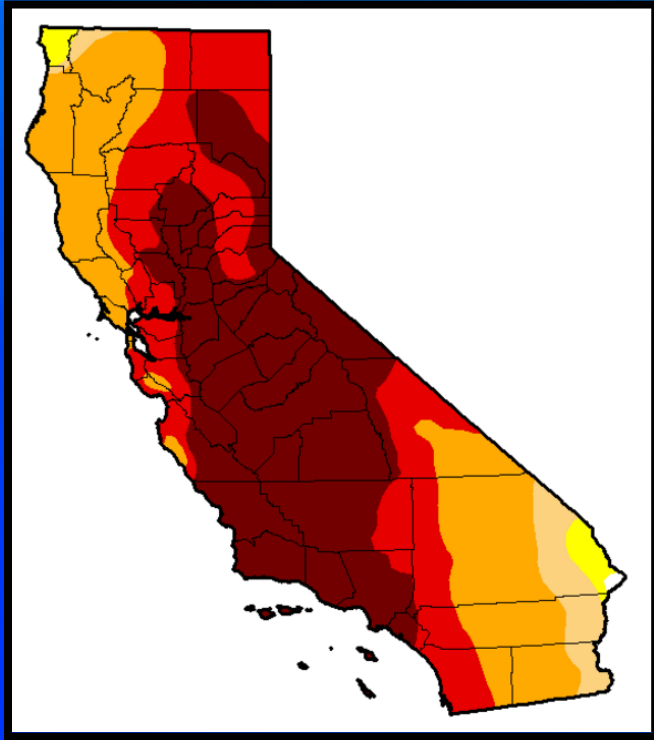


This presentation premiered at WaterSmart Innovations

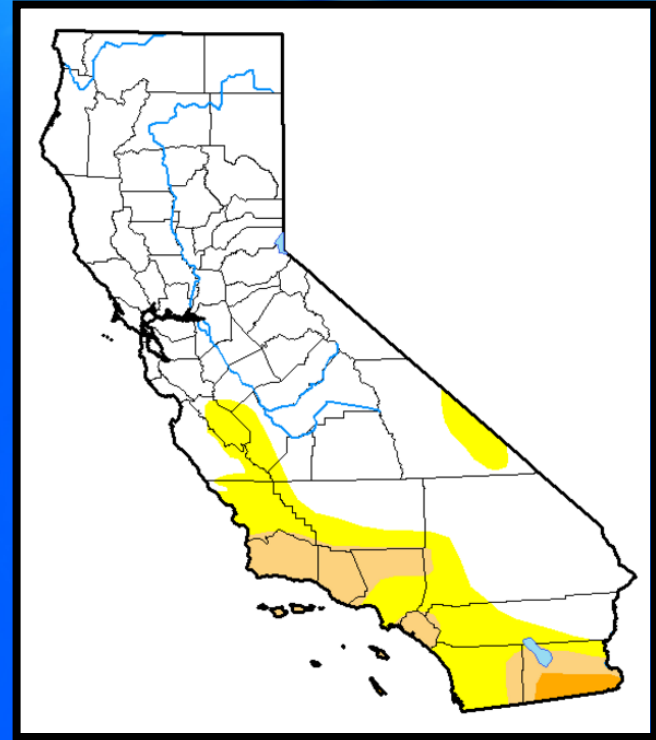
watersmartinnovations.com



The Drought: An IOU's Approach to Achieving Mandatory Conservation



March 31, 2015



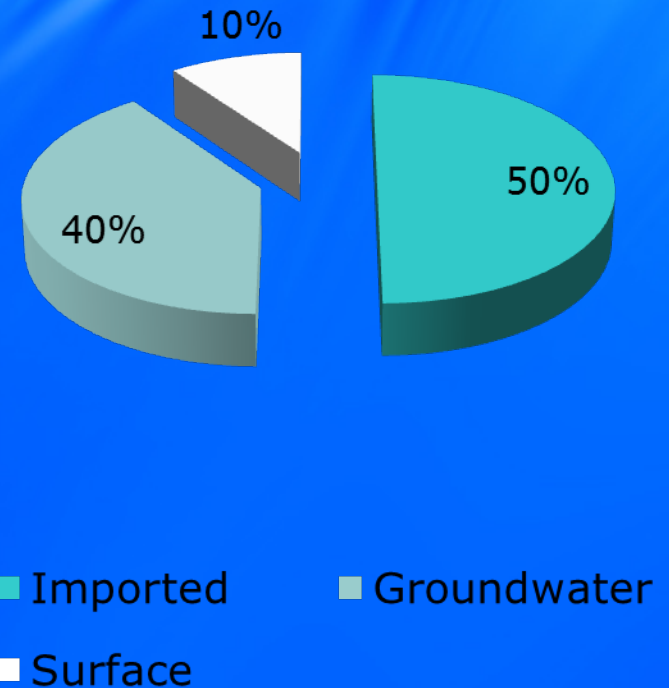
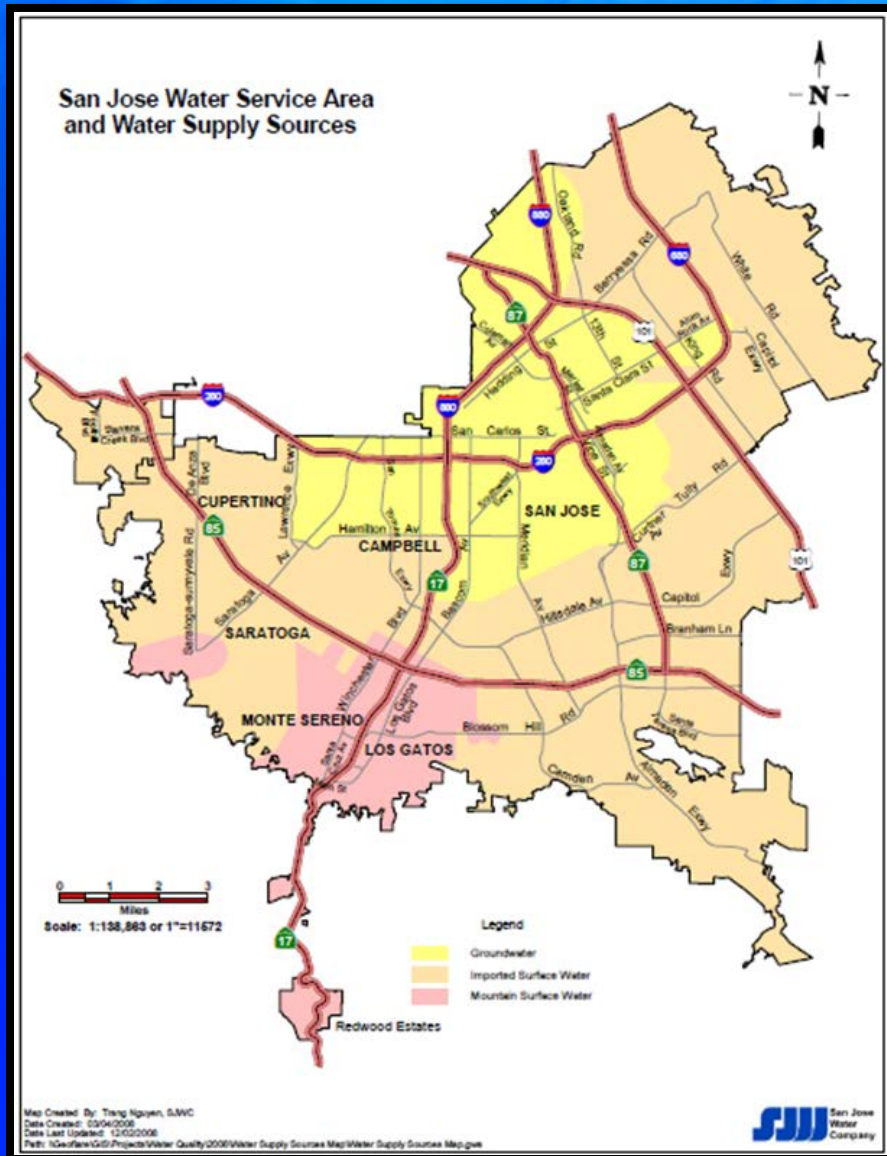
