

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION W-3566
May 8, 1991RESOLUTION(RESOLUTION W-3566) COUNTY WATER COMPANY (CWC).
ORDER RE: WATER RATIONING PLANS AND CONSERVATION RULE.BY ADVICE LETTER 42, FILED MARCH 8, 1991SUMMARY

This Resolution grants CWC's request for authority to add Rule 14.1, Mandatory Water Conservation and Rationing Plan.

BACKGROUND

CWC serves approximately 2,800 customers in the metropolitan Los Angeles area.

This action is required by the action of the Metropolitan Water District of Southern California (MWD) in response to the severe drought conditions in California.

DISCUSSION

MWD supplies about two-thirds of all water used in Southern California, receiving most of it from the Colorado River and the State Water Project and supplying it to 27 member agencies. Due to the State of Arizona's increase in its use of its share of the Colorado River, in 1991 MWD expects to receive 25 percent less water from that source. This and the unprecedented fifth year of drought in California, resulting in a severe reduction in its supply from the State Water Project and local sources, have limited the amount of water MWD will be able to deliver to its member agencies. MWD held public meetings in 1990 and 1991 concerning the expected shortfall. On December 20, 1990, MWD ordered an "Incremental Interruption and Conservation Plan" (MWD Plan) to go into effect on February 1, 1991.

The MWD Plan includes quantity reductions ranging from voluntary cutbacks to 20-percent rationing for noninterruptible (residential) customers and 50-percent rationing for interruptible (mostly irrigation) customers. MWD began rationing water to customer agencies on February 1, 1991, requiring mandatory reductions of 10-percent for noninterruptible customers and 30-percent for interruptible customers.

The MWD Plan penalizes agencies using more than allotted quantities and rewards agencies using less than allotted quantities. At present the penalty is \$394 per acre-foot and the reward is \$99 per acre-foot.

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In September, 1991 MWD will compare each agency's total use for the rationing period with its total allocation for that period. Agencies which have used more than their allotted amount will be charged the penalty for each excess acre-foot used, and those which have used less than their allocation will be credited the reward for each acre-foot saved.

CWC purchases all of the water it distributes to its customers from MWD. Without the amount of water normally purchased from MWD, CWC cannot supply the normal water demand of its customers. CWC has therefore requested authorization from the Commission to impose water use restrictions and rationing.

CWC's proposed two-phase plan provides use restrictions and water quantity reductions. Phase I consists of mandatory water use restrictions and water rationing of at least 10-percent but less than 20-percent cut back in usage effective February 1, 1991; Phase II consists 20-percent cut back of water use based on a voluntary basis as of March 1, 1991, and a mandatory basis as of April 1, 1991. CWC provides a minimum rationing allotment of 9 Ccf per month per customer.

If MWD revises its Plan to require reductions in excess of 20-percent for noninterruptible customers or 50-percent for interruptible customers, CWC will file an advice letter with the Commission requesting a revision of the CWC plan.

Use restrictions in CWC's plan will affect: washing walkways and driveways; washing motor vehicles, trailers, boats, and so forth without automatic shut-off devices on hoses; landscape watering; decorative pools, fountains, and other aesthetic uses; serving water in restaurants, hotels, cafes, cafeterias and other places where food is served; and use of water for construction purposes.

For violating the restrictions on use, the utility may warn the customer the first time, and install a temporary flow restrictor in the customer's service line the second time. For a third violation, a restrictor may be installed for the duration of the drought, and service may be discontinued for persistent violations. CWC will charge established amounts of \$25, \$50, or the actual cost for removing restrictors, depending on the size of the particular service.

CWC's allotted plan also provides financial penalty when more than the allotted amount of water is used. Penalty will be at the same rates used by MWD; \$0.905 per hundred cubic feet (Ccf) for overuse. Any monies collected by CWC through penalty charges will not be accounted for as income, but will be accumulated in a separate reserve account for disposition as directed from time to time by the Commission.

