

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3926  
July 6, 1995

R E S O L U T I O N

(RES. W-3926), MADERA RANCHOS WATER COMPANY (MRWC).  
ORDER AUTHORIZING MANDATORY WATER CONSERVATION AND  
RATIONING.

BY ADVICE LETTER 25, FILED JUNE 1, 1995.

SUMMARY

Madera Ranchos Water Company (MRWC) requests authority to add Schedule 14.1, Mandatory Water Conservation And Rationing, to its tariffs.

BACKGROUND

MRWC requests authority under Chapter 3, Division 1, of the Water Code of the State of California to implement a water rationing plan for a period of four months by adding Schedule 14.1 to its tariffs. This filing is submitted in accordance with the provisions of General Order 96-A.

This Schedule 14.1 replaces the previous Schedule 14.1, which has expired.

MRWC serves approximately seven metered-rate customers and 779 flat-rate customers in the community of Madera Ranchos, and vicinity, in Madera County.

DISCUSSION

The Commission, in Resolution (R.) W-3887, authorized MRWC to file Rule 14.1, Mandatory Water Conservation and Rationing Plan, and Schedule 14.1, Mandatory Conservation and Rationing on October 12, 1994. However, Schedule 14.1 was made effective only for six months to allow further review of the system's water supply.

The Schedule 14.1 requested is substantively identical to the expired tariff. It sets forth water 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. MRWC and Water Utilities Branch (Branch) staff have agreed that the Schedule be in effect for four months.

Before Schedule 14.1 can be authorized by the Commission, the utility must hold a public hearing and take other applicable steps required by Sections 350 through 358 of the California Water Code (Code).

The Code 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 hearing 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.

Administrative Law Judge Garde presided over a Public Hearing in Madera on February 7, 1995. At that meeting, MRWC declared that it had a water shortage emergency. As a result, Judge Garde issued an interim opinion, Decision (D.) 95-04-006, imposing a service connection moratorium until further decision of the Commission.

MRWC gave customer notice on April 15, 1995, that it was requesting Mandatory Water Conservation and Rationing for the summer months. In its filing, MRWC notes that the water shortage emergency has been continuous and that under summer conditions, mandatory rationing is necessary to meet the basic sanitary needs of all customers.

The Branch has received no customer protests of the mandatory rationing plan.

The Department of Health Services (DHS) issued Compliance Order 03-11-940-006, stating that the utility did not have sufficient water supply to meet summer peak demand. As a result of the utility's Application (A.) 94-10-031, company management stipulated to language concluding that the water deficit was largely the result of poor planning and management and not primarily the result of drought conditions in the area.

MRWC has applied for a General Rate Increase as a first step toward improving the water supply in the service territory. Its Application materials state that an increase is necessary to obtain financing for new wells to meet the water shortfall. The utility plans to ask the Commission to surcharge customers' water bills to finance the improvements once financing is obtained.

The Water Utilities Branch believes that MRWC has recently been showing a good-faith effort to reduce the impact of the water shortage. In January 1995 the utility repaired a well that had failed, adding some water production to the system. However, the Branch is concerned that the availability of a rationing program might dissuade MRWC from a timely completion of its water supply improvements. The Branch thus believes it is appropriate to require a report on the status of water supply improvements before MRWC is allowed to continue rationing beyond the four-(4) month period authorized herein.

#### FINDINGS AND CONCLUSIONS

1. Schedule 14.1, Mandatory Water Conservation And Rationing, is necessary to allow Madera Rancho Water Co. to implement mandatory conservation and rationing after it declares a water shortage emergency and takes other

applicable steps required by Sections 350 through 358 of the California Water Code.

2. Madera Ranchos Water Company declared a water shortage emergency at a public hearing February 7, 1995, before Administrative Law Judge Garde.
3. Madera Ranchos Water Company has previously been authorized to implement mandatory water conservation and rationing but such authorization has expired.
4. Madera Ranchos Water Company has admitted its partial responsibility for the water shortage and has planned steps to mitigate future shortages.
5. A water connection moratorium was declared by Judge Garde in D. 95-04-006 until new water supplies are developed.
6. It is reasonable at this time to allow MRWC to add tariff Schedule 14.1 to its authorized tariffs.
7. Mandatory water conservation and rationing should be in effect for only four months to provide further incentive to develop additional supplies. Should rationing be necessary in the future, Madera Ranchos should be required to report to the Water Utilities Branch on the status of its water supply improvement plans.

IT IS ORDERED that:

1. Madera Ranchos Water Company is authorized to add Schedule 14.1, Mandatory Water Conservation and Rationing, to its tariffs as proposed by Advice Letter No. 25. The effective date of Schedule 14.1 shall be the effective date of this resolution. Schedule 14.1 shall continue in force for a period of no more than four (4) months from the effective date of this resolution or until such time as the Commission directs its modification or repeal.
2. Madera Ranchos Water Company shall submit a status report on the development of new water supplies to the Water Utilities Branch before it requests an extension or resumption of mandatory water conservation and rationing.

3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1995. The following Commissioners approved it:

*Wesley Franklin*

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WESLEY M. FRANKLIN  
Acting Executive Director

DANIEL Wm. FESSLER  
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