

EXHIBIT "D"

STAGE 1 WATER CONSERVATION
AND NON-ESSENTIAL WATER USE AND WATER WASTE RULES

All water users in the Monterey Peninsula Water Management District are required to participate in the following water conservation actions:

1. Waste caused by correctable leaks, breaks or malfunctions must be corrected immediately. This loss of drinkable water may be cited as water waste after a reasonable period of time has passed in which the leak or malfunction could have been corrected. Exceptions may be granted by the General Manager for corrections which are not feasible or practical.
2. Water turf, lawns, gardens or ornamental landscaping before 9:00 a.m. and after 5:00 p.m. If watering between these hours, it must be done by drip irrigation or hand watering with trigger nozzles. (Exceptions shall be made by the General Manager for professional gardeners who must water between 9:00 a.m. and 5:00 p.m.).

Additional Landscape Irrigation Restrictions in the main California American Water system:
Unless watering is by drip irrigation, through a hand-held hose with a trigger nozzle, or performed by a professional gardener or landscaper, the following schedules apply:

- a. Even Numbered Properties water after 5 p.m. and before 9 a.m. on Sundays and Thursdays only. This schedule applies to properties located on the North or East side of the street in cities where no street address is available.
 - b. Odd Numbered Properties water after 5 p.m. and before 9 a.m. on Saturdays and Wednesdays only. This schedule applies to properties located on the South or West side of the street in cities where no street address is available.
3. Avoid excessive water use which allows surplus to run to waste, including the use of drinking water for washing buildings, structures, driveways, patios, parking lots, tennis courts, or other hard surfaced areas, except in cases where health or safety are at risk.
 4. All non-residential water users within the District, must have low-flow showerheads and faucet aerators (2.5 gallons per minute), and all toilets that use 3.5 gallons per flush must have a one-gallon reduction device installed, with the following exception:
 - *** Visitor-serving commercial facilities (including all hotels, motels, restaurants, convention/meeting facilities, and service stations) must have ultra-low flush toilets (1.6 gallons-per-flush maximum).
 5. Drinking water must be requested by the customer at a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale. Water should not be provided unless specifically requested by the customer.
 6. Swimming pools or spas should not be drained or refilled except (a) to prevent or correct structural damage or to comply with public health regulations, or (b) upon prior approval of the General Manager.
 7. Wash private vehicles using a trigger nozzle to reduce water use and runoff. Commercial aircraft, cars, buses, boats, trailers or other commercial vehicles must be washed at a commercial or fleet vehicle or boat washing facility operated at a fixed location where equipment using water is properly maintained to avoid wasteful use.

8. Commercial car washes must recycle at least 50 percent of the potable water used per cycle.
9. Fountains, ponds, lakes or other ornamental water uses must recycle water if the water is from a potable source.
10. Water used for more than minimal landscaping, as defined in the landscaping regulations of the jurisdiction or as described in Article 10.8 of the California Government Code, is considered wasteful.
11. Unmetered hydrant water use by individuals, other than for fire suppression or utility system maintenance purposes, requires approval of the MPMWD General Manager.
12. Potable water must not be used for street cleaning.
13. The use of large quantities of drinking water for dust control or earth compaction requires prior written approval of the General Manager. The use of non-potable water or other methods of dust control are encouraged.
14. Water may not be transported from the Monterey Peninsula Water Resources System without prior written authorization from the MPWMD. Emergency or health related situations are exempt from this provision in accordance with Rule 168 (Water Rationing Variance).

The following activities are not considered water waste:

1. Flow resulting from fire fighting 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 Unified Air Pollution Control Agency, except when prohibited by Regulation XV.

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RULE 162 - STAGE 2 WATER CONSERVATION

- A. Stage 2 Water Conservation is defined as the second stage in the District's Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water use from the MPWRS below regulatory constraints by requiring implementation of Landscape Water Budgets for large irrigators of three acres or more, Large Residential Water Users and Water Users with dedicated landscape water meters.
- B. Stage 2 Water Conservation shall be enforced when California American Water production from the MPWRS has exceeded the year-to-date at month-end target as displayed in Table 1.

