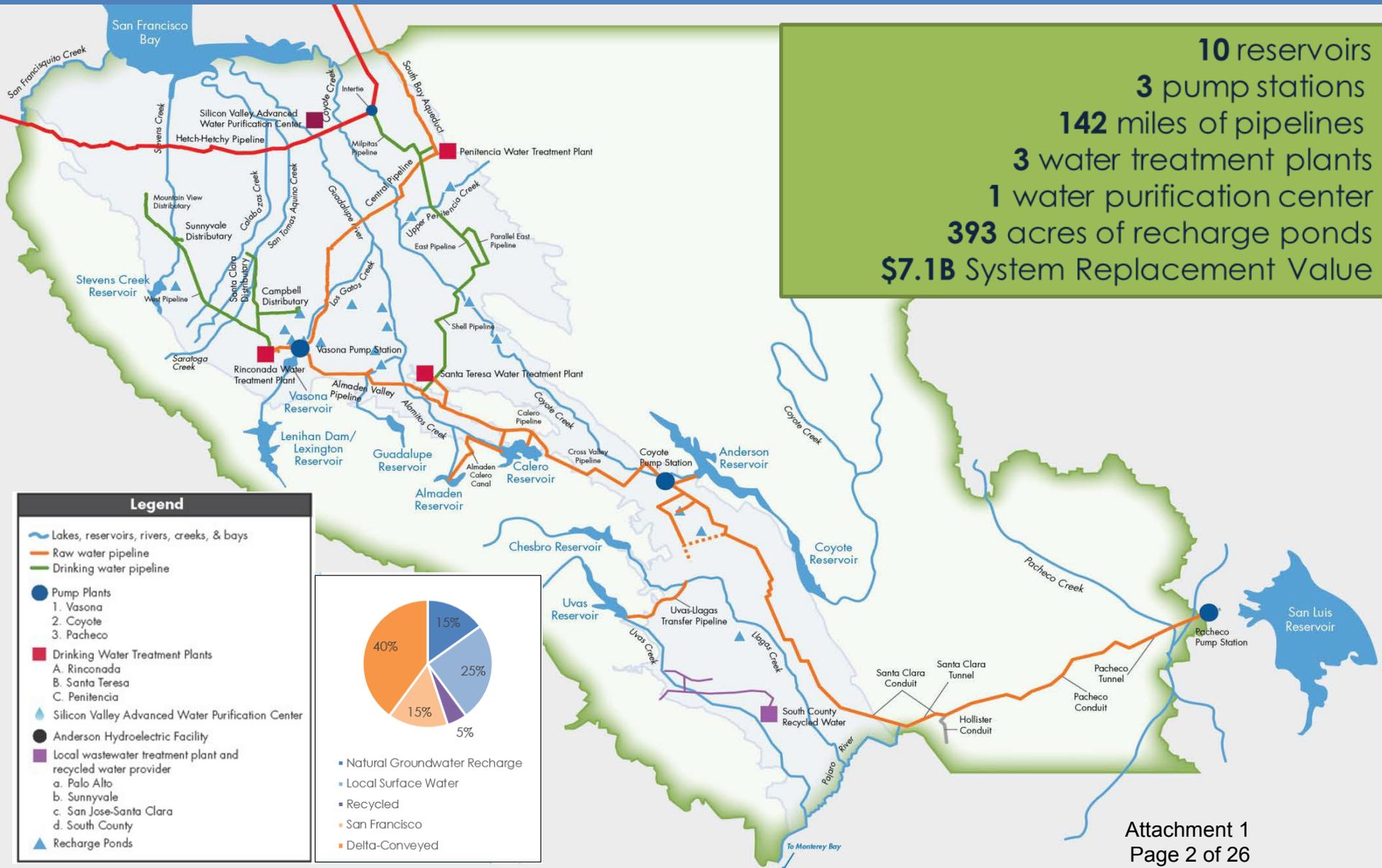


Overview of Current/Future Water Supply Planning Efforts, the District's Capital Improvement Program, and the Wholesale Rate-Setting Process

