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**BEFORE THE STATE WATER
RESOURCES CONTROL BOARD**

In the Matter of the State Water Resources)
Control Board (State Water Board))
Hearing to Determine whether to Adopt a)
Draft Cease & Desist Order against)
California American Water Regarding its)
Diversion of Water from the Carmel River)
in Monterey County under Order WR 95-10)

Hearing Date: July 23 - 25, 2008

Carmel River in Monterey County

EXHIBIT MPWMD-SP3

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

RULE 160 - GENERAL PROVISIONS

- A. All Water Users within the Monterey Peninsula Water Management District shall be subject to the District's Water Waste and Non-Essential Water Use prohibitions.
- B. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the District and its designated agents in accordance with Rule 171 (Water Waste Fees).
- C. Stage 1 Water Conservation shall be implemented upon the effective date of this regulation.
- D. Stage 1 Water Conservation parallels California American Water's Phase IV Mandatory Water Conservation program that was designed to meet the Carmel Valley water production limits set by the SWRCB and approved by the Public Utilities Commission. Stages 1 through 3 Water Conservation is intended to achieve the Carmel Valley water production limits set by the State Board. Stage 4 Water Rationing through Stage 7 Water Rationing are intended to respond to limitations in supply caused by inadequate system inflow and storage.
- E. Stage 1 Water Conservation through Stage 3 Water Conservation shall apply to Water Users of the California American Water Distribution System where that system derives its Source of Supply from the Monterey Peninsula Water Resource System (MPWRS) for as long as California American Water is subject to water production goals and limitations enforced by the SWRCB.
- F. Stage 4 Water Rationing through Stage 7 Water Rationing may apply to all Water Distribution System Users and Water Users within the Monterey Peninsula Water Resource System as a response to limited water supply. These stages shall also serve as responses to emergency situations where immediate reductions in water use are necessary to ensure public health, safety or welfare. This regulation authorizes the Board of Directors to, from time to time, determine by Resolution that any Water Distribution System or set of Water Users within the Monterey Peninsula Water Management District shall be subject to Stages 4 Water Rationing through Stage 7 Water Rationing as provided in this regulation.
- G. As to water derived from the MPWRS, California American Water shall maintain Unaccounted for Water Use in its MPWRS distribution system at or below seven (7) percent. Average losses of more than seven (7) percent during the most recent twelve-month period shall be considered Water Waste. This limitation shall not affect any California American Water system east of, and including, the Ryan Ranch subunit.
- H. California American Water shall amend its Urban Water Management Plan to conform to the policies and procedures described in this regulation. A copy of the plan and amendment shall be filed with the District within 180 days of the effective date of this regulation. The plan shall comply with the California Water Code, Division 6, Part 2.6.

Rule added by Ordinance No. 92 (1/29/99); amended by Ordinance No. 119 (3/21/2005)

RULE 161 - STAGE 1 WATER CONSERVATION

- A. Stage 1 Water Conservation is defined as the first stage in the District's Expanded Water Conservation and Standby Rationing Plan that takes action to maintain California American Water derived from the MPWRS below regulatory constraints by increasing conservation activities and preparing for further stages of conservation and rationing. During Stage 1 Water Conservation, California American Water shall have the goal of maintaining its annual (October 1 through September 30) water production from the Carmel Valley below 11,285 Acre-Feet. This quantity may be modified by the SWRCB. Assuming a maximum annual production of 4,000 Acre-Feet from the Seaside Coastal Basin, this equates to a California American Water system production limit of 15,285 Acre-Feet. Each Water User deriving water from the California American Water system that derives its Source of Supply from the MPWRS shall comply with District Water Waste and Non-Essential Water Use prohibitions and shall participate to the extent possible in voluntarily reducing water use.
- B. All Water Users with the Monterey Peninsula Water Management District shall comply with Water Waste and Non-Essential Water Use prohibitions.

Rule added by Ordinance No. 92 (11/29/99)

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
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)

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
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April	1,144	7,306
May	1,388	8,694
June	1,491	10,185
July	1,586	11,771
August	1,586	13,357
September	1,432	14,789
TOTAL	14,789	--

Note:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for the California American Water (CAW) main system from Carmel River sources in State Water Resources Control Board Order No. WR 95-10 (11,285 acre-feet) and the initial annual production limit specified for the CAW main system from sources in the coastal subareas of the Seaside Groundwater Basin 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)

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)

RULE 164 - STAGE 4 WATER RATIONING

A. Stage 4 Water Rationing is defined as the fourth stage in the District's Expanded Water Conservation and Standby Rationing Plan that responds to a drought situation or emergency water supply shortage with a 15 percent reduction goal from system production limits for non-California American Water Users. Fifteen percent reductions in the California American Water system are achieved through Stage 3 Water Conservation.

B. Trigger

1. Water Supply Limitation Trigger

Stage 4 Water Rationing shall apply to all Water Users whose Source of Supply is derived from the MPWRS. Stage 4 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 27,807 Acre-Feet and greater than 21,802 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

2. Emergency Trigger

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

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

D. The provisions of Stage 3 Water Conservation shall be implemented for all Water Users of the California American Water Distribution System, unless specifically exempt from Stage 4 Water Rationing by action of the Board of Directors.

E. Sunset of Stage 4 Water Rationing

1. Water Supply Availability

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

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

3. Emergency

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

F. Notice

1. Upon direction of the General Manager, all Water Distribution System Operators affected by Stage 4 Water Rationing shall notify Water Users of the system that reductions in water use are necessary and that stricter water rationing may be imminent. Water Distribution System Operators shall ensure that notices provided or required by the District shall be distributed to the system Water Users.
2. As appropriate, California American Water shall notify its Water Users that Excessive Use Rates will be imposed upon the effective date of Stage 4 Water Rationing.
3. The District shall contact all Water Users of private Wells not supplying water to a distribution system within the MPWRS. Contact shall be via first class mail and shall explain the restrictions placed on the use of private Wells during Stage 4 Water Rationing and shall provide and/or request additional information from the private Well Owner as deemed necessary for the efficient operation of the program.

