

SCVWD Water Charge Overview

September 12, 2018

Santa Clara Valley
Water District



Attachment 1
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Why do well owners pay SCVWD to pump water from the ground?

Construction at Anderson Reservoir, 1951



\$550M Seismic Retrofit under way at Anderson

- ▶ Local rainfall cannot sustain Santa Clara County water needs
- ▶ Planning in early 1900's called for construction of reservoirs to capture rainwater to percolate into the ground
- ▶ Groundwater Production Charge is a reimbursement mechanism
 - ▶ pays for efforts to protect and augment water supply

A comprehensive, flexible water system serves 1.9 million people



10 Reservoirs

393 acres of recharge ponds

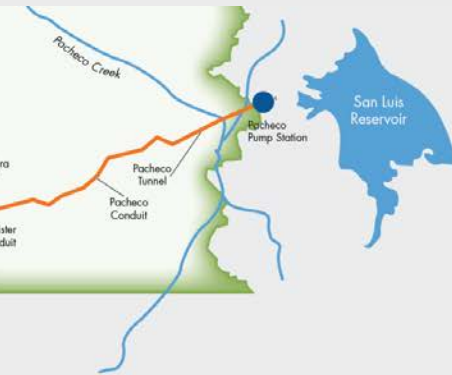
142 miles of pipelines

3 water treatment plants

1 water purification center

3 pump stations

\$7.1B system replacement value



Many activities ensure safe, reliable groundwater supplies

- ▶ Operate & maintain local reservoirs
- ▶ Purchase imported water
- ▶ Operate & maintain raw & recycled water pipelines
- ▶ Plan & construct improvements to infrastructure
- ▶ Monitor & protect groundwater from pollutants



