

This meeting is not subject to  
Brown Act noticing requirements.  
The agenda is subject to change.



**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**

\*\*\*\*\*

Friday, August 28, 2015, 2:00 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.**

1. Consider Adoption of July 23, 2015 Committee Meeting Minutes
2. Consider Establishment of Lawn Removal Rebate for Common Areas of Multi-Family Housing Complexes
3. Consider Support for Water Line Insurance Program by Utility Service Partners
4. Discuss Modification to Commercial Laundry Efficiency Standards
5. Discuss 2015 Clean-Up Ordinance

**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 Thursday, August 27, 2015, 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.

U:\Arlene\word\2015\Committees\WaterDmnd\Agendas\20150828\20150828D.docx



**WATER DEMAND COMMITTEE****ITEM: ACTION ITEM****1. ADOPT MINUTES OF JULY 23, 2015 COMMITTEE MEETING**

**Meeting Date:** August 28, 2015

**From:** David J. Stoldt,  
General Manager

**Prepared By:** Arlene Tavani

---

**SUMMARY:** Attached as **Exhibit 1-A** are draft minutes of the July 23, 2015 Water Demand Committee meetings.

**RECOMMENDATION:** The Committee should adopt the minutes by motion.

**EXHIBIT**

**1-A** Draft Minutes of the July 23, 2015 Water Demand Committee Meeting



### **EXHIBIT 1-A**

## **DRAFT MINUTES Water Demand Committee of the Monterey Peninsula Water Management District July 23, 2015**

### **Call to Order**

The meeting was called to order at 3:35 pm in the MPWMD conference room.

**Committee members present:** Kristi Markey, Chair  
Jeanne Byrne  
Brenda Lewis (arrived at 3:40 pm)

**Committee members absent:** None

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

**District Counsel present:** David Laredo

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

### **Action Items**

1. **Consider Adoption of April 30, 2015 Committee Meeting Minutes**  
On a motion by Byrne and second of Markey, the committee approved the April 30, 2015 minutes on a vote of 2 – 0 by Byrne and Markey.

Director Lewis joined the meeting during discussion of item 2.A.

2. **Consider Actions Related to the Rebate Program**

#### **A. Lawn Removal Rebate for Del Mesa Carmel**

The committee discussed this issue and requested that staff collect more information for discussion at a future committee meeting. A summary of the committee discussion follows. (a) In the past, payment of rebates for replacement of fixtures was delayed until additional rebate funding could be obtained. The fund had been depleted by issuance of turf rebates. Funding should be utilized for rebates that will save the most water. (b) Our Rules and Regulations must be amended to allow issuance of rebates for multi-family residential complexes. (c) The greatest amount of water savings will be achieved through development of incentives for apartment complexes to retrofit washing machines. (d) A limit on the amount of rebate funds available for multi-family residential turf replacement could be established. That limit should be high enough to encourage turf replacement. (e) Suggest that for multi-family residential complexes the rebate could be based on a

2,500 square foot limit, or possibly a rebate of \$500 per unit up to a maximum of 50 units. (f) How many complexes in the District could take advantage of a turf rebate? That would help staff develop a budget. (g) Are there additional funds from the State of California that could be utilized for this type of rebate?

Public Comment: (a) Blake Joplin, Rana Creek Design, stated that Del Mesa Carmel has proposed several water saving methods including a laundry to landscape project, and replacement of turf and sprinkler heads. For development of a long-term plan for water reduction at Del Mesa Carmel, it would be helpful to know if a turf replacement rebate will be available. (b) Sal Francis, Maintenance Supervisor for Del Mesa Carmel, briefed the committee on water savings that have been achieved through turf replacement and installation of cisterns.

**B. Lawn Removal Rebate in Areas that Overlie the Carmel Valley Alluvial Aquifer**

The committee discussed this issue and determined that this should be incorporated into future consideration of rules regarding turf rebates for multi-family residential complexes. There was discussion about how these rebates could be funded. It was suggested that mitigation program funds or the Proposition 218 Water Supply Charge funds might be an appropriate funding source. It was also proposed that at the close of each year, any unspent rebate funds might be utilized for this purpose.

**Discussion Items**

**3. Discuss Disbursement of Surplus Ultra High Efficiency Toilets to Local Recipients**

The following suggestions were made during the committee discussion regarding distribution of the toilets. (a) Identify local public and non-profit housing agencies and send them letters offering the toilets. (b) Offer these toilets to low-income senior housing units. (c) Consider Habitat for Humanity, Beacon House, The Bridge, Interim, or senior housing in Seaside such as Del Monte Manor.

**4. Update on Draft Water Conservation and Rationing Plan**

The committee reviewed the draft plan and provided comments to staff. There was discussion about page 20 of the draft regulation, section 2.i related to maximum daily ration amounts. The committee agreed that the 65 gallons for a multi-family dwelling unit was too low. That amount should only be applied if the unit has no laundry. Staff noted that the 22 gallons per person ration was based on Cal-Am's recommendation that water use for multi-family should be set at two-thirds of single family use. The District's rule could abandon the multi-family category and assign 90 gallons per day per household.

**5. Modification of Commercial Laundry Efficiency Standard**

The committee requested that additional information be provided for consideration at a future meeting. During the committee discussion of this item, Stephanie Kister, Conservation Representative 1, explained that the water efficiency standard for installation of high-efficiency clothes washers in non-residential projects must be updated. Our regulations require a water factor of 5.0, but laundromats utilize top-loading residential type washers and also multi-load machines called washer extractors. The 5.0 water factor cannot accurately be applied to washer extractors.

**6. Development of Rule Amendment Ordinance**

No discussion of this item. Staff will develop a draft ordinance and submit it to the committee at a future meeting.

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

**Set Next Meeting Date:** The committee members agreed to meet on Friday, August 28, 2015 at 2 pm.

**Adjournment**

The meeting was adjourned at 5:10 pm.

U:\staff\Board\_Committees\WaterDemand\2015\20150828\01\Item1\_Exhibit1-A.docx



## **WATER DEMAND COMMITTEE**

### **ITEM: DISCUSSION ITEM**

#### **2. CONSIDER ESTABLISHMENT OF LAWN REMOVAL REBATE FOR COMMON AREAS OF MULTI-FAMILY HOUSING COMPLEXES**

**Meeting Date:** August 28, 2015                      **Budgeted:** N/A

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

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

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** N/A

---

**SUMMARY:** At the July 23, 2015, committee meeting staff gave presentation to discuss whether a greater rebate (square feet) is appropriate for multi-family common areas based on the number of dwelling units in the complex. No action was taken and the item was deferred to the next meeting.

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

#### **EXHIBITS:**

**2-A** Model Water Efficient Landscape Ordinance Revisions





# Model Water Efficient Landscape Ordinance Revisions

California Water Commission  
Sacramento, California  
July 15, 2015

Peter Brostrom  
Water Use Efficiency Program Manager  
California Department of Water Resources



# Executive Order B-29-15<sup>9</sup>

## April 1, 2015, Directive #11

- Directs DWR to revise the landscape Ordinance and increase water use efficiency standards through:
  - More efficient irrigation systems
  - Graywater usage
  - Onsite stormwater capture
  - Limiting the portion of landscapes that can be covered in turf
- Requires reporting by local agencies on implementation and enforcement by December 31, 2015



# Ordinance Background

- First adopted in 1992 and updated in 2009
- Applies primarily to new development and retrofit landscapes requiring a permit
- Uses a water allowance approach
- Applies to over 500 land use agencies (cities and counties) across the state
- Local agencies can adopt their own ordinance but must be “at least as effective” as the state’s





# Water Allowance Approach

11

Water allowance based on 3 critical factors:

1. Landscape area
2. Reference Evapotranspiration (Eto)
3. Evapotranspiration Adjustment Factor
  - Ratio of Plant Factor to Irrigation Efficiency

Recreational areas and areas irrigated with recycled water designated as special landscapes are provided increased water allowance



# Water Allowance permits flexibility in landscape design

Can meet 2009 ordinance requirement through a variety of water use plantings:

- 1/3 high, 1/3 medium or 1/3 low
- 1/2 high, 1/2 low
- All medium
- Or other combination that meets the water allowance



