

**FINAL REPORT OF THE RATIONING REVIEW
COMMITTEE**

**PRESENTED TO THE BOARD OF DIRECTORS OF THE MONTEREY
PENINSULA WATER MANAGEMENT DISTRICT**

March 7, 1990

SUMMARY OF RECOMMENDATIONS

WATER USE AND SAVINGS

- . Require installation of water meters for all large private pumpers in the Carmel Valley.
- . Determine the appropriate water consumption standard(s) for golf courses, based on the Water District's contemplated study of golf course irrigation needs.
- . Make a water usage report to the Board on a quarterly basis for all major user categories, specifically Residential, Commercial/Industrial, Golf Courses and Public Authority.

VARIANCE SYSTEM

- . Consider eliminating the Optional Commercial Baseline ration. Limit commercial users to 80% of the base year or an alternate base year. Those able to substantiate additional need should do so through the informal variance process.
- . Re-evaluate the validity of the water use standards contained in the Optional Commercial Baseline Standard Worksheet and use that as a basis for new business water ration allocations.
- . Develop a new guideline for dealing with variance requests due to user's system leaks.
- . Increase inspections for certifying variance requests to the point where they are the rule rather than the exception.
- . Each applicant for any variance should be notified in writing of the disposition of their violation.
- . All existing files in the rationing office should be consolidated to the end that there is a single file for each water account.
- . Any and all actions dealing with each individual water account should be entered into the computerized data base so that the account history can be reviewed at any computer terminal.
- . All forms used in conjunction with the rationing program should be thoroughly evaluated by staff involved in the carrying out of the program and revised as necessary to improve the efficiency of the program.

- Guidelines for health and visitor related variances should be re-evaluated. Health related variances should require a specified term of need. Because some users appear to be abusing the visitor variance, tighter controls seem warranted.

ENFORCEMENT SYSTEM

NOTICE LETTERS

- Revise and clarify Letter "A" and include the full range of penalties.
- Shorten the time-span between notice of violation and resolution of violation by at least two months by eliminating Letter "B".
- Confine violation notices to "Notice" and "Final Notice".

INSPECTIONS

- Require inspections to verify compliance.
- Utilize local licensed contractors and/or the Water District staff to perform inspections.

IMPOSITION OF FINES

- The fine system needs to be re-evaluated to become applicable: (a) establish automatic fines; for example: first notice sent. If not complied with in the next billing period, the final notice is sent which states pay this fine within 15 days or it goes to a hearing. Call the rationing office if there are any questions; (b) establish a more realistic fine structure.
- Enforce this new fine structure.
- Provide appropriate supervision of reduction or forgiveness of established fines.

HEARING PROCESS

- Require more rigid adherence to the process for bringing violators to a hearing.
- Shorten the time-span between first violation and hearing.
- Pursue the hearing process to conclusion.

FLOW RESTRICTORS

- Flow restrictors should not be used to enforce rationing compliance.
- A minority of one believes that restrictors should remain an option of last resort.

EVEN-HANDEDNESS OF PROGRAM

- Consider revising ordinances and guidelines dealing with rationing to the end that enforcement is more timely and just. Also, all existing ordinances relating to rationing should be consolidated into one single ordinance.
- Direct Water District management to strictly adhere to rationing ordinances and guidelines to the end that excess use fees are collected equitably and consistently, and where necessary, violators are brought to the hearing process without delay.
- Consider elimination of the Optional Commercial Baseline Ration concept.
- Add staff as necessary to perform inspections as required to equitably and effectively carry out the program.
- Consider establishing a reasonable consumption limit or cap on single family residential users.

MANAGEMENT OF PROGRAM

PROGRAM BUDGET

The Committee recommends that funding be adjusted to allow:

- The addition of staff necessary to competently operate the Rationing Program and fulfill responsibilities mandated by District ordinances, guidelines and policies.
- The upgrading of telephone equipment to at least contemporary public office standards.
- A professional evaluation of minimum office requirements for a computer system that will allow data processing, storage and retrieval. The study should consider the inclusion of terminals as necessary for staff to access the data base while communicating with the public.
- The provision of improved employee seating and work station furniture.

- . The provision of adequate filing cabinets for consolidation of rationing program files to the end that more effective and efficient office operations can be accomplished.

ORGANIZATION

- . After appropriate study, consider the consolidation of the rationing office with the water demand and permit office.
- . Provide a first level supervisor in the rationing office so that all judgmental decisions at the first level can be reviewed for consistency and conformance with District ordinances and policies.
- . Study the organizational reporting relationships with the goal of clarifying and enhancing the stature and authority of the Manager of the Rationing Program.

PUBLIC EDUCATION

- . Conform to District ordinances regarding the notification of each water user of that user's ration.
- . Expend the bulk of budgeted public education funds through direct mail to water users rather than through the media.
- . Solicit again the cooperation of Cal-Am in providing water rationing information on water bills. Also, request that Cal-Am cooperate with the rationing office to expedite census data gathering for new accounts in a more efficient manner.

ratnrep.3/recomm.3

I. INTRODUCTION

The Rationing Review Committee was appointed by the Water Board on January 8, 1990. The Committee was charged to complete the tasks shown in Exhibit 1 and to present its report to the Board within 60 days. The Committee consisted of seven members: Frances Farina, Jeff Grover, Elizabeth Leeper, Philip Lombardi, Kenneth Long, Terry Thomas and Locksin Thompson. Dale Hekhuis, Water Board Director, was appointed as the non-voting Chair of the Committee and as Board Liaison.

The report is organized as follows:

- Summary of Recommendations
- I. Introduction
- II. Reductions in Water Consumption
- III. Variance System
- IV. Enforcement System
- V. Even-Handedness of Program
- VI. Management of Program
- Exhibits

The Committee did not attempt to quantify the potential of increased water savings based on improved enforcement of regulations as called for in Task 4 of Exhibit 1. This was because: first, "improved enforcement of regulations" proved difficult to define; second, due to the outstanding reductions in water consumption under rationing, the need for an improved enforcement program turned primarily on even-handedness considerations; third, there was an inadequate statistical base for estimating the potential savings.

The Committee held 15 regular meetings and numerous sub-committee meetings. The following sub-committees were formed: Water Savings - Terry Thomas; Variance System - Frances Farina, Jeff Grover, Kenneth Long; Enforcement System - Elizabeth Leeper, Philip Lombardi, Locksin Thompson.

During the course of its deliberations, interviews were conducted of members of the Water District Staff and of the Water Rationing Staff. Interviews of Water District Staff included: Bruce Buel, General Manager; Ray Millard, Business Manager and currently Acting General Manager; David Laredo, Legal Counsel for the Water District; Michael Ricker, Water Demand Manager. Interviews of the Water Rationing Staff included: Gerald Koenig, Manager; Cathy Lee, Field Administrator; Barbara Jesson, Field Representative; Bob Khury, Field Representative; Bryan Soloman, Hearing Coordinator; Moses Lockhart, Applications Programmer.

