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EXHIBIT 1

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of California-American Water
Company (U-210W) for Authorization to Modify
Conservation and Rationing Rules, Rate Design,
and Other Related Issues for the Monterey
District

Application No. 15-07-019
(Filed, July 14, 2015)

**SETTLEMENT AGREEMENT BETWEEN CALIFORNIA-AMERICAN WATER
COMPANY AND THE MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT ON THE ANNUAL CONSUMPTION TRUE-UP PILOT PROGRAM AND
ON THE MODIFICATION TO MONTEREY DISTRICT RULE 14.1.1 AND TARIFF
SCHEDULE MO-14.1.1**

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Dated: June 17, 2016

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Application of California-American Water
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SCHEDULE MO-14.1.1**

I. GENERAL

- A.** Pursuant to Article 12 of the Commission’s Rules of Practice and Procedure, California-American Water Company (“California American Water”) and the Monterey Peninsula Water Management District (“MPWMD”) (collectively, “the Parties”), desiring to avoid the uncertainty attendant to resolution of the matters between them and to provide additional clarity, have agreed on the terms of this Settlement Agreement on (i) the Annual Consumption True-Up Pilot Program (“CAM”)¹ and (ii) on modifications to California American Water’s Monterey District Rule 14.1.1 (“Rule 14.1.1”) and Tariff Schedule MO-14.1.1 (“Schedule 14.1.1”) which they now submit for review, consideration, and approval by the California Public Utilities Commission (“Commission”).
- B.** The Parties agree that no signatory to the Settlement Agreement assumes any personal liability as a result of this Settlement Agreement. The Parties agree that the Commission has primary jurisdiction over any interpretation, enforcement, or remedy pertaining to this Settlement Agreement.
- C.** The Parties agree that the Settlement Agreement is an integrated agreement. If the Commission rejects or modifies any portion of this Settlement Agreement, each Party may decide whether to assent to the Settlement Agreement as modified, or to withdraw from the Settlement Agreement. As between the Parties, this

¹ The Settlement Agreement provides the implementation details for the CAM covering residential and non-residential customers in the Monterey Main system subject to the Water Revenue Adjustment Mechanism/ Modified Cost Balancing Account (“WRAM/MCBA”) true-ups, which includes Hidden Hills, Ryan Ranch and Bishop but excludes the satellite systems of Toro, Ambler Park, Ralph Lane, Garrapata and Chualar.

Settlement Agreement may be amended or changed only by a written agreement signed by all of the Parties.

- D.** The Parties agree to use their best efforts to obtain Commission approval of the Settlement Agreement. The Parties shall request that the Commission approve the Settlement Agreement without change and find the Settlement Agreement to be reasonable, consistent with the law, and in the public interest.
- E.** This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts together shall constitute one and the same instrument. Each of the Parties hereto and their respective counsel and advocates have contributed to the preparation of this Settlement Agreement. Accordingly, the Parties agree that no provision of this Settlement Agreement shall be construed against any Party because that Party or its counsel drafted the provision.
- F.** This Settlement Agreement supersedes any prior agreement, commitments, representations, or discussions between the Parties concerning the issues agreed to herein.
- G.** California American Water will not recover any additional costs from ratepayers or seek to recover any additional costs from ratepayers as a result of this Settlement Agreement.

II. RECITALS

- A.** Parties believe that utilizing a more current consumption forecast will allow customers to better budget their annual water costs, provide the right pricing signals so that all conservation and use restriction signals are timely and consistently provided to customers, address inter-generational equity concerns in the timely recovery of costs in rates, lower rates to customers by shortening the period that accounts accrue interest and stabilize revenues and prevent future substantial undercollections.
- B.** Parties support the CAM because of urgent needs to address the timely recovery of the WRAM balances in Monterey, which are driven by the legal and regulatory restrictions on California American Water's water supply that stem from the SWRCB Order No. WR 95-10, a superior court decision in the Seaside Ground Water Basin adjudication in 2006, and finally the SWRCB Order No. WR 2009-0060, a Cease and Desist Order ("CDO") issued in 2009.
- C.** Parties believe that it is reasonable to use the latest annual consumption numbers or legal production limits at all times in Monterey because the usage and usage by tier is unpredictable due to aggressive conservation activities and tiered pricing.
- D.** The Parties agree that any legal or court ordered reductions that are prospectively to take place within the time period of the projections developed in the annual CAM filing must be additionally considered and the total annual production for the annual projected period must be limited at maximum production allowed under any current CDO and basin adjudication.

- E.** Parties support the need to adjust overall consumption, but equally or perhaps more importantly to adjust the consumption by tier because of the unique rate design and the amount of revenue that is recovered in the upper tiers in the Monterey Main System, which includes Hidden Hills, Ryan Ranch and Bishop.
- F.** Parties support the CAM in Monterey because of the strict use restrictions and the proposed CDO extension which will continue to place downward pressure on and strict demand limits in the future.
- G.** Parties support the CAM in Monterey because the successful financing of the Monterey Peninsula Water Supply Project (“MPWSP”) (A.12-04-019) will benefit greatly from more stable authorized revenue recovery and the CAM is a simple and straightforward way of adjusting rates prospectively based on the most current consumption information. The identified funding mechanisms for the MPWSP including Surcharge 2, State Revolving Funds (“SRF”) and the securitized debt all rely on the timely collection of authorized revenue. Unpredictability in the timely recovery of revenue make the capital markets uneasy, may result in lower credit ratings, or worse – the inability to use some or all of the innovative financing tools identified for the water supply project in order to hold down costs to ratepayers.
- H.** The Parties support modifying Rule and Schedule 14.1.1 because changes must be made to current Rule and Schedule 14.1.1 to meet the expectations of the State mandated drought response and the pending “physical cliff” resulting from the CDO, which requires a reduction in California American Company’s water production from the Carmel River.
- I.** The Parties support modifying Rule 14.1.1 because the proposed changes make implementation and operation of Rule 14.1.1 more efficient and cost effective for California American Water, MPWMD, and consumers.

III. ANNUAL CONSUMPTION TRUE-UP PILOT PROGRAM -GENERAL TERMS & PURPOSE

- A.** The CAM pilot program will apply to most of the 38,500 metered customers that California American Water serves in its Monterey Main system, which includes Hidden Hills, Ryan Ranch and Bishop. The CAM pilot program will not apply to customers who are billed under rates and tariffs not subject to tracking and revenue adjustment under a WRAM/MCBA mechanism such as resale, construction and other special use customers. See Appendix A for a complete list of those customers that will be included and excluded from the CAM.
- B.** The CAM pilot program will be addressed wholly or partially in the tariff sheets listed in the table below for California American Water’s Monterey Main system and includes General Metered Service for residential, mixed use and non-residential customers.

MO-1	Monterey County District Tariff Area	General Metered Service	Residential Customers
MO-1MU	Monterey County District Tariff Area	General Metered Service	Mixed Use Customers

MO-1C*	Monterey County District Tariff Area	General Metered Service	Non-Residential Customers
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* The CAM will exclude resale, construction and other special use customers served under rate schedule MO-1C.

- C. Parties seek a reliable and timely process for adjusting rates annually that will increase the likelihood that conservation rates will collect the annual authorized revenue requirement and which process is tailored to the unique and complex issues in Monterey.

- D. Parties agree that the pilot program will adjust rates on a prospective basis through the following process:
 - 1. California American Water will file an annual Tier 2 advice letter on or before November 15. The advice letter will provide the actual recorded consumption for the Monterey Main system customer class and by tier from October 1 of the prior year through September 30 of the current year. If the recorded consumption is greater than a court ordered or legally restricted limit to be in place during the projected period, California American Water will also provide to the Commission the production limit established and will adjust rates prospectively based on the lower court ordered or legally restricted production based on the example calculation provided in Appendix C.
 - 2. With approval of the Tier 2 advice letter by the Commission's Division of Water and Audits, a Tier 1 advice letter will be filed to implement new rates on January 1 of the subsequent year.
 - 3. The consumption based on the lower of actual twelve month recorded data or court ordered or legally restricted production limit, will then replace the adopted quantities beginning January 1 of the subsequent year and will be used for future rate adjustments, including all annual step and offset filings, in that calendar year until the adopted quantities are updated the following year.

- E. The Parties agree that this process will apply to most customers in the three billing classifications identified in Section III.B above for the Monterey Main System, which includes Hidden Hills, Ryan Ranch and Bishop.

IV. ANNUAL CONSUMPTION TRUE-UP PILOT PROGRAM IMPLEMENTATION TERMS

- A. Consumption Data:
 - 1. Current rates are based on the adopted average annual consumption, as determined in D.15-04-007. This would include the use of consumption by tier by customer classification for residential customers and by division for non-residential customers.

2. Proposed rates will be based on the actual recorded consumption and consumption by tier for residential and by division for non-residential customers for the 12-month period ended September 30, unless such recorded consumption was greater than the court ordered or legally restricted limits to be in place during the projected period, in which case the production limit will be set at the maximum limitations of the court order and legal restrictions.

B. Annual Rate Calculation:

1. The CAM will apply to all detailed customer classifications set forth in Appendix A.
 2. California American Water agrees to follow the methodology set forth in Appendix B, for calculating the Annual Consumption True-Up Pilot Program. As illustrated in Appendix B, California American Water will establish rates for the subsequent year based on the recorded consumption for the previous 12 month period ending September prior to the annual period in which the current adjustment is to be effective for Rate Schedule MO-1, MO-1MU and MO-1C for applicable residential, mixed use and non-residential customers, respectively. Appendix B provides examples for residential and non-residential customers.²
 3. California American Water agrees to follow the methodology set forth in Appendix C, which provides a sample calculation of how the Annual Consumption True-Up Pilot Program will establish rates for the subsequent year based on production limitations for the prospective annual period in which the current adjustment is to be effective for Rate Schedule MO-1, MO-1MU and MO-1C for applicable residential, mixed use and non-residential customers, respectively. Appendix C illustrates how California American Water will determine whether to use the recorded amount or reduced amount based upon production limitations.
 4. California American Water agrees to follow the methodology set forth in Appendix D for determining how surcharges for the quantity rate are calculated. Appendix D provides a sample calculation of how the Annual Consumption True-Up Pilot Program will adjust volumetric based surcharges for the subsequent year based on recorded consumption for the previous 12 month period.
- C.** Parties agree that California American Water will track any changes in rates associated with the CAM in the WRAM.
- D.** Given that variable production costs are very small in Monterey, variable costs in the revenue requirement will not be addressed until the next general rate case. Parties agree that any changes in the collection of production costs that may be the result of the CAM will be captured in the MCBA and operate as the WRAM/MCBA currently in place.

² The residential example currently also applies to mixed use customers since they are currently billed under the residential rate design parameters. In the future, mixed use customers may be billed as non-residential customers.

- E.** The Parties agree that any consumption based surcharges³ that are in place in the Monterey Main system, as defined above, will be recalculated to take into account the new annual consumption forecast resulting through the CAM.
- F.** The Parties agree that California American Water will provide notifications to all affected customers in the Monterey District, including a description of the CAM and will conduct community outreach to explain how the pilot program changes may affect customers.
- G.** The Parties agree that the California American Water will provide an annual notice to customers of the effect on rates of any changes that occur as a result of the annual consumption adjustment made effective due to the CAM.

V. RULE AND SCHEDULE 14.1.1 WATER SHORTAGE CONTINGENCY PLAN

- A.** The Parties have reached agreement on an updated Rule and Schedule 14.1.1, which is designed to:
 - 1.** reduce the number of stages from seven to four;
 - 2.** be easier to implement timely and at a requested stage;
 - 3.** reduce the dependency on increased rates;
 - 4.** allow California American Water to take action against customers for continued non-compliance with water use restrictions and rule violations;
 - 5.** allow for rationing levels to be determined and noticed at the time of need, not have them preset;
 - 6.** be better coordinated with the Urban Water Shortage Contingency Plan; and
 - 7.** limit the plan to one stage of physical water rationing.
- B.** The Parties agree that the current Rule 14.1.1 and Schedule 14.1.1 or any prior agreed versions be replaced with the Rule 14.1.1 and Schedule 14.1.1 contained in Appendix E and F, respectively, to implement a revised Water Shortage Contingency Plan.
- C.** The Parties agree that the proposed modifications to Rule and Schedule 14.1.1 are consistent with MPWMD's Regulation XV, as amended on February 17, 2016, by Ordinance 169.

³ Currently, there are three volumetric based surcharges in Monterey which include the WRAM/MCBA, recovery of the San Clemente Dam costs, and Sand City lease costs. Appendix D provides an illustrative example of the agreed San Clemente Dam surcharge adjustments that will be made under the CAM. However, California American Water has proposed to fold the San Clemente Dam costs into base rates and the Sand City lease costs to be collected through the MCBA for rate effective 2018. If approved, the only remaining volumetric based rate would be the WRAM/MCBA.

- D.** California American Water agrees to file a Tier 1 advice letter to implement Rule and Schedule 14.1.1 as set forth in Appendix E and Appendix F, respectively, in accordance with MPWMD's Regulation XV, as modified by Ordinance 169.

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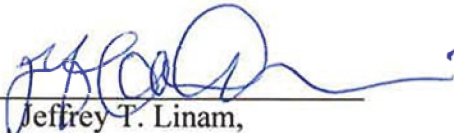
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Respectfully submitted,

Dated: June 17, 2016

CALIFORNIA-AMERICAN WATER COMPANY

By 
Jeffrey T. Linam,
Director of Rates

Dated:

MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT

By _____
David J. Stoldt,
General Manager

Respectfully submitted,

Dated:

CALIFORNIA-AMERICAN WATER COMPANY

By _____
Jeffrey T. Linam,
Director of Rates

Dated: June 17, 2016

MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT



By _____
David J. Stoldt,
General Manager

A.15-07-019

SETTLEMENT AGREEMENT

APPENDIX A

CALIFORNIA AMERICAN WATER COMPANY

MONTEREY COUNTY DISTRICT (A.15-07-019)

APPENDIX A: LIST OF CUSTOMER CLASSIFICATION SUBJECT TO ANNUAL TRUE-UP PROCESS

By Customer Class

Single Family (including low income)

Multi-Family

Non-Residential (including commercial, irrigation, public authority, industrial, golf, industrial)

Mixed Use

By System

Monterey main (including Bishop, Hidden Hills, Ryan Ranch)

Customer Classes/Systems not Subject to the CAM

Resale

Construction

Other Special Use

Ralph Lane

Chualar

Garrapata

Ambler

A.15-07-019

SETTLEMENT AGREEMENT

APPENDIX B

CALIFORNIA AMERICAN WATER COMPANY
MONTEREY COUNTY DISTRICT (A.15-07-019)
APPENDIX B: CONSUMPTION ADJUSTMENT MECHANISM (CAM) EXAMPLE

Note: Figures shown are for illustrative purposes only

Single Family Residential Consumption by Tier⁽¹⁾

	Adopted	Recorded	
tens of cfs	Calendar Yr	Oct 1 - Sep 30⁽¹⁾	% Change
Tier 1	12,056,752	11,453,914	-5.0%
Tier 2	5,108,628	4,853,197	-5.0%
Tier 3	2,343,724	2,109,352	-10.0%
Tier 4	931,618	791,875	-15.0%
Tier 5	756,024	604,820	-20.0%
Total	21,196,747	19,813,158	

Multi-Family Residential Consumption by Tier

	Adopted	Recorded	
tens of cfs	Calendar Yr	Oct 1 - Sep 30⁽¹⁾	% Change
Tier 1	3,379,682	3,312,089	-2.0%
Tier 2	1,750,449	1,662,926	-5.0%
Tier 3	472,893	449,249	-5.0%
Tier 4	280,855	244,344	-13.0%
Tier 5	178,701	134,025	-25.0%
Total	6,062,580	5,802,633	

Non-Residential Consumption by Division

	Adopted	Recorded	
tens of cfs	Calendar Yr	Oct 1 - Sep 30⁽¹⁾	% Change
Division 1	6,728,655	6,392,222	-5.0%
Division 2	42,867	42,010	-2.0%
Division 3	8,262,946	7,849,799	-5.0%
Division 4	503,034	402,428	-20.0%
	15,537,502	14,686,458	

System Total⁽²⁾ 42,796,829 40,302,249

1) Includes low income

2) Includes Monterey Main, Bishop, Ryan Ranch, Hidden Hills

**CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY COUNTY DISTRICT (A.15-07-019)
APPENDIX B: ABBREVIATED CALCULATION OF COST OF SERVICE**

Note: The following schedule is a summary of the detailed cost of service calculation used to determine a uniform volumetric rate. The uniform rate is used to determine a baseline for how much revenue should be collected by each customer class. Numbers presented here are for illustrative purposes only to demonstrate how the CAM would work.