# Landscape Ordinance Revision Process

- April 1, 2015      Executive Order released
- April/May      Stakeholder meetings
- June 12      Released Public Draft
- June 16 and 19      Public meetings
- June 26      Received written comment
- July 9      Released revised draft based on public comment
- July 15      California Water Commission





# DWR's Revised Draft Ordinance

- Lowers maximum applied water allowance
- Increases irrigation efficiency
- Provides graywater incentives
- Lowers landscape size threshold
- Increases onsite stormwater capture
- Specifies new reporting requirements





# Lowers Maximum Applied Water Allowance

- Lowered the percentage of Eto from:
  - 0.7 of ETo to 0.55 for residential
  - 0.7 of ETo to 0.45 for commercial, industrial and institutional
- Set default irrigation efficiency:
  - Drip at 0.81
  - Overhead spray at 0.75
  - Both are used in total water use calculation







Santa Rosa





Martinez - several CA Natives





# Increases irrigation efficiency

- Requires all irrigation devices to meet new national standard
  - All sprinklers have to meet or exceed distribution uniformity standard of 0.65





# Provides Graywater Incentives

- Simplified compliance requirements for landscapes where all the water demand is met through graywater or on site rainwater



# Lowers Landscape Size Threshold

- Lowered the landscape size threshold from 2,500 sq. ft. to 500 sq. ft. for new development projects
- Provided a checklist compliance approach for landscapes between 500 and 2,500 sq. ft.



# Increases Onsite Stormwater Capture

- Requires tillage and compost to increase water infiltration on site.
- Recommends implementation of stormwater best management practices





# Specifies New Reporting Requirements

- Local agency adoption by December 1, 2015
  - Regional ordinance adoption by February 1, 2016
- Local agency reporting by December 31, 2015
  - Reporting on regional ordinance adoption by March 1, 2016



# Landscape Stakeholder Committee

- DWR will form a landscape stakeholder committee in 2016 to discuss future revisions of the ordinance:
  - additional ways to improve and simplify the ordinance and discuss ways to improve local implementation



# Next Steps

## Following CWC adoption:

- Provide public notice of revised ordinance
- Submit to Office of Administrative Law as “file and print” submission
- Provide workshops and training in Sept/Oct
- Local agency reporting to DWR Dec. 2015 to March, 2016
- DWR to report to Water Board on ordinance implementation
- Convene stakeholder committee in 2016





# Questions?

## Contact Information:

Peter Brostrom

(916) 651-7034

[brostrom@water.ca.gov](mailto:brostrom@water.ca.gov)

Vicki Lake

(916) 651-0740

[Vicki.Lake@water.ca.gov](mailto:Vicki.Lake@water.ca.gov)

Julie Saare-Edmonds

(916) 651-9676

[julie.saare-edmonds@water.ca.gov](mailto:julie.saare-edmonds@water.ca.gov)





**WATER DEMAND COMMITTEE****ITEM: ACTION ITEM****3. CONSIDER SUPPORT FOR WATER LINE INSURANCE PROGRAM BY UTILITY SERVICE PARTNERS****Meeting Date:** August 28, 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

**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 Overview of Service Line Warranty Program**



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



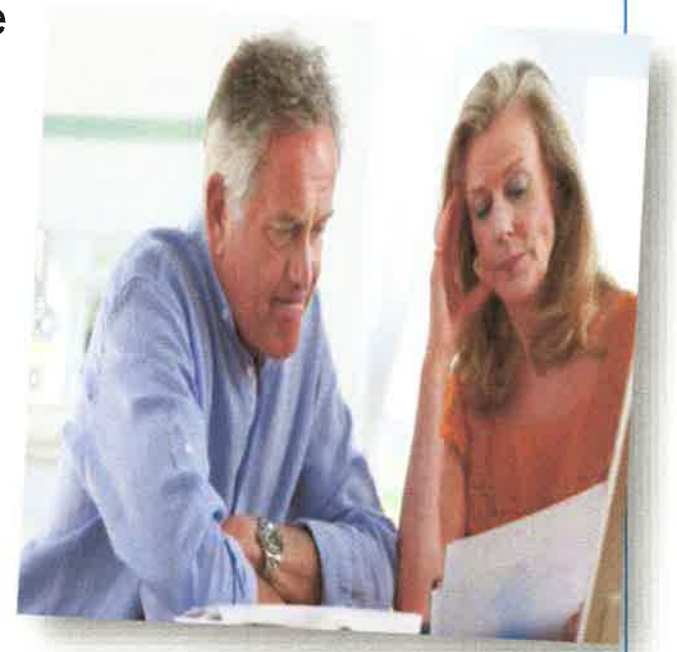
# Service Line Warranty Program



# 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.

# Built to Help – Utility Service Partners



- Founded in 2003, USP was created to assist municipalities and utility companies in protecting their customers from the high cost of unexpected home repairs. Backed by Macquarie Capital.
- Chosen to administer the National League of Cities Service Line Warranty Program
  - ❖ 227 cities in 32 states are participating in the program
  - ❖ Invested more than \$64 million in private infrastructure repairs
  - ❖ Returned nearly \$4 million to cities through revenue sharing component
- A+ BBB rating and Torch Award recipient



KANSAS CITY  
MISSOURI



THE CITY OF SAN DIEGO



Tulsa  
A New Kind of Energy.



LEWISVILLE



City of Phoenix





## 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





# 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.





**WATER DEMAND COMMITTEE****ITEM: DISCUSSION ITEM****4. DISCUSS MODIFICATION TO COMMERCIAL LAUNDRY EFFICIENCY STANDARDS****Meeting Date:** August 28, 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

---

**SUMMARY:** At the July 23, 2015 committee meeting, staff gave a presentation on high efficiency clothes washers vs. washer extractors for Commercial use. No action was taken and the item was deferred to the next meeting.

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



**WATER DEMAND COMMITTEE****ITEM: DISCUSSION ITEM****5. DISCUSS 2015 CLEAN-UP ORDINANCE**

<b>Meeting Date:</b>	<b>August 28, 2015</b>	<b>Budgeted:</b>	<b>N/A</b>
----------------------	------------------------	------------------	------------

<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
--------------	---	------------------------------------	------------

<b>Prepared By:</b>	<b>Stephanie Locke</b>	<b>Cost Estimate:</b>	<b>N/A</b>
---------------------	------------------------	-----------------------	------------

**General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: N/A**

---

**SUMMARY:** Clean up definitions and permit requirements. An outline of concepts and discussion topics is attached as Exhibit 5-A.

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

**EXHIBITS:**

**5-A** 2015 Clean Up Ordinance – Discussion Points



**EXHIBIT 5-A**

2015 CLEAN UP ORDINANCE

Discussion Points for Review

**SECTION 1: RULE 11 – DEFINITIONS**

1. Add “Accredited Institutions of Higher Education Site” to Rule 11

***ACCREDITED INSTITUTION OF HIGHER EDUCATION*** - “*Accredited Institution of Higher Education*” shall a regional, national faith-related, national career-related or programmatic accreditor that is or has been recognized by the Council for Higher Education Accreditation (CHEA) or the U.S. Department of Education (USDE) or both.

2. Add “Accredited Institution of Higher Education Site” to Rule 11 to treat accredited institutions of higher learning with multiple properties that may not be contiguous as a single Site for purposes of allowing a Water Credit to be moved around.

***ACCREDITED INSTITUTION OF HIGHER EDUCATION SITE*** - “*Accredited Institution of Higher Education Site*” shall mean all facilities and properties owned by a single Accredited Institution of Higher Education that are located within the MPWMD and that are supplied water by California American Water.

3. Add “Jurisdiction Site” to Rule 11 to allow Jurisdiction’s with to be treated as a single Site for purposes of allowing a Water Credit to be moved around.

***“Jurisdiction Site”*** shall mean all facilities and properties owned by a single Jurisdiction that are located within the MPWMD and that are supplied water by California American Water.

4. Amend definition of “Site.” Delete “identical present use.” Use is not defined and is subjective. Sites may have multiple uses on them, particularly when they are made up of multiple lots and parcels.

“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~~ ***or that are*** (3) ~~which have an identical present use~~ ***a Public School District Site, a Jurisdiction Site, or an Accredited Institution of Higher Education Site.*** The term “Site” shall be given the same meaning as the term “Parcel”.



