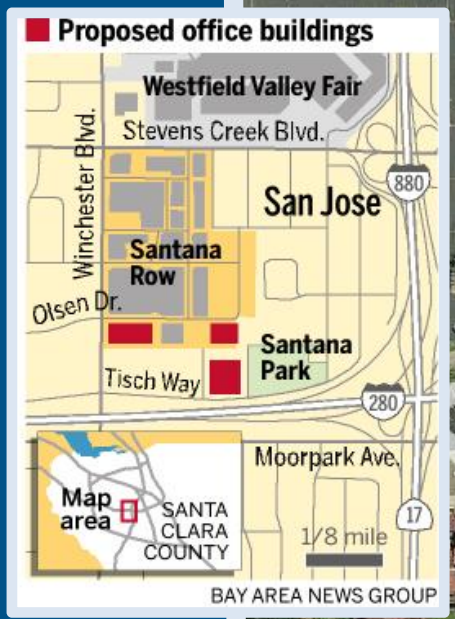
San Jose Water Company

Santana Row Expansion Project Water Supply Assessment



January 2014

Santana Row Expansion Project
Water Supply Assessment

January 2014
Final Version

PLANNING GROUP

San Jose Water Company

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San Jose Water Company (SJWC) currently serves Santana Row and is one of the largest privately owned water systems in the United States, providing high-quality water and exceptional customer service to nearly one million residents of Santa Clara County in Northern California since established in 1866.

Background & Purpose

The Santana Row Expansion Project (Project) represents a modification of the existing Planned Development zoning for Santana Row, which is a 42.53-acre site, located in the City of San Jose (CSJ) at the southeast corner of Stevens Creek Boulevard and Winchester Boulevard. See Exhibits 1 and 2 for regional and local vicinity maps of the Project. The development proposed for the project site would construct up to 510,000 square feet of additional office space, up to 55,641 square feet of additional retail area for use as a movie theater, an additional six hotel rooms, and a net increase of 47 housing units.

Source: Silicon Valley Business Journal

With the goal of describing the relationship between existing and future water supplies for the Project, this Water Supply Assessment (WSA) presents SJWC's strong ability to provide a diverse water supply to match planned build-out water demands under both normal and dry years.

This WSA is written in response to California Senate Bill 610 (SB 610); legislation which requires water retailers to demonstrate whether their water supplies are sufficient for certain proposed subdivisions and large development projects subject to the California Environmental Quality Act. SB 610 requires that a WSA be prepared by the local water retailer and submitted within 90 days to the requesting agency.

Service Area & Population

SJWC's service area spans 139 square miles, including most of the Cities of San Jose and Cupertino, the entire cities of Campbell, Monte Sereno, Saratoga, the Town of Los Gatos, and parts of unincorporated Santa Clara County.

The population of SJWC's service area, including growth associated with this Project, is shown below. These projections are based on the Association of Bay Area Governments' population projections and were included in SJWC's 2010 Urban Water Management Plan (UWMP).

Table 1: Current and Projected SJWC Service Area Population

2010	2015	2020	2025	2030	2035
946,494	1,017,684	1,084,352	1,154,824	1,224,564	1,293,771

Climate

The San Jose area experiences a low-humidity climate with an annual average of 14 inches of rain. Daily average temperatures range from the mid 60's to the high 80's (°F) in spring and summer and from the mid 40's to mid 50's (°F) in the winter. Most of the precipitation in the area occurs between November and March with December and January typically being the wettest months. Further climate data is listed in the table below.

Table 2: Climate Data

	Jan	Feb	Mar	Apr	May	Jun
Average Max Temperature (°F)	58.0	62.1	65.6	69.8	74.4	79.3
Average Min Temperature (°F)	41.5	44.2	45.7	47.6	51.2	54.8
Average Precipitation (in)	2.9	2.5	2.1	1.1	0.4	0.1
Evapotranspiration (in)	1.5	1.9	3.4	4.7	5.4	6.3

	Jul	Aug	Sept	Oct	Nov	Dec	Annual
Average Max Temperature (°F)	82.1	81.8	80.7	74.6	65.1	58.1	71.0
Average Min Temperature (°F)	56.9	57.0	56.2	51.9	46.0	41.7	49.5
Average Precipitation (in)	0.0	0.1	0.2	0.7	1.6	2.5	14.2
Evapotranspiration (in)	6.7	6.0	4.5	3.3	1.8	1.5	47.0

Past, Current and Future Water Use

The majority of connections to SJWC's distribution system are either residential or commercial. SJWC also provides water to industrial, municipal, private fire services, and hydrant connections. The following table lists current and projected connection counts per customer type based on historical trends for the past forty years of approximately 0.5% annual service connection growth.

Table 3: Number of Water Use Connections for SJWC

Customer Type	2010	2015	2020	2025	2030	2035
Single Family	170,042	174,335	178,738	183,251	187,878	192,622
Multi Family	30,007	30,765	31,542	32,338	33,155	33,992
Business	20,605	21,125	21,659	22,206	22,766	23,341
Industrial	75	77	79	81	83	85
Public Authority	1,447	1,484	1,521	1,559	1,599	1,639
Resale	36	37	38	39	40	41
Other	162	166	170	175	179	184
Total	222,374	227,989	233,746	239,649	245,700	251,904

Annual water usage projections are estimated to increase 0.4% from 2009 usage data (2010 was an abnormally low-usage year) which is based on historical usage increases.