Row		Previously Adopted	Revised Under CAM	Reference
1	Total Water Service Revenue Requirement	\$53,318.3	\$53,318.27	
2	Total Fixed Costs	\$47,515.1	\$47,515.1	
3	Total Variable Costs	\$5,803.2	\$5,803.2	
4	Total Private Fire Service Revenues	\$739.7	\$739.7	
5	Other/Misc Service Revenues	\$256.3	\$256.3	
6	Balance of Fixed Costs Less PFS, Other, Misc	\$46,519.1	\$46,519.1	Row 2 - Row 4 - Row 5
<u>CALCULATION OF STANDARD BASE RATE FOR CUSTOMERS UNDER CONSERVATION DESIGN</u>				
7	Total Fixed Costs Less PFS, Other, Misc	\$46,519.1	\$46,519.1	
Less:				
8	Ambler Revenue	\$554.7	\$554.7	
9	Ralph Lane & Chualar Revenue	\$99.5	\$99.5	
10	Other Water Utility - Permanent	\$57.1	\$57.1	
11	Other Water Utility - Temporary	\$0.0	\$0.0	
12	Construction	\$120.0	\$120.0	
13	REMAINING REVENUE REQUIREMENT TO BE RECOVERED	\$45,687.8	\$45,687.8	Row 7 - Rows 8 through 12
14	50 % OF FIXED COSTS TO BE RECOVERED IN SERVICE CHARGE REVENUE	\$22,843.90	\$22,843.90	Row 13 x 50%
15	REMAINING 50% OF FIXED COSTS TO BE RECOVERED IN QUANTITY RATES	\$22,843.9	\$22,843.9	Row 13 - Row 14
16	TOTAL REVENUE TO BE RECOVERED IN QUANTITY RATES	\$28,647.1	\$28,647.1	Row 15 + Row 3
17	WATER SALES - GENERAL METERED SERVICE (KCCF)	4,279.7	4,030.2	
18	STANDARD BASE QUANTITY RATES (PER CCF) -- SBR	\$6.6937	\$7.1081	Row 17 / Row 16

Note: The following schedules are meant to demonstrate how the CAM would adjust volumetric rates. The numbers presented are for illustrative purposes only and do not necessarily reflect the final outcome of a decision in this proceeding or other submittals before the Commission.

SINGLE FAMILY UNDER PREVIOUSLY ADOPTED CONSUMPTION

Standard Components		Standard Rate Design		Conservation Rate Design		
Avg Number of Meters		Meter Revenues		Meter Revenues		
Meter Size		Meter Rate		Meter Rate		
5/8 x 3/4	28,527	\$32.20	\$11,021,366	\$16.53	\$5,658,616	
3/4	261	\$48.29	\$151,255	\$28.94	\$90,655	
1	3,923	\$80.49	\$3,789,114	\$57.84	\$2,722,876	
1-1/2	375	\$160.98	\$724,404	\$181.33	\$816,006	
2	97	\$257.57	\$299,806	\$309.48	\$360,232	
3	0	\$482.94	\$0	\$580.27	\$0	
4	0	\$804.89	\$0	\$1,015.47	\$0	
6	0	\$1,609.79	\$0	\$2,176.02	\$0	
8	0	\$2,575.66	\$0	\$3,481.63	\$0	
TOTAL	33,183		\$15,985,945		\$9,648,385	
Block	Consumption (10cfs)	Volume Revenues	Standard Base Qnty Rate	Volume Revenues	Factor	Conservation Qnty Rate
Block 1	12,056,752	\$8,070,484	\$0.6694	\$6,182,873	100%	\$0.5128
Block 2	5,108,628	\$3,419,586	\$0.6694	\$3,929,665	150%	\$0.7692
Block 3	2,343,724	\$1,568,830	\$0.6694	\$4,206,632	350%	\$1.7948
Block 4	931,618	\$623,602	\$0.6694	\$3,105,356	650%	\$3.3333
Block 5	756,024	\$506,064	\$0.6694	\$3,101,600	800%	\$4.1025
TOTAL	21,196,747	\$14,188,566		\$20,526,126		\$ 0.5128
TOTAL REVENUES (vol + mtr)		\$30,174,511		\$30,174,511	\$20,526,126 <--Qnty Rate Target	
		\$30,174,511		\$30,174,511		
		\$0.6694 SBR per 10cfs				

MULTI-FAMILY UNDER PREVIOUSLY ADOPTED CONSUMPTION

Standard Components		Standard Rate Design		Conservation Rate Design		
Avg Number of Meters		Meter Revenues		Meter Revenues		
Meter Size		Meter Rate		Meter Rate		
5/8 x 3/4	742	\$32.20	\$286,671	\$16.53	\$147,183	
3/4	1	\$48.29	\$580	\$28.94	\$347	
1	342	\$80.49	\$330,328	\$57.84	\$237,375	
1-1/2	110	\$160.98	\$212,492	\$181.33	\$239,362	
2	112	\$257.57	\$346,168	\$309.48	\$415,938	
3	3	\$482.94	\$17,386	\$580.27	\$20,890	
4	3	\$804.89	\$28,976	\$1,015.47	\$36,557	
6	6	\$1,609.79	\$115,905	\$2,176.02	\$156,673	
8	6	\$2,575.66	\$185,447	\$3,481.63	\$250,677	
TOTAL	1,325		\$1,523,952		\$1,505,003	
Block	Consumption (10cfs)	Volume Revenues	Standard Base Qnty Rate	Volume Revenues	Factor	Conservation Qnty Rate
Block 1	3,379,682	\$2,262,273	\$0.6694	\$1,262,340	100%	\$0.3735
Block 2	1,750,449	\$1,171,706	\$0.6694	\$980,711	150%	\$0.5603
Block 3	472,893	\$316,543	\$0.6694	\$618,204	350%	\$1.3073
Block 4	280,855	\$187,997	\$0.6694	\$681,861	650%	\$2.4278
Block 5	178,701	\$119,618	\$0.6694	\$533,970	800%	\$2.9881
TOTAL	6,062,580	\$4,058,137		\$4,077,086		\$ 0.3735
TOTAL REVENUES (vol + mtr)		\$5,582,089		\$5,582,089	<--Qnty Rate Target	
		\$5,582,089		\$5,582,089		
\$0.6694 SBR per 10cfs						

SINGLE FAMILY UNDER CONSUMPTION ADJUSTMENT MECHANISM

Standard Components		Standard Rate Design		Conservation Rate Design	
Meter Size	Avg Number of Meters	Meter Rate	Meter Revenues	Meter Rate	Meter Revenues
5/8 x 3/4	28,527	\$32.20	\$11,021,366	\$16.53	\$5,658,616
3/4	261	\$48.29	\$151,255	\$28.94	\$90,655
1	3,923	\$80.49	\$3,789,114	\$57.84	\$2,722,876
1-1/2	375	\$160.98	\$724,404	\$181.33	\$816,006
2	97	\$257.57	\$299,806	\$309.48	\$360,232
3	0	\$482.94	-	\$580.27	-
4	0	\$804.89	-	\$1,015.47	-
6	0	\$1,609.79	-	\$2,176.02	-
8	0	\$2,575.66	-	\$3,481.63	-
TOTAL	33,183		\$15,985,945		\$9,648,385
Adjusted Consumption		Adjusted Standard Base		Adjusted Conservation	
(10cfs)		Volume Revenues	Qnty Rate	Volume Revenues	Factor Qnty Rate
Block 1	11,453,914	\$8,141,520	\$0.7108	\$6,478,807	100% \$0.5656
Block 2	4,853,197	\$3,449,685	\$0.7108	\$4,117,752	150% \$0.8485
Block 3	2,109,352	\$1,499,342	\$0.7108	\$4,175,978	350% \$1.9797
Block 4	791,875	\$562,870	\$0.7108	\$2,911,463	650% \$3.6767
Block 5	604,820	\$429,910	\$0.7108	\$2,736,887	800% \$4.5251
TOTAL		\$14,083,327		\$20,420,887	\$ 0.5656
	19,813,158				
TOTAL REVENUES (vol + mtr)		\$30,069,272		\$30,069,272	\$20,420,887 <--Qnty Rate Target
		\$30,069,272		\$30,069,272	
		\$0.7108 SBR per 10cfs			

MULTI-FAMILY UNDER CONSUMPTION ADJUSTMENT MECHANISM

Standard Components		Standard Rate Design		Conservation Rate Design	
Meter Size	Avg Number of Meters	Meter Rate	Meter Revenues	Meter Rate	Meter Revenues
5/8 x 3/4	742	\$32.20	\$286,671	\$16.53	\$147,183
3/4	1	\$48.29	\$580	\$28.94	\$347
1	342	\$80.49	\$330,328	\$57.84	\$237,375
1-1/2	110	\$160.98	\$212,492	\$181.33	\$239,362
2	112	\$257.57	\$346,168	\$309.48	\$415,938
3	3	\$482.94	\$17,386	\$580.27	\$20,890
4	3	\$804.89	\$28,976	\$1,015.47	\$36,557
6	6	\$1,609.79	\$115,905	\$2,176.02	\$156,673
8	6	\$2,575.66	\$185,447	\$3,481.63	\$250,677
TOTAL	1,325		\$1,523,952		\$1,505,003
	Adjusted Consumption		Adjusted Standard Base		Adjusted Conservation
Block	(10cfs)	Volume Revenues	Qnty Rate	Volume Revenues	Factor Qnty Rate
Block 1	3,312,089	\$2,354,255	\$0.7108	\$1,366,993	100% \$0.4127
Block 2	1,662,926	\$1,182,019	\$0.7108	\$1,029,505	150% \$0.6191
Block 3	449,249	\$319,329	\$0.7108	\$648,962	350% \$1.4445
Block 4	244,344	\$173,681	\$0.7108	\$655,510	650% \$2.6827
Block 5	134,025	\$95,266	\$0.7108	\$442,529	800% \$3.3018
TOTAL		\$4,124,550		\$4,143,499	\$ 0.4127
	5,802,633				
TOTAL REVENUES (vol + mtr)		\$5,648,502		\$5,648,502	<--Qnty Rate Target
		\$5,648,502		\$5,648,502	
		\$0.7108 SBR per 10cfs			

no change to meter calculation under the CAM

volumetric rates change as a function of the adjusted consumption

CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY COUNTY DISTRICT (A.15-07-019)
APPENDIX B: ADJUSTMENTS TO RATE DESIGN TO REFLECT THE CAM

Note: The following schedules are meant to demonstrate how the CAM would adjust volumetric rates. The numbers presented are for illustrative purposes only and do not necessarily reflect the final outcome of a decision in this proceeding or other submittals before the Commission.

NON-RESIDENTIAL UNDER PREVIOUSLY ADOPTED CONSUMPTION

Standard Components		Standard Rate Design		Conservation Rate Design	
Meter Size	Avg Number of Meters	Meter Rate	Meter	60% of Std Rate (or 30% Fixed Cost Recovery)	
			Revenues	Meter Rate	Meter Revenues
5/8	2,246	\$32.20	\$867,739	\$19.32	\$520,643
3/4	2	\$48.29	\$1,159	\$28.98	\$695
1	762	\$80.49	\$735,994	\$48.29	\$441,596
1 1/2	459	\$160.98	\$886,670	\$96.59	\$532,002
2	499	\$257.57	\$1,542,303	\$154.54	\$925,382
3	58	\$482.94	\$336,123	\$289.76	\$201,674
4	30	\$804.89	\$289,761	\$482.94	\$173,857
6	11	\$1,609.79	\$212,492	\$965.87	\$127,495
8	13	\$2,575.66	\$401,803	\$1,545.39	\$241,082
TOTAL	4,080		\$5,274,044		\$3,164,427
Consumption (10cfs)		Volume Revenues	Standard Base Qty Rate	Volume Revenues	Factor
Division 1	6,728,655	\$4,503,991	\$0.6694	\$4,583,944	100%
Division 2	42,867	\$28,694	\$0.6694	\$32,854	112.5%
Division 3	8,262,946	\$5,531,006	\$0.6694	\$7,036,489	125%
Division 4	503,034	\$336,718	\$0.6694	\$856,739	250%
TOTAL	15,537,502	\$10,400,409		\$12,510,027	
TOTAL REVENUES (vol + mtr)		\$15,674,453		\$15,674,453	
		\$15,674,453		\$15,674,453	
		\$0.6694			

NON-RESIDENTIAL UNDER CONSUMPTION ADJUSTMENT MECHANISM

Standard Components		Standard Rate Design		Conservation Rate Design	
Meter Size	Avg Number of Meters	Meter Rate	Meter	60% of Std Rate (or 30% Fixed Cost Recovery)	
			Revenues	Meter Rate	Meter Revenues
5/8	2,246	\$32.20	\$867,739	\$19.32	\$520,643
3/4	2	\$48.29	\$1,159	\$28.98	\$695
1	762	\$80.49	\$735,994	\$48.29	\$441,596
1 1/2	459	\$160.98	\$886,670	\$96.59	\$532,002
2	499	\$257.57	\$1,542,303	\$154.54	\$925,382
3	58	\$482.94	\$336,123	\$289.76	\$201,674
4	30	\$804.89	\$289,761	\$482.94	\$173,857
6	11	\$1,609.79	\$212,492	\$965.87	\$127,495
8	13	\$2,575.66	\$401,803	\$1,545.39	\$241,082
TOTAL	4,080		\$5,274,044		\$3,164,427
Adjusted Consumption (10cfs)		Volume Revenues	Adjusted Standard Base Qty Rate	Volume Revenues	Factor
Division 1	6,392,222	\$4,543,635	\$0.7108	\$4,648,046	100%
Division 2	42,010	\$29,861	\$0.7108	\$34,365	112.5%
Division 3	7,849,799	\$5,579,690	\$0.7108	\$7,134,886	125%
Division 4	402,428	\$286,048	\$0.7108	\$731,554	250%
TOTAL	14,686,458	\$10,439,234		\$12,548,851	
TOTAL REVENUES (vol + mtr)		\$15,713,278		\$15,713,278	
		\$15,713,278		\$15,713,278	
		\$0.7108			

no change to meter calculation under the CAM

volumetric rates change as a function of the adjusted consumption

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SETTLEMENT AGREEMENT

APPENDIX C

**CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY COUNTY DISTRICT (A.15-07-019)
APPENDIX C: PRODUCTION LIMITATIONS**

Note: Figures shown may be for illustrative purposes only⁽¹⁾

Source	Acre Feet (AF)		Reduction	% Reduction
	Original	Revised		
Seaside Basin	2,299	2,299		
Carmel River	9,885	8,000		
Aquifer Storage & Recovery	548	548		
Sand City	284	284		
Total Production	13,016	11,131	(1,885)	-14.5%
Previously Adopted Consumption		12,045		
Reduction due to Change in Production Limit		(1,744)	<-- Reduce consumption by the equivalent % that production was reduced by, in this case 14.5%	
Revised Consumption Level		10,301		
Revised Single Family Consumption Level		5,151	<-- Assume single family consumption is 50% of the consumption above	

	(a)	(b)
	Revised due to Production Reduction ⁽²⁾	Recorded Oct 1 - Sep 30
Single Family Consumption by Tier (in AF)		
Tier 1	2,978	2,629
Tier 2	1,262	1,114
Tier 3	548	484
Tier 4	206	182
Tier 5	157	139
Total	5,151	4,548
Consumption Level to Use for CAM ⁽²⁾		4,548

1) A similar calculation would be done for the classifications and systems that the CAM applies to.

2) The revised consumption level will be spread by tier based on the actual tiered distribution of recorded consumption.

3) In the event a regulatory reduction in production leads to a revised consumption in column (a) that is lower than the recorded consumption in column (b), the consumption in column (a) should be used for the CAM calculation in Appendix B. With a regulatory reduction, the consumption in the upper tiers would probably drop by a greater percentage than in lower tiers. However, for ease of calculation, an overall % reduction will be used for the rate design.

