

20. GREAT OAKS WATER COMPANY

TYPE AND EXTENT OF SERVICES

The Great Oaks Water Company, formed in 1959, is a utility that provides domestic water services. The Great Oaks' service area includes a portion of the southern end of the City of San Jose. It provides services to the Blossom Valley, Santa Teresa, Edenvale, Coyote Valley, and Almaden area of the City. The area is roughly bounded by Snell Avenue on the West, the Silver Creek Ridge on the East, Palm Avenue (in Coyote Valley) on the South and Riverview Drive on the North. Approximately 95 percent of the Company's revenue is derived from service within San Jose's incorporated area.

The Company uses groundwater as its sole source of supply. Great Oaks is an investor-owned utility and operates under the oversight of the California Public Utilities Commission (CPUC).

The Great Oaks Water Company is not subject to LAFCO purview, and accordingly no determinations are included in this report. Great Oaks is included in the report to ensure a comprehensive review of water service in Santa Clara County. The Great Oaks Water Company was last reviewed in the 2005 Countywide Water Service Review.

ACCOUNTABILITY AND GOVERNANCE

The Great Oaks Water Company maintains a website where company information is made available to its customers. The Company did not provide any additional information on its governing body.

MANAGEMENT AND STAFFING

The Great Oaks Water Company operates with 18 staff members, which are headed by a chief executive officer.

The Company makes projections for future demand in its UWMP.

POPULATION AND PROJECTED GROWTH

The Great Oaks Water Company serves an estimated population of 92,995¹¹⁷ and a total of 20,628 connections. The Company provides services to connections as described in Figure 20-1.

Figure 20-1: Connections Served by Great Oaks Water Company (2011)

The Association of Bay Area Governments (ABAG) has projected population growth to be modest in the future, growing at a rate of 1.1 to 1.5 percent per year to a population of 128,439 in 2035. ¹¹⁸	Type	Connections	Percentage
	Commercial (including domestic)	20,410	99%
	Industrial	46	0%
	Public Authorities	140	1%
	Schools	33	0%
	Total	20,628	100%

In recent years, the City of San Jose has engaged in various planning activities in an effort to control development in the undeveloped areas of the City and in contiguous unincorporated areas of Santa Clara County. At the time Great Oaks prepared its 2005 UWMP, the City had planned for development in Coyote Valley, a geographic area already partially included within Great Oaks’ CPUC-authorized service area. In the years since, the City’s planning efforts have changed direction.

In 2009 and 2010, two large multi-family residential and/or mixed use projects in Great Oaks’ service area have been the subject of water supply assessments requested of and submitted by Great Oaks. Both projects combined would constitute 4,400 residential units, which would increase Great Oaks’ residential population by approximately 15,000, per company estimates.¹¹⁹

The Company reported that it will likely annex additional areas in the next few years. The exact areas are unknown and are not expected to be significant.

FINANCING

Supply Rates

The Company pays a groundwater production service charge of \$520 per acre foot pumped to SCVWD to cover the costs associated with the District’s groundwater recharge program.

¹¹⁷ Great Oaks Water Company, *Draft 2010 UWMP*, p.5.

¹¹⁸ Great Oaks Water Company, *Draft 2010 UWMP*, p.5.

¹¹⁹ Great Oaks Water Company, *Draft 2010 UWMP*, p.6.

Demand Rates

The Company's current water rates include a readiness to serve charge (meter charge) as well as a usage charge. The water usage charge is determined by how much water a customer uses during the billing period. The rate is \$1.960 per hundred cubic feet. The readiness to serve charge is a recurring monthly charge that is determined by the size of the water meter serving a property. This charge applies even if no water is used during the billing period. In addition there are several taxes charged by various governmental agencies that are added to a water bill. CPUC requires the addition of a 1.5 percent surcharge to all customer bills to fund the CPUC's activities. The City of San Jose also charges a five percent utility user tax to all Great Oaks' customers living within the City. Any proposed rate changes must be submitted to the CPUC for approval. Great Oaks Water Company's rates were last changed on July 1, 2011.

WATER SUPPLY

Groundwater is Great Oaks' sole source of water supply. In 2010, the Company pumped approximately 11,021 acre feet, of which about four percent was considered unaccounted for loss and the remainder was delivered to service connections. The Company presently plans to continue using groundwater to meet all demand needs; although, it is presently in discussions with the City of San Jose regarding the possibility of receiving recycled water for distribution within the Great Oaks service area.

WATER DEMAND

The Company reported that although the total number of accounts had increased by about one percent over the last five year period (2005-2010), water usage had declined by four percent during that same period. The Company anticipates this trend to continue over the next 25 years. Great Oaks' UWMP indicates that although the Company projects 1,048 additional connections between 2010 and 2035, by 2035, the Company anticipates total delivered water to decline by 19 percent from 10,536 acre feet in 2010 to 8,509 acre feet.

Great Oaks has analyzed its sources of water during normal, single and multiple dry years and has concluded that it will have sufficient water available to meet demand projections through the year 2035.¹²⁰

WATER INFRASTRUCTURE AND FACILITIES

The Great Oaks water system consists of 195 miles of pipelines and 19 wells. The Company's total well pumping capacity is 29,900 gallons per minute. The Company is required to adhere to the standards adopted by the CPUC for system condition and capacity to ensure adequate levels of service for domestic use and fire flow.

¹²⁰ Great Oaks Water Company, *Draft 2010 UWMP*, 2011, P. 1.

Shared facilities

The Company maintains an intertie with San Jose Water Company for emergency purposes.