



Preliminary FY 20 Groundwater Production Charge Analysis Continued...

January 14, 2019



Board Member Comments on January 8, 2019

- ▶ Scenario 4 should be eliminated
 - ▶ Does not meet 80% level of service goal
- ▶ Separate potential investments in Sites and Los Vaqueros reservoirs
 - ▶ include most viable option in scenario
- ▶ Little support for reducing investment in potable reuse prior to FY 29, & delaying remaining investment to beyond FY 29
- ▶ Support for Scenario 1, achieves 90% LOS goal
 - ▶ General support indicated for scenarios that achieve 80% LOS goal

Financial Analysis: Additional Scenario Assumptions

1) WSMP 90% Level Of Service (LOS)

- ▶ Baseline Projects
- ▶ CWF (State side)
 - ▶ Paid for by water charges, not SWP Tax
- ▶ CWF (CVP side)
- ▶ No Regrets Package
- ▶ Potable Reuse Phase 1 to produce 24KAF by FY 28
 - ▶ Based on \$690M capital project, District contributes 30% “pay as you go”
 - ▶ P3 reserve at \$8M in FY 20 growing to \$20M by FY 28
- ▶ Pacheco Reservoir
- ▶ Transfer-Bethany Pipeline
- ▶ South County Recharge
 - ▶ Timing = beyond FY 29

Also Includes:

- ▶ \$200M warranty placeholder for dams & WTP's
- ▶ Guiding Principle #5

North 8.1%, South 7.7% avg annual incr.

6) WSMP 90% LOS, Pacheco paid by other sources

- ▶ Baseline Projects
- ▶ CWF (State side)
 - ▶ Paid for by water charges, not SWP Tax
- ▶ CWF (CVP side)
- ▶ No Regrets Package
- ▶ Potable Reuse Phase 1 to produce 24KAF by FY 28
 - ▶ Based on \$690M capital project, District contributes 30% “pay as you go”
 - ▶ P3 reserve at \$8M in FY 20 growing to \$20M by FY 28
- ▶ **Pacheco Reservoir paid for by other sources**
- ▶ Transfer-Bethany Pipeline
- ▶ South County Recharge
 - ▶ Timing = beyond FY 29

Also Includes:

- ▶ \$200M warranty placeholder for dams & WTP's
- ▶ Guiding Principle #5

North 6.4%, South 7.2% avg annual incr.

7) WSMP 80% with Transfer-Bethany Pipeline

- ▶ Baseline Projects
- ▶ CWF (State side)
 - ▶ Paid for by water charges, not SWP Tax
- ▶ ~~CWF (CVP side)~~
- ▶ No Regrets Package
- ▶ Potable Reuse Phase 1 to produce 24KAF by FY 28
 - ▶ Based on \$690M capital project, District contributes 30% “pay as you go”
 - ▶ P3 reserve at \$8M in FY 20 growing to \$20M by FY 28
- ▶ Pacheco Reservoir paid for by other sources
- ▶ Transfer-Bethany Pipeline
- ▶ South County Recharge
 - ▶ Timing = beyond FY 29

Also Includes:

- ▶ \$200M warranty placeholder for dams & WTP's
- ▶ Guiding Principle #5

North 5.9%, South 6.4% avg annual incr.

Financial Analysis: Additional Scenario Assumptions

8) WSMP 80% with Transfer-Bethany Pipeline, + LV

- ▶ Baseline Projects
- ▶ CWF (State side)
- ▶ ~~CWF (CVP side)~~
- ▶ No Regrets Package
- ▶ Potable Reuse Phase 1 to produce 24KAF by FY 28
 - ▶ Based on \$690M capital project, District contributes 30% "pay as you go"
 - ▶ P3 reserve at \$8M in FY 20 growing to \$20M by FY 28
- ▶ Pacheco Reservoir paid for by other sources
- ▶ Transfer-Bethany Pipeline
- ▶ South County Recharge
 - ▶ Timing = beyond FY 29
- ▶ **Los Vaqueros**

Also Includes:

- ▶ \$200M warranty placeholder for dams & WTP's
- ▶ Guiding Principle #5

North 6.0%, South 6.8% avg annual incr.

