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Decision 09-09-004 September 10, 2009

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Revise
General Order 103.

Rulemaking 07-12-015
(Filed December 20, 2007)

DECISION ADOPTING GENERAL ORDER 103-A

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Attachment 1 - General Order 103-A

DECISION ADOPTING GENERAL ORDER 103-A

1. Summary

This decision updates and revises General Order 103, *Rules Governing Water Service Including Minimum Standards for Operation, Maintenance, Design and Construction*, and adopts in its place General Order 103-A, which is appended hereto as Attachment 1 and includes Appendices A through E.¹ This proceeding is closed.

2. Background

General Order 103 sets forth the Commission's rules governing water and sewer service and the minimum standards for design and construction of the systems. It applies to all water and wastewater utilities² operating under the jurisdiction of the Commission.

First adopted in Decision (D.) 53204, on July 1, 1956, General Order 103 was last amended in March 1994 in D.94-03-043.³ In the Order Instituting

¹ Appendix A: "Non-Potable Water Systems," Appendix B: "Sewer Systems," Appendix C: "Records Retention Schedules," Appendix D: "Report Card Billing," and Appendix E: "Customer Service and Reporting Standards for Class A and B Water Utilities."

² Wastewater utilities include sewer systems and recycled water system(s) subject to the Commission's regulations. See, Public Utilities Code §§ 216(a), 230.5, 230.6, 240 and 241. Water recycling is the treating and managing of municipal, industrial, or agricultural wastewater to produce water that can be productively reused. *Water Recycling*, Water Facts, No.23, California Department of Water Resources Bulletins and Reports at 1, (October 2004).

³ That rulemaking decision adopted a change in Section VIII of General Order 103 that restored language stating that fire flow requirements set by a local fire protection agency would preempt General Order 103 requirements.

Rulemaking (OIR) establishing this proceeding, we directed all respondents⁴ and invited all other water and sewer utilities, the Division of Ratepayer Advocates (DRA), and other interested parties to review and comment upon the appended proposed changes drafted by the staff members of the Commission's Division of Water and Audits (DWA) and the California Department of Public Health (DPH or the Department).

On February 8, 2008, seven parties⁵ filed comments on the General Order 103 proposed revisions. On February 25, 2008, in accordance with the OIR, DWA convened a workshop to coordinate the respondents' and interested parties' evaluation process of the proposed General Order 103 changes.⁶

At the workshop, the participants recommended additional workshops and the creation of some technical subcommittees. Ultimately, the parties agreed to form and utilize a working group process to review and evaluate the proposed General Order 103 changes, and submit any recommendations to the Commission. Thus, they divided into five working groups⁷ covering designated

⁴ All Class A and B water utilities subject to the Commission's jurisdiction. A Class A water utility is defined as an investor-owned utility with over 10,000 service connections. A Class B water utility is defined as having from 2,001 to 10,000 service connections.

⁵ The California Water Association (CWA), California-American Water Company, Golden State Water Company, Park Water Company (Park Water), San Gabriel Valley Water Company, and DRA.

⁶ The proposed General Order 103 changes were appended to the OIR in the form of existing General Order 103 with proposed new text, including appendices, appearing in italicized typeface.

⁷ The working groups divided responsibility for the analysis of the general order as follows: 1) WG1-Sections I (Definitions only), II (Standards of Service: Water Supply Requirements and Quantity of Water), III (Standards of Design and Construction), and IV (Fire Protection Standards); 2) WG2-Sections I (Definitions only) and II (Standards of

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subject areas and sections of the general order. The working groups selected a lead member⁸ for each group, who coordinated the working group meetings and the resulting work products. The workshop participants also jointly established guidelines for the working group process.

As a general approach, each working group reviewed the Commission's proposed General Order 103 changes for the respective assigned sections and offered revisions to the General Order based on the working group discussions. Each working group meeting created a working draft of the General Order that included the working group's proposed revisions and comments redlined to indicate areas of concern or disagreement by working group participants.

The working groups met from March through June 2008, and created a working draft of their combined recommended General Order 103 revisions. On June 24 and June 26, 2008, the DWA staff held a workshop so that working group participants could collectively review the draft report and determine whether a consensus could be reached on several outstanding issues. While the participants reached agreement on some issues, on other issues the participants expressed conflicting views. Overall, the working group process worked well because of the DWA's facilitation of the groups and the cooperation,

Service: Water Quality, Testing of Water; 3) WG3-Sections I (Definitions only), IV (Measurement of Service), and VII (Operation and Maintenance); 4) WG 4-Sections I (All), V (Rates and Billing), and VII (Customer Relations - Performance Standards); and 5) WG5-General Order 103 sewer standards.

⁸ The leads were: Bill Tuttle, San Jose Water Company (WG1); Tarrah Henrie, California Water Service Company (WG2); Benjamin Lewis, California-American Water Company (WG3); Jack Hawks, CWA and Greg Milleman, Valencia Water Company (WG4); and Dave Stephenson, California-American Water Company and Tom Adcock, Alco Water Service (WG5).

participation, and hard work of the water utilities, DRA, and The Utility Reform Network (TURN).

On August 8, 2008, the DWA distributed to the service list a revised Working Group Report, which included the revised General Order 103 draft, redlined with all the working groups' proposed revisions and staff's associated recommendations. The revised draft of the General Order also included the working groups' comments on specific issues that participants did not fully resolve, or which required further input from the subject matter experts of the Class A and B water utilities, DRA, TURN, and CWA. As a result of the working groups' meetings and the June 24 workshop, the most detailed provisions of the Customer Service and Reporting Standards of the initial draft version of General Order 103 were removed and issued as a separate document.

By ruling on January 21, 2009, the assigned Administrative Law Judge (ALJ) made the August 2008 Working Group Report and attachments part of the formal record, and directed respondents and interested parties to again review the appended final Working Group Report, address two new issues, and either supplement and/or revise the comments already submitted to staff. On February 11, 2009, Park Water, CWA, and DRA filed comments in response to the ruling.

3. General Order 103 Revisions

The working groups aligned their recommended changes to General Order 103 with the five Commission objectives⁹ set forth in the OIR. Moreover,

⁹ The five objectives are: 1) to add minimum standards for operation and maintenance of water and sewer systems; 2) to add provisions to emphasize the Commission's oversight over water quality compliance; 3) to update water system design and

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the working groups proposed several additional specific changes. We adopt the working groups' proposed changes to the General Order 103 proposal appended to the OIR, unless specified otherwise below.

3.1. Section I - General

3.1.1. Intent

The OIR proposed to expand the purpose of General Order 103 to include minimum standards for the operation and maintenance of water and sewer systems. Where portions of General Order 103 overlapped with current tariff provisions, the General Order 103 language was proposed to be deleted.¹⁰ The working group participants recommended expanding the applicability of certain sections of the general order to include "wastewater utilities,"¹¹ a broader term that covers sewer service systems and recycled water systems, which are customer services that regulated water and/or sewer utilities are providing or may provide in the future. Our intent in this revision of General Order 103 is to clarify and update its provisions; consequently, we adopt the majority of changes in this section as proposed by the working group.

construction standards to current industry standards; 4) to add new customer service quality standards based on Vermont Gas System's Performance and Reporting Plan; and 5) to remove General Order 103 sections that are duplicative of current tariff provisions.

¹⁰ Entire sections proposed to be deleted from General Order 103 were: Discontinuance of Service, Refusal to Serve, Extension of Service, Tests on Customer Request, and Adjustment of Bills for Meter Error.

¹¹ The participants used the terms "wastewater system utilities" and "wastewater utilities" interchangeably. We adopt the term "wastewater utilities."

We have removed the last sentence of proposed Section 1.D¹² of General Order 103 because while the working group added the language, the working group report offers no explanation for why the language was added to the version of the General Order appended to the OIR. The inclusion of an exemption from civil liability for the water and waste water utilities should have been discussed and explained in the working group report.