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

RULE 165 - STAGE 5 WATER RATIONING

A. Stage 5 Water Rationing is defined as the fifth stage in the District's Expanded Water Conservation and Standby Rationing Plan that responds to a drought situation or emergency water supply shortage with a 20 percent reduction goal from the system production limit. Reductions are achieved by water use cutbacks by User Category and by per-capita water rations and a moratorium on Water Permits that Intensify Water Use.

B. Implementation

1. Water Supply Limitation Trigger

Stage 5 Water Rationing shall apply to all Water Users whose Source of Supply is derived from the MPWRS. Stage 5 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 21,802 Acre-Feet and greater than 15,615 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.

The General Manager may delay implementation of Stage 5 Water Rationing to ensure adequate operation of the program. Delays authorized by the General Manager shall not exceed 90 days.

2. Emergency

Implementation shall also occur following urgency action by Resolution of the Board of Directors declaring that an emergency situation exists and immediate 20 percent reductions in water use from a distribution system's production limit are necessary to ensure public health, safety or welfare.

C. Sunset of Stage 5 Water Rationing

1. Water Supply Availability

Stage 5 Water Rationing shall continue to have force and effect until rescinded by Resolution of the Board of Directors upon a determination that the total usable storage in the MPWRS is greater than 21,802 Acre-Feet. This determination will normally be made at the Board's May meeting. However, a determination to rescind Stage 5 Water Rationing as early as the following January Board meeting can be made if the total usable storage in the MPWRS is equal to or greater than 27,807 Acre-Feet on January 1.

2. In the event total usable storage is greater than 27,807 Acre-Feet, the General Manager shall review California American Water's year-to-date production. Upon compliance with the monthly year-to-date goals specified in Table 1 of Rule 162 and, unless otherwise specified in the Resolution rescinding Stage 5 Water Rationing, Water Users shall revert to Stage 1 Water Conservation. If

California American Water's year-to-date production exceeds the year-to-date goal specified in Table 1 of Rule 162, California American Water Users shall revert to Stage 2 Water Conservation.

D. Affected Water Users

Stage 5 Water Rationing shall apply to all Water Users within the MPWRS. As necessary to ensure adequate water supplies, the Board of Directors may act within its discretion to authorize activation of Stage 5 Water Rationing within one or more Water Distribution Systems in the District.

E. Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 4 Water Conservation shall remain in force. Requirements may be modified or superseded by actions taken in this or future stages of the Expanded Water Conservation and Standby Rationing Plan.

F. Moratorium

On October 1 following implementation of Stage 5 Water Rationing, the District shall suspend the issuance of Water Permits associated with Intensification of Use. This provision shall not suspend the issuance of Water Permits that utilize public or private Water Use Credits or where issuance of a Permit is required by prior agreement of the District.

G. Reduction Goal

Stage 5 Water Rationing achieves water use reductions of 20 percent of the California American Water and non-California American Water system production limits in each User Category as follows: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Uses, and Reclaimed Water Users.

H. Notice

1. California American Water shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the California American Water system via first-class mail at least thirty (30) days before the first day of rationing. Further, California American Water shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the Responsible Party. Finally, California American Water shall provide each Responsible Party with a survey form upon request.
2. All Water Distribution System Operators affected by Stage 5 Water Rationing shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the Water Distribution System via first-class mail at least thirty (30) days before the first day of rationing.

Further, the distribution system operator shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the responsible party. Finally, the Water Distribution System Operator shall provide each Responsible Party with a survey form at least once each calendar year. Water Distribution System Operators shall ensure that notices provided or required by the District shall be distributed to the system Water Users.

3. The District shall contact all Water Users of private Wells not supplying water to a distribution system within the MPWRS at least thirty (30) days before the first day of Stage 5 Water Rationing. Contact shall be via first class mail and shall explain the restrictions placed on the use of private Wells during Stage 5 Water Rationing and shall provide and/or request additional information from the private Well Owner as deemed necessary for the efficient operation of the program.

I. Rations by Category

Water rations shall be determined by User Category. Each Water User within the Monterey Peninsula Water Resource System shall be classified in one of the following groups: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Use, and Reclaimed Water Users.

J. Reduced Annual California American Water Annual Production During Stage 5 Water Rationing

The California American Water annual production limit shall be reduced by 20 percent during Stage 5 Water Rationing. The resulting production limit shall be further reduced by a water rationing contingency determined by the Board. Seven (7) percent of the remainder shall be the maximum California American Water Unaccounted For Water Use ration. The remaining water shall be the California American Water annual production limit for all User Categories.

K. Non-California American Water Annual production limits during Stage 5 Water Rationing

Available production for other Water Distribution Systems subject to Stage 5 Water Rationing shall be determined using the same methodology as for California American Water without including a deduction for Unaccounted For Water Uses. The non-California American Water annual production limit for the Monterey Peninsula Water Resource System shall be used as the maximum production limit.

L. Establishing the Rations

Rations for each User Category shall be determined by the General Manager by dividing the reduced available production by the percentage of use. The percentage of use for

each user group shall be determined by the most recent unrationed reporting year (July 1 through June 30) data provided by California American Water for Water Users of that portion of California American Water that derives water from the MPWRS, and by data provided by the District from its annual Well reporting program for non-California American Water Distribution Systems.

1. Residential Water Users

Each Residential Water User either served by a water meter reported as "single-family residential" by the Water Distribution System or served by a private Well shall have an equal portion of the water available to the single-family Residential category based upon the number of residents reported on the survey form.

