



May 28, 2019

TO: LOCSO Board of Directors
FROM: Renee Osborne, General Manager
Jose Acosta, Utilities System Manager

SUBJECT: **Agenda Item 11L – 6/6/2019 Board of Directors Meeting**
Review and Approve Modified Water Shortage Contingency Plan

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
George Huang

DESCRIPTION

The Board, at their January 10, 2019 meeting, directed staff to present the Water Shortage Contingency Plan (WSCP) and Title 2 of District Code, to the Utilities Advisory Committee (UAC) for review and discussion; specifically pertaining to water leak credits.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board accept the modified LOCSO Water Shortage Contingency Plan as presented and apply leak credits dated back to February 19, 2015.

DISCUSSION

The Board directed staff to present both documents to UAC for review, discussion and recommendation regarding possible updates. The directive was specifically to review the sections pertaining to leak credits for District customers.

Both documents were presented at the February 20, 2019 UAC meeting. At the meeting, it was discussed that other changes to the WSCP should be considered. The UAC made a couple minor recommended changes to the WSCP and forwarded the review of Title 2 and issue regarding leak credits for review to the Water Rate Group.

Attached is a copy of the original WSCP and an updated WSCP with recommended modifications by UAC and staff. The Water Rate Group made the recommendation to remove the section stating, "No leak adjustment credits will be awarded", from Stage III of the WSCP, the UAC agreed with the recommendation. The Water Rate Group also reviewed Title 2, pertaining to Credits for Fixing Water Leaks, and had no recommended changes to this policy. At their May 15, 2019 meeting, the UAC discussed modifying this section of Title 2, and asked staff to return with this topic for review and discussion at the June 19, 2019 UAC meeting. Any recommended modifications by the UAC will be presented to the Board for final considerations and changes to Title 2 of the District Code.

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The UAC made a recommendation that the Board consider retroactively reimbursing for leak credits, dating back to February 19, 2015. Attached is a summary sheet with the service line breaks that could be considered for a leak credit. As presented on the summary, most customers have since paid off their high usage bill, but would still be considered for the leak credit. Any leak credit that is awarded would be applied to the customer bill and not be awarded in any other form of payment. The financial impact is also annotated on the summary.

Attached is a copy of the current Title 2 policy regarding water leak credits. The policy will continue to be referenced as the procedure for implementing any leak credits.

Financial Impact

Financial impact for awarding providing leak credits will be \$16,916.54.

