



FISCAL YEAR 2025-26

SCVWD Groundwater Production and Other Water Charges

For City of Sunnyvale

April 8, 2025



Agenda

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Topic	Presenter
Groundwater Production Charges	Darin Taylor, CFO
Local & Imported Water Supply Conditions	Aaron Baker, COO, Water Utility Enterprise
Water Reuse	Aaron Baker, COO, Water Utility Enterprise
South San Francisco Bay Shoreline Project	Bhavani Yerrapotu, DOO, Watersheds Design and Construction

54th Annual Report Released

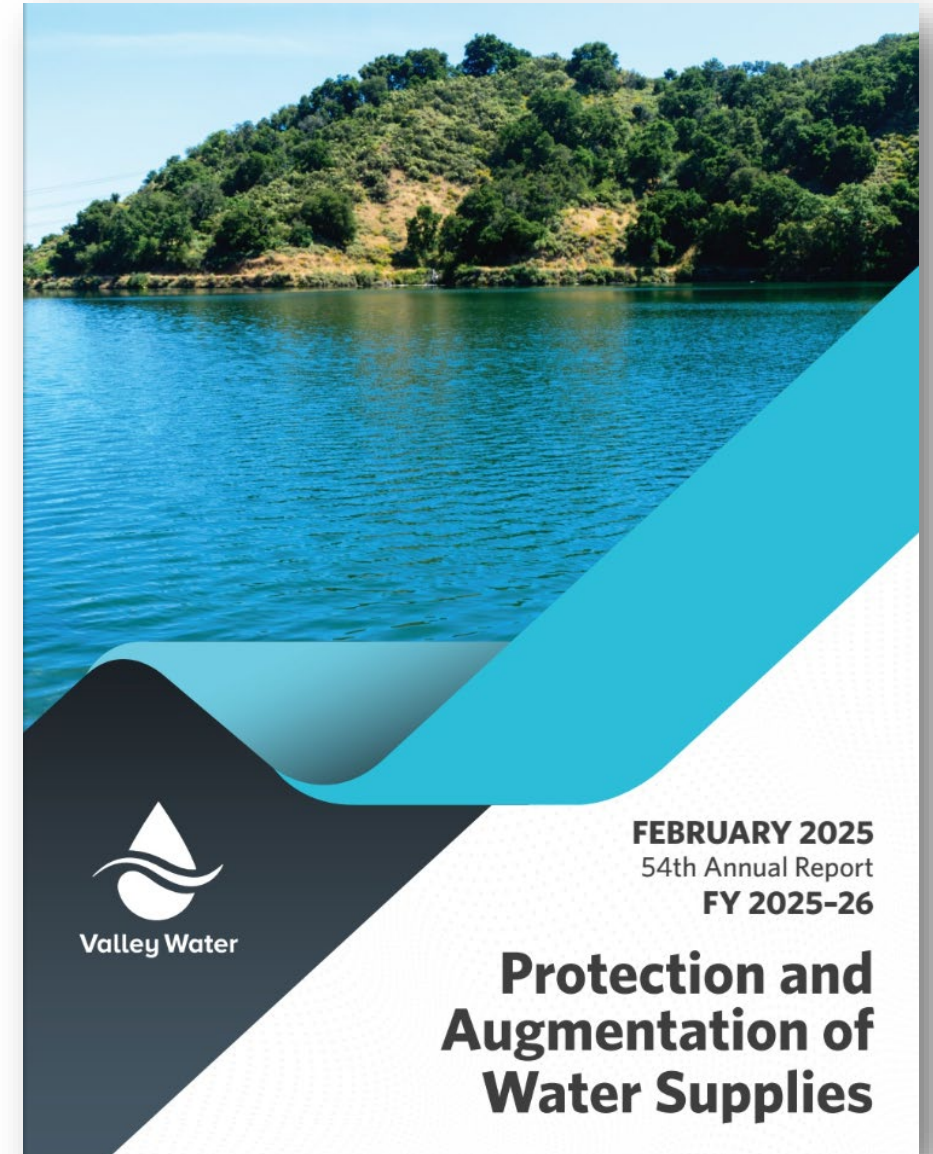
**Annual Protection and Augmentation of Water
Supplies Report (PAWS) provides information &
accountability**

Filed February 28, 2025

Available Online:

<https://www.valleywater.org/ProposedWaterCharges>

The PAWS report supports the proposed groundwater production charges for FY 2025-26, which are necessary to pay for ongoing operations and maintenance of the existing water utility system, investments in water supply infrastructure rehabilitation and upgrades, and new water supply reliability investments.



