

Adopted September 22, 2008 – Effective October 22, 2008

**FINAL
ORDINANCE NO. 135**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING THE
DEFINITION OF THE MONTEREY PENINSULA WATER RESOURCE SYSTEM**

FINDINGS

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

8. On January 28, 1999, to enable compliance with SWRCB Order WR No. 95-10, the Water Management District adopted Ordinance No. 92 that established an Expanded Water Conservation and Standby Rationing Plan.
9. Since establishment of the Expanded Water Conservation and Standby Rationing Plan in 1999, California American Water has complied with the diversion limits specified in SWRCB Order WR No. 95-10 every year.
10. On August 14, 2003, California American Water filed a lawsuit in Monterey Superior Court, Case No. M66343 to adjudicate water rights in the Seaside Groundwater Basin. A decision was entered March 27, 2006 finding the basin in overdraft and reducing California American Water's appropriative take from both the Coastal Subareas and Laguna Seca Subarea. Reductions are scheduled triennially with the first potential 10% reduction occurring on January 1, 2009.
11. Under the adjudication decision, California American Water's production from the Laguna Seca Subarea will be reduced from 345 AFA to 0 AFA. Existing District definitions and rules did not include regulation of the Laguna Seca Subarea within Regulation XV.
12. Production in the Laguna Seca Subarea has consistently exceeded California American Water's operating yield daily targets during Water Year 2008.
13. *During Water Year 2008, California American Water's groundwater production from the Laguna Seca Subarea for water users in its Ryan Ranch, Hidden Hills, and Bishop systems is expected to exceed its annual standard allocation from the subarea of 345 AF by more than 50% or 180 AF. As of August 8, 2008, 426.6 acre feet (AF) of water had been produced in the Laguna Seca Subarea since October 1, 2007. This amount exceeds California American Water's operating yield target of 345 AFA by 81.6 AF.*
14. Amendments to District Rules are necessary to address a water emergency caused when existing consumption would force production over the legal limits set by the Seaside Basin adjudication decision.
15. The need to enact this measure further arises as this ordinance responds to water supply limitations that may be imposed by the SWRCB in its pending California American Water Cease and Desist (CDO) proceeding relating to SWRCB Order WR 95-10.
16. There is a pressing need to facilitate emergency conservation rate authority for California American Water with the California Public Utilities Commission (CPUC) to further conservation savings within the Laguna Seca Subarea.

17. This ordinance responds to regulatory modifications that have been proposed by California American Water to the CPUC in its application 07-12-010.
18. The provisions of this ordinance shall preserve the health and safety of California American Water water users.
19. The following District Rules shall be amended by this ordinance: Rule 11 (Definitions), Rule 160 (General Provisions), Rule 162 (Stage 2 Water Conservation), Rule 163 (Stage 3 Water Conservation), Rule 164 (Stage 4 Water Rationing) , Rule 165 (Stage 5 Water Rationing), Rule 166 Stage 6 Water Rationing), and Rule 167 (Stage 7 Water Rationing).
20. This Ordinance shall not negate provisions of any purchase agreement between California American Water and another Water Distribution System. Notwithstanding this statement, the conservation / rationing program set forth in this Ordinance and in District Regulation XV shall apply to those systems, including Satellite Systems and the Hidden Hills System.
21. This Ordinance shall not negate provisions of any agreement establishing any Water Entitlement, including those related to the Carmel Area Wastewater District/Pebble Beach Community Services District Wastewater Project, or the City of Sand City Water Desalination Project.
22. This ordinance shall be reviewed and approved under the California Environmental Quality Act (CEQA) Negative Declaration based upon the Initial Study dated April 16, 2008, and as adopted in connection with Ordinance No. 134 on August 18, 2008.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the 2008 Monterey Peninsula Water Resource System Redefinition Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

This ordinance amends the definition of the Monterey Peninsula Water Resource System to include the Northern Inland Subarea and the Laguna Seca Subarea of the Seaside Groundwater Basin and modifies Regulation XV, the Expanded Water Conservation and Standby Rationing Plan, pursuant to the Seaside Groundwater Basin Adjudication.

