



Santa Clara Valley Water District

File No.: 24-0635

Agenda Date: 7/9/2024
Item No.: *4.5.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Denial of May 10, 2024, Claim by Stanford University Against Santa Clara Valley Water District for Refund of Water Year 2023-24 Groundwater Production Charges.
(*Previously listed as Item 12.1)

RECOMMENDATION:

Deny Stanford University's claim.

SUMMARY:

Stanford University (Stanford) submitted a written claim by email to Santa Clara Valley Water District's (Valley Water) Clerk of the Board on May 10, 2024 (Claim), demanding a refund of groundwater charges paid in fiscal year 2023-2024. Stanford's claim identifies payments totaling \$591,709.50 for the months of July 2023 through January 2024, and states that payments for February 2024 through June 2024 are yet to be determined. Stanford asserts that Valley Water's groundwater charges as applied to Stanford:

1. Violate the District Act;
2. Violate California Constitution, Article XIII C and/or XIID (Propositions 26 and/or 218);
3. Unlawfully interfere with Stanford's vested groundwater and surface water rights, including unlawful trespass and/or taking; and
4. Violate the Sustainable Groundwater Management Act.

As previously reported, Stanford has long disputed the benefits it receives from Valley Water's management of the groundwater supply in Zone W-2 and has long argued that it should not be required to pay the Zone W-2 groundwater charges. Stanford has submitted similar claims for groundwater charges paid in Fiscal Years 2020-21, 2021-22, and 2022-23. Those claims were denied by the Board.

Stanford asserts that its wells are located in a distinct hydrologic area of the northern portion of the Santa Clara Subbasin, and Valley Water's recharge management activities further to the south do not affect the groundwater level in the northern portion of the subbasin where Stanford pumps groundwater. It also asserts that groundwater-management activities undertaken by Stanford and the City of Palo Alto since the 1960's, rather than Valley Water's activities, are responsible for sustainable groundwater levels in the area where Stanford pumps. Stanford claims that its surface water diversions from the San Francisquito Creek watershed

provide in-lieu recharge benefit, and that water diverted and stored in its Lake Lagunita reservoir percolates into the underlying subbasin further benefitting that subbasin.

As part of the Groundwater Benefit Zone Study completed in 2020, Valley Water's consultant considered Stanford's analysis, and responded in detail, through several rounds of correspondence, explaining the reasons that Stanford's assertions were mistaken. Through that process, Valley Water's consultants concluded that:

- The portion of the subbasin underlying Stanford is hydrologically connected to other areas of the subbasin where Valley Water groundwater management activities are located.
- Stanford's wells are located within the valley floor alluvium, which forms the primary aquifers of the Santa Clara Subbasin.
- These activities, including direct recharge and indirect recharge (e.g., treated and recycled water deliveries), provide substantial benefit to the groundwater budget in all years, and the subbasin would be in chronic imbalance and susceptible to land subsidence without Valley Water's work.
- Groundwater level data and the direct geologic and hydrogeologic connection to Valley Water activities to protect and augment groundwater support inclusion of the Stanford area in the groundwater benefit zone.

After considering the analysis and report of Valley Water's consultant and the analyses submitted by Stanford and other stakeholders, the Valley Water Board adopted Resolution Nos. 20-12 and 20-31, modifying Valley Water's then-existing benefit zones (W-2 and W-5) and adding two new zones in the South County area. As modified, Stanford's groundwater facilities remain in Zone W-2 and subject to the groundwater charges applicable in that zone.

Stanford's current Claim contains the same legal theories asserted in its claims submitted the last three fiscal years, which were denied. Consistent with the detailed analysis of those objections provided previously by Valley Water staff and consultants and with their detailed determination that Stanford's criticisms of the Study were and are misplaced, it remains staff's position that the Board's benefit zone determinations and its decision to adopt groundwater charges in each of those zones comply with applicable legal standards. Accordingly, we recommend that the Board deny Stanford's current Claim.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There is no Environmental Justice impact associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or indirect physical change in the environment

ATTACHMENTS:

Attachment 1: Claim

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UNCLASSIFIED MANAGER:
Andrew Gschwind, 408-630-2804