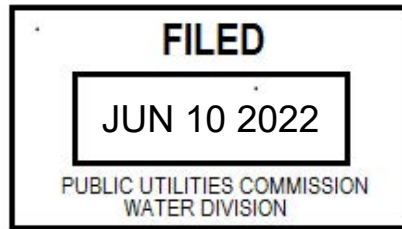




520 Capitol Mall #630
Sacramento, CA 95814

P (916)-568-4251
F (916) 568-4260
www.amwater.com



June 10, 2022

ADVICE LETTER NO. 1376

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (California American Water) (U210W) hereby submits for review this advice letter, including the following tariff sheets applicable to the Monterey Service Areas of California American Water's Central Division.

Purpose:

The purpose this Advice Letter is to activate the Stage 2 water use restrictions as described in the Water Shortage Contingency Plan in Section D of Rule 14.1.1 and Schedule 14.1.1.

Request:

This Advice Letter requests the following:

- (1) activation of Stage 2 of the Water Shortage Contingency Plan as authorized per Rule 14.1.1 and Schedule 14.1 for California American Water's Monterey service area.

Background

Prior Implementation of Rule 14.1 Water Shortage Contingency Plan

California American Water's Monterey service area Rule 14.1.1 was approved via Advice Letter 752-A, with an effective date of May 15, 2009. Rule 14.1.1 has been updated several times since then, including most recently in December 2016 through Advice Letter 1145. The Monterey service area is currently in Stage 1.

Current Water Supply Conditions and the Need to Implementation of Stage 2

The Monterey service area Rule 14.1.1 provides that California American Water may file a Tier 2 advice letter to designate a particular stage of its Water Shortage Contingency Plan under the following circumstances:

- a. Physical Shortage Trigger: Stage 2 shall take effect on June 1, or such earlier date as may be determined by MPWMD, if the Total Storage Available in Table XV-4 in MPWMD's Rule 160 is below the Total Storage Required, but at least 95% of the Total Storage Required. The amount of voluntary reduction shall equal the percentage shortfall in Total Storage Required.

b. Regulatory Trigger – Production Targets: Stage 2 shall take effect when the most recent 12 month Company production from the MPWRS is greater than the then-current annual production target as determined in Table XV-1 of MPWMD Rule 160 but no greater than 105% of the annual production target. The amount of voluntary reduction shall equal the percentage overage of the annual production.

c. Regulatory Trigger – Regulatory Order: Stage 2 shall take effect when that system is directed to reduce use by a governmental or regulatory agency. The amount of voluntary reduction shall equal the percentage directed by that governmental or regulatory agency relative to a base year determined by the governmental or regulatory agency.

d. Emergency Trigger: Stage 2 shall take effect when the MPWMD or Company finds that a water supply emergency exists. Stage 2 shall take effect upon adoption of a Resolution of the MPWMD Board of Directors, or a declaration of a Water Supply Emergency by the Company or a State or County entity, due to a catastrophic event. In that Resolution or declaration, there shall be a finding of an immediate need to reduce production. The amount of voluntary reduction shall be determined by MPWMD, the Company, or the State or County entity.

Stage 2 has been triggered based on orders from the Governor and the Monterey Peninsula Water Management District (“MPWMD”) action on May 26, 2022. Each of these is discussed below.

Governor Newsom’s Proclamation and Executive Order

On October 19, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency due to drought for the entire state and urged Californians to step up their water conservation efforts as the western U.S. was faced with a third dry year. The Proclamation, which is still in effect, asked local water suppliers to activate water shortage contingency plans at a level appropriate for local supply conditions.

On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22, calling on all Californians to limit water use and use water more efficiently, and asking the State Water Resources Control Board to consider adopting emergency regulations that require calling on water providers to activate their customized Water Shortage Contingency Plans and move to “Level 2.” The Executive Order comes after the driest first three months of a year in recorded California history and follow drought-related proclaimed states of emergency that continue today in all counties across the state.

