

March 28, 2025

MEETING NOTICE & REQUEST FOR RSVP**TO: AGRICULTURAL WATER ADVISORY COMMITTEE****Jurisdiction**

District 1
District 2
District 3
District 4
District 5
District 6
District 7
Loma Prieta Resource Conservation District
Santa Clara County Farm Bureau

Representative

Erin Gil
James Provenzano
Vacant
Sheila Barry
Jan F. Garrod
Tim Chiala
Vacant
Peter Van Dyke
Vacant

Representative

Mitchell Mariani
Vacant
Vacant
Brent Bonino
Trevor Garrod
Vacant
Vacant

The regular meeting of the Agricultural Water Advisory Committee is scheduled to be held on **Monday, April 7, 2025, at 1:30 p.m., at Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118.**

Enclosed are the meeting agenda and corresponding materials. Additional copies of this meeting packet will be available at the meeting and on our website: www.valleywater.org/how-we-operate/committees/board-committees.

A majority of the appointed membership is required to constitute a quorum, which is fifty percent plus one. A quorum for this meeting must be confirmed at least 48 hours prior to the scheduled meeting date or it will be canceled.

Further, a quorum must be present on the day of the scheduled meeting to call the meeting to order and take action on agenda items.

Members with two or more consecutive unexcused absences will be subject to rescinded membership.

Please confirm your attendance no later than **12:00 p.m., Thursday, April 3, 2025** by contacting Nicole Merritt at 1-408-630-3262, or nmerritt@valleywater.org.

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Santa Clara Valley Water District Agricultural Water Advisory Committee Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: <https://valleywater.zoom.us/j/98850905996>

REGULAR MEETING AGENDA

**Monday, April 7, 2025
1:30 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

COMMITTEE:
Peter Van Dyke, Chairperson
Trevor Garrod, Vice Chairperson

BOARD REPRESENTATIVES:
Director Jim Beall
Vice Chairperson Richard P. Santos
Director John L. Varela

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Vincent Gin
Darin Taylor, (Staff Liaisons)

Nicole Merritt (COB Liaison)
Assistant Deputy Clerk II
nmerritt@valleywater.org
408-630-3262

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Agricultural Water Advisory Committee
REGULAR MEETING
AGENDA

Monday, April 7, 2025

1:30 PM

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose , CA 95118

Join Zoom Meeting
<https://valleywater.zoom.us/j/98850905996>

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/98850905996>

Meeting ID: 988 5090 5996

Join by Phone:

1 (669) 900-9128, 988 5090 5996#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

- 3.1. Approval of January 6, 2025 Agricultural Water Advisory Committee Minutes. [25-0295](#)
Recommendation: Approve the minutes.
Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [Attachment 1: 01062025 AWAC Minutes](#)
Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

- 4.1. Review Proposed Fiscal Year 2025-26 Groundwater Production Charges and Receive Committee Feedback. [25-0296](#)
Recommendation: Review proposed Fiscal Year 2025-26 Groundwater Production Charges and receive Committee feedback.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 20 Minutes
- 4.2. Receive Information and Provide Feedback on Valley Water's Water Supply Master Plan 2050. [25-0297](#)
Recommendation: Provide feedback on the development of Water Supply Master Plan 2050.
Manager: Kirsten Struve, 408-630-3138
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 30 Minutes
- 4.3. Receive an Update on Valley Water's South County Managed Aquifer Recharge Activities. [25-0286](#)
Recommendation: Receive an update on Valley Water's South County managed aquifer recharge activities.
Manager: Gregory Williams, 408-630-2867
Attachments: [Attachment 1: Recharge Facility Map](#)
[Attachment 2: Summary Recharge Facility Capacity](#)
[Attachment 3: Recharge Facility Capacity](#)
[Attachment 4: PowerPoint](#)
Est. Staff Time: 10 Minutes

- 4.4. Review 2025 Agricultural Water Advisory Committee (AWAC) Work Plan, [25-0300](#)
the Outcomes of Board Action of Committee Requests and the
Committee's Next Meeting Agenda.

Recommendation: Review the Committee work plan to guide the committee's
discussions regarding policy alternatives and implications for
Board deliberation.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: AWAC 2025 Work Plan](#)

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

*This is an opportunity for the Clerk to review and obtain clarification on any formally
moved, seconded, and approved requests and recommendations made by the
Committee during the meeting.*

6. REPORTS:

- 6.1. Federal and State Affairs Report
- 6.2. Director's Report
- 6.3. Manager's Report
- 6.4. Committee Member's Report
- 6.5. Information Links:

<https://www.valleywater.org/how-we-operate/committees/board-committees>

- Board Policy and Monitoring Committee (BPMC) - formerly Board Policy and
Planning Committee & Diversity
and Inclusion Ad Hoc Committee

- Environmental Creek Cleanup Committee (ECCC) - formerly Homeless Encampment
Committee

- Water Supply and Demand Management (WSDM) - formerly Water Storage
Exploratory Committee & Water Conservation & Demand Management Committee

<https://www.valleywater.org/your-water/water-supply-planning/monthly-water-tracker>

- Water Tracker

7. ADJOURN:

- 7.1. Adjourn in Honor of Robert Long; to Regular Meeting at 1:30 p.m., on October
6, 2025.

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Santa Clara Valley Water District

File No.: 25-0295

Agenda Date: 4/7/2025
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of January 6, 2025 Agricultural Water Advisory Committee Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

Approval of minutes is not subject to environmental justice analysis.

ATTACHMENTS:

Attachment 1: 01062025 AWAC Minutes

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

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AGRICULTURAL WATER ADVISORY COMMITTEE
MEETING

DRAFT MINUTES

REGULAR MEETING SESSION
MONDAY, JANUARY 6, 2025
1:30 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Agricultural Water Advisory Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 1:30 p.m.

1.1 Roll Call.

Committee members in attendance were District 2 James Provenzano, District 4 Sheila Barry and Brent Bonino, District 5 Jan Garrod, District 6 Robert Long, District 5 and Vice Chairperson Trevor Garrod, and Loma Prieta Resource Conservative District and Chairperson presiding, Peter Van Dyke constituting a quorum of the Committee.

District 1 Mitchell Mariani and Erin Gil, and District 6 Tim Chiala arrived as noted below.

Staff members in attendance were: Gina Adriano, Aaron Baker, John Bourgeois, Olivia Cobb, Vanessa De La Piedra, Zooey Diggory, Vincent Gin, Samantha Greene, Jason Gurdak, Andy Gschwind, Cindy Kao, Candice Kwok-Smith, Walter Gonzalez, Emelia Lamas, Ryan McCarter, Nicole Merritt, Carmen Narayanan, Max Overland, Charlotte Reinthaler, E. Ray Ruiz, Ashley Shannon, Nicholas Simard, Stephanie Simunic, Emily Tucker, Nadia Webster, Gregory Williams, and Beckie Zisser.

Board Representatives in attendance were: Valley Water Vice Chairperson Richard P. Santos (District 3), Director Jim Beall (District 4), and Director John L. Varela (District 1).

Public in attendance were: Valley Water Director Rebecca Eisenberg (District 7) and Director Shiloh Ballard (District 2), and Katja Irvin (Sierra Club).

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:

Chairperson Peter Van Dyke declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

3. APPROVAL OF MINUTES:

3.1. Approval of October 7, 2024 Agricultural Water Advisory Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the October 7, 2024 Committee meeting.

Public Comments:
None.

It was moved by James Provenzano and seconded by Vice Chairperson Trevor Garrod and unanimously carried that the minutes be approved.

4. REGULAR AGENDA:

4.1. Election of Chair and Vice Chair.

Recommendation: Elect 2025 Chair and Vice Chair.

The Committee considered this Item without a staff presentation.

Public Comments:
None.

It was moved by James Provenzano and seconded by Vice Chairperson Trevor Garrod and unanimously carried that Chairperson Peter Van Dyke remain Chairperson.

It was moved by Brent Bonino and seconded by James Provenzano and unanimously carried that Vice Chairperson Trevor Garrod would remain Vice Chairperson.

4.2. Review and Approve 2024 Accomplishments Report for Presentation to the Board (Committee Chair).

Recommendation: A. Approve the 2024 Accomplishments Report for presentation to the Board;
B. Provide comments to the Committee Chair to share with the Board as part of the Accomplishments

Report presentation pertaining to the purpose, structure, and function of the Committee.

The Committee considered this Item without a staff presentation.

Tim Chiala and Mitchell Mariani arrived.

Robert Long noted speaking about the potential of dams on small pieces of water to 32 landowners with over 20 acres and confirmed only 2 landowners were interested with 22 of the properties having changed ownership in the last 3 years and may be sold in the future.

Public Comments:
None.

It was moved by Vice Chairperson Trevor Garrod and seconded by Jan Garrod and unanimously carried that the following Recommendation A was unanimously approved.

Recommendation: A. Approve the 2024 Accomplishments Report for presentation to the Board.

4.3. Review and Provide Comment to the Board on Staff's Preliminary Fiscal (FY) 2025-2026 Groundwater Production Charges.

Recommendation: Review staff's preliminary FY 2025-2026 groundwater production charges and provide comment to the Board as appropriate.

Carmen Narayanan reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Carmen Narayanan, Vincent Gin, Darin Taylor, Aaron Baker, Valley Water Board Vice Chairperson Santos and Director Varela were available to answer questions.

Erin Gil arrived.

The Committee discussed the following topics: confirmed Los Vaqueros Reservoir Expansion Project status coming back online will be up to the Contra Costa Water District as the owner; the recent drought and water conservation efforts have assisted with the lower water usage actuals/projections which tend to rebound outside of droughts; treated water actuals/projections reflect the amount received/delivered and expected for treated water retailers to deliver to their customers; discussed the definition of a drought and how it relates to demand, availability, handling reserves, budgeting costs, and the logistics of imported and treated water; confirmed projections include consideration of urban development and the roughly 8%-10% agricultural rate use county wide is based on farming meters from wells in South County and crop factors; discussed the District

Act's pricing policy regarding the Municipal & Industrial (M&I) Rate and how it relates to the Agricultural rate; confirmed inflation rates are included in the financial models for the forecasting process; and noted Valley Water's Landscape Rebate Program.

Public Comments:
None.

Valley Water Director Eisenberg's hand was raised to speak by Zoom teleconference but was not allowed to speak per the Board's Governance Policy 9.2.1.

It was moved by Jan Garrod and seconded by Erin Gil to receive and accept staff's preliminary report for the FY 2025-2026 groundwater production charges and unanimously approved with the amendment to continue the pursuit of water conservation programs, studying the impact of increased rates on agriculture and the potential of freezing agricultural rates.

4.4. Receive and Discuss Introduction to the Upper Pajaro Native Ecosystem Enhancement Tool (UPNEET) and Provide Feedback.

Recommendation: Receive and discuss introduction to the UPNEET and provide feedback as necessary.

Zooey Diggory reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Zooey Diggory, John Bourgeois, Samantha Greene, and Valley Water Board Vice Chairperson Santos were available to answer questions.

Public Comments:
None.

The Committee discussed the following topics: potential UPNEET assistance with confirming if a site could implement a low flow channel for fish and potentially provide resources to stock pond owners; support for resources regarding balance of food safety and natural habitat enhancement near farmland; Chairperson Peter Van Dyke invited to be a part of the technical advisory group for the development of UPNEET; UPNEET User Interface may provide general or detailed site information from existing maps/data for a recommendation that is ecologically appropriate per the local fish/wildlife history, topography/vegetation communities, and land uses; opportunity areas will generally be below 1,000 feet; Valley Water or any other project proponent would need to work with landowners for access to private properties and with California Department of Fish and Wildlife and others for restoration permits as needed; currently in beginning planning phase 1 which includes creating a beta version with the anticipated final UPNEET launching and training of users in 2026.