Table 4: SJWC Water Use by Customer Type (AF/yr)

Customer Type	2010	2015	2020	2025	2030	2035
Single Family	62,532	67,327	68,685	70,070	71,482	72,923
Multi Family	11,035	11,881	12,121	12,365	12,615	12,869
Business	41,854	45,064	45,973	46,899	47,845	48,810
Industrial	496	534	545	556	567	578
Public Authority	6,173	6,646	6,780	6,917	7,056	7,198
Resale	581	625	638	651	664	677
Other	163	175	179	183	186	190
Total	122,834	132,254	134,920	137,640	140,415	143,246

SJWC's total demand is not limited to the above metered customer use. Between six and seven percent of the water produced (pumped, treated, or purchased) is not billed. Non-revenue water includes authorized unmetered uses for firefighting, main flushing and public use, while unauthorized usage is primarily attributed to meter reading discrepancies, reservoir cleaning, malfunctioning valves, leakage and theft.

Table 5: SJWC Total System Demand (AF/yr)

	2010	2015	2020	2025	2030	2035
Customer Metered Demand	122,834	132,254	134,920	137,640	140,415	143,246
Non-Revenue Water	9,024	9,649	9,844	10,042	10,245	10,451
Total System Demand	131,858	141,903	144,764	147,682	150,660	153,697

Water Use Associated with the Santana Row Expansion Project

The following table estimates total water usage at 75,970 gallons per day (gpd) for this Project, which is equivalent, to an annual increase of approximately 85 acre-feet of water. This net increase represents a 0.07% increase in demand to SJWC's distribution system based on the 2010 water demand of 131,858 AF. Population growth and water usage for this proposed development were included in the growth projections of SJWC's 2010 Urban Water Management Plan.

Increased Office Space[1] (SF)	Increased Retail Space For Use as a Movie Theater[2] (SF)	Increased Number of Hotel Rooms[3]	Increased Number of Residential Units[4]	Total Project Daily Demand (gpd)	Total Project Annual Demand (AF/yr)
510,000	55,641	6	47	75,970	85

[1] Based on a demand factor for office-type buildings of 0.1 gallons per day per square foot

[2] Based on a demand factor of 0.1 gallons per day per increase in square foot to the existing theater

[3] Based on a two-person room with bathroom and a usage factor of 100 gallons per day per room

[4] Based on a demand factor for new residential development of 400 gallons per day per unit

Water Rights, Contracts and Entitlements

SJWC has "pre-1914 surface water rights" to raw water in Los Gatos Creek and local watersheds in the Santa Cruz Mountains. Prior to 1872, appropriative water rights could be acquired by simply taking and beneficially using water. In 1914, the Water Code was adopted and it grandfathered in all existing water entitlements to license holders. SJWC filed for a license in 1947 and was granted license number 10933 (Appendix A) in 1976 by the State Water Resources Control Board to draw 6,240 AF/yr from Los Gatos Creek. SJWC has upgraded the collection and treatment system that draws water from this watershed which has increased the capacity of this entitlement to approximately 11,200 AF/yr for an average rain year.

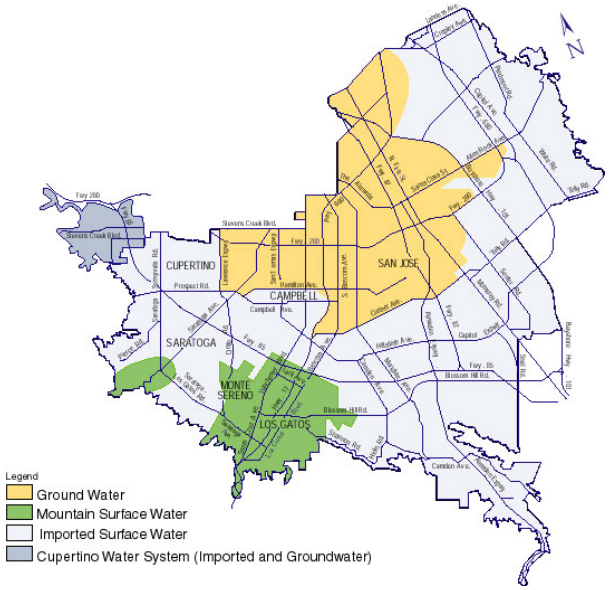
In 1981, SJWC entered into a 70-year master contract with SCVWD for the purchase of treated water. The contract provides for rolling three-year purchase schedules establishing fixed quantities of water to be purchased during each period. The maximum peak day rate for delivery of water from SCVWD under the 2013/2014 fiscal-year schedule is 108 MGD. The water is treated at one of three District-operated treatment plants (Rinconada, Penitencia and Santa Teresa). SJWC and SCVWD currently have a three year treated water contract (Appendix B) that covers 2011 – 2014, with contract supply ranging from 66,994 AF/yr in 2011 to 67,608 AF/yr in 2014.

SJWC asks for and receives underground water rights in conjunction with new developments. SJWC has the right to withdraw groundwater from aquifers below said property when in compliance with SCVWD's permitting requirements. In Santa Clara County, this right is subject to a groundwater extraction fee levied by SCVWD based on the amount of groundwater pumped into SJWC's distribution system. SJWC generally uses the most economical source of water, which is largely determined by SCVWD's groundwater extraction fee rates and contracted water rates.

Sources of Water – SJWC System

SJWC has three sources of supply: groundwater, imported treated surface water and local surface water. A map of where each source is the predominant source is shown to the right.

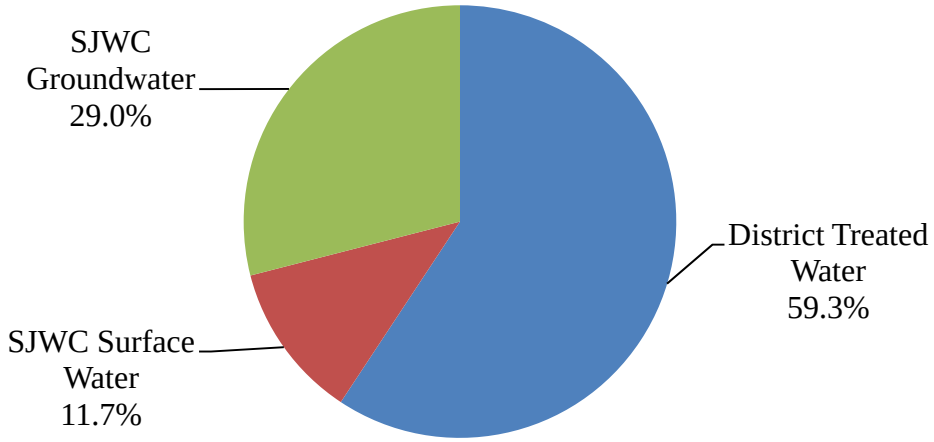
On average, groundwater from the major water-bearing aquifers of the Santa Clara Valley subbasin comprise one third of SJWC's water supply. These aquifers are recharged naturally by rainfall and streams, and artificially mainly by recharge ponds operated by SCVWD.



