

Fiscal Year 2023-24

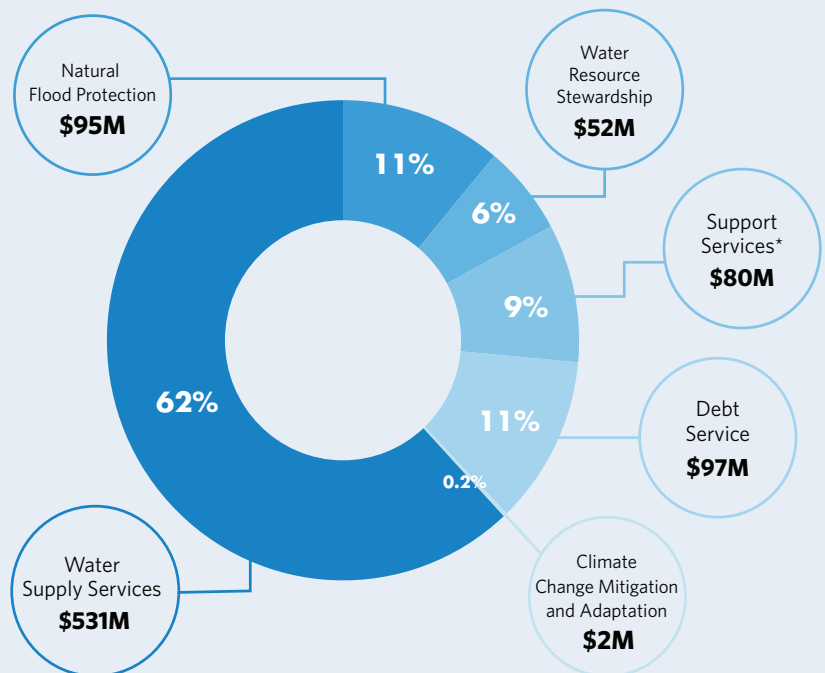
Budget in Brief



While recent storms have replenished reservoirs, hotter and drier weather conditions will continue to have significant impacts on future water supplies. Valley Water's budget priority is to invest in infrastructure to provide safe, clean water for a healthy life, environment and economy.

FY 2023-24 Adopted Budget of \$857 million

Valley Water manages an integrated water resources system that includes the supply of safe, clean water, flood protection and environmental stewardship of streams on behalf of Santa Clara County's approximately two million residents. In May, the Valley Water Board of Directors adopted an \$857 million budget for Fiscal Year (FY) 2023-24 to provide these critical services.



*Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resources and information technology, etc.)

Valley Water Budget

As part of the annual budgeting process, the Board conducts planning sessions to develop strategies to accomplish Valley Water’s long-term goals and objectives. Valley Water utilizes a rolling biennial budget, which provides a budget for FY24 and plan for FY25. This fiscally responsible and balanced budget meets the community’s expectations and invests in water infrastructure to ensure a reliable water supply for future generations to come.



Uvas Canyon Creek



Balancing Act

This online budget simulation tool allows the public to explore Valley Water’s anticipated sources of revenue and planned spending. Most importantly, the tool provides an opportunity for the public to provide direct input to the Board of Directors on spending priorities. Balancing Act can be found at ValleyWater.abalancingact.com.

Valley Water relies on multiple types of funding sources

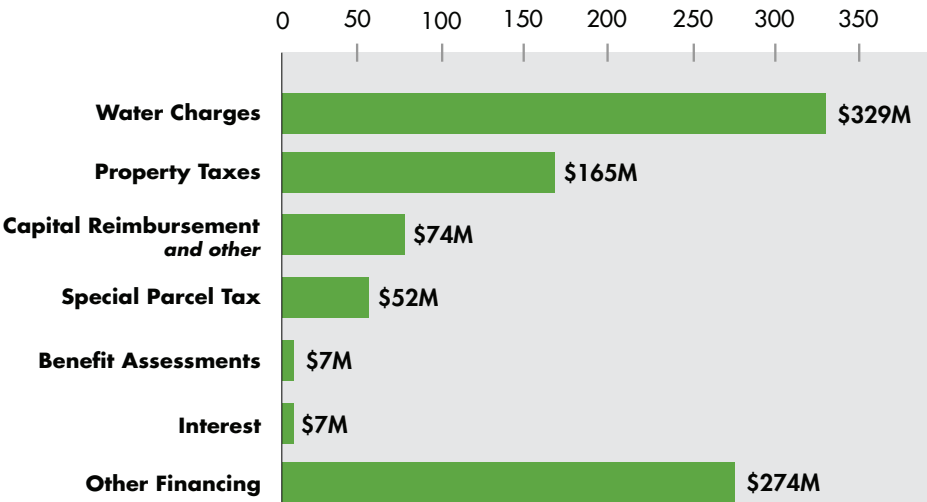
Valley Water receives funding from a variety of sources, including charges for treated water, surface/recycled water, and groundwater production; proceeds from property taxes, the Safe, Clean Water and Natural Flood Protection Program special parcel tax, benefit assessments, interest earnings, cost-sharing agreements and grants.

FY 2023-24 Adopted Revenue and Debt Financing of \$908 million

Water Charges include charges for groundwater production, which is water produced by pumping from the underground basins; treated water, which has been processed through a water treatment plant; surface water, which has been diverted from streams, creeks, reservoirs, or raw water distribution lines; and recycled water, which is treated wastewater used in crop irrigation, landscaping and industrial uses.