2. Multi-Family Residential Water Users

Each multi-family Residential Water User either served by a water meter reported as "multi-family residential" by the Water Distribution System or served by a private Well shall have an equal portion of the water available to the multi-family Residential category based upon the number of residents reported on the survey form with the following exception:

- a. Multi-Family Residential Sites with common laundry facilities on a separate water meter shall receive a one-unit water ration for each Dwelling Unit that has access to the facility. Each Dwelling Unit located on the Multi-Family Residential Site that has access to the common laundry facility shall have the Dwelling Unit ration reduced by one unit of water.

3. Commercial/Industrial Water Users

Each commercial/industrial Water User either served by a water meter reported as "commercial" or "industrial" by the Water Distribution System shall have a base ration determined by applying the current commercial Water Use Factors.

- a. Mixed Use Water Users. Mixed Use Water Users shall be classified as Commercial Uses for the purposes of this program.

4. Public Authority

Public Authority Uses shall be rationed by Jurisdiction. Each Public Authority Water User may combine multiple accounts or Connections when the accounts are located within one Jurisdiction.

5. Golf Courses

Golf Courses supplied water exclusively by the California American Water or non-California American Water Distribution Systems or Wells may be rationed individually or, upon request to the General Manager, as a group.

6. Other

Water Users utilizing portable water meters or hydrant meters shall be required to employ Best Management Practices. California American Water shall be required to report monthly to the District the location and Responsible Party for all portable water meters and the amount of use from those meters. As deemed necessary to achieve the imposed reduction in use, the District may condition use of temporary Connections.

7. Non-Revenue Metered Users

Non-Revenue Metered Uses shall be rationed as a group with the following exception:

- a. 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. Non-California American Water Wells

Regulations for rationing non-California American Water Wells located within the MPWRS that are not supplying water to a distribution system shall be considered by the Board prior to implementation of Stage 5 Water Rationing.

9. Recycled Water Users

Recycled Water Irrigation Areas receiving water from the CAWD/PBCSD Wastewater Reclamation Project shall be subject to Stages 5 Water Rationing and higher 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.

- a. Before Project Expansion Is Completed. Under the agreements operative before the Project Expansion is Completed (as the capitalized terms are defined in Rule 23.5), 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 derive their 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 Recycled Water Irrigation Area. The use of Recycled Water, when available in sufficient quantities to satisfy the irrigation requirements of the Recycled Water Irrigation Areas, shall not

be restricted by this requirement.

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 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 Area to the same degree that the irrigation requirements of non- Project Golf Course and open space Users are being satisfied.

The District shall ensure that the water provided during water rationing is of adequate quality. If the quality does not satisfy the contractual agreement operative before the Project Expansion is deemed Completed (as the capitalized terms are defined in Rule 23.5), Potable water shall be provided in sufficient quantities to improve the quality of the reclaimed water.

This Subsection L-9-a shall cease to be operative once the Project Expansion is deemed to be Completed (as the capitalized terms are defined in Rule 23.5), and shall thereafter be of no force or effect.

- b. When Project Expansion Is Completed. Under the agreements operative once the Project Expansion is deemed Completed (as the capitalized terms are defined in Rule 23.5), 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.

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 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.

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 Stages 5 Water Rationing and higher, 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.

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.

If MPWMD 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.

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 in this Subsection L-9-b.

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 Subsection L-9-b shall yield as necessary to respond to the conditions giving rise to the declaration or proclamation.

This Subsection L-9-b shall be of no force or effect until the Project Expansion is deemed Completed (as the capitalized terms are defined in Rule 23.5), and shall thereafter be operative and of full force and effect.

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

RULE 166 - STAGE 6 WATER RATIONING

- A. Stage 6 Water Rationing is defined as the sixth stage in the District's Expanded Water Conservation and Standby Rationing Plan that responds to a drought situation or emergency water supply shortage with a 35 percent reduction goal from system production limits. Reductions are achieved by water use cutbacks by User Category and by per-capita water rations and a moratorium on Water Permits that utilize Water Credits.
- B. Implementation
1. Water Supply Limitation Trigger

Stage 6 Water Rationing shall apply to all Water Users whose Source of Supply is derived from the MPWRS. Stage 6 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 15,615 Acre-Feet and greater than 9,610 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.
 2. Implementation shall also occur following urgency action by Resolution of the Board of Directors declaring that an emergency situation exists and immediate 35 percent reductions in water use from a distribution systems production limit are necessary to ensure public health, safety or welfare.
- C. Sunset of Stage 6 Water Rationing
1. Water Supply Availability

Stage 6 Water Rationing shall continue to have force and effect until rescinded by Resolution of the Board of Directors upon a determination that the total usable storage in the MPWRS is greater than 15,615 Acre-Feet. This determination will normally be made at the Board's May meeting. However, a determination to rescind Stage 6 Water Rationing as early as the following January Board meeting can be made if the total usable storage in the MPWRS is equal to or greater than 27,807 Acre-Feet on January 1.
 2. In the event total usable storage is greater than 27,807 Acre-Feet, the General Manager shall review California American Water's year-to-date production. Upon compliance with the monthly year-to-date goals specified in Table 1 of Rule 162 and, unless otherwise specified in the Resolution rescinding Stage 6 Water Rationing, Water Users shall revert to Stage 1 Water Conservation. If California American Water's year-to-date production exceeds the year-to-date goal specified in Table 1 of Rule 162, California American Water Users shall revert to Stage 2 Water Conservation.

D. Affected Water Users

Stage 6 Water Rationing shall apply to all Water Users within the Monterey Peninsula Water Resource System. As necessary to ensure adequate water supplies, the Board of Directors may act within its discretion to authorize activation of Stage 6 Water Rationing within one or more Water Distribution Systems in the District.

E. Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 5 Water Rationing shall remain in force. Requirements may be modified or superseded by actions taken in this or future stages of the Expanded Water Conservation and Standby Rationing Plan.

F. Moratorium

On October 1 following implementation of Stage 6 Water Rationing, the District shall suspend the issuance of Water Permits that utilize a public or private Water Use Credit.

