

## RESOLUTION NO. 3713

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ESTERO MUNICIPAL IMPROVEMENT DISTRICT DIRECTING STAFF TO PREPARE AN ORDINANCE IMPLEMENTING A WATER NEUTRALITY GROWTH POLICY FRAMEWORK; APPROPRIATING \$26,955 FROM ACCOUNT NO. 128 TO ACCOUNT NO. 128-0845-419-4251 TO PAY FOR THE COST PROPOSAL BY MADDAUS TO ASSIST IN PREPARING THE ORDINANCE; AND FINDING THE APPROVAL OF THIS RESOLUTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15262, 15061(b)(3) AND CALIFORNIA WATER CODE SECTION 10652

### ESTERO MUNICIPAL IMPROVEMENT DISTRICT

WHEREAS, the City of Foster City, is preparing a Program Environmental Impact Report (EIR) for the 2023-31 Housing Element Update in accordance with California Environmental Quality Act (CEQA), implementing the CEQA Guidelines, relevant case law, and City procedures to plan for 1,896 housing units in the 2023-2031 including a buffer; and

WHEREAS, the City prepared a Water Capacity Study (WCS) to inform the development of a Water Supply Assessment (WSA) for 6th Cycle Housing Element Update to verify whether the systems can accommodate a proposed development, and if not, they help identify needed improvements that would allow a development project to move forward; and

WHEREAS, the WCS concluded that there is not “sufficient water supply” (per Government Code 664737.7 (a)(2)) available to meet the demands of the 2023-2031 Housing Element, in addition to the existing and planned future uses evaluated in this WCS, during single-dry and multiple dry water years within a 20-year projection; and

WHEREAS, the State’s mandate that the City plan for its fair share of the regional housing needs over the next eight (8) years as part of the RHNA Cycle 6 and the inadequate water supply to support housing is a burdensome challenge; and

WHEREAS, the City’s Draft EIR (DEIR) identified the adoption of a Water Neutrality Growth Policy as a mitigation measure to address supply shortfalls and to offset new water future demands; and

WHEREAS, the “Water Neutrality Growth Policy” (Policy) framework attached hereto as Exhibit A shall serve as the regulatory framework and direction from the EMID Directors to prepare an Ordinance that sets forth regulations that offset the new water demand with water efficiency measures to create a neutral (or net zero) impact on the overall site (or account) water use demand in accordance with Water Code section 10911. The Policy framework would require new development(s), redevelopment or changes in use within the EMID service area that will require a new water service or will increase water demand above the existing water demand level to offset the projected water

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demand with water efficiency/conservation/retrofit measures to create a neutral impact on the overall water use demand.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Estero Municipal Improvement District as follows:

1. The adoption of this Resolution directing staff to prepare an Ordinance consistent with the Policy framework is categorically exempt under the California Environmental Quality Act pursuant (CEQA) pursuant to CEQA Guidelines Section 15262 (Feasibility and Planning Studies), California Water Code section 10652 (Urban Water Management Planning) and under the "common sense" exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

2. Staff is hereby directed to prepare an Ordinance that sets forth regulations that offset the new water demand with water efficiency measures to create a neutral (or net zero) impact on the overall site (or account) water use demand, consistent with the Water Neutrality Growth Policy framework attached hereto as Exhibit A.

3. Funds in the amount of \$26,955 shall be appropriated from Account 128 to Account 128-0845-419-4251 to pay for the cost of the proposal submitted by Maddaus to assist in preparing the Ordinance.

PASSED AND ADOPTED as a resolution of the Board of Directors of the Estero Municipal Improvement District at the regular meeting held on the 20<sup>th</sup> day of March, 2023, by the following vote:

AYES: Directors Hindi, Jimenez, Kiesel, Sullivan and President Froomin

NOES: None

ABSENT: None

ABSTAIN: None

DocuSigned by:  
  
2025133531B1454  
JON FROOMIN, PRESIDENT

ATTEST:

DocuSigned by:  
  
6131E39FA33B4AB  
PRISCILLA SCHAUS, DISTRICT SECRETARY

## **Exhibit A: Water Neutrality Growth Policy Framework**

### **Introduction**

The City of Foster City, is preparing a Program Environmental Impact Report for the 2023-31 Housing Element Update in accordance with California Environmental Quality Act (CEQA), implementing the CEQA Guidelines, relevant case law, and City procedures. Per Water Code Section 10912, a Water Supply Assessment (WSA) is required for a proposed residential development of more than 500 dwelling units. The City prepared a Water Capacity Study (WCS) to inform the development of WSA for 6th Cycle Housing Element Update to verify whether the systems can accommodate a proposed development, and if not, they help identify needed improvements that would allow a development project to move forward.

The Estero Municipal Improvement District (EMID) service area consists of the City of Foster City and a portion of the City of San Mateo immediately adjacent to the west, referred to as the Mariners Island area. EMID purchases all of its potable water from the San Francisco Public Utility Commission (SFPUC) Regional Water System (RWS) as a contractual member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the 26 member agencies that purchase wholesale water supplies from the SFPUC. EMID receives the already-treated water from SFPUC and distributes it to its customers. As a retailer, EMID has no direct control over its water supply and treatment and relies solely on SFPUC.