March 28, 2017

San Jose Water Company At-A-Glance

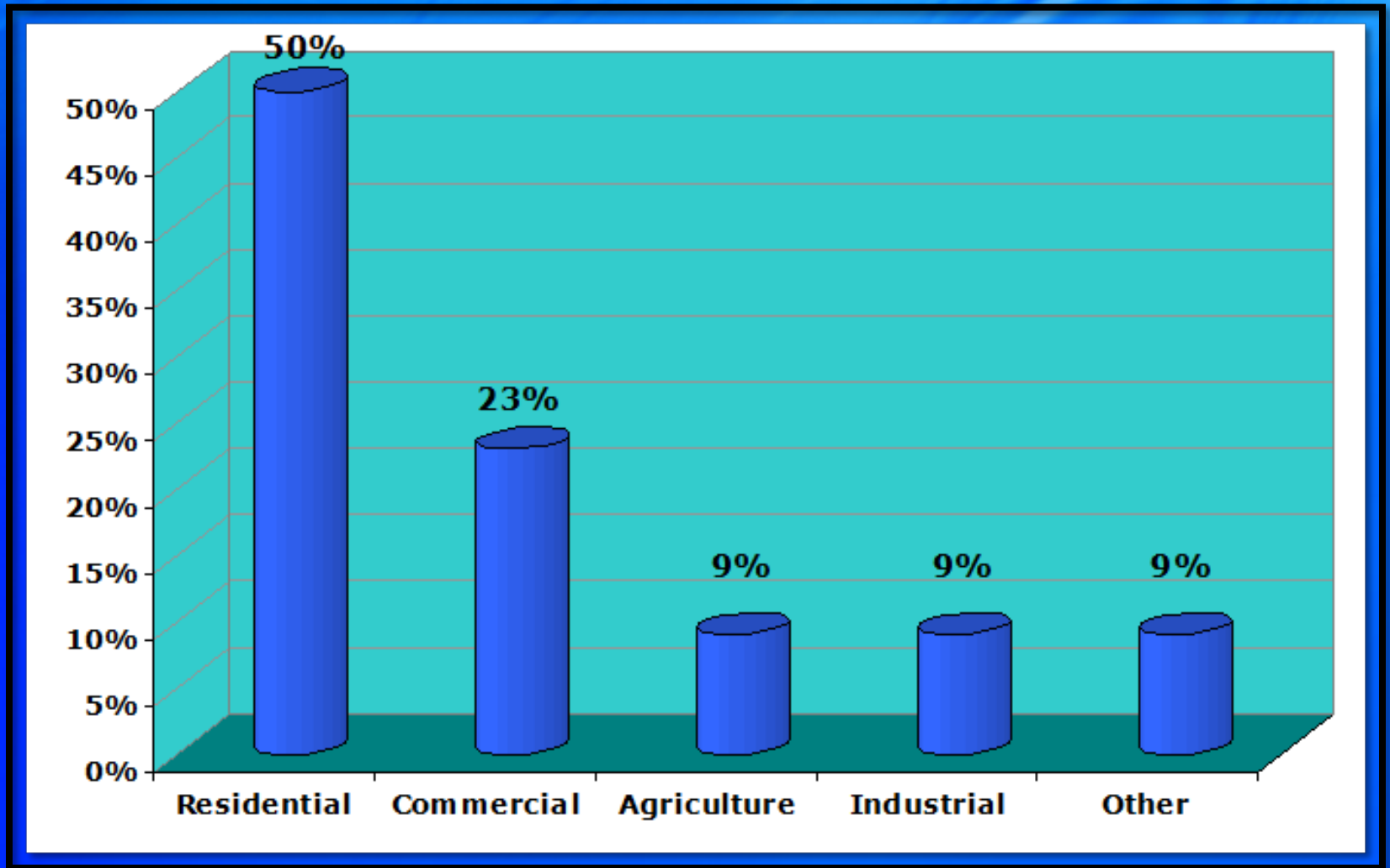
- Established in 1866, serves approximately one million people in the San Jose area
- Largest investor-owned water utility in California with a contiguous service area
- Service area
 - 138 square miles
 - 2,400 miles of mains
 - 220,000 customer accounts