In its comments on the Proposed Decision, CWA pointed out that the working group participants supported applying "limited" portions of General Order 103 to wastewater systems, and the version of the revised General Order 103 appended to the January 21, 2009 ALJ Ruling stated in Section I(1)(E)¹³ that sections of the General Order applicable to wastewater utilities were specified in Appendices A and B. The version of revised General Order 103 appended to the Proposed Decision neglected to accurately delineate the applicability of the General Order to wastewater utilities. Consequently, we correct our characterization of the applicability of the General Order here in the text of the decision as well as in Section I.(1)(E) and Appendices A and B.

As corrected, Appendix A, "Non-Potable Water Systems," sets forth those sections of General Order 103, which shall be applicable to utility water systems supplying water not intended or claimed to be potable from ditches, canals or other conduits. Appendix B, "Sewer Systems," sets forth those sections of General Order 103, which shall not apply to sewer system utilities.

¹² Entitled "Absence of Civil Liability:" "The utility shall not be subject to civil liability for actions taken to comply with the requirements established in this General Order."

¹³ The "Applicability" subsection under the "General" "Intent" section.

3.1.2. Definitions

The OIR proposed new definitions for the expanded scope of General Order 103 and updated the existing definitions. Department or DPH is used in place of all references to the former Department of Health Services (DHS). The working groups reviewed all the proposed new and updated definitions, and suggested several additional definitions. They added or updated the definitions of: Wastewater Meter, Customer Service Lateral, Grey Water, Utility Service Lateral, and the names of the appropriate regulatory agencies that regulate wastewater utilities. The working groups also recommended that the definitions for water systems' components be made more explicit to differentiate between water and wastewater system components (e.g., water meter versus wastewater meter). They further proposed that definitions be made consistent with the Department's Waterworks Standards,¹⁴ California Code of Regulations (CCR) Title 22, and other applicable standards. Finally, they added acronyms that are used and referenced in the body of the General Order. We find the working groups' recommendations regarding updating and revising the definitions of the General Order to be reasonable, and we adopt the revisions as proposed. We have added a sentence to the definition of "recycled water system" to specify what the system consists of.

¹⁴ Waterworks Standards are the regulations adopted by DPH that take cognizance of the latest available "Standards of Minimum Requirements for Safe Practice in the Production and Delivery of Water for Domestic Use" adopted by the California section of the American Water Works Association (Section 116275 of Health and Safety Code). The Waterworks Standards may be found in Title 22, Division 4, Chapter 16, of the CCR.

3.1.3. Information Available to the Public

The working groups recommended adding the following requirements to the information that a utility needs to maintain and make available to the public:

- a. Low-income ratepayer assistance programs;
- b. Customer rights and obligations;
- c. Information on obtaining emergency assistance;
- d. Consumer Confidence Report;¹⁵
- e. Information on conservation programs and opportunities; and
- f. How customers can make suggestions or register complaints.

After some discussion, the working groups proposed adding language to the General Order to require the utilities to have most of the above-cited information publicly available in electronic form on the company's website, if a website is maintained. The water utilities would also be required to make most of this information "available in language(s), other than English, that are predominantly spoken in each utility's service territory." In its February 11, 2009 comments, Park Water suggested excluding "conservation programs and opportunities"¹⁶ from the requirement to provide information in the predominantly spoken language or languages, other than English, on the company's website.

¹⁵ To comply with DPH and United States Environmental Protection Agency (US EPA) regulations (Health and Safety Code §116470 and 40 CFR Parts 141 and 142, respectively) all community water systems must prepare and distribute annual reports about the water they provide, including information on detected contaminants, possible health effects, and the water's source. This annual report is called the Consumer Confidence Report.

¹⁶ Section 4F.

Park Water contended that such programs and opportunities are frequently done as a joint effort with other entities which may not be willing to provide information in many languages. Since most entities promoting conservation programs and opportunities are likely to want to educate as many members across an area as they can, and to disseminate information to as wide an audience as possible, we are not persuaded that this requirement would significantly hamper conservation efforts. In fact, we believe that having conservation program information in languages other than English is an important element for effective conservation programs. Therefore, we adopt this language requirement.

In its February 11, 2009 comments, DRA continued to urge that class A and B utilities be required to have fully-operational websites that allow customers to interact online with their water utilities. DRA asserted that these water companies' websites should have the capability to perform most routine customer transactions. We adopt the requirement that Class A and B water utilities shall maintain a website with the required information. We also agree that communication between the water utilities and their customers would be enhanced if customers were able to conduct routine transactions on the utilities' websites. Thus, we encourage the Class A and B water utilities to facilitate the interactive use of their websites by their customers.

3.1.4. Access to Property

No substantive changes were proposed or made to the existing language of this section.

3.1.5. Accidents/Acts of Terror

No substantive changes were proposed or made to the existing language of this section.

3.1.6. Reports and Notifications to the Commission

The working groups recommended adding new language to this section to indicate that reports and notifications to the Commission required by this general order shall be filed with the DWA, or its successor. We add and adopt this new language.

3.1.7. Exemptions and Variances from These Rules

The working groups also proposed adding new language to this section so that a utility could request a variance from these rules, for matters of minor importance or matters temporary in nature,¹⁷ through a Tier 2 Advice Letter. Since every matter of minor importance or temporary nature cannot be foreseen, we believe the better approach would be to allow a utility to request a variance from these rules through an Advice Letter; however, the tier under which it will be considered will be based on the provisions of the Water Industry Rules included in General Order 96-B. (*See* Water Industry Rule 7.) Accordingly, we revise this section to permit a water utility to request a variance or exemption from these rules for matters of minor importance or matters temporary in nature upon the filing of a request and showing of necessity for relief by an Advice Letter, in accordance with General Order 96-B.¹⁸

3.1.8. Preemption of Local Authority

In the course of the working group sessions, the water utilities, with the support of the DRA, proposed this new section which sets forth, with respect to local governmental agencies or entities, the Commission's preemptive regulatory

¹⁷ Six months or less.

¹⁸ Pursuant to D.07-01-024.

authority over water and sewer construction, and/or expansion projects of water and wastewater utilities. Pursuant to the California Constitution¹⁹, the water utilities sought treatment similar to that accorded to the electric utilities in General Order 131-D. To the extent that the proposed new section restates, in its first sentence, the Commission's preemptive regulatory authority over local agencies acting under local authority with respect to water production, storage, treatment, distribution, water and sewer construction, and/or expansion projects of water and wastewater utilities, we find this added language to be practical and reasonable. However, since the Commission has not had a great deal of experience with the procedures set forth in the second and third sentences of the proposed Preemption section, we decline to adopt this portion of the proposal, especially as the suggested procedures are not detailed enough to be workable. Consequently, we shall adopt only the first two sentences of this proposed Preemption section, with minor revisions, and will strike from the revised General Order that was attached to the Draft Decision the last two sentences.

3.2. Section II - Standards of Service

3.2.1. General

The working groups recommended re-writing this section, in order to simplify it. They proposed adding language to require wastewater utilities to

¹⁹ "A city, county, or other public body may not regulate matters over which the Legislature grants and regulatory power to the Commission. This section does not affect power over public utilities relating to the making and enforcement of police, sanitary, and other regulations concerning municipal affairs pursuant to a city charter existing on October 10, 1911, unless that power has been revoked by the city's electors, or the right of any city to grant franchises for public utilities or other businesses. On terms, conditions, and in the manner prescribed by law." Article 12, Section 8

comply with the State Water Resources Control Board, Regional Water Quality Control Board, and County Department of Environmental Health permit requirements and all applicable regulations. We find the new language to be clearer, and add it as proposed.

