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San Jose, CA 95110
Phone 408 279-7800
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June 30th, 2016

Public Utilities Commission
of the State of California
505 Van Ness Avenue
San Francisco, CA 94102

Advice Letter No. 493

The San Jose Water Company (U-168-W) (SJWC) hereby transmits for filing the following changes in tariff schedules applicable to its service area and which are attached hereto:

Cal. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	Canceling Cal. P.U.C. <u>Sheet No.</u>
1777-W	Schedule 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges (Continued)	1765-W
1778-W	Rule No. 14.1 Water Shortage Contingency Plan (Continued)	1660-W
1779-W	Rule No. 14.1 Water Shortage Contingency Plan (Continued)	1768-W
1780W	Table of Contents (Continued)	1769-W
1781-W	Table of Contents	1776-W

With this advice letter San Jose Water Company (SJWC) requestes authority from the California Public Utilities Commission (CPUC) to modify the CPUC approved Rule 14.1 and Schedule 14.1. Specifically, SJWC seeks to modify the Rules related to the fixing of leaks, the washing of vehicles, and the filling of pools to match with the City of San Jose's (CSJ) revised water use rules. This advice letter is designated a Tier II Advice Letter pursuant to Resolution W-4976.

SJWC requests that the advice letter become effective July 1, 2016. SJWC currently has non-related advice letters 488, 489, 490, and 492 outstanding. Advice letter 491, which also requests

separate revisions to Rule 14.1 and Schedule 14.1, is also currently pending before the Commission. Advice letter 487 is currently under suspension.

Background

On June 21st, 2016, the San Jose City Council approved Resolution No. 77833 declaring a twenty percent (20%) water shortage for the purpose of implementing and enforcing mandatory citywide water conservation measures (Attachment A). This action promulgated a change to several of CSJ's existing Water Use Rules (Rules) including:

- 1) Revising the time period in which leaks must be fixed from 72 hours to 5 days from time of notification;
- 2) Removing the restriction on washing vehicles, but requiring the use of a nozzle with automatic shut off valve; and
- 3) Removing the restriction on the filling or re-filling of swimming pools

These CSJ Rules become effective on July 1, 2016.¹

Since the majority of SJWC's service area lies within the city limits of CSJ, throughout the current drought SJWC has made a concerted effort to match water conservation rules to those of the CSJ. Therefore, SJWC seeks authorization to revise the applicable portions of Rule 14.1 and Schedule 14.1 to match the CSJ's revised Rules.

Proposed Tariff Revisions

SJWC's Rule 14.1 and Schedule 14.1 became effective, with CPUC approval, on June 15, 2015.² In the filing requesting approval of Rule 14.1 SJWC noted that the Rule was being revised to more closely match drought restrictions of local government agencies. One of these local government agencies is CSJ, which represents the majority of SJWC's service area.

On June 24th, SJWC filed advice letter 491, seeking authority to modify Rule 14.1 and Schedule 14.1 to match the revised drought rules and restrictions of the Santa Clara Valley Water District. Immediately after that filing SJWC learned of CSJ's Resolution No. 77833 revising the CSJ's existing Water Use Rules and determined that a separate advice letter revising Rule 14.1 and Schedule 14.1 was necessary to match the CSJ's Rules.

With this filing, in both Rule 14.1 and Schedule 14.1, SJWC proposes to:

¹ CSJ Rules can be found at <https://www.sanjoseca.gov/index.aspx?NID=4717>

² The CPUC's Division of Water and Audits approval of SJWC's Schedule 14.1 was ultimately affirmed by the CPUC via Resolution W-5074

- 1) Eliminate item 4 of Stage 2.³ This change will make item 3 of Stage 1⁴, which matches the CSJ Rule, the default Rule related to fixing leaks.
- 2) Eliminate item 2 of Stage 3.⁵ This change eliminates the restriction on refilling of residential swimming pools, which conforms with the CSJ's revised Rules.
- 3) Eliminate item 4 of Stage 3.⁶ This change will make item 4 of Stage 1⁷, which matches the CSJ Rule, the default Rule on washing vehicles.

These changes do not conflict with the Emergency Regulations adopted by the State Water Resources Control Board or with drought restrictions imposed by any other government agencies overlapping SJWC's service territory.

All other aspects of the CPUC approved Rule 14.1 and Schedule 14.1 will remain unchanged.

