WATERSHED MANAGEMENT FUNDS

Fund Summaries

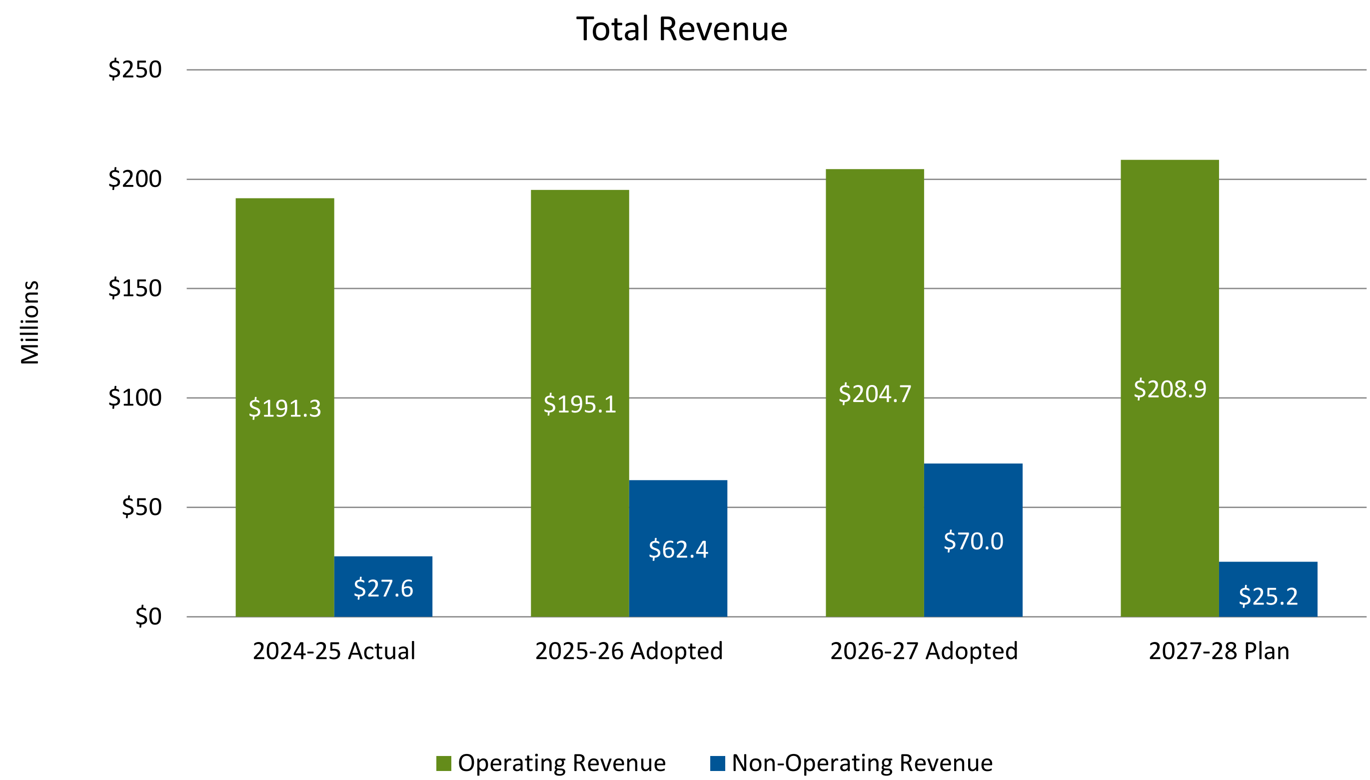
Overview

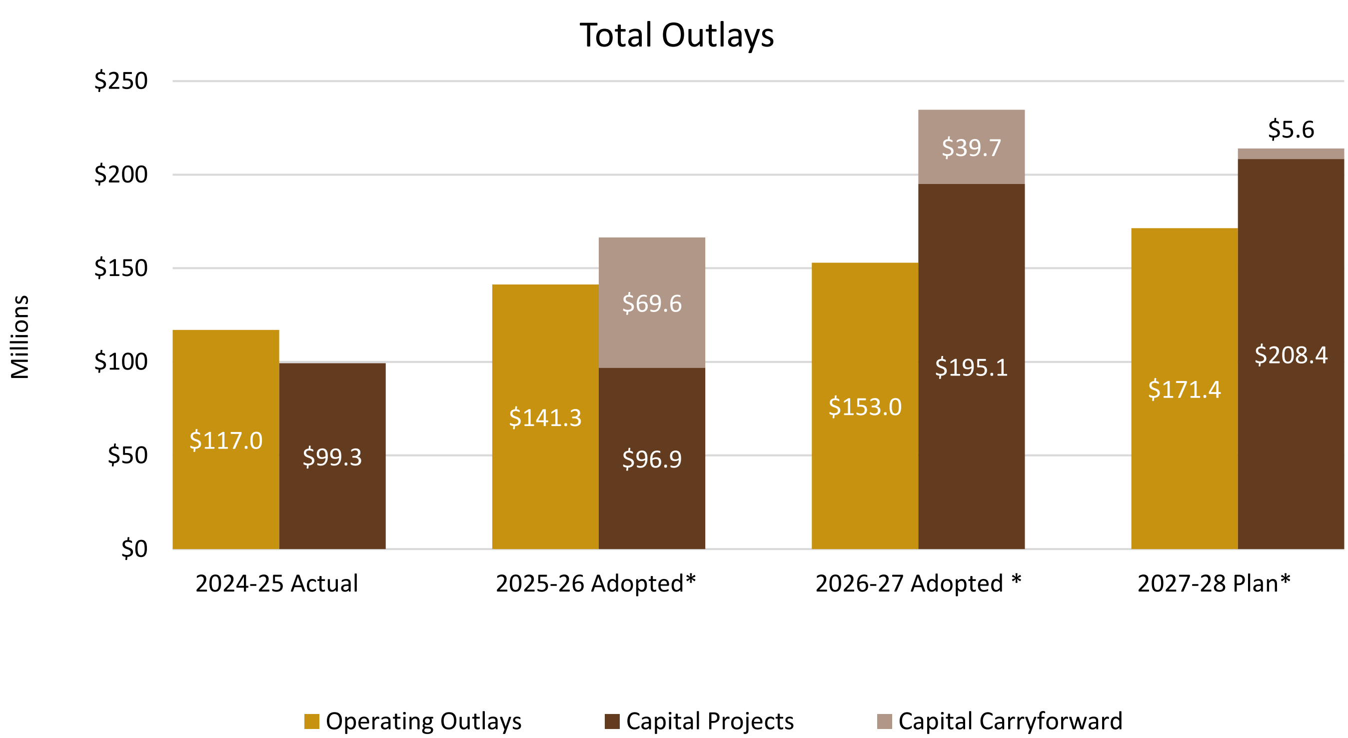
The Board of Directors defines watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, reduced flood risk, and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship program with primarily three funding sources:

- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24, and 25)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

Watershed Management Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed Management Funds

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 6,848,514	$ 6,923,750	$ 6,923,750	$ 6,921,250	$ (2,500)	0.0%
Property Tax	129,840,107	132,785,000	137,453,938	140,841,668	8,056,668	6.1%
Special Parcel Tax	53,227,039	55,094,792	55,094,792	56,582,351	1,487,559	2.7%
Intergovernmental Services	202,970	-	-	-	-	0.0%
Operating Other	1,162,600	318,938	318,938	328,506	9,568	3.0%
Total Operating Revenue	**$ 191,281,230**	**$ 195,122,480**	**$ 199,791,418**	**$ 204,673,775**	**$ 9,551,296**	**4.9%**
Non-Operating Revenue						
Capital Reimbursements	$ 10,815,146	$ 55,600,000	$ 24,510,000	$ 60,455,000	$ 4,855,000	8.7%
Interest Income*	13,946,973	5,366,000	8,045,000	8,045,000	2,679,000	49.9%
Non-Operating Other	2,854,430	1,458,487	1,458,487	1,502,242	43,755	3.0%
Total Non-Operating Revenue	**$ 27,616,549**	**$ 62,424,487**	**$ 34,013,487**	**$ 70,002,242**	**$ 7,577,755**	**12.1%**
TOTAL REVENUE	**$ 218,897,779**	**$ 257,546,967**	**$ 233,804,905**	**$ 274,676,017**	**$ 17,129,050**	**6.7%**
OUTLAYS						
Operating Outlays						
Operations**	$ 101,483,650	$ 118,364,072	$ 121,133,636	$ 127,888,091	$ 9,524,019	8.0%
Operating Project	3,830,779	4,444,256	8,394,256	6,801,569	2,357,313	53.0%
Debt Service	11,699,443	18,530,310	18,530,310	18,294,186	(236,124)	-1.3%
Total Operating Outlays	**$ 117,013,873**	**$ 141,338,638**	**$ 148,058,202**	**$ 152,983,845**	**$ 11,645,208**	**8.2%**
Capital Outlays						
Capital Projects	$ 99,280,659	$ 96,937,602	$ 176,927,845	$ 195,050,073	$ 98,112,470	101.2%
Carryforward Capital Projects	-	69,566,695	-	39,678,136	(29,888,559)	-43.0%
Total Capital Outlays	**$ 99,280,659**	**$ 166,504,297**	**$ 176,927,845**	**$ 234,728,209**	**$ 68,223,911**	**41.0%**
TOTAL OUTLAYS	**$ 216,294,532**	**$ 307,842,935**	**$ 324,986,047**	**$ 387,712,054**	**$ 79,869,119**	**25.9%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 50,000,000	$ 44,609,029	$ 30,000,000	$ 119,346,000	$ 74,736,971	167.5%
Transfers In	4,087,474	5,116,750	5,116,750	6,234,999	1,118,249	21.9%
Transfers Out	(16,924,530)	(14,710,901)	(14,911,701)	(15,676,139)	(965,238)	6.6%
TOTAL OTHER SOURCES/(USES)	**$ 37,162,944**	**$ 35,014,878**	**$ 20,205,049**	**$ 109,904,860**	**$ 74,889,982**	**213.9%**
BALANCE AVAILABLE	**$ 39,766,191**	**$ (15,281,090)**	**$ (70,976,093)**	**$ (3,131,177)**	**$ 12,149,913**	**-79.5%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	153,931,649	71,376,703	54,454,777	24,037,866	(47,338,837)	-66.3%
SCW Operating and Capital Reserve	3,971,210	76,463,210	22,685,957	43,678,321	(32,784,889)	-42.9%
Total Restricted Reserves	**$ 187,902,859**	**$ 177,839,913**	**$ 107,140,734**	**$ 97,716,187**	**$ (80,123,726)**	**-45.1%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 27,087,745	$ 1,029,024	$ 21,125,092	$ -	$ (1,029,024)	-100.0%
Operating and Capital Reserve	163,306,832	154,256,929	177,953,016	204,315,318	50,058,390	32.5%
Excess ERAF Contingency Reserve	4,754,939	5,836,610	5,857,439	6,913,599	1,076,989	18.5%
Total Committed Reserves	**$ 195,149,516**	**$ 161,122,563**	**$ 204,935,548**	**$ 211,228,917**	**$ 50,106,355**	**31.1%**
TOTAL YEAR-END RESERVES	**$ 383,052,375**	**$ 338,962,475**	**$ 312,076,282**	**$ 308,945,104**	**$ (30,017,371)**	**-8.9%**

Watershed Management Funds

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 46,913,085	$ 52,339,151	$ 52,081,619	$ 55,482,095	$ 3,142,945	6.0%
Salary Savings Factor	-	(523,828)	(523,828)	(1,153,119)	(629,291)	120.1%
Services & Supplies	28,382,415	37,335,848	44,460,871	46,631,882	9,296,034	24.9%
Intra-District Charges	30,018,929	33,657,157	33,509,230	33,728,802	71,644	0.2%
OPERATING OUTLAY TOTAL	**$ 105,314,430**	**$ 122,808,328**	**$ 129,527,892**	**$ 134,689,659**	**$ 11,881,332**	**9.7%**
DEBT SERVICE						
Services & Supplies	$ 805,328	$ 911,560	$ 911,560	$ 771,561	$ (139,999)	-15.4%
Debt Service	10,894,115	17,618,750	17,618,750	17,522,625	(96,125)	-0.5%
DEBT SERVICE TOTAL	**$ 11,699,443**	**$ 18,530,310**	**$ 18,530,310**	**$ 18,294,186**	**$ (236,124)**	**-1.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 17,687,634	$ 19,778,729	$ 19,778,729	$ 19,891,205	$ 112,477	0.6%
Salary Savings Factor	-	(204,729)	(204,729)	(426,108)	(221,379)	108.1%
Services & Supplies	70,851,175	65,195,450	145,185,693	164,383,498	99,188,048	152.1%
Carryforward Capital Projects	-	69,566,695	-	39,678,136	(29,888,559)	-43.0%
Intra-District Charges	10,741,850	12,168,153	12,168,153	11,201,478	(966,675)	-7.9%
CAPITAL PROJECTS TOTAL	**$ 99,280,659**	**$ 166,504,297**	**$ 176,927,845**	**$ 234,728,209**	**$ 68,223,911**	**41.0%**
TOTAL OUTLAYS	**$ 216,294,532**	**$ 307,842,935**	**$ 324,986,047**	**$ 387,712,054**	**$ 79,869,119**	**25.9%**

(*) Interest income does not include GASB31 market value adjustment
(**) Operations outlays do not include OPEB Expense-unfunded liabilities
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Watershed Management Funds

		Budgetary Basis Actual 2024-25		Adopted Budget 2025-26		Adopted Budget 2026-27		Proposed Plan 2027-28		Change from 2026-27 Adopted $ Diff	% Diff
REVENUE											
Operating Revenue											
Benefit Assessment	$	6,848,514	$	6,923,750	$	6,921,250	$	6,924,063	$	2,813	0.0%
Property Tax		129,840,107		132,785,000		140,841,668		143,825,523		2,983,855	2.1%
Special Parcel Tax		53,227,039		55,094,792		56,582,351		57,827,163		1,244,812	2.2%
Intergovernmental Services		202,970		-		-		-		-	0.0%
Operating Other		1,162,600		318,938		328,506		338,361		9,855	3.0%
Total Operating Revenue	**$**	**191,281,230**	**$**	**195,122,480**	**$**	**204,673,775**	**$**	**208,915,110**	**$**	**4,241,334**	**2.1%**
Non-Operating Revenue											
Capital Reimbursements	$	10,815,146	$	55,600,000	$	60,455,000	$	15,600,000	$	(44,855,000)	-74.2%
Interest Income*		13,946,973		5,366,000		8,045,000		8,045,000		-	0.0%
Non-Operating Other		2,854,430		1,458,487		1,502,242		1,547,309		45,067	3.0%
Total Non-Operating Revenue	**$**	**27,616,549**	**$**	**62,424,487**	**$**	**70,002,242**	**$**	**25,192,309**	**$**	**(44,809,933)**	**-64.0%**
TOTAL REVENUE	**$**	**218,897,779**	**$**	**257,546,967**	**$**	**274,676,017**	**$**	**234,107,418**	**$**	**(40,568,598)**	**-14.8%**
OUTLAYS											
Operating Outlays											
Operations**	$	101,483,650	$	118,364,072	$	127,888,091	$	135,775,930	$	7,887,839	6.2%
Operating Project		3,830,779		4,444,256		6,801,569		6,508,094		(293,475)	-4.3%
Debt Service		11,699,443		18,530,310		18,294,186		29,164,114		10,869,928	59.4%
Total Operating Outlays	**$**	**117,013,873**	**$**	**141,338,638**	**$**	**152,983,845**	**$**	**171,448,137**	**$**	**18,464,292**	**12.1%**
Capital Outlays											
Capital Projects	$	99,280,659	$	96,937,602	$	195,050,073	$	208,398,646	$	13,348,573	6.8%
Carryforward Capital Projects		-		69,566,695		39,678,136		5,598,296		(34,079,840)	-85.9%
Total Capital Outlays	**$**	**99,280,659**	**$**	**166,504,297**	**$**	**234,728,209**	**$**	**213,996,942**	**$**	**(20,731,267)**	**-8.8%**
TOTAL OUTLAYS	**$**	**216,294,532**	**$**	**307,842,935**	**$**	**387,712,054**	**$**	**385,445,080**	**$**	**(2,266,975)**	**-0.6%**
OTHER FINANCING SOURCES/(USES)											
Debt Proceeds	$	50,000,000	$	44,609,029	$	119,346,000	$	130,000,000	$	10,654,000	8.9%
Transfers In		4,087,474		5,116,750		6,234,999		8,986,812		2,751,813	44.1%
Transfers Out		(16,924,530)		(14,710,901)		(15,676,139)		(11,342,792)		4,333,347	-27.6%
TOTAL OTHER SOURCES/(USES)	**$**	**37,162,944**	**$**	**35,014,878**	**$**	**109,904,860**	**$**	**127,644,018**	**$**	**17,739,159**	**16.1%**
BALANCE AVAILABLE	**$**	**39,766,191**	**$**	**(15,281,090)**	**$**	**(3,131,177)**	**$**	**(23,693,643)**	**$**	**(20,562,466)**	**656.7%**
YEAR-END RESERVES											
Restricted Reserves											
SCW Rate Stabilization Reserve	$	25,000,000	$	25,000,000	$	25,000,000	$	25,000,000	$	-	0.0%
SCW Contingency Reserve		5,000,000		5,000,000		5,000,000		5,000,000		-	0.0%
SCW Currently Authorized Projects Reserve***		153,931,649		71,376,703		24,037,866		18,439,570		(5,598,296)	-23.3%
SCW Operating and Capital Reserve		3,971,210		76,463,210		43,678,321		47,374,992		3,696,670	8.5%
Total Restricted Reserves	**$**	**187,902,859**	**$**	**177,839,913**	**$**	**97,716,187**	**$**	**95,814,562**	**$**	**(1,901,626)**	**-1.9%**
Committed Reserves											
Currently Authorized Projects Reserve***	$	27,087,745	$	1,029,024	$	-	$	-	$	-	0.0%
Operating and Capital Reserve		163,306,832		154,256,929		204,315,318		181,466,981		(22,848,337)	-11.2%
Excess ERAF Contingency Reserve		4,754,939		5,836,610		6,913,599		7,969,919		1,056,320	15.3%
Total Committed Reserves	**$**	**195,149,516**	**$**	**161,122,563**	**$**	**211,228,917**	**$**	**189,436,900**	**$**	**(21,792,017)**	**-10.3%**
TOTAL YEAR-END RESERVES	**$**	**383,052,375**	**$**	**338,962,475**	**$**	**308,945,104**	**$**	**285,251,461**	**$**	**(23,693,643)**	**-7.7%**

Watershed Management Funds

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 46,913,085	$ 52,339,151	$ 55,482,095	$ 60,481,527	$ 4,999,431	9.0%
Salary Savings Factor	-	(523,828)	(1,153,119)	(1,246,241)	(93,122)	8.1%
Services & Supplies	28,382,415	37,335,848	46,631,882	43,864,316	(2,767,565)	-5.9%
Intra-District Charges	30,018,929	33,657,157	33,728,802	39,184,421	5,455,620	16.2%
OPERATING OUTLAY TOTAL	**$ 105,314,430**	**$ 122,808,328**	**$ 134,689,659**	**$ 142,284,023**	**$ 7,594,364**	**5.6%**
DEBT SERVICE						
Services & Supplies	$ 805,328	$ 911,560	$ 771,561	$ 1,251,561	$ 480,000	62.2%
Debt Service	10,894,115	17,618,750	17,522,625	27,912,553	10,389,928	59.3%
DEBT SERVICE TOTAL	**$ 11,699,443**	**$ 18,530,310**	**$ 18,294,186**	**$ 29,164,114**	**$ 10,869,928**	**59.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 17,687,634	$ 19,778,729	$ 19,891,205	$ 20,145,751	$ 254,546	1.3%
Salary Savings Factor	-	(204,729)	(426,108)	(429,760)	(3,652)	0.9%
Services & Supplies	70,851,175	65,195,450	164,383,498	176,579,849	12,196,351	7.4%
Carryforward Capital Projects	-	69,566,695	39,678,136	5,598,296	(34,079,840)	-85.9%
Intra-District Charges	10,741,850	12,168,153	11,201,478	12,102,806	901,328	8.0%
CAPITAL PROJECTS TOTAL	**$ 99,280,659**	**$ 166,504,297**	**$ 234,728,209**	**$ 213,996,942**	**$ (20,731,267)**	**-8.8%**
TOTAL OUTLAYS	**$ 216,294,532**	**$ 307,842,935**	**$ 387,712,054**	**$ 385,445,080**	**$ (2,266,975)**	**-0.6%**

(*) Interest income does not include GASB31 market value adjustment
(**) Operations outlays do not include OPEB Expense-unfunded liabilities
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Watershed and Stream Stewardship Fund

Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watershed funds supported by revenue from:

- Valley Water's 1% ad valorem property tax allocation, except the portion allocated to the Valley Water General Fund and Water Utility Enterprise Fund
- Benefit assessments
- Capital reimbursements
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values, including sediment removal, levee maintenance, erosion protection, debris removal, vegetation management, invasive species removal and control, corrective maintenance, property, fence, and road repairs
- Administration of the Water Resources Protection Ordinance to protect Valley Water assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Encampment cleanups and management
- Plan and build restoration projects
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training, watershed master planning, and workforce development

Preliminary targets for sediment removal, vegetation management, levee maintenance, and erosion protection are based on field condition assessments for the Stream Maintenance Program (SMP) Notice of Proposed Work (NPW). The NPW consists of all potential work activities identified for that season and is submitted annually for approval by regulatory agencies in April. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for various reasons. Limitations for completion include the ability to implement required mitigation, timely approval from regulatory agencies, changed site conditions, environmental restrictions, and other factors. Furthermore, an additional NPW may be submitted due to work identified caused by late-occurring winter/spring storms. Therefore, the proposed workload quantities in this fund summary are subject to change.

Outcomes

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2026-27 Rolling Biennial Budget.

Goal 3.1: Maintain flood protection facilities to design levels of protection

Prioritize maintenance of existing facilities over construction of new capital projects; inspect and maintain facilities on a regular basis; and perform maintenance using maintenance guidelines updated on a regular basis.

- Effectively and efficiently maintain and operate flood water conveyance channels to design specifications, including sustainable sediment management, vegetation management, and debris removal
- In conjunction with the Safe, Clean Water (SCW) Fund, provide partial funding to remove an estimated 20,000 to 50,000 cubic yards of sediment
- In conjunction with the Safe, Clean Water (SCW) Fund, provide partial funding to control approximately 3,700 acres of upland vegetation to allow safe access for maintenance and fire risk reduction
- Inspect approximately 190 miles of creeks
- Inspect approximately 100 miles of levees
- Perform maintenance on approximately 7,500 linear feet of levees
- Lower Guadalupe River Capacity Restoration Project
- Watersheds Asset Rehabilitation Program: Stevens Creek, Lower Penitencia Creek, and Guadalupe River

Goal 3.2: Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement

Reduce the potential for flood damages through the following activities:

- Preparing for and responding to flood emergencies
- Informing the public on flood awareness
- Implementing the Water Resources Protection Zones Ordinance
- Implementing the Encroachment Remediation Program
- Consulting with and supporting external agencies for floodplain management
- Maintaining and improving Valley Water’s flood warning system

This includes providing a minimum of 40,000 pre-filled sandbags to the public and sending floodplain mailers to approximately 55,000 homes and businesses in flood-prone areas.

Goal 3.3: Increase the health and safety of residents countywide by reducing community flood risk

Provide flood protection to the county's growing community by building flood protection projects and maintaining the conveyance capacity of modified channels.

Major Capital Projects starting or continuing construction:

- Coyote Creek Flood Protection Project
- San Francisco Bay Shoreline Phase I Project
- Sunnyvale East and West Channels Flood Protection Project

Goal 4.1: Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations

Protect and restore creek and bay ecosystems through an integrated master planning process, which strategizes providing protection and restoration of watersheds through the following activities:

- Identifying mitigation and enhancement sites
- Monitoring the biological values along the creeks and bay
- Understanding the natural hydrology of the watersheds
- Educating residents on creek stewardship

Watershed Master Plans for each of the five watersheds in Santa Clara County are driven by community input to ensure broad support.

Major Capital Projects:

- Calabazas/San Tomas Aquino Creek-Marsh Connection
- Coyote 10B Freshwater Wetlands
- Fish Passage Improvements Project (Moffett Fish Ladder)
- Ogier Ponds
- Pond A4 Resilient Habitat Restoration

Goal 4.2: Sustain ecosystem health while managing local water resources for flood protection and water supply

- Implement stewardship projects such as the Integrated Invasive Plant Management Program for invasive species control, Calabazas/San Tomas Aquino Creek-Marsh Connection, Coyote Pond 10B Freshwater Wetlands, and Ogier Ponds
- Continue to implement the FAHCE flow measures in the Stevens Creek and Guadalupe watersheds
- Complete planning studies for FAHCE nonflow measures such as the Fish Passage Improvements Project (Moffett Fish Ladder)
- Manage at least 300 acres of riparian planting projects and 200 acres of invasive plant removal projects

Goal 4.3: Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply

Protecting imported water supply is affiliated with more than one Ends Code Goal, including this Goal E4.3; however, the imported water projects listed are under Goal Objective E2.2.3 – "Protect imported water supplies and associated contracts and partnerships." Please refer to the summary of that goal in the Water Utility Enterprise (Fund 61) Summary.

Goal 4.4: Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation

- Continue sampling and analysis to estimate reservoirs' contribution of greenhouse gases, especially methane, to the atmosphere
- Continue study to evaluate the use of different mercury sorbent materials and methods as an alternative to hypolimnetic oxygenation systems for mitigating mercury bioaccumulation in reservoirs
- Continue a collaborative effort between Palo Alto and Valley Water to maintain and operate trash booms in two creek locations to capture trash before it enters San Francisco Bay
- Conduct stormwater runoff pollution prevention activities
- Conduct encampment cleanup and management of at least 700 acres annually to remove trash, debris, and hazardous pollutants generated by encampments near waterways or on Valley Water property
- Continue Good Neighbor Maintenance to remove trash from waterways
- Repair fences as needed for public safety; and respond to requests for trash and graffiti removal within five working days

Goal 4.5: Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency

- Provide additional recreational opportunities by promoting and supporting access to create creekside trails and open space through various grants and community partnerships for planning, design, construction, and maintenance
- Provide additional opportunities to engage the community in stewardship through Adopt-A-Creek trash pickups
- Continue to work with cities on trail implementation through Joint Use Agreements, in accordance with the Trails Policy Criteria and Guidance

Goal 5.1: Minimize greenhouse gas emissions from Valley Water's operations

Complete and implement a qualified Greenhouse Gas Reduction Plan (GHGRP) consistent with the California Environmental Quality Act (CEQA) and develop a CEQA streamlining checklist for future projects covered by the plan. The GHGRP aims to reduce Valley Water's emissions and achieve carbon neutrality by 2045.

Goal 5.2: Adapt Valley Water's assets and operations to reduce climate change impacts

- Improve the resiliency of Valley Water's assets and operations by implementing the Climate Change Action Plan (CCAP), which includes Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness
- Develop a Drought Response Plan to improve water supply reliability in Santa Clara County during times of future shortage to evaluate new approaches for water use reductions from the public and develop a response framework to employ during future droughts

Goal 6.1: Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities

- Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people
- Increase the level of service for encampment cleanup efforts based on need and resource availability
- Identify Valley Water lands for regional partners to use for housing or other services for unsheltered people and, as resources allow, work in consultation with local cities or the County to facilitate construction of low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities to assist unsheltered people

Fund Summaries

Fiscal Status

Property Tax revenue is projected at $140.8 million for FY 2026-27. The projection reflects an increase of $8.1 million, or 6.1% increase from the FY 2025-26 Adopted Budget. The increase in Property Tax revenue is based on updates received from the Santa Clara County Assessor's Office. In FY 2027-28, Property Tax revenue is projected to increase an additional 2.1% to $143.8 million.

For FY 2026-27, Capital Reimbursements are projected at $6.2 million, an increase of $1.2 million from the FY 2025-26 Adopted Budget, which is made up of $3.2 million in San Francisco Bay Restoration Authority Measure AA grant and $3.0 million in State Subventions for the San Francisco Bay Shoreline project. For FY 2027-28, the projected Capital Reimbursements are $5.0 million, which is made up of $2.0 million in San Francisco Bay Restoration Authority Measure AA grant, $2.0 million in State Coastal Conservancy grant, and $1.0 million in State Subventions for the San Francisco Bay Shoreline project.

Other Income of $1.8 million in both FY 2026-27 and FY 2027-28 is budgeted for rental and other miscellaneous income.

Interest Income is projected to be $3.7 million for FY 2026-27 and FY 2027-28. The estimates assume an average portfolio yield of 3% for FY 2026-27 and FY 2027-28.

Operating Transfers In from the Benefit Assessment Funds for the excess amount over the debt obligations are budgeted at $1.1 million for FY 2026-27 and FY 2027-28.

For FY 2026-27, Operating Transfers Out of $11.6 million from the Watershed and Stream Stewardship Fund are budgeted as follows:

- $4.5 million to the Information Technology Fund for ERP Replacement ($2.5 million) and IT capital projects costs ($2.0 million)
- $3.8 million to the General Fund for Drought Induced Tree Removal ($1.1 million) and Security Upgrades and HQ Building Capital Project ($2.7 million)
- $2.2 million to the Water Enterprise Fund for Open Space Credit
- $1.1 million to the Safe, Clean Water and Natural Flood Protection Fund for Regnart Creek Project

For FY 2027-28, Operating Transfers Out of $7.8 million from the Watershed and Stream Stewardship Fund are budgeted as follows:

- $4.9 million to the Information Technology Fund for ERP Replacement ($3.5 million) and IT capital projects ($1.4 million)
- $1.9 million to the Water Enterprise Fund for Open Space Credit
- $0.7 million to the General Fund for Drought Induced Tree Removal ($0.7 million)
- $0.3 million to the Safe, Clean Water and Natural Flood Protection Fund for Regnart Creek Project

Total Operating Outlays are budgeted at $101.8 million for FY 2026-27, an increase of $6.7 million or 7.1% relative to the FY 2025-26 Adopted Budget. This change is primarily comprised of increases in salary and related costs and intra-district charges of $1.0 million, $0.9 million for the Governor's March 2025 Emergency Proclamation for Statewide Fuels Reduction including Eucalyptus Tree Removal, $0.3 million for Landscape and Vegetation Services, and a net increase in Services and Supplies (S&S) from various projects and programs $4.5 million. In FY 2027-28, Total Operating Outlays are projected to increase an additional 7.8% or $7.9 million to $109.8 million. This change is primarily comprised of increases in salary and related costs $3.6 million and intra-district charges $4.3 million.

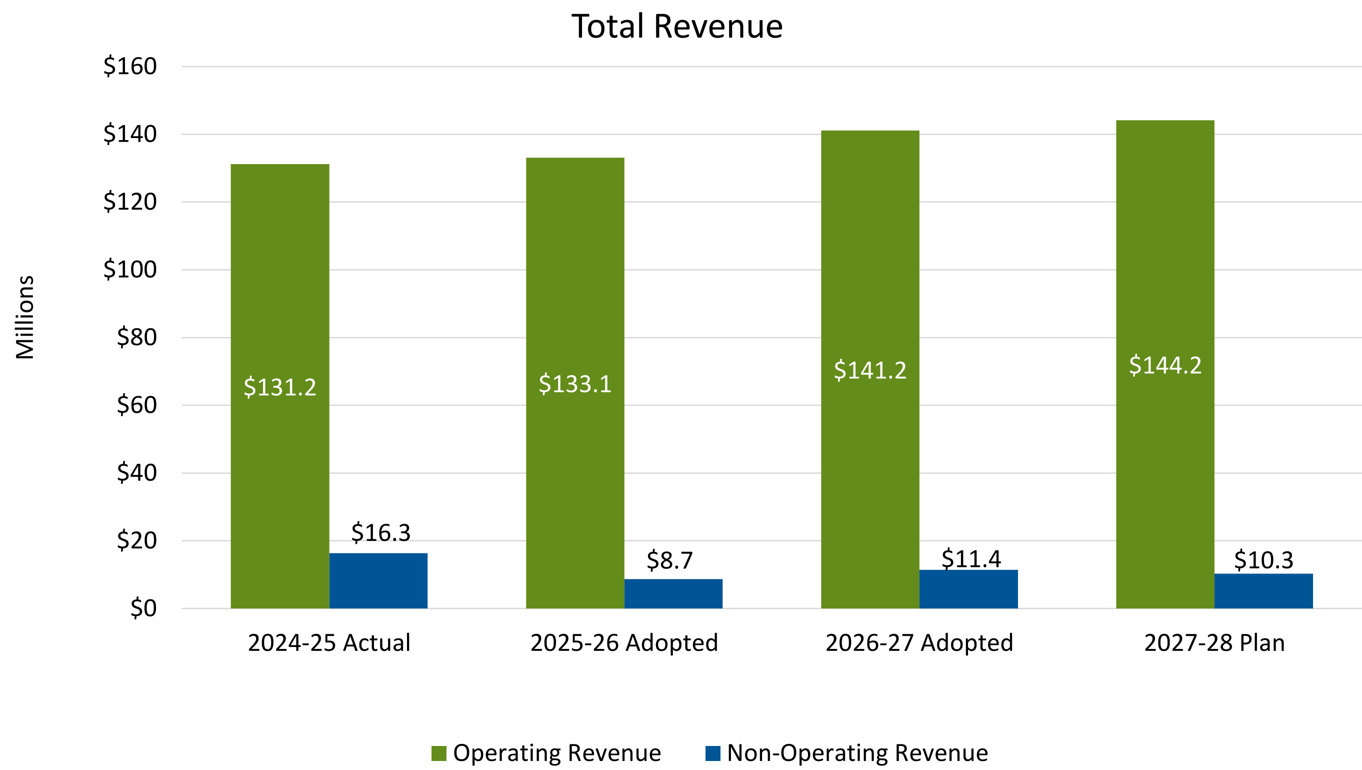
Total Capital Outlays are budgeted at $34.0 million for FY 2026-27, a decrease of $1.7 million or 4.6% relative to the FY 2025-26 Adopted Budget. In FY 2027-28, total Capital Outlays are projected to increase by 75.7% to $59.8 million. A detailed overview of projects in the Watershed and Stream Stewardship Fund is listed in the Total Outlays section below.

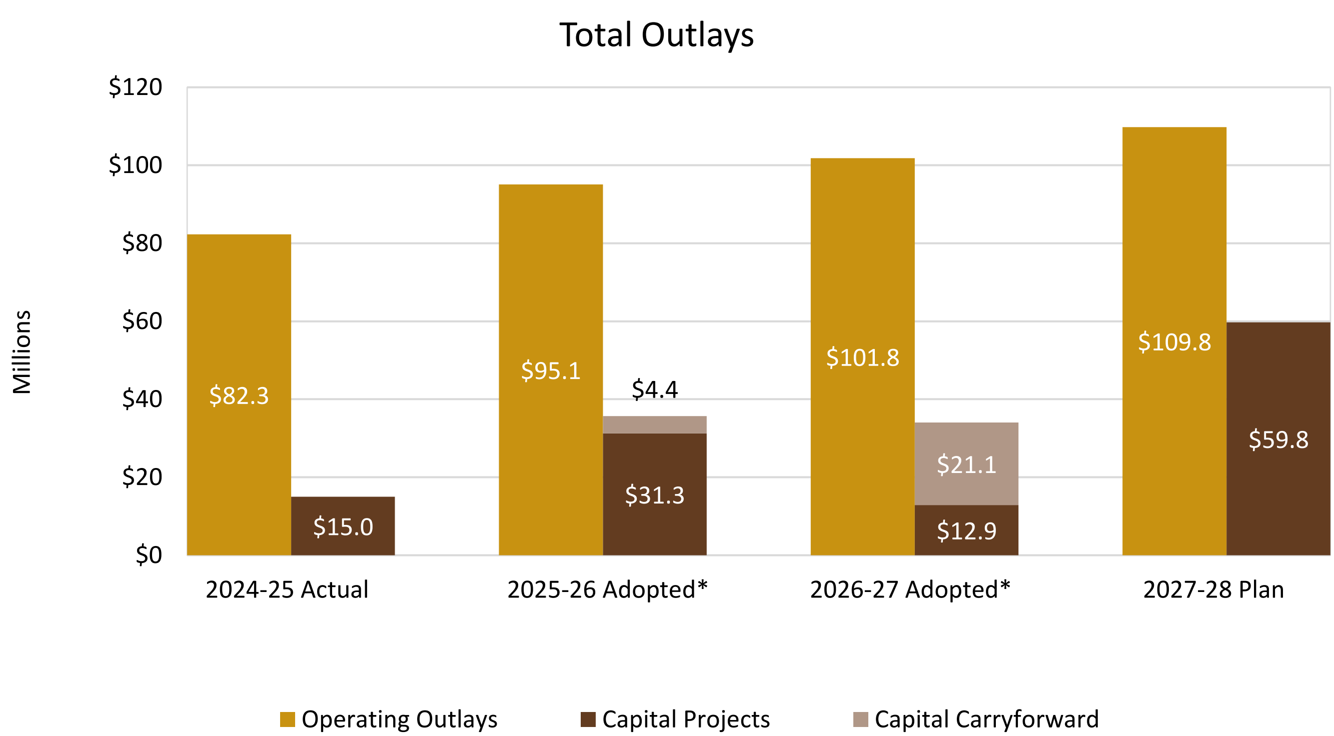
Total Watershed and Stream Stewardship reserves for FY 2026-27 are estimated at approximately $211.2 million and $189.4 million for FY 2027-28 and are in compliance with the Valley Water Reserve Policy.