5. Define “Measurable Precipitation” as it is a term used in the Water Waste definition.

***MEASURABLE PRECIPITATION -- “Measureable Precipitation” shall mean rainfall of 0.1 inch or more.***

6. Delete “Required Conservation Measures” in Rule 11. Measures are in Rule 142.

~~“Required Conservation Measures”~~

~~a. Flush sewers with Sub-potable or Reclaimed Water except in cases of emergency.~~

~~b. New Construction: Plumbing fixtures must be at least as efficient as the following water conservation requirements: toilets shall not use more than 1.6 gallons per flush maximum; Urinals shall use no more than 1.0 gallons per flush; Showerheads shall use no more than 2.5 gallons per minute without a separate restriction device and faucets shall have aerators that use no more than 2.2 gallons per minute maximum irrespective of the pressure in the water supply line; hot water systems must be Instant Access Hot Water Systems; Drip Irrigation must be installed for all shrub or tree areas rather than spray heads, unless plant material or site conditions preclude drip as the most appropriate choice. Handheld watering may also be used.~~

~~c. Projects that result in added water fixtures or expansion of more than 25 percent of the existing square footage, and all Non Residential Changes of Use, shall meet the Required Conservation Measures for New Construction with the exception of retrofitting to Drip Irrigation and Instant Access Hot Water Systems.~~

7. Delete “Mandated” as it is unnecessary. This term was added by Ordinance 110 in 2003 and was not used in the ordinance.

~~“Mandated” shall mean a requirement of the District (e.g. Ultra Low Flush Toilets are mandated for New Construction) adopted by ordinance.~~

8. Add definitions to identify car wash types for recycled water requirements. These definitions are from the California Water Code.

***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.***

***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.***

***SELF-SERVICE CAR WASH -- “Self-service car wash” means a commercial car wash where a customer washes his or her own car with spray wands and brushes.***

9. Amend the Dual Flush definition for consistence with state law.

***DUAL FLUSH ULTRA-LOW FLUSH TOILET -- “Dual Flush Ultra-Low Flush Toilet” shall mean a toilet with an effective flush volume that does not exceed 1.28 gallons, where effective flush volume is defined as the composite, average flush volume of two reduced flushes and one full flush*** ~~designed to allow the user to choose between a light flush (usually 0.8 gallon) and a longer 1.6 gallon flush.~~

10. Define “Production Limit”. It is a term used in Regulation XV.

***PRODUCTION LIMIT -- “Production Limit” shall refer to the maximum production permitted for a Water Distribution System.***

11. Exempt replacement of a large tub with a standard tub (lower fixture unit value and does not require Jurisdictional permit)

## **RULE 20 -- PERMITS REQUIRED**

### **B. PERMITS TO CONNECT TO OR MODIFY A CONNECTION TO A WATER DISTRIBUTION SYSTEM**

Before any Person connects to or modifies a water use Connection to a Water Distribution System regulated by the District or to any Mobile Water Distribution regulated by the District or to any Mobile Water Distribution System, such Person shall obtain a written Permit from the District or the District’s delegated agent, as described in District Rules 21, 23 and 24. The addition of any Connection and/or modification of an existing water Connection to any Water Distribution System permitted and regulated by the District shall require a Water Permit.

The following actions require a Water Permit:

1. Any change in use, size, location, or relocation of a Connection or Water Measuring Device which may allow an Intensification of Use or increased water consumption.
2. Each use of an On-Site credit or Water Use Credit.

3. Any modification to the number or type of Residential water fixtures shown in Rule 24, Table 1, Residential Fixture Unit Count Values, with ~~two~~ **three** exceptions:
  - (1) ~~R~~replacement of a ***Large Bathtub with a Standard Bathtub or Shower Stall***, ***or (2) replacement of a Standard Bathtub*** with a Shower Stall and vice versa; ~~and or (23)~~ removal of a lawful water fixture.
4. Any Landscaping changes resulting in an Intensification of Use when a Landscape plan has been reviewed and approved as a component of a Water Permit.
5. Any Change of Use or any expansion of a Non-Residential use to a more intensive use as determined by Rule 24, with the exception of Temporary Structures and Temporary Exterior Restaurant Seats that are not occupied or in use for longer than thirty (30) consecutive days.
6. Installation of new water fixtures (Rule 24, Table 1) in a Residential use, other than replacement of existing water fixtures.
7. Use of water from a Mobile Water Distribution System.

## **SECTION 2: RULE 21 – APPLICATIONS**

8. 21-B.3 – Add “ETWU” to Rule 21-B.3 and 24-E-6 (g) regarding application for Water Permit for New Construction or modified landscapes subject to the State Model Water Efficient Landscape Ordinance.

A Landscape Water Budget which includes the Maximum Applied Water Allowance (MAWA) ***and Estimated Applied Water Use*** calculations and three copies of the Landscape***ing*** plan for new exterior use when the Site exceeds 10,000 square-feet in size, when the Project is a Non-Residential use, or when the Project involves Multi-Family Dwellings or mixed uses.

## **SECTION 3: RULE 22 -- ACTION ON APPLICATION FOR PERMIT TO CREATE/ESTABLISH A WATER DISTRIBUTION SYSTEM**

9. Move parts of Rule 173 to Rule 22 re Mobile Water Distribution System permitting. Add additional information regarding these types of permits, especially related to Potable Mobile Systems.

#### RULE 173 - REGULATION OF MOBILE WATER DISTRIBUTION SYSTEMS

A. No Person, Extractor, Owner or Operator shall operate a Mobile Water Distribution System without first securing a written Permit or Confirmation of Exemption from the District. In accordance with Monterey County Code (e.g., Title 15.20), no applications will be accepted or permitted for bulk hauled water for permanent Potable use. Applications for establishment of a Mobile Water Distribution System shall be made pursuant to Rule 20, Rule 21, and Rule 22 and shall be investigated, considered, determined, and acted upon in accordance with those rules and the Implementation Guidelines. The application shall identify each Source of Supply and the location of each use. For any Sub-potable Mobile Water Distribution System within the California American Water Service Area, a condition of approval shall require that California American Water be notified so that a back-flow protection device can be installed pursuant to Monterey County Code, as necessary.

B. In the event prior authorization is not obtained 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. California American Water shall not provide portable water meters to any Person unless a Permit has been issued by the District pursuant to Rule 22 or Rule 23.

D. ~~Delivery and/or receipt of water from an unpermitted Mobile Water Distribution System shall be deemed Water Waste, and shall be subject to fine, restriction, and cease and desist order as set forth in Rule 171 and Regulation XI~~

10. Amend Rule 22-D-1-h:

D-1-h. Permit shall identify whether interties to other systems are allowed and shall identify restrictions or prohibitions on such interties, including devices to prevent cross-contamination of systems. MPWMD shall not approve any Water Permit for new Connections to the California American Water system, ***based on California American Water's authorized water rights***, due to the inability of a permitted Water Distribution System to deliver adequate water quality or quantity to Parcels within its Service Area until there is full compliance by California American Water with State Water Resources



Control Board Order No. WR 95-10 (as amended); California American Water compliance with the March 2006 Final Decision of the Seaside Groundwater Basin Adjudication (as amended); and water is available in the respective Jurisdiction's Allocation for release to the Parcels(s);

**RULE 23 -- ACTION ON APPLICATION FOR A WATER PERMIT TO CONNECT TO OR MODIFY AN EXISTING WATER DISTRIBUTION SYSTEM**

11. Amend Rule 23.5 regarding "Exhibit A". "Exhibit A" is an exhibit to an ordinance and is not an exhibit to the Rule. The rule has seven instances where Exhibit A is referenced. In addition, the process language has been updated to current standards. All amendments to Rule 23.5 must be reviewed by Pebble Beach legal counsel.

