

SUPPLEMENT

RULE NO. 14.1 WATER SHORTAGE CONTINGENCY PLAN

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The water supply for San Jose Water Company (SJWC) may be interrupted or reduced due to a variety of circumstances, for instance, in response to a drought or a catastrophic event, such as an earthquake or a fire that damages water delivery and storage facilities, or a power outage that affects water treatment or pumping operations. This Water Shortage Contingency Plan (Plan) enables SJWC to respond efficiently and effectively to all water shortage contingencies.

A. GENERAL INFORMATION

1. Wasteful water use practices, as outlined in Section B of this Plan, constitute prohibited, non-essential or unauthorized water use, and are declared to be a waste of water, subject to the terms and conditions of Rule 11, which allow the utility to discontinue service after due notice. The utility's customers shall be notified of these conservation measures through a bill insert or a direct mailing, and/or through other communications, pursuant to the direction of the California Public Utilities Commission (Commission).
2. If water supplies are projected to be insufficient to meet normal customer demand for reasons beyond the control of the utility, or in the event that the utility is directed under an emergency regulation by an authorized government agency, commission or official, SJWC may implement additional water saving conservation measures and mandatory restrictions, as described in Section C of this Plan.
3. Should supply conditions or government directives dictate, prior to, or in response to, executive orders, state agency-promulgated emergency regulations, or a declaration of emergency issued by a water wholesaler or other government agency, SJWC may request permission from the Commission to add a Schedule 14.1 – Water Shortage Contingency Plan with Stage Mandatory Reductions and Drought Surcharges tariff as set forth in Section D. If SJWC is without a full decoupling WRAM in one or more ratemaking areas it may request a lost revenue memorandum account at that time.
4. SJWC shall file a Tier 2 advice letter to request activation of a particular stage of Schedule 14.1 – Water Shortage Contingency Plan with Stage Mandatory Reductions and Drought Surcharges, as set forth in Section D.
 - a. If the Commission or SJWC declares an emergency requiring mandatory water use restrictions, or
 - b. If a government agency with legal jurisdiction over SJWC or its service area 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 voluntary conservation levels or mandatory restrictions on certain uses of water, set by the Commission or SJWC are insufficient, or
 - d. If a Declaration of Emergency is made by the SJWC or its governing agency, or
 - e. If the utility chooses to subsequently activate a different stage.

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A. GENERAL INFORMATION (Continued)

5. All monies collected by the utility through surcharges or fees shall be booked to the WRAM or a similar memorandum account to offset recovery of lost revenues.
6. 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.
7. When Schedule 14.1 is in effect and the utility determines that water supplies are again sufficient to meet normal demands, and mandatory restrictions are no longer necessary, the utility shall seek Commission approval via a Tier 1 advice letter to deactivate the particular stage of mandatory reductions or allocations that had been authorized.
8. None of the restrictions below 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.

B. CONSERVATION – NONESSENTIAL OR UNAUTHORIZED USES (STAGE 1 – CONSERVATION AND OUTREACH)

Stage 1 (Conservation and Outreach) 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 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

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B. CONSERVATION -NON-ESSENTIAL OR UNAUTHORIZED WATER USES (Continued)

- 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.
- 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.

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

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

(N)

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 Stage Mandatory Reductions and Drought Surcharges, 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.

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, and associated penalties, surcharges or fees, if applicable, and any 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.

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

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. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Section G, below.

E. 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.

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SLIP/SUB SHEET

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E. ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS (Continued)

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 Section B and C above.
3. A flow restrictor shall be capable of providing the premise with a minimum flow 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.

F. 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.

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G. NOTICE

1. As stated under Section D, 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.
 - 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.

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