



GREAT OAKS WATER COMPANY

P.O. Box 23490
San Jose, CA 95153
(408) 227-9540
tguster@greatoakswater.com

June 12, 2023

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

**Advice Letter 316-W-A
Great Oaks Water Company (U-162-W) to the California Public
Utilities Commission Requesting Rate Increase Due to Increased
Groundwater Charges and Establishment of Interim Rates**

Great Oaks Water Company (Great Oaks) transmits this Tier 1 advice letter establishing a change in base rates to pass-through additional groundwater charges (aka, pump taxes) being imposed upon Great Oaks by the Santa Clara Valley Water District effective July 1, 2023. The new rates will be effective July 1, 2023.

The following changes in tariff schedules applicable to Great Oaks entire service area are proposed:

| CPUC Sheet No. | Title of Tariff Sheet | Canceling Sheet No. |
|----------------|---|---------------------|
| 1042-W | Schedule No. 1 General Metered Service | 1035-W |
| 1043-W | Schedule No. 1 Tiered Rates | 1036-W |

| | | |
|--------|--|--------|
| 1044-W | Schedule No. 1 Special Conditions | 1037-W |
| 1045-W | Schedule No. 3M Irrigation Service | 1038-W |
| 1046-W | Schedule No 3M Irrigation Service Special Conditions | 1039-W |
| 1047-W | Schedule No. 6 Contract Resale Service | 1040-W |
| 1048-W | Table of Contents | 1041-W |

Summary of Advice Letter 316-W-A

On May 16, 2022, the Santa Clara Valley Water District (Valley Water) increased the groundwater charges levied upon Great Oaks' groundwater production. A copy of the Valley Water Resolution adopted on May 16, 2023 is attached hereto as Exhibit A.¹ The higher groundwater charges are effective July 1, 2023, the same date that the Great Oaks Escalation Year begins under Great Oaks Advice Letter 315-W-A, filed June 12, 2023.²

The increase in groundwater charges is being included in rates because such charges are pass-through costs. In 2021, the Water Division of the Commission requested that instead of recovering increased costs due to the higher pump taxes levied by Valley Water through a surcharge, Great Oaks should request the additional cost recovery through a change in base rates. This Advice Letter 316-W-A complies with that Water Division's request.

Great Oaks Advice Letter 315-W was filed on May 9, 2023 to establish rates for the 2023/2024 rate year. Supplemental Advice Letter 315-W-A was filed on June 12, 2023. The amount of groundwater charges included in the Advice Letter 315-W-A rate calculations was \$11,827,977. The groundwater charges that will be in effect from July 1, 2023 through June 30, 2024 are \$1,974.00 per Acre Foot (AF) in Zone W-2 and \$657.50 per AF in Zone W-7. The adopted percentage of water in the two Zones, per D.23-04-004, is 56% Zone W-2 and 44% Zone W-7.

¹ Exhibit A is the Resolution voted upon at the May 16, 2023 Valley Water Board Meeting. A request has been made for the final, adopted Resolution, which will be provided when received.

² Great Oaks Advice Letter 315-W was originally filed on May 9, 2023. There were no protests to Advice Letter 315. Advice Letter 315-W was revised at the request of the Water Division.

With the adopted increase in groundwater charges, and using the same adopted quantities and percentages used in Advice Letter 315-W-A, the total amount of groundwater charges projected for the 2023/2024 rate year has increased by \$1,674,919, from \$11,827,977 to \$13,502,896, as shown on the Exhibit B AL 316-W-A Workpapers, at WP-1. The new, higher groundwater charges represent an increase in the rate for groundwater charges of 14.5% in Zone W-2 and an increase of 12.9% in Zone W-7.

Calculation of Total Groundwater Charges

| Zone | Adopted % of Water Production | Groundwater Charge (AF) | Totals |
|------------------|-------------------------------|-------------------------|--------------|
| W-2 | 56% | \$1,974.00 | \$1,105.44 |
| W-7 | 44% | \$657.50 | \$289.30 |
| | 100% | | \$1,394.74 |
| Adopted Quantity | 9,681.3 AF ³ | \$1,394.74 | \$13,502,896 |

The increase in groundwater charges also results in increases in Account 775 Uncollectible Expenses (increase of \$4,478, from \$43,307 to \$47,785) and in Account 796 Franchise Requirements (increase of \$46,462, from \$450,177 to \$496,639). The total increase in the revenue requirement resulting from the increase in groundwater charges is \$1,725,859, from \$23,106,095 (Advice Letter 315-W-A) to \$24,831,953 (Advice Letter 316-W-A). This represents an increase in the revenue requirement of 7.5% over the revenue requirement of Advice Letter 315-W-A. The entire increase is the result of Valley Water's higher groundwater charges.