Budget Issues and Constraints

- Capital infrastructure rehabilitation project costs continue to rise due to inflation and tariffs, while staffing shortages further strain project delivery, together creating significant funding and execution challenges as labor and construction expenses increase.
- Designing and implementing permittable projects with competing priorities between agencies and limited mitigation options.
- The presence of encampments of unsheltered people on lands where Valley Water holds property rights and has maintenance obligations continues to impact field operations and maintenance activities and threatens Valley Water's ability to ensure the safety of its staff. This has translated into year-over-year increases in the costs for cleanup operations and security services to ensure staff safety.

Watershed and Stream Stewardship Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 129,840,107	$ 132,785,000	$ 137,453,938	$ 140,841,668	$ 8,056,668	6.1%
Intergovernmental Services	188,864	-	-	-	-	0.0%
Operating Other	1,162,600	318,938	318,938	328,506	9,568	3.0%
Total Operating Revenue	**$ 131,191,570**	**$ 133,103,938**	**$ 137,772,876**	**$ 141,170,174**	**$ 8,066,236**	**6.1%**
Non-Operating Revenue						
Capital Reimbursements	$ 7,856,093	$ 5,000,000	$ 3,910,000	$ 6,227,000	$ 1,227,000	24.5%
Interest Income*	5,916,353	2,204,000	3,716,000	3,716,000	1,512,000	68.6%
Non-Operating Other	2,534,516	1,458,487	1,458,487	1,502,242	43,755	3.0%
Total Non-Operating Revenue	**$ 16,306,961**	**$ 8,662,487**	**$ 9,084,487**	**$ 11,445,242**	**$ 2,782,755**	**32.1%**
TOTAL REVENUE	**$ 147,498,531**	**$ 141,766,425**	**$ 146,857,363**	**$ 152,615,416**	**$ 10,848,991**	**7.7%**
OUTLAYS						
Operating Outlays						
Operations**	$ 81,029,848	$ 92,966,696	$ 92,624,737	$ 98,500,751	$ 5,534,055	6.0%
Operating Project	1,302,312	2,145,731	2,145,731	3,348,731	1,203,000	56.1%
Total Operating Outlays	**$ 82,332,161**	**$ 95,112,428**	**$ 94,770,469**	**$ 101,849,482**	**$ 6,737,054**	**7.1%**
Capital Outlays						
Capital Projects	$ 15,043,063	$ 31,265,224	$ 38,153,364	$ 12,891,709	$ (18,373,515)	-58.8%
Carryforward Capital Projects	-	4,401,792	-	21,125,091	16,723,299	379.9%
Total Capital Outlays	**$ 15,043,063**	**$ 35,667,016**	**$ 38,153,364**	**$ 34,016,800**	**$ (1,650,216)**	**-4.6%**
TOTAL OUTLAYS	**$ 97,375,224**	**$ 130,779,444**	**$ 132,923,833**	**$ 135,866,282**	**$ 5,086,838**	**3.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 1,087,474	$ 1,116,750	$ 1,116,750	$ 1,134,999	$ 18,249	1.6%
Transfers Out	(7,417,721)	(5,063,449)	(5,264,249)	(11,590,763)	(6,527,314)	128.9%
TOTAL OTHER SOURCES/(USES)	**$ (6,330,247)**	**$ (3,946,699)**	**$ (4,147,499)**	**$ (10,455,764)**	**$ (6,509,065)**	**164.9%**
BALANCE AVAILABLE	**$ 43,793,061**	**$ 7,040,282**	**$ 9,786,032**	**$ 6,293,369**	**$ (746,913)**	**-10.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 27,087,745	$ 1,029,024	$ 21,125,092	$ -	$ (1,029,024)	-100.0%
Operating and Capital Reserve	163,306,832	154,256,929	177,953,016	204,315,318	50,058,389	32.5%
Excess ERAF Contingency Reserve	4,754,939	5,836,610	5,857,439	6,913,599	1,076,989	18.5%
Total Committed Reserves	**$ 195,149,516**	**$ 161,122,563**	**$ 204,935,548**	**$ 211,228,917**	**$ 50,106,354**	**31.1%**
TOTAL YEAR-END RESERVES	**$ 195,149,516**	**$ 161,122,563**	**$ 204,935,548**	**$ 211,228,917**	**$ 50,106,354**	**31.1%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 38,127,451	$ 42,851,135	$ 42,593,603	$ 45,024,018	$ 2,172,883	5.1%
Salary Savings Factor	-	(429,428)	(429,428)	(936,547)	(507,119)	118.1%
Services & Supplies	19,793,556	25,116,224	25,179,724	30,459,487	5,343,263	21.3%
Intra-District Charges	24,411,153	27,574,496	27,426,569	27,302,524	(271,972)	-1.0%
OPERATING OUTLAY TOTAL	**$ 82,332,161**	**$ 95,112,428**	**$ 94,770,469**	**$ 101,849,482**	**$ 6,737,054**	**7.1%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 6,947,846	$ 7,865,137	$ 7,865,137	$ 7,489,622	$ (375,515)	-4.8%
Salary Savings Factor	-	(81,282)	(81,282)	(160,667)	(79,384)	97.7%
Services & Supplies	3,858,970	18,644,400	25,532,540	1,321,555	(17,322,845)	-92.9%
Carryforward Capital Projects	-	4,401,792	-	21,125,091	16,723,299	379.9%
Intra-District Charges	4,236,247	4,836,970	4,836,970	4,241,199	(595,771)	-12.3%
CAPITAL PROJECTS TOTAL	**$ 15,043,063**	**$ 35,667,016**	**$ 38,153,364**	**$ 34,016,800**	**$ (1,650,216)**	**-4.6%**
TOTAL OUTLAYS	**$ 97,375,224**	**$ 130,779,444**	**$ 132,923,833**	**$ 135,866,282**	**$ 5,086,838**	**3.9%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Property Tax	$ 129,840,107	$ 132,785,000	$ 140,841,668	$ 143,825,523	$ 2,983,855	2.1%
Intergovernmental Services	188,864	-	-	-	-	0.0%
Operating Other	1,162,600	318,938	328,506	338,361	9,855	3.0%
Total Operating Revenue	**$ 131,191,570**	**$ 133,103,938**	**$ 141,170,174**	**$ 144,163,884**	**$ 2,993,710**	**2.1%**
Non-Operating Revenue						
Capital Reimbursements	$ 7,856,093	$ 5,000,000	$ 6,227,000	$ 5,000,000	$ (1,227,000)	-19.7%
Interest Income*	5,916,353	2,204,000	3,716,000	3,716,000	-	0.0%
Non-Operating Other	2,534,516	1,458,487	1,502,242	1,547,309	45,067	3.0%
Total Non-Operating Revenue	**$ 16,306,961**	**$ 8,662,487**	**$ 11,445,242**	**$ 10,263,309**	**$ (1,181,933)**	**-10.3%**
TOTAL REVENUE	**$ 147,498,531**	**$ 141,766,425**	**$ 152,615,416**	**$ 154,427,193**	**$ 1,811,777**	**1.2%**
OUTLAYS						
Operating Outlays						
Operations**	$ 81,029,848	$ 92,966,696	$ 98,500,751	$ 106,774,655	$ 8,273,904	8.4%
Operating Project	1,302,312	2,145,731	3,348,731	3,022,225	(326,506)	-9.8%
Total Operating Outlays	**$ 82,332,161**	**$ 95,112,428**	**$ 101,849,482**	**$ 109,796,880**	**$ 7,947,398**	**7.8%**
Capital Outlays						
Capital Projects	$ 15,043,063	$ 31,265,224	$ 12,891,709	$ 59,765,164	$ 46,873,455	363.6%
Carryforward Capital Projects	-	4,401,792	21,125,091	-	(21,125,091)	-100.0%
Total Capital Outlays	**$ 15,043,063**	**$ 35,667,016**	**$ 34,016,800**	**$ 59,765,164**	**$ 25,748,364**	**75.7%**
TOTAL OUTLAYS	**$ 97,375,224**	**$ 130,779,444**	**$ 135,866,282**	**$ 169,562,043**	**$ 33,695,761**	**24.8%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 1,087,474	$ 1,116,750	$ 1,134,999	$ 1,139,812	$ 4,813	0.4%
Transfers Out	(7,417,721)	(5,063,449)	(11,590,763)	(7,796,979)	3,793,785	-32.7%
TOTAL OTHER SOURCES/(USES)	**$ (6,330,247)**	**$ (3,946,699)**	**$ (10,455,764)**	**$ (6,657,167)**	**$ 3,798,598**	**-36.3%**
BALANCE AVAILABLE	**$ 43,793,061**	**$ 7,040,282**	**$ 6,293,369**	**$ (21,792,017)**	**$ (28,085,386)**	**-446.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 27,087,745	$ 1,029,024	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	163,306,832	154,256,929	204,315,318	181,466,981	(22,848,337)	-11.2%
Excess ERAF Contingency Reserve	4,754,939	5,836,610	6,913,599	7,969,919	1,056,320	15.3%
Total Committed Reserves	**$ 195,149,516**	**$ 161,122,563**	**$ 211,228,917**	**$ 189,436,900**	**$ (21,792,017)**	**-10.3%**
TOTAL YEAR-END RESERVES	**$ 195,149,516**	**$ 161,122,563**	**$ 211,228,917**	**$ 189,436,900**	**$ (21,792,017)**	**-10.3%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 38,127,451	$ 42,851,135	$ 45,024,018	$ 48,798,546	$ 3,774,528	8.4%
Salary Savings Factor	-	(429,428)	(936,547)	(1,007,090)	(70,542)	7.5%
Services & Supplies	19,793,556	25,116,224	30,459,487	30,457,087	(2,400)	0.0%
Intra-District Charges	24,411,153	27,574,496	27,302,524	31,548,336	4,245,812	15.6%
OPERATING OUTLAY TOTAL	**$ 82,332,161**	**$ 95,112,428**	**$ 101,849,482**	**$ 109,796,880**	**$ 7,947,398**	**7.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 6,947,846	$ 7,865,137	$ 7,489,622	$ 9,157,854	$ 1,668,232	22.3%
Salary Savings Factor	-	(81,282)	(160,667)	(195,296)	(34,629)	21.6%
Services & Supplies	3,858,970	18,644,400	1,321,555	45,271,480	43,949,925	3325.6%
Carryforward Capital Projects	-	4,401,792	21,125,091	-	(21,125,091)	-100.0%
Intra-District Charges	4,236,247	4,836,970	4,241,199	5,531,126	1,289,927	30.4%
CAPITAL PROJECTS TOTAL	**$ 15,043,063**	**$ 35,667,016**	**$ 34,016,800**	**$ 59,765,164**	**$ 25,748,364**	**75.7%**
TOTAL OUTLAYS	**$ 97,375,224**	**$ 130,779,444**	**$ 135,866,282**	**$ 169,562,043**	**$ 33,695,761**	**24.8%**

(*) Interest income does not include GASB31 market value adjustment
(**) Operations outlays do not include OPEB Expense-unfunded liabilities
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
10291002	Rental Expense Stevens Creek	228,861	458,976	443,183	470,216	Watersheds Stewardship & Planning
30061004	Rent Exp Guadalupe & Coyote	164,157	443,290	339,450	372,474	Watersheds Stewardship & Planning
30151026	Guad Rvr Mitgtn Monitoring Prg	813,338	548,606	1,255,696	663,902	Watersheds Stewardship & Planning
62011002	Watershed Asset Protection Sup	6,787,402	6,807,987	7,272,342	7,802,749	Watersheds Stewardship & Planning
62021003	CPRU Tech Support	372,878	370,165	459,027	484,752	Watersheds Stewardship & Planning
62021008	Energy Management	6,913	8,082	7,413	10,131	Treated Water
62021009	Watershds O&M Eng&Insp Support	2,943,481	2,762,387	2,932,867	3,153,051	Watersheds Operations & Maintenance
62031001	Watershed Revenue	59,534	67,302	65,584	70,013	Financial Planning & Management
62031002	Grants Management	912,563	1,430,626	1,528,195	1,606,789	Financial Planning & Management
62041022	Stream Maint Prog Mgmt	5,620,483	6,428,085	7,001,569	7,574,810	Watersheds Operations & Maintenance
62041023	Community Rating System (CRS)	195,786	219,266	268,664	–	Office of the CEA
62041027	Integrated Wtr Resrce Mstr Pln	1,352,815	873,946	899,953	832,457	Watersheds Stewardship & Planning
62041039	Integrated Regional Water Mgmt	262	–	–	–	Water Supply
62041043	Environmental Srvcs Tech Suppt	805,759	758,714	992,978	1,099,086	Watersheds Stewardship & Planning
62041047	Ecolgcal Data Collectn & Analy	274,473	203,923	122,335	126,484	Watersheds Stewardship & Planning
62061001	Watersheds Administration	11,999,478	12,793,613	13,671,161	14,860,954	Office of COO Watersheds
62061002	Districtwide Salary Savings-12	–	(429,428)	(936,547)	(1,007,090)	Financial Planning & Management
62061005	WS Customer Relations&Outreach	1,135,818	1,302,233	1,312,342	1,400,302	Office of the CEA
62061008	Hydrology&Hydraulics Tech Supp	1,426,553	1,774,256	2,005,375	2,129,846	Watersheds Stewardship & Planning
62061019	Creek Stewardship	206,081	257,637	269,446	285,556	Office of the CEA
62061029	Field Operations Support	702,356	895,249	527,709	571,607	Watersheds Operations & Maintenance
62061045	Asset Management Program	1,663,780	2,068,468	–	–	Office of Integrated Water Management
62061048	Climate Change Adaptation/Mtg.	164,915	289,275	114,292	120,447	Watersheds Stewardship & Planning
62061051	Lands Management Program	567,625	501,191	512,553	547,753	Watersheds Stewardship & Planning
62071041	Welding Services	65,572	109,781	90,220	109,212	General Services
62181005	SMP Mitigation Site Mgmt	785,366	890,180	938,548	935,580	Watersheds Stewardship & Planning
62181006	Instream Habitat Complexity	768,340	649,082	1,497,946	1,546,642	Watersheds Operations & Maintenance
62741042	Water Resorcs EnvPlng & Permtg	328,578	270,127	285,622	328,959	Watersheds Stewardship & Planning
62761008	Sandbag Program	793,472	882,252	820,003	861,001	Watersheds Operations & Maintenance
62761009	Pond A4 Operations	105,344	–	–	–	Watersheds Operations & Maintenance
62761022	Watershed Good Neighbor Maint	1,078,176	973,875	956,440	1,024,698	Watersheds Operations & Maintenance
62761023	Watershed Sediment Removal	3,279,594	6,242,007	6,293,574	6,596,911	Watersheds Operations & Maintenance
62761024	Wtrshd Facility Cndtion Assmnt	2,919,101	2,986,217	3,024,773	3,297,963	Watersheds Operations & Maintenance
62761025	Watershed General Field Maint	3,899,143	3,390,238	3,857,287	4,144,123	Watersheds Operations & Maintenance
62761026	Watershed Debris Removal	1,842,132	2,289,483	2,200,418	2,376,323	Watersheds Operations & Maintenance
62761027	Watershed Erosion Protection	7,280,271	3,398,079	4,492,549	4,747,883	Watersheds Operations & Maintenance
62761028	Watershed Levee Maintenance	872,234	1,833,142	1,837,995	1,952,580	Watersheds Operations & Maintenance
62761071	Emergency Management	1,287,484	1,514,981	1,535,731	1,636,280	Emergency, Safety & Security
62761075	Mgmt of Revegetation Projects	2,159,146	4,256,175	4,657,686	4,884,335	Watersheds Operations & Maintenance
62761078	Vegetation Mangmnt for Access	5,838,617	5,009,895	5,886,427	6,216,517	Watersheds Operations & Maintenance
62761080	Non SMP Veg Removal for Convey	364,179	664,244	514,151	2,416,258	Watersheds Operations & Maintenance
62771011	Inter Agency Urban Runoff Prog	1,192,828	1,330,254	1,373,888	1,462,534	Watersheds Stewardship & Planning
62771031	HAZMAT Emergency Response	100,255	125,475	156,621	164,164	Emergency, Safety & Security
62811043	Hydrologic Data Msrmt & Mgmt	1,309,336	1,386,861	1,523,150	1,621,507	Watersheds Stewardship & Planning
62811046	Warehouse Services	966,882	1,179,771	1,219,104	1,358,211	General Services
62811049	X Valley Subsidence Survey	239,003	609,634	229,579	219,285	Office of Integrated Water Management
62811054	District Real Property Adminis	1,355,793	1,492,137	1,661,691	1,783,928	Watersheds Stewardship & Planning
62061050	Office of Integrated Water	1,818,769	2,135,346	1,776,194	1,894,279	Office of Integrated Water Management
62771027	Encampment Management Program	1,618,509	8,363,614	8,678,798	9,875,585	Watersheds Operations & Maintenance
62061059	Technical Training Program	356,413	–	–	–	Human Resources
62041045	Watershed Asset Management	–	–	1,776,769	1,993,606	Watersheds Stewardship & Planning
62001090	WSS Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of COO Watersheds
Total Operations		**81,029,848**	**92,966,696**	**98,500,751**	**106,774,655**	

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operating Project						
40212032	Coyote Creek Mitgtn Monitoring	25,085	247,374	176,178	237,332	Watersheds Stewardship & Planning
62042032	Multiple Sm Prjcts Mitgtn Mont	234,368	303,658	419,093	277,755	Watersheds Stewardship & Planning
62042047	Mitigation & Stwdshp Land Mgmt	187,532	231,439	261,167	279,100	Watersheds Stewardship & Planning
62042051	Plant Pathogen Management	207,851	306,757	304,885	321,219	Watersheds Stewardship & Planning
62762011	Tree Maintenance Program	647,476	1,056,503	2,187,407	1,906,819	Watersheds Operations & Maintenance
Total Operating Projects		**1,302,312**	**2,145,731**	**3,348,731**	**3,022,225**	
Capital *						
10394001	PA Flood Basin Tide Gate Replc	1,262,405	3,046,583	520,649	153,174	Watersheds Design & Construction
40174005	Berryessa Crk, Lwr. Pen Phs 2	489,035	–	235,795	–	Watersheds Design & Construction
40334005	Lwr Penitencia Crk Improvemnts	249,425	101,834	20,802	–	Watersheds Design & Construction
50284010	Lower Llagas Capacity Restore	(48)	–	–	–	Watersheds Design & Construction
62044026	San Francisco Bay Shoreline	923,854	4,771,168	4,025,225	27,254,031	Watersheds Design & Construction
62064023	Districtwide Salary Savings	–	(81,282)	(160,667)	(195,296)	Financial Planning & Management
62074033	CIP Development & Admin	224,019	227,980	277,229	283,124	Office of Integrated Water Management
62074036	Survey Mgmt & Tech Support	80,949	94,340	392,408	428,730	Office of Integrated Water Management
62084001	Watersheds Asset Rehabilitatio	8,189,994	16,561,116	2,104,377	16,306,413	Watersheds Design & Construction
10244001	Permanente Ck, SF Bay-Foothill	288,895	–	–	–	Watersheds Design & Construction
20444001	Calabazas/San Tomas Aquino Creek-	139,331	1,653,636	776,661	2,444,584	Watersheds Stewardship & Planning
62074041	Construction Contracts and Support	232,617	266,802	325,292	347,395	General Services
62074038	Watershed Capital Program Servcs	758,245	1,054,356	662,522	867,802	Watersheds Design & Construction
20444002	Pond A4 Resilient Habitat	854,374	–	434,829	164,115	Watersheds Stewardship & Planning
62074047	Computer-Aided Design for	92,071	245,231	222,979	348,804	Office of Integrated Water Management
62074042	Capital Project Mgmt & Controls	190,686	188,937	256,402	274,846	Office of Integrated Water Management
40214023	Coyote 10B Freshwater Wetland	424,601	–	544,101	2,106,143	Watersheds Stewardship & Planning
30154019	Lower Guadalupe River Capacity	642,611	3,134,524	370,204	7,498,793	Watersheds Design & Construction
40664001	Aquatic Resource Creation at Ford	–	–	1,882,902	1,482,506	Watersheds Design & Construction
Total Capital		**15,043,063**	**31,265,224**	**12,891,709**	**59,765,164**	
Total		**97,375,224**	**126,377,652**	**114,741,191**	**169,562,043**	

* Capital Outlays table reflects new funding and does not include capital carryforward funding from prior year.

Safe, Clean Water and Natural Flood Protection Fund

Description

The Safe, Clean Water and Natural Flood Protection Program (SCW Program) Fund accounts for the program that Santa Clara County voters approved in November 2020 to address six community priorities and replaces the 2012 Safe, Clean Water (2012 SCW) Program. The renewed SCW Program is funded by a combination of revenues from the continuation of an annual special parcel tax; carryover of the reserves from unspent funds of the 2012 SCW Program; state and federal funding; and interest earnings. It includes a debt financing component that will help fund capital projects earlier in the program rather than later. A Rate Stabilization Reserve has been created to offset timing differences between expenses and the collection of the SCW parcel tax. Additionally, a Contingency Reserve was established to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The renewed SCW Program funds will be used to fulfill the following community priorities:

- Priority A: Ensure a Safe, Reliable Water Supply
- Priority B: Reduce Toxins, Hazards and Contaminants in our Waterways
- Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters

- Priority D: Restore Wildlife Habitat and Provide Open Space
- Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways
- Priority F: Support Public Health and Public Safety

The SCW Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. It supports activities that not only benefit the community at large, but also provide relief to Water Utility ratepayers. For example, the fund has contributed toward the Anderson Dam Seismic Retrofit project, which would otherwise need to be fully paid by water utility ratepayers.

Outcomes

Goal 2.3: Protect and maintain existing water infrastructure

Plan for infrastructure maintenance and replacement to reduce the risk of failure and prepare for and respond effectively to water utility emergencies.

Goal 2.3 is delivered through the SCW Program's projects under Priority A: Ensure a Safe, Reliable Water Supply and Priority C: Protect our Water Supply from Earthquakes and Other Natural Disasters.

- A3: Pipeline Reliability – This project constructs four line valves at various locations along the East, West, and Snell treated water pipelines in Saratoga, Cupertino, and San José. Once constructed, this project will allow Valley Water to isolate sections of pipelines for scheduled maintenance and repairs following a catastrophic event, such as a major earthquake, and allow the network of emergency wells to operate, even when there is damage upstream and downstream of individual wells.
- C1: Anderson Dam Seismic Retrofit – The SCW Program has provided a portion of the funds required to help restore Anderson Reservoir's full operating capacity. The reservoir, the largest in the county, is an important water source for drinking water treatment plants and the recharge of the groundwater basin.

Goal 2.4: Increase regional self-reliance through water conservation and reuse

Incentivize water use efficiency and water conservation.

Goal 2.4 is delivered through the SCW Program project under Priority A: Ensure a Safe, Reliable Water Supply.

- A2: Water Conservation Rebates and Programs – This project, which provides funding to help meet and exceed long-term water conservation and reliability goals, will increase water-use efficiency in the landscape, residential, schools and commercial sectors through water conservation rebates, technical assistance, and public education.

Goal 3.1: Maintain flood protection facilities to design levels of protection

Prioritize maintenance of existing facilities over construction of new capital projects; inspect and maintain facilities on a regular basis; and perform maintenance using maintenance guidelines updated on a regular basis.

Goal 3.1 is delivered through the SCW Program's projects under Priority F: Support Public Health and Public Safety for Community.

- F1: Vegetation Control and Sediment Removal for Capacity – This project supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining the design conveyance capacity of flood protection projects. Under this project, Valley Water manages a minimum of 100 miles of improved channels annually by removing sediment or instream vegetation to maintain the design conveyance capacity.
- F4: Vegetation Management for Access and Fire Safety – This project supports Valley Water's ongoing vegetation management activities that reduce fire risk by maintaining creekside lands. These activities also ensure access for emergency personnel and equipment as well as maintenance access to flood protection projects. The project requires providing vegetation management for access and fire risk reduction on an average of 495 acres per year.
- F8: Sustainable Creek Infrastructure for Continued Public Safety – This project supports Valley Water's long-term efforts to ensure that existing flood protection infrastructure continues to function sustainably and provide the intended level of service. The project includes assessing and prioritizing existing creek and watershed infrastructure, preparing watershed and/or creek asset management plans, and implementing recommendations of asset management plans.

Goal 3.2: Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement

Develop, maintain, and communicate emergency action plans; develop, maintain, and communicate flood information to the community; provide expertise in flood forecasting and flood warning systems to municipalities; and provide expertise to encourage public agencies to reduce flood risk and protect floodplain benefits.

Goal 3.2 is delivered through the SCW Program's projects under Priority F: Support Public Health and Public Safety for Community.

- F2: Emergency Response Planning and Preparedness – This project enables Valley Water to work with local municipalities to clearly delineate and communicate roles and responsibilities for floodplain and flood emergency management. The project supports Valley Water's countywide emergency response, preparedness, and mitigation activities, develops communication processes, and disseminates web-based flood forecasting information. It includes coordinating with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes, completing flood management plans/procedures, training Valley Water staff and partner municipalities on disaster procedures and testing flood management plans/procedures.
- F3: Flood Risk Assessment Studies – This project enables Valley Water to update custom software models for local creeks for the most current and accurate understanding of potential flood risks in high-priority flood-prone areas and then develop options for managing those risks. It requires completing engineering studies to address 1% (100-year) flood risk and annually updating floodplain maps per new FEMA standards.
- F7: Emergency Response Upgrades – This project supports the ongoing development and maintenance of a robust flood forecasting system. The system facilitates the efficient dissemination of information to emergency responders and the public. The project includes maintaining existing flood forecasting and warning capabilities and improving flood forecast accuracy and emergency response time. It provides a real-time website that tracks and offers public access to local weather and flood forecasting information.

Goal 3.3: Increase the health and safety of residents countywide by reducing community flood risk

Provide equitable, timely, and achievable flood protection for health and safety; and, protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.

Goal 3.3 is delivered through the Safe, Clean Water Program's Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways.

Major Capital Projects Starting Construction:

- Coyote Creek Montague Expressway to Tully Road, Phase 2 (Project E1)
- Sunnyvale East and Sunnyvale West Channels Flood Protection (Project E2)

Major Capital Projects Continuing Construction:

- Upper Llagas Creek Flood Protection Project – Phase 2B (Project E6)
- Guadalupe River– Upper, I-280 to SPRR (Reach 6) (Project E8)

Major Capital Projects in Planning and Design:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive – Planning/Design (Project E4)
- South San Francisco Bay Shoreline Economic Impact Areas (EIAs) 5-9 – Feasibility/Planning (Project E7)
- Guadalupe River – Upper, SPRR-Blossom Hill (Reaches 7-12) – Planning/Design (Project E8)

Goal 4.1: Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations

Develop and share data to support resilient ecosystems and healthy populations of native species; monitor stream, reservoir, and Bay ecosystem health; and use data to prioritize and equitably implement actions to reduce pollution, restore endangered species habitat, and enhance ecosystem function.

Goal 4.1 is delivered through the SCW Program's projects under Priority D: Restore Wildlife Habitat and Provide Open Space.

- D2: Revitalize Riparian, Upland and Wetland Habitat – This project improves habitat for rare, threatened, or endangered species or vegetation and creates a more contiguous corridor for wildlife, including pollinators. It includes revitalizing through native plant revegetation and/or removal of invasive exotic species, developing an Early Detection and Rapid Response Program Manual, and identifying and treating occurrences of emergent invasive species.
- D5: Ecological Data Collection and Analysis – This project is to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. It entails reassessing and tracking stream ecological conditions and habitats in each of the county's watersheds every 15 years and providing funding toward the development and updates of five watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
- D7: Partnerships for the Conservation of Habitat Lands – This project acquires, restores and protects important habitat land to preserve local ecosystems through multi-agency agreements that pool mitigation or conservation dollars. It entails providing funding for acquiring or enhancing property to conserve habitat lands.

Goal 4.2: Sustain ecosystem health while managing local water resources for flood protection and water supply

Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county; and, operate Valley Water facilities to balance water supply, flood protection, and ecosystem sustainability.

Goal 4.2 is delivered through the SCW Program's projects under Priority D: Restore Wildlife Habitat and Provide Open Space.

- D1: Management of Riparian Planting and Invasive Plant Removal – This project supports the management and maintenance of existing riparian planting projects and invasive plant removal projects throughout the five (5) watersheds and targeted control of damaging non-native invasive plant species. It requires maintaining a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions; maintaining a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions; and removing 25 acres of Arundo donax throughout the county over a 15-year period.
- D3: Sediment Reuse to Support Restoration – This project reuses local sediment removed through Valley Water's stream maintenance activities, capital projects, and other local sources to create and restore tidal marsh, riparian or wetland habitats. It entails reusing sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration. It also provides funding to support other activities necessary for sediment reuse.

- D4: Fish Habitat and Passage Improvements – This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. It includes completing planning and design for one (1) creek/lake separation project and partially funding the construction of one (1) creek/lake separation project in partnership with local agencies. It also requires using $8 million for fish passage improvements by June 30, 2028; updating study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate; and completing five (5) habitat enhancement projects during the first 15 years.
- D6: Restoration of Natural Creek Functions – This project restores and improves the natural functions and stability of stream channels by designing and constructing projects based on local hydrologic and geomorphic data. It currently includes the following major capital projects:
  - Bolsa Road Fish Passage Improvements – Completed construction in FY24 (Project D6.2); under three-year plant establishment and monitoring period and closeout is scheduled for FY27

Goal 4.4: Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation

Encourage stormwater capture, treatment, and reuse, prepare; and respond to spills and dumping that threaten local waterways, and collaborate with agencies and nonprofits to address homelessness and its impacts to Santa Clara County Waterways.

Goal 4.4 is delivered through the SCW Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, and F: Support Public Health and Public Safety for Community.

- B1: Impaired Water Bodies Improvement – This project reduces pollutants in streams, reservoirs, and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. The activities include investigating, developing, and implementing actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed, preparing and updating a plan to prioritize surface water quality improvement activities, and implementing priority surface water quality improvement activities.
- B2: Inter-Agency Urban Runoff Program – This project maintains Valley Water compliance with regulatory requirements for stormwater quality and supports green stormwater infrastructure. It includes addressing trash in creeks by maintaining trash capture devices or other litter control programs, maintaining Valley Water's municipal stormwater compliance program, partnering with cities to address surface water quality improvements, and supporting stormwater quality improvement activity.
- B3: Hazardous Materials Management and Response – This project protects streams, groundwater, and reservoirs from hazardous material releases. It requires responding to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
- F5: Good Neighbor Program: Encampment Cleanup – This project supports Valley Water's independent efforts and ongoing coordination with local cities and agencies to clean up trash, debris, and hazardous pollutants generated by encampments near waterways or on Valley Water property. Such encampments contribute to contamination of waterways and damage to Valley Water facilities. It requires managing 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams; and providing up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways, or addressing the socio-environmental crisis with the goal of reducing the need for encampment cleanups.
- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art – This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds the installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.

Goal 4.5: Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency

Provide appropriate and equal public access to Valley Water's streamside and watershed lands; engage, and educate the community in stream and watershed protection; and, build partnerships to protect and enhance watersheds and aquatic ecosystems.

Goal 4.5 is delivered through the SCW Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, and F: Support Public Health and Public Safety for Community.

- B4: Support Volunteer Cleanup Efforts – This project supports volunteer cleanup activities and creekwise education. It entails funding Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.
- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art – This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds the installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.
- F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship – This project provides grants, including mini-grants, partnerships, and rebates for agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. It includes providing up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management.

Goal 6.1: Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities

Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people; increase the level of service for encampment cleanup efforts based on need and resource availability, and identify Valley Water lands for regional partners to use for housing or other services for unsheltered people.

Goal 6.1 is delivered through the SCW Program's Priority F: Support Public Health and Public Safety for Community.

- F5: Good Neighbor Program: Encampment Cleanup – This project supports Valley Water's independent efforts and ongoing coordination with local cities and agencies to clean up trash, debris, and hazardous pollutants generated by encampments near waterways or on Valley Water property. Such encampments contribute to contamination of waterways and damage to Valley Water facilities. It includes managing 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments to reduce the amount of these pollutants entering streams and providing up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways, or addressing the socio-environmental crisis with the goal of reducing the need for encampment cleanups.

Fund Summaries

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $56.6 million in FY 2026-27, an increase of 2.7%, or $1.5 million from the FY 2025-26 Adopted Budget. This special parcel tax is based on the land use and parcel size rather than the assessed property value, and the Valley Water Board of Directors may adjust it annually to account for inflation (using the San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumers) or 2%, whichever is greater. The FY 2026-27 budgeted estimates for the special parcel tax include the 2.5% CPI increase and an anticipated increase in eligible parcels. For FY 2027-28, the special parcel tax is projected at $57.8 million, or an increase of 2.2%, which reflects a 2% increase in the special parcel tax rate and an anticipated increase in eligible parcels based on construction activity in the county.

For FY 2026-27, Capital Reimbursements are projected at $54.2 million, an increase of $3.6 million from the FY 2025-26 Adopted Budget: $50.0 million in Natural Resources Conservation Service (NRCS) funding for the Llagas Creek, Upper (Phase 2B) Project and $4.1 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project. In FY 2027-28, Capital Reimbursements are projected at $10.6 million: $10.0 million in NRCS funding for the Llagas Creek, Upper (Phase 2B) Project and $0.5 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project.

Interest income is projected to be $4.3 million in FY 2026-27 and in FY 2027-28. The estimates assume an average portfolio yield of 3% for FY 2026-27 and FY 2027-28.

Transfers In for FY 2026-27 are projected to be $5.1 million, which includes $4.0 million from the Water Enterprise Fund for IRP2 and $1.1 million from the Watershed and Stream Stewardship Fund for the Regnart Creek Project. In FY 2027-28, Transfers In are projected at $7.8 million which includes $7.5 million from the Water Enterprise Fund for IRP2 and $0.3 million from the Watershed and Stream Stewardship Fund for the Regnart Creek Project.

In FY 2026-27, Operating Transfers Out of $3.0 million is budgeted as follows:

- $1.2 million to the Water Enterprise Fund for Conservation Program
- $1.0 million to the General Fund for Security Upgrades and HQ Building capital projects
- $0.8 million to the Information Technology Fund for ERP Replacement

In FY 2027-28, Operating Transfers Out of $2.4 million is budgeted as follows:

- $1.2 million to the Water Enterprise Fund for Conservation Program
- $1.2 million to the Information Technology Fund for ERP Replacement

Debt Proceeds are also planned to fund capital outlays at $119.3 million for FY 2026-27 and $130.0 million in FY 2027-28.

Total Operating Outlays are budgeted at $45.3 million for FY 2026-27, an increase of $4.9 million or 12.2% relative to the FY 2025-26 Adopted Budget. This change is primarily comprised of an increase of $2.5 million for San Francisquito Creek, SF Bay to Searsville Dam, $1.1 million in labor, and $0.5 million for Fish Habitat Improvements, $0.3 million for Management of Revegetation Projects, $0.3 million for Encampment Cleanup Program, $0.4 million in various operating projects and programs and a net decrease in debt service $0.2 million. In FY 2027-28, Total Operating Outlays are projected to increase an additional 23.2% or $10.5 million to $55.9 million. This change is primarily comprised of an increase of $10.9 million in debt service and a net decrease of $0.4 million in various operating projects and programs.

Total Capital Outlays are budgeted at $200.7 million for FY 2026-27, an increase of $69.9 million or 53.4% relative to the FY 2025-26 Adopted Budget. In FY 2027-28, Total Capital Outlays are projected to decrease to $154.2 million.

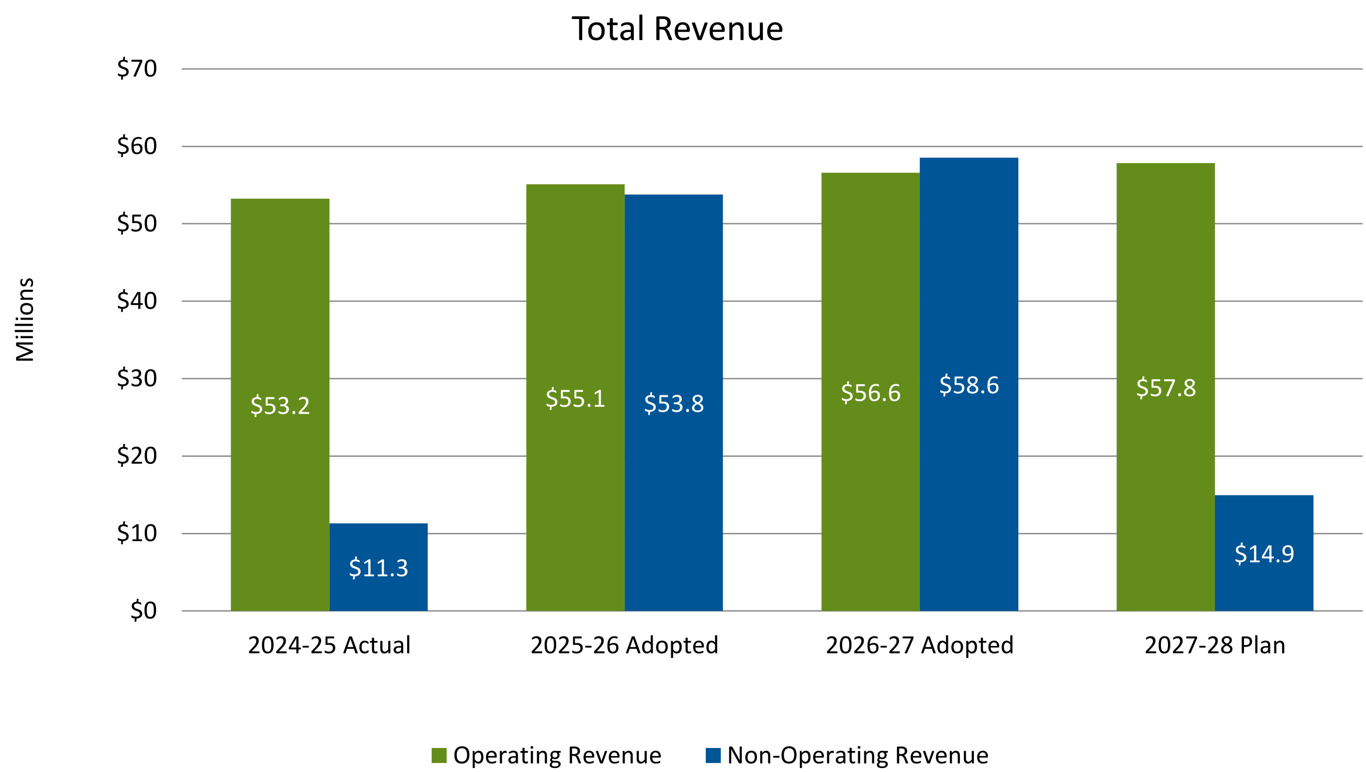
Total Safe, Clean Water & Natural Flood Protection Fund Reserves for FY 2026-27 are estimated at approximately $97.7 million and $95.8 million for FY 2027-28 and are in compliance with the Valley Water Reserve Policy.

