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The agenda is subject to change.



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**Water Demand  
Committee Members:**

*Kristi Markey, Chair  
Brenda Lewis  
Jeanne Byrne*

**Alternate:**

*Andrew Clarke*

**Staff Contact**

*Stephanie Locke  
Arlene Tavani*

*After staff reports have  
been distributed, if  
additional documents are  
produced by the District  
and provided to the  
Committee regarding any  
item on the agenda, they  
will be made available at  
5 Harris Court, Building  
G, Monterey, CA during  
normal business hours.  
In addition, such  
documents may be posted  
on the District website at  
[www.mpwmd.net](http://www.mpwmd.net).  
Documents distributed at  
the meeting will be made  
available in the same  
manner.*

**AGENDA**

**Water Demand Committee  
Of the Monterey Peninsula Water Management District**

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Thursday, July 23, 2015, 3:30 pm  
District Conference Room, 5 Harris Court, Building G, Monterey, CA

**Call to Order**

**Comments from Public**

*The public may comment on any item within the District's jurisdiction. Please limit  
your comments to three minutes in length.*

**Action Items -- Public comment will be received on all Action Items**

1. Consider Adoption of April 30, 2015 Committee Meeting Minutes
2. Consider Actions Related to the Rebate Program
  - A. Lawn Removal Rebate for Del Mesa Carmel
  - B. Lawn Removal Rebate in Areas that Overlie the Carmel Valley Alluvial Aquifer
  - C. Rebate for Air Compressors in Commercial Kitchens
  - D. Rebate for Replacement of Fill-and-Drain Whirlpool Tubs at Visitor-Serving Accommodations
3. Consider Support for Water Line Insurance Program by Utility Service Partners

**Discussion Items -- Public comment will be received on all Discussion Items**

4. Development of Rule Amendment Ordinance
5. Discuss Disbursement of Surplus Ultra High Efficiency Toilets to Local Recipients
6. Update on Draft Water Conservation and Rationing Plan
7. Modification of Commercial Laundry Efficiency Standard
8. Discuss Development of Policy on Recreational Vehicle Utility Hook-Ups

**Other Items**

**Set Next Meeting Date**

**Adjournment**

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a

reasonable effort to provide translation services upon request. Please send a description of the requested materials and preferred alternative format or auxiliary aid or service by 5 PM on Tuesday, July 21, 2015. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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**WATER DEMAND COMMITTEE****ITEM: ACTION ITEM****1. ADOPT MINUTES OF APRIL 30, 2015 COMMITTEE MEETING****Meeting Date: July 23, 2015****From: David J. Stoldt,  
General Manager****Prepared By: Arlene Tavani**

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**SUMMARY:** Attached as **Exhibit 1-A** are draft minutes of the April 30, 2015 Water Demand Committee meetings.**RECOMMENDATION:** The Committee should adopt the minutes by motion.**EXHIBIT****1-A** Draft Minutes of the April 30, 2015 Water Demand Committee Meeting





## EXHIBIT 1-A

### DRAFT MINUTES Water Demand Committee of the Monterey Peninsula Water Management District *April 30, 2015*

#### Call to Order

The meeting was called to order at 1:37 pm in the MPWMD conference room.

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

**Committee members absent:** Brenda Lewis

**Staff members present:** David J. Stoldt, General Manager  
Stephanie Locke, Water Demand Division Manager  
Sara Reyes, Office Services Supervisor

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

#### Action Items

1. **Consider Adoption of March 17, 2015 Committee Meeting Minutes**  
On a motion by Byrne and second of Markey, the committee approved the March 17, 2015 minutes on a vote of 2 – 0 by Byrne and Markey.

#### Discussion Items

2. **Discuss Draft Monterey Peninsula Water Conservation and Rationing Plan**  
The Committee agreed with staff's focus on discussing with key agencies the Water Conservation and Rationing Plan to address their concerns.

Stoldt and Locke described the key features of the Draft Conservation and Rationing Plan. (a) Locke: Concepts of this plan completely replace Regulation XV of the District's Rules and Regulations. (b) Specifies Regulatory Production Targets and Physical Storage Targets which respond to both the Cease and Desist Order and drought conditions. (c) Four distinct stages: Stage 1 - Prohibition on Water Waste (current stage the District is complying with), Stage 2 - Voluntary Reduction in Use, Stage 3 - Conservation Rates, Stage 4 – Water Rationing. (d) Special rule has been added to address Variances. (e) Staff plans to discuss the conservation and rationing plan with Cal-Am, the jurisdictions, residents, hospitality and business industry, recycled water users and local interested parties.

Public comment: (a) **John Narigi**, Co-Chair of the Coalition of Peninsula Businesses, stated the simplified four stage plan works better and seems to be a good plan. Q1: why

is Tier 1 residential use, which is the largest user of water, left free? *Stoldt stated the District and Cal-Am concurred it would not be a good idea to penalize low water users or Tier 1 households who are using less water than those in Tier 2 and above.* Q2. With regards to topics to be addressed, has there been any thought on establishing two types of cutbacks such as those using Best Management Practice (BMPs) and those who are not? *Stoldt stated this would be addressed as a variance and referred to page 31, Section F., 1.b. - Non-Residential Rations.* Q3: What about when rationing becomes severe, which will have a big impact on local businesses that are already practicing BMPs, should this be discussed now or later? *Stoldt stated businesses practicing BMPs will be recognized for their efforts and the District would work with these groups to limit harsh impacts.*

**Other Items:** No additional items were discussed.

### **Set Next Meeting Date**

The committee will schedule its next meeting when staff deems it appropriate.

### **Adjournment**

The meeting was adjourned at 2:53 pm.

