



AGENDA

Water Demand Committee

Thursday, December 4, 2025, at 1:30 p.m. | *Virtual Meeting*

COMMITTEE MEMBERS	STAFF	<u>Mission Statement</u>
<i>Alvin Edwards – Chair Ian Oglesby Marianne Gawain Karen Paull - Alternate</i>	<i>David J. Stoldt, General Manager Stephanie Locke, Water Demand Manager</i>	Sustainably manage and augment the water resources of the Monterey Peninsula to meet the needs of its residents and businesses while protecting, restoring, and enhancing its natural and human environments. <u>Vision Statement</u> Model ethical, responsible, and responsive governance in pursuit of our mission. <u>Board's Goals and Objectives</u> Are available online at https://www.mpwmd.net/who-we-are/mission-vision-goals/

Join the meeting at:

<https://mpwmd-net.zoom.us/j/83729344921?pwd=YsYpiKCgs3XHqyzK2AVxeeuvwhS7wo.1>

Webinar ID: **837 2934 4921** | Password: **120425** | To Participate by Phone: **(669) 900-9128**

For detailed instructions on how to connect to the meeting, please click the link below:

<https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/>

Copies of the agenda packet are available for review on the District website (www.mpwmd.net) and at 5 Harris Court, Bldg. G, Monterey, CA.

Call to Order / Roll Call

Additions and Corrections to the Agenda

Comments from Public – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three (3) minutes in length.*

Action Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

1. Consider Adoption of Committee Meeting Minutes from October 2, 2025

Discussion Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

2. Preliminary 2026 MPWMD Demand Forecast
3. Discuss Strategies for Permitting School District and Community College Projects (*Verbal Report*)
4. Interim Report on Local Jurisdiction Water Allocation Policies

Suggest Items to be Placed on Future Agendas

Adjournment

Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), 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 at least 48 hours prior to the scheduled meeting date/time. Requests should be forwarded to Sara Reyes by e-mail at sara@mpwmd.net or at (831) 658-5610.

Options for Providing Public Comment

Submission of Written Public Comment

Send written comments to District Office, 5 Harris Court, Building G, Monterey, CA or online at comments@mpwmd.net. Include the following subject line: "PUBLIC COMMENT ITEM #" (insert the agenda item number relevant to your comment). Written comments must be received by 12:00 PM on the day of the meeting. All submitted comments will be provided to the Committee, compiled as part of the record, and placed on the District's website as part of the agenda packet for the meeting. Correspondence is not read during public comment portion of the meeting.

Instructions for Connecting to the Zoom Meeting can be found at
<https://www.mpwmd.net/instructions-for-connecting-to-the-zoom-meetings/>

Refer to the Meeting Rules to review the complete Rules of Procedure for MPWMD Board and Committee Meetings: <https://www.mpwmd.net/who-we-are/board-of-directors/meeting-rules-of-the-mpwmd/>

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WATER DEMAND COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES FROM OCTOBER 2, 2025

Meeting Date: December 4, 2025

From: David J. Stoldt,
General Manager

Prepared By: Sara Reyes

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached as **Exhibit 1-A** are the draft minutes of the Water Demand Committee meeting held on October 2, 2025.

RECOMMENDATION: Staff recommends that the Water Demand Committee review and adopt the draft minutes by motion.

EXHIBIT:

1-A Draft Minutes of the October 2, 2025 Water Demand Committee Meeting



EXHIBIT 1-A

Draft Minutes Water Demand Committee Meeting Thursday, October 2, 2025, at 3:00 p.m. Meeting Location: Zoom

Call to Order / Roll Call

Chair Edwards called the meeting to order at 3:00 p.m.

Committee Members Present

Alvin Edwards
Ian Oglesby
George Riley (participated as an Alternate)

Committee Members Absent

None

District Staff Members Present

David Stoldt, General Manager
Mike McCullough, Assistant General Manager
Stephanie Locke, Water Demand Manager
Sara Reyes, Board Clerk

District Staff Members Absent

None

District Counsel Present

Michael Laredo, De Lay & Laredo
Fran Farina, De Lay & Laredo

Additions and Corrections to the Agenda

None

Comments from the Public

Chair Edwards opened the public comment period, and the following comment was made to the committee:

- 1) Melodie Chrislock asked whether residents are currently allowed to add a bathroom without requiring a new water meter.

General Manager David Stoldt explained that water allocations have been in the hands of local jurisdictions since March, but responses vary. Some cities, like Monterey, are withholding releases until the CDO is lifted, while others, like Carmel, are moving forward with policies to allow remodels and additional bathrooms. All jurisdictions have water available for such uses, but not all are ready to release it. Staff are encouraging cities to avoid prioritizing single categories and to support growth by releasing available water.

Action Items

Chair Edwards introduced the item.

1. Consider Adoption of Committee Meeting Minutes from June 5, 2025

Chair Edwards opened public comment; however, no comments were received.

On a motion by Edwards, seconded by Riley, the minutes of the August 7, 2025, committee meeting were approved by a roll call vote of 2 Ayes (Oglesby and Edwards), 0 Noes and 1 Absent (Oglesby).

2. Consider a Contribution of \$8,000 Towards Restoration of “Rosie’s Garden” a Water Efficient Public Demonstration Garden in Carmel Valley

Water Demand Manager Stephanie Locke presented an overview of this item and reported that a funding request from the Rosie’s Garden Advisory Committee for \$8,000 to support restoration of the water-efficient public demonstration garden in Carmel Valley. The garden, located on county-owned land in a high-visibility area, features low-water plants, educational signage, and four irrigation zones.

Sherie Dodsworth, chairperson of the advisory committee and Carmel Valley native, shared that planting for Rosie’s Garden is planned for mid-November, timed with the rainy season to support plant establishment. The garden will include educational signage, benches, and feature low-water plants near the Carmel River. Located in Robles Del Rio, a 310-home subdivision, the site is highly visible to visitors heading to Garland Park and nearby businesses, making it a valuable public demonstration space.

Chair Edwards opened public comment; no comments were received.

On a motion by Edwards, seconded by Riley, the Committee voted to recommend waving the \$250 Landscape Water Permit fee and approving an \$8,000 grant for landscape rehabilitation, with optional support from the District’s outreach contractor for signage development. The motion was approved by a roll call vote of 3 Ayes (Oglesby, Riley, and Edwards); 0 Noes.

3. Consider Recommendation on First Reading of Ordinance No. 199 – Amending Rule 142.1, Water Efficient Landscape Ordinance

Stephanie Locke presented a proposed revision to Rule 142.1, replacing the current landscape ordinance with the state’s updated, simplified version. The new ordinance includes District-specific enhancement and adds permit requirements for smaller or previously unpermitted landscape projects.

Chair Edwards opened public comment, and the following comment was made to the committee:

- 1) Andy Myrick with the City of Seaside expressed support for discussing landscape challenges and emphasized the need to front-load water demand planning for new projects. He also urged consideration for minimizing burdens on homeowners during minor or interior remodels, especially regarding landscaping requirements.

On a motion by Oglesby, seconded by Riley, the Committee voted to approve the first reading of the draft Ordinance and to circulate it to the Technical Advisory Committee prior to presentation to the Board.

Discussion Items

Chair Edwards introduced this item.

4. Overview of Monterey Peninsula Unified School District (MPUSD) Discussion Regarding Water for Teacher Housing

David Stoldt provided reported on five potential MPUSD development sites, with two (Del Rey Woods and Del Monte Elementary) located within CalAm’s service area and suitable for housing. He noted MPUSD expressed concern over delays in water release from the City of Monterey and asked about

accessing the District's reserve supply.

The District currently holds approximately 2,000 acre-feet in reserve. Mr. Stoldt noted while previous policy allowed local jurisdictions to manage their own water allocations, this approach may now be contributing to project delays, citing the Garden Road project as an example.

He highlighted the City of Monterey's delay in releasing water, despite having received allocations in March, due to pending policy decisions and the Cease and Desist Order. Coordinating the release of the water allocation from the City of Monterey may be challenged by the upcoming retirement of the City Manager.

Mr. Stoldt proposed allowing cities to request up to 50–75 acre-feet from the District reserve for multi-unit housing projects ready to proceed, including those with affordable units. He requested committee feedback on recommending this approach to the Board, with a staff report to be presented at the October meeting if supported.

Chair Edwards opened public comment, and the following comment was received:

- 1) Melodie Chrislock emphasized the need to inform the public that water is now available through their cities for certain uses. She noted that most residents are unaware, which limits public pressure on cities to release water. She suggested clear communication to clarify that cities are responsible for allocations and that sufficient water is available, which could help prompt action.

5. Update on AMBAG 2026 Regional Growth Forecast

David Stoldt presented a comparison between the previous AMBAG regional growth forecast (to 2045) and the new draft final forecast (to 2050). He noted that the updated forecast shows generally dampened population and job growth across most jurisdictions, with exceptions in Monterey, Pacific Grove, and Sand City. Carmel, for example, is projected to lose population despite being assigned 349 new housing units under RHNA, highlighting a continued disconnect between housing allocations and population forecasts.

The updated forecast will inform the Metropolitan Transportation Plan and Sustainable Communities Strategy, and will be used by the District to update its Urban Water Management Plan. Based on the new data, future water demand projections—both residential and non-residential—are expected to be lower than previously forecasted. Mr. Stoldt emphasized that while the District is contractually bound to deliver a set amount of water, the revised forecasts will still be developed to guide planning.

Suggest Items to Be Placed on a Future Agenda

Director Edwards requested updates on the following item to be included on a future agenda:

- Cease and Desist Order

Adjournment

There being no further business, Chair Edwards adjourned the meeting at 4:11 p.m.

/s/ Sara Reyes

Sara Reyes, Board Clerk to the
MPWMD Water Demand Committee

Approved by the MPWMD Water Demand Committee on _____.

Received by the MPWMD Board of Director's on _____.

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ITEM: DISCUSSION ITEM

2. PRELIMINARY 2026 MPWMD DEMAND FORECAST

Meeting Date:	December 4, 2025	Budgeted:	N/A
From:	David Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	David Stoldt	Cost Estimate:	N/A

General Counsel Review: N/A.

Committee Recommendation: N/A

CEQA Compliance: This does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: At its November 13, 2024 meeting the Association of Monterey Bay Area Governments (AMBAG) adopted its **Final Draft 2026 Regional Growth Forecast (RGF.)**

Heather Adamson, Director of Planning and Beth Jarosz, PRB gave a presentation of the final draft 2026 Regional Growth Forecast. The Forecast for the tri-county area includes population, housing, and employment for the base year of 2020 through horizon year of 2050. It's the basis for planning growth in the MTP/SCS, transportation project level analysis, corridor studies, and economic analysis.

The District's 2026 25-year Water Supply and Demand Forecast and its Urban Water Management Plan will rely strongly on the AMBAG 2026 Regional Growth Forecast. The 2022 RGF was the basis of the District's previously adopted 2022 Water Supply and Demand Forecast.

The District's demand forecasting methodology follows four (4) basic steps:

1. Recent consumption data is allocated by residential and non-residential use, by political jurisdiction (See **Exhibit 2-A.**)
2. The consumption allocation data is "mapped" to recent 5-year average production for customer service as a measure of how much supply is required today – the "starting point."
3. AMBAG's 2026 Regional Growth Forecast growth rates in population and employment are calculated by political jurisdiction.
4. The calculated growth rates are applied to the "starting point" current demand values, by residential and residential, by jurisdiction (**Exhibit 2-B.**)

This methodology may tend to over-estimate future demand slightly, as it makes no adjustment for reductions in gallons per capita per day (GPCD) due to Conservation as a California Way of Life mandated reduction in indoor residential GPCD from 47 gallons to 42 gallons starting in 2030; nor does the forecast account for potential reductions in non-functional turf irrigation mandated to

begin in 2027; and price-elasticity of continued rising water rates has not been included.

ANALYSIS OF RESULTS: The graphs in **Exhibit 2-C** reveal the changes between 2026 and 2022 MPWMD demand forecasts, as well as compares MPWMD 2026 to the recently adopted CPUC forecast (2025) and the Cal-Am testimony forecast (2025).

Changes between 2026 and 2022:

The term “MPWMD 2022 Adjusted” means that the starting point for actual usage today is set to the same 5-year average utilized for the MPWMD 2026 Draft, but the same annual growth rate in demand from 2022 is used.

The starting demand is significantly down for the 2026 Draft Demand Forecast. This is for two reasons: (i) the adopted 2022 forecast utilized a 10-year average as the basis for current demand, but the District has been utilizing a 5-year average as more representative, and (ii) the most recent demand numbers are lower than those of 5 to 10 years ago, so the average has dropped.

The AMBAG overall starting population is lower, but the growth rate in population is slightly higher. Thus, residential water demand grows faster in the 2026 Draft Forecast, but does not achieve as high a demand by 2050.

Non-residential water demand also starts at a lower starting point, reflects a slower growth rate in employment than in the 2022 AMBAG forecast, achieving a lower overall non-residential demand in 2050.

Comparison of MPWMD 2026 Draft to CPUC Adopted and Cal-Am testimony:

Comparison of MPWMD 2026 Draft Demand Forecast to CPUC Adopted (2025) and Cal-Am testimony in the Phase 2 proceeding is shown in the final graph of Exhibit 2-C. In that comparison, the 2050 demand estimates adopted by the CPUC in its 2025 Decision and the 2050 demand estimate last testified to by Cal-Am in the same CPUC proceeding are assumed to growth at straight-line growth rates from the most recent 5-year average (current demand.)

The CPUC both include higher GPCD usage after new supplies are available, water demand for tourism bounce-back, Pebble Beach build-out, and legal lots of record – MPWMD’s forecast does not. Cal-Am also included additional water demand for Regional Housing Needs Allocation (RHNA.) The District has testified that it believes such add-ons tend to double-count demand. Hence, the MPWMD Draft Demand Forecast only addresses the increase in water use due to people (AMBAG population growth rate) and increased economic activity (AMBAG employment growth rate.)

EXHIBITS:

2-A Allocation of Recent Water Consumption Records

2-B MPWMD Draft 2026 Water Demand Forecast

2-C Comparison of Water Demand Forecasts – MPWMD 2022, MPWMD 2024, CPUC 2025, and Cal-Am 2025

California American Water
Monterey Main Water System
 Customers & Consumption by Political Jurisdiction

Average Water Year

	TOTAL CONSUMPTION			RESIDENTIAL			NON-RESIDENTIAL		
	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet
JURISDICTION									
Monterey (incl Ryan Ranch)	10,666	32.81%	2,850	8,541	26.63%	1,534	2,126	44.97%	1,316
Pacific Grove	6,888	12.44%	1,080	6,258	14.18%	817	630	9.01%	264
Carmel	3,437	6.67%	579	2,993	6.78%	390	444	6.45%	189
Seaside	6,554	13.70%	1,190	5,869	15.79%	909	685	9.59%	281
Del Rey Oaks	811	1.19%	104	732	1.45%	83	80	0.69%	20
Sand City	365	0.95%	82	112	0.33%	19	253	2.16%	63
County (incl Bishop, Hidden Hills & CV Irrig)	11,285	32.24%	2,801	10,399	34.85%	2,007	886	27.12%	794
	40,006		8,687	34,903		5,760	5,103		2,927
						66.3%			33.7%

Water Year Type: Selected Year Average (2024, 2021, 2020, 2019, 2018)

Notes: Cal-Am's "Contracts & Deviations" filing designates Non-Revenue Water as "Commerical" even though it may not be.