Section Three: Amendments to Rule 11

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

HIDDEN HILLS SYSTEM – “Hidden Hills System” shall mean the California American Water subunit as described in the purchase agreement between Carmel Valley Mutual Water Company and California American Water recorded July 8, 1994, Document #49389 Reel 3125 Page 696. The Hidden Hills System derives its Source of Supply from the Laguna Seca Subarea of the Seaside Basin.

SATELLITE SYSTEMS -- “Satellite Systems” shall mean California American Water's smaller distribution systems along State Route 68 between Monterey and Salinas that derive their Source of Supply from the Laguna Seca Subarea of the Seaside Basin, excluding Hidden Hills System. These Satellite Systems include the Ryan Ranch and Bishop Units.

- B. The current definition for the Monterey Peninsula Water Resource System shall be deleted in its entirety (shown in ~~strikeout~~) and replaced with the following definition shown in ***bold italics***:

~~MONTEREY PENINSULA WATER RESOURCE SYSTEM~~

~~1. shall refer to lands which overlie or are contiguous to (in whole or in part) water in the Carmel River (mainstem and tributaries), Groundwater within the alluvial aquifer, and Groundwater within the Seaside Coastal Subareas, as identified on MPWMD Boundary Map #1, as that may be amended from time to time; or~~

~~2. shall mean the Groundwater and surface water supplies which serve California American Water, other Water Distribution Systems, and private Well Owners within the District, including the surface water and Groundwater resources of the Carmel Valley (both the Carmel River and the Carmel Valley aquifer) and the resources of the Seaside Coastal Subareas.~~

~~3. shall exclude resources of the Northern Inland Subarea and the Laguna Seca Subarea, and the Carmel Valley upland formation.~~

~~4. The District shall maintain a current list of Water Distribution Systems within the Monterey Peninsula Water Resource System.~~

MONTEREY PENINSULA WATER RESOURCE SYSTEM -- "Monterey Peninsula Water Resource System" ("MPWRS") shall mean the surface water in the Carmel River and its tributaries, Groundwater in the Carmel Valley Alluvial Aquifer which underlies the Carmel River, and Groundwater in the Seaside Groundwater Basin.

The District shall maintain a current list of Water Distribution Systems within the Monterey Peninsula Water Resource System.

Section Four: Amendment to Rule 160

Rule 160 shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

RULE 160 - GENERAL PROVISIONS

- A. All Water Users within the Monterey Peninsula Water Management District shall comply with the District's Water Waste and Non-Essential Water Use prohibitions and the water conservation requirements of Regulation XIV.

- B. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the District and its designated agents in accordance with Rule 171 (Water Waste and Non-Essential Water Use Enforcement) and Regulation XI, unless indicated otherwise.
- C. Stage 1 Water Conservation shall apply to all Water Users within the Monterey Peninsula Water Management District.
- D. Stages 2 and 3 Water Conservation are intended to maintain California American Water production within the limits set by the State Water Resources Control Board (SWRCB) and by the Seaside Basin Adjudication Decision (Seaside Decision).
- E. *Stage 1 Water Conservation through Stage 3 Water Conservation shall apply to Water Users of any California American Water Distribution System where that system derives its Source of Supply from the Monterey Peninsula Water Resource System (MPWRS) for as long as California American Water is subject to legal or regulatory water production limitations.*
- F. E. Stage 4 Water Rationing through Stage 7 Water Rationing respond to limitations in supply caused by inadequate system inflow and storage and **or** emergency situations that require water reductions.
- ~~F. Stage 1 Water Conservation through Stage 3 Water Conservation shall apply to Water Users of any California American Water Distribution System where that system derives its Source of Supply from the Monterey Peninsula Water Resource System (MPWRS) for as long as California American Water is subject to legal or regulatory water production limitations.~~
- G. Stage 4 Water Rationing through Stage 7 Water Rationing may apply to all Water Distribution System Water Users and Water Users within the Monterey Peninsula Water Resource System as a response to limited water supply. These stages shall also serve as responses to emergency situations where immediate reductions in water use are necessary to ensure public health, safety or welfare. This Regulation authorizes the Board of Directors to determine by Resolution that any Water Distribution System or set of Water Users within the Monterey Peninsula Water Management District shall be subject to Stages 4 Water Rationing through Stage 7 Water Rationing as provided in this Regulation.