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## **WATER DEMAND COMMITTEE**

### **ITEM: ACTION ITEM**

#### **2. CONSIDER ACTIONS RELATED TO THE REBATE PROGRAM**

**Meeting Date:** July 23, 2015 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/** N/A  
**Line Item No.:**

**Prepared By:** Stephanie Locke **Cost Estimate:** TBD

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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**SUMMARY:** The Water Demand Committee should review the following actions and provide direction to staff:

- A. **Lawn Removal Rebate for Del Mesa Carmel.** Del Mesa Carmel, a 289-unit condominium complex in Carmel Valley, is removing significant areas of Lawn and making numerous upgrades to the common areas and individual units (**Exhibit 2-A**). The Homeowner's Association has requested that the District and California American Water (Cal-Am) consider a "rebate package" that would include additional rebates for Lawn removal and cisterns above the limits stated in Rule 141. The Rule limits lawn rebates to a maximum of 2,500 square-feet and cistern storage to a maximum of 25,000 gallons. Due to the uniqueness of the Site, staff is recommending the Committee consider recommending a variance to the limitations. Additional information will be provided at the Committee meeting.
- B. **Lawn removal rebate for Lawn removal over the Carmel River alluvium.** Staff has identified two large condominium complexes that are watering large areas of Lawn that are located over the Carmel River alluvium and that are not supplied by California American Water. Replacement of Lawn with water efficient landscaping would save a considerable amount of water and would reduce pumping from the aquifer. Staff is recommending the Committee consider extending the Lawn removal Rebate to these areas, and consider a Rebate comparable to that discussed in the previous item for large Lawn removal projects that involve multiple residential units.
- C. **Rebate for Air Compressors in Commercial Kitchens.** Staff will be meeting with Chef Cox of the Post Ranch Inn on Friday July 24 to learn more about the air rinse nozzle he is currently designing. A report on this will be given at the next meeting.
- D. **Rebate for Replacement of Fill-and-Drain Whirlpool Tubs at Visitor-Serving Accommodations.** During a recent presentation to a hotel group, staff learned that a

significant amount of water (between 70 and 200+ gallons times two) is used to clean and sanitize fill-and-drain whirlpool tubs. Staff would like the Committee to consider adding a Rebate to incentivize replacement of these tubs with standard soaking tubs.

**RECOMMENDATION:** The Committee should discuss concepts and provide direction to staff.

**EXHIBIT**

**2-A** Del Mesa Carmel Request

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# Del Mesa Carmel

*California's Premier Adult Community*

June 4, 2015

Ms. Stephanie Locke  
Water Demand Manager  
Monterey Peninsula Water Management District  
PO Box 85  
Monterey, CA 93942

Ms. Locke,

The Del Mesa Carmel (DMC) community has committed to making big changes to their landscaping in a major effort to conserve water. Del Mesa Carmel is a not-for-profit senior community consisting of 289 privately owned units with 430 residents on a 424 acre property with 41.75 acres of developed area. The grounds include 5 acres of lawn and a .3 acre bowling green, while a majority of landscaping areas are currently lawn. Incrementally over the next three years DMC is planning to replace roughly four acres of lawn with drought tolerant (mostly native) landscaping. During 2015 DMC is slated to replace .75 acres of grass. Rana Creek has been consulting with DMC for several months to explore a suite of water saving strategies and a master plan for landscape renovations and we are now ready to implement! The approved plan includes a grey water system and upgrading the irrigation system to further help regulate and conserve water usage.

Del Mesa Carmel has been focused on conserving water for several years and has already taken advantage of the rebates offered by the MPWMD. To date they have installed two rainwater storage cisterns, began lawn removal and the installation of drought resistant plants, as well as irrigation efficiency renovations. DMC's renovation plans for 2015-2017 are much more ambitious and will greatly exceed the limitations for rebates. DMC is seeking a modification to the limitations of the residential rebate program, as our project and site do not quite fit the mold of a typical residential renovation. Primarily, a variance to the 2,500 square foot limit of lawn replacement would be wonderful, but we are interested in maximizing all of the applicable rebates. As mentioned, DMC will replace .75 acres of grass this year and will also be implementing other water saving measures such as: a pilot laundry to landscape graywater system, rainwater storage, rotating sprinkler nozzle irrigation changes and smart controller retrofits.

Cal Am has also been advised of our renovation plans for the next three years and has offered to not only support our efforts but to also fund a customized rebate package for DMC if approved by the MPWMD.

We would be pleased to have the opportunity to present our plans to the MPWMD Board of Directors and to answer any questions they may have.

Thank you for your time and consideration of this request. We look forward to hearing from you soon.

Sincerely,

A handwritten signature in cursive script that reads "Anna Taylor".

Anna Taylor, MBA, CMCA, AMS  
General Manager, Del Mesa Carmel

A handwritten signature in cursive script that reads "Blake Jopling".

Blake Jopling  
Designer, Rana Creek

## WATER DEMAND COMMITTEE

### ITEM: ACTION ITEM

#### 3. CONSIDER SUPPORT FOR WATER LINE INSURANCE PROGRAM BY UTILITY SERVICE PARTNERS

**Meeting Date:** July 23, 2015 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A

**Prepared By:** Stephanie Locke **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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**SUMMARY:** The National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), is an affordable home protection solution that helps homeowners save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. USP offers a service line warranty program that has been embraced by more than 225 cities across the nation – including the City of San Diego, Las Vegas, Phoenix, Tucson and Mesa. This program is offered at no cost to the District and is endorsed by the National League of Cities. The Service Line Warranty Program has an A+ rating by the Better Business Bureau. Additional information can be found on the USP website at <http://www.utilitysp.net/index.html>.

The NLC Service Line Warranty Program covers the consumer-owned portion of the primary water or sewer service line from the foundation of the home (including portions of the line which may be buried or embedded in a concrete slab beneath the home) to the public utility connection. It provides coverage for repair to the clogged, broken or leaking water and sewer lines serving the residential home when the flow of the line is interrupted due to normal wear and tear. Additional coverage allowances are provided if public street or sidewalk cutting is required in order to make the repair. All permits and line locations, if needed, are obtained by the plumbing professional at no cost to the homeowner prior to making the repair. All repairs conform to the city's plumbing and excavating codes.