The Committee received and noted the information and took no formal action.

- 4.5. Discuss the Potential of Forming a Subcommittee for the Agricultural Water Advisory Committee (AWAC).

Recommendation: Discuss the potential of forming an AWAC subcommittee per the Committee's approval at the January 9, 2023 meeting.

Chairperson Peter Van Dyke requested and reviewed this agenda item, per the attached Committee Agenda Memo.

Vincent Gin and Nicole Merritt were available to answer questions.

Public Comments:
None.

The Committee received the information, took no formal action and noted the option of forming a subcommittee as needed.

- 4.6. Review and Discuss Resolution 17-75 Regarding the Agricultural Water Advisory Committee Membership and Provide the Feedback or Recommendations to the Board.

Recommendation: Review and discuss Resolution 17-75 (PROVIDING FOR AND DEFINING THE STRUCTURE AND FUNCTION OF ADVISORY COMMITTEES TO THE SANTA CLARA VALLEY WATER DISTRICT BOARD OF DIRECTORS AND REPEALING RESOLUTION 15-28) as to its provisions regarding the membership of the Agricultural Water Advisory Committee (AWAC) and provide feedback or recommendations to the Board.

The Committee requested further discussion regarding AWAC membership requirements and fulfilling the vacancies at the October 7, 2024 meeting, and reviewed this agenda item per the attached Committee Agenda Memo and per information contained in Attachment 1 without a staff presentation.

Nicole Merritt, Andy Gschwind, and Valley Water Director Varela were available to answer questions.

Public Comments:
None.

The Committee received the information, took no formal action and continued the discussion regarding the agricultural challenges in Santa Clara County, the significance of maintaining interest of stakeholders and support for outreach to the Santa Clara County Farm Bureau and local elected officials. Chairperson Peter Van Dyke noted to continue working with the AWAC Committee Oversight Managers Vincent Gin and Darin

Taylor regarding a potential recommendation to the Board.

- 4.7. Review and Approve the Proposed 2025 Agricultural Water Advisory Committee (AWAC) Work Plan, the Outcomes of Board Action of Committee Requests, the Committee's Next Meeting Agenda; and Recommend the Proposed 2025 AWAC Work Plan to the Board.

Recommendation: Review and approve the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

The Committee considered this Item without a staff presentation.

Public Comments:
None.

Nicole Merritt, Vincent Gin, and Jason Gurdak were available to answer questions.

It was moved by Tim Chiala and seconded by Robert Long and unanimously approved to recommend the proposed 2025 AWAC Work Plan to the Board with the amendment to add the Semitropics Groundwater Storage Bank as a separate AWAC Work Plan topic.

5. INFORMATION ITEM:

- 5.1. Standing Items Report.

Recommendation: This item allows the Agricultural Water Advisory Committee to receive verbal or written updates and discuss the Board's Fiscal Year 2024-2025 Work Plan Strategies. These items are generally informational; however, the Committee may request additional information and/or provide collective input to the assigned Board Committee.

The Committee considered this Item without a staff presentation.

Public Comments:
None.

Nicole Merritt was available to answer questions.

The Committee received the information, took no formal action, noted the attached Board Work Plan standing items report.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

Nicole Merritt confirmed the Committee took formal approval action for Peter

Van Dyke to continue as the Chairperson and Trevor Garrod to continue as the Vice Chairperson under Item 4.1; approval of 2024 Accomplishments Report for presentation to the Board under Item 4.2; approval to receive and accept staff's preliminary report for the FY 2025-2026 groundwater production charges with the amendment to continue the pursuit of water conservation programs, studying the impact of increased rates on agriculture and the potential of freezing agricultural rates under Item 4.3; received, noted and provided feedback on UPNEET under Item 4.4; received, noted, and provided feedback on forming an AWAC Subcommittee under Item 4.5; received, noted, and provided feedback on Resolution 17-75 regarding AWAC Membership under Item 4.6; and approval to recommend the proposed 2025 AWAC Work Plan to the Board with the amendment to add the Semitropics Groundwater Storage Bank as a separate AWAC Work Plan topic under Item 4.7.

7. REPORTS:

- 7.1. Federal and State Affairs Report
Beckie Zisser provided the verbal update and confirmed financial assistance with the unhoused will be addressed locally through partnerships with the county or other jurisdictions to obtain federal funding.
- 7.2. Director's Report
Valley Water Board Vice Chairperson Director Santos reconfirmed support of AWAC Members doing outreach to local elected officials to assist with the unhoused.
- 7.3. Manager's Report
Aaron Baker provided a verbal update regarding the Valley Water Board elections and the Anderson Dam project update.
- 7.4. Committee Member Report
Tim Chiala noted appreciation for the Federal and State Affairs Report.

Chairperson Peter Van Dyke noted the significance of agriculture for Santa Clara County and presented samples of the locally produced fruits, beans, and vegetables.
- 7.5. Information Links:
Links noted on agenda.

8. ADJOURN:

- 8.1. Adjourn to Regular Meeting at 1:30 p.m. on April 7, 2025.

Chairperson Peter Van Dyke adjourned the meeting at 3:37 p.m., to the regular meeting at 1:30 p.m. on April 7, 2025.

Date approved:

Nicole Merritt
Assistant Deputy Clerk II

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Santa Clara Valley Water District

File No.: 25-0296

Agenda Date: 4/7/2025

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review Proposed Fiscal Year 2025-26 Groundwater Production Charges and Receive Committee Feedback.

RECOMMENDATION:

Review proposed Fiscal Year 2025-26 Groundwater Production Charges and receive Committee feedback.

SUMMARY:

Summary of Groundwater Production Charge Analysis:

The proposed groundwater production charges reflect the benefit of District activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8.

Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road or the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs. The discussion in this memo will focus on the three South County zones given that the agricultural groundwater charge projection is linked to the Municipal and Industrial (M&I) charges in South County.

The groundwater production charge recommendations are detailed in the Annual Report on the Protection and Augmentation of Water Supplies that was filed with the Clerk of the Board on February 28, 2025. The public hearing on groundwater production charges is scheduled to open on April 8, 2025 and continuing on April 25, 2025, pending Board approval, with a focus on South County. It is anticipated that the Board would set the FY 2025-26 groundwater production charges by May 27, 2025, with an effective date of July 1, 2025.

The FY 2025-26 groundwater production charge and surface water charge setting process will

be conducted consistent with the District Act, and Board resolutions 99-21 and 12-10.

Open Space Credit

The Valley Water Board has historically recognized that agriculture brings value to Santa Clara County in the form of open space and local produce. According to Section 26.1 of the District Act, agricultural water is “water primarily used in the commercial production of agricultural crops or livestock.”

The District Act limits the agricultural charge to be no more than 25% of the M&I charge. But, to help preserve the value of open, agricultural lands, the Board’s current pricing policy limits the agricultural groundwater production charge to 10% of the M&I Charge. Currently the zone with the lowest M&I charge is used to set the agricultural groundwater production charge (Zone W-8).

The agricultural community benefits from low groundwater charges, currently set at \$39.80/AF, or 9.25% of the Zone W-8 M&I charge of \$430.00/AF.

The credit to agricultural water users has become known as an “Open Space Credit.” It is paid for by fungible, non-rate related revenue. To offset lost revenue that results from the difference between the adopted agricultural groundwater production charge and the agricultural charge that would have resulted at the full cost of service, Valley Water redirects a portion of the 1% ad valorem property taxes generated in the Water Utility, General and Watershed Stream Stewardship Funds.

Groundwater Production and Treated Water Charge Recommendations

Staff proposes a 9.9% increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge, from \$2,229.00 per acre foot (AF) to \$2,450/AF. Staff recommends maintaining the treated water surcharge on treated water delivered under the contracts with retail agencies at \$115/AF, and maintaining the non-contract treated water surcharge at \$200/AF. The proposal equates to a monthly bill increase for the average household of \$7.60 or about 25 cents a day.

In the South County Zone W-5, staff proposes a 7.9% increase in the M&I groundwater production charge from \$579.00/AF to \$624.50/AF. The proposal equates to a monthly bill increase for the average household of \$1.58 or about 5 cents per day.

In the South County Zone W-7, staff proposes an 11.2% increase in the M&I groundwater production charge from \$750.50/AF to \$834.50/AF. The proposal equates to a monthly bill increase for the average household of \$2.89 or about 10 cents per day.

In the South County Zone W-8, staff proposes an 8% increase in the M&I groundwater production charge from \$430.00/AF to \$464.00/AF. The proposal equates to a monthly bill increase for the average household of \$1.18 or about 4 cents per day.

Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

For agricultural groundwater users, staff proposes an increase of 8 percent from the prior year, which equates to setting the agricultural groundwater charge at 9.25 percent of the lowest M&I rate (Zone W-8). The proposed agricultural groundwater production charge in any groundwater benefit zone would change from \$39.80/AF to \$43.00/AF, or roughly a \$0.53 increase per month per acre, assuming two acre-feet of water usage per acre per year.

Surface Water, Recycled Water, and Other Charges Recommendations

Staff recommends a 9.9% increase to the surface water master charge from \$61.00/AF to \$67.00/AF to align revenues with costs related to managing, operating and billing for surface water diversions. This increase results in a proposed 9.9% increase to the North County (Zone W-2) M&I surface water charge, to \$2,517.00/AF. For South County zones, staff proposes the following M&I surface water charge increases: for Zone W-5, an 8 percent increase to \$691.50/AF; for Zone W-7, an 11.1 percent increase to \$901.50/AF; for Zone W-8, an 8.1 percent increase to \$531.00/AF. Staff recommends that the total agricultural surface water charge be increased 9.1 percent in all zones, to \$110.00/AF.

For recycled water (Zone W-5), staff recommends increasing the M&I charge by 7.9 percent, to \$604.50/AF, and increasing the agricultural charge by 4.6 percent, to \$73.35/AF. The increase maximizes cost recovery while concurrently providing an economic incentive to use recycled water. This pricing is consistent with the provisions of the "Wholesale-Retailer Agreement for Supply of Recycled Water Between Santa Clara Valley Water District and City of Gilroy."

Need for Charges - Water Utility Costs

The proposed maximum groundwater production charges for FY 2025-26 are necessary to (1) advance the Anderson Dam Seismic Retrofit, which will improve public safety and restore operational capacity; (2) to fund key baseline projects such as the Rinconada Water Treatment Plant reliability improvement and the 10-year Pipeline Rehabilitation Program; (3) to conduct planning work related to the Pacheco Reservoir Expansion and participate in the B.F. Sisk Dam Raise project, which would provide additional water storage capacity; and, (4) to pay for cost increases due to inflation.

Valley Water's 54th Annual Report on the Protection and Augmentation of Water Supplies, among other information, contains a financial analysis of the Valley Water's water utility system and additional details about the above recommendations. This report can be found at www.valleywater.org <<http://www.valleywater.org>>.

Staff is seeking the Committee's feedback, or input, with regard to these proposed groundwater production charges for FY 2025-26.

