



Valley Water

Clean Water • Healthy Environment • Flood Protection

Preliminary Fiscal Year 2022-2026 (FY22-26) Capital Improvement Program (CIP) and Groundwater Charges.

Presented by **Darin Taylor**, Chief Financial Officer

Preliminary FY22-26 CIP and Groundwater Charges Board Actions Today

1. Review and approve Fiscal Year 2022-2026 (FY 22-26) Preliminary CIP list of projects.
2. Discuss and provide direction on the preliminary FY 2021-22 (FY22) Groundwater Production Charge analysis prepared by staff.

Preliminary FY22-26 CIP and Groundwater Charges Presentation Outline

1. Annual CIP Process

CIP Committee – 2021 Workplan

2. Preliminary FY 22-26 CIP

Project Categories and Key Drivers

Project Highlights by Category

Significant Updates from Prior Fiscal Year

Other Funding Sources (Reimbursements)

Summary of Project Costs

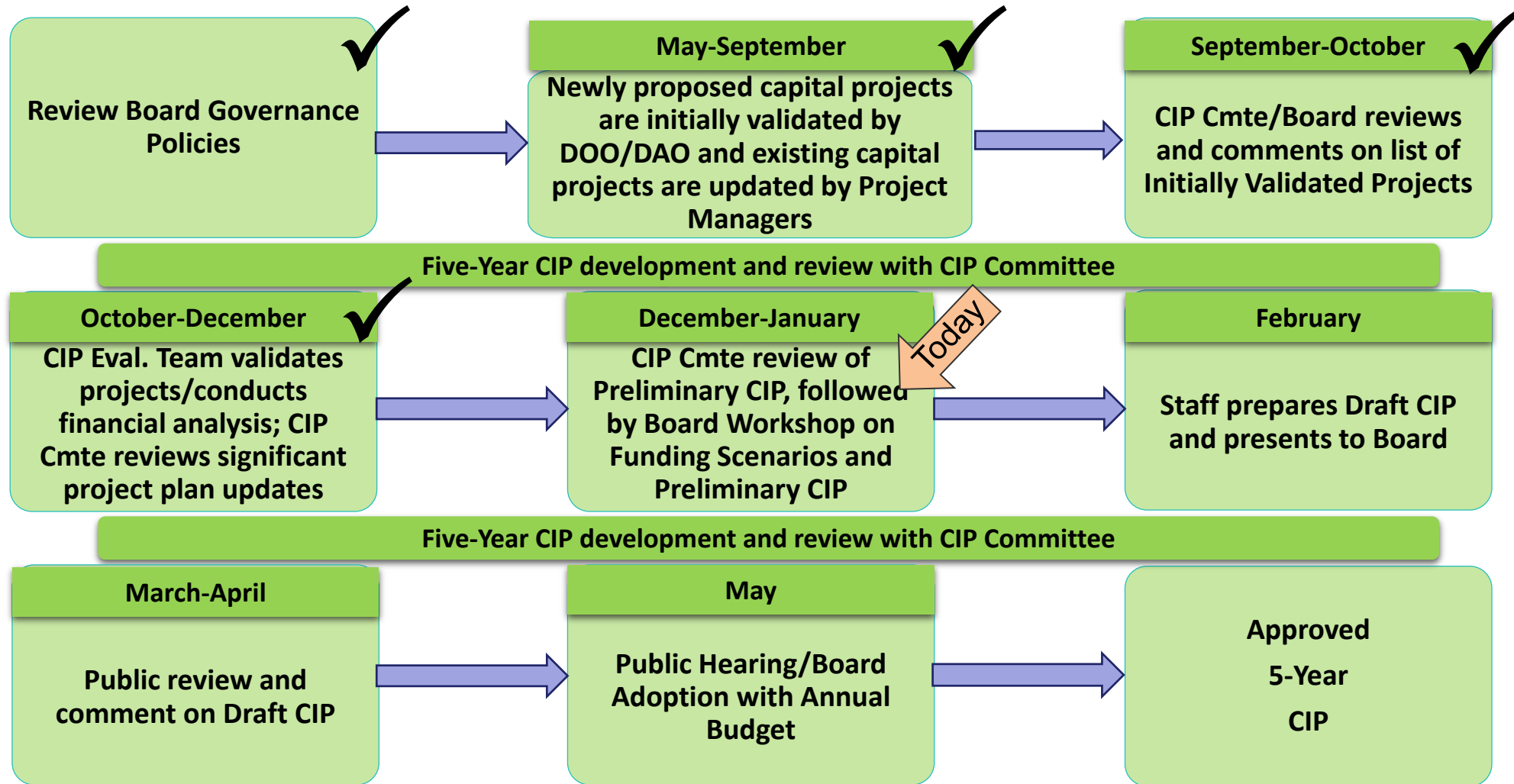
3. Preliminary Financial Forecast Overview for Funds 12 and 26

4. FY 22 Groundwater Production Charge Analysis

5. Next Steps

Annual CIP Process Overview

5



CIP Committee – 2021 Workplan

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DRAFT CIP Committee 2021 Workplan												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Capital Project Monitoring												
Feasibility/Planning	X			X			X			X		
Design/Permitting		X			X			X			X	
Construction			X			X			X			X
Consultant Agreement Compliance Process		X										
CIP Implementation												
Review Project Delivery Process for Capital Projects												
• O&M Costs (Design) and Readiness Assessment (Construction)		X										
CIP Development												
CIP Planning Process												
• Annual CIP Process and Integrated Financial Planning Calendar Overview										X		
• Committee Review of Initially Validated Projects										X		
• Review Significant Project Plan Updates											X	
Preliminary CIP Review												X
Standing Items												
Upcoming Consultant Agreement Amendments	X	X	X	X	X	X	X	X	X	X	X	X
Workplan	X	X	X	X	X	X	X	X	X	X	X	X
Minutes	X	X	X	X	X	X	X	X	X	X	X	X

Preliminary FY22-26 CIP Project Categories

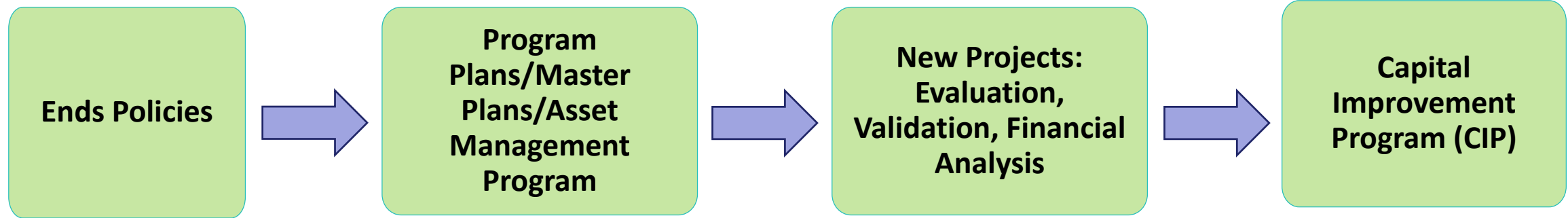
- Water Supply
- Flood Protection
- Water Resources Stewardship
- Buildings and Grounds
- Information Technology

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Preliminary FY22-26 CIP

Drivers for Capital Projects

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Key Driver for Water Supply:

Water Supply Master Plan (WSMP) – Three Strategies to “Ensure Sustainability”

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Strategy 1 (S1): Secure

- Majority of Water Supply CIP Projects
- Delta Conveyance Project

Strategy 2 (S2): Expand

- Water Conservation
- Stormwater Capture
- Potable Reuse

Strategy 3 (S3): Optimize

- Pacheco Reservoir Expansion
- Transfer-Bethany Pipeline
- South County Recharge

Key Driver for Flood Protection & Water Resources Stewardship: Voter-Approved Measure S

Renewed Safe, Clean Water and Natural Flood Protection Program (SCW) Priorities A-F

A

Ensure a Safe, Reliable Water Supply



B

Reduce Toxins, Hazards and Contaminants in our Waterways



C

Protect our Water Supply and Dams from Earthquakes and Other Natural Disasters



D

Restore Wildlife Habitat and Provide Open Space



E

Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways



F

Support Public Health and Public Safety for Our Community



Water Supply Highlights

Total CIP Includes 30 Water Supply Projects

- **New Storage and Seismic Retrofit of Dams**
 - Anderson Dam Seismic Retrofit (WSMP – S1/SCW – C)
 - Pacheco Reservoir Expansion Project (WSMP – S3/SCW – A)
- **Pipelines/Transmission Facilities**
 - Almaden Valley Pipeline (WSMP – S1)
- **Water Treatment Plant Upgrades**
 - RWTP Reliability Improvement Project (WSMP – S1)
- **Recycled/Purified Water**
 - Expedited Purified Water Program (WSMP – S2)



Flood Protection Highlights

Total CIP Includes 18 Flood Protection Projects

➤ Project Highlights for Each Watershed:

- Coyote Creek (SCW – E1)
- Upper Llagas Creek (SCW – E6)
- San Francisquito Creek (SCW – E5)
- Upper Guadalupe River (SCW – E8)
- Sunnyvale East/West Channels (SCW – E2)

➤ Projects Benefitting Multiple Watersheds:

- SF Bay Shoreline (SCW – E7)
- Watershed Asset Rehabilitation Program



Water Resources Stewardship Highlights

Total CIP Includes 9 Water Resources Stewardship Projects

➤ **Environmental Enhancements Project Highlights:**

- Hale Creek Enhancement Pilot Study (SCW – D6)
- Almaden Lake Improvements (SCW – D4)
- SCW Fish Passage Improvements (SCW – D4)
- Salt Ponds A5-11 Restoration

➤ **Feasibility Studies Project Highlights:**

- Watershed Habitat Enhancement Studies



Buildings & Grounds and IT Highlights

Total CIP Includes 8 Buildings and Grounds and IT Projects

- **Buildings & Grounds projects**
 - Facility Management, Small Caps
- **Information Technology projects**
 - ERP System Implementation
 - IT Disaster Recovery
 - Telephone System Voiceover IP



Significant Updates from Prior FY – Projects to Close in FY 2021

• Main and Madrone Pipeline Replacement	\$17.5 M
• Westside Retailer Interties	\$72 K
• SMP Mitigation, Stream and Watershed Land Preservation	\$16.8 M
• Salt Ponds Restoration (SCW – D8; reprogrammed to OPINS)	\$550 K
• E-Discovery Management System	<u>\$550 K</u>
TOTAL	\$35.5 M

Significant Updates from Prior FY

Fund 61, Water Utility Enterprise Fund

91864005 Anderson Dam Seismic Retrofit: Taking into account new Federal Energy Regulatory Commission (FERC) projects, increase of \$102.9M in the Total Project Cost (TPC) over the next five years, resulting in an overall TPC with inflation of \$648.552M.

91894002 Guadalupe Dam Seismic Retrofit: Project updated to reflect a delay in construction by three years. No change to TPC.

91874004 Calero Dam Seismic Retrofit: Design placed on hold; FY21 and FY22 expenditures reduced and pushed out to FY31, closer to start of construction. TPC with inflation increased by \$6.629M to \$83.512M.

91954002 Pacheco Reservoir Expansion: Increase in TPC of over \$1.174B, resulting in an overall TPC with inflation of \$2.519B. Changes substantially due to findings by Geotech investigation, increased prices, and more extensive work required than previously presumed.*

92264001 Vasona Pump Station Upgrades: Project schedule updated to reflect a one-year delay due to the project initially being put on hold. TPC with inflation increased by \$613K to \$23.745M.

93294057 Rinconada Water Treatment Plant Reliability Improvement Project: Project schedule extended one year to FY26 and expenditures updated to include new projections for additional design and the construction of Phases 3-6 after the closeout of Phases 1 and 2 construction; increase of \$19.3M for a new TPC of \$359.319M with inflation.



* CIP Committee acknowledges project cost increases would significantly impact future water rates and recommends that the Water Attachment 1 Exploratory Committee and the Board take the needed time to develop strategies for the Pacheco Reservoir Expansion Project. Page 16 of 43

Significant Updates from Prior FY

Fund 61, Water Utility Enterprise Fund, continued

93234044 Penitencia Water Treatment Plant Residuals Management: Adding work to existing scope and refining estimates based on recent projects, resulting in an increase in the total project cost of \$34.51M; new TPC with inflation is \$44.254M.

93084004 WTP Electrical Improvement: Project plan updated to reflect a delay in project schedule of about a year due to allocation of staff resources to the completion of RWTP RIP Phase 2. TPC with inflation increased by \$328K to \$11.915M.

91094010 South County Recycled Water Pipeline: Project schedule extended by two years to accommodate NEPA; construction may begin spring 2021 if potential governance issues are resolved with south county agencies. No change to TPC.

91304001 Expedited Purified Water Program: Construction to start two years sooner than previously planned – now in FY25; design schedule reduced by two years; construction duration reduced by half. This program is planned to be delivered via a Public-Private Partnership (P3); the P3 entity will finance the costs upfront; the capital cost estimate made in the CIP is for informational purposes only. Inflated TPC decreased by \$85.9M to \$617.282M. This program is planned to be delivered via a Public-Private Partnership (P3); aside from consultant costs for project management and environmental planning, the P3 entity will finance the costs upfront.

95084002 10-Year Pipeline Inspection and Rehabilitation Project: Scope of individual projects within the program has expanded to incorporate more extensive repairs, upgrades, and replacements than was originally anticipated. An additional Almaden Valley Pipeline inspection project, and phasing of the construction work for Santa Clara Conduit, Snell Pipeline and West Pipeline added to the cost. Based upon updated forecasting, the TPC is increasing by approximately \$30M.*



*This update is not included in the Draft Preliminary CIP, but with Board direction will be included in the Draft CIP.

Significant Updates from Prior FY

Fund 61, Water Utility Enterprise Fund, continued

91234010 Small Caps, San Felipe Reaches 1- 3: Total Cost increased by \$35.814M primarily due to the addition of the replacement of large pumps and motors at the Pacheco Pumping Plant beginning in FY28 as they are reaching the end of their life. The new inflated TPC is \$79.960M.

92764009 Small Caps, Raw Water Transmission: \$100K added to FY22 for SCADA historian for distribution system. TPC with inflation increased by \$104K to \$11.893M.

