

MEMORANDUM TO FILE

TO: FILE – CASE NO. FLS-W-23-01

FROM: SHUBHRA DEB PAUL

DATE: JUNE 20, 2024


**SUBJECT: IN THE MATTER OF THE APPLICATION OF FALLS WATER CO., INC.,
FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR
WATER SERVICE IN THE STATE OF IDAHO**

On December 14, 2023, the Commission issued Order No. 36027 approving a Stipulation and Settlement (“Settlement”) between Commission Staff and Falls Water Co., Inc. (“Company”) to increase rates for water service in Idaho effective December 15, 2023. The Settlement and the Commission’s Order also established that the Company would complete and provide the following plans to Commission Staff, including: (1) developing plans for understanding the cause of water loss and related mitigation measures; and (2) developing plans to implement a meter accuracy testing program, no later than June 1, 2024.

On May 31, 2024, the Company submitted the following plans in response to Order No. 36027: (1) water loss causes and mitigation options; and (2) meter accuracy testing plan.

STAFF REVIEW

The purpose of this memo is to document the Company’s successful completion of a plan to understand the causes of water loss and to identify related mitigation measures; and completion of a plan to implement a meter accuracy testing program. Staff reviewed the Company’s filing in response to Order No. 36027 and requested the Company for additional detailed information to be included in the plans on June 4, 2024, followed by a teleconference with the Company on June 6, 2024. The Company submitted the revised plans incorporating Staff’s recommendations on June 12, 2024. Staff believes the Company’s revised plans (1) to identify water loss causes and mitigation options (Attachment 1); and (2) a plan to implement a water meter accuracy testing program (Attachment 2) has been successfully completed per Order No. 36027.



Shubhra Deb Paul
Utility Analyst of the Commission Staff

cc: Commissioner Anderson
Commissioner Hammond
Commissioner Lodge

Attachment 1

Identifying root causes of water losses and mitigation measures to address them.

Falls Water Co., Inc. will address water loss in the water system by first identifying sources of water loss and implementing measures to mitigate these root causes of water loss. The process will begin in July 2024 and will be on going thereafter.

The root causes of water loss are:

- Leaks in the water system piping on the Company side of the meter.
- Meter inaccuracy at the customer location.
- Meter inaccuracy at the production well sites.
- Theft of water by construction work, unmetered connections, and other unmetered connections to fire hydrants.
- Not accounting for water used by the Company for hydrant flushing and other authorized purposes.
- Not accounting for water used during installation of new main line extensions.

To mitigate for lost water due to the above causes, the company will implement the following:

- The Company will use leak detection equipment to find leaks in main lines that have not surfaced. The leak detection equipment has been purchased and employees have received training. The leak detection process will start in areas of the water system that have older water mains and/or have higher levels of leak repairs. The expected start will be July 2024 and will continue in perpetuity.
- Water leaks that surface will be repaired within three business days of discovery. This will allow time to get Digline markings done. The process will begin June 2024 and continue into the future.
- The Company will implement a meter accuracy testing plan to determine the make, model, and age of meters that are most inaccurate. The Company is in the process of building a meter testing station. The station should be complete and meter testing should begin during August 2024. The meter testing program will be an ongoing process to assist the company to replace inaccurate meters.
- The existing meters that are the oldest in the system will be replaced by new meters. The Company started replacing 250 Sensus SR11 meters in March 2024. The number of SR11 meters to be replaced will be increased to a minimum of 500 meters in 2025 until the approximately 2350 currently installed SR11 meters are replaced.
- The well flow meters will be tested for accuracy and will be replaced as needed. The Idaho Department of Water Resources periodically test the well flow meters. They were last tested for accuracy in 2022. The Company will request the department to come test the meters in the fall of 2024 to validate the accuracy of the existing meters. The flow meter testing will continue at the Idaho Department of Water Resources normal schedule.

- The Company will continue to monitor construction sites within its service area and require contractors not using the required fire hydrant meters on their projects to obtain one of the Company's fire hydrant meters and use it when pulling water from the Company's fire hydrants. Employees will be assigned to visit construction sites to assess the contractor's compliance with using a hydrant meter. Employees will be vigilant when driving around the water system to look for individuals connecting to fire hydrants without a hydrant meter. The Company currently follows this process.
- The Company will investigate potential areas for unmetered water connections and require the metering or severance of the connection. The areas that have the most potential for unknown unmetered water connections are where water mains were run and not all existing homes were connected at the time the water main was installed. The Company will again emphasize the importance of finding such connections going forward starting in June 2024.
- The Company will either meter, if possible, or estimate authorized uses of water used in the day-to-day operations of the system. Such activities include well pre-lube, hydrant and mainline flushing, storage tank maintenance, etc. The Company began identifying these processes in February 2024 and has already installed meters on prelube lines on wells that have water prelube lines. The ability to measure or estimate hydrant and mainline flushing is being addressed with a dedicated hydrant meter that will be used to record water use. This process is to be continued as standard operating procedure.
- Work with contractors installing mainline extensions to estimate the water volume used to charge new mainlines, disinfect new mainlines, and flush new mainline installations. The Company needs to meet with the contractors that do most of the mainline installations in our service area to introduce the process to be followed when they are installing water mains in our service area.

The implementation of the above mitigation activities will help reduce unaccounted for water in the Company's water system.

Attachment 2

Meter Accuracy Testing Plan

Falls Water Co., Inc. will implement a meter accuracy testing plan starting August 31, 2024. The testing plan will continue each year. The Company will assemble a testing station where it can test meters in a controlled environment. The sample of meters to be tested will be set at 2% of total meters in the system. Currently, the systems have approximately 7,000 meters. This will mean that approximately 150 meters will be tested during 2024. The number of meters to be tested will be adjusted each year based on the meter count in the systems.

The Company is replacing older meters in the systems and will use these meters as part of the number of sample meters to be tested. Prior to 2011, the Company installed Sensus SR11 meters in the system. At the beginning of 2024, approximately 2369 (35.4%) of the meters fall in the pre-2011 category. In 2024, the Company will replace a minimum of 250 Sensus SR11 meters. In subsequent years, the Company will replace a minimum of 500 Sensus SR11 meters until all pre- 2011 meters are replaced. The testing will continue, and new data will be collected to determine the continued replacement of faulty and inaccurate meters. This will be an ongoing process.

The testing program will test meters at low, medium, and high flows using a meter testing station. A weighted average of the low, medium, and high flow tests will be used to determine the accuracy of the meter. Initially an estimated percentage of water usage at each flow will be used to give a weighted average of the meter flow (see Exhibit 1). The Company will take usage data from a sampling of residential customers with ¾” and 1” meters to calculate a more accurate percentage for low, medium, and high flows to test meters. This weighted average will be compared to the actual water used in each test to determine the accuracy of the meter. The following information for each meter tested will be recorded:

- Date of Test
- Make and Model of Meter
- ID Number of Meter
- Manufacture Date of Meter Register
- Test Results of Low, Medium, and High Tests
- Calculation of Weighted Average of Tests
- Results of Meter Accuracy

The data will be collected and compiled to find meter types that are most prone to meter inaccuracy due to age or other factors. The data will be used to target the replacement of meters that are most likely to be inaccurate.