Water Shortage Contingency Plans, required by state law, are developed by local water utilities to navigate drought and each plan is customized based on an agency’s unique infrastructure and management. Triggering Level 2 of these plans involves implementing water conservation actions, like mandatory watering/irrigation schedules, to prepare for a water shortage level of up to 20 percent.

MPWMD Action

On May 26, 2022 the MPWMD Board of Directors approved Resolution 2022-15, which activates Stage 2 of their Rule 163 effective June 1, 2022. Rule 163 is MPWMD's conservation rules and procedures, which align with our Rule and Schedule 14.1.1.

In response to the Executive Order, MPWMD's Rule 163 Stage 2 activation and in anticipation of the State Water Resources Control Board mandating the move to Stage 2, California American Water is requesting authorization to activate Stage 2 of its Water Shortage Contingency plan and is asking customers to avoid prohibited uses of water, fix leaks promptly, and reduce water use outdoors. In response to the Executive Order, MPWMD's Rule 163 Stage 2 activation and in anticipation of the State Water Resources Control Board mandating the move to Stage 2, California American Water is requesting authorization to activate Stage 2 of its Water Shortage Contingency plan and is asking customers to avoid prohibited uses of water, fix leaks promptly, and reduce water use outdoors.

Customer Noticing

In terms of customer outreach, California American Water has recently reviewed and approved notices activating Stage 2 for other service areas and California American Water has prepared a similar draft notice for the Monterey service area. California American Water notices contain appropriate updates and detailed information about Rule and Schedule 14.1.1, for its Monterey service area customers. California American Water anticipates mailing this notice to customers on or around June 21, 2022 and placing newspaper notices on or around July 5, 2022. A virtual public hearing is set for July 19, 2022, to discuss the filing and get customer input. Information on the virtual public hearing is provided in the customer notice. Additionally, California American Water has been communicating with customers about the drought and the programs we have available through direct mail, bill inserts, earned media and social media.

Tier Designation:

These tariffs are submitted pursuant to General Order No. 96-B and this advice letter is designated as a Tier 2 filing. California American Water is simply requesting an update of its tariffs so that it is in compliance with Executive Order B-40-17.

Effective Date:

California American requests an effective date of August 1, 2022.

Service List:

Service Lists – In accordance with General Rules 4.3 and 7.2, and Water Industry Rule 4.1, of General Order (GO) 96-B, Cal-Am served copies of AL 1376 to adjacent utilities and other parties requesting such notification, on June 10, 2022. Please note that, consistent with the Commission's guidelines for service during the COVID-19 pandemic, this advice letter is only being distributed electronically.

RESPONSE OR PROTEST¹

Anyone may submit a response or protest for this AL. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

A **response** supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A **protest** objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds² are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.
7. A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

DWA must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

The addresses for submitting a response or protest are:

Email Address:

Water.Division@cpuc.ca.gov

Mailing Address:

CA Public Utilities Commission
Division of Water and Audits
505 Van Ness Avenue
San Francisco, CA 94102

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to California American Water at:

Email Address:

ca.rates@amwater.com

preet.nagra@amwater.com

Mailing Address:

520 Capitol Mall Ste. 630
Sacramento, CA 95814

520 Capitol Mall Ste. 630
Sacramento, CA 95814

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

sarah.leeper@amwater.com

555 Montgomery Street, Ste. 916
San Francisco, CA 94111

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

REPLIES³

The utility shall reply to each protest and may reply to any response. Any reply must be received by DWA within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Preet Nagra

Preet Nagra
Operations Specialist

³ G.O. 96-B, General Rule 7.4.3

CENTRAL DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1376

BY MAIL:

Joe Lucido
25417 Boots Road
Monterey, CA 93940

Los Angeles Docket Office
California Public Utilities Commission
320 West 4th Street, Suite 500
Los Angeles, CA 90013