Special Joint Meeting with City of Sunnyvale

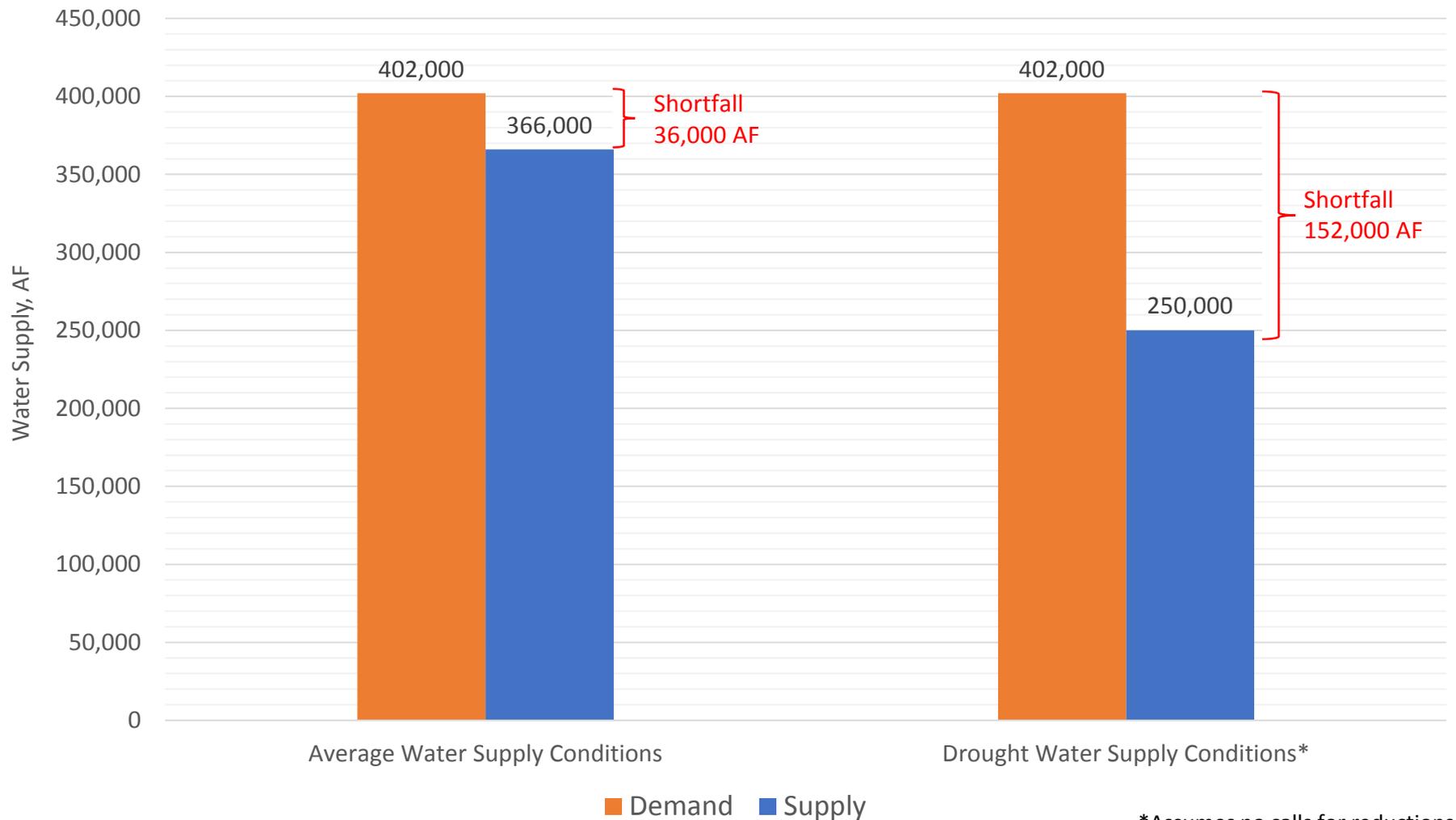
December 17, 2018

A Comprehensive, Flexible Water System



Water Supply Master Plan Update

Analysis shows declining reliability in year 2040



*Assumes no calls for reductions

Attachment 1

Many Projects and Portfolios of Projects have been Evaluated for Filling the Gap



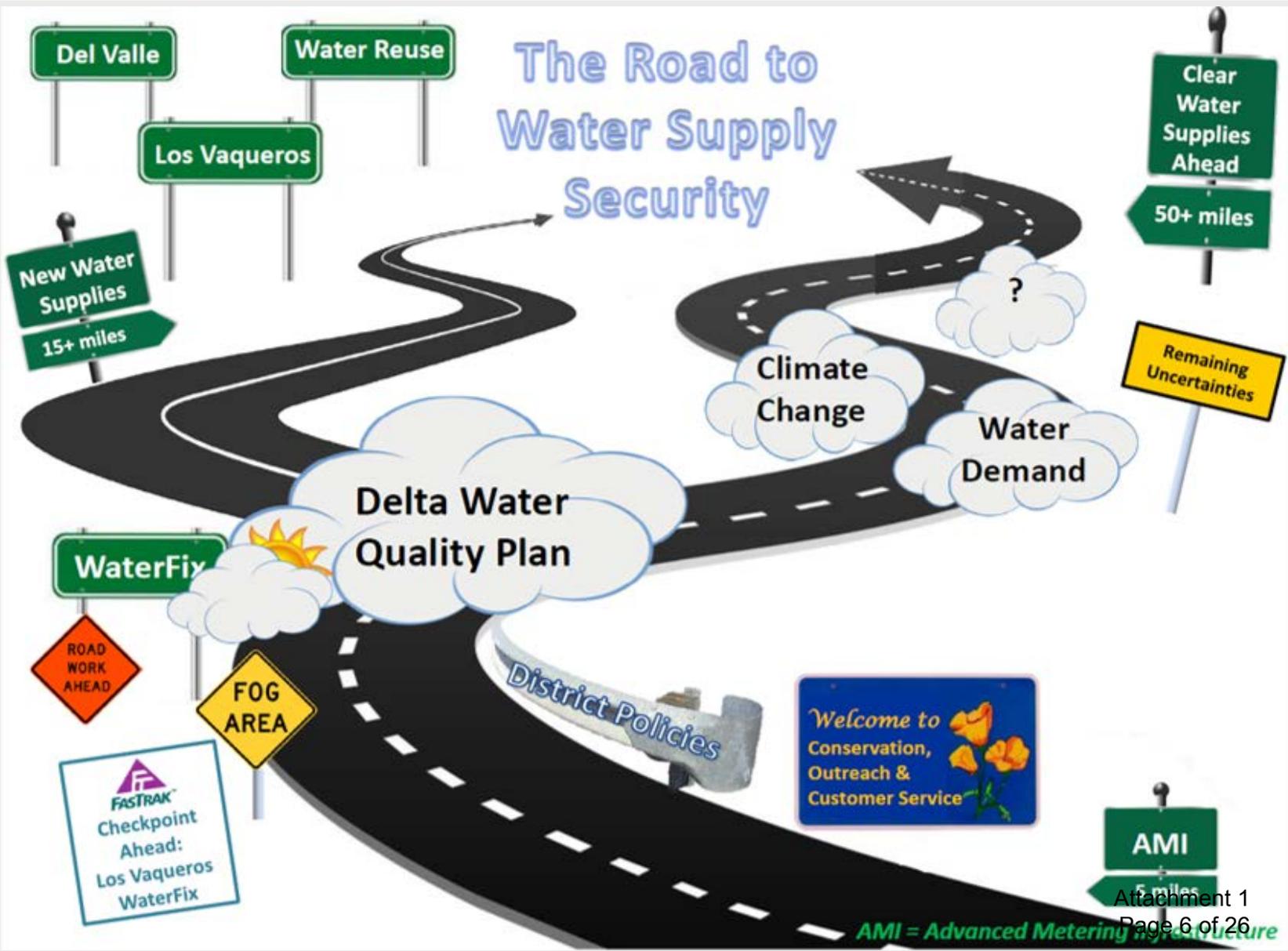
2012 Board-Adopted “Ensure Sustainability” Strategy

Three Elements:

1. Securing existing supplies and infrastructure
2. Expand conservation and reuse
3. Optimize the system



Manage Unknowns and Risks



Capital Improvement Program – Key Water Supply Projects



**Dam Seismic Retrofits/Improvements
(\$780 Million)**

**Rinconada WTP Reliability Improvements
(\$290 Millions)**



**10-Year Pipeline Rehabilitation
(\$125 Million)**



**Expedited Purified Water Program (EPWP)
(\$1 Billion)**



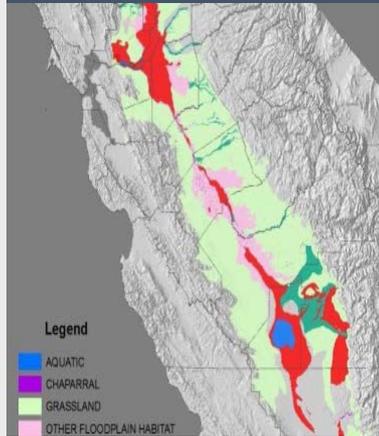
The Pacheco Reservoir Expansion Will Address Five Big Challenges

Restore Federally Threatened Fish



90% population decline in Pajaro watershed from 1960s to 1990s

Improve the Delta



90% of Delta watershed wetlands have disappeared

Improve Resiliency and Emergency Water Supply



66% chance of Delta earthquake in next 50 years; **45%** of water supply imported from Delta