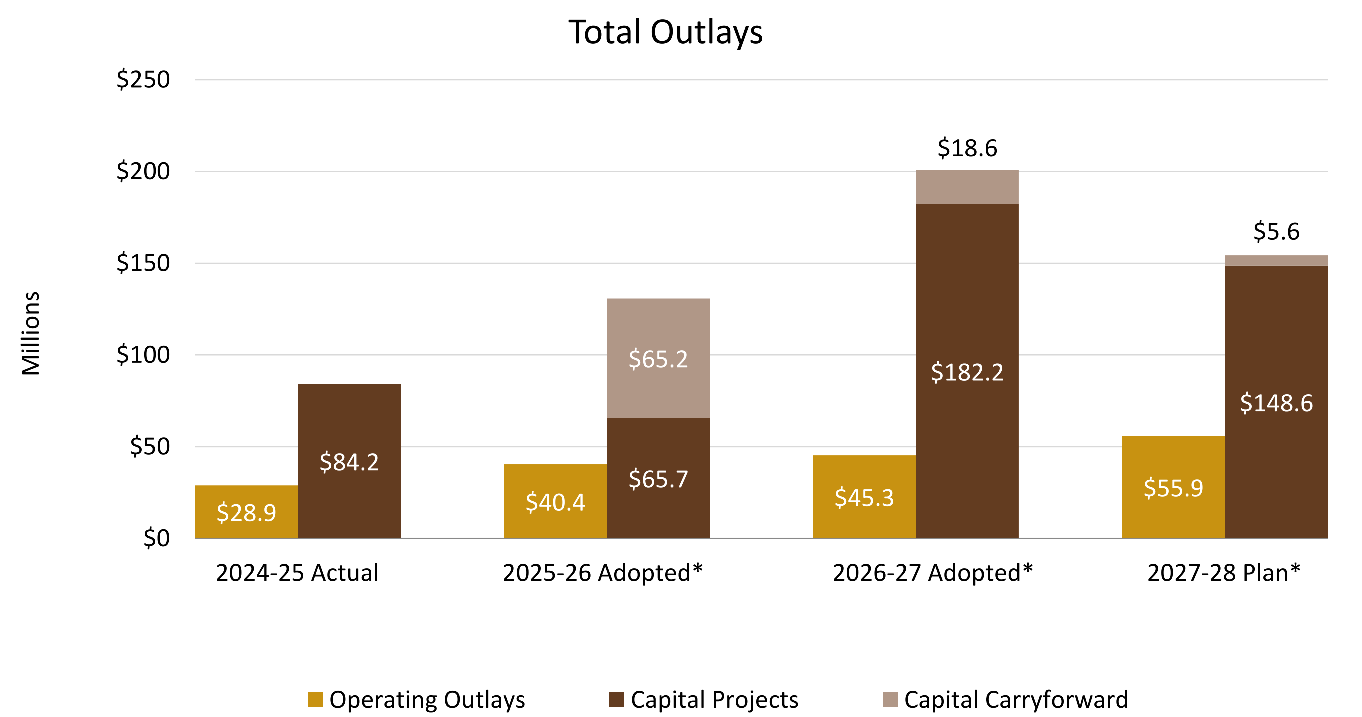
Budget Issues and Constraints

- Safe, Clean Water Program Priority E flood protection projects: Project costs are escalating due to various factors, including inflationary pressures, supply chain due to tariffs and labor issues, which have resulted in project modifications.
- Safe, Clean Water Program Priority D1, F1, F4: Dry years followed by years of intense late season storm events have caused challenges for vegetation management including an increase in diseased and dead trees, increased spread of invasive plants, and pressures of completing weed abatement work in anticipation of fire season with later rainfall contributing to fuel loads.

Fund Summaries

Safe, Clean Water and Natural Flood Protection Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 53,227,039	$ 55,094,792	55,094,792	$ 56,582,351	$ 1,487,559	2.7%
Intergovernmental Services	14,107	-	-	-	-	0.0%
Total Operating Revenue	**$ 53,241,146**	**$ 55,094,792**	**$ 55,094,792**	**$ 56,582,351**	**$ 1,487,559**	**2.7%**
Non-Operating Revenue						
Capital Reimbursements	$ 2,959,053	$ 50,600,000	$ 20,600,000	$ 54,228,000	$ 3,628,000	7.2%
Interest Income*	8,030,620	3,162,000	4,329,000	4,329,000	1,167,000	36.9%
Non-Operating Other	319,915	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 11,309,588**	**$ 53,762,000**	**$ 24,929,000**	**$ 58,557,000**	**$ 4,795,000**	**8.9%**
TOTAL REVENUE	**$ 64,550,734**	**$ 108,856,792**	**$ 80,023,792**	**$ 115,139,351**	**$ 6,282,559**	**5.8%**
OUTLAYS						
Operating Outlays						
Operations**	$ 20,453,802	$ 25,397,376	$ 28,508,899	$ 29,387,340	$ 3,989,964	15.7%
Operating Project	2,528,467	2,298,524	6,248,524	3,452,838	1,154,313	50.2%
Debt Service	5,938,403	12,723,310	12,723,310	12,507,935	(215,375)	-1.7%
Total Operating Outlays	**$ 28,920,672**	**$ 40,419,210**	**$ 47,480,733**	**$ 45,348,112**	**$ 4,928,902**	**12.2%**
Capital Outlays						
Capital Projects	$ 84,237,596	$ 65,672,378	$ 138,774,481	$ 182,158,364	$ 116,485,985	177.4%
Carryforward Capital Projects	-	65,164,903	-	18,553,045	(46,611,858)	-71.5%
Total Capital Outlays	**$ 84,237,596**	**$ 130,837,281**	**$ 138,774,481**	**$ 200,711,409**	**$ 69,874,127**	**53.4%**
TOTAL OUTLAYS	**$ 113,158,268**	**$ 171,256,491**	**$ 186,255,214**	**$ 246,059,521**	**$ 74,803,030**	**43.7%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 50,000,000	$ 44,609,029	$ 30,000,000	$ 119,346,000	$ 74,736,971	167.5%
Transfers In	3,000,000	4,000,000	4,000,000	5,100,000	1,100,000	27.5%
Transfers Out	(8,419,335)	(8,530,702)	(8,530,702)	(2,950,377)	5,580,325	-65.4%
TOTAL OTHER SOURCES/(USES)	**$ 44,580,665**	**$ 40,078,327**	**$ 25,469,298**	**$ 121,495,623**	**$ 81,417,296**	**203.1%**
BALANCE AVAILABLE	**$ (4,026,869)**	**$ (22,321,373)**	**$ (80,762,125)**	**$ (9,424,547)**	**$ 12,896,825**	**-57.8%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	153,931,649	71,376,703	54,454,777	24,037,866	(47,338,837)	-66.3%
SCW Operating and Capital Reserve	3,971,210	76,463,210	22,685,957	43,678,321	(32,784,889)	-42.9%
Total Restricted Reserves	**$ 187,902,859**	**$ 177,839,913**	**$ 107,140,734**	**$ 97,716,187**	**$ (80,123,726)**	**-45.1%**
TOTAL YEAR-END RESERVES	**$ 187,902,859**	**$ 177,839,913**	**$ 107,140,734**	**$ 97,716,187**	**$ (80,123,726)**	**-45.1%**

Safe, Clean Water and Natural Flood Protection Fund Summary

		Budgetary Basis Actual 2024-25		Adopted Budget 2025-26		Projected Year End 2025-26		Adopted Budget 2026-27		Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account Type											
OPERATING OUTLAY											
Salaries and Benefits	$	8,785,634	$	9,488,015	$	9,488,015	$	10,458,077	$	970,062	10.2%
Salary Savings Factor		-		(94,400)		(94,400)		(216,572)		(122,171)	129.4%
Services & Supplies		8,588,859		12,219,624		19,281,147		16,172,395		3,952,770	32.3%
Intra-District Charges		5,607,776		6,082,661		6,082,661		6,426,278		343,617	5.6%
OPERATING OUTLAY TOTAL	$	**22,982,269**	$	**27,695,900**	$	**34,757,423**	$	**32,840,177**	$	**5,144,277**	**18.6%**
DEBT SERVICE											
Services & Supplies	$	801,028	$	866,560	$	866,560	$	746,560	$	(120,000)	-13.8%
Debt Service		5,137,375		11,856,750		11,856,750		11,761,375		(95,375)	-0.8%
DEBT SERVICE TOTAL	$	**5,938,403**	$	**12,723,310**	$	**12,723,310**	$	**12,507,935**	$	**(215,375)**	**-1.7%**
CAPITAL PROJECTS											
Salaries and Benefits	$	10,739,788	$	11,913,592	$	11,913,592	$	12,401,584	$	487,992	4.1%
Salary Savings Factor		-		(123,447)		(123,447)		(265,442)		(141,995)	115.0%
Services & Supplies		66,992,205		46,551,050		119,653,153		163,061,943		116,510,893	250.3%
Carryforward Capital Projects		-		65,164,903		-		18,553,045		(46,611,858)	-71.5%
Intra-District Charges		6,505,603		7,331,183		7,331,183		6,960,279		(370,904)	-5.1%
CAPITAL PROJECTS TOTAL	$	**84,237,596**	$	**130,837,281**	$	**138,774,481**	$	**200,711,409**	$	**69,874,127**	**53.4%**
TOTAL OUTLAYS	$	**113,158,268**	$	**171,256,491**	$	**186,255,214**	$	**246,059,521**	$	**74,803,030**	**43.7%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 53,227,039	$ 55,094,792	$ 56,582,351	$ 57,827,163	$ 1,244,812	2.2%
Intergovernmental Services	14,107	-	-	-	-	0.0%
Total Operating Revenue	**$ 53,241,146**	**$ 55,094,792**	**$ 56,582,351**	**$ 57,827,163**	**$ 1,244,812**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 2,959,053	$ 50,600,000	$ 54,228,000	$ 10,600,000	$ (43,628,000)	-80.5%
Interest Income*	8,030,620	3,162,000	4,329,000	4,329,000	-	0.0%
Non-Operating Other	319,915	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 11,309,588**	**$ 53,762,000**	**$ 58,557,000**	**$ 14,929,000**	**$ (43,628,000)**	**-74.5%**
TOTAL REVENUE	**$ 64,550,734**	**$ 108,856,792**	**$ 115,139,351**	**$ 72,756,163**	**$ (42,383,188)**	**-36.8%**
OUTLAYS						
Operating Outlays						
Operations**	$ 20,453,802	$ 25,397,376	$ 29,387,340	$ 29,001,275	$ (386,065)	-1.3%
Operating Project	2,528,467	2,298,524	3,452,838	3,485,869	33,031	1.0%
Debt Service	5,938,403	12,723,310	12,507,935	23,379,863	10,871,928	86.9%
Total Operating Outlays	**$ 28,920,672**	**$ 40,419,210**	**$ 45,348,112**	**$ 55,867,007**	**$ 10,518,894**	**23.2%**
Capital Outlays						
Capital Projects	$ 84,237,596	$ 65,672,378	$ 182,158,364	$ 148,633,482	$ (33,524,881)	-18.4%
Carryforward Capital Projects	-	65,164,903	18,553,045	5,598,296	(12,954,749)	-69.8%
Total Capital Outlays	**$ 84,237,596**	**$ 130,837,281**	**$ 200,711,409**	**$ 154,231,778**	**$ (46,479,630)**	**-23.2%**
TOTAL OUTLAYS	**$ 113,158,268**	**$ 171,256,491**	**$ 246,059,521**	**$ 210,098,785**	**$ (35,960,736)**	**-14.6%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 50,000,000	$ 44,609,029	$ 119,346,000	$ 130,000,000	$ 10,654,000	8.9%
Transfers In	3,000,000	4,000,000	5,100,000	7,847,000	2,747,000	53.9%
Transfers Out	(8,419,335)	(8,530,702)	(2,950,377)	(2,406,003)	544,374	-18.5%
TOTAL OTHER SOURCES/(USES)	**$ 44,580,665**	**$ 40,078,327**	**$ 121,495,623**	**$ 135,440,997**	**$ 13,945,374**	**11.5%**
BALANCE AVAILABLE	**$ (4,026,869)**	**$ (22,321,373)**	**$ (9,424,547)**	**$ (1,901,626)**	**$ 7,522,922**	**-79.8%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	153,931,649	71,376,703	24,037,866	18,439,570	(5,598,296)	-23.3%
SCW Operating and Capital Reserve	3,971,210	76,463,210	43,678,321	47,374,992	3,696,670	8.5%
Total Restricted Reserves	**$ 187,902,859**	**$ 177,839,913**	**$ 97,716,187**	**$ 95,814,562**	**$ (1,901,626)**	**-1.9%**
TOTAL YEAR-END RESERVES	**$ 187,902,859**	**$ 177,839,913**	**$ 97,716,187**	**$ 95,814,562**	**$ (1,901,626)**	**-1.9%**

Safe, Clean Water and Natural Flood Protection Fund Summary

		Budgetary Basis Actual 2024-25		Adopted Budget 2025-26		Adopted Budget 2026-27		Proposed Plan 2027-28		Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
Outlay Summary by Account Type											
OPERATING OUTLAY											
Salaries and Benefits	$	8,785,634	$	9,488,015	$	10,458,077	$	11,682,980	$	1,224,904	11.7%
Salary Savings Factor		-		(94,400)		(216,572)		(239,151)		(22,579)	10.4%
Services & Supplies		8,588,859		12,219,624		16,172,395		13,407,230		(2,765,165)	-17.1%
Intra-District Charges		5,607,776		6,082,661		6,426,278		7,636,085		1,209,807	18.8%
OPERATING OUTLAY TOTAL	$	**22,982,269**	$	**27,695,900**	$	**32,840,177**	$	**32,487,144**	$	**(353,034)**	**-1.1%**
DEBT SERVICE											
Services & Supplies	$	801,028	$	866,560	$	746,560	$	1,226,560	$	480,000	64.3%
Debt Service		5,137,375		11,856,750		11,761,375		22,153,303		10,391,928	88.4%
DEBT SERVICE TOTAL	$	**5,938,403**	$	**12,723,310**	$	**12,507,935**	$	**23,379,863**	$	**10,871,928**	**86.9%**
CAPITAL PROJECTS											
Salaries and Benefits	$	10,739,788	$	11,913,592	$	12,401,584	$	10,987,898	$	(1,413,686)	-11.4%
Salary Savings Factor		-		(123,447)		(265,442)		(234,464)		30,977	-11.7%
Services & Supplies		66,992,205		46,551,050		163,061,943		131,308,369		(31,753,574)	-19.5%
Carryforward Capital Projects		-		65,164,903		18,553,045		5,598,296		(12,954,749)	-69.8%
Intra-District Charges		6,505,603		7,331,183		6,960,279		6,571,680		(388,599)	-5.6%
CAPITAL PROJECTS TOTAL	$	**84,237,596**	$	**130,837,281**	$	**200,711,409**	$	**154,231,778**	$	**(46,479,630)**	**-23.2%**
TOTAL OUTLAYS	$	**113,158,268**	$	**171,256,491**	$	**246,059,521**	$	**210,098,785**	$	**(35,960,736)**	**-14.6%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
26031001	Watershed Revenue	138,914	157,039	153,028	163,364	Financial Planning & Management
26041023	Emergency Response Upgrades	758,543	780,563	797,604	847,413	Watersheds Stewardship & Planning
26041024	Flood Risk Reduction Studies	1,312,279	1,201,058	1,423,975	1,520,677	Watersheds Stewardship & Planning
26041047	Ecolgcal Data Collectn & Analy	557,264	414,026	248,377	256,800	Watersheds Stewardship & Planning
26041049	D5 SCW Watershed Plans	37,603	216,464	32,717	29,958	Watersheds Stewardship & Planning
26061002	Rent Exp Clean Safe Ck 7/1/01+	94,630	253,038	249,290	265,443	Watersheds Stewardship & Planning
26061004	Districtwide Salary Savings-26	–	(94,400)	(216,572)	(239,151)	Financial Planning & Management
26061005	Flood Emrgncy Respnse Planning	121,468	220,121	221,566	233,554	Emergency, Safety & Security
26061007	Grants to Rest Habitat Access	500,000	–	–	–	Office of the CEA
26061012	Safe Clean Water Implementatn	1,298,426	1,179,113	1,207,690	1,316,650	Office of Integrated Water Management
26061019	Creek Stewardship	251,877	314,889	329,323	349,012	Office of the CEA
26761022	Watershed Good Neighbor Maint	718,783	649,250	637,627	683,132	Watersheds Operations & Maintenance
26761023	Watershed Sediment Removal	871,791	1,659,268	1,672,975	1,753,609	Watersheds Operations & Maintenance
26761075	Mgmt of Revegetation Projects	2,981,679	3,210,798	3,513,693	3,684,674	Watersheds Operations & Maintenance
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	681,733	641,529	642,409	514,905	Watersheds Stewardship & Planning
26761078	Vegetation Mangmnt for Access	1,030,347	884,099	1,038,781	1,097,032	Watersheds Operations & Maintenance
26771011	Inter Agency Urban Runoff Prog	837,518	934,008	964,645	1,026,886	Watersheds Stewardship & Planning
26771027	Encampment Cleanup Program	2,884,506	2,921,313	3,474,082	3,640,766	Watersheds Operations & Maintenance
26771031	HAZMAT Emergency Response	33,418	41,825	52,207	54,721	Emergency, Safety & Security
26771067	Stream Capacity Vegetation Con	3,428,710	5,165,697	5,241,317	6,068,851	Watersheds Operations & Maintenance
26061020	F6 Public Arts	8,843	34,022	188,871	193,029	Office of the CEA
26061021	F9 Safe Clean Water Grants and	1,625,684	3,588,517	3,911,272	3,545,454	Office of the CEA
26441003	D3 SCW Sed Reuse to Support	182,564	267,670	303,847	316,687	Watersheds Operations & Maintenance
26061022	Creekside Neighbor Rebate Program	97,220	657,469	306,847	307,337	Watersheds Stewardship & Planning
26281001	San Francisquito Crk, SF Bay to	–	–	2,891,770	1,270,470	Watersheds Design & Construction
26001090	SCW Unscoped Projects-Budget	–	100,000	100,000	100,000	Office of COO Watersheds
Total Operations		**20,453,802**	**25,397,376**	**29,387,340**	**29,001,275**	
Operating Project						
26042002	Fish Habitat Improvements	1,082,385	856,708	1,353,076	1,266,481	Watersheds Stewardship & Planning
26072008	SCW D7 Conservation Habitat	8,170	12,845	–	–	Watersheds Stewardship & Planning
26752043	Impaired Water Bodies Imprvmts	1,437,913	1,428,972	2,099,761	2,219,387	Watersheds Stewardship & Planning
Total Operating Projects		**2,528,467**	**2,298,524**	**3,452,838**	**3,485,869**	
Debt Service						
26993001	Commercial Paper Tax Exmpt SCW	658,663	7,360,560	7,218,560	6,190,560	Financial Planning & Management
26993002	SCW Rev Bond 2022A (Tax-Exempt)	5,143,225	5,182,750	5,159,375	5,157,125	Financial Planning & Management
26993003	SCW COP 2022B (Tax-Exempt)	3,600	45,000	25,000	–	Financial Planning & Management
26993004	SCW WIFIA Loan 1 (ID 21116CA)	12,700	65,000	45,000	841,178	Financial Planning & Management
26993007	SCW WIFIA Loan 2	120,215	70,000	60,000	60,000	Financial Planning & Management
26993005	SCW Rev Bond 2028A (Tax-Exempt)	–	–	–	11,131,000	Financial Planning & Management
Total Debt Service		**5,938,403**	**12,723,310**	**12,507,935**	**23,379,863**	

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Capital*						
26044002	SCW Fish Passage Improvement	16,491	–	–	–	Watersheds Stewardship & Planning
26064023	Districtwide Salary Savings	–	(123,447)	(265,442)	(234,464)	Financial Planning & Management
26074002	Sunnyvale East & West Channel	4,215,880	–	45,159,516	54,037,010	Watersheds Design & Construction
26074033	CIP Development & Admin	196,017	276,833	369,639	377,499	Office of Integrated Water Management
26074036	Survey Mgmt & Tech Support	70,831	114,556	523,210	571,640	Office of Integrated Water Management
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	150,344	–	–	167,869	Watersheds Design & Construction
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	210,438	–	–	–	Watersheds Design & Construction
26164001	HaleCreekEnhancementPilotStudy	181,375	39,000	–	–	Watersheds Design & Construction
26174041	Berryessa Calav/Old Pied Cor	865,640	–	–	–	Watersheds Design & Construction
26174043	Coyote Creek, Montague-Tully	10,357,841	21,686,087	80,937,941	79,682,230	Watersheds Design & Construction
26174051	U. Llagas Ck, Reimburse E6b	528,574	42,031	–	–	Watersheds Design & Construction
26174054	U.Llagas Ck Design B. Vsta Rd	48,133	–	–	–	Watersheds Design & Construction
26244001	Permanente Ck, Bay-Fthill CSC	11,862	–	–	–	Watersheds Design & Construction
26324001	U Penitncia Crk Corp Coord SCW	193,753	–	–	–	Watersheds Design & Construction
26764001	IRP2 AddLine Valves	6,913,691	10,809,258	5,530,370	484,686	Water Utility Capital
26044004	D6 Bolsa Road Fish Passage	181,598	27,184	67,274	–	Watersheds Design & Construction
26444002	SFBS EIAs 1-4	42,176	–	–	–	Watersheds Design & Construction
26074038	Watershed Capital Program Servcs	3,454,236	3,966,386	4,433,803	5,807,600	Watersheds Design & Construction
26074041	Construction Contracts and Support	203,540	323,974	433,722	463,193	General Services
26174052	Llagas Ck - Upper Construction	1,508,375	–	–	–	Watersheds Design & Construction
26444004	San Francisco Bay Shoreline EIAs 5-	501,640	1,404,624	3,023,499	2,817,308	Watersheds Design & Construction
26044005	SCW D4.3 Fish Passage	300,351	–	6,650,228	285,560	Watersheds Stewardship & Planning
26074047	Computer-Aided Design for Engineering	80,562	297,781	297,306	465,072	Office of Integrated Water Management
26044003	SCW Ogier Ponds Separation from	532,451	–	1,109,167	2,131,307	Watersheds Stewardship & Planning
26174055	Llagas Creek Phase 2B Construction	52,573,738	26,547,392	32,709,738	799,130	Watersheds Design & Construction
26074042	Capital Project Mgmt & Controls	166,850	229,424	341,870	366,462	Office of Integrated Water Management
26044056	Regnart Creek Rehabilitation Project	(181)	31,298	836,522	411,382	Watersheds Design & Construction
26284002	San Francisquito Crk, SF Bay to	731,392	–	–	–	Watersheds Design & Construction
Total Capital		**84,237,596**	**65,672,378**	**182,158,364**	**148,633,482**	
Total		**113,158,268**	**106,091,588**	**227,506,476**	**204,500,489**	

* Capital Outlays table reflects new funding and does not include capital carryforward funding from prior year.

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000, but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

Starting in FY 2008-09, the following watershed funds were redefined as the Benefit Assessment Funds as a result of the watershed fund consolidation effort:

- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the Town of Los Altos Hills, and the cities of Palo Alto, Los Altos, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga, and the Town of Los Gatos.

- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamitos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the City of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the City of Gilroy and portions of the cities of San Jose and Morgan Hill. The debt has been paid off.

These Benefit Assessment Funds are comprised of the voter-approved debt repayment phase of the benefit assessments program, levied at 1.25 times the annual debt service. The excess amount over annual debt service is transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure.

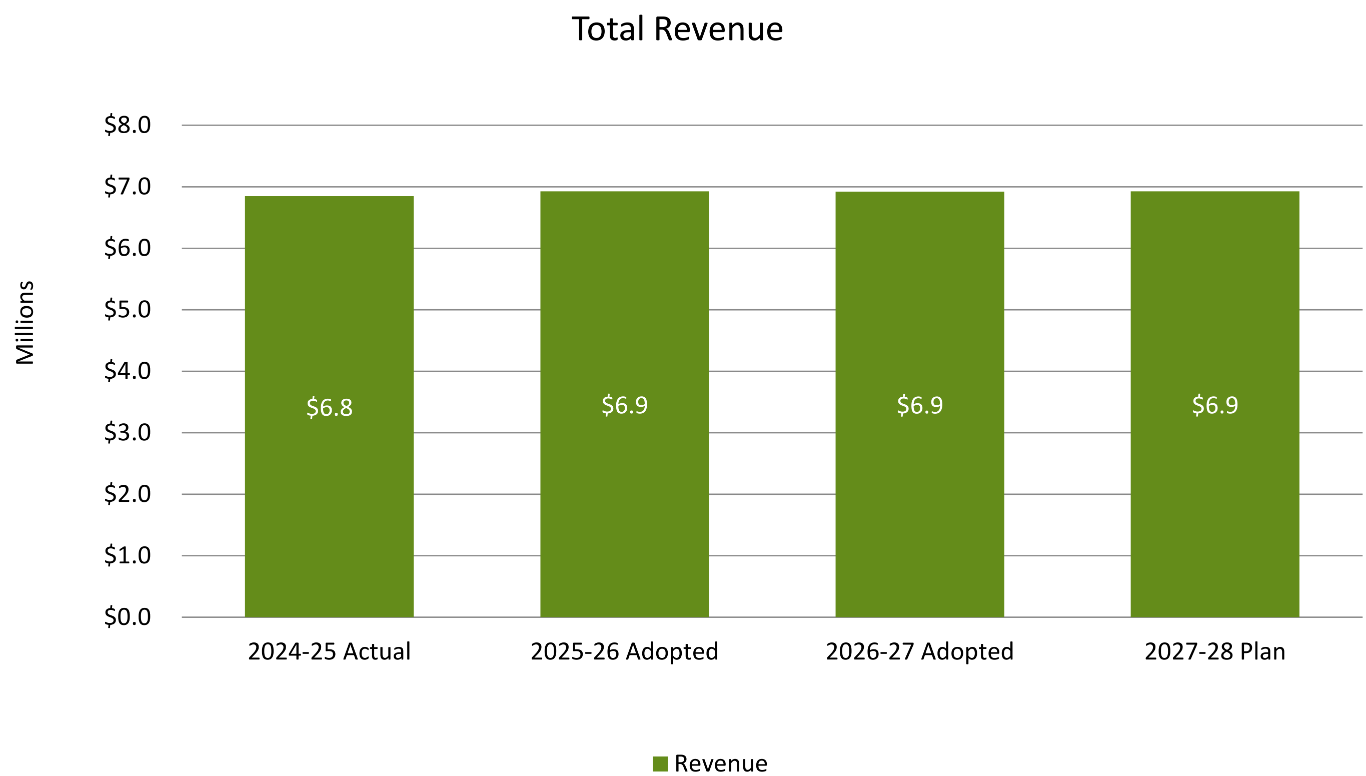
For FY 2026-27 and FY 2027-28, the Benefit Assessment revenue receipts are projected at $6.9 million each year. As Valley Water continues to pay down the principal, the amount collected will decrease.

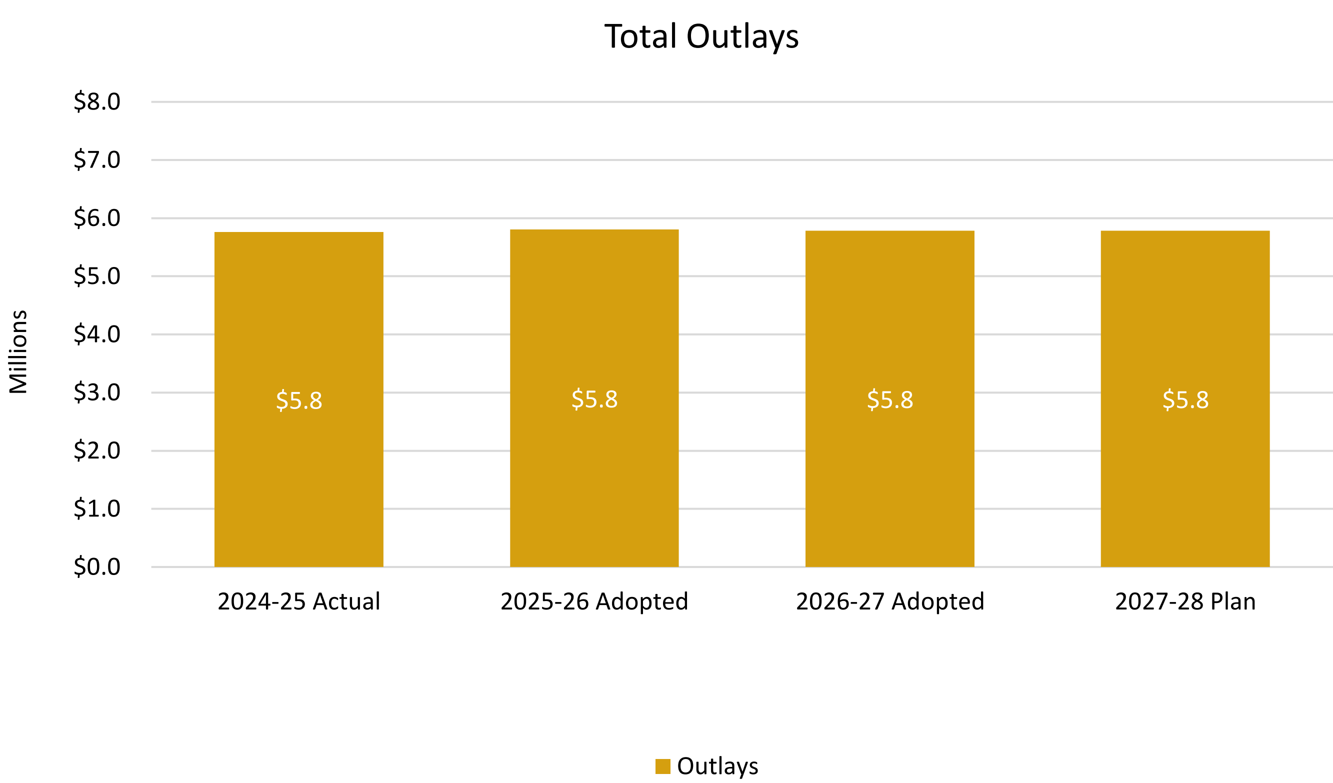
For FY 2026-27 and FY 2027-28, the transfer to the Watershed and Stream Stewardship Fund is expected at $1.1 million each year. Debt that was issued in 2017 (2017A Certificates of Participation, or 2017A COPs) is scheduled to be fully repaid on February 1, 2030.

