

EXHIBIT 14-A

SECOND READING DRAFT

ORDINANCE NO. 179

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
CLARIFYING RULES RELATED TO THE REBATE PROGRAM, PERMITS,
AND WATER WASTE**

FINDINGS

1. The Monterey Peninsula Water Management District (District or Water Management District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of the ground and surface water resources in the Monterey Peninsula area.
2. The Water Management District has general and specific power to cause and implement water conservation activities as set forth in Sections 325 and 328 of the Monterey Peninsula Water Management District Law.
3. The Monterey Peninsula Water Management District has found and determined that it is in the best interests of the Monterey Peninsula Water Management District and its inhabitants to define, implement and enforce water efficient plumbing standards and requirements for the conservation of Potable water supplies. Retrofit or replacement of existing plumbing fixtures lessens consumption of the limited water resources available on the Monterey Peninsula. Installation of water efficient plumbing fixtures reduces the burden of new, expanded or modified uses on the water resources.
4. This ordinance clarifies the Rule 23 process for estimating water demand prior to application for a Water Permit, clarifies that corrections noted in a Major Landscape Project audit shall be completed prior to a final inspection by the District, and authorizes the General Manager to exempt projects that demonstrate an Undue Hardship from the requirement to install separate water lines in the meter box to supply domestic and fire suppression systems.
5. Amendments to the Rule 141 Rebate Program are necessary to support the District's HEART (High Efficiency Applied Retrofit Targets) program. HEART is funded by a Proposition 1 Integrated Regional Water Management Disadvantaged Community

Involvement Program grant from the Department of Water Resources (DWR) to the Central Coast Funding Area (CCFA). The HEART project is focused on the City of Seaside's Disadvantaged Communities (DAC) and will provide free or low-cost installations of water efficient toilets, showerheads and faucet aerators, High Efficiency Clothes Washers, High Efficiency Dishwashers, leak detection and repairs, dish squeegees, dye tablets for toilets, etc. Outreach activities include education and outreach to DAC property owners, managers and renters. DAC residents benefit through site assessments and completion of appliance retrofits. Program participants should lower water/energy usage and lower bills. The amendments proposed in this ordinance allow Multi-Family Dwellings located in the Disadvantaged Communities to receive Rebates for purchase and installation of more than 20 toilets on a Site.

6. Ordinance No. 178 incentivized retrofits completed prior to January 1, 2019, when Senate Bill 407 (Padilla) requires certain retrofits. Property owners/managers are encouraged to use the Rebate Program to facilitate conversion of older toilets to High Efficiency or Ultra High Efficiency Toilets and replacement of older Clothes Washers with High Efficiency Clothes Washers.
7. This ordinance allows Rebates for High Efficiency Clothes Washers in Common Laundry Rooms that are leased from a vendor. Water savings from Multi-Family Residential retrofits is estimated to save up to 60 percent of the pre-retrofit water use. There are approximately 10,500 Multi-Family Dwelling Units in the DAC area, as determined by MPWMD in consultation with the California American Water Company and the Seaside Municipal Water District. Assuming 50% of these units are served by common-area laundries, the overall market potential for water savings in this area are anticipated to exceed 126 AFY.
8. Common Laundry Rooms provide excellent opportunities for water conservation because the frequency of use for each Clothes Washer is much greater than in-home machines. While an in-home machine averages only 4 to 6 loads per week, common area machines often wash 20 to 50 loads per week per Clothes Washer.
9. Most older coin-operated Clothes Washers have a Water Factor rating of 12 to 14 (top loaders); using 35 to 45 gallons per load. Newer water efficient models have a Water Factor rating of 4 to 8, using as little as 12 gallons per load.
10. This ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301, Existing Facilities, for modifications to Rule 141, as these amendments relate to replacement of existing facilities with less water intensive uses.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: **Short Title**

This ordinance shall be known as the 2018 IRWM Grant Support Ordinance of the Monterey Peninsula Water Management District.

Section Two: **Purpose**

This ordinance amends and clarifies Rules related to the Rebate Program, Water Permits, and Water Waste.

Section Three: **Amendments to Rule 11**

Rule 11 shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

LEGAL PARCEL - The term “Legal Parcel” ~~or “Parcel”~~ shall ~~refer~~ ***mean*** to the recorded legal description of a property that qualifies as a buildable legal lot of record under current rules of the applicable land use planning Jurisdiction.