Attachments

LOS OSOS COMMUNITY SERVICES DISTRICT WATER SHORTAGE CONTINGENCY PLAN

Stage	Reduction Target	Climate Trigger (MEDIAN RAINFALL 17 INCHES)	CHLORIDE TRIGGER (8th or 10th Street Wells - Zone D)	TDS TRIGGER (8th or 10th Street Wells - Zone D)	CLIMATE & WATER QUALITY REQUIREMENTS TO EXIT WATER SHORTAGE STAGES (DE-TRIGGER)	PROHIBITIONS
STAGE I ALERT Customers: Residential Allocation: 183 gal/day	5%	Rainfall total as March 31:< than median (17 in.) for current year	N/A	N/A	Receive rainfall >= median by March 31	<ul style="list-style-type: none"> All outdoor irrigation of vegetation shall occur only between dusk and dawn. The use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground and other hard-surface areas by direct application shall be prohibited. The use of non-drinking-water fountains, except for those using recirculated water, shall be prohibited. Use of water which results in flooding or run-off in gutters or streets shall be prohibited.
STAGE II WARNING Customers: Residential Allocation: 174 gal/day	15%	Stage I plus rainfall total as of March 31: <= 32 in. for over two yrs. or <= 48 in. over three yrs. or 65 in. over four yrs. or 81 in. over five years	N/A	N/A	Receive rainfall >= median by March 31	<p>In addition to Stage I conservation measures:</p> <ul style="list-style-type: none"> Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of residents within the boundaries of the Los Osos Community Services District. The use of District potable water for construction projects shall be prohibited. The washing of automobiles, trucks, trailers, boats and other types of mobile equipment not occurring upon the immediate premises of a commercial car wash and/or commercial service station shall be prohibited unless residents have an automatic shut-off hose nozzle and do not allow water to run off their property. The use of potable water to irrigate lawns, landscape plantings, groundcovers, and shrubs shall be limited to prescribed days and hours. Irrigation shall only occur between dusk and dawn, and shall only occur on Wednesday and Sunday for <u>even</u> numbered addresses, and Tuesday and Saturday for <u>odd</u> numbered addresses. Community recreational facilities shall be exempt from this prohibition. Water main flushing shall only occur in emergency situations as declared by the General Manager.
STAGE III EMERGENCY Customers: Residential Allocation: 50 gal/day/occupant NO TRANSFERS ALLOWED	25%	Stage I plus rainfall total as of March 31: <= 29 in. for over two yrs. or <= 43 in. over three yrs. or 58 in. over four yrs. or 72 in. over five years Stage III shall be enacted no earlier than April 2015. Declared by BOD 4/2/2015 – Based on Climate Trigger ONLY Modified on 5/7/2015	150 mg/l	700 mg/l	Receive rainfall >= median by March 31. If in Stage III due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage III	<p>In addition to Stage I & II conservation measures:</p> <ul style="list-style-type: none"> Irrigation of community recreational facilities shall be exempt from this prohibition. Penalties up to 2 times the established rate for usage above the allocation. No leak adjustment credits will be awarded No new Intent to Serve applications No allocations may be transferred to another property
STAGE IV SEVERE Customers: Residential, Commercial Allocation: 45 gal/day/ occupant NO TRANSFERS ALLOWED	35%	Stage I plus rainfall total as of March 31: <= 26 in. for over two yrs. or <= 38 in. over three yrs. Or 51 in. over four yrs. Or 64 in. over five years, Stage IV shall be enacted no earlier than November 2015	250 mg/l	850 mg/l	Receive rainfall >= median by March 31, transition to Stage II for current year. If in Stage IV due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage IV	<p>In addition to Stage I, II, & III conservation measures:</p> <ul style="list-style-type: none"> Irrigation of community recreational facilities and residential edible crops shall be exempt from this prohibition. New water connections to the District water system shall be prohibited Commercial allocation 10% below baseline Penalties up to 4 times established rate may be applied No allocations may be transferred to another property
STAGE V CRITICAL ALL CUSTOMERS Allocation: 42 gal/day/ occupant NO TRANSFERS ALLOWED	50%	Stage I plus rainfall total as of March 31: <= 17 in. for over two yrs. or <= 26 in. over three yrs. or 34 in. over four yrs. or 43 in. over five years	500 mg/l	1,000 mg/l	Receive rainfall >= median by March 31, transition to Stage II for current year. If in Stage V due to water quality, two consecutive semi-annual samples must be below trigger concentration to exit Stage V	<p>In addition to Stage I, II, III, & IV conservation measures:</p> <ul style="list-style-type: none"> Commercial allocation 15% below baseline Penalties up to 4 times established rate may be applied No allocations may be transferred to another property

