

Budget in Brief

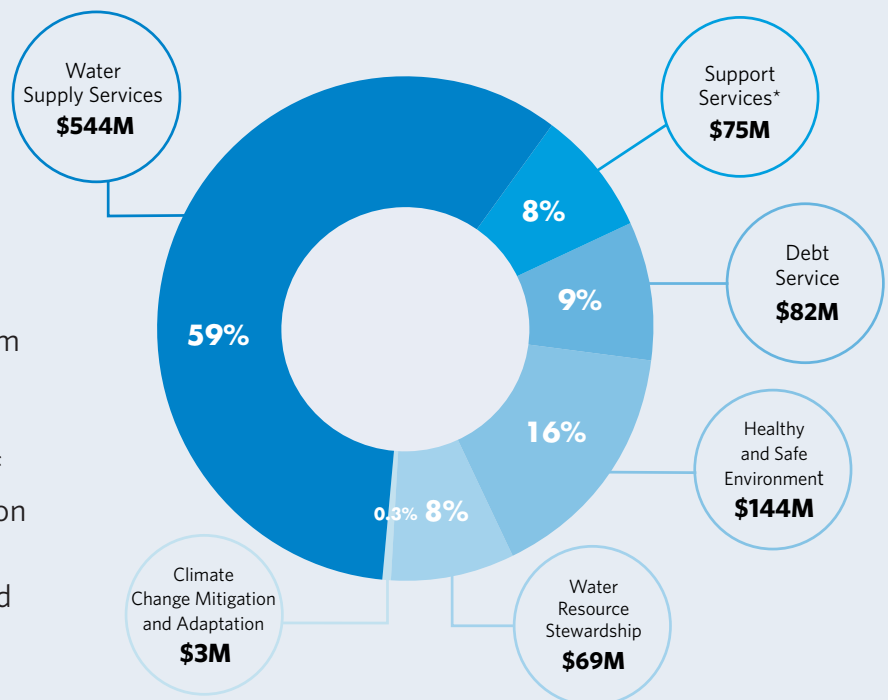


As we endure a drought emergency, Valley Water's budget priority is to invest in securing safe, clean water for a healthy life, environment and economy.

Guadalupe Reservoir was about one quarter full in May 2022. In wet years, when the reservoir is full, water covers the areas below the tree line that are visible in this picture.

FY 2022-23 Adopted Budget of \$917 million

Valley Water manages an integrated water resources system that includes the supply of safe, clean water, flood protection and stewardship of streams on behalf of Santa Clara County's two million residents. In May, the Valley Water Board of Directors adopted a \$917 million budget for Fiscal Year 2022-23 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 resource 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. This year Valley Water moved to a rolling biennial budget which allows us to budget for FY23 and plan for FY24. This fiscally responsible and balanced budget meets the community’s expectations and invests in our water infrastructure to ensure a reliable water supply for generations to come.



Valley Water Headquarters.



Balancing Act

Valley Water launched Balancing Act in 2021. The online budget simulation tool is a way for 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 a diverse array of funding sources

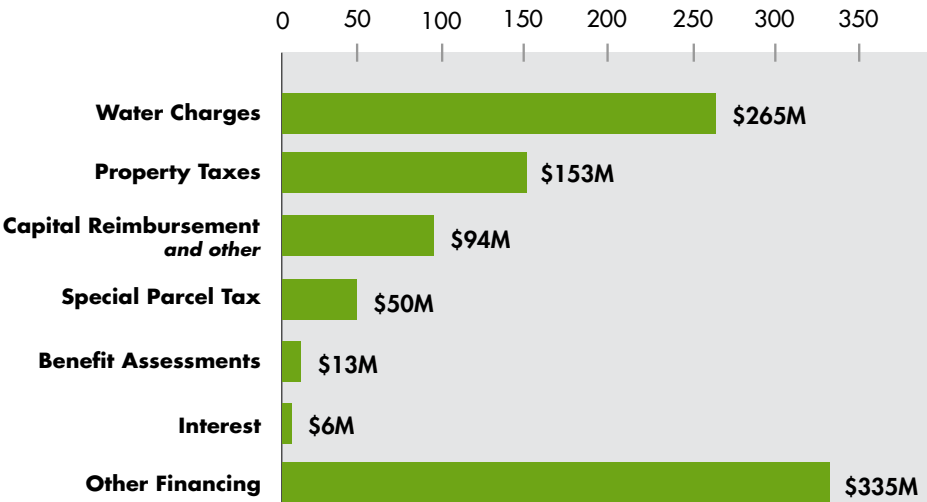
Valley Water receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from property taxes; the Safe, Clean Water and Natural Flood Protection Program special parcel tax; benefit assessments; interest earnings; cost-sharing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

FY 2022-23 Adopted Revenue and Debt Financing of \$916 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, grant revenue and interest earnings.



