

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



**Water Demand Committee Members:**  
*Clyde Roberson, Chair*  
*Amy Anderson*  
*Karen Paull*

**Alternate:**  
*George Riley*

**Staff Contact**  
*Stephanie Locke,*  
*Water Demand Manager*

*Joel G. Pablo,*  
*Board Clerk*

*After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda they will be made available on the District's website prior to the meeting. Documents distributed at the meeting will be made available upon request and posted to the District's website within five days following the meeting.*

**Agenda**  
**Water Demand Committee**  
**Of the Monterey Peninsula Water Management District**  
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Thursday, May 5, 2022, 10:00 am, *Virtual Meeting*

*As a precaution to protect public health and safety, and pursuant to provisions of AB 361, this meeting will be conducted via Zoom Video/Teleconference only.*

Join the meeting at:  
<https://us06web.zoom.us/j/85039418078?pwd=NmhoeUNUU0ZnaXpqMGdYaWxteHU2dz09>

Or join at: <https://zoom.us/>  
Webinar ID No.: 850 3941 8078  
Webinar Password: 05052022

Participate by phone: (669) 900 - 9128

**For detailed instructions on connecting to the Zoom meeting see page 2 of this agenda.**

**Call to Order / Roll Call**

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

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

1. Consider Adoption of Committee Meeting Minutes from March 3, 2022
2. Adopt 2022 Committee Meeting Schedule
3. Consider Recommendation to the Board to Allow Ordinance No. 87 CHOMP Allocation to be Applied to Ryan Ranch Campus Expansion

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

4. Discuss and Provide Direction to Staff on SB1157 (Hertzberg)
5. Update on District's Water for Housing Initiative
6. Discuss Timing for Drought Outreach (*Verbal Report*)

**Suggest Items to be Placed on Future Agendas**

**Adjournment**

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests by 5 pm on Monday, May 2, 2022 to: Joel G. Pablo via e-mail at [joel@mpwmd.net](mailto:joel@mpwmd.net) or call 831-658-5652 or to Sara Reyes via e-mail at [sara@mpwmd.net](mailto:sara@mpwmd.net) or call 831-658-5610.

## Instructions for Connecting to the Zoom Meeting

NOTE: If you have not used Zoom previously, when you begin connecting to the meeting you may be asked to download the app. If you do not have a computer, you can participate by phone.

Begin: Within 10 minutes of the meeting start time from your computer click on this link: <https://us06web.zoom.us/j/85039418078?pwd=NmhoeUNUU0ZnaXpqMGdYaWxteHU2dz09> or paste the link into your browser.

### DETERMINE WHICH DEVICE YOU WILL BE USING (PROCEED WITH ONE OF THE FOLLOWING INSTRUCTIONS)

#### USING A DESKTOP COMPUTER OR LAPTOP

1. In a web browser, type: <https://www.zoom.us>
2. Hit the enter key
3. At the top right-hand corner, click on "Join a Meeting"
4. Where it says "Meeting ID", type in the Meeting ID# above and click "Join Meeting"
5. Your computer will begin downloading the Zoom application. Once downloaded, click "Run" and the application should automatically pop up on your computer. (If you are having trouble downloading, alternatively you can connect through a web browser – the same steps below will apply).
6. You will then be asked to input your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
7. From there, you will be asked to choose either ONE of two audio options: Phone Call or Computer Audio:

#### COMPUTER AUDIO

1. If you have built in computer audio settings or external video settings – please click "Test Speaker and Microphone".
2. The client will first ask "Do you hear a ringtone?" •If no, please select "Join Audio by Phone".  
•If yes, proceed with the next question:
3. The client will then ask "Speak and pause, do you hear a replay?" •If no, please select "Join Audio by Phone"  
•If yes, please proceed by clicking "Join with Computer Audio"

#### PHONE CALL

1. If you do not have built in computer audio settings or external video settings – please click "Phone Call"
2. Dial one of the numbers listed below using a phone. Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)

+1 253-215-8782 (Houston, TX)

+1 346-248-7799 (Chicago, IL)

+1 301-715-8592 (New York, NY)

+1 312-626-6799 (Seattle, WA)

+1 646-558-8656 (Maryland)

3. Once connected, it will ask you to enter the Webinar ID No. and press the pound key
4. It will then ask you to enter your participant ID number and press the pound key.
5. You are now connected to the meeting.

### **USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE**

1. Download the Zoom application through the Apple Store or Google Play Store (the application is free).
2. Once download is complete, open the Zoom app.
3. Tap “Join a Meeting”
4. Enter the Meeting ID number
5. Enter your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
6. Tap “Join Meeting”
7. Tap “Join Audio” on the bottom left hand corner of your device
8. You may select either ONE of two options: “Call via Device Audio” or “Dial in”

### **DIAL IN**

1. If you select “Dial in”, you will be prompted to select a toll-free number to call into.
2. You may select any of the numbers listed below:

+1 669-900-9128 (San Jose, CA)

+1 253-215-8782 (Houston, TX)

+1 346-248-7799 (Chicago, IL)

+1 301-715-8592 (New York, NY)

+1 312-626-6799 (Seattle, WA)

+1 646-558-8656 (Maryland)

3. The phone will automatically dial the number, and input the Webinar Meeting ID No. and your Password.
4. Do not hang up the call, and return to the Zoom app
5. You are now connected to the meeting.

