



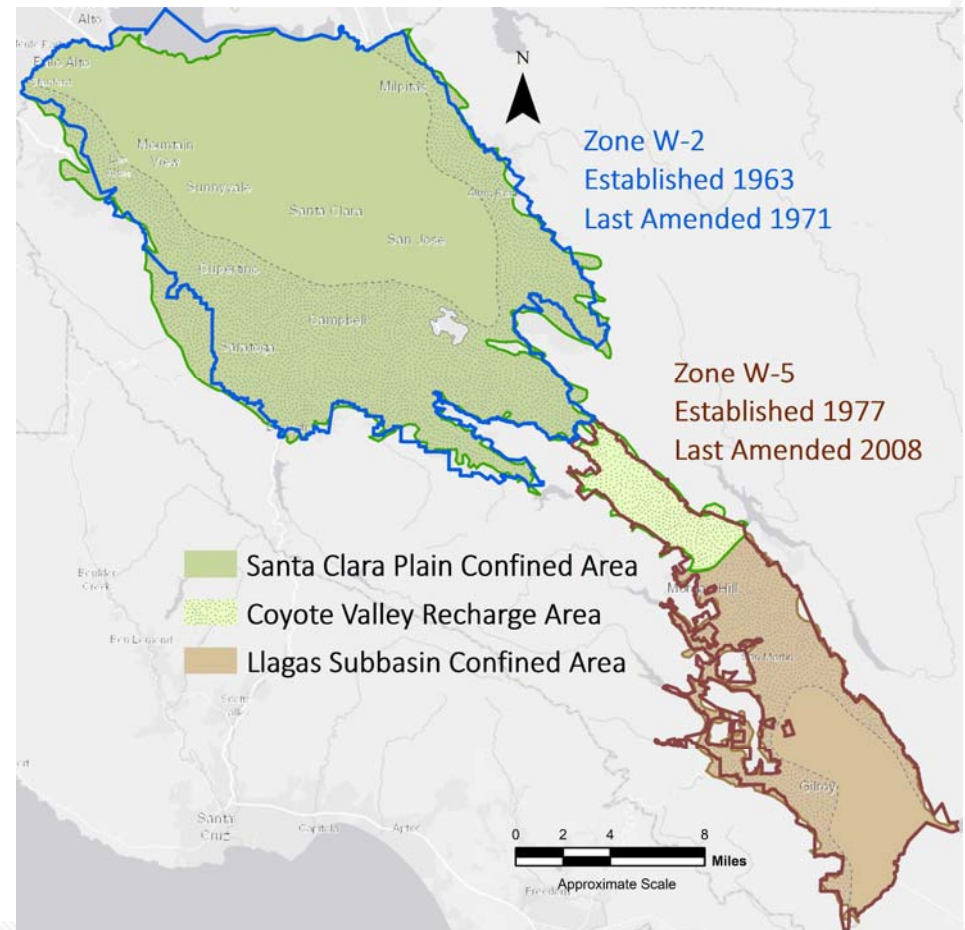
Groundwater Benefit Zone Study

Board of Directors Public Hearing April 28, 2020



Groundwater Benefit Zones

- Areas where charges are collected for groundwater pumped
- Charges fund activities to protect and augment water supplies
- Two existing zones (W-2, W-5)



Groundwater Benefit Zone Study

- Appropriate to review zones periodically given changes in operations/available data
- Independent, science-based study to support fair and equitable charges for well users
- Resolve pending exemption requests and minimize future requests
- Provide for stakeholder input



Study Timeline

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Date Completed	Event
June 2014	Consultant contract approved by Board
August 2016	Study approach finalized after stakeholder engagement and evaluation by technical review committee
October 2017	Preliminary study report completed after extensive analysis and evaluation by technical review committee
June 2019	Stakeholder engagement on preliminary consultant recommendations concluded
August/September 2019	Staff recommendations for zone changes presented to Board and follow up discussions held with water retailers
October 2019	Board directed staff to prepare metes and bounds for staff-recommended zones for consideration at public hearing

Comprehensive Study Using Best Available Data

Activities

- Map current and planned Valley Water activities that provide or will provide benefits to groundwater users

Hydro-geology

- Map groundwater features, occurrence and movement

Benefits

- Identify areas receiving similar benefits due to Valley Water activities based on geology and groundwater data