Earlier this year, staff met with USP representatives to review the program. The low cost warranty covers repairs for a low monthly fee, with no deductibles or service fees. The work is performed by licensed, local plumbers who will call the customer within one hour of filing a claim. The repair is performed professionally and quickly, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

Program highlights include:

- No cost for the Monterey Peninsula Water Management District to participate
- No liability to the Monterey Peninsula Water Management District
- Promotes awareness of homeowner lateral line responsibilities
- Affordable, convenient, and effective solution for homeowners
- No annual/lifetime limits on the number of repairs
- No hidden service fees or deductibles
- No long term contracts (month to month)
- 24/7/365 customer service
- Service from trusted, local contractors
- All repairs performed to local code and permit fees collected
- Revenue shared with the Monterey Peninsula Water Management District.

**RECOMMENDATION:** The Committee should discuss the USP program and how it might benefit the District and provide direction to staff.

### **EXHIBITS**

**3-A** Example Co-Branded Marketing Letter, FAQs, and Case Study

**3-B** Overview Presentation



City of Anywhere

State



T1 P1\*\*\*\*\*AUTO\*\*5-DIGIT 26301

John Smith  
987 Main Street  
Anytown, ST 12345



Contact ID: 1234567

Re: Water Service Line Repair  
Coverage for [City] Homeowners

## Reminder - Please disregard if you have already enrolled

Dear [Customer Name]:

Did you know that necessary repairs to the water line that runs between your home and the public utility connection are the responsibility of the homeowner? These lines have been subjected to the same elements that have caused our public service lines to decay – age, ground shifting, root invasion, fluctuating temperatures and more.

As a [City Name] homeowner and city official, I understand the importance of water conservation and protecting the environment. While efforts are underway in many communities to improve public water and sewer systems, these fixes don't address the water line located on your property. Homeowners can spend from hundreds to upwards of \$3,500 to repair a broken or leaking water line on their property – and that can be hard on a budget.

This is why I am pleased to introduce a new voluntary service line repair program which provides repair coverage for your outside water line, up to \$4,000 per incident with no deductibles. The Service Line Warranties of America (SLWA) Water Line Warranty Program is the only service line protection program for homeowners [fully supported/endorsed] by [City Name] and endorsed by the National League of Cities. The program provides coverage 24 hours a day, 365 days a year.

SLWA, an independent organization, administers the program and is an accredited BBB organization with an A+ rating. SLWA has helped more than 60,000 homeowners across the country save over \$45 million in service line repair costs.

**Pay just \$0.00 per month – a savings of more than XX% on the standard price, or save even more with an annual payment of \$0.00 – a savings of more than XX%. Plus, we'll waive the 30-day waiting period, so you'll get immediate coverage! To receive these benefits, enroll by [DATE].**

Enroll in this optional program by returning the completed bottom portion of this letter in the enclosed envelope or call 1-800-000-000 to speak with an SLWA agent Monday through Friday 8:00 am to 6:00 pm. Or visit [www.slwofa.com](http://www.slwofa.com) where you can enroll online – and learn about other service line warranty products available in your area!

Sincerely,

City Official Name  
City Official Title

Complete warranty terms and conditions will be provided following enrollment. Program participation may be terminated at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.

✂ Cut here

[LETTERCD]



John Smith  
987 Main Street  
Anytown, ST 12345  
Contact ID: 1234567

To enroll or to view the Terms and Conditions, please visit [www.slwofa.com](http://www.slwofa.com).

## Please mark your selection:

- ☐ Yes, please enroll me in the Water Line Warranty for just \$\_\_\_\_\_ per month.
- ☐ I want to save more. Enroll me in the Water Line Warranty for \$\_\_\_\_\_ per year.

I certify to the best of my knowledge that my line is in good working order.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_







## Frequently Asked Questions

### PRODUCTS

#### What items are included as part of the warranty?

The external water and/or sewer line warranty covers the underground service line from the foundation of your home to the point where the line becomes the utility's responsibility. If any part of the line is broken and/or leaking, SLWA will repair or replace the line in order to restore the service (including clearing tree roots from the water or sewer line).

#### What are the event caps for the warranty? What are the annual caps per household?

Coverage caps listed in the Terms & Conditions are per occurrence as follows:

- Water — \$4,000 plus an additional \$500 for public sidewalk cutting, if necessary
- Sewer — \$4,000 plus an additional \$4,000 for public street cutting, if necessary

There are no annual or lifetime caps for coverage. Unlike some other warranties available, we provide you with the full coverage per incident. We will pay up to your coverage amount each and every time you need us. We do not deduct prior repair expense from your coverage cap or limit the amount we will pay annually. All work is warranted for one year. It has been our experience that these coverage caps will more than adequately provide coverage 99.9% of the time. In the rare instance that the repair is greater than the coverage provided, we will work closely with the contractor to provide the homeowner the additional work at a discounted cost. (Please note – some cities require special coverage caps to reflect local conditions. Please contact USP to determine if such special caps are needed in your city.)

#### What is not covered?

- a) Damage to a line that is caused directly or indirectly by you, a third party, natural disasters, acts of God, or by any insurable causes
- b) Updating and/or moving lines where the flow is not impeded, in order to meet code or mandated separation of storm and sanitary drain lines
- c) Shared sewer line that provides service to multiple properties, detached houses, secondary buildings or branch lines, whether known or unknown; commercial properties, mobile homes, primary sanitary lines that are over 6 inches in diameter, lift stations or lift pumps, sump, trash or grinder pumps or storm sewer lines, repairing or replacing a meter(s)
- d) Any damage/cleanup to the inside of the home, including personal property, or replacement or "matching" of any floor covering or affected area. Restoration does not include landscaping services, such as replacing trees, sod or shrubs or repairing private paved and/or concrete surfaces, walkways leading to the home, or structures on your property.

