

April 2, 2024

**MEETING NOTICE & REQUEST FOR RSVP**

**TO: AGRICULTURAL WATER ADVISORY COMMITTEE**

**Jurisdiction**

District 1  
District 2  
District 3  
District 4  
District 5  
District 6  
Loma Prieta Resource Conservation District  
Santa Clara County Farm Bureau

**Representative**

Erin Gil  
James Provenzano  
Jared Mandrell  
Sheila Barry  
Jan F. Garrod  
Tim Chiala  
Peter Van Dyke  
Dhruv Khanna

**Representative**

Mitchell Mariani  
Brent Bonino  
Trevor Garrod  
Robert Long

The special meeting of the Agricultural Water Advisory Committee is scheduled to be held on **Monday, April 8, 2024, at 1:30 p.m., at Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118.**

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting. Additional copies of this meeting packet are available on our website at <https://www.valleywater.org/how-we-operate/committees/board-committees>.

A majority of the appointed membership is required to constitute a quorum, which is fifty percent plus one. A quorum for this meeting must be confirmed at least 48 hours prior to the scheduled meeting date or it will be canceled.

Further, a quorum must be present on the day of the scheduled meeting to call the meeting to order and take action on agenda items.

Members with two or more consecutive unexcused absences will be subject to rescinded membership.

**Please confirm your attendance no later than 12:00 p.m., Thursday, April 4, 2024, by contacting Nicole Merritt at 1-408-630-3262, or [nmerritt@valleywater.org](mailto:nmerritt@valleywater.org).**



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## **Santa Clara Valley Water District Agricultural Water Advisory Committee Meeting**

**Headquarters Building Boardroom  
5700 Almaden Expressway  
San Jose CA 95118**

**Join Zoom Meeting  
<https://valleywater.zoom.us/j/98850905996>**

### **SPECIAL MEETING AGENDA**

**Monday, April 8, 2024  
1:30 PM**

**District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.**

<b>COMMITTEE:</b> Peter Van Dyke, Chairperson Trevor Garrod, Vice Chairperson	All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.	Vincent Gin Darin Taylor, (Staff Liaisons)
<b>BOARD REPRESENTATIVES:</b> Director Jim Beall Vice Chairperson Richard P. Santos Director John L. Varela		Nicole Merritt (COB Liaison) Assistant Deputy Clerk II <a href="mailto:nmerritt@valleywater.org">nmerritt@valleywater.org</a> 1-408-630-3262

**Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.**

**Santa Clara Valley Water District  
Agricultural Water Advisory Committee  
SPECIAL MEETING AGENDA**

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Monday, April 8, 2024

1:30 PM

Headquarters Building Boardroom  
5700 Almaden Expressway,  
San Jose, CA 95118  
Join Zoom Meeting:  
<https://valleywater.zoom.us/j/98850905996>

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**\*\*\*IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS\*\*\***

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with ORDINANCE 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not

been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

**Join Zoom Meeting:**

**<https://valleywater.zoom.us/j/98850905996>**

**Meeting ID: 988 5090 5996**

**Join by Phone:**

**1 (669) 900-9128, 988 5090 5996#**

**1. CALL TO ORDER:**

1.1. Roll Call.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.**

*Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.*

**3. APPROVAL OF MINUTES:**

- 3.1. Approval of January 8, 2024 Agricultural Water Advisory Committee Minutes. [24-0356](#)

Recommendation: Approve the minutes.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 010824 AWAC Minutes](#)

Est. Staff Time: 5 Minutes

**4. REGULAR AGENDA:**

- 4.1. Review Proposed Fiscal Year (FY) 2024-25 Groundwater Production Charges and Provide Feedback. [23-1080](#)

Recommendation: Review proposed FY 2024-25 groundwater production charges and provide feedback.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 20 Minutes

- 4.2. Receive and Discuss Information on the Urban Heat Islands and Agricultural Carbon Sequestration. [24-0245](#)

Recommendation: Receive and discuss information on urban heat islands and agricultural carbon sequestration.

Manager: Kirsten Struve, 408-630-3138

Attachments: [Attachment 1: PowerPoint](#)

[Attachment 2: ARI FAQs](#)

Est. Staff Time: 10 Minutes

- 4.3. Discuss the Potential of Forming a Subcommittee for the Agricultural Water Advisory Committee (AWAC). [24-0302](#)

Recommendation: Discuss the potential of forming an AWAC subcommittee per the Committee's approval at the January 9, 2023 meeting.

Manager: Candice Kwok-Smith, 408-630-3193

Est. Staff Time: 5 Minutes

- 4.4. Review Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

[24-0353](#)

Recommendation: Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: AWAC 2024 Work Plan](#)

Est. Staff Time: 5 Minutes

**5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

**6. REPORTS:**

6.1. Director's Report

6.2. Manager's Report

6.3. Committee Member Report

6.4. Information Links:

<https://www.valleywater.org/how-we-operate/committees/board-committees>

- Board Policy and Planning Committee (BPPC)
- Environmental Creek Cleanup Committee (Formerly Homeless Encampment Committee)
- Water Storage Exploratory Committee (WSEC)

<https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>

- Water Conservation and Demand Management Committee (WCaDMC)

<https://www.valleywater.org/your-water/water-supply-planning/monthly-water-tracker>

- Water Tracker

**7. ADJOURN:**

7.1. Adjourn to Regular Meeting at 1:30 p.m., on July 1, 2024.

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# Santa Clara Valley Water District

File No.: 24-0356

Agenda Date: 4/8/2024

Item No.: 3.1.

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## COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

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

### **SUBJECT:**

Approval of January 8, 2024 Agricultural Water Advisory Committee Minutes.

### **RECOMMENDATION:**

Approve the minutes.

### **SUMMARY:**

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

### **ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:**

Approval of minutes is not subject to environmental justice analysis.

### **ATTACHMENTS:**

Attachment 1: 010824 AWAC Minutes

### **UNCLASSIFIED MANAGER:**

Candice Kwok-Smith, 408-630-3193

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**Valley Water**

AGRICULTURAL WATER ADVISORY COMMITTEE MEETING

# DRAFT MINUTES

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**REGULAR MEETING SESSION  
MONDAY, JANUARY 8, 2024  
1:30 PM**

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(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER:**

A regular meeting of the Santa Clara Valley Water District (Valley Water) Agricultural Water Advisory Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 1:30 p.m.

1.1 Roll Call.

Committee members in attendance were District 1 Erin Gil and District 2 James Provenzano, District 4 Sheila Barry and Brent Bonino, District 5 Trevor Garrod, District 6 Robert Long, Loma Prieta Resource Conservative District and Vice Chairperson Peter Van Dyke, and District 5 and Chairperson presiding, Jan Garrod constituting a quorum of the Committee.

District 1 Mitchell Mariani and Santa Clara County Farm Bureau Dhruv Khanna arrived as noted below.

Committee member not in attendance in person was District 6 Tim Chiala.

Staff members in attendance were: Aaron Baker, Luan Buckley, Justin Burks, Olivia Cobb, Enrique De Anda, Vanessa De La Piedra, Vincent Gin, Walter Gonzalez, Andrew Gschwind, Brian Hopper, Cindy Kao, Candice Kwok-Smith, Emelia Lamas, Becky Manchester, Nick Mascarello, Brian Mendenhall, Nicole Merritt, Carmen Narayanan, Don Rocha, Breanne Roderick, Desiree Sausele, Ashley Shannon, Kirsten Struve, Darin Taylor, Gregory Williams, and Jing Wu.

Board Representatives in attendance were: Valley Water Directors Jim Beall, Board Alternate (District 4), Richard Santos (District 3), and John L. Varela (District 1).

Public in attendance: Valley Water Director Rebecca Eisenberg (District 7), and Tim Chiala (AWAC, District 6).

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:**

Chairperson Garrod declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

**3. APPROVAL OF MINUTES:**

- 3.1. Approval of October 2, 2023 Agricultural Water Advisory Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the October 2, 2023 Committee meeting.

Mitchell Mariani and Dhruv Khanna arrived.

Vice Chairperson Peter Van Dyke requested further discussion on climate change and carbon sequestration; and Erin Gil requested further discussion on the materials identified as Handout: Agenda Item 4.3 from the AWAC October 2, 2023 meeting and the addition of climate change and ecosystem benefits on agricultural in Santa Clara County on the AWAC work plan.

Vincent Gin confirmed staff will follow up on this matter on a future agenda.

Director Varela noted monthly attendance with Directors Santos and Beall at the San Luis Delta Mendota Water Authority Board meetings and encouraged AWAC members to attend.

Director Santos noted Aaron Baker could follow up on AWAC's request for further discussion on climate change and carbon sequestration and noted support for AWAC networking with other agriculture legislative bodies regarding these topics.

Director Beall noted the California Air Resource Board as a potential resource for programs, funding and analysis for carbon sequestration and the agriculture sector.

Public Comments:

None.

It was moved by Erin Gil and seconded by Jim Provenzano and unanimously carried that the minutes be approved.

**4. REGULAR AGENDA:**

- 4.1. Election of Chairperson and Vice Chairperson

Recommendation: Elect 2024 Chair and Vice Chairperson.

The Committee considered this Item without a staff presentation.

Public Comments:

None.

It was moved by Mitchell Mariani and seconded by Dhruv Khanna and unanimously carried that Peter Van Dyke would become the 2024 Chairperson; and it was moved by Erin Gil and seconded by Chairperson Peter Van Dyke that Trevor Garrod would become the 2024 Vice Chairperson.

- 4.2. Review and Approve 2023 Annual Accomplishments Report for Presentation to the Board (Committee Chair).

Recommendation:

- A. Approve the 2023 Accomplishments Report for presentation to the Board; and
- B. Provide comments to the Committee Chair to share with the Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Committee.