Eliminate Water Quality Issues in San Luis Reservoir



Water quality issues during summer months in **57%** of years

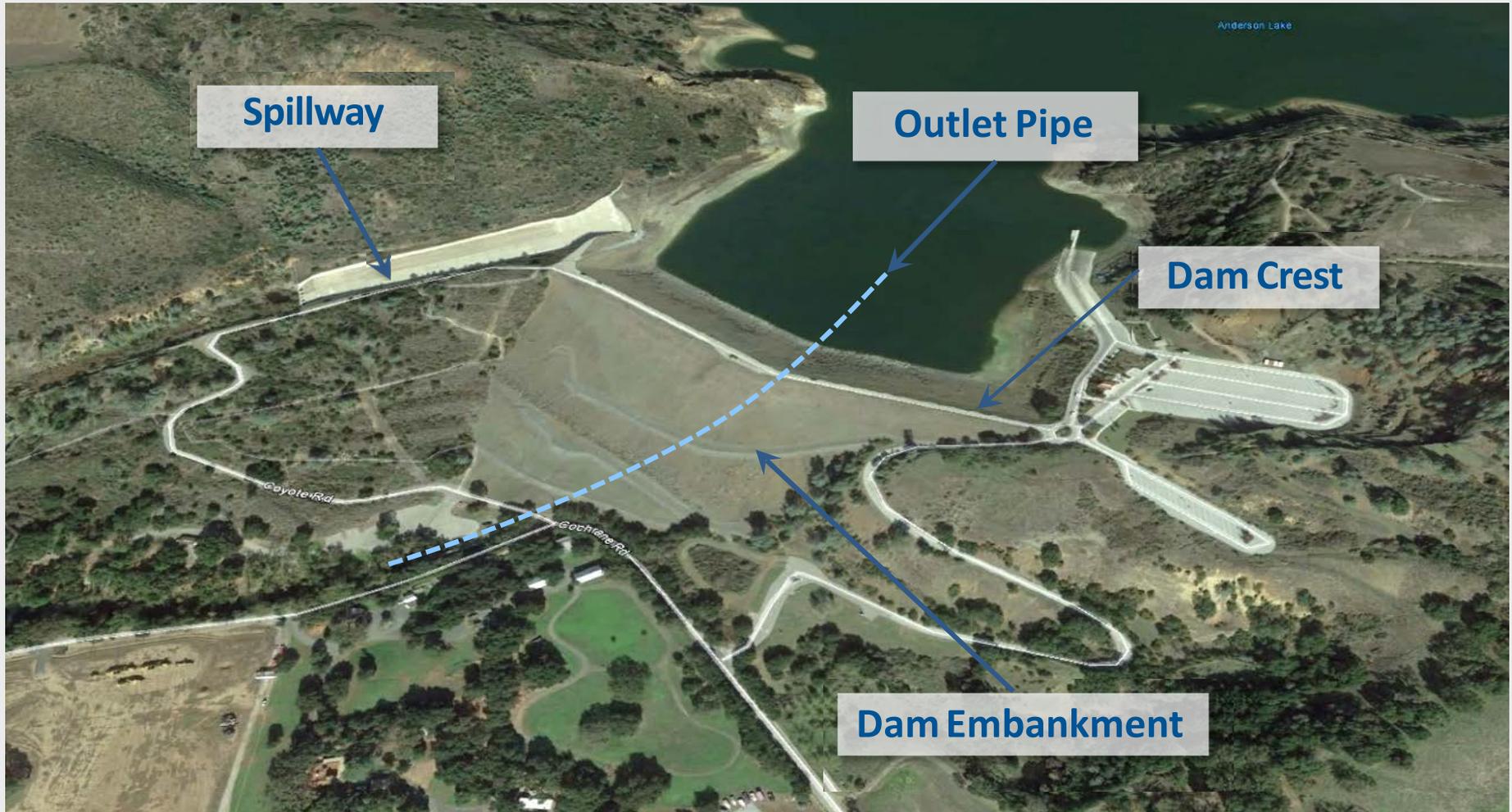
Reduce Flooding to Disadvantaged Communities



Extensive flooding even for frequent/small events; **20-year** flood in 2017 (pictured)

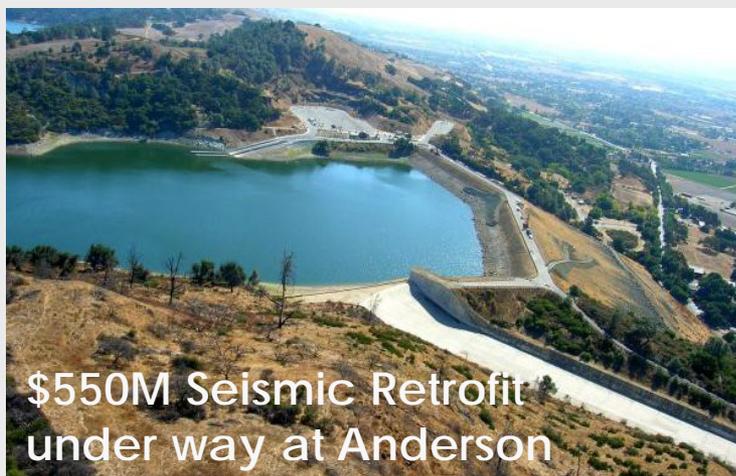
Anderson Dam Project Update

Anderson Dam Existing Configuration



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

Construction at Anderson Reservoir, 1951



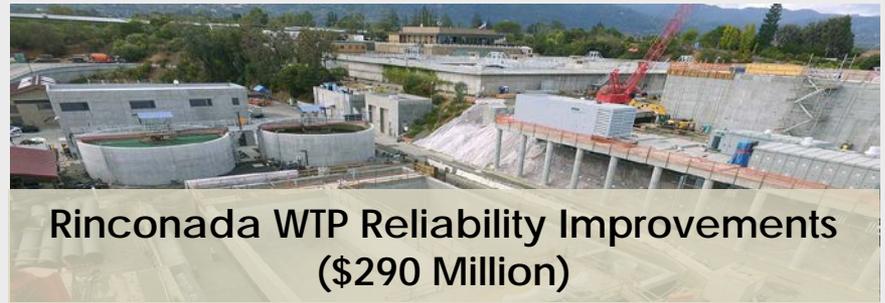
- ▶ Local rainfall cannot sustain Santa Clara County water needs
- ▶ Planning in early 1900's called for construction of reservoirs to capture rainwater to percolate into the ground
- ▶ Groundwater Production Charge is a reimbursement mechanism
 - ▶ pays for efforts to protect and augment water supply