- H. As to water derived from the MPWRS, California American Water shall maintain Unaccounted for Water Use in its MPWRS distribution system at or below seven (7) percent. Average losses of more than seven (7) percent during the most recent twelve-month period shall be considered Water Waste. This limitation shall not affect any California American Water system east of, and including, the Ryan Ranch subunit.
- I. California American Water shall amend its Urban Water Management Plan and its Rule 14.1, Water Conservation and Rationing Plan – Monterey District, to conform to this Regulation. A copy of Rule 14.1 shall be filed with the California Public Utilities Commission (CPUC) and the District within 30 days of the effective date of any amendment to this Regulation.
- J. At least 10 days prior to a first reading by the Board of amendments to Regulation XV, a copy of the proposed changes shall be provided to the CPUC Division of Ratepayer Advocates (DRA).

Section Five: **Amendment to Rule 162**

Rule 162 shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

RULE 162 - STAGE 2 WATER CONSERVATION

- A. Stage 2 Water Conservation is defined as the second stage in the District's Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water production from the MPWRS below legal and regulatory constraints. This is accomplished by requiring implementation of Landscape Water Budgets for irrigators of three acres or more, Large Residential Water Users, and Water Users with Dedicated Irrigation Meters.
- B. Stage 2 Water Conservation shall be enforced in the Main System when California American Water production from the MPWRS exceeds the year-to-date at month-end targets as displayed in Table XV-1.
 - 1. The monthly distribution of water production from MPWRS, as shown in Table XV-1 shall be approved by the Board of Directors as part of the Quarterly Water Supply Strategy and Budget process. The Board shall

hold public hearings during the Board's regular meetings in September, December, March, and June, at which time the Board may modify Table XV- 1 by Resolution.

[This space intentionally left blank.]

Table XV-1
Regulatory Water Production Targets
for California American Water Main System from Sources
Within the Monterey Peninsula Water Resources System
(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	1,323	1,323
November	1,071	2,394
December	961	3,355
January	941	4,296
February	867	5,163
March	999	6,162
April	1,144	7,306
May	1,388	8,694
June	1,491	10,185
July	1,586	11,771
August	1,586	13,357
September	1,432	14,789
TOTAL	14,789	—

Note:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for the California American Water (CAW) main system from Carmel River sources in State Water Resources Control Board Order No. WR 95-10 (11,285 acre-feet) and the initial annual production limit specified for the CAW main system from sources in the coastal subareas of the Seaside Groundwater Basin in the Seaside Basin adjudication decision (3,504 acre-feet). This combined total (14,789 acre-feet) was distributed monthly based on CAW's reported monthly average production during the 1986 through 2006 period.

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

(All Values in Acre-Feet)

<i>Month</i>	<i>Monthly Target</i>	<i>Year-to-Date at Month-End Target</i>
<i>October</i>	<i>1,377</i>	<i>1,377</i>
<i>November</i>	<i>1,082</i>	<i>2,458</i>
<i>December</i>	<i>993</i>	<i>3,452</i>
<i>January</i>	<i>961</i>	<i>4,413</i>
<i>February</i>	<i>878</i>	<i>5,291</i>
<i>March</i>	<i>1,012</i>	<i>6,302</i>
<i>April</i>	<i>1,124</i>	<i>7,427</i>
<i>May</i>	<i>1,424</i>	<i>8,850</i>
<i>June</i>	<i>1,522</i>	<i>10,372</i>
<i>July</i>	<i>1,640</i>	<i>12,012</i>
<i>August</i>	<i>1,633</i>	<i>13,645</i>
<i>September</i>	<i>1,489</i>	<i>15,134</i>
TOTAL	15,134	---

Note: Monthly and year-to date at month-end production targets are based on the annual production limit specified for the California American Water (CAW) systems from Carmel River sources in State Water Resources Control Board Order No. WR 95-10 (11,285 acre-feet) and the initial annual production limit specified for the CAW systems from sources in the Coastal Subareas (3,504 acre-feet) and the Laguna Seca Subarea (345 acre-feet) of the Seaside Groundwater Basin in the Seaside Basin Adjudication Decision. This main system total (14,789 acre-feet) was distributed monthly based on CAW's reported monthly average production for its main system during the 1998 through 2007 period and the Satellite Systems total (345 acre-feet) was distributed monthly based on CAW's reported monthly average production for its Satellite Systems during the 2000 through 2007 period.

