



FREQUENTLY ASKED QUESTIONS ABOUT THE DROUGHT

June 2015

WHY AM I BEING REQUIRED TO CONSERVE WATER?

In response to the drought, Governor Brown has issued a series of executive orders in response to California's ongoing drought, most recently, on April 1, 2015, establishing a state-wide mandatory conservation target to reduce urban potable water use by 25 percent. The Governor's action was in response to unprecedented drought conditions that have caused below average rainfall, record low water levels in state water reservoirs and historically low snowpack levels recorded in the Sierra Nevada mountain range.

IF THE TARGET IS 25 PERCENT, WHY ARE WE BEING ASKED TO SAVE 28 PERCENT?

The State Water Resources Control Board ("State Water Board") on May 5, 2015, adopted emergency regulations requiring all water suppliers to cut their potable water use based on each supplier's average residential per-capita use recorded from July through September 2013. Areas with high per-capita-use are required to achieve greater reductions than areas with low use. Beginning on June 1, 2015 and for the first time in the history of California, mandatory water conservation restrictions are in place.

While the state-wide reduction target is 25 percent, the State Water Board has ordered San Gabriel Valley Water Company to reduce water use by 16 percent beginning in June 2015 through February 2016.

In accordance with California Public Utility Commission ("CPUC") Resolution W-5041 dated May 7, 2015, San Gabriel Valley Water Company is ordered to comply with the State Water Board restrictions, update its Water Shortage Contingency Plan and activate the Plan's Stage 2 Water Shortage condition.

WHAT'S THE POINT?

The state-wide emergency regulations will remain in effect through February 2016 and help us stretch out and protect our supplies in the event the drought continues into a fifth year.

WHAT ARE THE CURRENT RESTRICTIONS?

The State Water Board has imposed the following water use restrictions for everyone:

- a. No runoff allowed onto driveways, sidewalks, etc. when irrigating landscapes with potable water.
- b. Hoses must have an automatic shutoff nozzle to wash cars and other vehicles.

- c. Residents must not use potable water to wash down driveways and sidewalks.
- d. Residents must not use potable water in decorative fountains that do not recirculate.
- e. No outdoor watering during and within 48 hours following measurable rainfall.
- f. Restaurants are not to serve water to customers unless the customer requests it.
- g. Hotels/motels must ask guests to re-use towels and linens.
- h. Homeowners must fix leaks within 72 hours after being notified.

ARE THESE THE ONLY RESTRICTIONS?

No. Additional restrictions ordered by the State Water Board include:

- a. Potable water cannot be used to irrigate ornamental turf on public street medians.
- b. Potable water for outside landscapes of new homes and buildings cannot be used unless the irrigation system complies with outdoor irrigation efficiency standards adopted by the State’s Building Standards Commission.

DOES SAN GABRIEL VALLEY WATER COMPANY HAVE A PLAN FOR DEALING WITH THE DROUGHT?

Yes. The Company’s Water Shortage Contingency Plan has four progressively restrictive Staged Water Shortage Conditions designed to achieve conservation targets set by the CPUC or government agency. The Company is proposing to activate the Plan’s Stage 2 Water Shortage condition which we believe is needed to achieve the water use restrictions required by the State Water Board and CPUC. Based on the level of conservation achieved, we may request authorization to move to a higher or lower Stage in the future.

WHAT ARE THE CONSERVATION MEASURES INCLUDED IN STAGE 2?

San Gabriel Valley Water Company’s Stage 2 Water Shortage restrictions include the following:

- a. Watering or irrigating lawns, landscapes or other vegetated areas with potable water is limited to the following two days per week, unless your city or the county designates different days:
 - i. Street addresses ending in 0,2,4,6, or 8: Monday and Thursday
 - ii. All other street addresses: Tuesday and Friday
- b. No watering between 9:00 a.m. and 5:00 p.m.
- c. Limits water duration to no more than 10 minutes of watering per day per station.
- d. Stage 2 watering restrictions do not apply to landscapes that exclusively use low flow drip type irrigation systems.

- e. Irrigating landscapes by use of a hand-held bucket or hand-held hose equipped with a positive closing shut-off nozzle or device is permissible.

IS THIS PLAN GOING TO COST CUSTOMERS MORE MONEY?