Many activities ensure safe, reliable groundwater supplies

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



**Dam Seismic Retrofits/Improvements
(\$780 Million)**



**Rinconada WTP Reliability Improvements
(\$290 Million)**



**Expedited Purified Water Prgm (EPWP)
(\$1 Billion)**



**10-Year Pipeline Rehabilitation
(\$125 Million)**

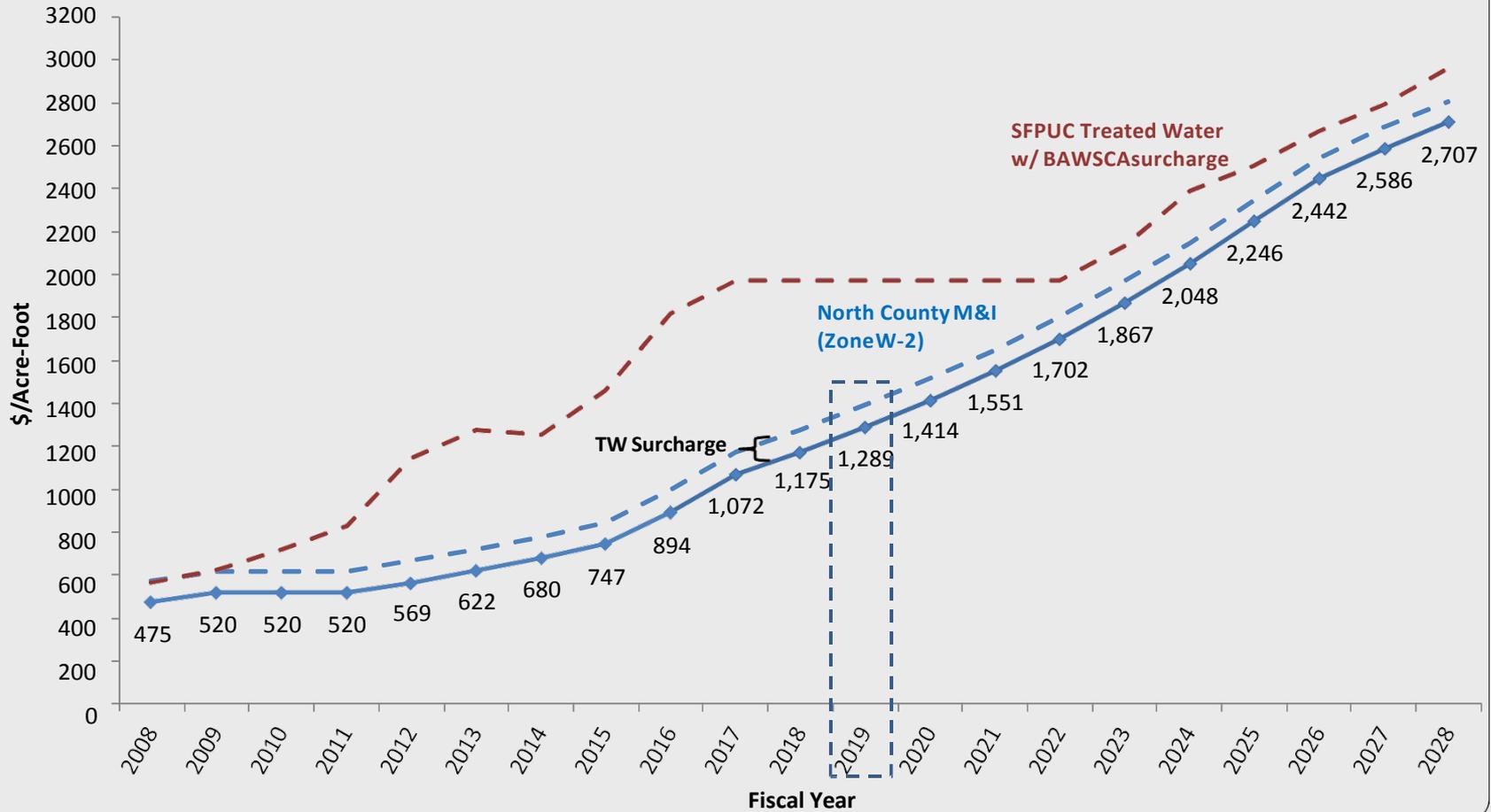
Groundwater Production Charge Projection

(\$ in millions)

Water Utility Enterprise Fund

North County M&I Groundwater Charge

As of May
2018



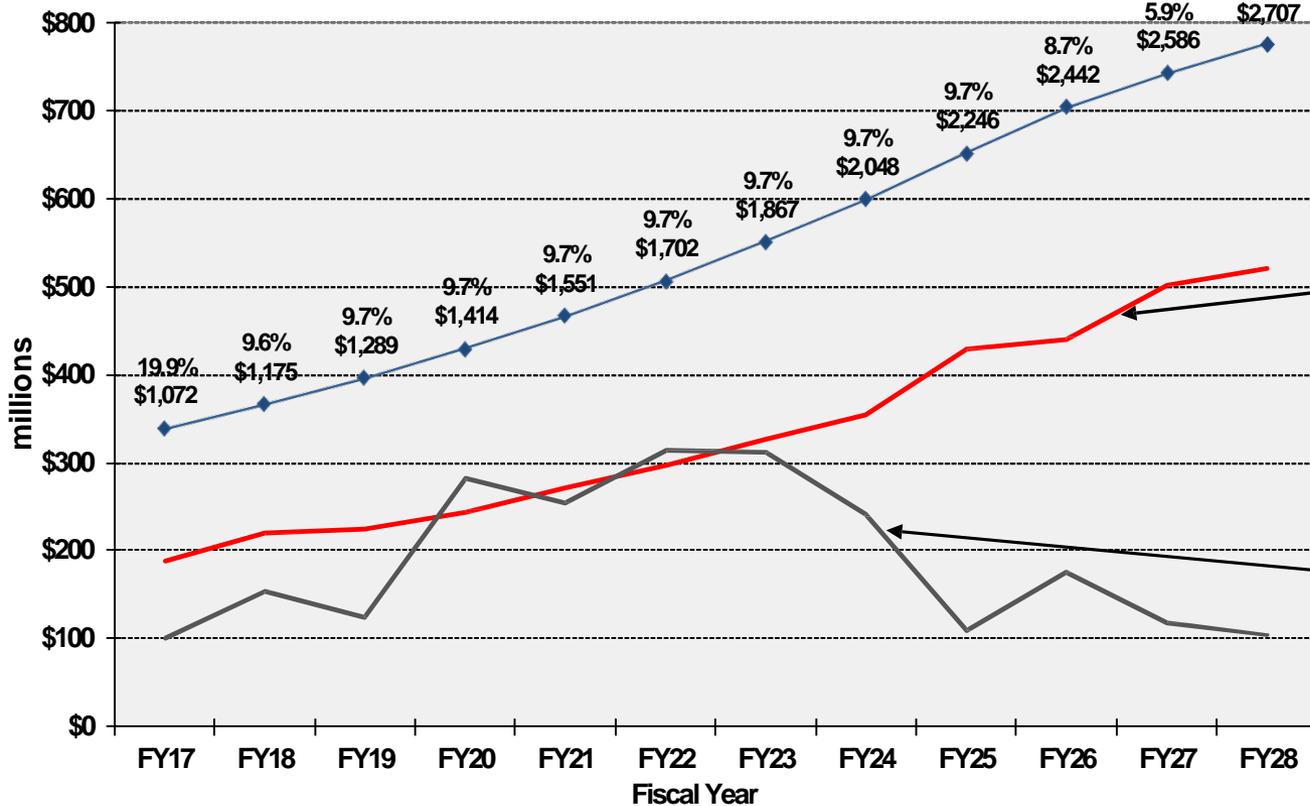
Note: This projection does not account for impacts associated with the Bay Delta Water Quality Control Plan or Pacheco Reservoir Expansion

