visitors, are operated as a business and for which a fee is charged to occupy the premises.

Single Residential Household – “Single Residential Household” shall mean a Household that receives its water supply through a Water Meter that is not shared with other Households.

Site – “Site” shall mean any unit of land which qualifies as a Parcel or lot under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement), and (2) which have identical owners, and (3) which have an identical present use. The term “Site” shall be given the same meaning as the term “Parcel”.

Smart Controller – “Smart Controller” shall mean a weather-based device (typically a “timer”) that automatically controls an outdoor Irrigation System. Smart Controllers use weather, site or soil moisture data as a basis for determining an appropriate watering schedule. Smart Controllers (commonly referred to as ET controllers, weather-based irrigation controllers, smart sprinkler controllers, and water smart controllers) are a new generation of irrigation controllers that utilize prevailing weather conditions, current and historic Evapotranspiration, soil moisture levels, and other relevant factors to adapt water applications to meet the actual needs of the plants.

Source of Supply – “Source of Supply” shall mean the Groundwater, surface water, Reclaimed Water sources, or any other water resource where a Person, Owner or Operator gains access by a Water-Gathering Facility.

Sub-potable Water – “Sub-potable Water” shall mean water which is not fit for human consumption without treatment and shall include Reclaimed Water as that term is used in the Water Reclamation Law, and particularly in Section 13550 of the Water Code.

Total Storage Available – “Total Storage Available” shall mean the usable water as measured by the District on May 1 in any year that is contained in the Carmel Valley Alluvial Aquifer plus usable water in the Seaside Groundwater Basin and the usable water in the Los Padres Reservoir.

Total Storage Required – “Total Storage Required” shall mean the combination of demand remaining from May 1 to September 30 and carryover storage for the next Water Year that is required to meet the following Water Year production limit for California American Water from Carmel River sources set by State Water Resources Control Board

Order WR 2009-0060, plus the production limit for California American Water from the Seaside Groundwater Basin set by the Court in its March 27, 2006 Seaside Basin Adjudication Decision and the production limit specified for non-California American Water Users from the Monterey Peninsula Water Resource System set in the District's Water Allocation Program.

User – “User” shall mean a customer or consumer of water delivered by a Water Distribution System. User does not include any Owner or Operator of a Water Distribution System. Each residence, commercial enterprise, or industrial enterprise shall be deemed a separate and distinct User.

Visitor-Serving Facility – “Visitor-Serving Facility” shall include all hotels, motels, restaurants, convention/meeting facilities, and service stations within the Monterey Peninsula Water Management District. Other facilities may be designated as a Visitor- Serving Facility by the General Manager upon finding that such facility exists primarily for the use of tourists and the traveling public. Short term rentals of private property are not included under this definition.

Water Broom – “Water Broom” shall mean a water efficient broom-like cleaning device that uses a combination of water and air to clean hard surfaces with no runoff.

Water Credit – “Water Credit” shall mean a record allowing reuse of a specific quantity of water upon a specific Site. A Water Credit differs from a Water Use Credit in that it is not characterized by a Permanent Abandonment of Use, but may be the result of a temporary cessation of use.

Water Distribution System – “Water Distribution System” shall mean all works within the District used for the collection, storage, transmission or distribution of water from the Source of Supply to the Connection of a system providing water service to any Connection including all Water-Gathering Facilities and Water-Measuring Devices. In systems where there is a Water Meter at the point of Connection, the term “Water Distribution System” shall not refer to the User’s piping; in systems where there is no Water Meter at the point of Connection, the term “Water Distribution System” shall refer to the User’s piping.

Water Distribution System Operator – “Water Distribution System Operator” shall mean the Person or Persons who assume through the District Permit process legal responsibility for the proper performance of the requirements of a Water Distribution System Permit holder as defined in the Rules and Regulations and/or in conditions attached to a Permit.

Water-Gathering Facility – “Water-Gathering Facility” shall mean any device or method, mechanical or otherwise, for the production of water from dams, Groundwater, surface water, water courses, Reclaimed Water sources, or any other Source of Supply within the Monterey Peninsula Water Management District or a zone thereof. Water-Gathering Facilities shall include any water-production facility as defined in the Monterey Peninsula Water Management District Law. This definition shall not apply to On- Site Cisterns that serve existing single-Connection, Residential situations where rainwater is captured for On-Site Landscape irrigation use.

Water Ration – “Water Ration” shall mean a specific amount of water available to each Water User during Stage 4 Water Rationing.