A comprehensive, flexible water system serving over 2 million people

Santa Clara Valley Water District Infrastructure



Water Utility:

- 393 ACRES OF RECHARGE PONDS
- 142 MILES OF PIPELINES
- 10 RESERVOIRS
- 3 WATER TREATMENT PLANTS
- 3 PUMP STATIONS
- 1 WATER PURIFICATION CENTER

Water Sources

55% Imported
30% Local
5% Recycled
10% Conservation

Legend

~ Lakes, reservoirs, rivers, creeks, & bays — Raw water pipeline — Drinking water pipeline ● Pump Plants ■ Drinking Water Treatment Plants ■ South County Regional Wastewater Authority ■ Silicon Valley Advanced Water Purification Center ▲ Percolation Ponds



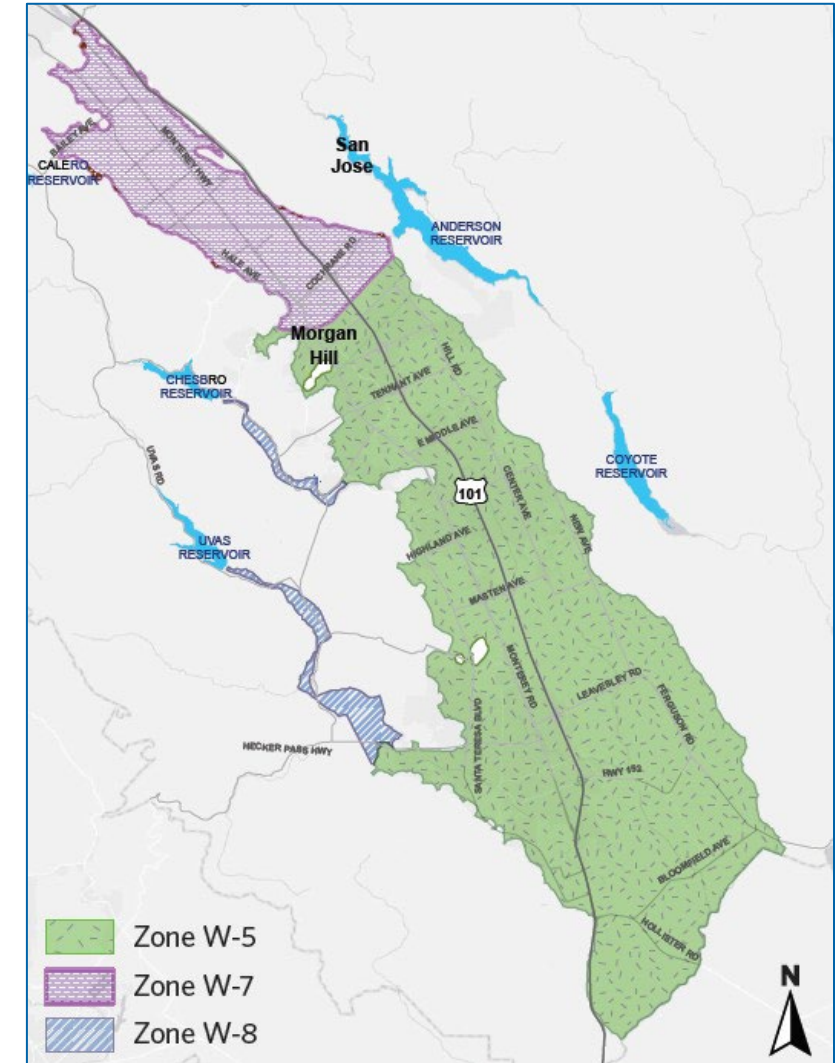
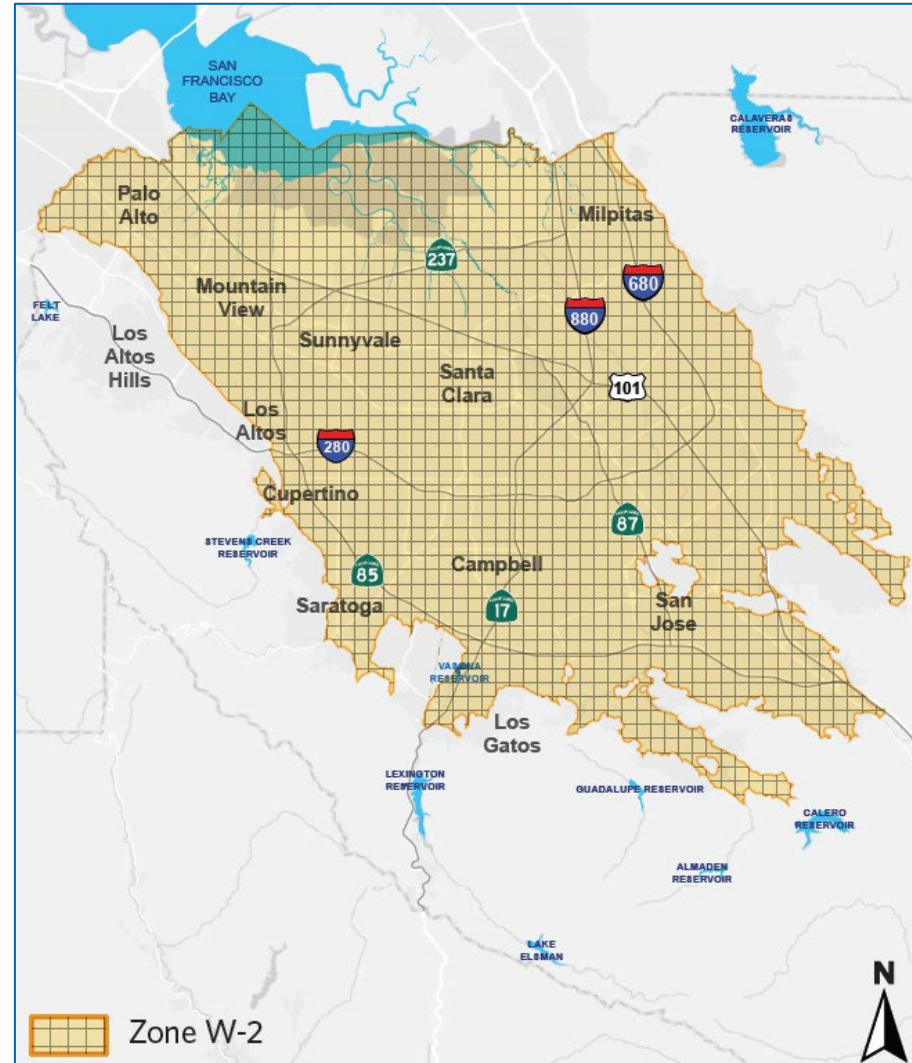
Groundwater Production Charges