Alco Water Service
249 Williams Road
Salinas, CA 93901

Monterey Regional Water Pollution
Control Agency (MRWPCA)
5 Harris Court Road. Bldg D.
Monterey, CA 93940

Monterey Peninsula Water Mgmt Dist.
Chief Financial Officer
P.O. Box 85
Monterey, CA 93942

Yazdan Emrani, P.E.
Deputy Pub Works Director – Operations
Monterey County DPW
168 W. Alisal Street, 2nd floor
Salinas, CA 93901-2680

City of Pacific Grove
c/o Community Development Department
Attention: Sarah Hardgrave
300 Forest Ave., 2nd floor
Pacific Grove, CA 93950

City of Pacific Grove
City Attorney/City Hall
300 Forest Ave 2nd floor
Pacific Grove, CA 93950

Ann Camel
City Clerk
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

City of Sand City
City Hall
California & Sylvan Avenues
Sand City, CA 93955
Attn: City Clerk

Deborah Mall, City Attorney
City of Monterey
512 Pierce Street
Monterey, CA 93940

Karen Crouch
City Clerk,
Carmel-By-The-Sea
PO Box CC
Carmel-by-the-Sea, CA 93921

Darryl D. Kenyon
Monterey Commercial Property Owners
Association
P.O. Box 1953
Monterey, CA 93942

Irvin L. Grant
Deputy County Counsel
County of Monterey
168 W. Alisal Street, 3rd floor
Salinas, CA 93901-2680

Marc J. Del Piero
4062 El Bosque Drive
Pebble Beach, CA 93953-3011

Vibeke Norgaard
City Attorney of Sand City
P.O. Box 183
Carmel, CA 93921

CENTRAL DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1376

BY E-MAIL:

Richard Rauschmeier
California Public Utilities Commission
DRA - Water Branch, Rm 4209
505 Van Ness Ave
San Francisco, CA 94102
rra@cpuc.ca.gov

City of Del Rey Oaks
City Hall
650 Canyon Del Rey Road
Del Rey Oaks, CA 93940
Attn: City Clerk
citymanager@delreyoaks.org
kminami@delreyoaks.org

City of Seaside, City Hall
Attn: City Clerk
Seaside, CA
dhodgson@ci.seaside.ca.us
to'halloran@ci.seaside.ca.us

David C. Laredo and Fran Farina
DeLay & Laredo
606 Forest Ave
Pacific Grove, CA 93950
dave@laredolaw.net
fran@laredolaw.net

Jon Giffen
City Attorney
City of Carmel-By-The-Sea
P.O. Box 805
Carmel-By-The-Sea, CA 93921
jgiffen@kaglaw.net

Brent Reitz
Capital Services
P.O. Box 1767
Pebble Beach CA 93953
reitzb@pebblebeach.com

Monterey Peninsula Water Mgmt Dist.
Chief Financial Officer
P.O. Box 85
Monterey, CA 93942
suresh@mpwmd.net

Ms. Lisa Bilir
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102

Bernardo R. Garcia
PO Box 37
San Clemente, CA 92674-0037
uwua@redhabanero.com

George Riley
Citizens for Public Water
1198 Castro Road
Monterey, CA 91940
georgetriley@gmail.com

Mike Niccum
General Manager
Pebble Beach Community Services District
3101 Forest Lake Road
Pebble Beach, CA 93953
mniccum@pbcsd.org

Carmel Area Wastewater District
3945 Rio Road
Carmel, CA 93923
buikema@cawd.org

Lloyd Lowery Jr.
Noland, Hammerly, Etienne & Hoss P.C.
333 Salinas St
PO Box 2510
Salinas, CA 93902-2510
lloyre@nheh.com

David Heuck
Accounting
2700 17 Mile Drive
Pebble Beach, CA 93953
heuckd@pebblebeach.com

Arlene Tavani
Monterey Peninsula Water Mgmt Dist.
Executive Assistant
arlene@mpwmd.net