9) WSMP 80%, Pacheco w/ \$250M WIIN, WIFIA loan & Partners Pay 20%

- ▶ Baseline Projects
- ▶ CWF (State side)
- ▶ ~~CWF (CVP side)~~
- ▶ No Regrets Package
- ▶ Potable Reuse Phase 1 to produce 24KAF by FY 28
 - ▶ Based on \$690M capital project, District contributes 30% "pay as you go"
 - ▶ P3 reserve at \$8M in FY 20 growing to \$20M by FY 28
- ▶ **Pacheco Reservoir**
 - ▶ **\$250M WIIN funding + WIFIA loan**
 - ▶ **Partner Agencies pay 20% of project**
- ▶ Transfer-Bethany Pipeline
- ▶ South County Recharge
 - ▶ Timing = beyond FY 29

▶ ~~Los Vaqueros~~

Also Includes:

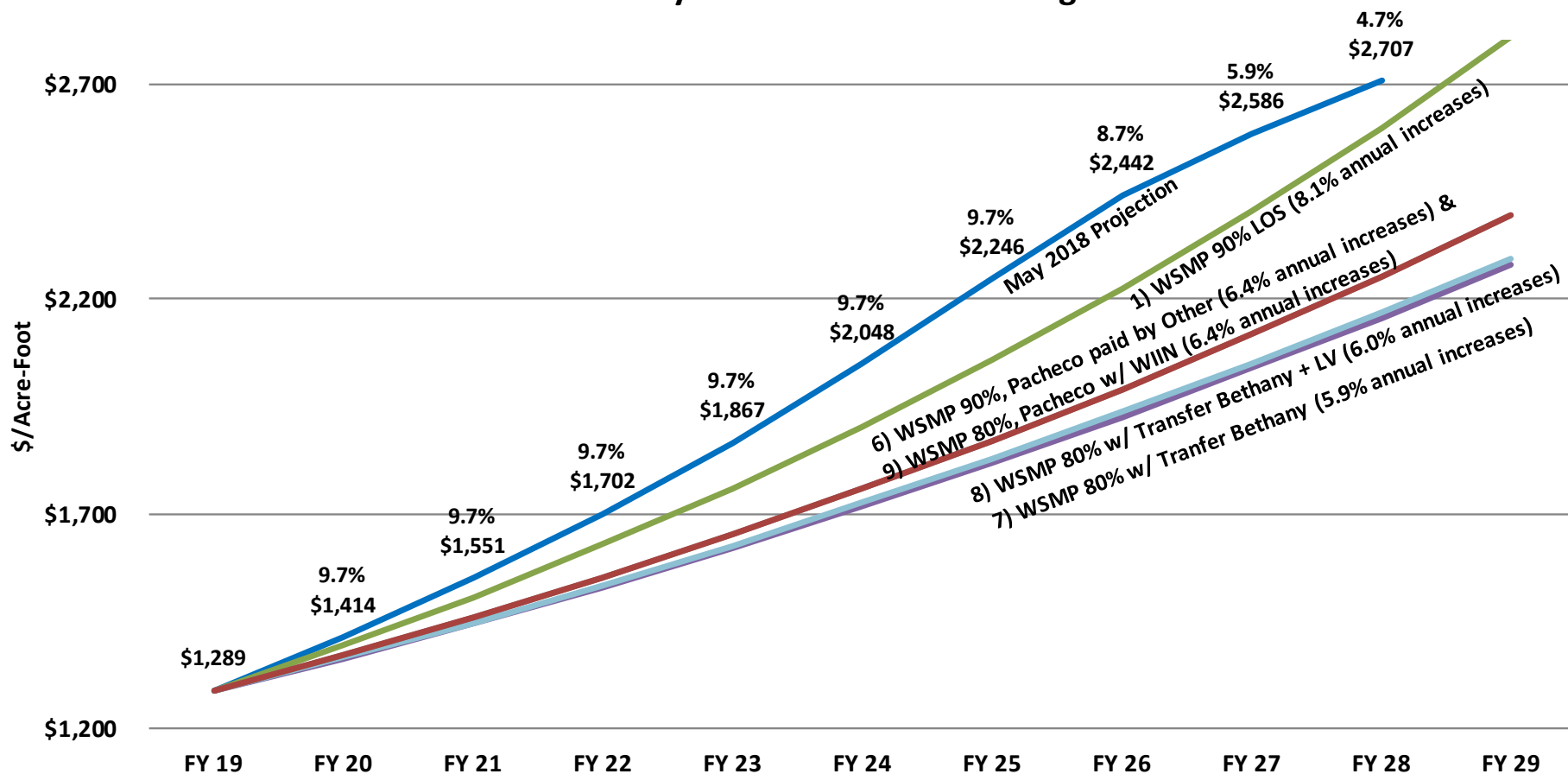
- ▶ \$200M warranty placeholder for dams & WTP's
- ▶ **Guiding Principle #5**

North 6.4%, South 6.6% avg annual incr.



