

NOTICE OF PUBLIC HEARING

Notice is hereby given pursuant to Section 147(f) of the Internal Revenue Code of 1986 that a public hearing will be held before the Executive Director of the California Pollution Control Financing Authority (the "Authority"), or his designee, on Thursday, April 22, 2010, at 10:00 a.m., California time, in Room 470, 915 Capitol Mall, Sacramento, California, on the proposed issuance by the Authority of its revenue bonds in a plan of financing under which such bonds may be issued in different series in an aggregate principal amount not to exceed \$150,000,000 within three years after the first issue of such bonds following approval of such bonds in accordance with the Internal Revenue Code of 1986.

Such bond proceeds will finance projects which will be owned and/or operated by San Jose Water Company (or its successors and assigns) and which will prevent the pollution and contamination of drinking water and improve the quality of water. Such projects include the financing of certain capital costs of the construction, acquisition and installation of modifications, expansions and replacements of water distribution, treatment and related operating systems, including, but not limited to, water lines and meters; equipment related to water treatment and quality, flow control, testing and monitoring; water mains; pumping and purification equipment at water treatment facilities; booster stations; wells; dams; buildings and structures; and other capital projects functionally related and subordinate to such facilities (collectively, the "Project Facilities"). The Project Facilities are or will be located at the following addresses, along the following streets or on or about the following locations in the certificated service area in portions of the cities of San Jose, Santa Clara, Cupertino, Campbell, Saratoga, Monte Sereno and Los Gatos and in the contiguous area in the county of Santa Clara (the "Service Area"):

- Main replacements and tie-ins to water mains throughout the Service Area.
- Replacement of wells and pumping equipment in stations located at 697 Needles Drive, 868 & 950 South Twelfth Street, 751 Tully Road, 2268 Will Wool Drive, 700 Dado Street, all in the City of San Jose and in other stations throughout the Service Area.
- Preparation of environmental documentation, performance of pilot testing, preparation of detailed design and specification as well as implementation of treatment plant process upgrades at the Montevina Water Treatment Plant at 18300 Highway 17 in the Town of Los Gatos.
- Installation of recycled water pipes along the Alignments "D", "G", and "H" from the City of San Jose Recycled Water Pipelines Project which are located at East William Street, Appian Lane, Melbourn Boulevard., 19th Street and Woodborough Drive, Tully Road, Kenoga Drive, Sherlock Drive, Lucretia Avenue, Summerside Drive, McLaughlin Avenue, Taper Lane, Fair Avenue, Audubon Drive, Berryessa Road, King Road, Mabury Road and Educational Park Drive all in the City of San Jose.
- Replacement of Motor Control Center primarily at the stations located at 86 North Seventeenth Street and 700 Dado Street in the City of San Jose, and at 19700 Cox Avenue in the City of Saratoga and in stations located throughout the Service Area.

Installation of booster, electrical switch gear and Supervisory Control and Data Analysis (SCADA) at 120 Laurel Avenue and 16520 Lark Avenue, in the Town of Los Gatos and in various locations throughout the Service Area.

- Replacement of meters, hydrants, appurtenances and service parts throughout the Service Area.
- Installation of photovoltaic solar and hydro turbine systems in the following stations in the City of San Jose: (i) 3601 Williams Road and 868 & 950 South Twelfth Street, (ii) at the Hostetter station at the junction of Morrill Avenue and Hostetter Avenue, and (iii) at the Alum Rock station at the junction of Crothers Road and Miradero Avenue; and at 19700 Cox Avenue in the City of Saratoga.
- Replacement and installation of interior lining, ladder, rails of storage tanks, and reservoirs at 6220 Greenridge Terrace in the Town of Los Gatos, at the end of Pike Road in the City of Saratoga, and at the junction of Rainbows Drive and Stelling Avenue in the City of Cupertino.
- Completion of Customer Information System primarily located at 1265 South Bascom Avenue, in the City of San Jose. Project includes automated dispatch, mobile field service computing, customer web site access and improved integration and ease of use.
- Replacement of necessary office, operational, maintenance and security equipment, computers, peripherals, vehicles, appurtenances, structures and non-specifics located primarily at 1265 South Bascom Avenue and 110 West Taylor Street, in the City of San Jose and throughout the Service Area.

Notice is further given that at said hearing, all proponents and opponents of the Project Facilities or the possible financing will have an opportunity to be heard on the question as to whether such bonds should be issued. Written comments may also be submitted to the Authority prior to 5:00 p.m., California time, on Wednesday, April 21, 2010.

For further information, contact the office of the Authority at 915 Capitol Mall, Room 457, Sacramento, California 95814, by phone at (916) 654-5610, or by facsimile at (916) 657-4821.

Dated: April 7, 2010.

MICHAEL PAPARIAN
Executive Director
California Pollution Control Financing Authority