**RULE 23.5 - PERMITS FOR WATER FROM THE CAL-AM WATER DISTRIBUTION SYSTEM DEDICATED FOR USE IN CONNECTION WITH THE PLAN TO FINANCE THE RECYCLED WATER PROJECT**

**A. ISSUANCE OF WATER USE PERMITS**

The Board having selected the Fiscal Sponsor/Sponsors pursuant to Part II of Ordinance No. 39 and based upon the irrevocable commitment by those Sponsors to underwrite, be responsible for, assure and guarantee payment of the Financial Commitment (Capital Costs and Net Operating Deficiencies and Ancillary Project Costs of the Original Project recorded by the agreements required by Part VII of Ordinance No. 39), MPWMD has granted the Water Entitlement and the General Manager has issued Water Use Permits to Pebble Beach Company ("PBC"), J. Lohr Properties, Inc. ("Lohr"), and the Hester Hyde Griffin Trust ("Griffin") authorizing the Expansion and Extension of the Cal-Am Water Distribution System to provide water service and Connections for the benefit of the properties identified in the Fiscal Sponsorship Agreement (such properties being the "Benefited Properties" ~~described in Exhibit A thereto as amended~~). By virtue of the Water Entitlement, each Water Use Permit has granted a vested property interest upon one or more Benefited Properties for the use and benefit of a specified quantity of Potable water per year (in Acre-Feet) produced by the Water

Distribution System owned and operated by the California American Water Company (“Cal-Am”).

Water Use Permits shall be subject only to the following limitations:

1. the Permit shall not limit the power of the Monterey Peninsula Water Management District (“MPWMD”) to curtail water use in the event of any emergency caused by drought, or other threatened or existing water shortage, as defined in Section 332 of the Monterey Peninsula Water Management Act, including without limitation the power of MPWMD to terminate water service as a consequence of a violation of water use restrictions;
2. the Permit shall not relieve or reduce any obligation of the recipient of water to pay customary fees, Capacity Fees, User fees, surcharges, taxes, utility taxes, and/or any other customary monetary obligation which may be imposed by the California Public Utilities Commission, Cal-Am, MPWMD, or other Public Participants upon Water Users of the same class within the Cal-Am Service Area, including but not limited to fees and charges due and payable to MPWMD by reason of Rule 24 of MPWMD’s Rules and Regulation nor shall such Permit limit the authority of Cal-Am or MPWMD to terminate water use for non-payment of such fees and charges;
3. the Permit shall enable present use of the Water Entitlement by PBC only upon its continuing financial assurance or guarantee relating to the payment of Net Operating Deficiencies for the Project; and
4. notwithstanding any other provision of this Rule:
  - a. the Water Entitlement allocated to the Benefited Properties as a whole shall not exceed 380 AF,
  - b. the water usage under the Water Entitlement on any Benefited Property shall not exceed the amount of the Water Entitlement allocated to such Benefited Property, measured in accordance with the Water Use Factors specified at the time of connection in the MPWMD Rules, as amended from time to time, and

- c. for purposes of collecting Capacity Fees and fees, the projected water usage of the Benefited Properties shall be calculated by MPWMD in the manner set forth in Rule 24.
- 5. Further, notwithstanding any other provision of this Rule, once a new water Connection is established pursuant to a Water Use Permit and use of all or a portion of a Water Entitlement,
  - a. no User of water through such Connection shall be entitled to preferential access to water over any other Water User of the Cal-Am Water Distribution System; and
  - b. the fixtures on the Benefited Property served by that Connection shall be subject to verification of Water Use Capacity in the manner specified in the MPWMD Rules, as amended from time to time; and
  - c. the use of water on the Benefited Property served by such Connection shall be accounted for by MPWMD in the manner specified at the time of Connection in the MPWMD Rules, as amended from time to time; and
  - d. the restrictions of use set forth above shall be enforced as determined by MPWMD to be necessary.
- 6. The Revocation and termination of any Water Use Permit shall not diminish or otherwise adversely affect present actual use of water by reason of a prior Expansion or Extension of the Cal-Am Water Distribution System through any Connection previously made pursuant to such Water Use Permit, except that actual use of water may be reduced pursuant to the provisions of subparagraphs A-1 through A-5.
- 7. Permits issued pursuant to this Rule shall represent a vested property interest upon issuance and shall not be subject to Revocation or cancellation except as expressly set forth in subparagraph D below.
- 8. The Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to MPWMD Rule 30, nor shall it be terminated or diminished by reason of any water emergency, water

moratorium or other curtailment on the setting of meters for the Cal-Am Water Distribution System, nor shall it otherwise be subject to diminishment or Revocation, except in the event that a Water Use Permit is Revoked or cancelled or as otherwise provided by subparagraph D below.

**B. WATER USE PERMIT PROVISIONS**

Each Water Use Permit issued by the General Manager shall identify, with respect to the Benefited Property:

1. the nature (Industrial/Commercial/Residential) and location of the water use to be applied to each Benefited Property, and the consistency of such water use with existing land use and zoning plans;
2. the number and nature of Connections projected for each Benefited Property; and
3. the amount of the Water Entitlement dedicated to, conveyed with, or separately conveyed to, the Benefited Property.

**C. AMENDMENT OF WATER USE PERMITS**

1. The Owner of any Benefited Property, shall, upon request, be entitled to an amendment to any Water Use Permit to reduce, or increase (up to the amount of the Water Entitlement specified in the Water Use Permit pursuant to subparagraph B-3 of this Rule), or change the number and type of Connections and water use with respect to that Benefited Property. In addition, the Owner of any Benefited Property not described in subparagraph C-2 or C-3 below shall, upon request, be entitled to an amendment to any Water Use Permit to reduce, or increase, or change the number and type of Connections and water use with respect to any Benefited Property owned by such Owner, provided that in no event shall the aggregate amount of annual water usage for the Benefited Properties owned by that Owner exceed the aggregate Water Entitlement allocated to the Benefited Properties of that Owner, and provided further that the reallocation of Connections shall be allowed only among those locations identified in ~~Exhibit A to the Fiscal Sponsorship Agreement (as such~~



~~Exhibit has been amended after execution to expand the~~ as Benefited Properties).

2. As an integral part of the conveyance of title to one or more Benefited Properties, Water Use Permits shall be conveyed and assigned to the successors-in-interest to the Benefited Properties to which the pertinent portion of the Water Entitlement is dedicated.
3. Owners who have received a Water Use Permit from MPWMD for the portion of the Water Entitlement acquired by separate sale and conveyance from PBC pursuant to Section Three of Ordinance No. 109 shall be entitled to use up to the quantity of the Water Entitlement evidenced therein only after the writings comprising the Supplemental Financial Commitment (as defined herein) have been received by MPWMD and then only on the Benefited Property to which it applies. Such Owners shall not have the right to further sell or convey the Water Use Permit or the corresponding portion of the Water Entitlement for any use other than Residential use or on any other Benefited Property.

**D. REVOCATION, TERMINATION, OR MODIFICATION OF WATER USE PERMITS**

Each Water Use Permit held by the Fiscal Sponsor shall provide that it shall be Revoked and terminated in the event that the Fiscal Sponsor shall default in any material manner upon its obligation, assurance and guarantee of the Financial Commitment for the Project, provided that nothing herein shall preclude PBC or any other subsequent Fiscal Sponsor from disputing in good faith any claim of default made by MPWMD nor shall MPWMD terminate or Revoke any Water Use Permit unless PBC or any subsequent Fiscal Sponsor shall have been given notice and a reasonable opportunity to cure any such default so long as such opportunity to cure shall not result in any payment default to the holders of the Certificate of Participation.

All Water Use Permits issued to evidence the Water Entitlement conveyed by PBC pursuant to Subsections C and D of Section Three of Ordinance No. 109 shall not be Revoked (as defined in Rule 11) or Terminated as defined herein with respect to the entire Water Entitlement so conveyed except as set forth in the following sentences.

Notwithstanding the preceding sentences of this Subsection D, the actual use on each of the properties to which a portion of the Water Entitlement is dedicated (after conveyance by PBC pursuant to Subsections C and D of Section Three of Ordinance No. 109) shall at all times remain subject to the limitations and restrictions referenced in Subsections A through C of this Rule 23.5, which shall be enforced in the manner determined by MPWMD to be necessary. In order to facilitate enforcement of this limitation, MPWMD shall account for the use of water on the Benefited Property in the manner specified at the time of connection in the MPWMD Rules, as amended from time to time.

Moreover, each Water Use Permit which on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on a Benefited Property or which purports to authorize usage in excess of the constitutional limitation to reasonable and beneficial use shall be subject to modification, Revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.