SJWC is under contract with SCVWD in the purchase of just over fifty percent of the needed water supply. This water originates from several sources including local reservoirs, the State Water Project and the federally funded Central Valley Project San Felipe Division. Water is piped into SJWC's system at various turnouts after it is treated at one of the three SCVWD water treatment plants (Rinconada to the west side pipeline and Penitencia and Santa Teresa to the east side pipeline).

SJWC's final source of supply is from surface water in the local watersheds of the Santa Cruz Mountains. It provides about ten percent of the water supply depending on the amount of annual rainfall. A series of dams and automated intakes collect the water released from SJWC's lakes. The water is then sent to SJWC's Montevina Filter Plant (shown in the photo to the left) for treatment prior to entering the distribution system. SJWC's Saratoga Treatment Plant draws water from a local stream which collects water from the nearby Santa Cruz Mountains. The following pie chart shows SJWC's 2011 supply source breakdown.

SJWC Sources of Water for 2011



The following table shows the actual amount of water supplied to SJWC's distribution system from each source in 2010 as well as projections until 2035. Projected surface water is based on a long term average at SJWC. Groundwater and SCVWD Treated Water projections include SJWC's plan to acquire additional water needed for development projects by installing production wells within the distribution system, by purchasing additional treated water from SCVWD and recycled water from the South Bay Water Recycling Program. The overall long-term strategy for groundwater as discussed in the 2003 SCVWD Integrated Water Resource Planning Study (IWRP) is to maximize the amount of water available in the groundwater basins to protect against drought and emergencies. SCVWD seeks to maximize the use of treated local and import water when available.

Table 7: Current and Planned Water Demand – With Additional Conservation (AF/yr)

	2010	2015	2020	2025	2030	2035
District Treated Water	64,783	72,636	74,344	76,086	77,864	79,677
SJWC Groundwater	51,107	57,187	58,340	59,516	60,716	61,940
SJWC Surface Water	15,968	12,080	12,080	12,080	12,080	12,080
Total System Demand	131,858	141,903	144,764	147,682	150,660	153,697
Recycled Water	1,208	2,556	4,980	5,234	5,501	5,782
Additional Conservation	4,886	5,106	5,300	5,438	5,579	5,579
Total with Conservation	137,952	149,565	155,044	158,354	161,740	165,058

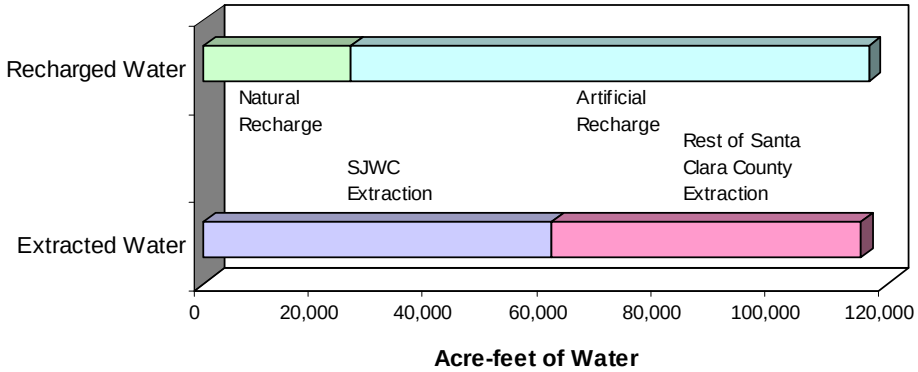
Conservation is an additional source of water that offsets potable water demand and increases system flexibility. SJWC projects an increase in conservation through 2035 to over 5,500 AF/yr. This is anticipated with the increase in the use of ultra-low flush toilets, high efficiency toilets, low flow showerheads, water efficient appliances, individual conservation, and the reduction in landscaping due to development. With the help of the District, SJWC has projected additional conservation totals through 2035.

Groundwater Analysis – SJWC System

SJWC draws water from the Santa Clara Valley subbasin (basin) in the north part of Santa Clara County. The basin extends from near Coyote Narrows at Metcalf Road to the County's northern boundary. It is bounded on the west by the Santa Cruz Mountains and on the east by the Diablo Range; these two ranges converge at the Coyote Narrows to form the southern limit of the basin. The basin is 22 miles long and 15 miles wide, with a surface area of 225 square miles.

According to SCVWD, 115,358 acre-feet of groundwater was extracted from the basin in 2001. SCVWD estimates that 26,000 acre-feet were naturally recharged to the basin and 90,700 acre-feet were artificially recharged to the basin, mainly through recharge ponds. The following chart shows the water balance of the basin in 2001.

