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NOTICE OF STAGE 2 MANDATORY WATER CONSERVATION

ARDEN-CORDOVA, BAY POINT, CLEARLAKE, LOS OSOS SYSTEM, SANTA MARIA (SISQUOC, TANGLEWOOD, ORCUTT, LAKE MARIE SYSTEMS), REGION 2 AND *REGION 3 CUSTOMER SERVICE AREAS

Golden State Water Company (GSWC) filed an Advice Letter with the California Public Utilities Commission (CPUC) to activate Stage 2 in its Schedule No. 14.1 Water Shortage Contingency Plan for all of its Customer Service Areas (CSAs) that are currently not on Stage 2. **(Claremont CSA in Region 3 is already on Stage 2).*

Schedule No. 14.1 provides information on mandatory restrictions, water allocations, enforcement measures and surcharges that will help to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

On March 28, 2022, Governor Newsom issued Executive Order (EO) N-7-22 calling on each urban water supplier to implement actions to reduce water usage by 20-30 percent, depending on local conditions. The EO also directs the State Water Resources Control Board (State Board) to consider adopting emergency regulations to prohibit watering “non-functional turf,” or turf that serves only ornamental purposes, in the commercial, industrial, and institutional sectors during the ongoing drought emergency to conserve water supplies.

Additionally, on May 24, 2022, the State Board adopted Emergency Regulations that require urban water suppliers to implement Level 2 demand reduction actions by June 10, 2022; and that prohibit the irrigation of non-functional turf in commercial, industrial and institutional, as well as home-owner association sectors. The State Board defines non-functional turf as grass that is solely ornamental and is not regularly used for recreational purposes or community events. The state-wide emergency regulations adopted may remain in effect for up to one year, unless rescinded earlier, or extended by the State Board.

In response to the Governor’s EO and the State Board’s adopted Emergency Regulations to implement Level 2 reductions of non-essential water use, GSWC will implement Stage 2 of its Schedule No. 14.1 Water Shortage Contingency Plan in its Arden-Cordova, Bay Point, Clearlake, Los Osos system, Santa Maria (Sisquoc, Tanglewood, Orcutt, Lake Marie systems), Region 2 and Region 3 CSAs, requiring 20% mandatory reduction in customer usage.

All restrictions will require customers to reduce usage as compared to the amount they used in 2020.

Customers in these areas will be required to limit outdoor water use to **two-days-per week starting on June 26, 2022, and potentially to no outdoor watering later in the year should a local water agency or local city ordinance limit all non-essential outdoor watering.**

All outdoor irrigation is limited to two (2) days per week according to the following watering schedule, and is banned between the hours of 9 a.m. and 5 p.m.:

Addresses Ending In:	Watering Days:
Even Numbers (0, 2, 4, 6, 8):	Sunday, Wednesday
Odd Numbers (1, 3, 5, 7, 9):	Tuesday, Saturday

In order to achieve the water conservation goals from all customers, GSWC customers who do not meet the mandatory 20% reduction may be charged a drought surcharge of up to \$2.50 per Ccf for all usage in excess of the customer’s billing allocation (compared to 2020), as listed in Schedule 14.1, Section D., Stage 2 below.

If you need additional information or a copy of the Advice Letter, you may visit GSWC’s website at www.gswater.com or call the GSWC’s 24-hour Customer Service Center, toll free, at 1-800-999-4033, TTY 1-877-933-9533.

GOLDEN STATE WATER COMPANY

Schedule No. 14.1 Water Shortage Contingency Plan With Staged Mandatory Restrictions, Reductions And Drought Surcharges

A. APPLICABILITY

This Schedule applies to all Golden State Water Company (GSWC) water customers in all Customer Service Areas. This Schedule is effective in times of voluntary conservation or mandatory rationing, as required by Rule No. 14.1. To the extent any provision in this Schedule is inconsistent with Rule No. 14.1, the provisions of this Schedule apply. The drought emergency surcharges listed in this Schedule are in addition to the regular water-use charges under the applicable Schedules as authorized by the California Public Utilities Commission (CPUC) for the respective ratemaking area.

B. TERRITORY

This Schedule is applicable to all GSWC water customers in California.

C. MANDATORY RESTRICTIONS

The State Water Resources Control Board has established the following mandatory restrictions for all water users.