Valley Water Groundwater Charge Zones of Benefit

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Board Pricing Policy Summary

- 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



Impact of Shortage

WHAT WOULD WATER SHORTAGE MEAN DURING A FUTURE MULTI-YEAR DROUGHT?

Annual Water Supply Shortage in AF (6-year drought in 2050)	Moderately Impacted Imported Water in AF		Severely Impacted Imported Water in AF	
	Supply	Shortage	Supply	Shortage
High Demand: 350,000	316,000 (19,000 GWB)	34,000	278,000 (3,000 GWB)	72,000
Stable Demand: 330,000	328,000 (33,000 GWB)	2,000	282,000 (11,000 GWB)	48,000
AF: Acre Feet (1 AF equals 325,851 gallons or enough water for 10 people for an entire year) GWB: Groundwater Banking water transfers				

During a 6-year drought in 2050:

- All four potential future conditions ***show some level of water supply shortfall.***
- Assumptions: Reliance on existing supplies and infrastructure only & water conservation goals are met, including short- term drought reductions. Future supply and demand conditions may vary.

Not investing wisely or forgoing rate increases may result in future supply shortages or lower levels of service.

Impact of Shortage

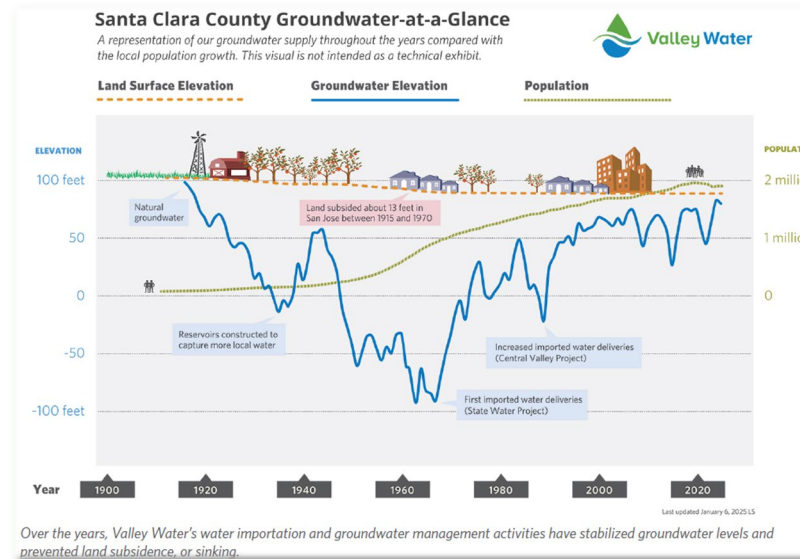
COMMUNITY DISRUPTION AND POTENTIALLY STAGGERING ECONOMIC IMPACT

Potential Impacts of Lower Levels of Service:

- Quality of Life
- Economic Impact
- Irrigation for Parks & Trees
- Declining Agricultural Production
- Irreversible Subsidence

Estimated Costs of Water Supply Shortages (2023\$):

- **Residential** \$1.6 – \$2.8 Billion
- **Agricultural** \$220 – \$280 Million
- **Commercial** \$1.2 – \$14.2 Billion
- **Subsidence** Potentially Billions



Infrastructure Repair and Water Supply Investments Drive Water Rate Projection

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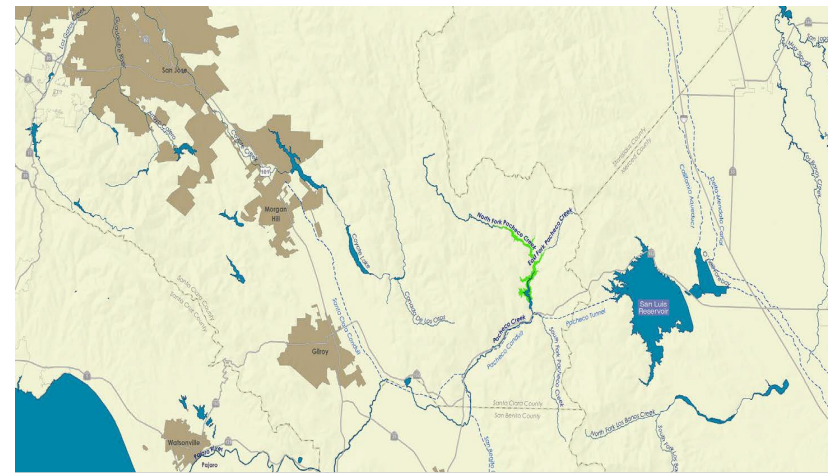
**Dam Seismic Retrofits/Improvements
(\$3,382 Million)**



