

Fast Facts

- The Santa Clara Valley Water District operates and maintains assets that total \$7.1 billion in replacement value (2014 dollars) to meet current and future water demands.
- Wholesale water costs range from 35% to 65% of the average residential water bill depending on wholesale provider and retail provider.
- The average family of five uses about 135,000 gallons of water per year. Between \$36 and \$41 per month of the average retail water bill pays for the water district's costs in the North County, and roughly \$14 per month in the South County.
- Where does your rate money go?

Background

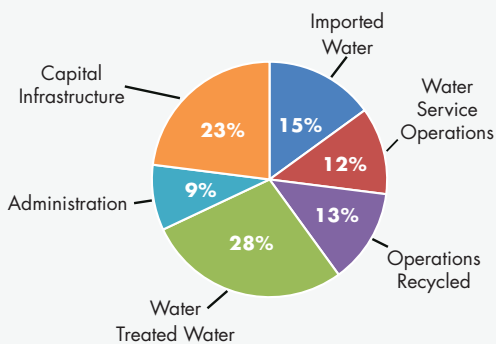
The Santa Clara Valley Water District is the groundwater management agency and primary wholesale water provider for Santa Clara County. We actively manage the groundwater basins by replenishing them with local and imported water, and by operating surface water treatment plants that provide "in-lieu" recharge. A complex system that includes 10 reservoirs, 142 miles of pipelines, four water treatment plants, and three pump stations, helps ensure that water flows to your tap.

The cost to operate and maintain this system is reimbursed primarily through groundwater and treated water charges paid by water retail customers. Groundwater charges differ depending on the "zone of benefit." The North County (Zone W-2) is defined as the portion of the county north of the Coyote Valley. The South County (Zone W-5) is defined as the portion of the county extending from Coyote Valley to Gilroy. Treated water is only provided in the North County.

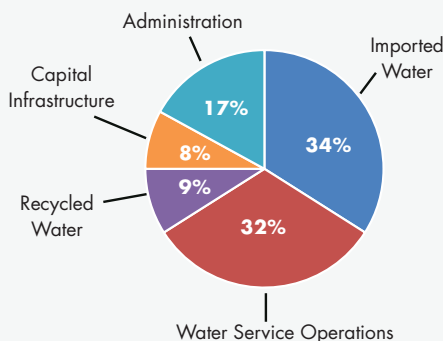
How do wholesale rates compare?

While the cost to provide wholesale water service varies across the state, the water district's wholesale charges are in line with other water providers.

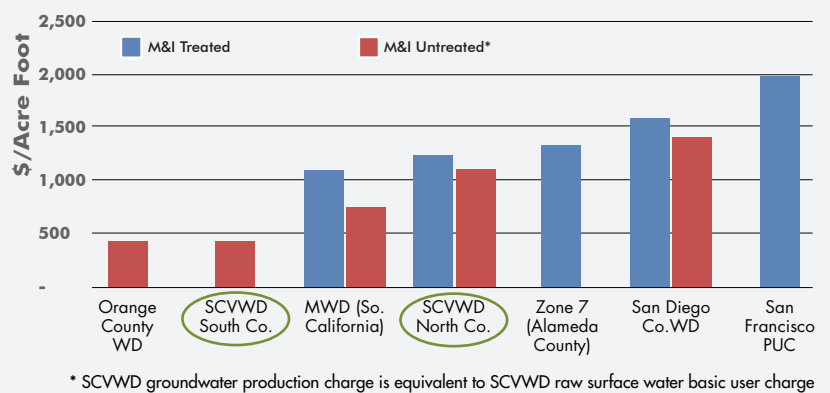
North County (\$278.8M)



South County (\$22.7M)



Wholesale Agency Rate Comparison Municipal & Industrial (M&I) Water as of January 2017



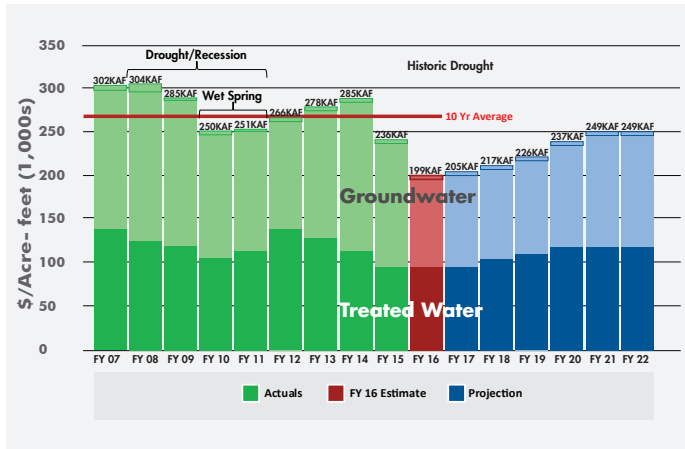
Where does your rate money go?