LOS OSOS COMMUNITY SERVICES DISTRICT WATER SHORTAGE CONTINGENCY PLAN

Stage (Household allocations are based on household of 3)	Reduction Target	Climate Trigger (MEDIAN RAINFALL 17 INCHES)	Chloride Trigger (8th or 10th Street Wells-Zone D)	TDS Trigger (8th or 10th Street Wells-Zone D)	Recommended Climate & Water Quality Requirements To Exit Water Shortage Stages (de-trigger)	Prohibitions
<p>STAGE I ALERT Customers: Residential</p> <p>Allocation: 183 gal/day/household or 61 gal/day/occupant</p>	5%	Rainfall total as March 31: < than median (17 in.) for current year	N/A	N/A	Receive rainfall >= median by March 31	<ul style="list-style-type: none"> All outdoor irrigation of vegetation shall occur only between dusk and dawn. The use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground and other hard-surface areas by direct application shall be prohibited. The use of non-drinking-water fountains, except for those using recirculated water, shall be prohibited. Use of water which results in flooding or run-off in gutters or streets shall be prohibited.
<p>STAGE II WARNING Customers: Residential</p> <p>Allocation: 174 gal/day/household or 58 gal/day/occupant</p>	15%	Stage I plus rainfall total as of March 31: <= 32 in. for over two yrs. or <= 48 in. over three yrs. or 65 in. over four yrs. or 81 in. over five years	N/A	N/A	Receive rainfall >= median by March 31	<p>In addition to Stage I conservation measures:</p> <ul style="list-style-type: none"> Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of residents within the boundaries of the Los Osos Community Services District. The use of District potable water for construction projects shall be prohibited. The washing of automobiles, trucks, trailers, boats and other types of mobile equipment not occurring upon the immediate premises of a commercial car wash and/or commercial service station shall be prohibited unless residents have an automatic shut-off hose nozzle and do not allow water to run off their property. The use of potable water to irrigate lawns, landscape plantings, groundcovers, and shrubs shall be limited to prescribed days and hours. Irrigation shall only occur between dusk and dawn, and shall only occur on Wednesday and Sunday for <u>even</u> numbered addresses, and Tuesday and Saturday for <u>odd</u> numbered addresses. Community recreational facilities shall be exempt from this prohibition. Water main flushing shall only occur in emergency situations as declared by the General Manager.
<p>STAGE III EMERGENCY Customers: Residential</p> <p>Allocation: 150 gal/day/household or 50 gal/day/occupant NO TRANSFERS ALLOWED</p>	25%	Stage I plus rainfall total as of March 31: <= 29 in. for over two yrs. or <= 43 in. over three yrs. or 58 in. over four yrs. or 72 in. over five years Stage III shall be enacted no earlier than April 2015. Declared by BOD 4/2/2015 – Based on Climate Trigger ONLY Modified on 5/7/2015	150 mg/l	700 mg/l	Receive rainfall >= median by March 31, for two consecutive years. If in Stage III due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage III	<p>In addition to Stage I & II conservation measures:</p> <ul style="list-style-type: none"> Irrigation of community recreational facilities shall be exempt from this prohibition. Penalties up to 2 times the established rate for usage above the allocation, may be applied. District will notify customer of usage above allocation, if the customer fails to modify usage, penalties may be applied. No new Intent to Serve applications No allocations may be transferred to another property
<p>STAGE IV SEVERE Customers: Residential, Commercial</p> <p>Allocation: 135 gal/day/household or 45 gal/day/ occupant NO TRANSFERS ALLOWED</p>	35%	Stage I plus rainfall total as of March 31: <= 26 in. for over two yrs. or <= 38 in. over three yrs. Or 51 in. over four yrs. Or 64 in. over five years, Stage IV shall be enacted no earlier than November 2015	250 mg/l	850 mg/l	Receive rainfall >= median by March 31, for two consecutive years, transition to Stage II for current year. If in Stage IV due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage IV	<p>In addition to Stage I, II, & III conservation measures:</p> <ul style="list-style-type: none"> Irrigation of community recreational facilities and residential edible crops shall be exempt from this prohibition. New water connections to the District water system shall be prohibited Commercial allocation 10% below baseline Penalties up to 4 times established rate may be applied No allocations may be transferred to another property
<p>STAGE V CRITICAL ALL CUSTOMERS</p> <p>Allocation: 126 gal/day/household or 42 gal/day/ occupant NO TRANSFERS ALLOWED</p>	50%	Stage I plus rainfall total as of March 31: <= 17 in. for over two yrs. or <= 26 in. over three yrs. or 34 in. over four yrs. or 43 in. over five years	500 mg/l	1,000 mg/l	Receive rainfall >= median by March 31, transition to Stage II for current year. If in Stage V due to water quality, two consecutive semi-annual samples must be below trigger concentration to exit Stage V	<p>In addition to Stage I, II, III, & IV conservation measures:</p> <ul style="list-style-type: none"> Commercial allocation 15% below baseline Penalties up to 4 times established rate may be applied No allocations may be transferred to another property

