DRAFT OF A

RESOLUTION IMPLEMENTING THE WATER SHORTAGE CONTINGENCY PLAN
(Ready for adoption should the need arise)

SAN GABRIEL VALLEY WATER COMPANY

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS

_________________________________________
DATE

WHEREAS, the California Legislature enacted Assembly Bill 11X during the 1991 Extraordinary Session of the California Legislature (an act to amend California Water Code Sections 10620, 10631, and 10652, and to add Section 10656 to the California Water Code, relating to water); and

WHEREAS, AB11X requires that every urban water supplier providing potable water directly to more than 3,000 customers or supplying more than 3,000 acre feet of water to develop a Water Shortage Contingency Plan; and

WHEREAS, AB 11X mandates that said Water Shortage Contingency Plan be filed with the California Department of Water Resources by January 31, 1992; and

WHEREAS, San Gabriel Valley Water Company is an urban water supplier providing water to more than 3,000 customers, and therefore, has prepared and filed a Water Shortage Contingency Plan, in compliance with requirements of AB 11X.

WHEREAS, public hearings have been conducted regarding the implementation of the Company’s Water Shortage Contingency Plan;

NOW, THEREFORE, BE IT RESOLVED that:

1. The Water Shortage Contingency Plan is hereby implemented;

2. The Company is hereby authorized (should the need arise) to declare a Water Shortage Emergency and implement the Water Shortage Contingency Plan;

3. The Company shall implement additional procedures regarding rules and regulations to carry out effective and equitable allocation of water during a declared water shortage, as approved and adopted by the California Public Utilities Commission.

5. The Company take necessary actions to mitigate the effects on customers of the water shortage while continuing to fulfill its duties as a public utility water company.
IMPORTANT NOTICE

10% Voluntary Water Use Reduction Requested

Dear Customer:

Because of the severe 5-year drought we are experiencing, San Gabriel Valley Water Company is requesting that effective immediately all water customers reduce their water use, on a voluntary basis, by at least 10% compared to the same period last year.

As you may be aware, the Metropolitan Water District of Southern California (MWD) has adopted stringent water conservation measures to greatly reduce water usage because of the severe drought in California. Effective March 1, 1991, MWD has declared a Stage V water shortage. Fortunately, MWD supplies only a small portion of the water provided by San Gabriel Valley Water Company. Nevertheless, because of the drought, we also must request your cooperation in conserving water.

We believe that you and our other customers can achieve the requested 10% reduction on a voluntary basis and that it will not be necessary to implement strict water rationing and penalty rates. Obviously, if our customers are unable to achieve the conservation goals on a voluntary basis, we would be forced to consider mandatory cutbacks and higher water costs.

To assist you in meeting the conservation goal, your current water use and your use during the corresponding period last year is shown on your water bill. On future water bills we will be showing your conservation goal for the coming month. In addition, the water conservation measures shown on the back of this letter can help save water. Thank you for your cooperation.

Very truly yours,

SAN GABRIEL VALLEY WATER COMPANY
SAN GABRIEL VALLEY WATER COMPANY
WATER CONSERVATION MEASURES

1. Lawn watering and landscape irrigation should be done only between the hours of 4 p.m. and 8 a.m. every other day. Public and recreational facilities such as parks, school grounds, golf courses, and recreational fields can be irrigated on any day. Agricultural users and commercial nurseries and landscape contractors can continue to irrigate as necessary but should curtail all non-essential water uses.

2. Other watering can be done at any time if a handheld hose equipped with a positive shutoff nozzle is used, a handheld faucet-filled bucket of five gallons or less is used, or a drip irrigation system is used.

3. Do not allow water to run off landscaped areas into adjoining streets, sidewalks, or other paved areas because of excessive watering or incorrectly directed or maintained sprinklers.

4. Washing of cars, trucks, trailers, boats, airplanes, or buildings should only be done with a handheld bucket or with a handheld hose equipped with a positive shutoff nozzle for quick rinses.

5. Do not use water to wash down sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas except to alleviate immediate fire, sanitation, or health hazards.

6. There should be no filling or refilling of ponds, fountains, or artificial lakes. Pools and spas should be filled or refilled only between 4 p.m. and 8 a.m.

7. Restaurants should not serve water to their customers unless specifically requested.

8. Leaks from indoor and outdoor plumbing fixtures should be repaired as soon as discovered and should not be allowed to continue for more than 48 hours.

9. Do not leave water running while brushing your teeth, shaving, soaping in the shower, or washing dishes in the sink.

Also, to further assist customers in conserving water, the company has water conservation kits available and water-saving information literature available free of charge at each of the company's commercial offices. You may call or stop by one of the company's commercial offices to avail yourself of these materials. The commercial offices are located at:

11142 Garvey Avenue, El Monte, CA
14404 East Valley Boulevard, Industry, CA
11579 Hadley Street, Whittier, CA
IMPORTANT NOTICE

10% Voluntary Water Use Reduction Requested

Dear Customer:

Because of the severe 5-year drought we are experiencing, Fontana Water Company is requesting that effective immediately all water customers reduce their water use, on a voluntary basis, by at least 10% compared to the same period last year.

As you may be aware, the Metropolitan Water District of Southern California (MWD) has adopted stringent water conservation measures to greatly reduce water usage because of the severe drought in California. Effective March 1, 1991, MWD has declared a Stage V water shortage. Fortunately, Fontana Water Company does not rely on water deliveries from MWD to supply its customers. Nevertheless, because of the drought, we also must request your cooperation in conserving water.