G. Reduction Goal

Stage 6 Water Rationing achieve water use reductions of 35 percent of the California American Water and non-California American Water system production limits in each User Category as follows: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Uses, and Reclaimed Water Users.

H. Notice

1. California American Water shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the California American Water system via first-class mail at least thirty (30) days before the first day of rationing. Further, California American Water shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the Responsible Party. Finally, California American Water shall provide each Responsible Party with a survey form upon request.
2. All Water Distribution System Operators affected by Stage 6 Water Rationing shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the Water Distribution System via first-class mail at least thirty (30) days before the first day of rationing. Further, the distribution system Operator shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the Responsible Party. Finally,

the Water Distribution System Operator shall provide each Responsible Party with a survey form at least once each calendar year. Water Distribution System Operators shall ensure that notices provided or required by the District shall be distributed to the system Water Users.

3. The District shall contact all Water Users of private Wells not supplying water to a distribution system within the MPWRS at least thirty (30) days before the first day of Stage 6 Water Rationing. Contact shall be via first class mail and shall explain the restrictions placed on the use of private Wells during Stage 6 Water Rationing and shall provide and/or request additional information from the private Well Owner as deemed necessary for the efficient operation of the program.

I. Rations by Category

Water rations shall be determined by User Category. Each Water User within the Monterey Peninsula Water Resource System shall be classified in one of the following groups: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Use, and Reclaimed Water Users.

J. Reduced Annual California American Water Annual Production During Stage 6 Water Rationing

The California American Water annual production limit shall be reduced by 35 percent during Stage 6 Water Rationing. The resulting production limit shall be further reduced by a water rationing contingency determined by the Board. Seven (7) percent of the remainder shall be the maximum California American Water Unaccounted For Water Use ration. The remaining water shall be the California American Water annual production limit for all User Categories.

K. Non-California American Water Annual Production Limits During Stage 6 Water Rationing

Available production for other Water Distribution Systems subject to Stage 6 Water Rationing shall be determined using the same methodology as for California American Water without including a deduction for Unaccounted For Water Uses. The non-California American Water annual production limit for the Monterey Peninsula Water Resource System shall be used as the maximum production limit.

L. Establishing the Rations

Rations for each User Category shall be determined by the General Manager by dividing the reduced available production by the percentage of use and by taking into consideration Residential water needs to ensure health, safety and welfare. The percentage of use for each User Group shall be determined by the most recent unrationed reporting year (July 1 through June 30) data provided by California American Water for

Water Users of that portion of California American Water that derives water from the MPWRS, and by data provided by the District from its annual Well reporting program for non-California American Water Distribution Systems.

All Water Users shall be rationed by User Category as outlined in Rule 165 (Stage 5 Water Rationing).

- M. The Board shall consider adopting restrictions on Non-Residential outdoor water use that may include any or all of the following: Limit outdoor watering to one day per week, one day every other week, or prohibit outdoor irrigation with water from the affected water resource system(s); prohibit irrigation of non-turf areas with water from the affected water resource system(s); reduce Golf Course irrigation from the affected Water Distribution System(s) to a percentage of the amount required to water tees, greens and landing areas only. The use of Reclaimed Water, when available, shall not be restricted by this requirement.

- N. Elimination or modification of commercial/industrial variances for Best Management Practices

The General Manager shall be authorized to require a percentage reduction of all commercial/industrial Water Users granted a variance for complying with BMPs for the type of use. The amount of the percentage reduction shall be determined by the General Manager following review of the success of commercial/industrial rationing during Stage 5 Water Rationing prior to Stage 6 Water Rationing.

- O. All Water Users shall cease operation and maintenance of all ornamental water uses (fountains, ponds, etc.) that use water from the affected water supply system(s). Ornamental water uses supplied with water from other sources shall clearly display information about the source of water on or immediately adjacent to the use;

- P. Prohibition on Use of Water for Dust Control

The use of water from the Monterey Peninsula Water Resource System shall be prohibited for dust control purposes, except by prior approval of the General Manager. Decisions of the General Manager shall be final.

Rule added by Ordinance No. 92 (1/29/99); amended by Ordinance No. 119 (3/21/2005); Ordinance No. 125 (9/18/2006)

RULE 167 - STAGE 7 WATER RATIONING

- A. Stage 7 Water Rationing is defined as the seventh stage in the District's Expanded Water Conservation and Standby Rationing Plan that responds to a drought situation or emergency water supply shortage with a 50 percent reduction goal from system production limits. Reductions are achieved by water use cutbacks by User Category and by per-capita water rations and a moratorium on Water Permits that utilize Water Credits.
- B. Implementation
1. Water Supply Limitation Trigger

Stage 7 Water Rationing shall apply to all Water Users whose Source of Supply is derived from the MPWRS. Stage 7 Water Rationing shall become effective on June 1 or such earlier date as may be set by the Board following the District's May Board meeting if total usable storage in the MPWRS on May 1 is less than 9,610 Acre-Feet. If total usable storage is equal to or greater than 27,807 Acre-Feet on May 1, no water rationing shall be imposed.
 2. Implementation shall also occur following urgency action by Resolution of the Board of Directors declaring that an emergency situation exists and immediate 50 percent reductions in water use from a distribution system's production limit are necessary to ensure public health, safety or welfare.
- C. Sunset of Stage 7 Water Rationing
1. Water Supply Availability

Stage 7 Water Rationing shall continue to have force and effect until rescinded by Resolution of the Board of Directors upon a determination that the total usable storage in the MPWRS is greater than 9,610 Acre-Feet. This determination will normally be made at the Board's May meeting. However, a determination to rescind Stage 7 Water Rationing as early as the following January Board meeting can be made if the total usable storage in the MPWRS is equal to or greater than 27,807 Acre-Feet on January 1.
 2. In the event total usable storage is greater than 27,807 Acre-Feet, the General Manager shall review California American Water's year-to-date production. Upon compliance with the monthly year-to-date goals specified in Table 1 of Rule 162 and, unless otherwise specified in the Resolution rescinding Stage 7 Water Rationing, Water Users shall revert to Stage 1 Water Conservation. If California American Water's year-to-date production exceeds the year-to-date goal specified in Table 1 of Rule 162, California American Water Users shall revert to Stage 2 Water Conservation.