3.2.2. Water Quality and Supply Requirements

3.2.2.1. Water Quality

The working groups recommended revising the water quality section to document and facilitate Commission oversight of water safety, pursuant to the *Hartwell Corp. v. Superior Court* Decision²⁰ and the Commission's Rate Case Plan Decision.²¹ They proposed adding the following requirements:

- i. water utilities shall comply with applicable State and Federal laws pertaining to water quality and applicable regulations of the Department and the United States Environmental Protection Agency (US EPA);
- ii. water utilities shall notify the Commission when a water utility is found to be out of compliance by the Department or US EPA, or notifies customers of a water quality event;
- iii. water utilities shall have samples of their water analyzed by an accredited water laboratory; and
- iv. recycled water shall comply with the Department's recycled water requirements.

The working groups also recommended refining the "water quality expert" language in this section, in accordance with D.07-05-062. Finally, they proposed adding an additional provision to give wastewater utilities the authority to

²⁰ 27 Cal.4th 256 (2002).

²¹ D.07-05-062.

disconnect customers that discharge unauthorized waste into a wastewater system. We adopt these revisions, as proposed.

In its comments on the Proposed Decision, CWA urged the Commission to add the phrase “and all additional requirements of the Commission” to Section II.2(A).2 of proposed General Order 103-A, in order to confirm the Commission’s continuing exercise of jurisdiction and authority, pursuant to *Hartwell*. CWA states that it feels the additional language will also guard against “any misunderstanding of the Commission’s commitment to actively and continuously exercise its jurisdiction to set and enforce standards of water quality to be observed by California’s investor-owned water utilities.”²² We shall add this phrase to Section II.2(A).2 of the General Order to confirm our commitment, jurisdiction, and authority to set and enforce water quality standards.

3.2.2.2. Quantity of Water

The working groups recommended the revisions listed below to this section of the general order to make it consistent with the Department's Waterworks Standards, CCR Title 22.

3.2.2.2.1 Source

The working groups proposed augmenting the general order language to indicate that water supplied by a utility can be produced from a source or sources described in the utility's Urban Water Management Plan (UWMP) that has been reviewed by the Commission in its most recent General Rate Case

²² Comments of CWA on Proposed Decision of Commissioner Bohn at p. 4.

(GRC), or in an amendment that the utility has submitted to the Commission's DWA for review.

3.2.2.2.2 Operation of Supply System

The working groups proposed revising the general order language to require production from groundwater and surface water sources to comply with the Department's applicable Waterworks Standards, and in accordance with a UWMP that has been reviewed by the Commission in the utility's most recent GRC.

3.2.2.2.3 Potable Water System Capacity

In this subsection, the working groups recommended that the requirements for water system capacity, Maximum Daily Demand (MDD) and Peak Hour Demand (PHD), be revised and made consistent with the Department's Waterworks Standards, CCR Title 22, Section 64554. They further proposed adding language to indicate that if at any time the system does not have the required capacity, the utility shall request a service connection moratorium until it can demonstrate the source capacity has been increased to meet system requirements.

3.2.2.2.4 Sewer System Capacity

Here, the working groups proposed adding language to require that once use of a sewer utility's facilities has reached 80% of design average daily flow, as specified in the permit issued by the Regional Board, the sewer utility must request a service connection moratorium until it can demonstrate the system capacity has been increased to meet system requirements.

We find these proposed additions to be reasonable as well as practical, and adopt them as proposed.

3.2.3. Continuity of Service

3.2.3.1. Emergency Interruptions

No substantive changes were proposed or made to the existing language of this section.

3.2.3.2. Scheduled Interruption

No substantive changes were proposed or made to the existing language of this section.

3.2.3.3. Minimum Standards for Repairs

This is a new section that was proposed, after the working group sessions concluded, to delineate the minimum standards required when a water or wastewater utility conducts repairs to its system. We adopt this section as proposed.

3.2.3.4. Records of Interruptions

The working groups recommended moving the required information for the records of interruption to Appendix C²³ of the revised General Order. Appendix C includes the regulations that apply to all records prepared by or on behalf of Class A, B, and C water utilities. We find the movement of the required records of interruption to Appendix C of the revised General Order to be a reasonable restructuring approach, and adopt the change.

3.2.3.5. Reports to the Commission

No substantive changes were proposed or made to the existing language of this section.

²³ Entitled, Records Retention Schedules.

3.2.4. Water Supply Measurements

3.2.4.1. Measuring Devices

No changes were proposed or made to the existing language of this section.

3.2.4.2. Records

The Proposed Decision indicated that there were no substantive changes proposed or made to the existing language of this section. In its comments on the Proposed Decision, CWA stated that the proposed General Order language on this section, that the parties reviewed in September 2008, would have required that “annual totals by sources” be recorded and reported to the Commission in the utilities’ annual reports. The language of proposed General Order 103-A, appended to the Proposed Decision, would now require that “monthly water supply totals by type of source” be recorded by district and reported annually to the Commission. CWA objects, stating that justification for a more frequent reporting requirement has been neither declared nor demonstrated. Moreover, it claims, the Proposed Decision erroneously assumes that the matter is uncontroversial.

It appears that this change in language from the September 2008 version of the proposed General Order to the version of the General Order appended to the Proposed Decision was an error in the transcription of the detailed document. Therefore, we change the language of Section II.4.B of General Order 103-A to reflect that the recording obligation shall remain an annual obligation.

3.3. Section III – Standards of Design and Construction

3.3.1. General

The working groups recommended revising the language in this section to require the design and construction of a utility's water or wastewater system(s)

to conform to acceptable engineering standards and practices. They also proposed language requiring that systems be designed and operated to provide reasonably adequate and safe service to their customers in accordance with the requirements of the Department and this General Order. The working groups further recommended deleting from this section the proposed requirements to be met by Commission applicants for a Certificate of Public Convenience and Necessity to operate a new water system. They advised that the proposed requirements were misplaced in the general order, because they are not design standards. We adopt the proposed revisions and deletion in this section, and note that the deleted requirements are addressed by other Commission rules and tariffs.

3.3.2. Materials and Specifications

3.3.2.1. Suitability

The working groups recommended revising the proposed General Order language under this section to require that materials used to construct component parts of water system(s) be capable of withstanding the internal and external forces to which they may be subjected in service, per applicable American Water Works Association (AWWA) Standards. They also proposed adding similar language to require that the materials used to construct component parts of wastewater systems be capable of withstanding the internal and external forces to which they may be subjected in service per applicable standards. The working groups further advised updating the definition of "lead free" in accordance with the California Health and Safety Code Section 116875. We find the recommendations establishing standards for the materials used to construct component parts of water and sewer systems to be reasonable, and adopt each of the changes proposed in this section.

3.3.2.2. Specification

No changes were proposed or made to the existing language of this section.

3.3.2.3. Newly Developed Materials and Equipment

No changes were proposed or made to the existing language of this section.

3.3.3. Distribution Systems

3.3.3.1. Mains

The working groups recommended simplifying the language set forth in this section of the proposed General Order. The streamlined language requires all pipe and service lines that are installed using the open cut method to be installed with continuous tracer tape or wire in order to be detectable in the future. We adopt the recommended language in this section.

3.3.3.2. Layout of Water Mains

No substantive changes were proposed or made to the existing language of this section.

3.3.3.3. Minimum Pipe Sizes

The working groups advised deleting proposed Section C, "Minimum Water Main Diameter and Length of Run" from the revised General Order because this section adequately addressed the matter, and the subject of length was no longer applicable. Consequently, no changes were proposed or made to the existing language of this section.

3.3.3.4. Water Main Separations

The working groups recommended making the requirements for minimum water main separation consistent with the Department's CCR, Title 22,

Waterworks Standards, Section 64572. Therefore, we adopt this revision as proposed.

3.3.3.5. Water Main Valves

The working groups recommended revising the requirements for water valves and making them consistent with the Department's Waterworks Standards, CCR Title 22, Sections 64577 and 64570. We adopt this revision as proposed.

