

RULE NO. 14.1
WATER SHORTAGE CONTINGENCY PLAN

(N)

The water supply for Park Water Company may be interrupted or reduced due to a variety of circumstances, for instance, in response to a drought or a catastrophic event, such as an earthquake or fire that damages water delivery and storage facilities, or a power outage that affects water treatment or pumping operations. This Water Shortage Contingency Plan enables the utility to respond efficiently and effectively to all water shortage contingencies.

A. GENERAL INFORMATION

1. Wasteful water use practices, as outlined in Section B of this Rule, constitute prohibited, non-essential or unauthorized water use, and are declared to be a waste of water, subject to the terms and conditions of Rule No. 11, which allow Park to discontinue service after due notice to the customer of wasteful or negligent use of water on the customer's premises. Park's customers shall be notified of these conservation measures through a bill insert or a direct mailing, and/or through electronic communications, pursuant to the direction of the California Public Utilities Commission ("Commission").
2. If water supplies are projected to be insufficient to meet normal customer demand for reasons beyond the control of Park, or if directed under an emergency regulation by an authorized government agency, commission, or official, Park may implement additional water-saving conservation measures and mandatory restrictions, as described in Section C of this Rule. As directed by the Commission, Park's customers shall be notified of the applicable mandatory restrictions or conservation measures through newspaper inserts, website and other electronic communications, bill inserts or direct mailings, as appropriate, as long as the declaration of emergency is in effect.
3. Should supply conditions or government directives dictate, prior to, or in response to, executive orders, state agency-promulgated emergency regulations, or a declaration of emergency issued by a water wholesaler or other government agency, Park may request permission from the Commission to add a Schedule No. 14.1 – Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions, and Drought Surcharges, via a Tier 2 advice letter as set forth in Section D. Utilities without a full decoupling Water Revenue Adjustment Mechanism ("WRAM") balancing account in one or more ratemaking areas also may request a lost revenue memorandum account at this time.
4. Park shall file a Tier 2 advice letter to request activation of a particular stage of Schedule 14.1 – Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions and Drought Surcharges, as set forth in Section D, under the following conditions:

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A. GENERAL INFORMATION (Continued)

- a. If the Commission, wholesale water supplier, or Park declares an emergency requiring mandatory water use restrictions, or;
 - b. If a government agency with legal jurisdiction over Park or its service area declares a state of emergency in response to severe drought conditions, earthquake or other catastrophic event that severely reduces Park's water supply, or;
 - c. If voluntary conservation levels or mandatory restrictions on certain uses of water, set by the Commission, Park, wholesale water supplier, or government agency, are insufficient, or;
 - d. If a Declaration of Mandatory Water Restrictions is made by Park or governing body or agency, or;
 - e. If Park chooses to subsequently activate a different stage.
5. All monies collected by Park through surcharges, penalties or fees shall be booked to the WRAM or a memorandum account to offset recovery of lost revenues.
6. All expenses incurred by Park to implement Rule No.14.1 and Schedule No.14.1 that have not been considered in a General Rate Case or other proceeding shall be recoverable by Park if determined to be reasonable by the Commission. These additional monies shall be accumulated by Park in a separate memorandum account, authorized in Resolution W-4976 for disposition as directed or authorized from time to time by the Commission.
7. When Schedule No.14.1 is in effect, but Park determines that water supplies are again sufficient to meet normal demands, and mandatory restrictions are no longer necessary, or if Park wants to implement a lower stage of mandatory restrictions, Park shall seek Commission approval via a Tier 1 advice letter to de-activate the particular stage of mandatory reductions or allocations that had been authorized.
8. None of the restrictions listed below apply to the use of recycled water.

B. NON-ESSENTIAL OR UNAUTHORIZED WATER USES

The following non-essential or unauthorized uses of water are declared to be a waste of water and are subject to the terms and conditions of Rule No. 11:

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B. NON-ESSENTIAL OR UNAUTHORIZED WATER USES (Continued)

1. The application of potable water to outdoor landscape in a manner that causes runoff such that water flow onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
2. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
3. The use of potable water for washing buildings, structures, sidewalks, walkways, patios, tennis courts, or other hard-surfaced, non-porous areas.
4. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
5. The use of potable water for watering outside plants, lawn, landscape, and turf area during certain hours prohibited by applicable laws, during and up to 48 hours after measurable rainfall (0.1" or more).
6. The failure to promptly repair any leaks, breaks, or other malfunction resulting in water waste in a customer's domestic or outdoor water system after notification by Park, unless other, specific arrangements are made with and agreed to by Park.
7. The serving of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.
8. Hotels/motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option in each guestroom.
9. The use of potable water for irrigation of ornamental turf on public street medians.
10. The use of potable water for irrigation outside of newly constructed homes and buildings that is not delivered by drip or micro spray systems.
11. Commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water use in an amount consistent with the mandated reduction.