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II. REDUCTIONS IN WATER CONSUMPTION

The committee agreed to request that the District provide the raw data necessary to calculate the following:

1. Total District-wide reduction in water consumption by month from Cal-Am reports.
2. A breakdown by the four major Cal-Am user categories (Residential, Commercial/Industrial, Golf Courses, and Public Authority) of total reduction in water consumption.
3. The reduction in consumption by the Carmel Valley golf courses which pump from their private wells are not currently metered by Cal-Am, yet are subject to the rationing ordinances.
4. The reduction in consumption by the categories of "20 largest users" and hotels/motels.
5. The optional baseline numbers for major categories.

The results are:

Number 1

The percent reduction in total Cal-Am water usage for the first full rationing year of 1989 versus the base water year of October 1987 - September 1988 was a most successful 29%.

The District has been reporting Cal-Am production and not metered sales (the difference being "leakage"). The production data is available monthly. While metered sales data is available monthly, it can only properly be interpreted bi-monthly in order to dampen out variations due to the bi-monthly meter reading cycles. The Board may wish to see both monthly production and bi-monthly metered sales data compared in the future.

Numbers 2, 3, and 4

As measured by percentage reduction, the rationing program has been a major success. Our audit verified a total reduction in usage of 29%. With the exception of golf courses served by Cal-Am on the Peninsula, reductions for user categories in 1989 versus the 1987 - 1988 base year were in excess of 20%. Table 1 outlining the major user category savings is attached.

Table 1 showed an overall 32% savings in water usage for the combined residential category of single family and multi-family, a 21% reduction for commercial/industrial, and a 33% reduction for public authority users.

Since golf courses were the only major category to achieve less than 20% savings, and since the golf courses overall use more than 15% of total District water, we believe it is essential for the Board to proceed with its plan to re-analyze the Optional Commercial Baseline Standard of 1.76 acre feet per acre per year for golf courses to determine the proper standard for local turf needs.

The golf course optional baseline was established separately by the General Manager. He stated that the number was based on a State agricultural bulletin for golf course turf. The document was unavailable for study by the committee.

While the data shows greater overall reductions for the Valley (29%) than the Cal-Am Peninsula supplied courses (16%), not all courses in the Valley achieved 20% savings during the period data was supplied. Further, the Valley data is not directly comparable, since it was generated by extrapolation from pump electrical readings rather than flow meters, and this information has only been provided to the Water District by PG&E through August 1989. Our conclusion is to support strongly the proposed District ordinance to install water meters on the Valley golf courses. This will permit the Board to monitor these private pumper usages as required by the rationing ordinances.

We studied the sub-categories of "20 largest Cal-Am users" and a sample of 94 hotels/motels. The "20 largest" category (excluding eight golf courses and three hotels, studied separately) showed above-average savings of 31%.

We reviewed the records of 94 hotels/motels. The complete data on all hotels/motels was not made available by the District for the committee. Based on these 94 hotels/motels, water consumption was reduced by an average of 17%. We recommend that the Water District complete this investigation to include all hotels/motels in the District and report the results to the Board.

Finally, we recommend that the Board instruct staff to report usage to the Board on a quarterly basis for all major categories, specifically residential, commercial/industrial, golf courses, and public authority.

Number 5

The Demand Management office presented a thorough explanation with data backup for the optional baseline calculations. With the exception of Open Space Turf (the term for golf courses), all of the calculations were supported by survey data. The data were not originally intended for use for rationing control, and this subject is discussed in more detail in the Variances section of this report. In general, more usage data (which is now available at low cost from the rationing program), and the establishment of more subcategories are needed.

ratnrep.1/reduct.ii

TABLE 1

WATER SAVINGS UNDER RATIONING (ACRE FEET)

CATEGORY	BASE YEAR 1987 - 88	RATION YEAR 1989	% REDUCTION
RESIDENTIAL	9,921	6,727	32%
SINGLE FAMILY	(7,718)	(5,131)	34%
MULTI-FAMILY	(2,203)	(1,596)	28%
COMMERCIAL/INDUSTRIAL	3,875	3,072	21%
GOLFCOURSES			
(PENINSULA)	1,257	1,056	16%
(CARMEL VALLEY)** (JAN-AUG ONLY)	(1,015)	(718)	29%
PUBLIC AUTHORITY	1,579	1,051	33%
OTHER	143	54	—
TOTALS	16,775	11,960	29%

FOOTNOTE:

** Jan-Aug 89 vs Jan-Aug 88 only. Data based on pump power extrapolations. Numbers shown for information and not included in totals.

III. VARIANCE SYSTEM

A Subcommittee was established to audit the variance activities of the rationing office. The members included Fran Farina, Jeff Grover, and Kenneth Long. Over a three day period, sample files were selected at random, computer printouts for each file were ordered, and a review and examination of each file occurred. The Subcommittee looked at the basis of the variance, the documentation provided, whether it was approved or disapproved in accordance with the ordinance and guidelines, and compared the original application/form with the computer printout.

Ordinance 37 (Establishment of Phase III Water Rationing Rules) provides general language permitting water users to apply for variances if application of Phase III requirements would cause health or safety problems, cause extreme hardship, or be inapt by reason of extreme or unusual circumstances. The General Manager is charged with maintaining a separate file on each rationing variance request and a response to that request.

Ordinance 38 (Establishment of a Board to Conduct Variances and Appeals Relating to District Water Rationing Rules) includes "Attachment 1" which is a six (6) page list of "Guidelines for Administering Phase III Rationing."

The language in the ordinances and guidelines is vague as to the amount of documentation required to qualify for a variance and as to whether inspections are required prior to granting a variance.

Staff was unable to provide the Subcommittee with data regarding the number of users that have been given approval to consume water up to 1988 consumption levels.

The Variance Subcommittee examined three (3) variance categories: Optional Commercial Baseline Ration, Contractor's Variances, and Informal Variances.

OPTIONAL COMMERCIAL BASELINE RATION:

An application for Optional Commercial Baseline Ration (Exhibit 2) was mailed to approximately 4,000 commercial accounts within the District. A lengthy cover letter (Exhibit 3) explained the procedure to follow in determining if the baseline standard was in the applicant's favor. The application form created great confusion for the recipients and generated a large volume of calls to the rationing office. Those who called were "walked through" the computation process. Those who didn't call supposedly did the computation on their own.

Approximately 1,950 applications were received. The Subcommittee examined 25 files. Two of the files were not counted in our statistical summary in that one was withdrawn by the applicant and the other involved a business that relocated to a new address. Of the remaining 23 files, 11 applicants received more, 6 less, and 6 about the same as 80% of their base year water consumption.

Additionally, samples of three Optional Baseline Standard categories were examined to compare Optional Baseline allowances with actual pre-rationing usage. The three test categories (Restaurants, Undesignated Commercial, and Open Space (non-turf) showed that in over 70% of the billing periods, the Optional Baseline allocation was more than 100% of pre-rationing usage.