All references to Satellite Systems shall include the Hidden Hills System.

Table XV-1
Regulatory Water Production Targets
for California American Water for
Sources within the Monterey Peninsula Water Resource System
(All Values in Acre-Feet)

Month	2008 Monthly Production (Includes Carmel, Seaside & Satellite)	2008 Year-to-Date Production at Month End	2009 Monthly Production (Includes Carmel, Seaside & Satellite)	2009 Year-to-Date Production at Month End
	AF	AF	AF	AF
October	1,376	1,376	1,340	1,340
November	1,082	2,458	1,055	2,395
December	993	3,451	968	3,364
January	960	4,412	937	4,301
February	879	5,290	857	5,158
March	1,011	6,302	986	6,144
April	1,125	7,426	1,096	7,240
May	1,424	8,851	1,388	8,628
June	1,521	10,372	1,482	10,110
July	1,640	12,012	1,597	11,707
August	1,633	13,645	1,591	13,298
September	1,489	15,134	1,449	14,747
TOTAL	15,134		14,747	

[This space intentionally left blank]

Table XV-2
Regulatory Water Production Targets
for California American Water Satellite Systems
(All Values in Acre-Feet)

Month	2008 Monthly Production	2008 Year-to-Date Production at Month's End	2009 Monthly Production	2009 Year-to-Date Production at Month's End
October	34	34	27	27
November	23	57	18	45
December	19	76	15	60
January	16	92	13	73
February	14	106	11	84
March	19	125	15	99
April	24	149	19	118
May	33	182	26	144
June	38	220	30	174
July	43	263	33	207
August	42	305	33	240
September	40	345	31	271
Total	345		271	

[This space intentionally left blank]

Table XV-2		
Regulatory Water Production Targets		
for California American Water Satellite Systems from Sources		
Within the Monterey Peninsula Water Resource System		
(All Values in Acre-Feet)		
Month	Monthly	Year-to-Date
	Target	at Month-End Target
October	34	34
November	23	57
December	19	75
January	16	91
February	15	106
March	19	125
April	24	149
	33	183
May		
June	38	221
July	43	264
August	42	305
September	40	345
TOTAL	345	---

Notes: *Monthly and year-to-date at month-end production targets are based on the annual production limit specified for the California American Water (CAW) Satellite Systems from sources in the Laguna Seca Subarea (345 acre-feet) of the Seaside Groundwater Basin in the Seaside Basin Adjudication Decision. This value (345 acre-feet) was distributed monthly based on CAW's reported monthly average production for its Satellite Systems during the 2000 through 2007 period.*

Total Production shown on this Table shall incorporate increased water supplies as may be recognized by the Seaside Basin Watermaster.

All references to Satellite Systems shall include the Hidden Hills System.

- C. *Stage 2 Water Conservation shall be enforced in the Satellite Systems and in the Hidden Hills System when California American Water production from the MPWRS for its Main, Satellite, and Hidden Hills Systems has exceeded the year-to-date at month-end production as shown in Table XV-1 and California American Water production from the MPWRS for its Satellite Systems and Hidden Hills System has exceeded the year-to-date at month-end production as shown in Table XV-2.***

The monthly distribution of water production shown in Table XV-2 shall be approved by the Board of Directors as part of the Quarterly Water Supply Strategy and Budget process. The Board may modify Table XV-2 by Resolution following a public hearing held during the Board's regular meeting in September, December, March, or June.

- ~~C~~D. STAGE 1 REQUIREMENTS CONTINUE** Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 1 Water Conservation shall remain in force. Requirements may be modified or superseded by actions taken in future stages of the Expanded Water Conservation and Standby Rationing Plan.
- ~~D~~E. IMPLEMENTATION OF LANDSCAPE WATER BUDGETS** All Water Users required to obtain a Landscape Water Budget under District Rule 172 are required to manage outdoor irrigation within the Landscape Water Budget assigned to the property.
- ~~E~~F. WATER WASTE** Water use in excess of the established Landscape Water Budget shall be considered Water Waste.
- ~~F~~G. SUNSET OF STAGE 2 WATER CONSERVATION** Without further action of the Board of Directors, the provisions of Stage 2 Water Conservation shall be rescinded and revert to Stage 1 Water Conservation upon compliance with the year-to-date at month-end production goal for two consecutive months in the subsequent Water Year.
- ~~G~~H. NOTICE** California American Water shall provide an annual reminder notice to MPWRS Users with Landscape Water Budgets to report modifications in Landscaping which could alter an existing budget.