Water Utility program costs total \$301.5M for FY 2016-17 (excluding state imported water purchases, which are paid for by a tax). In both the North County and South County, purchasing federal imported water is a significant expense category at 15%

and 34% respectively. Other major cost categories are: Water service operations, which includes operating and maintaining local reservoirs, pipelines, pump stations, and recharge ponds; Purified & recycled Water operations, maintenance, and expansion; treated Water capital infrastructure, operations and maintenance, which is the largest North County cost at 28%; Capital infrastructure, which includes improvements to local reservoirs, pipelines, and pump stations; and Administration, which includes support services like human resources and legal.

District Managed Water Use Trend

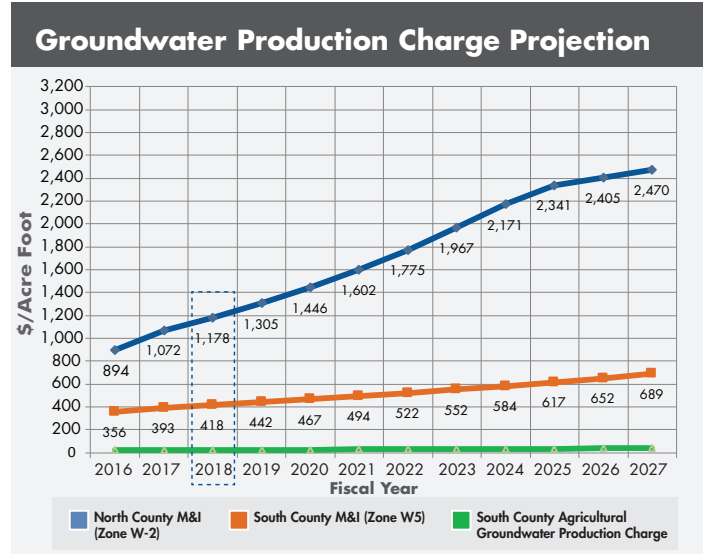
The district's water revenues vary depending on water use. With the exception of the impact of the current historic drought, the water district estimates water use conservatively, to help ensure that revenues are adequate to cover expenses each year.



Wholesale Rate Projection

Based on the February 2017 financial analysis, the North County M&I groundwater charge is projected to increase 8.8% per year on average over the next 10 years. The projected increases are largely driven by investments in infrastructure repair and rehabilitation, and efforts to bolster water supply reliability (like the California Water Fix and purified

water expansion). The South County average annual increase projection is 5.8% driven primarily by the Anderson Dam seismic retrofit.

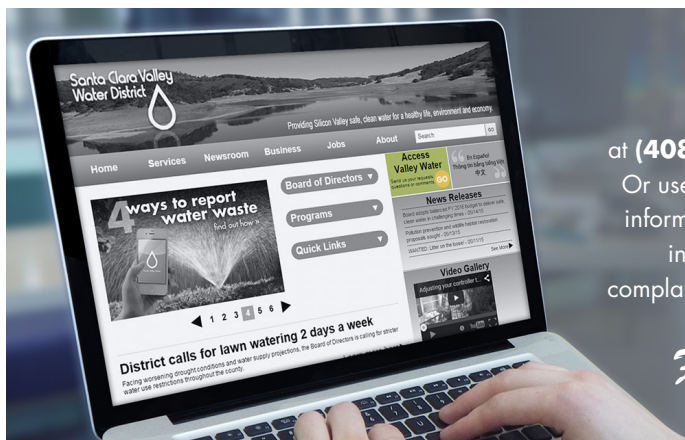


How do wholesale rates affect my retail bill?

Retail agency water bills vary within the county based on many factors including wholesale water costs and their own infrastructure needs. For the average family of five, between \$36 and \$41 per month of the retail water bill pays for water district costs in the North County, and \$14 per month in the South County. Wholesale water costs range from 35% to 65% of the average residential water bill depending on the retail provider, and the wholesale provider (Our water district or San Francisco Public Utilities Commission).

Conclusion

We must continue to invest in our infrastructure rather than wait until the system fails. Previous generations invested in the water system, and it's now our turn to invest for our children and their children. For more information, please visit our website at www.valleywater.org



CONTACT US

For more information, contact **Darin Taylor** at **(408) 630-3068**, email dtaylor@valleywater.org Or use our **Access Valley Water** customer request and information system at valleywater.org to find out the latest information on district projects or to submit questions, complaints or compliments directly to a district staff person.



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