The Committee considered this Item without a staff presentation.

Aaron Baker and Darin Taylor were available to answer questions.

Public Comments: None.

It was moved by Jan Garrod and seconded by Erin Gil and unanimously carried that the following Recommendation A be approved with an amendment to Item #9 on page 26 of Attachment 1 to include the language that the Board approved the Committee's recommendation at its May 16, 2023 meeting to keep the agricultural rates flat for one year.

Recommendation:

- A. Approve the 2023 Accomplishments Report for presentation to the Board.

The 2023 Annual Accomplishments Report was presented and accepted at the March 26, 2024 Board meeting.

- 4.3. Review and Provide Comment to the Board on Staff's Preliminary Fiscal Year 2024-2025 Groundwater Production Charges.

Recommendation:

Review staff's preliminary Fiscal Year 2024-2025 Groundwater production charges and provide comment to the Board as appropriate.

Carmen Narayanan reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Carmen Narayanan, Kirsten Struve, Vincent Gin, and Aaron Baker were available to answer questions.

The Committee provided feedback noting interest in the inclusion of inflation consequences, potential for storm water capture, and carbon sequestration in the presentation to the Board, support for keeping water rates the same and the potential for big and small projects.

Director Santos noted costs of operation went up in all areas which accounts for the charges and encouraged increasing AWAC's relations with legislators for support.

Director Varela encouraged AWAC members to meet with elected officials and noted per- and polyfluoroalkyl substances (PFAS) as a current costly water issue.

Public Comments:  
None.

It was moved by Dhruv Khanna and seconded by Erin Gil and unanimously carried that the Committee recommend to the Board to hold the agricultural groundwater rate unchanged at 36.85 per acre foot.

It was moved by Dhruv Khanna and seconded by Erin Gil for the inclusion of 3 information slides to be presented to the Board regarding ecosystem benefits of groundwater recharge, climate change, and inflation. No vote was taken.

Darin Taylor confirmed this was a preliminary analysis agenda item which will return on the April 2024 agenda for further discussion.

**4.4. Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050.**

Recommendation: Provide feedback on the development of Water Supply Master Plan 2050.

Jing Wu reviewed the information on this item, per the attached Committee Agenda Memo and per the information contained in Attachment 3.

Jing Wu, Aaron Baker, Vincent Gin, Kirsten Struve, and Cindy Kao were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee confirmed the contract with Semitropic Water District has an upcoming expiration to be renegotiated, past pump back programs have been successful during droughts, and Valley Water is looking into diversifying water banking outside the county.
- The Committee confirmed the increased cost benefits from Anderson reservoir as central to the drought emergency water supply; and staff is currently working on accelerating and streamlining the project.
- The Committee noted the potential for receiving an exemption from the California Environmental Quality Act (CEQA) for agricultural purposes.
- The Committee confirmed staff provided the pre-feasibility study for stormwater agricultural land recharge projects previously and will provide potential places once identified back to the Committee.

Director Varela noted that Valley Water is involved with the Association of California Water Agencies (ACWA) where 450 water agencies collaborate on legislation.

Director Santos noted the significance of accelerated project times per cost increases and the limited funding for recycled water from the state.

#### 4.5. One Water Plan Upper Pajaro Watershed Plan Priority Actions.

Recommendation: A. Receive information about development of the One Water Upper Pajaro Watershed Plan; and  
B. Review and provide input on One Water Upper Pajaro Watershed Plan Priority Actions.

Brian Mendenhall reviewed the information on this item, per the attached Committee Agenda Memo; and Nick Mascarello reviewed the information contained in Attachment 2.

Brian Mendenhall and Nick Mascarello were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee confirmed staff is continuing to identify flood control projects while looking to enhance or restore the environment and encouraged the planting of more trees in the Stanford and Palo Alto area.

- The Committee noted support of the inclusion of the potential cost benefits to be received back from the cities for flood planning and utilizing working landscapes for fire suppression and water retention.
  - The Committee confirmed that staff anticipates incorporating feedback, finalizing the plan, and presenting to the Board in around 2 to 3 months.
- 4.6. Review Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

Recommendation: Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

The Committee considered this Item without a staff presentation.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee noted support to receive a future update on the One Water Plan noted under Item 4.5 and inclusion of water retention of grasslands versus brushlands.
- The Committee reconfirmed request for further discussion on the materials identified as Handout: Agenda Item 4.3 from the AWAC October 2, 2023 meeting regarding climate change and carbon sequestration at the next meeting.

## 5. INFORMATION ITEM:

### 5.1. Standing Items Report

Recommendation: This item allows the Agricultural Water Advisory Committee to receive verbal or written updates and discuss the Board's Fiscal Year 2023-2024 Work Plan Strategies. These items are generally informational; however, the Committee may request additional information and/or provide collective input to the assigned Board Committee.

The Committee considered this Item without a staff presentation.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the attached Board Work Plan standing items report.

**6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

Nicole Merritt confirmed formal approval action taken on election of 2024 Chairperson Peter Van Dyke and Vice Chairperson Trevor Garrod under Item 4.1; approval of 2023 Accomplishments Report for presentation to the Board with amendment to Item #9 on page 26 under Item 4.2; approval of keeping agricultural groundwater rate unchanged at 36.85 per acre foot and request to include information regarding groundwater recharge, climate change, and inflation in future update under Item 4.3; feedback provided on water supply master plan and One Water Plan updates under Items 4.4 and 4.5 and request for a future agenda item for follow up discussion regarding the climate change and carbon sequestration under Item 4.6.

**7. REPORTS:**

7.1. Director's Report

None.

7.2. Manager's Report

None.

7.3. Committee Member Report

Dhruv Khanna shared thoughts regarding environmental groups and climate change and the continued collaboration between Valley Water and AWAC.

Chairperson Peter Van Dyke noted support of staff's work and the Committee noted unanimous gratitude for Glenna Brambill's previous Committee Clerk support and welcomed Nicole Merritt.

7.4. Information Links:

Links noted on agenda.

**8. ADJOURN:**

8.1. Adjourn to Special Meeting at 1:30 p.m. on April 8, 2024.

Chairperson Peter Van Dyke adjourned the meeting at 3:59 p.m., to the special meeting at 1:30 p.m. on April 8, 2024.

Date approved:

Nicole Merritt  
Assistant Deputy Clerk II

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# Santa Clara Valley Water District

File No.: 23-1080

**Agenda Date:** 4/8/2024  
**Item No.:** 4.1.

## **COMMITTEE AGENDA MEMORANDUM** **Agricultural Water Advisory Committee**

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

### **SUBJECT:**

Review Proposed Fiscal Year (FY) 2024-25 Groundwater Production Charges and Provide Feedback.

### **RECOMMENDATION:**

Review proposed FY 2024-25 groundwater production charges and provide feedback.

### **SUMMARY:**

#### **Summary of Groundwater Production Charge Analysis:**

The proposed groundwater production charges reflects the benefit of District activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8.

Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road or the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs. The discussion in this memo will focus on the three South County zones given that the agricultural groundwater charge projection is linked to the Municipal and Industrial (M&I) charges in South County.

The groundwater production charge recommendations are detailed in the Annual Report on the Protection and Augmentation of Water Supplies that was filed with the Clerk of the Board on February 23, 2024. The public hearing on groundwater production charges is scheduled to open on April 9, 2024 and continue on April 11, 2024 with a focus on South County. It is anticipated that the Board would set the FY 2024-25 groundwater production charges by May 14, 2024, with an effective date of July 1, 2024.

The FY 2024-25 groundwater production charge and surface water charge setting process will

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be conducted consistent with the District Act, and Board resolutions 99-21 and 12-10.

### **Open Space Credit**

The Valley Water Board has historically recognized that agriculture brings value to Santa Clara County in the form of open space and local produce. According to Section 26.1 of the District Act, agricultural water is “water primarily used in the commercial production of agricultural crops or livestock.” In an effort to help preserve this value, the District Act limits the agricultural charge to be no more than 25% of the M&I charge. Furthermore, the Board’s Pricing Policy limits the agricultural groundwater production charge to 10% of the M&I Charge. Currently the zone with the lowest M&I charge is used to set the agricultural groundwater production charge (Zone W-8).

The agricultural community benefits from low groundwater charges, currently set at \$39.80/AF, or 9.25% of the Zone W-8 M&I charge of \$430/AF.

The credit to agricultural water users has become known as an “Open Space Credit.” It is paid for by fungible, non-rate related revenue. To offset lost revenue that results from the difference between the adopted agricultural groundwater production charge and the agricultural charge that would have resulted at the full cost of service, Valley Water redirects a portion of the 1% ad valorem property taxes generated in the Water Utility, General and Watershed Stream Stewardship Funds.

### **Groundwater Production and Treated Water Charge Recommendations**

Staff proposes a 12.9% increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge, from \$1,974 per acre foot (AF) to \$2,229/AF. Staff recommends maintaining the treated water surcharge on treated water delivered under the contracts with retail agencies at \$115/AF, and maintaining the non-contract treated water surcharge at \$200/AF. The proposal equates to a monthly bill increase for the average household of \$8.78 or about 29 cents a day.

In the South County Zone W-5, staff proposes a 6.6% increase in the M&I groundwater production charge from \$543.50/AF to \$579/AF. The proposal equates to a monthly bill increase for the average household of \$1.22 or about 4 cents per day.

In the South County Zone W-7, staff proposes a 14.2% increase in the M&I groundwater production charge from \$657.50/AF to \$750.50/AF. The proposal equates to a monthly bill increase for the average household of \$3.20 or about 11 cents per day.

In the South County Zone W-8, staff proposes an 8% increase in the M&I groundwater production charge from \$398/AF to \$430/AF. The proposal equates to a monthly bill increase for the average household of \$1.10 or about 4 cents per day.