The Company's Stage 2 water plan includes a surcharge and penalties for violations of the rules. If approved by the CPUC, residential customers on the existing conservation rate will be charged a Drought Emergency Surcharge.

- a. The first 20 Ccf (about 500 gallons per day or 15,000 gallons per month) are not subject to the surcharge.
- b. Above 20 Ccf, a surcharge of approximately \$2.88 per Ccf will be added to the existing top tier conservation rate.
- c. All other customers will pay a 10 percent Drought Emergency Surcharge on their total water usage.

HOW WILL WATER USE VIOLATIONS BE ENFORCED?

When the Company becomes aware of violations of water use restrictions, we will first contact the property owner to notify them that the unauthorized use must stop. The Company's intent is to educate customers and help them to eliminate water waste and provide assistance, when possible, to achieve compliance with the mandatory restrictions. We will report violations of prohibited uses discovered by our employees or private citizens to City or County authorities. We expect local authorities to give out warnings and only issue penalties for water use violations to property owners for continued non-compliance.

CAN I REVIEW SAN GABRIEL VALLEY WATER COMPANY'S WATER SHORTAGE CONTINGENCY PLAN (RULE NO. 14.1) AND THE PLAN'S STAGE 2 SURCHARGES AND PENALTIES (SCHEDULE NO. 14.1)?

These documents are available on our web site at www.sgvwater.com. From the Home page, click on the "Tariffs/Rates" tab and then click on the "Advice Letters" Tab. Then click on Advice Letter 464-A to review Schedule No. 14.1 or Advice Letter 463 to review Rule No. 14.1. Or you can call the water company at (626) 448-6183 to request copies of both documents.

WHAT HAPPENS TO THE MONEY COLLECTED BY SURCHARGES AND PENALTIES?

The CPUC will determine at a later date how the money will be used. San Gabriel Valley Water Company will track all funds collected in a special account. One possible use of the funds would be to help offset the cost of running the conservation and enforcement programs.

IF I USE LESS THAN 20 CCF IN A MONTH, CAN I SAVE (BANK) THAT SHORTFALL TO AVOID OR REDUCE SURCHARGES IN A SUBSEQUENT MONTH?

No. Similar to the billing for residential conservation tiered rates, each month's billing is independent. We expect that your water usage will decrease during the fall and winter months compared to summer

usage. This pattern of usage between summer and winter months was taken into consideration when selecting the threshold level of 20 Ccf/month (about 15,000 gallons per month) for assessing the Drought Emergency Surcharge.

WHAT SHOULD I DO IF I WITNESS A VIOLATION OF THE WATER RESTRICTIONS?

If you see a neighbor wasting water and are comfortable discussing with him or her in a constructive non-confrontational manner, please do so. If you see your local government or a local business wasting water, report it to them. Many times, the problem is simply a lack of awareness. If you do not feel comfortable doing this, or if you have done so and the unauthorized use continues, please report the violation to your local authorities or to us. Documentation such as photographs will assist us or your local authorities in addressing the unauthorized use of water with the customer.

CAN I REQUEST AN APPEAL OR VARIANCE FROM PROVISIONS OF THE WATER SHORTAGE CONTINGENCY PLAN?

Yes. Customers may file an appeal by notifying San Gabriel Valley Water Company in writing explaining the reason for requesting a variance for exceptional circumstances, which include water uses needed for public health and safety. Please refer to the appeal procedure described in Section F of Rule No. 14.1 - Water Shortage Contingency Plan.

HOW CAN MY LIMITED WATER USAGE HELP SOLVE SUCH A LARGE STATEWIDE CRISIS?

You cannot solve the problem alone, but your efforts, combined with those of millions of other individuals and businesses, will make a difference.

ARE ONLY RESIDENTIAL CUSTOMERS LIKE ME BEING ASKED TO CUT WATER USAGE?

No. All Californians are required to conserve including cities, schools, golf courses, restaurants, hotels, and other commercial and industrial water users. We're trying to tailor our conservation actions to the different types of customers. For example, we don't want to pre-determine how cuts in water usage should be achieved by certain commercial and industrial users as this could cost people their jobs and permanently damage the state's economy. We are working with businesses to help them use water more efficiently and to reduce non-essential uses of water.

I CAN'T CUT MY WATER USAGE. MY CITY OR HOMEOWNERS ASSOCIATION OR NEIGHBORS DEMAND THAT I KEEP MY FRONT LAWN GREEN AND MY BUSHES AND TREES ALIVE.