Compliance with D.22-08-023

As the requested increase in revenues is greater than one percent (1%) of total revenues requested in Advice Letter 315-W-A, in the table below, Great Oaks provides the Affordability Metrics for the requested increase in this Advice Letter 316-W-A.

| Affordability Metrics – D.22-08-023 | | |
|---|------------------|------|
| Hours at Minimum Wage (San Jose \$15) | HM ₁₅ | 3.04 |
| Affordability Ratio (at essential usage levels) | | |
| Great Oaks Water Monthly Bill | \$45.64 | |
| AT&T Communications | \$81.26 | |
| PG&E Electric | \$94.65 | |
| PG&E Gas | \$74.92 | |

³ 9,681.3 Acre Feet (AF) is the calculated amount of water production in Advice Letter 315-W-A, Exhibit A Workpapers, at WP-3.

| | | |
|------------------|----------|-------|
| Total | \$296.47 | |
| AR ₂₀ | | .0044 |
| AR ₅₀ | | .0019 |

Other Pending Advice Letter

At the time of this filing, Great Oaks Advice Letter 315-W-A is pending. The revenues and rates requested in Advice Letter 315-W-A provide the basis for this Advice Letter 316-W-A, and both have the same requested effective date of July 1, 2023.

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 3/4" x 3/4" meter using 10 CCF of water per month is \$8.59 (6.35%) per bimonthly bill, as shown in the following table taken from the Exhibit B Workpapers, page WP-4.

| Bill Comparison | | | | | | | |
|--|----------|-------|----------|------------------------|----------|-------|-------|
| Average Single Family Residential Customer with 3/4" x 3/4" Meter Using 10 ccf per Month | | | | | | | |
| At AL 315-W-A Rates | | | | At AL 316-W-A Rates | | | |
| Item | Amount | Units | Total | Item | Amount | Units | Total |
| Monthly Service Charge | \$23.61 | 2 | \$47.22 | Monthly Service Charge | \$23.73 | 2 | \$4 |
| Tier 1 | \$2.8265 | 12 | \$33.92 | Tier 1 | \$3.1035 | 12 | \$3 |
| Tier 2 | \$4.8777 | 8 | \$39.02 | Tier 2 | \$5.3558 | 8 | \$4 |
| CAP Surcharge | \$0.1216 | 20 | \$2.43 | CAP Surcharge | \$0.1219 | 20 | \$ |
| Subtotal | | | \$122.59 | Subtotal | | | \$12 |
| CPUC Fee | 0.80% | | \$0.98 | CPUC Fee | 0.80% | | \$ |
| Subtotal | | | \$123.57 | Subtotal | | | \$13 |
| SJ Utility Tax | 5.00% | | \$6.18 | SJ Utility Tax | 5.00% | | \$ |
| Total | | | \$129.75 | Total | | | \$13 |
| | | | | Increase | \$7.82 | | |
| | | | | Percentage | 6.03% | | |

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, 2023

The rates established through this Advice Letter are to become effective July 1, 2023.

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 was 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 is attached hereto as Exhibit C. 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

VERIFICATION

I am an officer of the Great Oaks Water Company and am authorized to make this verification on its behalf. The statements in the foregoing document, Great Oaks Water Co.'s Advice supplemental Letter 316-W-A, are true of my own knowledge, except as to matters that are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 12, 2023 at San Jose, California.

/s/

Timothy S. Guster

Certificate of Service

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s supplemental Advice Letter 316-W-A on the parties listed on the following Distribution List by mailing a properly addressed copy by email (designated (e)) or first-class mail with postage prepaid. Workpapers are available upon request.

Executed on June 12, 2023 at San Jose, California.

