



Drought response efforts of San Jose Water Company, Great Oaks Water Company, and California Water Service

**Valley Water Board Meeting
January 25, 2022**

Mandatory Conservation Plan

John Tang
Vice President of Regulatory Affairs
and Government Relations



Timeline

Filed Schedule 14.1 Water Shortage Contingency Plan with California Public Utilities Commission

- Filing – October 15
- Public Hearing – October 28
- CPUC Approval – November 15
- SJW Implementation – December 13



New Plan for a New Normal

2021
UPDATE

Three major components:

- Water use allocations based on a *customer's individual 2019 usage*
- A set of minimum allocations to recognize the efforts of our low water-using customers
- Drought surcharges for exceeding allocations



Allocations

- 15% reduction in usage from customer's 2019 levels
- Customers will have bi-monthly allocations printed on their bills

$$\begin{array}{ccccc} 40\text{CCF} & \times & 15\% & = & 6\text{CCF} \\ \text{2019 USAGE} & & \text{REDUCTION} & & (40 \times .15 = 6) \end{array}$$

$$\begin{array}{ccccc} 40\text{CCF} & - & 6\text{CCF} & = & 34\text{CCF} \\ \text{2019 USAGE} & & (40 \times .15 = 6) & & \text{CURRENT ALLOCATION} \end{array}$$

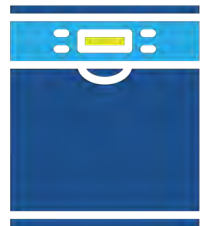
$$1\text{CCF} = 748\text{ GALLONS}$$



2 gallons
per minute



1.6 gallons
per flush



6 gallons
per cycle

Allocations

Protecting low water users
– no drought surcharges if
usage is below minimum
allocation.

Minimum Drought Allocations (2019 Base Year)

	2019 Average Monthly Residential Usage (CCF)	15% Reduction Min. Monthly Drought Allocation (CCF)
January	10	9
February	7	6
March	7	6
April	7	6
May	9	8
June	10	9
July	13	11
August	13	11
September	15	13
October	13	11
November	14	12
December	11	9

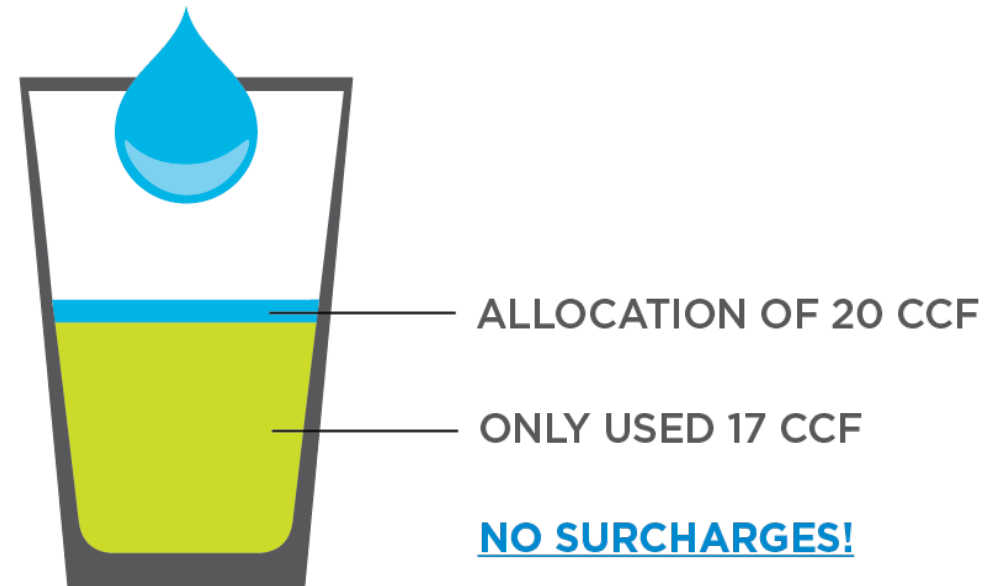
Drought Surcharges

Usage above the allocation is charged at Tier 3 rate – currently \$7.13

Customers who exceed their allocations will incur drought surcharges in addition to the charges at the regular rates of water consumed.