California American Water
Monterey Main Water System
Customers & Consumption by Political Jurisdiction

Average Water Year

	TOTAL CONSUMPTION				RESIDENTIAL			NON-RESIDENTIAL		
JURISDICTION	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet	
Monterey (incl Ryan Ranch)	10,908	32.82%	2,795	8,624	26.78%	1,524	2,283	44.98%	1,270	
Pacific Grove	6,891	12.17%	1,036	6,289	13.79%	785	667	8.91%	252	
Carmel	3,443	6.68%	569	3,019	6.86%	390	465	6.33%	179	
Seaside	6,548	13.90%	1,184	5,899	15.85%	902	721	9.97%	282	
Del Rey Oaks	815	1.23%	104	734	1.47%	84	91	0.73%	21	
Sand City	371	0.93%	79	118	0.33%	19	268	2.15%	61	
County (incl Bishop, Hidden Hills & CV Irrig)	11,433	32.28%	2,748	10,502	34.93%	1,988	931	26.93%	761	
	40,613		8,516	35,186		5,692	5,426		2,824	
						66.8%			33.2%	

Water Year Type: 5 Year Average

Notes: Cal-Am's "Contracts & Deviations" filing designates Non-Revenue Water as "Commerical" even though it may not be.

California American Water
Monterey Main Water System
Customers & Consumption by Political Jurisdiction

Average Water Year

	TOTAL CONSUMPTION			RESIDENTIAL			NON-RESIDENTIAL		
	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet	Customers	AF as %	Acre-Feet
JURISDICTION									
Monterey (incl Ryan Ranch)	10,711	32.87%	2,870	8,551	26.33%	1,533	2,160	45.95%	1,337
Pacific Grove	6,891	12.51%	1,093	6,257	13.90%	809	634	9.74%	284
Carmel	3,443	6.60%	576	2,994	7.28%	424	449	5.24%	152
Seaside	6,548	14.03%	1,225	5,858	15.96%	929	691	10.18%	296
Del Rey Oaks	815	1.20%	105	732	1.45%	84	83	0.70%	20
Sand City	371	0.91%	80	112	0.33%	19	259	2.08%	61
County (incl Bishop, Hidden Hills & CV Irrig)	11,300	31.87%	2,783	9,595	34.75%	2,023	1,705	26.11%	760
	40,080		8,731	34,099		5,821	5,981		2,910
						66.7%			33.3%

Water Year Type: 10 Year Average

Notes: Cal-Am's "Contracts & Deviations" filing designates Non-Revenue Water as "Commerical" even though it may not be.

EXHIBIT 2-B

California American Water Monterey Main Water System

AMBAG 2026 Draft Final Regional Growth Forecast
2025 - 2050

Population

JURISDICTION	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea	3,105	2,881	2,961	3,018	3,057	3,082
Del Rey Oaks	1,559	1,592	1,626	1,646	1,665	1,679
Monterey (incl Ryan Ranch)	27,189	28,714	29,428	29,995	30,526	30,859
Pacific Grove	14,872	15,223	15,404	15,602	15,768	15,894
Sand City	378	1,025	1,068	1,092	1,113	1,121
Seaside (excl Fort Ord & CSUMB)	24,971	23,652	24,051	24,666	25,265	25,771
County (incl Bishop & Hidden Hills)	19,643	20,745	21,261	21,670	22,054	22,294
	91,717	93,832	95,798	97,690	99,448	100,700

Employment

JURISDICTION	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea	3,523	3,629	3,656	3,676	3,689	3,703
Del Rey Oaks	738	766	772	771	770	771
Monterey (incl Ryan Ranch)	37,776	38,707	39,105	39,471	39,763	40,021
Pacific Grove	7,815	8,069	8,163	8,247	8,324	8,396
Sand City	2,086	2,164	2,160	2,164	2,173	2,173
Seaside (excl Fort Ord & CSUMB)	10,026	10,266	10,350	10,430	10,492	10,548
County (incl Bishop & Hidden Hills)	n/a	n/a	n/a	n/a	n/a	n/a

Notes: (1) 2025 Base Year is 2023 Actual

(2) County 2025 population is Cal-Am service area population minus sum of cities' population
Remainder of County population and employment growth is same as City of Monterey:

Population growth: 1.0561 1.0249 1.0193 1.0177 1.0109
Employment growth: 1.0246 1.0103 1.0094 1.0074 1.0065

(3) 30% of Del Rey Oaks population growth attributed to Cal-Am service Area

AMBAG: 1,559 1,670 1,782 1,850 1,912 1,958
Adjusted: 1,559 1,592 1,626 1,646 1,665 1,679

California American Water Monterey Main Water System

Growth Rates for each 5-Year Period

2025 - 2050

Residential

JURISDICTION	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea		0.9279	1.0278	1.0193	1.0129	1.0082
Del Rey Oaks		1.0214	1.0211	1.0125	1.0113	1.0083
Monterey (incl Ryan Ranch)		1.0561	1.0249	1.0193	1.0177	1.0109
Pacific Grove		1.0236	1.0119	1.0129	1.0106	1.0080
Sand City		2.7116	1.0420	1.0225	1.0192	1.0072
Seaside (excl Fort Ord & CSUMB)		0.9472	1.0169	1.0256	1.0243	1.0200
County (incl Bishop & Hidden Hills)		1.0561	1.0249	1.0193	1.0177	1.0109

Non-Residential

JURISDICTION	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea		1.0301	1.0074	1.0055	1.0035	1.0038
Del Rey Oaks		1.0379	1.0078	0.9987	0.9987	1.0013
Monterey (incl Ryan Ranch)		1.0246	1.0103	1.0094	1.0074	1.0065
Pacific Grove		1.0325	1.0116	1.0103	1.0093	1.0086
Sand City		1.0374	0.9982	1.0019	1.0042	1.0000
Seaside (excl Fort Ord & CSUMB)		1.0239	1.0082	1.0077	1.0059	1.0053
County (incl Bishop & Hidden Hills)		1.0246	1.0103	1.0094	1.0074	1.0065

California American Water
Monterey Main Water System

Water Demand Forecast (AF)

2025 - 2050

Residential

JURISDICTION	%	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea	6.78%	415	385	396	404	409	412
Del Rey Oaks	1.45%	89	91	93	94	95	96
Monterey (incl Ryan Ranch)	26.63%	1,631	1,723	1,766	1,800	1,832	1,852
Pacific Grove	14.18%	869	889	900	911	921	928
Sand City	0.33%	20	55	57	58	60	60
Seaside (excl Fort Ord & CSUMB)	15.79%	967	916	932	955	979	998
County (incl Bishop & Hidden Hills)	34.85%	2,135	2,255	2,311	2,355	2,397	2,423
		6,126	6,314	6,454	6,578	6,692	6,769

Change 643
Per Year 25.73

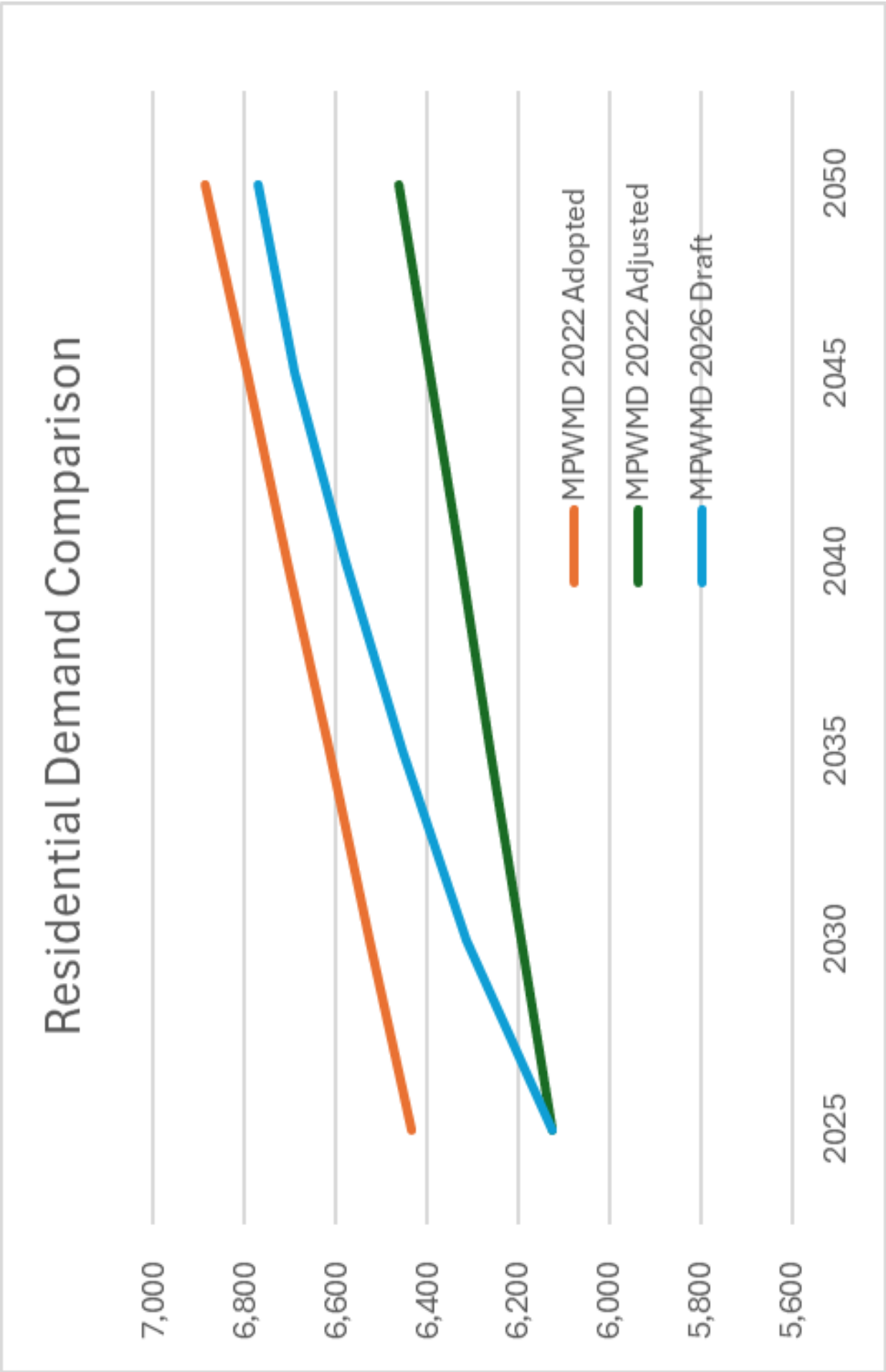
Non-Residential

JURISDICTION	%	2025	2030	2035	2040	2045	2050
Carmel-by-the-Sea	6.45%	201	207	208	210	210	211
Del Rey Oaks	0.69%	21	22	22	22	22	22
Monterey (incl Ryan Ranch)	44.97%	1,400	1,435	1,450	1,463	1,474	1,484
Pacific Grove	9.01%	281	290	293	296	299	301
Sand City	2.16%	67	70	70	70	70	70
Seaside (excl Fort Ord & CSUMB)	9.59%	299	306	308	311	313	314
County (incl Bishop & Hidden Hills)	27.12%	844	865	874	882	889	895
		3,114	3,195	3,226	3,254	3,277	3,297

