

Community Meeting

Town Council Chambers
110 E. Main Street
Los Gatos CA

November 14, 2016
6 to 8 p.m.

Agenda

Purpose: To provide a community forum for residents to learn about water supply, ask questions about recent water bills, and obtain responses and available resources.

1. **Welcome**

- a. Laurel Prevetti, Town of Los Gatos
- b. Matt Morley, Town of Los Gatos

2. **Guest Speakers**

- a. Jerry De La Piedra, Santa Clara Valley Water District
- b. John Tang, San Jose Water Company

3. **Community Questions (please use question cards) and Guest Speaker Responses**

4. **Adjourn**



The Santa Clara Valley Water District has recently updated our water conservation programs to help you save water:

Landscape Rebate Program

On July 1, 2016, the Santa Clara Valley Water District reinstated the Landscape Rebate Program and is now accepting new applications. Sites wishing to participate in the rebate program must complete a pre-inspection and submit an application for approval **before** beginning any work on their project.

Landscape Conversion Rebate Program

Santa Clara County single family homes, multi-family and business/institutional properties with qualifying irrigated landscape (i.e., irrigated turf or functional swimming pool) can receive a rebate of \$1/sq foot for converting high-water-using landscape to low-water-using landscape. This amount may be higher in some cost-sharing areas.

For more information or to schedule a pre-inspection, please call the Water Conservation Hotline at (408) 630-2554. All applications issued a Notice to Proceed on or after July 1, 2016 will be held to a total rebate cap (for both the Landscape Conversion Rebate and the Irrigation Equipment Upgrade Rebate combined) of \$2,000 for Single Family and Multi-family (4 or fewer units) and a \$20,000 for all Commercial sites and Multi-family (5 or more units).

Irrigation Equipment Upgrade Rebate

Rebates are offered for replacing old, inefficient irrigation equipment with new, qualifying high efficiency equipment, including the following:

- Install a dedicated landscape meter,

flow sensor or hydrometer for a rebate up to \$1,000.


- Replace old sprinkler nozzles and bodies with high efficiency sprinkler nozzles (up to \$5 each) and rotor sprinklers or spray bodies with pressure regulation and/or check valves (up to \$20 each).
- Convert existing pop-up sprinklers to an in-line drip irrigation system for a rebate of \$0.25 per square foot.
- Convert an existing timer to a qualifying weather-based irrigation controller (rain sensor required) for a rebate up to \$300 (for a 1-12 station controller), \$1,000 (for a 13-24 station controller) or \$2,000 (for a 25+ station controller). Rain sensors are rebated up to \$50.

See above for pre-inspection and rebate cap information.

Landscape Survey Program

Commercial, industrial, institutional, and multi-family complexes within Santa Clara County may be eligible for a free landscape field survey. Professional irrigation auditors perform free site evaluations to assist large landscape sites better manage and improve landscape water usage.

To find out if your site can benefit from a landscape field survey, please call (408) 630-2684.



VOW
to use
every gallon wisely.

VOW
VALUE OUR WATER

Get more tips at
watersavings.org

40% water from Santa River

continued on back »

Los Gatos – Monte Sereno Community Meeting

November 14, 2016

Need for Investments

- “D” grade from American Society of Civil Engineers
- Infrastructure replacement era (Nation - \$384 billion, California - \$45 billion by 2030)
- SJWC’s system is 150 years old
- Investments in water system critical to provide safe, high quality and reliable water service
- Our turn to invest for future generations

**United States Environmental Protection Agency*

Rate Setting Process

- Set/approved by the California Public Utilities Commission (CPUC) thru comprehensive process
- General Rate Case (GRC) application once every 3 years
- Cost of service rates
- Forward looking projections
- Surcharges to handle items outside of GRCs