The Committee was informed by staff that the figures used for determining the Optional Baseline Standard (Exhibit 4) were not developed for that specific purpose, but rather for determining the maximum water consumption anticipated for new businesses applying for permits and the fees charged for those permits.

In reviewing a sampling of variance files, the sub-committee found no verification of the figures provided by applicants (e.g. square footage, number of seats, etc.) and only spot inspections to verify compliance with Guideline 9 which provides, "No variance shall be granted without a condition that the customer meet minimum conservation standards. . . ." Ordinance 37, as originally drafted, and the Guidelines contained in Ordinance 38 do not require inspections. Ordinance 42 tightened up requirements for securing an Optional Commercial Baseline Ration including submission of evidence that the applicant has taken all reasonable and available state-of-the-art conservation actions, and certification in writing that the subject property has complied with all required water conservation and water rationing measures, and consents to inspection of the subject property to ensure water conservation and rationing rule compliance.

The system is a nightmare to administer. It is difficult to explain to applicants, time-consuming to administer, and creates confusion. Many of the standards utilized to allocate water consumption are not representative of actual use experience. The Subcommittee found numerous files with inconsistencies between what the applicant noted, and what was input into the computer data bank.

CONTRACTOR'S VARIANCES

Approximately 1,800 Contractor's Variance applications were received by the rationing office in 1989. The Variance Subcommittee examined 25 files. The bulk (15) of those examined were for leaks. A total of 22 applications from the sampling were approved for a total of 204 units of water. It should be noted that allocation of extra water does not necessarily mean it was used.

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The form used for Contractor's Variances (Exhibit 5) is straightforward. Note that the form specifically states, "Send a copy of Contractor's Bill or other proof with this application." There is no language in the rationing ordinances or guidelines requiring documentation. This inconsistency has led to a policy established by the original Rationing Program Manager which accepts a signature on the line "Contractor's Signature" to substitute for proof. Four of the 25 files examined fell into this category.

No written response to the variance application is made and the file contains no disposition or history sheet to advise who reviewed the files, when, or the basis for granting or denying the actual file and the computer printout of the file. Four of the 25 files examined had computer printouts which stated, "Contractor Information: NONE."

A review of the guidelines shows that Guideline 13 entitled "Contractor's Variance" deals solely with remodels and new construction projects; Guideline 8(i) related to building maintenance (e.g. steam cleaning for roof revitalization); 8(p) replacement; and 8(g) with pest control fumigation. Guideline 9 states, "No variance shall be granted without a condition that the customer meet minimum conservation standards including installation of toilet dams, low flow shower heads, and low flow faucet aerators, and mulch of landscape areas." This is known as "Minimal Standards for Approval of Variances." There is no guideline dealing specifically with leaks.

A sampling of applications indicates that the majority are for resolving excess use surcharges due to leaks. Under current practice, it appears that many users fail to make repairs until long after the first billing period in which excess use has taken place. This has resulted in water waste and a forgiving of thousands of dollars of excess use surcharges. Ordinance 37 states, "Any water user may seek to have the excess use surcharge waived or forgiven. . .upon substantial evidence that the excess water use was beyond the user's control, and was not reasonably correctable due to special and unique circumstances." (Emphasis added.) Documentation to justify forgiveness of excess water use caused by leaks was generally inadequate, but as stated before, there were no guidelines developed to assist with this problem.

There are several deficiencies associated with computerized data for this type variance. Programming limitations originally prevented entry of Contractor's Variances for leaks which were retroactive. Some printouts show an award of units with the statement, "VARIANCE HAS NOT BEEN USED." The printout does not show whether the variance is "Active" (A) or "Expired" (E) and if expired, the date of the expiration. The printout is, therefore, incomplete, misleading, and not as useful as it should be.

At best, there are only spot inspections being made before granting this type variance.

On the whole, this type variance is effective in providing water allocations for legitimate needs.

INFORMAL VARIANCES

The rationing office received approximately 6,300 applications for Informal Variances, processed over 5,400, and approved over 4,700 in 1989. The Subcommittee examined 26 files. The bulk (12) were for visitor variances, followed by health (5), and landscaping (3). A total of 22 applications were approved for a total of 113 units. It should be noted that allocation of extra water does not necessarily mean it was used.

There is general dissatisfaction with the form currently being used. The "Informal Water Rationing Variance Request" (Exhibit 6) is accompanied by a full page of instructions (Exhibit 7). The instructions are straightforward, clear, and precise. A Notice of Decision (Exhibit 8) is mailed to the applicant advising of the disposition.

There is no language in the ordinances or guidelines requiring inspection for compliance with minimal standards (Guideline 9) before granting informal variance requests. Some spot inspections are, however, conducted.

The visitor-related Guideline 8(a) requires applicants to "prove" a visitor occupied their residence for more than 50% of the billing period before receiving an additional 36 gallons per visitor day. The "proof" is generally a brief letter or note indicating the number of guests and dates of their visits. Since staff is unable to certify that requests for additional water for visitors are justified, some abuse of the system may be taking place. Computer printouts revealed an almost regular pattern of filing applications at the beginning of billing periods for alleged visitors, almost as if the applicants had learned how to use the system to secure more water.

The health-related Guideline 8(c) requires applicants to "prove" that medical or health reasons require additional water. This is generally done with a note from a doctor, but the Subcommittee found prescription notes as well as notes by medical staff personnel (e.g. office managers) which were deemed to be adequate proof for staff to grant variance requests. The Subcommittee also found that applications due to health reasons generally failed to indicate the duration of need. This results in an open-ended variance with water granted without expiration regardless of whether the need is permanent.

On the whole, this type of variance is effective in providing water allocations for legitimate needs.

RECOMMENDATIONS

Based on the foregoing findings, the Committee recommends:

1. Consider eliminating the Optional Commercial Baseline Ration. Limit commercial users to 80% of the base year or an alternate base year. Those able to substantiate additional need should do so through the informal variance. These variances should only be authorized when the rationing staff verifies that all required conservation standards are being met.

Develop an irrigation standard(s) for golf courses based on the results of the Water District's contemplated study of golf course irrigation needs.

Re-evaluate the validity of the computed estimates of water use contained in the Optional Commercial Baseline Standard Worksheet and use that as a basis for new business water ration allocations.

2. Develop a new guideline for dealing with variance requests due to user's system leaks. Verification by District staff or a licensed plumber or contractor that the property is leak free and has complied with the minimal requirements of relevant ordinances and guidelines should be a requirement prior to forgiving any excess water use surcharge or fee. Also, the Board should consider limiting the number of consecutive billing periods for which a repaired leak can be used as a basis for forgiving excess water use surcharge or fees.
3. Increase inspections for certifying variance requests to the point that they are the rule rather than the exception.
4. Each applicant for any variance should be notified in writing of the disposition of their application.