San Jose Water Company Water Sources



Uses of Water by Customer Sector



The Recent California Drought Timeline

- **2011 to 2013** – Three consecutive years of below average precipitation
- **February 25, 2014** – Santa Clara Valley Water District (SCVWD) changes conservation target to 20% from 10%
- **March 30, 2014** – SJWC institutes Rule 14.1 mandating conservation measures in an effort to reach 20% reduction goal
- **March 25, 2015** – SCVWD calls for 30% conservation
- **April 1, 2015** – Governor's Executive Order requires 25% mandatory statewide reduction
- **April 9, 2015** – CPUC orders water companies to implement water allocation plan
- **June 15, 2015** – SJWC institutes Schedule 14.1 conservation rates, allocations, and surcharges

Water Use Rules and Water Waste Violations

- All water use rules enforced through our Water Waste program.
- Noted water use rules:
 - Leaks must be repaired within 72 hours of notice
 - Irrigation restricted to 2 day per week
 - No washing vehicles at home
 - No filling new swimming pools
 - No irrigation runoff from the property



San Jose Water Company Water Conservation Measures

The following watering rules are now in place for all San Jose Water Company customers.

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 prominently 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)

- 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 a.m. and 8:00 p.m. 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.

SJWC can only enforce the water use restrictions listed above. Please check with your municipality for any additional restrictions that may apply.

These rules are described in more detail at www.sjwater.com.



110 West Taylor Street, San Jose, CA 95110
www.sjwater.com • (408) 279-7900

The Public Has Its Say



- Public Utilities Commission required SJWC to host public hearing on May 28, 2015.

Water Use Allocations and Surcharges

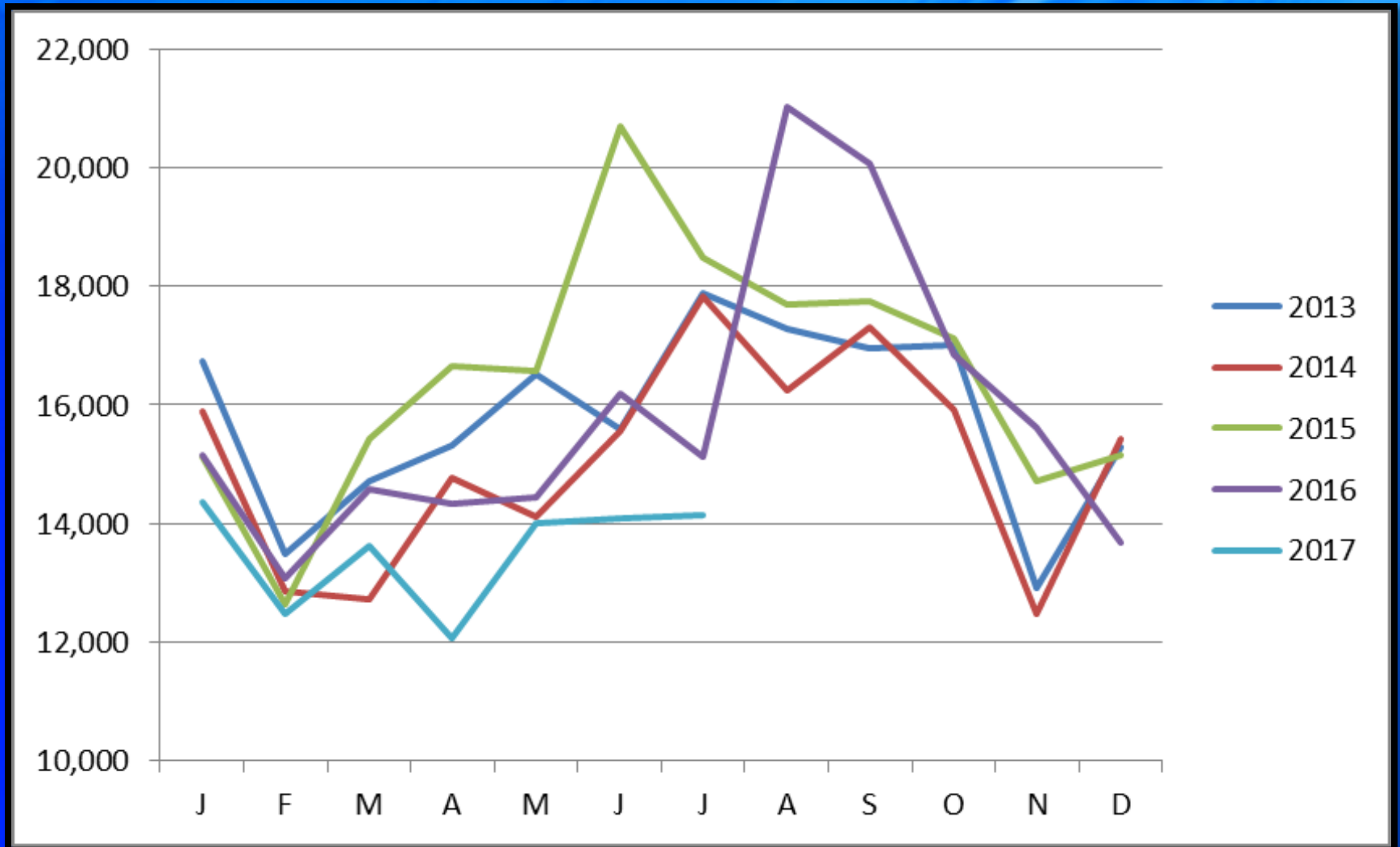
- Same allocation for all single family residential customers regardless of property size and not based on previous use.
- Customized allocation for dedicated landscape customers.

