

P U B L I C N O T I C E

NOTICE OF PROPOSED WATER SHORTAGE CONTINGENCY PLAN WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES AND PUBLIC MEETING

THURSDAY, MAY 28, 2015
7:00 PM
ROTARY SUMMIT CENTER
88 SOUTH 4TH STREET
SAN JOSE, CA 95112

Pursuant to Executive Order B-29-15 by the Governor of the State of California, and by orders by the State Water Resources Control Board (SWRCB) and the California Public Utilities Commission (CPUC), San Jose Water Company (SJWC) filed Advice Letter 473 on May 11, 2015 requesting authority from the CPUC to activate Stage 3 of Rule No. 14.1, a Water Shortage Contingency Plan and activate Schedule No. 14.1, Water Shortage Contingency Plan with Staged Mandatory Reductions and Drought Surcharges (Plan). If approved, Stage 3 of the proposed Plan will become effective on or about June 15, 2015 and will require a water use reduction of 30%. A public meeting will be held on May 28, 2015 to explain the rate process and to receive public input.

In the filing SJWC has proposed the following:

STAGES OF THE WATER SHORTAGE CONTINGENCY PLAN

- Stage 1: Conservation Non-Essential or Unauthorized Water Use.** Conservation is called for and non-essential or unauthorized uses of water are declared to be wasteful uses of water under Rule No. 14.1 and subject to the terms and conditions of Rule No. 11, including the discontinuance of service. Irrigation limits may be declared specifying the number of days per week irrigation will be allowed.
- Stage 2: Water Reductions Needed.** When a governing agency or SJWC determine further measures are needed to reduce water consumption including additional restrictions on irrigation and other uses of potable water.
- Stage 3: Critical Water Reduction.** When Stage 2 limitations are deemed insufficient to achieve identified water usage goals established by an authorized government agency there will be additional restrictions on irrigation and other uses of potable water.
- Stage 4: Emergency Water Reduction.** When Stage 3 limitations are deemed insufficient to achieve identified water usage goals established by an authorized government entity and include restrictions to achieve a 50% reductions if needed including prohibiting outside irrigation.

WATER USE RESTRICTIONS

Currently under Stage 3 of the Plan the following uses of water are declared to be wasteful, non-essential or unauthorized and are subject to the terms and conditions of Rule No. 11 and Schedule No. 14.1 which allow the utility to install flow-restricting devices after one written warning or to discontinue service after due notice to the customer for continued wasteful or negligent use of water.

1. Limits on Watering Times: Watering or irrigating of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than 15 minutes of watering per station per day, with no watering between 10:00 a.m. and 8:00 p.m. This provision does not apply to landscape irrigation zones that exclusively use drip-type irrigation systems. This provision also does not apply to low precipitation sprinkler systems that apply water at or less than 1.0 inch per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive action shut-off nozzle or device that causes it to cease dispensing water immediately when not in use, or for the express purpose of adjusting or repairing an irrigation system. However no irrigation can occur regardless of method that results in runoff.
2. Limits on Watering Days: Watering or irrigating of lawns, landscape or other vegetated areas with potable water is limited to two days per week. Irrigation will be allowed on Monday and Thursday for odd numbered and numberless addresses and will be allowed on Tuesday and Friday for even numbered addresses.

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WATER USE RESTRICTIONS (Continued)

3. The use of potable water for watering outside plants, lawn, landscape, and turf areas during and up to 48 hours after measurable rainfall.
4. The use of potable water for washing of vehicles, except at a commercial car washing facility that utilizes a recirculating water system to capture or reuse water. No use of potable water for washing aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is recirculated to avoid wasteful use.
5. Operation of commercial car washes that do not recycle the potable water used as required by the California Water Code Sections 10950-10953 is considered wasteful use of water.
6. The service of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.
7. Operators of hotels and motels are to provide guests with the option of choosing not to have towels and linens laundered daily and/or to require hotels and motels to prominently display a notice of this option in each guest bathroom using clear and easily understood language.
8. The use of potable water for washing buildings, structures, sidewalks, walkways, driveways, patios, tennis courts, or other hard-surfaced, non-porous areas in a manner that results in runoff or a waste of water is considered wasteful use of water.
9. The use of potable water for watering streets with trucks or other vehicles, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public or if recycled water is reasonably available as determined by a government agency, is considered wasteful use of water.
10. The use of potable water for construction purposes, including washing streets, backfill, and dust control, if other actions to accomplish the same purposes without water are feasible and/or permitted or if recycled water is reasonably available as determined by a government agency is considered wasteful use of water.
11. The failure to repair any leak, break, or other malfunction in a customer's domestic or outdoor water system within 72 hours of notification by the utility, unless other, specific arrangements are made with and agreed to by the utility is considered wasteful use of water.
12. The use of potable water to refill residential swimming pools or outdoor spas more than one foot or initial filling with potable water except when existing pools are drained to repair leaks.
13. The use of potable water for filling or refilling decorative fountains, ornamental lakes or ponds except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Rule No. 14.1.
14. Other restrictions on use of potable water as prescribed from time to time by the SWRCB, the CPUC, SJWC, or other governing body or agency.
15. None of the restrictions apply to the use of recycled water. These restrictions also shall not apply (except for Stage 4) to commercial nurseries, golf courses, or other water-dependent businesses, unless specifically included by the SWRCB, the CPUC, SJWC, or other governing body or agency.

DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES

Schedule No. 14.1 will require a water use reduction of 30%. It is effective in times of mandatory water conservation after Commission approval and only for the period noted in the Special Condition Section of the tariff.