Effective Date

As noted above, the CSJ adopted the changes to their Water Use Rules on June 21st. Tier 2 advice letters typically require a 30 day review period per General Order 96B, which in this instance would provide an effective date of July 30th. However, the Water Use Rules adopted by CSJ will become effective on July 1st. Therefore SJWC requests expedited review and approval of this advice letter so that the revised Rule 14.1 and Schedule 14.1 can also become effective on July 1st.

Protests and Responses

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove useful to the Commission in evaluating the advice letter. A

³ Stage 2 – item 4: “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.”

⁴ Stage 1 – item 3: “Use of water through any broken or defective plumbing fixture, sprinkler, watering or irrigation system on the customer’s premises when the utility has notified the customer in writing to repair the broken or defective plumbing fixture, sprinkler, watering or irrigation system, and customer has failed to make such repairs within 5 business days after receipt of such notice.”

⁵ Stage 3 – item 2: “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.”

⁶ Stage 3 – item 4: “Use of potable water for washing of vehicles, except at a commercial car washing facility that utilizes a re-circulating water system to capture or reuse water. Use of potable water for washing commercial 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.”

⁷ Stage 1 – item 4: “Use of potable water through a hand-held hose for washing cars, buses, boats, trailers, aircraft or other vehicles without a positive shut-off nozzle or device that causes it to cease dispensing water immediately when not in use.”

protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may include the following:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission).

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

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

Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, California 95196
Fax 408.279.7934
regulatoryaffairs@sjwater.com.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in Attachment B.

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This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Very truly yours,

/S/ WES OWENS
WES OWENS
Director of Regulatory Affairs
Enclosures

A copy of Advice Letter No. 493 has been sent to the following municipalities, water companies and interested parties:

City of San Jose
Municipal Water Dept.
Attn: Mansour Nasser
3025 Tuers Road
San Jose, CA 95121

California Water Service Co.
Attn: Regulatory Affairs
1720 North First Street
San Jose, CA 95112

City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

City of Campbell
70 North First Street
Campbell, CA 95008

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Great Oaks Water Company
P.O. Box 23490
San Jose, CA 95153

City of Milpitas
Attn: Utilities Engineering
455 East Calaveras Blvd.
Milpitas, CA 95035

Santa Clara Valley Water
District
5750 Almaden Expressway
San Jose, CA 95118

San Jose Mercury News
Attn: Paul Rogers
4 N. Second St., Suite 800
San Jose, CA 95113

Town of Los Gatos
Attn: Director of Public Works
110 E. Main Street
Los Gatos, CA 95032

City of Monte Sereno
Attn: Director of Public Works
18014 Saratoga-Los Gatos Road
Monte Sereno, CA 95030

City of Saratoga
Attn: Director of Public Works
13777 Fruitvale Avenue
Saratoga, CA 95070

County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Department of Water Resources
Safe Drinking Water Office,
Room 804
1416 9TH Street
Sacramento, CA 95814

James M. Fiedler P.E., D.WRE
Chief Operating Officer
Water Utility Enterprises
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Brush & Old Well Mutual
Water Company
20732 Brush Road
Los Gatos, CA 95033

Bob Burke
Regulatory Liaison For The Six
Mutual Water Companies
420 Alberto Way, Unit 49
Los Gatos, Ca 95032

Brush & Old Well Mutual
Water Company
21105 Brush Road
Los Gatos, CA 95033

Gillette Mutual Water Company
21976 Gillette Drive
Los Gatos, CA 95033

Oakmount Mutual Water Company
P.O. Box 31536
Stockton, CA 95213

Summitt West Mutual Water Company
P.O. Box 974
Los Gatos, CA 95031

Ridge Mutual Water Company
22316 Citation Drive
Los Gatos, CA 95033

Villa Del Monte Mutual Water Company
P.O. Box 862
Los Gatos, CA 95031

Big Redwood Park Water
& Improvement Assoc.
18375 Main Blvd
Los Gatos, CA 95033

Redwood Estates Services Association

PO Box 591
Redwood Estates, CA 95044-0591

Stagecoach Mutual Water Co
21825 Stagecoach Road
Los Gatos, CA 95033

Mt. Summit Mutual Water Co
P.O. Box 3416
Saratoga, CA 95070

Mountain Springs Mutual Water Co.
17956 Greenwood Road
Los Gatos, CA 95033

Raineri Mutual Water Company
P.O. Box 11
Los Gatos, CA 95031

James Hunter
6475 Dwyer Street
San Jose, CA 95120

SCHEDULE No. 14.1
WATER SHORTAGE CONTINGENCY PLAN
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES
(Continued)

STAGE 2 -WATER REDUCTION NEEDED (Continued):

3. 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.