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SETTLEMENT AGREEMENT

APPENDIX D

CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY COUNTY DISTRICT (A.15-07-019)
APPENDIX D: ADJUSTMENTS TO SURCHARGES EMBEDDED IN THE BASE RATES TO REFLECT THE CAM

Note: The following schedule is meant to demonstrate how the CAM would adjust surcharges embedded in the base rates. The numbers presented are for illustrative purposes only and do not necessarily reflect the final outcome of a decision in this proceeding or other submittals before the Commission. The approach below would be applied to each of the surcharges that are embedded in CAW's base rates at the time the CAM is assessed.

PREVIOUSLY ADOPTED SAN CLEMENTE DAM SURCHARGE⁽¹⁾

Standard Components		Conservation Rate Design		
Block	Consumption (10cfs)	Volume Revenues	Factor	SCD Qty Surcharge
Block 1 ⁽²⁾	12,056,752	\$0		\$0.0000
Block 2	5,108,628	\$2,090,739	150%	\$0.4093
Block 3	2,343,724	\$2,238,097	350%	\$0.9549
Block 4	931,618	\$1,652,174	650%	\$1.7734
Block 5	756,024	\$1,650,176	800%	\$2.1827
TOTAL	21,196,747	\$7,631,186		\$ 0.2728 ⁽³⁾
TOTAL SURCHARGE		\$7,631,186	\$7,631,186 <--Qty Rate Target	
		\$7,631,186		

SAN CLEMENTE DAM UNDER CONSUMPTION ADJUSTMENT MECHANISM

Standard Components		Conservation Rate Design		
Block	Adjusted Consumption (10cfs)	Volume Revenues	Factor	Adjusted SCD Qty Surcharge
Block 1 ⁽²⁾	11,453,914	\$0		\$0.0000
Block 2	4,853,197	\$2,253,848	150%	\$0.4644
Block 3	2,109,352	\$2,285,718	350%	\$1.0836
Block 4	791,875	\$1,593,587	650%	\$2.0124
Block 5	604,820	\$1,498,033	800%	\$2.4768
TOTAL	19,813,158	\$7,631,186		\$ 0.3096 ⁽³⁾
TOTAL SURCHARGE		\$7,631,186	\$7,631,186 <--Qty Rate Target	
		\$7,631,186		

1) Recovery of San Clemente Dam as a volumetric surcharge was approved in Advice Letters 955 and 968.

2) The San Clemente Dam surcharge is currently not assessed on Tier 1 consumption.

3) The rate shown here is the result of the goal seek function in Excel. The goal seek function works by finding the rate that, when multiplied by the various percentage factors for each block (ie. 150% for Block 2, 350% for block 3 etc.) will achieve the revenue target of \$7.6M.

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SETTLEMENT AGREEMENT

APPENDIX E

PROPOSED RULE 14.1.1.

A. GENERAL INFORMATION

This Water Shortage Contingency Plan, filed in response to the adoption by the Monterey Peninsula Water Management District's ("MPWMD") Regulation XV, a Water Conservation and Rationing Plan¹, and as amended to comply with Regulatory Orders as required by the Commission through Resolution W-5041 and referenced predecessors, is intended to help insure that all responsible measures are instituted to enable the Company's Monterey District to comply with the limitations on productions found in SWRCB Order No. WR 95- 10 and the Seaside Basin Decision, as well as other State mandated restrictions and requirements.

The Commission shall authorize Tariff Schedule MO-14.1.1, which sets forth charges for the removal of flow restrictors, fines for violation of water use restrictions, and emergency conservation rates to indicate the need to further reduce water use. The Company will continue to make water conservation devices available to its Customers as required by its Rule 21 and to remind Customers of the availability of conservation devices and all rebate programs.

¹ As amended by MPWMD through Ordinance No. 169, adopted on February 17, 2016. A full copy of the Regulation is appended to this Rule as Attachment 1.

B. DEFINITIONS

1. "Bishop" shall mean the Company's Bishop Water Distribution subsystem as described in the purchase agreement between Bishop Water Company and the Company dated September 1, 1996;
2. "Carmel River System" means the surface water in the Carmel River and its tributaries, and groundwater in the underlying Alluvial Aquifer;
3. "CCF" or "ccf" means one hundred cubic feet, which equals 748 gallons or one unit;
4. "Commission" or "CPUC" means the California Public Utilities Commission;
5. "Company" means California-American Water Company;
6. "Customer" means any person who uses water supplied by the Company in its Monterey District;
7. "Dedicated Irrigation Meter" means a water meter exclusively used to measure outdoor water consumption;
8. "Final Production Orders" means any Cease and Desist Order, final order by the SWRCB or Seaside Watermaster or any other final court decision issued after December 10, 2008 that explicitly requires the Company, on a certain date, to reduce its production of water. For the purposes of this Rule, the effective date of any such order shall be the same date that the water production reduction limit is imposed;
9. "Flow Restrictor" means a device placed into the water distribution system by the Company that restricts the volume of flow to the Customer by 50%;
10. "Hidden Hills" means the Company's Hidden Hills subsystem as described in the purchase agreement between Carmel Valley Mutual Water Company and the Company recorded July 8, 1994, Document #49389, Reel 3125, Page 696;
11. "Household" means all the people who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room occupied (or if vacant, intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and that have direct access from the outside of the building or through a common hall;
12. "Main System" means the Company's largest distribution system in its Monterey District that serves Customers in the Cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Sand City, Seaside, and Pacific Grove, and portions of unincorporated Monterey County in the Carmel Valley, Del Monte Forest, and Carmel Highland areas. The Main System derives its source of supply from the Carmel River System and Coastal Subareas of the Seaside Basin;
17. "Measurable Precipitation" means rainfall of 0.1 inch or more;
18. "Mobile Water Distribution System" means any potable or sub-potable water delivery that originates at a location apart from the site of use and that is delivered via a truck or other movable container. This definition shall not apply to deliveries of water by commercial companies in volumes less than or equal to 55 gallons per container;
19. "MPWMD" means the Monterey Peninsula Water Management District and its designated representatives acting on its behalf;
20. "MPWMD Board" or "Board" means the Board of Directors of the Monterey Peninsula

Water Management District;

21. "Monterey Peninsula Water Resource System" or "MPWRS" means the surface water in the Carmel River and its tributaries, groundwater in the Carmel Valley Alluvial Aquifer which underlies the Carmel River, and groundwater in the Seaside Groundwater Basin;
22. "Non-Residential" means all Customers not falling within the definition of Residential, including commercial, industrial, public authority, golf course, and non-revenue metered Customers;
23. "Plan" means this Water Shortage Contingency Plan;
24. "Regulation XV" means MPWMD Regulation XV, The 2016 Monterey Peninsula Water Conservation and Rationing Plan;
25. "Regulatory Order" means an order by the California State Water Resources Control Board, the Commission, or other governmental or regulatory agency;
26. "Residential" means single-family residential or multi-family residential Customers;
27. "Rule" means this Rule 14.1.1;
28. "Ryan Ranch" means the Company's Ryan Ranch Water Distribution subsystem as described in the purchase agreement between Neuville Co. N.V. (a Delaware Corporation) and the Company dated April 30, 1990;
29. "Seaside Basin" means the water in Seaside Groundwater Basin as described in the Seaside Basin Decision;
30. "Seaside Basin Decision" means the California American Water v. City of Seaside, et. al, Case No.M66343, California Superior Court, Monterey County;
31. "Seaside Watermaster" means either (a) the court appointed Seaside Basin Watermaster Board pursuant to Section 111-L of the Decision rendered for Monterey County Superior Court Case No. M66343 (California American Water vs. City of Seaside, et. al,) dated March 22, 2006, as it may be amended from time to time or (b) the Superior Court, when issuing any order in California American Water vs. City of Seaside, et al.;
32. "SWRCB" means the California State Water Resources Control Board;
33. "SWRCB Order" means Order No. WR 95-10 issued by the SWRCB;
34. "System Production Limit" means the Company's maximum annual production from the Carmel River System and the Seaside Basin as summarized in Table XV-1 of MPWMD Rule 160;
35. "Water" means water supplied by the Company;
36. "Water Ration" means a specific amount of water available to each Customer during water rationing Stage 4. The Water Rations will be determined on a Household basis for Residential Customers and by percentage reductions by user category based on a prior year as necessary to achieve the required reductions to the allotments of all Non-Residential Customers. Variances for verifiable medical needs are available. In no circumstance shall the Residential Water Ration be lower than 90 gallons per Household per day;
37. "Water Year" means the period from October 1 of any year to September 30 of the following year;
38. "Water Year Allocation" means the annual regulatory production limit from the Carmel River System and Seaside Basin.

C. APPLICABILITY

This Rule applies to water Customers of the Monterey County District's Main System and Customers of the Ryan Ranch, Bishop and Hidden Hills systems all of which are served under rate schedule MO-1, MO-1MU, and MO-1C authorized by the Commission. This Rule applies to Customers supplied by water from the Carmel River System and Seaside Basin (including the Ryan Ranch, Hidden Hills and Bishop systems). It does not apply to Customers in Toro, Ambler Park, Ralph Lane, Garrapata and Chualar systems.

D. TERRITORY

The territory includes the incorporated Cities of Monterey, Pacific Grove, Carmel-by-the-Sea, Del Rey Oaks, Sand City, a portion of Seaside, and unincorporated areas in the County of Monterey served by the Company, except for Toro, Ambler Park, Ralph Lane, Garrapata and Chualar.

E. WATER CONSERVATION INITIATION

This Plan shall commence immediately upon approval of the Commission. Trigger criteria for the various Stages are found in this Rule and MPWMD Regulation XV.

F. CUSTOMER NOTIFICATION

1. When a utility requests authorization of Schedule 14.1.1 – Water Shortage Contingency Plan tariff, via a Tier 2 advice letter, it shall provide notice of the Tier 2 advice letter and associated public meeting provided to Customers, per Resolution W-4976, and shall comply with all requirements of Sections 350-358 of the California Water Code (CWC), including but not limited to the following:
 - a. In order to be in compliance with both the General Order (GO) and CWC, the utility shall provide notice via both newspaper and bill message/direct mailing.
 - b. Utility shall file one notice for each advice letter filed, that includes both notice of the filing of the Tier 2 advice letter as well as the details of the public meeting (date, time, place, etc.).
 - c. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes implementation of the tariff.
 - d. Utility shall consult with DWA staff prior to filing advice letter, in order to determine details of public meeting.
2. In the event that the Company's Schedule 14.1.1- Water Shortage Contingency Plan is triggered, and the utility requests activation of an increased Stage of the Water Shortage Contingency Plan through the filing of a Tier 2 advice letter, the utility shall notify its Customers and provide each Customer with a summary of Rule 14.1.1 and Schedule 14.1.1 Stage changes by means of bill message or direct mailing. Notification shall take place prior to imposing any fines or conservation rates associated with this Plan.
3. The Company shall notify Customers via press release, messages on the Company website, and email where an email address is provided on a Customer's account before the effective date of any change in Stages either moving up Stages, e.g. from Stage 2 to Stage 3, or moving down Stages, e.g. from Stage 3 to Stage 1. Notification will occur at least one week before any fines are levied or emergency conservation rates are enacted. In addition, the Company shall maintain communication with Customers regarding the ongoing water supply situation, and related conservation requirements. During the period that a stage of the Company's Schedule 14.1.1 is activated, the utility shall provide Customers with periodic updates regarding its water

supply status and the results of Customers' conservation efforts.

4. After Schedule 14.1.1 has been activated and it is determined that water supplies are again sufficient to meet demands, and staged reduction measures are no longer necessary, the utility shall seek Commission authority via a Tier 1 advice letter to deactivate the particular stage of reduction that was previously authorized.

G. WATER CONSERVATION

1. Company Responsibilities

- a. Communicate conservation messages to Customers. At all times during Stages 2 through 4 the Company shall send monthly conservation reminders.
- b. Include conservation message on water bills.
- c. Participate in a joint rebate program with the MPWMD.
- d. Promote water conservation and undertake conservation programs in coordination with MPWMD.
- e. Cooperate with the MPWMD to establish and maintain a water conservation website that responds to local concerns.
- f. Provide conservation bill inserts.
- g. Amend its Urban Water Management Plan and its Rule 14.1.1, Water Shortage Contingency Plan--Monterey District, to conform to MPWMD Regulation XV. A copy of Rule 14.1.1 shall be filed with the CPUC and the MPWMD within thirty (30) days of the effective date of any amendment to this Regulation.
- h. Provide Residential and Non-Residential water audits upon request.
- i. Make water-saving conservation devices available to all Customers and provide notices of availability.
- j. Provide MPWMD with all Customer data required by Regulation XV as authorized by Commission Decision 09-02-006 and in accordance with the terms and conditions of a nondisclosure agreement.
- k. Shall not provide portable water meters unless an MPWMD permit has been issued and in compliance with any tariff moratorium provisions.

2. Customers' Responsibilities

- a. All Customers shall comply with Rule 14.1.1 and MPWMD Regulation XV (The 2016 Monterey Peninsula Water Conservation and Rationing Plan).
- b. All Customers shall prioritize the conservation of water at all times.
- c. All Customers are responsible for notifying the Company whenever there is a change of use from Residential to Non-Residential, or Non-Residential to Residential.

3. "Water Waste" shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water. Water Waste shall include, but not be limited to, the following:

- a. Waste caused by correctable leaks, breaks or malfunctions. All leaks, breaks, or other malfunctions in a Customer's plumbing or distribution system must be repaired within 72 hours of notification that a leak exists. This loss of potable

water may be cited for water waste after the time period established in Schedule 14.1.1 in which a leak or malfunction was to have been corrected. Exceptions may be granted by the General Manager for corrections, which are not feasible or practical.

- b. Indiscriminate or excessive water use which allows excess to run to waste.
- c. Washing driveways, patios, parking lots, tennis courts, or other hard surfaced areas with potable water, except in cases where health or safety are at risk and the surface is cleaned with a water broom or other water efficient device or method. Water should be used only when traditional brooms are not able to clean the surface in a satisfactory manner.
- d. Power or pressure washing buildings and structures with potable water, except when preparing surfaces for paint or other necessary treatments or when abating a health or safety hazard.
- e. Hand watering by a hose, during permitted hours, without a quick acting positive action shut-off nozzle.
- f. Irrigation between 9 a.m. and 5 p.m. on any day, and irrigation on any day other than Saturdays and Wednesdays, except for irrigation overseen by a professional gardener or landscaper who is available on site and that is not exceeding a maximum two watering days per week. This prohibition applies to hand watering with a hose, and irrigation systems whether spray, drip or managed by a smart controller. Limited hand watering of plants or bushes with a small container or bucket is permitted on any day at any time. Subsurface greywater irrigation systems may also be operated at any time. An exemption may be given to a Non-Residential establishment whose business requires water in the course of its business practice (e.g., golf courses, nurseries, recreational space, among others) with notification by the business owner to the MPWMD, and subject to the approval of the MPWMD General Manager.
- g. Irrigating during rainfall and for 48 hours after Measurable Precipitation of at least 0.10 inches.
- h. Use of water for irrigation or outdoor purposes in a manner inconsistent with California Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, Model Water Efficient Landscape Ordinance, where applicable, or in a manner inconsistent with local regulations.
- i. Operation of fountains, ponds, lakes or other ornamental use of potable water without recycling, and except to the extent needed to sustain aquatic life, provided such animals are of significant value and have been actively managed.
- j. Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.
- k. Washing commercial aircraft, cars, buses, boats, trailers or other commercial vehicles with potable water, except at water efficient commercial or fleet vehicle or boat washing facilities where equipment is properly maintained to avoid wasteful use.
- l. In-bay or conveyor car washes permitted and constructed prior to January 1, 2014, that do not recycle and reuse at least 50 percent of the wash and rinse water. In-bay or conveyor car washes that were permitted and constructed after January 1, 2014, that do not either (1) use and maintain a water recycling system

that recycles and reuses at least 60 percent of the wash and rinse water; or (2) use recycled water provided by a water supplier for at least 60 percent of its wash and rinse water.