Division of Ratepayer Advocates
California Public Utilities Commission
dra_water_al@cpuc.ca.gov

Laura L. Krannawitter
California Public Utilities Commission
Executive Division, Rm 5303
505 Van Ness Avenue
San Francisco, CA 94102
llk@cpuc.ca.gov

Jim Heisinger
P.O. Box 5427
Carmel, CA 93921
hbm@carmellaw.com

City of Monterey
City Hall
Monterey, CA 93940
Attn: City Clerk
connolly@ci.monterey.ca.us

Gail T. Borkowski, Clerk of the Board
County of Monterey
P.O. Box 1728
Salinas, CA 93902
boydap@co.monterey.ca.us

City of Salinas
Vanessa W. Vallarta – City Attorney
200 Lincoln Avenue
Salinas, CA 93901
vanessav@ci.salinas.ca.us
chrisc@ci.salinas.ca.us

John K. Hawks
Executive Director
California Water Association
601 Van Ness Avenue, Suite 2047
San Francisco, CA 94102-3200
jhawks_cwa@comcast.net

Sheri Damon
City of Seaside, City Attorney
440 Harcourt Avenue
Seaside, CA 93955
cityatty@ix.netcom.com

CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1376
SUPPORTING DOCUMENTATION FOR STAFF

Central Division – Rule and Schedule 14.1.1 Monterey
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Advice Letter Notice

Para más información en cómo este cambio impactará su factura, llame al 888-237-1333.

NOTICE OF ADVICE LETTER FILING 1376
California American Water's Filing to Activate Mandatory Conservation Measures
Stage 2 of Rule and Schedule 14.1.1
ADVICE LETTER: Monterey County District's Main System

Why am I receiving this notice?

On June 10, 2022, California American Water submitted Advice Letter 1376 with the California Public Utilities Commission (CPUC). Advice Letter 1376 requests activation of Stage 2 water use restrictions as described in California American Water's Rule 14.1.1, Water Shortage Contingency Plan.

If the CPUC approves the advice letter, mandatory conservation measures will be in effect for California American Water's Monterey service area and customers of the Ryan Ranch, Bishop, and Hidden Hills systems, located in California American Water's Central District. Similar mandatory conservation measures are already in effect through the Monterey Peninsula Water Management District. The above-mentioned advice letter will update California American Water's Water Shortage Contingency Plan. All California American Water customers in the Monterey service area will be governed by the approved advice letter.

California American Water may fine customers for repeated violations of its rules upon proper notice.

California American Water is activating STAGE 2 of its Water Shortage Contingency Plan:

A Stage 2 condition exists when it is determined, due to drought or other water supply conditions, a water supply shortage or threatened shortage exists and a further consumer demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Stage 2 of the Water Shortage Contingency Plan is enacted upon a determination that water usage should be further reduced from current levels, a temporary water emergency exists necessitating implementation, or that the requirements in Stage 1 are ineffective in complying with the necessary reduction; and/or that a government agency requests implementation of this stage to meet physical supply limitations.

Why is California American Water activating its mandatory conservation measures now?

On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22, calling on all Californians to limit water use and use water more efficiently, and asking the State Water Resources Control Board to consider adopting emergency regulations that require calling on water providers to activate their customized Water Shortage Contingency Plans and move to "Level 2." The Executive Order comes after the driest first three months of a year in recorded California history and follow drought-related proclaimed states of emergency that continue today in all counties across the state.

Water Shortage Contingency Plans, required by state law, are developed by local water utilities to navigate drought and each plan is customized based on an agency's unique infrastructure and management. Triggering Level 2 of these plans involves implementing water conservation actions, like mandatory watering/irrigation schedules, to prepare for a water shortage level of up to 20 percent. In response to the Executive Order and in anticipation of the State Water Resources Control Board mandating the move to Stage 2, California American Water is requesting authorization to activate Stage 2 of its Water Shortage Contingency Plan and is asking customers to avoid prohibited uses of water, fix leaks promptly, and reduce water use outdoors.