- HI. MONTHLY CONSUMPTION REPORTS During any Stage 2, 3, 4, 5, 6, or 7, California American Water shall provide the District with monthly consumption reports in a format approved by the District. Reports shall be provided within fifteen (15) days of the close of the preceding month.

Section Six: **Amendment to Rule 163**

Rule 163 shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

RULE 163 – STAGE 3 WATER CONSERVATION

- A. **STAGE 3 DEFINITION** Stage 3 Water Conservation is defined as the third stage in the District's Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water use in the MPWRS below legal and regulatory constraints. It provides a procedure to enable emergency temporary increases in the upper block volume rates and requires increased action by California American Water to reduce Unaccounted For Water Use and monthly reporting of actions taken. Stage 3 Water Conservation may also be triggered upon Resolution of the Board of Directors when there is a need for an immediate water use reduction.

Upon implementation of Stage 3 Water Conservation, California American Water shall immediately submit a plan to the General Manager to reduce Unaccounted For Water Uses in its MPWRS Water Distribution Systems to seven (7) percent or less measured by the most recent twelve-month rolling average and shall immediately act on such plan. California American Water shall provide a progress report to the Board of Directors monthly until Stage 3 is sunset.

- B. **REGULATORY TRIGGER MAIN SYSTEM** Stage 3 Water Conservation shall be enforced *in its Main California American Water System* when any of the following criteria has been met: 1) California American Water's year-to-date production from the MPWRS exceeds the year-to-date production target *shown in Table XV-1* by 5 percent or more at the end of the first quarter of the Water Year, or 2) California American Water's year-to-date production from the MPWRS *shown in Table XV-1* exceeds the year-to-date production *target* by 4 percent or more at the end of January, or the year-to-date target by 2.5 percent or more at the

end of February, or the year-to-date target by 1 percent or more at the end of March, or 3) California American Water's year-to-date production from the MPWRS *shown in Table XV-1* on a year-to-date basis exceeds the year-to-date targets for a consecutive seven-day period during the months of April, May or June; or 4) the California American Water's production from the MPWRS *shown in Table XV-1* on a year-to-date basis exceeds the year-to-date target on any single day during July, August, or September; or 5) a Resolution has been adopted by the Board in accord with Section D below.

BC. REGULATORY TRIGGER – SATELLITE SYSTEMS & HIDDEN HILLS

SYSTEM *Stage 3 Water Conservation shall be enforced in California American Water's Satellite Systems and the Hidden Hills System when any of the criteria in Section B has been met and when any of the following criteria has been met: 1) California American Water's year-to-date production from the MPWRS for the Satellite Systems and the Hidden Hills System exceeds the year-to-date production target in Table XV-2 by 5 percent or more at the end of the first quarter of the Water Year, or 2) California American Water's year-to-date production from the MPWRS for the Satellite Systems and the Hidden Hills System exceeds the year-to-date production target shown in Table XV-2 by 4 percent or more at the end of January, or the year-to-date production target by 2.5 percent or more at the end of February, or the year-to-date production target by 1 percent or more at the end of March, or 3) California American Water's year-to-date production from the MPWRS for the Satellite Systems and the Hidden Hills System exceeds the year-to-date production target shown in Table XV-2 for a consecutive seven-day period during the months of April, May or June; or 4)) California American Water's year-to-date production from the MPWRS for the Satellite Systems and the Hidden Hills System exceeds the year-to-date production target shown in Table XV-2 on any single day during July, August, or September; or 5) a Resolution has been adopted by the Board in accord with Section D below.*

CD. EMERGENCY TRIGGER Stage 3 Water Conservation shall be implemented upon Resolution of the Board of Directors when there is need for an immediate water use reduction requirement ~~in response to an unexpected water production increase.~~

DE. NOTICE California American Water shall notify its Water Users that Emergency Rates approved by the CPUC will be imposed upon the effective date of Stage 3 Water Conservation.

EF. STAGE 1 REQUIREMENTS CONTINUE Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 2 Water Conservation shall remain in force. Requirements may be modified or superseded by actions taken in future stages of the Expanded Water Conservation and Standby Rationing Plan.