- m. Charity car washes.
 - n. Use of potable water for street cleaning.
 - o. Failure to meet MPWMD Regulation XIV water efficiency standards for an existing Non-Residential use after having been given a reasonable amount of time to comply.
 - p. Serving drinking water to any Customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.
 - q. Visitor-Serving Facilities that fail to adopt and promote towel and linen reuse programs and provide written notice in the rooms, whereby towels and linens are changed every three days or as requested by action of the guest.
 - r. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.
 - s. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.
 - t. Delivery, receipt, and/or use of water from an unpermitted Mobile Water Distribution System.
 - u. Unreasonable or excessive use of potable water for dust control or earth compaction without prior written approval of the MPWMD General Manager where non-potable water or other alternatives are available or satisfactory.
 - v. Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the MPWMD General Manager.
 - w. Water use in excess of a Water Ration.
 - x. Non-compliance with MPWMD Regulations XIV and XV.
4. Non-Essential Water Use shall mean the uses of water that are acceptable during times of normal water availability, as long as proper procedures to maximize efficiency are followed. However, when water is in short supply, Non-Essential Water Uses must be curtailed to preserve limited water resources for essential uses. Non-Essential Water Uses do not have health and safety impacts, are not required by regulation, and are not required to meet the core functions of Non-Residential use.
5. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the MPWMD and its designated agents, unless indicated otherwise.
- a. If the MPWMD does not enforce Water Waste and Non-Essential Water Use when Stage 2 or higher of this Rule is activated, then that responsibility will lie with either another governmental agency, or the Company.
6. Each occurrence of Water Waste or Non-Essential Water Use that continues after the Customer has had reasonable notice to cease and desist that type of water use shall constitute a Flagrant Violation, as defined in MPWMD's Rule 167.

7. Repeated occurrences of Water Waste or Non-Essential Water Use, which continue or occur after the Customer has had a reasonable notice to cease and desist that type of water use, or which continues or occurs after the Customer has had a reasonable opportunity to cure any defect causing that type of water use, shall provide cause for MPWMD to request the placement of a Flow Restrictor with a maximum flow rate of six (6) ccf/month within the water line or water meter. The Flow Restrictor installation and removal shall be made by the Company in accordance with Schedule No. MO-14.1.1.

H. STAGE 1 WATER CONSERVATION: Prohibition on Water Waste

Stage 1 Water Conservation is the first stage of water conservation measures as defined in this Rule and MPWMD Regulation XV.

1. Stage 1 shall be in effect at all times as long as this Rule is active.
2. Schedule MO-14.1.1 shall not be activated during this Stage.
3. The Company shall maintain its Water Year production from the Carmel River System below amounts specified in the CDO, as amended, and shall comply with the production limits imposed by the Seaside Watermaster.
4. Each Customer shall comply with the Water Waste and Non-Essential Water Use prohibitions as stated in this Rule.

I. STAGE 2 WATER CONSERVATION – Voluntary Reduction Use or Commission Ordered Compliance

Stage 2 Water Conservation is the second stage of water conservation as defined in this Rule and MPWMD Regulation XV. In addition to the requirements of Stage 1, the following shall apply in Stage 2 Water Conservation.

1. Triggers

- a. Physical Shortage Trigger: Stage 2 shall take effect on June 1, or such earlier date as may be determined by MPWMD, if the Total Storage Available in Table XV-4 in MPWMD's Rule 160 is below the Total Storage Required, but at least 95% of the Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.
- b. Regulatory Trigger – Production Targets: Stage 2 shall take effect when the most recent 12 month Company production from the MPWRS is greater than the then-current annual production target as determined in Table XV-1 of MPWMD Rule 160 but no greater than 105% of the annual production target. The amount of voluntary reduction shall equal the percentage overage of the annual production.
- c. Regulatory Trigger – Regulatory Order: Stage 2 shall take effect when that system is directed to reduce use by a governmental or regulatory agency. The amount of voluntary reduction shall equal the percentage directed by that governmental or regulatory agency relative to a base year determined by the governmental or regulatory agency.
- d. Emergency Trigger: Stage 2 shall take effect when the MPWMD or Company finds that a water supply emergency exists. Stage 2 shall take effect upon

adoption of a Resolution of the MPWMD Board of Directors, or a declaration of a Water Supply Emergency by the Company or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production. The amount of voluntary reduction shall be determined by MPWMD, the Company, or the State or County entity.

2. The Company shall notice Customers in compliance with the noticing requirements in Section F above and state the reduction necessary to comply with the need in the activation event.
3. Schedule 14.1.1 shall be activated at Stage 2 and remain in effect until Stage 2 sunsets.
4. The requirements of Stage 1 shall remain in effect.
5. Sunset.
 - a. Without further action, Stage 2, when implemented pursuant to Rule I-1-a, shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 of MPWMD Rule 160 is greater than Total Storage Required for two (2) consecutive months.
 - b. Without further action, Stage 2, when implemented pursuant to Rule I-1-b, shall sunset and water use restrictions shall revert to Stage 1 when the Company's 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
 - c. Without further action, Stage 2, when implemented pursuant to Rule I-1-c, shall sunset and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request or MPWMD determines that the voluntary reduction has been met, and conditions I-5-a and I-5-b above have been met.
 - d. Stage 2, when implemented pursuant to Rule I-1-d, shall sunset and water use restrictions shall revert to Stage 1 when the MPWMD Board finds that a water supply emergency no longer exists or other government agency declares the catastrophic event is over and service is no longer impaired.

J. STAGE 3 WATER CONSERVATION: Conservation Rates

Stage 3 is the third stage of water conservation as defined in this Rule and MPWMD Regulation XV. The requirements of Stage 1 and 2 Water Conservation shall remain in effect in Stage 3 Water Conservation. In addition, the following shall apply in Stage 3 Water Conservation:

1. Trigger

- a. Stage 2 Deemed Unsuccessful: Stage 3 shall take effect if Stage 2 has been implemented and has failed to sunset after a period of 6 months, except in the case of a government required targeted percentage implementation that has been met and continues to be met.
 - b. Physical Shortage Trigger: Stage 3 shall take effect when production or production offsets from the Carmel River System or the Seaside Coastal Subareas, on June 1 or such earlier date as may be set by the MPWMD Board following MPWMD's May Board meeting if Total Storage Available in Table XV-4 of MPWMD's Rule 160 is below 95% of Total Storage Required.
 - c. Regulatory Trigger – Production Targets: Stage 3 shall take effect when the most recent 12 month Company production from the MPWRS is greater than 105% of the then-current annual production target as determined in Table XV-1 of Rule 160 and Stage 2 has not been implemented
 - d. Regulatory Trigger – Regulatory Order: Stage 3 shall take effect when requested by a governmental or regulatory agency to implement Stage 3, when Stage 2 has been deemed unsuccessful in meeting the governmental or other regulatory agency targets, or a governmental or other regulatory agency has increased the requested reduction to a level greater than that achieved in Stage 2.
 - e. Emergency Trigger: Stage 3 shall take effect when the MPWMD Board or Company finds that a water supply emergency exists and upon adoption of a Resolution of the MPWMD Board or declaration of a catastrophic event by a governing body. In that Resolution or declaration of a catastrophic event, there shall be a finding of an immediate need to reduce production through the imposition of Stage 3 Conservation Rates.
2. The requirements of Stage 1 and 2 shall be in effect.
3. The Company shall notice Customers in compliance with the noticing requirements in Section F above and state the necessary reduction.
4. Schedule 14.1.1 shall be effective in Stage 3 and remain in effect as long as in Stage 3. Customers will have at least 30 days prior notice as to the implementation of the required Level 1 Conservation Rates, or a change from Level 1 to Level 2 Conservation Rates prior to implementation.
- a. Level 1 Conservation Rates comprised of a 25 percent surcharge shall be implemented on the then existing rates for a minimum of 3 months. The surcharge shall not apply to Tier 1 Residential Customers.

- b. Level 2 Conservation Rates comprised of a 40 percent surcharge shall be implemented on the then existing rate (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for 3 months the monthly production in the Company's system exceeds the monthly production target for the previous two (2) consecutive months. The surcharge shall not apply to Tier 1 Residential Customers.

5. Sunset

- a. Without further action, Stage 3, when implemented pursuant to Rule J-1-a or J-1-b, shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 is greater than Total Storage Required for two (2) consecutive months.
- b. Without further action, Stage 3, when implemented pursuant to Rule J-1-a or J-1-c, shall sunset and water use restrictions shall revert to Stage 1 when 12 month total production has been less than or equal to the then-current annual production target for two (2) consecutive months.
- c. Without further action, Stage 3, when implemented pursuant to Rule J-1-d, shall sunset and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request, and Rules J-1-b and J-1-c do not apply.
- d. Stage 3, when implemented pursuant to Rule J-1-e, shall sunset and water use restrictions shall revert to Stage 1 when the MPWMD Board finds that a water supply emergency no longer exists or other government agency declares the catastrophic event is over and service is no longer impaired, and Rules J-1-b and J-1-c do not apply.

K. STAGE 4 WATER RATIONING

1. Trigger

- a. Stage 3 Deemed Unsuccessful: Stage 4 shall take effect if Stage 3 has been implemented and has failed to sunset after a period of 8 months.
- b. Regulatory Trigger: Stage 4 shall take effect when requested by a governmental or regulatory agency to implement Stage 4, when Stage 3 has been deemed unsuccessful in meeting the governmental or other regulatory agency targets, or a governmental or other regulatory agency has increased the requested reduction to a level greater than that which can be achieved in Stage 3.
- c. Emergency Trigger: Stage 4 shall take effect when the MPWMD Board finds that a water supply emergency exists and upon adoption of a Resolution of the MPWMD Board, or a declaration of a water supply emergency by the Company,

or a State or County entity, due to a catastrophic event. In that Resolution or declaration of a catastrophic event, there shall be a finding of an immediate need to reduce production through the imposition of Stage 4 Water Rationing.

- d. Stage 4 shall not be triggered if it is determined upon credible evidence that the production targets associated with Final Production Orders are likely to be met by adhering to the requirements of a lesser Stage.
- e. Delay of Stage Implementation. A delay in implementation of Stage 4 Water Rationing to ensure adequate operation of the program shall not exceed sixty (60) days.

2. Amount of Reduction.

- a. The amount of mandatory reduction shall equal the shortfall in Total Storage Available as compared to the Total Storage Required; or
- b. The amount of mandatory reduction shall equal the overage of the last 12 months actual production as compared to the then-current annual production target; or
- c. The amount of mandatory reduction shall equal some other amount as reflected in a governmental or regulatory order.

3. Stages 1, 2, and 3 (if applicable) shall remain in effect.

4. Additional Prohibitions.

- a. Consideration should be given to prohibiting all or specific Non-Essential Water Uses. MPWMD or Commission may enact such prohibitions by Resolution.
- b. Moratorium. Upon implementation of Stage 4, the MPWMD Board shall declare a moratorium on all Water Permit applications other than those applications that rely upon a water credit, water use credit, or water use permit. The Board may amend the moratorium to include the use of water credits and/or water use credits if warranted.
- c. No New Potable Water Service: Upon declaration of Stage 4 Water Rationing, no new potable water service will be provided, no new temporary meters or permanent meters will be provided, and no statements of immediate ability to serve or provide potable water service (e.g. will-serve letters, certificates, or letters of availability) will be issued, except under the following circumstances:
 - i. The project is necessary to protect the public health, safety, and welfare;
 - ii. The setting of meters in the Company's service area shall not be terminated or diminished by reason of any water emergency, water moratorium or other curtailment on the setting of meters for water use permits issued to entitlement holders; or
 - iii. This provision does not preclude the resetting or turn-on of meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.

- d. No New Annexations: Upon the declaration of a Stage 4, the Company will suspend consideration of annexations to its Monterey Main System service area. This subsection does not apply to boundary corrections and annexations that will not result in any increased use of water from Main System sources of supply, or annexations required by a regulatory agency.
 - e. Customers utilizing portable water meters or hydrant water meters or using hydrants to fill water tanks without the use of a water meter, shall be required to cease use of the water. Portable water meters shall be returned to the Company at least thirty (30) days before the implementation of Stage 4.
 - f. Draining and refilling of swimming pools or spas except (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the MPWMD General Manager.
 - g. Restriction on Watering or Irrigating: Watering or irrigating of lawn, landscape or other vegetated area with potable water is subject to restriction. This restriction does not apply to the following categories of use, or where it has been determined that recycled non-potable water is available and may be applied to the use:
 - i. Businesses dependent on watering or irrigating in the course of business such as agriculture, nursery, and similar uses;
 - ii. Maintenance of existing landscape necessary for fire protection;
 - iii. Maintenance of existing landscape for soil erosion control;
 - iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
 - v. Maintenance of landscape within active public parks and playing fields, day care centers, and school grounds, provided that such irrigation does not exceed one (1) day per week;
 - vi. Actively irrigated environmental mitigation projects.
5. Residential Water Rations.
- a. Upon adoption of a Resolution by the MPWMD Board or a specific finding in response to a declaration or order by another government agency for a specific reduction in Residential water use, daily Household Water Rations shall be set at a level to achieve the necessary reduction. In no case shall daily Household Water Rations fall below 90 gallons per Household. Where two or more Households are served by a master meter, it shall be the responsibility of the Customers to divide the Water Rations among the Customers.
 - b. Additional Rations for Large Households:
 - i. Where four or more permanent residents occupy a single Household served by one water meter, the daily Water Ration may be increased by the amounts listed below:

	Household Gallons per Day
Fourth Permanent Resident	30
Fifth Permanent Resident	25
Sixth Permanent Resident	20
Seventh or More Permanent Resident	15

c. Procedure for Obtaining Additional Rations for Large Households:

- i. The applicant shall complete a Residency Affidavit (obtained from MPWMD) that requests the name, age and verification of full time permanent residents for each resident in the Household for which the additional Ration is requested. The information on the application shall be presented under penalty of perjury. The additional Water Ration request shall be submitted to the MPWMD General Manager, who will approve or disapprove the request within 10 business days of submission of a completed application.
- ii. If the application is disapproved, the MPWMD General Manager will explain in writing the reason for the disapproval, and if the applicant is not satisfied with the decision, the applicant may appeal the decision to the MPWMD Board.

d. Procedure for Obtaining Additional Water Rations Where Two or More Households are Served by One Meter:

- i. The applicant must fill out the required form that lists the number of residences served by the single meter and submit a use permit issued by the jurisdiction for the multi-residential residences served by the meter. MPWMD shall retain the right to require Residency Affidavits to determine the appropriate Water Rations. The additional Water Ration request shall be submitted to the MPWMD General Manager, who will approve or disapprove the request within 10 business days of submission of a completed application. The application shall be submitted under penalty of perjury.
- ii. If the application is disapproved, the MPWMD General Manager will explain in writing the reason for the disapproval, and if the applicant is not satisfied with the decision, the applicant may appeal the decision to MPWMD's Board.

- e. Additional Ration for Special Needs. Where more water than allowed in Sections 5-c or 5-d above is necessary to preserve the health or safety of a Household, the MPWMD General Manager may increase the Water Ration to the Household during the period of need according to the needs of the applicant.
 - i. The applicant or his or her representative may file a request for an additional Water Ration and shall state in a letter to the MPWMD General Manager: (1) the amount of the requested additional Water Ration, and (2) a general statement in support of the need. Where appropriate, applicant shall provide a letter from a medical doctor stating the need for additional water usage and projected duration of that need, if possible, or other appropriate justification for the special need.
 - ii. Additional Water Rations shall require the replacement of inefficient water fixtures to comply with MPWMD Rule 142-E, Residential and Non-Residential Change of Ownership, Change of Use, and Expansion of Use Water Efficiency Standards, which requires installation of, among other items, water efficient toilets, showerheads, faucets, and irrigation rain sensors.
 - iii. If the MPWMD General Manager does not approve an additional Water Ration, the applicant may appeal to the MPWMD Board. An appeal from the General Manager's decision must contain all of the following: (a) a copy of the original application; (b) a copy of the written explanation of the General Manager's decision; and (c) a written explanation of why the applicant believes the decision should be changed.
- f. Misrepresentation. Any Customer intentionally over-reporting the number of permanent residents in a Household may be charged with a misdemeanor punishable as an infraction as provided by Section 256 of the Monterey Peninsula Water Management District Law, Statutes of 1981, Chapter 986, as well as fees and penalties set forth in Regulation XV. During this Stage 4, whenever there is a change in the number of permanent residents in a Household, the Customer shall notify the MPWMD.