Groundwater Production Charge Projection

(\$ in millions)

Water Utility Enterprise Fund

As of May 2018



O&M costs driven by California WaterFix & EPWP Water Services Agreement

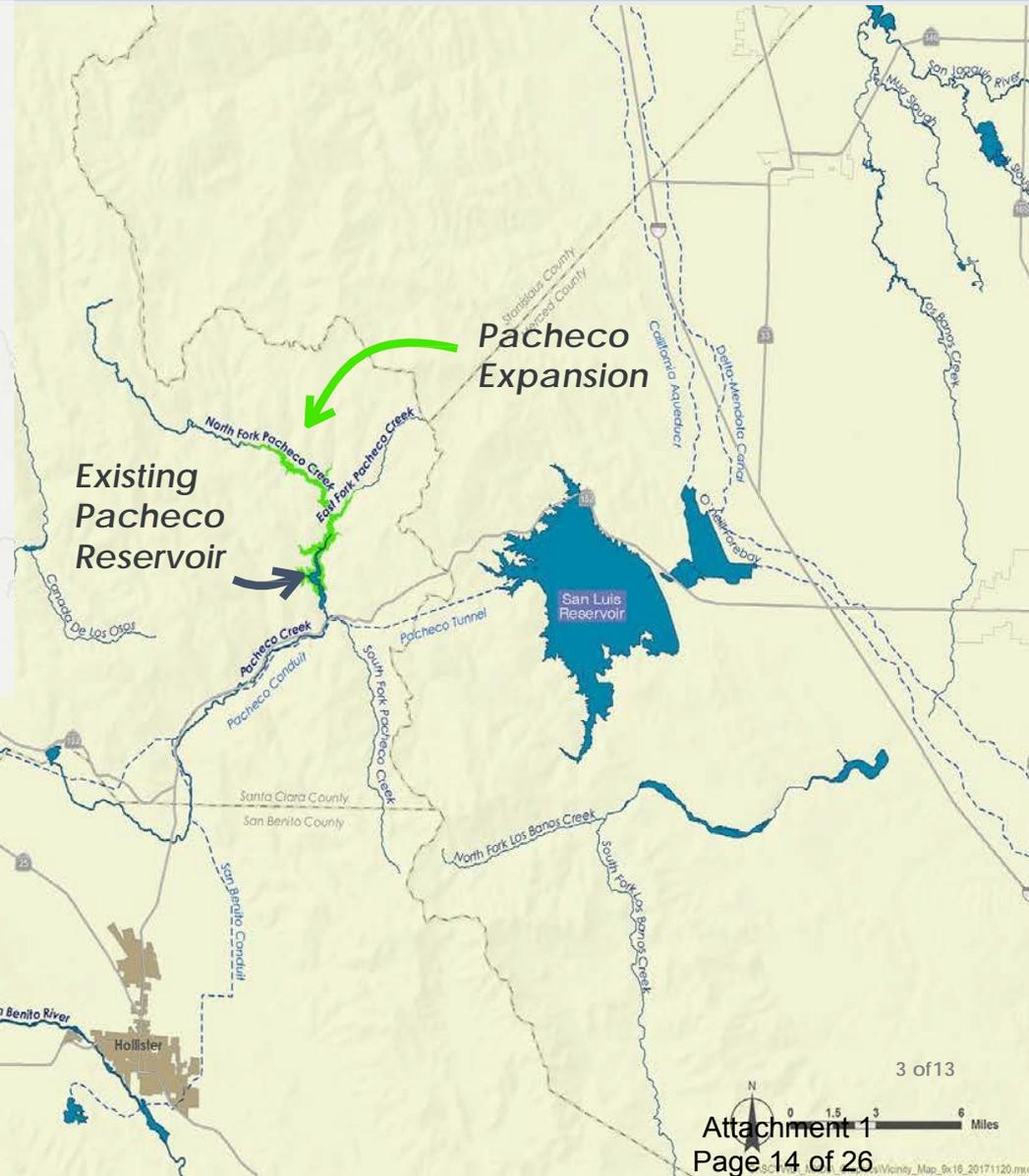
Capital costs driven by Dam Seismic Retrofits, Rinconada WTP, & EPWP



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

Pacheco Reservoir Expansion Funding Strategy

- ▶ Received \$485M WSIP Prop 1 funding
 - ▶ Including \$24.2M early funding
- ▶ Pursuing \$250M federal funding under WIIN Act
- ▶ Contemplating \$250M WIFIA loan
- ▶ SBWD will partner up to 10%
- ▶ Other agencies may partner
- ▶ Water Charges



Resolution 99-21 is the Board's Pricing Policy



- ▶ Groundwater charges are levied within a zone for benefits received
- ▶ All water sources and water facilities contribute to common benefit within a zone regardless of cost, known as “pooling” concept
 - ▶ Helps maximize effective use of available resources
- ▶ Agricultural water charge shall not exceed 10% of M&I water charge