CUSTOMER A

- Has an allocation of 20 CCF of water for a two-month billing period.
- Uses 17 CCF of water during that time.
- No drought surcharges are applied to this bill because Customer A used less than the allocation.



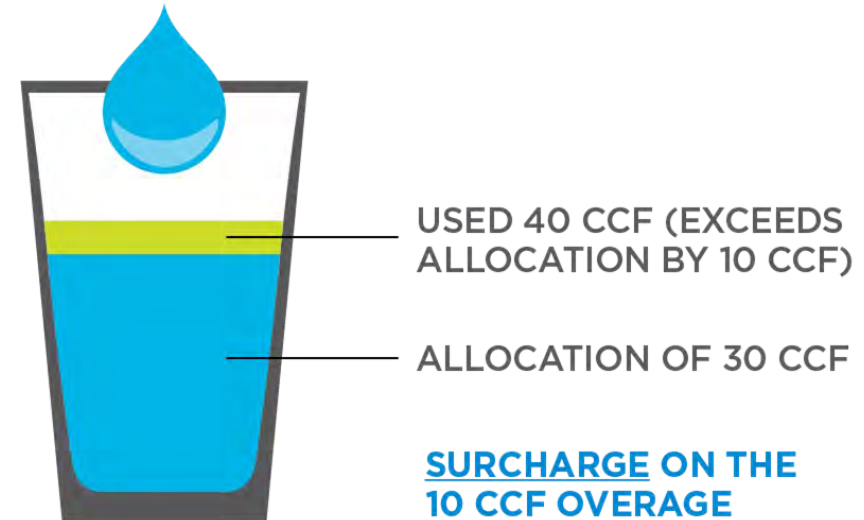
Drought Surcharges

Usage above the allocation is charged at Tier 3 rate – currently \$7.13

Customers who exceed their allocations will incur drought surcharges in addition to the charges at the regular rates of water consumed.


CUSTOMER B

- Has an **allocation of 30 CCF** of water for a two-month billing period.
- Uses 40 CCF of water during that time.
- Exceeds the allocation by 10 CCF (40-30).
- In addition to paying for the 40 CCF of water, the customer is **charged a drought surcharge of \$71.30** (Tier 3 rate x units over the allocation = 7.13×10 CCF of water).




Appeals Process

- If a customer feels their allocation should be changed, they submit an appeal for review.
- Common reasons for appeals
 - # of people in the home
 - Health issues

 **SAN JOSE WATER**
110 West Taylor Street, San Jose, CA 95110
408-279-7900 • sjwater.com
Se Habla Español

**Allocation
Appeal Form**



Conservation is a
California Way of Life

Customer Name (Last/First): _____

Account Number: _____ Date: _____

Service Address (Number/Street/Unit #): _____

(City/State/Zip): _____

Email Address: _____

Phone number: _____ ☐ Cell ☐ Work ☐ Home

Customer appeals will be considered for one of the following reasons

☐ I would like my allocations increased due to a change in the number of household members.
Number of additional household members: _____

☐ My property is not a residential property.

☐ I have a health issue that requires extensive use of water.
(Please provide documentation from your medical provider.)

☐ This is a commercial service and not a dedicated landscape meter.

☐ Other: _____

Informing and Engaging Our Customers

- Brochure (Spanish & English) explaining plan details mailed to all residential customers November 2021
- Media coverage of plan
- Social media posts
- Letter with customer allocations mailed January 2021
- Dedicated website page – www.sjwater.com/drought

Plan details

FAQs

Resources



Questions?





GREAT OAKS WATER COMPANY

2021 Mandatory Water Conservation Measures

Timeline – Mandatory Water Conservation Measures

- June 9, 2021 – VW Board declares Water Shortage Emergency
- June 9, 2021 – Great Oaks files Advice Letter with CPUC requesting authority to implement mandatory water conservation measures consistent with VW Water Shortage Emergency (15% reduction from 2019 usage)
- June 28, 2021 – Public Hearing (via Zoom) on requested mandatory water conservation measures
- July 13, 2021 – CPUC approves Great Oaks' request
- July 13, 2021 – Great Oaks begins sending bill inserts with information about mandatory water conservation measures.
- August 19, 2021 – First billing period begins that is subject to mandatory water conservation measures (non-residential customers).
- September 7, 2021 – First residential billing period begins that is subject to mandatory water conservation measures.