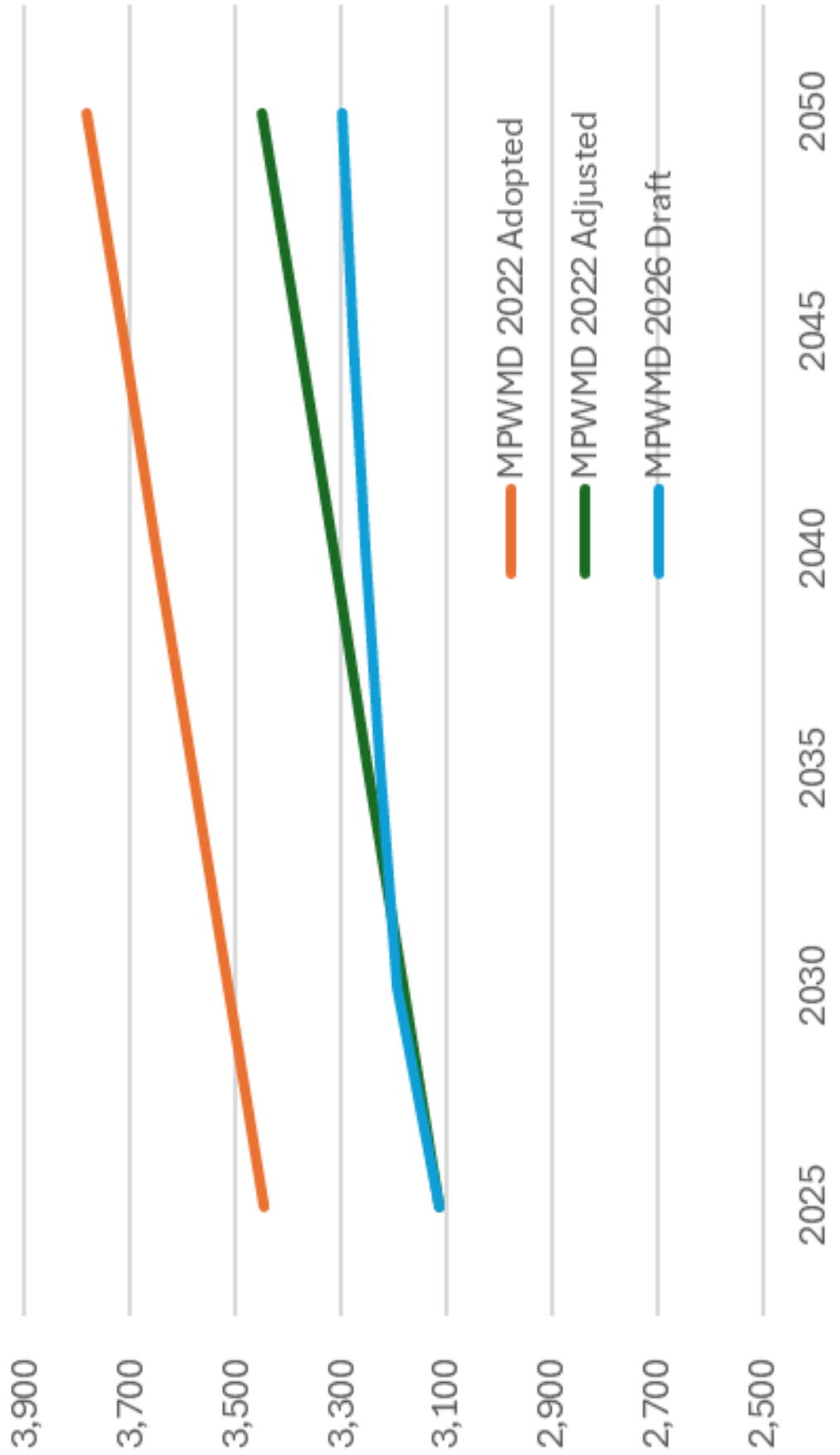
Change 184
Per Year 7.34

Combined Water Demand		9,240	9,508	9,679	9,832	9,969	10,067
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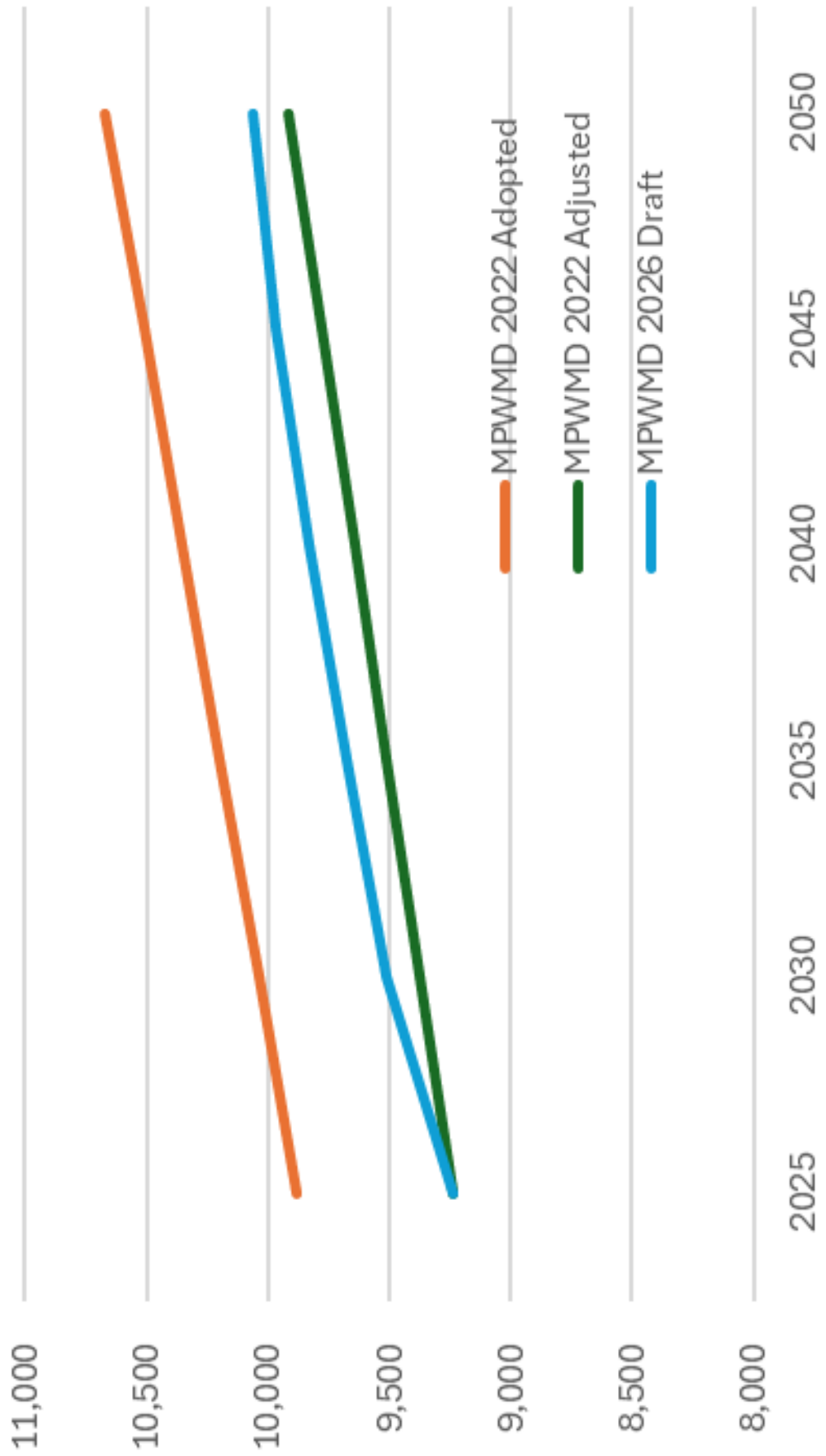
EXHIBIT 2-C



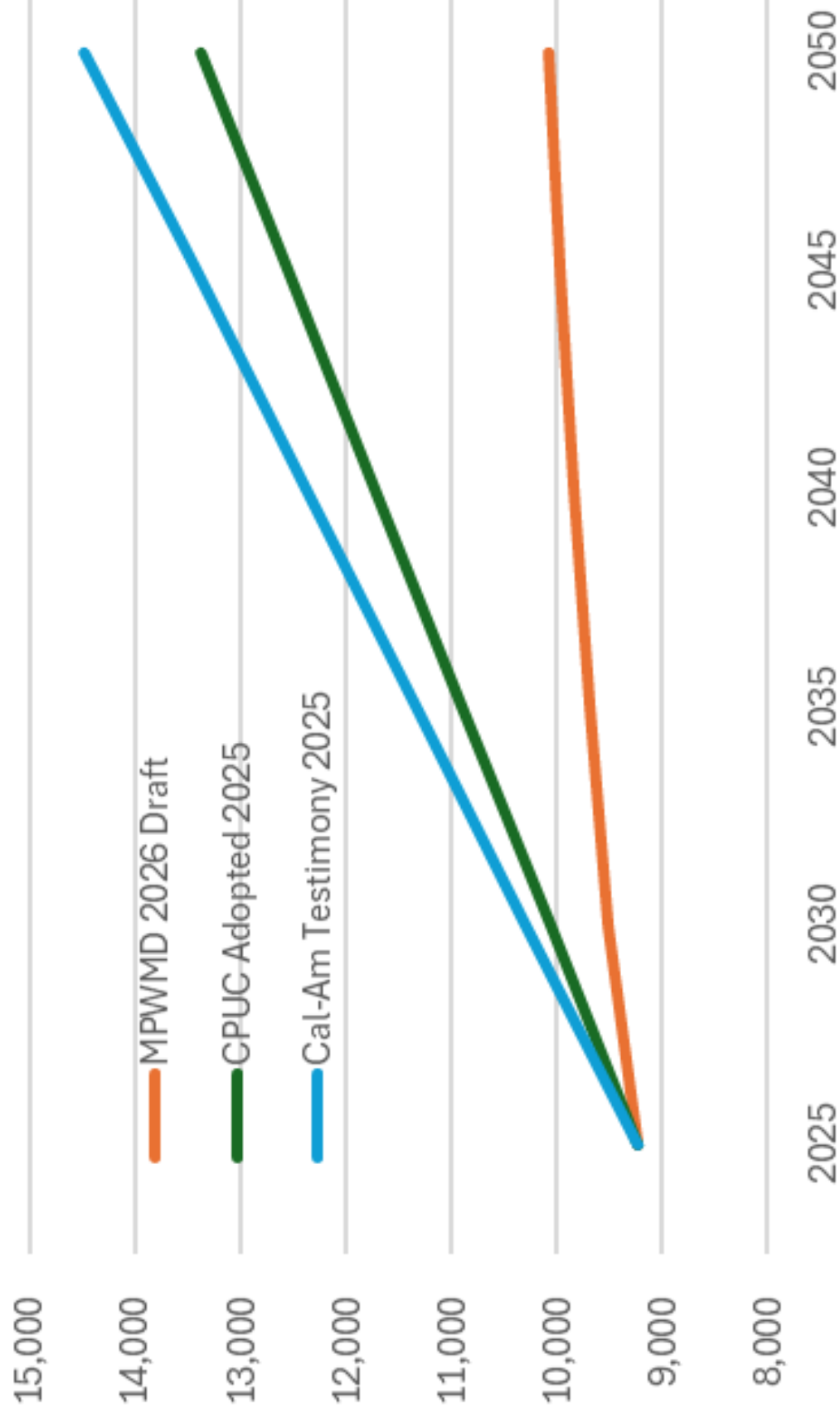
Non-Residential Demand Comparison



Total Demand Comparison



Total Demand Comparison



ITEM: DISCUSSION ITEM

4. INTERIM REPORT ON LOCAL JURISDICTION WATER ALLOCATION POLICIES

Meeting Date:	December 4, 2025	Budgeted:	N/A
From:	David Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	David Stoldt	Cost Estimate:	N/A

General Counsel Review: N/A.

Committee Recommendation: N/A

CEQA Compliance: This does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The District adopted Ordinance 197 on January 27, 2025 effective 30 days later. All jurisdictions were provided allocations of water as of March 1, 2025.

Some jurisdictions have released water from their new allocation for projects, some have not; Some jurisdictions are utilizing their prior rules affecting allocations, but some jurisdictions believe they must adopt a new policy – and have either done so, or working to do so. Not all outcomes are the same and some outcomes have led to continued uncertainty. Staff will provide a brief landscape of the situation and lead discussion.

EXHIBITS:

- 4-A** City of Carmel Policy Adopted October 7, 2025
- 4-B** City of Monterey Policy Adopted November 18, 2025
- 4-C** County of Monterey Planning Commission Discussion November 12, 2025
- 4-D** City of Seaside Policy (2019) w/ 2025 Update

EXHIBIT 4-A



CITY OF CARMEL-BY-THE-SEA City Council Staff Report

**October 7, 2025
ORDERS OF BUSINESS**

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Marnie Waffle, Principal Planner, AICP

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Resolution 2025-088 Adopting an Amended Water Allocation Policy for the City of Carmel-by-the-Sea (CMC 17.50.030) *(Estimated time - 45 min)*

RECOMMENDATION:

Adopt Resolution 2025-088 Adopting an Amended Water Allocation Policy for the City of Carmel-by-the-Sea (CMC 17.50.030).

BACKGROUND / SUMMARY:

Executive Summary:

On January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197 allocating 14-acre feet of water to the City of Carmel-by-the-Sea effective March 1, 2025. According to the City's water management program (Carmel-by-the-Sea Municipal Code Chapter 17.50), this allocation has been placed in unallocated reserves until the City Council adopts a resolution allocating the water to a specific category (e.g., residential, commercial, municipal, etc.). On September 10, 2025, the Planning Commission adopted Resolution 2025-042-PC, making a recommendation to the City Council on how the unallocated reserves should be allocated under a new water allocation resolution (**Attachment 1**).

Background:

The city's water management program was adopted in 1987 by Ordinance 87-14 (**Attachment 3**) and amended in 1993 by Ordinance 93-11 (**Attachment 4**). The program is codified in Carmel-by-the-Sea Municipal Code (CMC) Chapter 17.50 (**Attachment 5**). It establishes the process for distributing the city's water resources by determining which land use categories will be served through water allocations made

available to the town.

According to the Monterey Peninsula Water Management District (MPWMD), the water allocation process in 1987 was significantly different from what it is today: In 1987, the City was given a limit (allocation) to stay within for the year and had to plan where to allow additional uses to occur. During the water year 1985-86, the city exceeded its allocation, and a moratorium on the issuance of permits occurred. The City took action against the District, and a settlement agreement resulted in the District completing a water allocation Environmental Impact Report and the adoption of a new methodology to allocate and track only new supplies of water rather than establishing an annual water use limit.

When new water resources become available, the Planning Commission considers the distribution of water in a manner that implements the General Plan and Local Coastal Program and makes a recommendation to the City Council. The City Council considers the Planning Commission's recommendation before adopting a Resolution. These Resolutions document:

- 1) the quantity of water available,
- 2) the land use categories that will receive water,
- 3) the amount of water allocated to each category, and
- 4) the amount that will remain in an unallocated reserve.

The water management program (CMC Chapter 17.50) requires that at least 10 percent of available water resources be reserved for projects that will create new affordable housing units and that water is reserved for anticipated projects serving coastal recreation, access, and essential public services. Both requirements implement policies in the Carmel General Plan and Local Coastal Program, which is discussed in further detail below in the Analysis section.

2025 Allocation of Water Resources

On January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197 (**Attachment 6**), allocating 14 acre-feet of water to the City of Carmel-by-the-Sea in anticipation of the completion of the Pure Water Monterey Expansion project at the end of 2025. The Ordinance took effect on March 1, 2025, and the City of Carmel-by-the-Sea received 14 acre-feet of water from the first allocation. MPWMD has reiterated that additional supplies of water will be available when needed from the 2,000 acre-feet of water in the District's Reserve.

The MPWMD publishes a Monthly Allocation Report for each jurisdiction within its service area. For March 2025 (**Attachment 7**), the City of Carmel-by-the-Sea was reported to have 2.661 acre-feet of water remaining from its last allocation in 1993. When combined with the recently allocated 14 acre-feet, the city has a total balance of 16.661 acre-feet of water.

While the MPWMD is responsible for allocating water to municipalities, it is up to the

individual municipalities to determine how that water is used. However, pursuant to Ordinance 197 passed by the MPWMD Board of Directors, the sale of water by a jurisdiction is not allowed. Rule 33, Subsection D - Cost of Allocation states explicitly, *There shall be no sale of water from an Allocation by a Jurisdiction.*

Additionally, California American Water Company (Cal-Am) is subject to a Cease and Desist Order (CDO) and water meter moratorium due to its unlawful pumping from the Carmel River. The MPWMD 2024 Annual Report states,

“Construction of the Pure Water Monterey Expansion project is expected to be completed in late 2025. The PWM Expansion will bring a long-term replacement water supply to meet the Peninsula’s needs for decades or act as a bridge until a desalination plant is fully permitted and built. In 2024, the District started taking the necessary steps to lift the State’s Cease and Desist Order (CDO) imposed on Cal-Am that would eliminate the moratorium on service connections for new housing.”

The MPWMD is currently preparing an application to lift the CDO. Until the CDO is lifted, a property must have an existing service connection to use a water allocation or have water from the Malpaso water Company, which is not subject to the moratorium on new meters.