93764004 Small Caps, Water Treatment: \$1.88M added to FY22 for Silicon Valley Advanced Water Purification Center office trailer and storage building; San Francisco Public Utilities Commission Intertie Phosphoric Acid System Improvements; and for the new SCADA data historian for treatment plants. New TPC with inflation is \$54.75M.

95074039 Capital Construction Management System: Project name updated for clarity; new name is Capital Project Management Information System (PMIS); This project was initiated as a Water Utility project managed under IT but due to the updated and expanded scope, it has been reprogrammed as an allocated project to include more Valley Water business areas; schedule extended by one year, resulting in an increase of \$1.365M. New TPC with inflation is \$2.608M.

Significant Updates from Prior FY

Fund 12, Watershed Stream Stewardship Fund

10394001 Palo Alto Flood Basin Tide Gate Structure Improvements: Project schedule extended by two years, resulting in an increase of \$6.33M, resulting in a new inflated TPC of \$39.109M.

40334005 Lower Penitencia Creek Improvements, Berryessa to Coyote Creeks: Construction delayed to summer 2021 due to finalizing the Master Agreement with Milpitas. Due to revised inflation factors, inflated TPC has increased by \$210K to \$28.022M.

00044026 San Francisco Bay Shoreline, Project EIA 11: Project extended by approximately 2.5 years; closeout now set for 12/31/2028. TPC with inflation increased by \$36.3M to \$155.245M due to an increase in acquisition cost of Pond A18 and USACE project construction costs for Reaches 1-3. Valley Water is aiming to take advantage of a low-interest payment plan for certain costs (\$21M).

62044001 Watershed Habitat Enhancement Studies: Project schedule updated to reflect a three-month delay in the beginning of the planning phase and a project cost increase of \$596K resulting in a new TPC with inflation of \$4.204M.

40174005 Lower Berryessa, Lower Penitencia Creek to Calaveras Blvd: Project plan updated to reflect a three-year extension to the project and an increase of \$22.7M, mostly for construction costs. This includes a \$10.6M budget adjustment for the phased encumbrance of the construction contract in FY21, which will go to the Board of Directors for approval as a mid-year budget adjustment. TPC with inflation increased by \$23.469M to \$86.614M.

Significant Updates from Prior FY

Fund 26, Safe, Clean Water and Natural Flood Protection Fund

26244001 Permanente Creek Flood Protection Project, Bay to Foothill Expressway: Increase of \$6.11M for the Rancho San Antonio Flood Detention Basin Project, resulting in a new inflated TPC of \$98.676M due to the discovery of cultural resources and ensuing delays. Project schedule has been shortened by one year and will now be complete by the end of FY21.

26284002 San Francisquito Flood Protection Project: Right of way and construction costs were updated based on assessments by SFCJPA, resulting in an additional project increase of \$18.662M. The new TPC with inflation is \$94.565M.

26444002 San Francisco Bay Shoreline, Other EIAs: The passing of Measure S for the SCW renewal means that funds for Phase II design and construction are now included in this program, resulting in an increase of \$15.9M for design and an increase of \$15.6M for construction. The total project cost has therefore increased by \$40.875M, resulting in a new TPC of \$47.095M. \$12M removed from this project and added to the newly-created **26444004 San Francisco Bay Shoreline EIAs 5-10**, for an inflated TPC of \$14.501M.

26444003 South Bay Salt Ponds Restoration: In the renewed Safe, Clean Water Program, the project name, description, benefits and key performance indicators have been updated. Based upon these updates, the project no longer qualifies as a capital project and therefore will be closing out at the end of FY21. The work to accomplish under this project will continue under a new operations project starting in FY22.

Significant Updates from Prior FY

Fund 26, Safe, Clean Water and Natural Flood Protection Fund, continued

Upper Llagas Flood Protection Projects, Buena Vista Avenue to Llagas Road: This project includes three active project numbers – one for right of way acquisition (26174051), one for construction (26174052) and one for design and engineering support during construction (26174054). All three have been updated as outlined here.

26174051: Project schedule updated to reflect an extension of time required for right of way acquisition, including temporary construction staging right of way by 4.5 years. New end date for this project number is 6/30/2025.

26174052: On 11/05/20 Phase 2A (local funding only) project costs were updated to include an increase of \$22M. On 11/25/20, Phase 2B project costs were updated to include a \$25.8M-shortfall. Both revisions to Phases 2A and 2B bring the new inflated TPC to \$256.862M.

26174054: Project cost decreased by \$372K, resulting in a new inflated TPC of \$29.561M (due to updated inflation factor; labor went from 5% in FY22-26 to 4.5%).

Significant Updates from Prior FY

Fund 26, Safe, Clean Water and Natural Flood Protection Fund, continued

26174043 Coyote Creek Flood Protection Project: As a result of the FERC order for the Anderson Dam Seismic Retrofit Project, a portion of the Coyote Creek Flood Protection Project has been removed from this project plan and from the project expenditures and incorporated into the Anderson Dam Tunnel Project. The remaining project costs were updated to reflect increased estimates for real estate acquisition, design and construction. When combined with the decrease in project costs for the portion of the project that was removed, the result is a net decrease of \$1M in total project cost, resulting in a new inflated TPC of \$62.936M. Project schedule for design extended by two years to 1/15/2024; construction and closeout extended by one year.

26044001 Almaden Lake Improvements Project (D4): As a result of the completion of 60 percent design, construction cost estimates have been updated to reflect the use of piped water, as opposed to creek water. The estimated cost of construction has increased. The project team plans to take the Final Environmental Impact Report to the Board in February 2021 at which time the project will be recommended as the creek/lake separation project to be constructed under Key Performance Indicator #2 under Project D4 of the Safe, Clean Water and Natural Flood Protection Program. The new TPC with inflation increased by \$26.01M to \$57.958M.

Significant Updates from Prior FY

Fund 71, Equipment Fund

No Updates

Fund 11, General Fund

60204016 Facility Management, Small Capital Improvements: Based upon updated cost estimates for capital maintenance of buildings, grounds, and facilities on the Almaden and Winfield campus the annual planned expenditure is estimated to increase from \$3M to \$4M.*

Other Funding Sources – Capital Reimbursements

Reimbursements anticipated to be received between FY22 and FY26 = \$352M

- Grants and Cost Share including Measure AA & Cal Water Commission: \$295M
- State Subvention Reimbursements = ~\$57M

State Subvention Reimbursements

- Project must be federally authorized, then appropriated through State budget process
- Subventions reimburses 50% -100% of local share
- The Board has reserved the authority to determine which projects will be funded by state subvention reimbursements; if not specifically allocated by the Board, reimbursements will go back into Fund reserves

Other Funding Sources – State Subvention Reimbursements

State Flood Control Subventions Program

- Safe Clean Water Subventions previously designated to remain in SCW Fund
- Watershed/Stream Stewardship Fund Remaining subventions funding \$1.7M
 - Projects designated to receive subventions:

Project	Amount
Lower Penitencia	\$5M
Cunningham Flood Detention Certification	\$3M
Lower Silver Creek	\$9M
Llagas Ck Lower – Capacity	\$1.1M

