

SOUTH COUNTY
FY 2022/2023
Notice of Proposed
Surface Water Charges

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 virtual public hearing, scheduled for April 26, 2022, 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 。



February 25, 2022

Dear Surface Water User,

This notice officially opens Valley Water’s (Santa Clara Valley Water District) public process for setting its fiscal year (FY) 2022/2023 (July 1, 2022-June 30, 2023) surface water charges. This rate-setting process is scheduled to conclude on April 26, 2022.

As Santa Clara County’s primary water resources agency, Valley Water works to ensure there is enough safe, clean water to sustain the region’s economy and quality of life. Santa Clara County is currently in a drought emergency. 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 provide reliable water to Santa Clara County residents, farms, and businesses. The current drought has put upward pressure on water rates for FY 2022/2023. Valley Water is using all financial resources available to offset rate impacts next year. This strategy includes using cash reserves to help pay for emergency water purchases. Additionally, Valley Water is transferring non-rate related revenue from a different source as a one-time measure to offset rate impacts next year. Valley Water continually strives for cost reductions and better utilization of the public’s assets entrusted to us, 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 virtual public hearings or visit our website at valleywater.org for more information.

Sincerely,

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

IMPORTANT DATES

April 12, 2022

1 p.m. Public Hearing
Zoom meeting: <https://valleywater.zoom.us/j/87195766689>
Meeting ID: 871 9576 6689
Dial-in: 1-669-900-9128

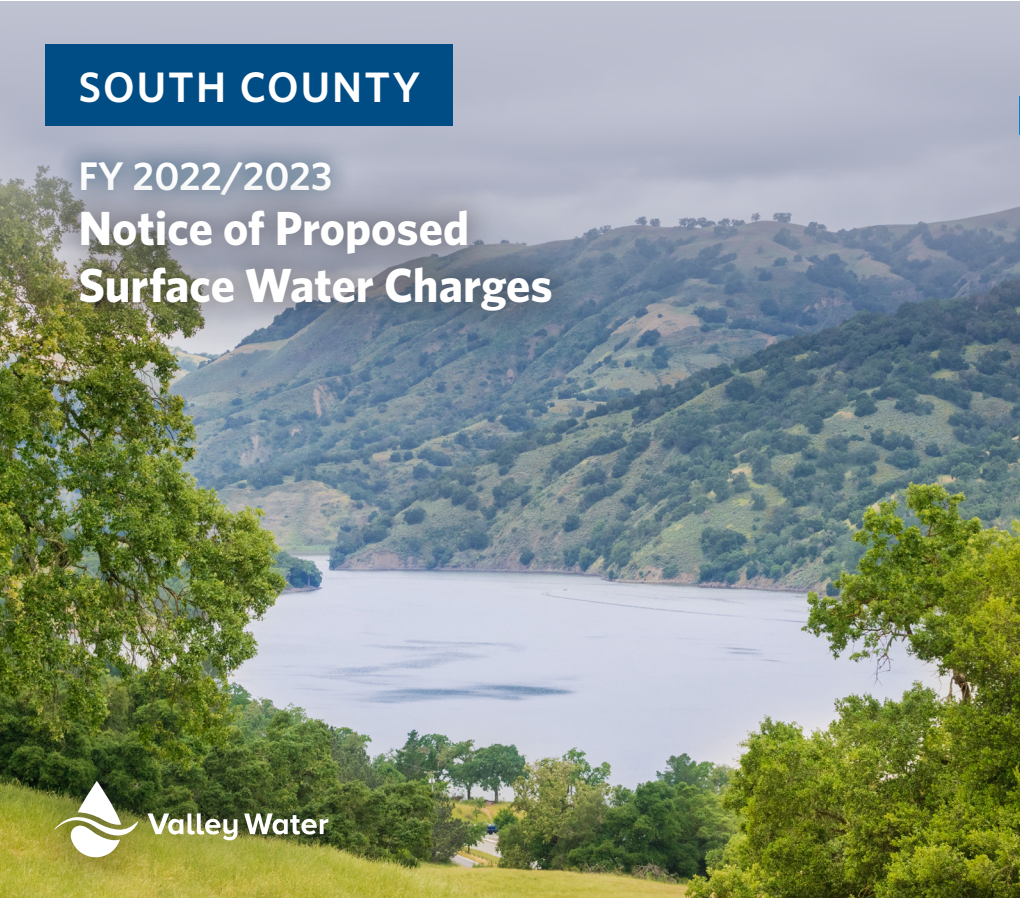
April 14, 2022
(Focused on South County)

6 p.m. Open House
Zoom meeting: <https://valleywater.zoom.us/j/89280796163>
Meeting ID: 892 8079 6163
Dial-in: 1-669-900-9128