3.3.4. Materials Standards for Water Mains

The working groups proposed revising the requirements for all new water main materials used in the distribution system and making them consistent with the Department's Waterworks Standards, CCR Title 22, Section 64570. They also recommended augmenting the mandates to require a utility to consider the cost-effectiveness of the materials it selects. The working groups deleted the AWWA standards table from this section because the table is part of the Waterworks Standards referenced throughout the General Order. We adopt these changes.

3.3.5. Service Connections Pipe and Fittings

3.3.5.1. General

No changes were proposed or made to the existing language of this section.

3.3.5.2. Conditions for Adding Service Connections

The proposed General Order added language to this section prohibiting additional new service connections to a wastewater distribution system if the added connections would cause the system to exceed the capacity requirements set forth in the General Order. None of the working groups suggested any

changes to this section. Thus, we adopt this additional language as originally proposed.

3.3.5.3. Size of Water Service Line

The proposed General Order clarified the title of this section by adding the word "water." Finding it unnecessary, the working groups recommended deleting the section that provided a guide for the installation of ¾-inch and 1-inch service. We find both recommendations to add some clarity and simplicity; therefore, we adopt both as proposed.

3.3.5.4. Depth of Water Service Line

The proposed General Order also clarified the title of this section by adding the word "water." No other changes were proposed or made to the existing language of this section. We adopt the clarifying revision in the proposed General Order.

3.3.6. Distribution Reservoirs

The working groups advised deleting specific language in this section of the proposed General Order detailing the distribution reservoirs requirements, and replacing it with the Department's Waterworks Standards, CCR Title 22, Section 64585. They also recommended deleting the Subsurface Distribution Reservoirs section in the proposed General Order because the overall Distribution Reservoirs section addresses this subcategory of distribution reservoirs. We note that these working groups' proposals provide consistency, and we adopt these changes.

3.3.7. Recycled Water and Reservoirs

The working groups recommended revising this section of the proposed General Order to require a water utility to obtain the Department's approval

before it uses a reservoir that is directly augmented by recycled water as a source of supply. We approve this revision, and adopt it as submitted.

3.3.8. Reliability for Water Facilities

The working groups proposed that the required reliability standards for the design and construction of all new and existing surface water treatment plants be made consistent with those of the Department's Waterworks Standards, CCR Title 22, Section 64659. The new reliability requirement mandates that all critical equipment not addressed by Section 64659 of the Department's Waterworks Standards have adequate redundancy and reliability.²⁴ We adopt the recommended changes for consistency and clarity.

3.3.9. Sewer Systems

While the working groups suggested replacing the term "sewer," with the broader, more comprehensive term "wastewater" in much of the proposed General Order, Section III, subsection 9 of the proposed General Order specifically applies to sewer systems.

3.3.9.1. Mains and Submains

No substantive changes were proposed or made to the existing language of this section.

3.3.9.2. Utility Service Laterals

The working groups recommended changing the minimum size requirement for service laterals from 6 to 4 inches in accordance with the advice of the utility experts/engineers who participated in the working groups. They also proposed deleting the depth requirement, and adding a requirement to have

²⁴ This can include backup power/generation.

the utility's service laterals maintained at 2% minimum and 4% maximum slope. We make the title of this section clearer by inserting the word "utility." We accept the technical and clarifying revisions to this section, and adopt the changes proposed.

3.4. Section IV - Measurement of Service

3.4.1. Method of Measuring Service

3.4.1.1. Metering

The working groups recommended revising the language in this section to require that all water provided by water utilities be metered consistent with Public Utilities (Pub. Util.) Code Section 781, which prohibits mandatory metering under certain circumstances. While we agree that Pub. Util. Code Section 781 needs to be referenced, we have drafted alternative language for Section IV,1.(A) of the General Order that we believe more precisely references the statute..

3.4.1.2. Registration of Meter

No substantive changes were proposed or made to the existing language of this section.

3.4.1.3. Irrigation Meters

No changes were proposed or made to the existing language of this section.

3.4.1.4. Meter Readings Report to the Commission

No substantive changes were proposed or made to the existing language of this section.

3.4.2. Meter Test Facilities and Equipment

3.4.2.1. Test Facilities

No substantive changes were proposed or made to the existing language of this section.

3.4.2.2. Shop Equipment

The working groups recommended adding to this section a specific reference to the applicable AWWA Manual M6²⁵ standard for the accuracy of the test equipment and test procedures. We find this technical specificity to enhance General Order 103, and we adopt the recommended revision.

3.4.2.3. Test Measurement Standards

No substantive changes were proposed or made to the existing language of this section.

3.4.3. Accuracy Requirements of Water Meters

3.4.3.1. General

No changes were proposed or made to the existing language of this section.

3.4.3.2. Test Flows

In this section, the working groups recommended making the reference to AWWA Manual M6 explicit, and deleting the table in the existing and proposed General Order associated with this standard. They also proposed adding cautionary language for bench meter testing of small meters (5/8 x 3/4-inch

²⁵ AWWA Manual M6 includes guidelines for the selection, installation, testing, and maintenance of water meters.

through 2-inch), a multi-jet meter and a positive displacement meter urging that these meters not be tested in-line. Finally, they proposed deleting the test flows table for new, rebuilt, and repaired multi-jet type cold water meters because the information is included in the specified AWWA standard. We adopt these recommended revisions because they add technical consistency and eliminate redundancy from the revised General Order.

3.4.3.3. Determination of Accuracy

In this section, the working groups recommended revising the meter testing accuracy requirement language to include the applicable AWWA Manual M6 standard. We adopt this recommendation for the technical consistency it provides.

3.4.3.4. Sealing of Meter

No changes were proposed or made to the existing language of the General Order in this section.

3.4.3.5. Record of Test

No substantive changes were proposed or made to the language of the proposed General Order in this section.

3.4.4. Initial Tests of Meters

The working groups recommended deleting the meter storage requirement language from this section of the General Order, because the language is no longer relevant. We adopt this revision as proposed.

3.4.5. Repaired or Tested Meters

No changes were proposed or made to the existing language of this section.

3.4.6. Periodic Tests of Water Meters

3.4.6.1. General

As a result of their discussions, the working groups recommended retaining the original periods set forth in existing General Order 103 for the maximum time period that a meter can remain in service without being tested. While the proposed General Order appended to the OIR suggested reducing the maximum time periods across the board,²⁶ the DRA proposed similar reductions of its own.²⁷ The water utilities supported the original maximum periods, noting that the established time periods are based on current operating practices, manufacturers' warranties, and the associated customer cost impacts. The water utilities further indicated that each utility has developed its own meter testing and replacement plan based on the above criteria as well as a number of other economic factors. The utilities also maintained that they generally replace the smaller than one-inch meters, rather than test them, because testing the smaller-sized meters is not cost effective.

The working groups proposed adding language that would allow the utilities to request extensions of the maximum period of time that a meter can remain in service without retesting. The extension request would be through an

²⁶ For meters smaller than one-inch, the proposed General Order suggested reducing the 20-year maximum period to 10 years; for 1-inch meters the proposed General Order also suggested reducing the 15-year maximum period to 10 years; and for meters larger than one-inch the proposed General Order suggested reducing the 10-year maximum period to 5 years.

²⁷ DRA proposed a 15-year maximum period for meters smaller than one inch, a 13-year maximum period for one-inch meters, and an eight-year maximum period for meters larger than one-inch.

Advice Letter filing, and would be determined on the basis of economic factors and meter accuracy.

Without cost data and/or other evidence supporting a reduction of the maximum time period that a water meter could remain in service without retesting, we shall retain the original time periods set forth in General Order 103, as recommended. Moreover, under the existing requirement the Commission can require testing of a random sample of meters at different frequencies, if there is evidence of either increased instances of meter inaccuracy, or high percentages of unaccounted for water. Further, we adopt the proposed additional language in this section enabling maximum period extensions before meter retesting upon the proper showing in an Advice Letter filing.

3.4.6.2. Frequency of Periodic Tests

No changes were proposed or made to the existing language in this section.