CMC Chapter 17.50, Water Management Program, Section 17.50.030.C - Unallocated Reserves, states that if new water resources become available to the City through action by the MPWMD, they shall be placed in *unallocated reserves* administratively until distributed to other categories through the adoption of a new allocation resolution. The most recent allocation resolution that city staff could locate was City Council Resolution 2013-43, adopted on August 6, 2013 (**Attachment 8**). At that time, the following categories, along with their respective water allocations, were identified as follows:

Table 1. 2013 Water Allocation Balances per Resolution 2013-43

Category #1	Low & Very Low-Income Housing	0.507 af
Category #2	Single Family Residential	0.000 af
Category #3	Multi-Family Residential	0.000 af
Category #4	Commercial	0.684 af
Category #5	Municipal	0.224 af
Category #6	Unallocated Reserve	1.690 af
Category #7	Mallery/Pescadero Water Transfer Reserve	0.106 af
Category #8	Not Defined	0.000 af
Category #9	Forest Cottages Pre-Commitment	0.109 af
Total Water Allocation		3.320 af

Following the adoption of City Council Resolution 2013-43, 0.684-acre feet in Category #4 “Commercial” was released to the Carmel Event Center, now the 7th & Dolores

Steakhouse, leaving a zero balance in the commercial category. In addition, 0.109-acre feet in Category #9 “Forest Cottages Pre-Commitment” was transferred back to Category #1 “Low & Very Low-Income Housing” because it did not commence construction by February 13, 2014.

May 5, 2025, City Council Meeting

At the May 5, 2025, City Council meeting, staff sought direction from the City Council on how to proceed with the recent 14-acre-foot allocation of water that has been placed administratively in the “Unallocated Reserve” category. The City Council expressed support for transferring 3-acre-feet of water from “Unallocated Reserve” to “Low and Very Low-Income Housing.” This would satisfy the minimum 10 percent (1.4-acre feet) set aside required by the city’s Water Management Program (CMC Chapter 17.50), ensuring a moderate amount of water is immediately available for an affordable housing project should the city receive an application. *Note: 3-acre feet of water could support approximately 44 one-bath apartments or 27 two-bath apartments, or some combination thereof.*

September 10, 2025, Planning Commission Meeting

The Planning Commission reviewed a proposal to move 3 acre-feet of water from the “Unallocated Reserve” (Category #6) to “Low and Very Low-Income Housing” (Category #1). The Commission supports the allocation of 3 acre-feet to Category #1 and allocating the remaining 11 acre-feet of water for projects that support the General Plan and Local Coastal Program. The Planning Commission’s unanimous recommendation (with one Commissioner absent) is as follows (see also **Attachment 9**):

- 3 acre-feet to “Low and Very Low-Income Housing,”
- 6 acre-feet to a combined “Residential” category,
- 2 acre-feet to “Commercial,” and
- 3 acre-feet to “Municipal.”

The Planning Commission expressed support for continued retrofitting of fixtures to low water use. The Commission also recommends an annual review of activity in each category and making adjustments when needed. Finally, the Commission supports the cleanup item of eliminating Category #9, “Forest Cottages Pre-Commitment,” and adding the remaining water from that category (0.109 acre-feet) to the “Low and Very-Low Income Housing” category.

City Council Action

To formally transfer water from “Unallocated Reserve” to other land use categories, the City Council must adopt an allocation resolution detailing the quantity of water in each category. Staff also recommends incorporating other changes that have occurred since 2013, such as removing Category #9 and moving the balance to Category #1. The “Mallery/Pescadero Water Transfer Reserve” is a City commitment to a property in Pescadero Canyon that needs to remain, so no changes are proposed to this category.

The table below reflects the proposed changes (see also **Attachment 2, Exhibit A**).

Table 2. Proposed Water Allocation Balances

Category #1	Low & Very Low-Income Housing This category includes residential housing units that meet the affordable housing standards for low-income and/or very low-income households as defined by the municipal code.	3.616 af
Category #2	Residential This category includes permanent and non-transient single-family and multi-family housing, including single-family dwellings, accessory dwelling units, junior accessory dwelling units, new apartments and condominiums, conversions of commercial space to residential dwellings, and the housing component of mixed-use projects.	6.000 af
Category #3	Commercial This category includes the construction of new commercial floor space and the conversion of existing space to uses with a greater demand for water. This category also includes the commercial component of mixed-use projects.	2.000 af
Category #4	Municipal This category includes all forms of municipal projects, including expansion or renovation of existing facilities, construction of new facilities, and changes in use.	3.224 af
Category #5	Unallocated Reserve This category is unallocated and is to be held as uncommitted until assigned to a defined category through adoption of a new Allocation Resolution by the City Council.	1.690 af
Category #6	Mallery/Pescadero Water Transfer Reserve This category includes the remaining balance from .960 acre-feet of water originally set aside through a transfer of development rights for four vacant lots in Pescadero Canyon owned in 1998 by Tim Mallery but dedicated as permanent open space. This water may be used for residential, multi-family residential, commercial or public use development as determined by Mallery provided that the project complies with all zoning and provided that the project is located within the City limits.	0.106 af
Total Water Allocation		16.636 af

ANALYSIS

Carmel's adopted Local Coastal Program and General Plan include policies for managing water resources, and the CMC serves as the instrument through which these policies are implemented. Below is a brief discussion of the applicable water resource policies.

Land Use & Community Character Element (page 1-26)

The Land Use & Community Character Element of the General Plan/Coastal Land Use Plan contains a section on Water Resources, which says in part,

The City's share of District water resources is internally allocated to land use categories based on policies in the Local Coastal Program and secondarily in the Conservation, Land Use, and Housing Elements of the General Plan. These policies affirm the City's commitment to lots of record, and residential use (new homes, apartments, and remodeling) as the largest allocation for new development. In particular, existing subdivided lots of record zoned for housing should always be considered "first in line" for limited water resources. New subdivisions of land should be limited until existing subdivided lots have a secure water supply to serve full build-out and additional water allocation units have been obtained from the District. As documented above, visitor-serving uses throughout the City have been well accommodated with prior water allocations to achieve consistency with the Coastal Act. Augmenting scarce water supplies to serve planned growth continues to be a City policy. (LUP)

Land Use & Community Character Element, Water Resources (page 1-50)

The Land Use & Community Character Element of the General Plan/Coastal Land Use Plan contains the following goal, objectives, and policies:

Goal G1-6 Protect, conserve, and increase Carmel's available water resources and water quality. (LUP)

Objective O1-19 Maintain and enhance a viable domestic water supply for the City through conservation techniques and direct involvement in regional water policies, including cooperation with Monterey Peninsula Water Management District (MPWMD) and the California-American Water Company. (LUP)

P1-116 Where existing public services, including water, can accommodate only a limited amount of new development, priority uses, including essential public services, public recreation, commercial recreation, and visitor-serving land uses, shall not be precluded by services to other development. (LUP)

P1-117 Institute conservation measures to preserve compliance with the City's water allocation limits. Retrofit commercial and residential buildings with conservation devices. Consider adopting ordinances that will impose penalties for non-essential water use. (LUP)

Objective O1-20 Maintain an effective program to monitor water use in the City and to ensure the availability of water to fulfill the goals of the General Plan. (LUP)

P1-123 Applications for new development shall demonstrate an adequate public water supply to support the proposed development. Private water supplies are prohibited to serve existing and new development...

P1-125 Prohibit new subdivisions requiring additional water resources until water supplies are available to, and reserved for, all existing subdivided parcels. (LUP)

Housing Element

The City Council adopted the 6th cycle Housing Element in April 2024. The Housing Element is one element, or chapter, of the General Plan. It includes policies and programs that identify how the city will accommodate its regional share of housing needs (349 new housing units) by 2031.

Goal H1: Facilitate Housing Construction

Policy 1.1: Ensure adequate sites are available to meet the City's projected housing growth needs

Program 1.2.A: Water Distribution Prioritization for Affordable Housing

Work cooperatively with MPWMD to establish a procedure to prioritize water allocation for housing developments that include affordable units for lower-income households (December 2026). From its own modest water allocation of approximately 1.6-acre feet, the City will grant water allocation priority to those projects that assist the City in meeting its share of the regional housing need for lower- and moderate-income households. A city policy to clearly reflect water allocation priority and incentives for Extremely Low, Very Low, Low, and Moderate-Income households will be adopted (December 2026). Timeframe: Adopt policy by June 2025.

In a memo dated June 1, 2023, the Monterey Peninsula Water Management District (MPWMD) estimated that the City of Carmel-by-the-Sea would need 40-acre-feet of water to accommodate 349 new housing units based on various income categories and assumed unit sizes (**Attachment 10**). These estimates assume that a development site is vacant with no existing water credit. The estimates also include single-family dwellings in the mix of unit types, which have higher water usage than multifamily dwellings.

One of the strategies in the adopted housing element (2024) is to encourage the conversion of existing buildings on developed parcels in the commercial districts to residential use. These parcels have existing water credits to support some housing, although additional water may be required for added kitchens and bathrooms. Underdeveloped properties, such as the parking lots at Sunset Center and Vista Lobos, would depend more heavily on an allocation of water to support the development of new housing units. Other strategies outlined in the adopted housing element include developing housing on sites owned by non-profits and constructing accessory dwelling units in single-family neighborhoods.

Acre-Foot, Water Credit, and Fixture Count:

An acre-foot is a unit of volume commonly used to measure large-scale water resources in municipal water supplies. One acre-foot is the amount of water it takes to cover one acre of land to a depth of one foot. If 1 acre is 43,560 square feet, then 1

acre-foot is 43,560 cubic feet of water (or 325,851 gallons).

“Water credit” refers to existing or prior water uses on a parcel, or the ability to install water-efficient devices or appliances to free up water credits to offset other uses.

The MPWMD issues water permits for residential and non-residential projects. For residential uses, the MPWMD uses “fixture units” to calculate water use capacity. A fixture unit is 1/100th of an acre-foot, and each water fixture (i.e., sinks, toilets, bathtubs, showers, etc.) has a value, usually between 1 and 2 fixture units. Outdoor irrigation is calculated using the “estimated total water use” or ETWU as shown on the landscape plans.

For commercial properties, water usage is calculated based on other factors such as square footage, number of restaurant seats, etc.

The MPWMD provides water release forms (**Attachments 11 and 12**) that are used to authorize the District to issue a Water Permit. The residential form lists each fixture type and its associated fixture unit value, and the commercial form lists the various non-residential factors. At this time, all projects submitted to the Community Planning and Building Department must be less than or equal to existing water usage conditions; otherwise, the application cannot be processed ([CMC 17.50.040](#)).

Table 3 below, prepared by the MPWMD, shows the typical fixture count converted to acre-feet for residential dwelling types. For more information, refer to the MPWMD memo dated June 1, 2023 (see **Attachment 10**).

Table 3. MPWMD Typical Residential Water Usage

	Acre-Feet Required	Multi-Family: 1 to 2 Bedroom 1 Bathroom	Multi-Family: 2 to 3 Bedroom 2 Bathroom	Single Family: 1 Master Bath 1 Standard Bath 1 Half-Bath
Standard Bathroom(s)	0.043	0.043	0.086	0.043
Half Bathroom	0.023			0.023
Master Bathroom	0.053			0.053
Kitchen*	0.015	0.015	0.015	0.015
Clothes Washer	0.010	0.010	0.010	0.010
Landscaping & Other	Varies	(see footnote 2)	(see footnote 2)	0.036
Total per Unit		0.068	0.111	0.180

*With a high-efficiency dishwasher

Footnote 2. “Other” may include other fixtures such as utility sink, bar sink, vegetable sink, bidet, custom tub, or showers. Overall project landscaping will be added when building on a vacant lot.

Table 4 below applies the water fixture count and water usage in Table 3 to the city's regional housing needs allocation (RHNA) of 349 units. The assumptions city staff used in these calculations are as follows:

- For the very low-, low-, and moderate-income units, Staff assumed a 50/50 split of 1-bath and 2-bath units.
- For the above moderate-income units, Staff assumed 75 percent of the units would be 2 bath and 25 percent would be 1 bath.

Table 4. Estimated Water Usage for Carmel's RHNA by Income Level

RHNA Units	Income Level	Water Factor	# of Bathrooms Distribution (1BA/2BA)	Acre Feet of Water
113	Very Low	0.0895	50/50	10.1135
74	Low	0.0895	50/50	6.623
44	Moderate	0.0895	50/50	3.938
118	Above Moderate	0.111/0.068	75/25	9.879/1.7
			Total	32.2535

Based on these assumptions, approximately 32-acre feet of water are needed to accommodate the RHNA. However, as noted above, one of the primary strategies of the housing element is to encourage the conversion of existing buildings on developed parcels in the commercial districts to residential use. These buildings have existing water credits that can offset a portion of the housing. In addition, due to the small number of vacant parcels in the city, most projects will involve demolition of an existing use, creating a credit that reduces the water needed for the new use(s). As a result, the amount of water required to accommodate the RHNA is likely to be less than 32-acre feet.

Proposed Housing Element Amendment:

City staff continue to work with the Affordable Housing Alternatives (AHA) resident group on a housing element amendment that identifies alternative sites and strategies for affordable housing to reduce demand on city-owned sites at the Sunset Center and Vista Lobos during the 6th cycle housing element. Table 5 below provides water demand estimates for these draft programs for comparison with the adopted housing element. Based on these estimates, approximately 30 acre-feet of water would be needed to support these draft programs

Table 5. Estimated Water Usage for Proposed Housing Element Amendment Programs – DRAFT

	Live/ Work	Mixed Income Incentive Program	Church	Hotel to Residential Conversion	Hotel Employee Housing	Total	Water Factor	# of Bathrooms Distribution (1BA/2BA)	Acre Feet of Water
Extremely Low Income	7		6			13	0.0895	50/50	1.1635
Very Low Income	29	3	26	40		98	0.0895	50/50	8.771
Low Income	37	3	33	40		113	0.0895	50/50	10.1135
Moderate Income		3		40	5	48	0.0895	50/50	4.296
Above Moderate		18		41		59	0.111/0.068	75/25	4.884/1.02
Totals	73	27	65	151	5	331			30.248

Existing Water Use Categories:

The existing water use categories adopted in Resolution 2013-43 are as follows:

Category #1: Low & Very Low-Income Housing

Category #2: Single Family Residential

Category #3: Multi-Family Residential

Category #4: Commercial

Category #5: Municipal

Category #6: Unallocated Reserve

Category #7: Mallory/Pescadero Water Transfer Reserve

Category #8: Not defined

Category #9: Forest Cottages Pre-Commitment

Categories can be added or deleted based on City Council action in adopting a new allocation Resolution. For example, Category #8 was previously known as the Spinning Wheel and was created to track the water from the Spinning Wheel restaurant water credit transfer. Once all water in a category is used, the category could be eliminated. Similarly, staff is recommending that Category #9 be eliminated as the water has been moved to Category #1. Each category includes a description of how the water is to be utilized. If additional categories are added, new descriptions should be created to define how the water is to be used.

Commercial Water Use:

The city currently has no water allocated to the commercial use category. The commercial uses listed below are examples of MPWMD Group I uses and have the lowest water factor of 0.00007. This means they require the least amount of water compared to Group II and Group III uses. Group II uses prepare and/or sell food and/or beverages that are primarily provided to customers in or on disposable tableware, but are not full-line restaurants. Group III uses that are calculated primarily by using factors

other than square footage, such as restaurant seats, hotel rooms, and beds.