5. All existing files in the rationing office should be consolidated to the end that there is a single file for each water account. All matters pertaining to that account should be in the file and, in addition, a file history sheet should be permanently attached to the file folder so that any and all actions relative to that file can be quickly and easily reviewed.
6. Any and all actions dealing with each individual water account should be entered accurately into the computerized data base so that the account history can be reviewed at any computer terminal. Data entries for variances should indicate whether they are approved or denied, how many units of water were invoiced, whether the variance is active or expired and the date of expiration if relevant.
7. All forms used in conjunction with the rationing program should be thoroughly evaluated by staff involved in the carry out of the program and revised as necessary to improve the efficiency of the program. Test sampling with the public is a necessity before adoption of final revisions.
8. Guidelines for health and visitor related variances should be re-evaluated. Health related variances should require a specified term of need. Because some users appear to be abusing the visitor variance, tighter controls seem warranted.

IV. ENFORCEMENT SYSTEM

The Enforcement Committee has developed specific findings and recommendations. In addition, the committee wished to share some overall impressions developed through the many meetings and discussions with the District staff.

It became clear that the overall tone of the administration of the District policies and ordinances was indeed a "kind and gentle" implementation of these policies and ordinances.

Equally clear was the fact that there was insufficient staff for a disciplined and orderly enforcement of these policies and ordinances.

The filing and recording systems were never properly set up causing wasted staff hours and inconsistent treatment of the cases brought before the rationing office.

The management organization does not provide adequate supervision and approval of actions taken by various members of the staff. Almost every staff member is empowered to adjust surcharges (fines) without review by a supervisor and, in many cases, with no reason given.

The rationing staff started with just three people as of January 1, 1989. Staffing was improved over the year, but still there is little or no time to pursue violators under \$1,000, and those over \$1,000 in fines have been quite often forgiven the fines without staff to verify the credibility of the forgiveness. Example: \$12,000 fine forgiven because "there was a leak and it was fixed."

Ordinances provide the guidelines for the Rationing Program. They were written and revised in an effort to be fair to everyone. Unfortunately, this created a complex system which has been difficult to administer, much less enforce. Example: On the Cal-Am water bill, there is a surcharge to cover costs of the Rationing Program. In the ordinances and in the letters sent to the public, the word "surcharge" is used to describe an assessed penalty for overuse. This has confused the consumer. In this report, the word "fine" will be used instead of "surcharge" when a penalty is referred to.

Notice letters are sent to overusers which are referred to by the staff as "A," "B," and "C," but not so labeled. The "A" letter is sent after a two-month billing shows an overuse of water. If there is no response to the "A" letter, a "B" letter is sent after the second billing shows there has been an overuse of

water. If there is still no response, a "C" letter is sent after the third billing. Six months have elapsed. We suggest that there be a "NOTICE OF OVERUSE" and if overuse is continued for the next billing period, a "FINAL NOTICE" be sent. We also recommend that all form letters and notices be revised so that they clearly state penalties and what is required to resolve the penalties. It is important that all correspondence with the public be clear and easily understood by everyone which is not now the case (see letters marked Exhibits 9, 10, 11).

For those who do respond to the "A," "B," or "C" letter, their fines are "forgiven" if they can convince the staff they have solved their water overuse. This can be done by explaining there was a leak which has been stopped or by asking for and receiving a variance. Since there is no staff time for field checks, there has been no verification program nor is there any "one over one" supervision of the staff in the forgiveness process.

A major problem with notice letters to overusers is that a meter shows overuse...not a person or business. For example, one company has two hundred meters but one account and letter go to an account, not a meter. If the two hundred meters average out to compliance, no letter is sent regarding those meters which show overuse; therefore, all overuse notices must be surveyed to be sure that the accounts with multiple meters are not sent overuse notices if the total use on all meters is in compliance. Example: 57% of non-compliance meters did not receive "A" letters. The question is how many customers does this represent? No one seems to know.

There have been few field inspections, although the staffing chart shows five field representatives. It has taken all the time of the rationing office personnel to process the paper generated in the office, answer the 27,000 phoned-in questions of the public in 1989, and to deal with the public who have come to the office.

Regardless of which violation of the rationing program you consider, there has been very little inspection in the field. This has meant that the staff has had to take the word of a person regarding the reason for water overuse.

The imposition of fines. The vast majority of the water users in the District have shown that they wish to cooperate and have reduced consumption over that which was required. A small number are "using" the system to use far more than their share and with impunity. The way the fine system is now set up, it is possible for some to escape fines for overuse while others who have inadvertently overused are subject to punitive fines.

A different fine schedule needs to be established and a firmer policy regarding payment or forgiveness of fines. At present there is unequal treatment in the imposition of fines. Also, there is great difficulty in collecting fines. The rationing office, as it is presently staffed and organized, cannot deal fairly with the fine system nor with the collection of fines.

It is only the last month that the staff has been able to start sending notices to those who owe under one thousand dollars and then only when they find time. In one year, there has been about \$60,000 collected. This is a fraction of what could have been collected had there been adequate staff and organization to adhere to the policies and ordinances. While the existing system is inadequate and, perhaps, unfair in some instances, the fact still remains that the existing fine system is not enforced.

The hearing process is made up of two types of hearings: fines and variances. For the calendar year 1989, there were 15,554 non-compliance "meters." Of that number 6,604 "customers" received "A" letters (43%). Of this total non-compliance situations, between nine to fifteen "customers" were brought to a hearing. Most did not show up; few cases were pursued beyond the hearing.

As a general rule, the non-compliance fines under \$1,000 are not pursued. One list of violations of 440 violators had at least 100 that were under \$1,000. Many on the list that were over \$1,000 had been forgiven for census change and leaks. Some had no reason given, just forgiven.

There needs to be a more realistic hearing process starting with the first notice and through the enforcement of the findings of the hearing.

If we are, indeed, to continue rationing, we suggest a faster and more firm policy in dealing with the continuing violations and a fine structure that is more realistic and fair.

NOTICE LETTERS

The First Notice Letter, referred to in the rationing office as Letter "A", is sent after the first violation.

Findings-

1. Letter "A" shows no specific penalties or future consequences for continual violations. This letter should be more specific as to possible future penalties.

2. Successive violation notices extend over too long a time period. The current system of three notices at two-month intervals is six months before any enforcement action can be started.
3. The second letter (Letter "B") delays the enforcement action.
4. Confusion in statistical reports as between non-compliance "customers" and "meters." Example: 57% of non-compliance "meters" did not receive "A" letters. The question is -- how many customers does this represent?
5. Current system generates inordinate amount of paper, phone calls, and customer traffic!

Recommendations-

1. Shorten the time span between notice of violation and resolution of violation by at least two months.
2. Eliminate Letter "B."
3. Revise and clarify Letter "A" and include the full range of penalties.
4. Confine violation notices to "Notice" and "Final Notice."