The monthly distribution of water production shown in Table 1 between sources in the Carmel River Basin and in the coastal subareas of the Seaside Groundwater Basin 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 to consider the water supply budgets for the Main California American Water System during the Board's regular meetings in September, December, March, and June, at which time the Board may modify Table 1 by Resolution.

Table 1
Regulatory Water Production Targets
for California American Water Main System from Sources
Within the Monterey Peninsula Water Resources System

(All Values in Acre-Feet)

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

Note:

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

Table 1 amended by Resolution 2007-05 (5/21/2007)

- C. Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 1 Water Conservation shall remain in force. Requirements may be modified or superseded by actions taken in future stages of the Expanded Water Conservation and Standby Rationing Plan.
- D. Implementation of Landscape Water Budgets: All Water Users required to obtain a Landscape Water Budget under District Rule 172 are required to manage outdoor irrigation within the Landscape Water Budget assigned to the property.
- E. Water use in excess of the established Landscape Water Budget shall be considered Water Waste and shall be subject to District Rule 171.
- F. Sunset of Stage 2 Water Conservation: Without further action of the Board of Directors, the provisions of Stage 2 Water Conservation shall be rescinded and revert to Stage 1 Water Conservation upon compliance with the year-to-date at month-end production goal for two consecutive months in the subsequent Water Year.
- G. Notice: California American Water shall provide an annual reminder notice to MPWRS users with Landscape Water Budgets to report modifications in Landscaping which could alter an existing budget.
- H. Monthly Consumption Reports: During any Stage 2, 3, 4, 5, 6, or 7, California American Water shall provide the District with monthly consumption reports in a format approved by the District. Reports shall be provided within fifteen (15) days of the close of the preceding month.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/05); Ordinance No. 125 (9/18/2006)

RULE 163 - STAGE 3 WATER CONSERVATION

- A. Stage 3 Water Conservation is defined as the third stage in the District's Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water use in the MPWRS below regulatory constraints. It is triggered when the year-to-date at month-end production target for California American Water from the MPWRS is exceeded twice by the average of California American Water's year-to-date production from the MPWRS for each month during the October through March period or exceeded once by the average of California American Water's year-to-date production from the MPWRS for each month during the April through September period. It provides a procedure to enable emergency temporary increases in the upper block volume rates and requires increased action by California American Water to reduce Unaccounted For Water Use and monthly reporting of actions taken. Stage 3 Water Conservation may also be triggered upon Resolution of the Board of Directors when there is a need for an immediate water use reduction in response to an unexpected water production increase.

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

- B. Regulatory Trigger: Stage 3 Water Conservation shall be enforced when any of the following criteria has been met: 1) the average of California American Water's year-to-date production from the MPWRS for each month has exceeded the year-to-date at month-end production target for California American Water from the MPWRS as displayed in Table 1 for a second time during the period from October 1 through March 31 in any Water Year, or 2) the average of California American Water's year-to-date production from the MPWRS for each month has exceeded the year-to-date at month-end production target for California American Water from the MPWRS as displayed in Table 1 once during the period from April 1 through September 30 in any Water Year, or 3) a Resolution has been adopted by the Board in accord with Section C below.
- C. Emergency Trigger: Stage 3 Water Conservation shall be implemented upon Resolution of the Board of Directors when there is need for an immediate water use reduction requirement in response to an unexpected water production increase.
- D. Sunset of Stage 3 Water Conservation: Without further action by the Board of Directors, the provisions of Stage 3 Water Conservation shall be rescinded upon compliance with the year-to-date at month-end production goal for two consecutive months in the subsequent Water Year. Water Users of California American Water when that water system derives water from the MPWRS shall revert to Stage 1 Water Conservation.

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

- E. Notice: California American Water shall provide notice of mandatory water conservation with each bill prepared for Water Users of the California American Water system.

- F. California American Water Emergency Use Rates: California American Water shall implement the California Public Utilities Commission (CPUC) approved emergency rate schedule to respond to Stage 3 water reduction requirements. California American Water shall file an Advice Letter with the CPUC to implement Emergency Use Rates, however, only after it has first met and conferred with the District at least five days in advance of that filing. The General Manager may waive this time period for good cause.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006)