/s/

Timothy S. Guster

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

State Water Resources Control Board
Division of Drinking Water
850 Marina Bay Parkway
Building P, 2nd Floor
Richmond, CA 94804

Office of Regulatory (e)
California Water Service Company
1720 North First Street
San Jose, CA 95112

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

Richard Rauschmeier (e)
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Syreeta Gibbs (e)
Public Advocates Office
California Public Utilities
Commission
505 Van Ness Avenue
San Francisco, CA 94102

Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3214

Regulatory Affairs (e)
San Jose Water Company
110 West Taylor Street
San Jose, CA 95156

Great Oaks Water Company
Advice Letter 316-W-A

Proposed Tariff Sheets

Schedule No. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area is Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

| Quantity Rates: | Per Meter Per Month | |
|--|---------------------|-----|
| For all water delivered, per 100 Cu. Ft. | \$ 4.3650 | (I) |
| Service Charge: | | |
| For 5/8x3/4-inch meter | \$ 15.82 | (I) |
| For 3/4-inch meter | 23.73 | (I) |
| For 1-inch meter | 39.54 | (I) |
| For 1 1/2-inch meter | 79.09 | (I) |
| For 2-inch meter | 126.54 | (I) |
| For 3-inch meter | 237.26 | (I) |
| For 4-inch meter | 395.44 | (I) |
| For 6-inch meter | 790.88 | (I) |
| For 8-inch meter | 1,265.40 | (I) |
| For 10-inch meter | 1,819.01 | (I) |
| For 12-inch meter | 2,609.89 | (I) |

The Service Charge is a readiness-to-serve charge which is applicable to all metered service, and to which is to be added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster

Date Filed _____

Decision No. D.23-04-004

General Counsel

Effective Date: _____

Resolution No. _____

Schedule No. 1
GENERAL METERED SERVICE

Tiered Rates

Designed and Ordered by the California Public Utilities Commission

APPLICABILITY

Applicable to all single-family residential services only.

TERRITORY

The area is Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

Quantity Rates (Tiered Rates):

Per Meter/Per Month

For all water delivered, per 100 Cu. Ft.

| | | |
|--|-----------|-----|
| For total bi-monthly usage from 0 to 12 Ccf. | \$ 3.1035 | (I) |
| For total bi-monthly usage above 12 to 20 Ccf. | 5.3558 | (I) |
| For total bi-monthly usage over 20 Ccf. | 6.3598 | (I) |

Service Charge (Conservation Rates):

| | | |
|------------------------|----------|-----|
| For 5/8x3/4-inch meter | \$ 15.82 | (I) |
| For 3/4x3/4-inch meter | 23.73 | (I) |
| For 1-inch meter | 39.54 | (I) |
| For 1 1/2-inch meter | 79.09 | (I) |
| For 2-inch meter | 126.54 | (I) |
| For 3-inch meter | 237.26 | (I) |
| For 4-inch meter | 395.44 | (I) |
| For 6-inch meter | 790.88 | (I) |
| For 8-inch meter | 1,265.40 | (I) |
| For 10-inch meter | 1,819.01 | (I) |
| For 12-inch meter | 2,609.89 | (I) |

The Service Charge is a readiness-to-serve charge which is applicable to all metered service, and to which is added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster

Date Filed _____

Decision Nos. D.23-04-004

General Counsel

Effective Date: _____

Resolution No. _____

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 Customer Assistance Program (CAP) as described in Tariff Rule 22, a surcharge of \$0.1219 will be added to the Quantity Charge for all water delivered to non-CAP participants on and after July 1, 2023. (I)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster

Date Filed _____

Decision No D.23-04-004

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 3M
IRRIGATION SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area in Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

| | | |
|--|---------------------|-----|
| Quantity Rates: | Per Meter Per Month | |
| For all water delivered, per 100 Cu. Ft. | \$ 4.3650 | (I) |
| Service Charge: | | |
| For 2-inch meter | \$ 126.54 | (I) |
| For 3-inch meter | 237.26 | (I) |
| For 4-inch meter | 395.44 | (I) |
| For 6-inch meter | 790.88 | (I) |
| For 8-inch meter | 1,265.40 | (I) |
| For 10-inch meter | 1,819.01 | (I) |

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added to the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster

Date Filed _____

Decision No. D.23-04-004

General Counsel
NAME
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's/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. To provide funding for the Utility's Customer Assistance Program (CAP), as described in Tariff Rule 22, a surcharge of \$0.1219 will be added to the Quantity Charge for all water sold to non-CAP participants on and after July 1, 2023. (I)
5. 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 \$3.3237 per 100 cu.ft. used during the period covered by that bill on and after July 1, 2023. (R)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.23-04-004

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 6
CONTRACT RESALE SERVICE

APPLICABILITY

Potable water metered service delivered to a water retailer by contract at location outside the Company's certified service territory.

TERRITORY

Wholesale water service may be obtained for use outside the Company's certified service territory.