The WCS concluded that there is not “sufficient water supply” (per Government Code 664737.7 (a)(2)) available to meet the demands of the 2023-2031 Housing Element, in addition to the existing and planned future uses evaluated in this WCS, during single-dry and multiple dry water years within a 20-year projection. The WCS included that EMID shall consider this projected insufficiency and may take measures, if and when that becomes necessary, to acquire and develop those water supplies. In addition, the EMID 2020 Urban Water management Plan (UWMP) notes that EMID has no approved plans for acquiring additional water supplies as a retailer.

The State’s mandate for cities to plan for its fair share of regional housing needs over the next eight (8) years as part of the RHNA Cycle 6 and the inadequate water supply to support housing is a burdensome challenge. The Draft EIR identified the adoption of a Water Neutrality Growth Policy framework as a mitigation measure to address supply shortfalls and to offset new water future demands.

The Water Neutrality Growth Policy Framework (Policy) would require new development(s), redevelopment, or change in use within the EMID service area that will require a new water service from the EMID or will increase water demand above the existing water demand level to offset the projected new water demand with water efficiency/conservation/retrofit measures to create a neutral (or net zero) impact on the overall site (or account) water use demand.

The Policy would involve comparing the property’s Baseline Water Demand (provided by EMID staff) to the applicant’s calculated Projected Water Demand to demonstrate a zero-water use increase for the proposed development.

The Policy serves as the direction from the City of Foster City Council to prepare an Ordinance to implement regulations requiring new development(s), redevelopment or change in use that will require a new water service from the EMID or will increase water demand above the Baseline Water Demand to offset the New Water Demand with water efficiency measures to create a neutral (or net zero) impact on the overall site (or account) water use demand.

**Applicability**

The Policy would apply to:

- New developments (excluding single-family and ADUs)
- Redevelopment
- Change in use

**Process for Demonstrating Water Neutrality****Step 1: Obtain Baseline Water Demand for the subject property.**

EMID staff would provide the applicant with the existing property's Baseline Water Demand which is the average water use over the previous five-years from the date the building permit application was submitted. This would be the baseline to compare the Projected Water Demand. Where no water data is available, the Baseline Water Demand would be the five-year average of properties in the same customer class as the existing use or previously existing use with the same meter size, as determined by EMID staff.

**Step 2: Calculate and provide a Projected Water Demand at the time of planning entitlements.**

The applicant would provide a Projected Water Demand as part of the entitlements. Projected Water Demand refers to the total amount of projected water demand for the proposed new development.

**Step 3: Calculate and provide a New Water Demand at the time of building permit submittal.**

If the proposed development has revisions from the approved set of plans from entitlements, the applicant would provide a revised Projected Water Demand spreadsheet during the plan check submittal to the Building Division. The applicant would also submit a calculated New Water Demand which is the Baseline Water Demand less the Projected Water Demand:

$$\text{New Water Demand} = \text{Baseline Water Demand} - \text{Projected Water Demand}$$

If a development is designed to use no more water than the property's Baseline Water Demand, the project's New Water Demand would be approved. However, if the Projected Water Demand exceeds the property's Baseline Water Demand, the applicant will propose onsite and/or offsite water efficiency/conservation/retrofit measures to offset the New Water Demand.

**Step 4: Complete onsite and/or offsite water efficiency measures to offset the New Water Demand.****Onsite Water Efficiency Measures**

The applicant would be required to implement onsite water efficiency measures to offset the New Water Demand. This may include, but is not limited to, the following measures:

- Using alternative water sources such as graywater or rainwater.
- Instant hot water heaters.
- Pressure Reducing Valves (PRVs) to prevent the higher pressure from rupturing valves or pipes.
- Installing ultra-high efficiency plumbing fixtures and appliances that exceed current regulatory flow rates.

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- Covers for swimming pools and spas.
- Automatic-fill valves would not be used with water features, including but not limited to swimming pools and ponds.

With regard to building and landscape design and operation, the applicant would still be required to comply with existing EMID and City of Foster City regulations including:

- [Foster City Code Chapter 13.12 Stormwater Management and Discharge Control](#)
- [EMID Code Chapter 8.60 Water Conservation and Rationing](#)
- [EMID Code Chapter 8.70 Indoor Water Use Efficiency](#)
- [EMID Code Chapter 8.80 Outdoor Water Conservation in Landscaping](#)

### Off-Site Water Efficiency Measures

If a new development is designed with all practical onsite water efficiency measures and additional New Water Demand is still projected, the applicant would be required to explore off-site water efficiency measures to achieve water neutrality. The applicant may conduct off-site water efficiency measures including, but not limited to, direct installation of ultra-high-efficiency toilets and other plumbing fixtures, turf replacement, and commercial, institutional, industrial appliance upgrades within the EMID service area.

Development of the Water Neutrality Growth Ordinance will codify the regulatory framework described in the Policy, and guidelines will be developed to provide applicants with clear implementation steps.