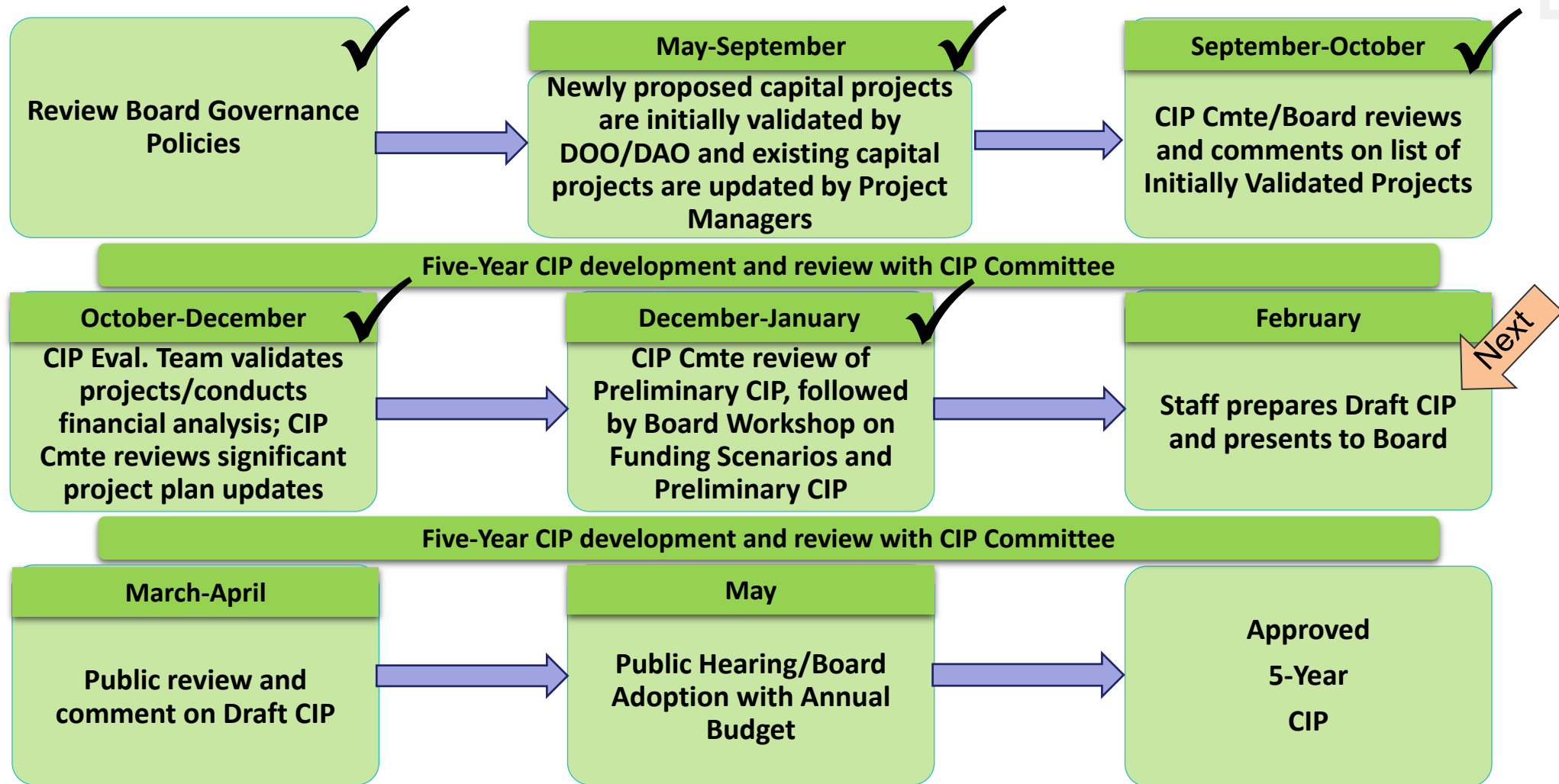
Preliminary FY22-26 CIP

Summary of Project Costs

	Appropriated / Actuals through FY-21	Remaining Cost to Completion	Total Project Costs
Water Supply	\$774 M	\$4,530 M	\$5,304 M
Flood Protection	\$1,007 M	\$848 M	\$1,854 M
Stewardship	\$46 M	\$166 M	\$211 M
Buildings/Grounds	\$3 M	\$43 M	\$46 M
Information Technology	\$27 M	\$23 M	\$50 M
TOTAL CIP	\$1,857 M	\$5,609 M	\$7,466 M

Annual CIP Process Overview

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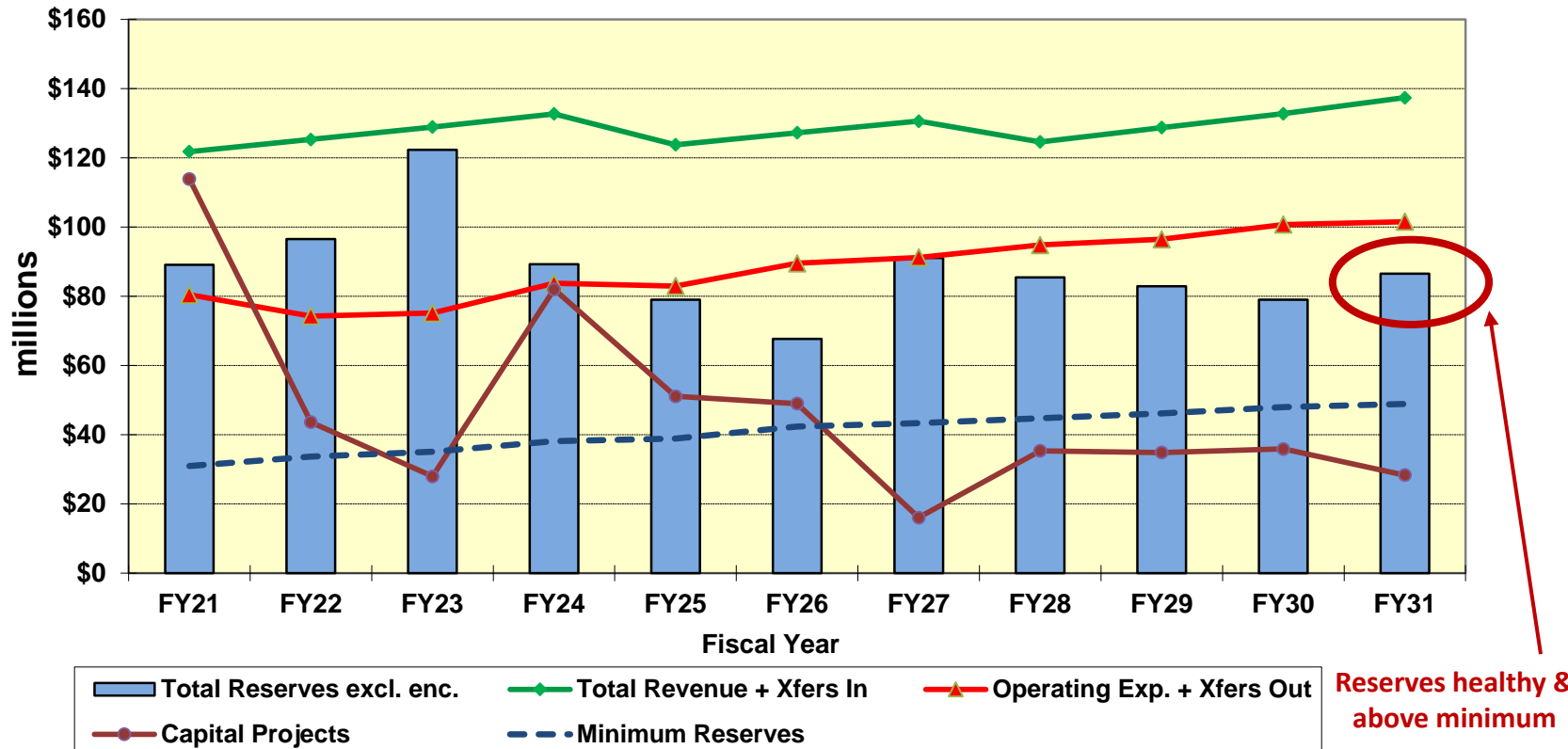