The FY 2026-27 benefit assessment for a single family residence is expected at approximately:

- $26.54/year for Lower Peninsula Watershed
- $4.70/year for West Valley Watershed
- $4.16/year for Guadalupe Watershed
- $12.88/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,703,730	$ 2,732,804	$ 2,732,804	$ 2,731,817	$ (987)	0.0%
West Valley Watershed	811,059	819,772	819,772	819,476	(296)	0.0%
Guadalupe Watershed	901,512	911,166	911,166	910,837	(330)	0.0%
Coyote Watershed	2,432,212	2,460,008	2,460,008	2,459,120	(888)	0.0%
TOTAL REVENUE	**$ 6,848,514**	**$ 6,923,750**	**$ 6,923,750**	**$ 6,921,250**	**$ (2,500)**	**0.0%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,273,884	$ 2,292,023	$ 2,292,023	$ 2,283,833	$ (8,190)	-0.4%
West Valley Watershed	682,106	687,549	687,549	685,092	(2,457)	-0.4%
Guadalupe Watershed	758,152	764,201	764,201	761,471	(2,730)	-0.4%
Coyote Watershed	2,046,898	2,063,227	2,063,227	2,055,855	(7,372)	-0.4%
TOTAL OUTLAYS	**$ 5,761,040**	**$ 5,807,000**	**$ 5,807,000**	**$ 5,786,251**	**$ (20,749)**	**-0.4%**
OTHER FINANCING SOURCES/(USES)						
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (1,087,474)	$ (1,116,750)	$ (1,116,750)	$ (1,134,999)	$ (18,249)	1.6%
TOTAL OTHER SOURCES/(USES)	**$ (1,087,474)**	**$ (1,116,750)**	**$ (1,116,750)**	**$ (1,134,999)**	**$ (18,249)**	**1.6%**

Benefit Assessment Funds Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,703,730	$ 2,732,804	$ 2,731,817	$ 2,732,927	$ 1,110	0.0%
West Valley Watershed	811,059	819,772	819,476	819,809	333	0.0%
Guadalupe Watershed	901,512	911,166	910,837	911,207	370	0.0%
Coyote Watershed	2,432,212	2,460,008	2,459,120	2,460,119	999	0.0%
TOTAL REVENUE	**$ 6,848,514**	**$ 6,923,750**	**$ 6,921,250**	**$ 6,924,063**	**$ 2,813**	**0.0%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,273,884	$ 2,292,023	$ 2,283,833	$ 2,283,044	$ (789)	0.0%
West Valley Watershed	682,106	687,549	685,092	684,855	(237)	0.0%
Guadalupe Watershed	758,152	764,201	761,471	761,207	(264)	0.0%
Coyote Watershed	2,046,898	2,063,227	2,055,855	2,055,145	(710)	0.0%
TOTAL OUTLAYS	**$ 5,761,040**	**$ 5,807,000**	**$ 5,786,251**	**$ 5,784,251**	**$ (2,000)**	**0.0%**
OTHER FINANCING SOURCES/(USES)						
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (1,087,474)	$ (1,116,750)	$ (1,134,999)	$ (1,139,811)	$ (4,813)	0.4%
TOTAL OTHER SOURCES/(USES)	**$ (1,087,474)**	**$ (1,116,750)**	**$ (1,134,999)**	**$ (1,139,811)**	**$ (4,813)**	**0.4%**

Total Outlays - Lower Peninsula Watershed

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP WS	2,273,884	2,292,023	2,283,833	2,283,044	Financial Planning & Management
Total Debt Service		**2,273,884**	**2,292,023**	**2,283,833**	**2,283,044**	
Total		**2,273,884**	**2,292,023**	**2,283,833**	**2,283,044**	

Total Outlays - West Valley Watershed

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Debt Service						
20993008	2017A COP Refunding WV WS	682,106	687,549	685,092	684,855	Financial Planning & Management
Total Debt Service		**682,106**	**687,549**	**685,092**	**684,855**	
Total		**682,106**	**687,549**	**685,092**	**684,855**	

Total Outlays - Guadalupe Watershed

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Debt Service						
30993008	2017A COP Refunding Guad WS	758,152	764,201	761,471	761,207	Financial Planning & Management
Total Debt Service		**758,152**	**764,201**	**761,471**	**761,207**	
Total		**758,152**	**764,201**	**761,471**	**761,207**	

Total Outlays - Coyote Watershed

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Debt Service						
40993008	2017A COP Refunding Coyote WS	2,046,898	2,063,227	2,055,855	2,055,145	Financial Planning & Management
Total Debt Service		**2,046,898**	**2,063,227**	**2,055,855**	**2,055,145**	
Total		**2,046,898**	**2,063,227**	**2,055,855**	**2,055,145**	

WATER UTILITY ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

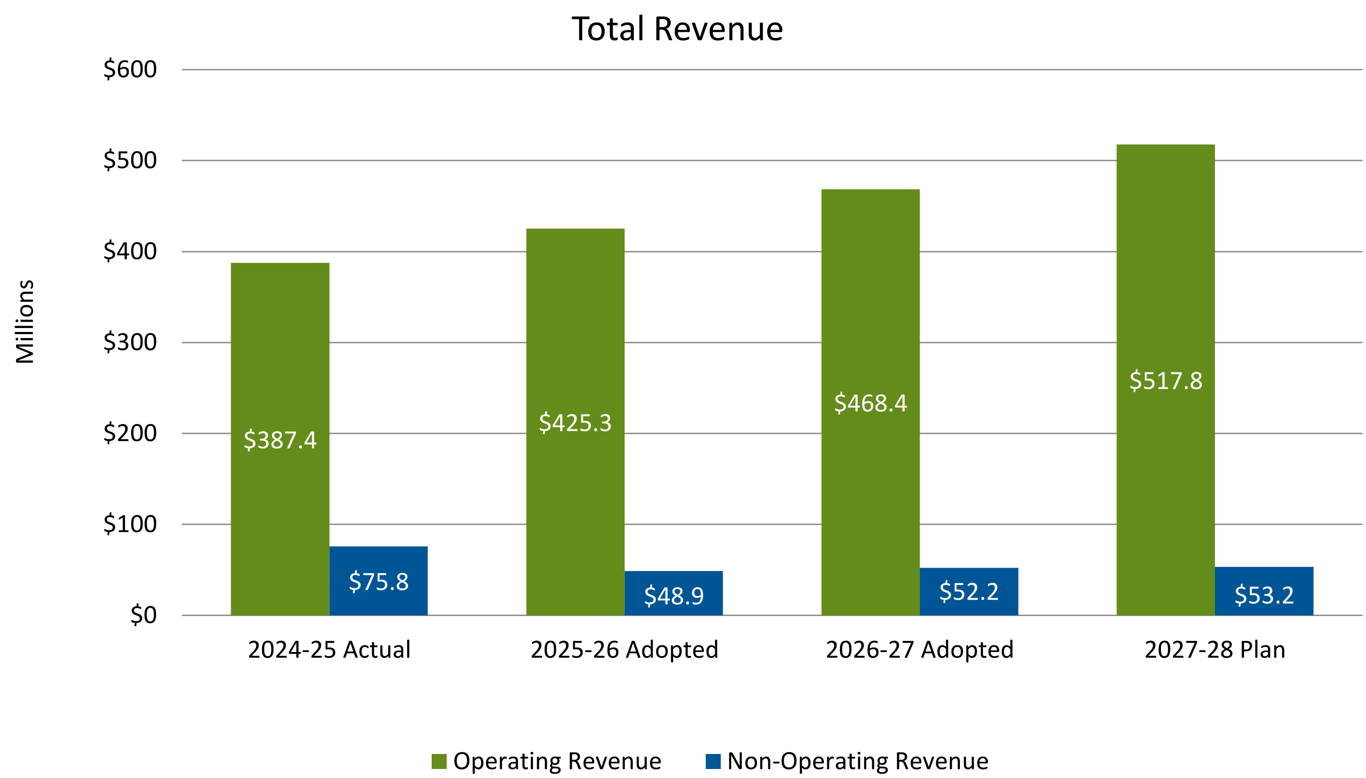
Overview

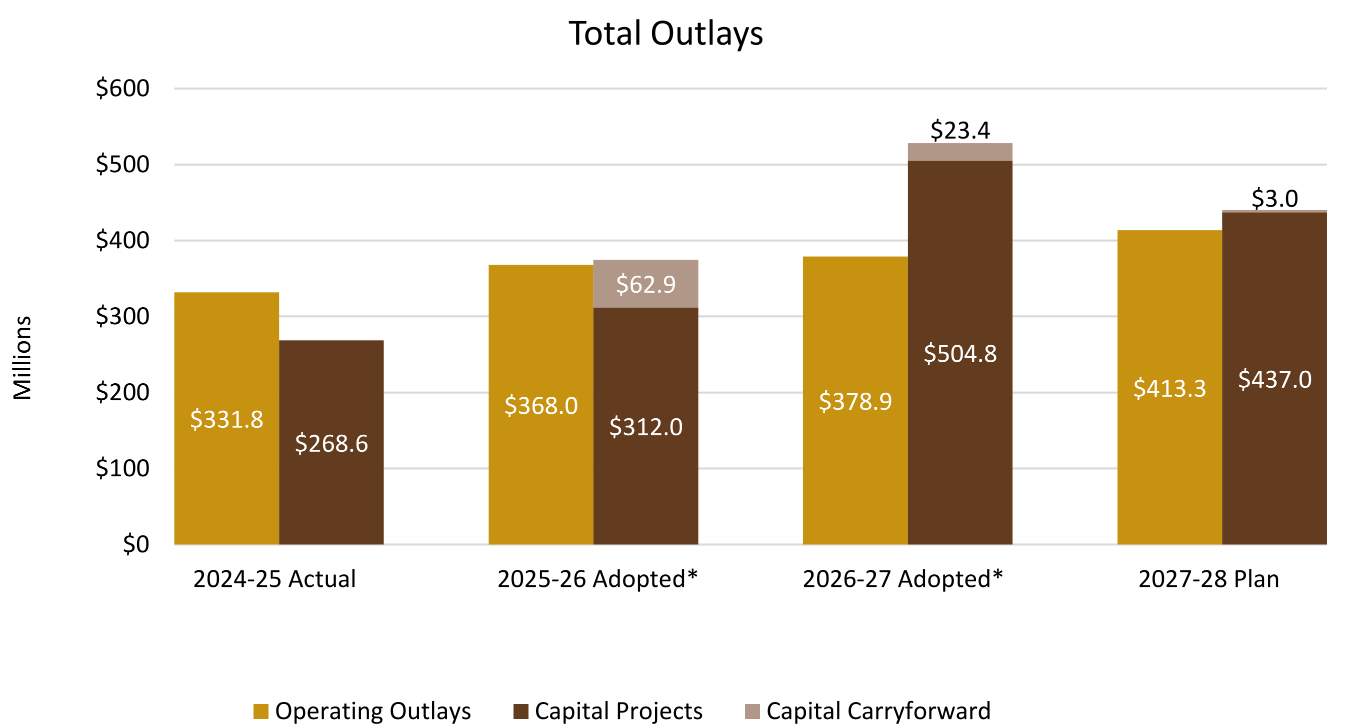
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed in this chapter with the aim of protecting and augmenting water supplies. Two funds are used to account for these activities:

- The Water Utility Enterprise Fund (Fund 61)
- The State Water Project Fund (Fund 63)

Financial summaries and descriptions of programs and outcomes can be found in this chapter.

Water Utility Enterprise and State Water Project Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 176,173,362	$ 200,333,000	$ 213,834,000	$ 233,004,000	$ 32,671,000	16.3%
Treated Water Charges	202,844,299	220,403,000	198,403,000	231,016,000	10,613,000	4.8%
Surface & Recycled Water Charges	2,955,025	2,582,000	2,591,000	2,526,000	(56,000)	-2.2%
Intergovernmental Services	4,885,067	1,493,295	1,492,500	1,323,000	(170,295)	-11.4%
Operating Other	520,603	496,488	510,547	510,547	14,059	2.8%
Total Operating Revenue	**$ 387,378,356**	**$ 425,307,783**	**$ 416,831,047**	**$ 468,379,547**	**$ 43,071,764**	**10.1%**
Non-Operating Revenue						
Property Tax	$ 41,235,259	$ 39,871,000	$ 40,446,763	$ 40,753,112	$ 882,112	2.2%
Capital Reimbursements	3,030,479	684,000	1,341,000	504,000	(180,000)	-26.3%
Interest Income *	14,700,229	7,066,000	9,707,000	9,707,000	2,641,000	37.4%
Non-Operating Other	16,824,114	1,229,670	1,227,635	1,236,847	7,177	0.6%
Total Non-Operating Revenue	**$ 75,790,081**	**$ 48,850,670**	**$ 52,722,398**	**$ 52,200,959**	**$ 3,350,289**	**6.9%**
TOTAL REVENUE	**$ 463,168,436**	**$ 474,158,453**	**$ 469,553,445**	**$ 520,580,506**	**$ 46,422,053**	**9.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 232,867,032	$ 269,098,346	$ 290,188,424	$ 267,423,999	$ (1,674,347)	-0.6%
Operating Project	24,709,600	452,787	3,262,831	937,460	484,673	107.0%
Debt Service	74,260,280	98,411,311	87,384,947	110,507,668	12,096,357	12.3%
Total Operating Outlays	**$ 331,836,913**	**$ 367,962,444**	**$ 380,836,202**	**$ 378,869,128**	**$ 10,906,683**	**3.0%**
Capital Outlays						
Capital Projects	$ 268,626,636	$ 312,004,684	$ 397,242,183	$ 504,812,952	$ 192,808,268	61.8%
Carryforward Capital Projects	-	62,902,860	-	23,405,680	(39,497,180)	-62.8%
Total Capital Outlays	**$ 268,626,636**	**$ 374,907,544**	**$ 397,242,183**	**$ 528,218,632**	**$ 153,311,088**	**40.9%**
TOTAL OUTLAYS	**$ 600,463,549**	**$ 742,869,989**	**$ 778,078,385**	**$ 907,087,760**	**$ 164,217,771**	**22.1%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 140,000,000	$ 220,217,267	$ 225,419,723	$ 407,001,000	$ 186,783,733	84.8%
Transfers In	11,428,122	7,606,274	7,606,274	5,544,119	(2,062,155)	-27.1%
Transfers Out	(10,844,078)	(11,683,496)	(11,984,696)	(17,526,551)	(5,843,055)	50.0%
TOTAL OTHER SOURCES/(USES)	**$ 140,584,044**	**$ 216,140,045**	**$ 221,041,301**	**$ 395,018,568**	**$ 178,878,523**	**82.8%**
BALANCE AVAILABLE	**$ 3,288,931**	**$ (52,571,490)**	**$ (87,483,640)**	**$ 8,511,314**	**$ 61,082,805**	**-116.2%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 20,571,906	$ 40,504,668	$ 40,256,453	$ 43,041,738	$ 2,537,070	6.3%
WUE San Felipe Emergency Reserve	3,797,415	3,751,454	3,847,415	3,897,415	145,961	3.9%
WUE State Water Project Tax Reserve	25,277,937	11,591,690	21,738,142	14,890,000	3,298,310	28.5%
WUE Supplemental Water Supply Reserve	5,277,000	8,677,000	8,677,000	12,077,000	3,400,000	39.2%
WUE SVAWPC Reserve	530,119	-	-	-	-	0.0%
WUE Drought Reserve	-	1,000,000	1,000,000	4,000,000	3,000,000	300.0%
WUE Guiding Principle #5 (GP5) Reserve	2,810,044	-	-	-	-	0.0%
Total Restricted Reserves	**$ 58,264,421**	**$ 65,524,812**	**$ 75,519,009**	**$ 77,906,153**	**$ 12,381,341**	**18.9%**
Committed Reserves						
Currently Authorized Projects Reserve***	127,749,392	17,666,735	45,663,278	22,257,597	4,590,862	26.0%
Excess ERAF Contingency Reserve	501,192	615,193	617,472	728,832	113,639	18.5%
Operating and Capital Reserve	59,768,403	74,567,165	37,000,010	66,418,501	(8,148,664)	-10.9%
Total Committed Reserves	**$ 188,018,987**	**$ 92,849,093**	**$ 83,280,760**	**$ 89,404,930**	**$ (3,444,163)**	**-3.7%**
TOTAL YEAR-END RESERVES	**$ 246,283,408**	**$ 158,373,905**	**$ 158,799,769**	**$ 167,311,083**	**$ 8,937,177**	**5.6%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 74,197,606	$ 76,556,701	$ 76,814,233	$ 80,601,880	$ 4,045,179	5.3%
Salary Savings Factor	-	(752,323)	(752,323)	(1,645,165)	(892,841)	118.7%
Services & Supplies	139,159,106	147,162,816	170,657,479	143,736,553	(3,426,263)	-2.3%
Intra-District Charges	44,219,920	46,583,940	46,731,867	45,668,192	(915,749)	-2.0%
OPERATING OUTLAY TOTAL	**$ 257,576,633**	**$ 269,551,133**	**$ 293,451,255**	**$ 268,361,460**	**$ (1,189,674)**	**-0.4%**
DEBT SERVICE						
Services & Supplies	$ 1,781,429	$ 4,520,320	$ 4,520,320	$ 3,450,320	$ (1,070,000)	-23.7%
Debt Service	72,478,851	93,890,991	82,864,627	107,057,348	13,166,357	14.0%
DEBT SERVICE TOTAL	**$ 74,260,280**	**$ 98,411,311**	**$ 87,384,947**	**$ 110,507,668**	**$ 12,096,357**	**12.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,729,907	$ 33,617,155	$ 34,350,285	$ 37,909,331	$ 4,292,176	12.8%
Salary Savings Factor	-	(347,530)	(347,530)	(810,485)	(462,955)	133.2%
Services & Supplies	217,444,348	258,014,111	342,060,404	446,300,362	188,286,251	73.0%
Carryforward Capital Projects	-	62,902,860	-	23,405,680	(39,497,180)	-62.8%
Intra-District Charges	19,452,381	20,720,948	21,179,024	21,413,744	692,797	3.3%
CAPITAL PROJECTS TOTAL	**$ 268,626,636**	**$ 374,907,544**	**$ 397,242,183**	**$ 528,218,632**	**$ 153,311,088**	**40.9%**
TOTAL OUTLAYS	**$ 600,463,549**	**$ 742,869,988**	**$ 778,078,385**	**$ 907,087,760**	**$ 164,217,771**	**22.1%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 176,173,362	$ 200,333,000	$ 233,004,000	$ 261,258,000	$ 28,254,000	12.1%
Treated Water Charges	202,844,299	220,403,000	231,016,000	251,897,000	20,881,000	9.0%
Surface & Recycled Water Charges	2,955,025	2,582,000	2,526,000	2,738,000	212,000	8.4%
Intergovernmental Services	4,885,067	1,493,295	1,323,000	1,397,000	74,000	5.6%
Operating Other	520,603	496,488	510,547	510,547	-	0.0%
Total Operating Revenue	**$ 387,378,356**	**$ 425,307,783**	**$ 468,379,547**	**$ 517,800,547**	**$ 49,421,000**	**10.6%**
Non-Operating Revenue						
Property Tax	$ 41,235,259	$ 39,871,000	$ 40,753,112	$ 41,015,809	$ 262,697	0.6%
Capital Reimbursements	3,030,479	684,000	504,000	1,216,000	712,000	141.3%
Interest Income *	14,700,229	7,066,000	9,707,000	9,707,000	-	0.0%
Non-Operating Other	16,824,114	1,229,670	1,236,847	1,246,498	9,651	0.8%
Total Non-Operating Revenue	**$ 75,790,081**	**$ 48,850,670**	**$ 52,200,959**	**$ 53,185,307**	**$ 984,348**	**1.9%**
TOTAL REVENUE	**$ 463,168,436**	**$ 474,158,453**	**$ 520,580,506**	**$ 570,985,854**	**$ 50,405,348**	**9.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 232,867,032	$ 269,098,346	$ 267,423,999	$ 280,476,664	$ 13,052,665	4.9%
Operating Project	24,709,600	452,787	937,460	817,208	(120,252)	-12.8%
Debt Service	74,260,280	98,411,311	110,507,668	132,005,684	21,498,016	19.5%
Total Operating Outlays	**$ 331,836,913**	**$ 367,962,444**	**$ 378,869,128**	**$ 413,299,557**	**$ 34,430,429**	**9.1%**
Capital Outlays						
Capital Projects	$ 268,626,636	$ 312,004,684	$ 504,812,952	$ 437,019,919	$ (67,793,033)	-13.4%
Carryforward Capital Projects	-	62,902,860	23,405,680	3,028,955	(20,376,725)	-87.1%
Total Capital Outlays	**$ 268,626,636**	**$ 374,907,544**	**$ 528,218,632**	**$ 440,048,874**	**$ (88,169,758)**	**-16.7%**
TOTAL OUTLAYS	**$ 600,463,549**	**$ 742,869,989**	**$ 907,087,760**	**$ 853,348,430**	**$ (53,739,329)**	**-5.9%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 140,000,000	$ 220,217,267	$ 407,001,000	$ 329,228,000	$ (77,773,000)	-19.1%
Transfers In	11,428,122	7,606,274	5,544,119	4,979,431	(564,688)	-10.2%
Transfers Out	(10,844,078)	(11,683,496)	(17,526,551)	(16,634,705)	891,846	-5.1%
TOTAL OTHER SOURCES/(USES)	**$ 140,584,044**	**$ 216,140,045**	**$ 395,018,568**	**$ 317,572,726**	**$ (77,445,842)**	**-19.6%**
BALANCE AVAILABLE	**$ 3,288,931**	**$ (52,571,490)**	**$ 8,511,314**	**$ 35,210,149**	**$ 26,698,835**	**313.7%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 20,571,906	$ 40,504,668	$ 43,041,738	$ 47,642,198	$ 4,600,460	10.7%
WUE San Felipe Emergency Reserve	3,797,415	3,751,454	3,897,415	3,947,415	50,000	1.3%
WUE State Water Project Tax Reserve	25,277,937	11,591,690	14,890,000	6,241,654	(8,648,346)	-58.1%
WUE Supplemental Water Supply Reserve	5,277,000	8,677,000	12,077,000	15,477,000	3,400,000	28.2%
WUE SVAWPC Reserve	530,119	-	-	-	-	0.0%
WUE Drought Reserve	-	1,000,000	4,000,000	8,000,000	4,000,000	100.0%
WUE Guiding Principle #5 (GP5) Reserve	2,810,044	-	-	-	-	0.0%
Total Restricted Reserves	**$ 58,264,421**	**$ 65,524,812**	**$ 77,906,153**	**$ 81,308,267**	**$ 3,402,114**	**4.4%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 127,749,392	$ 17,666,735	$ 22,257,597	$ 19,228,642	$ (3,028,955)	-13.6%
Excess ERAF Contingency Reserve	501,192	615,193	728,832	840,192	111,360	15.3%
Operating and Capital Reserve	59,768,403	74,567,165	66,418,501	101,144,132	34,725,630	52.3%
Total Committed Reserves	**$ 188,018,987**	**$ 92,849,093**	**$ 89,404,930**	**$ 121,212,966**	**$ 31,808,035**	**35.6%**
TOTAL YEAR-END RESERVES	**$ 246,283,408**	**$ 158,373,905**	**$ 167,311,083**	**$ 202,521,232**	**$ 35,210,149**	**21.0%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 74,197,606	$ 76,556,701	$ 80,601,880	$ 85,623,419	$ 5,021,540	6.2%
Salary Savings Factor	-	(752,323)	(1,645,165)	(1,737,971)	(92,807)	5.6%
Services & Supplies	139,159,106	147,162,816	143,736,553	145,557,108	1,820,555	1.3%
Intra-District Charges	44,219,920	46,583,940	45,668,192	51,851,316	6,183,125	13.5%
OPERATING OUTLAY TOTAL	**$ 257,576,633**	**$ 269,551,133**	**$ 268,361,460**	**$ 281,293,873**	**$ 12,932,413**	**4.8%**
DEBT SERVICE						
Services & Supplies	$ 1,781,429	$ 4,520,320	$ 3,450,320	$ 3,205,320	$ (245,000)	-7.1%
Debt Service	72,478,851	93,890,991	107,057,348	128,800,364	21,743,016	20.3%
DEBT SERVICE TOTAL	**$ 74,260,280**	**$ 98,411,311**	**$ 110,507,668**	**$ 132,005,684**	**$ 21,498,016**	**19.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,729,907	$ 33,617,155	$ 37,909,331	$ 39,722,453	$ 1,813,123	4.8%
Salary Savings Factor	-	(347,530)	(810,485)	(841,877)	(31,392)	3.9%
Services & Supplies	217,444,348	258,014,111	446,300,362	374,148,203	(72,152,159)	-16.2%
Carryforward Capital Projects	-	62,902,860	23,405,680	3,028,955	(20,376,725)	-87.1%
Intra-District Charges	19,452,381	20,720,948	21,413,744	23,991,139	2,577,395	12.0%
CAPITAL PROJECTS TOTAL	**$ 268,626,636**	**$ 374,907,544**	**$ 528,218,632**	**$ 440,048,874**	**$ (88,169,758)**	**-16.7%**
TOTAL OUTLAYS	**$ 600,463,549**	**$ 742,869,989**	**$ 907,087,760**	**$ 853,348,430**	**$ (53,739,329)**	**-5.9%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Water Utility Enterprise Funds

Overview

The Water Utility Enterprise is committed to providing safe, reliable water to Santa Clara County now and for future generations. Presently, it ensures the availability of water to 15 cities and towns, farmers, and individual well owners spread over 1,300 square miles, with Valley Water managed usage estimated to total 221,500 acre-feet (AF) in FY 2026-27 and 224,000 AF in FY 2027-28. This entails operation, maintenance, and construction of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 62,996 AF while Valley Water's largest reservoir, Anderson, is offline due to an extensive retrofit of its dam
- 11 miles of active canals
- Five water supply diversion dams
- 99 groundwater recharge ponds
- 98 miles of controlled in-stream recharge in the county
- 134 miles of raw and treated water pipelines
- Three water treatment plants
- An advanced water purification center
- Three raw water pump stations with over 37,000 combined horsepower

The Water Utility Enterprise Fund (Fund 61) accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Utility Enterprise Fund accounts for all Water Utility related revenue, expenses and financing except those of the State Water Project Fund (Fund 63). The State Water Project (SWP) Fund accounts specifically for SWP tax revenue and SWP contractual costs. It is discussed separately later in this chapter.

FY 2026-27 and FY 2027-28 Budgets

The Water Utility Enterprise protects and augments water supplies for the health, welfare, and safety of the community. The Utility is primarily responsible for carrying out the core services related to Valley Water's Ends Policy E2: "Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served." Groundwater production charges are the primary source of Utility revenue. The activities, programs, and services undertaken with funding from groundwater production charges include ensuring adequate water supplies and water quality; operating and maintaining dams, pipelines, recharge ponds, treatment plants and pumping stations to help sustain the groundwater basins; and planning for and constructing related facilities. Funding for these activities is presented in this chapter's financial statements and described in the paragraphs below.

Revenue

Revenue for the Water Utility Enterprise Funds is derived from treated, surface and recycled water sales; groundwater production charges; capital reimbursements; federal, state, and local grants; interest earnings; ad valorem taxes; and State Water Project (SWP) taxes as provided by law. Estimated total revenue for FY 2026-27 is $520.6 million ($491.6 million for Fund 61 and $29.0 million for Fund 63), or 9.8% more than the FY 2025-26 Adopted Budget. FY 2027-28 total revenue is projected at $571.0 million ($542.0 million for Fund 61 and $29.0 million for Fund 63), or an increase of 9.7% from FY 2026-27.

The approved FY 2026-27 water charges will generate $466.5 million in revenues from groundwater production charges and the sale of treated, recycled and surface water totaling 221,500 acre-feet of usage, which is a 10.2% increase in revenue versus the FY 2025-26 Adopted Budget. This revenue estimate also accounts for water rate increases of 9.1% in North County Zone W-2, 6.6% in South County Zone W-5, 9.4% in Zone W-7, and 8.0% in Zone W-8. Rate increases are primarily necessary to cover the notable capital investments Valley Water is making to ensure the safety and reliability of water for residents. Rates maintain the same level of increases year over year in FY 2027-28. Due to these rate increases and an estimated water usage of 224,000 acre-feet, water charges for FY 2027-28 are expected to grow by approximately $49.3 million, totaling $515.9 million. More information on groundwater charges is found later in this chapter and in the FY 2026-27 Protection and Augmentation of Water Supplies Report.

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2026-27. They total an estimated $40.8 million, of which $28.0 million is for State Water Project (SWP) taxes accounted for in the SWP Fund (Fund 63) and used to fund water purchases from the State Water Project, and the remaining $12.8 million are ad valorem property taxes recorded in the Water Utility Enterprise Fund (Fund 61) for general use. In FY 2027-28, combined property taxes are projected to increase 0.6% to $41.0 million. Capital reimbursements of $0.5 million in FY 2026-27 and $1.2 million in FY 2027-28 are from the San Benito County Water District (SBCWD) for small capital improvements on the shared San Felipe Division Reach 1 (SFDR1) project.

Interest, intergovernmental services and other operating and non-operating revenues round out Water Utility Enterprise proceeds at $12.8 million in FY 2026-27. For FY 2027-28, budgeted levels increase by $0.1 million primarily from higher intergovernmental services revenue.

Operating Budget

Operating costs (excluding debt service) for FY 2026-27 are expected to be $268.4 million for both funds. This represents a $1.2 million, or 0.4%, decrease from the FY 2025-26 Adopted Budget. The decrease is primarily attributable to $10.4 million in cost share agreements for the Palo Alto Reuse Agreement and Imported Water San Felipe Division Deliveries projects, plus $1.0 million in lower than anticipated need for chemicals and utilities reflecting the Penitencia Water Treatment Plant partial year shut down. These decreases are offset by an increase of $8.0 million in water purchases ($3.3 million), cost share agreements of the Delta Conveyance Project ($2.9 million), equipment and maintenance for infrastructure, and various professional and technical services ($1.8 million). Additionally, salaries, benefits, and overhead increased $2.2 million.

The FY 2027-28 Budget increases to $281.3 million, an increase of $12.9 million compared to FY 2026-27. The largest increase is $11.1 million for salaries, benefits, and overhead, $1.8 million for water purchases reflecting the increased costs of the State Water Project purchases and water banking, $1.7 million for equipment repair and replacement, and $1.4 million for chemicals and utilities related to the Penitencia Water Treatment Plant resuming operations. These increases are offset by a reduction of $3.1 million for cost share agreements for the Delta Conveyance Project ($2.4 million), and cost share agreements and consultant services for the Imported Water Program ($0.7 million).

The cost of contractually obligated water purchases from federal and state water projects in FY 2026-27 and FY 2027-28 continue to be the largest Water Utility Enterprise expense. Water purchases from federal water projects include $19.3 million in FY 2026-27 and $19.9 million in FY 2027-28, while water purchases from state water projects include $35.8 million in FY 2026-27 and $37.6 million in FY 2027-28. In addition to operating budget water expenses, the capital budget also includes $13.3 million in FY 2026-27 and $11.9 million in FY 2027-28 to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Debt Service Budget

To fund the construction of new facilities, Valley Water historically relies on both pay-as-you-go financing as well as short-term and long-term debt financing. Water utility debt service will increase by roughly $12.1 million in FY 2026-27 to $110.5 million, and by an additional $21.5 million in FY 2027-28 to $132.0 million. The debt service coverage ratio is projected to remain above the minimum target of 2.0 or higher to help ensure financial stability and continued high credit ratings.

Capital Budget

In FY 2026-27, capital projects are budgeted at $504.8 million and capital carryforward is estimated at $23.4 million, bringing total planned capital spending to $528.2 million. This is a $153.3 million increase, or 40.9%, from the prior year. This fiscal year has significant investments in our Water Treatment Plants including the continued construction at the Rinconada Water Treatment Plant and enhancements to the Penitencia Water Treatment Plant. Several Dam projects are underway with the largest investments in the Anderson Dam Seismic Retrofit project as it begins construction. Finally, pipelines continue to be a top funding priority to ensure the quality, safety, and delivery of water through the Santa Clara Valley. The significant funding for pipelines is in the Almaden Valley Pipeline project as design work to reline the pipeline is in progress. For FY 2027-28, $437.0 million in planned funding is anticipated with an additional capital carryforward of $3.0 million for a total planned budget of $440.0 million. More information about Valley Water's Capital Program can be found in the FY 2027-31 Capital Improvement Program.

Debt Financing and Interfund Transfers

Staff is planning debt issuances in FY 2026-27 of $407.0 million and in FY 2027-28 of $329.2 million to help finance critical investments in major water supply infrastructure projects.

For FY 2026-27, interfund transfers into the Water Utility Enterprise Fund total $5.5 million including $4.3 million for the Open Space Credit, and $1.2 million for conservation programs. Transfers out total $17.5 million including $5.0 million for ERP replacement, $4.0 million to the Safe Clean Water Fund for the IRP2 Add Valve Lines project, $3.1 million for the Headquarter Operations Building project, $3.0 million for IT equipment, and $2.4 million for the IT Security Upgrades and Enhancements project. Transfers in planned for FY 2027-28 total $5.0 million to contribute to the funding of $3.8 million for the Open Space Credit, and $1.2 million for the conservation programs. Transfers out to other funds total $16.6 million including $7.5 million for the Safe Clean Water Fund for the IRP2 Add Valve Lines, $7.0 million for ERP replacement, $2.0 million for IT equipment, and $0.1 million for the Headquarters Operations Building project and the Security Upgrades and Enhancements project.

Reserves

Total FY 2026-27 ending reserves for the Water Enterprise and State Water Project funds are projected to be $167.3 million, an increase of $8.9 million relative to the FY 2025-26 Adopted Budget. This budget reflects an effort to restore the Water Supply Reserve and the Drought Reserve from $9.7 million to $16.1 million in FY 2026-27 and to $23.5 million in the following fiscal year. For FY 2027-28, reserves are projected to increase by $35.2 million to $202.5 million.

Significant Business Challenges/Opportunities

The Water Utility Enterprise faces the following major challenges and opportunities in the upcoming year in its efforts to ensure a reliable, safe, and affordable water supply for current and future generations in all communities served.

- Operating raw and treated water systems based on water supply needs and constraints including the outage of Valley Water's largest reservoir, Anderson. This includes adapting to dynamic changes in local rainfall, imported water allocations, regulations, and water use to deliver safe, clean drinking water and ensure continued sustainable groundwater supplies.
- Continuing to advance the design, permitting, and construction of the Anderson Dam Seismic Retrofit Project, and comply with a Federal Energy Regulatory Commission directive received on February 20, 2020.
- Ensuring construction of Phases 3-6 of the Rinconada Water Treatment Plant Reliability Improvement Project continues successfully on schedule while operating the plant to continue serving water that meets all state water quality standards.
- Maintaining on-schedule construction of the Penitencia Water Treatment Plant Residuals Management Project while ensuring continuous plant operation and compliance with all state drinking water quality standards.
- Continuing to advance the timely design and construction of projects under the Pipeline Maintenance Program to maintain reliability of critical infrastructure.
- Ensuring the construction of the Almaden Valley Pipeline Replacement project is successful as the agency's first major relining project.
- Continuing to deliver treated water that meets or surpasses all drinking water standards under supply chain and source water quality challenges.
- Developing necessary direct potable reuse implementation project agreements with the cities of San José and Santa Clara, seeking external funding opportunities, and beginning Phase 1 of the Pure Water Silicon Valley Project (Demonstration Facility) and planning for the future full-scale facility.
- Continuing to develop and implement water recycling agreements with other wastewater agency partners to develop and enhance long-term supply reliability.
- Continuing to participate in multi-agency partnerships for the B.F. Sisk Dam Raise, the Sites Reservoir and Delta Conveyance projects.
- Continuing to pursue and assess suitable, cost-effective groundwater banking projects to bolster water supply reliability and diversify resources to meet our future needs.
- Implementing the Water Supply Master Plan 2050 to guide the Board's investment in water supply and infrastructure projects.
- Adapting and expanding conservation programs to make water conservation a way of life and achieve the Board's long-term water conservation targets adopted as part of the Water Supply Master Plan.
- Decommissioning inactive canals.
- Continuing PFAS, microplastics, golden mussel monitoring and surveillance along with continued coordination with retailers, regulators, and interested parties.
- Continuing to negotiate with suppliers of long lead items to commit to accurate delivery times to be able to install during planned outage windows.
- Managing impacts of tariffs on imported goods.

Groundwater Production Charges

Valley Water's groundwater production charges are the primary source of funding for the Water Utility Enterprise. They pay for activities that benefit groundwater benefit zones. Valley Water levies two groundwater production charges, one for Municipal and Industrial (M&I) use, and one for Agricultural use. The FY 2026-27 Budget includes a North County (Zone W-2) M&I groundwater production charge of $2,673 per acre-foot (AF) that reflects a 9.1% increase from FY 2025-26 Adopted Budget. An 8.7% increase to contract treated water charges, or $2,788 per AF, and an 8.4% increase to non-contract treated water, or $2,873 per AF, also are included in this budget. In FY 2027-28, the Zone W-2 M&I rate also reflects a 9.1% increase, an 8.7% increase for contract treated water charges and an 8.5% increase for non-contract treated water charges when compared to FY 2026-27.

Maintaining the contract treated water surcharge at $115 per AF in both FY 2026-27 and FY 2027-28 is in alignment with the cost that retailers would incur to treat and deliver water pumped from their own wells. The non-contract surcharge remains at $200 per AF in both FY 2026-27 and FY 2027-28. The average household in Zone W-2 would experience an increase in their monthly bill of around $5.63 in FY 2026-27. Customers may also experience additional charge increases enacted by their retail water provider.

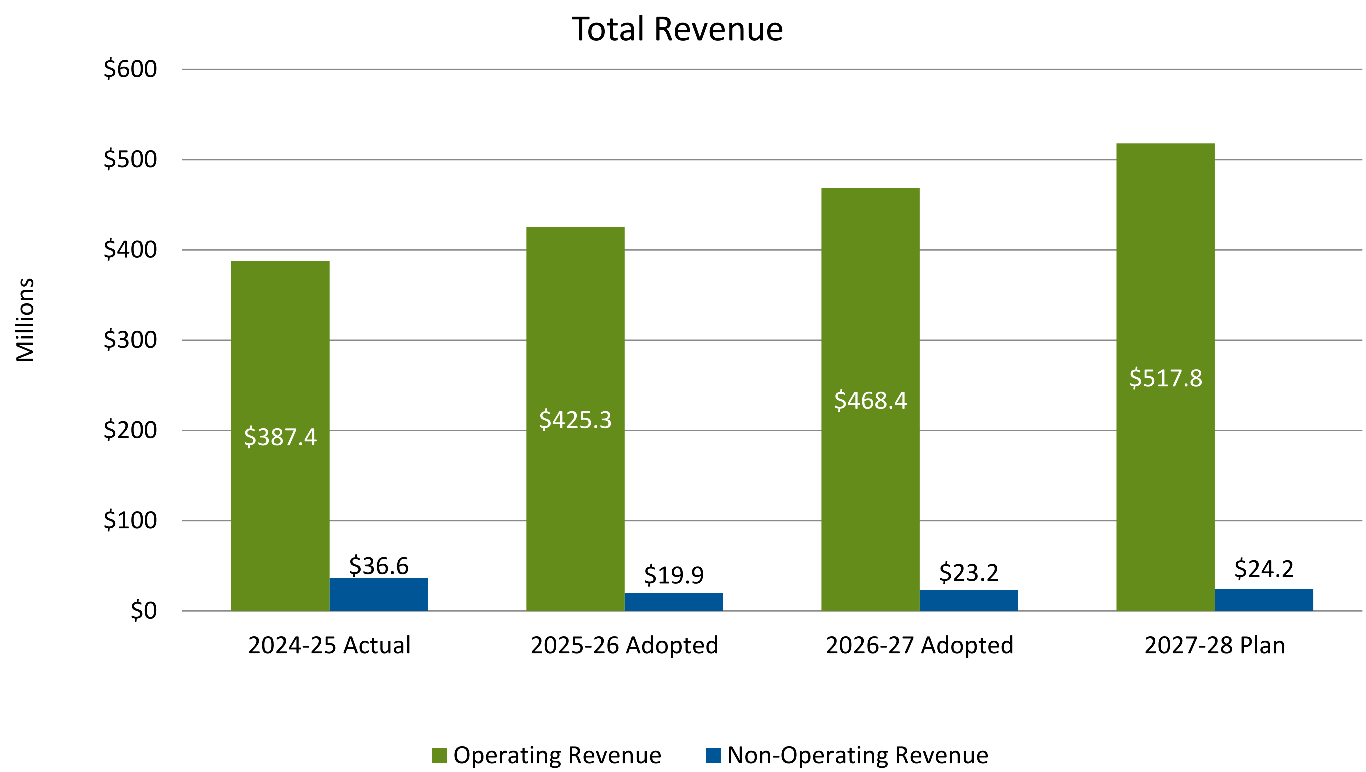
The FY 2026-27 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 6.6% increase over the prior year, or $665.50 per AF. The average household in this zone would experience an increase in their monthly bill of $1.04. The Coyote Valley (Zone W-7) M&I groundwater production charge reflects a 9.4% increase from the prior year, or $913.00 per AF. The average household in this zone would experience an increase in their monthly bill of $1.98. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (Zone W-8), the groundwater production charge reflects an 8.0% increase over the prior year, or $501.00 per AF. The average household in this zone would experience an increase in their monthly bill of $0.93. For all zones in the South County region (W-5, W-7, and W-8), the rate increase projected for FY 2027-28 is the same as FY 2026-27.