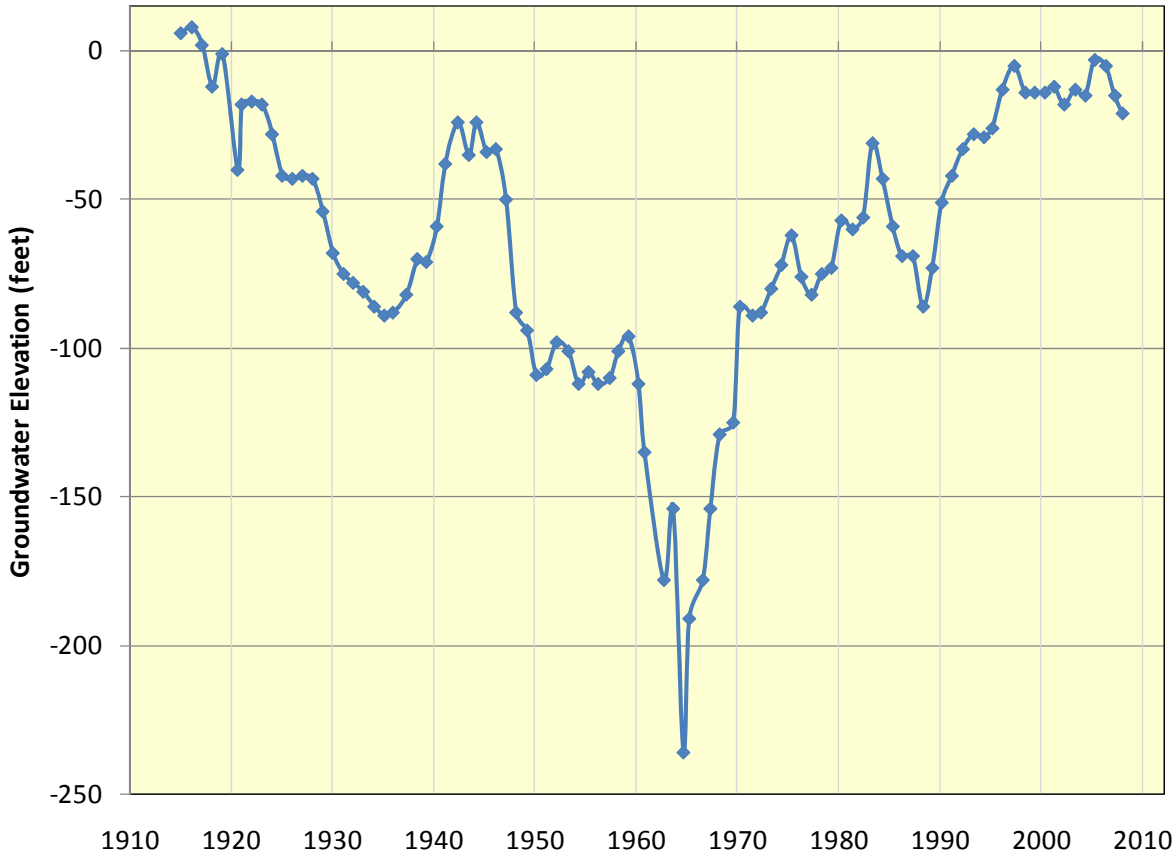
Santa Clara Valley Groundwater Basin Water Balance (2001)



The groundwater elevation in the basin has been steadily on the rise for the past 40 years under the management of the SCVWD. The following chart shows groundwater elevation since 1915 using the well surface elevation as the datum. SCVWD has set up a successful artificial recharge system employing local reservoirs, percolation ponds, and an injection well to supplement the natural recharge of the basin to prevent overdraft. The groundwater basin level is currently high at most SJWC well fields and historically better prepared for the effects of a multi-year drought.

High groundwater levels are a result of: less pumping, an increased use of imported water, and recharge of water into the aquifer by SCVWD. Total groundwater storage at the end of 2013 is projected to be 326,000 AF, which is within the normal range and prepared for the effects of a multi-year drought. The District's 2010 Urban Water Management Plan states that the operational storage capacity of the Basin is estimated to be 350,000 AF. The shallow groundwater level varies anually with the peak usually occuring around May, a few months after the typical peak monthly rainfall in January.

Groundwater Elevation in San Jose Index Well



The District will continue to work with SJWC and other local water retailers to refine future projections of both treated water and groundwater use to ensure planning efforts are consistent. Groundwater from the Basin is a substantial source of water for SJWC's entire distribution system. In the past five years, groundwater has been the source for approximately one third of SJWC's total supply. The following table shows the groundwater SJWC pumped from the basin for 2006 – 2010.

Table 8: Amount of Groundwater Pumped by SJWC (AF/yr)

Basin Name	Metered or Unmetered	2006	2007	2008	2009	2010
Santa Clara Valley Subbasin	Volumetric meter data	43,682	65,760	68,780	60,507	51,107
Groundwater as a percent of total water supply		30.1%	43.4%	45.6%	43.5%	38.8%

Based on SJWC's projections, groundwater will continue to be a vital source of supply, comprising about 40 percent on average of the total water supply. The following table shows groundwater pumping projections and groundwater as a percentage of total supply until 2035.

Table 9: Amount of Groundwater Projected to be Pumped (AF/yr)

Basin name	2015	2020	2025	2030	2035
Santa Clara Valley Subbasin	57,187	58,340	59,516	60,716	61,940
Percent of Total Water Supply	40.3%	40.3%	40.3%	40.3%	40.3%

Water Supply Vulnerability

SJWC has identified multiple sources of water for the Project which would provide a high quality, diverse and redundant source of supply. For added backup, SJWC incorporates diesel fueled generators into its facilities system which will operate wells and pumps in the event of power outages. Since SCVWD has influence over approximately 90% of SJWC's annual water supply, SJWC will continue to work with SCVWD to ensure water supply for this Project is reliable, while the impact to the existing Santa Clara Valley subbasin is minimal.

SCVWD recommends in their 2003 IWRP that water supply sources be maintained at 95% reliability during significant water shortages that occur during multiyear droughts. To accomplish this, SJWC can use less groundwater in certain areas or zones to achieve the overall balance which best meets SCVWD's and SJWC's operational goals.

