WATER SERVICE FROM FIRE HYDRANTS

UTILITY RATE SCHEDULE W-2

A. APPLICABILITY:

This schedule applies to all Water taken from fire hydrants for construction, maintenance, and other uses in conformance with provisions of a Hydrant Meter Permit.

B. TERRITORY:

This schedule applies everywhere the City of Palo Alto provides Water Service.

C. RATES:

1. Monthly Service Charge.

   METER SIZE

   5/8 inch ........................................................................................................................... 50.00
   3 inch ........................................................................................................................... 125.00

2. Volumetric Rate: (per hundred cubic feet)

   Commodity Rate:
   Water Delivery Charge from SFPUC ........................................................................ $4.10
   Distribution Rate: ................................................................................................................. $3.61

4. Drought Surcharges (deactivated):

   A drought surcharge will be added to the Customer’s applicable Commodity rate when the City Council has determined that a Water reduction level is in effect for the City as described in Section D.5. The drought surcharges in the table below are measured in dollars per hundred cubic feet (ccf).

<table>
<thead>
<tr>
<th>Water Usage Reduction level</th>
<th>Level 1 (10/15%)</th>
<th>Level 2 (20%)</th>
<th>Level 3 (25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surcharge</td>
<td>0.26</td>
<td>0.53</td>
<td>0.77</td>
</tr>
</tbody>
</table>

D. SPECIAL NOTES:

CITY OF PALO ALTO UTILITIES
Issued by the City Council

Supersedes Sheet No W-2-1
dated 7-1-2018

Effective 7-1-2019
Sheet No W-2-1
1. Monthly charges shall include the applicable monthly Service Charge in addition to usage billed at the commodity rate.

2. The Commodity Charge is based on the water delivery rate per the San Francisco Public Utility Commission (SFPUC) Water Rate Schedule W-25; Wholesale Use with Long-Term Contract. The Commodity Charge will be passed through automatically via periodic rate adjustments to account for increases in wholesale water charges, as well as inflation. The pass-through period will be effective for fiscal years 2020 through 2024, inclusive. Customers will be provided notice of any adjustments via their billing statements.

3. Any person or company using a hydrant without first obtaining a valid Hydrant Meter Permit shall pay a fee of $50.00 for each day of such use in addition to all other costs and fees provided in this schedule. A hydrant permit may be denied or revoked for failure to pay such fee.

4. A Meter deposit of $750.00 may be charged any applicant for a Hydrant Meter Permit as a prerequisite to the issuance of a permit and Meter(s). A charge of $50.00 per day will be added for delinquent return of hydrant Meters. A fee will be charged for any Meter returned with missing or damaged parts.

5. Any person or company using a fire hydrant improperly or without a permit, or who draws Water from a hydrant without a Meter installed and properly recording usage shall, in addition to all other applicable charges be subject to criminal prosecution pursuant to the Palo Alto Municipal Code.

6. During period of Water shortage or restrictions on local Water use, the City Council may, by resolution, declare the need for citywide Water conservation at the 10/15%, 20% or 25% level. While such a resolution is in effect, a drought surcharge will apply. The purpose of the drought surcharge is to recover revenues lost as a result of reduced consumption.