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Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

For agricultural groundwater users, staff proposes an increase of 8 percent from the prior year, which equates to setting the agricultural groundwater charge at 9.25 percent of the lowest M&I rate (Zone W-8). The proposed agricultural groundwater production charge in any groundwater benefit zone would change from \$36.85/AF to \$39.80/AF, or roughly a \$0.49 increase per month per acre, assuming two acre-feet of water usage per acre per year.

### **Surface Water, Recycled Water, and Other Charges Recommendations**

Staff recommends a maximum 12.9% increase to the surface water master charge from \$54.00/AF to \$61.00/AF to align revenues with costs related to managing, operating and billing for surface water diversions. This increase results in a proposed 12.9% increase to the North County (Zone W-2) M&I surface water charge, to \$2,290.00/AF. For South County zones, staff proposes the following M&I surface water charge increases: for Zone W-5, a 7.1 percent increase to \$640.00/AF; for Zone W-7, a 12.9 percent increase to \$811.50/AF; for Zone W-8, an 8.6 percent increase to \$491.00/AF. Staff recommends that the total agricultural surface water charge be increased 10.9 percent in all zones, to \$100.80/AF.

For recycled water (Zone W-5), staff recommends increasing the M&I charge by 6.8 percent, to \$559.00/AF, and increasing the agricultural charge by 4.4 percent, to \$70.15/AF. The increase maximizes cost recovery while concurrently providing an economic incentive to use recycled water. This pricing is consistent with the provisions of the "Wholesale-Retailer Agreement for Supply of Recycled Water Between Santa Clara Valley Water District and City of Gilroy."

### **Need for Charges - Water Utility Costs**

The proposed maximum groundwater production charges for FY 2024-25 are necessary to (1) advance the Anderson Dam Seismic Retrofit, which will improve public safety and restore operational capacity; (2) to conduct planning work related to the Pacheco Reservoir Expansion and the B.F. Sisk Dam Raise, which would provide additional water storage capacity; and (3) to pay for general inflation impacting materials and supplies necessary to complete Water Utility projects.

Valley Water's 53<sup>rd</sup> Annual Report on the Protection and Augmentation of Water Supplies, among other information, contains a financial analysis of the Valley Water's water utility system and additional details about the above recommendations. This report can be found at [www.valleywater.org](http://www.valleywater.org).

Staff is seeking the Committee's feedback, or input, with regard to these proposed groundwater production charges for FY 2024-25.

A PowerPoint presentation will be provided at the meeting.

**ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:**

There are no Environmental Justice impacts associated with this item.

**ATTACHMENTS:**

Attachment 1: PowerPoint

**UNCLASSIFIED MANAGER:**

Darin Taylor, 408-630-3068



STAFF RECOMMENDED FISCAL YEAR 2024-25

# Groundwater Production Charges

## Agricultural Water Advisory Committee

Presented by:  
Carmen Narayanan, Financial Planning and Revenue Unit Manager

# 53<sup>rd</sup> Annual Report Released

**Annual Protection and Augmentation of Water Supplies Report provides information & accountability**

Filed February 23, 2024

Available Online:  
<https://www.valleywater.org/ProposedWaterCharges>



# Outlook

- Recent inflation trends have put upward pressure on water rates
- Valley Water is in era of investment as existing water supply infrastructure was built decades ago
  - Fixing Anderson Dam – Address public health and safety concerns and relieve operational restrictions
  - Address seismic deficiencies at Almaden, Calero, Coyote, and Guadalupe Dams – DSOD requested expedited project implementation schedule
- Climate change has brought need for new infrastructure investments
  - Building local storage with Pacheco Reservoir Expansion Project – Add water storage to help face extended droughts
  - Investing in out-of-county storage with B.F. Sisk Dam Raise – Maintaining out-of-county storage is critical in securing water supply reliability and for storage diversification
- Water Supply Master Plan 2050 will shed more light on what new infrastructure investments are recommended to be built

Planning  
work

# Rate setting strategy for FY 2024-25

## FY 25 RATE ASSUMPTIONS:

4

### Water Usage (District-Managed)

- Continued rebound from the drought – water use projected at 222 kAF (vs. 207 kAF in FY24)

<sup>1</sup> Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program.

### Secure Existing Supplies and Infrastructure

- Baseline Projects <sup>1</sup>
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Dam Safety Program (*preliminary placeholder*): Almaden, Calero, Coyote & Guadalupe Dams
- Master Plan Projects Placeholder: Assumes \$326M from FY26-FY34 <sup>2</sup>
- SWP Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23% <sup>3,4</sup>

<sup>2</sup> Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects.

<sup>3</sup> Project costs are reflected as Operations & Maintenance.

<sup>4</sup> Project is included in Water Supply Master Plan 2050 Update analysis.

TPC: Total Project Cost

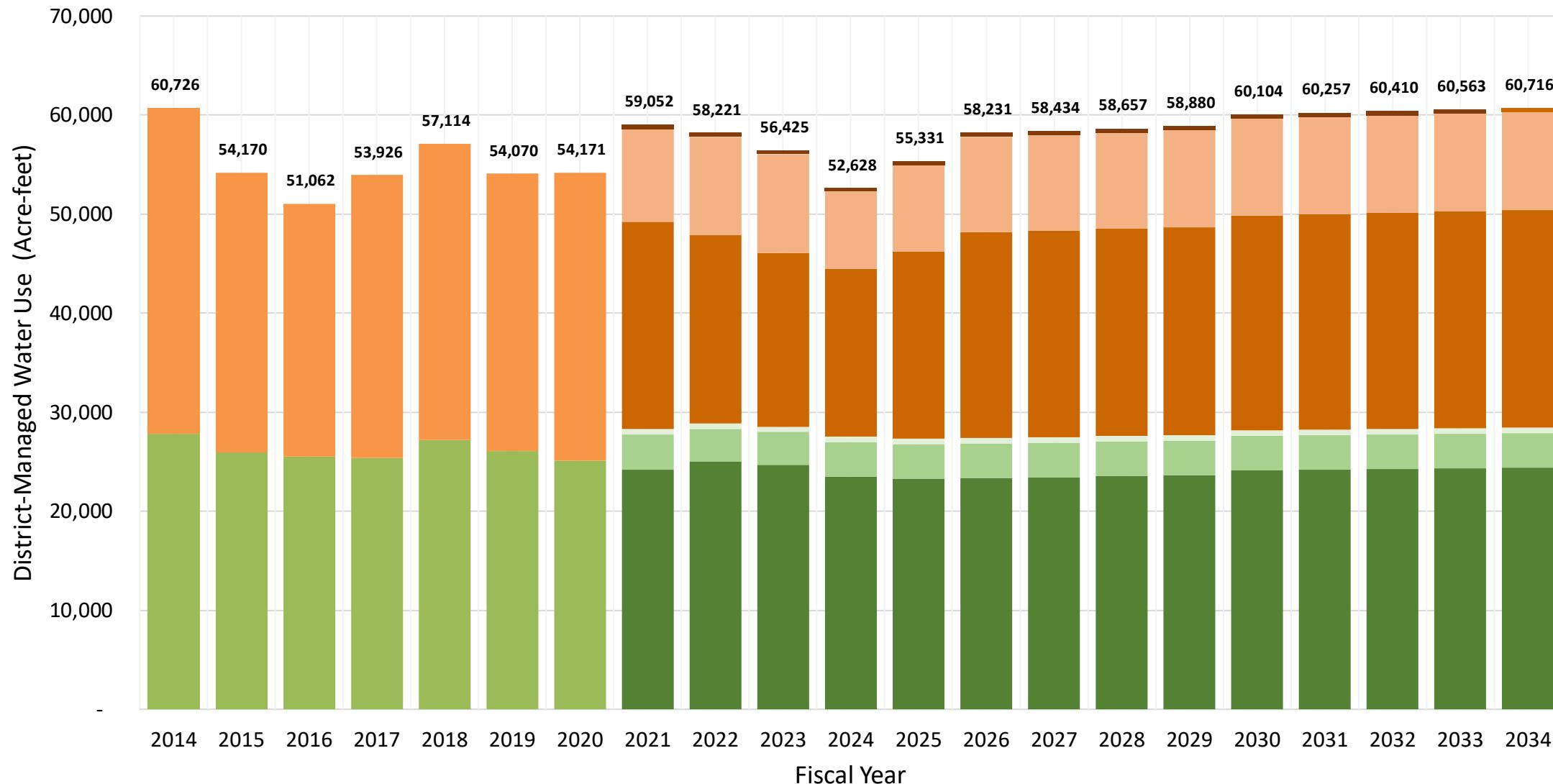
kAF: Thousand Acre-Feet

### Increase System Reliability & Flexibility

- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC <sup>4</sup>
- Sisk Dam Raise at San Luis Reservoir with up to 60 kAF Storage <sup>3,4</sup>

# Water Usage Trend in South County (Zone W-5, W-7 & W-8)

5



# Capital Investments in South County – FY25 through FY34

6

## ENSURING A RELIABLE A WATER SUPPLY

Construction at Anderson Dam in east Morgan Hill continues, with crews progressing on a 24-foot outlet tunnel that will feed into Coyote Creek when the project is complete. That new tunnel will allow for the quicker, controlled release of water from the reservoir during a storm or other emergency.

Following construction of the tunnel, Valley Water will begin the seismic retrofit project to strengthen the dam in case of a large earthquake. In addition to building a high-level outlet, the project work includes removal and construction of the spillway and dam embankment. This effort will ensure public safety and secure a reliable water supply and is expected to be completed by 2032. Anderson Reservoir remains an integral part of our regional water supply system. For further details please visit [valleywater.org/project-updates/c1-anderson-dam-seismic-retrofit](http://valleywater.org/project-updates/c1-anderson-dam-seismic-retrofit).