- Auto uses
- Bank
- Dry Cleaner (no onsite laundry)
- Gym
- Nail Salon and/or Hair Salon
- Office
- Retail
- Supermarket
- Tasting Room (ABC Type 2)
- Warehouse

Table 6. Commercial Water Use

	MPWMD Group Number	Quantity/ Square Footage	Water Factor	Estimated Water Usage (acre feet)
Hotel	Group III	20 rooms	0.064/room	1.28
Full Line Restaurant	Group III	30 seats	0.02/seat	0.6
Dog Grooming	Group III	3 stations	0.0567/station	0.1701
Specialty Restaurant (bakery, cafe, ice cream, etc.)	Group II	400 SF (min.)	0.0002	0.08
Beauty Salon	Group I	500	0.00007	0.035
Tasting Room (ABC Type 2)	Group I	300 (max.)	0.00007	0.021

Municipal Water Use:

The city has 0.224-acre feet of water reserved for municipal projects. This includes all forms of municipal projects, such as the expansion or renovation of existing facilities, the construction of new facilities, and changes in use. Planned projects include an expansion of the public restroom at Piccadilly Park. The addition of one public toilet would require 0.058 acre-feet of water, which can be accommodated within the current municipal water balance of 0.224 acre-feet.

Regarding the renovations of the Harrison Memorial Library and the Carmel Police Department, water usage is based on building square footage, not fixture count. Any increase in floor area would result in increased water usage and would be debited from the municipal category. No increase in floor area is proposed for the Harrison Memorial Library project.

Public drinking fountains/water filling stations do not require a water allocation.

Table 7. Municipal Water Use

	MPWMD Group Number	Quantity/ Square Footage	Water Factor	Water Usage (acre feet)
Public Toilet	Group III	5	0.058/toilet	0.29
Public Urinal	Group III	3	0.036/urinal	0.108
Zero Water Urinal	Group III	2	No value	0
Public Drinking Fountain/ Water Filling Station	N/A	N/A	No value	0
Harrison Memorial Library	Group I	No change in SF	0.00007	No change
Carmel Police Department	Group I	TBD	0.00007	TBD

Post Allocation Process (CMC Section 17.50.040):

One of the duties and powers of the Community Planning and Building Director is to administer the water management program (CMC Section 17.52.030.H). When a development application is submitted, it is evaluated to determine whether it will result in a net increase in water usage. If so, and no water is available, the application cannot be processed and is returned to the applicant. If there is no net increase in water usage, the application is processed in accordance with the CMC. The only exception is for projects that would create housing affordable to moderate, low- or very low-income households. These applications would be placed on a waiting list until water resources become available. There are currently no projects on the waiting list.

If new water resources were allocated to categories other than affordable housing, the Community Planning and Building Department could accept an application requiring additional water resources. Once deemed complete, a pre-commitment of water would be temporarily assigned while the application goes through the review process. If the project is denied or abandoned, the pre-commitment is returned to the original allocation category. If the application is approved, the water would be permanently allocated upon issuance of a water permit by MPWMD and a building permit by the city.

It is the responsibility of the Community Planning and Building Department to maintain a record of the remaining water balance in each allocation category, and for the Planning Commission to review the water management plan annually.

Summary/Conclusion:

The city received an initial allocation of 14 acre-feet from the MPWMD on March 1, 2025. While this may not be sufficient to support the city's entire RHNA allocation (349 units), it provides an initial supply that is adequate to facilitate an affordable housing project should an application be submitted in the near term. In conversations with the MPWMD, additional water supply is available, and the city can request more when the allocation is depleted. To comply with the city's General Plan and Local Coastal

Program, the Planning Commission and City Council should consider prioritizing water in accordance with existing policies, followed by lesser priorities.

FISCAL IMPACT:

None.

PRIOR CITY COUNCIL ACTION:

On August 6, 2013, the City Council passed Resolution 2013-43, adopting an amended water allocation resolution to facilitate the Carmel Event Center project.

ATTACHMENTS:

1. Resolution 2025-088
2. Exhibit A - Redlined_Water Allocation Categories
3. CBTS Ordinance 87-14
4. CBTS Ordinance 93-11
5. CMC Chapter 17.50 Water Management
6. MPWMD Ordinance 197
7. MPWMD March 2025 Water Report
8. CBTS Resolution 2013-43
9. PC Resolution 2025-042-PC
10. MPWMD Memo 06-01-2023
11. MPWMD Residential Water Form
12. MPWMD Commercial Water Form

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2025-088

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA FINDING THAT ADOPTION OF A WATER ALLOCATION RESOLUTION IS NOT A PROJECT UNDER CEQA AS DEFINED IN PUBLIC RESOURCES CODE SECTION 21065 AND CEQA GUIDELINES SECTION 15378 AND ADOPTING AN AMENDED WATER ALLOCATION RESOLUTION (CMC 17.50.030)

WHEREAS, the Land Use and Conservation Elements of the City's General Plan contain objectives and policies that establish guidance related to the distribution of water in Carmel; and

WHEREAS, in recognition of the need to conserve and manage its limited water resources, the City adopted a Water Management Ordinance in 2004 as part of the Local Coastal Program, which authorizes the establishment of allocation categories; and

WHEREAS, the purpose of establishing water use categories is to limit access to water to those land uses which have been determined to be consistent with the City's General Plan and to projects which provide the greatest level of benefit to the community; and

WHEREAS, the City has adopted a Water Management Program ordinance that requires the allocation of water to defined categories of development as a means of implementing the City's land use goals; and

WHEREAS, on January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, allocating 14 acre-feet of water to the City of Carmel-by-the-Sea in anticipation of the completion of the Pure Water Monterey Expansion project at the end of 2025; and

WHEREAS, Carmel-by-the-Sea Municipal Code Chapter 17.50, Water Management Program, Section 17.50.030.C, Unallocated Reserves states that if new water resources become available to the City through action by the MPWMD, they shall be placed in unallocated reserves administratively until distributed to other categories through the adoption of a new allocation resolution; and

WHEREAS, the City's Water Management Program requires recommendations from the Planning Commission before the City Council adopts an allocation resolution; and

WHEREAS, on September 10, 2025, the Planning Commission reviewed the water management program at a duly noticed public hearing and adopted Resolution 2025-042-PC recommending that the City Council adopt an amended water allocation resolution; and

WHEREAS, on September 26, 2025, a notice of public hearing was published in the Carmel Pine Cone for the October 7, 2025, City Council meeting in compliance with State law (California Government Code 65091), indicating the date and time of the public hearing; and

WHEREAS, on or before October 3, 2025, the meeting agenda was posted in three locations in compliance with State law, indicating the date and time of the public hearing; and

WHEREAS, on October 7, 2025, the City Council considered the Planning Commission's recommendation at a duly noticed public hearing; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.*, “CEQA”), together with State Guidelines (14 California Code Regulations §§ 15000, *et seq.*, the “CEQA Guidelines”) and City Environmental Regulations (CMC 17.60) require that certain projects be reviewed for environmental impacts and that environmental documents be prepared; and

WHEREAS, the City Council finds that adopting a resolution on the allocation of water resources is not a project under CEQA as defined in Public Resources Code Section 21065 and CEQA Guidelines Section 15378; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Carmel-by-the-Sea does hereby:

Adopt an amended water allocation resolution transferring 3-acre feet of water from the Unallocated Category to the Low & Very Low-Income Category (Exhibit A).

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA, this 7th of October 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dale Byrne
Mayor

Nova Romero, MMC
City Clerk

EXHIBIT "A"
Water Allocation Categories
Pursuant to Carmel Municipal Code Section 17.50.030

TOTAL AVAILABLE WATER RESOURCE 16.636 af

Category #1: Low & Very Low-Income Housing 3.616 af

This category includes residential housing units that meet the affordable housing standards for low-income and/or very low-income households as defined by the municipal code.

Category #2: Residential 6.0 af

This category includes permanent and non-transient single-family and multi-family housing, including single-family dwellings, accessory dwelling units, junior accessory dwelling units, new apartments and condominiums, conversions of commercial space to residential dwellings, and the housing component of mixed-use projects.

Category #3: Commercial 2.0 af

This category includes the construction of new commercial floor space and the conversion of existing space to uses with a greater demand for water. This category also includes the commercial component of mixed-use projects.

Category #4: Municipal 3.224 af

This category includes all forms of municipal projects, including expansion or renovation of existing facilities, construction of new facilities, and changes in use.

Category #5: Unallocated Reserve 1.690 af

This category is unallocated and is to be held as uncommitted until assigned to a defined category through adoption of a new Allocation Resolution by the City Council.

Category #6: Mallery/Pescadero Water Transfer Reserve 0.106 af

This category includes the remaining balance from .960 acre-feet of water originally set aside through a transfer of development rights for four vacant lots in Pescadero Canyon owned in 1998 by Tim Mallery but dedicated as permanent open space. This water may be used for residential, multi-family residential, commercial or public use development as determined by Mallery provided that the project complies with all zoning and provided that the project is located within the City limits.

Note: af = acre-feet

EXHIBIT "A"

Water Allocation CategoriesPursuant to Carmel Municipal Code Section 17.50.030

TOTAL AVAILABLE WATER RESOURCE **~~3.32~~ 16.636 af**

Category #1: Low & Very Low-Income Housing **~~.507~~ 3.616 af**

This category includes residential housing units that meet the affordable housing standards for low-income and/or very low-income households as ~~estimated~~ defined by the municipal code.

Category #2: ~~Single Family~~ Residential **~~0~~ 6.0 af**

Category #3: Multi-Family Residential **~~0.0~~ af**

This category includes permanent and non-transient single-family and multi-family housing, including single-family dwellings, accessory dwelling units, junior accessory dwelling units, in all commercial and R 4 Districts, including new apartments and condominiums, conversions of commercial space to residential dwellings, and the housing component of mixed-use projects.

Category #43: Commercial **~~0.684~~ 2.0 af**

This category includes construction of new commercial floor space and conversion of existing space to uses with a greater demand for water. This category also includes the commercial component of mixed-use projects.

Category #54: Municipal **~~3~~.224 af**

This category includes all forms of municipal projects including expansion or renovation of existing facilities, construction of new facilities and changes in use.

Category #65: Unallocated Reserve **~~1.690~~ af**

This category is unallocated and is to be held as uncommitted until assigned to a defined category through adoption of a new Allocation Resolution by the City Council.

Category #76: Mallery/Pescadero Water Transfer Reserve **~~0~~.106 af**

This category includes the remaining balance from .960 acre-feet of water originally set aside through a transfer of development rights for four vacant lots in Pescadero Canyon owned in 1998 by Tim Mallery but dedicated as permanent ~~open-space~~ open space. This water may be used for residential, multi-family residential, commercial or public use development as determined by Mallery provided that the project complies with all zoning and provided that the project is located with in the City limits.

Category #9: Forest Cottages Pre-commitment **~~.109~~ af**

~~This category is for water pre-committed to the Forest Cottages Specific Plan for the creation of two low-income housing units. If this project is denied by the City Council or Coastal Commission or the project is not under construction by 13 February 2014 or is otherwise abandoned, the water shall return to Category #1.~~

Note: af = acre feet



Council Agenda Report

Date: 11/18/2025

Item No.: 14.

FROM: Kimberly Cole, AICP, Community Development Director

SUBJECT: Establish Water Policy Distributing Water Available from the Monterey Peninsula Water District Ordinance 197 (Not a Project under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061)

RECOMMENDATION:

That the City Council adopt a Resolution establishing a water distribution policy for the City of Monterey.

VALUE DRIVERS:

Champion regional and local efforts to secure adequate, affordable, and sustainable water sources for the city, now and into the future.

POLICY IMPLICATIONS:

The City's General Plan contains a program to create a water distribution policy.

Housing Element Program 2-J Water Distribution Policy:

As detailed in Appendix C, Housing Constraints, the State Water Resources Control Board has put in place a Cease-and-Desist Order that effectively prohibits new water hookups or increased water use in Monterey. Consequently, the City cannot approve housing projects that would result a net increase in water consumption until the water supplier, the California American Water Company, has terminated illegal diversions from the Carmel River and a new water supply is in operation. Additional water supply is anticipated to become available starting in 2025 if the California Public Utilities Commission authorizes Cal-Am to enter into a water purchase agreement for the Pure Water Monterey expansion project, with supply to the City of Monterey increasing incrementally as new sources come online. Additional water sources are being explored for feasibility and

Agenda Report Highlights

- The City Council is recommended to adopt a resolution establishing a water distribution policy prioritizing affordable housing projects.
- The policy aligns with Housing Element Program 2-J, which mandates prioritizing water allocation for affordable housing based on project size, number of units, and affordability level.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.
- Water allocation is contingent on lifting or modifying the State Water Resources Control Board's Cease and Desist Order and CPUC moratorium.

are also anticipated to increase the overall water supply for the City. Therefore, as it becomes available, the City will develop a methodology for allocating new water supply in a manner that prioritizes affordable housing projects. The methodology will consider the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

The proposed policy implements this Housing Element Program 2-J.

CAMPAIGN DISCLOSURE REQUIREMENT (LEVINE ACT) APPLIES: No.

FISCAL IMPLICATIONS:

No fiscal implications have been identified.

ENVIRONMENTAL DETERMINATION:

The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (“CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

ALTERNATIVES CONSIDERED:

The City Council can modify the proposed policy or not adopt a policy.

DISCUSSION:

On January 2, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance 197 allocating 141.469 af (acre-feet) of water to the City of Monterey as of March 1, 2025. Use of, or release of, such allocation to projects was subject to final construction of the Pure Water Monterey Expansion Project which was October 9, 2025 and the State of California’s moratorium on new connections imposed by the State Water Resources Control Board Orders WR 2009-0060 and WR 2016-0016. (MPWMD Ord. 197, Section Five.) The purpose of this agenda report is to create a City policy that distributes this water consistent with the City’s General Plan Housing Element Program 2-J. Program 2-J requires the City to prioritize water for affordable housing projects. The methodology must consider the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

Background

California American Water (Cal Am) has been subject to State Water Resources Control Board (SWRCB) orders to reduce its water diversions from the Carmel River for decades. Specifically, SWRCB Order No. WR 95-10 dated July 6, 1995, determined that Cal-Am did not have the right

to divert as much water from the Carmel River system as it historically did. The SWRCB, through Order WR 2009-0060, authorized Cal Am to continue these diversion levels until 2017, and then again through Order WR 2016-0016 to 2021, at which point alternative water supplies were required to avoid significant threats to the health, safety and welfare of residents, businesses, visitors and property owners on the Monterey Peninsula.