No Customer shall use utility-supplied water for non-essential or unauthorized uses as defined below; customers shall take actions to reduce non-essential and unauthorized water use accordingly as identified below:

- a. The application of potable water to outdoor landscapes in a manner that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
- b. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- c. The use of potable water for washing buildings, structures, sidewalks, walkways, patios, tennis courts, or other hard-surfaced, non-porous areas.
- d. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
- e. The use of potable water for watering outside plants, lawn, landscape, and turf area during certain hours prohibited by applicable laws or rules, during and up to 48 hours after measurable rainfall (0.1” or more).
- f. GSWC will promptly notify customers when aware of leaks within the customer’s control; the failure to repair any leaks, breaks, or other malfunction resulting in water waste in a customer’s domestic or outdoor water system within forty-eight (48) hours of notification by the utility, unless other, specific arrangements are made with and agreed to by the utility.
- g. The serving of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.
- h. Hotels/motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option.
- i. The use of potable water for irrigation of ornamental turf on public street medians.
- j. The use of potable water for irrigation outside of newly constructed homes and buildings that is not delivered by drip or micro spray systems.
- k. Commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, shall immediately implement water efficiency measures to reduce potable water use in an amount consistent with the mandated reduction.
- l. Further reduction in or the complete prohibition of any other use of water declared non-essential, unauthorized, prohibited, or unlawful by an authorized government or regulatory agency or official.
- m. Use of potable water for watering streets with trucks, or other vehicles, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.
- n. The outdoor irrigation restriction does not apply to trees or edible vegetation watered solely by drip or micro spray systems.
- o. The use of potable water is prohibited for the irrigation of non-functional turf at commercial, industrial, and institutional sites.

D. MANDATORY WATER USE REDUCTIONS AND DROUGHT SURCHARGES

A resolution was adopted on August 2, 2021 by the Board of Directors (Board) of American States Water Company, the parent company of GSWC, in response to drought or water supply shortage conditions. As such, GSWC will implement the appropriate Stage of its Water-Use Reduction Plan either to mitigate the water supply shortage in accordance with the Water Shortage Contingency Plan (WSCP) or to achieve identified water usage goals established by an authorized government agency or official, or as directed under court jurisdiction. The required actions outlined for each stage cannot be implemented until GSWC has filed a Tier 2 Advice Letter with the CPUC and CPUC approval has been obtained.

Response actions for each of the six stages of GSWC’s WSCP are as follows:

Stage 1 – Stage 1 is a “Water Alert” where voluntary conservation is encouraged. GSWC explains the drought situation to the public and governmental bodies relying on GSWC water. GSWC explains the potential subsequent water shortage stages in order to forecast possible future actions for the customer base. Under Stage 1, GSWC takes the following actions:

- Implement Voluntary Water Conservation Measures authorized under Rule No. 14.1.
- Establish a voluntary demand reduction target for each water system.
- Inform public of water shortage conditions or demand reduction targets through some or all of the following: distribution of literature, public meetings, website updates, bill inserts, digital media, conservation messages printed in local newspapers, and educational programs in schools.
- Initiate a Conservation Hotline, a toll-free number with trained Conservation Representatives to answer customer questions about conservation and water-use efficiency.
- Identify the year to be used for establishing the customer baseline water use.
- Recommend voluntary customer outdoor irrigation between the hours of 7 PM and 8 AM per the following Schedule (If a city, county, or other public agency adopts restrictions on the number of days or hours of the day that customers may irrigate, GSWC, at its discretion, may adopt and enforce those restrictions):

Addresses Ending In:	Watering Days
Even Numbers (0, 2, 4, 6, 8)	Sunday, Wednesday, Friday
Odd Numbers (1, 3, 5, 7, 9)	Tuesday, Thursday, Saturday

Stage 2 – 20% Mandatory Reduction Stage: Stage 2 is a “Moderate Shortage” and will be implemented if the Stage 1

restrictions are deemed insufficient to achieve necessary demand reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official. Stage 2 will include all actions undertaken in Stage 1.

- GSWC will require mandatory conservation under this stage. Under Stage 2, GSWC takes the following actions:
- All measures implemented in Stage 1 are implemented in Stage 2.
- Outdoor Irrigation is restricted to between the hours of 7 PM and 8 AM per the following schedule (If a city, county, or other public agency adopts restrictions on the number of days or hours of the day that customers may irrigate, GSWC, at its discretion, may adopt and enforce those restrictions):

Addresses Ending In:	Watering Days
Even Numbers (0, 2, 4, 6, 8)	Sunday and Wednesday
Odd Numbers (1, 3, 5, 7, 9)	Tuesday and Saturday

- GSWC calculates customer conservation allocation based upon the year identified in Stage 1, less 20%.
- For residential customers no allocation will be set less than eight (8) Ccf per monthly billing period or 16 Ccf per bi-monthly billing period, unless directed otherwise by an authorized government agency.
- Water Usage in excess of customer baseline may be charged at regular rate plus a drought emergency surcharge of up to \$2.50 per Ccf.
- Installation of a flow restrictor for repeated violation of water use restrictions under Rule No. 14.1 C.3., as noted in Section C. of this Schedule.

Stage 3 – 30% Mandatory Reduction Stage: Stage 3 is a “Severe Shortage” and will be implemented if the Stage 2 restrictions are deemed insufficient to achieve necessary demand reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official. Stage 3 will include all actions undertaken in Stage 2. GSWC will require mandatory conservation under this stage. Under Stage 3, GSWC takes the following actions:

- All measures implemented in Stage 2 are implemented in Stage 3.
- GSWC calculates customer conservation allocation based upon the year identified in Stage 1, less 30%.
- For residential customers no allocation will be set less than eight (8) Ccf per monthly billing period or 16 Ccf per bi-monthly billing period, unless directed otherwise by an authorized government agency.
- Water Usage in excess of customer baseline may be charged at regular rate plus a drought emergency surcharge of up to \$5 per Ccf.
- Installation of a flow restrictor for repeated violation of water use restrictions under Rule No. 14.1 C.3., as noted in Section C. of this Schedule.