#### Who replaces landscaping if damaged?

USP will provide basic restoration to the site. This includes filling in the holes, mounding the trench (to allow for settling) and raking and seeding the affected area. Restoration does not include replacing trees or shrubs or repairing private paved/concrete surfaces. This is outlined in the terms & conditions sent to the customer.

#### Doesn't Homeowner's Insurance cover this type of repair?

Typically, no. Most homeowner policies will pay to repair the damage created by failed utility lines but they generally do not pay to repair the actual broken pipes or lines. We encourage you to call your insurance company to determine your actual coverage.

**What building codes will you adhere to?**

If the line is broken and leaking, USP will repair or replace the leaking portion of the line according to the current code. However, USP is not responsible for bringing working lines up to code that are not in need of repair.

**How will customers know what is covered?**

All customers receive a set of terms and conditions upon enrollment in a utility warranty program. They have 30 days from the date of enrollment to cancel and receive a full refund.

**BENEFITS****How much will residents save by using this warranty program?**

While costs of water line and sewer line repairs can vary, the average cost of repairing a broken water line or sewer line may range from \$1,200 to over \$3,500.

**Will this program cost the city any money?**

Not a cent. USP pays for all marketing materials and program administration. Furthermore, USP will pay the city a royalty for every resident that participates in the program!

**What benefit does the city receive from endorsing these programs?**

By endorsing the USP programs, the city is able to reduce resident's frustration over utility line failures by bringing them low-cost service options. 96% of survey respondents say that their image of the city is enhanced because the warranty program is offered as a service by the city. These programs also generate extra revenue for the city through the royalty that is paid by USP to the city. Finally our programs help to stimulate the local economy. USP only uses local contractors to complete the repairs, which helps to keep the dollars in the local community.

**PROGRAM****How are our homeowners notified of the program?**

USP mails each resident a campaign letter which outlines the cities' endorsement, followed by a reminder letter two weeks later to ensure the highest response rate. USP only solicits through direct mail — no telemarketing is ever employed. All homeowners will have the option to enroll in the program, regardless of the age of their residence.

**What cooperation will be needed from the city?**

USP desires to enter into a co-branded marketing services agreement with each city. The agreement provides for the use of the city name/logo, in conjunction with USP's logo, on marketing materials sent to citizens. The city is endorsing USP as the service provider for the warranty program.

**When do you solicit residents?**

Through the years, we have found the optimal times to invite citizens to participate are in the Spring and Fall of each year. USP will sell or rent the names of prospective customers or participants.

**RESPONSIBILITIES****Who administers the program?**

Utility Service Partners (USP) administers the program and is responsible for all aspects of the program including marketing, billing, customer service, and performing all repairs to local code.



What are the city's responsibilities?

We ask each city to work with USP to provide the following; 1) a copy of the city seal, if available, for the solicitation letterhead 2) the city's return address for outer envelope (this ensures a high "open-rate") 3) the name, title and signature sample of the designated solicitation signor and 4) the appropriate zip codes of the city to allow USP to purchase a mailing list of the residents.

Why does the city have to provide a city seal, address and signature?

We have found that while the letter is written in such a manner as to leave no doubt that it is a USP program (the USP logo is on the enrollment form), the city address drives a very high "open-rate" and the city seal and signature lend credibility to the offer, thus driving a much higher enrollment rate.

Will we get a lot of calls from citizens when they get the letter?

A press release provided by USP and issued prior to the first mailing will help alleviate citizen concerns, which should result in nominal calls to city hall.

**CUSTOMER SERVICE**What is the claims process?

Program participants call a toll-free USP number to file a claim. USP selects the contractor, who is required to contact the customer within one hour of receiving the job to schedule a time to begin the repairs. Typically, repairs are completed within 24 hours. Emergencies receive priority handling.

Will a citizen have a long hold time when reporting a claim?

No. Repair calls receive the highest priority and are answered 24/7. Repair calls are connected to a live agent through a voice recognition unit (VRU).

Will the customer always get a live operator when they call?

Yes. Customers are directed to select to speak with either a service or claims agent and will then be directed to a live Agent.

**CONTRACTORS**Who performs the repair work?

USP retains local, professional plumbers to perform all the service line repair work.

How selective are you when choosing contractors to conduct repairs?

USP only selects contractors who share our commitment to excellence in customer service. Scorecards are maintained for each contractor, tracking the customer satisfaction rating for work performed. Customer feedback is shared with our contractors and any contractor with a low customer satisfaction rating is removed from the network.





## Case Study

### A PARTNERSHIP WITH BECKLEY, WEST VIRGINIA

Beckley, West Virginia is a city with a population of 20,000 residents located in southern West Virginia and is the central hub of Raleigh County. Like many cities in the country, Beckley is looking to create an environmentally conscious community while, at the same time, dealing with important budget issues.

In June 2009, Beckley hosted a workshop, sponsored by Utility Service Partners, Inc., discussing "Bottom Line Green." 'Green' has become a new buzzword today, and everyone is making a claim that their program or product is good for the environment.

#### **Can a utility line warranty program contribute to a cleaner planet?**

Leaking water pipes waste millions of gallons of treated water each year. Wasted drinking water has to be recaptured and retreated by the local municipal water system. Leaking sewer lines pollute ground water and acres of land. The re-treating of water can waste energy and resources, contributing to increased carbon emissions and lost revenue for the city. And citizens become frustrated when they learn that they are responsible for repairing — and paying for — broken or leaking pipes.

USP's program offers cities a solution that ensures timely repairs to broken homeowner water and sewer lines, thereby conserving water resources and minimizing waste water pollution. For a small monthly fee paid by the homeowner, USP offers around the clock repair service, with access to a live representative and prompt service performed by local, certified technicians. A cleaner planet, a happier citizen.

#### **Is the program difficult to implement?**

Beckley Mayor Emmett Pugh was intrigued. *"The mayor approached us right after the session and asked for more information. He wanted to know more about how this kind of a program could benefit the city"*, said Brad Carmichael, Vice President, Business Development.

