

**NORTH COUNTY**  
 FY 2021/2022  
 Notice of Proposed  
 Groundwater Production Charges



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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 the three virtual public hearings scheduled in April 2021 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:

**Albert Le** (408) 630-2860 [albertle@valleywater.org](mailto:albertle@valleywater.org)  
**Carmen Narayanan** (408) 630-3041 [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.

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February 26, 2021

Dear Well Owner, Operator or Property Owner,

This notice officially opens Santa Clara Valley Water District's (Valley Water) public process for setting its fiscal year (FY) 2021/2022 (July 1, 2021-June 30, 2022) groundwater production charges. This rate-setting process is scheduled to conclude on April 27, 2021.

As Santa Clara County's primary water resources agency, Valley Water makes sure there is enough safe, clean water to sustain the region's economic vitality and quality of life. Santa Clara County is currently in a drought. Although we can't be certain if this drought will last several years like the historic drought from 2012-2016, we know we must plan ahead. It's essential we prepare for the possibility of longer and more severe droughts by developing and managing drought-resilient water supplies such as increasing our use of recycled water and supporting water storage projects like the Anderson Dam Seismic Retrofit Project.

Groundwater charges paid by North County well users fund the infrastructure and services required to maintain a reliable groundwater supply for North County residents, farms and businesses. Last year (FY 2020/2021), the Valley Water Board of Directors elected to forego rate increases due to the impacts of COVID-19 on our community. While Valley Water continually strives for cost reductions and better utilization of the public's assets entrusted to us, we must align water charges with the costs to deliver the services the community relies upon. In short, water charges help us pay for the infrastructure (pipelines, treatments plants, etc.) necessary to deliver safe, clean water to homes and businesses.

The rate-setting process includes a series of opportunities for the public to provide input at a virtual 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. Climate change could lead to more frequent and severe droughts. 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 virtual 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 9.6 percent rate increase for groundwater, an average household **increase of \$4.55 per month.**

Agricultural water rates are proposed to **increase up to \$9.41 per month per acre**, assuming 2 (two) acre-feet of water usage per acre per year.

**CURRENT CHARGES 2020/2021**

**MUNICIPAL & INDUSTRIAL**  
**\$1,374.00** /acre-foot

**AGRICULTURAL WATER**  
**\$28.86** /acre-foot

**PROPOSED CHARGES 2021/2022\***

**MUNICIPAL & INDUSTRIAL**  
**\$1,506.00** /acre-foot

**AGRICULTURAL WATER**  
**\$85.38** /acre-foot

\*Effective July 1, 2021  
 (See details on next page.)

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

**IMPORTANT DATES**

**April 13, 2021**  
**1 p.m. Public Hearing**  
 Zoom meeting: <https://delivr.com/2hhjz>  
 Meeting ID: 950 6001 2118  
 Call-in: 1-669-900-9128

**April 15, 2021 (Focused on South County)**  
**6 p.m. Open House**  
 Zoom meeting: <https://delivr.com/25wsb>  
 Meeting ID: 998 7579 5135  
 Call-in: 1-669-900-9128

**7 p.m. Public Hearing**  
 Zoom meeting: <https://delivr.com/2hhjz>  
 Meeting ID: 950 6001 2118  
 Call-in: 1-669-900-9128

**April 27, 2021**  
**6 p.m. Public Hearing**  
 Zoom meeting: <https://delivr.com/2hhjz>  
 Meeting ID: 950 6001 2118  
 Call-in: 1-669-900-9128

**NORTH COUNTY**

**FY 2021/2022**  
**Notice of Proposed**  
**Groundwater Production Charges**



Si habla español y tiene preguntas sobre el contenido de este mensaje por favor de comunicarse con José Villarreal al [JVillarreal@valleywater.org](mailto:JVillarreal@valleywater.org) o (408) 630-2879.  
 Nếu bạn nói tiếng Việt và có thắc mắc về nội dung của thông báo này, xin vui lòng liên hệ với Hoan Cutler [HCutler@valleywater.org](mailto:HCutler@valleywater.org) hoặc (408) 630-3135.  
 如果你說中文並對上述訊息有疑問, 請聯繫 Julia Tat, 電郵 [jtat@valleywater.org](mailto:jtat@valleywater.org), 或者電話: (408) 630-3168.

