

Los Angeles  Department of Water & Power

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December 23, 2015

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Attention: Councilmember Felipe Fuentes
Chairperson, Energy & Environment Committee

Honorable Members:

Subject: Council File No. 15-1211 – Excessive Water Use/Water Abusers/Penalties

This is in response to the motion that requests the Los Angeles Department of Water and Power (LADWP) report to the City Council within 30 days on measures that can be taken in the short and long-term to address excessive water use amongst LADWP customers, including imposing severe financial penalties and, as a last resort, shutting-off water for water abusers.

Background

Through LADWP's drought response strategies, the City of Los Angeles (City) has continued to stay on track in meeting both Mayor Eric Garcetti's Executive Directive No. 5, which targets a 20 percent reduction in gallons per capita per day (GPCD) by 2017; and the State Water Resources Control Board's (SWRCB) Emergency Conservation Regulations, which targets a 16 percent reduction in water production through February 2016. LADWP implements multiple strategies which include outreach, rebates, incentives, and mandatory restrictions through the City's Emergency Water Conservation Plan Ordinance (Ordinance).

The Ordinance has been the foundation of LADWP's conservation success during this drought. According to Phase I of the Ordinance, numerous water waste restrictions are permanently in effect Citywide. These include among other things, fixing leaks in a timely manner, not allowing irrigation to runoff, and not allowing watering during the

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

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daytime hours of 9 a.m. to 4 p.m. Additionally, Phase II of the Ordinance is also currently in effect, which limits watering to three days per week.

While LADWP has been able to stay in compliance with both State and local conservation mandates, certain provisions in the Ordinance make it difficult to monitor and address behavior of the most excessive water users in the City. Largest users of water typically tend to have very large lots and may have very large outdoor turf areas which provide the greatest potential for water waste. However, these properties are typically walled and gated which makes inspection and enforcement of the Ordinance difficult. Per the Ordinance, LADWP's Water Conservation Response Unit (WCRU) is currently required to observe and verify a violation of the Ordinance before a citation can be issued.

LADWP recognizes the importance of reaching these high water users and has implemented multiple strategies to encourage them to reduce water use. In addition, LADWP has developed immediate and near-term conservation strategies to overcome limitation in the current Ordinance to develop better tools for targeting excessive use customers.

Existing Measures Addressing Excessive Water Use

To encourage water conservation among high water using customers, LADWP implemented focused outreach to this sub-group. In May 2015, LADWP sent water conservation letters to the top one percent of LADWP's single-family customers (approximately 4,600 customers). These letters stressed the importance of complying with the Ordinance restrictions and provided water saving tips and rebate information to the customers.

In addition, LADWP enrolled 2,000 of its high water using single family customers in its Home Water Use Report Pilot Program (Pilot). The Pilot sends out individualized bi-monthly reports to these customers and gives them a comparison of their water use to similar efficient households. These reports also provide a variety of tools and information on LADWP's Conservation Programs targeted to their property, which if implemented will help them reduce their water use. Other water agencies that have completed similar programs have reported an average water savings of five percent.

LADWP's WCRU is in charge of enforcement of the City's Ordinance and investigates all water waste reports submitted by residents. WCRU also actively patrols the City for water waste in cars fully wrapped in conservation and water waste messaging to educate the public on the importance to conserve. In July 2015, LADWP increased its WCRU team to 6 full-time staff. The growth has helped the team speed-up response

times to water waste reports. Additional staff has also helped increase frequency and reach of water waste patrolling. This year LADWP has received and processed over 15,000 reports of water waste.

Current Legal Limitations of the Ordinance

By state constitution (via Prop 218), water rates must be based on cost of service and cannot impose a penalty within the rate. It is not legal to apply arbitrarily-high water rates to high water users. Therefore, the Ordinance, as opposed to the water rate, is the appropriate tool for the City to use to enforce water conservation and define waste or excessive use.

As currently written, the Ordinance does not provide for civil or criminal penalties. The Ordinance does impose small administrative fines for violations of the prescribed water use practices, which legally could subject violator's to having their names released under a Public Records Act request. However, the Ordinance does not currently define nor address excessive water use, and as a result there is no consequence for excessive use. This is an evolving area as water providers work to address emerging usage issues, and some providers have subjected violators to potential criminal and civil sanctions, and others have attempted to limit high usage.

Immediate Strategies

LADWP is currently implementing the following strategies to address high water use from single family customers:

- **Second Water Conservation Letter** – LADWP sent out a second water conservation letter to the top one percent single family residential water users. These are predominantly large properties located in the hillsides of the Santa Monica Mountains, on both the City and valley sides. The letters reminded these customers of the importance of reducing their water use during this drought. In addition, the letters alerted customers that they may be subject to public disclosure if they fail to follow the Ordinance's water waste restrictions.
- **Increased Focused Patrolling** – LADWP's WCRU has begun focused patrolling of neighborhoods with the highest water using customers to ensure compliance with the Ordinance. WCRU staff patrol in vehicles fully wrapped in enforcement and water waste messaging. The extra presence and visibility has helped to increase neighborhood awareness of water waste.