(D)

4. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

(L)

(L)

STAGE 3 - CRITICAL WATER REDUCTION

Stage 3 Water Shortage occurs when the Stage 2 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted:

1. Limits on Watering Days: Watering or irrigating of lawns, landscape or other vegetated area with potable water is limited to three days per week. Irrigation will be allowed on Mondays, Thursdays and Saturdays for odd numbered and numberless addresses and will be allowed on Tuesday, Friday and Sunday for even numbered addresses.

(D)

2. Limits on Filling Ornamental Lakes or Ponds: prohibition of the use of potable water for filling or re-filling 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 14.1.

(L)

(L)

(D)

3. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

(L)

(L)

STAGE 4 -EMERGENCY WATER REDUCTION

Stage 4 (Emergency Water Reduction) occurs when the Stage 3 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions, in addition to those provided for in the preceding stages, will be enacted:

(Continued)

(To be inserted by utility)

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Regulatory Affairs

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RULE NO. 14.1
WATER SHORTAGE CONTINGENCY PLAN

C. STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS

If a water supply shortage exists or is threatening, or if SJWC is unable to meet conservation targets as set by a wholesale provider or governing body or agency, in addition to the restrictions on wasteful water use practices outlined above the following restrictions may be imposed by the utility in stages, as indicated below. Failure to comply with these mandatory restrictions will be deemed a wasteful and unreasonable use of water and may result in the installation of a flow restrictor, discontinuance of service, or other actions as authorized by the utility's Rule 11.

STAGE 2 (WATER REDUCTION NEEDED): Stage 2 (Water Reduction Needed) occurs when the Commission or SJWC determines that further measures are needed to reduce water consumption. In addition to the unauthorized uses of water listed in Section B, the following restrictions may be imposed:

1. Limits on Watering Days: Watering or irrigating of lawns, landscape or other vegetated areas with potable water is limited to no more than three days per week, depending on the severity of the shortage. If three days per week irrigation is called for then irrigation will be allowed Monday, Wednesday, and Friday for odd numbered and numberless addresses and will be allowed on Tuesday, Thursday and Saturday for even numbered addresses.
2. 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.
3. 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.
4. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

(D)
(L)
(L)

(Continued)

(To be inserted by utility)

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TITLE

RULE NO. 14.1
WATER SHORTAGE CONTINGENCY PLAN

STAGE 3 (CRITICAL WATER REDUCTION): Stage 3 Water Shortage occurs when the Stage 2 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted:

1. Limits on Watering Days: Watering or irrigating of lawns, landscape or other vegetated areas with potable water is limited to three days per week. Irrigation will be allowed on Mondays, Thursdays and Saturdays for odd numbered and numberless addresses and will be allowed on Tuesdays, Fridays and Sundays for even numbered addresses.
2. Limits on Filling Ornamental Lakes or Ponds: prohibition of the use of potable water for filling or re-filling 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 this Rule. (D)
(L)
|
(L)
(D)
3. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency. (L)
(L)

STAGE 4 (EMERGENCY WATER REDUCTION): Stage 4 Water Shortage occurs when the Stage 3 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted:

1. No Watering or Irrigating: Watering or irrigation of lawn, landscape or other vegetated area with potable water is prohibited. This restriction does not apply to the following categories of use:
 - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive action shut-off nozzle or device;
 - ii. Maintenance of existing landscape necessary for fire protection;
 - iii. Maintenance of existing landscape for soil erosion control;
 - iv. Maintenance of plant materials identified to be rare or essential to the well-being of a protected species;
 - v. Maintenance of landscape within active public parks and playing fields, day care centers, golf course greens, fringes and tee boxes, and school grounds, provided that such irrigation does not exceed 2 days per week.
2. The failure to repair any leak, break, or other malfunction in a customer's domestic or outdoor water system within 48 hours of notification by the utility, unless other, specific arrangements are made with and agreed to by the utility.
3. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

(Continued)

(To be inserted by utility)

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