Preliminary Financial Forecast Overview for Fund 12 and Fund 26

WSS Fund Update

Projection

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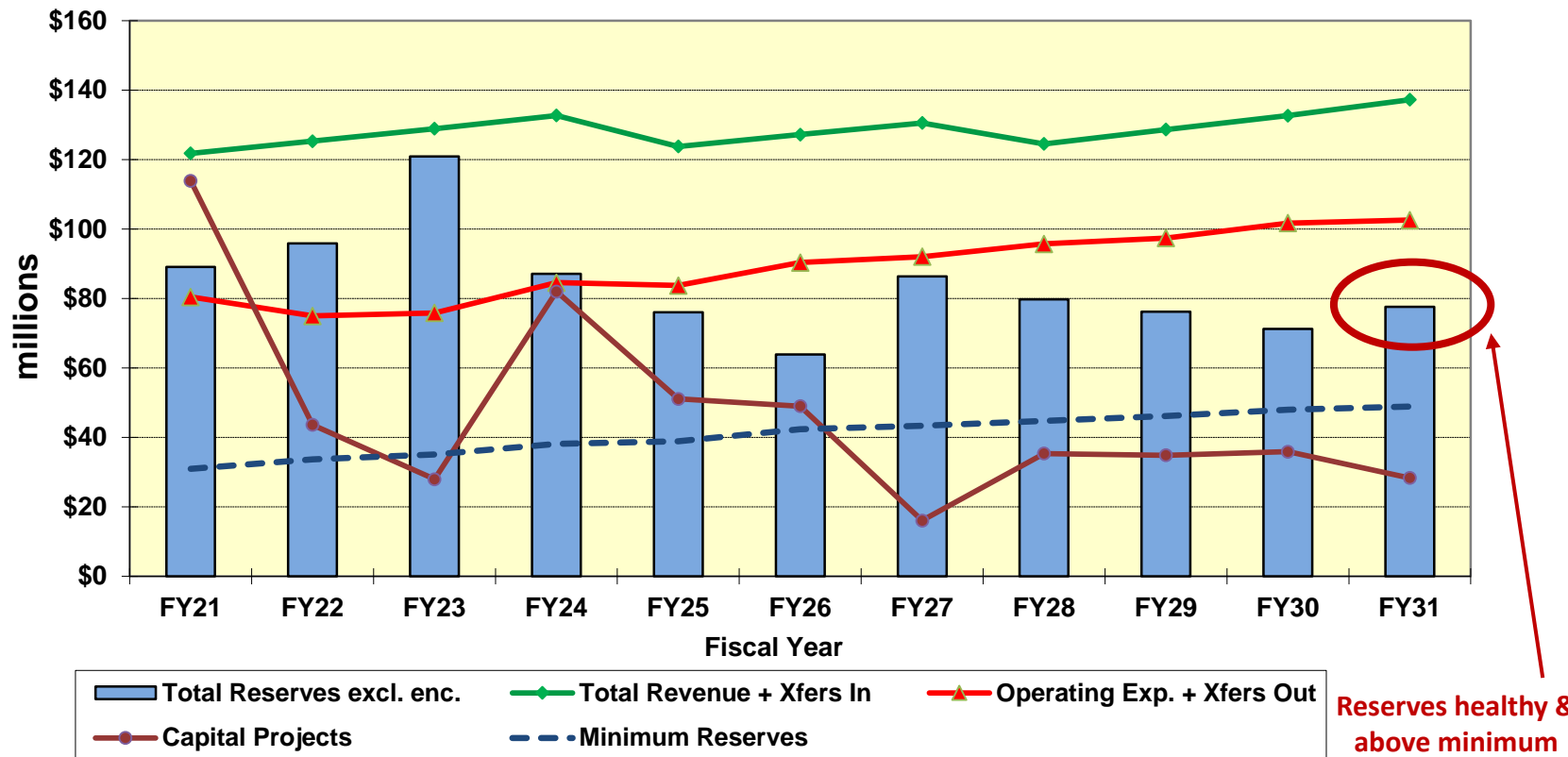
Key Assumptions

- Open Space Credit Xfer
 - \$15.0M for FY 22 to FY 31
 - Assumes Ag Charge at 25% of Zone W-8 M&I Charge (or \$85.35/AF in FY 22 versus \$28.86/AF in FY 21)
- O&M Maintenance placeholder
 - \$2M/yr FY22 to FY 25
 - \$7M/yr FY 26 to FY 31

WSS Fund Update Continued...

