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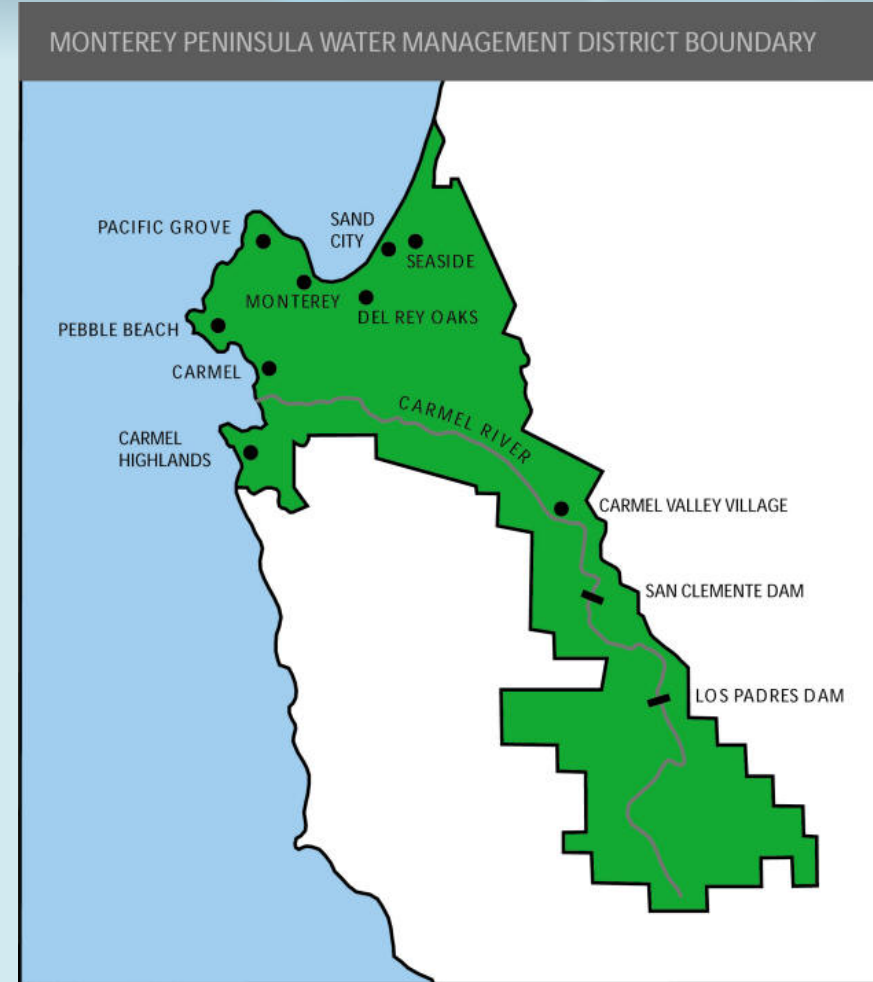
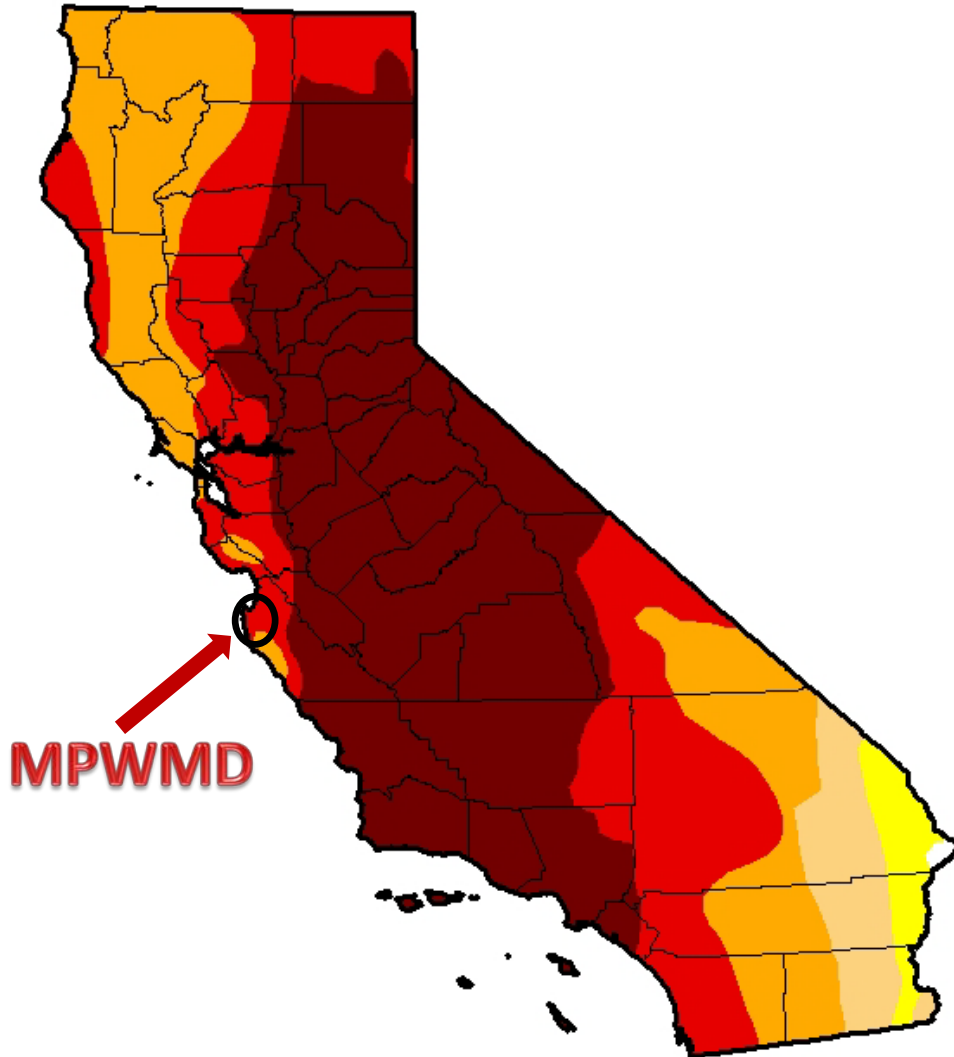