The Water Utilities Branch (Branch) understands that some utilities subject to the penalties and rewards of MWD will seek to flow rewards as well as penalties through to their customers in each billing. CWC has chosen to pass only penalties in each billing. The Branch believes this is acceptable with the condition that immediately following each September accounting made by MWD to its member

agencies, CWC be required to report to the Commission the monies that have accumulated in the penalties reserve account. Further, that such reporting to the Commission should be accompanied by a request for Commission authorization for specific disposition of any credits made to CWC by MWD as a result water usage lower than MWD's allocation and any monies accumulated in CWC's penalties reserve account.

Branch believes that monies accumulated in the penalties reserve account should be first used for offsetting any penalties by MWD in the event customers of CWC use more than their allotted amount of water, and secondly to offset charges to the drought related memorandum account that was authorized by the Commission in Decision 90-07-067. In the event customers use less than their allotment and rewards are credited CWC, these credits should also be used to offset charges to the CWC drought related memorandum account.

The California Water Code (Code), Sections 350 through 358, provides that the governing board of any public water supplier may declare a water shortage emergency within its service area whenever it determines that the ordinary demands and requirements of its consumers cannot be satisfied without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and fire protection. Before making a declaration of water shortage emergency, the supplier must notify its customers and hold a public meeting to give customers the opportunity to protest such declaration or make comments. After the supplier has declared a water shortage emergency, it must adopt such regulations and restrictions on water delivery and consumption as it finds will conserve its water supply for the greatest public benefit.

Section 357 of the Code requires that suppliers that are subject to regulation by the Commission shall secure its approval before making such restrictions and rationing effective.

CWC also makes available to its customers water conservation kits to promote conservation of water resources through the use of devices to reduce the quantity of water, and instructions for the use of these devices.

NOTICE

MWD held widely publicized public hearings; received input from residential, commercial, agricultural and water agency customers; declared a water shortage emergency and adopted regulations and restrictions for the greatest public benefit. In addition, CWC held a public meeting at 7:00 p.m. in Bellflower on March 6, 1991; a notice of the meeting was published in a local newspaper. No customers attended the meeting. CWC explains its position that it has received previously many telephone inquiries concerning the proposed water conservation and rationing plan--many of its customers might have already attended various meetings held by other water purveyors and heard about a declaration of a water shortage emergency--they must be doing a very good job in keeping abreast of the current water conservation issues.

PROTESTS

No protests have been received from the customers.

FINDINGS

1. MWD provides CWC all of its water supply.
2. Without the full amount of water supplied by MWD, CWC cannot provide for the ordinary requirements of its customers for consumption, sanitation and fire protection.
3. According to MWD, reduction in the availability of Colorado River water and the drought conditions in California, have reduced the amount of water available to MWD to distribute to its member agencies.
4. MWD implemented an Incremental Interruption and Conservation Plan on February 1, 1991, calling for mandatory rationing by member agencies.
5. Section 357 of the Water Code requires CWC to seek Commission approval of its proposed tariff Rule 14.1, Mandatory Water Conservation and Rationing Plan before implementing use restriction and rationing called for by MWD.
6. Requirements of the Water Code, Section 350 et seq, to notify customers and to hold public hearings before declaring a water shortage emergency have been met.
7. A reserve account should be authorized for CWC to record penalty monies collected under its excess usage penalty rates.
8. CWC should report to the Commission immediately following MWD's September accounting of overuse penalties and underuse credits. This report should include the amount charged or credited CWC by MWD as well as the amount accumulated in CWC's penalty monies reserve account. This report should be accompanied by an application request for specific disposition authority for the monies in the penalty reserve account.

IT IS ORDERED that:

1. County Water Company is authorized to add Rule 14.1, Mandatory Water Conservation and Rationing Plan to its tariffs as proposed by Advice Letter No. 42. The effective date of Rule 14.1 shall be five (5) days after the effective date of this resolution.
2. When MWD revises its present rationing plan to include reductions in noninterruptible use of more than 20-percent, or more than 50-percent in interruptible use, County Water Company is authorized to file an advice letter modifying its Rule 14.1 accordingly.

