



# Santa Clara County Creeks Coalition

*Advocates for living streams*

04/10/18  
Item 2.6-C  
HANDOUT

April 6, 2018

Mr. Richard Santos, Chair  
Board of Directors  
Santa Clara Valley Water District

Ms. Nina Hawk  
Chief Operating Officer  
Water Utility  
Santa Clara Valley Water District  
By email

Dear Mr. Santos and Ms. Hawk,

I have reviewed the staff report for the April 10, 2018 Board meeting re: Groundwater Production Charges and Draft CIP presented at the February 27, 2018 Board meeting.

The overall impression I have is that these documents are not responsive to the direction and to the questions raised by Director Estremera and Director Hsueh in June 2016. Director Estremera said that he wanted the fishery projects DONE. Director Hsueh said she wanted a staffing plan, budget and schedule for completing the projects. Director Estremera indicated his preference that staff not say why it was impossible, but rather that staff indicate what they need from the Board in order to get the projects done.

Though there may be a document that the public is not privy to that does address these questions, the documents available to the public indicate do not project a completion date for the FAHCE fish migration barrier projects nor a way to pay for all of them.

So I have taken a stab at answering that question.

1. The cost to complete the projects on the Coyote and Guadalupe i.e. Ogier Ponds, Metcalf Ponds, Singleton Road, Lake Almaden and the Alamitos Drop structure would cost about \$100.1 million compared to the \$88.7 contained in the CIP. The additional funding total is due to inclusion of Singleton Road and the Alamitos Drop Structure in the cost estimates.
2. To complete these projects by FY 23 would require an additional \$36 million during the next 5 fiscal year compared to what is in the CIP for the years FY 19 to FY23 for FAHCE, Metcalf Ponds, Ogier Ponds, Lake Almaden..
3. A portion of this funding can be recovered by cost recovery/reimbursement agreements with the City and County.
4. This additional funding in each of the next fiscal years constitutes about 2-4% of the District's planned capital costs.
5. The funding could be provided in one of three ways:
  - a. Realignment of scheduling priorities for certain of the District's capital projects may be the least painful of the District's options for completing the fish migration projects in a timely way.

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- b. An increase of 2% in the Groundwater Production charges in FY19 and FY 20 would provide sufficient increased revenue over the next 5 years to pay for these projects (if only Groundwater Production is charged) and 1% if both the total of Groundwater Production and Treated Water can be charged. This is fairly modest increase but with a significant return on investment in the sense of completing the fish migration projects in a timely manner.
- c. If bonding authority were used to raise the \$36 million and recoup the costs over 20 years, then a 0.5% or 0.9% increase in water rates would be needed. This is a fairly negligible impact on Water Rates.

All these alternatives assume that the District requests State Water Board action to modify their Water Rights Licenses to allow for the implementation of these projects as an interim step in addressing the District's public trust responsibilities.

Questions I have:

- 1. Are the FAHCE implementation charges in the CIP being allocated to the GWP program or the Treated Water Program or both?
- 2. What percentage of the treated water program could public trust protection costs be allocated to?
- 3. What are the charges for water supply operations that are charged to the Treated Water Program? The treated water program benefits from the Dams and so charging the treated water program for public trust resource protection could be justified.

I would be happy to supply the several pages of calculations that went into these conclusions if there were genuine interest in this approach. Suffice it to say that the costs for projects and the schedule of expenditures came from the CIP document included in the Board's agenda of 2/27/2018 and the data for water consumption came from Exhibit 2 in the staff report on Water Rates in the Board's agenda packet for 4/10/2018.

Sincerely



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Program Coordinator  
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