

South County

February 26, 2010

Individual, Agricultural and Municipal Well Owners
Well Operators and Property Owners
Groundwater Zone W-5

Dear Well Owner, Operator or Property Owner:

This letter and the enclosed notice serve to officially open the Santa Clara Valley Water District's public process for setting 2010/2011 groundwater production charges (rates).

The water district is once again proposing **no rate increase**. Instead, we eliminated positions and reduced costs to hold the rate for an average household at about \$10.00 per month for the third consecutive year. We continue to seek ways to cut costs.

With revenue from groundwater production charges, the water district protects and augments water supplies for the health, welfare and safety of the community. We serve you and other well owners by replenishing the groundwater aquifer with local water from ponds and reservoirs and imported water from the Sierra Nevada mountains to ensure the availability of a safe, reliable supply of groundwater.

The activities, programs and services we undertake with funding from groundwater production charges include:

Replenish the groundwater basin

- Operate and maintain local reservoirs to capture water and fill recharge ponds
- Purchase imported water

Ensure safe drinking water

- Monitor and protect groundwater from pollutants
- Ensure proper construction and destruction of wells

Construct, maintain and repair infrastructure

- Plan and construct improvements to infrastructure such as dams, pipelines, ponds and pump stations
- Operate and maintain pipelines and pumping plants to help sustain the groundwater aquifer

In South County, groundwater replenished by the water district's activities make up, on average, two-thirds of the water used by farmers, ranchers, residents, retailers and businesses.



We encourage you to learn more about these important groundwater issues. In addition to the information available on our web site at www.valleywater.org, there are also the following opportunities for you to gather information and provide input:

March 11, 2010 3 p.m. to 8:30 p.m. <ul style="list-style-type: none">• Drop in at your convenience• Presentations each hour	Informational Open House Morgan Hill Community Center 17000 Monterey St., Morgan Hill
April 13, 2010 9:40 a.m. <ul style="list-style-type: none">• Board meeting• Time certain	Public Hearing (opens) Santa Clara Valley Water District 5700 Almaden Exwy., San Jose
April 22, 2010 6 p.m. <ul style="list-style-type: none">• Board meeting• Time certain	Public Hearing (continues) Gilroy City Hall 7351 Rosanna St., Gilroy
April 27, 2010 9:40 a.m. <ul style="list-style-type: none">• Board meeting• Time certain	Public Hearing (closes) Santa Clara Valley Water District 5700 Almaden Exwy., San Jose

The water district's annual charge-setting process has always included an opportunity for you to voice your opinion. This year the process includes a formal protest procedure which improves openness and transparency.

In these tough economic times, we are pleased to continue providing you with safe and reliable drinking water with **no increase** in rates.

If you have questions or concerns about groundwater, this year's charge-setting process, or have thoughts on how we can better serve you, please join us at an upcoming open house or public hearing, or visit our website www.valleywater.org. You may also contact us directly by phone at (408) 265-2600 or email at clerkoftheboard@valleywater.org.

Sincerely,



Beau Goldie
Chief Executive Officer

February 26, 2010

**NOTICE OF PUBLIC HEARINGS
GROUNDWATER PRODUCTION CHARGES FOR 2010/2011**

The Santa Clara Valley Water District Board of Directors invites you to participate in the public process to consider proposed groundwater production charges for fiscal year 2010/2011 which would take effect July 1, 2010 for Zone W-5 (South County).

No increase in groundwater production charges is recommended for fiscal year 2010/2011.

Public hearings have been scheduled:

April 13 and April 27, 2010 at 9:40 a.m.
Santa Clara Valley Water District Headquarters Board Room
5700 Almaden Expressway, San Jose

April 22, 2010 at 6 p.m.
Gilroy City Hall, Council Chambers
7351 Rosanna St., Gilroy

Through an act of the California Legislature, Santa Clara Valley Water District has authority to levy and collect charges for the production of groundwater in specific areas. These charges fund the water district's programs and services which protect and augment water supplies for the public health, welfare and safety of the community. Specific activities include:

Replenish the groundwater basin

- Operate and maintain local reservoirs to capture water and fill recharge ponds
- Purchase imported water

Ensure safe drinking water

- Monitor and protect groundwater from pollutants
- Ensure proper construction and destruction of wells

Construct, maintain and repair infrastructure

- Plan and construct improvements to infrastructure such as dams, pipelines, ponds, and pump stations
- Operate and maintain pipelines and pumping plants to help sustain the groundwater aquifer

This notice has been mailed to all parcel owners on record of the last equalized property tax roll who have wells on their property, as well as individual and municipal well owners and operators in Zone W-5 (South County). The table below shows the groundwater production charges per acre-foot (AF) that are proposed to remain unchanged for fiscal year 2010/2011. An acre foot of water is roughly the amount of water used by two families of five in a given year.

	Current Charges 2009/10	Proposed Charges 2010/11	% Increase
Agricultural water	\$16.50/AF	\$16.50/AF	0%
All other water	\$275.00/AF	\$275.00/AF	0%

These groundwater production charges are proposed for Zone W-5 (South County) including lands overlying a groundwater basin generally south of Metcalf Road. The total groundwater production charges you might pay are based upon the volume of water produced by your well facility and the services that benefit this zone.

The annual Protection and Augmentation of Water Supplies report with proposed groundwater production charges was filed with the clerk of the board on February 26, 2010 and is available online at www.valleywater.org. Parcel owners with water producing facilities on their property, well owners and the general public are welcome to comment on the report, either by appearing before the board of directors during scheduled public hearings, or by submitting written comment to the board before or at the initial public hearing or before the close of the hearing. Written comment can be forwarded to the board of directors through the Santa Clara Valley Water District Clerk of the Board, 5750 Almaden Expressway, San Jose, CA 95118.

The groundwater production charge-setting process also includes a specifically defined protest procedure. Per Santa Clara Valley Water District Resolution No. 10-08, *"...the District will provide the required notice to the record owner of the property, on which the water-producing facility is present, as well as the owner or operators of water producing facilities..."*

Accordingly, parcel owners in Zone W-5 of Santa Clara County who have a water producing facility on their land, and well owners or operators with active, inactive or standby wells used for water supply or extraction/ environmental purposes in Santa Clara County are eligible to protest the proposed groundwater production charge. To protest:

1. Forward, through mail or in person, a written protest sealed in an envelope to the Santa Clara Valley Water District, (ATTN: Clerk of the Board — Groundwater Production Charge Hearing, 5750 Almaden Expressway, San Jose, CA 95118) by the close of the public hearing, which is scheduled for April 27, 2010. No other forms of protest, including e-mail or fax will be accepted.
2. Legibly write your name and sign the protest with an original signature. Photocopied signatures will not be accepted. Include the address(es) or Assessor's Parcel Number(s) of your property(ies) on the outside of the envelope. The well number is also an acceptable form of identification.

Protests are only valid if received between February 26, 2010 and at the close of the public hearing on April 27, 2010. Protests postmarked prior to April 27, but received afterward will not be considered valid. You may change or withdraw your protest prior to the close of the public hearing.

Again, **no increase** in groundwater charges is recommended for fiscal year 2010/2011.

If you would like more information about the groundwater production charge analysis or the protest procedure, contact Darin Taylor at (408) 265-2607, ext. 3068, dtaylor@valleywater.org or visit our 2010/11 groundwater charge setting process web page: <http://www.valleywater.org/Services/2010-11ChargeSettingProcess.aspx>