**San Jose Purified Water Program
(\$2,828 Million placeholder cost)**



**RWTP Reliability Improvements
(\$720 Million)**



**Pacheco Reservoir Expansion
(\$2,732 Million)**

Additional Planned Investments in Capital Projects Led by Other Agencies

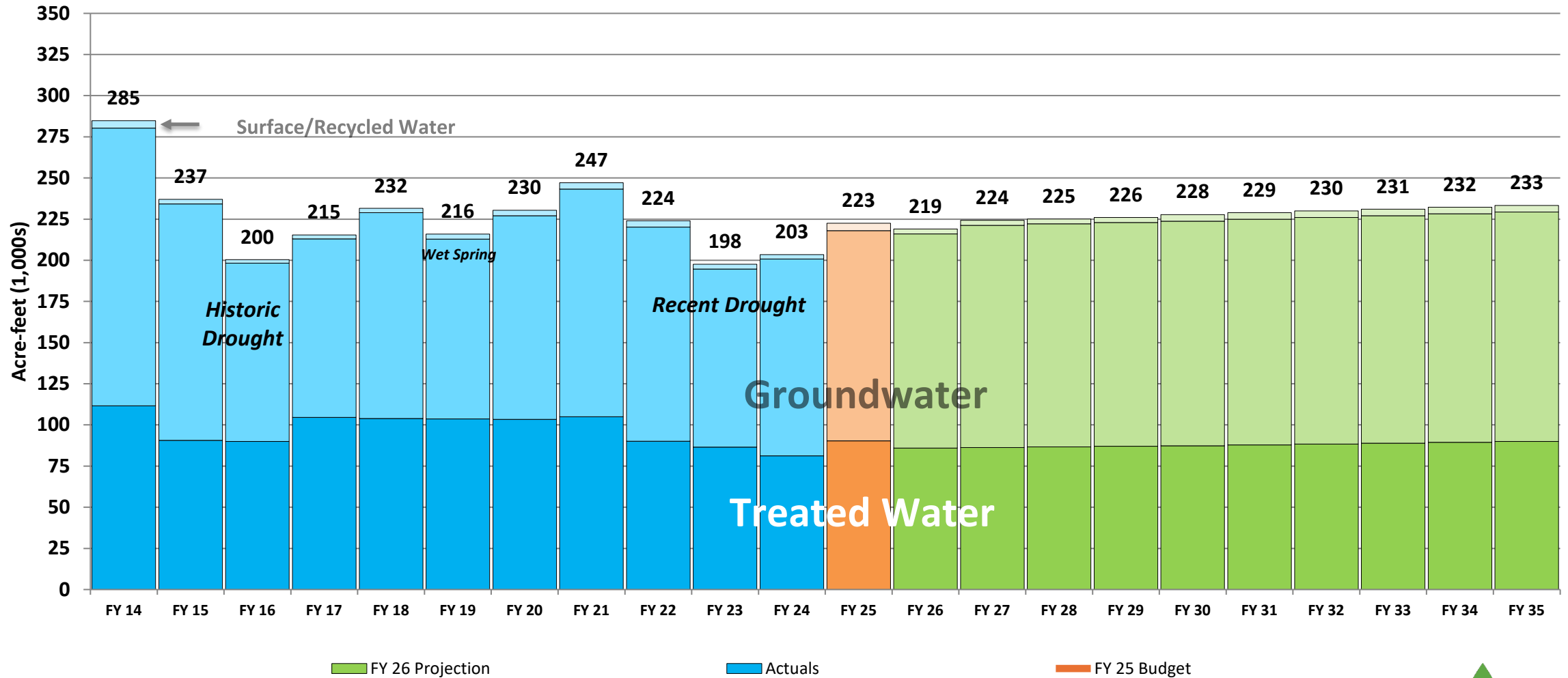
- **Sisk Dam Raise – Up to \$563M in 2024 \$'s**
- **Delta Conveyance Project – Up to \$650M in 2023 \$'s**

District Managed Water Usage

REFLECTS MORE MODERATE REBOUND FROM 2023 DROUGHT

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District Managed Water Usage (TAF)



Groundwater Charge Increase Projection

M&I Groundwater Charge Year to Year Growth %

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
North County Zone W-2	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%
Prior Year	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%	

M&I Groundwater Charge Monthly Impact to Average Household

Staff Recommendation	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
North County Zone W-2	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$12.57

Note: Does not include any increase that a retailer would layer on top

Local Assistance Programs

Multiple Retailers offer Customer Assistance Programs (CAP) to help residents with their water bills.