Rate Increases

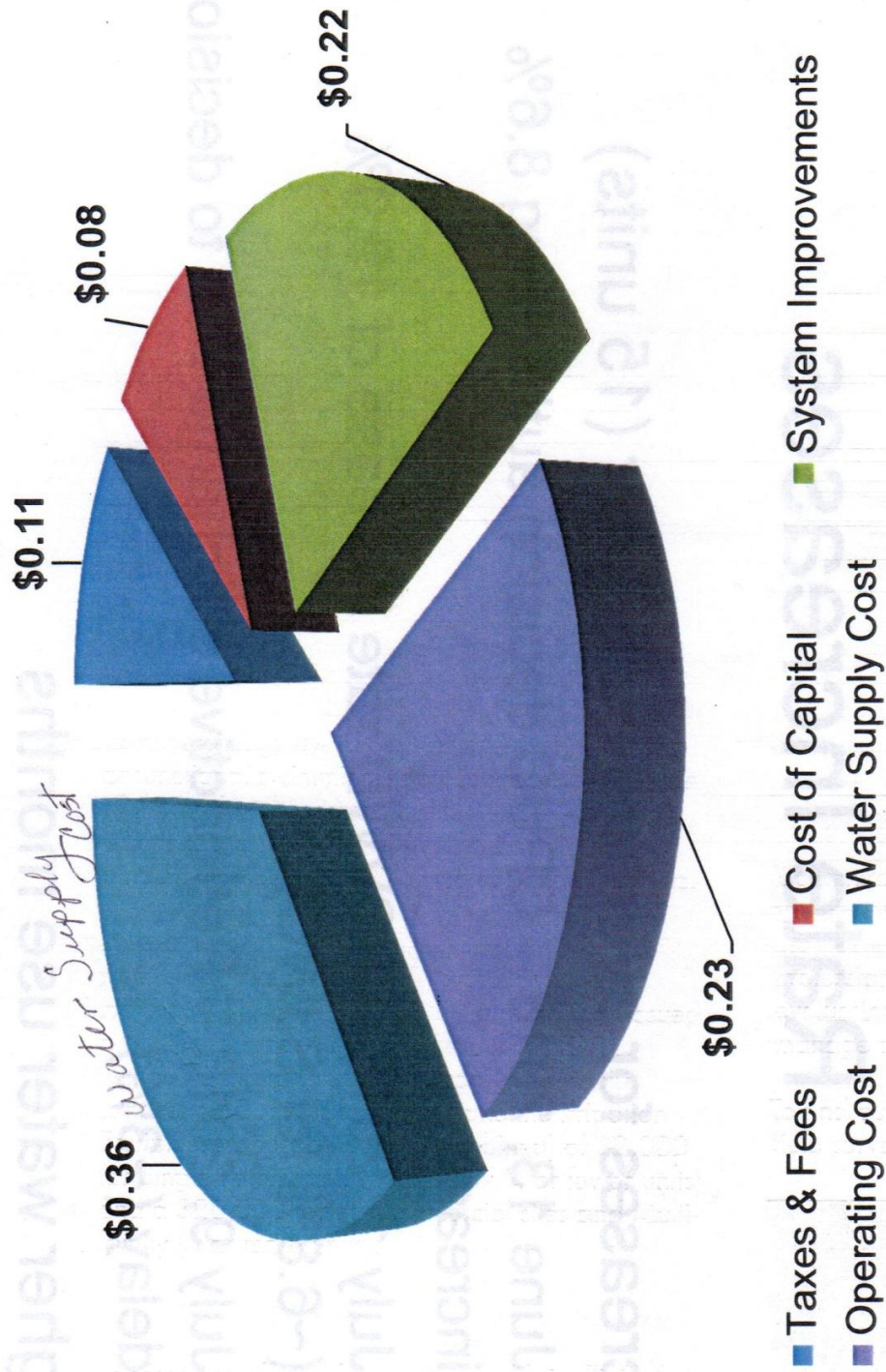
- SJWC's CPUC-approved rates thru GRC averaged 5.1%
- Santa Clara Valley Water District (SCVWD) wholesale rate increases averaged 9.6%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SJWC	2.0%	3.0%	2.2%	9.2%	3.4%	4.9%	9.8%	5.2%	2.8%	8.6%
SCVWD	9.2%	9.5%	0.0%	0.0%	9.4%	9.3%	9.3%	9.9%	19.7%	19.9%

Rate Increases

- Increases for average customer (15 units)
 - June 13, 2016 – CPUC decision authorizing 8.6% increase
 - July 1, 2016 – SCVWD rate increase of 19.9% (~6.8% for SJWC)
 - July 9, 2016 – Retroactive surcharge due to decision delay (~3%)
- Higher water use months
- Surcharge program in effect