Rationing Program Development- MIIS Grad Students Examine the Issues

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WaterSmart Innovations 2015

Monterey Peninsula Water Management District



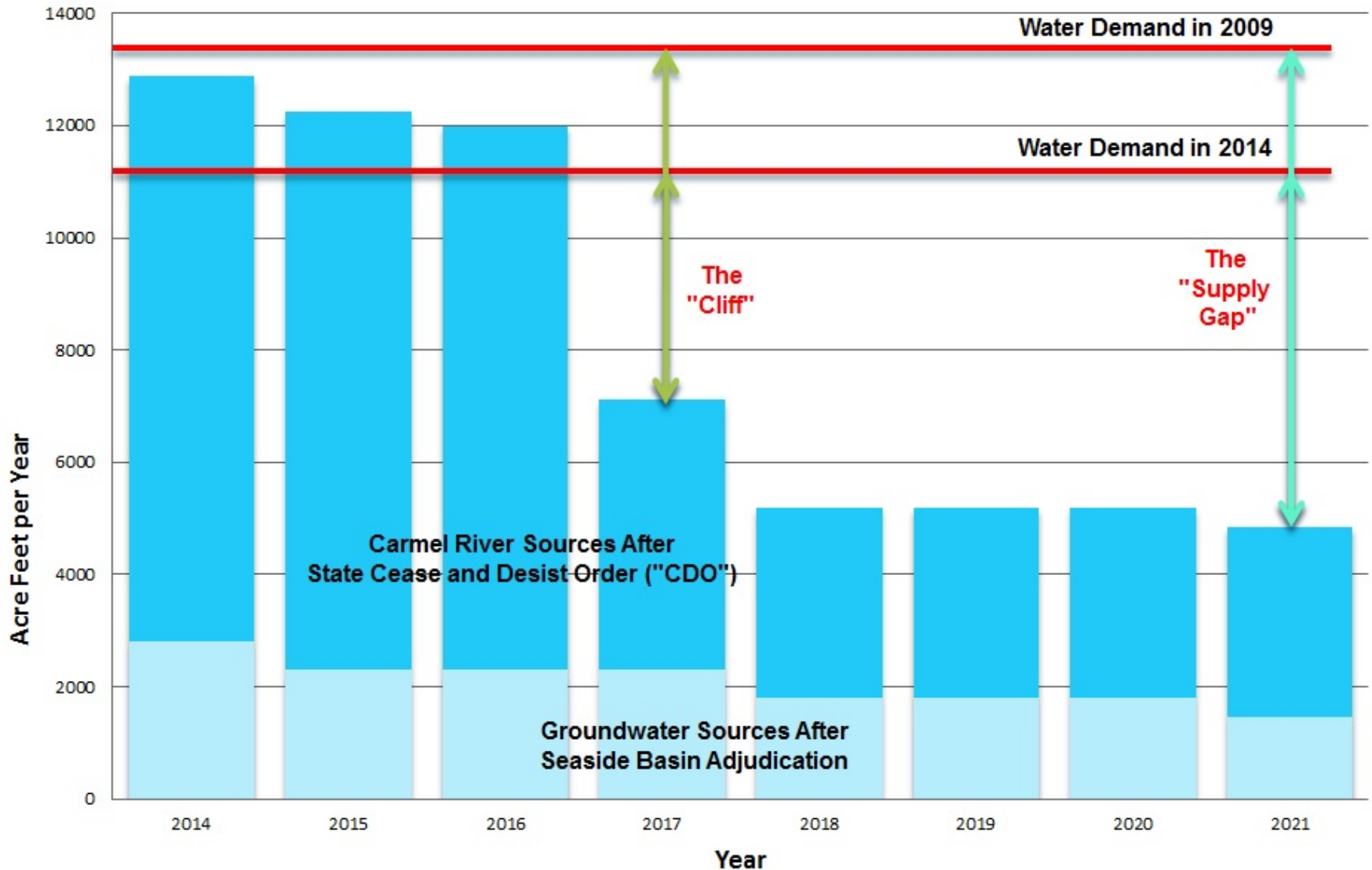
About MPWMD

- Special district created by the California Legislature in 1978
- Authority for management of ground and surface water
- All supply from local groundwater
- Regulatory authority over all water suppliers within its boundaries
 - Main utility: California American Water
 - Approximately 40,000 customers
 - 65-70% residential
- Serves California cities of Carmel, Del Rey Oaks, Monterey, Pacific Grove, Sand City and Seaside, Monterey Airport District, and Unincorporated County including Carmel Valley/Carmel Highlands

1998 Conservation/Rationing Plan

- 7-Stage Plan (always in Stage 1)
 - Water waste restrictions
 - Tiered rates (residential)
 - BMP rates (commercial)
- First 3 Stages intended to achieve regulatory compliance with Cease & Desist Order & Adjudication Decision
- Stage 2 landscape water audit/budget requirement for large users, dedicated landscape meters, open space
- Stage 3 Conservation Rates (upper tiers double)

CDO & the 2017 "Cliff"



1998 Conservation/Rationing Plan

- Stage 4 prepares for rationing implementation
- Stages 5-7 rationing
 - Stage 5: 16 - 34%
 - Stage 6: 34% - 49%
 - Stage 7: > 50%
- Residential rations by person
 - 35 GPCD minimum ration
- Non-residential rations by percentage reduction based on use “factor”
- Moratorium on intensifications in use first, then offset credits
- Increasing restrictions on non-essential water use

The Problem with the “Old” Plan

- Local landscape water use is significantly lower than water budgets
- Even at the minimum ration of 35 GPCD, there was insufficient water for non-residential uses
- CII factors do not account for differences in business practices
- Shuttering business impacts the community
- Difficult and expensive to administer

The MIIS Challenge

“Imagine that this drought is the new normal. What public policy moves should we be implementing now if this is the case?”