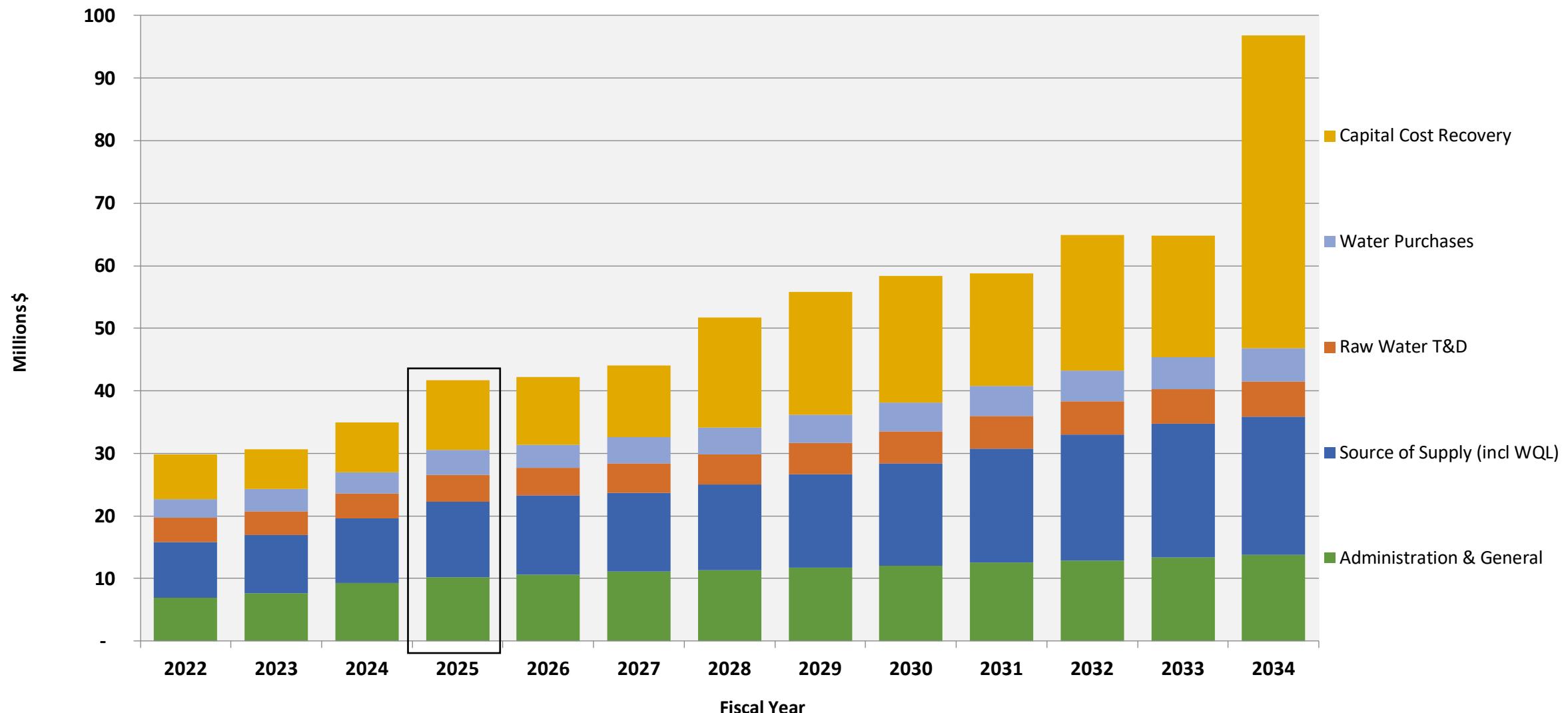
*Tunnel Portal and Diversion Outlet Structure Overview*



*Anderson Dam Tunnel, Low-Level Outlet Tunnel*

# South County Long Term Cost Projection

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# Groundwater Charge Increase Projection

As published in the PAWS Report February 23, 2024

## M&I Groundwater Charge Year to Year Growth %

Baseline Scenario	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>South County Zone W-5</b>	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
	Prior Year	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
<b>South County Zone W-7</b>	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
	Prior Year	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	
<b>South County Zone W-8</b>	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	Prior Year	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

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*Lower water use rebound would add more upward pressure on water rates.*

# Groundwater Charge Increase Projection

As published in the PAWS Report February 23, 2024

## M&I Groundwater Charge – Monthly Impact To Average Household

Baseline Scenario	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
South County Zone W-5	\$1.22	\$1.32	\$1.40	\$1.50	\$1.59	\$1.70	\$1.81	\$1.93	\$2.06	\$2.19
South County Zone W-7	\$3.20	\$3.67	\$4.19	\$4.79	\$5.47	\$6.24	\$7.13	\$8.14	\$9.30	\$10.62
South County Zone W-8	\$1.10	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03	\$2.19

# FY 2024-25 South County Zone W-5 Maximum Proposed Charges

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Zone W-5 (Llagas Subbasin)	Dollars Per Acre Foot		
	FY 2022–23	FY 2023–24	Proposed Maximum FY 2024–25
<b>Basic User/Groundwater Production Charge</b>			
Municipal & Industrial	513.00	543.50	<b>579.00</b>
Agricultural	36.85	36.85	<b>39.80</b>
<b>Surface Water Charge</b>			
Surface Water Master Charge	47.10	54.00	<b>61.00</b>
Total Surface Water, Municipal & Industrial*	560.10	597.50	<b>640.00</b>
Total Surface Water, Agricultural*	83.95	90.85	<b>100.80</b>
<b>Recycled Water Charges</b>			
Municipal & Industrial	493.00	523.50	<b>559.00</b>
Agricultural	64.25	67.20	<b>70.15</b>

M&I Increase approximately \$1.22 per month increase to the average household user.

Note: Does not include any increase that a retailer would layer on top

**32**

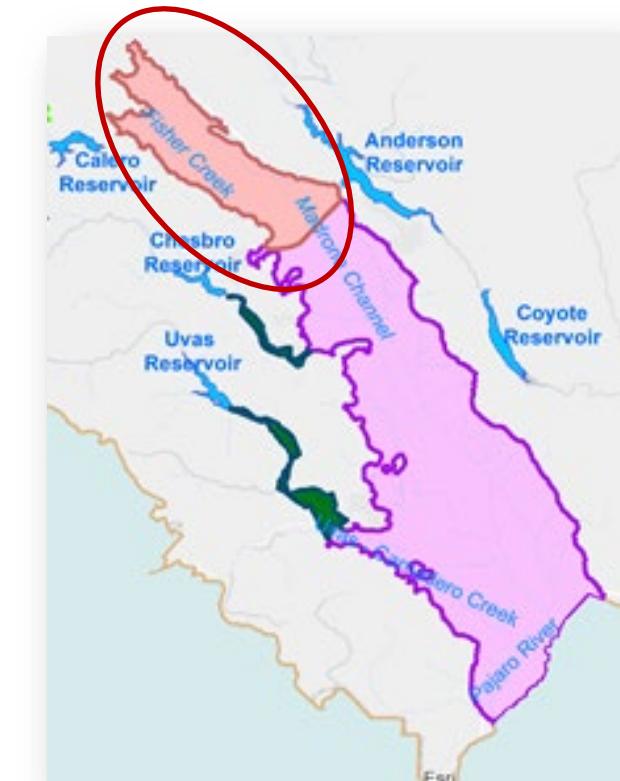


\* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

# FY 2024-25 South County Zone W-7 Maximum Proposed Charges

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Zone W-7 (Coyote Valley)	Dollars Per Acre Foot		
	FY 2022-23	FY 2023-24	Proposed Maximum FY 2024-25
<b>Basic User/Groundwater Production Charge</b>			
Municipal & Industrial	582.50	657.50	<b>750.50</b>
Agricultural	36.85	36.85	<b>39.80</b>
<b>Surface Water Charge</b>			
Surface Water Master Charge	47.10	54.00	<b>61.00</b>
Total Surface Water, Municipal & Industrial*	629.60	711.50	<b>811.50</b>
Total Surface Water, Agricultural*	83.95	90.85	<b>100.80</b>



\* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

M&I Increase approximately \$3.20 per month increase to the average household user.  
Note: Does not include any increase that a retailer would layer on top

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# FY 2024-25 South County Zone W-8 Maximum Proposed Charges

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Zone W-8 (Uvas / Chesbro)	Dollars Per Acre Foot		
	FY 2022–23	FY 2023–24	Proposed Maximum FY 2024–25
<b>Basic User/Groundwater Production Charge</b>			
Municipal & Industrial	368.50	398.00	<b>430.00</b>
Agricultural	36.85	36.85	<b>39.80</b>
<b>Surface Water Charge</b>			
Surface Water Master Charge	47.10	54.00	<b>61.00</b>
Total Surface Water, Municipal & Industrial*	415.60	452.00	<b>491.00</b>
Total Surface Water, Agricultural*	83.95	90.85	<b>100.80</b>