Where Your \$ Goes




Conservation-Rates Nexus

- Utility projects sale of 10 units of water in coming year
- Regulatory requirement to invert fixed-variable proportions
- Projected usage equals actual usage

Utility (cost of service)	
- Fixed	7.00
- Variable	3.00
Total Cost	\$10.00



Customer Bill	
- Service	3.00
- Quantity	7.00
Total Billed	\$10.00



Rate Design

Customer Bill	
- Service	3.00
- Quantity (\$0.7/unit)	7.00
Total Billed	\$10.00

Flat Rate Design

Tiered Rate Design

Customer Bill	
- Service	3.00
- Tier 1 Quantity (1-5 @ \$0.5/unit)	2.50
- Tier 2 Quantity (6-8 @ \$0.82/unit)	2.46
- Tier 3 Quantity (>9 @ \$1.02/unit)	2.04
Total Billed	\$10.00

Conservation-Rates Nexus

- 20% conservation scenario
- Fixed costs remain same, reduction on variable costs
- Deficit between cost vs billed
- Results in higher unit rates

Utility (cost of service)	Customer Bill
- Fixed	- Service
- Variable	- Quantity
Total Cost	Total Billed
7.00	3.00
2.40	5.60
\$9.40	\$8.60

Conservation Program Update

Month	J	F	M	A	M	J	J	A	S	O	N	D
2013 Average	10	9	9	11	14	16	19	19	19	17	17	14
Previous Allocation	9	9	9	9	10	11	13	13	13	12	12	10
New Allocation	9	9	9	9	12	13	16	16	16	14	14	12

Numbers in CCFs
1 CCF = 748 gallons

Conservation Program Update

- Surcharges remain the same
 - \$3.56 per CCF up to 2013 average
 - \$7.13 per CCF beyond 2013 average

	July	August
2013 Average	19	19
Usage	20	20
Allocation	16	16
Over	4	4
Surcharge	3@ \$3.56	3@ \$3.56
	1@ \$7.13	1@ \$7.13

Customer Outreach



SAN JOSE WATER COMPANY



FOR YOUR HOME FOR YOUR BUSINESS FOR YOUR INFORMATION ABOUT SAN JOSE WATER

Comprehensive Drought Information

Latest on restrictions, allocations, and other resources

LATEST NEWS

Musty Water Odor
Customers in west San Jose, Cupertino, Campbell, and Los Gatos...
Jul 05 [Read On >](#)

Where Does Your Water Dollar Go?
It can be easy to take water for granted, but this breakdown of costs...
Jun 29 [Read On >](#)

2016 Water Rates Frequently Asked Questions
The California Public Utilities Commission has approved new rates...
Jun 28 [Read On >](#)

1 2 3 > Last >

[BILLING/PAYMENT OPTIONS](#) [START, STOP OR TRANSFER SERVICE](#) [ACCOUNT BALANCE](#) [CAREERS](#)

HOME | PRIVACY POLICY | WEBSITE TERMS OF USE | PAPERLESS BILLING TERMS & CONDITIONS | SITE MAP | CONTACT US



SJW SAN JOSE WATER COMPANY **150th**
CELEBRATING 150 YEARS of SERVICE ~ 1866 - 2016 Anniversary

Customer Outreach



HOME

- > For Your Home
- > For Your Business
- > For Your Information
- > About San Jose Water

QUICK LINKS

- Billing/Payment Options
- California Drought
- Careers
- Drought Tolerant Landscaping
- Report Water Waste
- Service Interruptions
- Value of Water
- Video Library

IMPORTANT INFORMATION – UPDATED RESTRICTIONS AND RULES EFFECTIVE JULY 1, 2016

- [Letter to Customers – Updated Water Conservation Information \(July 1, 2016\)](#)
- [Current Water Use Restrictions](#)
- [Frequently Asked Questions](#)
- [Appeals Form](#) - Submit this online form for consideration of an adjustment to your allocation.
- [Letter to Customers – Ensuring Future Water Supply Reliability \(July 24, 2015\)](#)
- [Letter to Customers – Need for Water Allocation Plan \(July 10, 2015\)](#)
- [Letter to Customers – Current Water Supply Assessment \(July 10, 2015\)](#)
- [Report Water Waste](#) – Use our online water waste reporting form.
- [Water Shortage Contingency Plan Bill Insert \(English\)](#)
- [Water Shortage Contingency Plan Bill Insert \(Spanish\)](#)
- [Conservation Results](#)