Valley Water's program WRAP (Water Rate Assistance Program) will be renewed later this calendar year.



Sunnyvale



City of
Mountain View



**SAN JOSE
WATER**



The Orchard City
Campbell, California



**City of
Santa Clara**
The Center of What's Possible



CITY OF
MORGAN HILL



gilroy
A community with a spice for life.



CITY OF
**PALO
ALTO**



CUPERTINO



2025 Schedule

- Jan 6 Agricultural Water Advisory Committee
- Jan 14 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 15 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 22 Water Commission Meeting: Prelim Groundwater Charge Analysis

- Feb 11 Board Meeting: Set time & place of Public Hearing
- Feb 28 Mail notice of public hearing and file PAWS report

- Mar 11 Board Meeting: Budget development update
- Mar 19 Water Retailers Meeting: FY 26 Groundwater Charge Recommendation
- Mar 25 Long Range Financial Forecast Review

- Apr 7 Agricultural Water Advisory Committee
- Apr 8 Open Public Hearing
- Apr 9 Water Commission Meeting
- Apr 23-24 Board Meeting: Budget work study session
- Apr 25 Continue Public Hearing in South County (Morgan Hill)

- May 16 Conclude Public Hearing
- May 27 Adopt budget & groundwater production and other water charges

Summary

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Valley Water remains in an era of investment

- Needed infrastructure repair coupled with climate change driving planning efforts for investments

Water Supply Master Plan 2050 is nearly finished

- Includes adaptive management framework to provide Board with flexibility to make incremental investment decisions and refine them over time

Water Utility Enterprise cost containment measures include:

- Pausing 45 positions district-wide
- Deferring unfunded capital projects (Almaden Calero Canal Phase 2, Alamitos Dam replacement)
- Submitting applications for an additional \$1.3B worth of low-cost federal loans for the Dam Safety Project and the ADSRP

Proposed FY 26 Groundwater Production Charge in terms of average household increase is:

- Increase of \$7.60 per month in Zone W-2 for groundwater and treated water

The background of the slide is a grayscale photograph of a large reservoir or dam. The water is calm, reflecting the sky. In the distance, a long dam structure spans across the frame. The surrounding landscape is hilly with sparse vegetation. In the foreground, there are some bare, leafless trees and shrubs. The overall tone is muted and professional.

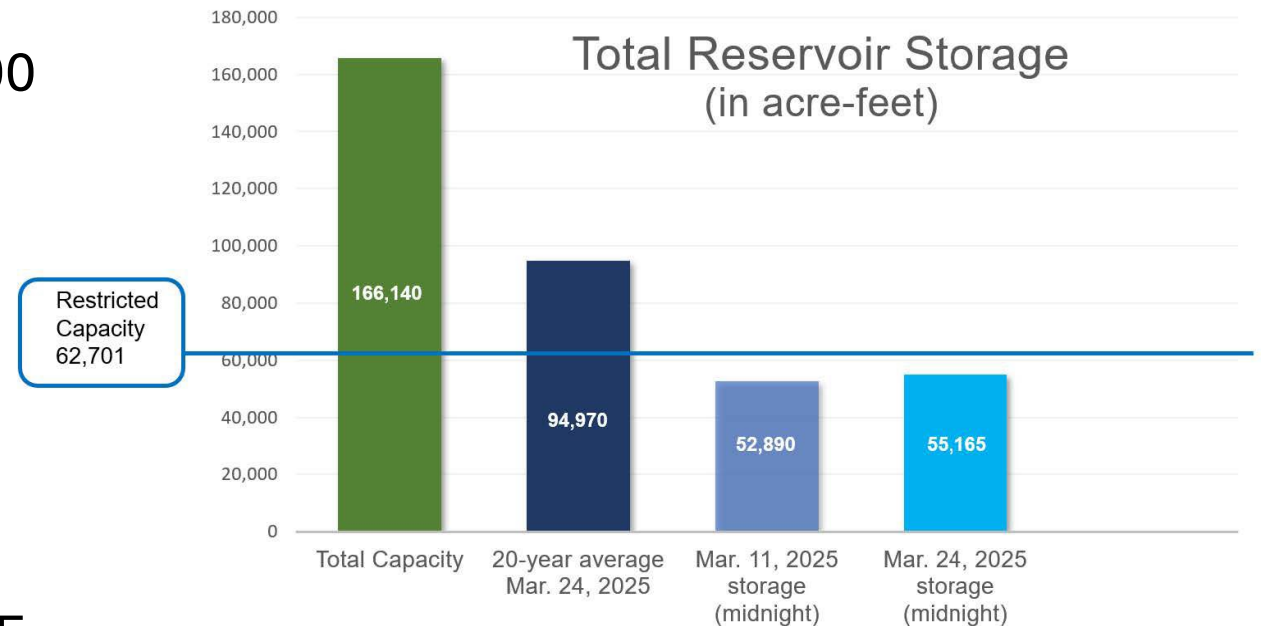
Local & Imported Water Supply Conditions

Water Supply Conditions – Local Water

(data as of March 24, 2025)