Projection

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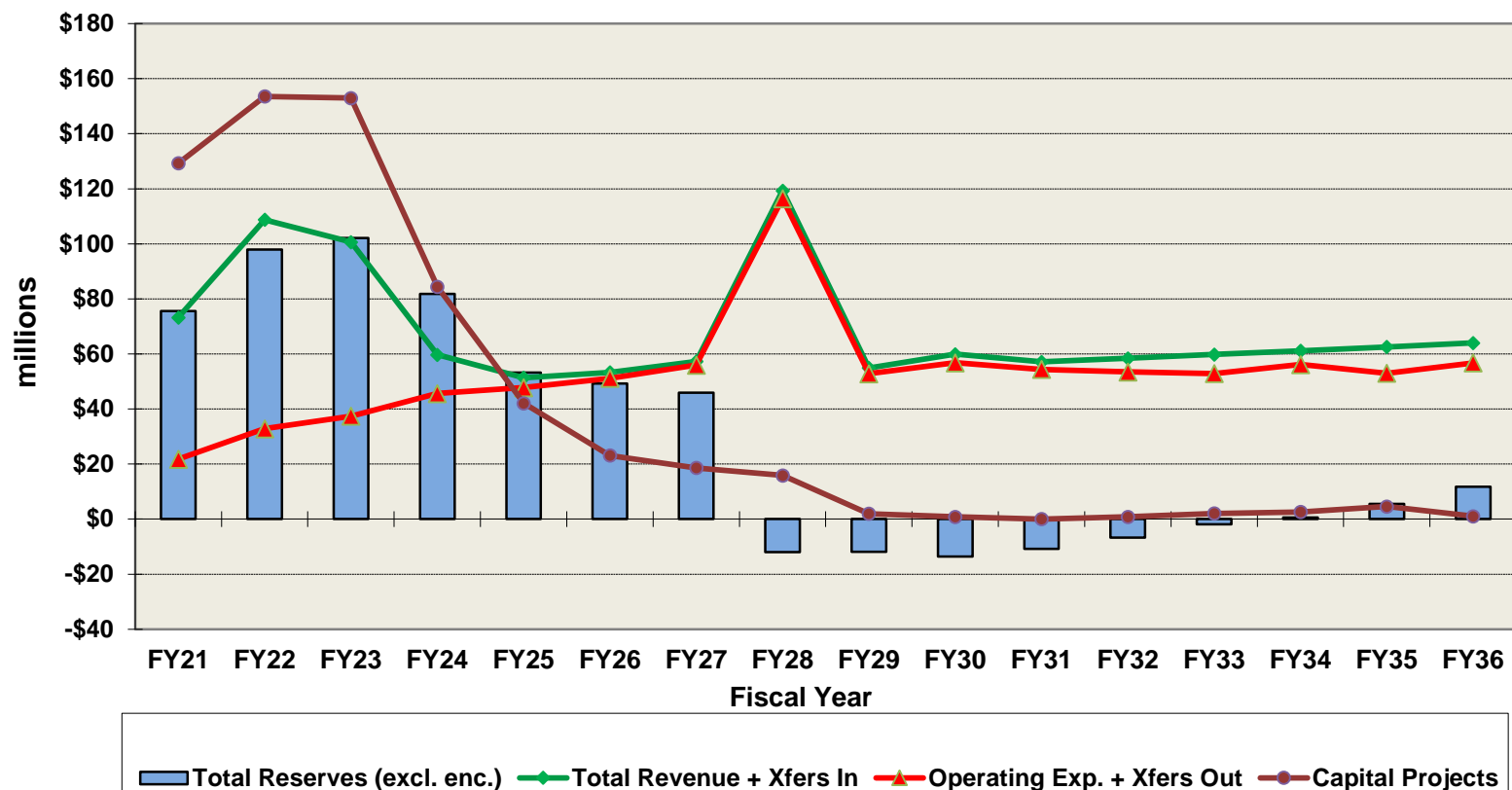


Key Assumptions

- Open Space Credit Xfer
 - \$23.4M for FY 22 to FY 31
 - Assumes Ag Charge at 10% of Zone W-8 M&I Charge (or \$34.14/AF in FY 22 versus \$28.86/AF in FY 21)
- O&M Maintenance placeholder
 - \$2M/yr FY22 to FY 25
 - \$7M/yr FY 26 to FY 31

SCW Fund Update

Projection



Key Assumptions

- Assumes \$80M NRCS Reimbursements for Upper Llagas Creek to fully construct Phase 2
- Assumes receipt of San Francisquito Creek outside funding sources, including \$20M from grants and partnerships through the SFCJPA; along with an \$8.9M CalTrans grant through the City of Palo Alto for Newell Road Bridge
- Total Reserves in FY 36 are roughly \$78M less than original plan due to cost increases for Upper Llagas, Almaden Lake & SF Creek

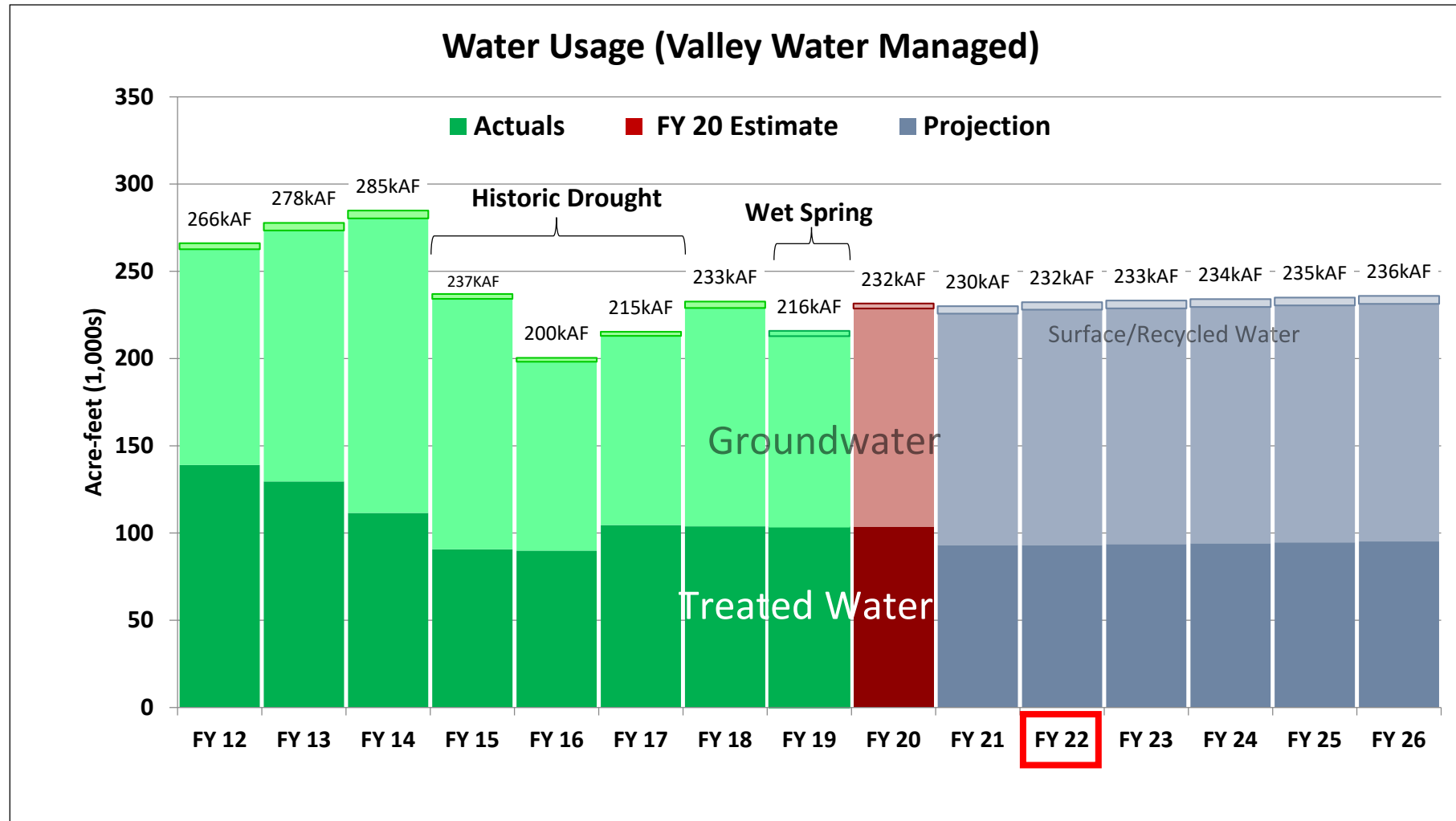
Preliminary FY 22 Groundwater Production Charge Analysis