Mandatory Water Conservation Measures

- Mandatory water conservation measures are applicable to all customer classes
 - In 2014 – 2017 drought, mandatory water conservation measures were applied only to single-family residential customers.
 - Only non-single-family residential customers without a 2019 usage history are exempt from 2021 mandatory water conservation allocations.
- For customers with a 2019 usage history, allocations calculated at 15% of 2019 usage per billing period. For example, if during the October to December 2-month billing cycle in 2019 the customer used 30 ccfs, the allocation for the October to December 2-month billing cycle in 2021 is 26 ccfs (calculates to 25.5 ccfs, rounded up because we do not bill in less than full ccfs).
- For single-family residential customers without a 2019 usage history, allocations are based upon average single-family residential usage in 2019, less 15%, seasonally adjusted.

January	7	May	7	September	10
February	6	June	11	October	9
March	6	July	12	November	8
April	6	August	10	December	7

Mandatory Water Conservation Measures

- **Excess Usage Surcharges** - All usage over the allocation for the billing period are charge excess usage surcharges of \$6.9804/ccf. This is 2 x the uniform quantity rate.
- **Unauthorized Use Surcharges** – Great Oaks’ Tariff Schedule 14.1 lists 15 unauthorized uses, ranging from using water for irrigation that results in runoff in gutters or streets to washing cars, buildings, driveways, etc. with potable water.
 - **First Offense** – written notice to customer to discontinue unauthorized use of be subject to penalty.
 - **Second Offense** (same unauthorized use) - \$25 unauthorized use surcharge
 - **Each Additional Offense** (same unauthorized use) - \$25 more than previous unauthorized use surcharge
- **Exceeding Allocations in Multiple Billing Periods** – if allocations exceeded in three consecutive billing periods, Great Oaks is authorized to install a flow-restricting device on customer service line.
- **Minimum Allocations** – The CPUC has established 6 ccfs per month as the “essential usage amount” for single-family residential customers. No single-family residential customer allocation is less than 6 ccf per month.

Mandatory Water Conservation Measures

- Customers may appeal allocations based upon changed circumstances since 2019 (for those with 2019 usage histories), the number of people in a household, business needs, health and safety (including medical exemptions).
- Customers send appeal letters/emails to Great Oaks requesting consideration of their circumstances.
- Every appeal receives a written response.
- Allocations based upon the number of people in a household are calculated using the 55 gallons-per-person-per-day standard for efficient water use.
 - Allocations are established for the number of days in a billing period, which varies from 56 (on the low end) to 70 (on the high end).
- Bill Information – every bill has a Mandatory Water Conservation information box showing usage, allocations, and conservation performance.
- QUESTIONS?

Consumed This Billing Period: 8 CCFs	
Consumed same Period Last Year: 16 CCFs	
MANDATORY CONSERVATION	
2019 Usage: 18 CCFs	Allocation: 15 CCFs
Conservation: 46.67% Under Allocation	
Excess Usage: 0 CCF	
Allocation for Next Bill: 28 CCF in 70 days	



Providing Safe, Reliable Water in an Era of Droughts

January 25, 2022

Drought Response Timeline



May 10

Governor Newsom issues proclamation declaring drought state of emergency in 41 counties

Jun 9

Valley Water declares Water Shortage Emergency Condition

Jun 15

Cal Water files updated Water Shortage Contingency Plan with CPUC

Jul 8

Governor issues Executive Order calling all Californian's to reduce water use by 15% from 2020 levels

Drought Response Timeline



Jul 14

Cal Water receives approval from CPUC to implement Stage 1 of Water Shortage Contingency Plan (WSCP)

Oct 19

Governor Newsom expands drought emergency statewide

Oct 20

Cal Water files Stage 2 of WSCP for Los Altos

Dec 14

Cal Water receives approval from CPUC to implement Stage 2 of WSCP

Prohibited Uses of Water



- Applying water to outdoor landscapes that causes runoff
- Applying water to driveways and sidewalks
- Using a hose to wash motor vehicles unless hose is fitted with a shut-off nozzle
- Using water in a fountain or decorative water feature, unless using recirculated water