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2013 Average	10	9	9	11	14	16	19	19	19	17	17	14
Target (units)	9	9	9	9	12	13	16	16	16	14	14	12
Target (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

Consumption	Rates	Total
50 units @ current rates	6 units @ \$4.06	\$24.36
	30 units @ \$4.51	\$135.30
	14 units @ \$4.96	\$69.44
DS1	6 units @ \$3.56	21.36
DS2	12 units @ \$7.13	85.56
Total Consumption Charge		\$336.02

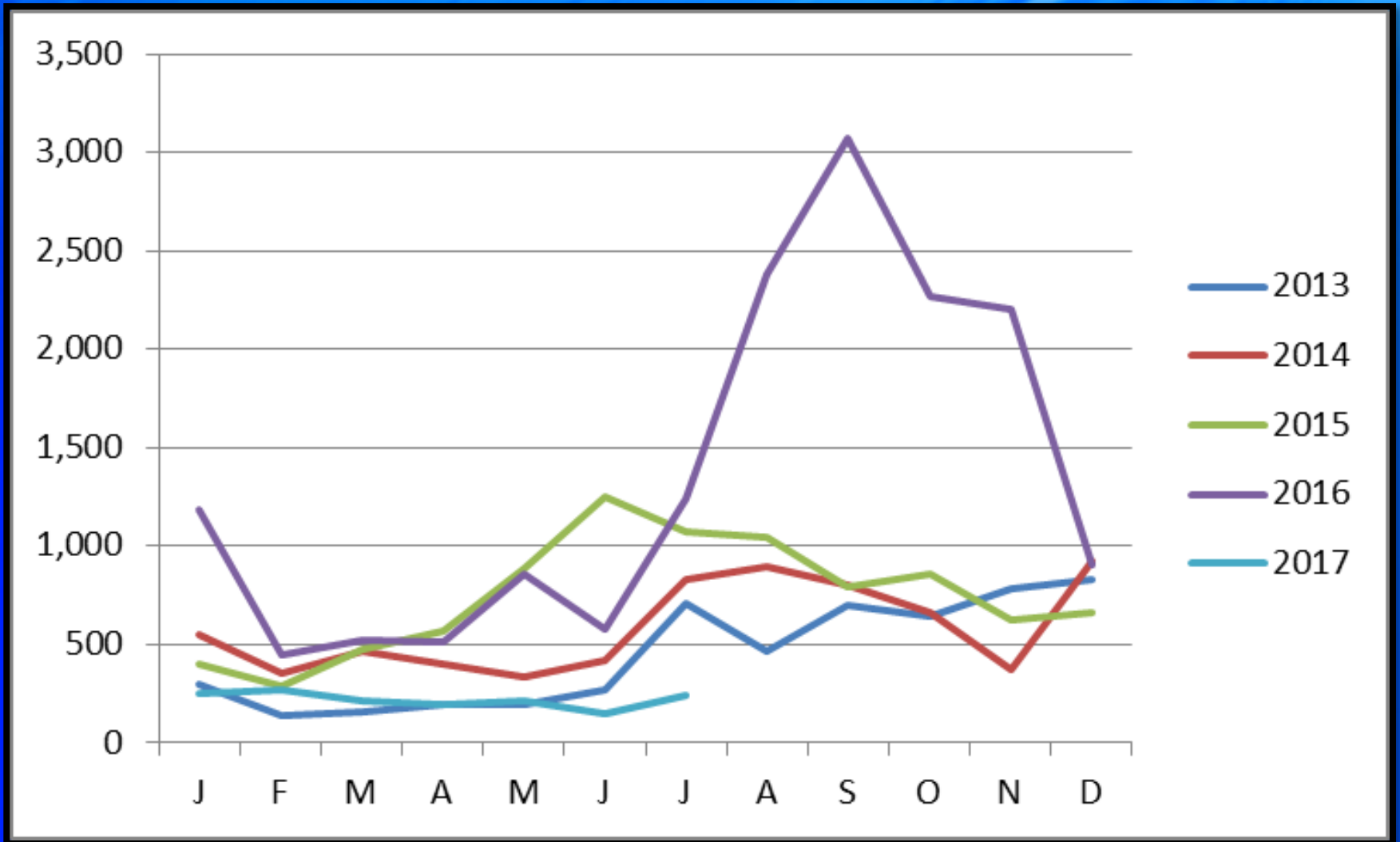
