



## GREAT OAKS WATER COMPANY

June 6, 2019

Received USPS 6/10/19

Records

District Council

CEO

COB

Risk

JUN 11 2019

19 JUN 10 PM 2:11

Returned: original

P. O. Box 23490

San Jose, California 95153

(408) 227-9540

Clerk of the Board  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San José, CA 95118

RE: Claim Against the Santa Clara Valley Water District

Dear Clerk of the Board:

Transmitted with this letter is a Claim against the Santa Clara Valley Water District pertaining to groundwater charges, together with an extra copy of the claim and a postage-prepaid return envelope.

Kindly acknowledge receipt of the Claim and return to me a time or date-stamped copy in the envelope provided for that purpose.

Respectfully,

Timothy S. Guster  
Vice President and General Counsel  
Legal and Regulatory Affairs

Enclosures: Claim (original) plus one copy  
Postage-Prepaid Return Envelope

Santa Clara Valley Water District

Phone: 408 265 2600

Fax: 408 445 1435

**Claim Against the  
Santa Clara Valley Water District  
California Government Code  
Sections 900 and following.**

General Counsel form updated July, 2003

**Serve or mail this form to: Clerk of the Board  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, California 95118**

**For Office Use Only:**

**Date Received:**

**By:**

1. Name(s) and Address(es) of the person or persons making the claim	Name(s): Great Oaks Water Company Address: 20 Great Oaks Blvd., Ste. 120 San Jose, CA 95119 Phone number (optional):
2. Is this claim filed on behalf of a minor? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If so, please indicate minor's date of birth: Relationship of claim filer to minor:
3. Name and address of the person to who notices are to be sent, if different than Number 1.	Name: Timothy S. Guster, General Counsel Great Oaks Water Company Address: PO Box 23490, San Jose, CA 95153
4. Date, place and other circumstances of the occurrence, incident, injury or transaction.  <i>Attach additional sheets for more space, if needed.</i>	Date: See attached.  Location (address and or nearest intersection):  Other circumstances, including time, if known:
5. Describe the debt, obligation, injury, damage or loss suffered so far as they are known. Include a description of the facts giving rise to the claim and why you believe the Santa Clara Valley Water District is responsible.  <i>Attach additional sheets for more space, if needed, and photos, if available.</i>	Description: See attached.
6. Name of the District employee who caused the injury, if known.	Name: Board of Directors, Santa Clara Valley Water District and all staff of the Santa Clara Valley Water District involved in the groundwater charge process, including Office of District Counsel
7. Is the amount of this claim now:	Under \$10,000? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Over \$10,000? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
8. If the amount is now over \$10,000, is this:	A Limited Civil Case? (Less than \$25,000) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> An Unlimited Civil Case? (Greater than \$25,000) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Signature: Jared A. [Signature], Vice President	Additional Signature(s): Date(s):
Date: 6/5/19	

**VERIFIED CLAIM BY GREAT OAKS WATER COMPANY  
AGAINST SANTA CLARA VALLEY WATER DISTRICT**

Great Oaks Water Co. ("Great Oaks") hereby asserts the following claims against and requests the following relief from the Santa Clara Valley Water District ("SCVWD"):

1. SCVWD, pursuant to its Resolution 17-20, has levied and collected groundwater charges in the approximate amount of \$7,445,913 from Great Oaks in violation of the Santa Clara Valley Water District Act (the "District Act"), and Great Oaks is entitled to a refund of all groundwater charges unlawfully levied and collected by SCVWD from Great Oaks, plus interest, for water produced by Great Oaks from July 1, 2017 through June 30, 2018.
2. SCVWD, pursuant to its Resolution 18-28, has levied and collected, and will levy and collect, groundwater charges from Great Oaks in violation of the District Act, and Great Oaks is entitled to a refund of all groundwater charges unlawfully levied and collected under the authority of Resolution 18-28, for water produced from July 1, 2018 through June 30, 2019.
3. All payments by Great Oaks of the groundwater charges have been and will be made "under protest."
4. To the extent any or all of the groundwater charges levied and collected by the District from Great Oaks under the Resolutions referenced in item 1 and 2 above are considered assessments on real property, Great Oaks claims it is entitled to a refund of any such groundwater charges, plus interest, for the reason and on the grounds that the District has failed to comply with Constitutional procedural and substantive requirements governing assessments.
5. To the extent any or all of the groundwater charges levied and collected by the District from Great Oaks under the Resolutions referenced in item 1 and 2 above are considered taxes, Great Oaks claims it is entitled to a refund of any such groundwater charges, plus interest, for the reason and on the grounds that the District has failed to comply with Constitutional procedural and substantive requirements governing taxes.
6. Any or all of the groundwater charges levied and collected by the District from Great Oaks under the Resolutions referenced in item 1 and 2 above are governed by Proposition 26 [Article XIII C] adopted by the voters of the State of California on November 2, 2010, and Great Oaks is entitled to a refund of such groundwater charges, plus interest, for the reason and on the grounds that the District has failed to comply with the procedural and substantive requirements of Proposition 26.
7. The groundwater charges levied and collected by the District from all water producers under the Resolutions referenced are more than is necessary to cover the reasonable costs of the governmental activity for which the charges are levied and, as a result, Great Oaks is entitled to a refund of the groundwater charges it has paid and will pay under the Resolutions referenced in item 1 and 2 above.
8. The manner in which the District allocates the costs of the governmental activities for which the charges are levied do not bear a fair or reasonable relationship to Great Oaks' burdens on, or benefits received from the governmental activities and, as a result, Great Oaks is entitled

to a refund of the groundwater charges it has paid and will pay under the Resolutions referenced in item 1 and 2 above.

9. No administrative record supporting the Resolutions referenced in item 1 and 2 above has been identified or produced by the District, preventing the District from establishing that the manner in which the District allocates the costs of the governmental activities for which the charges are levied bear a fair or reasonable relationship to Great Oaks' burdens on, or benefits received from the governmental activities funded through the groundwater charges, thereby rendering such charges unlawful in whole or in part.
10. The lack of an administrative record also results in a complete failure to support the District's "discounted" groundwater charges levied for water produced for agricultural purposes, rendering such "discounted" groundwater charges unlawful.
11. Section 26.3 of the District Act restricts SCVWD's expenditures of groundwater charge revenues to those purposes specifically designated therein. SCVWD, by virtue of its policies and accounting practices, has caused groundwater charge revenues to be expended for purposes other than those specifically designated in Section 26.3 of the District Act. Great Oaks is entitled to a refund of its proportional share of all groundwater charges levied and collected, and to be levied and collected, under the Resolutions referenced in item 1 above, that have been and will be expended on purposes not specifically designated in Section 26.3 of the District Act, plus interest.
12. At the time SCVWD adopted groundwater charges in the Resolutions referenced in item 1 and 2 above, SCVWD knew or should have known that it would not be providing managed groundwater recharge in either the amount represented in such Resolutions, or in locations that would serve or benefit Great Oaks to the extent represented by SCVWD when adopting such groundwater charges, or both. As a result, the groundwater charges levied upon Great Oaks' production of groundwater are not based upon Great Oaks' burdens on, or benefits received from District activities pertaining to Great Oaks. As a result, for the period of time covered by this claim, excessive groundwater charges have been and are being levied against Great Oaks' production of groundwater in violation of the District Act and the California Constitution, and Great Oaks is entitled to a refund of such charges, in whole or in part.

I declare under penalty of perjury that foregoing is true and correct. Executed at San Jose, California on June 5, 2019.

Date: June 5, 2019

Great Oaks Water Company

  
By Jared Ajlony  
Vice President