



MEMORANDUM

FC 14

TO: Board of Directors

FROM: Agricultural Water
Advisory Committee

SUBJECT: Agricultural Water Advisory Committee
(AWAC)
April 6, 2026, Regular Meeting Summary.

DATE: June 23, 2026

This memorandum summarizes agenda items from the meeting of the Agricultural Water Advisory Committee (AWAC) held on Monday, April 6, 2026.

Review Proposed Fiscal Year (FY) 2026-2027 Groundwater Production Charges and Provide Committee Feedback.

The Committee discussed the following topics: confirmed the cancellation of the Water Infrastructure Finance and Innovation Act (WIFIA) loan for the suspended Pacheco Reservoir Expansion Project and noted that no associated grant funding received will be required to be repaid; discussed how Valley Water works with the water retailers through sharing rate projections and seeking feedback on water use assumptions and noted retailer rates cannot be controlled by Valley Water as the whole seller; expressed concern regarding the agriculture rate compared to the residential rate in Zone W-2; discussed the basis for the increases to the capital cost recovery rate and open space credit projections; discussed how certain allocated energy costs may contribute to the water rates and how those costs vary by zone based on the number of treatment plants, imported water supplies, and recharge or recycled water activities; expressed interest in the renewable energy sources used at the water treatment plants; noted staff are monitoring the lower snow pack levels and reviewed the annual rate setting cycle and the contingencies in place including the Drought Contingency Reserve, Rate Stabilization Reserve, and the Supplemental Water Supply Reserve; noted staff do not anticipate a substantial rate increase beyond what is budgeted for the imported water supply; noted the Valley Water Board is working to keep a lower cost structure; expressed support for staff's level of details in the report; and discussed the challenges facing agriculture associated with rising utility costs, infrastructure costs, and county fines.

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

Receive Update on Valley Water's Periodic Evaluation to its Alternative Groundwater Sustainability Plan (GSP) under the Sustainable Groundwater Management Act (SGMA).

The Committee discussed the following topics: expressed support for Valley Water's groundwater management efforts; discussed staffing resources and budget; discussed

San Benito County Water District's GSP and noted Frazier Lake is included; and noted staff continue to manage the water quality and levels in the North San Benito Subbasin, which is in healthy condition.

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

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

The Committee discussed the following topics: reviewed groundwater conditions and water table levels at Laguna Seca; noted that proposed sewer service developments near San Pedro Ponds may require approval through Local Agency Formation of Santa Clara County (LAFCO); discussed natural groundwater recharge from rainfall and associated extraction charges; discussed the Madrone Channel Expansion and expressed support for continued planning of future groundwater recharge and percolation projects to enhance long-term water supply reliability; discussed feasibility of Flood-MAR; and the injection well process.

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

Review 2026 Agricultural Water Advisory Committee (AWAC) Work Plan, the Outcomes of Board Action of Committee Requests, and the Committee's Next Meeting Agenda.

The Committee discussed the following topics: expressed interest in quantifying agriculture's contribution to groundwater recharge; noted agricultural water use is highly efficient and that most water is returned to crops, based on the previous study presented to AWAC; discussed required measures implemented through open space stormwater permits and the agricultural challenges associated with regulatory agencies; discussed soil conditions affecting percolation and associated potential credits and cost savings and expressed support for a map identifying priority areas. The Committee expressed support for adding language to the following Work Plan item: Update on Valley Water's South County Managed Aquifer Recharge Activities.

It was moved by Peter Van Dyke and seconded by Jan Garrod and unanimously approved to amend the Work Plan to include the following goal language:

Update on Valley Water's South County Managed Aquifer Recharge Activities:

- Goal to determine – regions preferred feasible for percolation in collaboration with Valley Water & landowners for mutual benefit.

The next AWAC regular meeting is scheduled to occur at 1:30 p.m. on July 6, 2026.

Board member comments and suggestions can be forwarded to Nicole Merritt, Deputy Clerk (Committee Meetings) at (408) 630-3262 or by email to nmerritt@valleywater.org.