D. Affected Water Users

Stage 7 Water Rationing shall apply to all Water Users within the Monterey Peninsula Water Resource System. As necessary to ensure adequate water supplies, the Board of Directors may act within its discretion to authorize activation of Stage 7 Water Rationing within one or more Water Distribution Systems in the District.

E. Requirements imposed by implementation of the Expanded Water Conservation and Standby Rationing Plan through Stage 6 Water Rationing shall remain in force. Requirements may be modified or superseded by actions taken in this or future stages of the Expanded Water Conservation and Standby Rationing Plan.

F. Reduction Goal

Stage 7 Water Rationing achieves water use reductions of 50 percent of the California American Water and non-California American Water system production limits in each User Category as follows: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Uses, and Reclaimed Water Users.

G. Notice

1. California American Water shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the California American Water system via first-class mail at least thirty (30) days before the first day of rationing.

Further, California American Water shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the Responsible Party. Finally, California American Water shall provide each Responsible Party with a survey form upon request.

2. All Water Distribution System Operators affected by Stage 7 Water Rationing shall provide written notice of mandatory water rationing to every residence and to every Non-Residential business or Water User within the Water Distribution System via first-class mail at least thirty (30) days before the first day of rationing. Further, the distribution system Operator shall send monthly reminders of water rationing in the water bill along with information showing the water ration and the quantity of the water ration consumed by the Responsible Party. Finally, the Water Distribution System Operator shall provide each Responsible Party with a survey form at least once each calendar year. Water Distribution System Operators shall ensure that notices provided or required by the District shall be distributed to the system Water Users.

3. The District shall contact all Water Users of private Wells not supplying water to a distribution system within the MPWRS at least thirty (30) days before the first day of Stage 7 Water Rationing. Contact shall be via first class mail and shall explain the restrictions placed on the use of private Wells during Stage 7 Water Rationing and shall provide and/or request additional information from the private Well Owner as deemed necessary for the efficient operation of the program.

H. Rations by Category

Water rations shall be determined by User Category. Each Water User within the Monterey Peninsula Water Resource System shall be classified in one of the following groups: Residential single-family and multi-family, Commercial/Industrial, Public Authority, Golf Course, "Other," Non-Revenue Metered Use, and Reclaimed Water Users.

I. Reduced Annual California American Water Annual Production During Stage 7 Water Rationing

The California American Water annual production limit shall be reduced by 50 percent during Stage 7 Water Rationing. The resulting production limit shall be further reduced by a water rationing contingency determined by the Board. Seven (7) percent of the remainder shall be the maximum California American Water Unaccounted For Water Use ration. The remaining water shall be the California American Water annual production limit for all User Categories.

J. Non-California American Water Annual Production Limits During Stage 7 Water Rationing

Available production for other Water Distribution Systems subject to Stage 7 Water Rationing shall be determined using the same methodology as for California American Water without including a deduction for Unaccounted For Water Uses. The non-California American Water annual production limit for the Monterey Peninsula Water Resource System shall be used as the maximum production limit.

K. Establishing the Rations

Rations for each User Category shall be determined by the General Manager by dividing the reduced available production by the percentage of use and by taking into consideration Residential water needs to ensure health, safety and welfare. The percentage of use for each User Group shall be determined by the most recent unrationed reporting year (July 1 through June 30) data provided by California American Water for Water Users of the California American Water Distribution System that derives water from the MPWRS, and by data provided by the District from its annual Well reporting program for non-California American Water Distribution Systems.

All Water Users shall be rationed by User Category as outlined in Rule 165 (Stage 5 Water Rationing).

- L. The Board shall reconsider adopting restrictions on Non-Residential outdoor water use that may include any or all of the following not adopted during Stage 6 Water Rationing: Limit outdoor watering to one day per week, one day every other week, or prohibit outdoor irrigation with water from the affected water resource system(s); prohibit irrigation of non-turf areas with water from the affected water resource system(s); reduce Golf Course irrigation from the affected Water Distribution System(s) to a percentage of the amount required to water tees, greens and landing areas only. The use of Reclaimed Water, when available, shall not be restricted by this requirement.

- M. Elimination or Modification of Commercial/Industrial Variances for Best Management Practices

The General Manager shall be authorized to require a percentage reduction of all commercial/industrial Water Users granted a variance for complying with BMPs for the type of use. The amount of the percentage reduction shall be determined by the General Manager following review of the success of commercial/industrial rationing during Stage 6 Water Rationing prior to Stage 7 Water Rationing.

- N. Prohibition on the Use of Portable Water Meters and Hydrant Meters

Water Users utilizing portable water meters or hydrant meters shall be required to cease use of water from the affected water supply system(s). Each Water User reporting as "Other" by the distribution system shall be notified by the distribution system Operator of this requirement. Portable water meters shall be returned to the water company at least 30 days before the implementation of Stage 7 Water Rationing.

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

RULE 168 - WATER BANKS

- A. Water Banks shall be available to each Water User during Stages 5 through 7 Water Rationing. A Water Bank shall allow each Water User to accrue the unused portion of a monthly ration for use in the current calendar year.
- B. Water Banks shall be reset to zero on January 1 of each year. Ten (10) percent of the remaining Water Bank on December 31 shall be credited to the following year's Water Bank for three months to allow the establishment of a new bank.
- C. On April 1, each Water Bank shall be reduced by the amount of banked water carried over on January 1. Water Banks may not carry less than a zero balance.