### **Presenting Public Comment**

Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes.

- (a) Computer Audio Connection: Select the “raised hand” icon. When you are called on to speak, please identify yourself.
- (b) Phone audio connection **with** computer to view meeting: Select the “raised hand” icon. When you are called on to speak, push \*6 to unmute and please identify yourself.
- (c) Phone audio connection only: Press \*9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press \*9 to end the call.

### **Submit Written Comments**

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to [comments@mpwmd.net](mailto:comments@mpwmd.net) with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "COMMENTS FROM THE PUBIC". Comments must be received by 8:00 a.m. on Thursday, May 5, 2022. Comments submitted **by 8:00 a.m.** will be provided to the committee members and compiled as part of the record of the meeting.

## **WATER DEMAND COMMITTEE**

### **ITEM: ACTION ITEM**

#### **1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES FROM MARCH 3, 2022**

**Meeting Date:** May 5, 2022

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

**Prepared By:** Joel G. Pablo

**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 draft minutes of the March 3, 2022 committee meeting.

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

#### **EXHIBIT**

**1-A** Draft Minutes of the March 3, 2022 Committee Meeting



## **EXHIBIT 1-A**

### **DRAFT MINUTES**

#### **Water Demand Committee of the Monterey Peninsula Water Management District Thursday, March 3, 2022**

*Pursuant to AB 361 (Rivas), the meeting was conducted with virtual participation via Zoom.*

#### **Call to Order**

The meeting was called to order at 10:02 a.m. by Chair Roberson.

#### **Committee members present:** *(By Roll-Call)*

Clyde Roberson, Chair  
Amy Anderson  
Karen Paull

#### **Committee members absent:**

None

#### **Staff members present:**

David J. Stoldt, General Manager  
Stephanie Locke, Water Demand Manager  
Joel G. Pablo, Board Clerk

#### **District Counsel present:**

Fran Farina with De Lay and Laredo

#### **Comments from the Public:**

No comments were directed to the committee.

#### **Action Items**

##### **1. Consider Adoption of Committee Meeting Minutes from January 13, 2022**

*No comments were directed to the Committee.*

A motion was made by Paull with a second by Anderson to approve the committee meeting minutes from January 13, 2022. The motion passed on a roll-call vote of 3-Ayes (Roberson, Anderson and Paull), 0-Noes, and 0-Absent.

##### **2. Consider Limiting Graywater/Rainwater Credit for Toilet Flushing and Clothes Washing to Multi-Family Dwellings**

David J. Stoldt, General Manager introduced this item. Stephanie Locke, Water Demand Manager provided an overview of her staff report and answered committee questions. Locke explained that the Technical Advisory Committee (TAC) discussed the matter on March 2, 2022 and via TAC consensus it was determined that every way to obtain a water credit should continue to be offered due to the lack of water supplies on the Peninsula. After much deliberation, the Water Demand Committee provided staff direction via the following motion:

A motion was offered by Roberson with a second by Paull to eliminate the credit for installing

and using a graywater/rainwater system to flush toilets and/or wash laundry by amending Table 4: High Efficiency Appliance Credits, continue to incentivize Graywater systems through the rebate program and to have the full board consider the matter further at its regularly scheduled meeting on Monday, March 21, 2022. The motion passed on a roll-call vote of 3-Ayes (Roberson, Paull and Anderson), 0-Noes and 0-Absent.

*No comments were directed to the committee on this matter.*

### **3. Update on District's Water for Housing Initiative (Verbal Report)**

David J. Stoldt, General Manager provided a verbal status report and update on the District's Water for Housing Initiative. Stoldt informed the committee that he worked on a letter with Senator Laird's staff in hopes that it would be transmitted over to the State Water Resources Control Board (SWRCB) calling for a workshop on the District's application/request in an effort to educate and clarify the District's intentions and clear up any misunderstandings. Stoldt stated he believes the letter may not have been sent and instead a meeting took place on or around February 15, 2022 between Laird and Joaquin Esquivel, Chair with SWRCB concluding that a workshop on the matter would not be a good idea. Stoldt believes the best path forward on the matter is to align local housing advocates, appointed and elected officials to communicate with the CA Housing and Community Development (HCD) Department on their local housing projects in order to meet Regional Housing Need Allocation (RHNA) numbers obtained through the Association of Monterey Bay Area Governments. Through this effort, Stoldt believes further conversations can take place between HCD and the SWRCB thus resulting in further progress being made on the District's Water for Housing Initiative.

*No comments were directed to the committee.*

### **Suggest Items to be Placed on Future Agendas**

- None

### **Adjournment**

Chair Roberson adjourned the meeting at 9:46 a.m.