Stage 4 - 40% Mandatory Reduction Stage: Stage 4 is a “Critical Shortage” and will be implemented if the Stage 3 restrictions are deemed insufficient to achieve necessary demand reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official. Stage 4 will include all actions undertaken in Stage 3. GSWC will require mandatory conservation under this stage. Under Stage 4, GSWC takes the following actions:

- All measures implemented in Stage 3 are implemented in Stage 4.
- GSWC calculates customer conservation allocation based upon the year identified in Stage 1, less 40%.
- For residential customers no allocation will be set less than eight (8) Ccf per monthly billing period or 16 Ccf per bi-monthly billing period, unless directed otherwise by an authorized government agency.
- Water Usage in excess of customer baseline may be charged at regular rate plus a drought emergency surcharge of up to \$7.50 per Ccf.
- Installation of a flow restrictor for repeated violation of water use restrictions under Rule No. 14.1 C.3., as noted in Section C. of this Schedule.

Stage 5 - 50% Mandatory Reduction Stage: Stage 5 is a “Shortage Crisis” and will be implemented if the Stage 4 restrictions are deemed insufficient to achieve necessary demand reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official. Stage 5 will include all actions undertaken in Stage 4. GSWC will require mandatory conservation under this stage. Under Stage 5, GSWC takes the following actions:

- All measures implemented in Stage 4 are implemented in Stage 5.
- GSWC calculates customer conservation allocation based upon the year identified in Stage 1, less 50%.
- For residential customers no allocation will be set less than eight (8) Ccf per monthly billing period or 16 Ccf per bi-monthly billing period, unless directed otherwise by an authorized government agency.
- Water Usage in excess of customer baseline to be charged at regular rate plus a drought emergency surcharge of up to \$10 per Ccf.
- Installation of a flow restrictor for repeated violation of water use restrictions under Rule No. 14.1 C.3., as noted in Section C of this Schedule.

Stage 6 - 55% Mandatory Reduction Stage: Stage 6 is an “Emergency Shortage” and will be implemented if the Stage 5 restrictions are deemed insufficient to achieve necessary demand reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official. Stage 6 will include all actions

undertaken in Stage 5.

GSWC will require mandatory conservation under this stage. Under Stage 6, GSWC takes the following actions:

- All measures implemented in Stage 5 are implemented in Stage 6.
- GSWC calculates customer conservation allocation based upon the year identified in Stage 1, less 55%.
- For residential customers no allocation will be set less than eight (8) Ccf per monthly billing period or 16 Ccf per bi-monthly billing period, unless directed otherwise by an authorized government agency.
- Water Usage in excess of customer baseline to be charged at regular rate plus a drought emergency surcharge of up to \$15 per Ccf.
- Installation of a flow restrictor for repeated violation of water use restrictions under Rule No. 14.1 C.3., as noted in Section C. of this Schedule.

E. DROUGHT SURCHARGES

Excess usage above the baseline drought allocation may result in a Drought Surcharge. The Drought Surcharge is in addition to the base charges allowed under the applicable tariffs authorized by the CPUC.

Customers participating in the Utility's Low Income Customer Assistance Program shall be entitled to a 50% reduction in the Drought Surcharge.

F. FLOW RESTRICTOR CHARGES

The charge for installation and removal of a flow-restricting device shall be:

Connection Size Charges

5/8" to 1" ...	\$150
1-1/2" to 2" ...	\$200
3" and larger	\$300

The flow restrictor will remain installed for a minimum of seven (7) days.

G. EXEMPTION AND APPEALS PROCESS

Any customer who seeks a variance from any of the provisions of this voluntary water conservation plan and/or mandatory conservation plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

The appeals form is available online at GSWC website: www.gswater.com/appeal or by calling GSWC's 24-Hour Customer Service Hotline at 1-800-999-4033.

H. SPECIAL CONDITIONS

1. A Tier 2 advice letter will have to be filed with the CPUC to activate any of the Stages of Water Use Reduction and Drought Emergency Surcharges listed in this Schedule.
2. The active Stage of Water Use Reduction and Drought Emergency Surcharges is to remain in effect until a Tier 2 advice letter is filed with the CPUC to activate a different Stage or when Schedule No. 14.1 is deactivated.
3. Water-use violation fines and/or Drought Emergency Surcharges must be separately identified on each bill.
4. All bills are subject to reimbursement fee set forth on Schedule No. UF.
5. All revenue collected by the utility through water use violation fines and/or Drought Emergency surcharges shall not be accounted for as income, but shall be accumulated in the WRAM and lost revenue portion tracked in the appropriate memorandum account for non-WRAM tariffs.