RATES

Quantity Rates:

| | | |
|--|-----------|-----|
| For all water delivered, per 100 Cu. Ft. | \$ 4.3650 | (I) |
|--|-----------|-----|

Service Charge:

Per Meter
Per Month

| | | |
|-------------------|-----------|-----|
| For 2-inch meter | \$ 126.54 | (I) |
| For 3-inch meter | 237.26 | (I) |
| For 4-inch meter | 395.44 | (I) |
| For 6-inch meter | 790.88 | (I) |
| For 8-inch meter | 1,265.40 | (I) |
| For 10-inch meter | 1,819.01 | (I) |
| For 12-inch meter | 2,609.89 | (I) |

The Meter Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.23-04-004

General Counsel
TITLE

Effective _____

Resolution No. _____

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information.

| <u>Subject Matter of Sheet</u> | <u>Cal. P.U.C. Sheet No.</u> |
|---|--|
| Title Page | 346-W |
| Table of Contents | 1048-W, 354-W (C) |
| Preliminary Statement | 347-W, 348-W, 1004-W, 466-W, 785-W, 876-W, 742-W, 743-W, 783-W, 1005-W, 1007-W, 1008-W, 982-W, 1009-W, 887-W, 936-W, 976-W, 977-W, 978-W, 991-W, 996-W, 997-W, 998-W, 1010-W, 1011-W, 1012-W |
| Service Area Map | 644-W to 670-W |
| Rate Schedules: | |
| Schedule No. 1, General Metered Service | 1042-W, 1043-W, 1044-W (C) |
| Schedule No. 3M, Irrigation Service | 1045-W, 1046-W (C) |
| Schedule No. 4, Private Fire Protection Service | 1019-W |
| Schedule No. 5, Public Fire Hydrant Service | 3-W |
| Schedule No. 6, Contract Resale Service | 1047-W, 884-W (C) |
| Schedule No. 9C, Construction Flat Rate Service | 817-W, 818-W |
| Schedule No. 14.1 Mandatory Water Conservation | 768-W, 968-W, 969-W, 771-W, 772-W, 773-W |
| Schedule UF, Surcharge to Fund Public Utilities | |
| Commission Reimbursement Fee | 940-W |
| Summary List of Contracts & Deviations | 477-W |
| Rules: | |
| No. 1 Definitions | 917-W, 918-W |
| No. 2 Description of Services | 191-W |
| No. 3 Application for Service | 10-W, 503-W, 600-W |
| No. 4 Contracts | 11-W |
| No. 5 Special Information Required on Forms | 919-W - 921-W |
| No. 6 Establishment and Re-establishment of Credit | 14-W |
| No. 7 Deposits | 601-W, 602-W |
| No. 8 Notices | 922-W, 923-W, 900-W |
| No. 9 Rendering and Payment of Bills | 18-W, 19-W, 598-W, 787-W |
| No. 10 Disputed Bills | 924-W, 902-W |
| No. 11 Discontinuance and Restoration of Service | 903-W – 904-W, 925-W- 927-W, 910-W, 911-W, 928-W |
| No. 12 Information Available to Public | 25-W, 26-W |
| No. 13 Temporary Service | 27-W, 28-W |
| No. 14 Continuity of Service | 29-W |
| No. 14.1 Water Conservation and Rationing Plan | 540-543-W |
| No. 15 Main Extensions | 232-234-W, 349-W, 236-245-W, 852-W |
| No. 16 Service Connections, Meters and Customers' Facilities | 324-W, 350-W, 351-W, 327-330-W |
| No. 17 Standards for Measurement of Service | 352-W |
| No. 18 Meter Tests and Adjustment of Bills for Meter Error | 43-45-W |
| No. 19 Service to Separate Premises and Multiple Units, Resale of Water | 279-W, 854-W |
| No. 20 Water Conservation | 538-W |
| No. 21 Fire Protection | 537-W |
| No. 22 Low Income Customer Assistance Program | 490-W |

(To be inserted by utility)

Issued by

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

Advice Letter No. 316-W-A

Timothy S. Guster

Date Filed _____

Decision No. D.23-04-004

VP & General Counsel

Effective _____

NAME

TITLE

Great Oaks Water Company
Advice Letter 316-W-A

Exhibit A
Santa Clara Valley Water District
Resolution Setting Higher Groundwater Charges