STATE AND LOCAL ACTIONS

- [City of San Jose Sets 20% Water Conservation Target \(June 22, 2016\)](#)
- [Santa Clara Valley Water District Calls for 20% Conservation \(June 14, 2016\)](#)
- [State Water Resources Control Board Adopts New Approach to Water Conservation Regulation \(May 18, 2016\)](#)
- [Governor's Executive Order Making Water Conservation a Way of Life \(May 9, 2016\)](#)
- [State Water Resources Control Board Adopts Extended Emergency Water Conservation Regulation \(February 2, 2016\)](#)
- [Santa Clara Valley Water District Extends Call for 30% Conservation \(November 24, 2015\)](#)
- [Governor's Executive Order to Bolster Drought Response \(November 13, 2015\)](#)
- [CPLC Orders Water Companies to Implement 25% Conservation Measures in Response to Drought \(May 7, 2015\)](#)



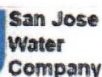
Looking Ahead

- Maximize reliability of current supplies
 - Delta fix, reservoir upgrades/expansions
- New water supplies critical
 - Recycled water and desalination
- Continued pressure on water rates
 - Infrastructure replacement, water supply, conservation, and water quality
- Continued customer engagement

Questions

John Tang, P.E.
Vice President of Government Relations
& Corporate Communications
408-279-7933
john.tang@sjwater.com

Customer Service
408-279-7900
customer.service@sjwater.com



110 W. Taylor St.
San Jose, CA 95110-2131
(408) 279-7900
Office Hours: 8:00AM-5:30PM Mon.-Fri.
www.sjwater.com

Customer Name: JOHN TANG
Account Number: 4187410000-5
Bill Date: 10/27/2016
Amount Due: \$117.52
Payment Due By: 11/17/2016

BILLING INFORMATION

Service Address: [REDACTED]
Billing Period: 08/25/2016 - 10/24/2016
Rate Code / Service Size: RES_T_B 3/4 Inch
Meter Reading

Previous	Current	Total CCF (748 Gal/CCF)
69	81	12

INFORMATION & ANNOUNCEMENTS

Your water use allocation this period is 29.935484 ccf. You used 12.000000 ccf. Thank you for your conservation efforts

Comprehensive drought information available at www.siwater.com.

Come join us for Water Appreciation Night and see the Spartans take on the Air Force Falcons at 7:30PM on Saturday, November 19. Please see the enclosed brochure or visit www.sjwater.com for complimentary tickets.

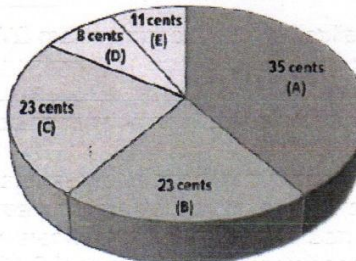
CURRENT CHARGES

Service Charge		\$47.96
Quantity Charges		
6.00000	X \$4.0581	24.34
6.00000	X \$4.509	27.05
Safe Drinking Wtr Ln 2006-B		0.08
Safe Drinking Wtr Ln 2008-B		0.04
Rate Assist Prog Surcharge-B		2.90
SCVWD Purchased Water - 2016		3.03
SCVWD Ground Water - 2016		2.03
2013 Interim Rate True-up Surcharge		3.46
WCMA-2014		0.96
WCMA-2015		1.72
2016 Balancing Account Surcharge		1.14
2016 Memo Acct Credit		0.73 CR
2016 Interim Rate True-up Surcharge		2.19
PUC Surcharge 1.17%		1.35
Current Charges		117.52
Previous Balance		116.72
Payments Received 09/21/2016		116.72 CR
Total Due		\$117.52

CONSUMPTION HISTORY

	Units (CCF)	Gallons	Days	Gal/Day
Current	12	8976	60	149
Last Year	10	7480	61	122

WHERE YOUR DOLLAR GOES



(A) Water Supply Costs
(B) System Improvements
(C) Operating Costs
(D) Cost of Capital
(E) Taxes and Fees



