



April 24, 2018

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

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

On behalf of the entire Board of Directors of the 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. At the invitation of the Santa Clara Valley Water District, the Open Space Authority served on the District's Open Space Credit Policy Working Group back in 2013 to provide recommendations on potential changes to the District's current agricultural water rate structure. At that time, the District's Resolution 99-21 set the agricultural groundwater charge at less than 10 percent of the municipal and industrial (M & I) charge to encourage the continuance of agricultural land use and preservation of open space, a goal shared by the Open Space Authority.

The Open Space Authority recommends that the Water District maintain the Open Space Credit Policy and not raise water rates for agricultural operators. Optimally, reduced water rates should result in better conservation outcomes and return on investment, such as reduced agricultural conversion, enhanced resource stewardship and water efficiency. The Water District could also tie retention of the current rate of six percent M & I to maintenance of important ecosystem services, such as water efficiency (supply) and water quality, partnering with the Farm Bureau, Natural Resource Conservation Service and Resource Conservation Districts to implement the Program.

The 2016 Agricultural Commissioner's Office study on economic contributions of farming estimated the total value of ecosystem services for these South Santa Clara County agricultural lands to be between \$610 to \$1,280 per acre per year for conventional agriculture. Using the most conservative value of \$610 per acre per year for the roughly 27,000 acres of farmland remaining in the county would yield a total annual ecosystem service value of *over \$16 million*. With flood control being one of the important ecosystem services identified in this study, it brings into question why the Open Space Credit would potentially be decreased to pay for flood control, when our agricultural lands are already providing flood control benefits. The Open Space Authority recognizes the significant ecosystem services and environmental stewardship provided by our local agricultural lands and suggests that more should be done to understand the current and potential role that agricultural lands play in a comprehensive flood control system that includes green infrastructure solutions, before threatening the conversion of agricultural lands to other uses through increased water rates.

Santa Clara County has already lost 45 percent of its prime farmland to development over the last twenty years. Maintaining the current agricultural water rate and Open Space Credit Policy is a key factor in sustaining the economic viability of the County's remaining cropland and is one of the few remaining incentives provided to farmers to

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stay in farming. Therefore, the Open Space Authority recommends that the District maintain the Open Space Credit to encourage farmers to stay in farming and thereby also protect our precious green infrastructure that provides natural flood control benefits to the public.

Thank you for the opportunity to comment on this important environmental and agricultural viability issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Flaughner". The signature is fluid and cursive, with the first name "Mike" and last name "Flaughner" clearly distinguishable.

Mike Flaughner
Chair, Santa Clara Valley Open Space Authority Board of Directors

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