Times have changed and green lawns may soon become obsolete if the water situation does not improve. People use more water than they realize and more water than is actually needed to maintain landscaping. Simple changes can reduce water usage without a noticeable impact on your quality of life. We are in a drought emergency and all Californians are asked to conserve water.

San Gabriel Valley Water Company's Conservation Staff can help individuals or homeowner associations find ways to reduce landscape water use. Find out more by visiting our web site at www.sgywater.com.

I LIVE IN AN APARTMENT BUILDING OR TRAILER PARK AND AM NOT A DIRECT CUSTOMER OF THE WATER COMPANY. DO THESE RESTRICTIONS AFFECT ME?

Yes. Everyone must help resolve this water crisis, even if you do not pay directly for water yourself. The prohibited uses apply to everyone. Check for leaks in your bathrooms, such as constantly running toilets and drips at the tub, shower, and sink faucets. Wash full loads of dishes and clothes; and take shorter showers. Everyone can and should do their part to conserve.

I AM A LANDLORD OR TRAILER PARK OWNER AND PAY THE WATER BILL, BUT I DON'T LIVE AT THE RESIDENCE. HOW CAN I GET RESIDENTS TO USE LESS WATER?

The first step is to speak with them to make sure they understand the crisis we're in. You can also ask us to perform water audits at the residences to check for leaks or inefficient water-using appliances. Finally, you can let them know that if they do not limit their water use and you are assessed Drought Surcharges, you will have to pass these costs on to them in the form of increased rental charges.

I AM ON A LIMITED BUDGET AND CAN'T AFFORD TO PAY DROUGHT SURCHARGES OR TO PAY TO FIX LEAKS OR TO BUY MORE WATER-EFFICIENT APPLIANCES.

If you haven't already signed up for our CARW (low-income assistance) program, we can help you do that. We can also give you our free conservation kits and perform a free water audit of your home. Minor fixes and minor changes in activity can sometimes save a lot of water and significantly reduce your water bill. Reducing the water you use for outdoor landscaping can generate big savings. Fixing leaky toilets will quickly pay for itself. These steps can help you minimize or stay below the usage level that triggers the Drought Emergency Surcharge.

WHY SHOULD WE CONSERVE WATER WHEN THE WATER COMPANY WILL JUST RAISE ITS RATES IF WE DO?

San Gabriel Valley Water Company's rates are reviewed and approved by the CPUC. The Company works hard to provide its customers with water service at the lowest cost possible. As water sales decrease, many costs do not go away and therefore rates may go up. However, by conserving water, you will reduce your water bill even if rates are increased. If you don't conserve, your water bill will increase especially if you exceed the 20 Ccf water usage level (about 15,000 gallons per month) at which point the drought surcharge is added to the top tier conservation rate.

ARE THESE RESTRICTIONS PERMANENT?

The state-wide emergency drought regulations will remain in effect through February 2016. While we can look forward to additional winter storms to boost storage in our reservoirs and groundwater

basins, it will need to rain and snow heavily, possibly over several years, to get us back to normal. If the drought worsens, additional restrictions may be necessary. Certainly when the drought ends, we can ease back the restrictions now in place.

WHAT SPECIFICALLY CAN I DO TO CONSERVE WATER?

Most water is used outside the home for landscaping. Leaks inside the home are another major cause of water waste. Contact the Company for a water audit and other suggestions. We provide free conservation kits and may be able to point you to available rebates from cities and water wholesalers that help defer the costs of water-saving appliances and landscaping.

ARE REBATES AVAILABLE FOR WATER SAVING DEVICES AND REMOVAL OF TURF?

Yes, in some cases. Please visit www.socalwatersmart.com for more information or call 888-376-3314.

ARE HIGH EFFICIENCY TOILET REBATES AVAILABLE?

No, but we have a high efficiency toilet delivery program. Please call 866-308-8391 for more information.

CAN I DRAIN AND REFILL MY IN-GROUND POOL BEFORE THE DROUGHT IS OVER?

Yes. Please be mindful that we are in a drought. It is greatly appreciated if you could refill your pool on an as needed basis. The amount of water needed to refill your pool along with your typical water use will likely place you well above the Drought Emergency Surcharge level and greatly increase your water bill.