Transfer and Exchange Opportunities

SJWC's distribution system has interties with the following retailers in the San Jose area: City of Santa Clara, City of San Jose Municipal Water, Great Oaks Water and the SCVWD West Pipeline in Cupertino. The connection to the SCVWD West Pipeline allows SJWC to provide water to the Cupertino leased system that SJWC operates. SJWC currently has no plans to use these interties for normal system operation as they are exclusively used for potential emergency sources.

Supply Reliability

SJWC applied the base years SCVWD used for the average water year, single-dry water year and multiple-dry water years in the 2010 UWMP. The water years used by SJWC are listed in the table below.

Table 10: Basis of Water Year Data

Water Year Type	Base Year(s)
Average Water Year	2002
Single-Dry Water Year	1977
Multiple-Dry Water Years	1987-1991

Documented in the following table is the quantity of water SJWC received from each source of water during the average water year, single-dry water year and multiple-dry water years.

Table 11: Supply Reliability – Historic Conditions (AF/yr)

Water Source	Average Water Year (2002)	Single Dry Water Year (1977)	Multiple Dry Water Years				
			Year 1 (1987)	Year 2 (1988)	Year 3 (1989)	Year 4 (1990)	Year 5 (1991)
District Treated	90,815	36,220	57,879	65,935	81,405	64,143	63,093
Local Surface	8,167	1,364	4,576	3,548	6,500	3,719	6,435
Groundwater	56,475	72,962	92,257	81,964	37,020	55,363	42,513
Total	155,457	110,545	154,712	151,447	124,925	123,225	112,042
Percent of Average Year:		71.1%	99.5%	97.4%	80.4%	79.3%	72.1%

Besides a drought, other factors which could cause SJWC's sources of supply to become inconsistent are summarized below.

Table 12: Factors Resulting in Supply Inconsistency

Supply	Legal	Environmental	Water Quality	Climatic	Mechanical
Local Surface		x	x	x	x
Ground Water		x	x	x	x
SCVWD Treated Water	x	x	x	x	x

Legal - SCVWD is responsible for managing water resources in Santa Clara County, including the long-range planning for additional supplies and/or conservation needed to meet future water demands. SJWC and other retailers work closely with SCVWD to coordinate the purchase of treated imported water and the extraction of groundwater from retailer-owned wells. This activity is important to the operation of the countywide water supply and distribution system and the retailers are dependent on SCVWD's long-range resource planning.

In determining the long-range availability of water, considerations must also be given to decisions at the state or federal level that are out of the SCVWD's control. The District has contracts for water deliveries with both the State Water Project (SWP) and the Federal Central Valley Project (CVP). Due to flow restrictions for the protection of water quality and the habitat of fish and wildlife in the Delta, water deliveries may be reduced from previous levels. During critical dry periods the SCVWD can expect additional reductions in water deliveries. Long-range planning success depends on the SCVWD's ability to obtain adequate imported water supplies and on proper management of the local groundwater basin.

Environmental & Climatic - SCVWD contracts with the State of California to receive raw water from the California Central Valley through the State Water Project (SWP). Water supplied through this aqueduct (which originates from the Sacramento-San Joaquin Delta) may be limited because of subsidence problems which are beginning to occur in that area and due to pumping restrictions associated with the protection of endangered species. SCVWD has also contracted with the Federal Central Valley Project (CVP) to supply raw water from the San Joaquin Valley via the Santa Clara Conduit. The reliance of water from inland sources through the SWP or the CVP is very critical; the loss of any or all of these sources due to pipe failure, levee failure, earthquake, or human intervention can have an extreme effect on SJWC's water supply. Given the above factors which could result in an inconsistent water supply, it is crucial that SJWC have sufficient backup wells and pumping capacity to supply customers for as long as several months solely from groundwater sources. SJWC believes it has this capacity in an emergency if mandatory conservation is enacted and due to the relatively full groundwater basin.

Water Quality - The quality of groundwater in the basins, surface water from the Santa Cruz Mountains, or the raw water supply to SCVWD's treatment plants could decrease or be contaminated such that existing treatment facilities are not adequate to meet current drinking water standards. Contamination could cause a source of supply to become unusable until further treatment techniques are utilized, or the contamination is no longer a threat to the source of supply.

Mechanical Failures - All sources of water require mechanical equipment to bring water to the public. Mechanical failures may cause water service shutdowns until repairs are made. To reduce the occurrence of failures, SJWC routinely inspects above-grade facilities at all stations. In addition, SJWC has created and implemented infrastructure replacement programs for all wells and pipelines. To reduce the impact of mechanical failures, SJWC's maintenance department is staffed 24-hours, seven-days a week to respond to and repair any water related emergency.

Water Demand Management Measures

SJWC provides a full range of water conservation services to both residential and commercial customers. The cornerstone of SJWC's conservation programs is the water audit program. The audit program is an excellent method for customers to learn about ways to reduce their consumption, as well as identify and fix any leaks they may have. The audits are performed at a customer request, typically in response to a high water bill concern and/or in response to marketing efforts. Audits are performed for both residential and commercial customers.

The District offers conservation programs, such as rebates for high efficiency toilets and washing machines. SJWC takes advantage of all regional rebate programs and all of the District's rebate programs are offered to SJWC customers. Typically customers are recommended to specific rebate programs during the course of a water audit based on a customer's need. Customers can also access rebates directly from retail outlets when purchasing equipment such as high efficiency washing machines. SJWC collaborates with the District on public outreach and education including such items as customer bill inserts and conservation campaign advertising.

SJWC has also increased the outreach and educational programs on outdoor water use. SJWC constructed a water-smart demonstration garden that is open to the public (see photo to the right). Customers can visit the garden in person or take a virtual tour on SJWC's website. SJWC also developed a dedicated water wise landscaping website where customers can access a plant information database that includes hundreds of low water use plants as well as a photographic database of water wise gardens in the San Jose-Santa Clara County area. The landscaping website and the demonstration garden tour can be accessed from the SJWC home web page.