INSPECTIONS:

For purpose of checking compliance

Findings-

1. Inspections are minimal or non-existent at this time.
2. There are insufficient personnel to permit field inspections.
3. It is reasonable to assume that the public is becoming aware that inspections do not take place.
4. This situation occurs at all levels; contractors variances, optional baseline variances, informal variances, and census.

Recommendations-

1. Require inspections to verify compliance.
2. Utilize local licensed contractors and/or the Water District staff to perform inspections to verify compliance.

IMPOSITIONS OF FINES:

Findings-

1. The fine system for excess use of water has not worked. Many violations are not pursued because of insufficient staff.
2. Many fines have been so large that they lacked credibility.
3. There is excessive forgiveness of the existing fine structure causing unequal treatment. There is inadequate documentation to justify this forgiveness.
4. The existing system is not enforced.
5. There is no "one over one" supervision in the forgiveness of fines.

Recommendations-

1. The fine system needs to be re-evaluated to become applicable.
 - (a) Establish automatic fines; example: first notice sent. If not complied within the next billing period, the final notice is sent which states "pay this fine within 15 days or it goes to a hearing. Call the office if there are any questions."
 - (b) Establish a more realistic fine structure.
2. Enforce this new fine structure.
3. Provide appropriate supervision of reduction or forgiveness of established fines.

HEARING PROCESS:

There are two types of hearings - Fines and Variances

Findings-

1. For the calendar year 1989, there were 15,554 non-compliance "meters." Of that number 6,604 "customers" received "A" letters (43%). Of this total non-compliance situation, between nine and fifteen variance "customers" were brought to a hearing. Most did not show up.
2. Number of fine hearings in 1989 was five, and one violator showed up.
3. As a general rule, non-compliance fine situations under \$1,000 are not pursued.
4. The direction to staff from the hearing panel is to minimize bringing violations to a hearing.
5. There is evidence that the hearing violators are not pursued.

Recommendations-

1. Require more rigid adherence to the process for bringing violators to a hearing.
2. Shorten the time span between first violation and hearing (there are six months before a hearing is considered).
3. Pursue the hearing process to conclusion.

FLOW RESTRICTORS:

Flow restrictors are devices which can be installed to lessen the water pressure. They must be installed by Cal-Am and there is a charge for installation and for removal. Under Ordinances 35 and 37, the Water District may authorize the use of a flow restrictor for those who are not in compliance with the rationing program.

The majority of the Rationing Review Committee is opposed to the use of a flow restrictor under any circumstances for the following reasons:

1. It would constitute a fire hazard since a homeowner would not be able to utilize outdoor hoses in an emergency.
2. A flow restrictor could not be used in any building which has a sprinkler system.
3. It would be unfair to install a flow restrictor since water pressure is not uniform throughout the District, i.e., in a high pressure area it may make little difference; whereas, in a low pressure area there would be an excessive lowering of pressure.
4. It would cause hydraulic problems in homes and businesses, i.e. make washing machines and dishwashers inoperative, burn out electric motors and water heaters.

A minority (of one) believes that flow restrictors should remain an option, but they should only be considered as a last resort. The alternatives are shutting off the water entirely or taking violators to court. Court action is very time consuming and costly, and depriving a family or business of water is too great a penalty.

The committee recommends that flow restrictors not be used to enforce rationing compliance.

ratnrepl/enforc.iv

V. EVEN-HANDEDNESS OF THE PROGRAM

The Committee found several significant factors inconsistent with the administration of an even-handed rationing program. Most prominent is the lack of a consistent application of the provisions of the program related to the collection of excess use fees and the actual enforcement of rationing related ordinance violations.

Some users charged excess use fees submit payment when billed. Others question the fees and through the variance system often are able to have the fees waived. In some instances fees have been waived simply out of sympathy with the user. The enforcement of the ordinances has been covered in detail elsewhere in this report. With rare exceptions, there has been a general failure to fully enforce the applicable provisions of the law. Obviously, these practices have been unfair to the thousands who obey the law and stay within rationing limits.

The Optional Commercial Baseline Ration has authorized many users to consume as much as 100% of base year consumption without justification of need.

The general lack of an inspection program allows abuse of the system and excess water use.

A limited number of single family residential users have consumed an inordinate amount of water when compared to the group as a whole. For example, 80% of residential meters consumed less than the 82 gallons per day per capita ration, but 280 residential meters consumed more than 349 gallons per day per capita during the June-July, 1989 billing period.

RECOMMENDATIONS

Based on the foregoing findings, the Committee recommends:

1. Consider revising ordinances and guidelines dealing with rationing to the end that enforcement is more timely and just. Also, all existing ordinances relating to rationing should be consolidated into one single ordinance.
2. Direct District management to strictly adhere to rationing ordinances and guidelines to the end that excess use fees are collected equitably and consistently, and where necessary, violators are brought to the hearing process without delay.
3. Consider elimination of the Optional Commercial Baseline Ration concept as discussed in Section II above.
4. Add staff as necessary to perform inspections as required to equitably and effectively carry out the program.
5. Consider establishing a reasonable consumption limit or cap on single family residential users.

ratnrep.3/even-han.3

VI. MANAGEMENT OF PROGRAM

Without dissent, the Committee found that on the whole the Rationing Program has not been well managed. Although fiscal restraints did in fact impact on some aspects of the program, top District staff failed to supervise and manage in a contemporary, effective, and competent manner. Many areas of concern and recommendations relative to them have been addressed in Sections II, III, and V of this report. In addition, special attention should be given to each of the following categories.

PROGRAM BUDGET

Just prior to the implementation of mandatory rationing on January 1, 1989, personnel from the District's conservation office were transferred to the rationing office and a manager was employed to supervise that office. District staff recommended a budget of approximately \$500,000 for fiscal year 1989-90 but the Board authorized and adopted a budget of \$334,000.

The adopted rationing program budget was clearly based on conservative estimates of anticipated needs. Study has shown underfunding for staff, data processing, telephone equipment, and office furnishings.

Although staffing has been increased since the implementation of the program, it remains below a level that allows fulfillment of mandated responsibilities and the effective achievement of the District's goal of reducing unnecessary water consumption as much as practicable.

The data processing capability of the rationing office has grown piecemeal and is inadequate for processing variances, storing accurate records, and responding to requests for information from consumers.

The rationing office logged nearly 27,000 incoming telephone calls in 1989. By contemporary office standards the telephone equipment is incapable of allowing efficient communication with the public.

Office space is adequate but employee seating and working space isn't functional. Record storage is in open plastic crates.

RECOMMENDATIONS

Based on the foregoing findings, the Committee recommends that funding be adjusted to allow:

1. The addition of staff necessary to competently operate the rationing program and fulfill responsibilities mandated by District ordinances, guidelines, and policies.