Customer Service Impact

Total Calls to Customer Service



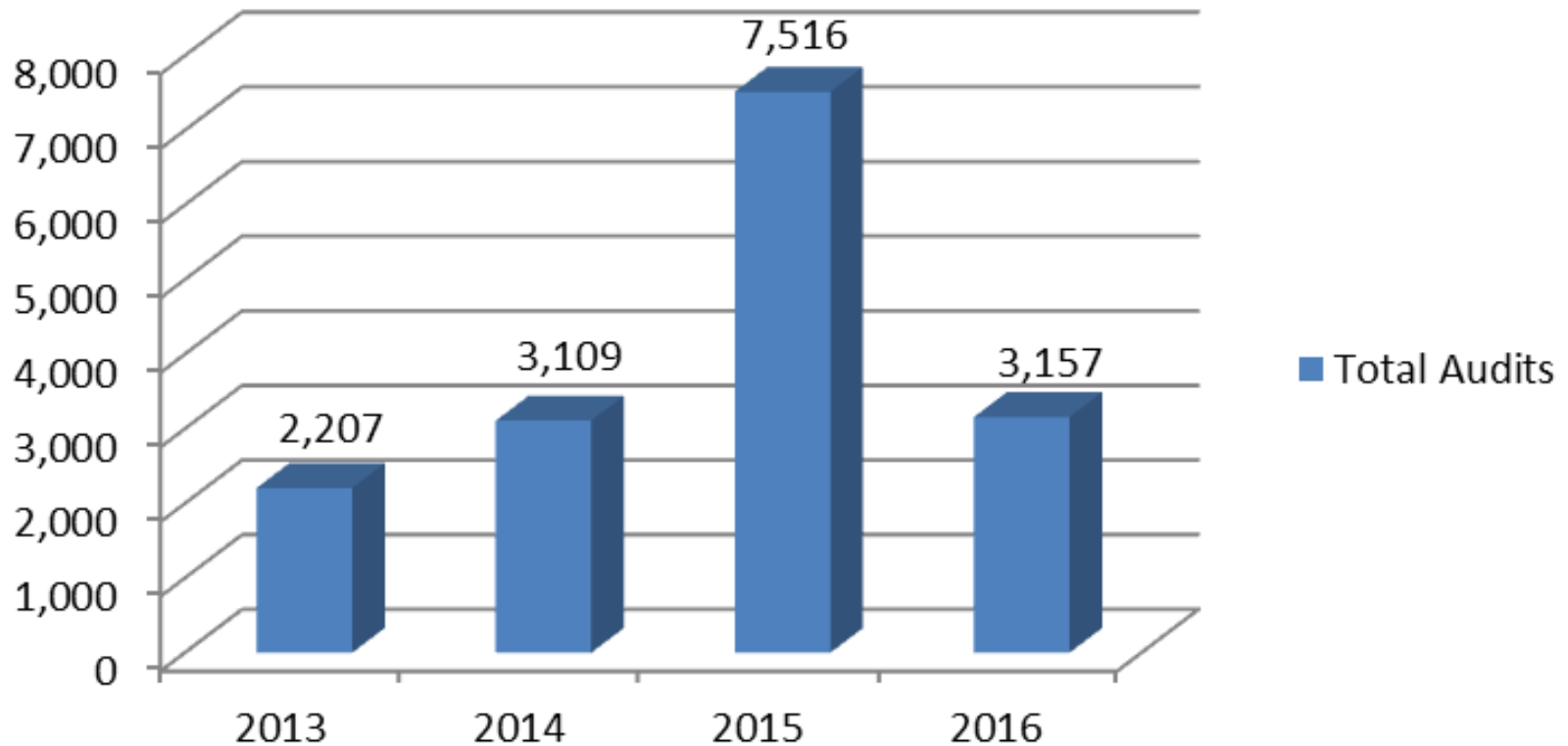
Customer Service Impact

Total Abandoned Calls

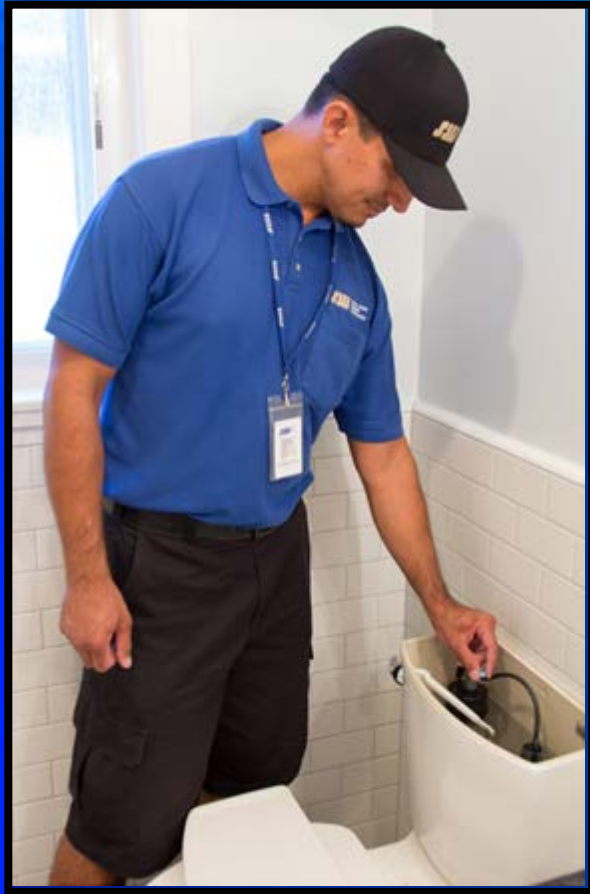


Water Conservation Audit: Program Participation

Total Audits

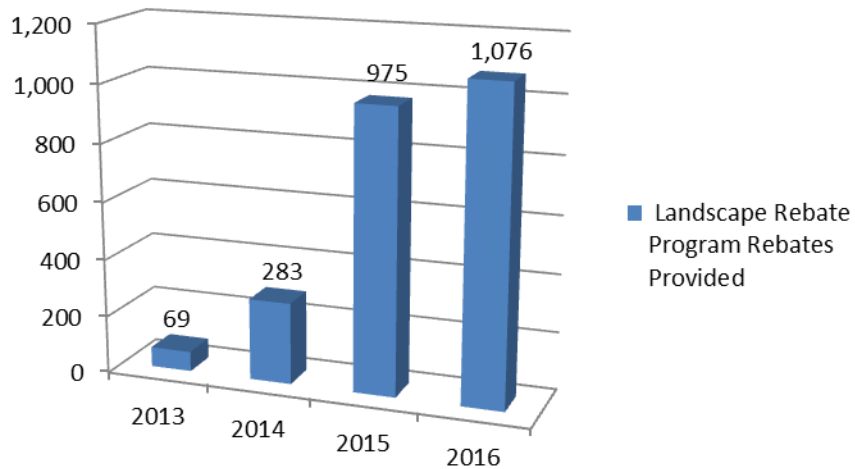


Water Audit in Action

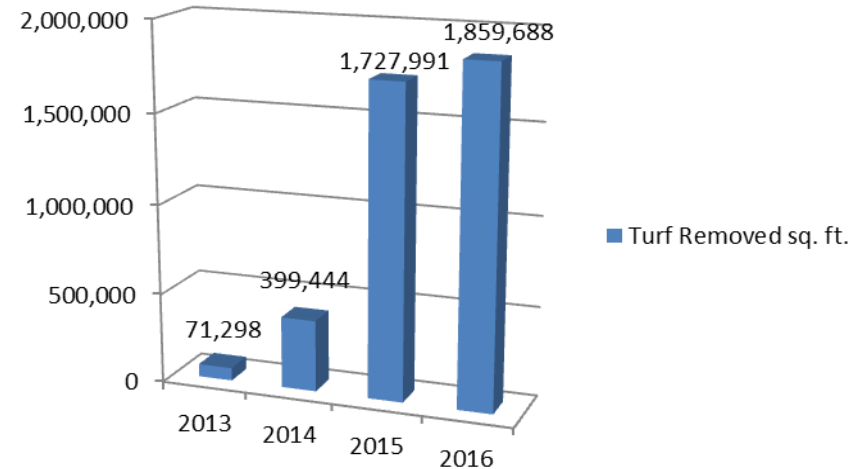


Santa Clara Valley Water District: Landscape Rebate Program (Turf Removed)