In addition to these programs, SJWC engages in other activities that contribute to the overall goal of reducing water waste, but are not specifically designated as conservation or water management programs. These include SJWC's meter calibration and replacement program, corrosion control program, valve exercising program and metering all service connections.

Supply and Demand Comparison

To strengthen water supply reliability, SJWC has established a well replacement program. The adopted program identifies and replaces two wells per year based on numerous criteria, including a well's production and observed water quality problems. The replacement of older wells and optimization of existing wells should allow SJWC to meet future groundwater demands. SJWC's projected supply and demand (including the Santana Row Expansion Project) is listed in the following table, which shows SJWC's projected supply is sufficient to meet projected demand.

Table 13: Supply and Demand Comparison – Normal Year (AF/yr)

	2010	2015	2020	2025	2030	2035
Supply	131,858	141,903	144,764	147,682	150,660	153,697
Demand (Including Santana Row Project)	131,858	141,903	144,764	147,682	150,660	153,697
Difference (Including Santana Row Project)	0	0	0	0	0	0

Listed in the following tables are comparisons between the 2010 and 2035 projected supply and demand during normal, single-dry and multiple-dry year droughts. These numbers were generated by multiplying the current and 2035 demands by the percentages of normal water supply SJWC

experienced during the 1977 single year and the 1987-1992 multi-year droughts. During these drought times, SJWC may experience shortages of supply and will enact the current Water Shortage Contingency Plan. Although there appears to be shortages during droughts, in reality voluntary and involuntary water conservation greatly reduces demand. SJWC foresees meeting all future demands.

Table 14: 2010 Supply and Demand for Normal, Single-Dry and Multiple-Dry Years (AF/yr)

2010 Supply & Demand	Normal Water Year	Single-Dry Water Year	Multiple-Dry Water Years				
			Year 1	Year 2	Year 3	Year 4	Year 5
Supply Total	131,858	93,751	131,199	128,430	106,014	104,563	95,070
Demand Total	131,858	93,751	131,199	128,430	106,014	104,563	95,070
Difference	0	0	0	0	0	0	0

Table 15: 2035 Supply and Demand for Normal, Single-Dry and Multiple-Dry Years (AF/yr)

2035 Supply & Demand	Normal Water Year	Single-Dry Water Year	Multiple-Dry Water Years				
			Year 1	Year 2	Year 3	Year 4	Year 5
Supply Total	153,697	109,279	152,929	149,701	123,572	121,882	110,816
Demand Total	153,697	109,279	152,929	149,701	123,572	121,882	110,816
Difference	0	0	0	0	0	0	0

Summary

This Water Supply Assessment represents a comprehensive water supply plan for the Santana Row Expansion Project. In summary:

(1) The estimated water demand for the Project represents an increase of 85 AF/yr, which is a 0.07% increase in demand to SJWC's distribution system

(2) SJWC currently owns rights to receive water from the following sources:
1. Groundwater - from the Santa Clara Valley Subbasin
2. Imported surface water - from the Santa Clara Valley Water District
3. Local surface water - from Los Gatos Creek and Local Watersheds

(3) There is sufficient water available to supply this project and the projected water demand for this project is within normal growth projections for water demand in SJWC's system.

SJWC works closely with the District to manage its demands and imported water needs. After evaluating demands estimated for the Project and information summarized in this Water Supply Assessment, San Jose Water Company concludes that sufficient water supply exists to serve the Santana Row Expansion Project.

San Jose Water Company

EXHIBIT 1: SAN JOSE REGIONAL MAP

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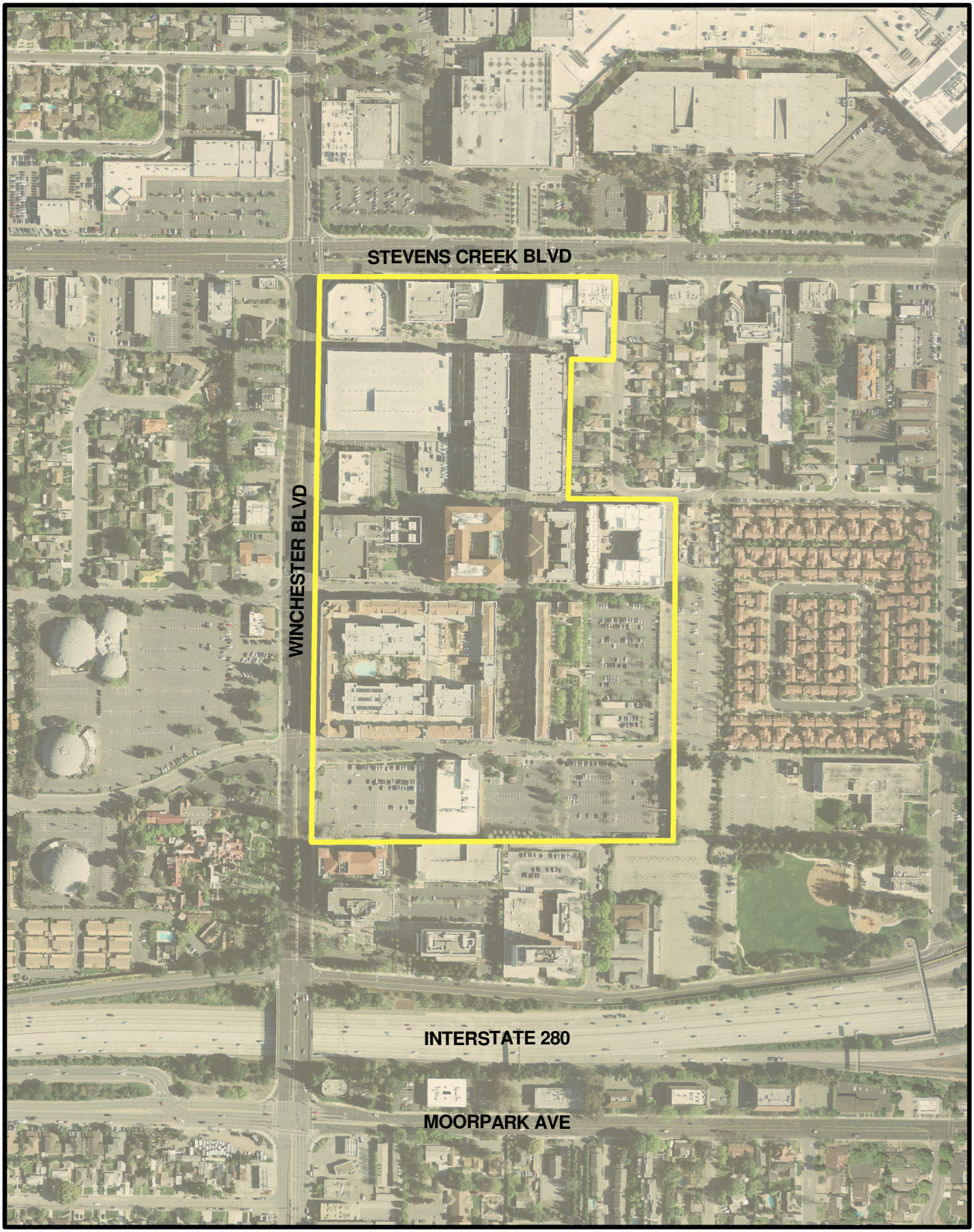
San Jose Water Company