3.4.6.3. Report of Periodic Tests of Meters

No changes were proposed or made to the existing language in this section.

3.4.7. Meter Records

3.4.7.1. Contents and Retention of Meter Records

The working groups recommended adding language to require the utilities to retain a written record of meters that are replaced or "changed out." They also recommended adding language to require utilities to maintain meter records for the useful life of the meter. These revisions strengthen and clarify the intent of our originally proposed language; therefore, we adopt the recommended language in this section.

3.5. Section V - Rates and Billing

3.5.1. Filing of Tariffs

No changes were proposed or made to the existing language of this section.

3.5.2. Information on Bills

No substantive changes were made to this section. Bills for metered service must include all the information set forth in Appendix D.

3.5.3. Sewer Service

In this section, the working groups proposed adding additional language for billing requirements for sewer service. We adopt this revision as proposed.

3.6. Section VI - Fire Protection Standards

3.6.1. Design Requirements

3.6.1.1. Standards of Local Fire Protection Agencies Govern

No changes were proposed or made to this section.

3.6.1.2. Application of the Utility's Main Extension Rule

No substantive changes were proposed or made to this section.

3.6.2. Initial Construction, Extension, or Modification

3.6.2.1. Fire Flow Table

The working groups recommended revising the fire flow language in this section to require that water facilities that are constructed, extended, or modified, be designed with the capacity to provide, for a minimum of two hours, at a minimum of 20 pounds per square inch (psi), flows in accordance with the fire flow requirement of the California Fire Code 2007, Appendix B. Park Water recommended that this language be further revised to provide the local fire chief the authority to increase or reduce the fire-flow requirements under certain

circumstances. (Park Water February 11, 2009 Comments at 8.) Finally, the working groups also recommended deleting the Grandfathering section included in the proposed General Order because it was duplicative.

We adopt the working groups' revision of the fire flow language. We view Park Water's recommendation as unnecessary. If the water utilities need a deviation from this standard, they will be able to obtain one through an Advice Letter filing. We also delete the Grandfathering section, as recommended, for clarity.

3.6.3. Replacement of Mains

No substantive changes were proposed or made to the existing language of this section.

3.6.4. Fire Hydrants

No substantive changes were proposed or made to the existing language of this section.

3.6.4.1. Fire Hydrant Service Agreement

No substantive changes were proposed or made to the language of the proposed General Order for this section.

3.7. Section VII - Operation and Maintenance

3.7.1. Operation and Maintenance (O&M) Plans

The working groups proposed a revision of the language in this section. The language proposed by the working groups would only require water utilities to prepare and submit to DWA their general O&M procedures, rather than specific O&M plans. An O&M plan would be filed with the Commission only when a utility prepares a plan for the Department because of deficiencies in that utility's system's or systems' operation or maintenance. The water utilities

commented, during discussions in the working group sessions, that the preparation of O&M plans for all of their water systems would be burdensome and costly. The working groups also proposed additional language to provide confidentiality protection for the O&M procedures filings, pursuant to Pub. Util. Code § 583.

We do not believe that the water utilities' submission of only their general O&M procedures rather than specific plans would be adequate or efficient. In fact, we believe that O&M plans play a key role in ensuring adequate water service and quality, particularly when providing water for human consumption. Therefore, we will not adopt the working groups' proposed language. While we will require the utilities to have O&M plans, we will not require them to file these plans with the Commission, unless an O&M plan is prepared for the Department. Instead, we require the water utilities to file only a summary of the plans, and to inform the Commission or DWA of the location(s) of, or the method for accessing (e.g., the website) the O&M Plan(s) in their Annual Reports to the Commission. We also adopt, as recommended, the language revision that adds confidentiality protection to the O&M plan filings. This change provides the express rather than implied protection of Section 583.

3.7.1.1. Water Quality Procedures for Water Utilities

The working groups recommended adding language to require water utilities to include the sampling protocols for water quality testing procedures in their O&M plans. Park proposed that the phrase "for water quality testing procedures" in the working groups' suggested language be replaced by the phrase "used in water quality testing," because "water quality testing procedures" is not a term defined in the General Order. We find Park's proposal

to be reasonable, and adopt its revision of the working groups' recommended language in the General Order.

3.7.1.2. Contents of O&M Plans for Water Utilities

Although the working groups proposed language delineating O&M procedures in this section, we adopt instead what we expect the utilities to include in any O&M plans. Among other items, the plans should contain the following information, which will be listed in Section VII, subsection 1B of the General Order:

- i. the operations and maintenance schedule for each unit process for each treatment plant;
- ii. employee training protocols for interacting with customers;
- iii. the schedule and procedures for inspecting, repairing, and replacing water mains;
- iv. the schedule and procedures for routine maintenance of water main valves, combination air vacuum release valves, fire hydrants, and valves; and
- v. the qualifications and training of operating personnel, including water treatment and cross connection certification.

Procedural specifications such as these are most constructive and pragmatic when the affected parties participate in their formation. We adopt these additions and revisions.

3.7.1.3. Submission of Summary of O&M Plans for Water Utilities to the Commission

As revised, each water utility must have either an electronic or hard copy summary of its current O&M plans on file with the DWA, subject to the confidentiality provisions. We adopt this requirement.

3.7.1.4. Submission of O&M Plans for Wastewater System Utilities to the Commission

The working groups proposed new language for this section that requires wastewater utilities to submit to the Commission, subject to the confidentiality provisions, a copy of any O&M plan required by the State Board Water Quality Order No. 2006-0003. We adopt the recommended revision.

3.7.2. Asset Management Requirements

The working groups recommended moving asset management requirements to this section of the General Order, and also recommended adding a sanitary sewer management plan requirement for sewer systems. DRA also recommended adding more specificity to this section, adding language to require utilities to report to the Commission on their plans to retrofit existing facilities, their use of cathodic protection²⁸ programs, and other efforts to minimize deterioration and extend service life. We find DRA's proposals reasonable because we are interested in having more information on the utilities' plans to retrofit existing facilities as well as any efforts the utility is undertaking to extend the service life. We therefore adopt the recommended changes.

3.7.3. Emergency/ Disaster Response Plan

The working groups proposed making the requirement that every water utility must have an Emergency/Disaster Response Plan consistent with the Department's requirements. They also proposed adding language requiring sewer system utilities to have an Emergency Response Plan, in accordance with

²⁸ Cathodic protection is a technique to control the corrosion of a metal surface by making it work as a cathode of an electrochemical cell. Cathodic protection systems are most commonly used to shield steel, water or fuel pipelines and storage tanks, steel pier piles, ships, offshore oil platforms, and onshore oil well casings.

the State Board Water Quality Order No. 2006-0003. We find that these proposals support our goals of consistency and clarity in the revision of this General Order, and we adopt the changes recommended in this section.

3.7.4. Records and Reports

Record Retention was addressed in Appendix B of the proposed General Order 103 appended to the OIR. The results of laboratory analyses subsection in the initial proposed Records and Reports section is now moved to Appendix C. The working groups recommend that the Commission adopt these changes, and we do so.

3.7.4.1. System Plans, Maps, Drawings and Other Records

The working groups recommended augmenting the minimum records language in this section to include the applicable components for wastewater systems. They proposed no other substantive changes to this section. We adopt the recommended change.

3.7.4.2. Updates and Review

The proposed General Order modified the requirements for updates of “the system plans, maps, drawings and other records” when significant changes occur. The working groups did not suggest any further changes to this section. We find this modification in the proposed General Order to be reasonable, and adopt the change as proposed.

3.7.4.3. Underground Damage Prevention

The working groups proposed adding language to require the utilities to comply with all California regulations for underground damage protection. We find this proposal to be reasonable, and adopt the revised language in this section.

3.7.5. Water Treatment and Water Distribution Operators

3.7.5.1. General

The working groups recommended updating the water treatment and water distribution certifications requirements and making them consistent with those of the Department. We find this recommended revision to be consistent with our goal of bringing the General Order up to date; therefore, we adopt this change.