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Joel G. Pablo, Board Clerk

Reviewed and Approved by the MPWMD Water Demand Committee on May \_\_, 2022

Received by the MPWMD Board of Directors on May \_\_, 2022

**WATER DEMAND COMMITTEE**

**ITEM: ACTION ITEM**

**2. ADOPT 2022 COMMITTEE MEETING SCHEDULE**

**Meeting Date: May 5, 2022**

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

**Prepared By: Joel G. Pablo**

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**SUMMARY:** Shown below is a proposed committee meeting schedule for 2022. Please review and advise Joel G. Pablo if you cannot participate on any of the proposed dates. Any meeting may be cancelled if there is no business for committee consideration.

**RECOMMENDATION:** The Committee should review and adopt the meeting schedule.

<b>Day of Week</b>	<b>Date</b>	<b>Time</b>
Thursday	May 5, 2022	10:00 a.m.
Thursday	July 7, 2022	10:00 a.m.
Thursday	September 8, 2022	10:00 a.m.
Thursday	November 3, 2022	10:00 a.m.
Thursday	January 12, 2023	10:00 a.m.

## WATER DEMAND COMMITTEE

### ITEM: ACTION ITEM

#### 3. CONSIDER RECOMMENDATION TO THE BOARD TO ALLOW ORDINANCE NO. 87 CHOMP ALLOCATION TO BE APPLIED TO RYAN RANCH CAMPUS EXPANSION

Meeting Date: May 5, 2022 Budgeted: N/A

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

Prepared By: David J. Stoldt Cost Estimate: N/A

General Counsel Review: N/A

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

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**SUMMARY:** Montage Medical Group has proposed another building to be added to its Ryan Ranch campus, an approximately 60,000 square-foot building. Recently, Ryan Ranch water availability has been limited by a moratorium on new uses in Ryan Ranch and well capacity constraints. Recent building projects have been required to acquire an allocation from Seaside Basin pumpers who have access to water and a wheeling agreement to have such water delivered to the end user in Ryan Ranch. However, recently California American Water Company (Cal-Am) interconnected the Ryan Ranch system with its Monterey Main System and is now able to regularly receive water from the Seaside Basin, the Carmel River, Pure Water Monterey, or the Sand City desalination facility.

This calls into question whether the proposed Montage project will require acquisition of an entitlement of water from a Seaside Basin pumper or if it could redirect its own preferred allocation from 1997 under Ordinance No. 87 which was established for CHOMP build-out, but to date has gone un-utilized. The Ordinance created a special community reserve allocation of 18.28 acre-feet (" AF") of water shall be created exclusively for the benefit of CHOMP. This allocation was debited from the amount of water conserved to date at that time under the District's Conservation Plan.

District Counsel has suggested, without detailed analysis, that an allocation was created and that permits issued in reliance on the ordinance would therefore remain valid. However, Counsel would need to analyze whether any remainder allocation beyond that which has been permitted can be used for the proposed project.

Staff will provide additional information for discussion during the Committee meeting.

**RECOMMENDATION:** The General Manager recommends that the Committee recommends that District Counsel evaluate whether any remainder allocation beyond that which has been permitted can be used for the proposed project and, if so, recommend the Board allow Ordinance



No. 87 CHOMP allocation to be applied to Montage Medical Group Ryan Ranch campus expansion.

**EXHIBITS**

None

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## WATER DEMAND COMMITTEE

### ITEM: DISCUSSION ITEM

#### 4. DISCUSS AND PROVIDE DIRECTION TO STAFF ON SENATE BILL 1157 (HERTZBERG)

<b>Meeting Date:</b>	<b>May 5, 2022</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Stephanie Locke</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Approval:** N/A

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

**SUMMARY:** Attached as **Exhibit 4-A** is the proposed Senate Bill 1157 (Hertzberg), hereinafter SB 1157. The bill changes the standards for indoor residential water use beginning January 1, 2025, to 47 gallons per capita daily (gpcd), and reducing the standard to 42 gpcd January 1, 2030. It was approved by the Senate on April 21, 2022. The Senate’s Floor Analysis is attached as **Exhibit 4-B**.

Water users in the Monterey Division of California-American Water have been subject to strict passive and active conservation programs since the 1980s. The area is also somewhat unique in its water supply portfolio, climate, and the extreme number of seasonal visitors.

The following information about the current SB 1157 is from the Pacific Institute<sup>1</sup>:

After record-breaking drought conditions in 2021, California is looking at another bleak water year in 2022. Despite the mid-December precipitation, over 90% of the state is still in severe drought, and the California Department of Water Resources (DWR) announced an initial 0% State Water Project allocation for the first time ever. In October, California Governor Gavin Newsom declared a statewide drought emergency and urged a voluntary 15% reduction in water use for California cities. So far, most areas are falling short of the target, and mandatory cutbacks are likely for next year.

In November, amid the deepening drought, the DWR and the State Water Resources Control Board (SWRCB) issued joint recommendations to the California State Legislature for new indoor residential water use standards, along with a study supporting the recommendations (Indoor Residential Water Use Study, or IRWUS).