Prior to any modification, termination or Revocation pursuant to this subparagraph D, the holder of the Water Use Permit shall be entitled to notice and a hearing, and any termination, Revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

The Revocation, termination, or modification of any Water Use Permit shall not diminish or otherwise adversely affect present actual use of water by reason of prior Expansion or Extension of the Cal-Am Water Distribution System through any Connection previously made pursuant to such Water Use Permit, provided that each Water Use Permit holder shall be subject to such laws, ordinances, and regulations as are generally applicable to all similarly situated Users (Residential Users within the Cal-Am Water Distribution System with lots classified by MPWMD as the same size) actually using water from the Cal-Am Water Distribution System, and nothing herein is intended to or shall affect the ability to curtail or eliminate the actual use of water through any Connection previously made pursuant to a Water Use Permit to the extent such curtailment or elimination is authorized by such generally applicable laws, ordinances, or regulations applied in a non-discriminatory fashion to all similarly situated Users in the Cal-Am Water Distribution System (Residential Users with lots classified by MPWMD as the same size).

For example, Persons using water from the Cal-Am Water Distribution System are required to reduce their water usage in the various stages in MPWMD's Expanded Water Conservation and Standby Rationing Plan, and may be penalized or their water service may be terminated for failing to reduce water usage as required. Similarly, such Persons must pay the rates and charges imposed for such water service, or their water service may be terminated.

**E. CAL-AM SYSTEM EXPANSION/EXTENSION PURSUANT TO WATER USE PERMITS**

Each Water Use Permit shall entitle the Owner of a Benefited Property to Potable water service to be provided by the Cal-Am Water Distribution System for such Benefited Properties, including the installation of water meters and mains as necessary notwithstanding the existence of a moratorium or a temporary delay on new Connections, upon payment of the fees required by subparagraph E-2 and *a complete application for a Water Permit as described in Rule 21-B.* presentation to

~~MPWMD by the Owner of the applicable Benefited Property of the following:~~

1. ~~a. A statement by the Owner setting forth the annual Capacity of water that the Owner intends to use through such Expansion/Extension of the Cal-Am Water Distribution System, and the nature of the uses to which such water is intended to be applied; and~~
  - ~~b. a valid municipal or county building permit which will allow construction upon the Benefited Property; and~~
  - ~~c. a complete set of architectural contract drawings; or~~
  - ~~d. other documentation sufficient for MPWMD to determine quantity and the Capacity for annual water use of the Benefited Property in the manner set forth at the time of connection in the MPWMD Rules, as amended from time to time, and the number and type of each requested Connection.~~
2. The payment of any customary fees and Capacity Fees required by both Cal-Am and MPWMD of Water Users within the Cal-Am Service Area,

calculated upon the basis of the annual water usage Capacity for the Benefited Property determined as set forth in ~~the preceding subsection E-1 d, including but not limited to fees and charges due by reason of Rule 24~~ of MPWMD's Rules and Regulations.

Upon the filing of the information and payment of the fees required above, the General Manager shall issue a **Water** Permit pursuant to those provisions of Rule 23 authorizing ~~the Expansion/Extension of a~~ ***Connection to or modification of a water use on the California American Water Water Distribution System***, which ~~Water~~ Permit shall indicate the location, maximum usage measured as ~~Water Use~~ Capacity, and nature of each Connection requiring a present Expansion/Extension of the Cal-Am Water Distribution System. Customary fees and Capacity Fees shall be calculated based upon the Water Use Capacity for proposed or planned development upon Benefited Properties and calculated in the manner described in Rule 24. The water use represented by such ~~Expansions/Extensions~~ ***Connection to or modification*** of the Cal-Am Water Distribution System, shall not exceed the Water Entitlement evidenced by such Water Use Permit. In the event that an Owner of any Benefited Property requests an ~~Expansion/Extension~~ ***Connection to or modification*** of the Cal-Am Water Distribution System with respect to less than all of the Water Entitlement evidenced by such Water Use Permit, the General Manager shall make a record of the respective amounts deducted from and remaining under the pertinent Water Entitlement (as evidenced in the Water Use Permit).

The Owner of any Benefited Property to which the Owner has previously applied a portion of the Water Entitlement through prior ~~Expansions/Extensions~~ ***Connection to or modification*** of the Cal-Am Water Distribution System shall be entitled to increase the annual water use on such Benefited Property upon presentation of the information and payment of the fees set forth in this subparagraph E, provided that such increase does not cause the water use on the Benefited Property (or, in the case of PBC, PBC's Benefited Properties) to exceed the Water Entitlement owned by such Owner. Cal-Am shall be authorized to execute a contract with the Fiscal Sponsor to enable the provision of water service pursuant to subsections C and D of Section Three of Ordinance No. 109 consistent with the Water Entitlement evidenced by the Water Use Permit issued under this provision. Such agreement with Cal-Am shall at the Fiscal Sponsor's option be a condition precedent to the financing pursuant to Section Three of Ordinance No. 109 that is to pay for the Capital Costs of the Project Expansion. The actions required to be taken by the General Manager pursuant to the

foregoing provisions of this paragraph E shall be ministerial, non-discretionary acts which shall not be affected by any water moratorium, water emergency, Allocation decision or other curtailment on the setting of new water meters for the Cal-Am Water Distribution System and shall be enforceable by mandamus.

Nothing in the foregoing is intended to or shall affect the ability of MPWMD to curtail or eliminate the actual use of water through any Connection previously made pursuant to a Water Use Permit to the extent that such curtailment or elimination is authorized by other laws, ordinances, or regulations as are generally applicable to all similarly situated users (Residential Users within the Cal-Am Water Distribution System with lots classified by MPWMD as the same size) actually using water from the Cal-Am Water Distribution System, nor is it intended to provide or imply that any Water Use Permit holder shall not be subject to such generally applicable laws, ordinances, and regulations. For example, Persons using water from the Cal-Am Water Distribution System are required to reduce their water usage in the various stages in MPWMD's Expanded Water Conservation and Standby Rationing Plan, and may be penalized or their water service may be terminated for failing to reduce water usage as required. Similarly, such Persons must pay the rates and charges imposed for such water service, or their water service may be terminated.

**F. PROCEDURE IN CASE OF INTERRUPTION OF RECYCLED WATER DELIVERIES**

1. The provisions of this subparagraph F shall be applicable only after the Project Expansion is Completed. After the Project Expansion is Completed, if there is an Interruption in Recycled Water deliveries to any Recycled Water Irrigation Area, the temporary use of Potable water for irrigating each such Recycled Water Irrigation Area is authorized in the manner described in this Subsection F. Following written notice to MPWMD from an Owner of the affected area, CAWD, PBCSD and/or Cal-Am, CAWD, PBCSD and/or Cal-Am are authorized to turn on the Connection by which Potable water enters the distribution system serving the Recycled Water Irrigation Areas. Reports of the quantities of Potable water introduced into the Project through this Connection on a daily basis shall be submitted to MPWMD each week throughout the Interruption.
2. Under normal circumstances, Potable water shall not be used for irrigation of a Recycled Water Irrigation Area for any longer than the period of time



reasonably required to promptly and diligently complete repair or replacement or other activities necessary to restore Recycled Water service, provided that Potable water shall be made available for irrigating tees and greens during an Interruption without any limitation on the duration.

3. If Potable water has been used for irrigation of a Recycled Water Irrigation Area for 15 days , MPWMD may thereafter give notice of, and hold, a hearing (a) if it appears that the repair or replacement or other activities necessary to restore Recycled Water Service are not being completed promptly or diligently, or (b) upon the request of any interested party, who asserts that due to unique or unusual circumstances there may be a need to use Potable water for irrigation of a Recycled Water Irrigation Area for a period longer than the period of time reasonably required to promptly and diligently complete repair or replacement or other activities necessary to restore Recycled Water service. The purpose of the hearing is to determine the period of time during which, and what quantities of, Potable water shall continue to be supplied for irrigation of the affected Recycled Water Irrigation Area(s).
4. MPWMD shall give CAWD, PBCSD, Cal-Am, and the Owners of each affected Recycled Water Irrigation Area(s) not less than 30 days advance written notice for any such hearing, which notice shall set forth the basis of the hearing (as described in the preceding sentence).
5. Upon considering the evidence presented (including written materials that may be included in an Administrative Record), MPWMD may determine the period of time during which, and what quantities of, Potable water shall continue to be supplied for irrigation of the affected Recycled Water Irrigation Area(s). MPWMD shall give CAWD, PBCSD, Cal-Am, and the Owners of the affected Recycled Water Irrigation Area(s) written notice of such determination, and the determination shall be effective on the 15th day following service of the notice by personal delivery or by facsimile, whereupon, each party shall immediately comply with the determination or timely challenge the same in court.
6. 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 Subsection F.