EXHIBIT 2: SANTANA ROW EXPANSION PROJECT



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APPENDIX A

SJWC’s License from the State Water Board

STATE OF CALIFORNIA
THE RESOURCES AGENCY
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS

License for Diversion and Use of Water

APPLICATION 11693 PERMIT 7154 LICENSE 10933

THIS IS TO CERTIFY, *That* SAN JOSE WATER WORKS
P. O. BOX 229, SAN JOSE, CALIFORNIA 95196

HAVE *made proof as of* AUGUST 13, 1976 *(the date of inspection) to the satisfaction of the State Water Resources Control Board of a right to the use of the water of* LOS GATOS CREEK IN SANTA CLARA COUNTY

tributary to GUADALUPE CREEK THENCE ALVISO SLOUGH THENCE COYOTE CREEK

for the purpose of MUNICIPAL, DOMESTIC AND INDUSTRIAL USES *under Permit* 7154 *of the Board and that the right to the use of this water has been perfected in accordance with the laws of California, the Regulations of the Board and the permit terms; that the priority of this right dates from* JANUARY 10, 1947 *and that the amount of water to which this right is entitled and hereby confirmed is limited to the amount actually beneficially used for the stated purposes and shall not exceed* SIX THOUSAND TWO HUNDRED FORTY (6,240) ACRE-FEET PER ANNUM, TO BE COLLECTED FROM NOVEMBER 1 OF EACH YEAR TO APRIL 30 OF THE SUCCEEDING YEAR. THE MAXIMUM WITHDRAWAL FROM STORAGE IN ANY ONE YEAR SHALL NOT EXCEED 6,280 ACRE-FEET. THE MAXIMUN AMOUNT IN STORAGE AT ANY ONE TIME SHALL NOT EXCEED 6,380 ACRE-FEET.

THE POINT OF DIVERSION OF SUCH WATER IS LOCATED:

AUSTRIAN DAM - NORTH 1,300 FEET AND WEST 50 FEET FROM SE CORNER OF SECTION 23, T9S, R1W, MDB&M, BEING WITHIN SE1/4 OF SE1/4 OF SAID SECTION 23.

THE POINT OF REDIVERSION OF SUCH WATER IS LOCATED:

OSTWALD DAM - NORTH 2,475 FEET AND WEST 7,590 FEET FROM SE CORNER OF SECTION 14, T9S, R1W, MDB&M, BEING WITHIN NW1/4 OF SE1/4 SECTION 15, T9S, R1W, MDB&M.

A DESCRIPTION OF LANDS OR THE PLACE WHERE SUCH WATER IS PUT TO BENEFICIAL USE IS AS FOLLOWS:

SAN JOSE, LOS GATOS, SARATOGA AND ADJACENT TERRITORY, AS SHOWN ON MAP FILED WITH STATE WATER RESOURCES CONTROL BOARD.

IF AND WHENEVER THERE IS WATER IN STORAGE OF AUSTRIAN DAM LICENSEE SHALL RELEASE INTO THE NATURAL CHANNEL OF LOS GATOS CREEK BELOW THE DAM A MINIMUN FLOW OF ONE CUBIC FOOT PER SECOND AND IN ADDITION THERETO SUCH AMOUNTS, IF ANY, AS MAY BE NECESSARY TO BRING THE FLOW OF WATER AT LICENSEE'S OSTWALD DAM UP TO TWO CUBIC FEET PER SECOND. IF THERE IS NO WATER IN STORAGE AT AUSTRIAN DAM LICENSEE SHALL ALLOW THE NATURAL STREAM FLOW AT AUSTRIAN DAM TO PASS THROUGH THE DAM IN SUCH QUANTITIES, INSOFAR AS AVAILABLE, AS MAY BE NECESSARY TO SUPPLY THE MINIMUM FLOWS ABOVE STATED.

Licensee shall allow representatives of the Board and other parties, as may be authorized from time to time by the Board, reasonable access to project works to determine compliance with the terms of this license.

All rights and privileges under this license including method of diversion, method of use and quantity of water diverted are subject to the continuing authority of the Board in accordance with law and in the interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

Reports shall be filed promptly by licensee on appropriate forms which will be provided for the purpose from time to time by the Board.

The right hereby confirmed to the diversion and use of water is restricted to the point or points of diversion herein specified and to the lands or place of use herein described.

This license is granted and licensee accepts all rights herein confirmed subject to the following provisions of the Water Code:

Section 1625. Each license shall be in such form and contain such terms as may be prescribed by the Board.