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

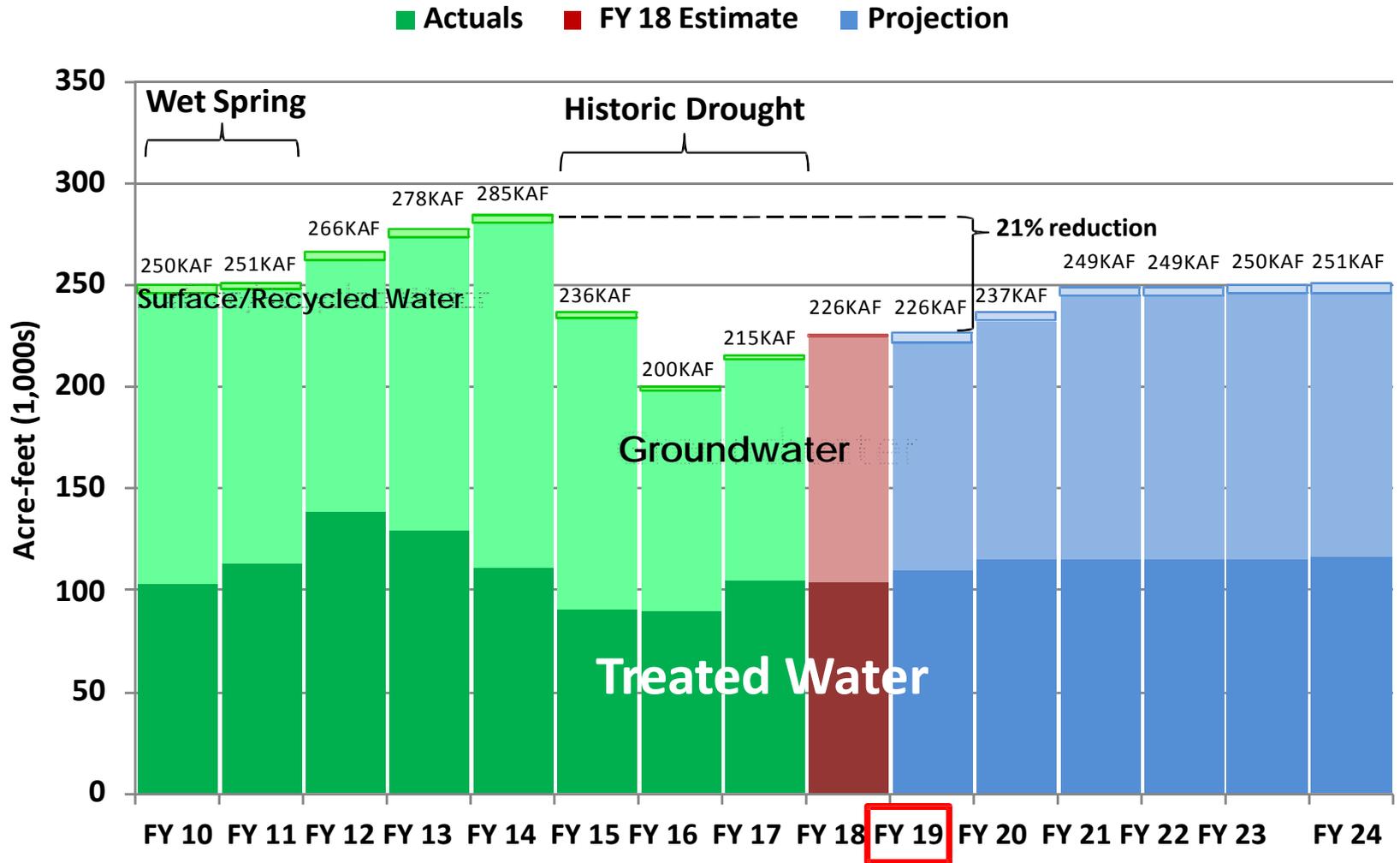
Shared

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

South County

- Reservoirs – Chesbro, Uvas
- SCRWA Recycled Water System

Water Usage (District Managed)



Note: FY 17 refers to fiscal year 2016-17

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 14 Adopt budget & groundwater production and other water charges

Backup Slides

SANTA CLARA COUNTY GROUNDWATER AT-A-GLANCE

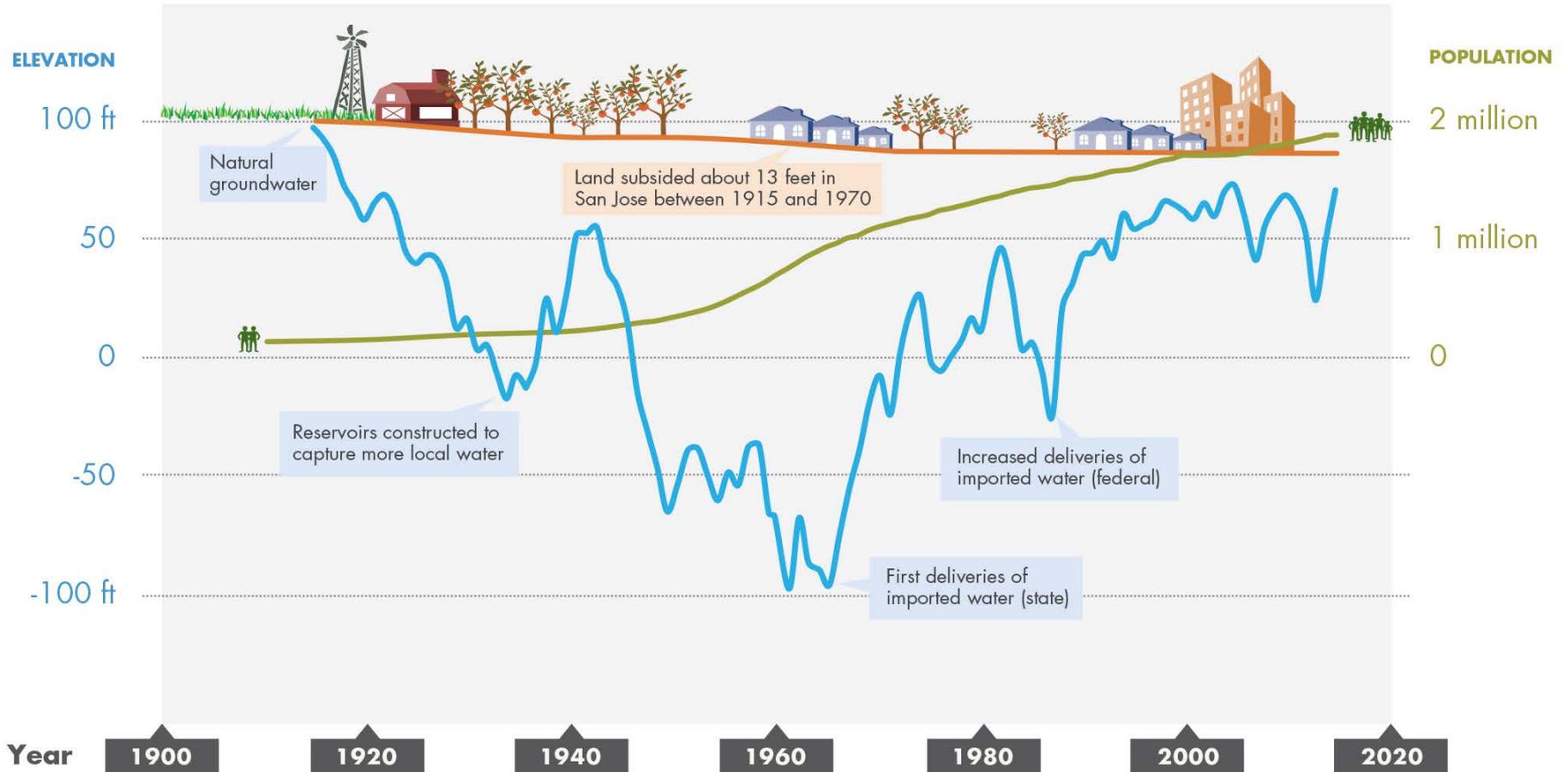
a graphic representation not intended as a technical exhibit