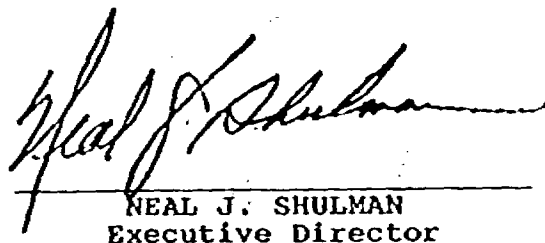
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3. Rule 14.1 shall continue in force until such time as MWD rescinds its Incremental Interruption and Conservation Plan and no longer requires rationing, or until such time as the Commission directs the modification or repeal of Rule 14.1.
4. County Water Company shall establish a reserve account in which excess usage penalty charges imposed upon its customers shall be accumulated. These monies shall not be accounted for as income but shall be disposed of in ways to be determined by the Commission.
5. County Water Company shall establish a reserve account in which rationing incentive funds collected from MWD are accumulated. These monies shall not be accounted for as income but shall be disposed of in ways to be determined by the Commission from time to time.
6. County Water Company shall, within thirty (30) days following the September accounting by the Metropolitan Water District to its member agencies of overuse charges and underuse credits, report this information to the Commission subject to this resolution. This report shall include the amount of monies accumulated in its overuse penalty charges reserve account and rationing incentive reserve account.
7. County Water Company shall, within thirty (30) days following the September accounting by the Metropolitan Water District, file an application with the Commission proposing specific disposition of any monies accumulated in its overuse penalty charges reserve accounts, and any credits made to it by the Metropolitan Water District for underuse.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 8, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANKEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners


NEAL J. SHULMAN
Executive Director

County Water Company (U 327 W)
11829 East 163 Street
Norwalk, CA 90650

Res. W-3566, Appendix

Original Cal. P.U.C. Sheet No. 341-W

Canceling _____ Cal. P.U.C. Sheet No. _____

Rule No. 14.1

MANDATORY WATER CONSERVATION AND RATIONING PLAN

GENERAL INFORMATION

If water supplies are projected to be insufficient to meet normal customer demand, the utility may elect to implement voluntary conservation using the portion of this plan set forth in Section A of this Rule after notifying the Commission's Water Utilities Branch of its intent. If in the opinion of the utility more stringent water conservation measures are required, the utility shall request Commission authorization to implement the mandatory conservation and rationing measures set forth in Section B.

The Commission shall authorize mandatory conservation and rationing by approving Tariff SCHEDULE NO. 14.1, MANDATORY WATER CONSERVATION AND RATIONING. When Tariff Schedule No. 14.1 has expired or is not in effect, mandatory conservation and rationing measures will not be in force. Tariff Schedule No. 14.1 will set forth water use allocations, excess water use penalties, charges for removal of flow restrictors, and the period during which mandatory conservation and rationing measures will be in effect.

When Tariff Schedule No. 14.1 is in effect and the utility determines that water supplies are again sufficient to meet normal demands and mandatory conservation and rationing measures are no longer necessary, the utility shall seek Commission approval to rescind Tariff Schedule No. 14.1 to discontinue rationing.

In the event of a water supply shortage requiring a voluntary or mandatory program, the utility shall make available to its customers water conservation kits. The utility shall notify all customers of the availability of conservation kits.

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(To be inserted by utility)

(To be inserted by Cal. P.U.C.)

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Decision No. _____

Issued by

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President

Title

Date Filed _____

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Resolution No. _____

Original _____ Cal. P.U.C. Sheet No. 342-W
Canceling _____ Cal. P.U.C. Sheet No. _____

Rule No. 14.1
(Continued)

A. CONSERVATION - NON-ESSENTIAL OR UNAUTHORIZED WATER USE

No customer shall use utility-supplied water for non-essential or unauthorized uses as defined below:

1. Use of water through any connection when the utility has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to make such repairs within 5 days after receipt of such notice.
2. Use of water which results in flooding or run-off in gutters, waterways, patios, driveways, or streets.
3. Use of water for washing aircrafts, cars, buses, boats, trailers or other vehicles without a positive shut-off nozzle on the outlet end of the hose, except for the washing of vehicles at commercial or fleet vehicle washing facilities operated at fixed locations where equipment using water is properly maintained to avoid wasteful use.
4. Use of water through a hose for washing buildings, structures, sidewalks, walkways, driveways, patios, parking lots, tennis courts, or other hard-surfaced areas in a manner which results in excessive run-off or waste.
5. Use of water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.
6. Use of water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used.
7. Use of water for more than minimal landscaping in connection with any new construction.