Landscape Rebate Program: Rebates Provided

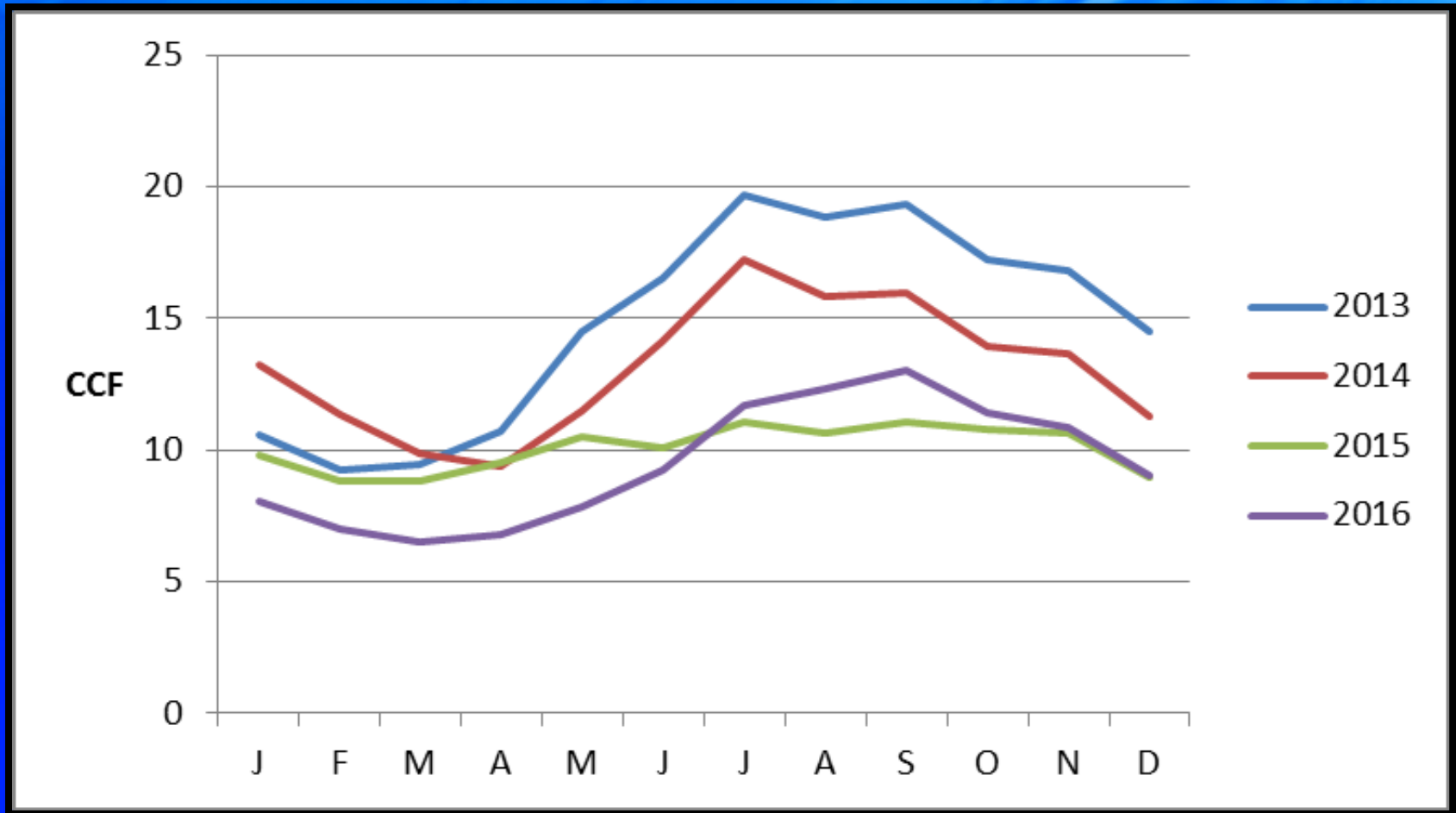


Landscape Rebate Program: Turf Removed sq. ft.