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 Subsection F shall yield as necessary to respond to the conditions giving rise to the declaration or proclamation.

## **G. DEFINITIONS**

For the purpose of Ordinance No. 109 and Rule 23.5, the following words shall have the meanings set forth below. Other words which are defined in Rule 11 to the Rules and Regulations, when used in Rule 23.5 or the ordinance shall have the meanings set forth therein, unless the context otherwise indicates.

“Actual use of water” means the quantity of water that has passed through the water meter or meters installed to measure it.

“Ancillary Project Costs” means net revenues (gross revenues less allocable operation and maintenance costs and administrative and general costs as such terms are defined in accord with generally accepted utility practices), with respect to the Potable water, subject, from time to time, to the Water Entitlement, which Cal-Am shall not receive by reason of operation of the Project. Ancillary Costs shall not include any return on assets of Cal-Am which have been removed from the Water Distribution System rate base by reason of the Project. Ancillary Costs shall be reduced over time by net revenues received by Cal-Am by reason of sales of Potable water to the Benefited Properties following the first date of Project operation.

“Benefited Properties” means *all real property within the boundaries of the unincorporated portions of the Del Monte Forest as defined in Exhibit “B” of Ordinance No. 109, and such additional real property as has been designated and included as Benefited Properties under the Fiscal Sponsorship Agreement pursuant to amendments thereto by the Fiscal Sponsor, so long as additional designated properties are contiguous to existing Benefited Properties. The Fiscal Sponsor will notify MPWMD of any such amendments.* ~~those properties~~

~~described on Exhibit A hereto, within the Cal-Am Service Area on which a portion of the Water Entitlement may be utilized. All Benefited Properties are located in the unincorporated portion of the Del Monte Forest (the area shown on Exhibit B) except as otherwise noted in Exhibit A.~~

“Cal-Am” means the California American Water Company, a California corporation, its successors and assigns.

“Capital Costs” as applied to the Project or any portion thereof means all or any part of:

- a. the cost of acquisition of all lands, structures, real or personal property rights, rights-of-way, franchises, easements, and interests acquired or used for the Project, inclusive of fees and commissions for acquisition;
- b. the cost of construction of the Project, including without limitation, demolition, modification, replacement or renovation of existing structures, facilities, fixtures or equipment essential to the construction and operation of the Project; cost of improvements and materials; direct and indirect construction and administration expenses of each of the Public Participants properly allocable to the Project in accordance with generally accepted accounting principles; costs of painting, decorating, furnishing and landscaping; contractor and subcontractor profit; and costs related, by reason of the Project, to plumbing, mains, tanks, or pipes which are modified, replaced, or renovated, whether owned by Public Participants or others;
- c. the cost of demolishing or removing any buildings, fixtures, equipment, or structures on land so acquired, including, without limitation, the cost of acquiring any lands to which such buildings or structures may be moved;
- d. the cost of all new machinery, piping, equipment and furnishings, and the lesser of (i) the fair market value, or (ii) depreciated value for purposes of the applicable rate base, of machinery, piping, equipment and furnishings made obsolete or unusable to Cal-Am or any of the Public Participants by reason of the Project to the extent not replaced by the Project;
- e. costs of selling and issuing the Certificates of Participation, including, without limitation, the underwriter’s discount;

- f. interest on any funds advanced to permit payment of any of the Capital Costs prior to, during, and for a reasonable period after completion of the acquisition and construction of the Project as determined by PBC and MPWMD, including, without limitation, capitalized interest on the Certificates of Participation;
- g. the Operating Reserve, as defined in the Fiscal Sponsorship Agreement;
- h. the cost of architectural, engineering, planning, environmental analysis, financial, accounting, auditing and legal services, plans, specifications, estimates, administrative expenses, permits, fees, adverse claims, personnel and overhead costs (both direct and indirect, to the extent properly allocable to the Project in accordance with generally accepted accounting principles), and other expenses necessary or incident to determining the feasibility of construction of any portion of the Project or incident to the planning, construction, acquisition, or financing of any portion of the Project, subject to independent audit and review pursuant to the Supplemental Construction and Operation Agreement, including, without limitation:
  - 1. payment during the construction period of the premiums for all title and other insurance, bonds, or undertakings required to be obtained and maintained with respect to any part of the Project, to the extent such amounts are not paid by any contractor who constructs or installs any portion of the Project;
  - 2. payment of the taxes, assessments and other fees or charges, if any, that may become payable during the construction period with respect to any portion of the Project, or reimbursement thereof; and
  - 3. payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the acquisition, construction or installation of any portion of the Project.

“Capital Costs of the Project Expansion” means costs falling within the preceding definition of Capital Costs that apply to the Project Expansion, and without limitation specifically includes payment of expenses incurred concerning the

Project Expansion, the need therefore, and related matters beginning on January 1, 1995, and continuing through the drafting, negotiation, and execution of any and all agreements necessary or desirable to implement the design, construction, operation, and maintenance of the Project Expansion and any modifications thereof or thereto.

“CAWD” means the Carmel Area Wastewater District (formerly known as the Carmel Sanitary District), a public agency.

“CAWD/PBCSD” means both the Carmel Area Wastewater District and the Pebble Beach Community Services District, in reference to the Project.

“Certificates of Participation” means the Certificates of Participation issued by MPWMD in 1992 in the amount of \$33.9 million to finance the Capital Costs of the Original Project.

“Completed” with respect to the Project Expansion shall mean that (1) all required permits or other approvals have been obtained, and (2) all construction activities for the advanced treatment components (being added to the tertiary treatment plant facilities of the Original Project), Forest Lake Reservoir, and all treatment and distribution facilities associated therewith, have been completed and tested in accordance with their respective approved plans, permits and other approvals, and (3) Forest Lake Reservoir has been filled to capacity with “Recycled Water” suitable for irrigation of all portions of the Recycled Water Irrigation Areas without the addition of any potable water thereto and otherwise meeting all regulatory and health standards for such usage, and (4) all portions of the distribution system are capable of delivering such Recycled Water to the Recycled Water Irrigation Areas. The Project Expansion shall be deemed Completed only if and when each of the events described in the preceding sentence have occurred.

“Construction and Operation Agreement” means the Wastewater Reclamation Project Construction and Operation Agreement among the Monterey Peninsula Water Management District, Carmel Area Wastewater District, the Pebble Beach Community Services District, and the Pebble Beach Company, dated as of November 1, 1990, as it may be amended from time to time.

“Del Monte Forest” means the area of unincorporated Monterey County described and/or depicted on Exhibit “B”



“Financial Commitment” means the commitment of PBC, as the Fiscal Sponsor or any subsequent Fiscal Sponsor, to assume and guarantee payment of (1) the Capital Costs of the Original Project (including the payment of the principal of and interest on the Certificates of Participation or any bonds or other obligations issued by any Public Participant to finance such costs), and (2) the Net Operating Deficiencies of the Project until the Certificates of Participation (and any bonds or other obligations issued by any Public Participant to finance such costs) have been paid in full (or for any shorter periods as permitted by MPWMD), and (3) payment of all Ancillary Project Costs.

“Financing Implementation Agreement” means the Financing Implementation Agreement Relating to Wastewater Reclamation Project, dated as of November 1, 1992, by and between MPWMD and PBC, as it may be amended from time to time.

“Fiscal Sponsor” means PBC and any person or persons (including partnerships, corporations, municipal corporations, or other public entities) that may succeed PBC and assume, as the Fiscal Sponsor, all of PBC’s obligations pursuant to Part II of Ordinance No. 39, Ordinance No. 109, the Fiscal Sponsorship Agreement, and any amendments thereof, which person or persons shall be obligated, and liable for, and capable of paying the Capital Costs and Net Operating Deficiencies of the Project.