Property Taxes are comprised of an allocated share of countywide 1% property tax receipts and a voter-approved levy for State Water Project contract obligations.

Capital Reimbursements and other is primarily comprised of reimbursements from other agencies, and grants.



Subtotal of individual categories shown above may be slightly off due to rounding.

Special Parcel Tax provides funding for the Safe, Clean Water and Natural Flood Protection Program, passed by voters in 2020.

Benefit Assessments pay for debt service associated with flood protection projects and will continue until 2030.

Other Financing includes debt proceeds that provide upfront funding for the Capital Improvement Program (CIP).

Watersheds Projects

Valley Water is dedicated to keeping residents and businesses safe through its flood protection programs and projects, protecting our environment and restoring habitat along creeks and the bay. Here are a few priority watershed projects included in the Fiscal Year 2023-24 budget to achieve these goals.

South San Francisco Bay Shoreline Project Phase I

This project will protect some of our most vulnerable communities along the southern end of the San Francisco Bay from sea-level rise and coastal flooding. The project will also restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities.

Key deliverables: Complete construction of the first three levees from the Alviso Marina County Park to Artesian Slough by January 2024.



South San Francisco Bay Shoreline

Coyote Creek Flood Protection Project

This project will build flood protection along approximately nine miles of Coyote Creek between Montague Expressway and Tully Road in San José. The primary objective is to provide protection from floods up to the level that occurred in the February 2017 flood.

Key deliverables: Complete construction of Phase 1 (Coyote Creek Flood Management Measures Project) by October 2024. Begin Phase 2 (Coyote Creek Flood Protection Project) construction by Spring 2025.



A rendering of a pop-up flood wall at Watson Park for the Coyote Creek Flood Protection Project.

Bolsa Road Fish Passage Project

The Bolsa Road Fish Passage Project aims to restore steelhead fish passage by creating a series of alternating stream sections with fast and shallow pockets (riffles) as well as deep slow moving sections (pools). This riffle-pool system in-channel will replace an existing fish ladder that is no longer functional.

Key deliverables: Complete construction of channel improvements and begin plant establishment phase by December 2023.



Uvas-Carnadero Creek near Bolsa Road

Calabazas – San Tomas Aquino Creek Marsh Connection Project

Located in Alviso, the project will restore over 1,800 acres of former salt ponds connect the Calabazas and San Tomas Aquino Creeks to the adjacent former salt ponds. The project will restore tidal marsh and other valuable habitats for endangered and special status species as well as provide resilient flood protection against sea level rise.

Key deliverables: Complete feasible alternative report in June 2024.



A view of the former salt ponds.

Encampment Good Neighbor Program

Valley Water is committed to humanely assist in the permanent relocation of unsheltered people on lands along waterways, and at water supply and flood risk reduction facilities. The Encampment Good Neighbor Program aims to enhance Valley Water's participation in countywide collaboration efforts to address the human health, public safety operational, and environmental challenges posed by encampments.

Key deliverables: Develop a framework for both short- and long-term strategies to address the challenges posed by encampments of unsheltered people.



Encampment cleanup at Saratoga Creek, downstream of Homestead Road in Santa Clara.

Water Utility Projects

The Water Utility Enterprise is primarily responsible for providing all communities in Santa Clara County with a safe, reliable, and affordable water supply. The Fiscal Year 2023-24 budget includes critical investments in infrastructure and technology to help ensure water continues to flow from your tap now and into the future.

Anderson Dam Seismic Retrofit and Tunnel Projects

Valley Water's highest priority is retrofitting and strengthening Anderson Dam in Morgan Hill so it can safely withstand a large earthquake. This critical work will ensure public safety and allow us to fill Anderson Reservoir to capacity. The Federal Energy Regulatory Commission ordered Valley Water to drain the reservoir to about 3% capacity as we build a new, higher-capacity outlet tunnel that will allow us to release water more quickly during major storms or emergencies. Valley Water is building the tunnel first and then will begin retrofitting the existing dam.

Key deliverables: Continue construction of the outlet tunnel, initiate 100% design phase of the seismic retrofit project, and release the draft Environmental Impact Report.



A view inside the new outlet tunnel being built next to Anderson Dam.

Purified Water Project

Valley Water is pursuing potable reuse in Santa Clara County with the Purified Water Project. The project seeks to replenish groundwater basins with purified water, known as indirect potable reuse. A new advanced water purification facility will produce up to 10 million gallons per day of purified water. The Public-Private Partnership (P3) delivery method was chosen by the Board of Directors based on positive experiences of other agencies, to harness private sector innovation and financing as well as potential to reduce rate impacts and staffing requirements.

Key deliverables: Complete lease and operations and maintenance agreements with wastewater partners, develop and issue the Request for Proposal and complete Environmental Impact Report.



Water Tank at Silicon Valley Advanced Water Purification Center.

10-Year Pipeline Inspection and Rehabilitation

This project secures the reliability and long-term operational capability of Valley Water's extensive water pipeline system. Selected segments of the system are identified annually for inspection and rehabilitation.

Key deliverables: Begin construction for the inspection and rehabilitation of the Santa Clara Conduit Phase 2 and Snell Pipeline in Fall 2023. Complete construction contract documents for West Pipeline Phase 1 by July 2023.



Workers replace a valve and actuator along the Pacheco Conduit.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, use our **Access Valley Water** customer request system at access.valleywater.org.



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