California American Water will conduct an online public hearing to get input from customers:

Date and Time: Tuesday, July 19 from 6:00 - 7:00 p.m.
Call-in Number: 862-294-2638 Conference ID: 686237540#
Teams Meeting Link: <https://bit.ly/monterey-2>

Note: Type the URL above into any web browser with all lowercase letters and no spaces to join the Teams meeting. Registration is not required.

Protests and Responses to Advice Letter 1376

The deadline to protest these advice letters is July 22, 2022. Please include “**Advice Letter 1376**” in any response or protest you submit.

The reasons for the protest can be one of the following:

- (1) The utility did not properly serve or give notice of the advice letter.
- (2) The relief requested in the advice letter would violate statute or CPUC order or is not authorized by statute or CPUC order on which the utility relies.
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions.
- (4) The relief requested in the advice letter is pending before the CPUC in a formal proceeding.
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the CPUC).

If you would like to submit a protest or response about this advice letter, please write to:

California Public Utilities Commission
Water Division, 3rd Floor
505 Van Ness Avenue, San Francisco, CA 94102
Email: Water.Division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to California American Water at the following address:

Preet Nagra
California American Water
4701 Beloit Drive, Sacramento CA 95838
Email: preet.nagra@amwater.com

Where can I get more information?

Customers with internet access may view and download California American Water’s advice letter on their website by visiting www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/Advice-Letters. If you have technical issues accessing the documents through the website, please e-mail preet.nagra@amwater.com for assistance and reference Advice Letter in your e-mail.

To request a hard copy of California American Water's Advice Letter, or to obtain more information about the Advice Letter, please write to:

California American Water Advice Letter
 4701 Beloit Drive
 Sacramento, CA 95838
 Attention: Preet Nagra
 preet.nagra@amwater.com

Approved Rule 14.1.1 Water Shortage Contingency Plans

WATER CONSERVATION

1. Customers' Responsibilities
 - a. All Customers shall comply with Rule 14.1.1 and MPWMD Regulation XV (The 2016 Monterey Peninsula Water Conservation and Rationing Plan).
 - b. All Customers shall prioritize the conservation of water at all times.
 - c. All Customers are responsible for notifying the Company whenever there is a change of use from Residential to Non-Residential, or Non-Residential to Residential.

2. "Water Waste" shall mean the indiscriminate, unreasonable, or excessive running or dissipation of water. Water Waste shall include, but not be limited to, the following:
 - a. Waste caused by correctable leaks, breaks or malfunctions. All leaks, breaks, or other malfunctions in a Customer's plumbing or distribution system must be repaired within 72 hours of notification that a leak exists. This loss of potable water may be cited for water waste after the time period established in Schedule 14.1.1 in which a leak or malfunction was to have been corrected. Exceptions may be granted by the General Manager for corrections, which are not feasible or practical.
 - b. Indiscriminate or excessive water use which allows excess to run to waste.
 - c. Washing driveways, patios, parking lots, tennis courts, or other hard surfaced areas with potable water, except in cases where health or safety are at risk and the surface is cleaned with a water broom or other water efficient device or method. Water should be used only when traditional brooms are not able to clean the surface in a satisfactory manner.
 - d. Power or pressure washing buildings and structures with potable water, except when preparing surfaces for paint or other necessary treatments or when abating a health or safety hazard.
 - e. Hand watering by a hose, during permitted hours, without a quick acting positive action shut-off nozzle.
 - f. Irrigation between 9 a.m. and 5 p.m. on any day, and irrigation on any day other than Saturdays and Wednesdays, except for irrigation overseen by a professional gardener or landscaper who is available on site and that is not exceeding a maximum two watering days per week. This prohibition applies to hand watering with a hose, and irrigation systems whether spray, drip or managed by a smart controller. Limited hand watering of plants or bushes with a small container or bucket is permitted on any day at any time. Subsurface greywater irrigation systems may also be operated at any time. An exemption may be given to a Non-Residential establishment whose business requires water in the course of its business practice (e.g., golf courses, nurseries, recreational space, among others) with notification by the business owner to the MPWMD, and subject to the approval of the MPWMD General Manager.
 - g. Irrigating during rainfall and for 48 hours after Measurable Precipitation of at least 0.10 inches.
 - h. Use of water for irrigation or outdoor purposes in a manner inconsistent with California Code of Regulations, Title 23, Water, Division 2, Department of Water Resources, Chapter 2.7, Model Water Efficient Landscape Ordinance, where applicable, or in a manner inconsistent with local regulations.