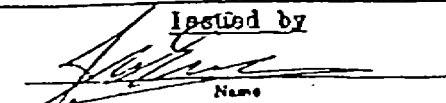
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Resolution No. _____

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Rule No. 14.1
(Continued)

- A. 8. Use of water for outside plants, lawn, landscape and turf areas more often than every other day, with even numbered addresses watering on even numbered days of the month and odd numbered addresses watering on the numbered days of the month, except that this provision shall not apply to commercial nurseries, golf courses and other water-dependent industries.
- 9. Use of water for outside plants, lawn, landscape and turf areas during certain hours is and when specified in Tariff Schedule No. 14.1 when the Schedule is in effect.
- 10. Use of water for watering outside plants and turf areas using a hand held hose without a positive shut-off valve.
- 11. Use of water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilized recycled water.
- 12. Use of water for the filling or refilling of swimming pools.
- 13. Service of water by any restaurant except upon the request of a patron.

B. RATIONING OF WATER USAGE

In the event the conservation measures required by Section A are insufficient to control the water shortage, the utility shall, upon Commission approval, impose MANDATORY CONSERVATION AND RATIONING. The water allocated for each customer, the time period during which rationing shall be in effect, and any additional conditions, will be set forth in Tariff Schedule No. 14.1, which shall be filed for this purpose at the time such rationing is approved by the Commission.

Before rationing is authorized by the Commission the utility shall hold public meetings and take all other applicable steps required by Sections 350 through 358 of the California Water Code.

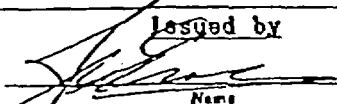
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C. ENFORCEMENT OF MANDATORY CONSERVATION AND RATIONING

1. The water use restrictions of the conservation program in Section A of this rule becomes mandatory when the rationing program goes into effect. These restrictions are applicable whether or not the customer exceeds the monthly water allocation.
2. Upon inception of the mandatory provisions of this Rule the utility may, after one verbal and two written warnings, install a flow-restricting device on the service line of any premises where utility personnel observe water being used for any non-essential or unauthorized use as defined in Section A.
3. A flow restrictor shall not restrict water delivery by greater than 50% of normal flow and shall provide the premises with a minimum of 9 ccf per month. The restrictor may be removed only by the utility, after a three day period has elapsed, and upon payment of the appropriate removal charge as set forth in Tariff Schedule No. 14.1.
4. After the removal of a restricting device, if any non-essential or unauthorized use of water continues, the utility may install another flow-restricting device. This device shall remain in place until rationing is no longer in effect and until the appropriate charge for removal has been paid to the utility.
5. Customers will be notified of the predetermined water allocation. Water allocations may be appealed in writing as provided in Section D of this Rule. If a customer uses water in excess of the allocated amount, the utility may charge the excess usage penalty shown in Tariff Schedule No. 14.1.
6. Any monies collected by the utility through excess usage penalties shall not be accounted for as income, but shall be accumulated by the utility in a separate account for disposition as directed or authorized from time to time by the Commission.
7. The charge for removal of a flow-restricting device shall be in accordance with Tariff Schedule No. 14.1.

D. APPEAL PROCEDURE

Any customer who seeks a variance from any of the provisions of this mandatory water conservation and rationing plan or a change in water allocation shall notify the utility in writing, explaining in detail the reasons for such a variation. The utility shall respond to each such request.

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Rule No. 14.1
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D. APPEAL PROCEDURE (continued)

Any customer not satisfied with the utility's response may file an appeal with the staff of the Commission. The customer and the utility will be notified of the disposition of such appeal by letter from the Executive Director of the Commission.