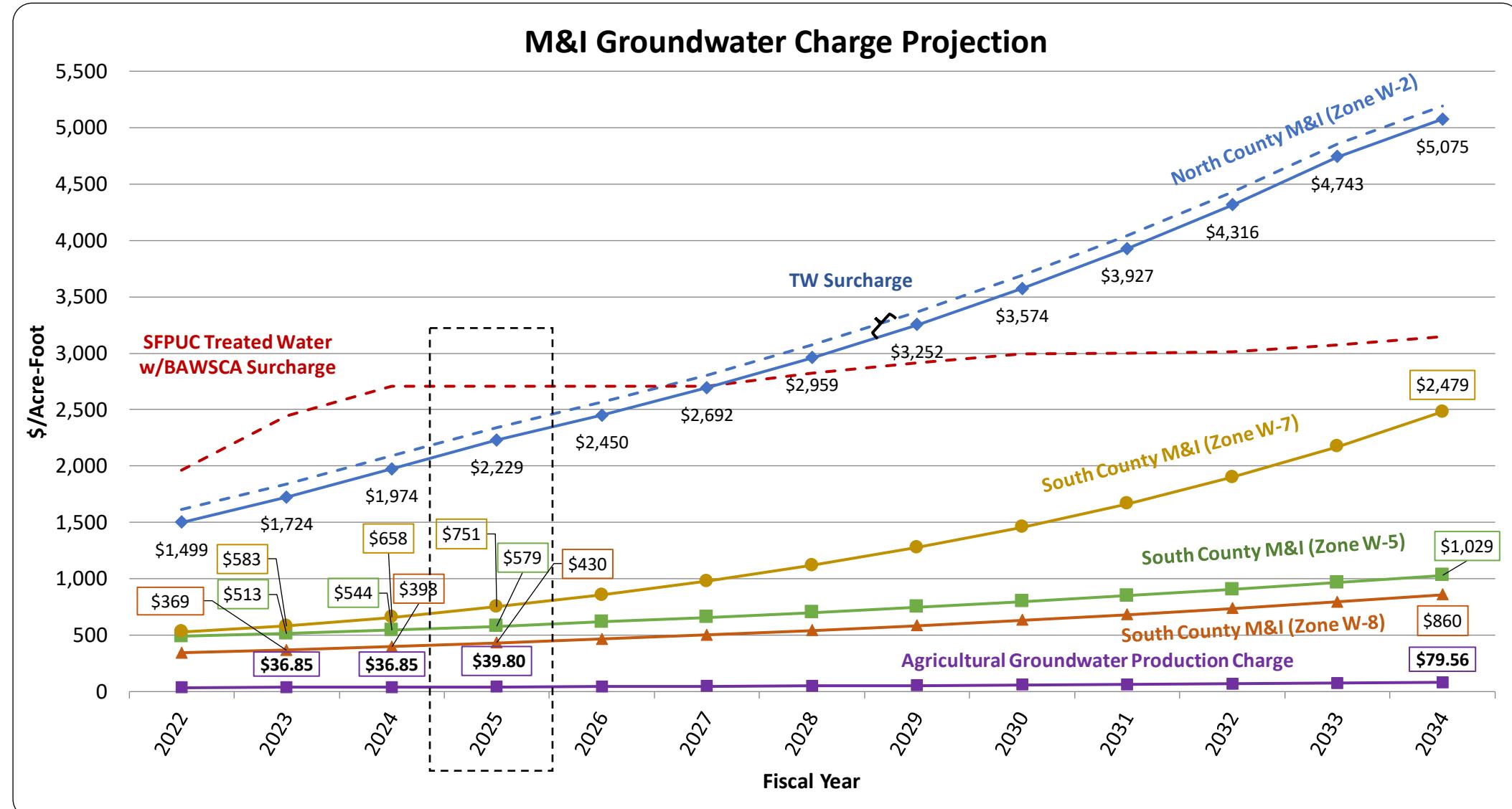
\* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

M&I Increase approximately \$1.10 per month increase to the average household user.  
Note: Does not include any increase that a retailer would layer on top

**34**

# FY 2024-25 Recommended Groundwater Charge Projection

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# Agricultural Benchmarks

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Agency (As of March 2024) <sup>1</sup>		Agricultural Rate (\$/AF)	Non-Agricultural Rate (\$/AF)	Ag as % of Non-AG
San Benito <sup>2</sup>	Groundwater (Quality issues)	\$14.00	\$14.00	100%
Modesto ID (\$2/AF for first 2 AF)	Untreated SW	\$2.00 to \$40.00	N/A	
SCVWD South	Groundwater Zone W-5 Zone W-7 Zone W-8	\$39.80	\$579.00 \$750.50 \$430.00	7% 5% 9%
SCVWD South	Untreated SW Zone W-5 Zone W-7 Zone W-8	\$100.80	\$640.00 \$811.50 \$491.00	16% 12% 21%
Merced ID	Untreated SW	\$50.00	N/A	
Merced ID	Groundwater <sup>3</sup>	N/A	N/A	
Lost Hills	Untreated SW	\$185.09 to \$268.84	N/A	
Zone 7	Untreated SW	\$263.00	N/A	
Westlands WD	Pressurized	\$191.21	\$891.01	19%
San Benito	Pressurized	\$341.60	\$341.60	100%

1. Reflects Valley Water proposed FY 2024-25 rates against current adopted rates for comparator agencies.

2. San Benito County Water District adopted groundwater charges for FY 2024-25 and FY 2025-26 setting Non-Agricultural (M&I) and Agricultural rates the same \$/AF.

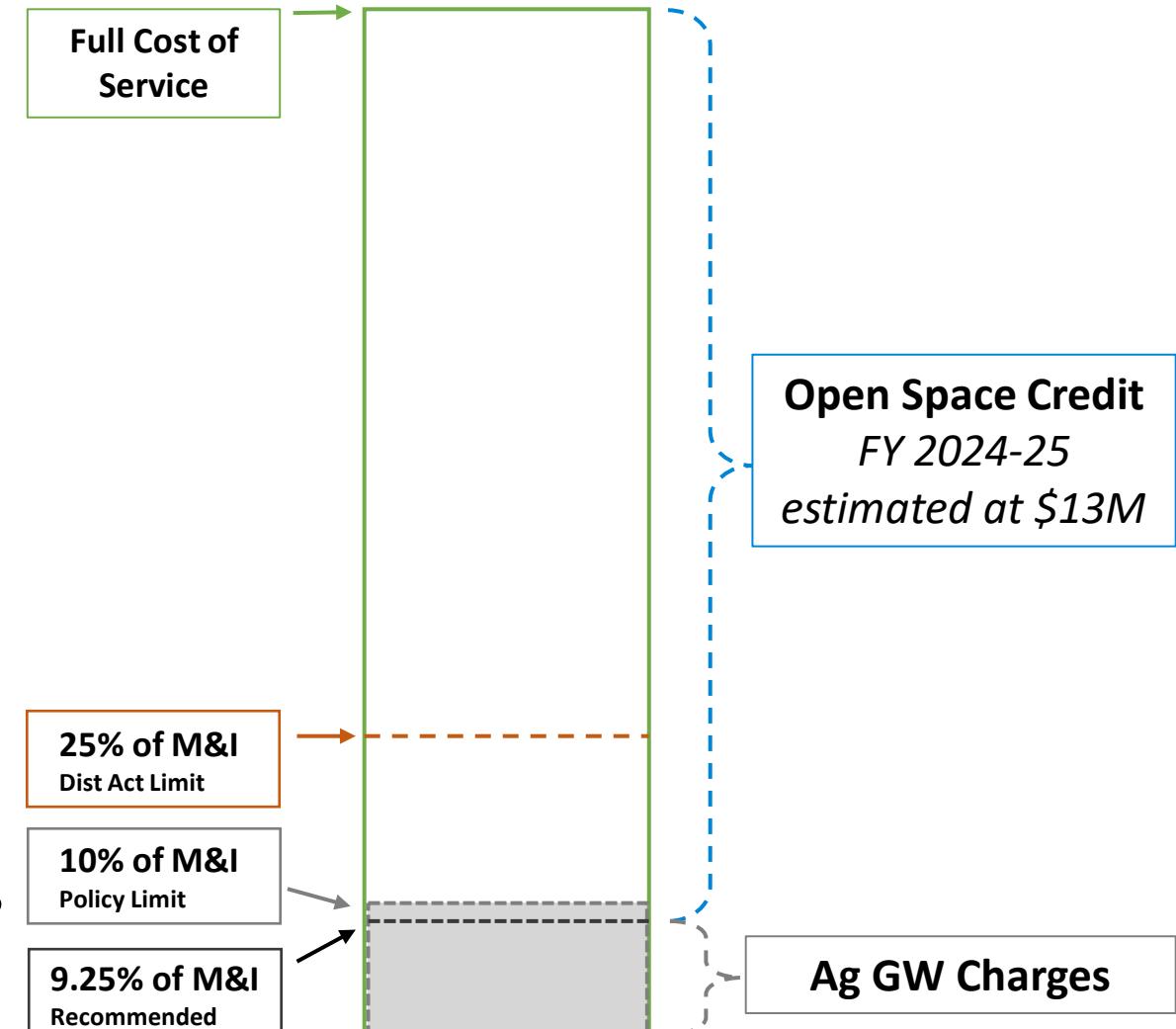
3. Merced Irrigation District is not offering their Supplemental Water Supply Pool Program (Groundwater) for the 2024 irrigation season and is encouraging growers to conserve groundwater.