Key Water Supply Projects

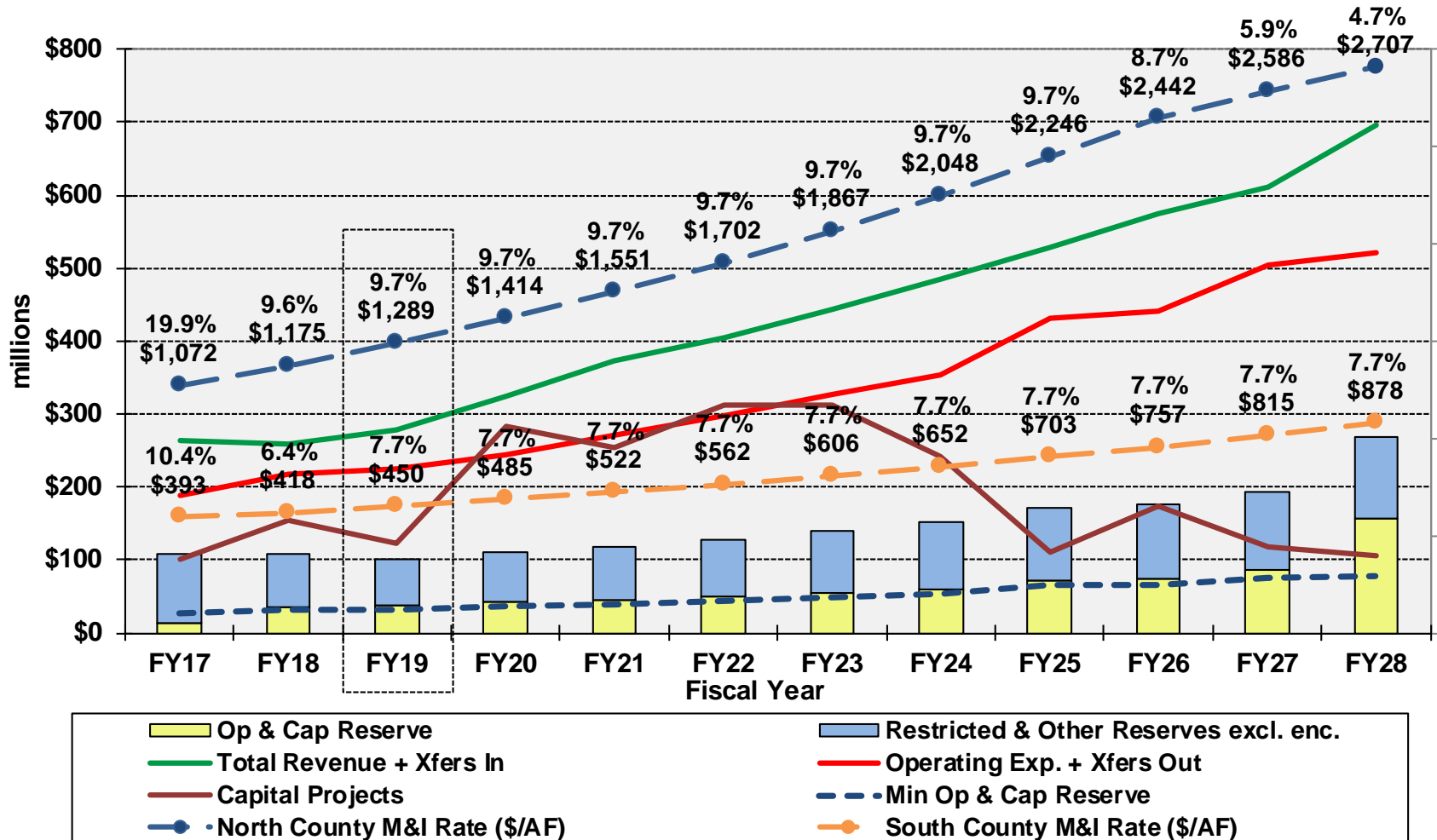


Expedited Purified
Water Program
(\$1 Billion,
\$630M via P3)

Groundwater Production Charge Projection

(\$ in millions)