Prohibited Uses of Water



- Irrigating during and within 48 hours of measurable rainfall
- No irrigation between 8 a.m. – 6 p.m.
- Irrigation limited to 2 days/week
- All leaks, breaks, or other malfunctions must be repaired within five business days



Commercial and Business Requirements



- Drinking water may not be served, other than upon request
- Hotel and motel guests must be provided with option of choosing not to have towels and linens laundered daily
- May not install non-recirculating systems in new connections for conveyor car wash applications
- May not install single-pass cooling systems in new connections



Residential Water-Efficiency Programs



- Rebates
 - www.calwater.com/rebates
 - High-efficiency toilets
 - High-efficiency clothes washers
 - Smart irrigation controllers
 - High-efficiency sprinkler nozzles
- Lawn-to-Garden (Turf Replacement) Rebate
- Spray-to-Drip Conversion Rebate
- Conservation Kits
 - www.calwater.com/kit
- Smart Landscape Tune-Up Program

CONSERVE MY California
SAVE WATER EVERY DAY

RESIDENTIAL REBATES: MORE WAYS TO SAVE WATER

During a drought, it's more important than ever to use water wisely. That's why Cal Water's increasing residential rebates—working today and tomorrow to help our customers save water every day.

Visit calwater.com/conservation for full program details, qualified product lists, and to take advantage of our rebates and programs.

SMART IRRIGATION CONTROLLER REBATE* Models must be EPA WaterSense-labeled. UP TO \$125 PER CONTROLLER	HIGH-EFFICIENCY CLOTHES WASHER REBATE* Models must have an Integrated Water Factor of 2.2 or less. UP TO \$180 \$300 PER WASHER
HIGH-EFFICIENCY SPRINKLER NOZZLE REBATE* UP TO \$5 PER NOZZLE	HIGH-EFFICIENCY TOILET REBATE* Models must be EPA WaterSense-labeled, Map Performance-labeled, and certified by the California Geosy Commission. UP TO \$50 \$100 PER TOILET
LAWN-TO-GARDEN REBATE Lawn removal projects that transform grassy areas into water-wise gardens and landscapes. \$3 PER SQUARE FOOT	SPRAY-TO-DRIP REBATE* Conversion of spray irrigation to drip irrigation. \$0.50 PER SQUARE FOOT

* See product list for qualified models.

LEARN MORE AT CALWATER.COM/CONSERVATION

Quality. Service. Value.

Commercial Water-Efficiency Programs



- Rebates
 - www.calwater.com/rebates
 - High-efficiency toilets
 - High-efficiency urinals
 - Smart irrigation controllers
 - Spray bodies w/ pressure regulation
 - Large rotary nozzles
 - High-efficiency sprinkler nozzles
- Lawn-to-Garden (Turf Replacement) Rebate
- Spray-to-Drip Conversion Rebate
- Customized Incentives
- Smart Landscape Tune-Up Program

CONSERVE MY California
SAVE WATER EVERY DAY

COMMERCIAL REBATES: MORE WAYS TO SAVE WATER

During a drought, it's more important than ever to use water wisely. That's why Cal Water is increasing commercial rebates — working today and tomorrow to help our customers save water every day.

Visit calwater.com/conservation for full program details, qualified product lists, and to take advantage of our rebates and programs.

TOILET REBATES*
Models must use 1.20 gallons per flush (gpf) or less.
UP TO ~~\$100~~ **\$200** PER TOILET

HIGH-EFFICIENCY TANK-TYPE TOILET REBATE*
Models must be EPA WaterSense-labeled.
UP TO ~~\$100~~ **\$200** PER TOILET

HIGH-EFFICIENCY URINAL REBATE*
Models must use 0.525 gpf or less.
UP TO ~~\$150~~ **\$300** PER URINAL

LAWN-TO-GARDEN REBATE
Lawn removal projects that transform grassy areas into water-wise gardens and landscapes.
\$3 PER SQUARE FOOT

SPRAY-TO-DRIP REBATE*
Conversion of spray irrigation to drip irrigation.
\$0.50 PER SQUARE FOOT

HIGH-EFFICIENCY SPRINKLER NOZZLE REBATE*
UP TO **\$5** PER NOZZLE

SPRAY BODY WITH INTEGRATED PRESSURE REGULATION & CHECK VALVE REBATE*
UP TO **\$10** PER BODY (MATERIAL)
Plus up to an additional \$5 per nozzle if installed by a C-27 class actor.