Financial Analysis: Preliminary Groundwater Production Charge Projections

North County M&I Groundwater Charge





Financial Analysis: Preliminary Water Supply Investment Scenarios

No. County M&I Groundwater Charge Y-Y Growth %

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	8.7%	5.9%	4.7%	
1) WSMP 90% LOS	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
6) WSMP 90% LOS, Pacheco paid by Other	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
7) WSMP 80% LOS w/ Xfer Bethany	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.8%	5.8%
8) WSMP 80% LOS w/ Xfer Bethany + LV	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.8%	5.8%	5.8%
9) WSMP 80% LOS w/ Xfer Bethany + WIIN	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%

So. County M&I Groundwater Charge Y-Y Growth %

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	
1) WSMP 90% LOS	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
6) WSMP 90% LOS, Pacheco paid by Other	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
7) WSMP 80% LOS w/ Xfer Bethany	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
8) WSMP 80% LOS w/ Xfer Bethany + LV	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
9) WSMP 80% LOS w/ Xfer Bethany + WIIN	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%



Financial Analysis: Preliminary Water Supply Investment Scenarios

No. County Increase per Month per Avg Household*

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	\$4.31	\$4.72	\$5.18	\$5.68	\$6.24	\$6.84	\$6.73	\$4.96	\$4.19	
1) WSMP 90% LOS	\$3.60	\$3.89	\$4.20	\$4.54	\$4.91	\$5.31	\$5.74	\$6.20	\$6.71	\$7.25
6) WSMP 90% LOS, Pacheco paid by Other	\$2.84	\$3.02	\$3.22	\$3.42	\$3.64	\$3.87	\$4.12	\$4.39	\$4.67	\$4.97
7) WSMP 80% LOS w/ Xfer Bethany	\$2.62	\$2.77	\$2.94	\$3.11	\$3.29	\$3.49	\$3.69	\$3.91	\$4.07	\$4.31
8) WSMP 80% LOS w/ Xfer Bethany + LV	\$2.66	\$2.82	\$2.99	\$3.17	\$3.36	\$3.56	\$3.78	\$3.87	\$4.10	\$4.33
9) WSMP 80% LOS w/ Xfer Bethany + WIIN	\$2.84	\$3.02	\$3.22	\$3.42	\$3.64	\$3.87	\$4.12	\$4.39	\$4.67	\$4.97

So. County Increase per Month per Avg Household*

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	\$1.19	\$1.29	\$1.38	\$1.49	\$1.61	\$1.73	\$1.86	\$2.01	\$2.16	
1) WSMP 90% LOS	\$1.19	\$1.29	\$1.38	\$1.49	\$1.61	\$1.73	\$1.86	\$2.01	\$2.16	\$2.33
6) WSMP 90% LOS, Pacheco paid by Other	\$1.12	\$1.20	\$1.28	\$1.37	\$1.47	\$1.58	\$1.69	\$1.82	\$1.95	\$2.09
7) WSMP 80% LOS w/ Xfer Bethany	\$0.99	\$1.06	\$1.12	\$1.19	\$1.27	\$1.35	\$1.44	\$1.53	\$1.63	\$1.73
8) WSMP 80% LOS w/ Xfer Bethany + LV	\$1.05	\$1.13	\$1.20	\$1.28	\$1.37	\$1.46	\$1.56	\$1.67	\$1.78	\$1.91
9) WSMP 80% LOS w/ Xfer Bethany + WIIN	\$1.02	\$1.09	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.60	\$1.71	\$1.82

* Calculated based on groundwater production charge



FY 2019-2020 Schedule

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
Mar 26	Board Meeting: Budget development update
Apr 1	Ag Water Advisory Committee
Apr 2	Landscape Committee Meeting
Apr 9	Open Public Hearing
Apr 10	Water Commission Meeting
Apr TBD	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



Summary of Preliminary Analysis

- Scenario 1 plus additional scenarios range from 5.9% to 8.1% annual increases in North County M&I groundwater charge, & 6.4% to 7.7% in South County
- Potential FY 20 increase ranges from \$2.62 to \$3.60 per month for the average household in North County, and \$0.99 to \$1.19 per month in South County
- Board direction to be incorporated into Report on Protection and Augmentation of Water Supplies (PAWS) scheduled for release on February 22, 2019