FG. SUNSET OF STAGE 3 WATER CONSERVATION Without further action by the Board of Directors, the provisions of Stage 3 Water Conservation shall be rescinded and Water Users shall revert to Stage 1 Water Conservation upon compliance with the *applicable* year-to-date at month-end production goal for two consecutive months in the subsequent Water Year.

Regulatory compliance during a period of Stage 4 Water Rationing shall not cause a sunset of this provision.

GH. NOTICE. California American Water shall provide notice of mandatory water conservation with each bill.

HI. CALIFORNIA AMERICAN WATER EMERGENCY. California American Water shall implement the CPUC-approved Emergency Rate schedule to respond to Stage 3 water reduction requirements. California American Water shall file an Advice Letter with the CPUC to implement Emergency Rates after it has first met and conferred with the District at least five days in advance of that filing. The General Manager may waive this time period for good cause.

Section Seven: Amendment to Rule 164

Rule 164 shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

RULE 164 – STAGE 4 WATER RATIONING

A. STAGE 4 DEFINITION Stage 4 Water Rationing is defined as the fourth stage in the District's Expanded Water Conservation and Standby Rationing Plan that responds to a drought situation or other threatened or existing emergency water supply shortage with a 15 percent reduction goal from system production limits for non-California American Water Users.

Fifteen percent reductions in the California American Water system are achieved through Stage 3 Water Conservation. In the event that *California American Water* CAW is not currently at Stage 3, *California American Water* CAW shall implement Stage 3 Water Conservation *for all affected systems* upon declaration of Stage 4 Water Rationing.

B. TRIGGER

1. Water Supply Limitation Trigger

~~Stage 4 Water Rationing shall apply to all Water Distribution Systems, private Wells, or Water Users whose Source of Supply is derived from the MPWRS unless proof is provided to demonstrate a superior, unimpaired water right to exempt the Water Distribution System, private Well, or Water User from the Stage 4 rationing restrictions. Evidence of riparian water rights may be established by a Declaration under penalty of perjury, unless it is refuted by other proof.~~ Stage 4 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 27,807 Acre-Feet and greater than 21,802 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

2. Emergency Trigger

Stage 4 Water Rationing shall be implemented upon Resolution of the Board of Directors when there is need for an immediate water use reduction requirement in response to an unexpected water supply shortage.

C. Requirements previously imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan shall remain in force. Requirements may be modified or superseded by actions taken in this or future stages of the Expanded Water Conservation and Standby Rationing Plan.

D. SUNSET OF STAGE 4 WATER RATIONING

1. Water Supply Availability

Stage 4 Water Rationing shall continue to have force and effect until rescinded by Resolution of the Board of Directors upon a determination that the total usable storage in the MPWRS is greater than 27,807 Acre-Feet. This determination will normally be made at the Board's May meeting. However, a determination to rescind Stage 4 Water Rationing as early as the following January Board meeting can be made if the total usable storage in the MPWRS is equal to or greater than 27,807 Acre-Feet on January 1.

2. In the event total usable storage is greater than 27,807 Acre-Feet, the General Manager shall review California American Water's year-to-date production. Upon compliance with the monthly year-to-date goals specified in Table XV-1 of Rule 162 and, unless otherwise specified in the Resolution rescinding Stage 4 Water Rationing, Water Users shall revert to Stage 1 Water Conservation. If California American Water's year-to-date production exceeds the year-to-date goal specified in Table XV-1 of Rule 162, California American Water Users shall revert to either Stage 2 or Stage 3 Water Conservation. *If Satellite Systems and the Hidden Hills System year-to-date production exceeds the year-to-date target specified in Table XV-2 of Rule 162, Satellite Systems and the Hidden Hills System Water Users shall revert to either Stage 2 or Stage 3 Water Conservation.*

3. Emergency

Upon correction of a water supply limitation caused by an emergency, Stage 4 Water Rationing shall sunset without action by the Board.

E. NOTICE

1. Upon direction of the General Manager, MPWMD shall notify all non-California American Water Water Distribution System Operators affected by Stage 4 Water Rationing that reductions in water use are necessary and that stricter water rationing is imminent. Water Distribution System Operators shall ensure that notices provided or required by the District

shall be distributed to their Water Users. A copy of each notice shall be filed with the District as well as a current mailing list for all Water Users in that system. The District shall preserve the confidentiality of any mailing list provided pursuant to this Regulation.