6. Non-Residential Water Rations.

- a. If Residential rationing does not achieve measurable results as expected after a period of six (6) months, upon adoption of a Resolution by the MPWMD Board for a specific reduction in Non-Residential water use, Non-Residential Water Rations shall be implemented at a level to achieve the necessary reduction in use.
 - i. Non-Residential Water Rations shall be determined by selection by MPWMD of a previous year for which Stages 2, 3, or 4 conservation or rationing was not in place and then reducing each month's water use by a percentage determined by the MPWMD to achieve the Non-Residential reduction in use.
 - ii. Exemptions: In the Resolution to implement a level of Non-Residential

rationing, the MPWMD Board shall include an exemption for compliance with District Rule 143 and an exemption for a Non-Residential establishment whose business requires water in the course of its business practice (e.g. laundromats, nurseries, among others).

- iii. The applicant or his or her representative may file a request for an additional Water Ration. The applicant shall state in a letter to the MPWMD General Manager: (1) the amount of the requested Water Ration, and (2) a general statement in support of the need.
- iv. If the request is disapproved, the MPWMD General Manager will explain in writing the reason for the disapproval, and if the applicant is not satisfied with the decision, the applicant may appeal to the MPWMD Board for a hearing.

7. Irrigation required by the Mitigation Program adopted when the Water Allocation Program Environmental Impact Report was adopted in 1990, and as required by SWRCB Order No. WR 95- 10 shall not be subject to reductions in use. Required irrigation of the Riparian Corridor shall be identified and reported separately from other non-revenue metered uses.

8. Sunset.

- a. Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when 12 month total production has been less than or equal to the then-current annual production target for two (2) consecutive months.
- b. Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when Total Storage Available computed consistent with Table XV-4 of MPWMD's Rule 160 is greater than remaining Total Storage Required for two (2) consecutive months.
- c. Stage 4, when implemented shall sunset and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request and conditions 8-a. and 8-b, above, have been met.
- d. Stage 4, when implemented pursuant to K-1-c, shall sunset and water use restrictions shall revert to Stage 1 when the MPWMD Board finds that a water supply emergency no longer exists or other government agency declares the catastrophic event is over and service is no longer impaired.
- e. Restoration of Lower Stage. A MPWMD Resolution causing the sunset of one or more provisions of Stage 4 may also activate any lower Stage as may be warranted for good cause.

ATTACHMENT 1



MPWMD REGULATION XV

2016 MONTEREY PENINSULA WATER CONSERVATION AND RATIONING PLAN

(MPWMD Rules 160-167)

Ordinance No. 169 - adopted February 17, 2016

RULE 160 - REGULATORY PRODUCTION TARGETS AND PHYSICAL STORAGE TARGET

The monthly distribution of water production from sources within the Monterey Peninsula Water Resource System (MPWRS), as shown in Tables XV-1, XV-2, and XV-3 shall be approved by the Board of Directors as part of the Quarterly Water Supply Strategy and Budget process. The Board shall hold public hearings during the Board's regular meetings in September, December, March, and June, at which time the Board may modify Tables XV-1, XV-2, and XV-3 by Resolution.

The Physical Storage Target, as shown in Table XV-4 shall be approved as of May 1 each year by the Board of Directors. The Board shall hold a public hearing during the Board's regular meeting in May, at which time the Board may modify Table XV-4 by Resolution.

Rule added by Ordinance No. 92 (1/29/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

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

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	1,076	1,076
November	904	1,980
December	796	2,776
January	797	3,573
February	748	4,321
March	850	5,171
April	914	6,085
May	1,112	7,197
June	1,157	8,354
July	1,258	9,612
August	1,239	10,851
September	1,151	12,002
TOTAL	12,002	

Notes:

Monthly and year-to date at month-end production targets are based on the annual production limit specified for the California American Water (Cal-Am) systems for Water Year (WY) 2016 from Carmel River sources per State Water Resources Control Board Order WR 2009-0060 (9,703 acre-feet) and adjusted annual production limits specified for the Cal-Am satellite systems from its Coastal Subarea sources (2,251 acre-feet) and Laguna Seca Subarea sources (48 acre-feet) of the Seaside Groundwater Basin per the Seaside Basin Adjudication Decision. These values do not include consideration of any carryover credit in the Seaside Basin for WY 2016. This combined total (12,002 acre-feet) was distributed monthly based on Cal-Am's reported monthly average production for its main and satellite systems during the WY 2006 through 2013 period.

Table XV-1 amended by Resolution 2007-05 (5/21/2007); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Resolution 2009-08 (6/15/2009); Resolution 2009-17 (12/14/2009); Resolution 2010-06 (5/17/2010); Resolution 2011-01 (1/27/2011); Resolution 2011-12 (9/19/2011); Resolution 2012-13 (9/17/2012); Resolution 2013-15 (9/16/2013); Resolution 2014-15 (9/15/2014); Resolution 2015-18 (9/21/2015)

Table XV-2
Regulatory Water Production Targets
for All California American Water Satellite Systems from Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	5	5
November	3	8
December	3	11
January	3	14
February	2	16
March	3	19
April	3	22
May	5	27
June	5	32
July	6	38
August	5	43
September	5	48
TOTAL	48	--

Notes:

Monthly and year-to date at month-end production targets are based on the adjusted annual production limit specified for the California American Water (Cal-Am) satellite systems for Water Year 2016 from its sources in the Laguna Seca Subarea of the Seaside Groundwater Basin per the Seaside Basin Adjudication Decision. This Laguna Seca Subarea total (48 acre-feet) was distributed monthly based on Cal-Am's reported monthly average production for its satellite systems during the 2006 through 2013 period.

Table XV-2 added by Ordinance No. 135 (9/22/2008); amended by Ordinance No. 137 (12/8/2008); Resolution 2009-08 (6/15/2009); Resolution 2009-17 (12/14/2009); Resolution 2010-06 (5/17/2010); Resolution 2011-01 (1/27/2011); Resolution 2011-12 (9/19/2011); Resolution 2012-13 (9/17/2012); Resolution 2013-15 (9/16/2013); Resolution 2014-15 (9/15/2014); Resolution 2015-18 (9/21/2015)

Table XV-3
Regulatory Water Production Targets
for California American Water Systems from Carmel River Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	869	869
November	730	1,599
December	644	2,244
January	645	2,889
February	605	3,494
March	687	4,181
April	740	4,920
May	899	5,820
June	934	6,754
July	1,017	7,771
August	1,002	8,773
September	930	9,703
TOTAL	9,703	

Notes:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for California American Water (Cal-Am) for Water Year (WY) 2016 from its Carmel River system sources per State Water Resources Control Board Order WR 2009-0060 (9,703 acre-feet). This amount was distributed monthly based on Cal-Am's reported monthly average production for its Main system sources during the WY 2006 through 2013 period. These values incorporate consideration of the triennial reductions specified for the Cal-Am systems in the Seaside Basin Adjudication Decision, in setting the monthly maximum production targets from each source as part of the MPWMD Quarterly Water Supply Budget Strategy.

Table XV-3 added by Resolution 2014-15 (9/15/2014); amended by Resolution 2015-18 (9/21/2015)

Table XV-4
Physical Storage Target
for the Monterey Peninsula Water Resource System
for the Remainder of WY 2015 and all WY 2016

Producer	May-September Demand	Carryover Storage Needs for Next Year Demand	Total Storage Required on May 1
California American Water (Cal-Am)	6,387	11,712	18,099
<u>Non Cal-Am</u>	<u>1,946</u>	<u>3,046</u>	<u>4,992</u>
Total	8,333	14,758	23,091
			Total Storage Available on May 1
			29,170 ⁵

Notes:

1. The May-September period refers to the remainder of the current Water Year.
2. Carryover Storage refers to the volume of usable surface and Groundwater that is in storage at the end of the current Water Year and is projected to be available for use at the beginning of the following Water Year.
3. Total Storage refers to the combination of demand remaining from May 1 to the end of the current Water Year and Carryover Storage for the next Water Year that is required to avoid imposing various levels of water Rationing. The value in **bold type** represents the storage trigger that would be used for the system in Water Year 2016. The value is based on the production limits for California American Water (Cal-Am) from Carmel River sources (9,703 Acre-Feet in WY 2016 and 9,461 Acre-Feet in WY 2017) set by State Water Resources Control Board Order WR 2009-0060, the production limit for Cal-Am from the Seaside Groundwater Basin (2,251 Acre-Feet in WY 2016 and 2,251 Acre-Feet in WY 2017) set by the Court in its March 27, 2006 Adjudication Decision, and the production limit specified for non-Cal-Am users from the Monterey Peninsula Water Resource System set in the District's Water Allocation Program (Ordinance No. 87).
4. The rationing trigger are based on physical water availability and do not account for legal or environmental constraints on diversions from the Carmel River system.
5. May 1, 2015 System Storage = 29,170 Acre-Feet (24,040 Acre-Feet Carmel Valley Alluvial Aquifer; 3,460 Acre-Feet Seaside Groundwater Basin; 1,670 Acre-Feet Los Padres Reservoir); this is 93% of average and 77% of System Capacity (37,640 AF).

Table XV-4 added by Resolution 2014-07 (5/19/2014); amended by Resolution 2014-15 (9/15/2014); Resolution 2015-08 (5/18/2015); Ordinance No. 169 (2/17/2016); Resolution 2016-09 (5/16/2016)

RULE 161 - GENERAL PROVISIONS

- A. All Water Users within the Monterey Peninsula Water Management District shall comply with the District's Water Waste Prohibitions of Rule 162 and with the requirements of MPWMD Regulation XIV, Water Conservation.
- B. California American Water shall amend its Urban Water Management Plan and its Rule 14.1.1 (Standard Practice U-40-W), Water Shortage Contingency Plan - Monterey County District, to conform to this Regulation. A copy of Rule 14.1.1 shall be filed with the California Public Utilities Commission (CPUC) and the District within thirty (30) days of the effective date of this Regulation and any amendment thereto.
- C. Water Distribution Systems regulated by the CPUC shall amend their Rule 14.1 to conform to this Regulation. A copy of Rule 14.1 shall be filed with the California Public Utilities Commission (CPUC) and the District within thirty (30) days of the effective date of this Regulation and any amendment thereto.
- D. At least ten (10) days prior to a first reading of amendments to Regulation XV, a copy of the proposed changes shall be provided to the CPUC Office of Ratepayer Advocates (ORA).
- E. California American Water shall provide the District with monthly consumption reports by customer classification and jurisdiction in a format approved by the District. A Water Year summary report shall be provided by December 1 of the next Water Year. Monthly reports shall be provided within fifteen (15) days of the close of the preceding month.
- F. Each Water Distribution System Operator shall provide individual consumption data pertaining to any Water User of that Water Distribution System upon written request of the General Manager. Data shall be in the form and manner specified by the General Manager and may be subject to a non-disclosure agreement with the Water Distribution System Owner/Operator. Each failure to respond in full to such written request by the date specified therein shall result in a penalty to the Water Distribution System of five-hundred dollars (\$500) per day for each day or portion thereof that the response is delayed.
- G. The General Manager shall retain and use any data received under this provision for the sole purposes of testing, administering, evaluating or enforcing Water Rationing, Water Waste, or other provisions of the Rules and Regulations.
- H. California American Water shall maintain Non-Revenue Water in its Water District Systems at or below seven (7) percent. Average losses of more than seven (7) percent during the most recent twelve-month period shall be considered Water Waste.
- I. Each Water Distribution System Operator shall provide written notice of any adjustment to a Water Conservation or Rationing Stage to every customer via first class mail at least thirty (30) days before any change in Stage is imposed.

- J. At all times during Stages 2 through 4 each affected Water Distribution System shall send monthly conservation reminders.
- K. During a Water Supply Emergency, or at the direction of the Board of Directors, each Owner or Operator or Extractor of a private water Well, Water Distribution System, or other Water-Gathering Facility shall comply with the provisions of this Regulation, as they relate to such Well, Water Distribution System, or other Water-Gathering Facility.

Rule added by Ordinance No. 92 (1/29/99); amended by Ordinance No. 134 (8/18/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

RULE 162 - STAGE 1 WATER CONSERVATION: PROHIBITION ON WATER WASTE

- A. Trigger. Stage 1 shall remain in effect at all times and shall apply to all Water Users subject to modification by the Board.
- B. Water Waste Prohibitions. Water Waste shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water. Water Waste shall include, but not be limited, to the following:
 - 1. Waste caused by correctable leaks, breaks or malfunctions. All leaks, breaks, or other malfunctions in a Water User's plumbing or distribution system must be repaired within 72 hours of notification that a leak exists. Exceptions may be granted by the General Manager for corrections which are not feasible or practical.
 - 2. Indiscriminate or excessive water use which allows excess to run to waste.
 - 3. Washing driveways, patios, parking lots, tennis courts, or other hard surfaced areas with Potable water, except in cases where health or safety are at risk and the surface is cleaned with a Water Broom or other water efficient device or method. Water should be used only when traditional brooms are not able to clean the surface in a satisfactory manner.
 - 4. Power or pressure washing buildings and structures with Potable water, except when preparing surfaces for paint or other necessary treatments or when abating a health or safety hazard.
 - 5. Irrigation between 9 a.m. and 5 p.m. on any day, and irrigation on any day other than Saturdays and Wednesdays, except for irrigation overseen by a professional gardener or landscaper who is available on Site and that is not exceeding a maximum two watering days per week. This prohibition applies to hand watering with a hose, and irrigation systems whether spray, drip, or managed by a Smart Controller. Limited hand watering of plants or bushes with a small container or a bucket is permitted on any day at any time. Subsurface Graywater Irrigation Systems may also be operated at any time. An exemption may be given to a Non-Residential establishment whose business requires water in the course of its business practice (e.g. golf courses, nurseries, recreational space, among others) with notification by the business owner to the District, and subject to the approval of the General Manager.
 - 6. Hand watering by a hose, during permitted hours, without a quick acting Positive Action Shut-Off Nozzle.
 - 7. Irrigating during rainfall and for 48 hours after Measurable Precipitation.

8. Use of water for irrigation or outdoor purposes in a manner inconsistent with California's Model Water Efficient Landscape Ordinance (Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, and any successor regulations) where applicable, or in a manner inconsistent with local regulations.
9. Operation of fountains, ponds, lakes or other ornamental use of Potable water without recycling, and except to the extent needed to sustain aquatic life, provided such animals are of significant value and have been actively managed.
10. Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.
11. Washing commercial aircraft, cars, buses, boats, trailers or other commercial vehicles with Potable water, except at water efficient commercial or fleet vehicle or boat washing facilities where equipment is properly maintained to avoid wasteful use.
12. In-Bay or Conveyor Car Washes permitted and constructed prior to January 1, 2014, that do not recycle and reuse at least 50 percent of the wash and rinse water. In-Bay or Conveyor Car Washes that were permitted and constructed after January 1, 2014, that do not either: (1) use and maintain a water recycling system that recycles and reuses at least 60 percent of the wash and rinse water; or (2) use recycled water provided by a water supplier for at least 60 percent of its wash and rinse water.
13. Charity car washes.
14. Use of Potable water for street cleaning.
15. Failure to meet MPWMD Regulation XIV water efficiency standards for an existing Non-Residential User after having been given a reasonable amount of time to comply.
16. Serving drinking water to any customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.
17. Visitor-Serving Facilities that fail to adopt and promote towel and linen reuse programs and provide written notice in the rooms, whereby towels and linens are changed every three days or as requested by action of the guest.
18. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.

19. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.
20. Delivery, receipt, and/or use of water from an unpermitted Mobile Water Distribution System.
21. Unreasonable or excessive use of Potable water for dust control or earth compaction without prior written approval of the General Manager where Sub-potable water or other alternatives are available or satisfactory.
22. Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the General Manager.
23. Water use in excess of a Water Ration.
24. Non-compliance with Regulations XIV and XV.

C. The following activities shall not be cited as Water Waste:

1. Flow resulting from firefighting or essential inspection of fire hydrants;
2. Water applied to abate spills of flammable or otherwise hazardous materials, where water application is the appropriate methodology;
3. Water applied to prevent or abate health, safety, or accident hazards when alternate methods are not available;
4. Storm run-off;
5. Flow from fire training activities during Stage 1 Water Conservation through Stage 3 Water Conservation;
6. Reasonable quantities of water applied as dust control as required by the Monterey Bay Air Resources District, except when prohibited;
7. When a Mobile Water Distribution System Permit is not obtained by a State licensed Potable water handler by reason of an emergency or health related situation, authorization for the Mobile Water Distribution System Permit shall be sought from the District by submittal of a complete application compliant with Rule 21, within five working days following commencement of the emergency or health related event.