- **Residential Audits for High Water Users** – As part of LADWP's outreach to its high water users, LADWP is offering these customers an in-home audit to provide recommendations on how to reduce their water use and suggest water efficiency improvements they can implement.
- **Smart Metering on High Water Users** – LADWP is strategically installing smart meters on its top single family water users' services. Smart metering provides daily information on water consumption patterns, which can immediately be used to identify suspected Ordinance violations. This is particularly helpful at large properties, properties where the owner cannot be reached, and to determine around-the-clock water use behavior. Smart meters can be easily relocated anywhere in the City as needed to detect potential violations.
- **Direct Outreach** – LADWP has initiated direct outreach efforts to the highest water users in order to determine and engage the people (often landscape staff) who are most directly responsible for managing water use at these typically large properties.

As a result of these strategies, LADWP has received numerous concerned calls from those on the top one percent list, performed numerous on-site inspections, and offered assistance to help manage water usage. LADWP has been on-site with the highest single family water user, and continues to engage that customer to help best manage their water use. Investing time in making in personal contact and providing high level response to inquiries from the top one percent customers has proved more valuable than originally expected and opened a valuable dialogue with this sector of the customer base.

Near-Term Strategies

LADWP will draft revisions to the Ordinance to overcome current enforcement limitations and expand the City's overall effort to control unwarranted water use. In order to more effectively enforce water waste prohibitions and address potential excessive usage by the highest water users, the following revisions are being developed for recommendation:

- **Fines for Violating Prohibited Uses** – The current fine schedule is static and does not escalate as the Ordinance Phases increase. In order to affect behavior, the existing fine structure should have an escalating feature, or multiplier, that properly reflects the growing scarcity of water as water uses are increasingly prohibited.

- **Modifications to Verification for Suspected Water Violations** – As noted above, the greatest challenge of enforcing the Ordinance for large properties is the inability to observe the violations. LADWP proposes modifying the Ordinance to require on-site inspections where water use is excessive or the metered pattern of use indicates probable violation of the Ordinance restrictions. Additionally, the Ordinance should allow enforcement of fines in the event that a customer is unresponsive or access to verify is denied.
- **Water Use Benchmark for High Water Users** – LADWP is developing a water use benchmark for high water users. The benchmark would provide a level playing field by taking into account a property's size and climate zone to determine proper water allowance. Other factors may also be considered in developing defensible benchmarks. This would be the City's first attempt to define and regulate excessive or unreasonable use by volume.
- **Excessive Use Fine** – Associated with the Benchmark effort above, LADWP will propose a series of new penalties for excessive water use. Monetary penalties of this fine would be significantly more substantial due to the much larger volumes of water potentially wasted at high water use properties. Again, the penalties will escalate in accordance with the Ordinance phases to reflect the increasing scarcity of water and send a meaningful financial signal to curtail excessive water use.

It is anticipated that the new proposed revisions to the Ordinance will be presented the Board of Water and Power Commissioners in early 2016, which if approved, will then be forwarded to the Energy & Environment Committee and ultimately to the City Council and Mayor to become law.

If you have any questions or if further information is required, please contact me at (213) 367-1338, or Ms. Winifred J. Yancy, Director of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Marcie L. Edwards
General Manager

PF:vf
Enclosure

The Honorable City Council
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c/enc: Councilmember Bob Blumenfield, Vice-Chair, Energy & Environment Committee
Councilmember Paul Koretz, Member
Councilmember Gilbert A. Cedillo, Member
Councilmember Mitch O'Farrell, Member
Ms. Sharon Gin, Legislative Assistant

Ms. Winifred J. Yancy

For Wednesday
10/14/15

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#53

MOTION

California is experiencing a historic and worsening drought, causing both the City and State to issue water conservation mandates.

Many Los Angeles residents have taken the drought as seriously as merited, implementing water conservation measures that have resulted in the City's reducing its water use by, for example, 17% in August 2015, as compared with August 2013.

The Los Angeles Times reported on October 7, 2015, that a homeowner in Bel-Air is using 1,300 gallons of water hourly, enough for 90 average households. *The Times* also reported that, for the year ending in April 2015, Bel-Air had four of the top five water users in the State.


In such a horrific drought, it is irresponsible to be using water at such a rate - and a slap in the face to neighbors who have heroically complied with austere water use measures.

Additionally, the increased cost of imported water to make up for supply shortfalls is being spread evenly among water users in the City, regardless of conservation efforts, which means that those who are conserving may still be paying extra for excess water that others are using.

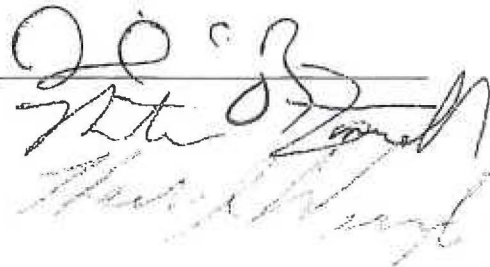
Given the disparity between water conservationists and water wasters in the City, it is necessary that the City Council take appropriate action to protect the City's fragile water supply; and the finances of its responsibility-minded residents.

I THEREFORE MOVE that the Department of Water and Power (DWP) be requested to report to the Council within 30 days on measures that can be taken in the short and long-term to address excessive water use among DWP customers, including imposing severe financial penalties and, as a last resort, shutting-off water for water abusers.


PRESENTED BY:


PAUL KORETZ
Councilmember, 5th District

SECONDED BY:



ORIGINAL


OCT 09 2015