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# Benefits of the Open Space Credit (OSC)

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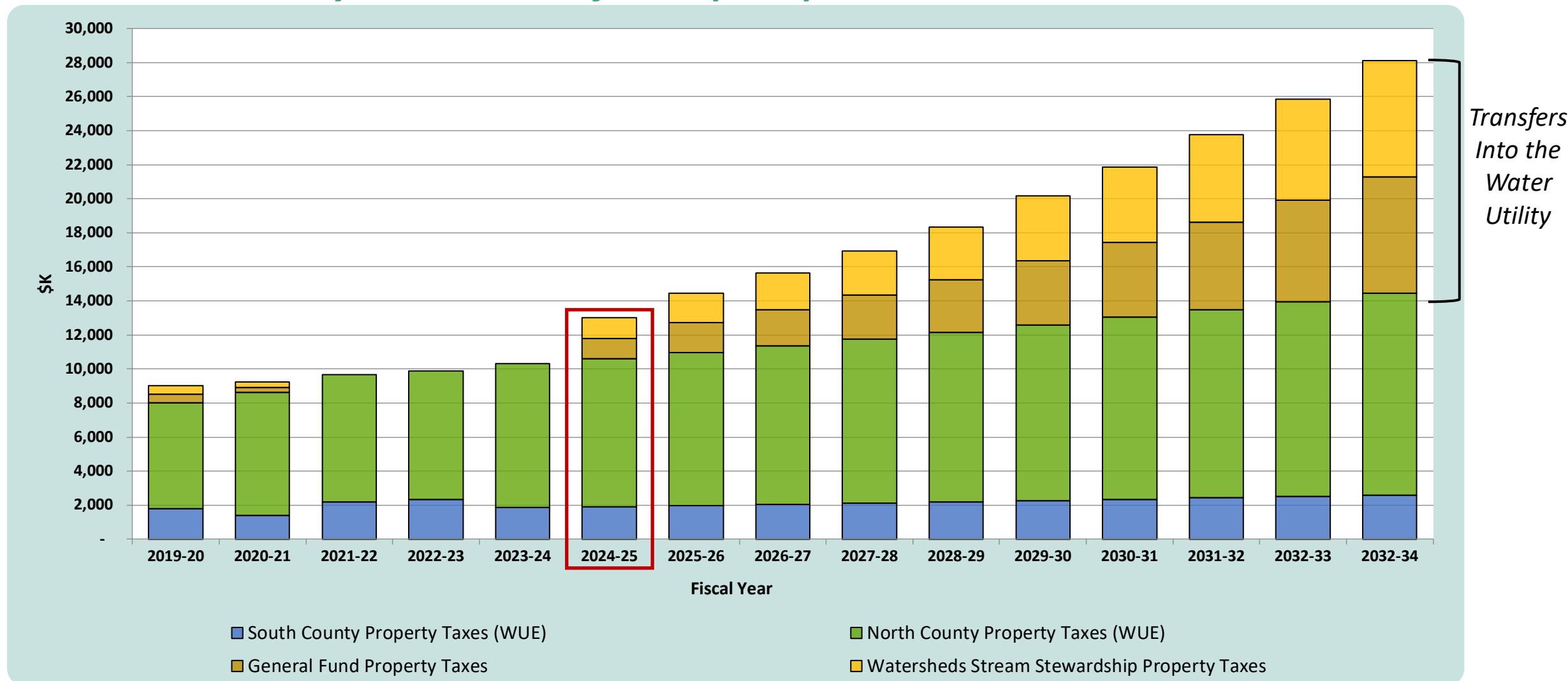
- **Formal definition: “The use of non-rate related revenue to offset reduced agricultural revenue as a result of keeping agricultural rates lower than needed to recoup the full cost of service”**
- **Applies to agricultural water users only, not to all open space**
- **Open Space Credit covers 90% of full cost of service for Agricultural Water customers**



# Open Space Credit Projection

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*10-year Total Benefit to Open Space Credit: \$198M*



# 2024 Schedule

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Jan 8	Agricultural Water Advisory Committee: Preliminary Groundwater Charge Analysis
Jan 9	Board Meeting: Preliminary Groundwater Charge Analysis
Jan 17	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
Jan 24	Water Commission Meeting: Preliminary Groundwater Charge Analysis
Feb 13	Board Meeting: Set time & place of Public Hearing
Feb 23	Mail notice of public hearing and file PAWS report
Mar 12	Board Meeting: Second Pass Budget development update
Mar 20	Water Retailers Meeting: FY 25 Groundwater Charge Recommendation
Apr 8	Agricultural Water Advisory Committee
Apr 9	<b>Open Public Hearing</b>
Apr 10	<b>Water Commission Meeting</b>
Apr 11	<b>Continue Public Hearing in South County</b>
Apr 23	<b>Conclude Public Hearing</b>
Apr 24-25	<b>Board Meeting: Budget work study session</b>
May 14	<b>Adopt budget &amp; groundwater production and other water charges</b>

## Valley Water remains in an era of investment

- Coupled with climate change, driving planning efforts for new infrastructure investments

Water Supply Master Plan 2050 will shed more light on what new infrastructure investments are recommended to be built.

Proposed Maximum FY 25 Groundwater Projection Charges for South County in terms of average household increase are:

- Increase of \$1.22 per month in Zone W-5
- Increase of \$3.20 per month in Zone W-7
- Increase of \$1.10 per month in Zone W-8

Proposed Maximum FY 25 Groundwater Production Charge for North County in terms of average ag user is:

- Increase of \$0.49 per month per acre assuming two acre feet of water pumped per year

*Staff seeking Committee endorsement of proposal*



# Valley Water

Clean Water • Healthy Environment • Flood Protection

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# Santa Clara Valley Water District

File No.: 24-0245

Agenda Date: 4/8/2024

Item No.: 4.2.

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## COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

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

### **SUBJECT:**

Receive and Discuss Information on the Urban Heat Islands and Agricultural Carbon Sequestration.

### **RECOMMENDATION:**

Receive and discuss information on urban heat islands and agricultural carbon sequestration.

### **SUMMARY:**

At the October 2023 Agricultural Water Advisory Committee (Committee), Committee member Gil provided information about climate change and the urban heat island effect (<https://s3.us-west-1.amazonaws.com/valleywater.org.us-west-1/s3fs-public/AWAC-Handout-10022023.pdf> ). The Committee requested staff to provide an evaluation of how climate change could impact the urban heat island and resultant impacts to water supply. At the January 2024 Committee meeting, staff was asked to include discussion on the relationship between agriculture and carbon sequestration. This memorandum explains what a heat island is, how the risks of heat island formation differ between urban and agricultural areas, impacts of climate change on heat islands, potential water supply impacts, and how Valley Water is mitigating heat island impacts on water supply. The memorandum also summarizes how agriculture can support soil carbon sequestration.

### Background

Heat islands are localized areas that experience higher temperatures than their surroundings. This phenomenon is primarily caused by the built environment and the activities that take place within that built environment. Key elements that create and exacerbate a heat island include

- 1) **Dark and/or heat absorbing materials:** absorb more sunlight than lighter materials during the day and then emit the heat at night; examples include asphalt and roofing materials
- 2) **Reduced vegetation:** plants provide shade and natural cooling via plant transpiration
- 3) **Waste heat:** industrial processes, vehicles, artificial lightings, and other energy using activities produce heat
- 4) **Buildings and structures:** concentrations of buildings and structures can obstruct air flow,

which traps heat

Urban areas are at risk of becoming a heat island given the concentration of industrial activities and hardscape (e.g., buildings, roads, etc.). In contrast, rural areas, including rural agriculture, are at a reduced risk of becoming a heat island since there is less density of industrial practices, more vegetation, and less hardscape. Climate change can exacerbate the impacts of heat islands by increasing the amount of heat getting trapped at the Earth's surface and by increasing the amount of waste heat produced. Some examples of how climate change can exacerbate heat islands are:

- 1) As temperatures increase, more heat could be absorbed by the dark and heat-absorbing materials, such as roads, roofs, and concrete.
- 2) Industrial processes and residences may produce more waste heat to cool facilities.
- 3) Increased temperatures can result in tree burn and reduced vegetation, reducing the cooling from tree shade and plant transpiration

#### Heat Islands and Water Supply

Heat islands can impact water supply by increasing water use and evaporation compared to surrounding areas. For example, the high temperatures may result in increased outdoor watering to maintain trees and other plants and increased water use by cooling systems. Valley Water has several programs and activities that help reduce the impacts of heat islands on water supply. Valley Water's Climate Change Action Plan provides a framework for maintaining and improving open space. By maintaining open space, the risks of heat islands expanding is reduced. To help mitigate and/or prevent heat islands, Valley Water offers a Landscape Rebate Program. The Landscape Rebate Program, in part, helps residents convert their yard to low-water using vegetation and can help integrate shade onto properties. This reduces the impacts that climate change and heat islands will have on water use while also maintaining vegetated areas that will provide the cooling through shade and evapo-transpiration. In addition, rebates are not provided for the installation of artificial turf or impermeable hardscapes, such as concrete, that can contribute to the urban heat island effect by increasing air temperatures in urban settings.

Droughts can exacerbate the impacts of heat islands on water supply since it puts further stress on vegetation, requiring more watering to keep plants alive. Valley Water's drought water use restrictions generally allow for enough landscape watering to keep drought resilient (low water using) plants alive. In addition, Valley Water understands the importance of shade in mitigating heat island impacts, so ensures that drought water use restrictions still allow for the watering of trees.

Overall, heat islands primarily effect urban areas and can be exacerbated by climate change. To reduce the impacts of heat islands, Valley Water offers landscape rebates and is working with cities and the County to push for climate smart building. More information on the landscape rebates available can be found at:

[<https://www.valleywater.org/saving-water/rebates-surveys/landscape-rebates>](https://www.valleywater.org/saving-water/rebates-surveys/landscape-rebates).

#### Agriculture and Soil Carbon Sequestration

By implementing certain land management practices that increase soil organic matter and reduce erosion, agricultural soils could be an important carbon sink that can help mitigate climate change. The important role that farming and ranching can play in carbon sequestration is also recognized in the *Santa Clara Valley Agricultural Plan*.

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There are several grant programs that can assist in helping agricultural soils be carbon sinks, such as:

- U.S. Department of Agriculture has allocated more than \$3 billion to help farmers transition to practices that sequester carbon and reduce emissions.
- State of California has grant programs to assist farmers to become climate smart (<https://www.caclimateinvestments.ca.gov/funding-for-farmers>).
- Santa Clara County has the Agricultural Resilience Incentive (ARI) Grant Program for up to \$30,000 in grant funding for compost and mulch application, and 25 other pre-approved practices that improve soil health.