- D. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the District and its designated agents, unless indicated otherwise. All notices and assessments of Water Waste and/or excess water use charges made by a Water Distribution System Operator shall be reported to the District within thirty (30) days.
- E. Each occurrence of Water Waste or Non-Essential Water Use that continues after the Water User has had reasonable notice to cease and desist that type of water use shall constitute a Flagrant Violation.
- F. Repeated occurrences of Water Waste or Non-Essential Water Use, which continue or occur after the Water User has had a reasonable notice to cease and desist that type of water use, or which continues or occurs after the Water User has had a reasonable opportunity to cure any defect causing that type of water use, shall provide cause for the placement of a Flow Restrictor with a maximum flow rate of six (6) CCF/month within the water line or Water Meter. Exemptions to the installation of a Flow Restrictor as a means to enforce the Water Ration shall occur when there are provable risks to the health, safety and/or welfare of the Water User. An exemption shall be made for Master Meters serving three or more Multi-Family Households or Master Meters serving both Residential and Non-Residential Users by substituting an excess water use charge equivalent to the appropriate Water Meter size, Rationing stage, and 4th offense amount times the number of Dwelling Units located on the Water Meter during each month in which a violation of the Water Ration occurs. The Responsible Party shall be liable for payment of all excess water use charges.
- G. Water Waste Fines shall be assessed as shown in Table XV-5. Table XV-5 may be amended by Resolution of the Board. Amendments to this table shall be concurrently made to the Fees and Charges Table found in Rule 60.
- H. In addition to Water Waste fines and fees described in this Rule 162, enforcement of all District Rules and Regulations is subject to District Regulation XI and may include an Administrative Compliance Order, a Cease & Desist Order, or other remedy available to the District under its Regulation XI.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/05); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Resolution No. 2009-17 (12/14/2009); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/7/2016)

**Table XV-5
Water Waste Fines**

First offense	No fee: Written notice and opportunity to correct the situation
Fine for first Flagrant Violation	\$100*
Fine for second Flagrant Violation within two (2) months	\$250*
Fine for third and subsequent Flagrant Violations within twelve (12) months	\$500*
Fine for Administrative Compliance Order or Cease & Desist Order	Up to \$2,500 per day* for each ongoing violation, except that the total administrative penalty shall not exceed one hundred thousand dollars (\$100,000.00) exclusive of administrative costs, interest and restitution for compliance re-inspections, for any related series of violations
Late payment charges	Half of one percent of the amount owed per month
*Fines triple for customers using over 500,00 gallons/year	

Table XV-5 added by Ordinance No. 169 (2/17/2016)

RULE 163 - STAGE 2 WATER CONSERVATION: VOLUNTARY REDUCTION IN USE

A. Trigger.

1. Physical Shortage Trigger (California-American Water Company Distribution Systems): Stage 2 shall take effect for all California-American Water Company Water Distribution Systems that rely, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas, on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if Total Storage Available in Table XV-4 is below the Total Storage Required, but at least 95 percent of Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.
2. Physical Shortage Trigger (Non-California-American Water Company Distribution Systems): Stage 2 shall take effect for any Water Distribution System, other than California-American Water Company's Water Distribution Systems, that relies in whole or in part on production or production offsets from the Carmel River System or the Seaside Coastal Subareas on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if Total Storage Available in Table XV-4 is below the Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.
3. Regulatory Trigger – Production Targets: Stage 2 shall take effect on the California-American Water Company Water Distribution System when the most recent 12 month California American Water production from the MPWRS is greater than the then-current annual production target as determined in Table XV-1 but no greater than 105 percent of the annual production target. The amount of voluntary reduction shall equal the percentage overage of the annual production.
4. Regulatory Trigger – Regulatory Order: Stage 2 shall take effect in any Water Distribution System when that system is directed to reduce use by a governmental or regulatory agency. The amount of voluntary reduction shall equal the percentage directed by that governmental or regulatory agency relative to a base year determined by the governmental or regulatory agency.
5. Emergency Trigger: Stage 2 shall take effect for any Water Distribution System, private Well, or Water User when the Board finds that a Water Supply Emergency exists for a Water Distribution System. Stage 2 shall take effect upon adoption of a Resolution of the District Board of Directors, or a declaration of a Water Supply Emergency by the Water Distribution System Operator or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production and shall name the Water Distribution System(s) affected. The amount of voluntary reduction shall be determined by the Board, the Water Distribution System

Operator, or the State or County entity.

- B. The Water Distribution System Owner or Operator shall provide notice of the amount of voluntary reduction requested to affected Water Users pursuant to Rule 161. Additional noticing and public outreach may be provided by the District at the direction of its Board of Directors.
- C. The District and its agents shall increase enforcement activities related to Water Waste prohibitions.
- D. Stage 1 shall remain in effect.
- E. Sunset.
 - 1. Without further action of the Board of Directors, Stage 2, when implemented pursuant to Rule 163-A-1 and Rule 163-A-2, shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
 - 2. Without further action of the Board of Directors, Stage 2, when implemented pursuant to Rule 163-A-3, shall sunset for the California American Water Company and water use restrictions shall revert to Stage 1 when that Water Distribution System's 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
 - 3. Without further action of the Board of Directors, Stage 2, when implemented pursuant to Rule 163-A-4, shall sunset for that Water Distribution System(s) and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request.
 - 4. Stage 2, when implemented pursuant to Rule 163-A-5, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

RULE 164 - STAGE 3 WATER CONSERVATION: CONSERVATION RATES

A. Trigger.

1. Stage 2 Deemed Unsuccessful: Stage 3 shall take effect for all California-American Water Company Water Distribution Systems if Stage 2 has been implemented pursuant to Rule 163-A-1 or Rule 163-A-3 and has failed to sunset after a period of six (6) months.
2. Physical Shortage Trigger: Stage 3 shall take effect for all California-American Water Company Water Distribution Systems on June 1, or such earlier date as may be set by the Board following the District's May Board meeting, if Total Storage Available in Table XV-4 is below 95% of Total Storage Required.
3. Regulatory Trigger – Production Targets: Stage 3 shall take effect for all California-American Water Company Water Distribution Systems when the most recent 12 month California American Water production from the MPWRS is greater than 105 percent of the then-current annual production target as determined in Table XV-1 and Stage 2 has not been implemented.
4. Regulatory Trigger – Regulatory Order: Stage 3 shall take effect for all California-American Water Company Water Distribution Systems when directed by a governmental or regulatory agency to implement Stage 3.
5. Emergency Trigger: Stage 3 shall take effect for all California-American Water Company Water Distribution Systems when the Board finds that a Water Supply Emergency exists and upon adoption of a Resolution of the Board of Directors, or a declaration of a Water Supply Emergency by California American Water, or by a State or County entity due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production through the imposition of Stage 3 Conservation Rates.

B. Stages 1 and 2 shall remain in effect.

C. If Stage 2 has not already been implemented, Stage 2 shall be triggered simultaneously with Stage 3.

D. Thirty days prior to implementation of Stage 3, California American Water shall file to implement Level 1 Conservation Rates within its Main California-American Water Company Water Distribution System, the Bishop Water Distribution System, Hidden Hills System, and Ryan Ranch Water Distribution System and shall provide notification to its customers that such rates shall be implemented after thirty (30) days. Prior to an increase to Level 2 Conservation Rates, California American Water shall provide notification to its customers that such rates shall be implemented after thirty (30) days.

1. Level 1 Conservation Rates comprised of a 25 percent surcharge shall be implemented on the then existing rates for a minimum of three (3) months. The surcharge shall not apply to Tier 1 Residential customers.
2. Level 2 Conservation Rates comprised of a 40 percent surcharge shall be implemented on the then existing rates (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for three (3) months, the monthly production in the California American Water System exceeds the monthly production target for the previous two (2) consecutive months. The surcharge shall not apply to Tier 1 Residential customers.

E. Sunset.

1. Without further action of the Board of Directors, Stage 3, when implemented pursuant to Rule 164-A-2, shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
2. Without further action of the Board of Directors, Stage 3, when implemented pursuant to Rule 164-A-3, shall sunset and water use restrictions shall revert to Stage 1 when the 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
3. Without further action of the Board of Directors, Stage 3, when implemented pursuant to Rule 164-A-4, shall sunset and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request and Rules 164-A-2 and 164-A-3 do not apply.
4. Stage 3, when implemented pursuant to Rule 164-A-5, shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists and Rules 164-A-2 and 164-A-3 do not apply.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

RULE 165 - STAGE 4: WATER RATIONING

A. Trigger.

1. Stage 3 Deemed Unsuccessful (California-American Water Company Distribution Systems): Stage 4 shall take effect for all California-American Water Company Water Distribution Systems if Stage 3 has been implemented and has failed to sunset after a period of 8 months.
2. Physical Shortage Trigger. Stage 3 Deemed Unsuccessful for California-American Water Company Distribution Systems and Stage 2 Deemed Unsuccessful for Non-California American Water Systems: Stage 4 shall take effect for any Water Distribution System that relies, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas if Stage 2 (Non-California-American Water Company Water Distribution Systems, private Wells, or Water Users) and Stage 3 (California-American Water Company Distribution Systems) have been implemented and have failed to sunset after a period of eight (8) months.
3. Regulatory Trigger: Stage 4 shall take effect in any Water Distribution System when that system is directed by a governmental or regulatory agency to enact Stage 4.
4. Emergency Trigger: Stage 4 shall take effect for any Water Distribution System, private Well, or Water User when the Board finds that a Water Supply Emergency exists and upon adoption of a Resolution of the Board of Directors, or a declaration of a Water Supply Emergency by the Company, or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production through the imposition of Stage 4 Water Rationing.
5. Stage 4 shall not be triggered if the General Manager determines upon credible evidence that the production targets associated with a final Cease and Desist Order are likely to be met by adhering to the requirements of a lesser Stage. The General Manager shall record this determination and any amendment thereto, by memorandum which may be appealed to the Board in accord with Regulation VII, Appeals.
6. Delay of Stage Implementation. The Board may delay implementation of Stage 4 Water Rationing for any Water Distribution System to ensure adequate operation of the program. Delays authorized by the Board shall not exceed sixty (60) days.

B. Amount of Reduction.

1. The amount of mandatory reduction shall equal the shortfall in Total Storage Available as compared to the Total Storage Required; or

2. The amount of mandatory reduction shall equal the overage of the last 12 months actual production as compared to the then-current annual production target; or
 3. The amount of mandatory reduction shall equal some other amount as reflected in a governmental or regulatory order.
- C. Stages 1, 2, and 3 (if applicable) shall remain in effect.
- D. Additional Prohibitions.
1. The Board shall consider prohibiting all or specific Non-Essential Water Uses. The Board may enact such prohibitions by Resolution.
 2. California American Water shall maintain Non-Revenue Water at or below seven (7) percent.
 3. Moratorium. Upon implementation of Stage 4, the Board shall declare a moratorium on accepting Water Permit applications within the affected Water Distribution System other than those applications that rely upon a Water Credit, Water Use Credit, or Water Use Permit. The Board may amend the moratorium to include the use of Water Credits and/or Water Use Credits if warranted. All pending Water Permits not issued within 120 days of declaration shall be suspended. Water Use Permits shall be exempt from any moratorium on Water Permits.
 4. No New Potable Water Service: Upon declaration of Stage 4 Water Rationing, no new Potable water service will be provided, no new temporary Water Meters or permanent Water Meters will be provided, and no statements of immediate ability to serve or provide Potable water service (e.g. will-serve letters, certificates, or letters of availability) will be issued by the Water Distribution System Operator, except under the following circumstances:
 - a. The project is necessary to protect the public health, safety, or welfare;
 - b. The setting of meters in the California-American Water Company Water Distribution System shall not be terminated or diminished by reason of any water emergency, water moratorium or other curtailment on the setting of meters for holders of Water Use Permits;
 - c. This provision does not preclude the resetting or turn-on of Water Meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.

5. No New Annexations: Upon the declaration of a Stage 4, California-American Water Company will suspend annexations to its Service Area. This subsection does not apply to boundary corrections and annexations that will not result in any increased use of water, or annexations required by a regulatory agency.
6. Customers utilizing portable Water Meters or hydrant Water Meters or using hydrants to fill water tanks without the use of a Water Meter, shall be required to cease use of the water, except upon prior approval of the General Manager. Portable Water Meters shall be returned to the Water Distribution System at least thirty (30) days before the implementation of Stage 4.
7. Draining and refilling of swimming pools or spas except: (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the General Manager.
8. Restriction on Watering or Irrigating: Watering or irrigating of Lawn, landscape or other vegetated area with Potable water will be subject to restriction at the direction of the District. This restriction does not apply to the following categories of use, or where the District has determined that recycled Sub-potable Water is available and may be applied to the use:
 - a. Businesses dependent on watering or irrigating in the course of business such as agriculture, nursery, and similar uses;
 - b. Maintenance of existing Landscaping necessary for fire protection;
 - c. Maintenance of existing Landscaping for soil erosion control;
 - d. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
 - e. Maintenance of Landscaping within active Public parks and playing fields, Day Care Centers and school grounds, provided that such irrigation does not exceed one (1) day per week;
 - f. Actively irrigated environmental mitigation projects.

E. Residential Rations.

1. Upon adoption of a Resolution by the Board for a specific reduction in Residential water use, daily Household Water Rations shall be set at a level to achieve the necessary reduction. In no case shall daily Household Water Rations be less than 90 gallons per Household. This shall be known as the Minimum Daily Water Ration.

Where two or more Households are served by a Master Meter, it shall be the responsibility of the Water Users to divide the Water Rations among the Water Users.

2. Additional Water Rations for Large Households:

Where four or more Permanent Residents occupy a single Household served by one Water Meter, the Minimum Daily Water Ration may be increased by the amounts listed below:

	Residential Household Gallons per Day
Fourth Permanent Resident	30
Fifth Permanent Resident	25
Sixth Permanent Resident	20
Seven or More Permanent Residents (Per Additional Resident)	15

3. Procedure for Obtaining Additional Water Rations for Large Households:

- a. The Applicant shall complete a Residency Affidavit (obtained from the District) that requests the name, age and verification of full-time Permanent Residents for each resident in the Household for which the additional Water Ration is requested. The information on the application shall be presented under penalty of perjury. The additional Water Ration request shall be submitted to the General Manager, who will approve or disapprove the request within 10 business days of submission of a completed application.
- b. If the application is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the General Manager, the Applicant may appeal the General Manager's decision to the Board of Directors.

4. Procedure for Obtaining Additional Water Rations Where Two or More Households are Served by a Master Meter:

- a. The Applicant must fill out the required form that lists the number of Residences served by the Master Meter and submit a use permit issued by the Jurisdiction for the Multi-Residential Dwelling Units served by the Master Meter. The District shall retain the right to require Residency Affidavits to determine the appropriate Water Rations. The additional Water Ration request shall be submitted to the General Manager, who will approve or disapprove the request within 10 business days of submission of a completed application. The Application shall be

submitted under penalty of perjury.

- b. If the application is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the General Manager, the Applicant may appeal the General Manager's decision to the Board of Directors.
- 5. Additional Water Ration for Special Needs. Where more water than allowed in Sections 3 or 4 above is necessary to preserve the health or safety of a Household, the General Manager may increase the Water Ration during the period of need according to the needs of the Applicant.
 - a. The Applicant or his or her representative may file a request for an additional Water Ration and shall state to the General Manager: (1) the amount of the requested additional Water Ration, and (2) a general statement in support of the need. Where appropriate, Applicant shall provide a letter from a medical doctor stating the need for additional water usage and projected amount and duration of that need, if possible, or other appropriate justification for the special need.
 - b. Additional Water Rations shall require the replacement of inefficient water fixtures to comply with Rule 142-E, Residential and Non-Residential Change of Ownership, Change of Use, and Expansion of Use Water Efficiency Standards.
 - c. Additional Water Rations shall require the Connection have a working Pressure Regulating Valve that maintains water pressure at a maximum of 60 psi.
 - d. If the General Manager does not approve an additional Water Ration, the Applicant may appeal to the Board. An appeal from the General Manager's decision must contain all of the following: (a) a copy of the original application; (b) a copy of the written explanation of the General Manager's decision; and (c) a written explanation of why the Applicant believes the decision should be changed.
- 6. Misrepresentation. Any Water User intentionally over-reporting the number of Permanent Residents in a Household may be charged with a misdemeanor punishable as an infraction as provided by Section 256 of the Monterey Peninsula Water Management District Law, Statutes of 1981, Chapter 986, as well as fines and penalties set forth in this Regulation. During this Stage 4, whenever there is a change in the number of Permanent Residents, the Water User shall notify the District.