3.7.5.2. Treatment Facility Operator Certification

The working groups recommended revising language in this section to require all treatment facility operators to be certified by the Department for the functions that they perform. We find this revision to be reasonable, and adopt it as proposed.

3.7.5.3. Distribution System Operator Certification

No changes were proposed or made to this section.

3.7.5.4. Cross-Connection Operator Certification

The working groups proposed adding new language to require that all cross-connection operators be certified by the AWWA, or an equivalent organization. We find this additional language to be consistent with our objectives in revising General Order 103, and adopt the change.

3.7.5.5. Wastewater Treatment and Wastewater Distribution Operators

The working groups proposed adding certification requirements for wastewater treatments and wastewater distribution operators. We find this proposal to be reasonable, and adopt the added language.

3.7.6. Pressures

3.7.6.1. Variations in Pressure

No substantive changes were proposed or made to this section.

3.7.6.2. New Systems

The working groups recommended revising the required minimum operating pressure for new systems from not less than 40 psi, at all times, to not less than 40 psi during Peak Hour Demand,²⁹ as defined in the Definitions section of the revised General Order. Park Water suggested adding the phrase “at each service connection” in order to contain costs. The working groups also proposed adding language to allow utilities to request a waiver, if a utility cannot meet this pressure requirement, as a result of cost and/or system limitations. We find that these technical revisions as well as the added waiver language further our goals of clarifying and updating the General Order, and we adopt these changes.

3.7.6.3. Changes to Existing Distribution Systems

The working groups recommended revising the operating pressure requirement for changes to existing distribution systems from not less than 30 psi to not less than 40 psi. They also proposed adding language to allow utilities to request a waiver, if a utility cannot meet this pressure requirement because of cost and/or system limitations. We find these revisions to be reasonable, and adopt them as recommended.

²⁹ Peak Hour Demand is the actual, estimated or projected amount of water utilized by consumers during the highest hour of use during the maximum day.

3.7.6.4. Pressure Requirement Exceptions

The working groups proposed revising this section, which formerly delineated the terms and conditions of waiver for a user that does not comply with the pressure requirements. We find the proposed revisions to be reasonable, and adopt them as proposed. We also revise the language to make it more consistent with the language from Commission Resolution W-3937 which sets the Commission's requirements for granting deviations from General Order 103 pressure requirements. The section is retitled with minor deletions.

3.7.6.5. Pressure Recorders

No substantive changes were proposed or made to this section.

3.7.6.6. Pressure Surveys

No substantive changes were proposed or made to this section.

3.8. Section VIII- Customer Service and Reporting Standards for Water and Wastewater Service Utilities

Through the working group process, the participants developed recommendations in order to add this new section incorporating customer service performance standards and reporting requirements for water and wastewater utilities. They based the recommendations on their review of Vermont Gas System, Inc.'s Performance and Reporting Plan, which was used as a "straw man" proposal and from it developed the new customer service and reporting standards. Within this new section, the working groups proposed reporting requirements for customer service performance for telephone response, billing, meter reading, and work completion.

The working groups proposed additional customer service performance standards for Class A and B water utilities, which are more detailed than those in the proposed General Order. They recommended that these additional

performance standards apply to Class A and B water utilities only, because they are most likely to have the technical requirements and resources to implement these standards. We believe that further study and evaluation is needed to determine the applicability of the more detailed customer service standards and reporting requirements for Class C and D water utilities. We note that the revised General Order recommended by the working groups includes requirements for responding to customer and regulatory complaints for all water and wastewater utilities.

In comments, DRA underscored that the reporting standards set forth in Appendix E do not have any type of penalty or consequence associated with the standard if the utility fails to meet any of the performance standards. DRA recommended adding a provision to the Work Completion Performance Standards, to require utilities to pay customers if they do not keep a scheduled appointment.

We adopt the collaboratively proposed customer service performance standards and reporting requirements for water and wastewater utilities and add the proposed new Section VIII to the General Order. We also adopt the recommended more detailed customer service performance standards, which are set forth in Appendix E to the General Order, and apply these standards to the Class A and B utilities. Unless otherwise specified, the customer service performance standards of Section VIII of the General Order will apply to all water and wastewater utilities, including the Class C and D utilities. We are mindful, however, of the Class C and D utilities' size and resource constraints.

DRA expressed concern about there being no consequence to the utilities, if they should fail to meet any of the Appendix E performance standards. However, we believe that as the utilities' customer service performance is

assessed during their GRCs, the Commission, the utilities, DRA, and other interested parties can, at that time, best craft an incentive mechanism able to either reward or sanction good or bad performance. We are not persuaded that a universal formula would be either feasible or effective at this time. Therefore, we leave the evaluation of the utilities' customer service performance to take place during the utilities' GRC.

In its comments on the Draft Decision, CWA states that although the working groups collaborated to develop many features of the Customer Service and Performance Standards in Section VIII of the revised General Order, the current version of Section VIII includes several provisions that had not been discussed at all by the working groups. CWA contends that one of those provisions presents an "ominous risk," because of the extremely rigid obligation it would impose on all water utilities. According to CWA, Section VIII .6(C) in the revised General Order appended to the Draft Decision, would require every utility, of every class, to "correct all problems that result from the flooding of sewers within 24 hours of being informed of the flooding events, except during extreme precipitation such as 100 or 500 year floods."

CWA maintains further that one can envision circumstances under which it would be literally impossible for a utility, either large or small, to comply with this "correct all problems within 24 hours" mandate. CWA proposed in January 2009 in response to the ALJ's Ruling, and again in its comments on the Draft Decision, that the language in Section VIII.6(C) be revised to read:

The Utility will undertake corrective action for all problems that result from the flooding of sewers for which is responsible upon being informed of the flooding event. Extreme precipitation events, such as 100 or 500 year floods, shall be addressed on a best efforts basis by the utility.

We appreciate that a mandate to correct all problems stemming from the flooding of a sewer within 24 hours could be an onerous obligation; however, we are concerned that without a required time limit a utility may “undertake corrective action” at its convenience, leaving the public severely impacted and more significantly harmed. Therefore, we shall increase the time limit from 24 hours to 48 hours and revise the language of this section to more appropriately balance the potential impact on the responsible utility and the affected public. Accordingly, we make this change and as revised, Section VIII.6(C) shall now read:

The utility must correct all problems that result from the flooding of sewers for which it is responsible within 48 hours of being informed of the flooding event. Extreme precipitation events, such as 100 or 500 year floods, shall be addressed on a best efforts basis by the utility.

We discuss in further detail below, our adoption of language other than that proposed by the working groups on the reporting requirements under this section of the General Order.

4. Additional Issues

On January 21, 2009, the assigned ALJ issued a ruling seeking comments from the Respondents and other interested parties on the Working Group Report and four attachments.³⁰ At the same time, the ALJ Ruling asked for comments on several other issues. These remaining issues are addressed in Sections 5 and 6 below.

³⁰ The proposed General Order 103, the proposed Customer Service and Reporting Standards, the Attendance lists for the WG Meetings, and the General Order 103 March 18, 2008 WG Report.

5. Service Pressure and Grandfathering

In light of the fact that the proposed General Order 103 would continue the service pressure requirement of not less than 40 pounds-force per square inch gauge (psig), nor more than 125 psig at the service connection, the January 21, 2009 ALJ Ruling asked parties to address the following five questions.

1. Should utilities continue to “grandfather” low pressure (less than 40 psig) service for fire flow?

CWA commented that utilities should continue to “grandfather” low pressure service (less than 40 psig) because it is unfair and unreasonable to require all existing customers to subsidize upgrades to improve service conditions for other customers. Moreover, CWA asserted that it is prohibitively expensive to provide service at this standard pressure. CWA noted that Resolution W-3937 recognizes this dilemma and allows utilities to file for service pressure variances.