MPWMD and Monterey One Water (M1W) jointly developed the Pure Water Monterey/ Groundwater Replenishment Project (PWM/GWR). PWM/GWR is an advanced water recycling project designed to eliminate diversions from the Carmel River and create a new water supply for the region. Initially, the approved PWM/GWR Project had an operational capacity of 4.0 million gallons per day (mgd). In 2017, M1W approved a modification to the PWM/GWR Project that expanded operational capacity from 4.0 mgd to 5.0 mgd. In 2019, M1W evaluated expanding the facility peak capacity from 5 mgd to 7.6 mgd resulting in an additional 2,250 AFY of purified recycled water injected into the Seaside Groundwater Basin. Today, the PWM/GWR project can extract and sell a total average yield of 5,750 AFY to Cal Am. The 5,750 AFY of water replaces a portion of the water supply for Cal Am which was required by the SWRCB to reduce drafting water from the Carmel River to legally permitted levels.

The Monterey Peninsula Water Management District adopted Ordinance No. 197 to allocate a portion of the additional new water supply made available by the expansion of the PWM/GWR Project amongst the Monterey Peninsula jurisdictions within the District's service area. The ordinance states, "Each Jurisdiction should limit the release of water from its Allocation to projects that will not be completed before December 31, 2025, until Pure Water Monterey Expansion has received its final approval. All projects using an Allocation, with the exceptions of the Bishop, Ryan Ranch, and Hidden Hills units of Cal Am, are subject to the moratorium on new Connections imposed by SWRCB Orders WR 2009-0060 and WR 2016-0016."

On October 21, 2025, MPWMD applied to the SWRCB to modify the Cease and Desist Order. Its application provides, in part, the rationale for this request as follows:

Condition 2 of WR 2009-0060 states "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date."

The prohibitions against new service connections and increased use at existing service connections resulting from Condition 2 unfairly restrict local jurisdictions from pursuing housing construction mandated by the State and job growth sought by the local business community.

The State Housing and Community Development (HCD) Department has declared there is a housing crisis squarely in the public interest to change. If unmet, local public health and safety will be impaired. The Monterey Peninsula aspires to make progress on its Regional Housing Needs Allocation (RHNA) and housing requirements set by the HCD as mandated by the Housing Element Law, but is restricted by the SWRCB CDO limiting setting of new meters or increasing water use at existing sites.

Proposed Policy

The proposed resolution establishes City policy for when specific provisions of the SWRCB Orders WR 2009-0060 and WR 2016-0016 are lifted or modified to allow new meters and increased use at existing sites. The proposed policy includes the following key provisions:

1. Projects that include affordable housing are the City's top priority for water allocation and will be issued a water permit prior to other project types. The priority for water allocation is based on the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.
2. The City will accept a Water Release Form after all planning permits and outside agency (Coastal Commission, etc.) have been finalized/issued and when the project's building permit is ready for issuance according to the City Building Official.
3. Project applicants are required to pull a building permit within 180 days of the applicant being notified by email of the building and water permit issuance status.
4. Projects are required to pass a required building inspection within 365 days of building permit issuance in compliance with MCC.
5. Housing units are limited to these maximum water credits:
 - Residential Uses can add fixtures compliant with this maximum acre foot allocation
 - One Bath Residential Dwelling with High Efficiency Fixtures (.063 acre feet)
 - Two Bath Residential Dwelling with High Efficiency Fixtures (.111 acre feet)
 - Two & ½ Bath Residential Dwelling with High Efficiency Fixtures (.129 acre feet)
 - ADU (.063 acre feet)
 - JADU (.063 acre feet)
6. Water permits for new allocations per MPWMD's Ordinance 197 will be issued when the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted or modified to allow the City to allocate the water.

In summary, staff recommend the City Council adopt the attached Resolution.

KC

Attachments: 1. Resolution
2. Example Water Project Allocations
3. Monterey Peninsula Water Management District Ordinance 197
4. Monterey Peninsula Water Management District Application for Order Modifying WRO 2016-0016 Cease and Desist Order (CDO), and Precedents WRO 2009-0060 and Order 95-10

e: All neighborhood associations
All business associations

Writings distributed for discussion or consideration on this matter within 72 hours prior to the meeting, pursuant to Government Code § 54957.5, will be made available at the following link:
<https://monterey.gov/Submitted-Comments>

RESOLUTION NO. __ - __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**ESTABLISHING A WATER POLICY TO DISTRIBUTE WATER AVAILABLE FROM THE
MONTEREY PENINSULA WATER DISTRICT ORDINANCE 197**

WHEREAS, State Water Resources Control Board ("SWRCB") Order No. WR 95-10 dated July 6, 1995, determined that California American Water ("Cal-Am") did not have the right to divert as much water from the Carmel River system as it historically did. The SWRCB, through Order WR 2009-0060, authorized Cal-Am to continue these diversion levels until 2017, and then again through Order WR 2016-0016 to 2021, at which point alternative water supplies were required to avoid significant threats to the health, safety and welfare of residents, businesses, visitors and property owners on the Monterey Peninsula;

WHEREAS, the Pure Water Monterey ("PWM")/Groundwater Replenishment Project ("PWM/GWR") is an advanced water recycling project, jointly developed by MPWMD and Monterey One Water ("M1W"). The PWM Groundwater Replenishment Final Environmental Impact Report ("2015 EIR") was certified by M1W in October 2015, with Addenda approved in June 2016, March 2017, and October 2017 to address project changes (SCH #2013051094; MPWMD/MI W 2015, 2016, 2017a, 2017b). Initially, the approved PWM/GWR Project had an operational capacity of 4.0 million gallons per day (mgd). In 2017, M1W approved a modification to the PWM/GWR Project that expanded operational capacity from 4.0 mgd to 5.0 mgd (MPWMD/MIW 2019). The PWM/GWR Project is owned and operated by M1W. Currently, MPWMD sells 3,500 AFY of water from PWM/GWR to Cal-Am;

WHEREAS, in 2019, M1W prepared a Draft Supplemental EIR for modifications to expand the water supply yield of the approved PWM/GWR Project. These modifications would expand facility peak capacity from 5 mgd to 7.6 mgd and would ultimately result in an additional 2,250 AFY of purified recycled water for injection into the Seaside Groundwater Basin. PWMD would subsequently extract and sell a total average yield of 5,750 AFY to Cal Am (MPWMD/M1W 2019). The PWM/GWR Project would also deliver 600 AFY to the Marina Coast Water District. The 5,750 AFY of water would replace a portion of the water supply for Cal-Am, which has been required by the SWRCB to reduce drafting water from the Carmel River to legally permitted levels. The Final Supplemental EIR ("2021 SEIR") was certified in April 2021, and an Addendum was approved in November 2021 (SCH #2013051094, MPWMD/M1W 2020, 2021);

WHEREAS, the PWM Expansion provides a replacement water supply that should enable the lifting of the SWRCB Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium on the setting of new meters;

WHEREAS, Ordinance No. 197 allocated a portion of the additional new water supply made available by the expansion of the PWM/GWR Project amongst the Monterey Peninsula Jurisdictions within the District's service area. The District anticipates that the additional water supply will be on-line by the fourth quarter of 2025. The Amended and Restated Water Purchase Agreement for the Pure Water Monterey (PWM) Expansion project was signed in March 2023;

WHEREAS, the District considered several factors when determining the allocation, including but not limited to historical average water consumption data, water production data, water availability, and estimates of job and population growth for each Jurisdiction based on the Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast;

WHEREAS, the District allocated a portion of the new supply and retains flexibility to be able to allocate additional supply when needed to meet future water demands of the Jurisdictions;

WHEREAS, the District prepared the EIR Addendum which supported the District's determination that the additional water allocation is within the scope of the 2021 SEIR, did not require subsequent action under CEQA Guidelines Section 15162 and, in conjunction with the 2021 SEIR, adequately analyzes potential environmental impacts. The Addendum was adopted by the District Board in February 2024;

WHEREAS, the District adopted Ordinance 197 distributing 141.469 af to the City of Monterey. Section 5 of the ordinance states, "Each Jurisdiction should limit the release of water from its Allocation to projects that will not be completed before December 31, 2025, until Pure Water Monterey Expansion has received its final approval. All projects using an Allocation, with the exceptions of the Bishop, Ryan Ranch, and Hidden Hills units of Cal-Am, are subject to the moratorium on new Connections imposed by SWRCB Orders WR 2009-0060 and WR 2016-0016. Pre-existing Paralta and pre-Paralta Allocations may continue to be used in the interim."

WHEREAS, the proposed policy will not result in water distributions until the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted. As a result, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that the above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby establishes the following priorities and procedures:

1. Projects that include affordable housing are the city's top priority for water allocation and will be issued a water permit prior to other project types. The priority for water allocation

is based on the overall size of the project, the number of affordable units proposed, and the level of affordability proposed.

2. Project applicants may submit the completed Monterey Peninsula Water Management District Water Release Form to the City only after all planning permits and outside agency (Coastal Commission, etc.) approvals have been finalized/issued and when the project's building permit is ready for issuance according to the City Building Official.
3. Project applicants are required to pull a building permit within 180 days of the applicant being notified by email of the building and water permit issuance status.
4. Projects are required to pass a required building inspection within 365 days of building permit issuance in compliance with Monterey City Code.
5. Housing units are limited to these maximum water credits:
 - Residential Uses can add fixtures compliant with this maximum acre foot allocation
 - One Bath Residential Dwelling with High Efficiency Fixtures (.063 acre feet)
 - Two Bath Residential Dwelling with High Efficiency Fixtures (.111 acre feet)
 - Two & ½ Bath Residential Dwelling with High Efficiency Fixtures (.129 acre feet)
 - ADU (.063 acre feet)
 - JADU (.063 acre feet)
6. Water permits for new allocations per the MPWMD's Ordinance 197 will be issued when the State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) and the California Public Utilities Commission ("CPUC") moratorium is lifted or modified to allow the setting of new meters or allow for increasing water use at existing sites.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this _____ day of _____, 202_, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof

Table 1. One-Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures		Acre Feet
Washbasin	1.0	1		.010
Toilet, Ultra High-Efficiency	0.8	1		.008
Bathtub/Shower	2.0	1		.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1		.015
Clothes Washer, High-Efficiency	1.0	1		.010
Total	6.3	5		.063

Table 2. Two-Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures		Acre Feet
Washbasin	1.0	2		.020
Toilet, Ultra High-Efficiency	0.8	2		.016
Bathtub/Shower	2.0	1		.020
Master bathtub/shower	3.0	1		.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1		.015
Clothes Washer, High-Efficiency	1.0	1		.010
Total	9.3	8		.111

Table 3. Two-Bath & ½ Bath Residential Dwelling with High-Efficiency Fixtures

Fixture Type	Fixture Value	# of Fixtures		Acre Feet
Washbasin	1.0	3		.030
Toilet, Ultra High-Efficiency	0.8	3		.024
Bathtub/Shower	2.0	1		.020
Master bathtub/shower	3.0	1		.030
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1		.015
Clothes Washer, High-Efficiency	1.0	1		.010
Total	9.3	10		.129

Table 4. ADU (with laundry; not required)

Fixture Type	Fixture Value	# of Fixtures		Acre Feet
Washbasin	1.0	1		.010
Toilet, Ultra High-Efficiency	0.8	1		.008
Bathtub/Shower	2.0	1		.020
Kitchen Sink, with High-Efficiency Dishwasher	1.5	1		.015

Clothes Washer, High-Efficiency	1.0	1	.010
Total	6.3	5	.063

Table 5. JADU (with laundry; bathroom not required per State law)

Fixture Type	Fixture Value	# of Fixtures	Acre Feet
Washbasin	1.0	1	.010
Toilet, Ultra High-Efficiency	0.8	1	.008
Bathtub/Shower	2.0	1	.020
Kitchen Sink, with High-Efficiency			
Dishwasher	1.5	1	.015
Clothes Washer, High-Efficiency	1.0	1	.010
Total	6.3	5	.063



**County of Monterey
Planning Commission**

Agenda Item No.5

Item No.5

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: PC 25-090

November 12, 2025

Introduced: 11/5/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Planning Item

REF250037 - WATER ALLOCATION POLICY

- a. Conduct a public workshop to review and receive public input regarding policy options for a Water Allocation Policy and Ordinance for areas in unincorporated Monterey County served by the Monterey Peninsula Water Management District (MPWMD); and
- b. Provide direction to staff.

Project Location: Unincorporated Monterey County MPWMD Water Service Area

Proposed CEQA action: A planning workshop is statutorily exempt per California Environmental Quality Act (CEQA) 15262.

RECOMMENDATION:

It is recommended that the Planning Commission:

- a. Conduct public workshop to review and receive public input regarding policy options for a Water Allocation Policy and Ordinance for areas in unincorporated Monterey County served by the MPWMD; and
- b. Provide direction to staff.

PROJECT INFORMATION:

Planning File Number: REF250037

Project Location: MPWMD Water Service Area

Plan Area: Carmel Valley Master Plan, Greater Monterey Peninsula, Del Monte Forest, and Carmel Area

SUMMARY:

Monterey Peninsula Water Management District (“MPWMD” or “the District”) has adopted rules that govern water resources within its jurisdictional boundaries. MPWMD rules include, among other things, the ability to allocate water credits to local governments within its territory. This includes the County of Monterey (“County”).

Water allocations, or water credits, are used by MPWMD to manage water supplies within the District boundaries. The County, as a recipient of MPWMD water allocations, may approve new development projects, subject to issuance of a water permit from MPWMD, and may suballocate all or a portion of the County’s water allocation to a property or development. If the County approves the suballocation of water credits, MPWMD debits the County’s allocation when they issue a water permit.

On January 27, 2025, the District adopted Ordinance No. 197 allocating 72-Acre Feet (AFY) of water to the County. Together with the County's existing water allocation of 10.950 AFY of water, the County's total water allocation is 82.950 AFY of water. MPWMD is responsible for providing groundwater management, water supply, water control and water distribution within its territory which includes Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Seaside, Sand City and unincorporated areas of Monterey County including Pebble Beach, Carmel, and Carmel Valley.

This new water allocated by MPWMD to the County comes from the Pure Water Monterey expansion project. The Pure Water Monterey project, and the recently completed expansion of the system, treats water and injects it into the Seaside Groundwater Basin. This treated water assists in addressing historic overdraft conditions and providing additional water storage for future use. At this time, the MPWMD allocation of 72 AFY to the County is finite and the demand by property owners and developers for a water allocation within the unincorporated area exceeds the finite supply. MPWMD staff have verbally indicated that additional allocations to local jurisdictions will be made available should the need arise. Conversely, some uncertainty about the source water has been expressed by other agencies given that a portion of the wastewater treated at the Pure Water Monterey facility comes from agricultural runoff. The agricultural runoff source water is interruptible, and it could potentially be reduced due to agricultural irrigation techniques or used for other purposes in the future; although no plans exist for an alternative use of the water at this time. Commitment of water to new housing development and other uses that further growth and development goals of the County are not interruptible, so the Monterey County Water Resources Agency has cautioned jurisdictions carefully consider commitment of the new water allocation before 2027 when the Salinas Valley Groundwater Sustainability Plans (GSPs) are updated by the Salinas Valley Groundwater Basin Groundwater Sustainability Agency. Updates to the GSPs may include some consideration of alternative uses for the agricultural runoff source water.