January 12, 2021

Topics

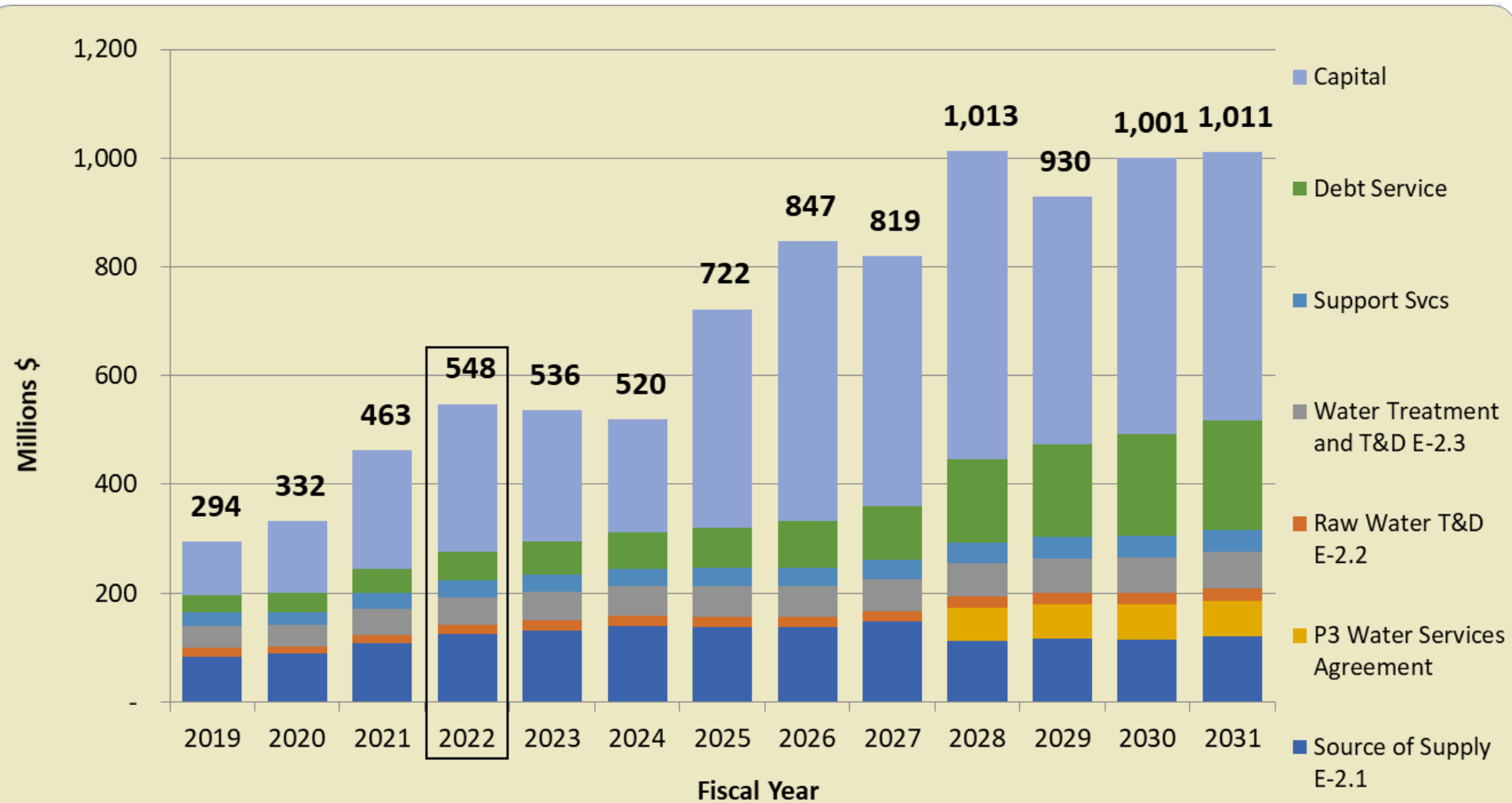
1. Water Usage
2. Cost Projection
3. Scenario Assumptions
4. Preliminary Groundwater Charge Forecast Scenarios
5. Other Information
6. Schedule
7. Summary

Water Usage (Valley Water Managed)



As of
12/15/2020

Financial Analysis: Preliminary Cost Projection



Scenario Assumptions

1) Baseline: Pacheco + PWP P3

- ▶ Baseline Projects*
- ▶ Delta Conveyance (State side)
 - ▶ Paid for by water charges, not SWP Tax
 - ▶ Participation at 3.23%
- ▶ Anderson Dam Seismic Retrofit
 - ▶ WIFIA loan for 49%
- ▶ Potable Reuse Phase 1 to produce 9-12KAF by FY 28
 - ▶ Assumes 100% Debt Funding via P3 entity
- ▶ Pacheco Reservoir
 - ▶ \$485M Proposition 1 grant
 - ▶ WIFIA loan for 49%
 - ▶ Partner Agencies pay 20% of project
- ▶ Transfer-Bethany Pipeline
- ▶ Master Plan Projects Placeholder**:
 - ▶ Assumes \$346M from FY22-FY31, mainly after 5 Year CIP
- ▶ Treated Water Surcharge at \$115/AF (vs \$100/AF in FY21)
- ▶ Agricultural Charge at 25% of Zone W-8 M&I (\$85.35/AF in FY 22)

2) Baseline without Pacheco

- ▶ Baseline Projects*
- ▶ Delta Conveyance (State side)
 - ▶ Paid for by water charges, not SWP Tax
 - ▶ Participation at 3.23%
- ▶ Anderson Dam Seismic Retrofit
 - ▶ WIFIA loan for 49%
- ▶ Potable Reuse Phase 1 to produce 9-12KAF by FY 28
 - ▶ Assumes 100% Debt Funding via P3 entity
- ~~▶ Pacheco Reservoir~~
 - ~~▶ \$485M Proposition 1 grant~~
 - ~~▶ WIFIA loan for 49%~~
 - ~~▶ Partner Agencies pay 20% of project~~
- ▶ Transfer-Bethany Pipeline
- ▶ Master Plan Project Placeholder**:
 - ▶ Assumes \$346M from FY22-FY31, mainly after 5 Year CIP
- ▶ Treated Water Surcharge at \$115/AF (vs \$100/AF in FY21)
- ▶ **Agricultural Charge at 10% of Zone W-8 M&I (\$34.14/AF in FY 22)**

