

June 9, 2026
Agenda Item No. 11

Water Allocation Policy (REF250037)



Requested Action

- It is recommended that the Board of Supervisors:
 - Find the adoption of the Water Allocation Policy exempt from further CEQA review per Section 15061(b)(3); and
 - Adopt a resolution to approve the Water Allocation Policy for areas of unincorporated Monterey County served by MPWMD (**Attachments C and E**).



Overview

- Background
- Public Engagement to Date
- Components of the Policy
- Planning Commission Feedback
- Staff Recommendation



Water Allocation Background

- Monterey Peninsula Water Management District (MPWMD) utilizes water allocations to manage water supplies within its District boundaries:
 - Includes incorporated cities (Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Seaside, Sand City) and unincorporated Monterey County (Pebble Beach, Carmel, and Carmel Valley)



MPWMD Service District Service Area

Monterey County



Monterey Peninsula Water Management District



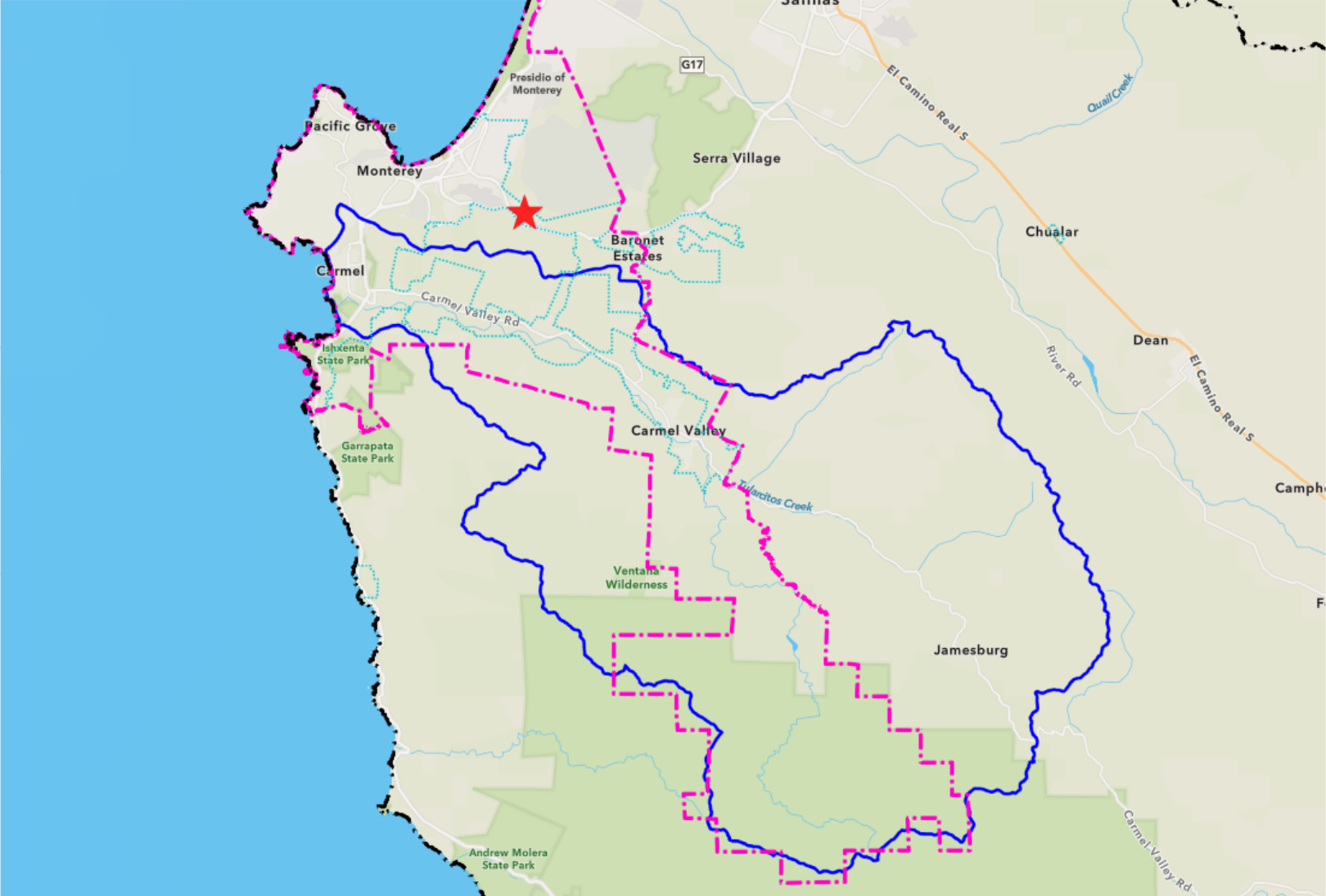
Cal Am Water Service Area

Cal Am Water Service Area



Carmel River Watershed

Carmel River Watershed



Water Allocation Policy – Why?