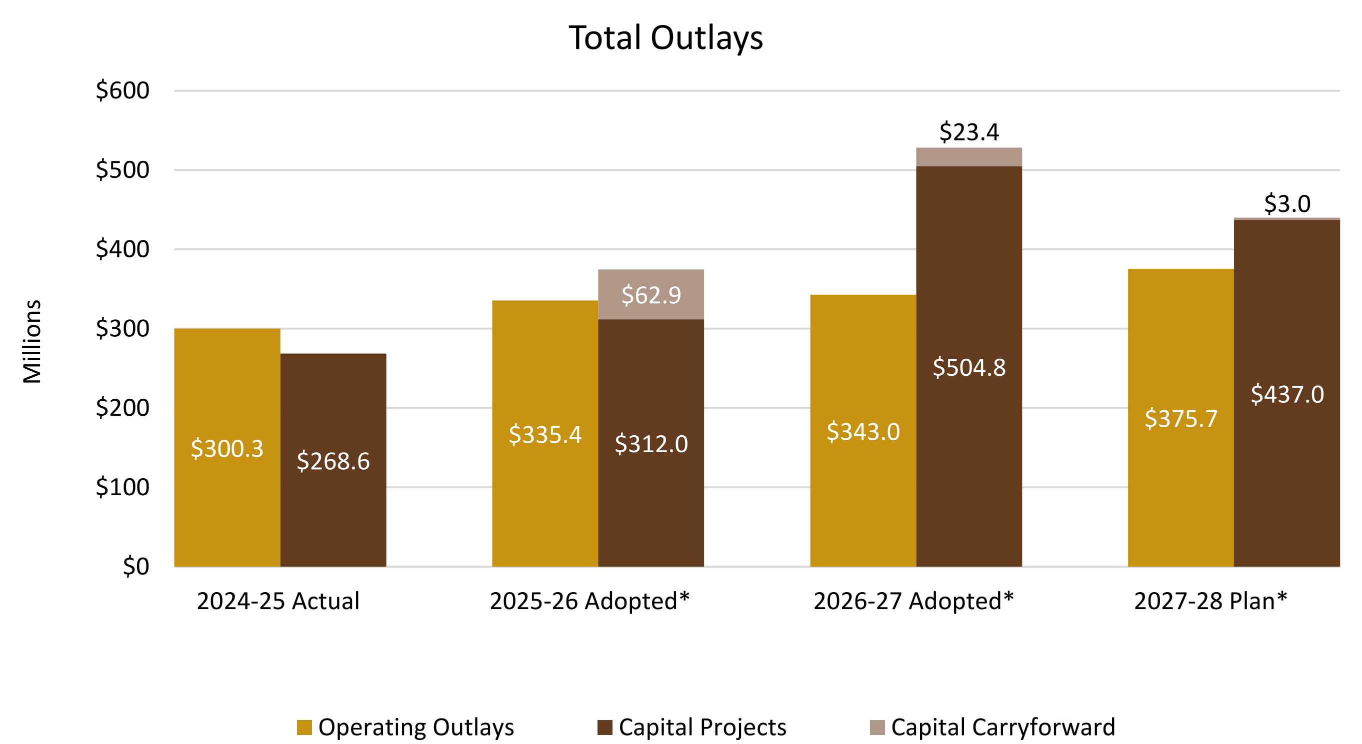
The agricultural groundwater production charge in any groundwater benefit zone for FY 2026-27 is $46.50 per AF. The agricultural groundwater production charge is usually calculated at or below 10% of the lowest M&I charge which is Zone W-8. This methodology is anticipated to be followed for FY 2026-27. The surface water master charge increased 9.1% from $67.00 per AF to $73.00 per AF in FY 2026-27 to help align revenues with the costs related to managing, operating, and billing for surface water diversions. A rate increase of 9.1% is projected for FY 2027-28.

For recycled water in FY 2026-27, the M&I charge increased 6.8% to $645.50 per AF. Agricultural recycled water increased 4.8% to $76.85 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water. Rate increases for FY 2027-28 are also expected to be the same as FY 2026-27.

The FY 2026-27 water use estimate of 221,500 AF represents a 2,500 AF increase, or 1.1%, compared to the FY 2025-26 adopted water budget usage amount of 219,000 AF which reflects a slight growth when compared to the budgeted amount for FY 2025-26. The FY 2027-28 water use estimate increases to 224,000 AF, based on the assumption that water use will continue to rebound to below pre-drought levels over time.

Water Utility Enterprise Fund (Fund 61)





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 176,173,362	$ 200,333,000	$ 213,834,000	$ 233,004,000	$ 32,671,000	16.3%
Treated Water Charges	202,844,299	220,403,000	198,403,000	231,016,000	10,613,000	4.8%
Surface & Recycled Water Charges	2,955,025	2,582,000	2,591,000	2,526,000	(56,000)	-2.2%
Intergovernmental Services	4,885,067	1,493,295	1,492,500	1,323,000	(170,295)	-11.4%
Operating Other	520,603	496,488	510,547	510,547	14,059	2.8%
Total Operating Revenue	**$ 387,378,356**	**$ 425,307,783**	**$ 416,831,047**	**$ 468,379,547**	**$ 43,071,764**	**10.1%**
Non-Operating Revenue						
Property Tax	$ 11,678,629	$ 11,871,000	$ 12,446,763	$ 12,753,112	$ 882,112	7.4%
Capital Reimbursements	3,030,479	684,000	1,341,000	504,000	(180,000)	-26.3%
Interest Income *	14,700,229	7,066,000	9,707,000	9,707,000	2,641,000	37.4%
Non-Operating Other	7,234,292	229,670	227,635	236,847	7,177	3.1%
Total Non-Operating Revenue	**$ 36,643,629**	**$ 19,850,670**	**$ 23,722,398**	**$ 23,200,959**	**$ 3,350,289**	**16.9%**
TOTAL REVENUE	**$ 424,021,985**	**$ 445,158,453**	**$ 440,553,445**	**$ 491,580,506**	**$ 46,422,053**	**10.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 201,304,962	$ 236,558,551	$ 257,648,629	$ 231,575,857	$ (4,982,693)	-2.1%
Operating Project	24,709,600	452,787	3,262,831	937,460	484,673	107.0%
Debt Service	74,260,280	98,411,311	87,384,947	110,507,668	12,096,357	12.3%
Total Operating Outlays	**$ 300,274,843**	**$ 335,422,649**	**$ 348,296,407**	**$ 343,020,986**	**$ 7,598,337**	**2.3%**
Capital Outlays						
Capital Projects	$ 268,626,636	$ 312,004,684	$ 397,242,183	$ 504,812,952	$ 192,808,268	61.8%
Carryforward Capital Projects	-	62,902,860	-	23,405,680	(39,497,180)	-62.8%
Total Capital Outlays	**$ 268,626,636**	**$ 374,907,544**	**$ 397,242,183**	**$ 528,218,632**	**$ 153,311,088**	**40.9%**
TOTAL OUTLAYS	**$ 568,901,479**	**$ 710,330,193**	**$ 745,538,590**	**$ 871,239,618**	**$ 160,909,425**	**22.7%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 140,000,000	$ 220,217,267	$ 225,419,723	$ 407,001,000	$ 186,783,733	84.8%
Transfers In	11,428,122	7,606,274	7,606,274	5,544,119	(2,062,155)	-27.1%
Transfers Out	(10,844,078)	(11,683,496)	(11,984,696)	(17,526,551)	(5,843,055)	50.0%
TOTAL OTHER SOURCES/(USES)	**$ 140,584,044**	**$ 216,140,045**	**$ 221,041,301**	**$ 395,018,568**	**$ 178,878,523**	**82.8%**
BALANCE AVAILABLE	**$ (4,295,450)**	**$ (49,031,695)**	**$ (83,943,844)**	**$ 15,359,456**	**$ 64,391,151**	**-131.3%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 20,571,906	$ 40,504,668	$ 40,256,453	$ 43,041,738	$ 2,537,070	6.3%
WUE San Felipe Emergency Reserve	3,797,415	3,751,454	3,847,415	3,897,415	145,961	3.9%
WUE Supplemental Water Supply Reserve	5,277,000	8,677,000	8,677,000	12,077,000	3,400,000	39.2%
WUE SVAWPC Reserve	530,119	-	-	-	-	0.0%
WUE Drought Reserve	-	1,000,000	1,000,000	4,000,000	3,000,000	300.0%
WUE Guiding Principle #5 (GP5) Reserve	2,810,044	-	-	-	-	0.0%
Total Restricted Reserves	**$ 32,986,484**	**$ 53,933,122**	**$ 53,780,868**	**$ 63,016,153**	**$ 9,083,031**	**16.8%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 127,749,392	$ 17,666,735	$ 45,663,278	$ 22,257,597	$ 4,590,862	26.0%
Excess ERAF Contingency Reserve	501,192	615,193	617,472	728,832	113,639	18.5%
Operating and Capital Reserve	59,768,403	74,567,165	37,000,010	66,418,501	(8,148,664)	-10.9%
Total Committed Reserves	**$ 188,018,987**	**$ 92,849,093**	**$ 83,280,760**	**$ 89,404,930**	**$ (3,444,163)**	**-3.7%**
TOTAL YEAR-END RESERVES	**$ 221,005,471**	**$ 146,782,215**	**$ 137,061,627**	**$ 152,421,083**	**$ 5,638,868**	**3.8%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 74,197,606	$ 76,556,701	$ 76,814,233	$ 80,601,880	$ 4,045,179	5.3%
Salary Savings Factor	-	(752,323)	(752,323)	(1,645,165)	(892,841)	118.7%
Services & Supplies	107,597,036	114,623,020	138,117,683	107,888,411	(6,734,609)	-5.9%
Intra-District Charges	44,219,920	46,583,940	46,731,867	45,668,192	(915,749)	-2.0%
OPERATING OUTLAY TOTAL	**$ 226,014,563**	**$ 237,011,338**	**$ 260,911,460**	**$ 232,513,318**	**$ (4,498,020)**	**-1.9%**
DEBT SERVICE						
Services & Supplies	$ 1,781,429	$ 4,520,320	$ 4,520,320	$ 3,450,320	$ (1,070,000)	-23.7%
Debt Service	72,478,851	93,890,991	82,864,627	107,057,348	13,166,357	14.0%
DEBT SERVICE TOTAL	**$ 74,260,280**	**$ 98,411,311**	**$ 87,384,947**	**$ 110,507,668**	**$ 12,096,357**	**12.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,729,907	$ 33,617,155	$ 34,350,285	$ 37,909,331	$ 4,292,176	12.8%
Salary Savings Factor	-	(347,530)	(347,530)	(810,485)	(462,955)	133.2%
Services & Supplies	217,444,348	258,014,111	342,060,404	446,300,362	188,286,251	73.0%
Carryforward Capital Projects	-	62,902,860	-	23,405,680	(39,497,180)	-62.8%
Intra-District Charges	19,452,381	20,720,948	21,179,024	21,413,744	692,797	3.3%
CAPITAL PROJECTS TOTAL	**$ 268,626,636**	**$ 374,907,544**	**$ 397,242,183**	**$ 528,218,632**	**$ 153,311,088**	**40.9%**
TOTAL OUTLAYS	**$ 568,901,479**	**$ 710,330,193**	**$ 745,538,590**	**$ 871,239,618**	**$ 160,909,425**	**22.7%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Fund Summaries

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 176,173,362	$ 200,333,000	$ 233,004,000	$ 261,258,000	$ 28,254,000	12.1%
Treated Water Charges	202,844,299	220,403,000	231,016,000	251,897,000	20,881,000	9.0%
Surface & Recycled Water Charges	2,955,025	2,582,000	2,526,000	2,738,000	212,000	8.4%
Intergovernmental Services	4,885,067	1,493,295	1,323,000	1,397,000	74,000	5.6%
Operating Other	520,603	496,488	510,547	510,547	-	0.0%
Total Operating Revenue	**$ 387,378,356**	**$ 425,307,783**	**$ 468,379,547**	**$ 517,800,547**	**$ 49,421,000**	**10.6%**
Non-Operating Revenue						
Property Tax	$ 11,678,629	$ 11,871,000	$ 12,753,112	$ 13,015,809	$ 262,697	2.1%
Capital Reimbursements	3,030,479	684,000	504,000	1,216,000	712,000	141.3%
Interest Income *	14,700,229	7,066,000	9,707,000	9,707,000	-	0.0%
Non-Operating Other	7,234,292	229,670	236,847	246,498	9,651	4.1%
Total Non-Operating Revenue	**$ 36,643,629**	**$ 19,850,670**	**$ 23,200,959**	**$ 24,185,307**	**$ 984,348**	**4.2%**
TOTAL REVENUE	**$ 424,021,985**	**$ 445,158,453**	**$ 491,580,506**	**$ 541,985,854**	**$ 50,405,348**	**10.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 201,304,962	$ 236,558,551	$ 231,575,857	$ 242,828,318	$ 11,252,461	4.9%
Operating Project	24,709,600	452,787	937,460	817,208	(120,252)	-12.8%
Debt Service	74,260,280	98,411,311	110,507,668	132,005,684	21,498,016	19.5%
Total Operating Outlays	**$ 300,274,843**	**$ 335,422,649**	**$ 343,020,986**	**$ 375,651,211**	**$ 32,630,225**	**9.5%**
Capital Outlays						
Capital Projects	$ 268,626,636	$ 312,004,684	$ 504,812,952	$ 437,019,919	$ (67,793,033)	-13.4%
Carryforward Capital Projects	-	62,902,860	23,405,680	3,028,955	(20,376,725)	-87.1%
Total Capital Outlays	**$ 268,626,636**	**$ 374,907,544**	**$ 528,218,632**	**$ 440,048,874**	**$ (88,169,758)**	**-16.7%**
TOTAL OUTLAYS	**$ 568,901,479**	**$ 710,330,193**	**$ 871,239,618**	**$ 815,700,084**	**$ (55,539,533)**	**-6.4%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 140,000,000	$ 220,217,267	$ 407,001,000	$ 329,228,000	$ (77,773,000)	-19.1%
Transfers In	11,428,122	7,606,274	5,544,119	4,979,431	(564,688)	-10.2%
Transfers Out	(10,844,078)	(11,683,496)	(17,526,551)	(16,634,705)	891,846	-5.1%
TOTAL OTHER SOURCES/(USES)	**$ 140,584,044**	**$ 216,140,045**	**$ 395,018,568**	**$ 317,572,726**	**$ (77,445,842)**	**-19.6%**
BALANCE AVAILABLE	**$ (4,295,450)**	**$ (49,031,695)**	**$ 15,359,456**	**$ 43,858,495**	**$ 28,499,039**	**185.5%**

Water Utility Enterprise Fund Summary

		Budgetary Basis Actual 2024-25		Adopted Budget 2025-26		Adopted Budget 2026-27		Proposed Plan 2027-28		Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
YEAR-END RESERVES											
Restricted Reserves											
WUE Rate Stabilization Reserve	$	20,571,906	$	40,504,668	$	43,041,738	$	47,642,198	$	4,600,460	10.7%
WUE San Felipe Emergency Reserve		3,797,415		3,751,454		3,897,415		3,947,415		50,000	1.3%
WUE Supplemental Water Supply Reserve		5,277,000		8,677,000		12,077,000		15,477,000		3,400,000	28.2%
WUE SVAWPC Reserve		530,119		-		-		-		-	0.0%
WUE Drought Reserve		-		1,000,000		4,000,000		8,000,000		4,000,000	100.0%
WUE Guiding Principle #5 (GP5) Reserve		2,810,044		-		-		-		-	0.0%
Total Restricted Reserves	**$**	**32,986,484**	**$**	**53,933,122**	**$**	**63,016,153**	**$**	**75,066,613**	**$**	**12,050,460**	**19.1%**
Committed Reserves											
Currently Authorized Projects Reserve***	$	127,749,392	$	17,666,735	$	22,257,597	$	19,228,642	$	(3,028,955)	-13.6%
Excess ERAF Contingency Reserve		501,192		615,193		728,832		840,192		111,360	15.3%
Operating and Capital Reserve		59,768,403		74,567,165		66,418,501		101,144,132		34,725,630	52.3%
Total Committed Reserves	**$**	**188,018,987**	**$**	**92,849,093**	**$**	**89,404,930**	**$**	**121,212,966**	**$**	**31,808,035**	**35.6%**
TOTAL YEAR-END RESERVES	**$**	**221,005,471**	**$**	**146,782,215**	**$**	**152,421,083**	**$**	**196,279,579**	**$**	**43,858,495**	**28.8%**
Outlay Summary by Account Type											
OPERATING OUTLAY											
Salaries and Benefits	$	74,197,606	$	76,556,701	$	80,601,880	$	85,623,419	$	5,021,540	6.2%
Salary Savings Factor		-		(752,323)		(1,645,165)		(1,737,971)		(92,807)	5.6%
Services & Supplies		107,597,036		114,623,020		107,888,411		107,908,762		20,351	0.0%
Intra-District Charges		44,219,920		46,583,940		45,668,192		51,851,316		6,183,125	13.5%
OPERATING OUTLAY TOTAL	**$**	**226,014,563**	**$**	**237,011,338**	**$**	**232,513,318**	**$**	**243,645,527**	**$**	**11,132,209**	**4.8%**
DEBT SERVICE											
Services & Supplies	$	1,781,429	$	4,520,320	$	3,450,320	$	3,205,320	$	(245,000)	-7.1%
Debt Service		72,478,851		93,890,991		107,057,348		128,800,364		21,743,016	20.3%
DEBT SERVICE TOTAL	**$**	**74,260,280**	**$**	**98,411,311**	**$**	**110,507,668**	**$**	**132,005,684**	**$**	**21,498,016**	**19.5%**
CAPITAL PROJECTS											
Salaries and Benefits	$	31,729,907	$	33,617,155	$	37,909,331	$	39,722,453	$	1,813,123	4.8%
Salary Savings Factor		-		(347,530)		(810,485)		(841,877)		(31,392)	3.9%
Services & Supplies		217,444,348		258,014,111		446,300,362		374,148,203		(72,152,159)	-16.2%
Carryforward Capital Projects		-		62,902,860		23,405,680		3,028,955		(20,376,725)	-87.1%
Intra-District Charges		19,452,381		20,720,948		21,413,744		23,991,139		2,577,395	12.0%
CAPITAL PROJECTS TOTAL	**$**	**268,626,636**	**$**	**374,907,544**	**$**	**528,218,632**	**$**	**440,048,874**	**$**	**(88,169,758)**	**-16.7%**
TOTAL OUTLAYS	**$**	**568,901,479**	**$**	**710,330,193**	**$**	**871,239,618**	**$**	**815,700,084**	**$**	**(55,539,533)**	**-6.4%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Water Utility Water Charge Summary

Rate per Acre-Foot ($/AF)		Adopted 2023-24		Adopted 2024-25		Adopted 2025-26		Adopted 2026-27		Projected [1] 2027-28
Basic User / Groundwater Production Charge										
Non-Agricultural										
Zone W-2	$	1,974.00	$	2,229.00	$	2,450.00	$	2,673.00	$	2,916.00
Zone W-5		543.50		579.00		624.50		665.50		709.50
Zone W-7		657.50		750.50		834.50		913.00		999.00
Zone W-8		398.00		430.00		464.00		501.00		541.00
Agricultural										
All Zones	$	36.85	$	39.80	$	43.00	$	46.50	$	50.00
Surface Water[2]										
Surface Water Master Charge	$	54.00	$	61.00	$	67.00	$	73.00	$	79.50
Total Surface Water Charge[2]										
All Zones Agricultural	$	90.85	$	100.80	$	110.00	$	119.50	$	129.50
Zone W-2 Non-Agricultural		2,028.00		2,290.00		2,517.00		2,746.00		2,995.50
Zone W-5 Non-Agricultural		597.50		640.00		691.50		738.50		789.00
Zone W-7 Non-Agricultural		711.50		811.50		901.50		986.00		1,078.50
Zone W-8 Non-Agricultural		452.00		491.00		531.00		574.00		620.50
Treated Water										
Contract (Scheduled)[3]	$	2,089.00	$	2,344.00	$	2,565.00	$	2,788.00	$	3,031.00
Non-Contract[4]		2,174.00		2,429.00		2,650.00		2,873.00		3,116.00
Recycled Water										
Gilroy Recycled Facility										
Agricultural	$	67.20	$	70.15	$	73.85	$	76.85	$	80.35
Non-Agricultural		523.50		559.00		604.50		645.50		689.50

1. Water charges are adopted by the Board annually. The projected FY 2027-28 water charges are the best current estimate and may change based on developing circumstances throughout the coming fiscal year.
2. Total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge.
3. The total treated water contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the contract surcharge ($115/AF).
4. The total treated water non-contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the non-contract surcharge ($200/AF).

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
SOURCE OF SUPPLY						
Operations	$ 118,127,515	$ 147,620,050	$ 167,313,169	$ 141,746,446	$ (5,873,604)	-4.0%
Operating Projects	24,432,111	-	2,810,044	-	-	0.0%
Capital	152,995,521	111,961,024	120,988,258	243,761,939	131,800,915	117.7%
Total	**$ 295,555,148**	**$ 259,581,074**	**$ 291,111,471**	**$ 385,508,385**	**$ 125,927,311**	**48.5%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 20,452,732	$ 20,183,003	$ 20,183,003	$ 22,225,383	$ 2,042,380	10.1%
Capital	3,336,285	5,986,699	6,051,699	45,848,281	39,861,582	665.8%
Total	**$ 23,789,017**	**$ 26,169,702**	**$ 26,234,702**	**$ 68,073,665**	**$ 41,903,962**	**160.1%**
WATER TREATMENT						
Operations	$ 56,744,680	$ 57,580,477	$ 57,580,477	$ 58,919,237	$ 1,338,760	2.3%
Capital	83,486,485	149,210,884	143,269,884	170,885,559	21,674,675	14.5%
Total	**$ 140,231,165**	**$ 206,791,361**	**$ 200,850,361**	**$ 229,804,796**	**$ 23,013,435**	**11.1%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 1,915,561	$ 3,517,754	$ 3,517,754	$ 4,221,255	$ 703,501	20.0%
Capital	520,907	2,822,715	2,822,715	1,097,845	(1,724,870)	-61.1%
Total	**$ 2,436,468**	**$ 6,340,469**	**$ 6,340,469**	**$ 5,319,099**	**$ (1,021,369)**	**-16.1%**
ADMINISTRATION & GENERAL						
Operations	$ 35,626,544	$ 40,197,062	$ 41,594,021	$ 40,311,678	$ 114,617	0.3%
Operating Projects	277,489	452,787	452,787	937,460	484,673	107.0%
Debt	74,260,280	98,411,311	87,384,947	110,507,668	12,096,357	12.3%
Capital	28,287,438	42,023,362	42,023,362	43,219,328	1,195,966	2.8%
Total	**$ 138,451,751**	**$ 181,084,522**	**$ 171,455,117**	**$ 194,976,135**	**$ 13,891,612**	**7.7%**
TOTAL WATER ENTERPRISE FUND	**$ 600,463,549**	**$ 679,967,129**	**$ 695,992,120**	**$ 883,682,079**	**$ 203,714,950**	**30.0%**
Carried Forward Capital Projects	$ -	$ 62,902,860	$ 82,086,265	$ 23,405,680	$ (39,497,180)	-62.8%
TOTAL FUND WITH CARRYFORWARD	**$ 600,463,549**	**$ 742,869,989**	**$ 778,078,385**	**$ 907,087,760**	**$ 164,217,771**	**22.1%**
FUND SUMMARY BY CATEGORY						
Operations	$ 232,867,032	$ 269,098,346	$ 290,188,424	$ 267,423,999	$ (1,674,347)	-0.6%
Operating Projects	24,709,600	452,787	3,262,831	937,460	484,673	107.0%
Debt	74,260,280	98,411,311	87,384,947	110,507,668	12,096,357	12.3%
Capital	268,626,636	312,004,684	315,155,918	504,812,952	192,808,268	61.8%
Carryforward Capital Projects	-	62,902,860	82,086,265	23,405,680	(39,497,180)	-62.8%
TOTAL WATER ENTERPRISE FUND	**$ 600,463,549**	**$ 742,869,989**	**$ 778,078,385**	**$ 907,087,760**	**$ 164,217,771**	**22.1%**

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
SOURCE OF SUPPLY						
Operations	$ 118,127,515	$ 147,620,050	$ 141,746,446	$ 145,759,393	$ 4,012,947	2.8%
Operating Projects	24,432,111	-	-	-	-	0.0%
Capital	152,995,521	111,961,024	243,761,939	250,289,875	6,527,936	2.7%
Total	**$ 295,555,148**	**$ 259,581,074**	**$ 385,508,385**	**$ 396,049,268**	**$ 10,540,883**	**2.7%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 20,452,732	$ 20,183,003	$ 22,225,383	$ 23,135,145	$ 909,762	4.1%
Capital	3,336,285	5,986,699	45,848,281	34,514,396	(11,333,885)	-24.7%
Total	**$ 23,789,017**	**$ 26,169,702**	**$ 68,073,665**	**$ 57,649,541**	**$ (10,424,123)**	**-15.3%**
WATER TREATMENT						
Operations	$ 56,744,680	$ 57,580,477	$ 58,919,237	$ 64,100,369	$ 5,181,132	8.8%
Capital	83,486,485	149,210,884	170,885,559	126,773,500	(44,112,059)	-25.8%
Total	**$ 140,231,165**	**$ 206,791,361**	**$ 229,804,796**	**$ 190,873,869**	**$ (38,930,927)**	**-16.9%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 1,915,561	$ 3,517,754	$ 4,221,255	$ 3,836,639	$ (384,616)	-9.1%
Capital	520,907	2,822,715	1,097,845	2,638,281	1,540,436	140.3%
Total	**$ 2,436,468**	**$ 6,340,469**	**$ 5,319,099**	**$ 6,474,920**	**$ 1,155,820**	**21.7%**
ADMINISTRATION & GENERAL						
Operations	$ 35,626,544	$ 40,197,062	$ 40,311,678	$ 43,645,119	$ 3,333,441	8.3%
Operating Projects	277,489	452,787	937,460	817,208	(120,252)	-12.8%
Debt	74,260,280	98,411,311	110,507,668	132,005,684	21,498,016	19.5%
Capital	28,287,438	42,023,362	43,219,328	22,803,867	(20,415,461)	-47.2%
Total	**$ 138,451,751**	**$ 181,084,522**	**$ 194,976,135**	**$ 199,271,878**	**$ 4,295,744**	**2.2%**
TOTAL WATER ENTERPRISE FUND	**$ 600,463,549**	**$ 679,967,129**	**$ 883,682,080**	**$ 850,319,475**	**$ (33,362,605)**	**-3.8%**
Carried Forward Capital Projects	$ -	$ 62,902,860	$ 23,405,680	$ 3,028,955	$ (20,376,725)	-87.1%
TOTAL FUND WITH CARRYFORWARD	**$ 600,463,549**	**$ 742,869,989**	**$ 907,087,760**	**$ 853,348,430**	**$ (53,739,330)**	**-5.9%**
FUND SUMMARY BY CATEGORY						
Operations	$ 232,867,032	$ 269,098,346	$ 267,423,999	$ 280,476,664	$ 13,052,666	4.9%
Operating Projects	24,709,600	452,787	937,460	817,208	(120,252)	-12.8%
Debt	74,260,280	98,411,311	110,507,668	132,005,684	21,498,016	19.5%
Capital	268,626,636	312,004,684	504,812,952	437,019,919	(67,793,034)	-13.4%
Carried Forward Capital Projects	-	62,902,860	23,405,680	3,028,955	(20,376,725)	-87.1%
TOTAL WATER ENTERPRISE FUND	**$ 600,463,549**	**$ 742,869,989**	**$ 907,087,760**	**$ 853,348,430**	**$ (53,739,328)**	**-5.9%**

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
91041012	Water Operations Planning	656,747	665,458	682,729	747,613	Raw Water
91041018	Groundwater Management Program	5,906,044	6,744,537	6,841,068	7,312,136	Raw Water
91061007	Districtwide Salary Savings-61	–	(752,323)	(1,645,165)	(1,737,971)	Financial Planning & Management
91061012	Facilities Env Compliance	57,605	53,942	56,113	60,560	Emergency, Safety & Security
91081007	Dam Safety Program	1,810,433	2,971,327	2,088,964	2,185,573	Dam Safety & Capital Delivery Division
91101004	Recycled & Purified Water Prog	5,464,847	5,351,577	4,324,297	4,473,414	Water Supply
91111001	Water Rights	756,940	536,985	621,238	693,096	Raw Water
91131004	Imported Water Program	3,996,721	6,386,132	6,714,933	6,369,385	Water Supply
91131006	IW San Felipe Division Delvrs	21,031,451	27,269,976	22,288,431	22,954,096	Water Supply
91131007	IW South Bay Aqueduct Delvrs	907,153	7,968,181	7,478,512	7,702,867	Water Supply
91151001	Water Conservation Program	11,023,668	13,502,883	13,285,282	13,584,310	Water Supply
91151012	Recycld/PurifiedWaterPublicEn	955,502	1,253,990	1,646,282	1,765,642	Office of the CEA
91151013	Water Banking Operations	3,961,300	6,448,740	5,933,726	6,111,738	Water Supply
91211004	San Felipe Reach 1 Operation	729,642	746,931	788,481	849,181	Raw Water
91211005	SFD Reach 1 Administration	6,918	8,721	8,894	9,565	Raw Water
91211084	San Felipe Reach1 Ctrl and Ele	249,617	383,170	371,258	431,521	Treated Water
91211085	SF Reach 1-Engineering - Other	371,813	980,589	425,615	466,993	Raw Water
91211099	San Felipe Reach 1 Gen Maint	1,049,472	1,201,967	1,665,334	1,430,234	Raw Water
91221002	San Felipe Reach 2 Operation	64,594	78,875	66,747	72,090	Raw Water
91221006	SF Reach 2-Engineering - Other	294,136	343,851	285,130	368,179	Raw Water
91221099	San Felipe Reach 2 Gen Maint	117,691	183,918	191,496	209,926	Raw Water
91231002	San Felipe Reach 3 Operation	94,044	339,997	323,280	333,726	Raw Water
91231084	San Felipe Reach3 Ctrl and Ele	224,962	255,190	256,900	259,663	Treated Water
91231085	SF Reach 3-Engineering - Other	176,922	464,143	694,779	493,112	Raw Water
91231099	San Felipe Reach 3 Gen Maint	769,023	1,429,233	1,522,070	1,609,205	Raw Water
91241001	Wolfe Road Recycled Water Facility	199,260	265,636	266,308	311,336	Treated Water
91281007	SVAWPC Facility Operations	3,868,733	4,546,908	4,622,129	4,861,610	Treated Water
91281008	SVAWPC Facility Maintenance	3,961,227	4,564,672	4,487,180	6,286,390	Treated Water
91441003	Desalination	1,752,114	488,298	1,226,565	1,287,642	Water Supply
91451002	Well Ordinance Program	2,725,101	2,850,164	3,015,689	3,198,426	Raw Water
91451005	Source Water Quality Mgmt	501,936	694,148	509,737	540,281	Treated Water
91451011	Invasive Mussel Prevention	350,308	756,140	838,096	854,841	Treated Water
91601001	Delta Conveyance Project	1,786,950	2,028,000	4,935,000	2,513,700	Water Supply
91761001	Local Res/Div Plan & Analysis	2,228,033	2,464,432	2,721,205	2,805,533	Raw Water
91761099	Dams / Reservoir Gen Maint	3,813,251	3,757,868	3,914,000	4,176,054	Dam Safety and Capital Delivery
91261001	PaloAlto Water Reuse	4,700,000	7,846,000	2,446,000	2,519,380	Water Supply
91251001	Los Vaqueros Reservoir	1,285	–	–	–	Water Supply
Total Operations		**86,565,445**	**115,080,255**	**105,898,304**	**108,111,047**	

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operating Project						
91152001	GP5 - Mountain View AMI & Recycled Water Project	10,047,427	–	–	–	Water Supply
91152002	GP5 - Palo Alto RWQCP Project	11,800,000	–	–	–	Water Supply
91152003	GP5 - Purissima Hills Leak Detection	504,684	–	–	–	Water Supply
91152004	GP5 - Stanford University RWQCP Project	2,080,000	–	–	–	Water Supply
Total Operating		**24,432,111**	–	–	–	
Capital						
91084019	Dam Safety Seismic Stability	276,606	–	35,182	92,999	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	22,498	–	2,551,302	3,020,000	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water	20,394	151,963	146,934	–	Water Utility Capital
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	587,768	129,540	88,728	–	Water Utility Capital
91214010	Small Caps, San Felipe R1	273,860	2,289,091	5,179,132	5,182,639	Raw Water
91234002	Coyote Pumping Plant ASD	37,282,386	1,047,344	1,126,095	–	Water Utility Capital
91234010	Small Caps, San Felipe R3	324,971	3,166,551	743,310	4,526,870	Raw Water
91854001	Almaden Dam Improvements	468,464	93,896	156,737	164,115	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	25,014,457	24,182,979	157,350,973	169,061,790	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit Des&Con	3,087,159	6,311,916	5,219,759	12,372,346	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	1,024,817	4,027,960	5,203,982	5,125,933	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	4,545,713	1,426,716	–	–	Dam Safety and Capital Delivery Division
91864010	Cross Valley Pipeline Extension Project	679,937	–	–	–	Dam Safety and Capital Delivery Division
91304001	Purified Water Project	18,232	–	–	–	Water Supply
91864009	Coyote Percolation Dam Replacement	1,790,002	–	–	–	Watersheds Design & Construction
91864008	Coyote Creek Chillers	6,573,174	337,169	11,000	–	Dam Safety and Capital Delivery Division
91154007	San Felipe Division Capital	12,375,300	12,810,639	13,261,292	11,857,972	Water Supply
91864007	Coyote Creek Flood Management Measures	10,158,416	–	–	–	Watersheds Design & Construction
91864006	Anderson Dam Tunnel Project	42,716,595	42,682,090	13,213,310	–	Dam Safety and Capital Delivery Division
91094010	So. County Recycled Water	3,603	–	–	–	Water Supply
91854003	Almaden Calero Canal Rehab	386,400	658,539	18,702,861	1,094,100	Water Utility Capital
91864011	Coyote Percolation Dam Phase 2	577	4,382,926	–	3,558,142	Dam Safety and Capital Delivery Division
91884003	Coyote Dam Seismic Stability Project	–	867,350	2,639,650	1,804,171	Dam Safety and Capital Delivery Division

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
91294002	Pure Water Silicon Valley- Full-Scale Direct Potable Reuse (DPR) Project	–	–	1,876,500	2,044,910	Water Supply
91294001	Pure Water Silicon Valley	5,364,193	7,394,355	16,255,193	30,383,888	Water Supply
Total Capital		**152,995,521**	**111,961,024**	**243,761,939**	**250,289,875**	
Total		**263,993,078**	**227,041,279**	**349,660,243**	**358,400,922**	

Fund 61 Total Outlays - Raw Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
92061012	Facilities Env Compliance	103,689	97,096	101,004	109,008	Emergency, Safety & Security
92261099	Vasona Pump Station Gen Main	180,429	223,824	219,373	213,022	Raw Water
92761001	Raw Water T&D Gen'l Oper	1,923,719	2,103,489	2,235,075	2,379,383	Raw Water
92761008	Recycled Water T&D Genrl Maint	370,324	256,848	255,143	274,643	Raw Water
92761009	Recharge/RW Field Ops	3,686,327	4,404,034	4,843,951	4,993,233	Raw Water
92761010	Rchrg / RW Field Fac Maint	2,762,959	2,456,384	3,297,773	3,603,023	Raw Water
92761012	Untreated Water Prog Plan	181,371	258,360	277,630	282,758	Raw Water
92761082	Raw Water T&D Ctrl and Electr	772,236	782,705	698,712	839,009	Treated Water
92761083	Raw Water T&D Eng Other	1,308,031	1,633,660	1,438,159	1,511,743	Raw Water
92761085	Anderson Hydrelctrc Fclty Main	12,667	20,740	22,042	23,763	Raw Water
92761099	Raw Water T / D Gen Maint	4,268,313	3,238,475	4,097,562	4,322,920	Raw Water
92781002	Raw Water Corrosion Control	493,960	726,496	757,913	843,479	Raw Water
92041014	FAHCE/Three Creeks Project	4,388,707	3,980,894	3,981,046	3,739,161	Watersheds Stewardship & Planning
Total Operations		**20,452,732**	**20,183,003**	**22,225,383**	**23,135,145**	
Capital						
92144001	Pacheco/SC Conduit ROW ACQ	190,442	54,963	38,397	–	Water Utility Capital
92264001	Vasona Pump Station Upgrade	393,684	1,697,620	–	143,125	Water Utility Capital
92304001	Almaden Valley Pipeline	2,183,384	3,134,116	44,379,884	33,552,471	Water Utility Capital
92764009	Small Caps, Raw Water T&D	568,776	1,100,000	1,430,000	818,800	Raw Water
Total Capital		**3,336,285**	**5,986,699**	**45,848,281**	**34,514,396**	
Total		**23,789,017**	**26,169,702**	**68,073,665**	**57,649,541**	