F. Non-Residential Water Rations.

1. If Residential Water Rationing does not achieve measurable results as expected after a period of six (6) months, upon adoption of a Resolution by the Board for a specific reduction in Non-Residential water use, Non-Residential Water Rations shall be implemented at a level to achieve the necessary reduction in use.
2. Non-Residential Water Rations shall be determined by selection by the District of a previous year for which Stages 2, 3, or 4 Conservation or Rationing was not in place and then reducing each month's water use by a percentage determined by the District to achieve the Non-Residential reduction in use. Where a previous year history is deemed to be unavailable or inappropriate by the District, a Non-Residential Water Ration shall be established by the District based on type of Non-Residential water use, building design, and water fixtures.
3. Exemptions: In the Resolution to implement a level of Non-Residential Rationing, the Board shall include an exemption for compliance with District Rule 143 and an exemption for a Non-Residential establishment whose business requires water in the course of its business practice (e.g. laundromats, nurseries, among others).
4. An Applicant or his or her representative may file a request for an additional Water Ration. The Applicant shall state in a letter to the General Manager: (1) the amount of the requested additional Water Ration, and (2) a general statement in support of the need.
5. Additional Water Rations shall require the Connection have a working Pressure Regulating Valve that maintains water pressure at a maximum of 60 psi.
6. If the request for an additional Water Ration is disapproved, the General Manager will explain in writing the reason for the disapproval, and if the Applicant is not satisfied with the decision of the General Manager, the Applicant may appeal to the Board of Directors for a hearing.

G. Irrigation required by the Mitigation Program adopted when the Water Allocation Program Environmental Impact Report was adopted in 1990, and as required by SWRCB Order No. WR 95-10, shall not be subject to reductions in use. Required irrigation of the Riparian Corridor shall be identified and reported by California American Water separately from other Non-Revenue Water.

H. CAWD/PBCSD Wastewater Reclamation Project Recycled Water Users. Recycled Water Irrigation Areas receiving water from the CAWD/PBCSD Wastewater Reclamation Project shall be subject to Stage 4 for Potable water used during an Interruption or emergency, in accordance with contractual Agreements between the District and the respective Owners of the Recycled Water Irrigation Areas.

1. The Owners of the Recycled Water Irrigation Areas shall have the respective irrigation requirements thereof satisfied to the same degree as any non-Project Golf Course or open space which derives its Source of Supply from the California American Water system. The irrigation requirements of the Recycled Water Irrigation Areas will be determined based on the most-recent non-Rationed four-year average irrigation water demand, including both Recycled Water and Potable water, for each respective Recycled Water Irrigation Area.
2. Each Recycled Water Irrigation Area shall be entitled to receive the average irrigation requirement determined above, reduced by the percentage reduction required by the current stage of Water Rationing. If the quantity of Recycled Water that is available is less than the quantity of water that the Recycled Water Irrigation Area is entitled to, Potable water shall be provided to make up the difference and satisfy the irrigation requirements of the Recycled Water Irrigation Areas to the same degree that the irrigation requirements of non-Project Golf Course and open space Users are being satisfied. The preceding sentence shall not apply to the extent that the irrigation requirements of any Recycled Water Irrigation Area are met with water legally available to Buyer from any source other than the Carmel River System or the Seaside Groundwater Basin, including percolating Groundwater underlying Buyer's Property, to make up any such difference.
3. When Recycled Water (as defined in Rule 23.5) is available in sufficient quantities to satisfy the irrigation requirements of the Recycled Water Irrigation Areas, such irrigation shall not be subject to Stage 4, and neither Potable water nor any water described in the preceding sentence (whether or not it is Potable) shall be used for irrigation of the Recycled Water Irrigation Areas except to the extent allowed in the circumstances described in the next two sentences.
4. If there is an Interruption in Recycled Water deliveries to any Recycled Water Irrigation Area (as the capitalized terms are defined in Rule 23.5), the temporary use of Potable water for irrigating each such Recycled Water Irrigation Area is authorized in the manner described in Rule 23.5, Subsection F.
5. If the District has adopted an ordinance in response to any emergency caused by drought, or other threatened or existing water shortage pursuant to section 332 of the Monterey Peninsula Water Management Law, said ordinance shall prevail over contrary provisions of this Rule. Notwithstanding the preceding sentence, Potable water shall be made available for irrigating tees and greens of the Recycled Water Irrigation Areas in sufficient quantities to maintain them in good health and condition during an Interruption, without any limitation on the duration.
6. The District shall have no obligation to furnish Potable water for irrigation of the Recycled Water Irrigation Areas except in the circumstances set forth above.

7. If (1) an emergency or major disaster is declared by the President of the United States, or (2) a “state of war emergency,” “state of emergency,” or “local emergency,” as those terms are respectively defined in Government Code section 8558, has been duly proclaimed pursuant to the California Emergency Services Act, with respect to all or any portion of the territory of MPWMD, the provisions of this section shall yield as necessary to respond to the conditions giving rise to the declaration or proclamation.

I. Sunset.

1. Without further action of the Board of Directors, Stage 4, when implemented due to non-compliance with regulatory targets, shall sunset for all California-American Water Company Water Distribution Systems and water use restrictions shall revert to Stage 1 when the 12 month total production has been less than or equal to its then-current annual production target for two (2) consecutive months.
2. Physical Shortage Trigger: Without further action of the Board of Directors, Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when remaining Total Storage Available computed consistent with Table XV-4 is greater than remaining Total Storage Required for two (2) consecutive months.
3. Regulatory Trigger: Without further action of the Board of Directors, Stage 4 shall sunset for that Water Distribution System(s) and water use restrictions shall revert to Stage 1 when the governmental or regulatory agency rescinds the request.
4. Emergency Trigger: Stage 4 shall sunset and water use restrictions shall revert to Stage 1 when the Board finds that a Water Supply Emergency no longer exists.
5. Restoration of Lower Stage. A Resolution causing the sunset of one or more provisions of Stage 4 may also activate any lower Stage as may be warranted for good cause by circumstances affecting a particular Water Distribution System, private Well, or Water User.

Added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

RULE 166 - WATER RATIONING EXEMPTIONS AND VARIANCES

- A. Special Needs Exemptions. The following needs shall be given additional Rations:
 - 1. Medical and/or sanitation needs certified by a doctor;
 - 2. Hospital and/or health care facilities that have achieved all BMPs for those uses;
 - 3. Riparian irrigation using water efficient irrigation technology when required as a condition of a River Works Permit issued by the District;
 - 4. Non-Residential Users that can demonstrate compliance with all District regulations appropriate for the type of use and where there is minimal exterior water use on the Water Meter or water supply serving the use.
- B. Hardship Variances. The following shall be given consideration of additional Rations to meet extraordinary needs:
 - 1. Health and safety situations on a case-by-case basis;
 - 2. Drinking water for large livestock;
 - 3. Commercial laundromats with signs advising full loads only;
 - 4. Business in a home on a case-by-case basis;
 - 5. Emergency, extreme, or unusual situations on a case-by-case basis.
- C. No Exemption or Variance. The following categories of water use shall not qualify for an additional Ration:
 - 1. Short-Term Residential Housing as defined in Rule 11 (Definitions);
 - 2. Guests and short-term visitors;
 - 3. Irrigation, other than variances allowed for required riparian irrigation or safety;
 - 4. Filling pools, spas, ponds, fountains, etc.;
 - 5. Leaks that are not repaired within 72 hours of notice.
- D. Mandatory Conditions of Approval. Prior to approving any variance, the Site must be in compliance with all applicable District Rules and Regulations and the water conservation standards. Verification by District inspection may be conducted prior to granting a variance.

Rule added by Ordinance No. 92 (1/29/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

RULE 167 - DEFINITIONS USED IN REGULATION XV

Acre-Foot – “Acre-Foot” shall mean an amount of water equal to 325,851 gallons.

Administrative Compliance Order – “Administrative Compliance Order” shall mean a written order issued by the General Manager directing any Person responsible for serious, continuing or recurring violations to take affirmative action to remedy consequences of those violations. Administrative Compliance Orders are in addition to all other legal remedies, criminal or civil, which may be pursued by the Water Management District. An Administrative Compliance Order may be issued in conjunction with a Cease & Desist Order.

Applicant – “Applicant” shall mean the Person or Persons responsible for completing the requirements of an application.

Best Management Practices (BMPs) – “Best Management Practices” shall mean a conservation measure or series of measures that is useful, proven, cost-effective, and generally accepted among conservation experts to reduce water consumption and protect water quality.

Bishop Water Distribution System – “Bishop Water Distribution System” or “Bishop” shall mean the California American Water subsystem as described in the purchase agreement between Bishop Water Company and California American Water dated September 1, 1996.

California-American Water Company Water Distribution System – “California-American Water Company Water Distribution System” shall mean all California-American Water Company Water Distribution Systems that rely, in whole or in part, on production or production offsets from the Carmel River System or the Seaside Coastal Subareas.

Carmel River System – “Carmel River System” shall mean water from the Carmel River and underlying alluvial aquifer.

CAWD/PBCSD Wastewater Reclamation Project Recycled Water Users – “CAWD/PBCSD Wastewater Reclamation Project Water Users” shall mean those Users of the wastewater reclamation project undertaken by the Carmel Area Wastewater District and the Pebble Beach Community Services District that supplies Reclaimed Water to the Golf Courses and certain open space areas within Pebble Beach.

Cease & Desist Order – “Cease & Desist Order” shall mean an order issued by the General Manager prohibiting a Person from continuing a particular course of conduct. Cease & Desist Orders are in addition to all other legal remedies, criminal or civil, which may be pursued by the Water Management District. A Cease & Desist Order may be issued in conjunction with an Administrative Compliance Order.

CCF – “CCF” (or one-hundred cubic feet) is equivalent to 748 gallons.

Conservation Rates – “Conservation Rates” shall mean the increase in the water rates for California American Water customers at levels of either 25 percent (Level 1 Conservation Rates) or 40 percent (Level 2 Conservation Rates). Conservation Rates do not apply to Residential Tier 1 water use.

Conveyor Car Wash – “Conveyor Car Wash” shall mean a commercial car wash where the vehicle moves on a conveyor belt during the wash and the driver of the vehicle can remain in, or wait outside of, the vehicle.

District – See Monterey Peninsula Water Management District.

Dwelling Unit – “Dwelling Unit” shall mean single or multiple residences suitable for single household occupancy but shall not refer to non-permanent student or transient housing, the occupancy of which is projected to average 24 months or less.

Extractor – “Extractor” shall mean a user, or consumer of water delivered by a water Well or Water-Gathering Facility, which is not a part of any Water Distribution System.

Flagrant Violation – “Flagrant Violation” shall mean any willful or wanton disregard of the Rules and Regulations of the District which results in unreasonable waste, contamination, or pollution of District waters by any Extractor, User, or by the Owner or Operator of a Well, Water-Gathering Facility or Water Distribution System.

Flow Restrictor – “Flow Restrictor” shall mean a device placed into the Water Distribution System by the distribution system Operator, or put into the output of a private Well, that restricts the volume of flow to the User.

Graywater Irrigation System – “Graywater Irrigation System” shall mean an onsite wastewater treatment system designed to collect Graywater and transport it out of the structure for distribution in an Irrigation System.

Hidden Hills System – “Hidden Hills System” shall mean the California American Water subsystem as described in the purchase agreement between Carmel Valley Mutual Water Company and California American Water recorded July 8, 1994, Document #49389, Reel 3125, Page 696.

Household – “Household” shall mean all the people who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room occupied (or if vacant, intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other people in the building and that have direct access from the outside of the building or through a common hall.

In-Bay Car Wash – “In-Bay Car Wash” shall mean a commercial car wash where the driver pulls into bay, parks the car, and the vehicle remains stationary while either a machine moves over the vehicle to clean it or one or more employees of the car wash clean the vehicle, instead of the vehicle moving through a tunnel.

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

Laguna Seca Subarea – “Laguna Seca Subarea” shall mean one of the subdivisions of the Southern Seaside Subbasin. Its boundary is shown on a map maintained at the offices of the Water Management District, as that map may be amended from time to time.

Landscaping – “Landscaping” shall mean the arrangement of plants and other materials that may result in outdoor water use.

Lawn – “Lawn” shall mean an area of land planted with live, healthy grass which is regularly maintained, irrigated and groomed at a low, even height.

Main California American Water System – “Main California American Water System” shall mean the California American Water’s Water Distribution System that derives its Source of Supply from the Carmel River System and the Seaside Coastal Subareas of the Seaside Groundwater Basin.

Master Meter – “Master Meter” shall mean a single Water Meter that supplies water to more than one Water User.

Measurable Precipitation – “Measureable Precipitation” shall mean rainfall of 0.1 inch or more.

Minimum Daily Water Ration – “Minimum Daily Water Ration” shall mean a minimum Water Ration of 90 gallons per day per Household.

Mobile Water Distribution System – “Mobile Water Distribution System” shall mean any Potable or Sub-potable Water delivery that originates at a location apart from the Site of use and that is delivered via a truck or other movable container. This definition includes, but is not limited to, trucked water. This definition shall not apply to deliveries of water by commercial companies in volumes less than or equal to 55 gallons per container.

Model Water Efficient Landscape Ordinance – “Model Water Efficient Landscape Ordinance” shall mean the ordinance found at California Code of Regulations, Title 23. Waters, Division 2. Department of Water Resources, Chapter 2.7.

Monterey Peninsula Water Management District (District) – “Monterey Peninsula Water Management District” (“District”) is a public agency created by the California State Legislature in 1977 and approved by the voters on June 6, 1978. The enabling legislation is found at West’s California Water Code, Appendix Chapters 118-1 to 118-901.

Monterey Peninsula Water Resource System (MPWRS) – “Monterey Peninsula Water Resource System” (“MPWRS”) shall mean the surface water in the Carmel River and its tributaries, Groundwater in the Carmel Valley Alluvial Aquifer which underlies the Carmel River, and Groundwater in the Seaside Groundwater Basin.

MPWMD – See Monterey Peninsula Water Management District.

Multi-Family Household – “Multi-Family Household” shall mean a Household where two or more Dwelling Units receive water from a Master Meter.

Non-Essential Water Use – “Non-Essential Water Use” shall mean uses of water that are acceptable during times of normal water availability, as long as proper procedures to maximize efficiency are followed. However, when water is in short supply, Non-Essential Water Uses must be curtailed to preserve limited water resources for essential uses. Non-Essential Water Uses do not have health or safety impacts, are not required by regulation, and are not required to meet the core functions of a Non-Residential use.

Non-Residential – “Non-Residential” shall mean water uses not associated with Residential use. These uses include Commercial, Industrial, Public Authority, Golf Course, Other Use, Non-Revenue Metered Use, and Reclaimed Water.

Non-Revenue Water – “Non-Revenue Water” shall mean those components of system input volume that are not billed and produce no revenue; equal to unbilled authorized consumption, plus apparent losses, plus real losses.

Open Space – “Open Space” shall mean public land area left in an un-built state as defined in the California Government Code, Section 65560. Open Space includes plazas, parks, and cemeteries.

Owner or Operator – “Owner or Operator” shall mean the Person to whom a Water Gathering Facility is assessed by the County Assessor, or, if not separately assessed, the Person who owns the land upon which a Water-Gathering Facility is located.

Permanent Resident – “Permanent Resident” shall mean a Person who resides continuously in a Dwelling Unit for more than 30 days or a resident that can submit such other evidence to clearly and convincingly demonstrate permanent residency.

Positive Action Shut-Off Nozzle – “Positive Action Shut-Off Nozzle” shall mean a device that completely shuts off the flow of water from a hose when released.

Potable – “Potable” shall mean water that is suitable for drinking.

Pressure Regulating Device – “Pressure Regulating Device” shall mean a water pressure reducing device installed in the water line after the Water Meter that automatically reduces the pressure from the water supply main to a lower pressure.

Production Limit – “Production Limit” shall mean the maximum production permitted for a Water Distribution System.

Reclaimed Water – “Reclaimed Water” shall mean wastewater that has been treated to the tertiary level, including disinfection. Reclaimed Water is a form of Recycled Water.

Recycled Water – “Recycled Water” shall mean water that originates from a Sub-potable Source of Supply such as wastewater treated to the tertiary level.

Recycled Water Irrigation Areas – “Recycled Water Irrigation Areas” shall mean the golf courses and other vegetated areas located within the Del Monte Forest that are being irrigated with Recycled Water.

