

NOTICE OF PUBLIC HEARING

Notice is hereby given pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, that a public hearing will be held before the Executive Director of the California Pollution Control Financing Authority (the “Authority”), or her designee, on Thursday, October 20, 2016, at 10:00 a.m., California time, in Room 270, 801 Capitol Mall, 2nd Floor, Sacramento, California, on a plan of finance for the proposed issuance by the Authority of one or more series of revenue bonds in an aggregate principal amount not to exceed \$100,000,000 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) (the “Company”) 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 relating to (i) improvements to the structures and facilities that are integral to the supply of water throughout the Company’s water supply system (the “Water System”), including treatment plants, wells, reservoirs, tanks, pump stations and other functionally related structures and facilities, (ii) improvements to the distribution system, including construction of new mains and replacement of existing mains, (iii) the acquisition of equipment for the Water System and (iv) 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 certified service area in portions of the Cities of San Jose and Cupertino, the Cities of Campbell, Monte Sereno, and Saratoga, the Town of Los Gatos and adjacent unincorporated territories in the County of Santa Clara (the “Service Area”), in particular, the following:

- Main replacements and tie-ins to water mains throughout the Service Area.
- Replacement of wells and pumping equipment in stations located at McLaughlin, Pike, Almaden Valley, Cahalan and Cypress Stations, all in the City of San Jose, Town of Los Gatos and in other stations throughout the Service Area.
- Implementation of major 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 “A” and “R” from the City of San Jose Recycled Water Pipelines Project. Alignment A is located within the Golden Triangle on Zanker Road, Bering Drive, Karina Court and Component Drive. Alignment R is an area bordered by Highway 87, Highway 101, North First Street and Sonora Avenue, all in the City of San Jose.
- (i) Replacement of meters, hydrants, appurtenances and service parts, (ii) replacement and installation of various components of storage tanks and reservoirs and (iii) purchase and implementation of hardware and software, all throughout the Service Area.

- Construction of a new tank and station on McKean Road in San Jose as well as the associated transmission pipeline from the new station.
- 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 facilities or the possible financing will have an opportunity to be heard on the question as to whether such bonds should be issued. Interested persons may attend the public hearing in person or by phone at (888) 363-4734, participant code 5487945, or TDD (916) 654-9922. Written comments may also be submitted to the Authority prior to 5:00 p.m., California time, on Wednesday, October 19, 2016. For further information, contact the Authority at P.O. Box 942809, Sacramento, California 94209, by phone at (916) 654-5610, or by facsimile at (916) 657-4821.

Dated: October 5, 2016.

RENEE' WEBSTER-HAWKINS
Executive Director
California Pollution Control Financing Authority