Land Surface Elevation

Groundwater Elevation

Population



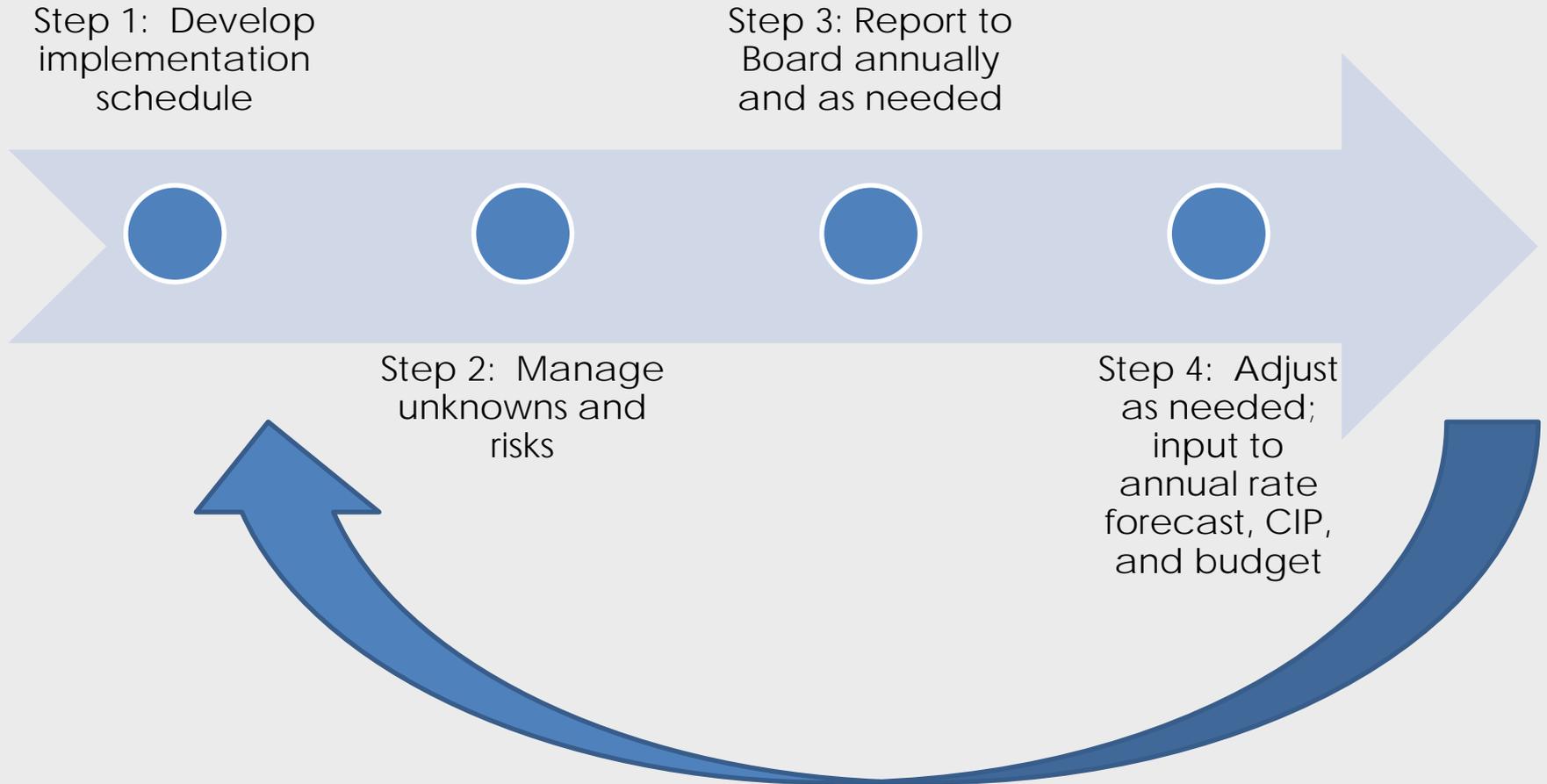
Last updated January 27, 2017

Suggested Projects Achieve Recommended Level of Service Goal

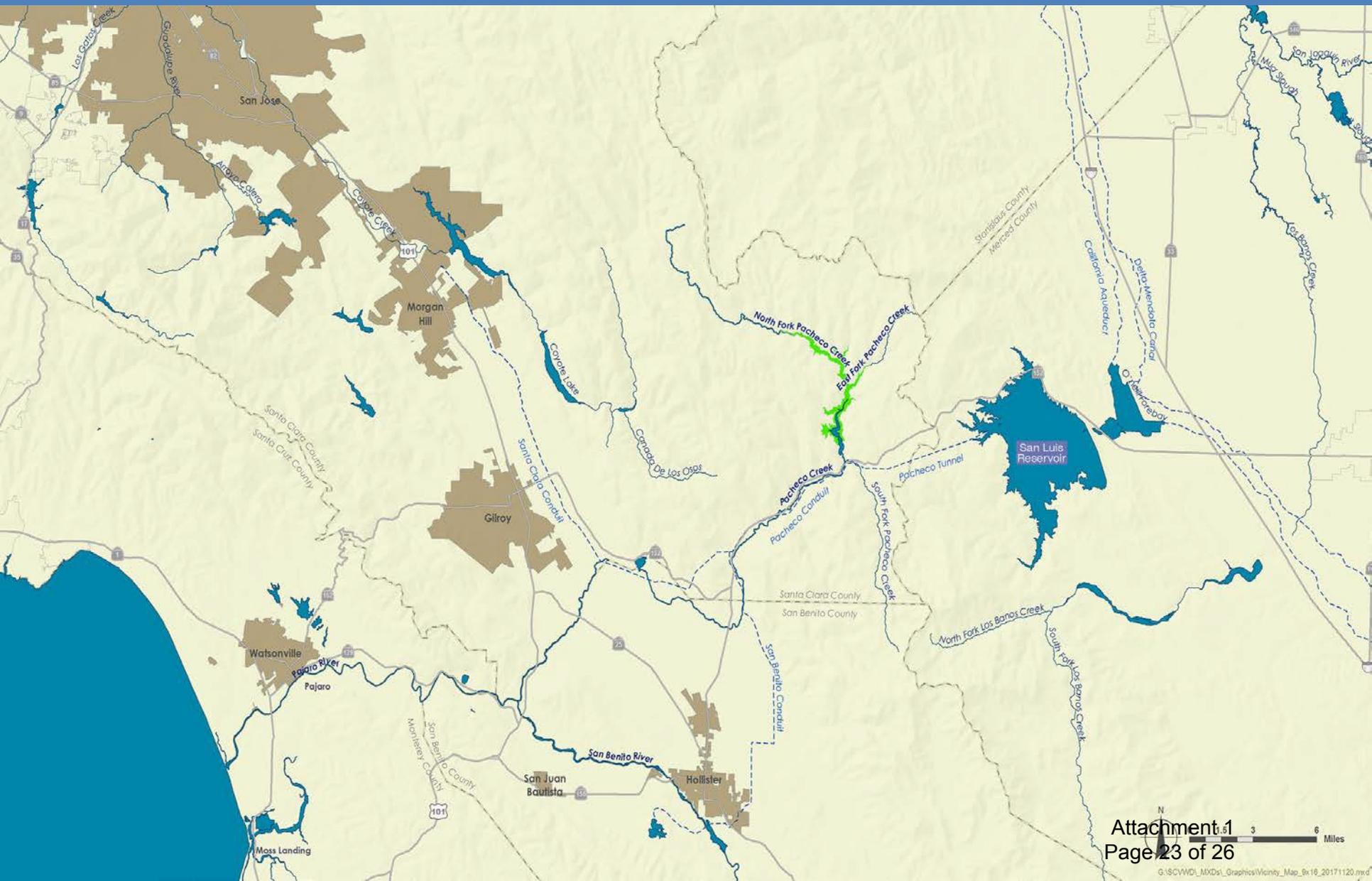
Scenario	Base Case	With Some Suggested Master Plan Projects	With All Suggested Master Plan Projects
Minimum Drought Reliability	Meets 50% of demands	Meets 80% of demands	Meets 90% of demands
Present Value Benefits (2017\$)	Not applicable	\$2,480,000,000	\$2,700,000,000
Present Value Cost to District (2017\$)	Not applicable	\$1,600,000,000	\$2,450,000,000
Benefit:Cost Ratio	Not applicable	1.6	1.1