It suggested that proposals requiring system upgrades to address pressure problems should be considered in a utility’s GRC, so that service and costs can be considered with a full opportunity for interested parties to participate. CWA argued that since these low water pressure areas generally meet the DPH’s other regulations,³¹ there would be justification for requiring the utility to institute such upgrades only if such areas did not meet DPH’s pressure requirements.³²

Park Water stated that continuing to "grandfather" low-pressure service is especially important when operating a water system in hilly areas. Moreover, it asserted that increasing the pressure is lower priority than replacing aging

³¹ They are sufficient from a public health perspective.

³² CWA Comments at 5-6.

infrastructure and projects that affect the reliability of service. In fact, it claimed, fire fighting capacity is typically considered the driving factor for increasing pressure in a system. In addition, the prioritization of capital projects is dependent upon a wide variety of factors³³ and a utility's operating characteristics.³⁴

DRA commented that it supports allowing utilities to continue to grandfather areas that provide service at less than 40 psig, except when it is necessary to meet water flow requirements. In its experience, water flow problems are not sufficiently widespread or problematic to mandate universal compliance with the General Order 103 40 psig minimum service pressure standard. DRA noted that water pressure is affected by a number of factors: the elevation of where service is being provided, the time of day, the amount of rainfall and temperature, the size of the mains and meters, and the customers' end-use plumbing. In its view, establishing a "one-size fits all" given all of these variables is inappropriate.³⁵

2. If utilities no longer "grandfather" low pressure service, how should water utilities go about improving the low pressure areas to 40 psig?

CWA responded that customers have had many years to install private pressure systems to provide water pressure acceptable to them. Consequently, CWA asserted, if similarly situated customers were to apply for service today,

³³ Including the number of service connections with low pressure

³⁴ Park Water Comments at 2.

³⁵ Comments of DRA at 2-3.

they would most likely have to install a pressure system themselves or take service at a lower elevation.³⁶

Park Water asserted that if grandfathering is eliminated, it would either reprioritize its capital spending, apply for exemptions, or a combination of both approaches.³⁷

3. How would your answer change if the cost to improve the pressure was:
 - a. Less than 1% of rate base?
 - b. Less than 5% of rate base?
 - c. More than 5% of rate base?

Both CWA and Park Water advised that they would not change their responses given any of the above options. Park Water maintained that, on a theoretical basis, its answer would not change regardless of the magnitude of the impact on rate base, because it would still be an issue of prioritizing capital spending.³⁸

³⁶ CWA Comments at 6.

³⁷ Park Water Comments at 2.

³⁸ *Id.* at 2-3.

4. Should there be a maximum threshold in cost per customer to meet water pressure standards?

CWA responded that there should not be a maximum threshold cost per customer, and that mandating any increase in water system pressure would require a utility to make significant investments in utility plant additions. It maintained that the appropriate context to consider all factors, including cost per customer, is in the utility's GRC.³⁹

Park Water agreed that there should not be a maximum threshold cost because of a wide variety of situations that can occur. It advised that decisions be made on a case by case basis, with the specific circumstances present factored into the case.⁴⁰

5. Should utilities simply improve any remaining systems in areas with low water pressure?

Under Section I (1) (a) of General Order 103, the replacement or abandonment of facilities is not required before the economic utilization of the facilities. However, this standard was established in 1956, and most economic utilization would have been exhausted by now.

³⁹ CWA Comments at 7.

⁴⁰ Park Water Comments at 3.

According to CWA, many facilities last more than 100 years. However, most pressure problems concern circumstances where customers are supplied water from a gravity tank. Therefore, the utility's only solution to increase the pressure is to install a pressure system (and all of the associated Supervisory Control and Data Acquisition (SCADA)⁴¹ devices and backup generators) and install a new main in the street to serve each affected customer.⁴²

Park Water responded that this question appears to be based on the faulty assumption that all of the utility facilities were constructed in 1956 or prior. It argued that the standard is appropriate regardless. Park Water contended that the time to upgrade a system is when the facilities are in need of replacement or upgrading. It asserted that setting a standard for replacing or upgrading facilities based solely upon estimated useful life of a project is contradictory to ratemaking principles. The ratemaking calculation of depreciation rates, depreciation expense and how rate base is impacted by retirements clearly recognizes that assets may, and in most cases do, have an actual life that differs from the estimated expected life.⁴³

We appreciate the responses of CWA, Park Water, and DRA to these questions on service pressure and grandfathering. As each aptly advises, the uniqueness and complexity of most of the low water pressure situations demands individual consideration and attention. We are persuaded that the

⁴¹ SCADA is the online, computer-based monitoring and control of process and plant variables at a central site.

⁴² CWA Comments at 7.

⁴³ Park Water Comments at 3-4.

Commission would do well to not attempt to fashion a “one size fits all” solution to this circumstance.

6. Reporting Standards

The ALJ Ruling also noted that the Customer Service and Reporting Standards for Water and Wastewater Service Utilities,⁴⁴ as then-drafted, did not provide a means to independently verify that complaint records are retained "from the time the complaint is filed... until issuance of the... decision in [the] next general rate case," because the utility is not required to record the disposition date. The ruling asked Respondents and other interested parties to comment upon a revision of the section, which would provide specificity to the company's records and to the Commission. CWA and Park Water commented on the change.

CWA asserted that the proposed revision would impose substantial burdens that have not been adequately evaluated. The proposed revision could be interpreted to include in every complaint record the date on which an “adjustment or disposition” occurs. CWA insisted this would be a very costly and possibly unachievable requirement. In the case of a billing complaint that results in a billing adjustment, it would require the utility to monitor the billing process to note the date on which an adjustment is inserted in a billing record and then record the adjustment date manually. CWA would expect a similar problem with complaints that resulted in a work order.

CWA recommended replacing the proposed phrase, “and the nature and date of the adjustment or disposition,” with “the nature of the adjustment or

⁴⁴ Section VIII, subsection 7(E), as drafted by the working groups.

disposition, and date on which the utility determines to provide such adjustment or disposition." It argued that any "burdensome consequences can be avoided, at least in part, by keeping the contents of complaint records within the scope of responsibility of the utility's customer service department, which is responsible for maintaining the records of customers."⁴⁵

Park Water questioned the definition of what constitutes a complaint which would require an action by the utility. It stated that it receives approximately 300 phone calls per day pertaining to questions related to customer bills and/or making payment arrangements. Consequently, Park Water opined, the concept behind the revised language sounds good but may not provide any benefit.⁴⁶

We are not persuaded that the burden imposed on the utilities in requiring them to track and record the disposition date of a complaint would outweigh the benefit to the Commission in ascertaining how long the utility takes to close a complaint, or even to the utility in being able to substantiate its responsiveness to customer inquiries. Thus, we adopt the language proposed in the ALJ Ruling, and require the utility to keep a record of the nature and date of the disposition or adjustment of complaints.

7. Comments on Proposed Decision

The proposed decision of the Commissioner on this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice

⁴⁵ CWA Comments at 4-5.

⁴⁶ Park Water Comments at 4-5.

and Procedure. Comments were filed on July 20, 2009 by the California Water Association. No party filed reply comments. Several changes have been made to conform the language of the revised General Order to the language of the text of final decision. They are discussed above.

8. Assignment of Proceeding

John Bohn is the assigned Commissioner and Jacqueline A. Reed is the assigned ALJ in this proceeding.

Findings of Fact

1. As a result of a DWA-convened workshop to coordinate the evaluation process of the proposed General Order 103 changes, the Respondents and other interested parties agreed to form and utilize a working group process to review and evaluate the proposed General Order 103 changes, and submit any recommendations to the Commission.
2. The Respondents and other interested parties divided into five working groups covering designated subject areas and sections of the general order.
3. As a general approach, each working group reviewed the Commission's proposed General Order 103 changes for the respective assigned sections and based on the working group discussions proposed revisions to the version that was originally attached to the Order Instituting Rulemaking.
4. Each working group meeting created a working draft of the general order that included the working group's proposed revisions and comments redlined to indicate areas of concern or disagreement by working group participants.
5. The working group process worked well because of DWA's facilitation of the groups and the cooperation, participation, and hard work of the water utilities, DRA, and TURN.