We believe that you and our other customers can achieve the requested 10% reduction on a voluntary basis and that it will not be necessary to implement strict water rationing and penalty rates. Obviously, if our customers are unable to achieve the conservation goals on a voluntary basis, we would be forced to consider mandatory cutbacks and higher water costs.

To assist you in meeting the conservation goal, your current water use and your use during the corresponding period last year is shown on your water bill. On future water bills we will be showing your conservation goal for the coming month. In addition, the water conservation measures shown on the back of this letter can help save water. Thank you for your cooperation.

Very truly yours,

FONTANA WATER COMPANY
FONTANA WATER COMPANY
WATER CONSERVATION MEASURES

1. Lawn watering and landscape irrigation should be done only between the hours of 4 p.m. and 8 a.m. every other day. Public and recreational facilities such as parks, school grounds, golf courses, and recreational fields can be irrigated on any day. Agricultural users and commercial nurseries and landscape contractors can continue to irrigate as necessary but should curtail all non-essential water uses.

2. Other watering can be done at any time if a handheld hose equipped with a positive shutoff nozzle is used, a handheld faucet-filled bucket of five gallons or less is used, or a drip irrigation system is used.

3. Do not allow water to run off landscaped areas into adjoining streets, sidewalks, or other paved areas because of excessive watering or incorrectly directed or maintained sprinklers.

4. Washing of cars, trucks, trailers, boats, airplanes, or buildings should only be done with a handheld bucket or with a handheld hose equipped with a positive shutoff nozzle for quick rinses.

5. Do not use water to wash down sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas except to alleviate immediate fire, sanitation, or health hazards.

6. There should be no filling or refilling of ponds, fountains, or artificial lakes. Pools and spas should be filled or refilled only between 4 p.m. and 8 a.m.

7. Restaurants should not serve water to their customers unless specifically requested.

8. Leaks from indoor and outdoor plumbing fixtures should be repaired as soon as discovered and should not be allowed to continue for more than 48 hours.

9. Do not leave water running while brushing your teeth, shaving, soaping in the shower, or washing dishes in the sink.

Also, to further assist customers in conserving water, the company has water conservation kits available and water-saving information literature available free of charge at the company's commercial office. You may call or stop by the company's commercial office to avail yourself of these materials. The commercial office is located at:

8440 Nuevo Avenue, Fontana, CA
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 as required by Rule No. 20. The utility shall notify all customers of the availability of conservation kits.

(continued)
RULE NO. 14.1
(continued)

A. CONSERVATION - NONESSENTIAL OR UNAUTHORIZED WATER USE

No customer shall use utility-supplied water for nonessential 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 aircraft, cars, buses, boats, trailers or other vehicles without a positive shutoff 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.

(continued)
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 odd 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 if 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 utilize 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.

(continued)
RULE NO. 14.1
(continued)

C. ENFORCEMENT OF MANDATORY CONSERVATION AND RATIONING

1. The water use restrictions of the conservation program in Section A of this rule become 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 nonessential 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 6 Ccf/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 nonessential 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. Each customer's water allocation shall be shown on the water bill. 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.


(continued)
RULE NO. 14.1
(continued)

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.

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 method(s).
Sections of the California Water Code
Chapter 3 - Water Shortage Emergencies

Section 350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, may declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

Section 351. Excepting in event of a breakage or failure of a dam, pump, pipe line or conduit causing an immediate emergency, the declaration shall be made only after a public hearing at which consumers of such water supply shall have an opportunity to be heard and protest against the declaration and to present their respective needs to said governing board.

Section 352. Notice of the time and place of hearing shall be published pursuant to Section 60 of the Government Code at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed or if there is no such newspaper, in any newspaper printed, published, and circulated in the county in which the area is located.

Section 353. When the governing body has so determined and declared the existence of an emergency condition of water shortage within its service area, it shall thereupon adopt such regulations and restrictions on the delivery of water and the consumption within said area of water supplied for public use as will in the sound discretion of such governing body conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 354. After allocating and setting aside the amount of water which in the opinion of the governing body will be necessary to supply water needed for domestic use, sanitation, and fire protection, the regulations may establish priorities in the use of water for other purposes and provide for the allocation, distribution, and delivery of water for such other purposes, without discrimination between consumers using water for the same purposes.
Section 355. The regulations and restrictions shall thereafter be and remain in full force and effect during the period of the emergency and until the supply of water available for distribution within such area has been replenished or augmented.

Section 356. The regulations and restrictions may include the right to deny such applications for new or additional service connections, and provision for their enforcement by discontinuing service to consumers willfully violating the regulations and restrictions.

Section 357. If the regulations and restrictions on delivery and consumption of water adopted pursuant to this chapter conflicts with any law establishing the rights of individual consumers to receive either specific or proportionate amounts of the water supply available for distribution within such service area, the regulations and restrictions adopted pursuant to this chapter shall prevail over the provisions of such laws relating to water rights for the duration of the period of emergency; provided, however, that any distributor of water which is subject to regulation by the State Public Utilities Commission shall before making such regulations and restrictions effective secure the approval thereof of the Public Utilities Commission.

Section 358. Nothing in this chapter shall be construed to prohibit or prevent review by any court of competent jurisdiction of any finding or determination by a governing board of the existence of an emergency or of regulations or restrictions adopted by such board, pursuant to this chapter, on the ground that any such action is fraudulent, arbitrary, or capricious.