Water Utility Enterprise Fund

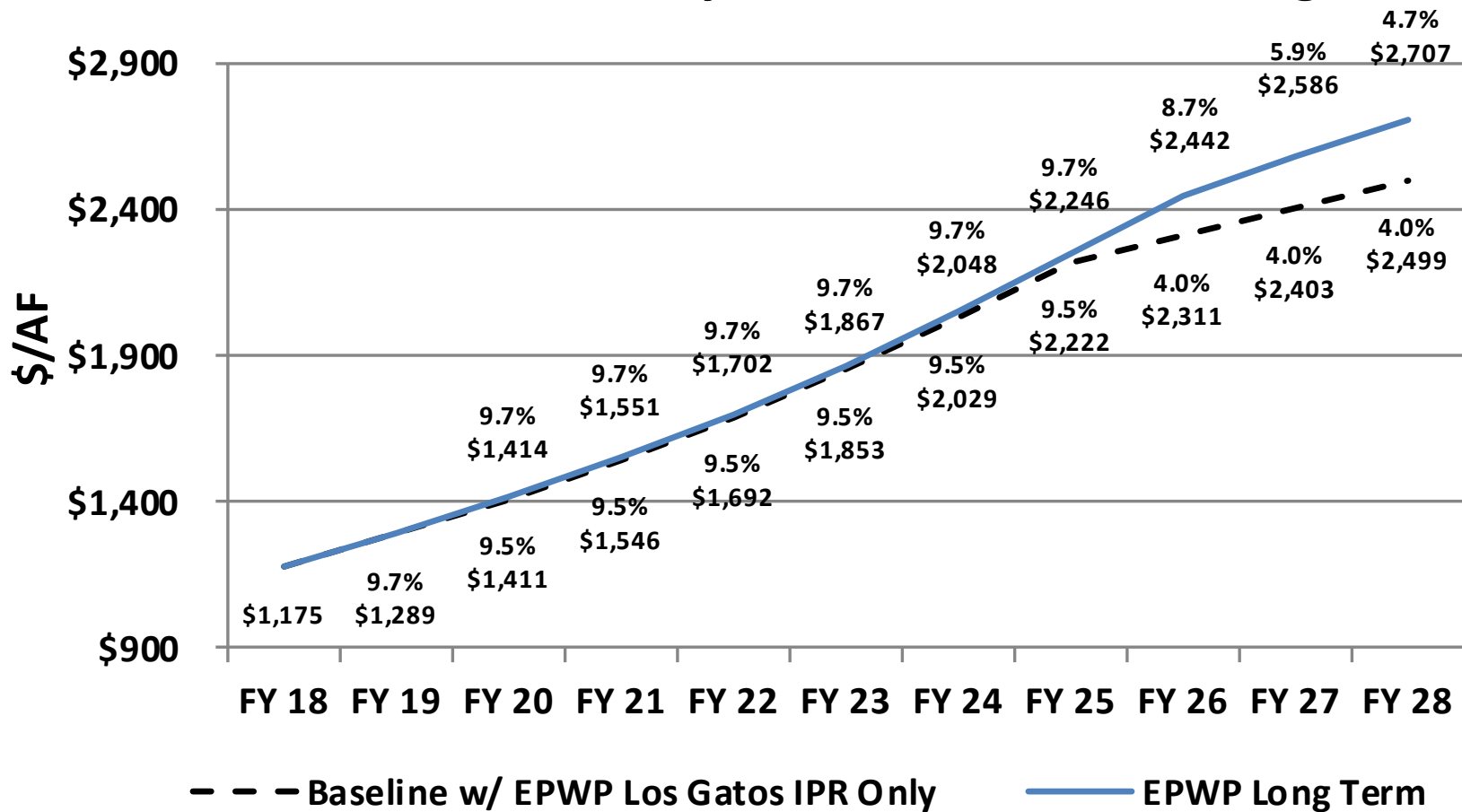


Groundwater Production Charge Projection

(\$ in millions)

Water Utility Enterprise Fund

North County M&I Groundwater Charge



EPWP = Expedited Purified Water Program

Note: This projection does not account for impacts associated with the Bay Delta Water Quality Control Plan or Pacheco Reservoir Expansion

District Act Defines Uses for Groundwater Charges

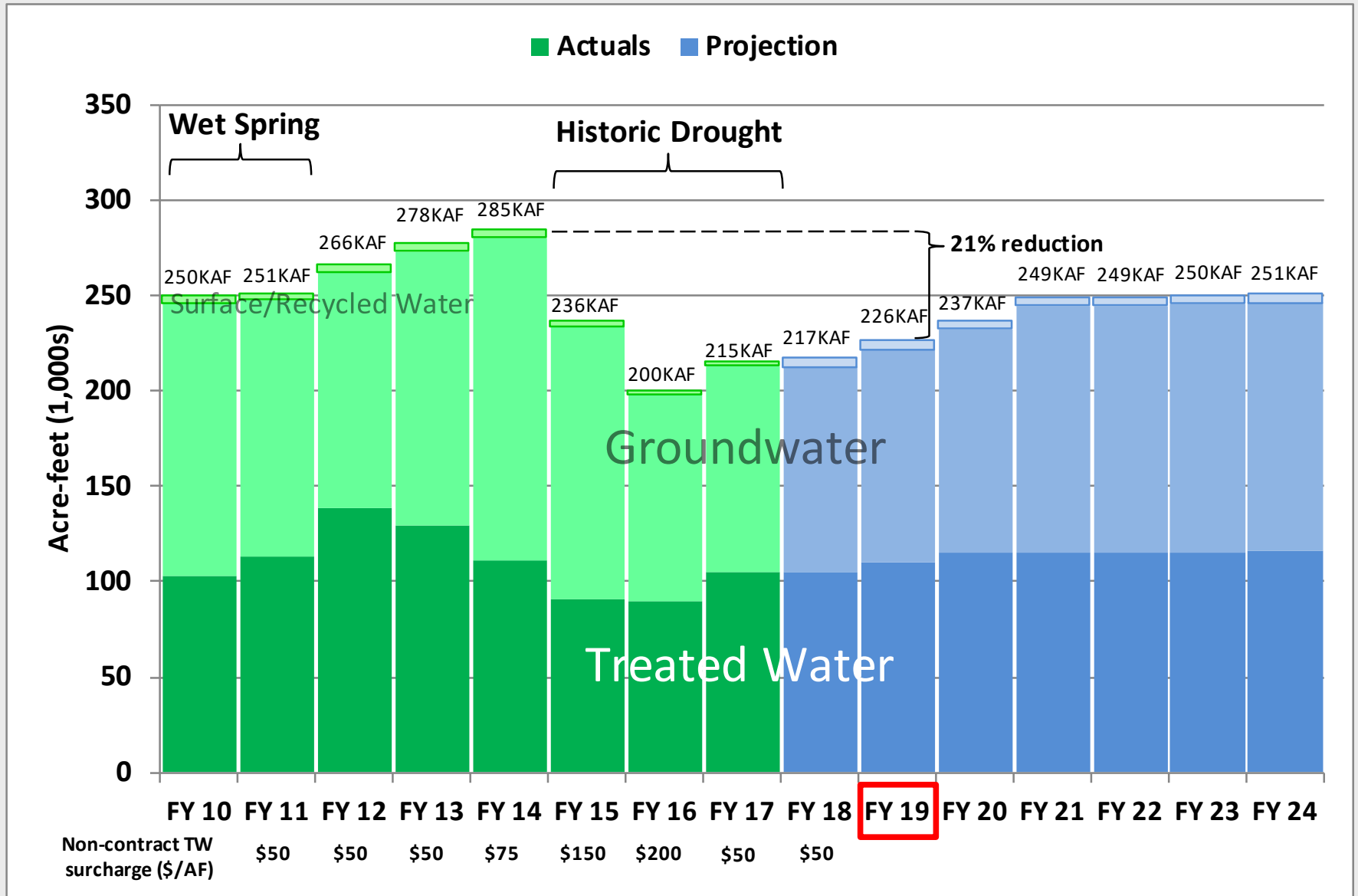
District Act Section 26.3: Defines purposes of groundwater production charges that can be imposed on a zone of benefit

