



GREAT OAKS WATER COMPANY

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May 14, 2018

California Public Utilities Commission
Water Division
Room 3102
505 Van Ness Avenue
San Francisco, CA 94102-3298

**Advice Letter 271-W
Great Oaks Water Company (U-162-W) to the California Public Utilities Commission
Requesting Pump Tax Offset Surcharge**

Great Oaks Water Company (Great Oaks) transmits this Tier 1 advice letter establishing a surcharge to pass-through additional taxes being imposed upon Great Oaks by the Santa Clara Valley Water District effective July 1, 2018. The following changes in tariff schedules applicable to Great Oaks entire service area are proposed:

CPUC Sheet No. ¹	Title of Tariff Sheet	Canceling Sheet No.
864-W	Schedule No. 1 General Metered Service Special Conditions	858-W
865-W	Schedule No. 3M Irrigation Service Special Conditions	860-W
866-W	Schedule No. 6 Contract Resale Service Special Conditions	862-W
867-W	Table of Contents	863-W

¹ Tariff sheet numbers reflect the replacement of the tariff sheets included with Advice Letter 270-W, filed May 14, 2018.

Summary of Advice Letter 271-W

This Tier 1 advice letter establishes a surcharge to address higher groundwater production charges (pump taxes) levied by the Santa Clara Valley Water District (Water District), effective July 1, 2018. On May 8, 2018, the Water District Board of Directors passed a Resolution adopting pump taxes for the period of time from July 1, 2018 to June 30, 2019. A copy of the Water District Resolution² is attached hereto as Exhibit A.

The Water District has adopted a new and higher pump tax in each of the last three years, as shown in the table below. When the Commission issued its Decision (D.) approving the settlement in Great Oaks’ last general rate case (D.16-05-041), the pump tax then in effect (for the July 1, 2015 to June 30, 2016 year) was incorporated into Great Oaks’ rates.

When a higher pump tax was adopted by the Water District in May of 2017, Great Oaks’ Advice Letter 261-W-A established a corresponding offset surcharge applicable to each unit (ccf) of water sold throughout Great Oaks’ service area beginning July 1, 2017 for the 2017/2018 rate year.

Now, the Water District has again adopted a higher pump tax, and it is again time to establish an offset surcharge to collect revenues sufficient to pay the higher pump taxes.

Water District Zone	July 1, 2016 – June 30, 2017	July 1, 2017 – June 30, 2018	July 1, 2018 – June 30, 2019
W-2 (North) Municipal & Industrial	\$1,072.00/Acre Foot	\$1,175.00/Acre Foot 9.61% Increase	\$1,289/Acre Foot 9.70% Increase
W-2 (North) Agricultural	\$23.59/Acre Foot	\$25.09/Acre Foot 6.36% Increase	\$27.02/Acre Foot 7.69% Increase
W-5 (South) Municipal & Industrial	\$393.00/Acre Foot	\$418.00/Acre Foot 6.36% Increase	\$450.00/Acre Foot 7.66% Increase
W-5 (South) Agricultural	\$23.59/Acre Foot	\$25.09/Acre Foot 6.36% Increase	\$27.02/Acre Foot 7.69% Increase

Other Pending Advice Letter

On May 14, 2018, Great Oaks filed and served Advice Letter 270-W requesting authorization to establish and implement an escalation/attrition year rate change. Tariff sheets accompanying this Advice Letter 271-W are based upon the Advice Letter 270-W escalation/attrition year rate change and associated tariff sheets.

Effect of Pending Advice Letter 270-W on this Advice Letter Filing

This Advice Letter has two basic components. First, because Standard Practice U-34-W required Great Oaks to utilize normalized metered customers and consumption in its escalation filing (Advice Letter 270-W), the pump tax offset surcharge authorized through Advice Letter 261-W-A will become obsolete upon approval of Advice Letter 270-W after June 30, 2018. The tariff

² An endorsed copy of the Resolution is not available as of the time of the filing of this Advice Letter. When it becomes available, the Water District will post the Resolution on its website.

sheets submitted with this Advice Letter 271-W, therefore, place an expiration date of June 30, 2018 on the Advice Letter 261-W-A \$0.5225 per ccf surcharge (i.e., the Advice Letter 261-W-A surcharge will only apply on sales through June 30, 2018).