Extensive Stakeholder Engagement

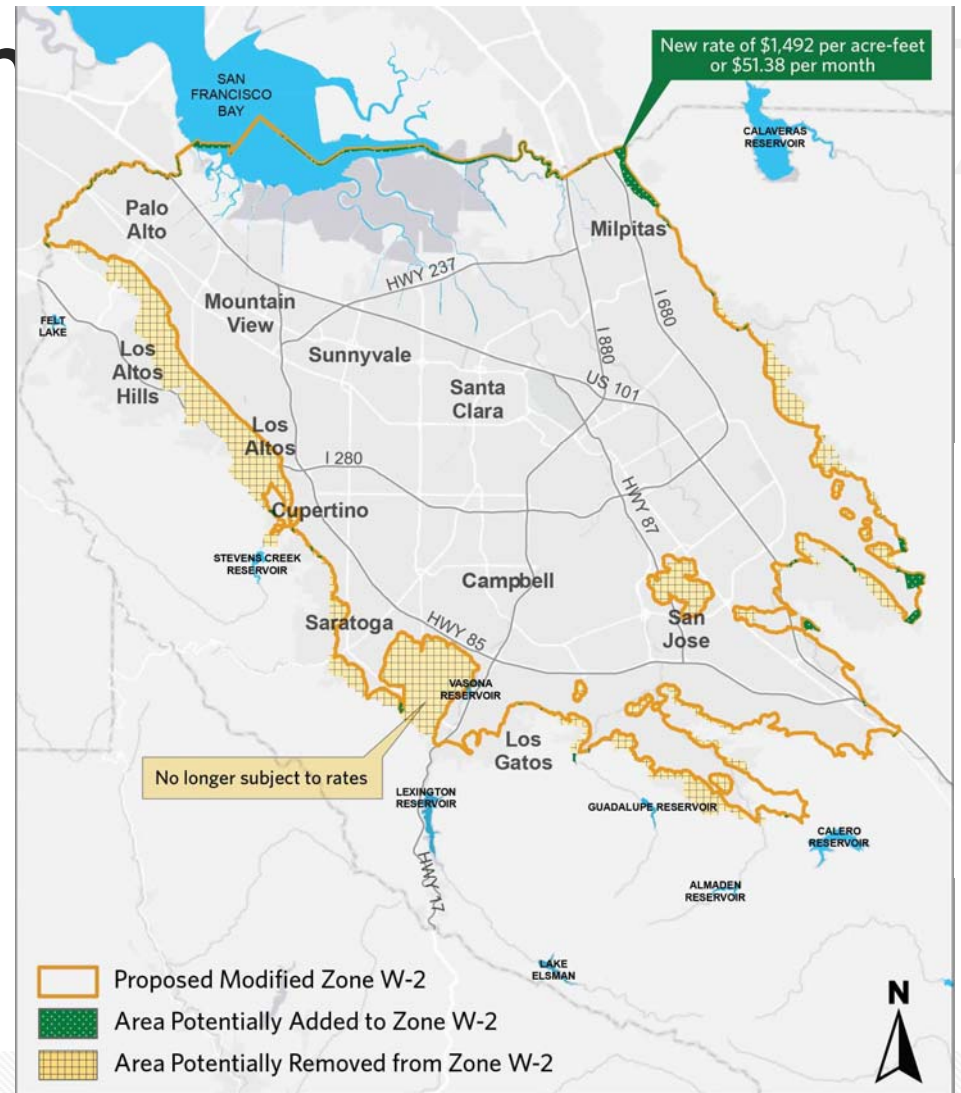
- Information presented to the Board on August 27, 2019 and October 8, 2019 describes engagement with:
 - Board Committees
 - Elected Officials
 - Water Retailers
 - Well Users
- **All input and data from stakeholders was carefully considered by the consultant and Valley Water staff.**