LARGE ROTARY NOZZLE REBATE*
UP TO **\$30** PER NOZZLE (MATERIAL)
Plus up to an additional \$5 per nozzle if installed by a C-27 class actor.

SMART IRRIGATION CONTROLLER REBATE*
Models must be EPA WaterSense-labeled.
UP TO **\$25** PER STATION

CUSTOMIZED INCENTIVE PROGRAM
UP TO 50% OF PROJECT COST
(Final amount based on water savings)
This item requires pre-qualification. Contact Cal Water at conservation@calwater.com to begin the process.

LEARN MORE AT CALWATER.COM/CONSERVATION

Quality. Service. Value.®

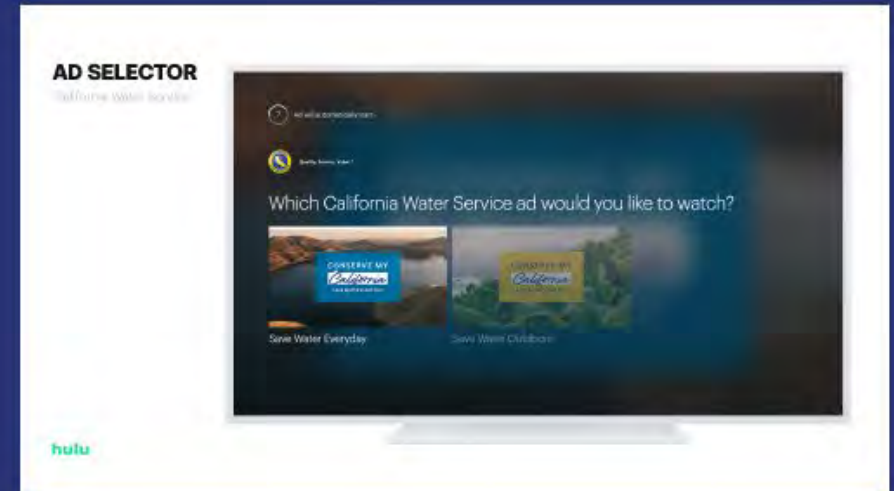
Helping Low-Income Customers Save Water & Keep Bills Affordable



- Smart Landscape Tune-Up Program
 - Evaluation of irrigation system
 - Identification and improvement of irrigation leaks, broken equipment, and other water saving opportunities
 - Installation of smart irrigation controllers
 - Installation of high-efficiency sprinkler nozzles
 - Repair of drip irrigation
 - Repair and replacement of irrigation valves
 - Repair and replacement of spray bodies