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DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES (continued)

DROUGHT ALLOCATIONS

Residential Customers

The Drought Allocation for residential customers served under all potable tariff rate schedules is based on average residential customer usage in the Base Year 2013 for each month, less the percentage of conservation being required. In this instance, the required percentage reduction is 30%, so the Drought Allocation is 70% of the year 2013 Average Monthly Residential Usage for the month. Allocations falling between full hundreds of cubic feet (ccf) will be rounded up to the next full one hundred cubic feet. One hundred cubic feet (ccf) equals 748 gallons so, for example, a monthly allocation of 10 ccf is equal to 7,480 gallons of water.

Residential Allocation Plan			
2013 Base Year	2013 Average Monthly Residential Usage (ccf)	Monthly Drought Allocation (ccf)	Monthly Drought Allocation (gallons)
Jan*	10	9	6,732
Feb*	9	9	6,732
Mar*	9	9	6,732
Apr*	11	9	6,732
May	14	10	7,480
Jun	16	11	8,228
Jul	19	13	9,724
Aug	19	13	9,724
Sep	19	13	9,724
Oct	17	12	8,976
Nov	17	12	8,976
Dec	14	10	7,480

*Minimum Monthly Drought Allocation based on minimum average usage for a residential household.

Landscape Services

The Drought Allocation for each landscape customer served under all potable tariff rate schedules is based upon the individual landscape customer's monthly usage during the Base Year 2013. The Monthly Drought Allocation is then calculated as 100% of monthly usage during Base Year 2013 minus the reduction percentage required. In this instance, a 30% required reduction percentage results in a 70% allocation. Allocations falling between one full hundreds of cubic feet will be rounded up to the next full hundred cubic feet.

Allocation Adjustments

For any customer where unusual circumstances dictate a change in allocation, the customer's allocation shall be determined by SJWC in a fair and equitable manner considering the circumstances. Any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify SJWC in writing, explaining in detail the reason for such a variation. SJWC shall respond to each such request in writing. Any customer not satisfied with the SJWC's response may file an appeal with the CPUC's Division of Water & Audits (contact info provided on last page). If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. No person shall have any right or claim in law or in equity, against SJWC because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Plan.

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DROUGHT SURCHARGE

Excess water usage associated with exceeding the Monthly Drought Allocation will result in a Drought Surcharge. The Drought Surcharge will be assessed in addition to all other base charges allowed under the applicable tariffs authorized by the CPUC. The Drought Surcharge will be applied to the customer's bill based on the amount of usage that exceeds the Drought Allocation as follows:

For Residential Customers:

Excess usage over Monthly Drought Allocation
up to 2013 Average Monthly Usage..... \$3.5634 per ccf

Excess usage over 2013 Average Monthly Usage.....\$7.1268 per ccf

For Landscape Services:

Excess usage over Monthly Drought Allocation
up to 2013 Monthly Usage..... \$3.5634 per ccf

Excess usage over 2013 Monthly Usage.....\$7.1268 per ccf

FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device is:

<u>Meter Size</u>	<u>Removal Charge</u>
5/8" to 1"	\$45
1-1/2 to 2"	\$90
3" and Larger	Actual Cost

SPECIAL CONDITIONS

1. For the purpose of charging excess usage fees the effective date is on or about June 15, 2015.
2. Schedule No. 14.1 is effective until terminated by an advice letter filing to the Commission, on five days' notice, when the utility determines that mandatory restrictions are no longer necessary.
3. Schedule No. 14.1 shall not apply to those covered under the medical exemption provided for under Rule No.11.B.1.e(1)
4. Drought Surcharges will be separately identified on each bill.
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
6. All monies collected by the utility through surcharges or fees shall be booked to SJWC's existing Mandatory Conservation Memorandum Account (MCRAMA) or a similar memorandum account to offset lost revenues.
7. All expenses incurred by the utility to implement Rule No. 14.1 and Schedule No. 14.1 that have not been considered in a General Rate Case or other proceeding shall be recoverable by the utility if determined to be reasonable by Commission. These additional monies shall be accumulated by the utility in a separate memorandum account, for disposition as directed or authorized from time to time by the Commission.
8. Other restrictions on use of potable water as prescribed in Rule No. 14.1 and from time to time by the SWRCB, the CPUC, SJWC, or other governing body or agency.

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PUBLIC MEETING

The CPUC's Division of Water & Audit staff will conduct a thorough investigation of SJWC's request. Following the investigation, the CPUC may grant the utility's request in whole or in part, or may deny it. It may also order SJWC to change the design of the Plan from that shown in this notice.

The public meeting is informal and affords customers the opportunity to ask questions and express their views. SJWC will have representatives there to explain the reasons for the proposed Plan.

PUBLIC COMMENT

Section 351 of the California Water Code provides that a public hearing will be held at which customers shall have an opportunity to be heard to protest against the declaration of water restrictions. This meeting will be held THURSDAY, MAY 28, 2015 AT 7:00 PM AT THE ROTARY SUMMIT CENTER, 88 SOUTH 4TH STREET SAN JOSE, CA 95112.

Customers who would like to provide any other information or comments regarding this requested Plan should write to the Commission at the address below. Responses should mention that they pertain to SJWC's Advice Letter 473 and should be sent no later than (20) days after the mailing date of this notice.

California Public Utilities Commission,
Division of Water & Audit
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response is submitted to the Water Utilities Division, the respondent or protestant shall send a copy of the response by mail to us, addressed to:

Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95110
Fax 408.279.7934
Regulatoryaffairs@sjwater.com.

Obtaining a Copy of the Advice Letter

A copy of SJWC's Advice Letter 473 may be obtained at www.sjwater.com or examined at the following location:

San Jose Water Company
110 West Taylor Street
San Jose, CA 95110

For further information please visit our website at www.sjwater.com or call Customer Service at (408) 279-7900

Este aviso está disponible en español en www.sjwater.com, o llame Servicio de Cliente (408) 279-7900



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Se habla español