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- Groundwater Conditions:
 - Basins are healthy
 - Local groundwater storage > 400,000 AF
- Normal managed recharge operations countywide
- Precipitation: ~ 9 in. in downtown San José (75% of average)
- Local surface water reservoirs:
 - Storage in 9/10 reservoirs: 55,165 AF
 - 88% of restricted capacity
 - 109% of the 20-year average



Water Supply Conditions – Imported Water

(data as of March 24, 2025)

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- Statewide Conditions:
 - Shasta: 86% of capacity (112% of normal)
 - Oroville: 86% of capacity (121% of normal)
 - San Luis: 89% of capacity (104% of normal)

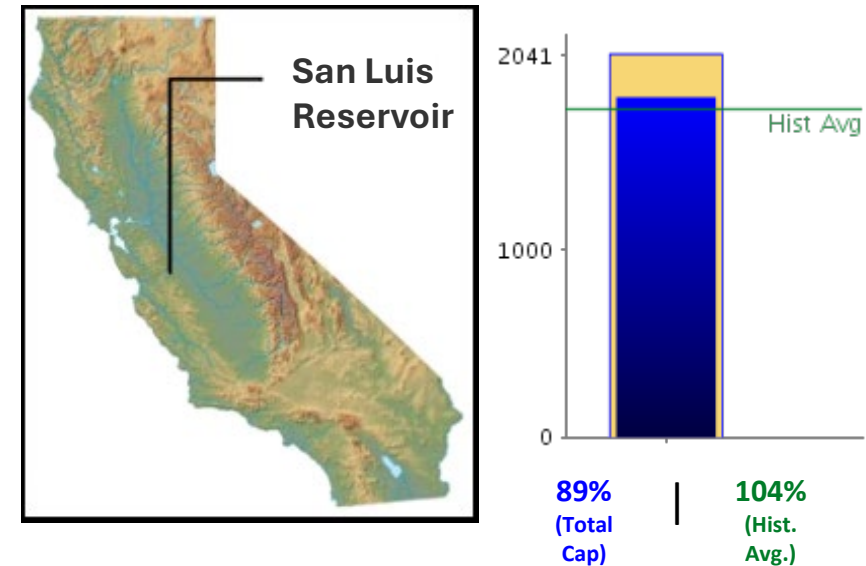
Conditions this time last year

88% of capacity

89% of capacity

72% of capacity

- VW Storage in San Luis into 2025: ~48,500 AF
- SWP Allocation: 40% (40,000 AF)
- CVP Allocation: 75% M&I/35% Ag (~105,000 AF)



<https://cdec.water.ca.gov/resapp/RescondMain>

Water Reuse



Water Reuse in Sunnyvale

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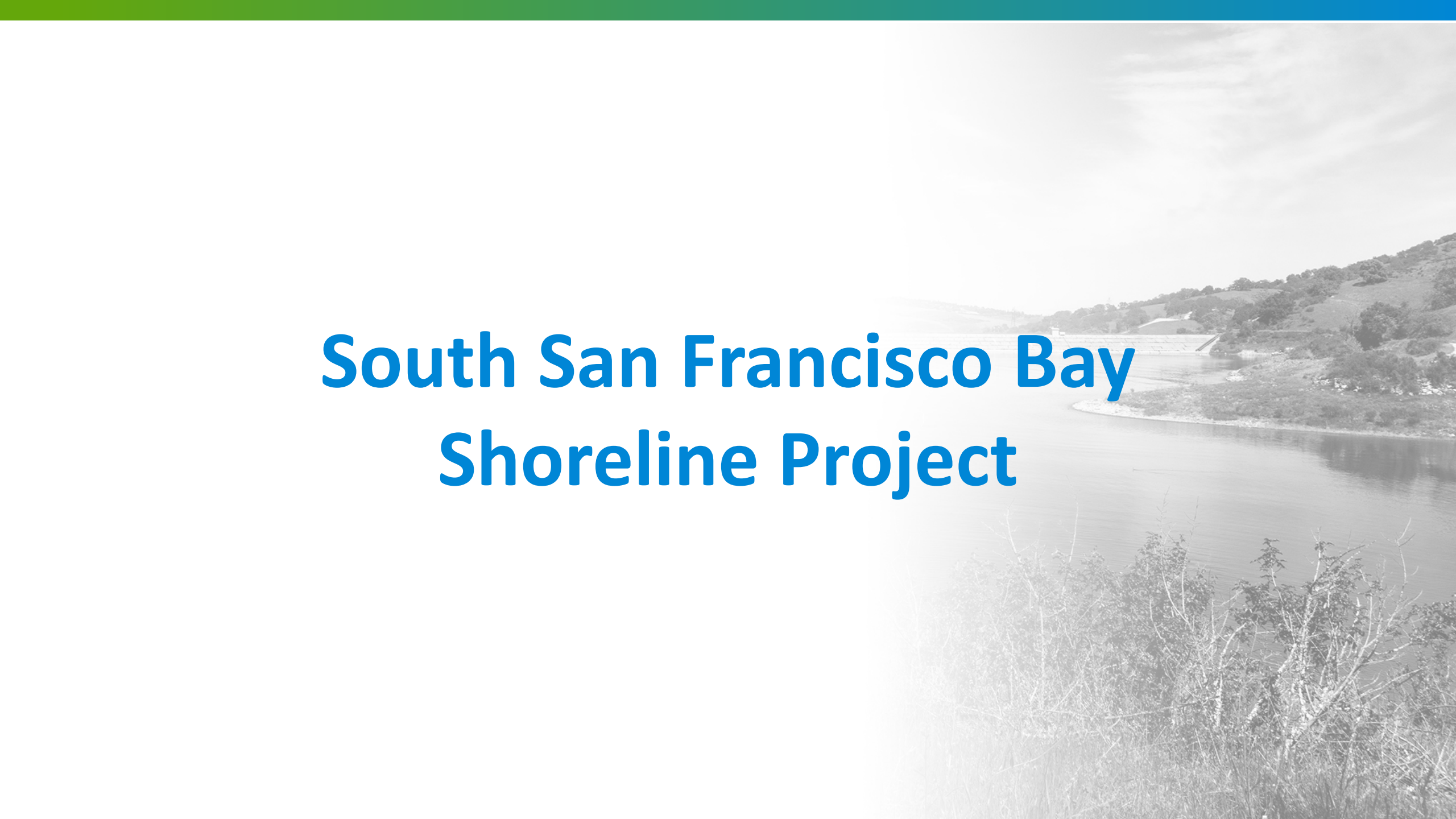
Sunnyvale Municipal Golf Course