Residency Affidavit – “Residency Affidavit” shall mean a document attesting to the number of Permanent Residents in a Household.

Residential – “Residential” shall mean water used for household purposes, including water used on the premises for irrigating lawns, gardens and shrubbery, washing vehicles, and other similar and customary purposes pertaining to Single-Family and Multi-Family Dwellings.

Responsible Party – “Responsible Party” shall mean the Person or Persons who assume through the District Permit process legal responsibility for the proper performance of the requirements of a Permit holder as defined in the Rules and Regulations and/or in conditions attached to a Permit. “Responsible Party,” when used in the context of The 2016 Monterey Peninsula Water Conservation and Rationing Plan, shall mean the Person who is responsible for paying the water bill. When a property is served by a private Well or a small Water Distribution System, the “Responsible Party” shall be the Water Users of the Well and the small distribution system Operator.

Riparian Corridor – “Riparian Corridor” shall mean all that area which comprises the Riverbed and riverbanks of the Carmel River which lies within the boundaries of the Carmel River Management Zone (Zone No. 3), and all those areas which lie within 25 lineal feet of the Riverbank Assessment Line, excepting however, all lands which lie outside of the Zone No. 3 boundary, and exempting lawns, Landscaping and cultivated areas as shown on the spring 1983 aerial photographs taken by California American Water pursuant to the agreement with the District in accord with MPWMD Rule 123 A.

Ryan Ranch Water Distribution System – “Ryan Ranch Water Distribution System” or “Ryan Ranch” shall mean the California American Water subsystem as described in the purchase agreement between Neuville Co. N.V. (a Delaware Corporation) and California American Water dated April 30, 1990.

Seaside Basin Adjudication Decision – “Seaside Basin Adjudication Decision” or “Seaside Decision” shall mean the March 27, 2006 court adjudication, as amended, determining water rights in the Seaside Groundwater Basin that restrict California American Water production from the Coastal Subareas and Laguna Seca Subarea of the basin.

Seaside Groundwater Basin – “Seaside Groundwater Basin” shall mean the set of geologic formations that stores, transmits, and yields water in the Seaside area, comprising of the Northern Seaside Subbasin and the Southern Seaside Subbasin. The Seaside Groundwater Basin also includes those areas known as the Northern Coastal Subarea, the Northern Inland Subarea, the Southern Coastal Subarea and the Laguna Seca Subarea.

Short-Term Residential Housing – “Short-Term Residential Housing” shall mean one or more Residential Dwelling Units on a property that are occupied by visitors, are operated as a business and for which a fee is charged to occupy the premises.

Single Residential Household – “Single Residential Household” shall mean a Household that receives its water supply through a Water Meter that is not shared with other Households.

Site – “Site” shall mean any unit of land which qualifies as a Parcel or lot under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement); and (2) which have identical owners; and (3) which have an identical present use. The term “Site” shall be given the same meaning as the term “Parcel”.

Smart Controller – “Smart Controller” shall mean a weather-based device (typically a “timer”) that automatically controls an outdoor Irrigation System. Smart Controllers use weather, site or soil moisture data as a basis for determining an appropriate watering schedule. Smart Controllers (commonly referred to as ET controllers, weather-based irrigation controllers, smart sprinkler controllers, and water smart controllers) are a new generation of irrigation controllers that utilize prevailing weather conditions, current and historic Evapotranspiration, soil moisture levels, and other relevant factors to adapt water applications to meet the actual needs of the plants.

Source of Supply – “Source of Supply” shall mean the Groundwater, surface water, Reclaimed Water sources, or any other water resource where a Person, Owner or Operator gains access by a Water-Gathering Facility.

Sub-potable Water – “Sub-potable Water” shall mean water which is not fit for human consumption without treatment and shall include Reclaimed Water as that term is used in the Water Reclamation Law, and particularly in Section 13550 of the Water Code.

Total Storage Available – “Total Storage Available” shall mean the usable water as measured by the District on May 1 in any year that is contained in the Carmel Valley Alluvial Aquifer plus usable water in the Seaside Groundwater Basin and the usable water in the Los Padres Reservoir.

Total Storage Required – “Total Storage Required” shall mean the combination of demand remaining from May 1 to September 30 and carryover storage for the next Water Year that is required to meet the following Water Year production limit for California American Water from Carmel River sources set by State Water Resources Control Board Order WR 2009-0060, plus the production limit for California American Water from the Seaside Groundwater Basin set by the Court in its March 27, 2006 Seaside Basin Adjudication Decision and the production limit specified for non-California American Water Users from the Monterey Peninsula Water Resource System set in the District’s Water Allocation Program.

User – “User” shall mean a customer or consumer of water delivered by a Water Distribution System. User does not include any Owner or Operator of a Water Distribution System. Each residence, commercial enterprise, or industrial enterprise shall be deemed a separate and distinct User.

Visitor-Serving Facility – “Visitor-Serving Facility” shall include all hotels, motels, restaurants, convention/meeting facilities, and service stations within the Monterey Peninsula Water Management District. Other facilities may be designated as a Visitor-Serving Facility by the General Manager upon finding that such facility exists primarily for the use of tourists and the traveling public. Short term rentals of private property are not included under this definition.

Water Broom – “Water Broom” shall mean a water efficient broom-like cleaning device that uses a combination of water and air to clean hard surfaces with no runoff.

Water Credit – “Water Credit” shall mean a record allowing reuse of a specific quantity of water upon a specific Site. A Water Credit differs from a Water Use Credit in that it is not characterized by a Permanent Abandonment of Use, but may be the result of a temporary cessation of use.

Water Distribution System – “Water Distribution System” shall mean all works within the District used for the collection, storage, transmission or distribution of water from the Source of Supply to the Connection of a system providing water service to any Connection including all Water-Gathering Facilities and Water-Measuring Devices. In systems where there is a Water Meter at the point of Connection, the term “Water Distribution System” shall not refer to the User’s piping; in systems where there is no Water Meter at the point of Connection, the term “Water Distribution System” shall refer to the User’s piping.

Water Distribution System Operator – “Water Distribution System Operator” shall mean the Person or Persons who assume through the District Permit process legal responsibility for the proper performance of the requirements of a Water Distribution System Permit holder as defined in the Rules and Regulations and/or in conditions attached to a Permit.

Water-Gathering Facility – “Water-Gathering Facility” shall mean any device or method, mechanical or otherwise, for the production of water from dams, Groundwater, surface water, water courses, Reclaimed Water sources, or any other Source of Supply within the Monterey Peninsula Water Management District or a zone thereof. Water-Gathering Facilities shall include any water-production facility as defined in the Monterey Peninsula Water Management District Law. This definition shall not apply to On-Site Cisterns that serve existing single-Connection Residential situations where rainwater is captured for On-Site Landscape irrigation use.

Water Ration – “Water Ration” shall mean a specific amount of water available to each Water User during Stage 4 Water Rationing.

Water Supply Emergency – “Water Supply Emergency” shall mean a declaration pursuant to Regulation XV, The 2016 Monterey Peninsula Water Conservation and Rationing Plan, that a water shortage emergency condition prevails within one or more Water Distribution Systems.

Water Use Credit – “Water Use Credit” shall mean a limited entitlement by a Person to use a specific quantity of water upon a specific Site. Water Use Credits shall be limited by time, and by other conditions as set forth in the District’s Rules and Regulations.

Water User – “Water User” shall mean Users of water for domestic or other uses from any Water Distribution System or private Well.

Water Waste – “Water Waste” shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water as defined in Rule 162.

Water Year – “Water Year” shall mean the period from October 1 of one year to September 30 of the succeeding year.

Well – “Well” shall mean any device or method, mechanical or otherwise, for the production of water from Groundwater supplies within the District excluding seepage pits and natural springs.

Water Meter – “Water Meter” shall mean any measuring device intended to measure water usage. The term “Water Meter” shall have the same meaning as the term “Water-Measuring Device.”

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006); Ordinance No. 134 (8/18/2008); Ordinance No. 135 (9/22/2008); Ordinance No. 137 (12/8/2008); Ordinance No. 142 (1/28/2010); deleted by Ordinance No. 169 (2/17/2016); Rule added by Ordinance No. 169 (2/17/2016)

A.15-07-019

SETTLEMENT AGREEMENT

APPENDIX F

PROPOSED SCHEDULE 14.1.1.

Schedule No. MO -14.1.1.
WATER SHORTAGE CONTINGENCY PLAN
MONTEREY COUNTY DISTRICT

(C)

A. BACKGROUND

As described in Rule 14.1.1, the California-American Water Company ("Company" or "CAW") is authorized charge emergency conservation rates, fine Customers, temporarily terminate service for water and/or to install flow restrictors for water waste or use above specific conservation levels, and charge fees for the removal of flow restrictors as described in this tariff.

B. APPLICABILITY

1. This Schedule applies to water Customers of the Monterey County District's Main System and Customers of the Ryan Ranch, Bishop and Hidden Hills systems all of which are served under rate Schedule MO-1, MO-1MU, and MO-1C authorized by the California Public Utilities Commission ("Commission"). This Schedule applies to Customers supplied by water from the Carmel River System and Seaside Basin (including the Ryan Ranch, Hidden Hills and Bishop systems). It does not apply to Customers in Toro, Ambler Park, Ralph Lane, Garrapata and Chualar systems. It is effective at all times, as required by Rule No. 14.1.1, and for the period noted in the Special Conditions section below.
2. This Schedule shall remain dormant until activated by Commission authorization via a Tier 2 advice letter.
3. Once the Schedule is activated, utility can implement Stages 3 and 4 of the Schedule by filing a Tier 2 advice letter.
4. When this schedule is activated, it shall remain in effect until the utility files a Tier 1 advice letter to deactivate a specific stage of the Water Shortage Contingency Plan and such is authorized by the Commission.

C. WATER USE VIOLATION FINE

1. When Stage 2 or higher of the Water Shortage Contingency Plan has been activated by Commission authorization, the water use restrictions of Stage 1 in the Water Shortage Contingency Plan in Section G.2 of Rule 14.1.1 become subject to fines imposed by the utility. The utility will first work closely with local law enforcement and public agencies charged with enforcing the mandatory water use restrictions. However, should the utility find that the local agency is not effectively enforcing the mandatory use restrictions, the utility, after written warnings, such as door hangers and letters, may begin to issue fines. If a Customer is seen violating the water use restrictions, as outlined in Rule No. 14.1.1 and the Special Conditions below, the Customer will be subject to the following fine structure:
 - a. First offense: Written warning, including explanation of penalty for subsequent offense.
 - b. Second offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and \$100 fine.
 - c. Third offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and a \$250 fine.
 - d. Fourth offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and a \$500 fine.
 - e. Fifth offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and service termination pursuant to Rule 11 and a \$500 fine.
 - f. Sixth offense within 1 year (of the same restriction): Installation of a flow restricting device on Customer's water meter for duration of activation of the Water Shortage Contingency Plan.
2. Offenses for separate water use restrictions will each start at the warning stage.
3. The water use violation fine is in addition to the regular rate schedule charges.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

ADVICE LETTER NO. 1072-A

D. P. STEPHENSON

DATE FILED

NAME

EFFECTIVE

DECISION NO. D.15-04-007

DIRECTOR – Rates & Regulatory

RESOLUTION

TITLE

1033 B Avenue, Suite 200

CORONADO, CA 92118

CANCELLING

Revised

C.P.U.C. SHEET NO.

Schedule No. MO -14.1.1.
WATER SHORTAGE CONTINGENCY PLAN
MONTEREY COUNTY DISTRICT

D. APPLICABLE EMERGENCY CONSERVATION RATES**1. Emergency Conservation Rates:**

- a. Level 1 Emergency Conservation Rates comprised of a 25 percent surcharge shall be implemented on the then existing rates for a minimum of 3 months. The surcharge shall not apply to Tier 1 Residential Customers.
- b. Level 2 Emergency Conservation Rates comprised of a 40 percent surcharge shall be implemented on the then existing rate (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for 3 months the monthly production in the California American Water System exceeds the monthly production target for the previous two (2) consecutive months. The surcharge shall not apply to Tier 1 Residential Customers.

E. ENFORCEMENT

1. Letter/Fine: From second violation of the same restriction within a one year period and onwards, a violation letter will be posted on property and sent to billing address, if different.
2. Aging of violation: Violations will accrue for the period of one year and be considered corrected and expunged one year after the violation occurs. The purpose of this rule is to prevent discrete violations from accruing in the event of a multi-year enforcement of the Water Shortage Contingency Plan.

(Continued)

(TO BE INSERTED BY UTILITY)

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(TO BE INSERTED BY C.P.U.C.)

ADVICE LETTER NO. 1072-AD. P. STEPHENSON

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DECISION NO. D.15-04-007DIRECTOR – Rates & Regulatory

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Schedule No. MO -14.1.1.
WATER SHORTAGE CONTINGENCY PLAN
MONTEREY COUNTY DISTRICT

(C)

E. ENFORCEMENT (cont)

3. Applies to all Enforcement Stages of Water Shortage Contingency Plan.

	Violation 1	Violation 2 (of the same restriction)	Violation 3 (of the same restriction)	Violation 4 (of the same)	Violation 5/6 ⁽²⁾ (of the same)
Proof of violation	Employee or Customer reports, with no additional verification	Verification with a written report by employee or contractor of	Verification with a written report by employee or contractor of	Verification with a written report by employee	Verification with a written report by employee
Letter/fine	Warning letter mailed to premise and billing address	Violation letter posted and mailed with \$100 fine on next bill	Violation letter posted and mailed with \$250 fine on next bill	Violation letter posted and mailed with \$500 fine on next bill	Violation letter posted and mailed, shut off per Rule 11 and \$500 fine on next bill
Fixing leaks All	Customer has:	Customer has:	Customer has:	Customer has:	Customer has:
Time to correct	5 days	5 days	5 days	5 days	5 days
Time Customer has to request	14 days to contact CAW in writing	14 days to contact CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing
If the Customer does not agree with CAW's resolution (1)	Further reported violations of the same restricted use will not be counted in the determination of further action	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the
Reference	utilize one week	CPUC	CPUC	CPUC	CPUC

(C)

(1) If a Customer has appealed the receipt of the fine, the fine will continue to be posted on the Customer's account, but will not result in further service action, until at least 14 days after the resolution of appeals. Once resolved, if in the Customer's favor, the fine will be immediately removed from the account. If not resolved in the Customers favor, then the fine will be due and payable as part of the next billing cycle and subject to all such further actions as with any other billed charge.

(2) For violation 6 instead of shut-off for 3 days and \$500 fine, a flow restrictor will be installed for duration of enforcement.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

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MONTEREY COUNTY DISTRICT

(C)

E. ENFORCEMENT (cont)

4. An exemption on flow restrictor installations shall be made for water meters serving three or more multi-family dwelling units by substituting an excess water use charge of \$150 times the number of dwelling units located on the meter during each month in which a violation of the Water Waste has been determined. The excess water use charge shall be separately identified on each bill.

F. FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device and/or reconnecting water service shall be:

Connection Size	Removal Charges
5/8" to 1"	\$150.00
1-1/2" to 2"	\$200
3" and larger	Actual Cost

G. SPECIAL CONDITIONS

1. The Tier 2 advice letter requesting activation of Stage 2 or higher of Schedule 14.1.1 shall include documentation of the overall water shortage justifying activation of that particular stage.
2. This tariff schedule shall remain in effect until the utility files a Tier 1 advice letter to deactivate a specific stage of the Water Shortage Contingency Plan and such is authorized by the Commission.
3. Water use violation fines must be separately identified on each bill.
4. Emergency Conservation Rate surcharges must be separately identified on each bill.
5. Flow restrictor charges are used to offset costs associated with the installation and removal.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. All monies collected by the utility through Emergency Conservation Rate surcharges shall be booked to the Water Revenue Adjustment Mechanism ("WRAM") or a memorandum account to offset recovery of lost revenues. All flow restrictor removal charges or fines for water use violations collected by the utility and all expenses incurred by the utility to implement Rule 14.1.1 and Schedule 14.1.1, and the requirements of the California State Water Board Resources Control Board ("SWRCB"), or other agencies, that have not been considered in a General Rate Case or other proceeding, shall be tracked in a memorandum account for disposition as directed or authorized from time to time by the Commission and shall be recoverable by the utility if determined to be reasonable by the Commission.

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

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