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

RESOLUTION NO. 23-38

**DETERMINING GROUNDWATER PRODUCTION
CHARGES FOR FISCAL YEAR 2023–2024**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) 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 Valley Water’s activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water’s water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, 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 Valley Water 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 W-2, W-5, W-7, and W-8;
2. That on the 24th day of February 2023, said report was duly delivered to the Clerk of the Valley Water 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 11th day of April 2023, by teleconference, videoconference, or both and in-person attendance at the time stated;
4. That on February 24, 2023, written notice was mailed to all owners and operators of water-producing facilities within Valley Water’s boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;
5. That pursuant to Section 26.6 of the District Act and consistent with the Governor’s Executive Order N-29-20, on the 11th day of April 2023, at 1 p.m. a public hearing upon said report was duly commenced via teleconference, videoconference and in-person attendance, with the opportunity given to the public to comment, and was continued for further hearing to the evening of April 13, 2023 (teleconference, videoconference and in-person attendance in Morgan Hill) and again to the afternoon of April 25, 2023 (teleconference, videoconference and in-person attendance in the Valley Water Boardroom located at 5700 Almaden Expressway, 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 the public hearing;

Determining Groundwater Production Charges for Fiscal Year 2023–2024

Resolution No. 23-38

7. 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 Valley Water; 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 Valley Water incurred for those purposes;
8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;
9. 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, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
10. That the California Environmental Quality Act 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 Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, 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: Valley Water 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; Valley Water activities in the geographic area of Valley Water 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; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 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 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year's rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be,

Determining Groundwater Production Charges for Fiscal Year 2023–2024

Resolution No. 23-38

and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$1,974.00 | \$36.85 |

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 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year’s rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$543.50 | \$36.85 |

FOURTH: 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 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year’s rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$657.50 | \$36.85 |

FIFTH: 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 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year’s rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-8 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$398.00 | \$36.85 |

Determining Groundwater Production Charges for Fiscal Year 2023–2024

Resolution No. 23-38

SIXTH: 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.

SEVENTH: 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 the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Varela

NOES: Directors Eisenberg, Keegam

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

F600AB219490464...
JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:

7E1632DBD93E40C...
Clerk, Board of Directors

Great Oaks Water Company
Advice Letter 316-W-A

Exhibit B
Advice Letter 316-W-A Workpapers

Great Oaks Water Company

Advice Letter 316-W-A

Exhibit B - Workpapers

Great Oaks Water Company
Advice Letter 316-W-A

| | AL 315-W-A | AL 316-W-A | Difference |
|--|---------------------|---------------------|---------------------------|
| Operating Revenues | | | |
| Metered Water Service Revenues | \$22,909,662 | \$24,635,521 | \$1,704,482 |
| Fire Protection Revenues | \$196,433 | \$196,433 | \$0 |
| Other Water Revenues | \$0 | \$0 | \$0 |
| Net Balancing Account Adjustment | | \$0 | \$0 |
| Total Operating Revenues (excluding CPUC fees) | <u>\$23,106,095</u> | <u>\$24,831,953</u> | <u>\$1,725,859</u> |
| Operating Expenses | | | |
| Net Payroll Expense | \$2,787,526 | \$2,787,526 | \$0 |
| Groundwater Charges, Acct. 700 | \$11,827,977 | \$13,502,896 | \$1,674,919 |
| Op. Labor & Expense (Excluding Labor), Acct. 702 | \$15,869 | \$15,869 | \$0 |
| Misc. Pump Exp., Acct. 725 | \$7,934 | \$7,934 | \$0 |
| Purchased Power, Acct. 726 | \$910,239 | \$910,239 | \$0 |
| Maintenance Of Pumping Equipment, Accts. 711, 732 | \$31,394 | \$31,394 | \$0 |
| Chemicals & Filtering, Acct. 744 | \$13,915 | \$13,915 | \$0 |
| Meter Expense, Acct. 754 | -\$9,505 | -\$9,505 | \$0 |
| T&D Misc Expense, Acct. 756 | \$7,934 | \$7,934 | \$0 |
| T&D Maint & Supv., Accts 753, 758 | \$0 | \$0 | \$0 |
| Maintenance of Reservoirs & Tanks, Acct. 760 | \$0 | \$0 | \$0 |
| Maintenance of T&D Mains, Acct. 761 | \$152,488 | \$152,488 | \$0 |
| Maintenance of Services, Acct 763 | \$36,833 | \$36,833 | \$0 |
| Maintenance of Meters, Acct 764 | \$0 | \$0 | \$0 |
| Maintenance of Hydrants, Acct 765 | \$5,774 | \$5,774 | \$0 |
| Maintenance of General Plant, Acct 805 | \$72,947 | \$72,947 | \$0 |
| Meter Reading Expense, Acct 772 | \$17,438 | \$17,438 | \$0 |
| Customer Records & Collection, Acct 773 | \$242,072 | \$242,072 | \$0 |
| Uncollectible Accounts, Acct 775 | \$43,307 | \$47,785 | \$4,478 |
| Office Supplies & Other Expense, Acct 792 | \$49,930 | \$49,930 | \$0 |
| Property Insurance, Acct. 793 | \$130,884 | \$130,884 | \$0 |
| Injuries & Damages, Acct 794 | \$47,331 | \$47,331 | \$0 |
| Employee Pensions & Benefits, Acct 795 | \$1,421,717 | \$1,421,717 | \$0 |
| Franchise Requirements, Acct 796 | \$450,177 | \$496,639 | \$46,462 |
| Regulatory Commission Expenses, Acct 797 | \$64,056 | \$64,056 | \$0 |
| Outside Services, Including GRC Expense, Acct 798, 800 | \$403,451 | \$403,451 | \$0 |
| Miscellaneous General Expense Including CWA Dues, Acct 799 | \$186,365 | \$186,365 | \$0 |
| Rents, Acct 811 | \$259,895 | \$259,895 | \$0 |
| Transportation Expense, Acct 903 | \$0 | \$0 | \$0 |
| Passive Income 30% Ratepayer Credit | -\$113,626 | -\$113,626 | \$0 |
| Total O&M and A&G Expenses | <u>\$19,064,323</u> | <u>\$20,790,182</u> | |
| Depreciation Expense | \$1,454,265 | \$1,454,265 | \$0 |
| Taxes Other than Income | \$491,926 | \$491,926 | \$0 |
| Current State Income Tax | \$132,492 | \$132,492 | \$0 |
| Current Federal Income Tax (Including DPAD) | \$286,920 | \$286,920 | \$0 |
| Deferred Tax Expense | \$257,322 | \$257,322 | \$0 |
| Total Depreciation and Taxes | <u>\$2,622,926</u> | <u>\$2,622,926</u> | <u>\$0</u> |
| Total Operating Expenses | \$21,687,249 | \$23,413,107 | \$1,725,858 |
| Net Operating Revenue | \$1,418,846 | \$1,418,846 | \$0 |
| Rate Base | \$17,409,153 | \$17,409,153 | \$0 |
| Rate of Return, Percent | 8.15% | 8.15% | 0 |
| Adopted Rate of Return, Percent | 8.15% | 8.15% | 0 |

Rate Calculations for Advice Letter 316-W-A

| Customer Class | Weighted Average Customers | AL 315-W-A Sales CCF | Monthly Service Charges | | |
|---------------------------------------|-------------------------------|-------------------------|-------------------------|-------|------------------------|
| | | | Meter Size | Ratio | Monthly Serv. Chrg. |
| Single Family Res. | 20,013 | 2,064,741 | | | |
| Multi Family Res. | 652 | 885,559 | | | |
| Business | 313 | 344,134 | 5/8" | 1.0 | \$15.82 |
| Industrial | 57 | 93,089 | 3/4" | 1.5 | \$23.73 |
| Public Authority | 147 | 142,868 | 1" | 2.5 | \$39.54 |
| Schools | 44 | 161,970 | 1.5" | 5.0 | \$79.09 |
| Private Landscape | 239 | 241,541 | 2" | 8.0 | \$126.54 |
| Agriculture | 9 | 9,729 | | | |
| Total | 21,474 | 3,943,632 | 3" | 15.0 | \$237.26 |
| | | | 4" | 25.0 | \$395.44 |
| Service Charge Calculation AL 316-W-A | | | 6" | 50.0 | \$790.88 |
| | | | 8" | 80.0 | \$1,265.40 |
| Fixed Costs | | \$9,951,620.90 | 10" | 115.0 | \$1,819.01 |
| 3/4 Fixed Costs | | \$7,463,715.68 | 12" | 165.0 | \$2,609.89 |
| Minus Private Fire Protection Revenue | | -\$196,432.63 | 14" | 225.0 | \$3,558.94 |
| Total Service Charge Revenue | | \$7,267,283.05 | | | |
| Service Charge Per Year | | \$189.81 | | | |
| Service Charge Per Month | | \$15.82 | | | |