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<sup>1</sup> Information from the blog authored by Cora Kammeyer, Sonali Abraham, and Heather Cooley

### Background on Urban Water Efficiency Legislation

As background, in 2018, the California legislature passed and Governor Brown signed Assembly Bill 1668 (Friedman) and Senate Bill 606 (Hertzberg). This bill created a new framework for setting customized water use targets for urban water suppliers<sup>2</sup> in California.

In AB 1668 and SB 606, the State of California made a commitment to use the best available data and information to set water efficiency standards for urban water suppliers. When the bills were passed, limited data were available on indoor water use and 55 gpcd was selected as a placeholder for the residential indoor standard. The legislation directed the state agencies to conduct necessary studies and jointly recommend a standard by 2021 that reflects current best practices.

### New Indoor Urban Residential Standards

Using four detailed analytical approaches, the IRWUS estimated that statewide indoor water use averaged 48 gpcd between 2017 and 2019, well below the 55 gpcd placeholder standard. Indoor water use is expected to decline because of plumbing codes, appliance and fixture turnover, and new housing – so called “passive conservation.” The IRWUS projected that median and average indoor water use would decline to about 44 gpcd by 2030 without any active conservation efforts. Based on the study’s findings, the agencies jointly recommend that the indoor residential standard remain at 55 gpcd through 2024 and decline to 47 gpcd in 2025 and to 42 gpcd starting in 2030.

Active conservation – like utility rebates, conservation-oriented rate structures, and education programs – can provide additional water savings, though the IRWUS did not attempt to quantify the active conservation potential.

### Indoor Residential Water Use in California

The Pacific Institute analyzed data reported by water suppliers in their Electronic Annual Reports (EARs) for 2017 through 2019 to get a sense of how water suppliers would stack up with the new standards. The EAR is an annual survey of public water systems that collects water-system information, including water use by sector. The EAR does not contain estimates of indoor water use, as this is not measured directly; however, indoor use can be inferred from these data using a methodology validated by DWR in the IRWUS.

Between 2017 and 2019, indoor residential water use averaged 48 gpcd. For 75% of water suppliers, indoor water was 54 gpcd or less. For 25% of water suppliers, it was 39 gpcd or less between 2017 and 2019. These data show that 78% of water suppliers were already below the current indoor standard of 55 gpcd between 2017 and 2019. Likewise, 56% of suppliers were below the 2025 standard of 47 gpcd, and 37% were below the 2030 standard of 42 gpcd.

### Establishing Forward-Looking Urban Water Use Standards

The indoor standard is the first in a series of urban water use standards that will be submitted in 2022 in adherence with the 2018 legislation, “Making Water Conservation A California Way of Life.” Recommendations for water use standards on residential landscapes, large commercial landscapes, and water loss will follow the indoor standard during the coming months. While the

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<sup>2</sup> “Urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. On the Monterey Peninsula, California American Water and Marina Coast Water District are Urban Water Suppliers.

indoor standard will be considered and adopted by the legislature, the remaining standards will be considered, revised as needed, and adopted by the SWRCB. Together, these standards will establish water budgets for every urban water supplier in California. Regulations require that every urban water supplier meets their water budget, but there is flexibility in how to achieve it. For example, a water supplier can exceed the indoor standard as long as the total water use objective is met.

**RECOMMENDATION:** Staff would like the Water Demand Committee to discuss whether the District should consider a contract with a consultant to review consumption data to determine whether the proposed reductions are reasonable. This information would help support a District position on SB 1157, which is currently moving forward toward approval.

#### **EXHIBITS**

- 4-A** Senate Bill 1157 (Hertzberg)
- 4-B** Senate Floor Analysis

**Introduced by Senator Hertzberg**

February 17, 2022

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An act to amend Section 10609.4 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1157, as introduced, Hertzberg. Urban water use objectives: indoor residential water use.

Existing law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, and including collaboration with and input from stakeholders, to conduct necessary studies and investigations and authorizes the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. Existing law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use. Existing law establishes, beginning January 1, 2025, the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use.

This bill would eliminate the option of using the greater of 52.5 gallons per capita daily and the greater of 50 gallons per capita daily, as applicable, or a standard recommended by the department and the board as the standard for indoor residential water use. The bill would instead require that from January 1, 2025, to January 1, 2030, the standard for indoor residential water use be 47 gallons per capita daily and beginning January 1, 2030, the standard be 42 gallons per capita daily.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10609.4 of the Water Code is amended  
2 to read:  
3 10609.4. (a) (1) Until January 1, 2025, the standard for indoor  
4 residential water use shall be 55 gallons per capita daily.  
5 (2) Beginning January 1, 2025, and until January 1, 2030, the  
6 standard for indoor residential water use shall be ~~the greater of~~  
7 ~~52.5~~ 47 gallons per capita ~~daily or a standard recommended~~  
8 ~~pursuant to subdivision (b).~~ *daily.*  
9 (3) Beginning January 1, 2030, the standard for indoor  
10 residential water use shall be ~~the greater of 50~~ 42 gallons per capita  
11 ~~daily or a standard recommended pursuant to subdivision (b).~~ *daily.*  
12 (b) (1) The department, in coordination with the board, shall  
13 conduct necessary studies and investigations and may jointly  
14 recommend to the Legislature a standard for indoor residential  
15 water use that more appropriately reflects best practices for indoor  
16 residential water use than the standard described in subdivision  
17 (a). A report on the results of the studies and investigations shall  
18 be made to the chairpersons of the relevant policy committees of  
19 each house of the Legislature by January 1, 2021, and shall include  
20 information necessary to support the recommended standard, if  
21 there is one. The studies and investigations shall also include an  
22 analysis of the benefits and impacts of how the changing standard  
23 for indoor residential water use will impact water and wastewater  
24 management, including potable water usage, wastewater, recycling  
25 and reuse systems, infrastructure, operations, and supplies.  
26 (2) The studies, investigations, and report described in paragraph  
27 (1) shall include collaboration with, and input from, a broad group  
28 of stakeholders, including, but not limited to, environmental groups,  
29 experts in indoor plumbing, and water, wastewater, and recycled  
30 water agencies.