Staff recommendation

North County

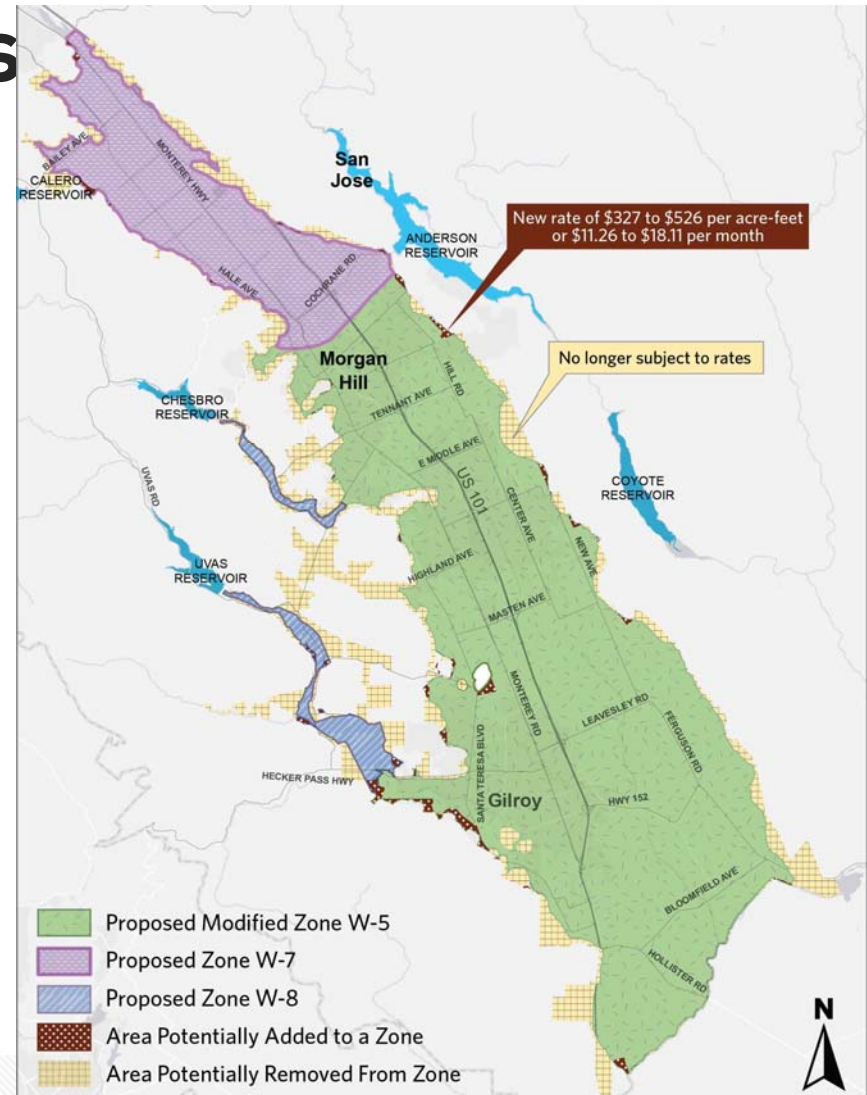
- Modify Zone W-2 (consistent with consultant recommendation)
- Do not implement zones B1 and B2 recommended by consultant at this time
 - Greater certainty needed to fully justify charges
- Outcome:
 - More than 350 wells removed
 - Small areas added to zone (no known water supply wells)
 - No impact to Zone W-2 rate from zone change



Maximum Proposed FY 21 Rate Shown

Staff Recommendations South County

- Consistent with consultant recommendations:
 - Modify Zone W-5
 - Establish new Zone W-7
 - Establish new Zone W-8
- Outcome
 - About 500 wells removed, 5 wells added
 - Water rate would increase in Zone W-7
 - Water rate would decrease in Modified Zone W-5 and Zone W-8



Maximum Proposed FY 21 Rates Shown

Pending Exemption Requests

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Well owner	Date of Request	Current zone/location	Outcome if staff recommended zones implemented
Bola	June 18, 2013	W-2 (East San Jose)	Removed from zone
Bertrand	July 6, 2015	W-2 (Los Altos Hills)	Removed from zone
Cranston	July 11, 2015	W-2 (Los Altos Hills)	Removed from zone
Klein	July 13, 2015	W-2 (Los Altos Hills)	Removed from zone
Gilmour	July 7, 2015	W-2 (Los Altos Hills)	Removed from zone
Rabin	August 9, 2015	W-2 (Los Altos Hills)	Removed from zone
Fong	July 29, 2015	W-2 (Los Altos Hills)	Removed from zone
Woolsey	November 5, 2015	W-2 (Los Altos Hills)	Removed from zone
House of Commons	December 15, 2015	W-2 (Los Altos Hills)	Removed from zone
Federighi	January 25, 2016	W-2 (Los Altos Hills)	Removed from zone
Meyer	March 28, 2012	W-2 (Los Gatos)	Removed from zone

Future Zone Reviews and Exemption Requests

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- Conduct future review of zones when:
 - There are substantial changes to Valley Water activities
 - Significant new hydrogeologic data becomes available, or
 - More than 15 years has passed without review
- Continue to review individual requests for exemption from a zone on a case-by-case basis with recommendation to Board
 - Given the comprehensive zone study, well users would have to provide compelling evidence or data that no benefit is being received

Metes and Bounds (Survey Description)

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- Existing zones
 - Parcel-based and developed without the benefit of digital technology currently available
- Proposed zones
 - More precise – maps of proposed changes reflect same areas as metes and bounds using digital technology
 - Honor geologic boundaries and other features affecting areas receiving benefit, so boundaries may now split parcels
 - Adjusted to account for geologic mapping error
- If adopted, the metes and bounds will be recorded with the Office of the County Surveyor

Summary

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- The groundwater benefit zone study uses best available data and comprehensive analysis to support the staff recommendation for four new or modified zones.
- The technical approach goes far beyond what is done by other special act groundwater agencies and is scientifically sound.
- Valley Water actively solicited and considered input from well users and interested stakeholders, modifying our recommendations in some areas based on data provided.

Recommendations

- Implement zone changes in fiscal year 2021 with effective date of July 1, 2020 by adopting resolutions to:
 - Modify Zone W-2
 - Modify Zone W-5
 - Establish Zone W-7
 - Establish Zone W-8
- Continue to collect water charges in existing zones until water rates for new/modified zones in effect

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