ULTRA HIGH EFFICIENCY TOILET – “Ultra High Efficiency Toilet” or “UHET” shall mean a toilet that is designed and manufactured ~~to flush~~ with a maximum ***effective flush volume*** of 0.8 gallon of water and that is labeled by the U.S. Environmental Protection Agency’s WaterSense program. (***Note: The UHET category includes dual-flush fixtures, which have been determined to meet the volume requirement by defining the effective flush volume as the average volume achieved with one full flush and two reduced flushes.***)

Section Four: **Amendments to Rule 23**

1. Rule 23-A-1-e shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

e. The General Manager shall calculate the appropriate Capacity Fee for the Project

using Rule 24, Calculation of Water Use Capacity and Capacity Fees. *Estimation of past and future water use should be done according to the Rule 24 methodology.*

2. Rule 23-A-1-o shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

o. Following Project completion, a final inspection of the Project shall be conducted by the District. ***Major Landscape Projects shall be audited by a Certified Landscape Irrigation Auditor and corrections noted in the audit shall be made prior to District inspection.*** If the completed Project varies from the permitted Project, application for an amended Water Permit is required. When the completed Project has fewer fixture units than the number permitted (Residential Water Permits), or has a smaller Water Use Capacity than permitted (Non-Residential ***and landscape*** Water Permits), the Applicant shall not be required to secure the signature of the authorized official of the applicable Jurisdiction on the Water Release Form.

3. Rule 23-B-2-c shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face. The remaining provisions of Rule 23 shall remain unchanged by this ordinance.

c. All New Structures receiving a Water Permit after January 1, 2009, shall have separate water supply lines that tee off after the Water Meter to supply fire suppression service and domestic service as demonstrated in Figure 23-1, unless the User has separate Water Meters maintained by the Water Distribution System Operator for fire and domestic services. This configuration shall facilitate installation of a Flow Restrictor in the domestic service without interfering with the fire suppression service.

The General Manager shall have authority to make exceptions to this requirement for Undue Hardship. Exceptions shall be recorded on the property title with notice that rationing enforcement could result in a Flow Restrictor.

Section Five: Amendments to Rule 141

1. Rule 141-A shall be amended by adding the following footnote to the word “purchase” as shown in ***bold italic*** type face:

A. QUALIFYING DEVICES

Rebates are available for purchase¹ of the following Qualifying Devices within the boundaries of the Monterey Peninsula Water Management District. Qualifying Devices and the associated Rebate amount are shown in Table XIV-1.

¹ Rebates are available for High Efficiency Clothes Washers in Common Laundry Rooms that are leased under a contract with a vendor.

2. Rule 141-C-2 shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

2. No Rebate shall be issued for installation of Qualifying Devices that are required to be installed and maintained by Regulation XIV of the District with the exception of High Efficiency Toilets installed at Sites owned and operated by California Non-Profit Corporations. No Rebate shall be issued for installation of Qualifying Devices that ~~have been used~~ ***were required*** to obtain a Water Permit. Rebates shall be available until the date the retrofit becomes mandatory, such as the date a Change of Ownership or Change of Use occurs or a Water Permit is issued ***unless modified by the Board of Directors***. Rebates shall not be available for Qualifying Devices that have been required to be installed and maintained by local, State, or Federal water conservation programs.

3. Rule 141-C-5 shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

5. Rebates shall be available for a maximum of twenty (20) toilets on all Non-Residential Qualifying Properties with the exception of Qualifying Properties owned and operated by a California Non-Profit Corporation ***or that participate in the District's High Efficiency Appliance Retrofit Target (HEART) program.***

4. Rule 141-C-5 shall be amended as shown below, with added language as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face. The remaining provisions of Rule 141 shall remain unchanged by this ordinance.

4. Written authorization of the current property owner *or property manager* shall be required for Applicants who are not the owners of the property for which a Rebate is requested. The authorization must indicate ~~the property owner's~~ consent to the Applicant receiving a Rebate for installation of the Qualifying Devices. Applications submitted without ~~owner~~ approval will be denied.

Section Six: **Amendment to Rule 162-B-5, Prohibition on Water Waste**

Rule 162-B-5 shall be amended as shown below, with added language as shown in *bold italic* type face, and deleted language shown in ~~strikeout~~ type face.

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.

Irrigation using water from a Well is exempt from the watering day restriction if irrigation is done in an efficient manner. Well irrigators located in urban areas are encouraged to display signage that indicates the water used for irrigation is from a Well or other Source of Supply on the Site.

Section Seven: **Publication and Application**

The provisions of this ordinance shall cause the republication and amendment of Rules 11, 23, 141, and 162 of the Monterey Peninsula Water Management District.

Section Eight: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. on the 30th day after it has been enacted on second reading.

This Ordinance shall not have a sunset date.

Section Nine: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director _____, and second by Director _____, the foregoing ordinance is adopted upon this 20th day of August, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is an ordinance duly adopted on the 20th day of August, 2018.

Witness my hand and seal of the Board of Directors this _____ day of _____ 2018.

David J. Stoldt, Secretary to the Board