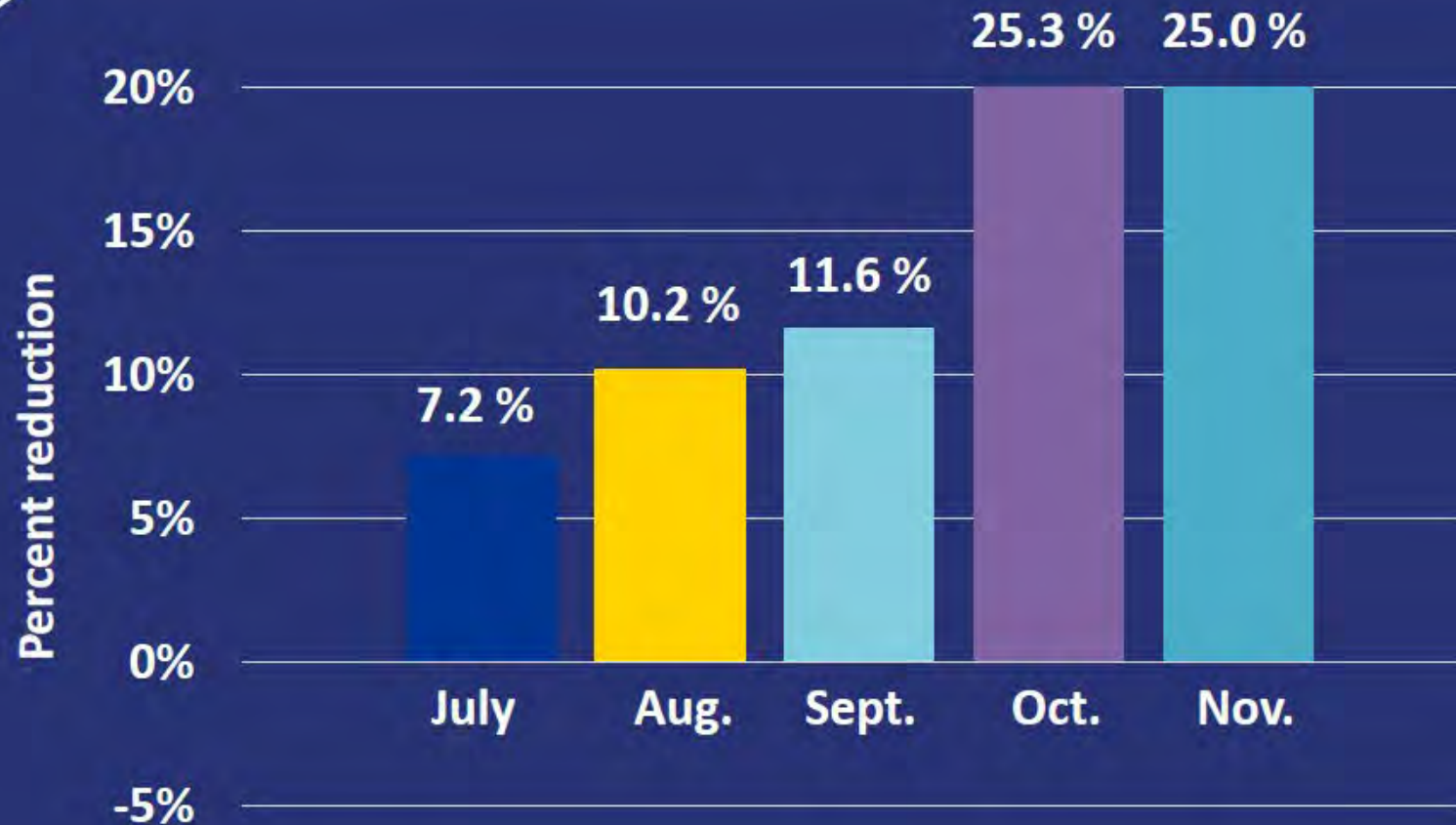


Drought Response Marketing & Outreach



Drought Response

Monthly Reductions Achieved (compared to 2019)



Objective Analysis of Drought Response Leads to Evolution and Improvement



- Public Policy Institute of California (PPIC)
 - “Building Drought Resilience in California’s Cities and Suburbs”
 - “Water Use Patterns and Trends within the Service Areas of California Water Service (Appendix C)”
- Alliance for Water Efficiency
 - “Use and Effectiveness of Municipal Irrigation Restrictions During Drought”
- California Water Service (M.Cubed/A&N Technical Services)
 - “CII Water Use and Drought Response: Case Study of California Water Service”

Resources



- PPIC Report
 - www.ppic.org/publication/building-drought-resilience-californias-cities-suburbs/
- AWE Report
 - www.allianceforwaterefficiency.org/impact/our-work/use-and-effectiveness-municipal-irrigation-restrictions-during-drought
- U.S. EPA (“Assistance That Saves”)
 - www.epa.gov/system/files/documents/2021-07/ws-assistance-that-saves-efficiency-and-affordability.pdf
- Cal Water
 - www.calwater.com/conservation
 - www.calwater.com/drought
 - www.calwater.com/esg



THIS PAGE INTENTIONALLY LEFT BLANK