- i. Operation of fountains, ponds, lakes or other ornamental use of potable water without recycling, and except to the extent needed to sustain aquatic life, provided such animals are of significant value and have been actively managed.
 - j. Individual private washing of cars with a hose except with the use of a Positive Action Shut-Off Nozzle.
 - k. Washing commercial aircraft, cars, buses, boats, trailers or other commercial vehicles with potable water, except at water efficient commercial or fleet vehicle or boat washing facilities where equipment is properly maintained to avoid wasteful use.
 - l. In-bay or conveyor car washes permitted and constructed prior to January 1, 2014, that do not recycle and reuse at least 50 percent of the wash and rinse water. In-bay or conveyor car washes that were permitted and constructed after January 1, 2014, that do not either (1) use and maintain a water recycling system that recycles and reuses at least 60 percent of the wash and rinse water; or (2) use recycled water provided by a water supplier for at least 60 percent of its wash and rinse water.
 - m. Charity car washes.
 - n. Use of potable water for street cleaning.
 - o. Failure to meet MPWMD Regulation XIV water efficiency standards for an existing Non Residential use after having been given a reasonable amount of time to comply.
 - p. Serving drinking water to any Customer unless expressly requested, by a restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale.
 - q. Visitor-Serving Facilities that fail to adopt and promote towel and linen reuse programs and provide written notice in the rooms, whereby towels and linens are changed every three days or as requested by action of the guest.
 - r. Washing of livestock with a hose except with the use of a Positive Action Shut-Off Nozzle.
 - s. Transportation of water from the Monterey Peninsula Water Resource System without prior written authorization from the MPWMD.
 - t. Delivery, receipt, and/or use of water from an unpermitted Mobile Water Distribution System.
 - u. Unreasonable or excessive use of potable water for dust control or earth compaction without prior written approval of the MPWMD General Manager where non-potable water or other alternatives are available or satisfactory.
 - v. Use of unmetered fire hydrant water by individuals other than for fire suppression or utility system maintenance purposes, except upon prior approval of the MPWMD General Manager.
 - w. Water use in excess of a Water Ration.
 - x. Non-compliance with MPWMD Regulations XIV and XV.
3. Non-Essential Water Use shall mean the uses of water that are acceptable during times of normal water availability, as long as proper procedures to maximize efficiency are followed. However, when water is in short supply, Non-Essential Water Uses must be curtailed to preserve limited water resources for essential uses. Non-Essential Water Uses do not have health and safety impacts, are not required by regulation, and are not required to meet the core functions of Non-Residential use.
 4. Prohibitions against Water Waste and Non-Essential Water Use shall be enforced by the MPWMD and its designated agents, unless indicated otherwise. a. If the MPWMD does not enforce Water Waste and Non-Essential Water Use when Stage 2 or higher of this Rule is activated, then that responsibility will lie with either another governmental agency, or the Company.
 5. Each occurrence of Water Waste or Non-Essential Water Use that continues after the Customer has had reasonable notice to cease and desist that type of water use shall constitute a Flagrant Violation, as defined in MPWMD's Rule 167.
 6. Repeated occurrences of Water Waste or Non-Essential Water Use, which continue or occur after the Customer has had a reasonable notice to cease and desist that type of water use, or which continues or occurs after the Customer has had a reasonable opportunity to cure any defect causing that type of water use, shall provide cause for MPWMD to request the placement of a Flow Restrictor with a maximum flow rate of six (6) ccf/month within the water line or water meter. The Flow Restrictor installation and removal shall be made by the Company in accordance with Schedule No. MO-14.1.1.