6. On January 21, 2009, by ALJ Ruling, the August 2008 Working Group Report and attachments became part of the formal record.

7. Respondents and interested parties were directed to again review the appended final Working Group Report, address two new issues, and either supplement and/or revise the comments already submitted to DWA.

8. On February 11, 2009, Park Water, CWA, and DRA filed comments in response to the ruling.

9. The working group participants recommended expanding the applicability of the general order to include "wastewater utilities," a broader term that covers sewer service systems and recycled water systems, which are customer services that regulated water and/or sewer utilities are providing or may provide in the future.

10. The working groups reviewed all the new and updated definitions in proposed General Order 103, and suggested several additional definitions.

11. A sentence was added to the definition of "recycled water system" in order to specify what the system consists of.

12. The working groups collectively agreed and proposed that certain requirements be added to the information that a utility must maintain and make available to the public.

13. DRA recommended that Class A and B water utilities be directed to have fully-operational websites that allow customers to interact online with their water utilities.

14. The working groups recommended new language to indicate that reports and notifications to the Commission, required by the General Order, be filed with the DWA, or its successor.

15. The working groups proposed adding new language so that a utility could request a variance from General Order 103, through an Advice Letter, for matters of minor importance or matters temporary in nature.

16. The working groups, and the DRA, proposed a new section of the General Order, which sets forth, with respect to local governments, the Commission's preemptive regulatory authority over water and sewer construction, and/or expansion projects of water and wastewater utilities.

17. The working groups recommended rewriting the Standards of Service Section of General Order 103 in order to simplify it.

18. The working groups recommended revising the water quality section to document and facilitate Commission oversight of water safety.

19. The working groups recommended revisions of the Water Quantity Section in order to provide consistency with the Department of Public Health's Waterworks standards.

20. The working groups recommended creating Appendix C, which includes the regulations that apply to all records prepared by or on behalf of Class A, B, and C water utilities.

21. Water supply totals by type of source shall be reported annually to the Commission.

22. The working groups recommended several revisions in the Standards of Design and Construction Section to require the design and construction of a utility's water or wastewater system(s) to conform to acceptable engineering standards and practices, as well as to require that safe and adequate systems be designed and operated.

23. All pipe and service lines that are installed using the open cut method must be installed with continuous tracer tape or wire in order to be detectable in the future.

24. The Commission's requirements for minimum water main separation should be consistent with the Department's requirements.

25. The requirements for water valves should be consistent with the Department's Waterworks Standards.

26. Additional new service connections to a wastewater distribution system should be disallowed if the added connections would cause the system to exceed the General Order's capacity requirements.

27. The recommendations that clarify and simplify the General Order meet the objectives of the Commission.

28. A water utility must obtain the Department's approval before it uses a reservoir that is directly augmented by recycled water as a source of supply.

29. The recommended General Order should modify the requirements for updates of the system plans, maps, drawings and other records when significant changes occur.

30. The uniqueness and complexity of most of the low pressure situations demand individual consideration and attention.

31. The burden imposed on the utilities requiring them to track and record the disposition date of a complaint would not outweigh the benefit to the Commission in ascertaining how long the utility takes to close a complaint, or even, to the utility in being able to substantiate its responsiveness to customer inquiries.

32. Appendix A, "Non-Potable Water Systems," sets forth those sections of General Order 103, which shall be applicable to utility water systems supplying

water not intended or claimed to be potable from ditches, canals or other conduits.

33. Appendix B, "Sewer Systems," sets forth those sections of General Order 103, which shall not apply to sewer system utilities.

Conclusions of Law

1. It is reasonable expand the applicability of the general order to include the broader term "wastewater utilities."

2. Since our intent in the revision of General Order 103 is to clarify and update its provisions, the Commission should adopt the changes in the General Intent section as proposed.

3. It is reasonable to update and revise the Definition section of the existing General Order 103, and the Commission should adopt the changes collaboratively proposed by the working groups.

4. The Commission should adopt the specific requirements that the working groups proposed to add to the information that a utility must maintain and make available to the public.

5. Class A and B water utilities should be required to maintain a website, and to have items (A) through (C) and (E) through (J) of the Information Available to the Public under Section I, subsection 4 of General Order 103 in electronic form on their websites.

6. Except for items (B), (D), and (E) of the Information Available to the Public under Section I, subsection 4 of General Order 103 should be made available in language(s), other than English, that are predominantly spoken in each utility's service territory.

7. Section II.2(A).2 of the General Order should include the phrase “and all additional requirements of the Commission” to confirm our commitment, jurisdiction, and authority to set and enforce water quality standards.

8. The Commission should adopt General Order 103 recommendations that will add administrative efficiency and flexibility.

9. It is reasonable to add a new section to the General Order regarding the Commission's preemptive regulatory authority over water and sewer construction, and/or expansion projects of water and wastewater utilities.

10. The Commission should adopt the working groups’ recommendations simplifying the Standards of Service General subsection.

11. It is reasonable to revise the General Order 103 water quality section to document and facilitate Commission oversight of water safety in accordance with the *Hartwell Corp. v. Superior Court* Decision and the Commission's Rate Case Plan.

12. It is reasonable to organize Appendix C to include the records of interruption.

13. It is reasonable to require that the design and construction of water and wastewater systems conform to acceptable engineering standards and practices.

14. The Commission should adopt the working group recommendation establishing standards for the materials used to construct component parts of water systems.

15. The Commission should adopt revisions that clarify and simplify the General Order.

16. It is reasonable to require consistency with the Department's Waterworks Standard, CCR, Title 22.

17. The Commission should adopt the revision requiring a water utility to obtain the Department's approval before it uses a reservoir that is directly augmented by recycled water as a source of supply.

18. The Commission should adopt technical revisions to the General Order.

19. The Commission should adopt those recommended revisions that add technical consistency to and eliminate redundancy from the General Order.

20. It is reasonable to modify the requirements for updates of the system plans, maps, drawings and other records when significant changes occur.

21. The Commission should adopt the collaboratively proposed customer service performance standards and reporting requirements for water and wastewater utilities and add a new section to the General Order.

22. The Commission should also adopt the more detailed customer service performance standards set forth in Appendix E, and apply these standards to the Class A and B utilities.

23. It is reasonable for the evaluation of the utilities' customer service performance to occur during the utilities' GRCs.

24. The Commission should adopt the revised language in Section VIII, subsection 7(E) which reads; "The Utility shall keep a record of each complaint, categorized by the nature of the complaint, that shows the name and address of the complainant, the date and nature of the complaint, and the nature and date of the adjustment or disposition, for a period lasting from the time the complaint is filed with the Utility until issuance of the principal decision in its next general rate case."

25. The Commission should adopt General Order 103-A, as amended, which is appended to this decision as Attachment 1, including Appendices A through E.

26. This decision should be effective immediately so that General Order 103-A may be implemented without further delay.

O R D E R

IT IS ORDERED that:

1. General Order 103-A, entitled "Rules Governing Water Service Including Minimum Standards for Operation, Maintenance, Design and Construction," is hereby adopted and shall replace General Order 103, as of the effective date of this order. A copy of General Order 103-A is appended to this decision as Attachment 1, including five appendices, A through E.

2. The five appendices included as part of, and adopted with General Order 103-A are: Appendix A - "Non-Potable Water Systems"; Appendix B - "Sewer Systems"; Appendix C - "Records Retention Schedules"; Appendix D - "Report Card Billing"; Appendix E - "Customer Service and Reporting Standards for Class A and B Utilities."

3. Rulemaking 07-12-015 is closed.

This order is effective today.

Dated September 10, 2009, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners

[D0909004 Bohn Attachment 1](#)