Were there strings attached? How much would it cost the city to implement? Would the city have to find the manpower to help get the program off of the ground? The answer is No.

No strings attached. No cost to the city to implement. USP covers all of the costs to promote the utility line warranty program to the local citizens. In terms of city involvement, USP simply needs a few pieces of information, including the city seal, return address and the official's signature for the communication. It's that simple. USP's solution is designed for fast turnaround with little impact to city government.



Mayor Pugh was pleased with the company's approach. *"Working with USP is really easy. They take care of everything — marketing, billing, and customer service. All we had to do was review and approve the letter to customers."*

By October 2009, Beckley had contracted with USP to offer the utility line warranty programs to its citizens, and the first marketing campaign, a sewer line warranty offer, was mailed to Beckley households the following spring.

The program was a tremendous success. *"We were delighted with the response from our citizens."* Mayor Pugh commented on the results of the first campaign. *"Providing a service to our residents which helps them avoid costly repairs, that's something they really appreciate".*

The Service Line Warranty program is a timely solution for cities like Beckley, West Virginia and many others across the United States. By sharing in a portion of the revenues collected from this program, cities can relieve some of the strain caused by shrinking revenues and increasing costs. The program also offers cities the opportunity to enhance their image by providing an additional service that benefits their residents.





*Building Peace of Mind, One Community at a Time*



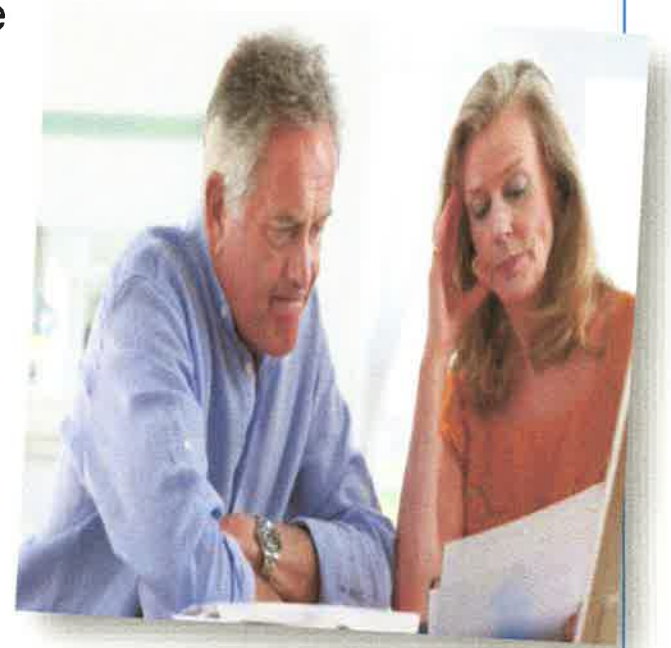
# Service Line Warranty Program



# Unexpected Expenses



- 50% of individuals surveyed could not afford a hypothetical emergency expense of \$400 without selling belongings or borrowing money.  
- Federal Reserve
- 10,000 Americans reach retirement age every day
- Median age of home in the U.S is 40 years (1975)
- Water/sewer line repairs can range from \$1,200 to over \$3,500.
- *"It's alarming," said Gail Cunningham, a spokeswoman for the NFCC, a Washington, DC-based non-profit. "For consumers who live paycheck to paycheck -- having spent tomorrow's money -- an unplanned expense can truly put them in financial distress,"*





# You Can be Their Solution



- As their trusted utility company, you can help to offer your valued customers a low cost warranties that cover the costs of repairs and give them a fast, easy process for having their problems solved. No deductibles, no call out fees, no hidden charges, no forms to fill out.



## Simple Solution for Homeowners



Homeowner can enroll in water line and/or sewer line protection for leaking, clogged or broken water and sewer lines from the point of utility connection to the home exterior

### Coverage includes:

- Up to \$4,000 coverage per repair incident.
- Additional allowance for public street and sidewalk cutting.
- No annual or lifetime limits.
- No deductibles, service fees, forms, or paperwork.
- 24/7/365 availability.
- Repairs made only by licensed, local contractors.



# Fulfilling our Promises



- **Keep our promise to your homeowners**

- ❖ 97% claim approval rating
- ❖ 95% customer satisfaction rating

- **Saving homeowners from financial difficulty**

- The program has helped more than 100,000 homeowners save more than \$64 million in service line repair costs





## USP does the work – Partner gets the Benefit



### ■ **USP:**

- ❖ Pay for and organizes all the marketing, printing, assembly, postage
- ❖ Handle all sales inquiries
- ❖ Process application forms and payments
- ❖ Issue service agreements
- ❖ Operate the emergency hotline 24 hours a day, 365 days a year
- ❖ Build and manage the contractor network
- ❖ Deploy jobs to contractors

### ■ **Partner:**

- Approve all marketing materials
- Receive a risk-free revenue share on each contract sold and renewed
- Receive the customer service value this program provides

# Testimonials



- *"The Service Line Warranty Program helps Phoenix residents and the city government. Revenue from the program goes to core city services like police, fire, parks, libraries and senior centers. The warranties give residents an affordable option for repairs to their sewer and water lines."*
  - Jon Brodsky, Public Information Officer – Phoenix, AZ
- *"Awesome warranty for this price - why would you NOT get it?"*
  - William P., Phoenix, AZ homeowner
- *"It is nice to have peace of mind about high costs of repairs."*
  - Michael M., Phoenix, AZ homeowner

## Closing Comments



- USP has proven that a company committed to providing exceptional service and a valuable product at a fair-market price can successfully partner with local government
- USP's Partnership with NLC + Experience + Reputation = Trust for you and your residents
- USP will keep its promise to our customers
- Next Steps
  - ❖ Internal approvals
  - ❖ Simple agreement
  - ❖ Marketing plan





**WATER DEMAND COMMITTEE****ITEM: DISCUSSION ITEM****4. DEVELOPMENT OF RULE AMENDMENT ORDINANCE****Meeting Date:** July 23, 2015 **Budgeted:** N/A**From:** David J. Stoldt,  
General Manager **Program/** N/A  
**Line Item No.:****Prepared By:** Stephanie Locke **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** N/A

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**SUMMARY:** At the Committee meeting, staff will present a list of policy questions and proposed edits to the Rules and Regulations. Periodic “clean up” ordinances are needed to address changes in State laws and technology and to correct or clarify provisions of the Rules. Staff will also be presenting several new concepts for discussion and consideration. A draft ordinance will be prepared after the meeting.