- Middlebury Institute of International Studies (MIIS) approached MPWMD in October 2014
- Graduate student teams to do policy research on the question of rationing and conservation
- Recommend policy to replace existing 7-Stage Plan
- Next: The Kick-Off Meeting...

Rationing Considerations

- Hospitality Industry is Major Economic Driver
 - 22,000 jobs
 - 9 million visitors
 - \$2.3 billion in spending
- Residential Water Use Variables
 - Colleges/universities/military installations
 - Transient population
 - Vacation destination
 - 2nd homes
 - Short term rentals
 - Master water meters (mixed use, some multi-family)
 - Tenants of long-term rentals

Two Basic Policy Questions

1. How do you set a Ration?
2. Should Residential customers be treated the same as Commercial customers (practicality vs. equity)?

Key Policy Questions – Residential

- How much does a person need in GPCD as a minimum for health and safety?
- If the customer population base is overstated (or understated) by an *unknown* amount, can you adjust safely? How?
- Should variances be granted? For what purpose? How determined?
- What is appropriate enforcement?

Key Policy Questions – Commercial

- Should rations be based on historical use or capacity for use (factors) based on type of business?
 - **Historical:** How do you ensure no incentive to waste water in advance of rationing to increase the base?
 - How do you treat new customers?
 - What if there has been a change in business practice?
 - **Factors:** How do you address factors that may not be statistically significant in actual practice for many businesses?
- Should BMP-compliant businesses be treated differently?
- What about users that have no room to cut?
- Should variances be granted? For what purpose? How determined?
- What is appropriate enforcement?

The 2015 Conservation/Rationing Plan

- Reduced from 7 stages to 4 stages
- Replaced landscape budget requirement with a “call to action” stage (voluntary conservation)
- Water waste enforcement is key in lower stages
- 2 levels of “conservation rates” in Stage 3
- Rations “households” and eliminates non-essential uses before impacting business
- Exempts BMP-compliant CII



Stage 1

Prohibition on Water Waste

- Always in effect
- Contains definition of water waste, enforcement process, and water waste fees



Stage 2

**Voluntary
Conservation**

- Call to action
- Specified goal
- Increased water waste enforcement



Stage 3

Conservation Rates

- 25% level 1 surcharge
- 40% level 2 surcharge



Stage 4

Rationing

- Residential rations first
- Non-essential & outdoor water use restrictions
- Moratorium
- CII BMPs

Answers to Key Policy Questions

How do you set a Ration?

- By Household (Residential)
- Percentage reduction (CII) w/BMP variance

Should Residential customers be treated the same as CII customers (practicality vs. equity)?

- No. Residential can reduce to health/safety baseline.
- CII drives the local economy (jobs)

Answers to Key Policy Questions – Residential

- How much does a person need in GPCD as a minimum for health and safety?
 - 55 GPCD (California DWR)
 - <35 GPCD (MPWMD, Pacific Institute, others)
- Should variances be granted? For what purpose?
 - Additional residents
 - Health, safety, welfare (medical/sanitation needs)
 - Drinking water for large livestock
 - Emergency, extreme, or unusual situations on a case-by-case basis

Answers to Key Policy Questions – Non-Residential

- Should rations be based on historical use or capacity for use (factors) based on type of business?
 - Historical “base year”
- Should businesses that have implemented Best Management Practices be treated differently?
 - Yes. BMP exemption
- Should variances be granted? For what purpose? How determined?
 - Additional ration available for “process” water
 - Operative Pressure Reducing Valve is a condition of approval

Answers to Key Policy Questions

- Verified compliance with all mandatory water efficiency requirements to receive a variance
- Policy of NO variances for:
 - Short-Term Residential Housing
 - Guests and short-term visitors
 - Irrigation, other than variances allowed for required riparian irrigation or safety
 - Filling spas, ponds, fountains, etc.
 - Leaks that are not repaired within 72 hours of notice

Addendum

- MIIS was unable to complete the project
- MPWMD in coordination with California American Water submitted the 2015 Plan to the California Public Utilities Commission for approval
- MPWMD is adopting an ordinance to implement the 2015 Plan

Questions?

Thank you!

Please visit our website at www.montereywaterinfo.org