Another constraint to development continues to exist. California-American Water (Cal-Am) remains subject to a cease-and-desist order (CDO) from the State Water Board. The CDO states "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use." This means that Cal-Am is restricted from setting new water meters and from increasing the size of the existing water meter services while the CDO is in place. Certain exceptions to this restriction apply. While the CDO is in place, use of water credits would be limited to projects with new water fixtures on existing meters and to certain projects meeting the specific exemptions. MPWMD is in the process of applying to the State to modify portions of the CDO to remove the water meter restriction.

The County does not have a written policy or procedure for allocating water credits to end years. Since the 1990s, the County's practice has been to provide water credits to property owners on a first come first served basis, when a building permit is ready to issue.

Given recent changes in state housing law requiring municipalities to prioritize utility services for affordable housing development, the finite allocation of water provided to the County by MPWMD, and the lack of formal process and procedures to prioritize the allocation of water to uses and development that furthers County goals and interest as it relates to growth, staff has begun development of a Water Allocation Policy for areas within the MPWMD service area.

Staff has prepared policy recommendations and options for the Commission's consideration, feedback, and direction. Staff has grouped the policy areas into the following broad categories: 1) Water Allocation - Process and Procedures; 2) Purpose and Goals; and 3) Clarifications and Key Definitions in Water Allocation Policy; and 4) Clarifications in Water Allocation Ordinance.

The purpose of a public workshop is to get initial feedback from the Planning Commission on further development and refinement of policy options prior to bringing a Water Allocation Policy to the Planning Commission for a recommendation to the Board of Supervisors. Staff is requesting that the Planning Commission conduct a public workshop to review and receive public input regarding policy options for a Water Allocation Policy for areas in unincorporated Monterey County served by MPWMD and provide direction to Staff.

Staff requests that the Commission provide preliminary input to staff on the following policy options and recommendations. Staff will conduct further community outreach and refine the policy options and return to the Commission with recommendations in the form of a draft Water Allocation Policy.

DISCUSSION:

Policy Topic 1 - Water Allocation - Process and Procedures

Staff have reviewed local ordinances and water allocation policies developed by MPWMD, the City of Carmel-by-the-Sea and City of Seaside (**Attachments 2 and 3**). Both jurisdictions have developed ordinances related to water management in areas requiring water from MPWMD. The ordinances outline a process for the allocation of water resources. Both jurisdictions require input from the respective City Council prior to allocation of water to ensure that the allocation aligns with the needs and goals of each community. Each jurisdictions adopts allocations via a resolution.

Option A - Creation of a Water Allocation Ordinance and Water Allocation Board Policy: Staff recommends development of an ordinance that outlines the process for Water Allocation in the MPWMD area, like the cities of Seaside and Carmel-by-the-Sea that memorializes the process and purpose of water allocation. The ordinance would memorialize the County's objectives when considering the allocation of water resources and outline the process by which the Board would establish water resources available for increased use. A Water Allocation Policy would then implement the Ordinance which is adopted by Resolution by the Board of Supervisors. The Allocation Policy can be amended from time to time to reflect if there are changes in priorities from water allocation and to reflect when additional water resources are allocated to the County from MPWMD.

Option B - Creation of a Water Allocation Board Policy only: An alternative option to adopt a Water Allocation Board Policy without drafting of an allocation ordinance. A Board Policy can be amended from time to time by the Board of Supervisors without the required two readings of an ordinance. The Water Allocation Policy is adopted via resolution and can be amended to reflect if there are changes in priorities for water allocation and to reflect when additional water resources are allocated to the County from MPWMD.

Option C - Continue to Allocate Water on a "First Come, First Serve" Basis: A third option is to continue to allocate water on a "first come, first serve" basis which has been HCD's historic

practice. Staff has concerns with this continue approach given the recent changes in various state laws requiring jurisdictions to prioritize allocation of water to housing projects and the finite nature of the County's water allocation from MPWMD.

Policy Topic 2 - Purpose and Goals - Water Allocation

Staff requests the Planning Commission's feedback on the purpose and goals of a Water Allocation Ordinance and Water Allocation Board Policy should the Planning Commission provide Staff direction on further development of a Water Allocation Ordinance and/or Water Allocation Board Policy.

- *Option A - Purpose Statement for a Water Allocation Ordinance and/or Water Allocation Board Policy (same Purpose Statement):* The County recognizes a need to conserve and manage its water resources to achieve adopted land use planning objectives. In the Monterey Peninsula Water Management District area in unincorporated Monterey County, the water resources are derived from a water allocation system managed by the District. It is the purpose and intent of this regulation to establish a water management program that:
 - Provides a process for dedication of the County's limited water resources in new development in the areas of the County served by MPWMD;
 - Establishes a process for determining goals, objectives, and land use categories to be served through allocations of existing and future water resources available to the County; and
 - Implements the General Plan and Local Coastal Program.
- *Option B - Purpose for a Water Allocation Ordinance and/or Water Allocation Board Policy (Same Purpose Statement):* Establish a uniform policy for the allocation of limited water resources within the Monterey Peninsula Water Management District area.

Staff recommends Option A as it provides additional clarity on the intent and purpose of how the County of Monterey allocates water resources and that allocation of resources should ultimately further and implement the County's goals for growth and development and implement the County's General Plan and Local Coastal Program. Option B provides a different approach should the Planning Commission desire an alternative purpose statement that is broader in nature.

Policy Topic 3 - Water Allocation by Use Category: Staff requests the Planning Commission's feedback on the specific allocation use categories and amounts that would be outlined in the Water Allocation Ordinance and/or Water Allocation Board Policy:

- *Option A - Water Allocation Ratios:* It is the policy of the County to prioritize the allocation of limited water resources in the MPWMD area with the following percentages dedicated to each category:
 - 80% of allocations shall be reserved for planned housing growth;
 - 8% of allocations shall be reserved for economic development;
 - 5% of allocations shall be reserved for development of vacant land;
 - 5% of allocations shall be reserved for accessory dwelling units; and
 - 2% of allocations shall be retained as a strategic reserve.

- Option B - Other Allocation Categories or Different Formula for Allocation Ratios: The Planning Commission could consider different allocation categories or a different formula for allocation ratios as an alternative option.

Definition of Planned Housing Growth: Staff requests the Planning Commission provide input and feedback on how Planned Housing Growth (use category recommended to have the greatest share of the County's water allocation) is defined.

- Option A - Planned Housing Growth Definition: Based on the County's affordable housing mandate as outlined in the Housing Element, staff recommends that Planned Housing Growth be defined as a project that is:
 - Is located in a Community Area, Rural Center, an Affordable Housing Overlay, or Are Housing Element Opportunity Sites; and
 - Provide no fewer than the minimum percentage of total units deed restricted to low-income households as required by the County's Inclusionary Ordinance or percentage of units required to be deed-restricted to low-income households as required by State Housing Law (i.e. State Density Bonus Law and/or Builders Remedy Law);
 - Meet a minimum density of 8 dwelling units/per 1 acre
- Option B - Alternatives to Planned Housing Growth Definition: The Planning Commission could add or modify the definition to include a minimum total number of units to qualify under the definition of planned housing growth (i.e. require a minimum of 8 dwelling units be built to be eligible for a water allocation) or modify other criteria as deemed appropriate.
- Option C - No Planned Housing Growth Definition: The Planning Commission could consider not defining of Planned Housing Growth.

Economic Development Criteria in Water Allocation Policy and/or Ordinance: Staff requests that the Planning Commission provide input and feedback on criteria in the Water Allocation Policy and/or Ordinance. Staff meet with the Office of Economic Development as part of initial outreach for development of this policy. Given the goals of the Office of Economic Development and the County's desire to encourage additional job generation in unincorporated Monterey County,

- Option A - Categories for Classifying Economic Development Use Category: Staff is considering the following categories as indicators of a use further the County's Economic Development priorities and goals:
 - Revenue Generation;
 - Job Creation;
 - Removal of Blight (i.e. redevelopment of a vacant property or vacant building);
and
 - Business Retention;

These criteria were inspired by how the City of Seaside provides allocation for commercial development project. The Water Allocation Policy could be structured to provide a scoring system for projects that create more jobs and generate more revenue. (**Attachment 3**).

- Option B - Alternative Categories for Classifying Economic Development Use Category: The Planning Commission could consider different categories for classifying the Economic Development use category.
- Option C - No Categories for Classifying Economic Development Use Category: The Planning Commission could consider no categories for classifying

Policy Topic 4 - Clarifications and Key Definitions in Water Allocation Policy and/or Ordinance

Approval Process for Water Allocation: Staff requests the Planning Commission provide input on the approval process.

- Option A - Director of Housing and Community Development (HCD) delegated decision making authority: Staff recommends the policy and/or ordinance delegates decision-making authority of water allocations to the Director of Housing and Community Development (HCD). First, the Board would adopt the policy and/or ordinance that outlines the County's allocation priorities, with the Director of HCD implementing that direction. The Policy and/or Ordinance would provide an appeal process as the decisions of the Director of HCD are appealable as outlined in the Monterey County Code (MCC).
- Option B - Approval Process is Delegated to HCD Director, but allows for larger projects to be elevated to the Planning Commission and/or Board of Supervisors for Approval: The Planning Commission could consider that the HCD Director is delegate authority for certain for Housing projects up to a certain unit count (i.e. projects larger than 20 housing units require Planning Commission approval).

Water Fixtures Limitations for Residential Projects - The City of Seaside currently utilizes Water Fixture Limitations for residential projects (**Attachment 3**). Seaside currently limits accessory dwelling units to 6.8 fixture units (0.068 acre-feet), single family homes to 10.1 fixture units (0.101 acre-feet) and multi-family dwelling units to 8.1 fixtures units (0.081 acre-feet). Given the limited water available in the MPWMD management area, a fixture limit would maximize the number of dwelling units that could be built. Staff recommends the Planning Commission consider water fixture limitations for new development in the proposed Water Allocation Policy and/or Ordinance.

- Option A - Utilize Water Fixture Limitation from the City of Seaside: The Planning Commission could consider utilizing the City of Seaside's ratios for ADUs, single-family, and multi-family dwelling units.
- Option B - Utilize a Different Water Fixture Limitation: The Planning Commission could

consider a different water fixture limitation ratio for ADUs, single-family, and multi-family dwelling units. Staff utilized the water allocation worksheets from MPWMD (Attachment 4) to calculate the types of fixtures allowed under various scenarios. A 15-unit fixture limitation would allow for 2 full bathrooms, a kitchen sink, a dish washer or clothes washer and have some additional water available for meeting landscaping requirements.

- Option C - Proceed with No Water Fixture Limitation: The Planning Commission could consider no water fixture limitation for residential projects.

Time Limit for Water Credits: Staff recommends that the Planning Commission consider a time limit for water credits. The City of Carmel-by-the-Sea (**Attachment 2**) notes that water credits expire when approval of the project expires. For example, if an Administrative Permit is granted a water credit as part of the approval process, that water credit is held by that project and deducted from the County's overall water allocation for the life of the Administrative Permit. Upon expiration of the Administrative Permit (2 years from the date of granting the permit unless otherwise stated) and no action was taken to extend the life of the permit, then the project would no longer have a water credit, and that water credit would be made available to other projects requesting/needing water.

Timing and Next Steps

Staff requests input from the Planning Commission on the above topic areas that should be covered in a Water Allocation Policy and Water Allocation Ordinance. With this feedback, Staff will continue to refine a draft policy and ordinance for Planning Commission consideration in Spring 2026.

OTHER AGENCY INVOLVEMENT

Housing and Community Development Department staff are working in collaboration with the Office of County Counsel to review the proposed policy and ordinance.

Prepared by: Sarah Wikle, Principal Planner, 831-784-5700

Approved by: Melanie Beretti, AICP, Chief of Planning, 831-755-5285

The following attachments are on file with HCD:

Attachment 1 - MPWMD Service Area Map

Attachment 2 - City of Carmel Water Allocation Ordinance and Policies

Attachment 3 - City of Seaside Water Allocation Ordinance and Policies

Attachment 4 - MPWMD Water Allocation Worksheets for Residential and Commercial Uses

Cc: Elizabeth Gonzales, Permit Center Manager; Joshua Bowling, Chief Building Official; Craig Spencer, Housing and Community Development Director; Edgar Sanchez, Associate Planner; Water Allocation Policy Distribution List.

Chapter 13.24
WATER ALLOCATION PROGRAM

Sections:

13.24.010 Findings and declaration of intent.

13.24.020 Water allocation program.

13.24.021 Objectives.

13.24.022 Administration.

13.24.023 Water allocation committee.

13.24.024 Applications and scoring.

13.24.025 Water allocation categories.

13.24.030 Appeals.

13.24.010 Findings and declaration of intent.

Monterey Peninsula Water Management District (MPWMD) regulations allow for an intensification of water use. As a result, certain commercial and institutional projects which will result in an increase of water use continue to be eligible for permits from the MPWMD. The water used will be deducted from the city of Seaside's current water allocation. All applications for permits must have written approval of the affected jurisdiction.

The potential for new water sources on the Monterey Peninsula is extremely limited and that demand for water in the city of Seaside may well exceed capacity within a very short period of time. As a result of the limited availability of water, the need for planned development, and the continuing number of applications for commercial and institutional projects, the city finds it necessary to develop criteria for evaluation of water allocation release requests for commercial and institutional properties. (Ord. 1064 § 2, 2019; Ord. 892 § 1, 2001)

13.24.020 Water allocation program.

Notwithstanding any other ordinance, rule, or policy of the city of Seaside, no application for a project which would result in an increase in water use shall be accepted, processed, acted upon, granted, or approved by any officer or employee of the city of Seaside except in conformance with this water allocation program. Approval of the water allocation does not imply recommendations for or approval of any other applications which may be required for the project by the city of Seaside or any other governmental agency having jurisdiction over the project. Projects are required to obtain all other necessary approvals required by the city of Seaside and/or other governmental agencies. (Ord. 1064 § 2, 2019; Ord. 892 § 2, 2001)

13.24.021 Objectives.

Due to the limited availability of water on the Monterey Peninsula, it is necessary to establish procedures for the allocation of water credits for residential, commercial and institutional projects. In order to allocate Seaside's remaining water allocation, this chapter establishes the process by which water is allocated for use. The intent of this program is to allocate water by category and by priorities set by the city council. (Ord. 1064 § 2, 2019)

13.24.022 Administration.

The city council shall have the discretion to reallocate water as deemed necessary for the public health, safety and welfare of the community and to enhance the fiscal stability of the city. The city recognizes the importance of all categories of projects to the overall development of Seaside. The city also recognizes that as the city develops, and as water availability changes, allocation categories and priorities may change. The city council shall allocate and reallocate water to each category. The city council may create, identify or modify sub-categories, such as specific commercial districts or areas, for water allocations dependent upon city priorities and needs deemed necessary to protect the public health, safety and welfare of the community. Specific commercial districts for water allocation will be established by resolution. (Ord. 1097 § 4(1), 2020; Ord. 1064 § 2, 2019)

13.24.023 Water allocation committee.

The city's water allocation program will be administered by a three-member committee. The committee will be comprised of one representative from the community development department, the public works department and the city manager or his designee.