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, and is committed to protecting our environment and is working to restore habitat along creeks and the bay. Here are a few priority watershed projects included in the FY 2022-2023 budget to achieve these goals.

South San Francisco Bay Shoreline Project Phase I

This project will protect 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 Reaches 1-3 levees from the Alviso Marina County Park to Artesian Slough by January 2024.



South San Francisco Bay Shoreline.

Coyote Percolation Dam Replacement Project

This project will replace the existing flashboard dam with an inflatable rubber dam to improve groundwater recharge and water supply reliability for a wider range of flow regimes.

Key deliverables: Obtain regulatory permits, finalize design and complete construction by June 2024.

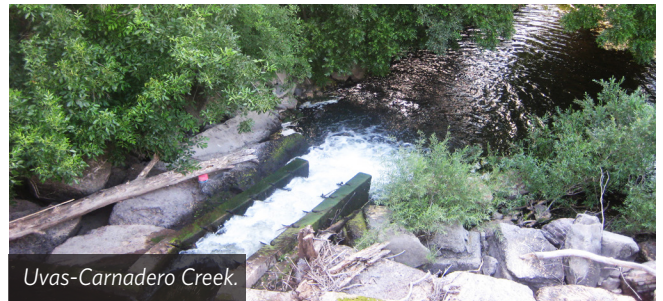


Coyote Percolation Dam.

Bolsa Road Fish Passage Project

The Bolsa Road fish passage project aims to restore steelhead fish passage by creating a riffle-pool channel for approximately 1,700 linear feet of Uvas-Carnadero Creek. This riffle-pool channel will replace an existing fish ladder that is no longer functional.

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



Uvas-Carnadero Creek.

Hale Creek Enhancement Pilot Project

This pilot project will remove an existing concrete channel and replace it with a vegetated, earthen channel to improve and restore the natural functions of the creek. In coordination with San Francisco Regional Water Quality Control Board, this project has been prioritized and selected for a pilot study to restore natural creek features in a confined urbanized setting.

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



Hale Creek.

One Water Plan

This plan integrates the water supply, flood protection, and stream stewardship missions of Valley Water at the watershed scale. Drawing from detailed existing programs and plans, One Water seeks to find the nexus between these three mission components for new opportunities in integrated water resources management.

Key deliverables: Advance the Upper Pajaro River and Guadalupe River Watershed Plans.



Uvas Reservoir at sunset.

Water Utility Projects

The Water Utility Enterprise is primarily responsible for providing all communities in Santa Clara County with a reliable, safe, and affordable water supply. The Fiscal Year 2022-23 budget includes critical investments in infrastructure and technology to help ensure water continues to flow into your tap now and into the future.

Anderson Dam Seismic Retrofit and Tunnel Projects

Valley Water is working on 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: Implementing environmental and habitat measures, continuing construction of the new outlet tunnel, and completing 90% design for the seismic retrofit project.



Strengthening the hillside next to Anderson Dam.

Pacheco Reservoir Expansion

The proposed Pacheco Reservoir Expansion Project will enlarge the existing reservoir capacity from 5,500 acre-feet to up to 140,000 acre-feet by building a new dam. An expanded Pacheco Reservoir would allow Valley Water to store nearly twice as much water in our reservoirs, helping us weather future droughts. The project would provide environmental benefits to the federally threatened South-Central California Coast Steelhead trout through habitat enhancement in and along Pacheco Creek.

Key deliverables: Complete 30% design, Alternative Assessment and Environmental Investigations, and prepare final environmental documents.

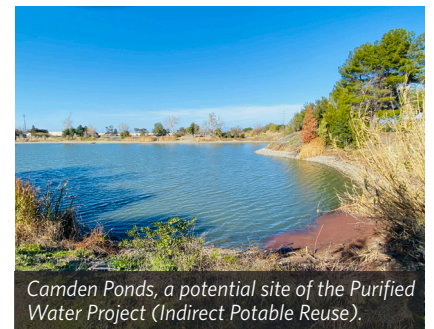


Pcheco project drilling work.

Purified Water Project

The purified water project will develop an advanced water purification center capable of producing 10 million gallons per day of purified water. Valley Water will use the purified water produced at this new facility to replenish groundwater basins, known as indirect potable reuse, in Santa Clara County. While Valley Water owns the project, it is being developed through a public-private partnership where a private entity will design, build, finance, operate and maintain the project.

Key deliverables: Complete negotiations with wastewater partners, develop Request for Proposal and complete Environmental Impact Report.



Camden Ponds, a potential site of the Purified Water Project (Indirect Potable Reuse).

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 and Almaden Valley Pipeline in Fall 2022. Complete construction contract documents for the Snell Pipeline.



Crews inspecting a section of pipeline.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, email Budget@valleywater.org or (408) 265-2600 or use our **Access Valley Water** customer request system at <https://delivr.com/2yukx>.

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SEVERE DROUGHT**



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SAVING WATER**

WaterSavings.org