(N)

Advice No. 261-W LEIGH K. JORDAN
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Dec. No. EXECUTIVE VICE PRESIDENT
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Date Filed 3. 2015
Effective 03/12/15
Resolution No.

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B. NON-ESSENTIAL OR UNAUTHORIZED WATER USES (Continued)

- 12. Further reduction in or the complete prohibition of any other use of water declared non-essential, unauthorized, prohibited, or unlawful by an authorized government or regulatory agency or official.
- 13. Use of potable water for watering streets with trucks, or other vehicles, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.
- 14. Other restrictions on use of potable water as prescribed from time to time by the Commission, Park, or another governing body or agency.

C. STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS

If a water supply shortage exists or is threatening, or if Park is unable to meet conservation targets as set by a wholesale provider or governing body or agency, in addition to the restrictions on wasteful water use practices outlined above, the following restrictions may be imposed by Park in stages, as indicated below. Failure to comply with these mandatory restrictions will be deemed a wasteful and unreasonable use of water and may result in the installation of a flow restrictor, discontinuance of service, or other actions as authorized by Rule No.11.

The following stages will be implemented as needed to achieve the mandated reduction. Park may implement Stage 2 without first implementing Stage 1 if warranted by the mandated reduction.

STAGE 1:

A Stage 1 Water Shortage occurs when the Commission or Park determines that measures are needed to reduce water consumption. In addition to the non-essential, unauthorized uses of water listed in Section B, the following restrictions may be imposed:

- 1. Outdoor irrigation restricted to no more than three days per week, on a schedule established and posted by Park on its website or otherwise provided to customers by bill message, bill insert, direct mail, or email, or as follows:

Addresses Ending In:	Watering Days
Even Numbers (0, 2, 4, 6, 8)	Monday, Wednesday, and Saturday
Odd Numbers (1, 3, 5, 7, 9)	Tuesday, Thursday, and Sunday

- 2. Watering or outdoor irrigation of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering

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C. STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS (Continued)

device that is not continuously attended is limited to no more than 10 minutes of watering per day per station, with no watering between 8:00 a.m. and 7:00 p.m. This provision does not apply to landscape irrigation zones that exclusively use drip-type irrigation systems that use less than 1.0 inch per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive action shut-off nozzle or device that causes it to cease dispensing water immediately when not in use, or for the express purpose of adjusting or repairing an irrigation system. However, no irrigation that results in runoff can occur regardless of method.

3. Apart from the above outdoor irrigation restrictions, when a city, county, or other local public agency in Park's service area adopts restrictions on the number of days or hours of the day that customers may irrigate that are different than those adopted by Park, Park may enforce the city, county, or other local public agency's restrictions.
4. All leaks, breaks, or other malfunctions in the customer's plumbing fixtures and/or irrigation system must be repaired within five (5) business days of written notification by Park, unless other arrangements are made with Park.
5. Failure to comply with these restrictions may result in the installation of a flow restrictor device along with associated fees for installation and removal.
6. Failure to comply with these restrictions may result in the installation of a real time measurement device on the customer's service line to provide the customer and Park with access to information from the device. The cost of the device, including installation, shall be billed to the customer, and nonpayment may result in discontinuance of service.
7. If conditions warrant, Park may change the number of watering days and the specific day of watering after first notifying its customers in accordance with Rule No. 14.1. (N)

Advice No. 261-W
LEIGH K. JORDAN
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Date Filed SEP 21 2011

Dec. No. EXECUTIVE VICE PRESIDENT
Title

Effective OCT 1 2011

Resolution No.

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C. STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS
(Continued)

- 8. If conditions warrant, Park may change the number of days allowed for a customer to fix leaks, breaks or other malfunctions after first notifying its customers in accordance with Rule No. 14.1.
- 9. Other restrictions on use of potable water as prescribed by the Commission, Park, or another governing body or agency.

STAGE 2:

Stage 2 Water Shortage occurs when the Stage 1 conditions are deemed insufficient to achieve identified water usage goals established by an authorized government agency or official. The following water restrictions may be imposed by Park if directed by an authorized government or regulatory agency or official, or in an effort by Park to comply with water-saving conservation goals or requirements applicable to Park. The following restrictions are designed to allow Park additional flexibility in imposing water use restrictions.