Schedule 14.1.1 details how California American Water may enforce the prohibition of water uses detailed above. Although the company is requesting these authorities, it plans to prioritize education over enforcement:

A. BACKGROUND

As described in Rule 14.1.1, the California-American Water Company (“Company” or “CAW”) is authorized charge emergency conservation rates, fine Customers, temporarily terminate service for water and/or to install flow restrictors for water waste or use above specific conservation levels, and charge fees for the removal of flow restrictors as described in this tariff.

B. APPLICABILITY

1. This Schedule applies to water Customers of the Monterey County District’s Main System and Customers of the Ryan Ranch, Bishop and Hidden Hills systems all of which are served under rate Schedule MO-1, MO-1MU, and MO-1C authorized by the California Public Utilities Commission (“Commission”). This Schedule applies to Customers supplied by water from the Carmel River System and Seaside Basin (including the Ryan Ranch, Hidden Hills and Bishop systems). It does not apply to Customers in Toro, Ambler Park, Ralph Lane, Garrapata and Chualar systems. It is effective at all times, as required by Rule No. 14.1.1, and for the period noted in the Special Conditions section below.
2. This Schedule shall remain dormant until activated by Commission authorization via a Tier 2 advice letter.
3. Once the Schedule is activated, utility can implement Stages 2, 3, and 4, or change levels of the Emergency Conservation Rates, of the Schedule by filing a Tier 2 advice letter.
4. When this schedule is activated, it shall remain in effect until the utility files a Tier 1 advice letter to deactivate a specific stage of the Water Shortage Contingency Plan and such is authorized by the Commission.

C. WATER USE VIOLATION FINE

1. When Stage 2 or higher of the Water Shortage Contingency Plan has been activated by Commission authorization, the water use restrictions of Stage 1 in the Water Shortage Contingency Plan in Section G.2 of Rule 14.1.1 become subject to fines imposed by the utility. The utility will first work closely with local law enforcement and public agencies charged with enforcing the mandatory water use restrictions. However, should the utility find that the local agency is not effectively enforcing the mandatory use restrictions, the utility, after written warnings, such as door hangers and letters, may begin to issue fines. If a Customer is seen violating the water use restrictions, as outlined in Rule No. 14.1.1 and the Special Conditions below, the Customer will be subject to the following fine structure:
 - a. First offense: Written warning, including explanation of penalty for subsequent offense.
 - b. Second offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and \$100 fine.
 - c. Third offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and a \$250 fine.
 - d. Fourth offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and a \$500 fine.
 - e. Fifth offense within 1 year (of the same restriction): Written warning, including explanation of penalty for subsequent offense and service termination pursuant to Rule 11 and a \$500 fine.
 - f. Sixth offense within 1 year (of the same restriction): Installation of a flow restricting device on Customer’s water meter for duration of activation of the

Water Shortage Contingency Plan.

2. Offenses for separate water use restrictions will each start at the warning stage.
3. The water use violation fine is in addition to the regular rate schedule charges.

D. APPLICABLE EMERGENCY CONSERVATION RATES

1. Emergency Conservation Rates:
 - a. Level 1 Emergency Conservation Rates comprised of a 25 percent surcharge shall be implemented on the then existing rates for a minimum of 3 months. The surcharge shall not apply to Tier 1 Residential Customers.
 - b. Level 2 Emergency Conservation Rates comprised of a 40 percent surcharge shall be implemented on the then existing rate (without the 25 percent Level 1 surcharge) if after the imposition of Level 1 Conservation Rates for 3 months the monthly production in the California American Water System exceeds the monthly production target for the previous two (2) consecutive months. The surcharge shall not apply to Tier 1 Residential Customers.