Then, to replace the soon-to-be obsolete Advice Letter 261-W-A surcharge, the tariff sheets submitted with this Advice Letter 271-W provide for the new surcharge to be applied to all water delivered on and after July 1, 2018 so that Great Oaks may recover the full amount of increased pump taxes (and associated uncollectible expenses and City of San José franchise fees). Calculations for the new surcharge are provided in the Exhibit B Workpapers.

The Effects of Higher Pump Taxes on Water Rates

The pump tax is a government-imposed tax on a utility's water-producing real property. For ratesetting purposes the Commission treats pump tax as one of the variable operating expenses factored into rates charged for water service. Under the new and higher rates, pump tax expenses for Great Oaks' 2018/2019 escalation year are projected to be \$10,683,297.³

A higher pump tax also affects the amount of the franchise taxes imposed by the City of San José and the amount of uncollectible expenses. All other expenses and net operating income values remain the same. Overall differences in City of San José franchise fees (Account 796) and uncollectible expenses (Account 775) are shown in Exhibit B, page WP-1.

The total revenue requirement for this Advice Letter 271-W is \$19,148,753, which is \$973,096 (5.36%) higher than the revenue requirement of Advice Letter 270-W. See Exhibit B Workpapers, page WP-1.

Surcharge on Quantity Usage

When the Advice Letter 261-W-A pump tax offset surcharge becomes obsolete for sales after July 1, 2018, a surcharge of \$0.2243 per CCF on customer quantity usage on and after July 1, 2018 will take its place, with an effective date of July 1, 2018. The surcharge calculation is shown in Exhibit B, page WP-2. Information about the surcharge is included on the proposed tariff sheets attached to this advice letter.

Effects on Average Customer Bills

The effect of the new and higher pump tax on the bill of an average single-family residential customer with a 5/8" x 3/4" meter using 11 CCF of water per month⁴ is \$5.26 (5.60%) per bimonthly bill,⁵ as shown in the following table taken from the Exhibit B Workpapers, page WP-3.

³ Projected pump tax expenses for escalation year 2018/2019 are calculated based upon values in Great Oaks' Advice Letter 270-W escalation/attrition year filing. See Exhibit B Workpapers, page WP-2.

⁴ Per D.16-05-041, average annual consumption by single-family residential customers is 131.80 ccf, or 10.98 ccf per month (rounded to 11 ccf per month for this example).

⁵ The monthly increase calculates to \$2.62 for the average customer.

Bill Comparison						
Average Single-Family Residential Customer with 5/8-inch meter using 11 ccf per Month						
Item	At AL 270-W Rates			At AL 271-W Rates		
Monthly Serv. Chg.	\$8.51	2	\$17.02	\$8.51	2	\$17.02
Tier 1	\$3.1012	13	\$40.32	\$3.1012	13	\$40.32
Tier 2	\$3.3588	9	\$30.23	\$3.2588	9	\$30.23
AL 271-W Surcharge				\$0.2243	22	\$4.93
LICAP Surcharge	\$0.0288	22	\$0.63	\$0.0288	22	\$0.63
Subtotal			\$88.20			\$93.13
CPUC Fee @ 1.4%			\$1.23			\$1.30
Subtotal			\$89.43			\$94.44
City Utility Tax @ 5%			\$4.47			\$4.72
Total			\$93.90			\$99.16

No Effect on Water Service

This Advice Letter filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Effective Date – July 1, 2018

The surcharge established through this Advice Letter becomes effective July 1, 2018.

Tier Designation

This is a Tier 1 Advice Letter pursuant to General Order 96-B and Water Industry Rule 7.3.1(7).

Notice and Service

Notice is being provided by publishing a legal notice in the form attached hereto as Exhibit C in the San Jose Mercury News, a newspaper of local circulation, pursuant to General Order 96-B, Water Industry Rule 3.1. Proof of publication will be provided to the Commission when notification has been completed. This Advice Letter is also being served upon the Distribution List provided below.

