

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2025–2026

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act (“District Act”), a written report detailing Valley Water’s activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water’s water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements; a method of financing such requirements; a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year; and a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W-2, W-5, W-7, and W-8;
2. That on the 28th day of February 2025, said report was duly delivered to the Clerk of the Valley Water Board;
3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 8th day of April 2025, by teleconference, videoconference, or both and in-person attendance at the time stated;
4. That on February 28, 2025, written notice was mailed to all owners and operators of water-producing facilities within Valley Water’s boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;
5. That pursuant to Section 26.6 of the District Act, on the 8th day of April 2025, at 1 p.m. a public hearing upon said report was duly commenced, and was continued for further hearing to the evening of April 25, 2025, in Morgan Hill, California, and continued again to the afternoon of May 16, 2025, whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;
6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at the public hearing;
7. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;
9. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
10. That the California Environmental Quality Act does not apply to approval of these charges.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|-------------------------------|--------------------|
| \$2,450.00 | \$43.00 |

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|-------------------------------|--------------------|
| \$624.50 | \$43.00 |

FOURTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and

are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|--------------------------------------|---------------------------|
| \$834.50 | \$43.00 |

FIFTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-8 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|--------------------------------------|---------------------------|
| \$464.00 | \$43.00 |

SIXTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

SEVENTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

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