

**SUPPLEMENT SCHEDULE No. 14.1
WATER SHORTAGE CONTINGENCY PLAN
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES**

(N)

APPLICABILITY

This schedule is applicable to water customers served under all potable tariff rate schedules authorized by the Commission for the utility. It is effective in times of mandatory water conservation after Commission approval and only for the period noted in the Special Condition Section below:

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS

STAGE 1 - CONSERVATION – NON-ESSENTIAL OR UNAUTHORIZED USES

Stage 1 is a call for voluntary conservation. This stage will be called by SJWC when customers are asked to meet conservation targets. Outdoor irrigation limits may be declared specifying the number of days per week irrigation will be allowed.

The following non-essential or unauthorized uses of water are declared to be a wasteful uses of water and are subject to the terms and conditions of Rule No. 11:

1. Limits on Watering: 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 day per station, 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. Use of potable water for watering outside plants, lawn, landscape, and turf areas during and up to 48 hours after measurable rainfall.
3. Obligation to Fix Leaks, Breaks or Malfunctions: 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 the customer has failed to make such repairs within 5 business days after receipt of such notice.
4. Limits on Washing Vehicles: 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.

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(Continued)

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STAGE 1 CONSERVATION NON-ESSENTIAL OR UNAUTHORIZED WATER USES (Continued)

5. Operation of commercial car washes that do not recycle the potable water used as required by the California Water Code Sections 10950-10953.
6. The serving 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. No Excessive Water Flow or Runoff: 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 run-off or a waste of water.
9. The use of potable water in a fountain or other decorative water device that does not have a fully automatic recirculation system, or the filling or topping off of decorative lakes or ponds, except where the water is part of a recirculating system.
10. Other restrictions on use of potable water as prescribed from time to time by the Commission, SJWC, or another governing body or agency.

STAGED REDUCTIONS 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.

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(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)

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

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SCHEDULE No. 14.1

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**WATER SHORTAGE CONTINGENCY PLAN
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(Continued)**

STAGE 4 -EMERGENCY WATER REDUCTION (continued)

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.

**WATER SHORTAGE CONTINGENCY PLAN WITH STAGED MANDATORY REDUCTIONS
AND DROUGHT SURCHARGES – SCHEDULE NO. 14.1**

1. Upon the declaration of a water shortage emergency by a water wholesaler, government agency or the governing body of a distributor of a public water supply (per Water Code Section 350), SJWC may request addition of a Schedule No. 14.1 – Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges tariff, via a Tier 2 advice letter, with full justification. The utility may not activate Schedule No. 14.1 until it has been authorized to do so by the Commission, as delegated to the Division of Water & Audits.
 - a. A staged Schedule No. 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule No. 14.1 tariff and SJWC has requested and received authorization for activating a stage by the Commission.
 - b. Notice of the Tier 2 advice letter and associated public participation hearing if required shall be provided to customers through a bill insert or a direct mailing.
 - c. The Utility shall comply with all requirements of Sections 350-358 of the California Water Code.

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WATER SHORTAGE CONTINGENCY PLAN
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES
(Continued)

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STAGED MANDATORY WATER REDUCTIONS – SCHEDULE NO. 14.1 (Continued)

- d. The Tier 2 advice letter requesting the addition of a Schedule No. 14.1 shall include but not be limited to:
 - i. The proposed Schedule No. 14.1 tariff, which shall include but not be limited to:
 - 1. Applicability;
 - 2. Applicable Territory;
 - 3. A detailed description of each Stage of Mandatory Water Reductions;
 - 4. A detailed description of the Trigger that Activates each Stage of Mandatory Water Reductions;
 - 5. A detailed description of each water use restriction, prohibition and/or reduction level for each Stage of Mandatory Water Reduction
 - 6. Water use violation levels, written warning levels, applicable rate schedules and drought surcharges, associated penalties, surcharges or fees, if applicable, and exception procedures
 - 7. Conditions for installation of a flow restrictor,
 - 8. Charges for removal of flow restrictors, and
 - 9. Special Conditions
 - ii. Justification for, and documentation and calculations in support of the Schedule, including but not limited to each item in B.1.d.i above.
- 2. Number of Stages requested by each utility/district/water system may vary, depending on local conditions and specifics of the water shortage event.
- 3. SJWC may enact a particular stage of Schedule 14.1:
 - a. If the Commission, wholesale water supplier, or other government agency declares an emergency requiring mandatory water use restrictions, or
 - b. If a government agency declares a state of emergency in response to severe drought conditions, earthquake or other catastrophic event that severely reduces the utility's water supply, or
 - c. If the implementation of mandatory restriction levels set by the Commission, utility, wholesale water supplier, or government agency are insufficient, or
 - d. If the utility is unable to address conservation levels set by itself or governing body or agency, or
 - e. If the utility chooses to subsequently activate a different stage.
- 4. When enacting a particular stage of Schedule 14.1, SJWC shall file a Tier 2 advice letter to request activation.
- 5. The Tier 2 advice letter requesting activation of a Schedule No. 14.1 shall include but not be limited to:
 - a. Justification for activating this particular stage of reductions, as well as the period during which this particular stage of mandatory restrictions and reductions measures will be in effect.
 - b. Notification to its customers as detailed below.

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SUPPLEMENT **SCHEDULE No. 14.1** **SLIP/SUB SHEET^(N)**
WATER SHORTAGE CONTINGENCY PLAN
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES
(Continued)

ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS

1. The staged reduction of water usage and mandatory restrictions in Section C of this Plan become enforceable through additional tariff rates when the Schedule No. 14.1-Water Shortage Contingency Plan with Staged Mandatory Reductions and Drought Surcharges program is implemented.
2. The utility may, after one written warning, install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in above.
3. A flow restrictor shall be capable of providing the premise with a minimum of 5 gallons per minute. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.
4. After the removal of the restricting device, if any non-essential or unauthorized use of water continues, the utility may install another flow-restricting device without written notice. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to the utility.
5. Any tampering with flow restricting device by customer can result in discontinuation of water use.
6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water continues, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.

APPEAL PROCEDURE

1. Any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Water Shortage Contingency Plan.

NOTICE

1. When SJWC requests the addition of a Schedule 14.1 –Water Shortage Contingency Plan with Stage Mandatory Reductions and Drought Surcharges tariff, via a Tier 2 advice letter, it shall provide customer notice of the Tier 2 advice letter and associated public hearing, if necessary. Notice will be provided to customers through bill inserts or direct mailing, and through a posting in the local newspaper of circulation. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes the addition of Schedule 14.1 to the tariff except in cases of emergency water shortages approved by the Division of Water & Audits.

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 WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES
 (Continued)**

NOTICE (Continued)

- a. SJWC shall consult with the Division of Water and Audits staff prior to filing the advice letter, in order to determine the details of the public meeting.
2. If activation of Schedule No. 14.1 occurs one year or more since the public hearing associated with adding Schedule No. 14.1 to its tariffs, then the utility shall conduct a public hearing pursuant to California Water Code Section 351 prior to activating the rationing stage.
3. During the period that a stage of Schedule No. 14.1 is activated, SJWC shall provide customers with updates regarding its water supply status and the results of customers' conservation and water use reduction efforts.
4. During the period that a stage of Schedule No. 14.1 is activated, SJWC shall provide customers with updates regarding its water supply status and the results of customers' conservation and water use reduction efforts.

DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES

Residential

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 20%, so the Drought Allocation is 80% 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.

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Residential Allocation Plan		
2013 Base Year	2013 Average Monthly Residential Usage (ccf)	Monthly Drought Allocation (ccf)
Jan*	10	9
Feb*	9	9
Mar*	9	9
Apr*	11	9
May	14	12
Jun	16	13
Jul	19	16
Aug	19	16
Sep	19	16
Oct	17	14
Nov	17	14
Dec	14	12

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

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 (Continued)**

DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES (continued)

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 20% required reduction percentage results in a 80% allocation. Allocations falling between full one hundreds of cubic feet will be rounded up to the next full hundred cubic feet.

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DROUGHT ALLOCATION ADJUSTMENTS

1. Any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.
2. Any customer not satisfied with the utility's response may file an appeal with the Director of the Division of Water & Audits.
3. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Water Shortage Contingency Plan.

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	\$7.1268 per ccf

For Landscape Customers:

Excess usage over monthly Drought Allocation up to 2013 Average Monthly Usage	\$3.5634 per ccf
Excess usage over 2013 Average Monthly Residential Usage	\$7.1268 per ccf

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(Continued)**

FLOW RESTRICTOR REMOVAL FEE

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

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

SPECIAL CONDITIONS

1. Drought Allocations and Drought Surcharges are suspended effective February 1, 2017. (C)
2. Schedule 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 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 14.1 and Schedule 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.
9. None of the restrictions apply to the use of recycled water. The Limits on Watering and Limits on Watering Days shall not apply (except for Stage 4) to commercial nurseries, golf courses, or other water-dependent businesses, unless specifically required by SJWC or a governing jurisdiction.

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