“Fiscal Sponsorship Agreement” means the Wastewater Reclamation Project Fiscal Sponsorship Agreement between the Monterey Peninsula Water Management District and Pebble Beach Company, dated as of October 3, 1989, as it may be amended from time to time.

“Freed-up Water” means potable water which has been freed for new use by reason of Recycled Water deliveries from the Project. “Freed-Up Water” has the same meaning as “Franchise Water” in Ordinance No. 39.

“General Manager” means the General Manager of MPWMD.

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

“MPWMD” means the Monterey Peninsula Water Management District, a public agency.

“Net Operating Deficiency” as applied to the Project means, for any fiscal year or portion thereof, the difference between the Operating Revenues and the Operation and Maintenance Expenses for such period.

“Operation and Maintenance Expenses” as applied to the Project means all expenses and costs of management, operation, maintenance and repair of the Project, including, without limitation, payments to be made by the Public Participants under agreements with Cal-Am for the purchase of Potable water, and all incidental costs, fees and expenses incurred for such purpose properly chargeable to the Project in accordance with generally accepted accounting principles, including an allowance for depreciation, amortization, and obsolescence which is determined pursuant to generally accepted utility practices (subject to limitations set forth in the agreements applicable to the Project including but not limited to the Construction and Operation Agreement and the Fiscal Sponsorship Agreement), further provided, however, that Operation and Maintenance Expenses shall include all administrative expenses of MPWMD and PBC incurred in connection with, and properly allocable as an expense relating to the Project and the Certificates, and further provided however that Operation and Maintenance Expenses shall include an amount equal to any reduction in real property taxes allocated to MPWMD caused by a change in State law which results in a reduction of such tax allocation based on the collection of the Operating Revenues from the sale of the Recycled Water.

“Operating and Maintenance Reserve Fund,” also called “O&M Reserve Fund,” means a reserve maintained and held, pursuant to the Water Purchase Agreement and the Financing Implementation Agreement, separate and apart from other funds for the purpose of paying for Operations and Maintenance Expenses as they become due and payable to the extent Operating Revenues are insufficient to provide for such payments, providing working capital, and paying for routine and extraordinary repairs and replacements.

“O&M Reserve Requirement” means the amount calculated on or before July 1 of each year by the Management Committee to be equal to one quarter (1/4) of the projected amount of Operation and Maintenance Expenses for the immediately succeeding fiscal year as such amount may be revised upward or downward during the course of such fiscal year.

“Operating Revenues” as applied to the Project means all income, rents, rates, fees, charges and other moneys derived by the Public Participants from the ownership or operation of the Project, including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of the reclaimed, **sub-potable water** (or from potable water supplied in lieu thereof); (ii) insurance and condemnation proceeds resulting from damage to or destruction of the Project facilities, or from the condemnation of any of such facilities; and (iii) interest earned on all revenues mentioned in (i) and (ii) above or on any fund or account relating to the Project under the Trust Agreement (excluding any amounts required to be rebated to the United States pursuant to Section 148 of the Internal Revenue Code) provided, that such term shall not include customers’ deposits or any other deposits subject to refund until such deposits have become the property of one of the Public Participants or the water supply surcharge retained by MPWMD in connection with the sale of Recycled Water in accordance with the Financing Implementation Agreement.

“Original Project” means and consists of (1) a tertiary treatment facility at the present CAWD wastewater treatment plant site, designed to produce at least 800 Acre-Feet per year of disinfected recycled water, (2) a distribution system which is capable of distributing the recycled water from the facility to a point of distribution in the Del Monte Forest for further distribution to the Recycled Water Irrigation Areas, and (3) recycled water irrigation systems on each of the Recycled Water Irrigation Areas, all of which were completed and became operational in 1994.

“Owner” means the holder (of record) of fee title to any Benefited Property.

“PBCSD” means the Pebble Beach Community Services District, a public agency.

“Project” means the Original Project and the Project Expansion.

“Project Expansion” means and consists of components intended to improve the Original Project, principally including (but not limited to) (a) the addition of advanced treatment components to the treatment facilities of the Original Project, and (b) the addition of storage, treatment, and distribution facilities at or associated with the Forest Lake Reservoir located within the Del Monte Forest.

“Public Participant” means any one or more of the following: the Monterey Peninsula Water Management District, the Carmel Area Wastewater District, formerly the Carmel Sanitary District, the Pebble Beach Community Services District, or any successor public agency including but not limited to any joint powers agency formed by one or more of the above agencies.

The meaning of the term “Recycled Water” depends upon whether or not the Project Expansion is Completed:

- a. Before the Project Expansion is Completed, “Recycled Water” shall mean water originating from the tertiary treatment facilities of the CAWD wastewater treatment plant.
- b. After the Project Expansion is Completed, “Recycled Water” shall refer to water originating from said tertiary treatment facilities and thereafter receiving further treatment so as to be suitable for irrigation of the Recycled Water Irrigation Areas without the addition of any Potable water thereto (except during an Interruption as defined herein) and otherwise meeting all regulatory and health standards for such usage. Recycled Water meeting water quality standards agreed upon by the owners of the Recycled Water Irrigation Areas and CAWD/PBCSD shall be deemed “suitable for irrigation of the Recycled Water Irrigation Areas.” “Recycled Water” has the same meaning as “Reclaimed Water.”

“Recycled Water Irrigation Areas” means the golf courses and other vegetated areas located within the Del Monte Forest that are currently being irrigated with Recycled Water supplied by the Project or such golf courses and other vegetated areas wherever located that in the future may be irrigated with Recycled Water supplied by the Project.

“State Water Resources Control Board” and “SWRCB” each mean the state agency created pursuant to Water Code sections 174 and 175 which exercises the adjudicatory and regulatory functions of the State of California in the field of water resources.

“Supplemental Financial Commitment” means all of the following:

1. the irrevocable written commitment by PBC to pay all Capital Costs of the Project Expansion, using funds raised through the sale of such portions of its Water Entitlement pursuant to Subsection C of Section Three of Ordinance 109 (combined with any funds which may be independently committed by PBC, IRWUG, CAWD, PBCSD, or any other entity willing to commit funds to the Capital Costs of the Project Expansion), and to continue to pay the Net Operating Deficiencies of the Project until the Certificates of Participation (and any bonds or other obligations issued by any Public Participant to finance such costs) have been paid in full (or for any shorter periods as permitted by MPWMD), and to continue to pay all Ancillary Project Costs; and
2. the written representation by each of PBC, CAWD, and PBCSD that each is prepared and intends forthwith to commence construction of the Project Expansion and to proceed diligently therewith until the Project Expansion is Completed.

“Terminate” means the withdrawal, without formal MPWMD action, of authority to act as previously provided by a valid permit or water service connection, whichever is applicable.

“Trust Agreement” means the Trust Agreement by and between First Trust of California, National Association, as Trustee and MPWMD dated as of November 1, 1992 relating to \$33,900,000 Variable Rate Demand Certificates of Participation (Wastewater Reclamation Project) Series 1992, as it may be amended from time to time.

“Water Entitlement” means an aggregate of 380 Acre-Feet per year of Potable water which has been dedicated (as evidenced by Water Use Permits issued pursuant to Ordinance No. 39, the Resolution, and the Fiscal Sponsorship Agreement) to land within the jurisdiction of MPWMD for the purpose of providing for the payment of the Capital Costs, Ancillary Project Costs, and Net Operating Deficiencies of the Original Project. Ordinance No. 109 provides a process by which a portion of the Water Entitlement held by PBC may be separately sold and conveyed and thereby be dedicated to other land within the Del Monte Forest with the proceeds therefrom to be applied to the costs of the Project Expansion and the Original Project as more specifically described therein.



“Water Purchase Agreement” means the Water Purchase Agreement by and among MPWMD, CAWD, and PBCSD dated as of November 1, 1992, as it may be amended from time to time.

“Water Use Permit” means a writing from MPWMD which evidences the dedication of the Water Entitlement as a present vested property right enuring to the use and benefit of one or more of the Benefited Properties. A Water Use Permit shall by non-discretionary ministerial action, cause the present Connection to or modification of the California American Water Distribution System for Benefited Properties upon designation of the location of use and upon payment of applicable Capacity Fees and fees, and issuance of a Water Permit as provided in Rule 23.5.