**San Jose
Water
Company**

Bill Date: 10/27/2016
Account Number: 4187410000-5
Service Address: [REDACTED]

Please Return This Portion With Your Payment

Payment Due By
11/17/2016

Total Due

Auto Pay

Amount Enclosed

JOHN TANG

Make Payment to:



SAN JOSE WATER COMPANY
110 W. TAYLOR ST
SAN JOSE CA 95110-2131

4187410000500000000000000001175210



**San Jose
Water
Company**

110 W. Taylor Street
San Jose, CA 95110-2131

June 30, 2016

RE: Updated Water Conservation Information

Dear Valued Customer:

I write to thank you for your response to the calls for increased water conservation efforts during the last year and a half. Through your efforts to use water more efficiently, we have collectively saved 13 billion gallons of water just during 2015!

Although California's water supply picture has improved as a result of your efforts and the near normal rain and snowfall over the last year, the drought is not over. On a statewide basis, the Governor's emergency drought declaration remains in effect. Locally, the Santa Clara Valley Water District (District), the County's wholesale water supply agency, recently reduced its water conservation target from 30% to 20% and increased the number of watering days from two to three days a week. The new target and watering schedule will be in effect from July 1, 2016 through January 31, 2017. The District also requested that its retailers, including San Jose Water Company, maintain mandatory conservation measures to achieve this newly established target.

After the driest four years on record, the District is taking a cautious and prudent approach. A number of factors were considered in arriving at its conservation target including the current water supply conditions, projected end-of-year groundwater reserves, a realistic and conservative evaluation of long-term water supply forecasts, as well as the outstanding response from Santa Clara County residents and businesses to past and current calls for conservation. San Jose Water Company supports the District's effort and has amended our conservation plan to reflect this new 20% target. The new conservation rules and Frequently Asked Questions enclosed with this letter provide more information on the updates to our plan.

Again, we thank you for your past and continuing efforts to use water more wisely. In the event you seek additional information, please visit www.sjwater.com.

Sincerely,

A handwritten signature in black ink that reads "Robert Day".

Robert Day
Director of Customer Service

Enclosure

Conservation Rules

Permanent Rules:

- No irrigation can occur regardless of method that results in runoff.
- No irrigation use for 48 hours after measureable rainfall (1/4 inch).
- No use of drinking water for washing driveways, sidewalks, and other hard surfaced, non-porous areas.
- Operators of hotels and motels are to provide guests with the option of choosing not to have towels and linens laundered daily and promptly display notice of this option.
- No service of water by any restaurant except upon the request of the patron.

Drought Rules (Effective July 1, 2016 through January 31, 2017):

- Customers must fix leaks, broken irrigation systems, or broken plumbing fixtures within 5 working days if notified to do so by San Jose Water Company.
- Watering days: Do not water outdoors more often than three (3) days per week.
 - Even numbered addresses water on Tuesday, Friday, and Sunday
 - Odd numbered addresses as well as properties with no address water on Monday, Thursday and Saturday
- No watering between 10:00 AM and 8:00 PM and irrigation cannot exceed fifteen (15) minutes per zone per day with exceptions made for zones exclusively using drip irrigation, low precipitation sprinkler heads that apply water at or less than 1.0 inches per hour, hose with a positive shutoff device, or hand held bucket or similar container.
- No washing of cars, buses, boats, aircraft, trailers or other vehicles, unless hoses are equipped with a nozzle that shuts off automatically when the handle is released.
- No use of potable water for construction purposes, including washing streets, backfill, and dust control unless no other source of water or other method can be used.
- No use of water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for use of recycled water, or 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.*

*Filling or re-filling of swimming pools or outdoor spas is allowed.

Drought Frequently Asked Questions July 2016

Q: Is the drought over?

A: No. This year's rain and snowfall has been much closer to what we normally get on average and is certainly better than the last four years, which was the driest period on record. Customers have responded to calls for conservation and we appreciate their efforts. While our overall water supply picture has improved, our groundwater supply, which makes up nearly half of Santa Clara County's supply, has not seen a rebound to normal conditions.

Q: Why is groundwater important?