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year to Year Growth %

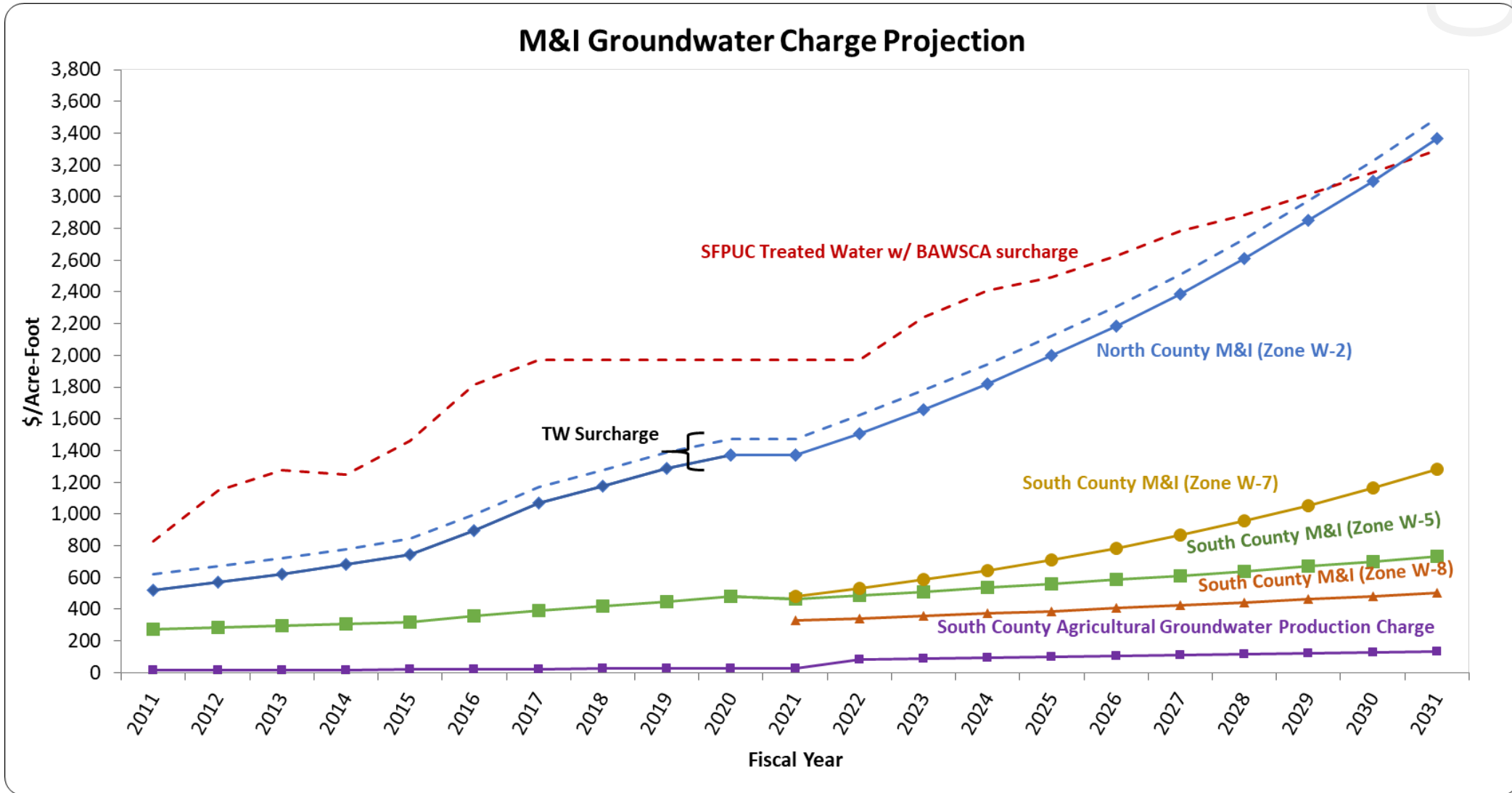
North County Zone W-2	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	9.8%	9.8%	9.8%	9.8%	9.3%	9.3%	9.3%	9.3%	8.7%	8.7%
Scenario #2: Baseline without Pacheco	9.5%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	5.0%	5.0%
South County Zone W-5	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Scenario #2: Baseline without Pacheco	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
South County Zone W-7	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Scenario #2: Baseline without Pacheco	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
South County Zone W-8	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Scenario #2: Baseline without Pacheco	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%

Preliminary Monthly Impact to Average Household Scenarios

M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-2	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	\$4.64	\$5.09	\$5.59	\$6.14	\$6.40	\$6.99	\$7.64	\$8.35	\$8.54	\$9.28
Scenario #2: Baseline without Pacheco	\$4.50	\$4.25	\$4.60	\$4.97	\$5.38	\$5.82	\$6.30	\$6.82	\$4.50	\$4.72
South County Zone W-5	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	\$0.74	\$0.77	\$0.81	\$0.85	\$0.89	\$0.93	\$0.97	\$1.01	\$1.06	\$1.11
Scenario #2: Baseline without Pacheco	\$0.61	\$0.63	\$0.66	\$0.68	\$0.71	\$0.74	\$0.76	\$0.79	\$0.82	\$0.85
South County Zone W-7	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	\$1.71	\$1.88	\$2.08	\$2.29	\$2.53	\$2.79	\$3.07	\$3.39	\$3.74	\$4.12
Scenario #2: Baseline without Pacheco	\$1.34	\$1.45	\$1.57	\$1.70	\$1.83	\$1.98	\$2.14	\$2.31	\$2.50	\$2.70
South County Zone W-8	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Scenario #1: Baseline: Pacheco + PWP P3	\$0.50	\$0.52	\$0.54	\$0.56	\$0.59	\$0.61	\$0.64	\$0.67	\$0.70	\$0.73
Scenario #2: Baseline without Pacheco	\$0.50	\$0.52	\$0.54	\$0.56	\$0.59	\$0.61	\$0.64	\$0.67	\$0.70	\$0.73





Preliminary Groundwater Production Charge Projection – Scenario 1



Other Charges, Taxes, Reserves Information

	FY 2021	FY 2022
<u>Other Charges</u>	<u>Budget</u>	<u>Projection</u>
Contract TW Surcharge (\$/AF)	\$100.00	\$115.00
Non-contract TW Surcharge (\$/AF)	\$200.00	\$200.00
Surface Water Master Charge (\$/AF)	\$37.50	\$39.15
 <u>SWP Tax</u>		
Revenue	\$18M	\$26M
Cost per average household	\$27/Yr	\$40/Yr
 1% Ad Valorem Taxes	\$8.2M	\$8.5M
Drought Reserve	\$10.0M	\$10.0M
Cumulative GP 5 Funds	\$9.6M	\$13.6M

2022 Schedule

Jan 12	Board Meeting: Preliminary Groundwater Charge Analysis
Jan 20	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
Jan 20	Water Commission Meeting: Prelim Groundwater Charge Analysis 
Feb 9	Board Meeting: Budget development update & Set time & place of Public Hearing
Feb 26	Mail notice of public hearing and file PAWS report
Mar 17	Water Retailers Meeting: FY 22 Groundwater Charge Recommendation
Mar 23	Board Meeting: Budget development update
Mar 30	Landscape Committee Meeting 
Apr 5	Ag Water Advisory Committee 
Apr 7	Water Commission Meeting 
Apr 13	Open Public Hearing
Apr 15	Continue Public Hearing in South County
Apr 27	Conclude Public Hearing
Apr 28-29	Board Meeting: Budget work study session
May 11	Adopt budget & groundwater production and other water charges

 Tentative Date

- Annual Increases to M&I groundwater charge for scenarios range from:
 - 9.5% to 9.8% in North County Zone W-2
 - 3.8% to 4.6% in South County Zone W-5
 - 8.1% to 10.3% in South County Zone W-7
 - 4.4% in South County Zone W-8
- Potential FY 22 per month for the average household increase range from:
 - \$4.50 to \$4.64 in North County Zone W-2
 - \$0.61 to \$0.74 in South County Zone W-5
 - \$1.34 to \$1.71 in South County Zone W-7
 - \$0.50 in South County Zone W-5
- Board direction on following issues to be incorporated into Report on Protection and Augmentation of Water Supplies (PAWS) scheduled for February 26, 2021
 - Agricultural Charge for FY 22
 - Pacheco Reservoir Expansion
 - Treated Water surcharge increase to \$115/AF
 - Master Plan Project Placeholder
 - Other?



Valley Water

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