In addition to the restrictions identified in Stage 1, the following restrictions will be enacted:

- 1. Outdoor irrigation restricted to no more than two (2) days per week. Watering or outdoor irrigation of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than ten (10) minutes of watering per day per station.
- 2. All leaks, breaks, or other malfunctions in the customer's plumbing fixtures and/or irrigation system must be repaired within three (3) business days of written notification by Park, unless other arrangements are made with Park.
- 3. The use of potable water to refill residential swimming pools or outdoor spas more than one foot or initial filling with potable water except when existing pools are drained to repair leaks.
- 4. Other restrictions on use of potable water as prescribed by the Commission, Park, or another governing body or agency.

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C. STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS

(Continued)

STAGE 3:

Stage 3 Water Shortage occurs when the Stage 2 conditions are deemed insufficient to achieve identified water usage reductions established by an authorized government agency or official.

In addition to the restrictions identified in Stage 2, the following restrictions will be enacted:

1. Outdoor irrigation restricted to no more than two (2) days per week. Watering or outdoor irrigation of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering device that is not continuously attended limited to no more than five (5) minutes of watering per day per station.
2. All leaks, breaks, or other malfunctions in the customer's plumbing fixtures and/or irrigation system must be repaired within two (2) business days of written notification by Park, unless other arrangements are made with Park.
3. Other restrictions on use of potable water as prescribed by the Commission, Park, or another governing body or agency.

STAGE 4:

Stage 4 Water Shortage will be implemented if the Stage 3 conditions are deemed insufficient to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

In addition to the restrictions identified in Stage 3, the following restrictions will be enacted:

1. Outdoor irrigation restricted to no more than one (1) day per week. Watering or outdoor irrigation of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering device that is not continuously attended limited to no more than five (5) minutes of watering per day per station.
2. Other restrictions on use of potable water as prescribed by the Commission, Park, or another governing body or agency.

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(N)

D. STAGED MANDATORY WATER REDUCTIONS – SCHEDULE NO. 14.1

1. Upon the declaration of a water shortage emergency by a water wholesaler, government agency or the governing body of a distributor of a public water supply (per Water Code Section 350), Park may request addition of a Schedule No. 14.1 – Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions and Drought Surcharges tariff, via a Tier 2 advice letter, with full justification. Park may not activate Schedule No. 14.1 until it has been authorized to do so by the Commission, as delegated to the Division of Water and Audits.
 - a. A staged Schedule No. 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule No. 14.1 tariff and Park has requested and received authorization for activating a stage by the Commission.
 - b. Notice of the Tier 2 advice letter and associated public participation hearing if required shall be provided to customers through a bill insert or a direct mailing.
 - c. Park shall comply with all requirements of Sections 350-358 of the California Water Code.
 - d. The Tier 2 advice letter requesting the addition of a Schedule No. 14.1 shall include but not be limited to:
 - i. The proposed Schedule No. 14.1 tariff, which shall include but not be limited to:
 1. Applicability;
 2. Applicable Territory;
 3. A detailed description of each Stage of Mandatory Water Reductions;
 4. A detailed description of the Trigger that Activates each Stage of Mandatory Water Reductions;
 5. A detailed description of each water use restriction, prohibition and/or reduction level for each Stage of Mandatory Water Reduction;
 6. Water use violation levels, written warning levels, applicable rate schedules and drought surcharges, associated penalties, surcharges or fees, if applicable, and exception procedures;
 7. Conditions for installation of a flow restrictor;
 8. Charges for installation and removal of flow restrictors, and
 9. Special Conditions.

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D. STAGED MANDATORY WATER REDUCTIONS – SCHEDULE NO. 14.1 (Continued)

- ii. Justification for, and documentation and calculations in support of the Schedule, including but not limited to each item in D.1.d.i above.
2. The number of Stages requested by each utility/district/water system may vary, depending on local conditions and specifics of the water shortage event. Park shall file a Tier 2 advice letter to request activation of a particular stage of Schedule No. 14.1 – Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions and Drought Surcharges under the following conditions:
 - a. If the Commission, wholesale water supplier, or Park declares an emergency requiring mandatory water use restrictions, or;
 - b. If a government agency with legal jurisdiction over Park or its service area declares a state of emergency in response to severe drought conditions, earthquake or other catastrophic event that severely reduces Park's water supply, or;
 - c. If voluntary conservation levels or mandatory restrictions on certain uses of water, set by the Commission, Park, wholesale water supplier, or government agency are insufficient, or;
 - d. If a Declaration of Mandatory Water Reductions is made by Park or governing body or agency, or;
 - e. If Park chooses to subsequently activate a different stage.
3. The Tier 2 advice letter requesting activation of a Schedule No. 14.1 shall include but not be limited to:
 - a. Justification for activating this particular stage of reductions, as well as the period during which this particular stage of mandatory restrictions and reductions measures will be in effect.
 - b. When Park requests activation of a particular Stage, it shall notify its customers as detailed in Section E. below.

E. ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS

1. The staged reduction of water usage and mandatory restrictions in Section C of this Plan become enforceable through additional tariff rates when the Schedule No. 14.1-Water Shortage Contingency Plan with Staged Mandatory Water Reductions and Drought Surcharges program is triggered, at which time Park files a Tier 2

(N)

Advice No. 261-W

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Name

Date Filed

SEP 21 2015

Effective

OCT 13 2015

Dec. No. _____

EXECUTIVE VICE PRESIDENT

Title

Resolution No. _____

RULE NO. 14.1
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(N)

E. ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS
(Continued)

advice letter requesting activation of a particular stage, and authorization is received from the Commission as delegated to the Division of Water and Audits.

- a. In the event a customer is observed to be using water for any nonessential or unauthorized use as defined in Section B and C of this Rule, Park may charge a water use violation fine in accordance with Schedule No. 14.1.
 - b. In the event an authorized governing body has established water usage levels through an executive order or emergency regulation, Park may establish water usage targets conforming to the level established by the regulation and adopt appropriate rate schedules for the target levels decreed in the order in accordance with Schedule No. 14.1.
2. Park may, after one written warning, install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in Section B and C above.
 3. A flow restrictor shall not restrict water delivery by greater than 50% of normal flow and shall be capable of providing the premise with a minimum of 3 Ccf/person/month. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.
 4. After the removal of the restricting device, if any non-essential or unauthorized use of water continues, the utility may install another flow-restricting device without written notice. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to Park.
 5. Any tampering with the flow restricting device by a customer can result in discontinuation of water use at Park's discretion.
 6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water continues, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to Park as a condition for restoration of service.

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E. ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS
(Continued)

7. The charge for removal of a flow-restricting device shall be in accordance with Schedule No.14.1.

F. APPEAL PROCEDURE

1. Any customer who seeks a variance from any of the provisions of this Water Shortage Contingency Plan shall notify Park in writing using the appeals form, explaining in detail the reason for such a variation. Park shall respond to each such request in writing.
2. The appeals form is available online at Park's website, www.parkwater.com, the Park office located 9750 Washburn Road, Downey, 90241 or by calling 1-800-727-5987.
3. If the customer disagrees with such disposition, the customer may contact the Commission.
4. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against Park or any of its employees, or the Commission because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Water Shortage Contingency Plan.

G. NOTICE

1. As stated under Section D.1.b and c, when Park requests the addition of a Schedule 14.1 – Staged Mandatory Water Allocation tariff, via a Tier 2 advice letter, it shall provide notice of the Tier 2 advice letter and associated public hearing, if necessary. Notice will be provided to customers through bill inserts or direct mailing, and it shall comply with all requirements of Sections 350-358 of the California Water Code (CWC), including but not limited to the following:
 - a. In order to be in compliance with both General Order 96-B and CWC, Park shall provide notice via both newspaper and bill insert/direct mailing.
 - b. Park shall file one notice for each advice letter filed, that includes both notice of the filing of the Tier 2 advice letter as well as the details of the public hearing (date, time, place, etc.).
 - c. The public meeting shall be held after Park files the Tier 2 advice letter, and before the Commission authorizes the addition of Schedule 14.1 to the tariff

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G. NOTICE (Continued)

except in cases of emergency water shortages approved by the Division of Water and Audits.

- d. Park shall consult with the Division of Water and Audits staff prior to filing the advice letter, in order to determine the details of the public meeting.

In the event that Schedule 14.1 – Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions and Drought Surcharges is triggered, and Park requests activation through the filing of a Tier 2 advice letter, Park shall notify its customers and provide each customer with a summary of Schedule No. 14.1 by means of bill insert or direct mailing. Notification shall take place prior to imposing any fines associated with this plan. If activation of Schedule No. 14.1 occurs one year or more since the public hearing associated with adding Schedule No. 14.1 to its tariffs, then Park shall conduct a public hearing pursuant to California Water Code Section 351 prior to activating the rationing stage.

- 2. During the period that a stage of Schedule No. 14.1 is activated, Park shall provide customers with updates in at least every other bill, regarding its water supply status and the results of customers' conservation and water-use reduction efforts.

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Advice No. 261-W _____
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Title EXECUTIVE VICE PRESIDENT

Date Filed DEC 21 2015
Effective DEC 1 2015
Resolution No. _____