Water Supply Emergency – “Water Supply Emergency” shall mean a declaration pursuant to Regulation XV, The 2016 Monterey Peninsula Water Conservation and Rationing Plan, that a water shortage emergency condition prevails within one or more Water Distribution Systems.

Water Use Credit – “Water Use Credit” shall mean a limited entitlement by a Person to use a specific quantity of water upon a specific Site. Water Use Credits shall be limited by time, and by other conditions as set forth in the District’s Rules and Regulations.

Water User – “Water User” shall mean Users of water for domestic or other uses from any Water Distribution System or private Well.

Water Waste – “Water Waste” shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water as defined in Rule 162.

Water Year – “Water Year” shall mean the period from October 1 of one year to September 30 of the succeeding year.

Well – “Well” shall mean any device or method, mechanical or otherwise, for the production of water from Groundwater supplies within the District excluding seepage pits and natural springs.

Water Meter – “Water Meter” shall mean any measuring device intended to measure water usage. The term “Water Meter” shall have the same meaning as the term “Water Measuring Device.”

Section Thirteen: Publication and Application

1/27/2016

The provisions of this ordinance shall cause the republication and amendment of the permanent Rules and Regulations of the Monterey Peninsula Water Management District.

Section Fourteen: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. on the 30th day after it has been enacted on second reading.

This Ordinance shall not have a sunset date.

Section Fifteen: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing ordinance is adopted upon this _____ day of _____, 2016, by the following vote:

AYES:

NAYS:

ABSENT:

I, _____, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the _____ day of _____ 2016.

Witness my hand and seal of the Board of Directors this _____ day of _____ 2016.

David J. Stoldt, Secretary to the Board

1/27/2016



RESOURCE MANAGEMENT SERVICE

440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6825
FAX (831) 899-6311

January 25, 2016

Stephanie Locke
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942
Via Email: s.locke@mpwmd.net

Subject: MPWMD January 27, 2016 Agenda Item #14, Consider First Reading of Ordinance No. 169, An Ordinance of the Board of Directors of the Monterey Peninsula Water Management District Repealing Regulation XV, The Expanded Water Conservation and Standby Rationing Plan, and Replacing it with Regulation XV, The Monterey Peninsula Water Conservation and Rationing Plan

I have reviewed Item #14, outlined above, for the January 27, 2016 meeting of the MPWMD Board and submit the following comments:

1. It is very confusing to have two sections used to define terms. Could Section Four, "Amendment of Rule 11, Definitions" and Section Twelve, "Rule 167 – Definitions Used in Regulation XV" be combined?
2. The term "Non-California American Water Company Distribution Systems" and all permutations (e.g. Non Cal-Am, Non-Cal-Am) should be defined in either Section 4 or 12, "Definitions."
3. The term "Carryover Storage Needs for the Next Water Year" should be defined in either Section 4 or 12, "Definitions."
4. On Page 15, there is a table called "Example of Table XV-4, Physical Storage Target for the Monterey Peninsula Water Resource System for the Remainder of WY 2015 and all WY 2016." Please explain how the "Carryover Storage Needs for the Next Water Year" value for Non-CalAm was determined?
5. On Page 15, Footnote #3 to the table called "Example of Table XV-4, Physical Storage Target for the Monterey Peninsula Water Resource System for the Remainder of WY 2015 and all WY 2016" states "... the production limit specified for non Cal-Am Users from the Monterey Peninsula Water Resource System set in the District's Water Allocation Program (Ordinance No. 87.)" However, I was unable to find any references to the Adjudication in Ordinance 87, "An Urgency Ordinance of the Monterey Peninsula Water Management District Establishing a Community Benefit Allocation for the Planned Expansion to the Community Hospital of the

Letter to Stephanie Locke

MPWMD January 27, 2016 Agenda Item #14, Consider First Reading of Ordinance No. 169

Monterey Peninsula." Please clarify how the production limit for Non-CalAm Users, such as Seaside Municipal Water System would be determined.

6. What are the actions required by Stage 2, "Water Conservation: Voluntary Reduction in Use" for Non-CalAm producers, such as the Seaside Municipal Water System?
7. What are the actions required by Stage 2, "Water Conservation: Voluntary Reduction in Use" for Non-CalAm customers?

The City of Seaside looks forward to working with the Monterey Peninsula Water Management District in updating the Water Conservation and Rationing Plan. Please contact the undersigned or Rick Riedl at 831-899-6884 to discuss any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim O'Halloran', written over a faint circular stamp or watermark.

