

How Cal Water Can Help:

Cal Water has a range of residential and commercial programs available to help you reduce your water use. These include:

Residential

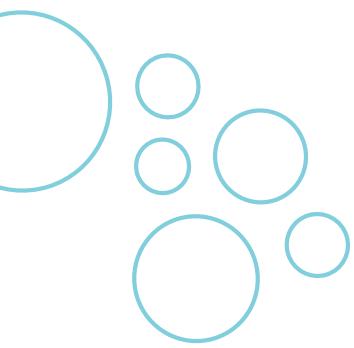
- High-efficiency toilet rebate
- High-efficiency clothes washer rebate
- Smart Irrigation Controller rebate
- Free sprinkler nozzles
- Turf replacement rebate
- Conservation kits with high-efficiency plumbing retrofit devices
- Water-use efficiency evaluations

Commercial

- High-efficiency toilet rebate
- High-efficiency urinal rebate
- High-efficiency clothes washer rebate
- Smart Irrigation Controller rebate
- Rotating nozzle rebate
- Spray body with integrated pressure regulation and check valve rebate
- Free sprinkler nozzles
- Turf replacement rebate
- Controller distribution
- Water-use efficiency evaluations

Need Help? For assistance with conservation, contact our local Customer Center at (650) 561-9709 or infoBG@calwater.com.

For water budget and other drought-related inquires, call Cal Water's Drought Call Center toll-free at (844) 726-8579. More information can also be found at calwater.com.



Important Drought Update for Cal Water Customers

Bear Gulch District
3525 Alameda De Las Pulgas
Menlo Park, CA 94025



Quality. Service. Value.®



Important Update on Drought Regulations and Water Budgets for Cal Water's Bear Gulch District Customers

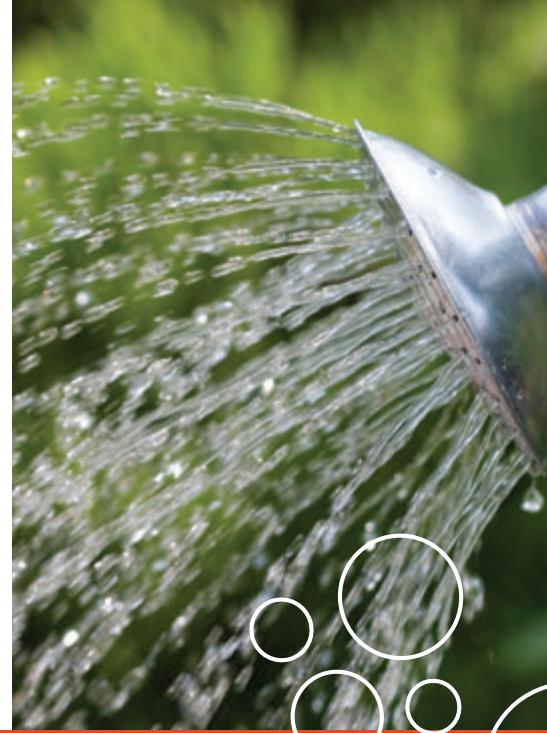
Este informe contiene información importante.
Tradúzcalo o hable con alguien que lo entienda bien.

Dear California Water Service (Cal Water) customer:

We thank you for your efforts to reduce water use since the State Water Resources Control Board (State) implemented mandatory water-use reductions last June. Although March has delivered significant rain and snow, the State of California is still in a drought. Pursuant to an order by the Governor, the State has extended its drought regulations through October 2016.

In May, the State may lift or modify drought regulations if snow and reservoir conditions continue to improve.

We will notify you of any changes that impact you.



Read on to learn more about changes in Cal Water's water budget program that will reduce surcharges.

Water Budgets

Your individual water budget is the amount of water you may use each month without incurring a drought surcharge. Each month's budget is based on the units of water (Ccf) you used that month in 2013. Because the Bear Gulch District is required to reduce water use by **36%**, your budget is 36% less than the amount you used in that month in 2013.

If you did not reside at your home or business in 2013, your water budget is based on the district's average water usage for each month. If you have a unique situation and this budget is not appropriate, you may file an appeal requesting a new water budget. See side column for more information on the appeal process.

If your budget was changed through the appeals process, please refer to the letter you received regarding your water budget. If you did not receive the letter, please contact our Drought Call Center.

You can access your historical water usage and monthly water budgets online at usage.calwater.com

Water Budget Appeals

If you have a unique situation, you may file an appeal to have your water budget increased. Reasons appeals may be considered include:

- Water use necessary for health and safety
- Business or economic needs
- Significant long-term savings achieved since 2011
- Average monthly water use in 2014 that is at least 50% lower than district average
- Large animal care (e.g., horse)

How to file an appeal:

All appeals must be submitted via a written application form, available at www.calwater.com/appeal or from our local Customer Center.

Changes to Water Budget Surcharges

As part of our customer-first approach and to recognize the efforts of customers who are working diligently to conserve water, we have developed a surcharge courtesy tier for water budget overages. In essence, if you get close and ALMOST meet the target, you will not incur a surcharge. The surcharge courtesy tier is bigger in districts that are meeting the State's water-use reduction requirement and smaller in districts that aren't.

Because the Bear Gulch District met the State's water-use reduction requirement cumulatively through the beginning of February 2016, water budget overage surcharges will be as follows, effective March 31: (This means it will start with your next bill cycle on or after March 31, and will show on your bill starting in May.)

- **First 5 Ccf over-budget (Tier A) — NO SURCHARGE**
- **6+ Ccf over-budget (Tier B) — \$10.00 per Ccf over the customer's allotted budget, in addition to the regular charge for that unit**

While this program is in place, we will evaluate the district's cumulative savings no more often than every 90 days and adjust the surcharge courtesy tier if the district begins to fall short of the State's reduction requirement for this system. If the district falls short of the reduction requirement at that time, the surcharge courtesy tier with no surcharges assessed will apply to the first 1 Ccf only.

As before, you will be able to "bank" unused units of water from your monthly water budget for use in future months. If you exceed your monthly budget, any banked units of water will be applied to the overage, both in the surcharge courtesy tier and before drought surcharges are imposed.

Additionally, the drought surcharge for customers on the *Low-Income Rate Assistance* program is half of the regular drought surcharge rate.

A minimum water budget of 6 Ccf (4,488 gallons) each month is established for **single-family, residential** customers. That means your water budget will never be below this threshold, regardless of 2013 water use.