#### **SECTION 4: RULE 24 -- CALCULATION OF WATER USE CAPACITY AND CAPACITY FEES**

12. Amend Rule 24-E-6-(g) to include ETWU:

- g. A detailed landscape plan and Landscape Water Budget, including the MAWA *and ETWU* calculations, shall be included with the Water Permit application.

13. Rule 24-E-7 omit \$100 \*\*\*Fee table has \$70

Refunds requested for Capacity Fees paid for a Conditional Water Permit shall be processed under the following time lines ~~and shall be subject to an administrative processing fee of one hundred dollars (\$100):~~

- a. Refunds of less than fifty thousand dollars (\$50,000) shall be processed within thirty (30) days;
- b. Refunds between fifty thousand dollars (\$50,000) and one hundred thousand dollars (\$100,000) shall be processed within forty-five (45) days;
- c. Refunds over one hundred thousand dollars (\$100,000) shall be processed within sixty (60) days.

14. Update Capacity Fee History Table

**TABLE 3: CONNECTION CHARGE HISTORY**

<b>YEAR</b>	<b>CONNECTION CHARGE</b>
<b>1985</b>	<b>\$10,623.20</b>
<b>1985-86</b>	<b>\$11,133.00</b>
<b>1986-87</b>	<b>\$11,433.59</b>
<b>1987-88</b>	<b>\$11,890.93</b>
<b>1988-89</b>	<b>\$12,295.22</b>
<b>1989-90</b>	<b>\$12,983.75</b>
<b>1990-91</b>	<b>\$13,529.07</b>
<b>1991-92</b>	<b>\$14,056.70</b>
<b>1992-93</b>	<b>\$14,661.00</b>
<b>1993-94</b>	<b>\$15,202.00</b>
<b>1994-95</b>	<b>\$15,325.00</b>
<b>1995-96</b>	<b>\$15,692.00</b>
<b>1996-97</b>	<b>\$15,960.00</b>
<b>1997-98</b>	<b>\$16,551.00</b>
<b>1998-99</b>	<b>\$17,048.00</b>
<b>1999-2000</b>	<b>\$17,832.00</b>
<b>2000-01</b>	<b>\$18,492.00</b>
<b>2001-02</b>	<b>\$19,565.00</b>
<b>2002-03</b>	<b>\$19,976.00</b>
<b>2003-04</b>	<b>\$20,415.00</b>
<b>2004-05</b>	<b>\$20,517.00</b>
<b>2005-2006</b>	<b>\$20,948.00</b>
<b>2006-2007</b>	<b>\$21,618.00</b>
<b>2007-2008</b>	<b>\$22,331.00</b>
<b>2008-2009</b>	<b>\$22,979.00</b>
<b>2009-2010</b>	<b>\$23,163.00</b>
<b>2010-2011</b>	<b>\$23,567.00</b>
<b>2011-2012</b>	<b>\$24,227.00</b>
<b>2012-2013</b>	<b>\$24,735.00</b>
<b>2013-2014</b>	<b>\$25,328.00</b>
<b>2014-2015</b>	<b>\$26,037.00</b>
<b>2015-2016</b>	<b>\$26,661.00</b>

15. Consider implications of sub-metering single family residential. Sub-metered lots may be transferred, as can adjacent parcels. There are conditions attached to the parcel when they agree to sub-metering, but the District may not be notified.
16. Amend calculation for “Auto Sales” in Table 2, Non-Residential Water Use Factors to calculate the building size only, not the ground area of the sales lot. This factor was established when cars were washed daily on the lot and there was a lot of water use. Today, they must clean vehicles so that there is no runoff.
17. Remove gasoline dispensers from Table 2. When this factor was established, service stations used water for cleaning gasoline spills and nozzles weren’t equipped with emergency shut offs such as are in use today. Today, it is not legal to wash down the gasoline bay due to ASBS and other health concerns. Also, there was a single pump for gasoline, not multiple options such as is available today.
18. Add Dry Cleaner back into Group II. This was inadvertently removed during the last revision to Table 2.

#### **SECTION 5: RULE 25.5 -- WATER USE CREDITS AND ON-SITE WATER CREDITS**

19. Clarify credit assignment upon subdivision/sale in Rule 25.5-A:

Except where a Water Permit has been abandoned, expired, Revoked, Suspended, or canceled under these Rules, a Person may receive a Water Use Credit for the permanent abandonment of some or all of the prior water use on that Site by one of the methods set forth in this Rule. Water Use Credits shall be documented by written correspondence between the District and the property owner, and shall remain valid unless prohibited by this Rule. Water Use Credits shall not be documented by notice on a property title, except as specified in Rule 25.5-G. Except as allowed by Rule 28, Water Use Credits shall not be transferable to any other Site. *However, Water Use Credits may be assigned to a specific Parcel and documented by deed restriction at the time the Site is subdivided or when existing lots on the Site are assigned Assessor Parcel Numbers. Assignment of a Water Use Credit to a specific sub-Parcel of the original Site must include recorded notice on all Parcels where the Water Use Credit originated.*

20. 25.5 Amend language in Rule 25.5-B to replace “Low Water Use Plumbing Fixtures” and Ultra-Low Consumption Technology references with Rule 142 and 143 Water Efficiency standards.

B. Water savings resulting from mandatory District programs, including water savings resulting from ~~the installation of Low Water Use Plumbing Fixtures mandated by the District~~**compliance with Regulation XIV**, shall not result in a Water Use Credit, with the exception of Table 4 retrofits. Such savings shall be set aside as permanent water conservation savings ~~essential to the District's 15 percent conservation goal approved by the Board in March 1984.~~

21. 25.5-F-4.b Table name needs to be corrected.

b. Residential Water Use Credits shall only be granted for installation of *the* ultra-low consumption appliances. ~~Listed in Table 4: Ultra Low Consumption~~ **High Efficiency** Appliance Credits. ~~shall list the ultra-low consumption appliances and the quantity of Water Use Credit available for the permanent installation of the appliance. This table shall~~ *may* be amended by Resolution of the Board of Directors.

## **SECTION 6: RULE 141 – WATER CONSERVATION REBATES**

22. Alluvial turf removal. Add Rebate for removal of Lawn located over the Carmel Valley Alluvial Aquifer.

23. Add rebate for removal of Whirlpool tubs in Visitor-Serving Facilities to encourage replacement. Whirlpool tubs are cleaned by filling the tub with sanitizer, running the jets, and then filling and rinsing the tub a second time. Without adequate cleaning, these fixtures harbor bacteria, soap debris, and scum in the piping systems back behind the jets. Then whenever the tubs are turned on and the jets are activated all of that is sloughed off. Clearly, cleaning whirlpool tubs is wasteful. There is only one spa tub that does not require wasteful cleaning practices: Sanijet, based in Coppell, Texas, is the sole manufacturer of a pipeless whirlpool bath. The patented system uses individual jets that can be removed by hand. These jets easily can be removed and cleaned within a few minutes. The system has received independent verification from the National Sanitation Foundation that it can be completely cleaned and disinfected. Capacity of hotel tubs ranges from about 60 gallons to over one hundred gallons. Potential water savings are great if a jetted tub must be cleaned after every customer (*example: 75 gallon tub filled twice = 150 gallons x 3 cleanings (or more) per week = 23,400 gpy (0.07 AFY). Larger tubs could double that number, as would more frequent cleaning*).

## **SECTION 7: RULE 142 -- WATER EFFICIENCY STANDARDS**

24. Update for new Plumbing Code. New standards include lower flush volumes for urinals and faucets. Urinals will be 0.125 gallons per flush. Residential lavatory faucets shall not exceed

1.2 gallons per minute flow rate. Kitchen faucets shall not exceed 1.8 gallons per minute flow rate and may have capability to increase to 2.2 gallons per minute momentarily for filling pots and pans. Public lavatory faucets shall not exceed 0.5 gallon per minute flow rate.

- 25. Update for new landscape ordinance (see attached)
- 26. Require rain sensors or smart controllers on all dedicated irrigation meters by a certain date (suggest January 1, 2016)
- 27. Amend the commercial laundry compliance level. Stevie Kister presented information about this to the Water Demand Committee at its July meeting. Action was continued to the next meeting.
- 28. Prohibit whirlpool type tubs in new/refurbished hotel rooms
- 29. Limit hotel rooms showers to one showerhead