A: Our groundwater basins act like a bank. In wet years, more water is deposited than withdrawn. In dry years, it's the opposite. Over the last four years, we have withdrawn more than we have put back in. Concerns over subsidence, or sinking of the land, caused by the lowered groundwater levels led the Santa Clara Valley Water District (District) to set a 30% target in 2015.

Q: What is the new conservation target?

A: As a result of the improved but still precarious water supply situation, the District has reduced the target from 30% to 20% of 2013 usage and also increased watering days from two days a week to three days a week beginning July 1, 2016 through January 31, 2017. Each of the District's 13 retailers, including SJWC, is being asked to implement mandatory conservation measures to achieve this target.

Q: Does SJWC have a specific conservation target as part of the State Water Resources Control Board's (State Water Board) requirement?

A: Yes. The State Water Board's new emergency regulations allow utilities to determine the level of conservation based on local conditions. This approach however does not consider the groundwater basin which has been depleted over the last four years. Taking this into account, the District has set a conservation target of 20% from July 1, 2016 through January 31, 2017. SJWC will follow the District's lead and set a 20% conservation target.

Q: What are the new allocations?

A: SJWC's monthly allocations have been increased to reflect a 20% reduction from 2013 average usage. The previous as well as new allocations are shown below and apply to residential customers.

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2013 Average (units)	10	9	9	11	14	16	19	19	19	17	17	14
Previous Allocation (units)	9	9	9	9	10	11	13	13	13	12	12	10
Previous Allocation (gallons)	6,732	6,732	6,732	6,732	7,480	8,228	9,724	9,724	9,724	8,976	8,976	7,480
New Allocation (units)	9	9	9	9	12	13	16	16	16	14	14	12
New Allocation (gallons)	6,732	6,732	6,732	6,732	8,976	9,724	11,968	11,968	11,968	10,472	10,472	8,976

Q: Why is there no reduction or less than a 20% reduction for some of the months?

A: Water usage varies by season. Customers typically use more water during the warmer months as their landscape irrigation needs change. Since irrigation systems are typically shut off in the winter, the 9 units for the months of January through April represent the minimum indoor use for an average family of four. If you have received prior approval of an appeal, no further action is needed; your allocations will reflect the new 20% conservation target.

Q: What is the new irrigation schedule?

A: Customers can now irrigate up to three (3) days per week.

- Even numbered addresses water on Tuesday, Friday, and Sunday
- Odd numbered addresses as well as properties with no address water on Monday, Thursday and Saturday.

Additional irrigation restrictions can be found on our comprehensive drought page at www.sjwater.com.

Q: When will the new allocations take effect?

A: The new allocations and restrictions will take effect on or about July 1, 2016, pending approval by the California Public Utilities Commission.

Q: Are the surcharges still in effect?

A: The surcharges remain the same for residential and dedicated landscape accounts. Each unit of water in excess of your allocation will be charged as follows:

- Drought Surcharge 1 (DS1): Excess consumption over allocation up to the 2013 monthly average will be charged at \$3.56 per unit
- Drought Surcharge 2 (DS2): Excess consumption over the 2013 monthly average will be charged at \$7.13 per unit

Q: Why are the surcharges still in effect?

A: Achieving a 20% reduction will require effort. Conservation programs that include price signals such as tiered rates and/or surcharges have proven to be effective.

Q: Is SJWC making more money by collecting the surcharges?

A: No. The surcharges go into a special account and are used to offset future collection of fixed costs. When customers conserve, SJWC does not collect enough to recover its fixed costs. An explanation on fixed versus variable costs can be found on our comprehensive drought webpage.

Q: What are the water supply options for our area?

A: Our area enjoys a very diverse water supply consisting of a well-managed groundwater basin, imported water from the Sacramento/San Joaquin River Delta, local surface water, and recycled water. SJWC is continuing to work with the District and other local utilities to evaluate recycled water projects that will increase the availability of this local, reliable, and drought-resilient supply.

Q: What can you do to help me use water more wisely?

A: SJWC offers a comprehensive water conservation program that includes water audits, low-flow devices, and informational brochures and videos. More information is available on our comprehensive drought webpage.

Q: Where can I find more information?

A: A comprehensive drought webpage has been established on our website at www.sjwater.com. Click on the California Drought banner for the latest on restrictions, regulatory actions, and other drought resources.