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THIRD READING

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Bill No: SB 1157  
Author: Hertzberg (D)  
Introduced: 2/17/22  
Vote: 21

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SENATE NATURAL RES. & WATER COMMITTEE: 7-2, 4/5/22  
AYES: Stern, Allen, Eggman, Hertzberg, Hueso, Laird, Limón  
NOES: Jones, Grove

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

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**SUBJECT:** Urban water use objectives: indoor residential water use

**SOURCE:** Natural Resources Defense Council

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**DIGEST:** This bill changes the change the standards for indoor residential water use beginning 2025 to 47 gallons per capita daily (gpcd) and beginning 2030 to 42 gpcd.

**ANALYSIS:**

Existing law:

- 1) Establishes a method to estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently.
  - a) This estimated aggregate water use is the urban retail water supplier's urban water use objective.
  - b) The method is based on water use efficiency standards and local service area characteristics for that year.
  - c) The annual urban water use objective (WC §10609.20(c)) is the sum of:
    - i) Aggregate estimated efficient indoor residential water use.
    - ii) Aggregate estimated efficient outdoor residential water use.

- iii) Aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with commercial, industrial, and institutional (CII) water use.
  - iv) Aggregate estimated efficient water losses.
  - v) Aggregate estimated water use for approved variances.
  - vi) Potable reuse bonus incentive adjustment
  - vii) By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use. (§10609(a))
- 2) Bases the urban water use objective on standards and practices for the following water uses:
- a) Indoor residential use.
  - b) Outdoor residential use.
  - c) CII water use.
  - d) Water losses.
  - e) Other unique local uses and situations that can have a material effect on an urban water supplier's total water use.
- 3) Establishes the standard for indoor residential water use as follows:
- a) Until January 1, 2025 – 55 gpcd.
  - b) Beginning January 1, 2025, until January 1, 2030 – 52.5 gpcd or a standard recommended pursuant to 4) below.
  - c) Beginning January 1, 2030 – 50 gpcd or a standard recommended pursuant to 4) below.
- 4) Requires the Department of Water Resources (DWR), in coordination with the State Water Resources Control Board (SWRCB), to conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in 3) above.
- a) A report on the results of the studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one.
  - b) The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use



will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.

In November 2021, DWR submitted a report to the Legislature with DWR's and the SWRCB's recommendation that urban water suppliers maintain the current indoor water use efficiency standard of 55 gpcd to 2025, be reduced to 47 gpcd beginning 2025, and be reduced to 42 gpcd beginning 2030.

This bill changes the standards for indoor residential water use, to reflect those recommended by DWR and the SWRCB. Specifically, it would change the indoor residential water use standards beginning January 1, 2025, to be:

- 1) Beginning January 1, 2025, until January 1, 2030 – 47 gpcd.
- 2) Beginning January 1, 2030 – 42 gpcd.

## Comments

*Rationale for Selecting the Proposed Joint Recommendations.* Quoting from the report to the Legislature, DWR the SWRCB “jointly believe the proposed recommendations reflect:

- That Californians have become more efficient over time. The current median water use of 48 gpcd is well below the 2020 standard in statute.
- Efficient use.
- Best practices.
- That water use efficiency is often less expensive than developing new water supplies and may help to ensure equitable and affordable access to water.
- That water use efficiency reduces greenhouse gas emissions and improves the resilience of urban areas to future water supply challenges.
- The need for a reasonable path to a feasible and impactful 2030 standard.
  - \* This standard recognizes the efforts, investments, and conservation achievements already made by California suppliers and their customers.
  - \* The overall water use objective is calculated by combining the indoor residential standard, the outdoor residential standard, the large landscape areas (CII) standard, the water loss standard, variances, and a bonus incentive. Suppliers retain discretion for how they will meet their overall water use objective.
  - \* Half of suppliers are on track to be at or below 44 gpcd by 2030 with passive conservation only. Estimates of Supplier water use are expected to be even lower when including active conservation.

- \* Suppliers have time to plan, develop partnerships and programs, and support conservation as a way of life.”