1. Pay for construction, operation and maintenance of imported water facilities
2. Pay for imported water purchases
3. Pay for constructing, maintaining and operating facilities which will conserve or distribute water including facilities for groundwater recharge, surface distribution, and purification and treatment
4. Pay for debt incurred for purposes 1, 2 and 3

Resolution 99-21 is the Board's Pricing Policy which Includes the "Pooling Concept"

- ▶ All water sources and water facilities contribute to the common benefit of users within a zone regardless of cost, known as "pooling" concept
 - ▶ Helps maximize effective use of available resources
- ▶ Groundwater charges are levied for the benefits received by the water users in a particular zone
- ▶ Rates for agricultural water shall not exceed one-tenth the rate for all water other than agricultural water

Water Usage (District Managed)



Note: FY 17 refers to fiscal year 2016-17

Water Utility Zones



Zone of Benefit Study in progress

Infrastructure differences drive different groundwater production charges in each zone

North County

- 3 water treatment plants
- Reservoirs – Almaden, Calero, Guadalupe, Lexington, Stevens Creek, Vasona
- Silicon Valley Advanced Water Purification Center
- Imported Water – State Water Project

Shared

- Reservoirs – Anderson & Coyote
- Imported Water – Central Valley Project

South County

- Reservoirs – Chesbro, Uvas
- SCRWA Recycled Water System

FY 2019-2020 Schedule (Tentative)

- Jan 8 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 16 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 23 Water Commission Meeting: Prelim Groundwater Charge Analysis

- Feb 12 Board Meeting: Review draft CIP & Budget development update
- Feb 22 Mail notice of public hearing and file PAWS report

- Mar 20 Water Retailers Meeting: FY 19 Groundwater Charge Recommendation

- Apr 1 Ag Water Advisory Committee
- Apr 2 Landscape Committee Meeting
- Apr 9 Open Public Hearing
- Apr 10 Water Commission Meeting
- Apr 11 Continue Public Hearing in South County
- Apr 23 Conclude Public Hearing
- Apr 24-26 Board Meeting: Budget work study session

- May 7 Adopt budget & groundwater production and other water charges