If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this mandatory water conservation and rationing plan.

E. PUBLICITY

In the event the utility finds it necessary to implement this plan, it shall notify customers and hold public hearings concerning the water supply situation, in accordance with Chapter 3, Water Shortage Emergencies, Sections 350 through 358, of the California Water Code. The utility shall also provide each customer with a copy of this plan by means of billing inserts or special mailings; notifications shall take place prior to imposing any fines associated with this plan. In addition, the utility shall provide customers with periodic updates regarding its water supply status and the results of customers' conservation efforts. Updates may be by bill insert, special mailing, poster, flyer, newspaper, television or radio spot/advertisement, community bulletin board, or other appropriate methods.

(To be inserted by utility)

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Advice Letter No. 42

Date Filed

Decision No.

[Signature]
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Schedule No. 14.1

MANDATORY WATER CONSERVATION AND RATIONING

APPLICABILITY

This schedule applies to all water customers served under all Tariff Rate Schedules authorized by the Commission. It is only effective in times of rationing, as required by Rule No. 14.1, and only for the period noted in the Special Conditions Section below.

TERRITORY

This schedule is applicable within the entire territory served by the utility.

DEFINITIONS

As used in this water rationing plan, the word:

1. "Company" means County Water Company, Inc.
2. "Person" means any individual, person, firm, partnership, association, corporation, company, organization or governmental entity;
3. "Customer" means any person who uses water supplied by the Company.
4. "Process Water" means water used to manufacture, alter, convert, clean, grow, heat or cool a product, including water used in laundries and car wash facilities that recycle the water used;
5. "Water" means water supplied by the Company;
6. "Stage" (I thru V) and "Allocation Percentage" are the terms and definitions as determined by the Metropolitan Water District of Southern California.

ALLOCATION

The following uses of water are hereby determined to be, and are defined as, non-essential or unauthorized, except as further provided herein:

A. Any use of water in excess of the following allocations:

1. The allocation percentage for each customer shall be the percentage shown below of the quantity of water used by such customer during the comparable billing period from June 1989 through May 1990:


	<u>STAGE I</u>	<u>STAGE II</u>	<u>STAGE III</u>	<u>STAGE IV</u>	<u>STAGE V</u>
GENERAL METERED	Voluntary	95%	90%	85%	80%
METERED IRRIGATION	Voluntary	80%	70%	60%	50%

(To be issued by utility)

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Notwithstanding the above-listed allocations, no customer will receive a monthly allocation of less than 900 cubic feet.

1. SPECIAL CONDITIONS

- There shall be no use of water for outside plants, lawn, landscape and turf areas between the hours of 10 A.M. and 5 P.M. regardless of address or day of the month.
2. Allocations falling between full hundred of cubic feet shall be rounded up to the next full hundred.
 3. For any customer without a prior billing record, or where unusual circumstances dictate a change in allocation, the customers' allocation shall be determined by the utility on the basis of usage by similar customers or on such other basis as may be fair and equitable under the circumstances.
 4. Excess water use penalties and flow-restrictor removal charges must be separately identified on each bill.
 5. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

EXCESS WATER USE PENALTY

1. An excess use penalty of \$.905 per 100 cubic feet of water used in excess of the applicable allocation percentage during each billing period shall be charged by the Company for all service rendered on and after the effective date of this tariff, except that such excess use penalty shall not apply to any customer and/or dwelling unit whose consumption is 900 cubic feet or less per month per dwelling unit, not to any customer whose total consumption to date during the period this rationing plan has been in effect does not exceed his or her total allocated usage for said period.
2. Any monies collected by the Company through penalty charges shall not be accounted for as income, but shall be accumulated by the Company in a separate reserve account for disposition as directed or authorized from time-to-time by the California Public Utilities Commission.
3. The excess water use penalty is in addition to the regular rate schedule cost per one hundred cubic feet.

FLOW-RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device shall be:

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<u>Connection Size</u>	<u>Removal Charge</u>
5/8" to 1"	\$25.00
1 1/2" to 2"	\$50.00
3" and larger	Actual Cost

(End of Appendix)

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