Tim O'Halloran, PE
City Engineer / Public Works Services Manager

Copy: Rick Riedl, Senior Civil Engineer
Scott Ottmar, Assistant Civil Engineer

Jacqueline M. Zischke, Attorney at Law

A Professional Corporation

PO Box 1115

Salinas, California 93902

*P: 831/761-8714
F: 1-800-385-9198
jzischkelaw@charter.net*

January 27, 2016

(Delivery via Email: s.locke@mpwmd.net and dstoldt@mpwmd.net)

Monterey Peninsula Water Management District and its
Board of Directors
David J. Stoldt, General Manager
Stephanie Locke
5 Harris Court, Building 6
Monterey, California 93942

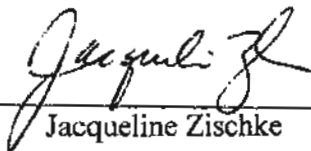
Re: First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation
and Rationing Plan

Dear Chair Byrne and Board of Directors, Mr. Stoldt and Ms. Locke:

In reference to the above referenced agenda item being considered by the District Board tonite, on behalf of Malpaso Water Company, LLC we appreciate District staff's efforts in responding to Malpaso Water Company, LLC's request for revisions to ensure that the Proposed Ordinance No. 169 is consistent with District Ordinance No. 165 related to the water entitlement for Malpaso Water Company.

We see that a number of corrections have been made by District staff, and some clarifications may be necessary prior to the District Board's second reading. We look forward to continuing our work with District staff on this matter.

Sincerely,


Jacqueline Zischke

Jacqueline M. Zischke, Attorney at Law

RECEIVED

A Professional Corporation
PO Box 1115
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JAN 27 2016

MPWMD

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January 27, 2016

(Delivery via Email: s.locke@mpwmd.net and dstoldt@mpwmd.net)

Monterey Peninsula Water Management District and its
Board of Directors
David J. Stoldt, General Manager
Stephanie Locke
5 Harris Court, Building 6
Monterey, California 93942

Re: First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation
and Rationing Plan

Dear Chair Byrne and Board of Directors, Mr. Stoldt and Ms. Locke:

In reference to the above referenced agenda item being considered by the District Board tonite, on behalf of Canada Woods Water Company, LLC we appreciate District staff's efforts in responding to Canada Woods Water Company, LLC's request for revisions to Proposed Ordinance No. 169 to avoid confusion as to Water Distribution System(s) affected under the various stages and requirements under the proposed Water Conservation and Rationing Plan.

We see that a number of corrections have been made by District staff, and some clarifications may be necessary prior to the District Board's second reading. We look forward to continuing our work with District staff on this matter.

Sincerely,


Jacqueline Zischke



Public Hearing

Item 16:

**ADOPT RESOLUTION TO INITIATE
PROPOSED DWR BASIN BOUNDARY
MODIFICATION FOR RECOGNITION OF THE
ADJUDICATED SEASIDE GROUNDWATER
BASIN**