This item includes a presentation by the county on their ARI grant program that compensates farmers and ranchers that provide the climate change mitigation public service (Attachment 1). Attachment 2 provides Frequently Asked Questions (FAQ) for the ARI grant program.

#### **ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:**

There are no environmental justice and equity impacts associated with this item.

#### **ATTACHMENTS:**

Attachment 1: PowerPoint

Attachment 2: ARI FAQ

#### **UNCLASSIFIED MANAGER:**

Kirsten Struve, 408-630-3138

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# Agricultural Resilience Incentive Grants



Agricultural Resilience Incentive (ARI) Grant Program supports farms and ranches for up to \$30,000 in grant funding for **compost and mulch application**, and 25 other pre-approved practices that improve soil health.

Healthy agricultural soils help to hit the brakes on climate change by pulling carbon out of the air. The County of Santa Clara considers these land management services as a public service that benefits the community.



# Climate Smart Land Management on Santa Clara County Farms



Full Circle Farm, Morgan Hill – Zoe Davis

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UNIVERSITY OF CALIFORNIA  
Agriculture and Natural Resources

Attachment 1, Page 3 of 8

## Annual Cropland

	Practice	Initial Implementation Timeline <sup>9</sup>	Estimated Sequestration Timeline <sup>10</sup>
1.	Alley Cropping	18 months	10 years
2.	Conservation Cover	18 months	3 years
3.	Compost Application*	1 - 3 years	1 - 3 years
4.	Conservation Crop Rotation*	1 - 3 years	1 - 3 years
5.	Contour Buffer Strips	18 months	3 years
6.	Cover Crop*	1 - 3 years	1 - 3 years
7.	Field Border	18 months	3 years
8.	Filter Strip	18 months	3 years
9.	Forage and Biomass Planting	18 months	3 years
10.	Grassed Waterway	18 months	3 years
11.	Hedgerow Planting	18 months	10 years
12.	Herbaceous Wind Barriers	18 months	3 years
13.	Mulching*	1 - 3 years	1 - 3 years
14.	Multistory Cropping	18 months	10 years
15.	Nutrient Management*	1 - 3 years	1 - 3 years
16.	No-Till*	1 - 3 years	1 - 3 years
17.	Reduced-Till*	1 - 3 years	1 - 3 years
18.	Riparian Forest Buffer	18 months	10 years
19.	Riparian Herbaceous Cover	18 months	3 years
20.	Strip-Cropping	18 months	3 years
21.	Tree/Shrub Establishment	18 months	10 years
22.	Vegetative Barriers	18 months	3 years
23.	Windbreak/Shelterbelt Establishment	18 months	10 years

## 27 Eligible Practices

## Grazing Lands

	<b>Practice</b>	<b>Initial Implementation Timeline<sup>7</sup></b>	<b>Estimated Sequestration Timeline<sup>8</sup></b>
1.	Compost Application*	1 - 3 years	1 - 3 years
2.	Hedgerow Planting	18 months	10 years
3.	Prescribed Grazing*	1 - 3 years	1 - 3 years
4.	Range Planting	18 months	10 years
5.	Riparian Forest Buffer	18 months	10 years
6.	Silvopasture	18 months	10 years
7.	Tree/Shrub Establishment	18 months	10 years
8.	Windbreak/Shelterbelt Establishment	18 months	10 years

\* Denotes annual practices, which may be proposed to recur for up to three years.

<sup>7</sup> This is the initial window of time for the practice to be implemented.

<sup>8</sup> This is the number of years used to estimate carbon sequestration for each practice.

## AGRICULTURAL RESILIENCE INCENTIVE GRANT

### APPLICATION: JAN. - MAY

Farmers & Ranchers apply via the Santa Clara County Planning Dept. website:  
<https://plandev.sccgov.org/policies-programs/agricultural-resilience-incentive-ari-grant-program>

### REVIEW: MAY - JULY

Members of County/ UC ARI team review applications to ensure they meet grant requirements and use COMET Planner formula to determine which proposals sequester the most amount of carbon. Award funds are distributed evenly between small and large operations.

### EXECUTION: AUG. - DEC.

Grantees are notified. ARI team works to complete paperwork, including establishing recipients as vendors in Santa Clara County, verifying eligibility, and completing Funding Agreement contracts b/w county and growers. County issues check by Dec. 31.

### MONITORING: YEAR-ROUND

Members of the UCCE Small Farms Team work with individual growers to coordinate project implementation, document practices, and collect receipts for project costs.

### RESULTS

Growers are required to report on results and document that practices have been implemented in order to be eligible for the next year's payment, or re-application for a new award.

# Agricultural Resilience Incentive Grants



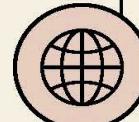
**2021-2023**

Twenty five farms and ranches funded



**Amounts Awarded**

\$403,526 Total  
\$16,141 average award



**Acres covered**

4,183 Total



**Estimated Tons of Carbon Sequestered**

3,010

# *Thank you!*

Julie Morris, Agricultural Liaison  
Santa Clara County/ UC Cooperative Extension  
[jfmorris@ucanr.edu](mailto:jfmorris@ucanr.edu)  
408-201-0674  
[www.centralcoastfarms.org](http://www.centralcoastfarms.org)

# Frequently Asked Questions About the 2023 County of Santa Clara Agricultural Resilience Incentive (ARI) Program

NANCY CHANG, Community Education Specialist, Small Farms Program, UC Cooperative Santa Clara, San Benito, and Santa Cruz Counties; APARNA GAZULA, Farm Advisor, Small Farms & Specialty Crops, UC Cooperative Extension Santa Clara, San Benito, and Santa Cruz Counties.

## 1. **What is the County of Santa Clara's Agricultural Resilience Incentive Program?**

The Agricultural Resilience Incentive (ARI) Program provides financial incentives to Santa Clara County growers and ranchers to implement agricultural management practices that sequester carbon, reduce atmospheric greenhouse gas (GHGs) emissions and improve soil health. The objectives of this program are to build soil resiliency, increase soil organic carbon and reduce atmospheric GHGs.

## 2. **What is the maximum amount of funds I can apply for?**

You can apply for up to \$30,000 per application cycle.

## 3. **When are the grant applications due?**

The deadline to submit your completed grant application along with any supporting documents is May 31, 2023.

## 4. **What is a Project Bid? How do I figure out how much to bid?**

The program uses a reverse auction system, in which the applications will be ranked and awarded in part of soil health and carbon sequestration value in relation to the bid amount. In other words, if two applicants chose to apply compost, if one bid is at \$20,000, while the other bids at \$15,000-- the \$15,000 bid will be ranked higher and will be therefore more likely to be awarded because the cost to carbon ratio is lower. You can use the [CDFA COMET Planner](#) to help you determine how much to bid.

## 5. **How long will I have to complete my project?**

All 27 pre-approved ARI practices fall into two timeline categories: annual or perennial. Annual practices occur once within the annual cycle of an agricultural operation and may be proposed to recur for up to three years within one project application, e.g., cover cropping. Perennial practices consist of an initial activity that is followed by several years of maintenance to ensure successful establishment, e.g., hedgerow planting. A blend of these practices may be proposed in a single application. Projects that consist of recurring annual practices (e.g., three consecutive years of cover cropping) must be completed on a schedule proposed in the application and finalized in the executed grant agreement.

## 6. **What are some examples of practices that the ARI program will fund?**

Currently, the ARI program has [27 pre-approved practices](#) that growers and ranchers can select from. Some examples of practices funded under the ARI incentives program include, but are not limited to: for cropland – cover crops, compost application, mulching, reduced or no-till, conservation crop rotation, and hedgerow planting. For orchards or vineyards – compost application, conservation cover, cover crop, hedgerow planting,

and whole orchard recycling. For grazing lands – Compost Application to Grassland, hedgerow planting, prescribed grazing, range planting; silvopasture; and tree/shrub establishment.

## 7. Who can apply to the ARI Program?

All managers and owners of agricultural operations within Santa Clara County are eligible to apply. There is no acreage minimum or maximum. Renters must have written approval of the property owner.

## 8. Where do I submit my application for funding?

You can complete the 2 page application on the following website: <https://plandev.sccgov.org/policies-programs/agricultural-resilience-incentive-ari-grant-program> and submit by e-mail to [jfmorris@ucanr.edu](mailto:jfmorris@ucanr.edu)

## 9. What information should I gather if I am interested in applying to this program?

You need to demonstrate that the project takes place on agricultural lands within Santa Clara County, you would also need to know what practices you wish to apply for, history of crops on site, history of conservation practices, APN numbers for the fields where the practices will be implemented, and if you lease land – you will need to have written approval of the property owner.

## 10. Can I apply even if I lease my land?

Yes, even if the land is publicly or privately owned and you lease the land, you can still apply for ARI funding. You will need to provide written approval from the property owner (i.e. landowner agreement letter is required).

## 11. Am I eligible for the ARI program if I share an APN?

Yes, you are able to apply for the ARI program but when filling out the application, you must complete property owner information on additional sheets provided and attach to your application. A map including APNs will be required to delineate specific areas for each practice, prior to grant agreement execution. Technical assistance will be available to support the preparation of these maps.

## 12. Am I eligible for the ARI program if I am a non-profit organization?

Yes, as long as you are a rancher or grower in Santa Clara County, and either own the land, OR have written approval from the property owner if you are leasing the land.

## 13. Can I apply to implement multiple practices?

Many of the 27 pre-approved practices can be implemented concurrently. Multiple practices per application are encouraged and each practice requires its own total cost estimate.

## 14. Can I submit applications for multiple parcels?

Multiple parcels may be included in one application. However, only one application per parcel or multiple parcels is allowed per applicant.