**RECOMMENDATION:** The Committee should provide direction to staff.

**EXHIBIT**

None



## **WATER DEMAND COMMITTEE**

### **ITEM: DISCUSSION ITEM**

#### **5. DISCUSS DISPERSEMENT OF SURPLUS ULTRA HIGH EFFICIENCY TOILETS TO LOCAL RECIPIENTS**

**Meeting Date:** July 23, 2015 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A

**Prepared By:** Stephanie Locke **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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**SUMMARY:** The District received a donation of 20 Ultra-High Efficiency Toilets (UHET) left over after a recent upgrade project in Monterey. The donor did not want to incur the cost of shipping the surplus toilets back to the supplier and offered them to the District. The toilets are currently in the District's garage.

**RECOMMENDATION:** The Committee should discuss potential recipients of the UHET toilets.

### **EXHIBIT**

None



## **WATER DEMAND COMMITTEE**

### **ITEM: DISCUSSION ITEM**

#### **6. UPDATE ON DRAFT WATER CONSERVATION AND RATIONING PLAN**

**Meeting Date:** July 23, 2015 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/** N/A  
**Line Item No.:**

**Prepared By:** Stephanie Locke **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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**SUMMARY:** The current draft Monterey Peninsula Water Conservation and Rationing Plan to replace the existing Expanded Water Conservation and Standby Rationing Plan (Regulation XV) is attached as **Exhibit 6-A**. This reflects in red-line the changes made since the Committee's April 30, 2015 meeting.

**RECOMMENDATION:** The Committee should discuss the draft Plan and provide direction to staff.

### **EXHIBIT**

**6-A** Draft Monterey Peninsula Water Conservation and Rationing Plan



**EXHIBIT 6-A**

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





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

The monthly distribution of water production from sources within the 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.

**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.

**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	--
<p><u>Notes:</u>  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.</p>		

**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	<u>953</u>	9,945
TOTAL	9,945	---
<p><b>Notes:</b>  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 (19,945 acre-feet). This amount was distributed monthly based on Cal-Am's reported monthly average production for its Main 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.</p>		

**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
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
			<b>30,990<sup>5</sup></b>

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 refers to the combination of demand remaining from May 1 to the end of the current water year 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 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, 2014 System Storage = 30,990 AF (26,220 AF Carmel Valley Alluvial Aquifer; 3,100 AF Seaside Groundwater Basin; 1,670 AF Los Padres Reservoir); this is 97% of average and 82% of system capacity (37,505 AF).

**Section XXX:**      **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 water conservation requirements of Regulation XIV.
- B. California American Water shall amend its Urban Water Management Plan and its Rule 14.1.1, Water Conservation and Rationing Plan--Monterey 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 any amendment to this Regulation.
- C. At least ten (10) days prior to a first reading by the Board of amendments to Regulation XV, a copy of the proposed changes shall be provided to the CPUC Office of Ratepayer Advocates (ORA).
- D. 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 in October. Reports shall be provided within fifteen (15) days of the close of the preceding month.
- E. Each Water Distribution System 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. 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.
- F. 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.
- G. Each Water Distribution System 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.
- H. At all times during Stages 2 through 4 each Water Distribution System shall send monthly conservation reminders.

H.I. During a Water Supply Emergency, or at the direction of the Board, 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 XXX: Rule 162 -- Stage 1 Water Conservation: Prohibition on Water Waste**

- A. Trigger. Stage 1 shall remain in effect at all times or until the District Board of Directors has determined all conditions of State Water Resources Control Board Orders and the Seaside Groundwater Basin adjudication have been met and a determination has been made by the Board that available supplies are sufficient.
- 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 greywater irrigation systems may also be operated at any time. An exemption may be given to a commercial 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 General Manager, and subject to the approval of the General Manager.

~~5.6.~~ Hand watering by a hose, during permitted hours, without a quick acting Positive Action Shut-Off Nozzle.

~~6.7.~~ Irrigating during rainfall and for 48 hours after measurable precipitation of at least 0.10 inches.

~~7.8.~~ Use of water for irrigation or outdoor purposes in a manner inconsistent with California Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, Model Water Efficient Landscape Ordinance, where applicable, or in a manner inconsistent with local regulations.

~~8.9.~~ 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.

~~9.10.~~ 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.

~~10.11.~~ Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.

~~11.12.~~ 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.

~~12.13.~~ 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.~~14. Charity car washes.

~~14.~~15. Use of Potable water for street cleaning.

~~15.~~16. Failure to meet MPWMD Regulation XIV water efficiency standards for an existing business after having been given a reasonable amount of time to comply.

~~16.~~17. 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.~~18. 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.~~19. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.

~~19.~~20. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.

~~20.~~21. Delivery and/or receipt of water from an unpermitted Mobile Water Distribution System.

~~21.~~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.

~~22.~~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.

~~23.~~24. Water use in excess of a Water Ration.

~~24.~~25. Non-Compliance with Regulations XIV and XV.

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.
- C. 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.
- 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.](#)

- 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 water meters serving three or more Multi-Family Dwelling units or any Mixed Use by substituting an excess water use charge equivalent to the appropriate meter size, rationing stage, and 4th offense amount times the number of Dwelling Units located on the 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 Fees 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.

