

## NORTH COUNTY

FY 2023/2024

### Notice of Proposed

### Groundwater Production Charges

We want to hear from you.



If you wish to speak to the Valley Water Board of Directors on this topic you are encouraged to participate in one of three public hearings scheduled in April 2023 or send correspondence to the following address:

Valley Water Clerk of the Board  
5750 Almaden Expressway  
San José, CA 95118

### Contact Us

For more information please contact:

**Matt Wilson** or **Carmen Narayanan**  
(408) 630-2685 (408) 630-3041  
[mwilson@valleywater.org](mailto:mwilson@valleywater.org) [cnarayanan@valleywater.org](mailto:cnarayanan@valleywater.org)

Visit our website at [valleywater.org](http://valleywater.org) to use our  
**Access Valley Water** online customer service center.



**Valley Water**

Santa Clara Valley Water District  
5750 Almaden Expressway  
San José, CA 95118-3686  
[www.valleywater.org](http://www.valleywater.org)

Envíe un correo electrónico a [Translations@valleywater.org](mailto:Translations@valleywater.org) si tiene preguntas sobre este documento.

Vui lòng liên hệ với [Translations@valleywater.org](mailto:Translations@valleywater.org) nếu bạn có thắc mắc về tài liệu này.

如果您对此文件有任何疑问, 请联系  
[Translations@valleywater.org](mailto:Translations@valleywater.org)。

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## NORTH COUNTY

FY 2023/2024

### Notice of Proposed Groundwater Production Charges

## IMPORTANT DATES

### April 11, 2023

#### 1 p.m. Public Hearing

Valley Water Headquarters Boardroom  
5700 Almaden Expy, San José, CA 95118

Zoom: <https://valleywater.zoom.us/j/84454515597>  
Meeting ID: 844 5451 5597  
Dial-in: 1-669-900-9128

### April 13, 2023

#### Focused on South County

#### 6 p.m. Open House (in-person only)

City of Morgan Hill  
Council Chamber Building  
17555 Peak Avenue, Morgan Hill, CA 95037

#### 7 p.m. Public Hearing (in-person & Zoom)

Zoom: <https://valleywater.zoom.us/j/84454515597>  
Meeting ID: 844 5451 5597  
Dial-in: 1-669-900-9128

### April 25, 2023

#### 1 p.m. Public Hearing

Valley Water Headquarters Boardroom  
5700 Almaden Expy, San José, CA 95118

Zoom: <https://valleywater.zoom.us/j/84454515597>  
Meeting ID: 844 5451 5597  
Dial-in: 1-669-900-9128

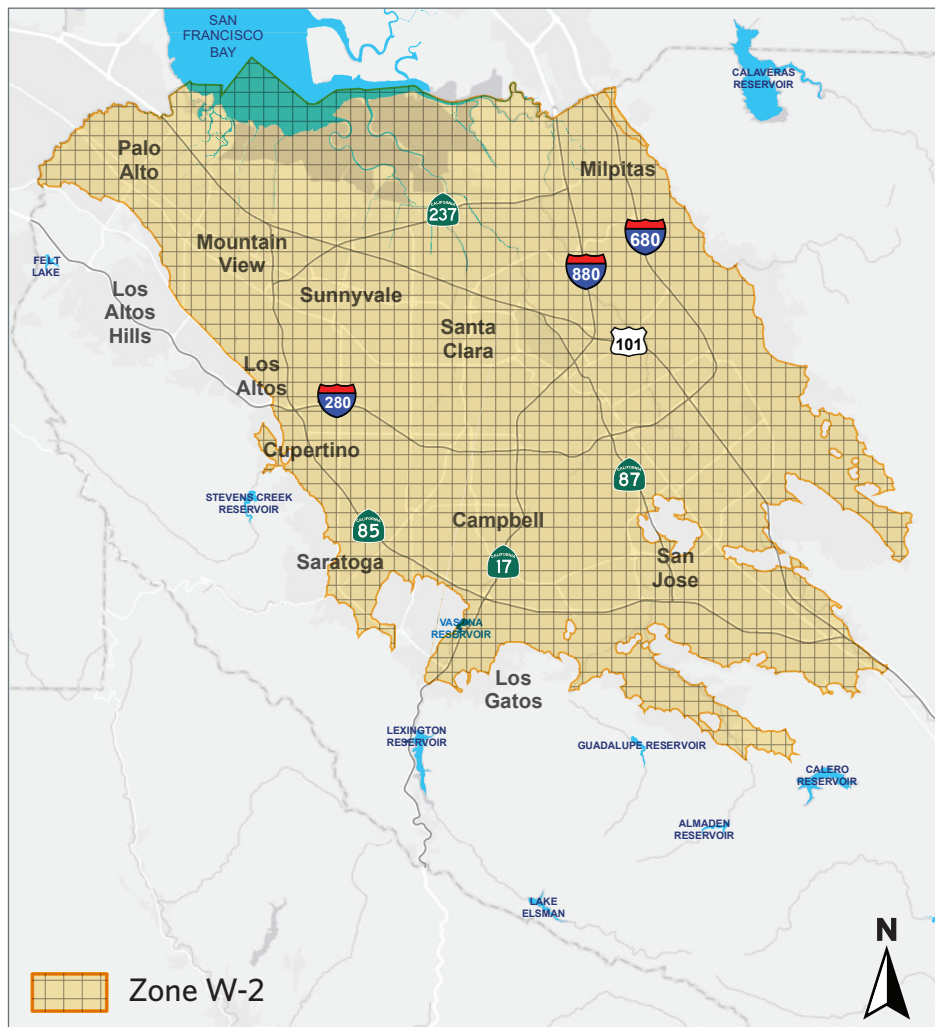


# NORTH COUNTY GROUNDWATER

## What is a Groundwater Benefit Zone?



A groundwater benefit zone is an area where Valley Water activities help protect and replenish groundwater supplies. Groundwater production charges (based on adopted rates) collected in the groundwater benefit zones fund these activities. These charges are paid by owners and operators of groundwater wells based on the amount of water they pump. More information about the Groundwater Benefit Zones can be found online at [valleywater.org/gwbenefits](https://valleywater.org/gwbenefits).



## What are the proposed rate changes?

Zone W-2	Municipal and Industrial (M&I) (\$/acre-foot)	Agricultural (\$/acre-foot)
<b>2022/2023 Current charges</b>	\$1,724.00	\$36.85
<b>2023/2024 Proposed charges Effective July 1, 2023</b>	\$1,983.00	\$39.80

Zone W-2 is generally defined as the portion of Santa Clara County north of the Coyote Valley.

One acre-foot = 325,851 gallons

## What do the proposed rates mean?

The proposed increase of up to 15% for Municipal and Industrial (M&I) water customers would impact the average household by approximately \$8.92 per month. The maximum proposed Agricultural rate is at 10% of the lowest proposed M&I rate based on past direction from the Valley Water Board ( $10\% \times \$398$  in Zone W-8 = \$39.80), an increase of up to 8% or \$0.49 per month per acre, assuming two acre-feet of water usage per acre per year.

More information on proposed groundwater production charges can be found online at [valleywater.org/ProposedWaterCharges](https://valleywater.org/ProposedWaterCharges).





# NORTH COUNTY GROUNDWATER

## Why is my rate changing?

As infrastructure ages, it must be repaired or replaced to ensure safety, quality, reliability and capacity. Water supply strategies must also evolve to meet future demand, especially as we contend with the impacts of climate change. Also, a host of challenges cause water supply costs to continually increase such as general inflation, regulatory change and the costs of obtaining permits to do project work.

Even with the recent rain, the current drought is not over yet. The ongoing need to purchase emergency imported water remains due in part to the reduced imported water supplies and a federal order to lower water levels at Anderson Reservoir. The reservoir is the county's largest surface water supply source, and in 2021 Valley Water began preparing for 10 years' worth of work to rebuild the dam and reservoir. Valley Water must plan ahead in order to supply water to our community.

Rates provide revenue vital to ensuring we have future capacity for water, as well as drought-resilient water supplies for Santa Clara County.

### ENSURING A RELIABLE WATER SUPPLY

Valley Water is dedicated to ensuring a reliable water supply through investments in its infrastructure. Valley Water plans to invest \$1.2 billion countywide over the next ten years to evaluate and seismically retrofit our dams, including Anderson Dam, a key water storage resource for Santa Clara County. Valley Water continues to carve out a 1,700-foot-long tunnel next to Anderson Dam that is the cornerstone of its seismic retrofit efforts. The tunnel will house a 13-foot diameter pipe that will allow a larger and quicker release of water during emergencies or storms. The tunneling work will take about two years to complete, with the full project completed in another eight years. For more details, please visit: [valleywater.org/project-updates/dam-reservoir-projects](https://valleywater.org/project-updates/dam-reservoir-projects) and [valleywater.org/project-updates/infrastructure-improvement-projects](https://valleywater.org/project-updates/infrastructure-improvement-projects).

### UPGRADES CONTINUE AT THE RINCONADA WATER TREATMENT PLANT

As part of its effort to modernize the Rinconada Water Treatment Plant, Valley Water has overseen construction of several new facilities. These include flocculation/sedimentation, ozone contactor building, washwater recovery facilities, electrical control building, underground piping and installation of chemical feed systems. Clarifier demolition and replacement could take place later this year or early 2024. In the coming years, Valley Water will construct the liquid oxygen and ozone generation buildings. The facilities will meet all current seismic standards and will serve the public for many years to come.

More significant construction is coming up to ensure the Rinconada plant remains a reliable source of drinking water for residents in western Santa Clara County. When the work is completed, the plant will treat more water than ever, from the current 80 million gallons daily to 100 million gallons daily.



Crews inspecting the progress of construction at the tunnel next to Anderson Reservoir.



Rinconada Water Treatment Plant

## Valley Water Activities

Infrastructure upgrading and maintenance activities are supported by water rates. They include:



Planning, constructing and retrofitting infrastructure such as dams, pipelines, groundwater recharge ponds, and pump stations to help sustain the groundwater basins.



Monitoring and protecting groundwater from pollutants.



Operating and maintaining local reservoirs to capture water and fill recharge ponds, replenishing the groundwater basins.



Operating and maintaining pipelines, groundwater recharge ponds and pumping plants to sustain groundwater supplies.



Ensuring proper construction and destruction of wells to help prevent contaminants from reaching groundwater resources.



Purchasing imported water and developing drought resilient local water supplies to replenish the groundwater basins.



February 23, 2023

Dear Well Owner, Operator or Property Owner,

This notice officially opens Valley Water's (Santa Clara Valley Water District) public process for setting its fiscal year (FY) 2023/2024 (July 1, 2023–June 30, 2024) groundwater production charges. This rate-setting process is scheduled to conclude on April 25, 2023.

As Santa Clara County's primary water resources agency, Valley Water ensures there is enough safe, clean water to sustain the region's economy and quality of life. Although recent winter rains have been beneficial to our local water supply, the drought is not over and we must continue our water-saving efforts. While we don't know if this drought will last several years like the historic drought from 2012–2016, we must be prepared. Developing and managing drought-resilient water supplies, like increasing our use of recycled water and supporting water storage projects like the Anderson Dam Seismic Retrofit Project, are necessary as climate change brings the possibility of more prolonged and severe droughts.

Groundwater charges paid by North County well users fund the infrastructure and services required to maintain a reliable groundwater supply and to provide safe, clean water for North County residents, farms and businesses. The current drought has put upward pressure on water rates for FY 2023/2024. In addition, increasing inflationary costs that are impacting the nation are also impacting Valley Water and the cost to deliver on important projects. Valley Water is using available financial resources to offset rate impacts next year, including using cash reserves to help pay for emergency water purchases. Valley Water continually strives for cost reductions and better utilization of the public's assets entrusted to us through careful spending and budgeting. However, we must align water charges with the costs to deliver the services the community relies upon.

The rate-setting process includes a series of opportunities for the public to provide input at an open house and public hearings in April. The details of these meetings are listed in the [Important Dates](#) section of this notice. We welcome feedback on the proposed increase from well owners, operators, and owners of land upon which a well is located. More information can be found in the [We want to hear from you](#) section of this notice. Revenue from groundwater production charges may be used to pay for and incur debt for activities associated with infrastructure, water quality and water supply. Examples of these activities are listed in the [Valley Water Activities](#) section of this notice.

In accordance with our 2040 Water Supply Master Plan, investments in large infrastructure, public safety, and reliability are critically important to our water supply and help to prepare us for future droughts. Inside, you will find more information about some of those investments.

Water is one of our most precious resources, and we strive to manage it responsibly by utilizing the public's money wisely. The Valley Water Board of Directors continues to remind everyone to make conservation a way of life. Long-term water supply planning and investment make Valley Water better prepared to meet the ongoing needs of our community.

I invite you to join us at one of our public hearings or visit our website at [valleywater.org](http://valleywater.org) for more information.

Sincerely,

Aaron Baker, P.E.  
Chief Operating Officer  
Water Utility Enterprise

## NORTH COUNTY

### How will rates change?

Valley Water is proposing up to a **15% rate increase** for groundwater, which is an increase of approximately \$8.92 per month to the average household.

Agricultural water rates are proposed to **increase up to \$0.49 per month per acre**, assuming two acre-feet of water usage per acre per year.

### CURRENT CHARGES 2022/2023

#### MUNICIPAL & INDUSTRIAL

**\$1,724.00**<sub>/acre-foot</sub>

#### AGRICULTURAL WATER

**\$36.85**<sub>/acre-foot</sub>

### PROPOSED CHARGES 2023/2024\*

#### MUNICIPAL & INDUSTRIAL

**\$1,983.00**<sub>/acre-foot</sub>

#### AGRICULTURAL WATER

**\$39.80**<sub>/acre-foot</sub>

\*Effective July 1, 2023  
(See details on next page.)

North County (Zone W-2) is generally defined as the portion of Santa Clara County north of Metcalf Road.