## 15. What is the grant selection process?

Grants will be awarded primarily on the basis of which proposals offer the most cost-competitive means of sequestering atmospheric carbon by improving soil health or increasing woody biomass by planting perennials. In other words, the applicant who proposes a project with the highest rate of carbon sequestration for the lowest grant project bid will be most likely to receive funding. Learn more about the selection process on pages 4-5 of the [ARI Procedure Guide](#).

**16. How does the County of Santa Clara verify my project?**

If approved, you will be required to complete an outcome evaluation form within one hundred eighty days of project implementation. You must also hold onto copies of receipts, as well as photos, of purchased materials for your approved project. For example, if you were to select “Compost application” as your practice, you would share with us a copy of the receipt of purchase and photos of compost piles.

**17. How do I get paid?**

Funding for practices will be provided following execution of the grant agreement and in advance of implementation. Funding for recurring annual practices will be funded in annual increments according to the schedule finalized in the executed grant agreement. Five percent (5%) of the total project funding will be held until project implementation is complete.

If the project cannot be completed within the required timeframe, the grantee may be required to return any unexpended funds to the County and may become ineligible for future applications. Unforeseen circumstances, like wildfire or drought, may permit additional flexibility in project implementation.

**18. If there is leftover money from my flat-rate payment, do I get to keep it?**

Yes, if there is leftover money you may use it at your own discretion (e.g. pay labor costs, shipping costs, etc.). Grantees will be required to include an actual accounting of the year-one cost of implementation for each practice in the outcome evaluation form. No changes will be made to the funding amount or grant agreement as a result of the actual cost; this information will only help to inform the County’s understanding of the grant program and the total cost of implementing soil carbon sequestration.

**ARI Grant Resources:**

- **ARI Application Form:** [https://stgenpln.blob.core.windows.net/document/ARI\\_form.pdf](https://stgenpln.blob.core.windows.net/document/ARI_form.pdf)
- **ARI Grant Procedural Guide:** [https://stgenpln.blob.core.windows.net/document/ARI\\_guide.pdf](https://stgenpln.blob.core.windows.net/document/ARI_guide.pdf)
- **ARI Management Practices:**  
[https://stgenpln.blob.core.windows.net/document/ARI\\_management\\_practices.pdf](https://stgenpln.blob.core.windows.net/document/ARI_management_practices.pdf)
- **ARI Grant Agreement Template:**  
[https://stgenpln.blob.core.windows.net/document/ARI\\_grant\\_agreement\\_template%20.pdf](https://stgenpln.blob.core.windows.net/document/ARI_grant_agreement_template%20.pdf)
- **CDFA COMET Planner:** <http://comet-planner-cdfahsp.com/>

If you interested in submitting an application and need one-on-one assistance, please contact us:

**Aparna Gazula**

Small Farms & Specialty Crops  
Advisor  
[agazula@ucanr.edu](mailto:agazula@ucanr.edu)  
Off: 408-282-3127  
Fluent in English

**Nancy Chang**

Community Education  
Specialist  
[nchang@ucanr.edu](mailto:nchang@ucanr.edu)  
Cell: 408-478-5767  
Fluent in Mandarin and English

**Paulina S. Hernandez**

Community Education  
Specialist  
[pshernandez@ucanr.edu](mailto:pshernandez@ucanr.edu)  
Off: 408-201-0684  
Fluent in Spanish and English

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# Santa Clara Valley Water District

File No.: 24-0302

Agenda Date: 4/8/2024

Item No.: 4.3.

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## COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

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

### **SUBJECT:**

Discuss the Potential of Forming a Subcommittee for the Agricultural Water Advisory Committee (AWAC).

### **RECOMMENDATION:**

Discuss the potential of forming an AWAC subcommittee per the Committee's approval at the January 9, 2023 meeting.

### **SUMMARY:**

AWAC unanimously approved forming a subcommittee to discuss the rates and comparison data from other agencies regarding farming at the January 9, 2023 meeting.

AWAC Chairperson Peter Van Dyke requested this matter be added to the April 8, 2024 agenda to follow up on the potential for forming a subcommittee.

### **ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:**

The discussion of forming a subcommittee is not subject to environmental justice analysis.

### **ATTACHMENTS:**

None.

### **UNCLASSIFIED MANAGER:**

Candice Kwok-Smith, 408-630-3193

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# Santa Clara Valley Water District

File No.: 24-0353

Agenda Date: 4/8/2024

Item No.: 4.4.

## COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

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

### **SUBJECT:**

Review Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

### **RECOMMENDATION:**

Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

### **SUMMARY:**

The attached Work Plan outlines the topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendized at each meeting as accomplishments are updated and to review any work plan assignments by the Board.

### **BACKGROUND:**

#### **Governance Process Policy-8:**

The District Act provides for the creation of advisory boards, committees, or commissions by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

**ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:**

The review of the Committee Work Plan is not subject to environmental justice analysis.

**ATTACHMENTS:**

Attachment 1: AWAC 2024 Work Plan

**UNCLASSIFIED MANAGER:**

Candice Kwok-Smith, 408-630-3193

## 2024 Work Plan: Agricultural Water Advisory Committee

Update: April 2024

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	<b>Election of Chair and Vice Chair for 2024</b>	January 8	•Committee Elects Chair and Vice Chair for 2024. <b>(Action)</b>	<b>Accomplished January 8, 2024:</b> The Committee unanimously approved Peter Van Dyke as the 2024 Agricultural Water Advisory Committee Chairperson and Trevor Garrod as the 2024 Agricultural Water Advisory Committee Vice-Chairperson.
2	<b>Annual Accomplishments Report</b>	January 8	•Review and approve 2023 Accomplishments Report for presentation to the Board. <b>(Action)</b> •Submit requests to the Board, as appropriate.	<b>Accomplished January 8, 2024:</b> The Committee unanimously approved the 2023 Annual Accomplishments Report. The Board received the Committee's presentation by Chairperson Peter Van Dyke and accepted the 2023 Annual Accomplishments Report at its March 26, 2024 meeting.
3	<b>Review and Comment to the Board on the Fiscal Year 2024 – 2025 Preliminary Groundwater Production Charges</b>	January 8 April 8	•Review and comment to the Board on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges. <b>(Action)</b> •Submit requests to the Board, as appropriate.	<b>Accomplished January 8, 2024:</b> The Committee reviewed and commented on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges and took the following action: The Committee unanimously approved the Committee recommend to the Board to hold the agricultural groundwater rate unchanged at 36.85 per acre foot. The Committee received a motion and a second to include additional information in the presentation, but no vote was taken per staff confirmed this was a preliminary analysis agenda item and will return in April 2024 for further discussion.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1  
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# 2024 Work Plan: Agricultural Water Advisory Committee

Update: April 2024

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
4	<b>Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050</b>	January 8	•Receive Information and provide feedback on the development of Valley Water's Water Supply Master Plan 2050	<b>Accomplished January 8, 2024:</b> The Committee received information and provided feedback on the Water Supply Master Plan 2050 and took no action.
5	<b>One Water Plan Upper Pajaro Watershed Plan Priority Actions</b>	January 8	<ul style="list-style-type: none"> <li>•Receive information about development of the One Water Upper Pajaro Watershed Plan.</li> <li>• Review and provide input on One Water Upper Pajaro Watershed Plan Priority Actions</li> </ul>	<b>Accomplished January 8, 2024:</b> The Committee received information and provided feedback on the Water Supply Master Plan 2050 and took no action. The Committee confirmed staff anticipates incorporating feedback, finalizing the plan, and presenting to the Board in 2 to 3 months.
6	<b>Review of Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests and the Committee's Next Meeting Agenda</b>	January 8 April 8 July 1 October 7	<ul style="list-style-type: none"> <li>•Receive and review the 2023 Board-approved Committee work plan. <b>(Action)</b></li> <li>•Submit requests to the Board, as appropriate.</li> </ul>	<b>Accomplished January 8, 2024:</b> The Committee received and reviewed the 2024 Board-approved Committee work plan and noted support for a future update on the One Water Plan and inclusion of water retention of grasslands versus brushlands; and reconfirmed request to discuss climate change and carbon sequestration at the next meeting.
7	<b>Standing Items Report Fiscal Year 2024 Goals and Strategies:</b>	January 8 July 1	<ul style="list-style-type: none"> <li>•Receive quarterly reports on standing items, FY2024. <b>(Information)</b></li> </ul>	<b>Accomplished January 8, 2024:</b> The Committee received the quarterly report on standing items for FY 2024 and took no action.

## BOARD WORK PLAN GOALS:

1. **Integrated Water Resources Management** - Goal: Efficiently manage water resources across business areas.
2. **Water Supply** – Goal: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.
3. **Natural Flood Protection** – Goal: Provide natural flood protection to reduce risk and improve health and safety.
4. **Environmental Stewardship** – Goal: Sustain ecosystem health while managing local water resources for flood protection and water supply.
5. **Addressing Encampment of Unsheltered People** – Goal: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1  
Page 2 of 3

# 2024 Work Plan: Agricultural Water Advisory Committee

Update: April 2024

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	6. <b>Climate Change</b> – Goal: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts. 7. <b>Business Management</b> – Goal: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.			
8	<b>Receive an update of Valley Water's activities of the Unhoused and information on how enforcement of violations of companies are handled within the County</b>	TBD	<ul style="list-style-type: none"> <li>•Receive an update of Valley Water's activities of the Unhoused and information on how the enforcement of violations of companies are handled within the County.</li> <li>•Board is requesting the committee give more detailed information on this item for the Board's consideration.</li> </ul>	
9	<b>Review Climate Change and the benefits of ecosystems on Agriculture in Santa Clara County</b>	April 8	<ul style="list-style-type: none"> <li>•Discuss how climate change impacts the benefits of ecosystems on agriculture within Santa Clara County.</li> </ul>	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1  
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