<b>TABLE XV-5</b> <b>Water Waste Fees</b> <b>Fee amounts are tripled for customers using over 1 million gallons/year</b>	
First offense	No fee: Written notice and opportunity to correct the situation
Fee for first Flagrant Violation	\$100
Fee for second Flagrant Violation within 2 months	\$250
Fee for third and subsequent Flagrant Violations within 12 months	\$500
Fee 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

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 XXX:**      **Rule 163 -- Stage 2 Water Conservation: Voluntary Reduction in Use**

A. Trigger.

1. Physical Shortage Trigger: Stage 2 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, 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% of Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.
2. Regulatory Trigger – Production Targets: Stage 2 shall take effect 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% of the annual production target. The amount of voluntary reduction shall equal the percentage overage of the annual production.

3. Regulatory Trigger – Regulatory Order: Stage 2 shall take effect in any Water Distribution System when that system is requested by a governmental or regulatory agency for voluntary reductions. The amount of voluntary reduction shall equal the percentage requested by that governmental or regulatory agency relative to a base year determined by the governmental or regulatory agency.
  4. 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 ~~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 events. In that Resolution or declaration, ~~there~~ Board shall be a finding of there is an immediate need to reduce production. The amount of voluntary reduction shall be determined by the Board, the Company, or the State or County entity.
- B. The District and the Water Distribution System shall provide notice of the amount of voluntary reduction to 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, shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 is greater than 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-2, shall sunset for that Water Distribution System(s) 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-3, 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 or the District determines that the voluntary reduction has been met, and conditions 163-E-1 and 163-E-2 have been met.
4. Stage 2, when implemented pursuant to Rule 163-A-4, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a water supply emergency no longer exists.

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

A. Trigger.

1. Stage 2 Deemed Unsuccessful: Stage 3 shall take effect if Stage 2 has been implemented and has failed to sunset after a period of six (6) months.
2. Physical Shortage Trigger: Stage 3 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, 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 and Stage 2 has not been implemented.
3. Regulatory Trigger – Production Targets: Stage 3 shall take effect when the most recent 12 month California American Water production from the MPWRS is greater than 105% 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 when requested by a governmental or regulatory agency to implement Stage 3.
5. Emergency Trigger: Stage 3 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 Emergency Trigger: Stage 3 shall take effect when the Board finds that a Water Supply Emergency exists and upon adoption of a Resolution of the Board of Directors. In that Resolution, the Board shall find there is an immediate need to~~ reduce production through the imposition of Stage 3 Conservation Rates.

B. Stages 1 and 2 shall remain in effect.

C. Thirty days prior to implementation of Stage 3, California American Water shall file to implement Level 1 Conservation Rates within Main System and Laguna Seca Subarea 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 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 rate (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for 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.

D. Sunset.

1. Without further action of the Board of Directors, Stage 3, when implemented pursuant to Rule 164-A-1 or 164-A-2, shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 is greater than 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-1 or 164-A-3, shall sunset for that Water Distribution System(s) 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 3, when implemented pursuant to Rule 164-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 164-C-1 and 164-C-2 have been met.
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.

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

A. Trigger.

1. Stage 3 Deemed Unsuccessful: Stage 4 shall take effect if Stage 3 has been implemented and has failed to sunset after a period of 8 months.
2. Regulatory Trigger – Regulatory Order: Stage 4 shall take effect in any Water Distribution System when that system is requested by a governmental or regulatory agency to implement Stage 4.
3. 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 ~~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. In that Resolution, the Board shall find there is an immediate need to reduce production~~ through the imposition of Stage 4 Water Rationing.
4. 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.
5. 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.

- a. The amount of mandatory reduction shall equal the shortfall in Actual Storage Available as compared to the Total Storage Required; or
- b. 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
- c. 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.

- a. The Board shall consider prohibiting all or specific Non-Essential Water Uses. The Board may enact such prohibitions by Resolution.
- b. Moratorium. Upon implementation of Stage 4, the Board shall declare a moratorium on all Water Permit applications with the affected Water Distribution System other than those applications that rely upon an on-Site Water Credit. The Board may amend the moratorium to include all Water Permit applications if warranted.
- c. No New Potable Water Service: Upon declaration of Stage 4 Water Rationing, no new potable water service will be provided, no new temporary meters or permanent 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, except under the following circumstances:
  - i. The project is necessary to protect the public health, safety, and welfare;
  - ii. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of California American Water Company; or

- iii. This provision does not preclude the resetting or turn-on of meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.
- d. No New Annexations: Upon the declaration of a Stage 4, California American Water Company will suspend consideration of annexations to its Monterey service area. This subsection does not apply to boundary corrections and annexations that will not result in any increased use of water.
- e. Customers utilizing portable Water Meters or hydrant meters or using hydrants to fill water tanks without the use of a Water Meter, shall be required to cease use of the water. Portable Water Meters shall be returned to the Water Distribution System at least thirty (30) days before the implementation of Stage 4.
- f. No Watering or Irrigating: Watering or irrigating of Lawn, landscape or other vegetated area with Potable water is prohibited. This restriction does not apply to the following categories of use, or where the District has determined that recycled non-potable water is available and may be applied to the use:
  - i. Businesses dependent on watering or irrigating in the course of business such as agriculture, nursery, and similar uses;
  - ii. Maintenance of existing landscape necessary for fire protection;
  - iii. Maintenance of existing landscape for soil erosion control;
  - iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
  - v. Maintenance of landscape within active public parks and playing fields, day care centers, golf course greens, and school grounds, provided that such irrigation does not exceed one (1) day per week;
  - vi. 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 Residential water Rations fall below 90 gallons per Single-Family Dwelling Household or 65 gallons per Multi-Family Dwelling Household.

