SCHEDULE 14.1-CPR

STAGED MANDATORY CONSERVATION AND RATIONING

A. APPLICABILITY

This schedule applies to all water customers in the Cypress Ridge System of the Santa Maria Customer Service Area (SM CSA) served under Tariff Schedule SM-1-R, SM-1-NR, SM-3ML, and SM-1-Cypress Ridge. This schedule is only effective in times of mandatory rationing, as required by Rule No. 14.1, and only for the period noted in the Special Conditions section below. The drought emergency surcharges listed in this schedule are in addition to the regular water use charges under the current Schedules referenced above as authorized by the Commission.

B. TERRITORY

This schedule is applicable to customers in the Cypress Ridge System of the Santa Maria Customer Service Area only.

C. MANDATORY WATER USE REDUCTION AND DROUGHT EMERGENCY SURCHARGES

In response to the Governor's Executive Order (B-29-15) the State Water Resources Control Board (Water Board) imposed restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water consumers to reduce usage as compared to the amount they used in 2013. Golden State Water Company (GSWC) consumers reduced usage in 2014, but will need to achieve additional water conservation in 2015-16 to achieve the statewide goal.

These restrictions are designed to strongly encourage those customers with high per capita usage to achieve proportionally greater reduction than those with low use. The annual mandated reduction for this area is 36%.

In order to incorporate state and local mandatory water use restrictions, GSWC is deviating from the State's 25% mandatory reduction. However, GSWC is in compliance with Resolutions W-5034 and W-5041 by taking action required by and consistent with the State Water Board Regulations.

The following stages will be implemented as needed to achieve the annual mandated reduction. The utility may implement Stage 2 and the associated Drought Emergency Surcharge without first implementing Stage 1 if warranted by the mandated reduction.

(Continued)
SCHEDULE 14.1-CPR
STAGED MANDATORY CONSERVATION AND RATIONING

Stage 1
Outdoor irrigation is restricted to two days per week:

<table>
<thead>
<tr>
<th>Addresses Ending In:</th>
<th>Watering Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Even Numbers (0, 2, 4, 6, 8)</td>
<td>Monday and Thursday</td>
</tr>
<tr>
<td>Odd Numbers (1, 3, 5, 7, 9)</td>
<td>Tuesday and Friday</td>
</tr>
</tbody>
</table>

Additional restrictions:

All outdoor irrigation must occur between the hours of 7 pm and 8 am.

Failure to comply with these restrictions may result in the installation of a flow restrictor device along with associated fees for installation and removal.

If conditions warrant, GSWC will change the number of watering days and the specific day of watering after first notifying its customers in accordance with Rule 14.1.

Stage 2
Will be implemented if the Stage 1 restrictions are deemed insufficient to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

In addition to the restrictions identified in Stage 1, the following allocations and drought emergency surcharges are in effect:

1. All customers will have their baseline established using the 2013 usage data for their premise or an area wide average baseline for similar usage if 2013 data does not exist (e.g. new customer accounts).
2. The customer’s allocation will be based on the 2013 baseline less 36%.
3. No allocation will be set less than eight (8) Ccf per monthly billing period or sixteen (16) Ccf per bi-monthly billing period.
4. All usage in excess of the customer’s allocation will be charged at the regular rate plus a drought emergency surcharge of $2.50 per Ccf.

(Continued)
SCHEDULE 14.1-CPR
STAGED MANDATORY CONSERVATION AND RATIONING

Stage 3
Will be implemented if the Stage 2 allocations and drought emergency surcharges are deemed insufficient to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

In addition to the restrictions identified in Stage 1, the following allocations are in effect:

1. All customers will have their baseline established using the 2013 usage data for their premise or an area wide average baseline for similar usage if 2013 data does not exist (e.g. new customer accounts).
2. The customer’s allocation will be based on the 2013 baseline less 36%.
3. No allocation will be set less than eight (8) Ccf per monthly billing period or sixteen (16) Ccf per bi-monthly billing period.
4. All usage in excess of the customer’s allocation will be charged at the regular rate plus a drought emergency surcharge of $5.00 per Ccf.