### **Related/Prior Legislation**

AB 1434 (Friedman, 2021) would also have amended the indoor residential standards. That bill did not meet the house of origin deadline. The table below compares the indoor residential use standard under current law, AB 1434, and this bill.

#### Comparison of Indoor Residential Water Use Standards (gpcd)

<u>Year</u>	<u>Current Law</u>	<u>AB 1434</u>	<u>SB 1157</u>
Until 2025	55	48	55
Beginning 2025	52.5	45	47
Beginning 2030	50	40	42

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:** (Verified 4/18/22)

Natural Resources Defense Council (source)  
 California Coastkeeper Alliance  
 Climate Resolve  
 Environmental Working Group  
 Los Angeles Waterkeeper  
 Mono Lake Committee  
 Pacific Institute  
 Planning and Conservation League  
 Sierra Club California  
 South Yuba River Citizens League

**OPPOSITION:** (Verified 4/18/22)

Affordable Housing Management Association - Northern California and Hawaii  
 Affordable Housing Management Association - Pacific Southwest  
 Amador Water Agency  
 Apartment Association of Orange County  
 Association of California Water Agencies  
 Big Bear City Community Services District  
 California Association of Sanitation Agencies  
 California Municipal Utilities Association  
 California Special Districts Association

California Water Association  
Calleguas Municipal Water District  
Camrosa Water District  
Carmichael Water District  
Carpinteria Water District  
City of Roseville  
City of Santa Rosa  
Coachella Valley Water District  
Coastside County Water District  
Cucamonga Valley Water District  
Desert Water Agency  
East Bay Rental Housing Association  
East Orange County Water District  
East Valley Water District  
Eastern Municipal Water District  
El Dorado Irrigation District  
El Toro Water District  
Elk Grove Water District  
Elsinore Valley Municipal Water District  
Fresno Metropolitan Flood Control District  
Hidden Valley Lake Community Services District  
Humboldt Bay Municipal Water District  
Indian Wells Valley Water District  
Inland Empire Utilities Agency  
Irvine Ranch Water District  
Las Virgenes Municipal Water District  
Mesa Water District  
Monte Vista Water District  
Municipal Water District of Orange County  
Northern California Water Association  
Olivenhain Municipal Water District  
Orange County Sanitation District  
Otay Water District  
Padre Dam Municipal Water District  
Palmdale Water District  
Placer County Water Agency  
Rancho California Water District  
Regional Water Authority  
Rowland Water District  
San Juan Water District

Santa Fe Irrigation District  
Santa Margarita Water District  
Serrano Water District  
Tahoe City Public Utility District  
Tri-County Water Authority GSA  
Tuolumne Utilities District  
Upper San Gabriel Valley Municipal Water District  
Utica Water and Power Authority  
Valley Center Municipal Water District  
Valley County Water District  
Vista Irrigation District  
Walnut Valley Water District  
WaterReuse  
West Kern Water District  
Western Municipal Water District  
Yorba Linda Water District

**ARGUMENTS IN SUPPORT:** According to the author, “California is suffering from a cycle of repeated drought and dry conditions. Only six years after the state’s last historic drought ended, California is now in the midst of what experts refer to as a “megadrought,” with nearly 99% of the state currently experiencing drought conditions. Advances in water efficiency made during the 2012-2016 better prepared us for the current drought conditions, but we must continue on the path of efficiency in face of a near-certain water scarce future.

“SB 1157 enhances California’s water efficiency by updating statutory indoor residential water use standards to 47 gpcd between 2025 to 2030, and 42 gpcd for 2030 and beyond – as jointly recommended by the Department of Water Resources and the State Water Resources Control Board using analysis of current water usage and best practices. This measure ensures the state continues making strides in water efficiency, which reduces wasteful water usage and improves future water supply reliability, and ultimately makes the state more adaptable and resilient to drought and the impacts of climate change.”

Supporters also raise a number of other points, including:

- “Water efficiency programs help reduce the cost of water services to customers and mitigate rate increases. Studies have shown that most urban water conservation and efficiency measures are less expensive than new water-supply options and are the most cost-effective ways to meet current and future water needs. A 2018 study by the Alliance for Water Efficiency found that Los

Angeles Department of Water and Power conservation programs between 1990 and 2016 avoided roughly \$11 billion in water costs. Customer bills were 27% lower than they otherwise would have been.”

- “Some water agency ‘affordability’ concerns appear to be based on a misunderstanding of how the new water objectives will be applied. Individual customers are NOT required to meet the indoor residential water efficiency standard. The law gives water agencies complete flexibility to meet its overall water efficiency objective through any combination of leak reductions and improved indoor and outdoor efficiency measures.”
- “Other water agency ‘affordability’ concerns appear to suggest that the Legislature should adopt a less-efficient water standard because it would be too much of a burden for agencies to ensure that their water rates and programs are equitable. These arguments should be rejected as inconsistent with the Human Right to Water.”

**ARGUMENTS IN OPPOSITION:** A coalition of water agencies take exception to DWR’s report and its recommendations. They raise a number of points, including:

“While a study was completed, the analysis of adverse impacts and other relevant information, including affordability and changing populations and patterns, were not quantitatively considered; nor did they inform the final recommendations.”