Section 1626. All licenses shall be under the terms and conditions of this division (of the Water Code).

Section 1627. A license shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code) but no longer.

Section 1628. Every license shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a license is issued takes the license subject to the conditions therein expressed.

Section 1629. Every licensee, if he accepts a license does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any license granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any licensee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any licensee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Section 1630. At any time after the expiration of twenty years after the granting of a license, the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State shall have the right to purchase the works and property occupied and used under the license and the works built or constructed for the enjoyment of the rights granted under the license.

Section 1631. In the event that the State, or any city, city and county, municipal water district, irrigation district, lighting district, or political subdivision of the State so desiring to purchase and the owner of the works and property cannot agree upon the purchase price, the price shall be determined in such manner as is now or may hereafter be provided by law for determining the value of property taken in eminent domain proceedings.

Dated: NOVEMBER 5 1979

STATE WATER RESOURCES CONTROL BOARD

M a Lampoo

Chief, Division of Water Rights

APPENDIX B

SJWC and SCVWD 3-Year Treated Water Purchase Contract

Proposed Three Year Delivery Schedule

PENITENCIA/SANTA TERESA WATER TREATMENT PLANTS

Quantity of Water Requested in Acre-Feet

Fiscal year 2011 - 2012	Fiscal year 2012 - 2013	Fiscal year 2013 - 2014
46,896 AF	47,111 AF	47,326 AF

Approved:

San Jose Water Company

Andrew R. Gere

12/3/10

Date

Santa Clara Valley Water District

~~Ray Yep~~
Sandy Oblonsky

5/25/11

Date

Proposed Three Year Delivery Schedule

RINCONADA WATER TREATMENT PLANT

Quantity of Water Requested in Acre-Feet

Fiscal year 2011 - 2012	Fiscal year 2012 - 2013	Fiscal year 2013 - 2014
20,098 AF	20,190 AF	20,282 AF

Approved:

San Jose Water Company

Andrew R. Gere

Andrew R. Gere

12/3/10

Date

Santa Clara Valley Water District

Sandy Oblonsky

~~Ray Yep~~
Sandy Oblonsky

5/25/11

Date

APPENDIX C

City of San Jose Water Supply Assessment Request

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Department of Planning, Building and Code Enforcement
JOSEPH HORWEDEL, DIRECTOR

December 20, 2013

Bill Tuttle, P.E.
Director of Engineering
San Jose Water Company
1265 S. Bascom Ave.
San Jose, CA 95128

RE: WATER SUPPLY ASSESSMENT FOR DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE "SANTANA ROW EXPANSION" PROJECT IN SAN JOSÉ (FILE NO. PDC13-050)

Dear Mr. Tuttle,

As the Lead Agency, the City of San José is preparing an Environmental Impact Report for the *Santana Row Expansion* project, located in San Jose. The proposed project is comprised of three components: 1) modification of the existing Planned Development (PD) zoning for Santana Row to allow for up to 510,000 square feet of *additional* office, up to 55,641 square feet of additional retail area for use as a movie theater, an *additional* six hotel rooms, and a net increase of 47 housing units on-site; 2) protection of the Stevens Creek Boulevard/Monroe Avenue intersection by its addition to the City's List of Protected Intersections; and 3) expansion of the existing Santana Row site to include four recently acquired parcels on Dudley Avenue.

The 42.53-acre project site is located at the southeast corner of Stevens Creek Boulevard and Winchester Boulevard in the City of San José.

A description of the proposed project and location maps are included in the Notice of Preparation, attached. In accordance with the requirements of State law (SB 610) and the California Environmental Quality Act (CEQA) Guidelines, the City of San José requests that you provide an analysis of whether the San Jose Water Company has adequate water supply to serve this project.

Please advise the City whether this proposed development was included under the latest Urban Water Management Plan (UWMP). If the proposed development was not accounted for in the UWMP, please provide the City with a water supply assessment (WSA) identifying if the projected water supply for the next 20 years, based on normal, single year, and multiple dry years, and including existing and planned future water users, is adequate to meet the demand projected for the proposed development. In conformance with California's Water Code Section 10910(d)(1), the WSA shall include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system. In addition, the following information shall be provided in the WSA:

a) Written contracts or other proof of entitlement to an identified water supply;
b) Copies of a capital outlay program for financing the delivery of a water supply that has been adopted by the public water system;

c) Federal, State, and local permits for construction of necessary infrastructure associated with delivering the water supply; and
d) Any necessary regulatory approvals that are required in order to be able to convey or deliver the water supply.

If the water supply for this project will also include groundwater, please also provide the following additional information in your WSA analysis:

e) A review of any information contained in the UWMP relevant to the identified water supply for the proposed project;
f) A description of any groundwater basin or basins from which the proposed project will be supplied;
g) A detailed description and analysis of the amount and location of groundwater pumped by the public water system; and
h) An analysis of the sufficiency of the groundwater from the basin or basins from which the project will be supplied to meet the projected water demand associated with the proposed project.

According to California Water Code Section 10910(g)(1), the deadline for your response is 90 days after receipt of this request; however, we would appreciate an earlier response, if possible. Please identify a contact person, and send your response to:

Attention: David Keyon
City of San José
Department of Planning, Building, and Code Enforcement
200 East Santa Clara Street, 3rd Floor Tower
San José, CA 95113-1905

Thank you for your assistance in this matter. Please do not hesitate to contact David Keyon project manager, at 408-535-7898 or via email at david.keyon@sanjoseca.gov if you have any questions regarding this request or the proposed project.

Joseph Horwedel, Director
Department of Planning, Building, and Code Enforcement

John Davidson

12/20/2013
Date

Attachment: Notice of Preparation for the Santana Row Expansion Project (File No. PDC13-050), dated December 20, 2013.

110 West Taylor Street
San Jose, CA 95110