January 27, 2016, Regular Meeting
Staff contact: Joe Oliver

Sustainable Groundwater Management Act

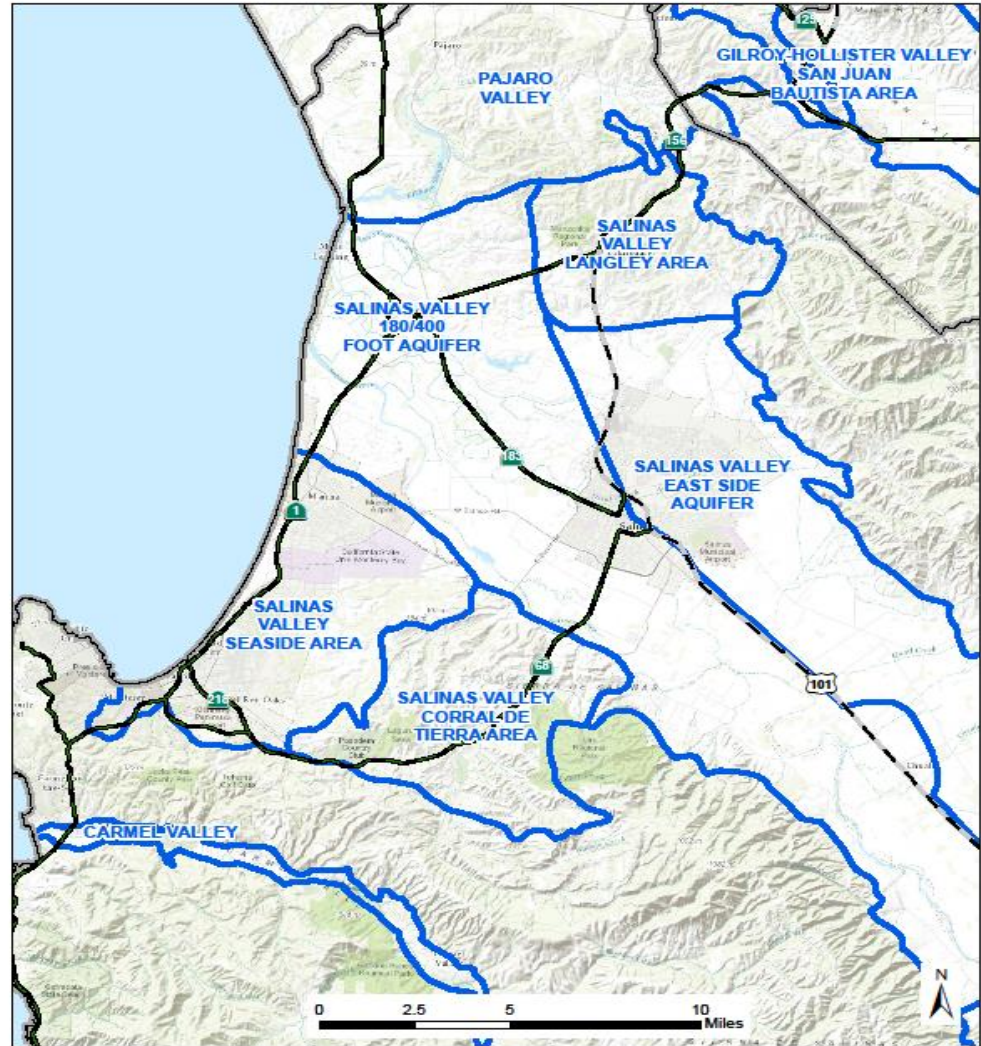
- SGMA signed into law September 16, 2014.
- Provides for local/regional management of groundwater with oversight from DWR.
- Specifies procedures for developing Groundwater Sustainability Plans for DWR identified groundwater basins.
- MPWMD is listed as an exclusive local agency to manage groundwater within its boundaries.

Sustainable Groundwater Management Act

- SGMA basin boundary modification request procedures implemented on November 16, 2015.
- DWR Bulletin 118 depiction of Seaside Groundwater Basin is outdated and does not recognize the adjudicated basin boundary per the 2006 adjudication decision.
- Important to establish this DWR Bulletin 118 correction to ensure the Seaside Basin will be exempt from the SGMA Groundwater Sustainability Plan development requirement.