A PowerPoint presentation will be provided at the meeting.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice impacts associated with this item.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



FISCAL YEAR 2025-26

Water Charge Recommendations

Agricultural Water Advisory Committee

Presented by:
Carmen Narayanan, Financial Planning and Revenue Unit Manager

April 7, 2025

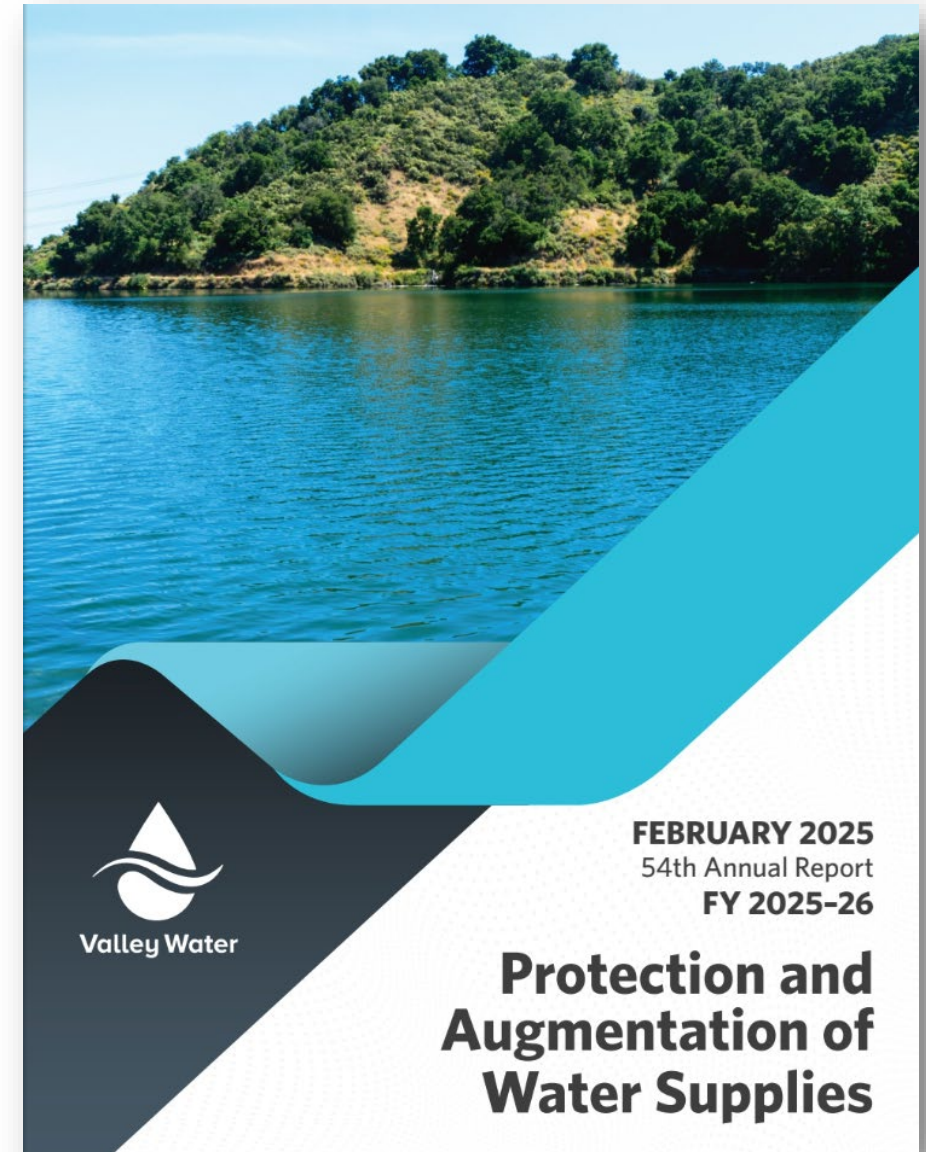
54th Annual Report Released

**Annual Protection and Augmentation of
Water Supplies Report provides
information & accountability**

Filed February 28, 2025

Available Online:

<https://www.valleywater.org/ProposedWaterCharges>



Rate Setting Strategy for FY 2025-26

FY 26 BASELINE CASE ASSUMPTIONS

3

Reduced water use projection versus prior year rate cycle (FY 26 water use slightly lower than FY 25 budget)

Secure Existing Supplies and Infrastructure

- Baseline Projects ¹
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Dam Safety Program for Almaden, Calero, Coyote, and Guadalupe Dams
- Master Plan Projects Placeholder ²: Assumes \$377M from FY27-FY35
- SWP Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23% ³

Expand Conservation and Reuse

- Purified Water Program with City of San Jose: Phase 1 Demonstration Facility & Phase 2 Full Scale Facility (as a placeholder)

Increase System Reliability & Flexibility

- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Sisk Dam Raise at San Luis Reservoir with around 60,000 AF Storage ³

Maintain Agricultural Rate set at 9.25% of lowest M&I rate (Zone W-8)

¹ Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program.

² Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects.

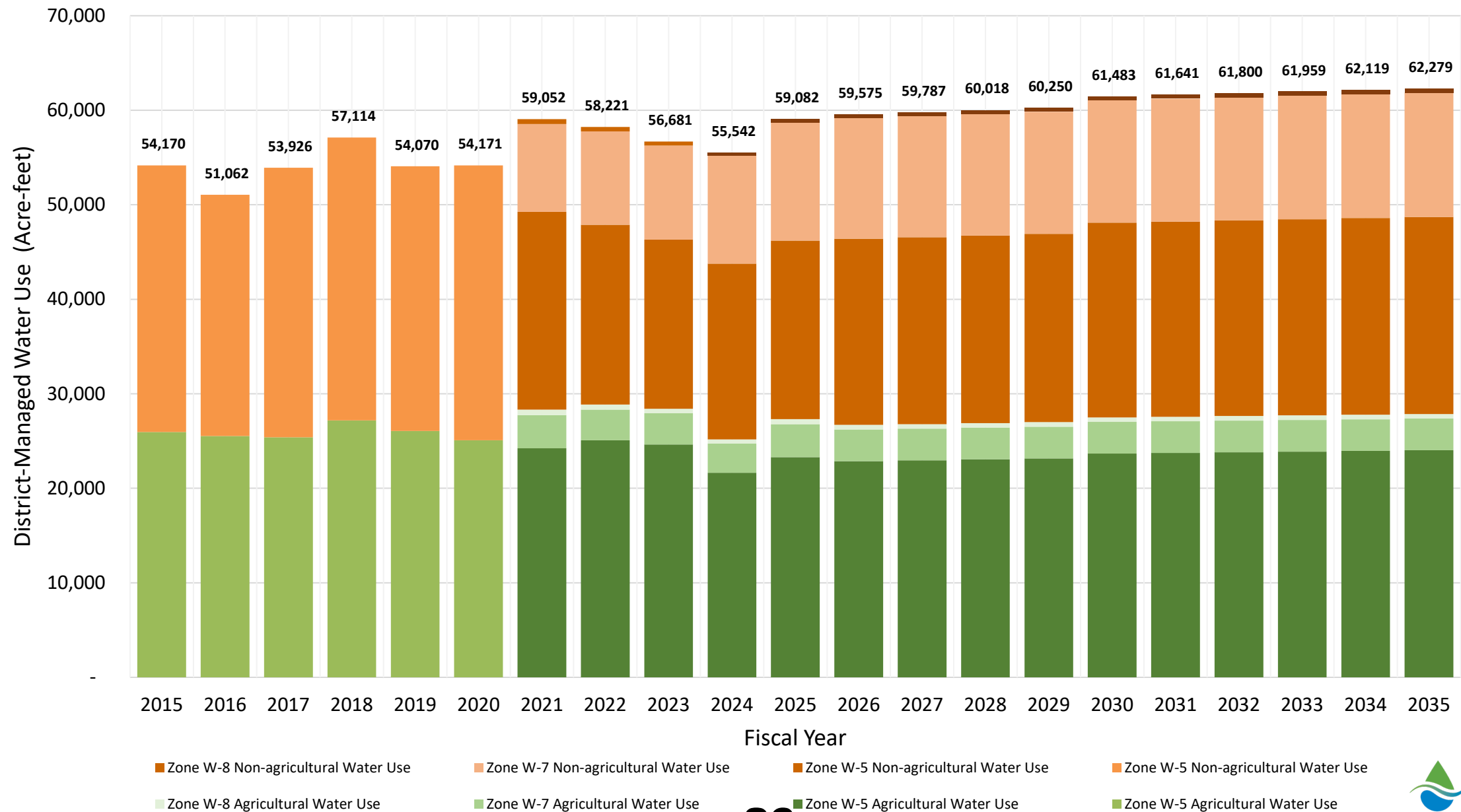
³ Project costs are reflected as Operations & Maintenance costs.

Note: Participation in the Los Vaqueros Reservoir Expansion project has been eliminated from baseline case assumptions.

TPC: Total Project Cost

SWP: State Water Project

Water Usage Trend in South County (Zone W-5, W-7 & W-8)



Capital Investments in South County – FY26 through FY35

5

PROGRESS CONTINUES ON THE ANDERSON DAM SEISMIC RETROFIT PROJECT

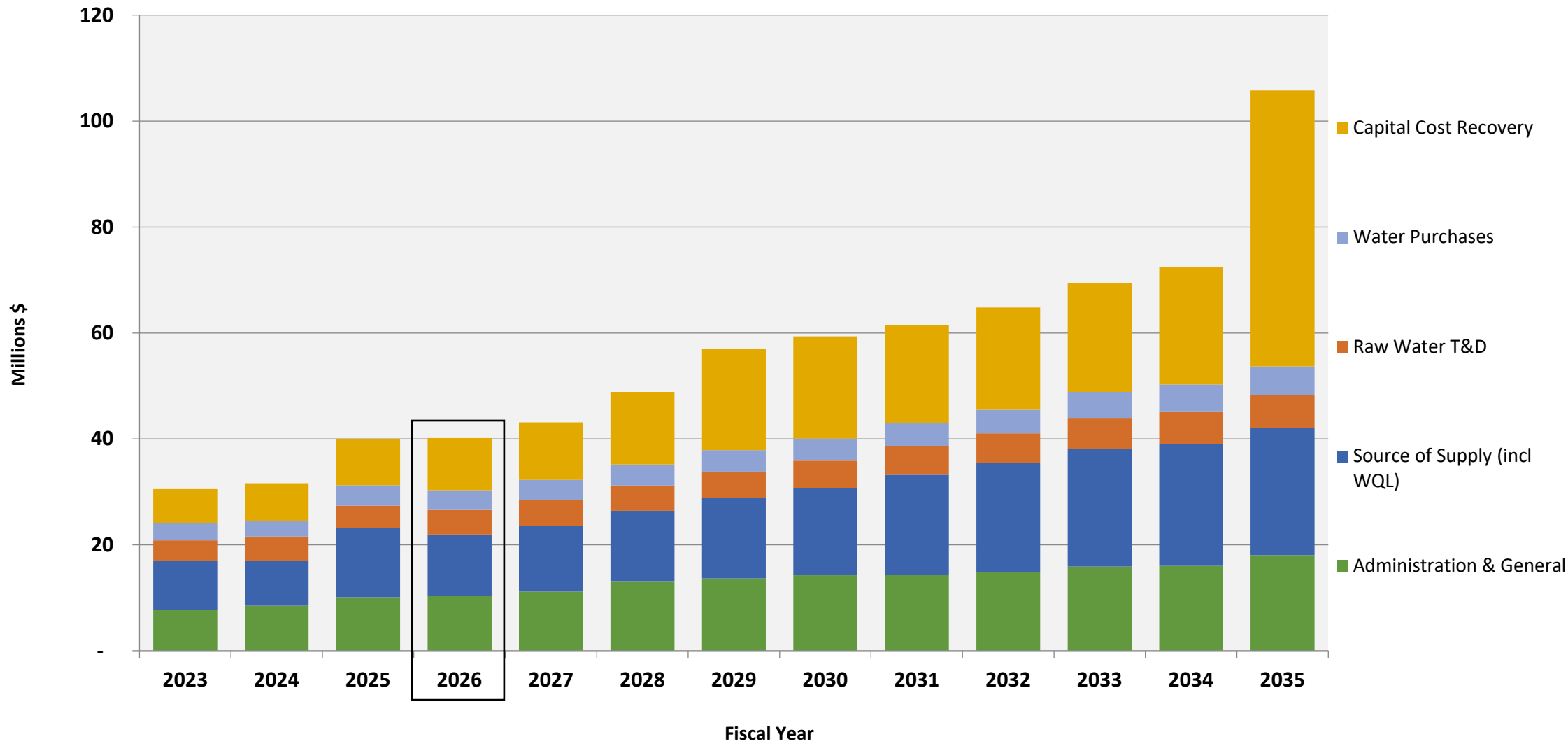
The Anderson Dam Seismic Retrofit Project (ADSRP) in east Morgan Hill will rebuild the dam in compliance with today's seismic safety standards and regulations. The project will increase the dam's spillway and outlet capacities to allow rapid drawdown in an emergency.