2. Additional Rations for Large Households:

- i. Where four or more Permanent Residents occupy a single residence served by one water meter, the maximum daily Ration may be increased by the amounts listed below:

	Single Family Dwelling Gallons per Day	Multi-Family Dwelling Gallons per Day
Fourth Permanent Resident	30	22
Fifth Permanent Resident	25	18
Sixth Permanent Resident	20	15
Seventh or More Permanent Resident	15	11

3. Procedure for Obtaining Additional 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 Ration is requested. The information on the application shall be presented under penalty of perjury. The additional Ration request shall be submitted to the General Manager of the District, 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 District's Board of Directors.

4. Rations for Multi-Residential Customers Where Two or More Households are Served by One Meter:

- a. Where the water use of two or more Households is measured by only

one meter, the maximum amount of daily allowed water use will be the lesser of: (1) the amounts obtained by multiplying the number of households or apartments by XXX gallons per day; or (2) by XX% of the average monthly amount of water measured by the meter in a previous year selected by the District for which Stages 2, 3, or 4 conservation or rationing was not in place for the month of usage.

- b. Residents of Multi-Family Residences served by one meter shall be responsible for dividing the Rationed water among themselves.

5. Procedure for Obtaining Additional Rations for Multi-Residential Users Where Two or More Households are Served by One Meter:

- a. The Applicant must fill out the required form that lists the number of Residences served by the single meter and submit a use permit issued by the Jurisdiction for the Multi-Residential Residences served by the meter. MPWMD shall retain the right to require Residency Affidavits to determine the appropriate Rations. The additional 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 District's Board of Directors.

6. Additional Ration for Special Needs. Where more water than allowed in Sections 3 or 5 above is necessary to preserve the health or safety of a Full Time Resident or his or her Household, the General Manager may increase the Ration to the Residence 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 Ration according to the application procedures set forth above in Sections 4 or 6, whichever most closely applies, except that the Applicant shall state in a letter to the General Manager: (1) the amount of the requested additional 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 duration of that need, if possible, or other appropriate justification for the special need.

- b. Additional Rations shall require the replacement of inefficient water fixtures with water efficient toilets, showerheads, faucets, High Efficiency Clothes Washers, and Rain Sensors.
  - c. If the General Manager does not approve an additional 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.
7. 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 fees and penalties set forth in this regulation. During this Stage 4, whenever there is a change in the number of Permanent Residents in a Residential Dwelling Unit the Water User shall notify the District.

#### F. Non-Residential Rations.

- 1. If Residential 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 Rations shall be implemented at a level to achieve the necessary reduction in use.
  - a. Non-Residential 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.
  - b. Exemptions: In the resolution to implement a level of Non-Residential Rationing, the Board shall include either (1) a variance for compliance

with Rule 143; (2) a variance for compliance with Best Management Practices or (3) a variance for a commercial establishment whose business requires water in the course of its business practice (e.g. laundromats, nurseries, among others.)

- c. The Applicant or his or her representative may file a request for an additional Ration. The Applicant shall state in a letter to the Board: (1) the amount of the requested Ration, and (2) a general statement in support of the need.
- d. If the request is disapproved, the Board 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 District's 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 separately from other Non-Revenue Metered Uses.

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.

- a. 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.
- b. 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 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.

- c. 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.
- d. 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.
- e. If MPWMD 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.
- f. 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 in this Subsection K-8-b.
- g. 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 Subsection K-8-b shall yield as necessary to respond to the conditions giving rise to the declaration or proclamation.

#### I. Sunset.

- a. Without further action of the Board of Directors, Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 is greater than Total Storage Required for two (2) consecutive months.
- b. 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 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.
- c. Without further action of the Board of Directors, Stage 4, when implemented 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 a. and b., above, have been met.
- d. Stage 4, when implemented pursuant to Rule 165-A-3, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a water supply emergency no longer exists.
- e. 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 XXX:      Rule 166 – Water Rationing Variances**

A. Special Needs Variances. 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;



3. Riparian irrigation when required as a condition of a riverbank restoration Permit issued by the District or as a condition of a riverbank erosion protection Permit issued by the District.

B. Hardship Variances. The following shall be given consideration of additional Rations to meet basic needs:

1. Health and safety situations on a case-by-case basis;
2. Drinking water for large livestock;
3. 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;
4. Commercial laundromats with signs advising full loads only;
5. Business in a home on a case-by-case basis;
6. Emergency, extreme, or unusual situations on a case-by-case basis.

C. No 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 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 XXX: Rule 167 Enforcement**

~~In addition to Water Waste fines and fees described in 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.~~

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## WATER DEMAND COMMITTEE

### ITEM: DISCUSSION ITEM

#### 8. DISCUSS DEVELOPMENT OF POLICY ON RECREATIONAL VEHICLE UTILITY HOOK-UPS

**Meeting Date:** July 23, 2015 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A

**Prepared By:** Gabby Ayala **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

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**SUMMARY:** Staff recently received an inquiry regarding the District's position on whether utility hookups for recreational vehicles (RVs) require a Water Permit. Water consumption from RV pads is likely to increase water use as RVs represent an inexpensive way to tour without the need of lodging in a hotel or other type of boarding house. However, water use on a Site increases due to washing, bathing and food preparation for RVs that require utility hookups to a Water Distribution System, i.e., California American Water Company.

District Rule 20, *Permits Required*, does not require a Water Permit for "a temporary structure" (i.e., a structure without a permanent occupancy and without a permanent foundation and that has "no plumbing"). Staff is requesting direction on whether the District should require a Water Permit for RV connections.

**DISCUSSION:** Historically, the District has not issued Water Permits for RV spots, but the increase in this type of use may warrant a change in policy to address potential water capacity on a Site. Businesses that offer utility hookups for RVs include parks, hotels, fairgrounds, meeting hall facilities, and resorts. Today's RVs are literally homes on wheels. These vehicles are able to be utilized year-round and are not be affected by weather.

**RECOMMENDATION:** The Water Demand Committee should discuss its position on the Water Permit requirement for RV utility hookups.

### EXHIBIT

None