Protests and Responses

Anyone may protest and respond to this Advice Letter. A Response supports the filing and may contain information that proves useful to the Commission in evaluating the Advice Letter. A Protest objects to the Advice Letter in whole or in part and must set forth specific grounds on which it is based. These grounds may be based upon the following:

- (1) The utility did not properly serve or give notice of the Advice Letter; or
- (2) The relief requested in the Advice Letter would violate a statute or Commission order, or is not authorized by statute or Commission order on which the utility relies; or
- (3) The analysis, calculations, or data in the Advice Letter contain material error or omissions; or
- (4) The relief requested in the Advice Letter is pending before the Commission in a formal proceeding; or

(5) The relief requested in the Advice Letter requires consideration in a formal hearing, or is otherwise inappropriate for the Advice Letter process; or

(6) The relief requested in the Advice Letter is unjust, unreasonable, or discriminatory (provided that such a Protest may not be made where it would require re-litigating a prior order of the Commission).

Any Protest or Response must be made in writing or by electronic mail and must be received by the Water Division of the Commission within 20 days of the date this Advice Letter is filed. The Advice Letter process does not provide for any Protests, Responses or other comments, except for a reply by Great Oaks, after the 20-day comment period expires. The address for mailing or delivering a Protest or Response is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date any Protest or Response is submitted to the Water Division, the protesting or responding person, entity or party must serve a copy of the Protest or Response on Great Oaks addressed to Timothy S. Guster, Great Oaks Water Co., PO Box 23490, San Jose, CA 95153, 408-227-9540, 408 227-7126 (fax), email: tguster@greatoakswater.com.

Great Oaks Water Company

/s/

Timothy S. Guster
General Counsel
Legal and Regulatory Affairs

Great Oaks Water Co.
Distribution List

Municipal Water System*
City of San Jose
3025 Tuers Road
San Jose, CA 95121

County Clerk*
County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Safe Drinking Water Office*
Department of Water Resources
1416 9th Street, Room 804
Sacramento, CA 95814

Office of Regulatory Affairs*
California Water Service Company
1720 North First Street
San Jose, CA 95112

Santa Clara Valley Water District*
5750 Almaden Expressway
San Jose, CA 95118

Raminder Kahlon
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Ting-Pong Yuen
Office of Ratepayer Advocates
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505 Van Ness Avenue
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Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3214

Regulatory Affairs*
San Jose Water Company
110 West Taylor Street
San Jose, CA 95110

Jim Fiedler*
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

*Exhibits not included, but are available upon request to tguster@greatoakswater.com.

Great Oaks Water Company
Advice Letter 271-W

Proposed Tariff Sheets

Schedule No. 1
GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. To provide ongoing funding for the Utility's Low-Income Customer Assistance Program (LICAP), as described in Tariff Rule 22, a surcharge of \$0.0293 will be added to the Quantity Charge for all water sold through June 30, 2018 to all customers except LICAP participants.
3. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2017, a surcharge of \$0.5225 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2017 through June 30, 2018.
4. To amortize the balance in the Monterey-style Water Revenue Adjustment Mechanism Account and related balancing account, a surcharge of \$0.1786 per 100 cu.ft. will be added to the Quantity Rate for single-family residential customers for all water delivered beginning September 5, 2017 for a twelve-month period.
5. To provide ongoing funding for the Utility's Low-Income Customer Assistance Program (LICAP), as described in Tariff Rule 22, a surcharge of \$0.0288 will be added to the Quantity Charge for all water sold on and after July 1, 2018.
6. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2018, a surcharge of \$0.2243 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2018. (N)
|
(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 271-W

Timothy S. Guster
NAME

Date Filed _____

Decision No D.16-05-041

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 3M
IRRIGATION SERVICE
(Continued)