Uniform Quantity Charge Calculation AL 316-W-A

| | |
|----------------------------|-----------------|
| Variable Cost | \$14,725,903.94 |
| 1/4 Fixed Cost | \$2,487,905.23 |
| Minus Other Water Revenues | \$0.00 |
| Total Quantity Charges | \$17,213,809.17 |
| Charge per CCF | \$4.3650 |

Conservation Rates Calculation AL 316-W-A

| | | | |
|-------------------------|-----------|-----------------------|-----------------|
| Uniform Quantity Charge | | | \$4.3650 |
| Tier | CCF Range | D.23-04-004 Factor | Tiered Rates |
| Tier 1 | 0 - 12 | 0.7110 | \$3.1035 |
| Tier 2 | 13 - 20 | 1.2270 | \$5.3558 |
| Tier 3 | > 20 | 1.4570 | \$6.3598 |

WP-2 Rate Calculations

Advice Letter 316-W-A CAP Surcharge Calculation

| Meter Size | Monthly Charge | 50% Discount | x 12 Months | No. of Participants | Totals |
|------------------------------------|----------------|--------------|-------------|---------------------|-----------------|
| 5/8 inch | \$15.82 | \$7.91 | \$94.91 | 1,150 | \$109,140.75 |
| 3/4 inch | \$23.73 | \$11.86 | \$142.36 | 2,286 | \$325,429.25 |
| 1 inch | \$39.54 | \$19.77 | \$237.26 | 6 | \$1,423.58 |
| 1.5 inch | \$79.09 | \$39.54 | \$474.53 | 3 | \$1,423.58 |
| Total LICAP Amount | | | | 3,445.0 | \$437,417.15 |
| | | | | <u>CCF</u> | |
| CAP Sales | | | | 355,524.0 | |
| NON-CAP Sales | | | | 3,588,108.0 | |
| Interim Rates CAP Surcharge | | | | | \$0.1219 |

Calculation of AL 316-W-A Agriculture Quantity Charge Credit

| | |
|---|-----------------------|
| 25% Fixed Costs AL 316-W-A | \$2,487,905.23 |
| Variable Costs Excluding Groundwater Charge | \$1,223,007.94 |
| Groundwater Charge at \$39.80/AF | \$385,315.74 |
| Total Variable Costs for Agriculture Water | <u>\$1,608,323.68</u> |
| Total | \$4,096,228.91 |
| Sales in CCFs, not including Agricultural Water | 3,933,903.0 |
| Quantity Charge per CCF | \$1.0413 |
| Agriculture Quantity Charge Credit per CCF | \$3.3237 |

Calculation of 5/8-inch Meter Equivalents

| Meter Size | Ratio | Meters | 5/8-inch Equivalents |
|-------------|-------|--------|----------------------|
| 5/8" x 3/4" | 1 | 5,628 | 5,628 |
| 3/4" x 3/4" | 1.5 | 13,907 | 20,861 |
| 1-inch | 2.5 | 988 | 2,470 |
| 1.5-inch | 5 | 362 | 1,810 |
| 2-inch | 8 | 476 | 3,804 |
| 3-inch | 15 | 67 | 1,005 |
| 4-inch | 25 | 47 | 1,175 |
| 6-inch | 50 | 11 | 550 |
| 8-inch | 80 | 8 | 640 |
| 10-inch | 115 | 3 | 345 |
| Totals | | 21,496 | 38,287 |

Great Oaks Water Company
Advice Letter 316-W

| Bill Comparison | | | | | | | |
|--|---------------|--------------|--------------|------------------------|---------------|--------------|--------------|
| Average Single Family Residential Customer with 3/4" x 3/4" Meter Using 10 ccf per Month | | | | | | | |
| At AL 315-W-A Rates | | | | At AL 316-W-A Rates | | | |
| <u>Item</u> | <u>Amount</u> | <u>Units</u> | <u>Total</u> | <u>Item</u> | <u>Amount</u> | <u>Units</u> | <u>Total</u> |
| Monthly Service Charge | \$23.61 | 2 | \$47.22 | Monthly Service Charge | \$23.73 | 2 | \$47.45 |
| Tier 1 | \$2.8265 | 12 | \$33.92 | Tier 1 | \$3.1035 | 12 | \$37.24 |
| Tier 2 | \$4.8777 | 8 | \$39.02 | Tier 2 | \$5.3558 | 8 | \$42.85 |
| CAP Surcharge | \$0.1216 | 20 | \$2.43 | CAP Surcharge | \$0.1219 | 20 | \$2.44 |
| Subtotal | | | \$122.59 | Subtotal | | | \$129.98 |
| CPUC Fee | 0.80% | | \$0.98 | CPUC Fee | 0.80% | | \$1.04 |
| Subtotal | | | \$123.57 | Subtotal | | | \$131.02 |
| SJ Utility Tax | 5.00% | | \$6.18 | SJ Utility Tax | 5.00% | | \$6.55 |
| Total | | | \$129.75 | Total | | | \$137.57 |