- County allocated water in early 2025 from MPWMD (72 AFY)
- Changes in State Housing Law require prioritization of water for affordable housing growth
- Limited allocation of water provided by MPWMD to the County at this time
- Lack of formal process and procedures to prioritize the allocation of water to uses and development that furthers County goals



Public Engagement to Date (Attachment B)

- Planning Commission
 - Workshop – November 12, 2025 (Directed staff to develop an Allocation Policy)
 - Additional workshops to refine Policy development on April 29, 2026 and May 13, 2026
- Public Engagement
 - Housing Developer Stakeholder Meeting – March 2026
 - Public Comment Period – April 8, 2026 through April 22, 2026
 - On-going comments throughout policy development process

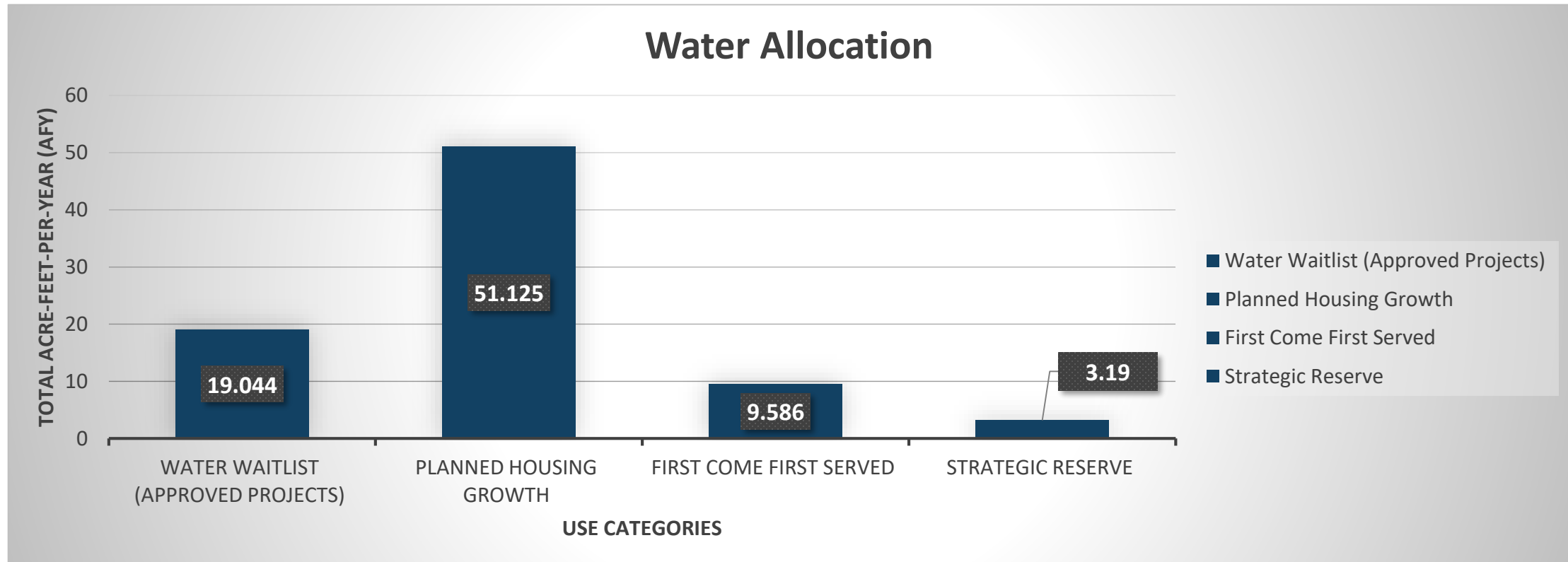


Components of the Policy (Attachments C and D)

- Use Categories
 - Approved HCD Water Waiting List (**Attachment A**)
 - Planned Housing Growth (80% of remaining balance)
 - Qualifying criteria needs to be met
 - First Come, First Served (15% of remaining balance)
 - Catch all category, SFD usage maximums
 - Strategic Reserve (5% of remaining balance)
 - Board of Supervisors discretion



Water Allocation by Use Category



- 82.945 AFY Total Available



Components of the Policy (Attachments C and D)

- Procedures
 - Processing requirements vary slightly for construction permits versus permits requiring a land use entitlement
 - Reservation of water
- Time Limits
- Review of the Policy



Planning Commission Review (May 13, 2026)

- Planning Commission recommended approval with the following clarifications and updates to the Policy (**Attachments C and D (redline)**):
 - Revisions to the “Procedure” section for reservation of water;
 - Include water usage maximum as maximum acre feet of water per year (AFY);
 - Include discussion on water allocations for emergencies (i.e. water for fire suppression, etc.);
 - Revise the Policy to include clarifying edits requested by the Planning Commission and MPWMD



Recommendation

- It is recommended that the Board of Supervisors:
 - Find the adoption of the Water Allocation Policy exempt from further CEQA review per Section 15061(b)(3); and
 - Adopt a resolution to approve the Water Allocation Policy for areas of unincorporated Monterey County served by MPWMD (**Attachments C and E**).