Basin Boundary Modification Resolution

Existing
DWR
Bulletin 118



Seaside Area Sub Basin
and Adjacent Salinas Valley Groundwater Basins

Source: DWR Bulletin 118, 2004



Basin Boundary Modification Resolution

Proposed
DWR
Bulletin 118
Boundary
Modification

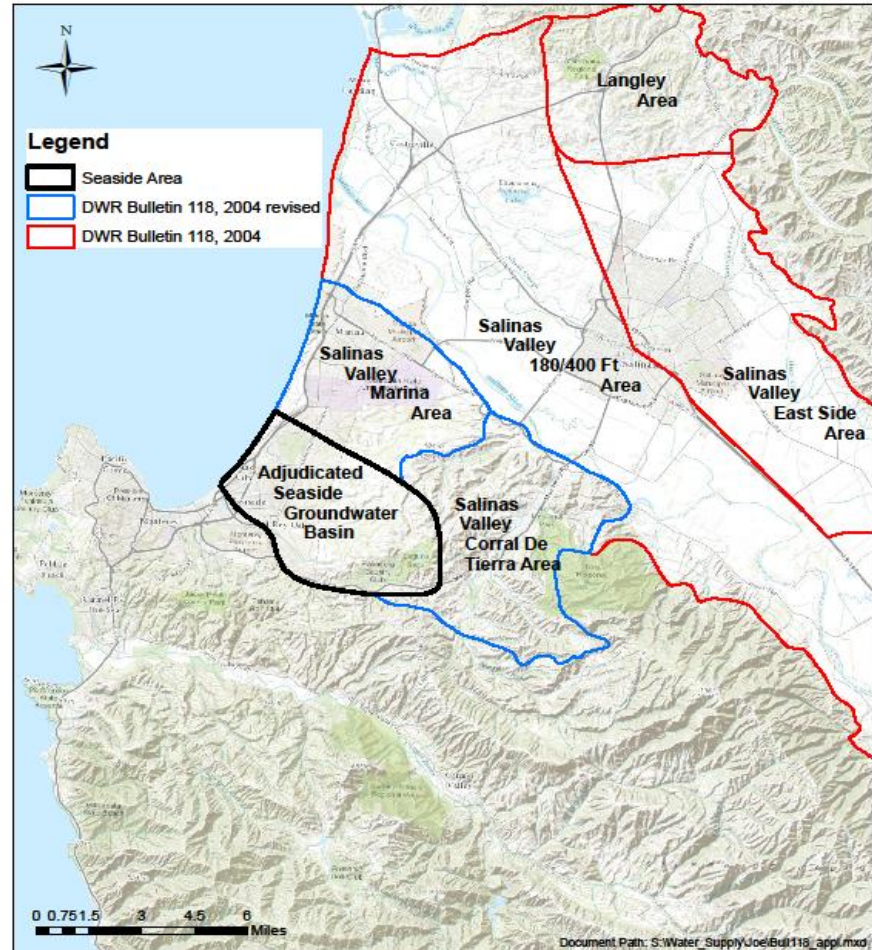


Plate 1: Regional Map showing location of Seaside Groundwater Basin Boundary

Basin Boundary Modification Resolution

Area of MPWMD
North of
Adjudicated
Seaside Basin
Boundary

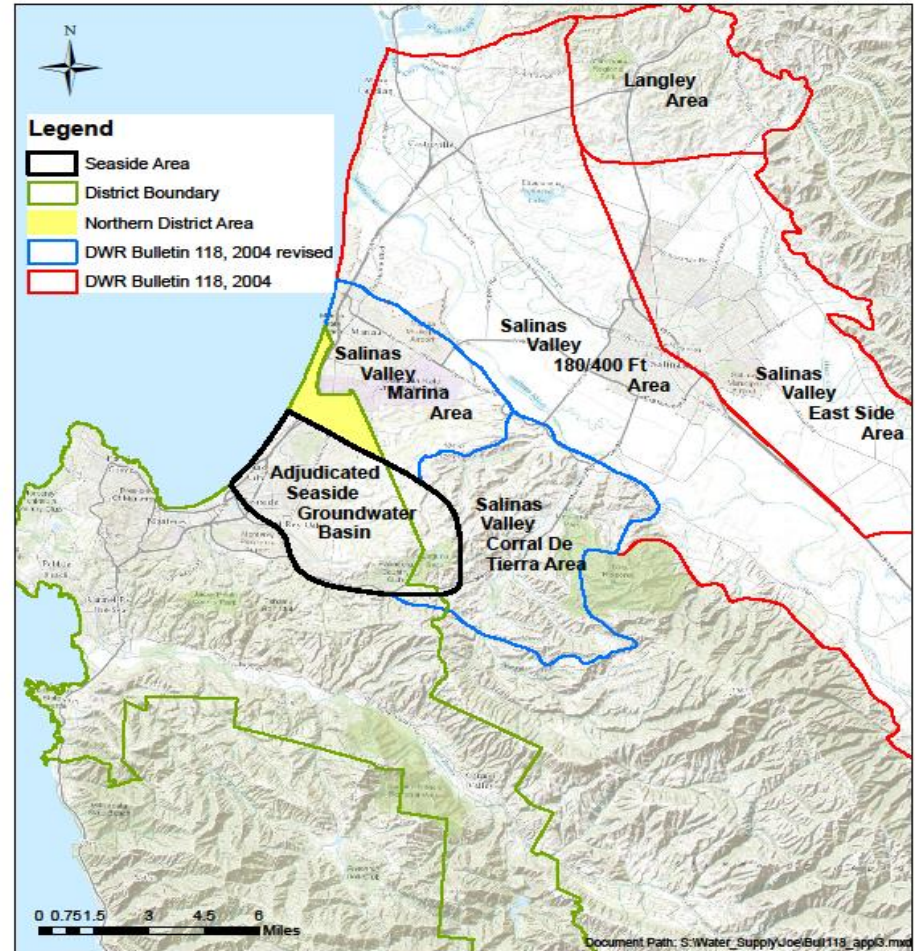


Plate 3: Regional Map showing location of Seaside Groundwater Basin & MPWMD Boundary

Recommendation

- It is recommended that the Board adopt Resolution 2016-01 to initiate the DWR basin boundary modification request to recognize the adjudicated Seaside Basin.
- Direct the General Manager to file an Initial Notification to DWR.
- Direct the General Manager to file a CEQA Notice for this action.