| | |
|------------|--------|
| Increase | \$7.82 |
| Percentage | 6.03% |

Great Oaks Water Company
Advice Letter 316-W-A

Exhibit C
Proof of Publication
Published Newspaper Notice

1003612

GREAT OAKS WATER CO
PO BOX 23490
SAN JOSE, CA 951530000**PROOF OF PUBLICATION
IN THE CITY OF SAN JOSE
IN THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA****FILE NO. Rate Increase****San Jose Mercury News**

The undersigned, being first duly sworn, deposes and says: That at all times hereinafter mentioned affiant was and still is a citizen of the United States, over the age of eighteen years, and not a party to or interested in the above entitled proceedings; and was at and during all said times and still is the principal clerk of the printer and publisher of the San Jose Mercury News, a newspaper of general circulation printed and published daily in the City of San Jose, County of Santa Clara, State of California as determined by the court's decree dated June 27, 1952, Case Numbers 84096 and 84097, and that said San Jose Mercury News is and was at all times herein mentioned a newspaper of general circulation as that term is defined by Sections 6000; that at all times said newspaper has been established, printed and published in the said County and State at regular intervals for more than one year preceding the first publication of the notice herein mentioned. Said decree has not been revoked, vacated or set aside.

I declare that the notice, of which the annexed is a true printed copy, has been published in each regular or entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

05/22/2023Dated at San Jose, California
May 25, 2023

I declare under penalty of perjury that the foregoing is true and correct.



Principal clerk of the printer and publisher of the San Jose Mercury News

**GREAT OAKS WATER COMPANY NOTICE OF RATE INCREASE
DUE TO SANTA CLARA VALLEY WATER DISTRICT GROUNDWATER CHARGES**

Great Oaks Water Company (Great Oaks) has filed Advice Letter (AL) 316-W with the California Public Utilities Commission (Commission) to address higher groundwater charges (pump taxes) recently adopted by the Santa Clara Valley Water District. Current rates will apply to water sold through June 30, 2023 and will then be replaced by the new AL 316-W rates that include the new, higher pump tax. Under AL 316-W, Great Oaks' total revenue requirement increases by \$1,704,482 (7.4%) over previously authorized revenues. As shown in the table below, the average single-family residential customer bimonthly bill will increase by \$8.59 (6.35%), as compared to rates requested in Great Oaks AL 315-W. A complete copy of the AL filing is available at www.greatoakswater.com.

Bill Comparison

Average Single Family Residential Customer with 3/4" x 3/4" Meter Using 10ccf per Month*

| At AL 315-W Rates | | | | At AL 316-W Rates | | | |
|-------------------|----------|-------|----------|-------------------|----------|-------|----------|
| Item | Amount | Units | Total | Item | Amount | Units | Total |
| Monthly Serv Chrg | \$ 26.12 | 2 | \$52.24 | Monthly Serv Chrg | \$ 26.50 | 2 | \$53.01 |
| Tier 1 | \$2.8241 | 12 | \$33.89 | Tier 1 | \$3.1075 | 12 | \$37.29 |
| Tier 2 | \$4.8737 | 8 | \$38.99 | Tier 2 | \$5.3628 | 8 | \$42.90 |
| CAP Surcharge | \$0.1356 | 20 | \$ 2.71 | CAP Surcharge | \$0.1374 | 20 | \$2.75 |
| Subtotal | | | \$127.83 | Subtotal | | | \$135.95 |
| CPUC Fee | 0.80% | | \$ 1.02 | CPUC Fee | 0.80% | | \$1.09 |
| Subtotal | | | \$128.85 | Subtotal | | | \$137.04 |
| SJ Utility Tax | 5.00% | | \$6.44 | SJ Utility Tax | 5.00% | | \$6.85 |
| Total | | | \$135.30 | Total | | | \$143.89 |

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 Letters. 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 Letters; or
- (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:

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., 20 Great Oaks Blvd, Suite 120, San Jose, CA 95119, 408-227-9540, 408 227-7126 (fax), tguster@greatoakswater.com.
SJMN #6754208; May 22, 2023