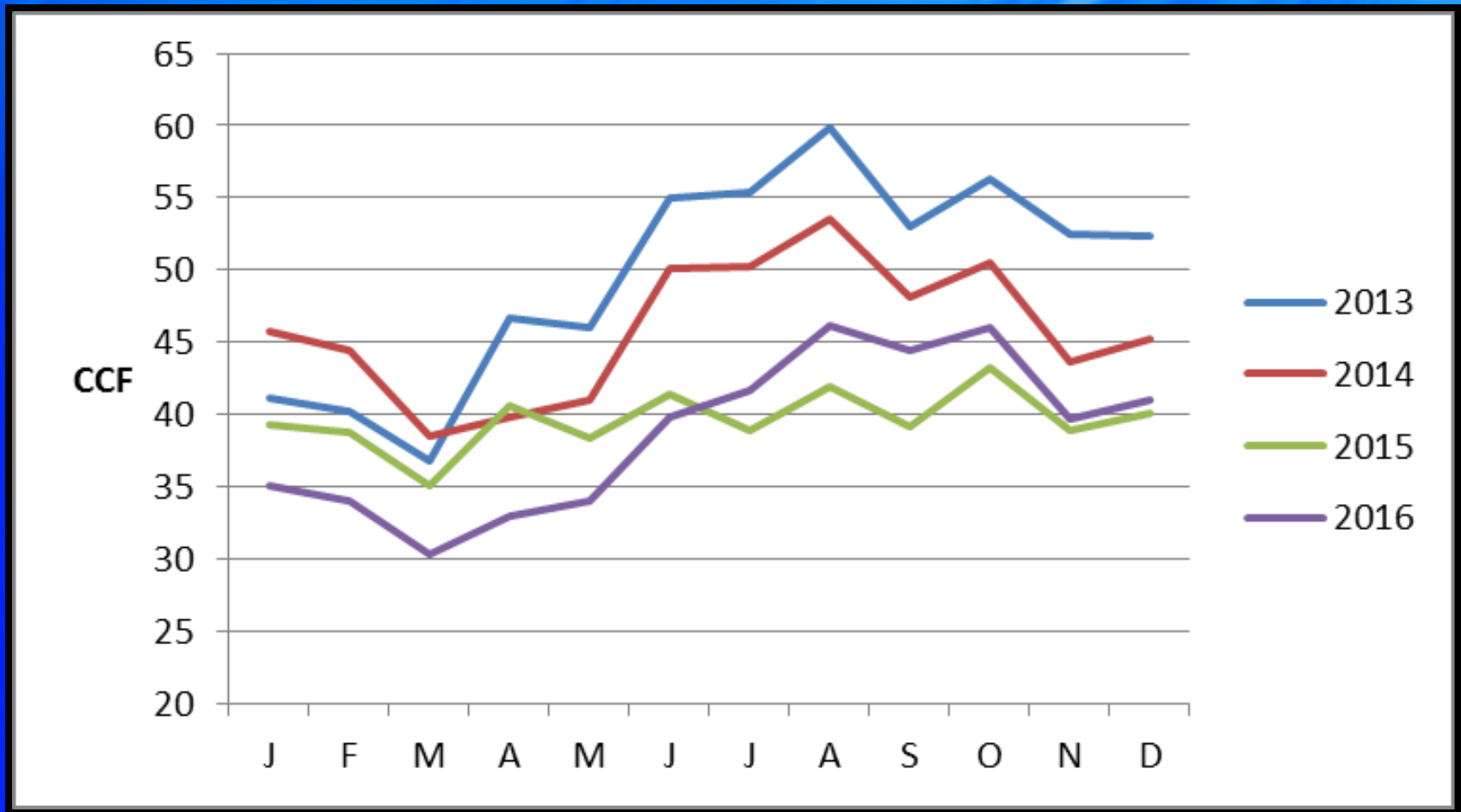


San Jose Water Company Customers

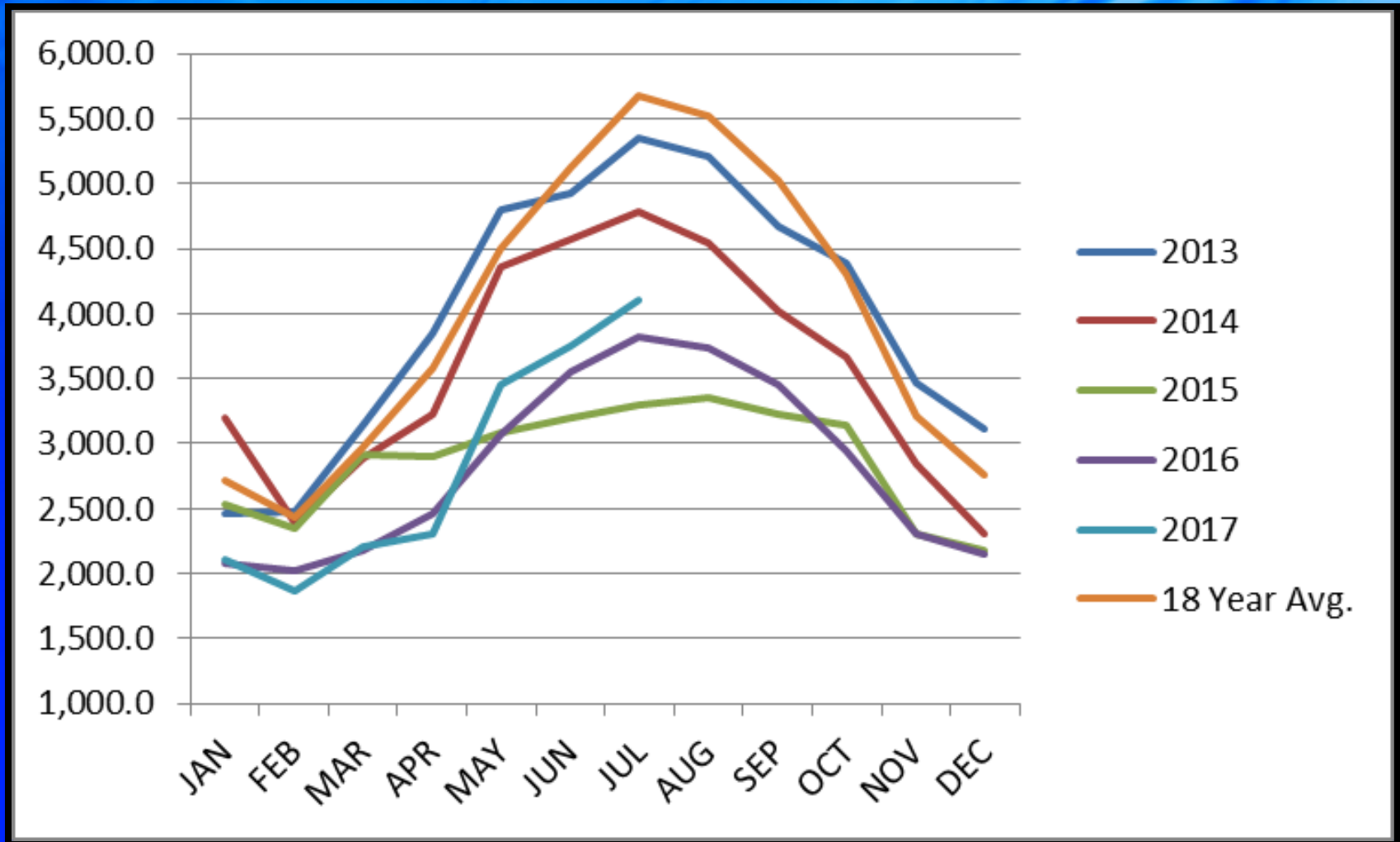
Residential Customer Water Use



Commercial Customer Water Use Reduction

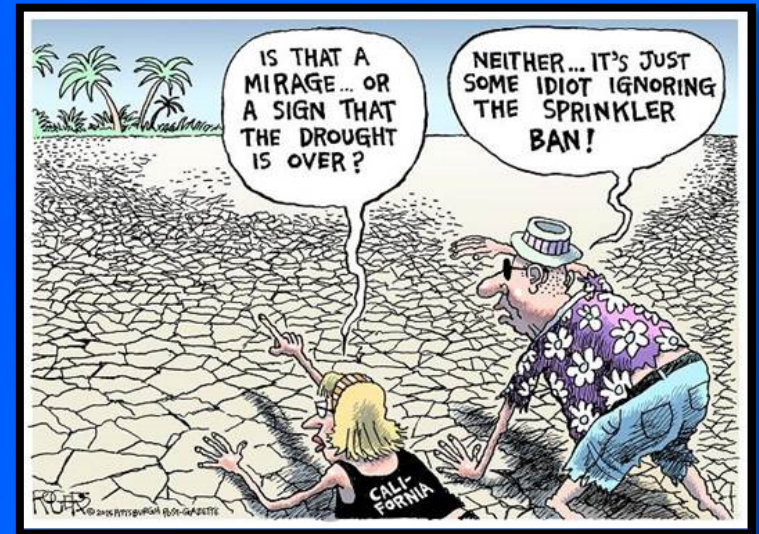


Total Production



What Was Learned

- Residential customers with the largest irrigated landscapes saw the largest increase in water bills and therefore had the greatest incentive to conserve.
- Customers are continuing to be efficient with their water use as total water use has yet to rebound to pre-drought levels
- No matter how the drought surcharge framework is established, not everyone will be satisfied.



Thank You

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