Construction continues on ADSRP, with crews completing the tunneling excavation for the new 24-foot outlet tunnel that will feed into Coyote Creek when the project is complete. Coyote Creek improvements are progressing, with the near completion of phase one of the Coyote Flood Mitigation Project and the installation of the new Coyote Creek Percolation Dam. For further details please visit valleywater.org/project-updates/c1-anderson-dam-seismic-retrofit.



Anderson Dam

South County Long Term Cost Projection



Groundwater Charge Increase Projection

As published in the PAWS Report February 28, 2025

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
South County Zone W-5	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Prior Year	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	
South County Zone W-7	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Prior Year	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	
South County Zone W-8	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Prior Year	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

Groundwater Charge Increase Projection

As published in the PAWS Report February 28, 2025

M&I Groundwater Charge – Monthly Impact To Average Household

Baseline Scenario	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
South County Zone W-5	\$1.58	\$1.70	\$1.83	\$1.98	\$2.13	\$2.30	\$2.49	\$2.68	\$2.89	\$3.12
South County Zone W-7	\$2.89	\$3.22	\$3.58	\$3.98	\$4.43	\$4.92	\$5.47	\$6.09	\$6.77	\$7.53
South County Zone W-8	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03	\$2.19	\$2.37

Does not include any additional increases a Retailer may add.

FY 2025-26 South County Zone W-5 Proposed Charges

Zone W-5 (Llagas Subbasin)	Dollars Per Acre Foot		
	FY 2023–24	FY 2024–25	Proposed FY 2025–26
Basic User/Groundwater Production Charge			
Municipal & Industrial	543.50	579.00	624.50
Agricultural	36.85	39.80	43.00
Surface Water Charge			
Surface Water Master Charge	54.00	61.00	67.00
Total Surface Water, Municipal & Industrial*	597.50	640.00	691.50
Total Surface Water, Agricultural*	90.85	100.80	110.00
Recycled Water Charges			
Municipal & Industrial	523.50	559.00	604.50
Agricultural	67.20	70.15	73.35



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

M&I Increase approximately \$1.58 per month increase to the average household user.
Note: Does not include any increase that a retailer would layer on top

FY 2025-26 South County Zone W-7 Proposed Charges

Zone W-7 (Coyote Valley)	Dollars Per Acre Foot		
	FY 2023–24	FY 2024–25	Proposed FY 2025–26
Basic User/Groundwater Production Charge			
Municipal & Industrial	657.50	750.50	834.50
Agricultural	36.85	39.80	43.00
Surface Water Charge			
Surface Water Master Charge	54.00	61.00	67.00
Total Surface Water, Municipal & Industrial*	711.50	811.50	901.50
Total Surface Water, Agricultural*	90.85	100.80	110.00

M&I Increase approximately \$2.89 per month increase to the average household user.
Note: Does not include any increase that a retailer would layer on top



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

FY 2025-26 South County Zone W-8 Proposed Charges

Zone W-8 (Uvas / Chesbro)	Dollars Per Acre Foot		
	FY 2023–24	FY 2024–25	Proposed FY 2025–26
Basic User/Groundwater Production Charge			
Municipal & Industrial	398.00	430.00	464.00
Agricultural	36.85	39.80	43.00
Surface Water Charge			
Surface Water Master Charge	54.00	61.00	67.00
Total Surface Water, Municipal & Industrial*	452.00	491.00	531.00
Total Surface Water, Agricultural*	90.85	100.80	110.00

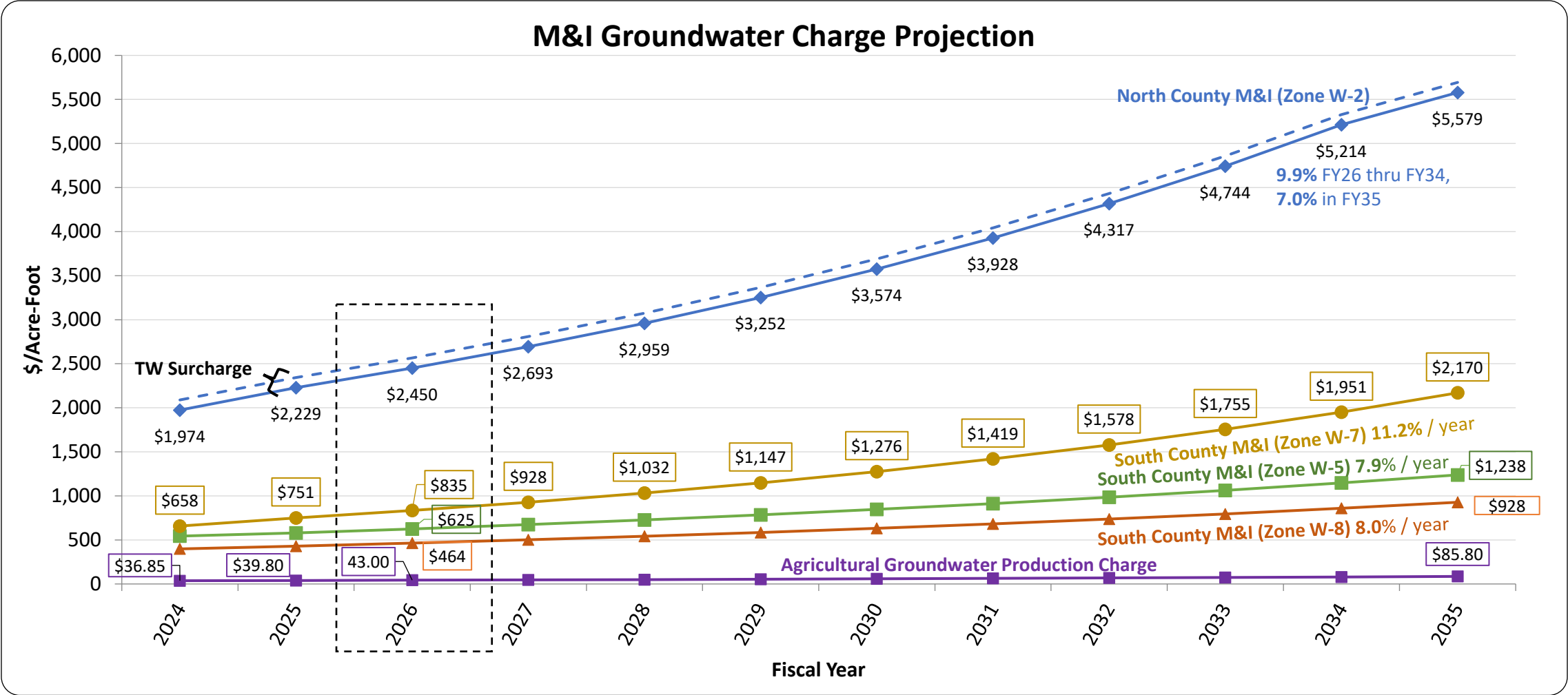
M&I Increase approximately \$1.18 per month increase to the average household user.
Note: Does not include any increase that a retailer would layer on top



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

Groundwater Production Charge Projection

As published in the PAWS Report February 28, 2025



Agricultural Benchmarks

13

Agency (As of March 2025) ¹		Agricultural Rate (\$/AF)	Non-Agricultural Rate (\$/AF)	Ag as % of Non-AG
Modesto ID	Untreated SW	\$2.00 to \$40.00	N/A	
(\$/AF for first 2 AF)				
San Benito ²	Groundwater (Quality issues)	\$14.30	\$14.30	100%
SCVWD South	Groundwater		\$624.50	7%
	Zone W-5	\$43.00	\$834.50	5%
	Zone W-7		\$464.00	9%
	Zone W-8			
Merced ID	Untreated SW	\$50.00	N/A	
SCVWD South	Untreated SW		\$691.50	16%
	Zone W-5	\$110.00	\$901.50	12%
	Zone W-7		\$531.00	17%
	Zone W-8			
Westlands WD	Pressurized	\$191.68	\$958.04	20%
Lost Hills	Untreated SW	\$200.80 to \$335.53	N/A	
Zone 7	Untreated SW	\$263.00	N/A	
San Benito	Pressurized	\$349.10	\$349.10	100%
Merced ID	Groundwater ³	N/A	N/A	

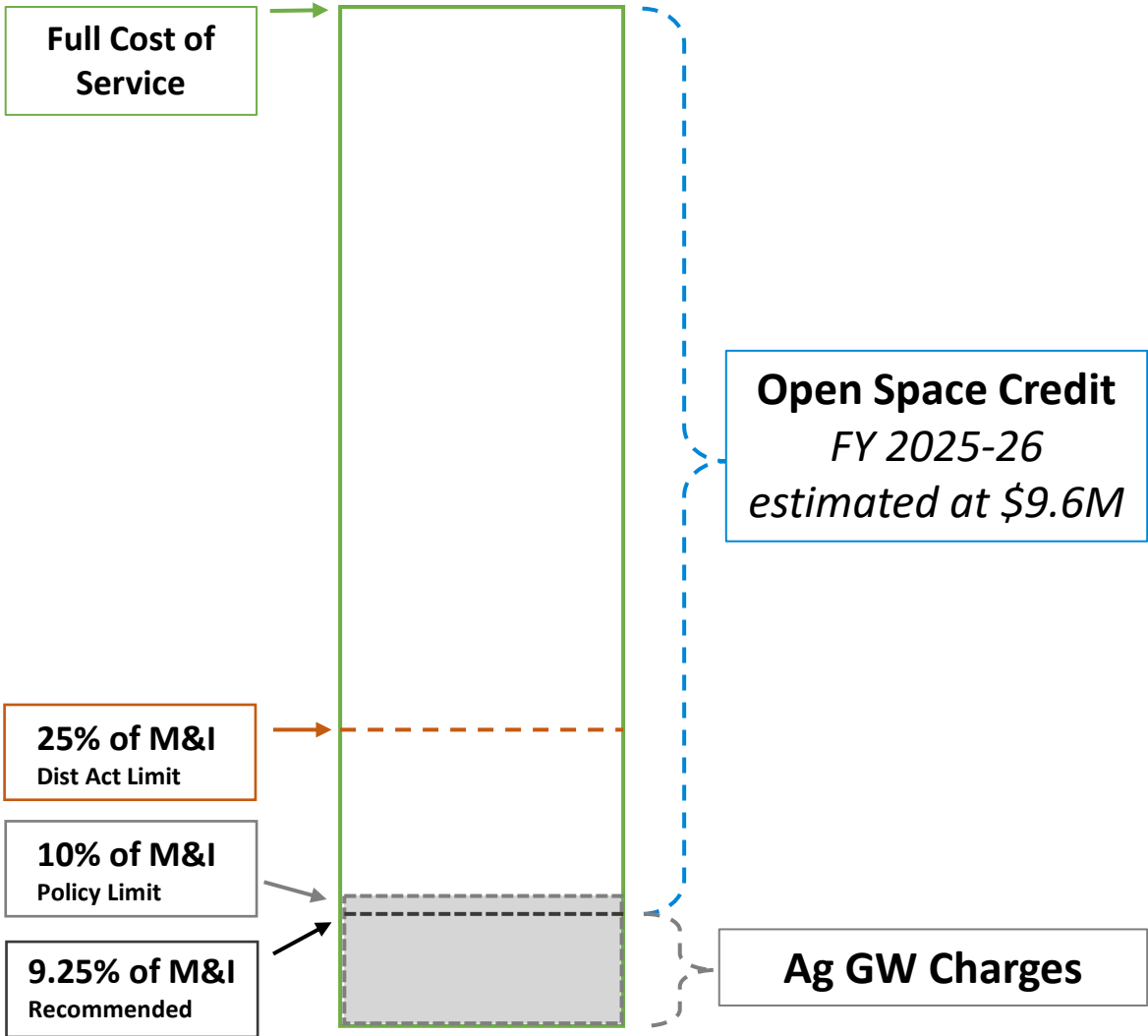
1. Reflects Valley Water proposed FY 2025-26 rates against current adopted rates for comparator agencies.

2. San Benito County Water District adopted groundwater charges for FY 2025-26 setting Non-Agricultural (M&) and Agricultural rates the same \$/AF.

3. Merced Irrigation District is not offering their Supplemental Water Supply Pool Program (Groundwater) for the 2025 irrigation season and is encouraging growers to conserve groundwater.

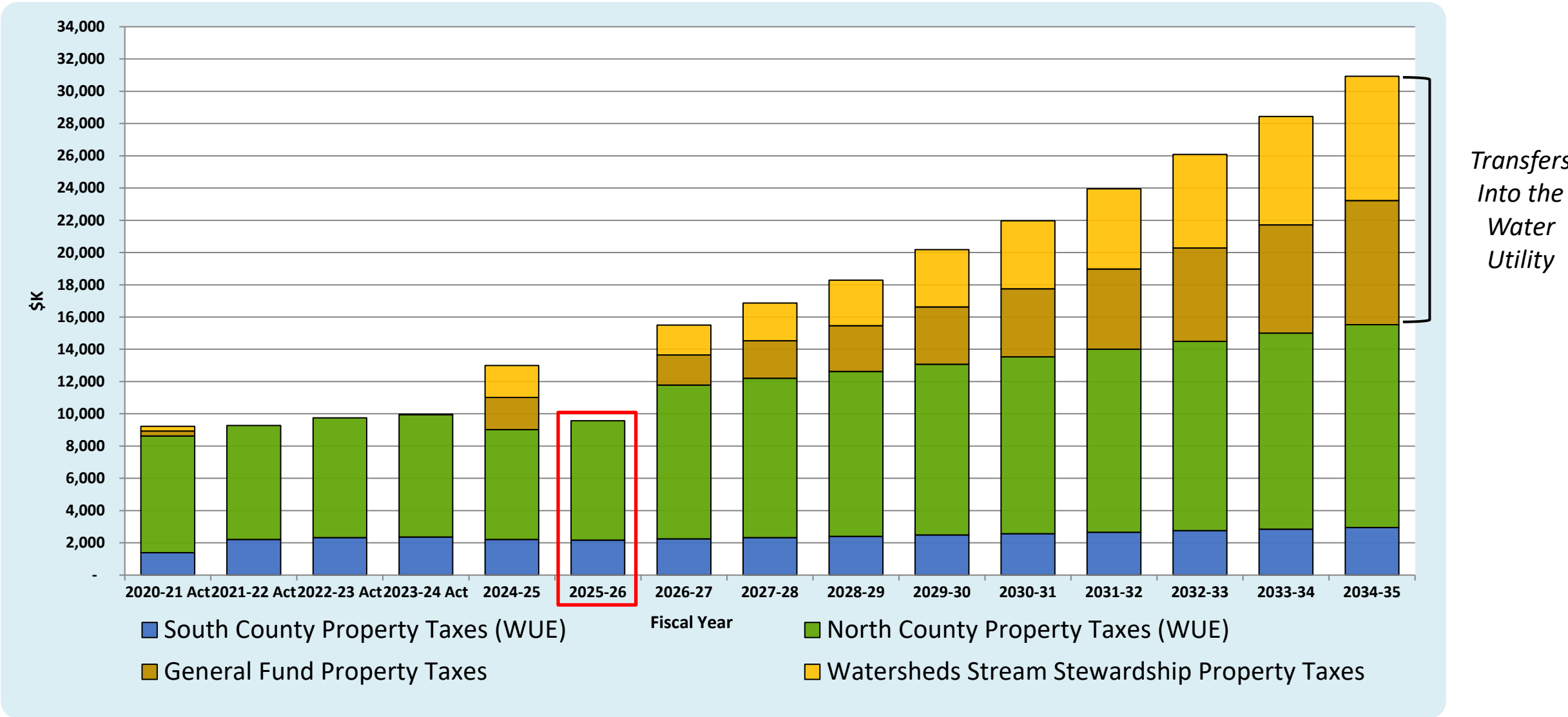
Benefits of the Open Space Credit (OSC)

- **Formal definition:** “The use of non-rate related revenue to offset reduced agricultural revenue as a result of keeping agricultural rates lower than needed to recoup the full cost of service”
- **Applies to agricultural water users only, not to all open space**
- **Open Space Credit covers 90% of full cost of service for Agricultural Water customers**



Open Space Credit Projection

10-year Total Benefit to Open Space Credit: \$212M



2025 Schedule

16

- Jan 6 Agricultural Water Advisory Committee
- Jan 14 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 15 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 22 Water Commission Meeting: Prelim Groundwater Charge Analysis

- Feb 11 Board Meeting: Set time & place of Public Hearing
- Feb 28 Mail notice of public hearing and file PAWS report

- Mar 11 Board Meeting: Budget development update
- Mar 19 Water Retailers Meeting: FY 26 Groundwater Charge Recommendation
- Mar 25 Long Range Financial Forecast Review

- **Apr 7 Agricultural Water Advisory Committee**
- **Apr 8 Open Public Hearing**
- **Apr 9 Water Commission Meeting**
- **Apr 23-24 Board Meeting: Budget work study session**
- **Apr 25 * Continue Public Hearing in South County (Morgan Hill)**

- **May 16 * Conclude Public Hearing**
- **May 27 Adopt budget & groundwater production and other water charges**

** Adjusted from original schedule; pending Board approval.*

Valley Water remains in an era of investment

- Continue driving planning efforts for new infrastructure investments, rehabilitating existing infrastructure, and maintain focus on cost containment

Water Supply Master Plan 2050 is nearly finished, providing infrastructure investment recommendations to ensure adequate water supply now and into the future.

Proposed FY 26 Groundwater Projection Charges for South County in terms of average household increase are:

- Increase of \$1.58 per month in Zone W-5
- Increase of \$2.83 per month in Zone W-7
- Increase of \$1.18 per month in Zone W-8

Proposed FY 26 Groundwater Production Charge for North County in terms of average ag user is:

- Increase of \$0.53 per month per acre assuming two acre feet of water pumped per year

Staff seeking Committee endorsement of proposal



Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 25-0297

Agenda Date: 4/7/2025

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Receive Information and Provide Feedback on Valley Water's Water Supply Master Plan 2050.

RECOMMENDATION:

Provide feedback on the development of Water Supply Master Plan 2050.

SUMMARY:

The Water Supply Master Plan (WSMP) is Santa Clara Valley Water District's (Valley Water) guiding document for long-term water supply investments to ensure water supply reliability for Santa Clara County. Updated approximately every five years, this long-range plan assesses projected future county-wide demands and evaluates and recommends water supply and infrastructure projects to meet those demands to achieve Valley Water's level of service goal through the planning horizon. Valley Water's level of service goal, as established in Board Ends Policy E2, is to "Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years."

Valley Water is working on developing the WSMP 2050. At the July 2024 Committee meeting, staff presented the second update on the development of the WSMP 2050, including project evaluation, cost analysis for projects and portfolios, representative portfolios that meet water supply needs under three themes, and an adaptive management approach to support decision-making in the face of uncertainty. The July update also included recommended water conservation and potable reuse goals. This memorandum summarizes the progress since then, including the adopted potable reuse goal, discussion of community impacts of water shortages, and refined adaptive management roadmap with recommendations.

Potable Reuse Goal

Potable reuse is a locally controlled and drought-resilient supply that is effective in mitigating drought risks. On December 10, 2024, the Board adopted a goal of 24,000 acre-feet per year (AFY) of potable reuse by 2035, which can be achieved with a project in collaboration with the Cities of San José and Santa Clara, and a long-term vision to maximize water reuse in the county up to 32,000

AFY by 2050. This long-term vision includes additional potable and non-potable reuse, desalination, stormwater capture, and other alternative water sources. Including a 2035 goal with the long-term vision promotes a phased approach that accounts for uncertainty with future demand and wastewater availability while balancing affordability and risk of overinvestment.

Impacts of Water Shortage

The WSMP analysis indicated that without investment, Valley Water will experience shortages in the future, which means a reduced service level. While a reduced service level would reduce or forego the needed level of investment, it could have an immediate and real impact on residents and businesses and adversely and chronically affect economic development in the county, including potentially lower quality of life (i.e., rationing of water use during certain times of day), disruption of business operations (data centers, restaurants, tourism, recreation, etc.), and no irrigation for parks and trees. Agricultural production could be impacted by reduced water supply. If the shortage condition becomes chronic, it could lead to permanent land subsidence, which historically happened in the county and took several decades of aggressive investment and management to halt. The reduced service level would also negatively impact Valley Water's operations and finances and put Valley Water outside the normal range of other water agencies' levels of service.

The cost of shortage would also be staggering. According to previous studies and preliminary cost-benefit analysis, the cost of shortage for the residential sector was estimated to be between \$1.6 billion and \$2.8 billion. For the agricultural sector, it will range from \$220 million to \$280 million. The cost of water shortage for businesses could range from \$1.2 billion for 10 percent water rationing and \$14.2 billion for 30 percent rationing. All costs are expressed in 2023 dollars. In addition, if the shortage condition becomes chronic, groundwater overdraft could lead to land subsidence and widespread and costly infrastructure damage over time.

Water Supply Strategy

As presented at the July 2024 meeting, potential investment strategies were developed based on three themes - lower cost, local control, and diversified - to help outline investment options and present tradeoffs. The representative portfolio for each strategy was summarized in Table 1, along with the total lifecycle cost.

Table 1 Multiple Strategies for Water Supply Reliability

Strategies	Projects ¹	Portfolio Cost ² (Billion)
Lower Cost	San José Direct Potable Reuse, Delta Conveyance Project, B.F. Sisk Dam Raise, Groundwater Banking (250,000 AF), South County Recharge	\$4.0
Local Control	San José Direct Potable Reuse, Palo Alto Potable Reuse, Pacheco without Partners, Groundwater Banking (150,000 AF), South County Recharge	\$5.9
Diversified	San José Direct Potable Reuse, Delta Conveyance Project, Pacheco with Partners, B.F. Sisk Dam Raise, Groundwater Banking (350,000 AF), South County Recharge	\$5.3

¹Conservation is factored in the demand.

²Portfolio cost includes the sum of the present value of the total cost for each project.

These three potential strategies represent different approaches to water supply reliability, but each comes with tradeoffs. **Lower Cost strategy** focuses on affordability and minimizing costs, but it has high risks, as all four major projects require partnership and institutional agreements to be successful. **Local Control strategy** focuses on projects within Santa Clara County which Valley Water has more control over, however, it has the highest cost, as it includes the three most expensive projects being considered. **Diversified** strategy focuses on diversifying the existing system with a mix of local and imported supplies as well as storage projects to build more resilience, but it has a relatively high cost and more institutional complexity since it includes more projects. The strategies provide the foundation for adaptive management in decision-making in the face of uncertainty.

Adaptive Management Framework

An adaptive management approach was proposed to provide the Board with flexibility and the ability to make incremental investment decisions in the face of deep uncertainty associated with future conditions and project development and implementations. The adaptive framework is intended to define a consistent, stepwise process of making project and program investment decisions. The framework includes a roadmap and annual reporting. The roadmap outlines near- and mid-term actions and defines indicators and conditions to guide project decisions. The annual reporting tracks project progress and provides up-to-date information to help inform decision-making.

The proposed roadmap was refined to include more specific recommended actions at different timelines, especially immediate actions as the starting point of the adaptive management framework:

- **Now** - focus on the **Lower Cost** strategy, which includes San José Potable Reuse, B.F. Sisk Dam Raise, Delta Conveyance Project, Groundwater Banking, and South County Recharge; Continue planning for Pacheco and Sites; Continue the Desalination feasibility study; Continue implementing conservation programs.
- **Near-term (2-3 years)** - Assess success/progress on project planning and implementation; Make project funding, participation, or go/no-go decisions based on indicators, new information, and actual conditions; Continue planning for other projects.
- **Mid-term (5 years)** - Assess progress on project implementation; Update demand projections and water supply outlook; Update WSMP

Staff recommends the **lower cost strategy** while continuing to plan for other projects as a way to balance affordability and reliability. Given that large water supply projects and partnerships can have uncertain outcomes, continued planning for additional projects is recommended.

Annual reporting through the Monitoring and Assessment Program (MAP) will be a critical component of the adaptive management framework. A standard MAP report will be devised to include key elements of the WSMP, including progress on projects, conditions of indicators, and whether any adjustments are recommended. The timing of the MAP will be aligned with the annual CIP Five-Year Plan and Water Rate-Setting Cycle to support related decision-making.

In the next few years, major decisions will come up for several projects. Through this adaptive

management framework, the Board will have multiple opportunities along each project's trajectory to make informed decisions on investments. It also allows the WSMP to be closely linked to the annual CIP and rate-setting processes, fulfilling its role as the guiding document for long-term investment strategy.

Next Steps

Staff is working to put together the draft plan, continue stakeholder outreach, and prepare for the plan adoption later this year.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Water Supply Master Plan addresses water supply equity by ensuring a cost-effective, high-quality supply is available for all of Santa Clara County, including disadvantaged communities.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138



Water Supply Master Plan 2050

Agricultural Water Advisory Committee, April 7, 2025

Recap of Last Update

- Water conservation goal
- Project evaluation
- Cost analysis
- Representative portfolios under three themes
- Adaptive management approach

Board Adopted Potable Reuse Goals

- 24,000 AFY by 2035
- Long-term vision to maximize water reuse up to 32,000 AFY by 2050
- Phased approach addresses uncertainty with future demand & wastewater availability
- Balances affordability and risk of overinvestment



Community Impacts of Water Shortages

4

- Potential impacts of lower level of service on residents and business
 - Quality of life
 - Economic impact
 - Irrigation for parks and trees
 - Agricultural production
 - Subsidence



Cost of Shortage Estimates (2023\$)

- Residential – \$1.6 - \$2.8 Billion
- Agricultural – \$220 - \$280 Million
- Business – \$1.2 - \$14.2 Billion
- Subsidence – hard to quantify, potentially billions of damages

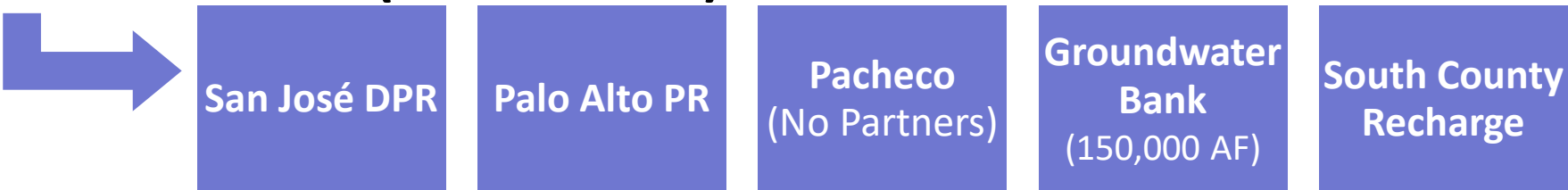
Strategies for Water Supply Reliability

6

Lower Cost (\$4 Billion)



Local Control (\$5.9 Billion)



Diversified (\$5.3 Billion)



Adaptive Management Framework

- Planning under deep uncertainty
 - Projects still evolving
 - Uncertainty with forecasted future supply and demand
- Adaptive management framework to provide flexibility for making incremental investment decisions
- Roadmap and annual reporting

Adaptive Management with Recommendations

NOW

- Focus on Lower Cost Portfolio
- Continue planning for other projects (Pacheco, Sites)
- Start Desal feasibility study
- Continue implementing conservation programs

NEAR-TERM (2-3 YEARS)

- Assess progress on project planning and implementation
- Make project decisions based on triggers, new information, and actual conditions
- Continue planning for other projects

MID-TERM (5 YEARS)

- Assess progress on project implementation
- Update demand projections and water supply outlook
- Update WSMP

Annual MAP report

INDICATORS



Sisk negotiation
DPR project progress
Project decisions

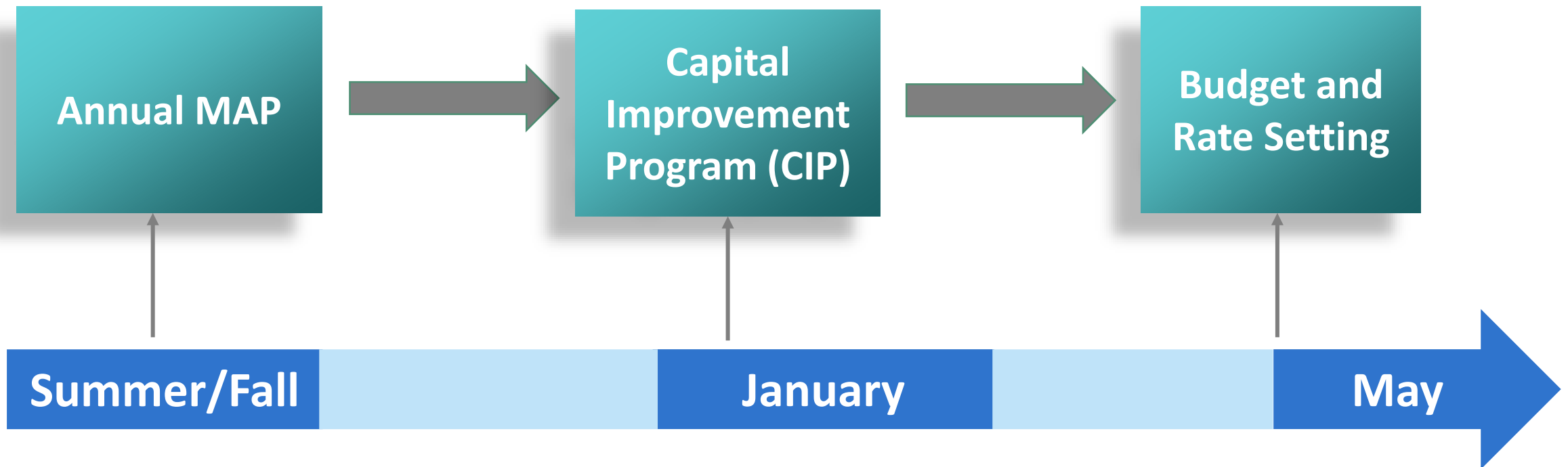
Annual Reporting

- Track project progress
- Report conditions of indicators
- Recommend actions as needed

- **Indicators**

- Sisk negotiation
- DPR project progress
- Upcoming project decisions
- Groundwater Bank negotiation
- Regulatory and permitting issues
- Annual supply
- Annual water use
- Conservation progress
- Growth trend/demand
- Regional agreements and decisions by other agencies

Annual MAP to Support Decision-Making 10



Projects	Estimated Decision Points					Project Online Date
	2024	2025	2026	2027	2028	
B.F. Sisk Dam Raise		Planning Funding Decision	Planning Funding Decision	Final Funding Decision		2032
Sites Reservoir		Final Funding Decision				2032
Pacheco			Final EIR/EIS Certification	Final Partnership Negotiations		2035
San José Direct Potable Reuse						2035
Delta Conveyance Project		Funding Decision		Final Contract Decision		2045

Next Steps

- Plan development
- Stakeholder outreach
- Plan adoption



Santa Clara Valley Water District

File No.: 25-0286

Agenda Date: 4/7/2025

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Receive an Update on Valley Water's South County Managed Aquifer Recharge Activities.

RECOMMENDATION:

Receive an update on Valley Water's South County managed aquifer recharge activities.

SUMMARY:

Managed aquifer recharge continues to be essential for groundwater sustainability throughout Santa Clara County, but particularly in South County where local communities depend almost entirely on groundwater. Valley Water's managed recharge using local and imported surface water helps balance groundwater pumping, and long-term planning helps ensure continued reliability far into the future. This memorandum describes Valley Water's South County recharge program and related projects that are being evaluated as part of the Water Supply Master Plan update.

Background

For many decades, the amount of groundwater pumped in Santa Clara County has exceeded what is replenished naturally by rainfall or other sources. To ensure local groundwater supplies are sustainable, Valley Water augments natural groundwater recharge through the managed recharge of local and imported surface water. Water conservation and recycling programs, as well as North County treated water deliveries, protect groundwater supplies by reducing the need for groundwater pumping.

Each year, Valley Water determines optimal water supply operations, including managed recharge, based on available supplies and local needs. Long-term water reliability is evaluated through Valley Water's Water Supply Master Plan and Urban Water Management Plan, which assess projected future supplies and demands and are updated every five years. Investments and projects to meet projected future shortfalls and ensure continued reliability are identified in the Water Supply Master Plan.

Current South County Recharge Facilities

South County overlies all or part of both primary groundwater basins in the county. This includes the Santa Clara Subbasin Coyote Valley groundwater management area (which extends north from the Cochrane Road area in northern Morgan Hill to the Coyote Narrows near Metcalf Road in San José) and the entire Llagas Subbasin (which extends south from Cochrane Road to the Pájaro River that forms part of the boundary with San Benito County).

Based on 2010 to 2019 data, average South County annual pumping is 53,500 acre-feet per year (AFY), while natural recharge is estimated to be 24,500 AFY. To address this imbalance, Valley Water recharges 35,500 AFY of local and imported surface water, on average.

Using established local surface water rights at Uvas, Chesbro, Coyote, and Anderson reservoirs, Valley Water captures and stores large volumes of upper watershed stormwater runoff for delivery to groundwater recharge facilities in South County. Valley Water also has contracts with both the State Water Project and Central Valley Project to receive imported water via San Luis Reservoir and the federal San Felipe Division system and uses it for managed recharge in South County. In-stream and off-stream recharge facilities are in areas with permeable soils that are connected to deep drinking water aquifers.

Valley Water operates three groundwater recharge systems in South County as shown in Attachment 1. Releases into Coyote Creek replenish groundwater in the Coyote Valley and extend into North County. The Upper and Lower Llagas recharge systems replenish the Llagas Subbasin, which supports communities in the cities of Morgan Hill and Gilroy as well as unincorporated areas including San Martín. In addition to municipal wells, thousands of privately owned domestic, agricultural, and industrial wells depend on local groundwater.

As summarized in Attachment 2, the annual recharge capacity of South County managed recharge facilities is over 54,000 acre-feet, with most capacity in creeks as compared to off-stream ponds. Attachment 3 provides more detailed information on the recharge capacity of individual facilities within the South County recharge systems.

Potential South County Recharge Projects

Valley Water investments in reservoirs, imported water, and managed recharge have ensured reliable South County groundwater conditions for many decades. Valley Water closely monitors groundwater levels and prioritizes recharge to groundwater-dependent communities like South County, particularly during droughts. Groundwater recharge is essential for long-term reliability and has played a critical role in quick drought recovery locally. With "weather whiplash" (frequent shifts between extremely wet and dry years) becoming more common and the high, local reliance on groundwater, there is a need for additional recharge capacity in South County.

Several South County managed recharge projects are being evaluated through the Water Supply Master Plan 2050, including:

- a) Coyote Valley Recharge Pond - to construct a new off-stream recharge pond(s) near the Cross

Valley Pipeline to increase operational flexibility, reduce reliance on Coyote Creek flows, and help balance increased pumping;

- b) Madrone Channel Expansion - to increase recharge capacity to the existing facility by adding one or two ponds on land owned by Valley Water;
- c) San Pedro Ponds Improvement Project - to implement project(s) to enable the existing seven ponds to be operated at full capacity without interfering with septic systems on adjacent residential properties in unincorporated areas of Santa Clara County; and
- d) Butterfield Channel Recharge - to connect the Butterfield Channel owned by the City of Morgan Hill to Valley Water's raw water conveyance system so imported water can be recharged when the channel is not used for stormwater flows.

All four managed recharge projects are not needed to ensure reliable groundwater supplies, and most of these projects are in the early conceptual phase. More substantial evaluation has been conducted for the San Pedro Ponds, with a recent study that identified eight alternatives that could fully or partially restore their 4,700-AFY operating capacity. Staff will continue to evaluate which of the four managed recharge projects will best support water supply needs.

In addition to managed recharge projects at Valley Water facilities, staff continues to explore the feasibility of Flood Managed Aquifer Recharge (Flood-MAR) in Santa Clara County. Flood-MAR uses flow and/or infrastructure modifications to capture and infiltrate high-magnitude or excess surface water flows on open space, such as agricultural or other working land. Staff is working to develop a pilot Flood-MAR program to augment Valley Water's extensive managed recharge program.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice impacts associated with this item.

ATTACHMENTS:

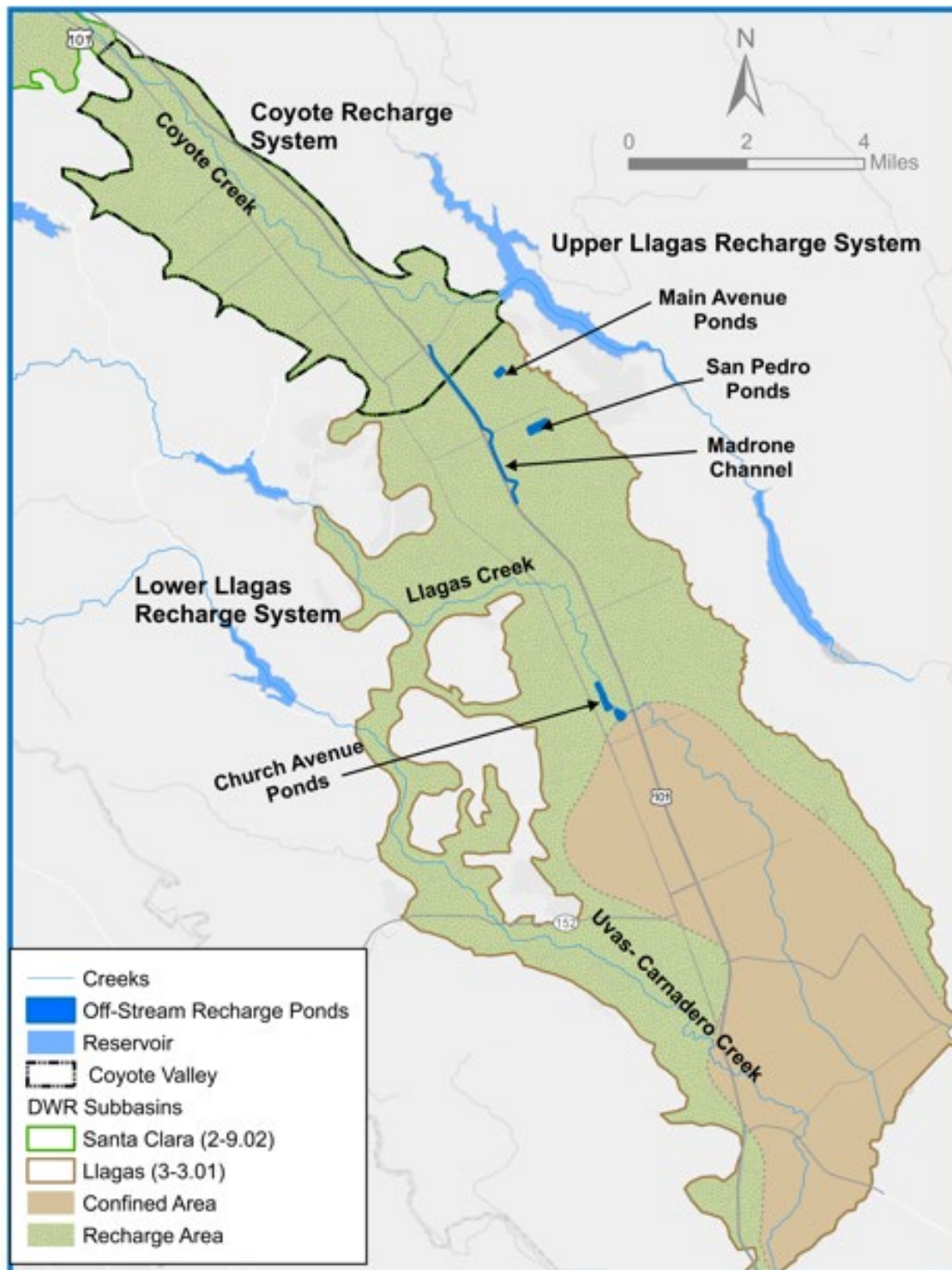
- Attachment 1: Recharge Facility Map
- Attachment 2: Summary of Recharge Capacity
- Attachment 3: Recharge Facility Capacity
- Attachment 4: PowerPoint

UNCLASSIFIED MANAGER:

Gregory Williams, 408-630-2867

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South County Managed Recharge Facility Location Map



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Summary of South County Managed Recharge Facility Capacity

Groundwater Management Area/Subbasin	In-Stream Recharge (AF)	Off-Stream Recharge (AF)	Total Recharge (AF)
Coyote Valley (Santa Clara Subbasin)	14,600	0	14,600
Llagas Subbasin	25,000	14,700	39,700
Total	39,600	14,700	54,300

Note: The annual recharge capacity shown assumes water is available all year and that ponds are in normal operational condition.

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South County Managed Recharge Facility Capacity

Groundwater Management Area/Subbasin	Recharge System	In-Stream Recharge (Creeks)	Annual Creek Recharge Capacity (AF) ¹	Off-Stream Recharge (Ponds)	Annual Pond Recharge Capacity (AF) ¹
Coyote Valley (Santa Clara Subbasin)	Coyote Creek	Upper Coyote Creek	14,600		
		Creek Total	14,600	Pond Total	0
		Coyote Creek Recharge System Total: 14,600			
Llagas Subbasin	Upper Llagas	Madrone Channel	10,000		
		East Little Llagas	1,100		
				Main Avenue Ponds	2,700
				San Pedro Ponds	4,700
		Creek Total	11,100	Pond Total	7,400
		Upper Llagas Recharge System Total: 18,500			
	Lower Llagas	Uvas Creek	8,100		
		Llagas Creek	5,800		
				Church Ponds	7,300
		Creek Total	13,900	Pond Total	7,300
		Lower Llagas Recharge System Total: 21,200			

1. The annual recharge capacity shown assumes water is available all year and that ponds are in normal operational condition.

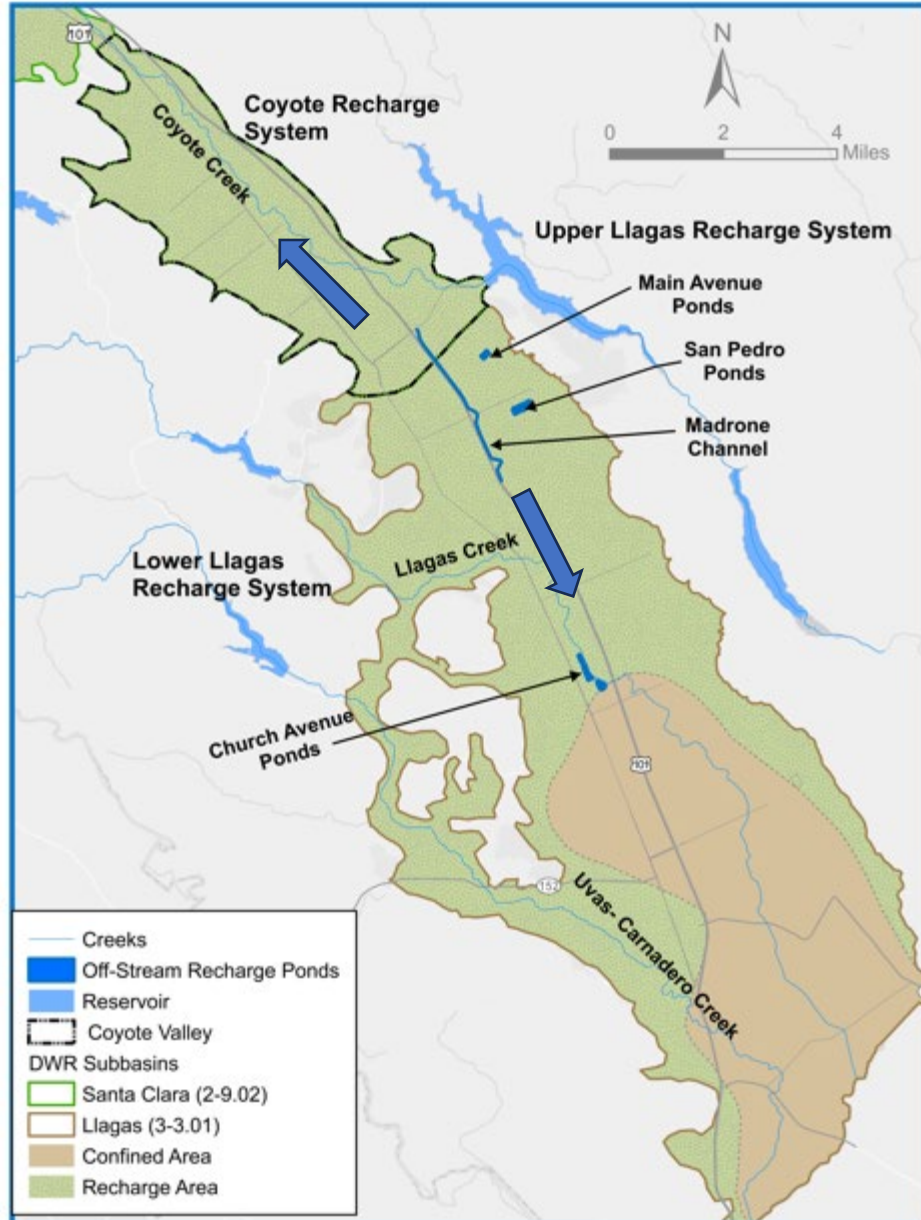
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South County Recharge

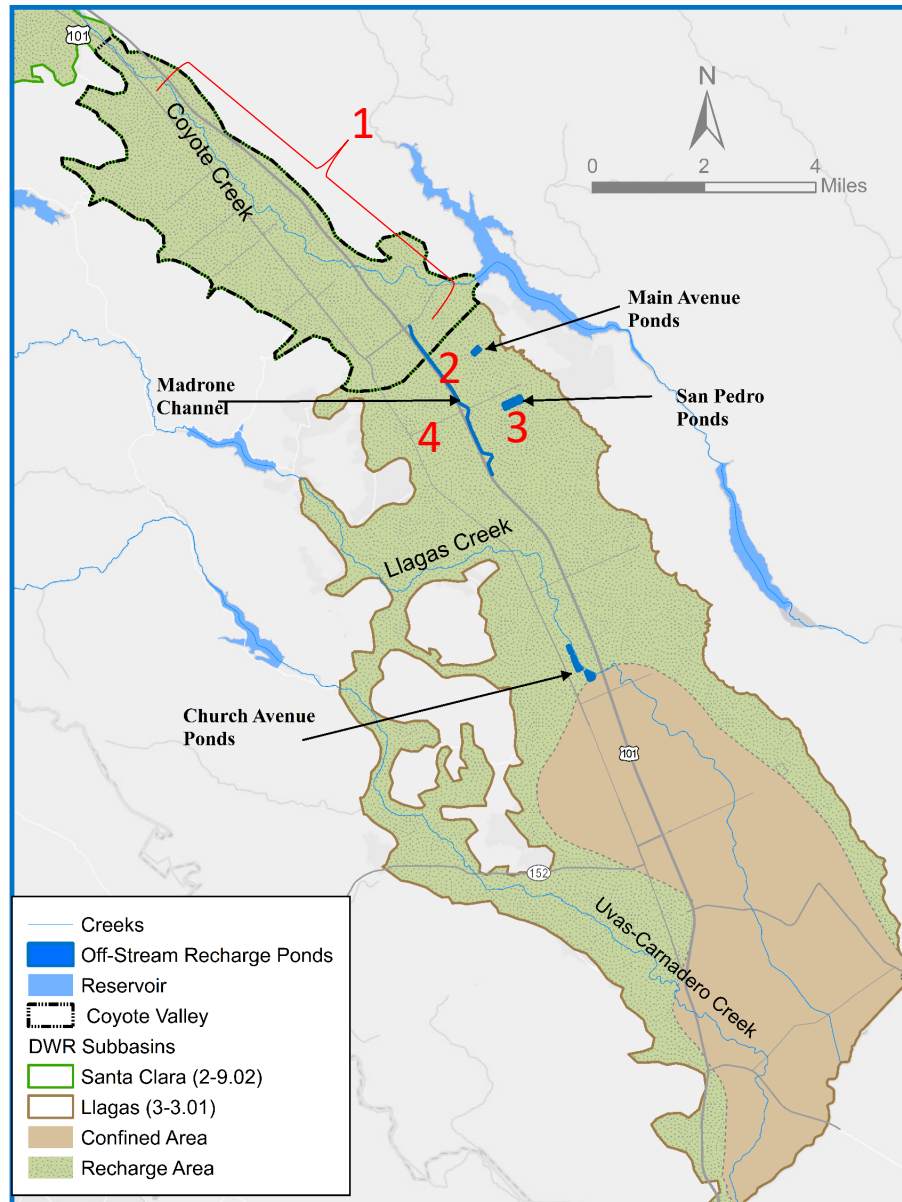
Agricultural Water Advisory Committee

Current South County Recharge Facilities



- Managed recharge supports:
 - Municipal wells for cities and unincorporated areas
 - Thousands of privately owned domestic, agricultural, and industrial wells
- Three recharge systems
 - Coyote
 - Upper Llagas
 - Lower Llagas
- In-stream recharge from reservoir and imported water releases
- Off-stream recharge ponds

Potential South County Recharge Projects



1. **Coyote Valley Recharge Pond:** construct new off-stream recharge pond(s)
2. **Madrone Channel Expansion:** increase recharge capacity of the existing facility
3. **San Pedro Ponds Improvement Project:** implement project(s) to enable existing seven ponds to be operated at full capacity without interfering with nearby septic systems
4. **Butterfield Channel Recharge:** connect the Butterfield Channel to Valley Water's raw water conveyance system

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Santa Clara Valley Water District

File No.: 25-0300

Agenda Date: 4/7/2025

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review 2025 Agricultural Water Advisory Committee (AWAC) Work Plan, the Outcomes of Board Action of Committee Requests and the Committee's Next Meeting Agenda.

RECOMMENDATION:

Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The attached Work Plan outlines the topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendized at each meeting as accomplishments are updated and to review any work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or commissions by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The review of the Committee Work Plan is not subject to environmental justice analysis.

ATTACHMENTS:

Attachment 1: AWAC 2025 Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2025 Work Plan: Agricultural Water Advisory Committee

Update: March 2025

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2025.	January 6	<ul style="list-style-type: none"> Committee Elects Chair and Vice Chair for 2025. (Action) 	Accomplished January 6, 2025 The Committee unanimously approved Peter Van Dyke to remain as the 2025 Agricultural Water Advisory Committee Chairperson and Trevor Garrod to remain as the 2025 Agricultural Water Advisory Committee Vice-Chairperson.
2	Annual Accomplishments Report.	January 6	<ul style="list-style-type: none"> Review and approve 2024 Accomplishments Report for presentation to the Board. (Action) Submit requests to the Board, as appropriate. 	Accomplished January 6, 2025 The Committee unanimously approved the 2024 Annual Accomplishments Report for presentation to the Board. <i>The Board received the Committee's presentation by Chairperson Peter Van Dyke and accepted the 2024 Annual Accomplishments Report at the March 11, 2025 meeting.</i>
3	Review and Comment to the Board on the Fiscal Year 2025 – 2026 Preliminary Groundwater Production Charges.	January 6 April 7	<ul style="list-style-type: none"> Review and comment to the Board on the Fiscal Year 2025-2026 Preliminary Groundwater Production Charges. (Action) Submit requests to the Board, as appropriate. 	Accomplished January 6, 2025 The Committee reviewed and commented on the Fiscal Year 2025-2026 Preliminary Groundwater Production Charges and took the following action: The Committee unanimously approved to receive and accept staff's preliminary report for the FY 2025-2026 groundwater production charges with the amendment to continue the pursuit of water conservation programs, studying the impact of increased rates on agriculture and the potential of freezing agricultural rates.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 1 of 4

2025 Work Plan: Agricultural Water Advisory Committee

Update: March 2025

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
4	Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050.	April 7	<ul style="list-style-type: none"> •Receive Information and provide feedback on the development of Valley Water's Water Supply Master Plan 2050. 	
5	One Water Plan Upper Pajaro Watershed Plan Priority Actions.	January 6	<ul style="list-style-type: none"> •Receive information about development of the One Water Upper Pajaro Watershed Plan. • Review and provide input on One Water Upper Pajaro Watershed Plan Priority Actions 	Accomplished January 6, 2025 The Committee received and noted the information and took no formal action.
6	Receive an update of Valley Water's activities of the Unhoused and information on how enforcement of violations of companies are handled within the County.	TBD	<ul style="list-style-type: none"> •Receive an update of Valley Water's activities of the Unhoused and information on how the enforcement of violations of companies are handled within the County. •Board is requesting the committee give more detailed information on this item for the Board's consideration. 	
7	Review Climate Change and the benefits of ecosystems on Agriculture in Santa Clara County.	July 7	<ul style="list-style-type: none"> •Discuss how climate change impacts the benefits of ecosystems on agriculture within Santa Clara County. 	
8	Discuss the Potential of Forming a Subcommittee.	January 6	<ul style="list-style-type: none"> •Discuss the potential of forming an AWAC subcommittee per the Committee's approval at the January 9, 2023 meeting. 	Accomplished January 6, 2025 The Committee received the information, took no formal action and noted the option of forming a subcommittee as needed.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 2 of 4

2025 Work Plan: Agricultural Water Advisory Committee

Update: March 2025

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
9	Receive Update on Sustainable Groundwater Management Act (SGMA) Compliance.	October 6	•Receive update on SGMA compliance and Semitropic banking.	
10	Receive Update on Semitropic Groundwater Storage Bank.	October 6	•Receive update on Semitropic Groundwater Storage Bank.	
11	Receive an Update on Valley Water's South County Managed Aquifer Recharge Activities.	April 7	•Receive update on Valley Water's South County managed aquifer recharge activities.	
12	Standing Items Report Fiscal Year 2025 Goals and Strategies.	January 6 October 6	•Receive reports on standing items, FY2025.	Accomplished January 6, 2025 The Committee received the quarterly report on standing items for FY2025 and took no action.
13	Federal and State Affairs Report	January 6 April 7 July 7 October 6	• Receive update.	Accomplished January 6, 2025 The Committee received the verbal update and confirmed financial assistance with the unhoused will be addressed locally through partnerships with the county or other jurisdictions to obtain federal funding.
14	Review and Discuss Resolution 17-75 and the Agricultural Water Advisory Committee (AWAC) Membership.	January 6	•Review and discuss Reso. 17-75 and the AWAC Membership plan. (Action) •Submit requests to the Board, as appropriate.	Accomplished January 6, 2025 The Committee received the information, took no formal action and noted Chairperson Peter Van Dyke will continue working with the AWAC Committee Oversight Managers regarding a potential recommendation to the Board.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 3 of 4

2025 Work Plan: Agricultural Water Advisory Committee

Update: March 2025

15	Review of Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests, the Committee's Next Meeting Agenda.	January 6 April 7 July 7 October 6	<ul style="list-style-type: none"> •Receive and review the 2025 Board-approved Committee work plan. (Action) •Submit requests to the Board, as appropriate. 	Accomplished January 6, 2025 The Committee unanimously approved to recommend the proposed 2025 AWAC Work Plan to the Board with the amendment to add the Semitropics Groundwater Storage Bank as a separate AWAC Work Plan topic. <i>The Board received the Committee's presentation by Chairperson Peter Van Dyke and approved the 2025 AWAC Work Plan at the March 11, 2025 meeting.</i>
BOARD WORK PLAN GOALS: <ol style="list-style-type: none"> 1. Integrated Water Resources Management - Goal: Efficiently manage water resources across business areas. 2. Water Supply – Goal: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served. 3. Natural Flood Protection – Goal: Provide natural flood protection to reduce risk and improve health and safety. 4. Environmental Stewardship – Goal: Sustain ecosystem health while managing local water resources for flood protection and water supply. 5. Addressing Encampment of Unsheltered People – Goal: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments. 6. Climate Change – Goal: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts. 7. Business Management – Goal: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services. 				

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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