Rule added by Ordinance No. 92 (1/28/99)

RULE 169 - WATER RATIONING VARIANCE

- A. The General Manager shall assign additional water beyond the ration established in Stage 4 Water Rationing through Stage 7 Water Rationing in the following circumstances upon submittal of the appropriate variance request form and fees.
- B. The following variances shall be considered for additional water during Stages 4 through 7 Water Rationing.
 - 1. Medical and/or sanitation needs certified by a doctor;
 - 2. Hospital and/or health care facilities that have achieved all Best Management Practices for those uses;
 - 3. Drinking water for large livestock;
 - 4. Commercial/Industrial users that can demonstrate compliance with all BMPs appropriate for the type of use and where there is minimal exterior water use on the water meter or water supply serving the use;
 - 5. Leaks, when an invoice is provided by a licensed plumber or contractor;
 - 6. Commercial laundromats with signs advising full loads only;
 - 7. Business in a home on a case-by-case basis;
 - 8. Riparian irrigation when required as a condition of a riverbank restoration Permit issued by the District or as a condition of a riverbank erosion protection Permit issued by the District.
 - 9. Emergency, extreme, or unusual situations on a case-by-case basis;
- C. No Variance

The following categories of water use shall not qualify for special consideration under the provisions of this regulation:

- 1. Visitors other than those occupying Short-Term Residential Housing as defined in Rule 11 (Definitions) when the property owner has submitted a completed survey form with the applicable information about the occupancy of the Site;
- 2. Irrigation, other than variances allowed by Rule 169 of this regulation.
- 3. Filling spas, ponds, fountains, etc.;
- 4. Long-term leaks that are not repaired after reasonable notice.

D. Waiver of Excess Fees by Variance Application

Any qualifying Water User may seek to have all or part of the Water Waste fee for excess water use waived or forgiven through the Rationing Variance process set forth in this Rule. Any Water User may seek relief from the Water Waste fee upon substantial evidence that the excess water use was beyond the User's control, and was not reasonably correctable in a timely fashion due to special and unique circumstances. Due diligence must be shown to forgive any Water Waste caused by a leak; under no circumstance shall a leak justify the forgiveness of an excess use fee for more than three billing periods. The Applicant shall further demonstrate that all reasonable means have been taken to conserve water and minimize future water use.

1. The General Manager or his agent may grant any application to waive Water Waste fees upon submittal of the appropriate evidence to warrant a variance. All Applicants for variance shall submit the appropriate Variance Request Form and processing fee. Any action to waive a Water Waste fee shall be recorded in writing and include a written explanation to substantiate and justify the waiver;
2. Although inspections shall not be required in all cases, District staff shall use spot or random inspections as necessary to verify an Applicant's eligibility for a water rationing variance.
3. Each Person making written application for a variance shall be notified in writing of the disposition of their application. Decisions of the General Manager are final.

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

RULE 170 - WATER USE SURVEY

A. Stage 1 Water Conservation Survey

1. California American Water shall conduct a confidential survey of all Water Users of the California American Water system that derive their Source of Supply from the MPWRS. This survey shall be required upon the effective date of this regulation. The survey shall request information to determine the number of Permanent Residents in each Dwelling Unit and the lot size of each Residential Site with permitted water service; the types of uses and amount of water use on Non-Residential Sites; and the number of Users and types of use(s) served by each water meter. Only information deemed appropriate for the effective operation of this program will be requested.
2. California American Water shall conduct the survey within 45 days of the effective date of Stage 1 Water Conservation. Survey forms shall be completed by the Responsible Party and returned to California American Water within 30 days of mailing. The District shall have visual access to this data during Stages 1 through 3 Water Conservation and shall be provided with a summary of the results of the survey by census tract within 105 days of the effective date of Stage 1 Water Conservation. California American Water shall maintain survey information by census tract and shall provide unrestricted access to individual water use records when the District is actively investigating a variance, appeal or other rationing program action.

B. Stage 4 Water Rationing Survey

1. The General Manager shall conduct a survey of MPWRS Water Users not deriving their Source of Supply from California American Water prior to effective date of Stage 5 Water Rationing. The survey shall request information to determine the number of Permanent Residents in each Dwelling Unit and the lot size of each Residential Site with permitted water use; the types of uses and amount of water use on Non-Residential Sites; and the number of Users and types of use(s) served by each water meter or Connection. Only information deemed appropriate for the effective operation of this program will be requested.
2. The District shall mail the survey form to Water Users not supplied water by California American Water. Survey forms shall be completed by the Responsible Party and returned to the District within 30 days of mailing. The District shall preserve the confidentiality of this survey data.

C. Administration of Survey Data

1. California American Water Users

California American Water shall maintain survey data for all MPWRS Water Users supplied water by California American Water and shall provide the District with access to all data. California American Water shall provide the District with

an annual summary of survey information, or more frequently as required by the General Manager. California American Water shall preserve the confidentiality of survey data.

2. Non-California American Water Users

During Stage 5 Water Rationing through Stage 7 Water Rationing, the District shall maintain survey data for all Water Users supplied water from non-California American Water sources subject to those stages.

3. A full or partial survey may be conducted as deemed necessary by the District to maintain accurate data.

4. District staff shall maintain the confidentiality of California American Water and non-California American Water Residential customer survey data. Violations of this provision shall be enforced as a misdemeanor under District law.

D. Reporting

1. Responsibility of Water User

- a. Each Responsible Party shall be responsible for accurately reporting the number of Permanent Residents in the Dwelling Unit or Units or other information deemed appropriate for the effective operation of the program as requested on the survey form.
- b. Upon activation of a water meter, each Responsible Party shall complete a survey form.
 - i. California American Water Users. The completed survey form shall be submitted to California American Water by customers of that distribution system.
 - ii. Non-California American Water Users. The completed survey form shall be submitted to the District or its agent by all other distribution systems Users required to complete a survey form during Stage 5 Water Rationing through Stage 7 Water Rationing.
- c. All Responsible Parties shall submit revised survey forms whenever there is a change in the number of Permanent Residents in a Residential Dwelling Unit or whenever there is a change in a water User Category in Non-Residential uses. Revised survey forms should be submitted to the appropriate party as indicated in Rule 170-D-1-b.
- d. Property owners of Short-Term Residential Housing rentals shall provide information about the average number of annual occupants and the average rate of occupancy to the appropriate party as indicated in Rule 170-D-1-b.