Fund 61 Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
93061012	Facilities Env Compliance	702,780	658,094	684,581	738,830	Emergency, Safety & Security
93081008	W T General Water Quality	2,658,836	2,274,445	2,662,606	2,908,748	Treated Water
93081009	Water Treatment Plant Engineer	245,845	532,806	375,880	471,317	Raw Water
93231009	PWTP General Operations	7,677,747	8,270,202	7,339,975	9,198,484	Treated Water
93231099	Penitencia WTP General Maint	3,833,718	3,586,803	3,839,420	4,092,605	Raw Water
93281005	STWTP - General Operations	8,738,803	8,557,479	8,920,788	8,684,863	Treated Water
93281099	Santa Teresa WTP General Maint	4,492,616	4,559,566	4,981,737	5,321,289	Raw Water
93291012	RWTP General Operations	11,337,710	11,423,748	11,947,374	12,957,521	Treated Water
93291099	Rinconada WTP General Maint	5,381,073	5,061,808	5,335,584	5,676,061	Raw Water
93401002	Water District Laboratory	7,064,652	7,756,288	7,895,991	8,427,558	Treated Water
93761001	SF/SCVWD Intertie General Ops	40,659	62,052	102,086	113,458	Treated Water
93761004	Campbell Well Field Operations	38,906	67,804	74,811	79,335	Treated Water
93761005	Campbell Well Field Maint	142,830	157,372	193,700	230,084	Raw Water
93761006	Treated Water Ctrl & Elec Eng	3,368,119	3,023,932	3,340,080	3,887,569	Treated Water
93761099	SF/SCVWD Intertie Gen Maint	212,498	617,447	218,906	228,971	Raw Water
93081002	Plant Maintenance Engineering & Commissioning Project	807,885	970,630	1,005,719	1,083,677	Treated Water
Total Operations		**56,744,680**	**57,580,477**	**58,919,237**	**64,100,369**	
Capital						
93084004	Wtr Trtmnt Plnt Electr Imprv	10,181	648,191	103,946	6,081,813	Water Utility Capital
93234044	PWTP Residuals Management	2,396,361	15,773,101	34,405,936	41,256,045	Water Utility Capital
93284013	STWTP Filter Media Replace	1,507,089	–	–	–	Water Utility Capital
93294051	RWTP FRP Residuals Management	468	–	–	–	Water Utility Capital
93294057	RWTP Reliability Improvement	74,679,942	120,804,256	124,411,959	62,781,596	Water Utility Capital
93294058	RWTP Residuals Remediation	936,727	–	–	–	Water Utility Capital
93764004	Small Caps, Water Treatment	3,278,514	11,185,519	9,054,655	6,544,088	Raw Water
93044001	WTP Master Plan Implementation	638,600	272,475	1,237,378	1,531,740	Office of Integrated Water Management
93284014	STWTP Infrastructure Rehabilitation	–	–	1,628,263	5,830,320	Water Utility Capital
93294059	RWTP Liquid Ammonium Sulfate Facility	38,602	527,342	43,422	2,747,898	Water Utility Capital
Total Capital		**83,486,485**	**149,210,884**	**170,885,559**	**126,773,500**	
Total		**140,231,165**	**206,791,361**	**229,804,796**	**190,873,869**	

Fund 61 Total Outlays - Treated Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
94761005	TW T&D - Engineering - Other	472,869	1,076,697	1,001,990	1,016,227	Raw Water
94761099	Treated Water T/D Gen Maint	1,101,151	1,695,134	1,980,472	2,142,539	Raw Water
94781001	Treated Water T/D Corrosion	341,541	745,924	1,238,793	677,873	Raw Water
Total Operations		**1,915,561**	**3,517,754**	**4,221,255**	**3,836,639**	
Capital						
94084007	Treated Water Isolation Valves	506,770	2,530,715	805,845	2,328,281	Water Utility Capital
94764006	Small Caps,Treated Water T&D	14,137	292,000	292,000	310,000	Raw Water
Total Capital		**520,907**	**2,822,715**	**1,097,845**	**2,638,281**	
Total		**2,436,468**	**6,340,469**	**5,319,099**	**6,474,920**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
95011003	WU Asset Protection Support	745,906	1,355,577	1,462,152	1,570,970	Watersheds Stewardship & Planning
95021008	Energy Management	235,040	274,789	252,040	344,452	Treated Water
95031002	Grants Management	912,562	1,430,626	1,528,195	1,606,789	Financial Planning & Management
95041039	Integrated Regional Water Mgmt	785	–	–	–	Water Supply
95061012	Rental Expense San Pedro,MH	13,195	49,794	30,919	32,964	Watersheds Stewardship & Planning
95061038	WUE Administration	11,344,451	12,194,118	11,488,429	12,456,878	Office of COO Water Utility
95061045	Asset Management Program	2,079,725	2,585,585	2,991,898	3,509,224	Office of Integrated Water Management
95061048	Climate Change Adaptation/Mtg.	164,914	289,275	114,292	120,447	Watersheds Stewardship & Planning
95061051	Lands Management Program	567,624	501,191	512,553	547,753	Watersheds Stewardship & Planning
95071041	Welding Services	378,297	633,349	520,498	630,071	General Services
95101003	Water Revenue Program	2,149,698	2,098,313	2,111,642	2,281,273	Financial Planning & Management
95111003	Water Use Measurement	2,364,054	2,828,340	2,879,238	3,072,157	Raw Water
95121003	LT Financial Planning & Rate S	586,722	575,540	565,937	621,495	Financial Planning & Management
95151002	WU Customer Relations&Outreach	1,181,212	1,229,881	1,214,393	1,290,770	Office of the CEA
95741001	Water Supply Planning	2,270,676	2,681,710	2,764,204	2,924,583	Water Supply
95741042	Water Resorcs EnvPlng & Permtg	2,957,203	2,431,148	2,570,601	2,960,627	Watersheds Stewardship & Planning
95761003	SCADA Network Administration	784,709	905,191	1,632,238	1,494,834	Information Technology
95761071	Emergency Management	1,287,482	1,514,981	1,535,731	1,636,280	Emergency, Safety & Security
95771011	Inter Agency Urban Runoff Prog	507,586	566,065	584,633	622,355	Watersheds Stewardship & Planning
95771031	HAZMAT Emergency Response	89,115	111,533	139,218	145,924	Emergency, Safety & Security
95811043	Hydrologic Data Msrmt & Mgmt	1,309,333	1,386,861	1,523,150	1,621,507	Watersheds Stewardship & Planning
95811046	Warehouse Services	596,586	727,944	752,213	838,045	General Services
95811049	X Valley Subsidence Survey	239,003	609,634	229,579	219,285	Office of Integrated Water Management
95811054	District Real Property Adminis	581,054	639,487	712,153	764,541	Watersheds Stewardship & Planning
95061035	Rent Exp Coyote	104,430	290,785	269,576	287,619	Watersheds Stewardship & Planning
95061050	Office of Integrated Water Management	1,818,767	2,135,346	1,776,194	1,894,279	Office of Integrated Water Management
95061059	Technical Training Program	356,412	–	–	–	Human Resources
95001090	WUE Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of COO Water Utility
Total Operations		**35,626,544**	**40,197,062**	**40,311,678**	**43,645,119**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operating Project						
95762011	Tree Maintenance Program	277,489	452,787	937,460	817,208	Watersheds Operations & Maintenance
Total Operating		**277,489**	**452,787**	**937,460**	**817,208**	
Debt Service						
95993007	Commercial Paper Tax Exempt	1,427,106	4,148,160	9,676,861	8,718,385	Financial Planning & Management
95993008	Commercial Paper Taxable	1,990,347	3,998,160	3,685,727	4,543,235	Financial Planning & Management
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,317,250	5,360,750	–	–	Financial Planning & Management
95993016	2016B WU Ref Rev Bond(Taxable)	3,231,121	3,274,621	3,254,621	3,254,621	Financial Planning & Management
95993017	WU COP 2016C (Tax-Exempt)	4,928,900	4,933,000	–	–	Financial Planning & Management
95993018	WU COP 2016D (Taxable)	5,765,708	5,845,452	5,855,546	5,898,505	Financial Planning & Management
95993019	WU Rev Bond 2017A (Tax Exempt)	4,358,050	4,447,750	4,395,750	4,399,250	Financial Planning & Management
95993022	WU Rev Bond 2019A (Tax-Exempt)	993,900	1,033,250	1,013,000	1,027,000	Financial Planning & Management
95993023	WU Rev Bond 2019B (Taxable)	4,502,748	4,549,160	4,530,114	4,536,731	Financial Planning & Management
95993024	WU Rev Bond 2019C (Taxable)	3,017,392	3,000,363	3,006,624	3,007,475	Financial Planning & Management
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,208,000	1,251,000	1,231,000	1,231,000	Financial Planning & Management
95993026	WU Rev Bond 2020B (Taxable)	2,035,285	2,078,285	2,058,285	2,058,285	Financial Planning & Management
95993027	WU COP 2020C (Tax-Exempt)	3,622,600	3,616,000	3,544,500	3,501,000	Financial Planning & Management
95993028	WU COP 2020D (Taxable)	4,890,940	4,983,250	5,016,710	5,058,834	Financial Planning & Management
95993039	WU Rev Bond 2025A (Tax-Exempt)	–	8,037,958	5,493,000	5,893,000	Financial Planning & Management
95993032	WU Rev Bond 2024B (Taxable)	6,159,123	4,110,673	5,755,673	5,752,237	Financial Planning & Management
95993031	WU Rev Bond 2024A (Tax-Exempt)	3,759,960	5,658,250	5,498,250	5,263,250	Financial Planning & Management
95993042	WU COP 2023C2 (Tax-Exempt)	3,650,492	3,657,500	3,634,750	3,638,000	Financial Planning & Management
95993040	WU Rev Bond 2025B (Taxable)	–	7,799,208	9,798,417	9,368,757	Financial Planning & Management
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	9,500	45,000	45,000	45,000	Financial Planning & Management
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	9,500	45,000	–	–	Financial Planning & Management
95993029	WU Rev Bond 2023A (Tax-Exempt)	2,606,550	2,649,500	2,629,500	2,629,500	Financial Planning & Management
95993044	WU Rev Bond 2024B-2 (TX NOTE)	730,033	1,015,970	–	–	Financial Planning & Management
95993030	WU Rev Bond 2023B (Taxable)	4,528,804	4,575,304	4,556,544	4,555,474	Financial Planning & Management
95993046	CWIFP Dam Safety#1	270,000	270,000	160,000	160,000	Financial Planning & Management
95993045	WU Rev Bond 2026A (Tax-Exempt)	–	170,000	13,818,592	15,831,000	Financial Planning & Management
95993038	WU Rev Bond 2024A-2 (TE NOTE)	1,799,789	2,574,500	–	–	Financial Planning & Management
95993035	WU COP 2023D (Taxable)	1,367	45,000	–	–	Financial Planning & Management
95993034	WU COP 2023C1 (Tax-Exempt)	2,492	45,000	–	–	Financial Planning & Management
95993043	WU Rev Bond 2025C (Tax-Exempt)	–	170,000	–	–	Financial Planning & Management

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
95993041	WU WIFIA Project 1 (Anderson Constr)	–	75,000	160,000	60,000	Financial Planning & Management
95993037	WU Rev Bond 2024C (Tax-Exempt)	3,443,325	4,438,250	4,416,750	4,419,500	Financial Planning & Management
95993048	WU Rev Note 2027A (Tax-Exemp)	–	170,000	–	18,460,900	Financial Planning & Management
95993047	WU Rev Bond 2026B (Taxable)	–	170,000	7,272,454	6,787,560	Financial Planning & Management
95993049	WU Rev Bond 2027B (Taxable)	–	170,000	–	1,907,185	Financial Planning & Management
Total Debt Service		**74,260,280**	**98,411,311**	**110,507,668**	**132,005,684**	
Capital						
95064011	Districtwide Salary Savings-61	–	(347,530)	(810,485)	(841,877)	Financial Planning & Management
95074001	Capital Warranty Services	88,070	–	–	132,613	Water Utility Capital
95074033	CIP Development & Admin	952,080	1,107,333	1,182,845	1,207,997	Office of Integrated Water Management
95074036	Survey Mgmt & Tech Support	344,033	458,222	1,674,273	1,829,247	Office of Integrated Water Management
95084002	10-Yr PL Inspection and Rehab	16,245,892	20,254,339	2,451,920	328,230	Water Utility Capital
95274003	WU Computer Network Modrnizatn	799,183	2,364,583	52,000	694,754	Information Technology
95044001	Distribution System Master Plan Implementation	648,803	634,154	140,511	–	Office of Integrated Water Management
95044002	SCADA Master Plan Implementation	465,791	509,889	232,376	–	Office of Integrated Water Management
95074042	Capital Project Mgmt & Controls	810,416	917,694	1,093,983	1,172,678	Office of Integrated Water Management
95074005	WU Capital Prog Admin Support	6,553,247	8,034,899	8,418,174	9,334,552	Water Utility Capital
95074047	Computer-Aided Design for Engineering	391,301	1,191,123	951,379	1,488,229	Office of Integrated Water Management
95074041	Construction Contracts and Support	988,621	1,295,895	1,387,911	1,482,219	General Services
95044004	SMPIP Upgrades - Phase 1	–	–	–	448,401	Office of Integrated Water Management
95084003	Pipeline Maintenance Program	–	627,000	523,000	217,889	Water Utility Capital
95084006	Santa Teresa Force Main Inspection and Rehabilitation	–	587,000	7,668,500	1,637,868	Water Utility Capital
95084008	Santa Clara and Campbell Distributary Inspection and	–	–	575,000	601,755	Water Utility Capital
95084005	Penitencia Delivery Main & Force Main Inspect & Rehab	–	1,780,000	5,050,800	163,568	Water Utility Capital
95084007	Milpitas Pipeline Inspection and Rehabilitation Project	–	617,000	1,151,900	1,921,056	Water Utility Capital
95084004	East Pipeline Inspection and Rehabilitation Project	–	1,991,760	11,475,240	984,690	Water Utility Capital
Total Capital		**28,287,438**	**42,023,362**	**43,219,328**	**22,803,867**	
Total		**138,451,751**	**181,084,522**	**194,976,135**	**199,271,878**	

Fund 61 and 63 Outlays - Combined Total

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28
Outlays Summary by Account Type				
Operations				
Source of Supply	118,127,515	147,620,050	141,746,446	145,759,393
Raw Water Transmission & Distribution	20,452,732	20,183,003	22,225,383	23,135,145
Water Treatment	56,744,680	57,580,477	58,919,237	64,100,369
Treated Water Transmission & Distribution	1,915,561	3,517,754	4,221,255	3,836,639
Administration and General	35,626,544	40,197,062	40,311,678	43,645,119
Total Operations	**$232,867,032**	**$269,098,346**	**$267,423,999**	**$280,476,664**
Operating				
Source of Supply	24,432,111	-	-	-
Administration and General	277,489	452,787	937,460	817,208
Total Operating	**$24,709,600**	**$452,787**	**$937,460**	**$817,208**
Debt				
Administration and General	74,260,280	98,411,311	110,507,668	132,005,684
Total Debt Service	**$74,260,280**	**$98,411,311**	**$110,507,668**	**$132,005,684**
Capital				
Source of Supply	152,995,521	111,961,024	243,761,939	250,289,875
Raw Water Transmission & Distribution	3,336,285	5,986,699	45,848,281	34,514,396
Water Treatment	83,486,485	149,210,884	170,885,559	126,773,500
Treated Water Transmission & Distribution	520,907	2,822,715	1,097,845	2,638,281
Administration and General	28,287,438	42,023,362	43,219,328	22,803,867
Total Capital	**$268,626,636**	**$312,004,684**	**$504,812,952**	**$437,019,919**
Total Fund 61 & 63 Outlays	**$600,463,549**	**$679,967,129**	**$883,682,080**	**$850,319,475**
Total Water Utility Enterprise Outlays	**$600,463,549**	**$679,967,129**	**$883,682,080**	**$850,319,475**

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year-End 2025-26	Adopted Budget 2026-27	% Change from 2025-26	Proposed Plan 2027-28	% Change from 2026-27
North County - Zone W2							
Allocated Revenue							
Operating Revenue	364,676,331	400,521,569	392,050,807	441,570,519	10%	488,772,427	11%
Non-operating Revenue	71,497,439	44,965,714	48,837,442	47,837,718	6%	48,802,650	2%
Total Allocated Revenue	436,173,770	445,487,283	440,888,249	489,408,237	10%	537,575,077	10%
Allocated Operating Outlays							
Operations	204,997,625	235,452,935	256,556,294	235,688,212	0%	248,590,290	5%
Operating Projects	24,643,540	341,943	3,149,123	702,037	105%	611,984	-13%
Debt Service	74,260,280	98,411,311	87,384,947	110,507,668	12%	132,005,684	19%
Total Allocated Operating Outlays	303,901,446	334,206,190	347,090,364	346,897,918	4%	381,207,958	10%
Balance Available for Capital/Reserve	132,272,324	111,281,093	93,797,884	142,510,319	28%	156,367,119	10%
Total Capital Appropriations	268,626,636	374,907,544	397,242,183	528,218,632	41%	440,048,874	-17%
Other Financing Sources							
Revenue Bond Proceeds	140,000,000	220,217,267	225,419,723	407,001,000	85%	329,228,000	-19%
Transfers In	11,428,122	7,606,274	7,606,274	5,544,119	-27%	4,979,431	-10%
Transfers Out	(10,844,078)	(11,683,496)	(11,984,696)	(17,526,551)	50%	(16,634,705)	-5%
Total Other Financing Sources/(Uses)	140,584,044	216,140,045	221,041,301	395,018,568	83%	317,572,726	-20%
Other Intra-Zone Allocations							
South County Open Space Credit	(10,484,797)	(9,727,907)	(8,659,825)	(12,557,885)	29%	(13,774,781)	10%
South County Capital Amortization	7,290,812	10,442,026	9,850,087	11,629,829	11%	20,394,678	75%
South County Interest	(113,391)	(147,447)	(118,046)	(81,135)	-45%	(50,006)	-38%
Balance Available for W2	922,356	(46,919,734)	(81,330,781)	8,301,064	-118%	40,460,862	387%
South County - Zones W5, W-7 & W-8							
Zone W5 - Llagas Subbasin							
Allocated Revenue							
Operating Revenue	13,140,875	13,645,017	13,639,072	14,596,422	7%	15,607,294	7%
Non-operating Revenue	3,150,867	2,852,582	2,855,054	3,196,255	12%	3,204,967	0%
Total Allocated Revenue	16,291,742	16,497,599	16,494,126	17,792,677	8%	18,812,262	6%
Zone W7 - Coyote Valley							
Allocated Revenue							
Operating Revenue	9,372,604	10,915,534	10,915,532	11,975,737	10%	13,140,555	10%
Non-operating Revenue	1,071,158	965,656	965,424	1,095,987	13%	1,099,281	0%
Total Allocated Revenue	10,443,761	11,881,190	11,880,956	13,071,724	10%	14,239,836	9%
Zone W8 - Foothills below Uvas & Chesbro Reservoirs							
Allocated Revenue							
Operating Revenue	188,546	225,662	225,637	236,870	5%	280,271	18%
Non-operating Revenue	70,618	66,718	64,478	70,998	6%	78,408	10%
Total Allocated Revenue	259,164	292,381	290,114	307,868	5%	358,679	17%

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year-End 2025-26	Adopted Budget 2026-27	% Change from 2025-26	Proposed Plan 2027-28	% Change from 2026-27
Total South County Revenue							
Operating Revenue	22,702,025	24,786,214	24,780,240	26,809,028	8%	29,028,120	8%
Non-operating Revenue	4,292,642	3,884,956	3,884,956	4,363,241	12%	4,382,657	0%
Total Allocated Revenue	26,994,667	28,671,170	28,665,196	31,172,269	9%	33,410,777	7%
Open Space Credit	10,484,797	9,727,907	8,659,825	12,557,885	29%	13,774,781	10%
Total Current Resources	37,479,463	38,399,077	37,325,021	43,730,154	14%	47,185,558	8%
Total South County Costs							
Operations	24,065,781	27,662,981	27,649,700	27,704,830	0%	27,735,029	0%
Operating Projects	66,060	110,844	113,708	235,423	112%	205,224	-13%
Imported Water Purchases	3,803,627	5,982,430	5,982,430	4,030,957	-33%	4,151,345	3%
Total Allocated Costs	27,935,467	33,756,254	33,745,838	31,971,210	-5%	32,091,598	0%
Balance Available for Capital/Reserve	9,543,996	4,642,823	3,579,183	11,758,944	153%	15,093,959	28%
Interest (earned)/due Utility Reserves	(113,391)	(147,447)	(118,046)	(81,135)	-45%	(50,006)	-38%
Total Capital Amortization	7,290,812	10,442,026	9,850,087	11,629,829	11%	20,394,678	75%
Balance Available/(Deficit) for South County	2,366,576	(5,651,757)	(6,152,859)	210,250	-104%	(5,250,713)	-2597%
Total Balance Available/(Deficit)	3,288,931	(52,571,490)	(87,483,640)	8,511,314	-116%	35,210,149	314%

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone Zone W-5	Zone W-7	Zone W-8	North County Share Zone W-2	Adopted Budget 2026-27	Basis of Allocation
Operations							
91041012	Water Operations Planning	72,877	46,375	-	563,477	682,729	Raw Water Deliveries
91041018	Groundwater Management Program	2,387,533	704,630	61,570	3,687,336	6,841,068	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(313,801)	(92,998)	(6,349)	(1,232,017)	(1,645,165)	Water Usage Ratio
91061012	Facilities Environmental Compliance	5,990	3,812	26	46,286	56,113	Raw Water Deliveries
91081007	Dam Safety Program	420,578	46,554	8,356	1,613,476	2,088,964	Program Benefit Calculation
91101004	Recycled & Purified Water Program	281,079	-	-	4,043,218	4,324,297	Population
91111001	Water Rights and Accounting	66,314	42,198	-	512,727	621,238	Raw Water Deliveries
91131004	Imported Water Program	271,948	443,313	-	5,999,671	6,714,933	Imported Water Ratio
91131006	San Felipe Division Deliveries	1,532,603	2,498,353	-	18,257,474	22,288,431	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	-	-	-	7,478,512	7,478,512	No South County Benefit
91131008	State Water Project Costs	-	-	-	35,848,142	35,848,142	No South County Benefit
91151001	Water Conservation Program	1,155,820	53,141	53,141	12,023,180	13,285,282	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	107,008	-	-	1,539,273	1,646,282	Population
91151013	Water Banking Operations	240,310	391,738	-	5,301,677	5,933,726	Imported Water Ratio
91211004	San Felipe Reach 1 Operations	61,501	92,252	-	634,727	788,481	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	694	1,041	-	7,159	8,894	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	28,958	43,437	-	298,863	371,258	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	33,198	49,797	-	342,620	425,615	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	129,896	194,844	-	1,340,594	1,665,334	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	5,206	7,809	-	53,731	66,747	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	22,240	33,360	-	229,530	285,130	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	14,937	22,405	-	154,155	191,496	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	25,216	37,824	-	260,240	323,280	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	20,038	30,057	-	206,805	256,900	CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	54,193	81,289	-	559,297	694,779	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	118,721	178,082	-	1,225,267	1,522,070	CVP Imported Water Ratio
91241001	Wolfe Road Recycled Water Facility	-	-	-	266,308	266,308	No South County Benefit
91261001	Palo Alto Water Reuse Agreement	-	-	-	2,446,000	2,446,000	No South County Benefit
91281007	SVAWPC Facility Operations	-	-	-	4,622,129	4,622,129	No South County Benefit
91281008	SVAWPC Facility Maintenance	-	-	-	4,487,180	4,487,180	No South County Benefit
91441003	Desalination	233,957	69,335	4,733	918,539	1,226,565	Water Usage Ratio
91451002	Well Ordinance Program	235,224	43,124	20,205	2,717,136	3,015,689	Well Permits and Inpections
91451005	Source Water Quality Management	97,228	28,814	1,967	381,728	509,737	Water Usage Ratio
91451011	Invasive Mussel Prevention	89,462	56,928	390	691,316	838,096	Raw Water Deliveries
91601001	Delta Conveyance	199,863	325,804	-	4,409,334	4,935,000	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	519,047	153,824	10,501	2,037,833	2,721,205	Water Usage Ratio
91761099	Dams & Resevoir Gen Maint	752,200	83,261	14,944	3,063,595	3,914,000	Program Benefit Calculation
92041014	FAHCE/Three Creeks HCP Project	103,507	155,261	-	3,722,278	3,981,046	Coyote Water Supply Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone Zone W-5	Zone W-7	Zone W-8	North County Share Zone W-2	Adopted Budget 2026-27	Basis of Allocation
92061012	Facilities Environmental Compliance	10,782	6,861	47	83,314	101,004	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	23,417	14,901	102	180,953	219,373	Raw Water Deliveries
92761001	Raw Water T&D Gen'l Oper	238,582	151,819	-	1,844,674	2,235,075	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	255,143	-	-	-	255,143	Benefits Only South County
92761009	Recharge/RW Field Ops	1,064,434	655,030	4,761	3,119,726	4,843,951	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	724,669	445,946	3,241	2,123,917	3,297,773	Groundwater Recharge Ratio
92761012	Untreated Surface Water Program	75,515	88,842	-	113,273	277,630	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Elec Eng	74,584	47,461	325	576,343	698,712	Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	153,515	97,688	669	1,186,287	1,438,159	Raw Water Deliveries
92761085	Anderson Hydrelctrc Fclty Main	1,719	2,579	-	17,744	22,042	Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mnt	437,392	278,330	1,906	3,379,935	4,097,562	Raw Water Deliveries
92781002	RW Corrosion Control	80,903	51,482	352	625,176	757,913	Raw Water Deliveries
93061012	Environmental Compliance Support	-	-	-	684,581	684,581	No South County Benefit
93081002	Treatment Plant Process & Commissioning	-	-	-	1,005,719	1,005,719	No South County Benefit
93081008	W T General Water Quality	-	-	-	2,662,606	2,662,606	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	-	-	-	375,880	375,880	No South County Benefit
93231009	PWTP Operations General	-	-	-	7,339,975	7,339,975	No South County Benefit
93231099	Penitencia WTP General Maint	-	-	-	3,839,420	3,839,420	No South County Benefit
93281005	STWTP - General Operations	-	-	-	8,920,788	8,920,788	No South County Benefit
93281099	Santa Teresa Wtr General Maint	-	-	-	4,981,737	4,981,737	No South County Benefit
93291012	RWTP General Operations	-	-	-	11,947,374	11,947,374	No South County Benefit
93291099	Rinconada WTP General Maint	-	-	-	5,335,584	5,335,584	No South County Benefit
93401002	Wtr District Laboratory	1,296,311	79,859	5,154	6,514,667	7,895,991	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	-	-	-	102,086	102,086	No South County Benefit
93761004	Campbell Wellfield Operations	-	-	-	74,811	74,811	No South County Benefit
93761005	Campbell Wellfield Maintenance	-	-	-	193,700	193,700	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	-	-	-	3,340,080	3,340,080	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	-	-	-	218,906	218,906	No South County Benefit
94761005	Treated Water T&D IPU Ops	-	-	-	1,001,990	1,001,990	No South County Benefit
94761099	Treated Water T&D Gen Maint	-	-	-	1,980,472	1,980,472	No South County Benefit
94781001	TW T&D Corrosion Control	-	-	-	1,238,793	1,238,793	No South County Benefit
95001090	Unscoped Operations Activities	28,611	8,479	579	112,331	150,000	Water Usage Ratio
95011003	Asset Protection Support	45,158	13,383	914	1,402,698	1,462,152	Program Benefit Calculation
95021008	Energy Management	2,924	857	101	248,158	252,040	Labor Hours

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone Zone W-5	Zone W-7	Zone W-8	North County Share Zone W-2	Adopted Budget 2026-27	Basis of Allocation
95031002	Grants Management	497,526	138,681	10,220	881,768	1,528,195	Program Benefit Calculation
95061012	Residntl Rental Exp San Pedro, MH	30,919	-	-	-	30,919	Benefits only South County
95061035	Rental Expense Coyote	-	269,576	-	-	269,576	Benefits only South County
95061038	WUE Administration	2,191,321	649,418	44,333	8,603,357	11,488,429	Water Usage Ratio
95061045	WUE TW Div Admin Support	570,679	169,126	11,545	2,240,547	2,991,898	Water Usage Ratio
95061048	Climate Change Adaptation/Mitg	21,800	6,461	441	85,590	114,292	Water Usage Ratio
95061050	Office of Integrated Wtr Mgmt	338,794	100,405	6,854	1,330,141	1,776,194	Water Usage Ratio
95061051	Lands Management Program	97,765	28,974	1,978	383,836	512,553	Water Usage Ratio
95071041	Welding Services	15,094	4,164	520	500,719	520,498	Program Benefit Calculation
95101003	Water Revenue Program	1,012,744	296,052	21,539	781,308	2,111,642	Labor Hours
95111003	Water Use Measurement General	1,272,623	112,290	83,498	1,410,827	2,879,238	Labor Hours
95121003	Long Term Financial Planning	107,948	31,991	2,184	423,814	565,937	Water Usage Ratio
95151002	Water Utlity Customer Relations	78,936	-	-	1,135,457	1,214,393	Population
95741001	Water Supply Planning	527,249	156,255	10,667	2,070,033	2,764,204	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	125,959	38,559	2,571	2,403,512	2,570,601	Program Benefit Calculation
95761003	SCADA Network Administration	174,232	110,871	759	1,346,376	1,632,238	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	99,823	-	-	1,435,909	1,535,731	Population
95771011	InterAgency Urban Runoff Program	62,406	39,712	272	482,243	584,633	Raw Water Deliveries
95771031	HAZMAT Emergency Response	9,025	984	451	128,759	139,218	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	123,684	226,755	181,289	991,422	1,523,150	Stream Gauge Location
95811046	Warehouse Svcs 50% WU	143,478	42,521	2,903	563,311	752,213	Water Usage Ratio
95811049	X Valley Subsidence Survey	2,835	1,061	712	224,971	229,579	Program Benefit Calculation
95811054	District Real Property Admin	135,837	40,257	2,748	533,311	712,153	Water Usage Ratio
Operations Projects Total		**21,127,882**	**10,233,297**	**573,118**	**235,489,703**	**267,423,999**	
Operating Projects							
95762011	Tree Maintenance Program	178,813	52,993	3,618	702,037	937,460	Water Usage Ratio
Operating Projects Total		**178,813**	**52,993**	**3,618**	**702,037**	**937,460**	
Operations and Operating Total		**21,306,695**	**10,286,289**	**576,735**	**236,191,740**	**268,361,460**	

Fund Summaries

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
San Pedro Recharge House	700	100.0%	700	47	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	100.0%	7,232	481	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	100.0%	118	8	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	100.0%	1,721	115	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	3.6%	225	15	FY 35	Total Imported Water Ratio
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Water Banking FY 2006	18,895	4.1%	769	51	FY 36	Total Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit Calculation
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	100.0%	3,257	216	FY 37	Benefits Only South County Zone W-5
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Peoplesoft Upgrade	78	7.5%	6	-	FY 39	Water Usage Ratio
Santa Clara Tunnel Landslide	4,509	6.8%	308	20	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	7.6%	17	1	FY 39	CVP Imported Water Ratio
Corp Yard Relocation	26	7.8%	2	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	7.5%	433	29	FY 40	Water Usage Ratio
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Coyote Dam Control Building Improvements	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	196	13	FY 42	CVP Imported Water Ratio
Radio Repeater Infill	5	8.5%	-	-	FY 42	Water Usage Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits Only South County Zone W-5
Fleet Building Improvement	2,512	8.6%	216	14	FY 44	Water Usage Ratio
Microwave Telecomunications	4,595	7.0%	320	21	FY 44	Water Usage Ratio
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	Program Benefit Calculation
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio

Fund Summaries

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
Pipeline Hydraulic Reliability Upgrades	335	1.7%	6	-	FY 45	Program Benefit Calculation
Water Protection	11,387	1.7%	199	13	FY 45	Program Benefit Calculation
Inf Reliability Master Plan	2,065	9.4%	194	12	FY 46	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,223	77	FY 46	Benefits Only South County
5-year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit Calculation
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	519	FY 48	Benefits Only South County
Winfield Capital Improvement	481	9.7%	47	2	FY 48	Water Usage Ratio
Pacheco Conduit Inspection and Rehabilitation	6,696	7.8%	522	27	FY 49	CVP Imported Water Ratio
South County Recycled Water Fund	8,678	100.0%	8,678	450	FY 50	Benefits Only South County Zone W-5
Capital Construction Management System	2,806	19.1%	535	29	FY 52	Water Usage Ratio
Coyote Pumping Plant Warehouse	9,844	18.7%	1,845	95	FY 53	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	19.1%	577	29	FY 54	Water Usage Ratio
Coyote Creek SAFPM - Chillers Plant	36,460	7.8%	2,844	175	FY 55	CVP Imported Water Ratio
Coyote Percolation Dam Replacement	19,731	7.8%	1,539	94	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,266	7.8%	1,035	53	FY 55	CVP Imported Water Ratio
Coyote Creek Flood Management Measures	127,484	7.8%	9,944	610	FY 56	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,845	100.0%	7,845	-	FY 57	Benefits Only South County Zone W-5
CPSD/TSD Admin Amortization	5,340	7.2%	384	384	Ongoing	Total Capital Cost Ratio
IT Capital Fund Transfers	7,976	19.1%	1,521	1,521	Ongoing	Water Usage Ratio
San Felipe Division Capital	13,261	5.1%	679	679	Ongoing	Repayment Cost Distribution
Small Caps, Raw Water Transmission and Distribution	2,354	10.7%	251	251	Ongoing	Raw Water Usage
Small Caps, San Felipe Reach 1	5,502	7.8%	429	429	Ongoing	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	732	7.8%	57	57	Ongoing	CVP Imported Water Ratio
WTP WQL Network Equipment	52	19.1%	10	10	Ongoing	Water Usage Ratio
Total Zone W-5	**$425,571**		**$74,305**	**$7,105**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone W-7

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-7 %	South County Zone W-7 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-7
San Pedro Recharge House	700	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	4.4%	273	18	FY 35	Total Imported Water Ratio
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Water Banking FY 2006	18,895	4.9%	932	62	FY 36	Total Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	-	FY 36	Program Benefit Calculation
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	0.0%	-	-	FY 37	Benefits Only South County Zone W-5
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Peoplesoft Upgrade	78	2.2%	2	-	FY 39	Water Usage Ratio
Santa Clara Tunnel Landslide	4,509	8.3%	373	25	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	9.3%	20	1	FY 39	CVP Imported Water Ratio
Corp Yard Relocation	26	2.2%	1	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	2.2%	125	8	FY 40	Water Usage Ratio
Dam Instrumentation	6,243	4.6%	289	19	FY 41	Program Benefit Calculation
Coyote Dam Control Building Improvements	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	238	16	FY 42	CVP Imported Water Ratio
Radio Repeater Infill	5	2.4%	-	-	FY 42	Water Usage Ratio
San Felipe Communications Cable Replacement	235	9.3%	22	1	FY 42	CVP Imported Water Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	169	11	FY 42	CVP Imported Water Ratio
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
Fleet Building Improvement	2,512	2.5%	63	4	FY 44	Water Usage Ratio
Microwave Telecomunications	4,595	2.0%	93	6	FY 44	Water Usage Ratio
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	Program Benefit Calculation
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio

South County Capital Amortization Zone W-7

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-7 %	South County Zone W-7 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-7
Pipeline Hydraulic Reliability Upgrades	335	0.5%	2	-	FY 45	Program Benefit Calculation
Water Protection	11,387	0.5%	57	4	FY 45	Program Benefit Calculation
Inf Reliability Master Plan	2,065	2.7%	56	4	FY 46	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	0.0%	-	-	FY 46	Benefits Only South County
5-year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit Calculation
Main and Madrone Pipeline Restoration	11,378	12.1%	1,377	71	FY 48	Benefits Only South County
Winfield Capital Improvement	481	2.8%	13	1	FY 48	Water Usage Ratio
Pacheco Conduit Inspection and Rehabilitation	6,696	11.7%	783	41	FY 49	CVP Imported Water Ratio
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Capital Construction Management System	2,806	5.7%	159	9	FY 52	Water Usage Ratio
Coyote Pumping Plant Warehouse	9,844	5.4%	528	27	FY 53	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	5.7%	171	9	FY 54	Water Usage Ratio
Coyote Creek SAFPM - Chillers Plant	36,460	11.7%	4,266	262	FY 55	CVP Imported Water Ratio
Coyote Percolation Dam Replacement	19,731	11.7%	2,309	142	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,266	11.7%	1,552	80	FY 55	CVP Imported Water Ratio
Coyote Creek Flood Management Measures	127,484	11.7%	14,916	916	FY 56	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,845	0.0%	-	-	FY 57	Benefits Only South County Zone W-5
CPSD/TSD Admin Amortization	5,340	4.6%	248	248	Ongoing	Total Capital Cost Ratio
IT Capital Fund Transfers	7,976	5.7%	451	451	Ongoing	Water Usage Ratio
San Felipe Division Capital	13,261	8.3%	1,107	1,107	Ongoing	Repayment Cost Distribution
Small Caps, Raw Water Transmission and Distribution	2,354	6.8%	160	160	Ongoing	Raw Water Usage
Small Caps, San Felipe Reach 1	5,502	11.7%	644	644	Ongoing	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	732	11.7%	86	86	Ongoing	CVP Imported Water Ratio
WTP WQL Network Equipment	52	5.7%	3	3	Ongoing	Water Usage Ratio
Total Zone W-7	**$425,571**		**$33,896**	**$4,593**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone W-8

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-8 %	South County Zone W-8 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
San Pedro Recharge House	700	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	0.0%	-	-	FY 35	Total Imported Water Ratio
Geodetic Control Maintenance	236	0.3%	1	-	FY 36	Survey Analysis
Water Banking FY 2006	18,895	0.0%	-	-	FY 36	Total Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.0%	1	-	FY 36	Program Benefit Calculation
Raw Water Control System	9,188	0.0%	2	-	FY 37	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	0.0%	-	-	FY 37	Benefits Only South County Zone W-5
Water Infrastructure Baseline Improvement	2,403	0.1%	2	-	FY 38	Spare Pipe Usage
Peoplesoft Upgrade	78	0.2%	-	-	FY 39	Water Usage Ratio
Santa Clara Tunnel Landslide	4,509	0.0%	-	-	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	0.0%	-	-	FY 39	CVP Imported Water Ratio
Corp Yard Relocation	26	0.2%	-	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	0.2%	10	1	FY 40	Water Usage Ratio
Dam Instrumentation	6,243	0.4%	23	2	FY 41	Program Benefit Calculation
Coyote Dam Control Building Improvements	576	0.0%	-	-	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	0.0%	-	-	FY 42	CVP Imported Water Ratio
Radio Repeater Infill	5	0.2%	-	-	FY 42	Water Usage Ratio
San Felipe Communications Cable Replacement	235	0.0%	-	-	FY 42	CVP Imported Water Ratio
Santa Clara Conduit Rehabilitation	1,814	0.0%	-	-	FY 42	CVP Imported Water Ratio
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
Fleet Building Improvement	2,512	0.0%	-	-	FY 44	Water Usage Ratio
Microwave Telecomunications	4,595	0.2%	7	-	FY 44	Water Usage Ratio
Dam Maintenance Mitigation	244	0.4%	1	-	FY 45	Program Benefit Calculation
Pacheco Pumping Plant ASD Replacement	18,518	0.0%	-	-	FY 45	CVP Imported Water Ratio

