

June 10, 2016

Board of Directors  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San José, CA 95118

**RE: June 14, 2016 Board of Directors Meeting**  
**Agenda Item 2.3: Update on 2016 Water Supply and Drought Response**

Dear Chair Keegan, Vice Chair Varela, and Board Members:

On April 25, 2016, San Jose Water Company (SJWC), the City of San José Municipal Water System (SJMWS), and Great Oaks Water Company (GOWC) submitted a joint letter to the Santa Clara Valley Water District (District) Board of Directors (Board) requesting that the Board defer a decision on rescinding Board Resolutions 15-24 and 15-70 pertaining to water use reductions until after the State Water Resources Control Board (Water Board) takes action to update its mandatory water conservation standards. Our request was made to allow our three water utilities to effectively coordinate drought response actions to minimize unnecessary and harmful customer confusion and backlash, as well as to allow the California Public Utilities Commission (CPUC) to take its own conservation-related actions that will affect both SJWC and GOWC.

At the April 26, 2016 Board meeting, this body deferred its decision on continuing water use reductions until its June 14, 2016 Board meeting. That decision has proved to be wise.

In the time period between the Board's April 26 and June 14 Board meetings, Governor Brown issued Executive Order B-37-16 calling on the Water Board to adjust emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions across the State. The Water Board issued proposed revisions to its emergency regulations that same day, and then adopted its final, revised Emergency Regulation on May 18, 2016 (which became final when approved by the Office of Administrative Law on May 31, 2016).

The CPUC also acted during this time, and on June 6, it issued proposed mandates for regulated water utilities that are consistent with, and potentially more stringent than, those of the Water Board. CPUC action on these proposals will most likely be finalized during its June 23, 2016 voting meeting.

And, SJWC, SJMWS, and GOWC met several times during the interim period with each other and with District staff to coordinate our actions to improve the effectiveness of water conservation efforts and reduce customer confusion. As a result of those meetings, we are fully informed of the factors considered by District staff in making its recommendation for this very important decision the Board is about to make.

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In summary, the time between the April 26 and the June 14, 2016 Board meetings has been time well spent.

Together, SJWC, SJMWS, and GOWC support staff's recommendation calling for a 20% reduction in water use (as compared to 2013), the continuation of mandatory conservation measures, as needed, and limiting outdoor watering to no more than three days per week to achieve the recommended 20% reduction in water use.

The recommendation is thoughtful, credible, and based upon the correct combination of factors including current water supply conditions, projected end-of-year groundwater reserves, a realistic and conservative evaluation of long-term forecasts, and the outstanding response from Santa Clara County residents and businesses to past and current calls for conservation.

Respectfully and jointly submitted,



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VP of Government  
Relations  
San Jose Water Company



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Director of Environmental  
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City of San José



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VP and General Counsel  
Great Oaks Water Company

cc: Norma Camacho, SCVWD  
Garth Hall, SCVWD  
Jerry de la Piedra, SCVWD