E. ENFORCEMENT

1. Letter/Fine: From second violation of the same restriction within a one-year period and onwards, a violation letter will be posted on property and sent to billing address, if different.
2. Aging of violation: Violations will accrue for the period of one year and be considered corrected and expunged one year after the violation occurs. The purpose of this rule is to prevent discrete violations from accruing in the event of a multi-year enforcement of the Water Contingency Plan.
3. Applies to all Enforcement Stages of Water Shortage Contingency Plan.

	Violation 1	Violation 2 (of the same restriction)	Violation 3 (of the same restriction)	Violation 4 (of the same restriction)	Violation 5/6 ² (of the same restriction)
Proof of violation	Employee or Customer reports, with no additional verification required	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW
Letter/fine	Warning letter mailed to premise and billing address	Violation letter posted and mailed with \$100 fine on next bill	Violation letter posted and mailed with \$250 fine on next bill	Violation letter posted and mailed with \$500 fine on next bill	Violation letter posted and mailed, shut off per Rule 11 and \$500 fine on next bill
Fixing leaks All Stages	Customer has: 72 hours	Customer has: 72 hours	Customer has: 72 hours	Customer has: 72 hours	Customer has: 72 hours
Time to correct violation	5 days	5 days	5 days	5 days	5 days

Time Customer has to request variance of the alleged violation	14 days to contact CAW in writing	14 days to contact CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing
If the Customer does not agree with CAW's resolution ¹ Reference Section K of Rule 14.1	Further reported violations of the same restricted use will not be counted in the determination of further action until one week after the variance request is resolved	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the Customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC

(1) If a Customer has appealed the receipt of the fine, the fine will continue to be posted on the Customer's account, but will not result in further service action, until at least 14 days after the resolution of appeals. Once resolved, if in the Customer's favor, the fine will be immediately removed from the account. If not resolved in the Customers favor, then the fine will be due and payable as part of the next billing cycle and subject to all such further actions as with any other billed charge.

(2)For violation 6 instead of shut-off for 3 days and \$500 fine, a flow restrictor will be installed for duration of enforcement.

- An exemption on flow restrictor installations shall be made for water meters serving three or more multi-family dwelling units by substituting an excess water use charge of \$150 times the number of dwelling units located on the meter during each month in which a violation of the Water Waste has been determined. The excess water use charge shall be separately identified on each bill.

F. FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device and/or reconnecting water service shall be:

Connection Size	Removal Charges
5/8" to 1"	\$150.00
1-1/2" to 2"	\$200
3" and larger	Actual Cost

G. SPECIAL CONDITIONS

- The Tier 2 advice letter requesting activation of Stage 2 or higher of Schedule 14.1.1 shall include documentation of the overall water shortage justifying activation of that particular stage.
- This tariff schedule shall remain in effect until the utility files a Tier 1 advice letter to deactivate a specific stage of the Water Shortage Contingency Plan and such is authorized by the Commission.

3. Water use violation fines must be separately identified on each bill.
4. Emergency Conservation Rate surcharges must be separately identified on each bill.
5. Flow restrictor charges are used to offset costs associated with the installation and removal.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. All monies collected by the utility through Emergency Conservation Rate surcharges shall be booked to the Water Revenue Adjustment Mechanism ("WRAM") or a memorandum account to offset recovery of lost revenues. All flow restrictor removal charges or fines for water use violations collected by the utility and all expenses incurred by the utility to implement Rule 14.1.1 and Schedule 14.1.1, and the requirements of the California State Water Board Resources Control Board ("SWRCB"), or other agencies, that have not been considered in a General Rate Case or other proceeding, shall be tracked in a memorandum account for disposition as directed or authorized from time to time by the Commission and shall be recoverable by the utility if determined to be reasonable by the Commission.