- Baseline Projects
- Baseline Projects
- Baseline Projects
- No Regrets Package
- No Regrets Package
- No Regrets Package
- Potable Reuse
- Potable Reuse
- Potable Reuse
- South County Recharge
- South County Recharge
- South County Recharge
- CWF (State Side)
- CWF (State Side)
- CWF (State Side)
- CWF (Federal Side)
- CWF (Federal Side)
- CWF (Federal Side)
- Pacheco
- Pacheco
- Pacheco
- Transfer-Bethany Pipeline
- Transfer-Bethany Pipeline
- Transfer-Bethany Pipeline

RoadMAP (Monitoring & Assessment Plan)



Pacheco Reservoir Expansion Project Location



Anderson Dam Project Update

Current Project Efforts:

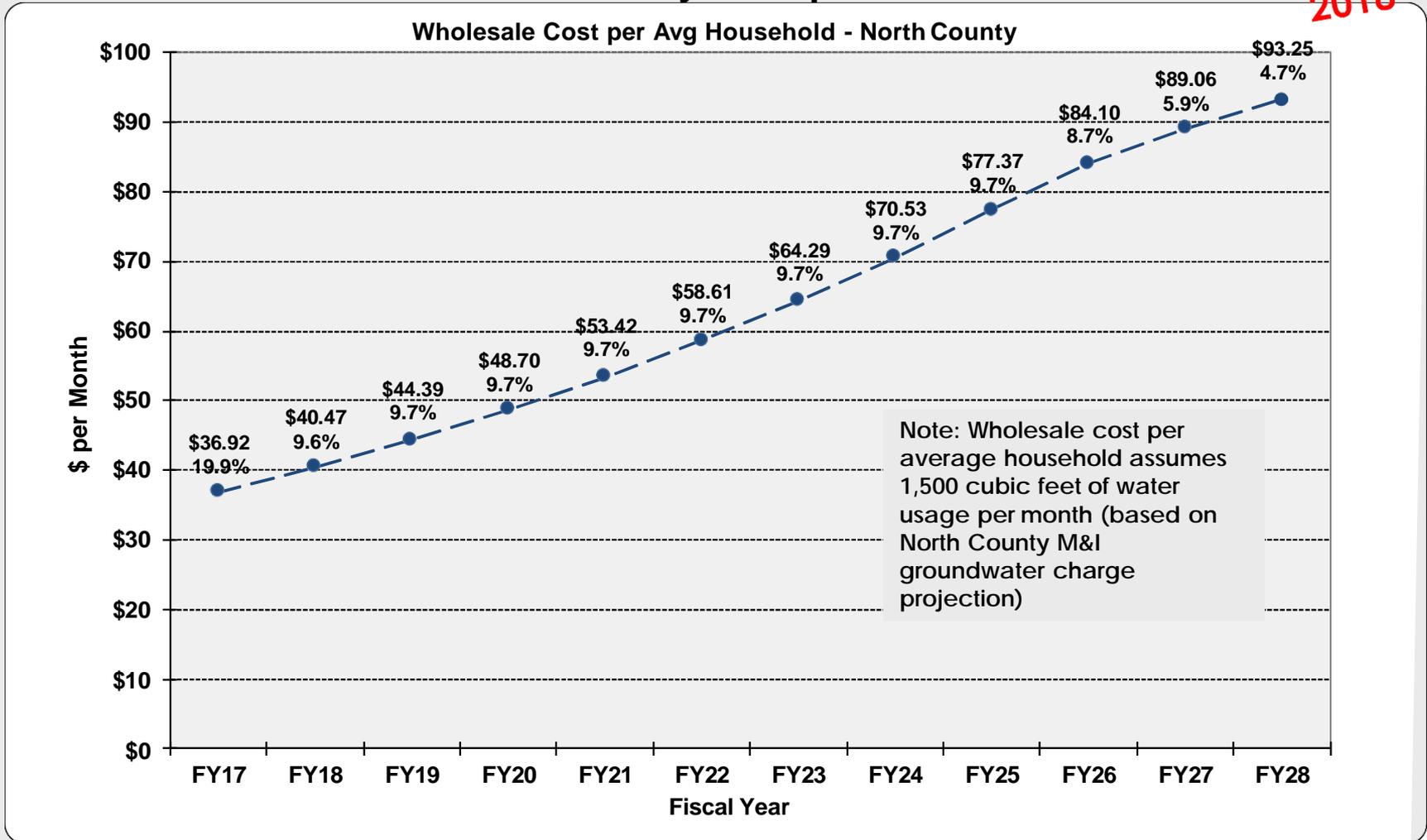
- 60% Design completed; under review
- Geotechnical investigations for spillway replacement
- Preparation of environmental and permit documents
- Full court press on permitting process.

Groundwater Production Charge Projection

(\$ in millions)

Water Utility Enterprise Fund

As of May 2018



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

District Act Defines Purposes for Groundwater Charges

1

Imported Water Facilities

2

Imported Water Purchases

3

All Facilities which will “conserve or distribute water including facilities for groundwater recharge, surface distribution, and purification and treatment”

4

Debt