



February 11, 2019

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Subject: Santa Clara Valley Water District Open Space Credit Policy; support to limit rates to 6% for all agricultural properties

Dear Members of the Board of the Santa Clara Valley Water District:

On behalf of the Santa Clara Valley Open Space Authority, we appreciate the opportunity to submit this letter of comment on the Santa Clara Valley Water District's Open Space Credit Policy. On December 3, 2018, the Authority submitted a letter in support of the District staff recommendation to limit agricultural groundwater rates to 6 percent for properties under Williamson Act or conservation easement. The Authority further recommended phasing any additional increases for other agricultural properties up to the planned 10 percent cap over a period of ten years.

In recent weeks we have been engaged by agricultural stakeholders, farmers and ranchers who have stressed the importance of the current 6 percent rate. Many agricultural producers are faced with very low profit margins, so even small increases in water rates can make a large difference in the economic viability of an agricultural operation. While we appreciate the idea of additionally incentivizing private property owners to voluntarily enroll in the Williamson Act or record an agricultural conservation easement, we are concerned that many landowners may not take advantage of such programs and that they and their tenants—often those responsible for paying for the water usage—will be impacted by the rate increase.

We respectfully wish to clarify that it is our position that any increase to agricultural rates will further weaken the economic viability of agriculture in the Valley and works against our aim of preventing the further loss of working lands. Thank you for the opportunity to comment on this important issue.

Sincerely,

Andrea Mackenzie
General Manager

Cc: Board of Directors, Santa Clara Valley Open Space Authority
Citizens Advisory Committee, Santa Clara Valley Open Space Authority