2. The District shall notify all Water Users of private Wells (Single-Parcel Connection Systems) within the MPWRS. Notice shall be via first class mail and shall explain the requirements for Stage 4 Water Rationing and shall provide and/or request additional information from the private Well Owner as deemed necessary for the efficient operation of the rationing program.
3. *California American Water CAW* shall provide notice to its customers that water rationing is imminent. *California American Water CAW* shall further provide its customers with a survey form to indicate any change in the number of residents or the type of Non-Residential use. Surveys shall be returned to *California American Water CAW* within 30 days.

Section Eight: **Amendment to Rule 165**

Rule 165 B 1. shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

1. Water Supply Limitation Trigger.

~~Stage 5 Water Rationing shall apply to all Water Distribution Systems, private Wells, or Water Users whose Source of Supply is derived from the MPWRS unless proof is provided to demonstrate a superior, unimpaired water right to exempt the Water Distribution System, private Well, or Water User from the Stage 5 rationing restrictions. Evidence of riparian water rights may be established by a Declaration under penalty of perjury, unless it is refuted by other proof.~~ Stage 5 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 21,802 Acre-Feet and greater than 15,615 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

The remaining provisions of Rule 165 shall remain unchanged by this ordinance.

Section Nine: Amendment to Rule 166

Rule 166 B 1. shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

1. **Water Supply Limitation Trigger.**

~~Stage 6 Water Rationing shall apply to all Water Distribution Systems, private Wells, or Water Users whose Source of Supply is derived from the MPWRS unless proof is provided to demonstrate a superior, unimpaired water right to exempt the Water Distribution System, private Well, or Water User from the Stage 6 rationing restrictions. Evidence of riparian water rights may be established by a Declaration under penalty of perjury, unless it is refuted by other proof.~~ Stage 6 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 15,615 Acre-Feet and greater than 9,610 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

The remaining provisions of Rule 166 shall remain unchanged by this ordinance.

Section Ten: Amendment to Rule 167

Rule 167 B 1. shall be amended as shown below, with added language as shown in bold italic type face, and deleted language shown in ~~strikeout~~ type face.

1. **Water Supply Limitation Trigger**

~~Stage 7 Water Rationing shall apply to all Water Distribution Systems, private Wells, or Water Users whose Source of Supply is derived from the MPWRS unless proof is provided to demonstrate a superior, unimpaired water right to exempt the Water Distribution System, private Well, or Water User from the Stage 7 rationing restrictions. Evidence of riparian water rights may be established by a Declaration under penalty of perjury, unless it is refuted by other proof.~~ Stage 7 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the

MPWRS on May 1 is less than 9,610 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

The remaining provisions of Rule 167 shall remain unchanged by this ordinance.

Section Eleven: **Publication and Application**

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

Section Twelve: **Effective Date and Sunset**

This ordinance shall take effect at 12:01 a.m. thirty days following its enactment on Second Reading. This ordinance shall not have a sunset date.

Section Thirteen: **Severability**

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

On motion by Director Markey, and second by Director Edwards, the foregoing ordinance is adopted upon this 22nd day of September 2008, by the following vote:

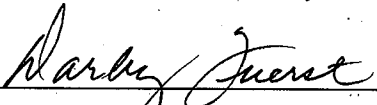
AYES: Directors Lehman, Markey, Edwards, Doyle, Pendergrass

NAYS: Directors Brower and Potter

ABSENT: None

I, Darby Fuerst, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing ordinance was duly adopted on the 22nd day of September 2008.

Witness my hand and seal of the Board of Directors this 29th day of September 2008.

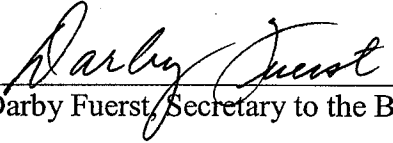


Darby Fuerst, Secretary to the Board

U:\staff\word\Ordinances\Final\Ord135\Ordinance No 135.doc

COPY CERTIFICATION

I, Darby Fuerst, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Ordinance No. 135 duly adopted on the 22nd day of September 2008.



Darby Fuerst, Secretary to the Board

9/30/2008
Date