“The California Water Efficiency Partnership estimated during the regulatory process that the ‘the total anticipated cost range for reasonably complying with a 2030 standard in which all providers achieve a residential indoor per capita volume of 42 GPCD by 2030 is likely between \$2.8 and \$4.6 billion.’ While the indoor residential water use standard is only one component of the overall water use objective, given the separately enforceable component of water loss, it is anticipated that public water agencies will need to make significant additional investments to reduce indoor residential use to meet the overall objective. Ultimately this substantial financial investment will only save 354,000 acre feet of water per year over the current 2030 standard – approximately half a percent of statewide water use.”

“In addition to these direct costs, there will be substantial secondary costs. The Final Report indicates that the adverse impacts to wastewater and recycled water providers could be significant. A few examples of potential impacts include

increased sewer gas production, accelerated rate of corrosion of pipes and manholes, increased occurrences of sewer blockages and overflows, degradation of wastewater influent quality, and reductions in recycled water quantity. Mitigating these impacts will require considerable investment.”

“For these reasons, this coalition has serious concerns regarding the 2030 standard SB 1157 would implement and requests amendments that would require quantitative analysis of these impacts prior to the implementation of the 2030 standard. Without these amendments, we respectfully request your ‘No’ vote ...”

Prepared by: Dennis O'Connor / N.R. & W. / (916) 651-4116  
4/20/22 15:06:56

\*\*\*\* **END** \*\*\*\*

## WATER DEMAND COMMITTEE

### ITEM: DISCUSSION ITEM

#### 5. UPDATE ON DISTRICT'S WATER FOR HOUSING INITIATIVE

**Meeting Date:** May 5, 2022 **Budgeted:** N/A

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

**Prepared By:** David J. Stoldt **Cost Estimate:** N/A

**General Counsel Review:** N/A

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

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**SUMMARY:** The Association of Monterey Bay Area Governments (AMBAG) recently completed its State-mandated task of allocating the number of housing units that will need to be planned for in each jurisdiction from 2023 to 2031, also referred to as the Regional Housing Needs Allocation or RHNA. This is the 6th Housing Element Cycle. The State's goal is for those units to be constructed during this 8-year timeframe. The new RHNA numbers will be reviewed and discussed during the Committee meeting. The AMBAG draft allocation is excerpted and is attached as **Exhibit 5-A**.

On March 17, 2022 the City of Monterey sent a letter to the District, attached as **Exhibit 5-B** hereto, indicating the City would like a letter from the MPWMD detailing from its perspective if water will be available for housing by 2023 and when will water be available for RHNA allocation? And if not, what can the City of Monterey City Council do to make this happen?

#### EXHIBITS

**5-A** AMBAG Draft 2023 RHNA Values for 6<sup>th</sup> Housing Element Cycle

**5-B** City of Monterey Letter of March 17, 2022

## Regional Housing Needs Allocation Plan: 2023 - 2031

**Executive Summary**

In August 2021, the California Department of Housing and Community Development (HCD) issued a Regional Housing Need Determination to the AMBAG region for the 6th Cycle planning period of June 30, 2023 to December 15, 2031 and determined that the region must zone to accommodate a minimum of 33,274 housing units during this period. California housing law (Government Code § 65580 et seq.) requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a Regional Housing Needs Allocation (RHNA) Plan to allocate existing and projected housing needs to local jurisdictions within Monterey and Santa Cruz Counties.

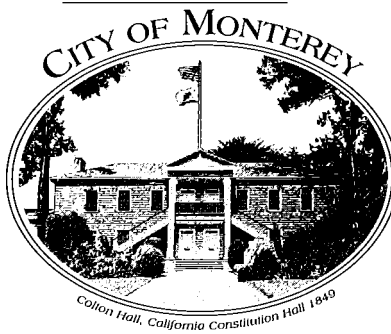
Based on the final RHNA Plan, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time. The table below shows the final regional housing need allocation for each jurisdiction in the AMBAG region, broken into four income categories.

**Table 1 – RHNA for the AMBAG Region, June 30, 2023 to December 15, 2031**

	Income Group Totals				RHNA
	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093	<b>33,274</b>
<b>Monterey County</b>					
Carmel-By-The-Sea	113	74	44	118	<b>349</b>
Del Rey Oaks	60	38	24	62	<b>184</b>
Gonzales	173	115	321	657	<b>1,266</b>
Greenfield	101	66	184	379	<b>730</b>
King City	97	63	178	364	<b>702</b>
Marina	94	62	173	356	<b>685</b>
Monterey	1,177	769	462	1,246	<b>3,654</b>
Pacific Grove	362	237	142	384	<b>1,125</b>
Salinas	920	600	1,692	3,462	<b>6,674</b>
Sand City	59	39	49	113	<b>260</b>
Seaside	86	55	156	319	<b>616</b>
Soledad	100	65	183	376	<b>724</b>
Unincorporated Monterey	1,070	700	420	1,136	<b>3,326</b>
<b>Santa Cruz County</b>					
Capitola	430	282	169	455	<b>1,336</b>
Santa Cruz	859	562	709	1,606	<b>3,736</b>
Scotts Valley	392	257	154	417	<b>1,220</b>
Watsonville	283	186	521	1,063	<b>2,053</b>
Unincorporated Santa Cruz	1,492	976	586	1,580	<b>4,634</b>