South County Capital Amortization Zone W-8

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-8 %	South County Zone W-8 Cost	FY 2027 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
Pipeline Hydraulic Reliability Upgrades	335	0.0%	-	-	FY 45	Program Benefit Calculation
Water Protection	11,387	0.0%	5	-	FY 45	Program Benefit Calculation
Inf Reliability Master Plan	2,065	0.2%	4	-	FY 46	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	0.2%	3	-	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	2	FY 46	Benefits Only South County
5-year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Main and Madrone Pipeline Restoration	11,378	0.0%	-	-	FY 48	Benefits Only South County
Winfield Capital Improvement	481	0.2%	1	-	FY 48	Water Usage Ratio
Pacheco Conduit Inspection and Rehabilitation	6,696	0.0%	-	-	FY 49	CVP Imported Water Ratio
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Capital Construction Management System	2,806	0.4%	11	1	FY 52	Water Usage Ratio
Coyote Pumping Plant Warehouse	9,844	0.4%	37	2	FY 53	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	0.4%	12	1	FY 54	Water Usage Ratio
Coyote Creek SAFPM - Chillers Plant	36,460	0.0%	-	-	FY 55	CVP Imported Water Ratio
Coyote Percolation Dam Replacement	19,731	0.0%	-	-	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,266	0.0%	-	-	FY 55	CVP Imported Water Ratio
Coyote Creek Flood Management Measures	127,484	0.0%	-	-	FY 56	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,845	0.0%	-	-	FY 57	Benefits Only South County Zone W-5
CPSD/TSD Admin Amortization	5,340	0.0%	2	2	Ongoing	Total Capital Cost Ratio
IT Capital Fund Transfers	7,976	0.4%	31	31	Ongoing	Water Usage Ratio
San Felipe Division Capital	13,261	0.0%	-	-	Ongoing	Repayment Cost Distribution
Small Caps, Raw Water Transmission and Distribution	2,354	0.0%	1	1	Ongoing	Raw Water Usage
Small Caps, San Felipe Reach 1	5,502	0.0%	-	-	Ongoing	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	732	0.0%	-	-	Ongoing	CVP Imported Water Ratio
WTP WQL Network Equipment	52	0.4%	-	-	Ongoing	Water Usage Ratio
Total Zone W-8	**$425,571**		**$200**	**$42**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone Summary

(In Thousands $) Summary	South County Amortized Costs	FY 2027 Cost Recovery Amount
Zone W-5	$ 74,305	$ 7,105
Zone W-7	33,896	4,593
Zone W-8	200	42
Grand Total	**$** 108,401	**$** 11,741

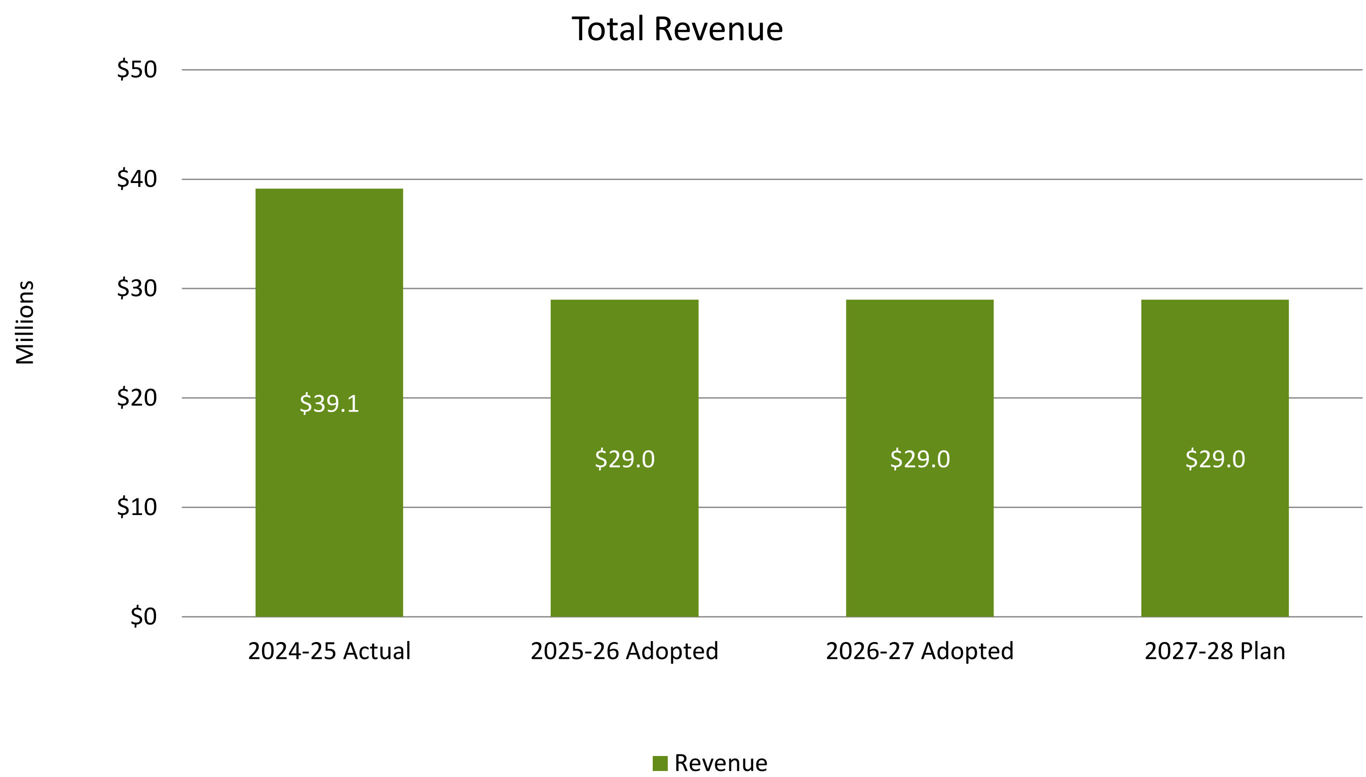
Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

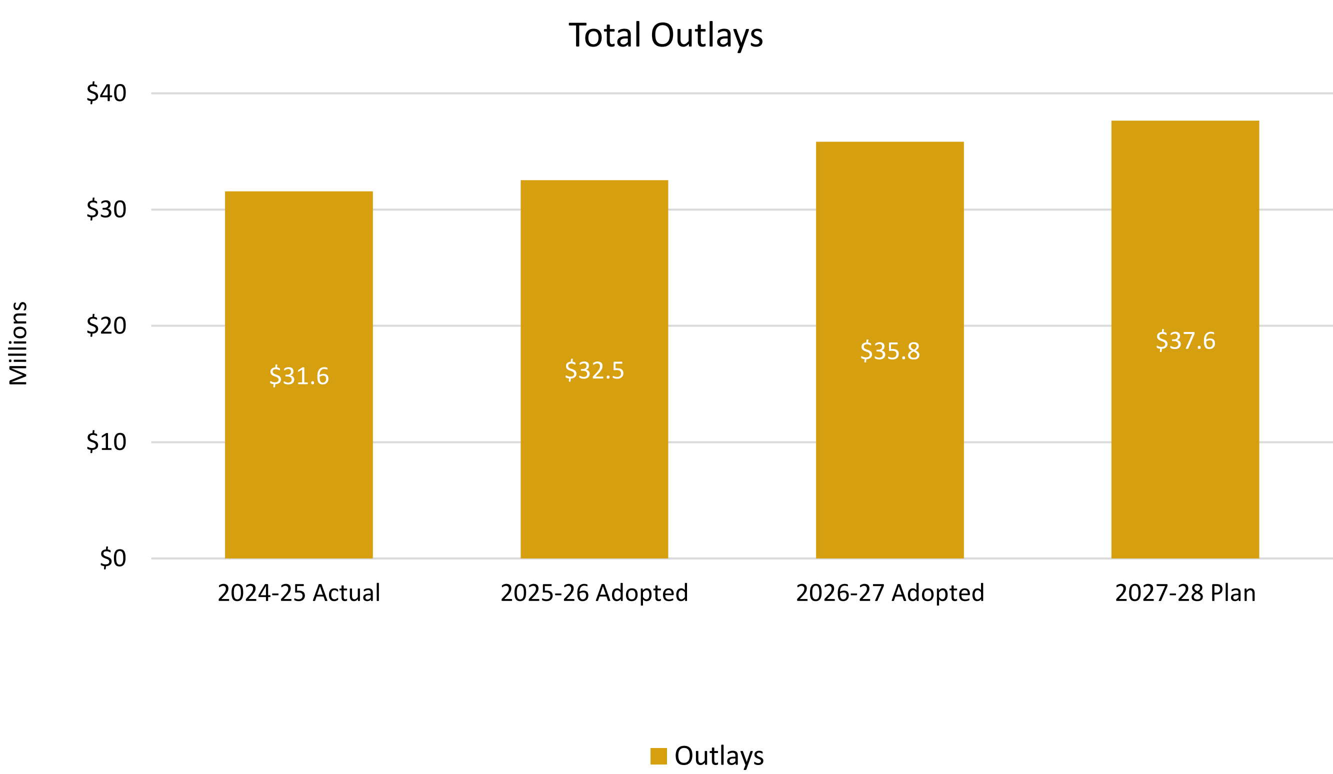
State Water Project Fund

Valley Water incurs an annual indebtedness to the State of California pursuant to its Water Supply Contract dated November 20, 1961. Such indebtedness is proportional to Valley Water's allocation of water from the State Water Project and pays for construction, maintenance, and operation of State Water Project infrastructure and facilities. Staff's recommendation regarding the State Water Project Tax is consistent with Valley Water's past practice and with the approach of other water districts and agencies that maintain State Water Project supply contracts. The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654.

For FY 2026-27 and FY 2027-28, staff recommends setting the State Water Project Tax at $28.0 million each year. This translates to a property tax bill for the average single-family residence in Santa Clara County of roughly $46.00 per year. Staff anticipates that Valley Water's contractual indebtedness to the State of California under the State Water Supply Contract will be approximately $35.8 million for FY 2026-27, rising to $37.6 million in FY 2027-28. The State Water Project Tax may be set lower than anticipated contractual indebtedness in any given year in order to draw down accumulated fund reserves.

State Water Project Fund (Fund 63)





State Water Project Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Property Tax	$ 29,556,629	$ 28,000,000	$ 28,000,000	$ 28,000,000	$ -	0.0%
Non-Operating Other	9,589,822	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 39,146,451**	**$ 29,000,000**	**$ 29,000,000**	**$ 29,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations *	$ 31,562,070	$ 32,539,796	$ 32,539,796	$ 35,848,142	$ 3,308,346	10.2%
Total Operating Outlays	**$ 31,562,070**	**$ 32,539,796**	**$ 32,539,796**	**$ 35,848,142**	**$ 3,308,346**	**10.2%**
TOTAL OUTLAYS	**$ 31,562,070**	**$ 32,539,796**	**$ 32,539,796**	**$ 35,848,142**	**$ 3,308,346**	**10.2%**
BALANCE AVAILABLE	**$ 7,584,381**	**$ (3,539,796)**	**$ (3,539,796)**	**$ (6,848,142)**	**$ (3,308,346)**	**93.5%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 25,277,937	$ 11,591,690	$ 21,738,142	$ 14,890,000	$ 3,298,310	28.5%
Total Restricted Reserves	**$ 25,277,937**	**$ 11,591,690**	**$ 21,738,142**	**$ 14,890,000**	**$ 3,298,310**	**28.5%**
TOTAL YEAR-END RESERVES	**$ 25,277,937**	**$ 11,591,690**	**$ 21,738,142**	**$ 14,890,000**	**$ 3,298,310**	**28.5%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 31,562,070	$ 32,539,796	$ 32,539,796	$ 35,848,142	$ 3,308,346	10.2%
OPERATING OUTLAY TOTAL	**$ 31,562,070**	**$ 32,539,796**	**$ 32,539,796**	**$ 35,848,142**	**$ 3,308,346**	**10.2%**
TOTAL OUTLAYS	**$ 31,562,070**	**$ 32,539,796**	**$ 32,539,796**	**$ 35,848,142**	**$ 3,308,346**	**10.2%**

(*) Operations Outlays do not include OPEB Expense-unfunded liability

State Water Project Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
REVENUE						
Property Tax	$ 29,556,629	$ 28,000,000	$ 28,000,000	$ 28,000,000	$ -	0.0%
Non-Operating Other	9,589,822	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 39,146,451**	**$ 29,000,000**	**$ 29,000,000**	**$ 29,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations *	$ 31,562,070	$ 32,539,796	$ 35,848,142	$ 37,648,346	$ 1,800,204	5.0%
Total Operating Outlays	**$ 31,562,070**	**$ 32,539,796**	**$ 35,848,142**	**$ 37,648,346**	**$ 1,800,204**	**5.0%**
TOTAL OUTLAYS	**$ 31,562,070**	**$ 32,539,796**	**$ 35,848,142**	**$ 37,648,346**	**$ 1,800,204**	**5.0%**
BALANCE AVAILABLE	**$ 7,584,381**	**$ (3,539,796)**	**$ (6,848,142)**	**$ (8,648,346)**	**$ (1,800,204)**	**26.3%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 25,277,937	$ 11,591,690	$ 14,890,000	$ 6,241,654	$ (8,648,346)	-58.1%
Total Restricted Reserves	**$ 25,277,937**	**$ 11,591,690**	**$ 14,890,000**	**$ 6,241,654**	**$ (8,648,346)**	**-58.1%**
TOTAL YEAR-END RESERVES	**$ 25,277,937**	**$ 11,591,690**	**$ 14,890,000**	**$ 6,241,654**	**$ (8,648,346)**	**-58.1%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 31,562,070	$ 32,539,796	$ 35,848,142	$ 37,648,346	$ 1,800,204	5.0%
OPERATING OUTLAY TOTAL	**$ 31,562,070**	**$ 32,539,796**	**$ 35,848,142**	**$ 37,648,346**	**$ 1,800,204**	**5.0%**
TOTAL OUTLAYS	**$ 31,562,070**	**$ 32,539,796**	**$ 35,848,142**	**$ 37,648,346**	**$ 1,800,204**	**5.0%**

(*) Operations Outlays do not include OPEB Expense-unfunded liability

Fund 63 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
91131008	State Water Project Costs	31,562,070	32,539,796	35,848,142	37,648,346	Water Supply
Total Operations		**31,562,070**	**32,539,796**	**35,848,142**	**37,648,346**	
Total		**31,562,070**	**32,539,796**	**35,848,142**	**37,648,346**	

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GENERAL FUND

Fund Summaries

General Fund Overview

The General Fund is Valley Water's primary funding source for administrative and strategic support services. These services are provided to the Water Utility Enterprise and Watershed programs and projects. They are necessary for the governance and delivery of vital water management and watershed stewardship services to the community. The main purposes of the resources budgeted to the General Fund are to provide:

- Executive leadership and oversight.
- Long and short-term financial planning.
- A capable and knowledgeable workforce.
- Sustainable assets, equipment, and infrastructure.

More details about these administrative and strategic services are described in the Chapter 5 Division Summaries.

Office of the Chief Executive Officer

The Office of the Chief Executive Officer (CEO) provides strategic leadership and organizational oversight to advance Valley Water's mission and achieve its vision. The Office of the CEO fosters collaborative relationships with government agencies, water retailers, stakeholders, and the community. It supports the Board of Directors by ensuring the organization effectively achieves the Board's Ends Policies and operates in compliance with Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of the CEO also oversees the Financial Planning and Management Services and Human Resources Divisions.

Office of District Counsel

The Office of District Counsel provides professional, timely, and strategic legal advice, representation of Valley Water and its officers and employees, and the management of the legal services and the related risk management functions. It includes both internal legal services and management of the external legal services provided to Valley Water. The Office of District Counsel also oversees Risk Management program.

Office of the Clerk of the Board

The Office of the Clerk of the Board (COB) directly supports the work of the Valley Water Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting, and tracking elections. The COB also provides regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, and Valley Water staff.

Office of the Chief of External Affairs

The Office of External Affairs (CEA) provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing and strengthening Valley Water's relationships with the community, government officials, the media, and other key stakeholders. The CEA also oversees the Civic Engagement, Government Relations, Communications, and REDI offices.

Fund Summaries

Office of the Chief Operating Officer of Administrative Services

The Office of the Chief Operating Officer (COO) of Administrative Services (AS) provides executive leadership and direct oversight to administrative business areas, including Emergency, Safety, and Security, General Services, and Information Technology, Innovation and Records Management. The COO-AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer.

Major Capital Projects

Capital Outlays budget in the General Fund is approximately $13.3 million in FY 2026-27 and $4.2 million in FY 2027-28 to improve and maintain existing buildings, grounds, and services through several small capital improvement projects. The decrease of $9.1 million in FY 2027-28 is due to the completion of the Security Upgrades and Enhancement and Headquarters Building projects in FY 2026-27.

Fiscal Status

Intra-District Reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $73.7 million in FY 2026-27, an 8.5% decrease from FY 2025-26, primarily due to a reduction in the General Fund overhead rate from 80.4% to 70.0% to reduce the reserve level. In FY 2027-28, the reimbursements are projected to increase 19.1% to $87.7 million, driven by a 9.1% increase in the General Fund overhead rate to maintain a healthy level of reserves consistent with Board policy. The Intra-District Reimbursements rates for FY 2026-27 and FY 2027-28 are 70.0% and 79.1%. The CEO, District Counsel, Clerk of the Board, and Administration costs funded in the General Fund provide services to the Watersheds and Water Utility Enterprise operations and capital programs. Generally, intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from Watershed Funds.

Property Tax revenue is projected at $14.0 million for FY 2026-27. The projection reflects an increase of $1.0 million or a 7.8% increase from the FY 2025-26 Adopted Budget. The increase in Property Tax revenue is based on property tax roll updates received from Santa Clara County. In FY 2027-28, Property Tax revenue is projected to increase an additional 2.1% to $14.3 million. Interest Income is $822,000 in FY 2026-27 and remains unchanged in FY 2027-28.

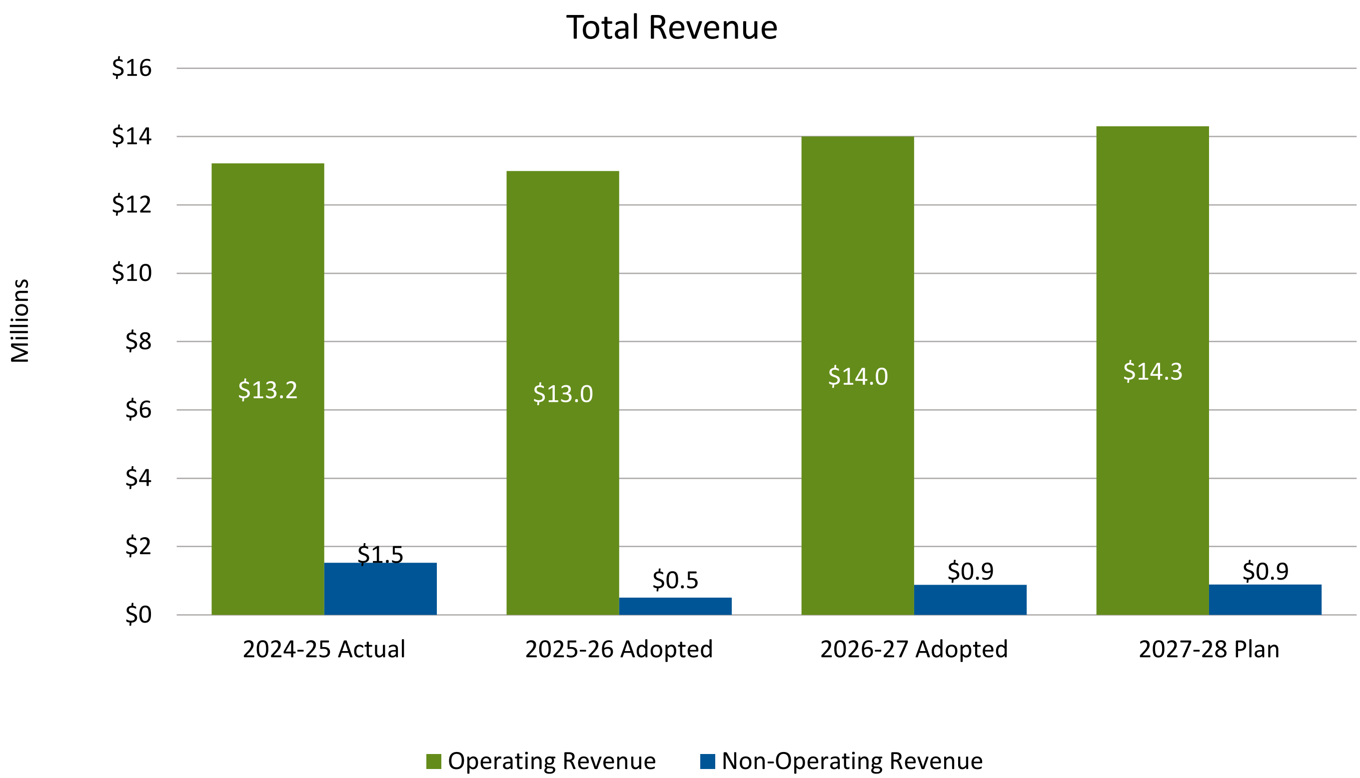
Operating Outlays for the services provided to Watersheds and Water Utility Enterprise total $98.3 million for FY 2026-27. This is an increase of $7.4 million or an 8.2% increase from the FY 2025-26 Adopted Budget. This change is primarily comprised of: increases in services and supplies for Clerk of the Board election costs in November 2026 ($2.9 million), increases in salary and related costs per MOU ($1.9 million), increases in intra-district costs ($0.9 million), increases in Building and Grounds electrical supplies and other repair and maintenance related costs ($0.7 million), increase in Water Rate Assistance Program ($0.3 million), increases in Drought Induced Tree Removal related costs ($0.2 million), and a net increase in various projects and programs ($0.5 million). In FY 2027-28, Operating Outlays are projected to increase an additional $0.8 million or 0.8% to $99.1 million. This is mainly due to increases in salary and related costs per MOU ($2.7 million), increases in intra-district costs ($0.3 million), and offset by decreases in services and supplies for Clerk of the Board due to no election costs in FY 2027-28 ($2.2 million).

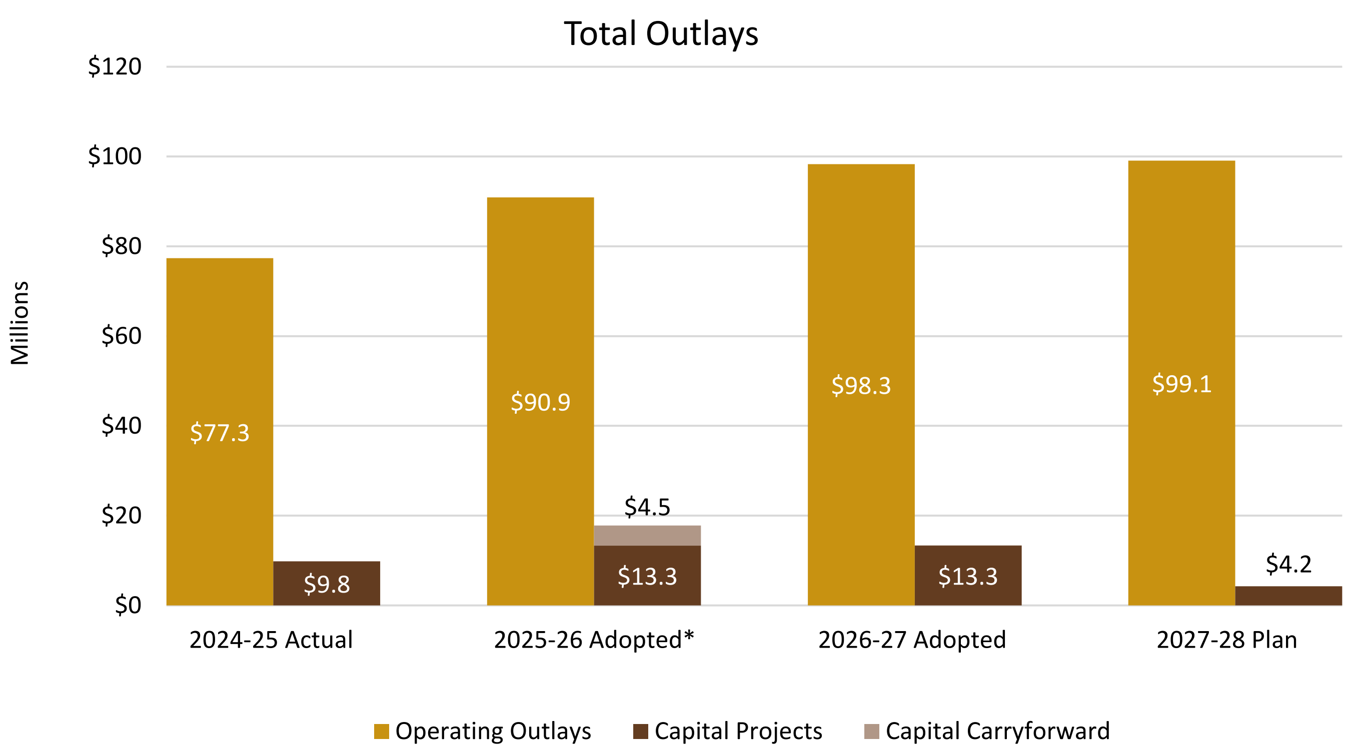
Operating Transfers In for FY 2026-27 are $10.3 million made up of the Security Upgrades and Enhancements Capital Project ($4.0 million) from the Safe Clean Water Fund (10%), the Watershed and Stream Stewardship (WSS) Fund (30%), and Water Utility Enterprise Fund (60%), Headquarters Operations Building Project ($5.3 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), and Drought Induced Tree Removal ($1.1 million) from the WSS Fund. Operating Transfers Out are projected to be $2.2 million for the Open Space Credit to the Water Utility Enterprise Fund. For FY 2027-28, Operating Transfers In are projected to be $0.9 million made up of the Headquarters Operations Building Project ($0.1 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), the Security Upgrades and Enhancements Capital Project ($0.1 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), and the Drought Induced Tree Removal Project ($0.7 million) from the WSS Fund. Operating Transfers Out are projected to be $1.9 million for the Open Space Credit to the Water Utility Enterprise Fund.

General Fund reserves are estimated at approximately $12.1 million for FY 2026-27 and $10.7 million for FY 2027-28 and are in compliance with the Valley Water Reserve Policy.

Fund Summaries

General Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Fund Summaries

General Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 12,921,072	$ 12,992,800	$ 13,661,494	$ 14,006,575	$ 1,013,775	7.8%
Intergovernmental Services	295,618	-	-	-	-	0.0%
Total Operating Revenue	**$ 13,216,690**	**$ 12,992,800**	**$ 13,661,494**	**$ 14,006,575**	**$ 1,013,775**	**7.8%**
Non-Operating Revenue						
Interest Income *	$ 1,303,987	$ 443,000	$ 822,000	$ 822,000	$ 379,000	85.6%
Non-Operating Other	222,541	61,600	61,600	61,600	-	0.0%
Total Non-Operating Revenue	**$ 1,526,528**	**$ 504,600**	**$ 883,600**	**$ 883,600**	**$ 379,000**	**75.1%**
TOTAL REVENUE	**$ 14,743,218**	**$ 13,497,400**	**$ 14,545,094**	**$ 14,890,175**	**$ 1,392,775**	**10.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 77,336,609	$ 89,583,448	$ 89,811,448	$ 96,751,084	$ 7,167,636	8.0%
Operating Project	-	1,333,333	1,333,333	1,583,333	250,000	18.8%
Total Operating Outlays	**$ 77,336,609**	**$ 90,916,781**	**$ 91,144,781**	**$ 98,334,417**	**$ 7,417,636**	**8.2%**
Capital Outlays						
Capital Projects	$ 9,828,668	$ 13,319,270	$ 20,366,488	$ 13,345,702	$ 26,432	0.2%
Carryforward Capital Projects	-	4,491,484	-	123	(4,491,361)	-100.0%
Total Capital Outlays	**$ 9,828,668**	**$ 17,810,754**	**$ 20,366,488**	**$ 13,345,825**	**$ (4,464,929)**	**-25.1%**
TOTAL OUTLAYS	**$ 87,165,277**	**$ 108,727,535**	**$ 111,511,269**	**$ 111,680,242**	**$ 2,952,707**	**2.7%**
Less Intra-District Reimbursements	(74,451,221)	(80,529,040)	(80,529,040)	(73,677,075)	6,851,965	-8.5%
NET OUTLAYS	**$ 12,714,055**	**$ 28,198,495**	**$ 30,982,229**	**$ 38,003,167**	**$ 9,804,672**	**34.8%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,238,212	$ 10,109,827	$ 10,109,827	$ 10,306,106	$ 196,279	1.9%
Transfers Out	(1,986,500)	-	-	(2,175,034)	(2,175,034)	0.0%
TOTAL OTHER SOURCES/(USES)	**$ 5,251,712**	**$ 10,109,827**	**$ 10,109,827**	**$ 8,131,072**	**$ (1,978,755)**	**-19.6%**
BALANCE AVAILABLE	**$ 7,280,875**	**$ (4,591,268)**	**$ (6,327,308)**	**$ (14,981,920)**	**$ (10,390,652)**	**226.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,047,342	$ -	$ 124	$ -	$ -	0.0%
Operating and Capital Reserve	25,838,263	18,994,571	26,427,133	11,319,897	(7,674,673)	-40.4%
Excess ERAF Contingency Reserve	565,602	694,104	696,642	822,082	127,978	18.4%
Total Committed Reserves	**$ 33,451,207**	**$ 19,688,675**	**$ 27,123,899**	**$ 12,141,979**	**$ (7,546,695)**	**-38.3%**
TOTAL YEAR-END RESERVES	**$ 33,451,207**	**$ 19,688,675**	**$ 27,123,899**	**$ 12,141,979**	**$ (7,546,695)**	**-38.3%**

Fund Summaries

General Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 47,497,656	$ 52,670,799	$ 52,670,799	$ 55,150,183	$ 2,479,384	4.7%
Salary Savings Factor	-	(522,031)	(522,031)	(1,139,745)	(617,714)	118.3%
Services & Supplies	20,298,387	28,437,914	28,665,914	33,133,515	4,695,601	16.5%
Intra-District Charges	9,540,566	10,330,099	10,330,099	11,190,465	860,366	8.3%
OPERATING OUTLAY TOTAL	**$ 77,336,609**	**$ 90,916,781**	**$ 91,144,781**	**$ 98,334,417**	**$ 7,417,636**	**8.2%**
DEBT SERVICE						
CAPITAL PROJECTS						
Salaries and Benefits	$ 381,365	$ 404,173	$ 404,173	$ 213,093	$ (191,080)	-47.3%
Salary Savings Factor	-	(4,104)	(4,104)	(4,462)	(358)	8.7%
Services & Supplies	9,350,534	12,815,015	19,862,233	13,067,292	252,277	2.0%
Carryforward Capital Projects	-	4,491,484	-	123	(4,491,361)	-100.0%
Intra-District Charges	96,770	104,187	104,187	69,779	(34,408)	-33.0%
CAPITAL PROJECTS TOTAL	**$ 9,828,668**	**$ 17,810,754**	**$ 20,366,488**	**$ 13,345,825**	**$ (4,464,929)**	**-25.1%**
TOTAL OUTLAYS	**$ 87,165,277**	**$ 108,727,535**	**$ 111,511,269**	**$ 111,680,242**	**$ 2,952,707**	**2.7%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Fund Summaries

General Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 12,921,072	$ 12,992,800	$ 14,006,575	$ 14,302,819	$ 296,244	2.1%
Intergovernmental Services	295,618	-	-	-	-	0.0%
Total Operating Revenue	**$ 13,216,690**	**$ 12,992,800**	**$ 14,006,575**	**$ 14,302,819**	**$ 296,244**	**2.1%**
Non-Operating Revenue						
Interest Income *	$ 1,303,987	$ 443,000	$ 822,000	$ 822,000	$ -	0.0%
Non-Operating Other	222,541	61,600	61,600	62,832	1,232	2.0%
Total Non-Operating Revenue	**$ 1,526,528**	**$ 504,600**	**$ 883,600**	**$ 884,832**	**$ 1,232**	**0.1%**
TOTAL REVENUE	**$ 14,743,218**	**$ 13,497,400**	**$ 14,890,175**	**$ 15,187,651**	**$ 297,476**	**2.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 77,336,609	$ 89,583,448	$ 96,751,084	$ 97,505,113	$ 754,030	0.8%
Operating Project	-	1,333,333	1,583,333	1,583,333	-	0.0%
Total Operating Outlays	**$ 77,336,609**	**$ 90,916,781**	**$ 98,334,417**	**$ 99,088,446**	**$ 754,030**	**0.8%**
Capital Outlays						
Capital Projects	$ 9,828,668	$ 13,319,270	$ 13,345,702	$ 4,242,162	$ (9,103,539)	-68.2%
Carryforward Capital Projects	-	4,491,484	123	-	(123)	-100.0%
Total Capital Outlays	**$ 9,828,668**	**$ 17,810,754**	**$ 13,345,825**	**$ 4,242,162**	**$ (9,103,662)**	**-68.2%**
TOTAL OUTLAYS	**$ 87,165,277**	**$ 108,727,535**	**$ 111,680,242**	**$ 103,330,609**	**$ (8,349,633)**	**-7.5%**
Less Intra-District Reimbursements	(74,451,221)	(80,529,040)	(73,677,075)	(87,744,700)	(14,067,625)	19.1%
NET OUTLAYS	**$ 12,714,055**	**$ 28,198,495**	**$ 38,003,167**	**$ 15,585,909**	**$ (22,417,258)**	**-59.0%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,238,212	$ 10,109,827	$ 10,306,106	$ 869,487	$ (9,436,619)	-91.6%
Transfers Out	(1,986,500)	-	(2,175,034)	(1,874,779)	300,255	-13.8%
TOTAL OTHER SOURCES/(USES)	**$ 5,251,712**	**$ 10,109,827**	**$ 8,131,072**	**$ (1,005,292)**	**$ (9,136,364)**	**-112.4%**
BALANCE AVAILABLE	**$ 7,280,875**	**$ (4,591,268)**	**$ (14,981,920)**	**$ (1,403,550)**	**$ 13,578,370**	**-90.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,047,342	$ -	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	25,838,263	18,994,571	11,319,897	9,790,908	(1,528,990)	-13.5%
Excess ERAF Contingency Reserve	565,602	694,104	822,082	947,522	125,440	15.3%
Total Committed Reserves	**$ 33,451,207**	**$ 19,688,675**	**$ 12,141,979**	**$ 10,738,430**	**$ (1,403,550)**	**-11.6%**
TOTAL YEAR-END RESERVES	**$ 33,451,207**	**$ 19,688,675**	**$ 12,141,979**	**$ 10,738,430**	**$ (1,403,550)**	**-11.6%**