SPECIAL CONDITIONS

1. The Santa Clara Valley Water District requires the customer to certify the water is used to irrigate commercial agricultural crops for sale to qualify for this rate. It is an express condition of this Irrigation Service that the customer cooperates in making the necessary certification to the Water District.
2. The Santa Clara Valley Water District has surcharges or discounts applicable to water used to irrigate commercial agricultural crops if the customer/farmer participates in the Water District's special programs. These surcharges or discounts are applied per Acre Ft., are granted or imposed by the Water District each month based on the customer/farmer's level of participation, and will be passed through by the Company each month to the customer/farmer.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the Utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$1.6904 per 100 cu.ft. used during the period covered by that bill through June 30, 2018.
5. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2016, a surcharge of \$0.5225 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2017 through June 30, 2018.
6. To provide funding for the Utility's Low-Income Customer Assistance Program (LICAP), as described in Tariff Rule 22, a surcharge of \$0.0288 will be added to the Quantity Charge for all water sold on and after July 1, 2018.
7. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, (N) 2018, a surcharge of \$0.2243 per 100 cu.ft. will be added to the Quantity Charge for each customer | for all water delivered on and after July 1, 2018. (N)
8. Customers who receive water deliveries for agricultural purposes under this schedule, and who (N) present evidence to the Utility that such deliveries qualify for the lower pump tax rates levied by the | Santa Clara Valley Water District for agricultural water, shall receive a credit of \$2.3635 per 100 | cu.ft. used during the period covered by that bill from and after July 1, 2018. (N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 271-W

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.16-05-041

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 6
CONTRACT RESALE SERVICE

CONDITIONS

1. Resale water service is provided under this tariff only if deemed available, in the sole judgment of the Company. The Company may interrupt service from time to time to protect continuous service to its own retail customers.
2. The Company is not providing fire protection supply as it does for its own retail customers.
3. The retailer receiving service under this tariff shall defend and hold the Company harmless from any failure of service or any other claim of damage or injury once the water passes through the Company's meter into the sole possession of the retailer.
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
5. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2017, a surcharge of \$0.5225 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2017 through June 30, 2018.
6. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2018, a surcharge of \$0.2243 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2018. (N)
|
(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 271-W

Timothy S. Guster

Date Filed _____

Decision No. D.16-05-041

General Counsel

Effective _____

Resolution No. _____

NAME
TITLE

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(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 271-W

Timothy S. Guster

Date Filed _____

Decision No. _____

VP & General Counsel

Effective _____

TITLE

Resolution No. _____

**GREAT OAKS WATER COMPANY NOTICE OF ESCALATION YEAR
RATE CHANGES AUTHORIZED BY CALIFORNIA PUBLIC UTILITIES COMMISSION**

Great Oaks Water Company (Great Oaks) has filed Advice Letter 270-W (AL 270-W) with the California Public Utilities Commission (Commission) requesting authorization to establish and implement escalation year rate changes consistent with Commission authority. Under Great Oaks' request, its total revenue requirement will be increased by \$303,269 (1.70%), from \$17,872,388 to \$18,175,657.

Great Oaks Water Company (Great Oaks) has also filed AL 271-W with the Commission to address higher groundwater charges (pump taxes) recently adopted by the Santa Clara Valley Water District. The current pump tax surcharge will apply to water sold through June 30, 2018 and will then be replaced by the new AL 271-W pump tax surcharge. AL 271-W will increase Great Oaks' total revenue requirement by \$973,096 (5.35%) over the revenues requested in AL 270-W.

Combined, the two Advice Letters request an overall increase of \$1,276,365 (7.14%) in authorized revenues. As shown in the table below, as a result of the two Advice Letters, the average single-family residential customer bimonthly bill will increase by \$3.40 (3.55%). Complete copies of the AL filings are available at www.greatoakswater.com.