2. The upgrading of telephone capability to at least contemporary public office standards. A professional evaluation of office requirements is essential.
3. A professional evaluation of minimum office requirements for a computer system that will allow data processing, storage, and retrieval. The study should consider the inclusion of terminals as necessary for staff to access the data base while communicating with the public. The timely acquisition of such a system is essential to the effective management of the program.
4. The provision of improved employee seating and work station furniture.
5. The provision of adequate filing cabinets for consolidation of rationing program files to the end that more effective and efficient office operations can be accomplished. Cabinets should be capable of being used for eventual dead storage of files.

ORGANIZATION

When the Rationing Program was initiated, the rationing office was placed directly below the General Manager in the chain of command. This has created several operational problems including but not limited to poor supervision, poor communication between offices within the District, and poor communication with the public.

Top Management has not devoted enough supervision to the Rationing Program. The Committee has not discovered the reason for this. Some members of the rationing office staff were of the opinion that the Board was not receiving input regarding program problems and needs. The Rationing Program impacts upon every water consumer in the District and deserves more managerial support.

The rationing office and the water permit office are closely related. Both deal with the conservation and consumption of water. Moreover, the Water Demand Manager is responsible for public education efforts directed to reduced water consumption and water rationing. Personnel assigned to the Water Demand Manager make frequent inspections within the district to assure compliance with regulations.

An example of poor communication between the two offices is that of a new business applying for a water permit and paying the applicable fees, and no notification to the rationing office regarding the water ration that business has been allocated.

When the rationing office becomes aware of an overuse of water by the new business it is only after research and communication with the business operator that the rationing office discovers that the business was within the ration limit set by the permit office.

This lack of communication causes unnecessary work for the rationing office and the business operator and has a negative impact on the image of the District and the Rationing Program.

The Rationing Office Manager is responsible for the direct supervision of twelve employees. This exceeds contemporary public administration practice and negatively impacts on the program. Little or no review of first level employee decisions regarding variances and the waiving of excess use fees is possible. The Water Demand Manager supervises but three employees.

RECOMMENDATIONS

Based on the foregoing findings, the Committee recommends:

1. After appropriate study, consider the consolidation of the rationing office with the water demand and permit office. Improved coordination and operation of the rationing and demand programs will be possible with more efficient and effective service to the public.
2. Provide a first level supervisor in the rationing office so that all judgmental decisions at the first level can be reviewed for consistency and conformance with the District ordinances and policies.
3. Study the organizational reporting relationships with the goal of clarifying and enhancing the stature and authority of the Manager of the Rationing Program.

PUBLIC EDUCATION

The District has made a good effort in public education insofar as informing the public of water conservation and waste. It has attempted an education program regarding water rationing but has failed to notify each user of that user's Phase III ration for each billing period as required by ordinance.

With exceptions, District effort has primarily been to educate through the media. This practice fails to reach those who do not subscribe to newspapers or observe or hear District announcements on television or radio.

When first notice of excess water use is mailed to users, there is no effort to advise the user to check for leaks and how to do so. The District can offer more help to consumers and a realization of additional water conservation by more direct communication.

Cal-Am billing indicates current and last year's use but is absent of any mention of each user's water ration.

RECOMMENDATIONS

Based on the foregoing findings, the Committee recommends:

1. Conform to District ordinances regarding the notification of each water user of that user's ration.
2. Expend the bulk of budgeted public education funds through direct mail to water users rather than through the media.
3. Solicit again the cooperation of Cal-Am in providing water rationing information on water bills. Also, request that Cal-Am cooperate with the rationing office to expedite census-data gathering for new accounts in a more efficient manner.

ratnrep.3/mgt-prog.3

EXHIBITS

MANAGEMENT REVIEW OF RATIONING PROGRAM - PROPOSED KEY TASKS

1. Determine the reductions in water consumption by various user categories such as residential, commercial/industrial, golf courses, etc. (This information will be provided to the Committee by the Water District).
2. Appraise the procedures used and the actions taken for the granting of variances. This appraisal will take-up:
 - The number and type of variances granted.
 - The number of users that have been given approval to consume water up to 1988 consumption levels.
 - The basis for granting the variances.
 - The documentation required for the granting of variances.
 - Adequacy of optional base-line variance for commercial users.
3. Assess the effectiveness of the rationing program's enforcement provisions. This assessment will include:
 - Adequacy of communications with the public.
 - Adequacy of staffing for implementing enforcement provisions.
 - Number of violations that have been detected and the disposition of violations including those that have been waived, fines imposed and collected and water cut-off actions taken.
 - An evaluation of the system of fines for achieving compliance.
 - An evaluation of the use of water restrictors as a first step in achieving compliance.
4. Estimate the potential for increased water savings based on improved enforcement of regulations.
5. Appraise the even-handedness of the rationing program.
6. Prepare recommendations for improved management of the rationing program.



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • P. O. Box 85 • Monterey, CA 93940 • (408) 372-1148

**WATER RATIONING PROGRAM
APPLICATION FOR
OPTIONAL COMMERCIAL BASELINE RATION**

• PLEASE COMPLETE ONE APPLICATION FOR EACH WATER METER •

Applicant Name:	
Mailing Address:	
City, State, Zip:	
Daytime Telephone:	
Name of Business Relating to this Baseline Application:	
Address of Property Relating to this Baseline Application:	
Classification of Property Relating to this Baseline Application:	<input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Governmental <input type="checkbox"/> Mixed Use (Commercial and Residential)
Water Account Number: (from water bill)	
Water Meter Number: (from water bill)	
Hours of Operation:	
Number of Full-Time Employees:	

Under penalty of perjury, based on my own information and belief, I certify that the above information is valid and correct.

_____ (applicant/agent signature)

_____ (date)

• PLEASE COMPLETE PAGE 2 OF THIS APPLICATION FORM • →

• PLEASE RETURN THIS APPLICATION TO:
Monterey Peninsula Water Management District - Rationing Office
1010 Cass Street Suite B-6, P.O. Box 85, Monterey, CA 93940



EXHIBIT 3

**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • P. O. Box 85 • Monterey, CA 93940 • (408) 372-1148

January 30, 1989

Dear Businessperson:

As you know, water rationing went into effect January 1, 1989. The Rationing Program adopted by the District Board of Directors requires a 20 percent reduction in water use from the base year of October 1, 1987 to September 30, 1988, OR meeting a commercial baseline standard. This latter method is for those businesses which weren't operational last year, have recently moved, changed size, or for whom saving 20% from last year's consumption is unreasonable. The commercial baseline standard can be thought of as an average as it allows your business to be rationed against a regional average of like businesses, both in type and size.

To be eligible for this method, you must complete the attached form and return it to the District Rationing Office (at the address above). In February we will begin checking commercial water use for compliance with rationing requirements - so don't delay!

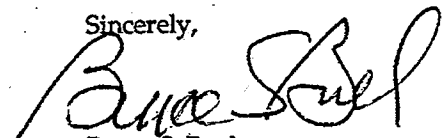
To determine if the commercial baseline standard is in your favor, you first need to know:

1. Your monthly water use for the 1987/88 base year. Collect your water bills from that time period, or call your water company. For most, this is Cal-Am (373-3051).
2. How much water you would be allowed with the commercial baseline standard. To determine this, simply write-in your businesses' gross square-footage or other factor as listed on the back side of this letter. Fill in all categories which apply to your business. (For example, if you operate a restaurant with a bar, fill in the information for both "bar" and "restaurant," and combine the two.) Multiply this number by the water use factor shown for that category or categories to obtain your annual water ration; divide this number by 12 to determine your monthly ration.
3. Once you have determined the above, you need to choose which method you want - the 20 percent reduction, or the commercial baseline standard. If you choose the baseline standard, you need to complete the attached form (both sides) and return it to us as soon as possible.
4. If you have questions or need assistance in completing the enclosed form, call the Rationing Office (372-1148), or drop by to see us at 1010 Cass Street, Suite B-6, Monterey - any weekday between the hours of 8:00 a.m. and 5:00 p.m.

If we do not receive a completed form from you, your business ration amount will be 80 percent of your water consumption during the base year.

All of us can do something to help ourselves and our community save water during this drought. With your help and some help from Mother Nature, the drought need not be a hardship.

Sincerely,


Bruce S. Buel
General Manager

If your business has been at its present location for LESS THAN ONE YEAR, the District asks for your cooperation in returning this form, because the 20% reduction formula will not be valid. Failure to return this form will result in the automatic assignment of a ration amount for your business.

OPTIONAL COMMERCIAL BASELINE STANDARD WORKSHEET

EXHIBIT 4

Code	Type of Use	Please Fill In All Appropriate Spaces:	Multiply By: (Acre-Feet per year)
1	Bar	No. of Seats:	.0202/seat
2	Beauty Shop	No. of Stations:	.02576/station
3	Bed and Breakfast	No. of Units:	.0934/unit
4	Car Wash with Recycle	No. of Sq. Ft.:	.00052/sq. ft.*
5	Cleaners/Commercial Laundry	No. of Sq. Ft.:	.00064/sq. ft.*
6	Delicatessen/Sandwich Shop	No. of Sq. Ft.:	.00024/sq. ft.
7	Dental	No. of Sq. Ft.:	.00016/sq. ft.
8	Fast Food Restaurant	No. of Seats:	.0161/seat
9	Gas Station	No. of Pumps:	.1617/pump
General Retail:			
10	Department Store	No. of Sq. Ft.:	.00003/sq. ft.
11	Market	No. of Sq. Ft.:	.00003/sq. ft.
12	Auto Repair	No. of Sq. Ft.:	.00003/sq. ft.
13	Auto Dealer	No. of Sq. Ft.:	.00003/sq. ft.
14	Hotel/Motel	No. of Units:	.1208/unit
15	Hospital	No. of Sq. Ft.:	.0003/sq. ft.*
16	Launderette (Self-Serve)	No. of Machines:	.1275/machine*
17	Medical	No. of Sq. Ft.:	.00008/sq. ft.
18	Meeting Hall	No. of Sq. Ft.:	.00002/sq. ft.
19	Nursing Home	No. of Rooms:	.1323/room*
20	Office/Bank	No. of Sq. Ft.:	.00016/sq. ft.
21	Open Space (non-turf)	No. of Acres:	.88/acre
22	Open Space (turf)	No. of Acres:	1.76/acre
23	Photographic	No. of Sq. Ft.:	.0024/sq. ft.
24	Plant Nursery	No. of Sq. Ft. of Land:	.000016/sq. ft. of land
25	Public Restroom	No. of Toilets:	.1012/toilet
26	Restaurant	No. of Seats:	.0171/seat
27	Retail Photo	No. of Sq. Ft.:	.00008/sq. ft.
28	School/Childcare Facility	No. of Sq. Ft.:	.00024/sq. ft.
29	Swimming Pool	No. of 100 Sq. Ft. of Pool Surface:	.0208/each 100 sq. ft. of pool surface
30	Undesignated Commercial	No. of Sq. Ft.:	.00016/sq. ft.
31	Veterinary	No. of Sq. Ft.:	.00008/sq. ft.
32	Warehouse/Wholesale Distributor/ Corporate Yard (yard area)	No. of Sq. Ft.:	.00004/sq. ft.
33	Self Storage	No. of Sq. Ft.:	.000021/sq. ft.
34	Residential	No. of Occupants:	
35	Other		
TOTAL RATION:			

* Exempted from Phase III Rationing such that these categories are allowed to use 100% of the Baseline Standard; this is 0% reduction amount.

REFERENCE INFORMATION: One Acre-Foot = 325,851 gallons
One Unit = 100 Cubic Feet = 748 gallons



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • Monterey, CA 93940 • (408) 372-1148

**ONE TIME WATER RATIONING VARIANCE
FOR CONTRACTOR'S CUSTOMERS**

NAME OF COMPANY: _____

CONTRACTOR'S LICENSE #: _____

TYPE OF LICENSE: _____

ADDRESS: _____

CITY: _____ STATE: _____

TELEPHONE: _____

AMOUNT OF WATER USED ON JOB/
AMOUNT OF WATER LOST TO LEAK: _____

DATES WATER WAS USED/DATE OF REPAIR: _____

DESCRIPTION OF JOB/LEAK: _____

NAME OF CUSTOMER: _____

ADDRESS OF JOB: _____

CITY: _____ STATE: _____

TELEPHONE: _____

WATER ACCOUNT NUMBER: *(from customer water bill)* _____

I hereby certify that the information supplied on this application is correct.

Contractor's Signature

Customer's Signature

Send a copy of Contractor's Bill or other proof with this application to:
MPWMD - Rationing Office
1010 Cass Street, Suite B-6, Monterey, CA 93940
(408) 372-1148

Handwritten signature/initials

Request Date: _____

EXHIBIT 6



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • Monterey, CA 93940 • (408) 372-1148

INFORMAL WATER RATIONING VARIANCE REQUEST

A list of questions is provided below to assist in developing the information and findings for action on your variance request.

1. Applicant's Name _____

Address _____

City, State, Zip _____

Home Telephone: _____ Work Telephone: _____

2. Address where more water is requested:

3. Current billing name(s) and address (if different from No. 1):

4. Number of water meters at the address where more water is requested: _____

5. Name of water supplier: California-American Water Company
 City of Seaside
 California Water Service
 Other (List: _____)

6. Water Account Number: _____
(from your water bill)

7. Additional water amount requested per day: _____

8. Attach a concise statement of the reasons for the requested variance, and attach any supporting documents. (Example: if your request is due to a medical condition, attach a letter from your Doctor to this request.)

Please check this box if this variance request is related to an excess use letter.

Under penalty of perjury, based on my own information and belief, I certify that the above information is valid and correct.

(signature)

Signed at: _____ (city/state)

(printed name)

(date)

Minimal Standards for Approval of Variances: No variance shall be granted without a condition that the water customer install minimum conservation standards including installation of toilet dams (unless they have a 2-1/2 gallon per flush or less toilet), 2.5 gallon per minute showerhead, and 2.5 gallon per minute faucet aerators, and mulch garden area, as per Resolution 89-10.



MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

1010 Cass Street, Suite B-6 • P. O. Box 85 • Monterey, CA 93940 • (408) 372-1148

Dear Customer:

Please complete the enclosed variance form, so that we can process your request promptly.

Informal Variance Request Directions

- () Visitor Variance - state the number of people and the dates they will be staying at your residence.
* Note: If this is a permanent change in residence, call our office and make this change on a census form.
- () Medical Variance - attach a note from your doctor indicating a medical reason for additional water use.
- () 1986-1987 Base Year Variance - provide copies of your water bills or contact your water company and request that they write your water history on their stationery for the complete period from October 1, 1986 thru September 30, 1987.
- () Business Variance - attach a letter stating the reason(s) for additional water use. Include copies of the last six water bills and documentation for the additional water requested (i.e. sales records showing an increase in business).
- () Other Variances - please contact our office at 372-1148, if you have questions.

If this variance pertains to an excess use letter, please attach a copy of the letter. A Notice of Decision will be mailed to you in three to four weeks.

Contractor's Customers Variance Directions

- () Please attach a copy of your bill for construction/repairs that substantiates your excess water use. If this variance pertains to an excess water use letter, also attach a copy of the letter. Your variance will remain on file in our office.

By providing this information, we will be able to process your variance request more efficiently. Sometimes it can take a few weeks to process a variance request, therefore, your patience is greatly appreciated.

Sincerely,

The M.P.W.M.D. Rationing Staff



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • P. O. Box 85 • Monterey, CA 93940 • (408) 372-1148

NOTICE OF DECISION

TO: _____

DATE: _____

The Monterey Peninsula Water Management District has reviewed your request for a Water Rationing Variance at

(Address)

and has taken the following action:

	<p>The MPWMD approved your request for a Water Rationing Variance.</p> <p>Your Additional Water Ration is: _____</p> <p>Your Total Water Ration is: _____</p> <p>The Water Ration allowed by this Variance is subject to change by further action by the District.</p>
--	--

	<p>The MPWMD denied your request for a Water Rationing Variance.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Further relief may be sought by any applicant pursuant to the Formal Rationing Hearing process. Applications for Formal Variance Requests are available at: Monterey Peninsula Water Management District - Rationing Office 1010 Cass Street, Suite B-6, P.O. Box 85, Monterey, CA 93940</p>
--	---

	<p>Comments: _____</p> <p>_____</p>
--	-------------------------------------



**MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT**

1010 Cass Street, Suite B-6 • Monterey, CA 93940 • (408) 372-1148

Service address:
Account number:

Water use at the above service address exceeded the maximum ration during the billing period. The mandatory reduction in water use was not achieved and use exceeded the per capita or baseline ration.

Your per capita/baseline ration is	units
Your use during this period was	units
You exceeded your ration by	unit(s)
The excess water use surcharge	\$

You are notified that an excess water use surcharge for the billing period referenced above will be levied if water use again exceeds your water ration during the next billing period. If water use complies with water rationing and water waste requirements during the next billing cycle, the excess water use surcharge will be forgiven.

If, in the following billing period, water use again exceeds your water ration, the excess water use surcharge mentioned above will be imposed upon all water use in excess of your water ration, dating back to the original billing period for which notice of excess use was given and extending forward until water use conforms to the rationing standard.

Should you feel you have received this notification in error, or if you have questions concerning water rationing, please call or stop by the MPWMD water rationing office.

Jerry Koenig
~~XXXXXXXXXXXX~~
Ration Program Manager



MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT

1010 Cass Street, Suite B-6 • Monterey, CA 93940 • (408) 372-1148

Service Address:
Water Account Number:

Dear Water User:

As you know the Monterey Peninsula is in the midst of a severe drought and all Peninsula water users are required to ration water.

Our records show water use at the above service address exceeded the maximum ration during the past two billing periods by exceeding both the per capita and baseline water ration. A surcharge for excess water use is required to be assessed in accord with the fee schedule printed on the back of this form.

Date: /	Billing Period		
Your per capita/baseline ration for	was		units
Your use during this period was			units
You exceeded your ration by			unit(s)
The excess water use surcharge for this period		\$	

Date: /	Billing Period		
Previous surcharge balance		\$	
Your per capita/baseline ration for	was		units
Your use during this period was			units
You exceeded your ration by			unit(s)
The excess water use surcharge for this period		\$	

Your total excess water use surcharge as of _____ is \$ _____

The total surcharge stated above is now due and payable. Additional surcharges shall be imposed until your water use conforms to your ration. Continued use of water in excess of your ration or your failure to pay this surcharge by _____ may cause the installation of a flow restrictor, and additional penalties. A variance from water rationing rules may be granted only when the water ration would cause health or safety problems, extreme hardship, or be inapt by reason of extreme or unusual circumstances.

Should you feel you have received this notice in error please call or stop by the MPWMD Water Rationing Office.

Water account no: - - - - -

EXHIBIT 11

RE: Final Notice of Water Waste

Letter C

Dear Water User:

This is our FINAL NOTICE. DO NOT DISCARD.

Record provided to this office indicate water use at the above address has exceeded the allowed water ration for a minimum of two (2) billing periods. Notice of excess water use and surcharge fee for the excess use has been mailed to the above address with no response. A copy of the most recent statement showing the amount of water used in excess of your ration and the excess water use surcharge is enclosed.

Inasmuch as you have not made any attempt to respond to notices from the Monterey Peninsula Water Management District (MPWMD), it is assumed your water use is correct as billed.

The total excess water use surcharge is now PAST DUE for the above account number at the service address shown above. As of the date of this letter, the amount owed is \$.00; this amount shall increase as long as water use at this location exceeds the allowable water ration.

Water rationing surcharges and penalties are governed by the provisions of MPWMD Ordinance #37. In addition to the excess water use surcharge described above, penalties may include prosecution of excess use as a misdemeanor, installation of water flow restrictors and disconnection of water service. Additional fees to \$750.00 may be imposed.

Failure to pay the surcharge fee, or supply evidence that the fee is in error, will result in your receiving a summons to appear at a formal hearing at which time any or all of the above penalties may be imposed.

Should you have any questions, call or stop by the District Water Rationing Office.

Jerome J. Koenig
Rationing Program Manager

PLEASE RETURN THIS PORTION WITH PAYMENT

Total excess use water surcharge is \$.00, as of October 5, 1989

Please remit payment no later than OCTOBER 11, 1989.

to: Monterey Peninsula Water Management District
Rationing office
1010 Cass Street, Suite B-6
Monterey, CA 93940