Service Line Breaks

	Units Used	Billed Amount	Balance on High Bill	Date of Charge	Date Paid in Full	Pymt Arngmt	Leak Adj Credit
1	127	\$1,018.51	\$0.00	2/19/2015	3/18/2016		\$459.93
2	98	\$683.16	\$0.00	5/20/2015	8/4/2017		\$291.32
3	368	\$2,676.22	\$0.00	7/20/2015	8/17/2015		\$1,242.64
4	85	\$674.11	\$0.00	9/18/2015	3/3/2016		\$311.36
5	96	\$764.31	\$0.00	9/18/2015	4/11/2016		\$336.85
6	101	\$805.31	\$0.00	10/20/2015	11/21/2016		\$379.43
7	58	\$452.71	\$0.00	10/20/2015	10/30/2015		\$101.51
8	16	\$117.11	\$0.00	10/20/2015	11/16/2015		\$28.06
9	333	\$2,707.71	\$1,132.71	3/18/2016		Yes	\$1,243.84
10	20	\$141.11	\$0.00	4/20/2016	5/2/2016		\$42.45
11	234	\$1,895.91	\$0.00	6/20/2016	5/26/2017		\$862.84
12	380	\$3,093.11	\$0.00	6/20/2016	3/7/2018		\$908.02
13	165	\$1,494.57	\$752.55	11/21/2016		Yes	\$702.74
14	166	\$1,503.77	\$1,141.75	12/21/2016		Yes	\$719.44
15	92	\$822.97	\$0.00	2/15/2017	2/15/2017		\$309.00
16	116	\$1,043.77	\$0.00	2/17/2017	3/2/2017		\$463.06
17	101	\$905.77	\$0.00	2/17/2017	1/16/2018		\$414.30
18	153	\$1,384.17	\$0.00	3/20/2017	4/19/2017		\$412.76
19	21	\$169.77	\$0.00	3/20/2017	4/17/2017		\$42.62
20	246	\$2,239.77	\$289.77	4/20/2017		Yes	\$1,051.73
21	44	\$427.13	\$0.00	8/21/2017	9/11/2017		\$161.02
22	67	\$690.50	\$0.00	9/20/2017	10/16/2017		\$229.17
23	37	\$383.00	\$0.00	10/20/2017	11/1/2017		\$150.50
24	57	\$588.00	\$0.00	11/20/2017	12/7/2017		\$234.47
25	151	\$1,551.50	\$0.00	1/10/2018	2/15/2018		\$722.75
26	37	\$383.00	\$0.00	1/18/2018	2/15/2019		\$100.42
27	51	\$526.50	\$0.00	1/19/2018	2/5/2018		\$173.08
28	95	\$977.50	\$0.00	3/20/2018	4/13/2018		\$423.75
29	31	\$321.50	\$0.00	4/20/2018	5/15/2018		\$91.63
30	12	\$140.75	\$0.00	5/9/2018	6/15/2018		\$20.24
31	30	\$318.52	\$0.00	7/20/2018	8/31/2018		\$126.67
32	75	\$786.31	\$486.31	7/20/2018		Yes	\$337.08
33	86	\$976.25	\$746.25	10/19/2018		Yes	\$428.81
34	153	\$1,730.00	\$1,155.00	11/20/2018		Yes	\$810.20
35	137	\$1,550.00	\$968.72	12/20/2018		Yes	\$680.21
36	149	\$1,685.00	\$0.00	12/20/2018	5/8/2019		\$683.52
37	66	\$751.25	\$301.25	12/20/2018		Yes	\$245.67
38	173	\$1,988.75	\$1,940.00	2/20/2019		Yes	\$837.57
39	22	\$256.25	\$0.00	4/19/2019	5/1/2019		\$73.86
40	23	\$267.50	\$0.00	4/19/2019			\$62.02
Total Charges		\$40,893.05			Leak Credit Adj Total		\$16,916.54

#37 only 5 bills available to average

2.01.20 Credits for Fixing Water Leak (Adopted 12/4/2014)

A. Application: The General Manager shall make available to any customer an application form that customers can use to apply for a credit. The customer may apply if the current bill is 50% greater than normal usage during the same period the prior year. Prior to being considered for a leak adjustment, the customer must pay an amount equal to the same usage as the previous year or same usage as previous bill if they have not owned the home for a year. The customer may apply if they have experienced a water leak in their service line and can prove that such leak has been promptly corrected. Customer service lines are defined as the line from the water meter on the customer's side to the home. Exemptions from credits include leaks in irrigation systems, toilets, and faucets. The application shall include:

- The date of discovery of the leak;
- The date of repair;
- Evidence such as dated plumbing bills and receipts for materials and supplies related to the leak repair; and
- The signature of the water customer.

B. Process: The General Manager shall review all application forms received by customers. The General Manager shall approve a credit of up to 50% of the differential of the highest billing period invoice during the tenure of the leak and the average of all invoices for said customer over the last twelve-month period if the General Manager, in his/her discretion, finds:

1. The leak was related to a physical break in the customer's service line; and
2. The leak was promptly repaired after the discovery; and
3. The customer has not received an LOCSD water leak credit during the preceding twenty-four (24) month period.

C. Disputes: Any customer that disputes a determination by the General Manager may seek Board of Directors review of said determination by paying the established fee and making written application to the Board of Directors, in care of the General Manager, within ten (10) business days of the General Manager's decision. The decision of the Board of Directors shall be final.

D. All credits are suspended completely if and when the District reaches Stage III of the Water Shortage Contingency Plan.

E. No leak adjustments will be given for incidents due to sewer lateral connection work.