Bill Comparison
Average Single-Family Residential Customer with 5/8" Meter Using 11 ccf per Month

Bill Comparison									
Bi-Monthly Average Single-Family Residential Customer with 5/8-inch Meter Using 11 ccf per Month									
Billed Item	At Current Rates			At AL 270-W Rates			At AL 271-W Rates		
	Amount	Units	Total	Amount	Units	Total	Amount	Units	Total
Monthly Serv. Chrg.	\$8.33	2	\$16.66	\$8.51	2	\$17.02	\$8.51	2	\$17.02
Tier 1 Usage	\$2.6869	13	\$34.93	\$ 3.1012	13	\$40.32	\$ 3.1012	13	\$40.32
Tier 2 Usage	\$2.9101	9	\$26.19	\$ 3.3588	9	\$30.23	\$ 3.3588	9	\$30.23
LICAP Surcharge	\$0.0293	22	\$0.64	\$ 0.0288	22	\$0.63	\$ 0.0288	22	\$0.63
Pump Tax Surchr.	\$0.5225	22	\$11.50				\$ 0.2243	22	\$4.93
Subtotal			\$89.92			\$88.20			\$93.13
CPUC Fee at 1.4%			\$1.26			\$1.23			\$1.30
Subtotal			\$91.18			\$89.43			\$94.44
City Utility Tax at 5%			\$4.56			\$4.47			\$4.72
Total			\$95.74			\$93.90			\$99.16

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- (2) The relief requested in the Advice Letters would violate a statute or Commission order, or is not authorized by statute or Commission order on which the utility relies; or
- (3) The analysis, calculations, or data in the Advice Letters contain material error or omissions; or
- (4) The relief requested in the Advice Letters is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the Advice Letters requires consideration in a formal hearing, or is otherwise inappropriate for the Advice Letter process; or
- (6) The relief requested in the Advice Letters is unjust, unreasonable, or discriminatory (provided that such a Protest may not be made where it would require re-litigating a prior order of the Commission).

Any Protest or Response must be made in writing or by electronic mail and must be received by the Water Division of the Commission within 20 days of the date this Advice Letters are filed. The Advice Letter process does not provide for any Protests, Responses or other comments, except for a reply by Great Oaks Water Company, after the 20-day comment period expires. The address for mailing or delivering a Protest or Response is:

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water_division@cpuc.ca.gov

On the same date any Protest or Response is submitted to the Water Division, the protesting or responding person, entity or party must serve a copy of the Protest or Response on Great Oaks addressed to Timothy S. Guster, Great Oaks Water Co., 20 Great Oaks Blvd. Suite 120, San Jose, CA 95119, 408-227-9540, 408 227-7126 (fax), tguster@greatoakswater.com.

Great Oaks Water Company
Advice Letter 271-W

Exhibit A
Santa Clara Valley Water District
Groundwater Charge (Pump Tax)
Resolution

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 18-

**DETERMINING GROUNDWATER PRODUCTION CHARGES
FOR FISCAL YEAR 2018-2019**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, has been prepared including: a financial analysis of the District's water utility system, information as to the present and future water requirements of the District, the water supply available to the District, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of the District during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;
2. That on the 23rd day of February 2018, said report was duly delivered to the Clerk of the District Board;
3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 10th day of April 2018, at the Santa Clara Valley Water District at the address and at the time stated;
4. That on February 23, 2018, written notice was mailed to all owners and operators of water-producing facilities within the District's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;
5. That pursuant to Section 26.6 of the District Act, on the 10th day of April 2018, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 12, 2018 (in Gilroy) and again to the evening of April 24, 2018 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;
6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;
7. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed groundwater production charge increase;
8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes;

9. That this Board considered all protests objecting to the proposed groundwater production charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of groundwater production facilities in either Zone W-2 or Zone W-5;
10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
11. That CEQA does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:
 - a. Meeting operating expenses, including employee wage rates and fringe benefits,
 - b. Purchasing or leasing supplies, equipment or materials,
 - c. Meeting financial reserve needs, and
 - d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: District activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and District activities in the geographic area of the District identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2017-2018 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of the District for fiscal year 2018-2019 (July 1, 2018–June 30, 2019) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$1,289.00	\$27.02

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal

year 2017-2018 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of the District for fiscal year 2018-2019 (July 1, 2018–June 30, 2019) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$450.00	\$27.02

FOURTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

FIFTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

- AYES: Directors
- NOES: Directors
- ABSENT: Directors
- ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: _____
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors