

NORTH COUNTY

FY 2023/2024

Notice of Proposed Surface Water Charges



Santa Clara Valley Water District
5750 Almaden Expressway
San José, CA 95118-3686
www.valleywater.org

Protest Procedure

If you object to the proposed rates described in this notice, you may file a written protest with Valley Water (Santa Clara Valley Water District) before the conclusion of the public hearing, scheduled for April 25, 2023, either in person or by mail. Additional details about the protest procedure are provided in the insert.

Contact Us

For more information please contact:

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

Visit our website at valleywater.org to use our
Access Valley Water online customer service center.

Envíe un correo electrónico a Translations@valleywater.org si tiene preguntas sobre este documento.

Vui lòng liên hệ với 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。

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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
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NORTH COUNTY SURFACE WATER

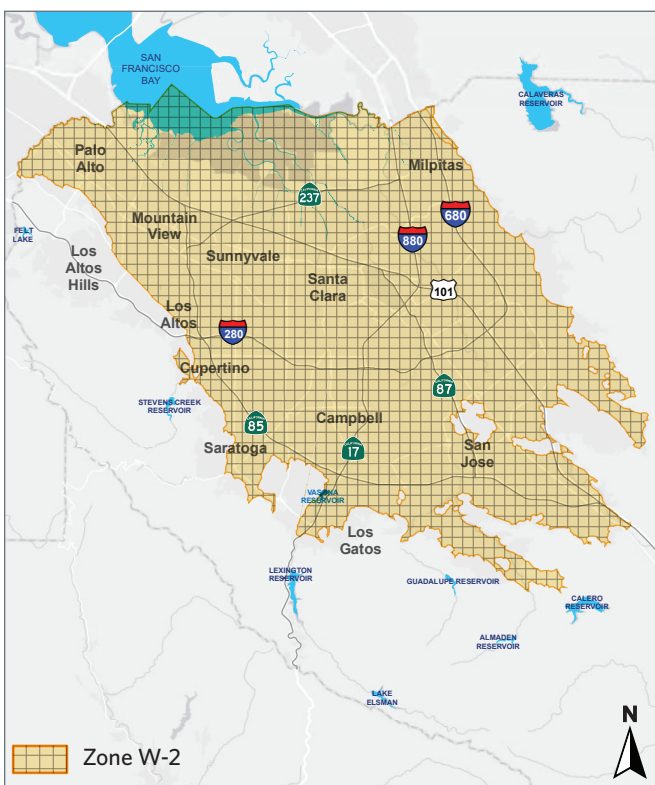
What are the proposed rate changes?

	Zone	Municipal and Industrial (M&I) (\$/acre-foot)	Agricultural (\$/acre-foot)
2022/2023 Current charges	Zone W-2	<div>Basic user \$1,724.00</div> <div>Master charge <u>\$47.10</u></div> <div>Total \$1,771.10</div>	<div>\$36.85</div> <div><u>\$47.10</u></div> <div>\$83.95</div>
2023/2024 Proposed charges <i>Effective July 1, 2023</i>	Zone W-2	<div>Basic user \$1,983.00</div> <div>Master charge <u>\$54.20</u></div> <div>Total \$2,037.20</div>	<div>\$39.80</div> <div><u>\$54.20</u></div> <div>\$94.00</div>

North County (Zone W-2) is generally defined as the portion of Santa Clara County north of the Coyote Valley. More information can be found online at valleywater.org/gwbenefits.

The basic user charge is based on the closest groundwater zone.

One acre-foot = 325,851 gallons



What do the proposed rates mean?

In FY 2023/2024 the Municipal and Industrial (M&I) proposed rate increases are up to 15% in Zone W-2. 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% x \$398.00 in Zone W-8 = \$39.80). More information on proposed water production charges can be found online at valleywater.org/ProposedWaterCharges.

Protest Procedure

If you object to the proposed rates described in this notice, you may file a written protest with Valley Water before the conclusion of the public hearing, scheduled for April 25, 2023, either in person or by mail. Additional details about the protest procedure are provided in the insert.

A valid protest should:

- 1 Be signed with your original signature.
- 2 Be sealed in an envelope which conceals the contents.
- 3 Include the return address and the APN (Assessor's Parcel Number) or surface water account number written on the outside of the envelope.
- 4 Be submitted before the close of the public hearing on April 25, 2023.

If written protests of a proposed rate increase are filed for a majority of either, a) the affected properties within a charge zone, or b) the identified number of owners and operators within a charge zone, then the proposed rate increases will not be imposed in that charge zone. Protests can be mailed or personally delivered to: **Santa Clara Valley Water District, Clerk of the Board, 5750 Almaden Expressway, San José, CA 95118**

NORTH COUNTY SURFACE WATER

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. In addition, Valley Water plans to invest \$112 million over the next 15 years on the Almaden Valley Pipeline Replacement Project. This project will increase this critical pipeline's reliability and useful life. For more details, valleywater.org/project-updates/dam-reservoir-projects and valleywater.org/project-updates/infrastructure-improvement-projects.

UPGRADES CONTINUE AT THE RINCONADA WATER TREATMENT PLANT

Valley Water's work at Rinconada will increase the plant's daily treatment capacity from 80 million gallons a day to 100 million gallons of water and help Valley Water meet increasingly strict standards for water quality, seismic stability and safety. So far it has built buildings to help power and control the plant and allow ozone water treatment. There are new basins that gently mix water to allow dirt and small particles to settle and form sludge. Other facilities will recycle unused water.

Later this year, Valley Water will finish buildings to help it better manage sludge and in 2024 could demolish the four clarifiers that help remove solid particles from water during the treatment process. This work will ensure that the Rinconada plant remains a reliable source of drinking water to residents in western Santa Clara County.



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, drinking water treatment plants, 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 24, 2023

Dear Surface Water User,

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) surface water 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.

Water charges pay for 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. The rate-setting process also includes a formal protest procedure where surface water users can object to the proposed increase in rates, which is explained in greater detail on the [About the protest procedure](#) insert.

The amount paid to Valley Water to divert surface water for your use is comprised of a basic user charge, which is equivalent to the groundwater production charge, and a surface water master charge. The basic user charge helps pay for the cost to manage and augment surface water supplies. It's set equal to the groundwater production charge because the use of surface water helps ensure sustainable groundwater supplies by reducing the need for pumping. The surface water master charge pays for costs that are specific to surface water users only, including the work to operate surface water turnouts, and maintain information on surface water accounts. The current and proposed rates are shown inside.

In accordance with Valley Water's 2040 Water Supply Master Plan, investments in large infrastructure, public safety, and reliability are critically important to our water supply and help to respond to the current drought as well as prepare us for future droughts and other emergencies. 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 for more information.

Sincerely,

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