- Joint study to explore water reuse opportunities
- Analyze anticipated and potential non-potable expansion and impact on possible potable reuse
- Continued collaboration on Wolfe Road pipeline

Regional Water Reuse Goals



- Potable reuse goal
 - 24,000 AFY by 2035 – focus on a project in San José
- Approved Capital Improvement Program
 - San José Purified Water Project Phase 1
 - Lays the groundwork for meeting DPR regulations
- South County Reuse Collaboration
 - Technical Working Group to enhance technical collaboration
 - Evaluate advanced water reuse
 - Feasibility Study

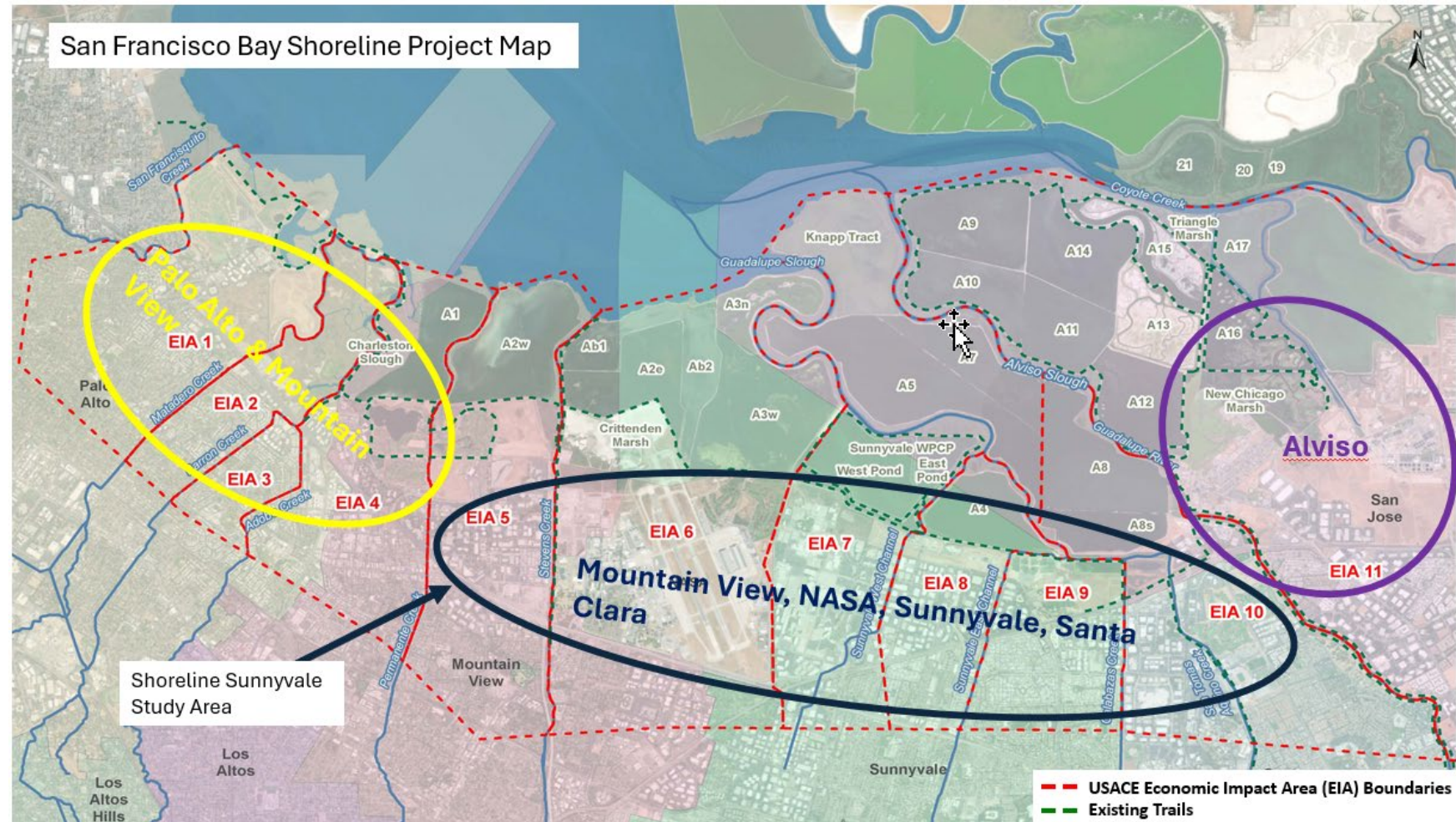
A grayscale photograph of a coastal landscape. In the foreground, there are some bare, thin branches. The middle ground shows a calm body of water, likely a bay or reservoir, with a small dam or breakwater visible in the distance. The background consists of rolling hills covered in dense vegetation under a cloudy sky.