## EXHIBIT 5-B



Mayor:  
CLYDE ROBERSON

Councilmembers:  
DAN ALBERT  
ALAN HAFFA  
ED SMITH  
TYLLER WILLIAMSON

City Manager:  
HANS USLAR

March 17, 2022

### **Monterey Peninsula Water Management District Board of Directors**

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karenppaull@gmail.com  
carmelcellogal@comcast.net  
district5@co.monterey.ca.us  
roberson@monterey.org

RE: City of Monterey Regional Housing Needs Allocation

Dear Board of Directors,

The City of Monterey wanted to update the Monterey Peninsula Water Management District on the immediate need for water by 2023.

The Association of Monterey Bay Area Governments recently completed its State-mandated task of designating the number of housing units that will need to be planned for in each jurisdiction from 2023 to 2031. The State's goal is for those units to be constructed during this timeframe as well.

The City of Monterey wants to build the expected housing units that are ultimately assigned by our fellow jurisdictions through the AMBAG RHNA process.

Monterey was assigned 3,654 housing units (1,177 very low income, 769 low income, 462 moderate-income, and 1,246 market rate) to place housing closer to jobs and address equity metrics such as placing more housing in communities that are predominately white with higher incomes. The aspirational goal to address these issues is impossible without an immediate water supply.

The City has reviewed with MPWMD staff the water credits needed per residential type. The City estimates needing between **367- 406 acre feet by 2023** to meet the regionally and State required RHNA.

The City also wanted to update the Board on its efforts to construct housing. In terms of upcoming development, the City continues to lose out on housing development opportunities. While the City's implementation of new policies is working and have attracted experienced and solvent developers, the inability of the SWRCB to respond to requests made by the City and the Monterey Peninsula Water Management District has

led to a significant reduction in the scopes of the projects. Stated differently, while the State’s legislature and the Governor have repeatedly prioritized increasing the supply of affordable housing opportunities, the SWRCB remains tone-deaf to the requests expressed by the City, the Monterey Peninsula Water Management District, Senator Laird, and housing advocates.

The following example demonstrates what our rental community is losing:

The Garden Road area allows 405 new housing units. The City received applications to construct housing at four sites along Garden Road. The original anticipated unit count was 298 units if the City could obtain additional water from the Water District’s reserve category. The District conditionally allocated reserve water; however, the State Water Resources Control Staff indicated it would violate the Cease and Desist Order unless the project used no more water than it did before rezoning. As a result, this opportunity was lost, and projects were reduced to 180 units consistent with the onsite water credits/use. A loss of 118 units could have housed between 300 and 400 residents.

**Table 1  
Garden Road Housing Opportunities**

<b>Address</b>	<b>Original Application - # of Units</b>	<b>Downsized Projects due to Water</b>	<b>Project Status</b>
2000 Garden Road	72	34	AR Preliminary and Final Permit Approved
2300 Garden Road	64	64	ARC Review Scheduled 3/15
2560 Garden Road	63	25	Application Incomplete 2/2022
2600 Garden Road	99	57	AR Preliminary Review Approved
<b>Total</b>	<b>298</b>	<b>180</b>	

Source: City of Monterey Community Development Department

There is no quick fix to reverse this fate. The projects were re-scoped, and plans were redrawn. Costs borne by the developers have been incurred.

The City has also inventoried its properties for affordable housing projects. Four sites were identified for 100% affordable housing projects, and a Request for Proposal was released. The City has selected two affordable housing developers for Exclusive Negotiating Agreement (ENA) discussions. These developers can potentially build 150 units that are 100% affordable housing. However, these sites do not have adequate-sized water meters or supply for the housing to be constructed.

In sum, there have been 118 affordable housing units lost as a result of water unavailability for the Garden Road area, and 150 low-income units are in abeyance.

The City of Monterey wanted the Monterey Peninsula Water Management District to understand from our perspective the quandary of meeting State-mandated housing

requirements, being designated additional housing units to be constructed between 2023-2031, and the need for water supply to be available in 2023 to meet the City and region's housing targets. The City would appreciate a letter from the MPWMD detailing from their perspective if water will be available by 2023. When will water be available for allocation? If not, what can the City of Monterey City Council do to make this happen?

Furthermore, the City requests that the MPWMD pass a resolution requesting that the State Water Resources Control Board immediately lift the Cease and Desist Order since the illegal diversions have ceased. If the CDO is lifted, developers could set new water meters and work within the Monterey Peninsula Water Management District credit system.

Sincerely,



Clyde Roberson,  
Mayor

e: David Stoldt, General Manager, Monterey Peninsula Water Management District  
([dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net))  
Senator John Laird, 17<sup>th</sup> Senate District  
Assemblymember Mark Stone, 29<sup>th</sup> Assembly District