Stage 4
Will be implemented if the Stage 3 allocations and drought emergency surcharges are deemed insufficient to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

In addition to the restrictions identified in Stage 1, the following allocations are in effect:

1. All customers will have their baseline established using the 2013 usage data for their premise or an area wide average baseline for similar usage if 2013 data does not exist (e.g. new customer accounts).
2. The customer’s allocation will be based on the 2013 baseline less 36%.
3. No allocation will be set less than eight (8) Ccf per monthly billing period or sixteen (16) Ccf per bi-monthly billing period.
4. All usage in excess of the customer’s allocation will be charged at the regular rate plus a drought emergency surcharge of $10.00 per Ccf.
SCHEDULE 14.1-CPR

STAGED MANDATORY CONSERVATION AND RATIONING

Page 4 of 6

STAGE 5
This stage will be implemented in the event that the source of supply for the Cypress Ridge System is severely curtailed to the level that requires each customer to restrict their water use for only human health and safety purposes which is 50 Gallons Per Capita per Day (GPCD).

1. All outside use of potable water is strictly prohibited.
   a. First violation of this restriction will result in a written warning.
   b. Second violation of this restriction will result in the installation of a flow restrictor for a minimum of 30 days.
   c. Third violation of this restriction will result in the termination of water service.
2. All single family residential customers will receive allocations based on an assumed four (4) person household which results in a monthly allocation of eight (8) Ccf per monthly billing or sixteen (16) Ccf per bi-monthly billing.
3. All usage in excess of the customer's allocation will be charged at the regular rate plus a drought emergency surcharge of $10.00 per Ccf.

D. FLOW RESTRICTOR CHARGES

The charge for installation and removal of a flow-restricting device shall be:

<table>
<thead>
<tr>
<th>Connection Size</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; to 1&quot;</td>
<td>$150.00</td>
</tr>
<tr>
<td>1-1/2&quot; to 2&quot;</td>
<td>$200.00</td>
</tr>
<tr>
<td>3&quot; and larger</td>
<td>$300.00</td>
</tr>
</tbody>
</table>

The flow restrictor will remain installed for a minimum of 7 days.

(Continued)
E. EXEMPTION AND APPEALS PROCESS

Any customer who seeks a variance from any of the provisions of this voluntary water conservation and mandatory rationing plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

The appeals form is available online at GSWC website: www.gswater-cr.com/appeal, the Cypress Ridge office located at 855 W. Grand Ave., Grover Beach, CA 93433 or by calling (805) 481-8432.

F. SPECIAL CONDITIONS

1. A Tier 2 advice letter will have to be filed with the Commission to activate any of the Stages of Mandatory Water Use Reduction and Drought Emergency Surcharges listed in this schedule.

2. The active Stage of Mandatory Water Use Reduction and Drought Emergency Surcharges is to remain in effect until a Tier 2 advice letter is filed with the Commission to activate a different Stage or when Schedule 14.1-CPR is deactivated.

3. Water use violation fines and/or Drought Emergency Surcharges must be separately identified on each bill.

4. All bills are subject to reimbursement fee set forth on Schedule No. UF.

5. All monies collected by the utility through water use violation fines and/or Drought Emergency Surcharges shall not be accounted for as income, but shall be accumulated in the WRAM and lost revenue portion tracked in the Water Conservation Memorandum Account (WCMA) for non-WRAM tariffs.

(Continued)
6. No Customer shall use utility-supplied water for non-essential or unauthorized uses as defined below:

   a. The application of potable water to outdoor landscapes in a manner that causes runoff such that water flow onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.

   b. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

   c. The use of potable water for washing buildings, structures, sidewalks, walkways, patios, tennis courts, or other hard-surfaced, non-porous areas.

   d. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

   e. The use of potable water for watering outside plants, lawn, landscape, and turf area during certain hours prohibited by applicable laws, during and up to 48 hours after measurable rainfall (0.1” or more).

   f. GSWC will promptly notify customers when aware of leaks within the customer’s control; the failure to repair any leaks, breaks, or other malfunction resulting in water waste in a customer’s domestic or outdoor water system within forty-eight (48) hours of notification by the utility, unless other, specific arrangements are made with and agreed to by the utility.

   g. The serving of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.

   h. Hotels/motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option.

   i. The use of potable water for irrigation of ornamental turf on public street medians.

   j. The use of potable water for irrigation outside of newly constructed homes and buildings that is not delivered by drip or micro spray systems.

   k. Commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water use in an amount consistent with the mandated reduction.

   l. Further Reduction in or the complete prohibition of any other use of water declared non-essential, unauthorized, prohibited, or unlawful by an authorized government or regulatory agency or official.

   m. Use of potable water for watering streets with trucks, or other vehicles, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.

7. The outdoor irrigation restriction does not apply to trees or edible vegetation watered solely by drip or micro spray systems.

N