South San Francisco Bay Shoreline Project

South San Francisco Bay Shoreline Sunnyvale Feasibility Study 22

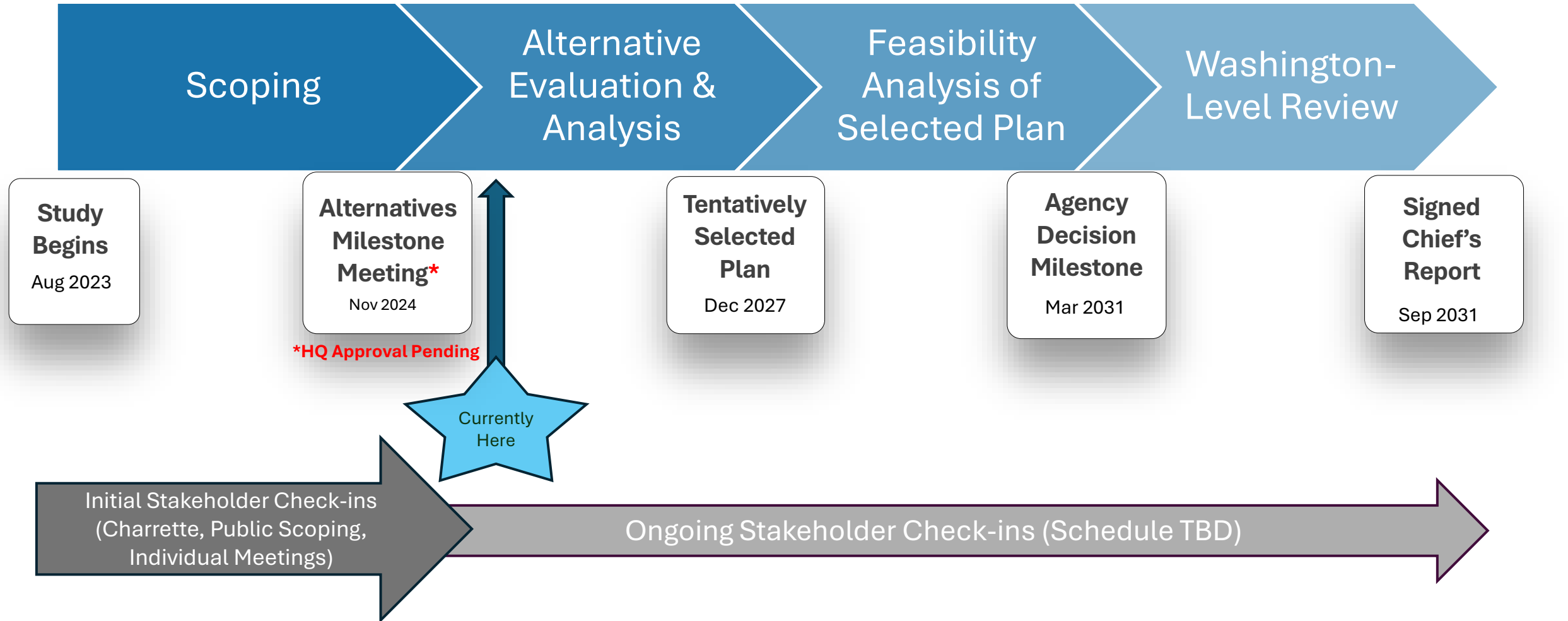
Study Objectives:

- 1. Coastal Flood Protection:** Coastal flood protection with sea level rise
- 2. Environmental Restoration:** Restore & enhance tidal marsh and other habitat
- 3. Recreation:** Provide public access to the bay (trails)



USACE Feasibility Study: \$16 Million/8 Years

VALLEY WATER LOCAL SHARE OF 50% = \$8 MILLION



- Design – Estimated start 2032
- Construction – Estimated start between 2035 - 2040

Shoreline Sunnyvale Study - Possible Solutions to Prevent Coastal Flooding



Questions