2. Misrepresentation Violation

Any Water User intentionally over-reporting the number of Permanent Residents in a Dwelling Unit or other information pertinent to establishing a water ration during Stages 4, 5, 6 and 7 Water Rationing 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. Violations carry a maximum penalty of up to \$250 for each offense. Each separate day or portion thereof during which any violation occurs or continues without a good-faith effort by the responsible Water User to correct the violation, may be deemed to constitute a separate offense, and upon conviction thereof, may be separately punishable.

3. Penalties for Misreporting

In addition to any charge for misrepresenting information as provided in Rule 170-D-2, any or all of the following may be further imposed by the General Manager or his agent during Stages 4, 5, 6 and 7 Water Rationing where the violation occurs and continues without a good-faith effort by the responsible Water User to correct the violation. Decisions pursuant to this rule are appealable under Rule 70 (Appeals).

- a. Intentional misrepresentation may be considered a violation of the Water Waste provisions and shall subject the Water User to a fee for Water Waste; and/or
- b. Intentional misrepresentation may cause the loss of any Water Bank accrued and shall cause the Responsible Party to be ineligible to accrue a Water Bank for a period of sixty (60) months; and/or
- c. Intentional misrepresentation may cause the assignment of a reduced water ration that may be as low as a ration for one person for a period of twelve (12) months following implementation of Stages 4, 5, 6 or 7 Water Rationing.

4. Audit

The District may periodically audit the survey data for accuracy. Upon question, the District may request additional evidence of residency to demonstrate the number of Permanent Residents at that Site as defined in Rule 11 (Definitions).

Rule added by Ordinance No. 92 (1/28/99); Amended by Ordinance No. 119 (3/21/2005)

RULE 171 - WATER WASTE FEES

- A. Each occurrence of Water Waste or Non-Essential Water Use, as those terms are defined by Rule No. 11 (Definitions), which continues after the Water User has had reasonable notice to cease and desist that type of water use shall constitute a Flagrant Violation.
- B. A \$50 fee per day or portion thereof shall be assessed for each Flagrant Violation of Water Waste or Non-Essential Water Use. The fee shall accumulate daily until the occurrence is corrected.
- C. A \$150 fee per day or portion thereof shall be imposed for each subsequent occurrence (including multiple occurrences) of Water Waste or Non-Essential Water Use which occurs within 18 months of the first occurrence. The fee shall accumulate daily until the occurrence is corrected.
- D. All fees shall be paid within 30 days.
- E. Within the 30 day period, a Water User may seek waiver or forgiveness of all or part of the Water Waste fees on the basis of hardship. The Water User must provide the District with a written explanation as to why the fees should not be collected. Staff shall be authorized to determine whether or not fees should be waived in full or in part, with the final decision resting with the General Manager.
- F. After 30 days, fees which have not been paid or waived may result in a lien being placed on the property served by the water account.
- G. Repeated occurrences or 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 within the water line or water meter.
- H. Decisions pursuant to this rule are appealable under Rule 70 (Appeals).

Rule added by Ordinance No. 92 (1/28/99); Amended by Ordinance No. 119 (3/21/2005)

RULE 172 - LANDSCAPE WATER AUDITS

- A. Landscape Water Audits shall be conducted under the supervision of an individual who has been certified by the Irrigation Association to conduct audits and establish Landscape Water Budgets. Each audit shall be signed by that Person, who shall attest that the audit was performed under his/her direction.
- B. Landscape Water Audits and Landscape Water Budgets shall be offered by the District and/or California American Water or their agent free of charge to all Water Users of California American Water with Dedicated Irrigation Meters, large irrigated areas over three acres, and Large Residential Water Users. Water use records shall be reviewed annually to identify new Water Users required to establish a Landscape Water Budget by this rule. California American Water shall provide the District with copies of all completed Landscape Water Audits and Landscape Water Budgets.
 1. California American Water Users shall be required to obtain Landscape Water Audits and establish Landscape Water Budgets if the property:
 - a. Has a Dedicated Irrigated Meter; or
 - b. Is an irrigated area of greater than three acres; or
 - c. Is a Large Residential Water User.
 2. All Landscape Water Budgets must be prepared by an individual certified by the Irrigation Association.
 3. All Water Users required to complete a Landscape Water Audit and establish a Landscape Water Budget shall have the option of obtaining a Landscape Water Audit and Landscape Water Budget from a Landscape Irrigation Auditor of their choice at their own expense if the auditor is certified by the Irrigation Association.
 4. Landscape Water Audits not conducted by the District and/or California American Water shall be reported on a Landscape Water Budget Application. Landscape Water Budget Applications shall be submitted to California American Water. California American Water shall forward a copy to the District within ten (10) days. Landscape Water Audits not performed by the District or California American Water are subject to review and acceptance by the District. Landscape Water Audits and Landscape Water Budgets rejected by the District may be appealed to the Board of Directors pursuant to Rule 70 (Appeals).
 5. Landscape Irrigation Auditors shall arrange On-Site visits to compile water records to review historic use, measure irrigated Sites, identify plant materials by general groups, determine irrigation water requirements, and estimate potential dollar and water savings. Landscape Irrigation Auditors shall also develop system testing strategies, check pressure and flow rates, and conduct water application distribution tests. Data shall be collected to determine irrigation uniformity

and efficiency. Soil samples shall be examined to determine soil types and root zone depths. Landscape Irrigation Auditors shall observe system operations, locate irrigation zones, prepare Site audit maps and visually identify broken or misaligned equipment. All data from field tests shall be summarized and this information used to generate monthly irrigation base schedules. A copy of the Landscape Water Budget Application shall be provided to the Water User. One copy of the Landscape Water Budget Application shall be submitted to California American Water. California American Water shall forward a copy to the District within ten (10) days.