7 p.m. Public Hearing
Zoom meeting: <https://valleywater.zoom.us/j/87195766689>
Meeting ID: 871 9576 6689
Dial-in: 1-669-900-9128

April 26, 2022

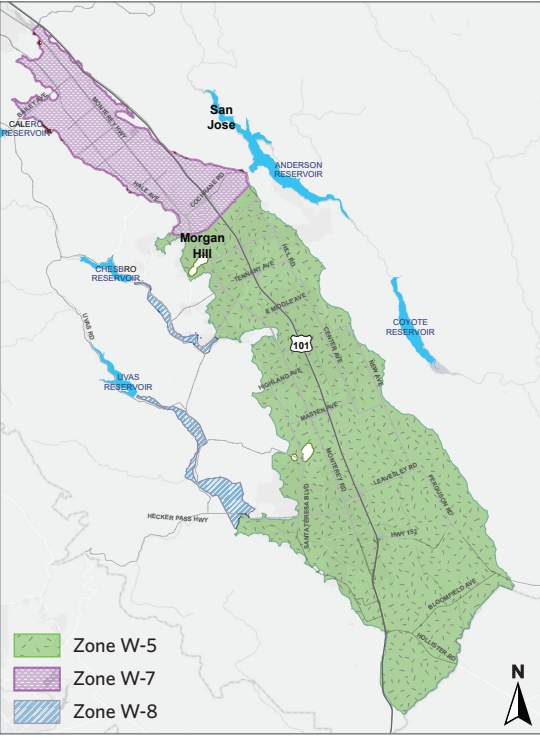
6 p.m. Public Hearing
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SOUTH COUNTY SURFACE WATER

How will rates change?

	Zone	Municipal and Industrial (M&I) (\$/acre-foot)	Agricultural (\$/acre-foot)
2021/2022 Current charges	Zone W-5 Llagas Subbasin	Basic user \$488.00 Master charge \$40.90 Total \$528.90	\$34.15 \$40.90 \$75.05
2021/2022 Current charges	Zone W-7 Coyote Valley	Basic user \$528.50 Master charge \$40.90 Total \$569.40	\$34.15 \$40.90 \$75.05
2021/2022 Current charges	Zone W-8 Below Uvas & Chesbro Reservoirs	Basic user \$341.50 Master charge \$40.90 Total \$382.40	\$34.15 \$40.90 \$75.05
2022/2023 Proposed charges Effective July 1, 2022	Zone W-5 Llagas Subbasin	Basic user \$513.00 Master charge \$47.10 Total \$560.10	\$36.85 \$47.10 \$83.95
2022/2023 Proposed charges Effective July 1, 2022	Zone W-7 Coyote Valley	Basic user \$582.50 Master charge \$47.10 Total \$629.60	\$36.85 \$47.10 \$83.95
2022/2023 Proposed charges Effective July 1, 2022	Zone W-8 Below Uvas & Chesbro Reservoirs	Basic user \$368.50 Master charge \$47.10 Total \$415.60	\$36.85 \$47.10 \$83.95



South County is generally defined as the portion of Santa Clara County south of Metcalf Road. Last year Valley Water completed a scientific study of its groundwater benefit zones. South County groundwater benefit zones Zone W-5, which overlays the Llagas Subbasin; Zone W-7, which encompasses the Coyote Valley; and Zone W-8 which encompasses areas in the foothills southeast of Uvas and Chesbro Reservoirs. More information on the zones 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?

The maximum proposed Agricultural rate is at 10% of the lowest proposed M&I rate based on direction from the Valley Water Board (10% x \$368.50 in Zone W-8 = \$36.85). More information on proposed groundwater 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 26, 2022, 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 26, 2022.

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

SOUTH COUNTY SURFACE WATER

Why is my rate changing?

As infrastructure ages, it must be 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.

The need to purchase emergency imported water is now even greater due in part to the latest dry winter conditions and an order to lower water levels at Anderson Reservoir. The reservoir is the county’s largest surface water supply source, and last year 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 \$1.15 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. For further details, please visit: valleywater.org/project-updates/dam-reservoir-projects.



Anderson Dam


PIPELINES AND RELATED INFRASTRUCTURE

Valley Water is dedicated to ensuring a reliable water supply through investments in its infrastructure. These investments include the South County Recycled Water Pipeline Implementation Phase 1B project, which is intended to construct an additional 8,200 of linear pipeline in the Gilroy area. The additional pipeline will expand recycled water delivery in South County. For further details, please visit: valleywater.org/project-updates/infrastructure-improvement-projects.




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.