# NORTH COUNTY GROUNDWATER

## What is a Groundwater Benefit Zone?

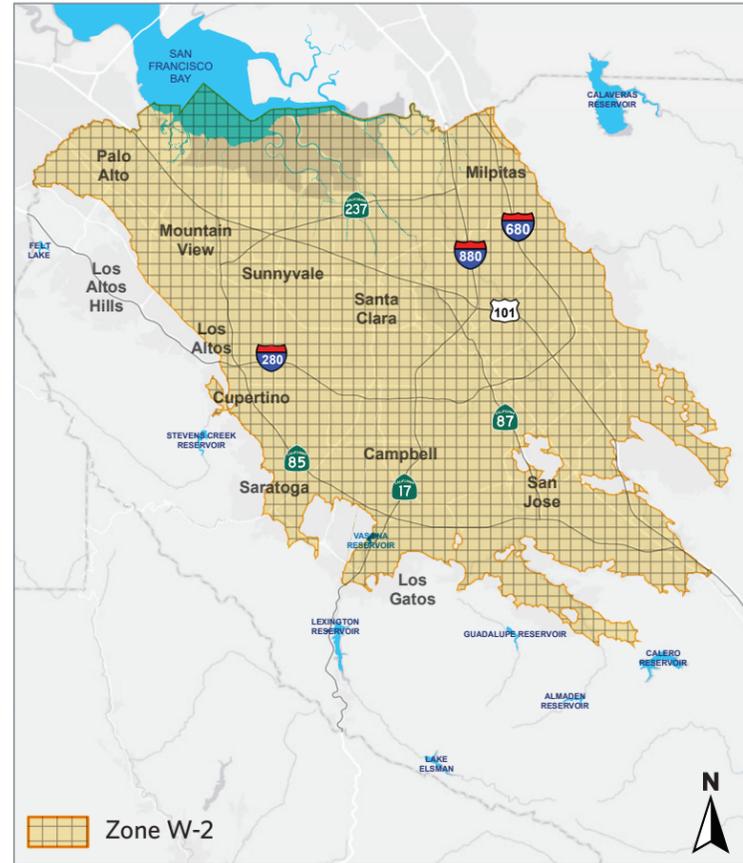


A groundwater benefit zone is an area where Valley Water activities help protect and replenish groundwater supplies. Groundwater production charges (based on adopted rates) collected in the

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.

Last year, Valley Water completed a scientific study of its groundwater benefit zones. Based on a comprehensive evaluation of geological studies, local groundwater data, and the services Valley Water provides, the boundary of the North County groundwater zone (W-2) was slightly modified to better reflect services and benefits received by well users.

More information about the Groundwater Benefit Zone study can be found online at [valleywater.org/gwbenefits](http://valleywater.org/gwbenefits).



## How will rates change?

Zone W-2	Municipal and industrial (M&I) (\$/acre-foot)	Agricultural (\$/acre-foot)
2020/2021 Current charges	\$1,374.00	\$28.86
2021/2022 Proposed charges Effective July 1, 2021	\$1,506.00	\$85.38

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 9.6 percent for Municipal and Industrial (M&I) water customers would impact the average household by approximately \$4.55 per month. The maximum proposed Agricultural rate is at 25 percent of the lowest proposed M&I rate based on direction from the Valley Water Board (25% x \$341.50 in Zone W-8 = \$85.38), an increase of up to 196 percent or \$9.41 per month per acre, assuming 2 (two) acre-feet of water usage per acre per year.

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



# NORTH COUNTY GROUNDWATER

## Why is my rate changing?

As infrastructure ages, it must be replaced to ensure safety, quality, reliability and capacity. Due to climate change, water supply strategies must evolve to meet future demand.

In addition, the need to purchase supplemental imported water is even greater, given the latest dry winter conditions and the recent lowering of water levels at Anderson Reservoir to prepare for 10 years' worth of work to rebuild the dam and reservoir, which starts this year. Anderson Reservoir is the county's largest surface water supply source. Valley Water must plan ahead in order to supply water to our community.

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

### EXPANSION OF WATER REUSE AND PURIFIED WATER

Valley Water is poised to invest in additional purified water infrastructure capable of replenishing groundwater basins with a local sustainable source of water, especially in times of drought and water shortage. In expanding water reuse, Valley Water wants to mirror the success of the Silicon Valley Advanced Water Purification Center, which since 2014 has produced up to eight million gallons of purified water day—exceeding all state and federal drinking water standards. The advanced purification process takes highly treated wastewater that would be normally discharged to the San Francisco Bay and purifies it using a three-step advanced treatment process. More information about purified water and treatment process can be found at [purewater4u.org](http://purewater4u.org).

### 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 \$688 million 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, these investments include \$10 million for the Central and Parallel East Pipeline Inspection and Rehabilitation Project. The project will increase this critical pipeline's reliability and useful life, as well as install an acoustic fiber optic monitoring system to monitor its condition in real-time. For details on these project efforts and others visit: [valleywater.org/project-updates/dam-reservoir-projects](http://valleywater.org/project-updates/dam-reservoir-projects) and [valleywater.org/project-updates/infrastructure-improvement-projects](http://valleywater.org/project-updates/infrastructure-improvement-projects).



Silicon Valley Advanced Water Purification Center



Anderson Dam



Central Pipeline Inspection and Rehabilitation Project

## 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.