6. California American Water shall provide quarterly compliance status notices to each Water User required to follow a mandatory Landscape Water Budget.

C. Modifications To Audited Landscapes

Following significant modification to an existing audited landscape, a new Landscape Water Audit shall be conducted to establish an appropriate Landscape Water Budget. It shall be the responsibility of the property owner to ensure that a Landscape Water Audit is conducted within 60 days of any such change and to submit a new Landscape Water Budget Application to California American Water.

D. Reporting and Analysis.

California American Water shall preserve water use records and budgets for Water Users subject to this provision of law for such time as the Expanded Water Conservation and Standby Rationing Plan remains effective. Updated Landscape Water Budgets shall supersede previous data. Quarterly, a report shall be compiled by California American Water and provided to the District showing the account information and comparing the Landscape Water Budget with actual consumption. During Stages 2 and 3, California American Water shall provide the District with monthly consumption reports for all customers with Landscape Water Budgets.

E. Landscape Irrigation Restrictions in the California American Water system that derives its Source of Supply from the MPWRS.

Unless watering is by drip irrigation, through a hand-held hose with a Positive Action Shut-Off Nozzle, or performed by a professional gardener or landscaper, the following schedule shall apply:

1. Odd Numbered Properties shall water after 5 p.m. or before 9 a.m. on Saturdays and Wednesdays only. This schedule shall also apply to properties located on the South or West side of the street in cities where no street address is available.
2. Even Numbered Properties shall water after 5 p.m. or before 9 a.m. on Sundays and Thursdays only. This schedule shall also apply to properties located on the North or East side of the street in cities where no street address is available.

Rule added by Ordinance No. 92 (1/28/99); Amended by Ordinance No. 119 (3/21/2005)

RULE 173 - REGULATION OF MOBILE WATER DISTRIBUTION SYSTEMS

- A. No Person, Extractor, Owner or Operator shall operate a Mobile Water Distribution System without first securing a written Permit from the District. In accordance with Monterey County Code (e.g., Title 15.20), no applications will be accepted or permitted for bulk hauled water for permanent Potable use. Applications for establishment of a Mobile Water Distribution System shall be made pursuant to Rule 22 (Action On Application For Permit To Create/Establish A Water Distribution System) and shall be investigated, considered, determined, and acted upon on the same terms and conditions as provided for the approval, conditional approval or denial of a creation establishment Permit as stated in that rule. The application shall identify each Source of Supply and the location of each use. For any Sub-potable Mobile Water Distribution System within the California-American Water Company Service Area, a condition of approval shall require that California American Water be notified so that a back-flow protection device can be installed pursuant to Monterey County Code.
- B. In the event prior authorization is not obtained 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.
- C. Delivery and/or receipt of water from an unpermitted Mobile Water Distribution System shall be deemed Water Waste, and shall be subject to fine, restriction, and cease and desist order as set forth in Rule 171.

Rule added by Ordinance No. 92 (1/28/99); amended by Ordinance No. 96 (3/19/2001)

RULE 174 - REGULATION OF WELL OWNERS OR OPERATORS AND EXTRACTORS

- A. During a Water Supply Emergency, each Owner or Operator or Extractor of a private water Well or other Water-Gathering Facility shall comply with the provisions of this regulation, as they relate to such Well.

Rule added by Ordinance No. 92 (1/28/99)

RULE 175 - WATER RATIONING ENFORCEMENT

A. Enforcement During Stages 4 through 7 Water Rationing

1. Courtesy Notice

For the first instance of excess water use beyond the ration in Stages 4 through 7 Water Rationing, a Water User shall be given written notice by the water system Operator of the excess use and shall be notified that such violation constitutes Water Waste and a Water Waste fee of \$50 per day shall be collected in the event the Water User again exceeds that User's water ration during any future billing cycle under Stages 4 through 7 Water Rationing. If the Water User complies with all water rationing and Water Waste and Non-Essential Water Use requirements during the next month following the first instance of excess use, the excess use fee shall be deferred.

If the Water User again exceeds that User's water ration during any following month, the Water Waste fee of \$50 per day shall be imposed immediately and shall accumulate daily until the occurrence is corrected.

2. Second Offense

Upon the second occurrence of excess water use (including any prior excess water use during any prior stage) a Water User shall be charged with Water Waste and assessed a fee of \$150 per day for the second offense, plus the previously deferred \$50 first offense fee, by the District or its agent. The \$150 fee shall accumulate daily until the occurrence is corrected.

3. Third Offense

A third occurrence of excess water use (including any prior excess water use during any prior stage) shall result in an excess water use charge equivalent to the California American Water per unit water charge at the Water User's level of use multiplied by the number of units over a water ration, plus \$150 per day as provided in Rule 171 (Water Waste Fees). A third occurrence of excess water use shall provide cause for the installation of a Flow Restrictor in the water meter or water supply providing water to the property where the over-use occurred. Restrictors shall remain in place until conditions are reduced to Stage 2 Water Conservation or a less restrictive stage. All costs for the installation and removal of a Flow Restrictor shall be charged to the property owner of the Site subjected to this action.

4. Fourth Offense

A fourth occurrence of water use in excess of the water ration shall result in fees and charges listed for a third offense and shall result in the installation of a Flow Restrictor by the system Operator in the water meter or water supply providing water to the property where the over-use occurred. Restrictors shall remain in

place until conditions are reduced to Stage 3 Water conservation or to a less restrictive stage. All costs for the installation and removal of a Flow Restrictor shall be charged to the property owner of the Site subjected to this action.

B. Flow Restrictor Exemption

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 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 ration occurs. The Responsible Party shall be liable for payment of all excess water use charges.

C. 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.

Rule added by Ordinance No. 92 (1/28/99); Amended by Ordinance No. 119 (3/21/2005)