This committee will be charged with prioritizing applications for water allocations. Each project will be evaluated by using the criteria that apply to the specific project category. Projects that are prioritized and ranked highly will also be evaluated in terms of their total request for a specific amount of water. The committee will determine whether the project should be given all the water that has been required or whether the amount should be decreased due to the availability of water.

The committee will also have the responsibility of making policy recommendations and proposing changes to the water allocation program to the city council. This committee will meet as needed and provide an annual update to the city council.

Once the committee grants a water release permit for a commercial, industrial or residential use, the applicant must submit a complete application for the appropriate development permit associated with their project within sixty days of the issuance of the water release permit. The applicant must complete all work within twelve months of the date of issuance of a building permit, or for those projects which do not require a building permit, within twelve months of the date of issuance of a permit from the city or other governmental agency with permits the project to commence construction. A request for a time extension, due to a delay in the completion of the project, shall be submitted to the committee in writing for consideration. Failure of an applicant to adhere within the prescribed time limits listed above may result in the water release permit being declared void. Water allocations for voided permits will be returned to the city's overall allocation for redistribution to other applicants. (Ord. 1064 § 2, 2019)

13.24.024 Applications and scoring.

The city will accept applications for water on all types of projects. These applications will be kept on file if the city does not have water available for these projects at the time of application, or if the policies of the water purveyors for the city prevent the city from providing water for a certain type of project. An applicant will be allowed to undertake a project that does not intensify water usage.

At the discretion of the committee, applications may be retained on file indefinitely if there is the possibility of water being granted for the project in the future. If the committee decides to remove an application from the file, a letter will be sent to the applicant indicating this and giving the reason for this action. (Ord. 1064 § 2, 2019)

13.24.025 Water allocation categories.

A. Commercial Projects. Water will be allocated for commercial projects until the water allocation established by resolution has been fully allocated, based upon the point system outlined below. The applicant is responsible for providing enough information and documentation for the committee members to determine the scoring as listed below.

1. Projects scoring twenty or more points will be allocated water, if water is available.
2. The committee will have the authority to determine whether a project should be given all water requested or should receive a lesser amount due to the projected availability of water.

Commercial Project Criteria	Determination	Points Received
Revenue Generation Up to \$5,000 = 1 point \$5,001 – \$10,000 = 3 points \$10,001 – \$15,000 = 5 points \$15,001 or more = 7 points	Total: \$XX City's Share Property Tax Revenue 0.18% of \$XX = \$XX City's Share of Sales Tax Revenue 1% of \$XX = \$XX	
Jobs Creation 1 – 9 part time = 1 point 10 or more part time = 3 points 1 – 9 full time = 5 points 10 or more full time = 7 points		
Projects on Major Thoroughfares All other commercial areas = 1 point Fremont, Broadway, Del Monte = 5 points		
Removal of Blight Occupied building, remodel existing structure = 1 point Vacant building, remodel of existing structure = 3 points Occupied building, full demo and redevelopment = 5 points Vacant property, complete redevelopment = 7 points		
Business Retention Seven points will be awarded for projects which, if not approved, would result in the loss of an existing business which generates revenue for the city and/or significant employment.		
Total		

B. Institutional. Institutional projects shall be projects submitted by nonprofit organizations, churches or religious institutions, educational institutions, public and quasi-public facilities. Allocation under this category shall be on a first-come, first-served basis until the total amount of water allocation established by resolution has been allocated. Water allocation approval does not imply recommendations for or

approval of the project or its merits. Projects are required to obtain all other necessary approvals as required by the city and any other governmental agency having jurisdiction over the project.

C. Residential Accessory Dwelling Units. Accessory dwelling units are a valuable form of additional housing. Accessory dwelling units are smaller habitable dwellings (up to one thousand two hundred square feet) that may be attached or detached and accessory to a primary dwelling on residentially zoned properties. The city wishes to encourage the development of ADUs as they provide valuable opportunities for property owners and a source of affordable housing.

Water shall be allocated to the residential ADU category for (1) deed-restricted ADUs to low and very low and (2) unrestricted ADUs. Both categories shall be allocated on a first-come, first-served basis until the total amount of water allocation established by resolution has been allocated.

The residential accessory dwelling units (ADUs) shall retrofit the existing dwellings' water fixtures to high efficiency water fixtures and appliances. The maximum amount of water allocation to be made available in any application for an ADU water release permit shall be established by resolution. The residential accessory dwelling unit (ADU) category shall be required to purchase water release permits at an amount established by resolution, unless the residential unit is deed restricted to provide for rental or use only to persons of low income or very low income as published by the Department of Housing and Urban Development (HUD), inclusive of renters utilizing the Housing Choice Voucher Program (formerly known as "Section 8") for a period of forty-five years.

Water allocation approval alone does not imply project approval. Projects are required to obtain all other necessary approvals as required by the city and any other governmental agency having jurisdiction over the project.

If changes made to the existing structure do not intensify the existing use pertaining to water, then no additional water determinations are necessary.

The total number of ADU units created, including the number of deed-restricted affordable units, will be reported to California Department of Housing and Community Development as part of the required housing element annual progress report. (Ord. 1097 § 4(2), 2020; Ord. 1064 § 2, 2019)

13.24.030 Appeals.

An applicant may appeal a determination of water usage or the denial of a water release permit by filing a written appeal within ten days after notice of the determination or denial by the committee on a form prescribed for that purpose by the city of Seaside. All required plans, drawings, photos, reductions and other information shall be submitted to the planning division before the appeal form is accepted as complete. A list of required information shall be available in the planning division. The filing fee for an appeal is listed in the city's annual adopted fee schedule.

A complete appeal application shall be filed at least three weeks prior to the proposed date of public hearing. Upon filing a complete written appeal application and payment of fees, the community development director or his/her designee shall place said appeal on the agenda of the city of Seaside city council for hearing. Notice of said hearing shall be given to the applicant by mail at least ten days prior to the hearing date. No other notice need be given.

At the scheduled public hearing, the city council shall affirm, reverse or modify the decision being appealed. The city council may also remand the matter for reconsideration and further hearings because of a desire for additional information, or due to the submission of new material or evidence not previously considered. (Ord. 1064 § 2, 2019; Ord. 892 § 4, 2001. Formerly 13.24.040)

The Seaside Municipal Code is current through Ordinance 2031, passed December 19, 2024.

Disclaimer: The City Clerk's Office has the official version of the Seaside Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.ci.seaside.ca.us/>

City Telephone: (831) 899-6707

Codification services provided by [General Code](#)

City of Seaside Water Allocation Program for Residential In-Fill Development

April 3, 2025

This Water Allocation Program for Residential Infill Development (the “Program”) applies to requests for a water allocation from the City of Seaside to support the development of existing residential sites within the California American Water Company (Cal Am) service area. Water for Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs) is covered under a separate program and the provisions of this Program are inapplicable to those units. This Program shall not apply to properties located within the service areas of the Seaside Municipal Water Company or the Marina Coast Water District.

Processing and Allocation

If the proposed project requires an Architectural Review as described in Section 17.62.030 of the Municipal Code, water credits shall be tentatively reserved at the time of application for an Architectural Review. If no Architectural Review is required, water credits for a project shall be tentatively reserved at the time of Building Permit submittal. These credits shall be held in reserve while the application(s) remain active. Applications that are withdrawn or have expired shall lose any water reservation, although a new application may be submitted if water supplies remain available. Water reservations shall be made on a first-come, first served basis, except that during the first six months following the date of establishment of this Program eligibility shall be limited to those on the existing wait list maintained by the community development department as of the date of establishment of this Program.

Requests for water credits shall be reviewed by the community development department, and water credits shall be issued by the community development department at the time of Building Permit issuance. The City shall have the right to recover any issued credits if the project is not pursued to completion. A Certificate of Occupancy shall be required in order to finalize the allocation of water.

Water credits may not be transferred from one property to another. If the project is transferred from one owner to another owner, the water credits will persist with the project until the project is allocated water or the application becomes inactive as described herein

The community development department shall be responsible for tracking the total amount of water allocated under this Program and is authorized to pause the allocation of additional water if it appears that insufficient water remains to support additional projects.

The Zoning Administrator shall have the authority to enact such practices as deemed necessary and appropriate for the implementation of this Program, and to make

interpretations regarding the provisions of this Program and how they may apply to individual circumstances.

All references to water allocations, water fixtures, and fixture units shall be interpreted in a manner consistent with current water allocation programs established by MPWMD.

Eligibility for new Single-Family Dwellings (SFDs)

- a) Water for new Single-Family Dwellings (SFDs) on vacant lots of record may be provided as follows:
 - 1. Each SFD may receive up to a maximum of 10.1 fixture units (0.101 acre-feet per year [AFY]) of water. Water allocations may only be applied to the SFD and to no other purpose.
 - 2. Unused water credits from one unit may not be transferred to another unit (for example, if a unit utilizes only 9.1 fixture units of water, the additional fixture unit may not be transferred elsewhere).
 - 3. Water credits shall only be available to those units which are actually built (for example, if one unit is built on two lots of record, a total of 10.1 fixture units shall be available for that unit).
 - 4. If a vacant lot of record is large enough that it may be subdivided in such a manner that all resultant lots containing residential units meet the minimum lot size requirements which are specified in Section 17.12.050 of the Seaside Municipal Code, then each resultant lot shall be eligible to receive a full water allocation once subdivided.
- b) Water may be allocated for expansions, remodels, or replacement of existing SFDs, provided that the total amount of water for which a Single-Family Dwelling (including both existing and proposed fixtures) shall be eligible is 10.1 fixture units (0.101 AFY). All existing fixtures, including fixtures installed utilizing MPWMD's second bathroom protocol program, shall count towards this total.
- c) All proposed fixtures installed shall be high-efficiency or ultra-high efficiency fixtures, as appropriate, including ultra-high-efficiency toilets (UHET), high-efficiency clothes washers (HECW), and high efficiency dishwashers. Existing fixtures within the SFD shall be retrofitted to these standards as well.
- d) Notwithstanding the above, an SFD which does not possess a clothes washer and has not previously received a water allocation under this Program may receive one fixture unit (0.01 AFY) for the installation of an HECW without the need to retrofit existing fixtures.
- e) Fixtures which would be eligible for MPWMD's second bathroom protocol program are not eligible to receive water under this Program.

- f) Water credits may not be used for the installation or enlargement of swimming pools or the installation of utility sinks. Existing swimming pools shall not count towards the 10.1 fixture unit per unit maximum for expansion, remodel, or replacements.
- g) Prior to Building Permit issuance, the applicant shall demonstrate either the existence at the property of a water meter, adequately sized for the proposed dwelling and available for use, or shall provide substantial evidence that necessary approvals have been obtained so as to allow for the installation of a water meter within 12 months of the issuance of a Building Permit.
- h) For the purposes of this Section, a “vacant lot of record” shall consist of land which has not been occupied by any dwelling unit within the past ten years.
- i) For the purposes of this Section, a “Single-Family Dwelling” shall include townhomes or residential project in which only one primary unit is located on a lot of record, but shall not apply to condominiums or other airspace subdivisions (which shall be classified as Multi-Family Dwellings).

Eligibility for Multi-Family Dwellings (MFDs)

- a) Water for new Multi-Family Dwellings (MFDs) on vacant sites may be provided an allocation of 8.1 fixture units (0.081 AFY) of water. This water may be divided among the units as desired by the developer.
- b) Expansions, remodels, or replacement of existing MFDs will not be eligible to receive additional water, except that units which do not have an existing clothes washer may receive one fixture unit (0.01 AFY) in order to install a clothes washer.
- c) All fixtures installed shall be high-efficiency or ultra-high efficiency fixtures, as appropriate, including ultra-high-efficiency toilets (UHET), high-efficiency clothes washers (HECW), and high efficiency dishwashers.
- d) Clothes washers, if provided, shall be provided equally to all units within a development. .
- j) Water credits may not be used for the installation of swimming pools or utility sinks.
- e) Water credit allocations in excess of 0.5 AFY shall require approval of the water allocation committee. When determining whether to allocate water to a particular project, the water allocation committee may take into consideration such factors as the timing of construction of the project. The water allocation committee may place shorter timelines for action on projects receiving in excess of 0.5 AFY to ensure that water credits are available for projects with short implementation

timelines. Decisions of the water allocation committee may be appealed to the City Council.

- f) Prior to Building Permit issuance, the applicant shall demonstrate either the existence at the property of a water meter, adequately sized for the proposed development, or shall provide substantial evidence that necessary approvals have been obtained so as to allow for the installation of a water meter within 12 months of the issuance of a Building Permit.
- g) For the purposes of this Section, a “vacant site” is a legal lot of record or multiple lots of record (or any portion thereof) occupied by the proposed multifamily development which has not been occupied by any dwelling unit within the past ten years. Units shall be determined to be a part of the same development if they share or make use of common facilities such as parking, open space, property management, etc and/or do not have clearly defined boundaries or fences between the units.

City of Seaside ADU Water Allocation Policy

1. The City will allocate water for ADU developments on a first come first serve basis. (SMC 13.24.025C)
2. Residential Accessory Dwelling Unit (ADU) categories (SMC 13.24.025C):
 - a. **Deed Restricted ADUs:** Deed Restricted ADU development requires a deed restriction to be recorded with the County Recorder requiring the ADU be restricted to provide rental housing to a Low or Very Low Income renters as published by the Housing and Urban Development (HUD) or to a renter utilizing Housing Choice Vouchers (formerly Section 8 vouchers). The deed restriction shall be in place for 45 years. There will be no cost for a water release permit for Deed Restricted ADUs.
 - b. **Unrestricted ADUs:** Unrestricted ADU developments which are required to purchase a water release permit will be charged \$2,500 per fixture unit.
3. Applicants are required to retrofit all existing main house water fixtures and appliances to high efficiency water fixtures as part of their Water Release Permit application. (SMC 13.24.025C)
4. The maximum water the City will allocate per ADU is 6.8 fixture units, sufficient to provide high efficiency (HE) fixture units as identified below: (Resolution 20-102)

<u>Fixtures</u>	<u>Fixture Units</u>
Washbasin	1
Toilet – High Efficiency	1.3
Shower	2
Kitchen Sink with High Efficiency Dishwasher	1.5
High Efficiency Clothes Washer (5.0 water factor or less)*	1
Total	6.8

*Optional