Fund Summaries

General Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 47,497,656	$ 52,670,799	$ 55,150,183	$ 57,793,104	$ 2,642,921	4.8%
Salary Savings Factor	-	(522,031)	(1,139,745)	(1,187,211)	(47,465)	4.2%
Services & Supplies	20,298,387	28,437,914	33,133,515	30,967,246	(2,166,268)	-6.5%
Intra-District Charges	9,540,566	10,330,099	11,190,465	11,515,307	324,842	2.9%
OPERATING OUTLAY TOTAL	**$ 77,336,609**	**$ 90,916,781**	**$ 98,334,417**	**$ 99,088,446**	**$ 754,030**	**0.8%**
DEBT SERVICE						
CAPITAL PROJECTS						
Salaries and Benefits	$ 381,365	$ 404,173	$ 213,093	$ 63,495	$ (149,598)	-70.2%
Salary Savings Factor	-	(4,104)	(4,462)	(1,323)	3,139	-70.4%
Services & Supplies	9,350,534	12,815,015	13,067,292	4,142,487	(8,924,805)	-68.3%
Carryforward Capital Projects	-	4,491,484	123	-	(123)	-100.0%
Intra-District Charges	96,770	104,187	69,779	37,504	(32,275)	-46.3%
CAPITAL PROJECTS TOTAL	**$ 9,828,668**	**$ 17,810,754**	**$ 13,345,825**	**$ 4,242,162**	**$ (9,103,662)**	**-68.2%**
TOTAL OUTLAYS	**$ 87,165,277**	**$ 108,727,535**	**$ 111,680,242**	**$ 103,330,609**	**$ (8,349,633)**	**-7.5%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
60021008	Energy Management	103,695	121,231	111,194	151,964	Treated Water
60041003	Hollister Groundwater Mgmt	9,970	43,125	44,573	46,187	Raw Water
60061012	Facilities Env Compliance	288,025	269,711	280,566	302,799	Emergency, Safety & Security
60061018	General Services Div Admin	1,279,868	1,795,283	1,877,092	1,971,632	General Services
60061023	Districtwide Salary Savings-11	–	(522,031)	(1,139,745)	(1,187,211)	Financial Planning & Management
60061055	Asset Management Program	415,945	517,117	447,065	524,367	Office of Integrated Water Management
60061058	Drought Induced Tree Removal	1,167,009	865,546	1,054,354	738,193	Watersheds Operations & Maintenance
60071041	Welding Services	15,132	25,334	20,820	25,203	General Services
60091001	Directors Fees / Expenses	546,833	639,800	1,335,959	671,751	Office of the Clerk of the Board
60101001	Purchasing Services	1,785,782	2,485,820	2,727,914	2,854,285	General Services
60101002	Building and Grounds	10,493,927	11,210,652	12,748,634	13,234,134	General Services
60101005	Districtwide Signage	200	460,726	463,526	482,112	General Services
60101008	District Security Services	4,047,020	5,911,104	6,144,133	6,348,952	Emergency, Safety & Security
60111002	General Accounting Services	5,632,928	6,237,114	6,733,363	7,062,988	Financial Planning & Management
60111006	Contract Services	2,557,428	2,592,658	2,742,312	2,866,151	General Services
60121003	LT Financial Planning & Rate S	263,600	258,576	254,262	279,222	Financial Planning & Management
60131007	Ofc of Chief Executive Officer	2,236,589	1,792,100	1,878,855	1,989,524	Office of the CEO
60131014	Continual Improvement	757,307	882,735	822,361	851,262	Financial Planning & Management
60141001	District Counsel	6,101,996	6,174,306	6,464,926	6,817,280	Office of the District Counsel
60171002	Education & Volunteer Program	861,869	1,153,546	1,253,380	1,329,090	Office of the CEA
60171009	Community Relations	272,628	265,011	278,553	289,596	Office of the CEA
60221001	Budget and Financial Analyses	2,243,594	2,435,460	2,574,717	2,663,091	Financial Planning & Management
60221002	Debt & Treasury Management	1,610,243	1,657,577	1,785,487	1,957,083	Financial Planning & Management
60221003	FPMD Administration	687,211	696,298	696,847	745,681	Financial Planning & Management
60231002	Communications	1,778,484	1,756,507	1,845,688	1,922,429	Office of the CEA
60231003	Federal Government Relations	1,325,659	1,200,120	1,697,547	1,784,316	Office of the CEA
60231004	State Government Relations	1,336,954	1,542,323	1,472,324	1,558,784	Office of the CEA
60231005	Local Government Relations	2,075,096	2,129,142	2,201,958	2,280,790	Office of the CEA
60231006	Office of Chief of Ext Affairs	1,380,899	1,394,566	1,411,639	1,485,927	Office of the CEA
60241026	Quality and Env Mgmt Sys Prog	361,992	675,980	467,358	484,272	Financial Planning & Management
60281003	Ethics & EEO Programs	213,845	930,938	1,036,517	1,077,144	Human Resources
60281006	Reasonable Accommodation	152	60,000	60,000	61,800	Human Resources
60291003	Labor Relations	1,016,830	901,549	890,087	939,682	Human Resources
60291011	HR Program Admin	1,484,608	2,048,440	2,071,755	2,190,201	Human Resources
60291032	Bargaining Unit Representation	127,145	135,200	113,902	110,861	Human Resources
60291040	Rotation Program	9,292	–	–	–	Human Resources
60291041	Internship Program	960,922	1,035,550	1,035,550	1,066,616	Human Resources
60301001	Clerk of the Board Serv	3,381,721	2,925,533	5,981,940	3,278,005	Office of the Clerk of the Board
60311001	Records & Library Services	1,341,414	1,257,285	900,564	935,316	Information Technology
60351001	Business & Customer SupportSvc	2,433,744	3,455,697	3,666,679	3,833,745	General Services
60601010	Emergency Activation	(9)	–	–	–	Emergency, Safety & Security
60601013	Covid 19	27,645	–	–	–	Emergency, Safety & Security
60811046	Warehouse Services	493,727	602,436	622,521	693,554	General Services
60131004	AS Administration	1,668,139	2,597,348	2,642,406	2,749,713	Office of the COO Admin Services
60231007	Internal Communications	724,030	768,262	826,242	846,568	Office of the CEA
60361002	Graphic Services	1,115,977	1,473,761	1,535,168	1,627,868	Office of the CEA
60601015	EOC - Storm 2022-12-30	428,735	–	–	–	Emergency, Safety & Security
60291001	Recruitment and Selection Program	2,276,627	2,873,128	2,902,982	3,040,491	Human Resources
60291002	Benefits and Wellness Program	1,566,119	1,762,564	1,882,790	1,918,416	Human Resources

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
60291004	Workforce Development Program	2,196,024	3,894,795	3,078,757	3,229,838	Human Resources
60291005	Classification & Compensation Pgm	–	195,000	954,957	1,010,199	Human Resources
60291030	HRIS Admin & Data Analytics Pgm	940,341	1,406,441	1,454,947	1,590,912	Human Resources
60291044	Next-Gen Program	777,742	1,306,336	1,334,335	1,453,090	Human Resources
60171010	Community Benefits Project	1,241,886	1,309,553	1,188,147	1,434,762	Office of the CEA
60601017	EOC - Storm 2024-02/04	35	–	–	–	Emergency, Safety & Security
60281004	Office of REDI	1,272,036	1,676,197	1,573,177	1,584,478	Office of the CEA
60001090	CEO Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of the CEO
60001091	Admin Unscoped Projects-Budget	–	100,000	100,000	100,000	Office of the COO Admin Services
60001092	CEA Unscoped Project-Budget Only	–	100,000	100,000	100,000	Office of the CEA
Total Operations		**77,336,609**	**89,583,448**	**96,751,084**	**97,505,113**	
Operating Project						
60232001	Water Rate Assistance Program	–	1,333,333	1,583,333	1,583,333	Office of the CEA
Total Operating Projects		**–**	**1,333,333**	**1,583,333**	**1,583,333**	
Capital						
60064023	Districtwide Salary Savings	–	(4,104)	(4,462)	(1,323)	Financial Planning & Management
60074033	CIP Development & Admin	14,001	16,284	18,482	18,875	Office of Integrated Water Management
60074036	Survey Mgmt & Tech Support	5,060	6,739	26,161	28,582	Office of Integrated Water Management
60204016	Small Caps, Facility Mgmt	6,633,253	4,006,000	4,000,000	4,000,000	General Services
60204032	Headquarters Operations Bldg	411,623	4,025,130	5,286,606	54,705	General Services
60204022	Security Upgrades and Enhancement	2,732,519	5,219,152	3,965,271	76,587	General Services
60074041	Construction Contracts and Support	14,539	19,057	21,686	23,160	General Services
60074042	Capital Project Mgmt & Controls	11,918	13,496	17,093	18,323	Office of Integrated Water Management
60074047	Computer-Aided Design for	5,755	17,517	14,865	23,254	Office of Integrated Water Management
Total Capital		**9,828,668**	**13,319,270**	**13,345,702**	**4,242,162**	
Total		**87,165,277**	**104,236,051**	**111,680,119**	**103,330,609**	

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SERVICE FUNDS

Fund Summaries

Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Management Fund, and the Information Technology Fund. These funds provide goods and services to the entire organization and recover costs through intra-district reimbursements (also known as overhead costs). Intra-district reimbursements are charges to other departments for services equal to the cost of operations and to maintain adequate reserves in accordance with the Valley Water Reserve Policy. Further information on each fund is provided below and in the pages that follow.

Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Intra-district reimbursements for FY 2026-27 total $9.6 million with an overhead rate of 7.3% and $10.8 million for FY 2027-28 with an overhead rate of 7.8%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Replacement of vehicles and equipment in accordance with Valley Water’s vehicle and equipment replacement criteria (i.e., 12-year or 125,000-miles).
- Expand Valley Water’s Electric Vehicle Fleet portfolio and increase access to vehicle charging facilities.
- Compliance with California Air Resources Board regulations to reduce air pollution caused by diesel-powered equipment.
- Continue technical training for Equipment Management Unit Technicians in current and up and coming technologies.

Risk Management Fund

This fund was established to provide for liability, property, terrorism, cyber, drone, non-owned aircraft, crime insurance, and self-insurance costs. Included in this fund is a reserve for catastrophic uninsured property loss and liability claims set at levels prescribed by actuarial studies.

Intra-district reimbursements for FY 2026-27 total $12.1 million with an overhead rate of 9.3% and $13.1 million for FY 2027-28 with an overhead rate of 9.5%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to protect assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk.

Information Technology Fund

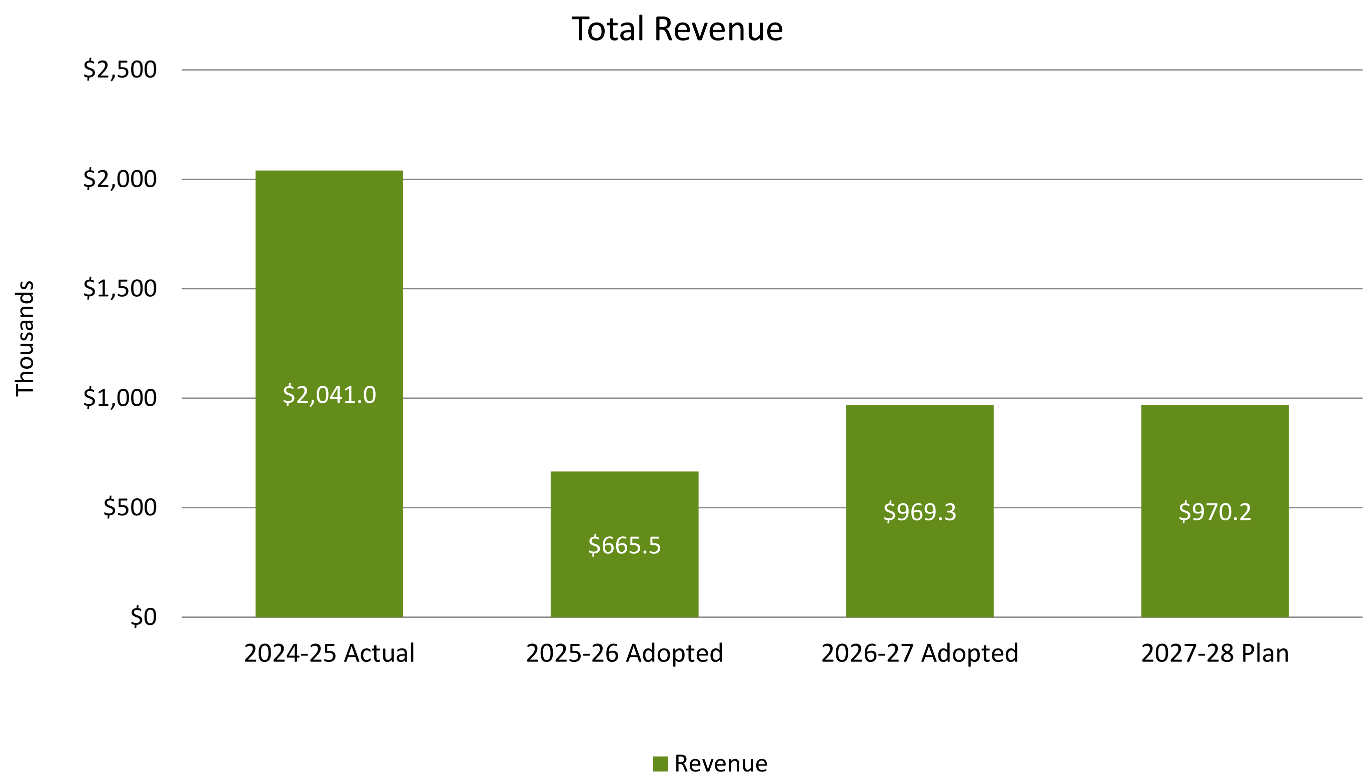
The Information Technology Fund was established to capture the operation, maintenance, and replacement costs to support the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-district reimbursements for FY 2026-27 total $35.5 million with an overhead rate of 28.2%, and $35.8 million for FY 2027-28 with an overhead rate of 27.1%.

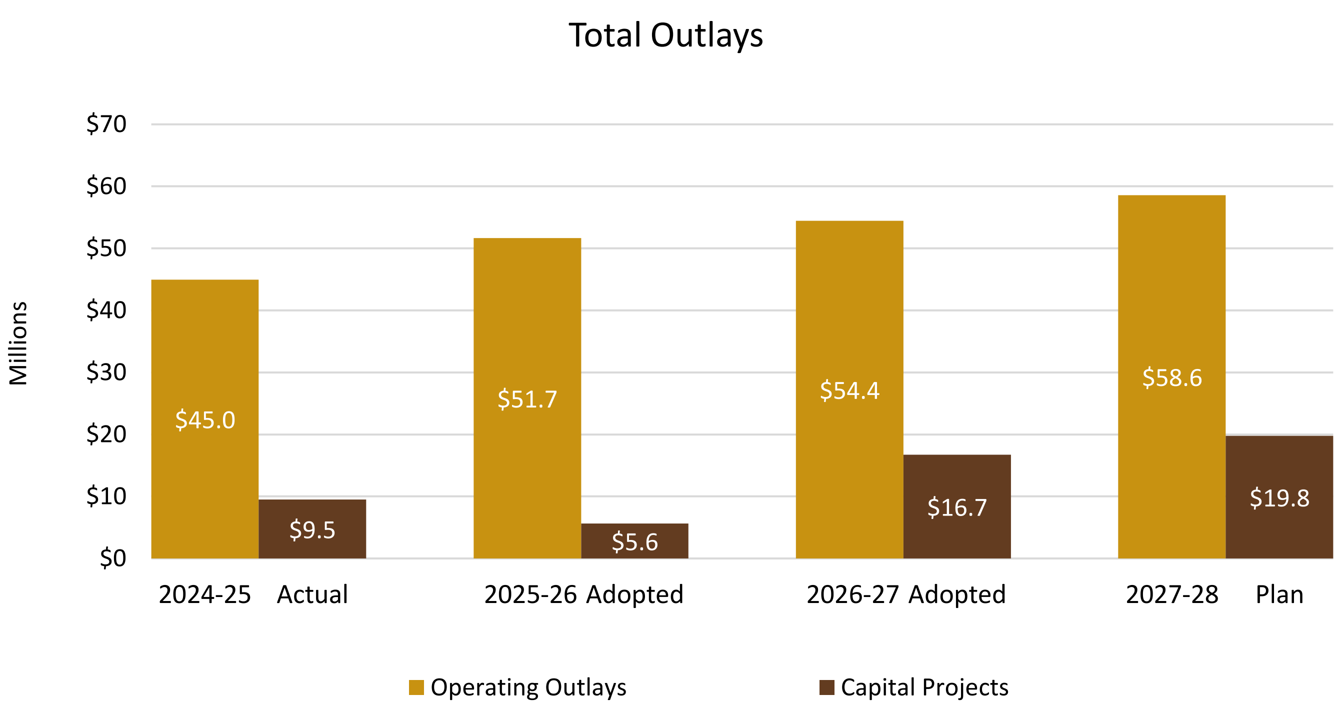
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Implement the Payroll bolt on solution to our existing ERP systems, and enhance Procurement, and Expense management, to achieve higher operational efficiency.
- Continue improving Valley Water cybersecurity posture, tools, and safeguards, reducing the likelihood of a security breach or ransomware attack.
- Pursue innovative solutions to provide AI-based tools and services to enhance employee efficiency and quality of work.
- Provide education in technology, specific applications, and general concepts to Valley Water staff.
- Improve IT Disaster Recovery services and modernize backup technologies to enhance resiliency and redundancy.
- Create standardized IT Project Management processes, practices, and metrics.
- Upgrade desktop applications and hardware to enhance usability, reliability, and supportability.
- Enhance virtual desktop infrastructure, providing greater performance, service, and functionality for Valley Water employees.
- Increase IT’s value to Valley Water through right-sizing application licensing, application rationalization, and continued partnership with procurement.
- Develop a long-term strategy for communication, collaboration, and file storage.
- Standardize conference room technology (AV) across all Valley Water sites.
- Develop a long-term strategy for remote communications at Water Utility Enterprise sites.

Service Funds Combined





Fund Summaries

Service Funds Combined Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Interest Income *	$ 1,590,507	$ 624,000	$ 927,000	$ 927,000	$ 303,000	48.6%
Non-Operating Other	450,517	41,500	41,500	42,330	830	2.0%
TOTAL REVENUE	**$ 2,041,024**	**$ 665,500**	**$ 968,500**	**$ 969,330**	**$ 303,830**	**45.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 44,974,994	$ 51,657,618	$ 51,657,618	$ 54,440,812	$ 2,783,195	5.4%
Total Operating Outlays	**$ 44,974,994**	**$ 51,657,618**	**$ 51,657,618**	**$ 54,440,812**	**$ 2,783,195**	**5.4%**
Capital Outlays						
Capital Projects	$ 9,505,379	$ 5,641,546	$ 6,144,000	$ 16,730,954	$ 11,089,408	196.6%
Carryforward Capital Projects	-	454	-	(454)	(908)	-200.0%
Total Capital Outlays	**$ 9,505,379**	**$ 5,642,000**	**$ 6,144,000**	**$ 16,730,500**	**$ 11,088,500**	**196.5%**
TOTAL OUTLAYS	**$ 54,480,373**	**$ 57,299,618**	**$ 57,801,618**	**$ 71,171,312**	**$ 13,871,695**	**24.2%**
Less Intra-District Reimbursements	(46,853,888)	(51,191,435)	(51,191,434)	(57,201,185)	(6,009,750)	11.7%
NET OUTLAYS	**$ 7,626,485**	**$ 6,108,183**	**$ 6,610,183**	**$ 13,970,127**	**$ 7,861,945**	**128.7%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,001,300	$ 3,561,546	$ 4,063,546	$ 13,292,500	$ 9,730,954	273.2%
TOTAL OTHER SOURCES/(USES)	**$ 7,001,300**	**$ 3,561,546**	**$ 4,063,546**	**$ 13,292,500**	**$ 9,730,954**	**273.2%**
BALANCE AVAILABLE	**$ 1,415,839**	**$ (1,881,137)**	**$ (1,578,137)**	**$ 291,703**	**$ 2,172,839**	**-115.5%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 107,920	$ 123,126	$ 107,466	$ 107,920	$ (15,206)	-12.3%
Operating and Capital Reserve	12,067,038	5,311,373	7,502,982	8,009,057	2,697,684	50.8%
Liability/Workers' Comp Self-Insurance	8,337,000	11,476,000	11,476,000	11,476,000	-	0.0%
Property Self-Insurance/Catastrophic	10,693,087	6,529,910	10,540,460	10,325,633	3,795,723	58.1%
Total Committed Reserves	**$ 31,205,045**	**$ 23,440,409**	**$ 29,626,908**	**$ 29,918,610**	**$ 6,478,201**	**27.6%**
TOTAL YEAR-END RESERVES	**$ 31,205,045**	**$ 23,440,409**	**$ 29,626,908**	**$ 29,918,610**	**$ 6,478,201**	**27.6%**

Service Funds Combined Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 14,530,156	$ 16,707,530	$ 16,707,530	$ 17,752,697	$ 1,045,166	6.3%
Salary Savings Factor	-	(165,229)	(165,229)	(365,979)	(200,750)	121.5%
Services & Supplies	23,234,649	26,959,326	26,959,326	29,448,294	2,488,968	9.2%
Intra-District Charges	7,210,190	8,155,990	8,155,990	7,605,800	(550,190)	-6.7%
OPERATING OUTLAY TOTAL	**$ 44,974,994**	**$ 51,657,618**	**$ 51,657,618**	**$ 54,440,812**	**$ 2,783,195**	**5.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 29,463	$ -	$ -	$ -	$ -	0.0%
Services & Supplies	9,458,023	5,641,546	6,144,000	16,730,954	11,089,408	196.6%
Carryforward Capital Projects	-	454	-	(454)	(908)	-200.0%
Intra-District Charges	17,892	-	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 9,505,379**	**$ 5,642,000**	**$ 6,144,000**	**$ 16,730,500**	**$ 11,088,500**	**196.5%**
TOTAL OUTLAYS	**$ 54,480,373**	**$ 57,299,618**	**$ 57,801,618**	**$ 71,171,312**	**$ 13,871,695**	**24.2%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Fund Summaries

Service Funds Combined Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 $ Diff	Change from 2026-27 % Diff
REVENUE						
Interest Income *	$ 1,590,507	$ 624,000	$ 927,000	$ 927,000	$ -	0.0%
Non-Operating Other	450,517	41,500	42,330	43,177	847	2.0%
TOTAL REVENUE	**$ 2,041,024**	**$ 665,500**	**$ 969,330**	**$ 970,177**	**$ 847**	**0.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 44,974,994	$ 51,657,618	$ 54,440,812	$ 58,596,417	$ 4,155,604	7.6%
Total Operating Outlays	**$ 44,974,994**	**$ 51,657,618**	**$ 54,440,812**	**$ 58,596,417**	**$ 4,155,604**	**7.6%**
Capital Outlays						
Capital Projects	$ 9,505,379	$ 5,641,546	$ 16,730,954	$ 19,762,540	$ 3,031,586	18.1%
Carryforward Capital Projects	-	454	(454)	-	454	-100.0%
Total Capital Outlays	**$ 9,505,379**	**$ 5,642,000**	**$ 16,730,500**	**$ 19,762,540**	**$ 3,032,040**	**18.1%**
TOTAL OUTLAYS	**$ 54,480,373**	**$ 57,299,618**	**$ 71,171,312**	**$ 78,358,957**	**$ 7,187,644**	**10.1%**
Less Intra-District Reimbursements	(46,853,888)	(51,191,435)	(57,201,185)	(59,682,230)	(2,481,045)	4.3%
NET OUTLAYS	**$ 7,626,485**	**$ 6,108,183**	**$ 13,970,127**	**$ 18,676,726**	**$ 4,706,599**	**33.7%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,001,300	$ 3,561,546	$ 13,292,500	$ 15,016,548	$ 1,724,048	13.0%
TOTAL OTHER SOURCES/(USES)	**$ 7,001,300**	**$ 3,561,546**	**$ 13,292,500**	**$ 15,016,548**	**$ 1,724,048**	**13.0%**
BALANCE AVAILABLE	**$ 1,415,839**	**$ (1,881,137)**	**$ 291,703**	**$ (2,690,001)**	**$ (2,981,704)**	**-1022.2%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 107,920	$ 123,126	$ 107,920	$ 107,920	$ -	0.0%
Operating and Capital Reserve	12,067,038	5,311,373	8,009,057	5,265,841	(2,743,216)	-34.3%
Liability/Workers' Comp Self-Insurance	8,337,000	11,476,000	11,476,000	11,476,000	-	0.0%
Property Self-Insurance/Catastrophic	10,693,087	6,529,910	10,325,633	10,378,848	53,215	0.5%
Total Committed Reserves	**$ 31,205,045**	**$ 23,440,409**	**$ 29,918,610**	**$ 27,228,609**	**$ (2,690,001)**	**-9.0%**
TOTAL YEAR-END RESERVES	**$ 31,205,045**	**$ 23,440,409**	**$ 29,918,610**	**$ 27,228,609**	**$ (2,690,001)**	**-9.0%**

Service Funds Combined Summary

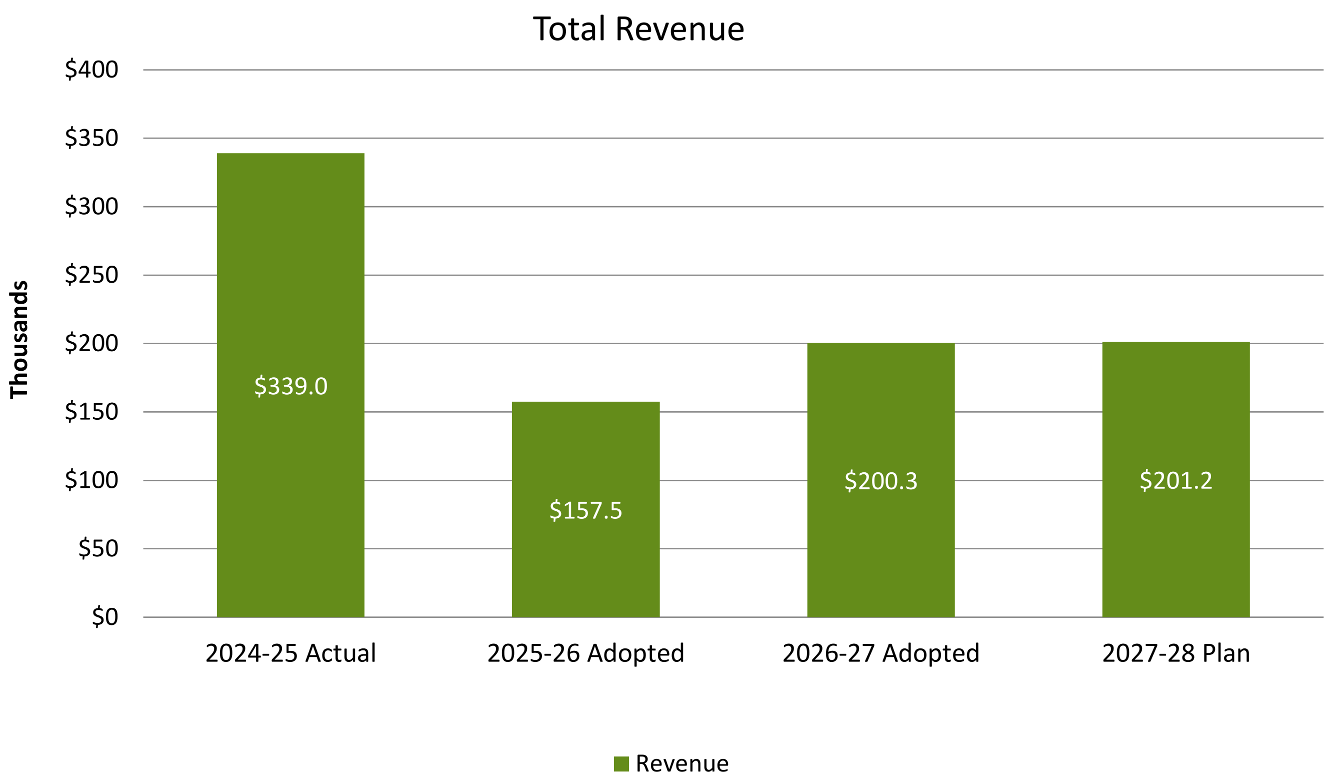
	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 $ Diff	Change from 2026-27 % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 14,530,156	$ 16,707,530	$ 17,752,697	$ 18,651,642	$ 898,945	5.1%
Salary Savings Factor	-	(165,229)	(365,979)	(381,256)	(15,278)	4.2%
Services & Supplies	23,234,649	26,959,326	29,448,294	31,581,594	2,133,300	7.2%
Intra-District Charges	7,210,190	8,155,990	7,605,800	8,744,437	1,138,636	15.0%
OPERATING OUTLAY TOTAL	**$ 44,974,994**	**$ 51,657,618**	**$ 54,440,812**	**$ 58,596,417**	**$ 4,155,604**	**7.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 29,463	$ -	$ -	$ -	$ -	0.0%
Services & Supplies	9,458,023	5,641,546	16,730,954	19,762,540	3,031,586	18.1%
Carryforward Capital Projects	-	454	(454)	-	454	-100.0%
Intra-District Charges	17,892	-	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 9,505,379**	**$ 5,642,000**	**$ 16,730,500**	**$ 19,762,540**	**$ 3,032,040**	**18.1%**
TOTAL OUTLAYS	**$ 54,480,373**	**$ 57,299,618**	**$ 71,171,312**	**$ 78,358,957**	**$ 7,187,644**	**10.1%**

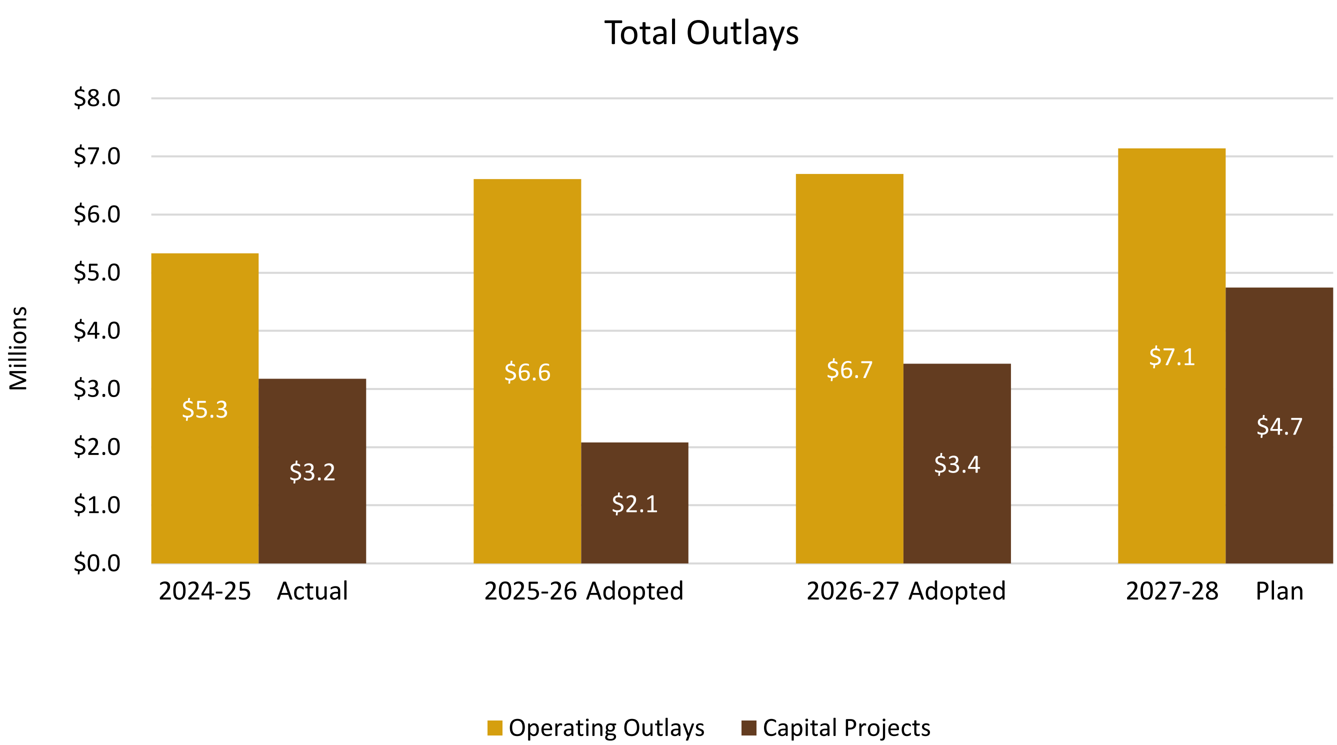
(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Fleet Management Fund





Fleet Management Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Interest Income *	$ 297,241	$ 116,000	$ 158,000	$ 158,000	$ 42,000	36.2%
Non-Operating Other	41,773	41,500	41,500	42,330	830	2.0%
TOTAL REVENUE	**$ 339,014**	**$ 157,500**	**$ 199,500**	**$ 200,330**	**$ 42,830**	**27.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,332,891	$ 6,610,985	$ 6,610,985	$ 6,697,017	$ 86,032	1.3%
Total Operating Outlays	**$ 5,332,891**	**$ 6,610,985**	**$ 6,610,985**	**$ 6,697,017**	**$ 86,032**	**1.3%**
Capital Outlays						
Capital Projects	$ 3,176,245	$ 2,080,000	$ 2,080,000	$ 3,438,000	$ 1,358,000	65.3%
Total Capital Outlays	**$ 3,176,245**	**$ 2,080,000**	**$ 2,080,000**	**$ 3,438,000**	**$ 1,358,000**	**65.3%**
TOTAL OUTLAYS	**$ 8,509,137**	**$ 8,690,985**	**$ 8,690,985**	**$ 10,135,017**	**$ 1,444,032**	**16.6%**
Less Intra-District Reimbursements	(6,553,958)	(7,390,985)	(7,390,985)	(9,603,108)	(2,212,123)	29.9%
NET OUTLAYS	**$ 1,955,179**	**$ 1,300,000**	**$ 1,300,000**	**$ 531,909**	**$ (768,091)**	**-59.1%**
BALANCE AVAILABLE	**$ (1,616,165)**	**$ (1,142,500)**	**$ (1,100,500)**	**$ (331,579)**	**$ 810,921**	**-71.0%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 3,435,882	$ 1,961,824	$ 2,335,382	$ 2,003,803	$ 41,979	2.1%
Total Committed Reserves	**$ 3,435,882**	**$ 1,961,824**	**$ 2,335,382**	**$ 2,003,803**	**$ 41,979**	**2.1%**
TOTAL YEAR-END RESERVES	**$ 3,435,882**	**$ 1,961,824**	**$ 2,335,382**	**$ 2,003,803**	**$ 41,979**	**2.1%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,931,738	$ 2,392,370	$ 2,392,370	$ 2,373,013	$ (19,357)	-0.8%
Salary Savings Factor	-	(22,041)	(22,041)	(44,459)	(22,418)	101.7%
Services & Supplies	2,428,663	2,957,750	2,957,750	3,230,640	272,890	9.2%
Intra-District Charges	972,490	1,282,906	1,282,906	1,137,823	(145,083)	-11.3%
OPERATING OUTLAY TOTAL	**$ 5,332,891**	**$ 6,610,985**	**$ 6,610,985**	**$ 6,697,017**	**$ 86,032**	**1.3%**
CAPITAL PROJECTS						
Services & Supplies	$ 3,176,245	$ 2,080,000	$ 2,080,000	$ 3,438,000	$ 1,358,000	65.3%
CAPITAL PROJECTS TOTAL	**$ 3,176,245**	**$ 2,080,000**	**$ 2,080,000**	**$ 3,438,000**	**$ 1,358,000**	**65.3%**
TOTAL OUTLAYS	**$ 8,509,137**	**$ 8,690,985**	**$ 8,690,985**	**$ 10,135,017**	**$ 1,444,032**	**16.6%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Fleet Management Fund Summary

		Budgetary Basis Actual 2024-25		Adopted Budget 2025-26		Adopted Budget 2026-27		Proposed Plan 2027-28		Change from 2026-27 Adopted $ Diff	% Diff
REVENUE											
Interest Income *	$	297,241	$	116,000	$	158,000	$	158,000	$	-	0.0%
Non-Operating Other		41,773		41,500		42,330		43,177		847	2.0%
TOTAL REVENUE	**$**	**339,014**	**$**	**157,500**	**$**	**200,330**	**$**	**201,177**	**$**	**847**	**0.4%**
OUTLAYS											
Operating Outlays											
Operations **	$	5,332,891	$	6,610,985	$	6,697,017	$	7,138,963	$	441,947	6.6%
Total Operating Outlays	**$**	**5,332,891**	**$**	**6,610,985**	**$**	**6,697,017**	**$**	**7,138,963**	**$**	**441,947**	**6.6%**
Capital Outlays											
Capital Projects	$	3,176,245	$	2,080,000	$	3,438,000	$	4,746,000	$	1,308,000	38.0%
Total Capital Outlays	**$**	**3,176,245**	**$**	**2,080,000**	**$**	**3,438,000**	**$**	**4,746,000**	**$**	**1,308,000**	**38.0%**
TOTAL OUTLAYS	**$**	**8,509,137**	**$**	**8,690,985**	**$**	**10,135,017**	**$**	**11,884,963**	**$**	**1,749,947**	**17.3%**
Less Intra-District Reimbursements		(6,553,958)		(7,390,985)		(9,603,108)		(10,772,555)		(1,169,447)	12.2%
NET OUTLAYS	**$**	**1,955,179**	**$**	**1,300,000**	**$**	**531,909**	**$**	**1,112,409**	**$**	**580,500**	**109.1%**
BALANCE AVAILABLE	**$**	**(1,616,165)**	**$**	**(1,142,500)**	**$**	**(331,579)**	**$**	**(911,232)**	**$**	**(579,653)**	**174.8%**
YEAR-END RESERVES											
Committed Reserves											
Operating and Capital Reserve	$	3,435,882	$	1,961,824	$	2,003,803	$	1,092,571	$	(911,232)	-45.5%
Total Committed Reserves	**$**	**3,435,882**	**$**	**1,961,824**	**$**	**2,003,803**	**$**	**1,092,571**	**$**	**(911,232)**	**-45.5%**
TOTAL YEAR-END RESERVES	**$**	**3,435,882**	**$**	**1,961,824**	**$**	**2,003,803**	**$**	**1,092,571**	**$**	**(911,232)**	**-45.5%**
Outlay Summary By Account Type											
OPERATING OUTLAY											
Salaries and Benefits	$	1,931,738	$	2,392,370	$	2,373,013	$	2,476,797	$	103,785	4.4%
Salary Savings Factor		-		(22,041)		(44,459)		(45,943)		(1,484)	3.3%
Services & Supplies		2,428,663		2,957,750		3,230,640		3,442,058		211,418	6.5%
Intra-District Charges		972,490		1,282,906		1,137,823		1,266,051		128,228	11.3%
OPERATING OUTLAY TOTAL	**$**	**5,332,891**	**$**	**6,610,985**	**$**	**6,697,017**	**$**	**7,138,963**	**$**	**441,947**	**6.6%**
CAPITAL PROJECTS											
Services & Supplies	$	3,176,245	$	2,080,000	$	3,438,000	$	4,746,000	$	1,308,000	38.0%
CAPITAL PROJECTS TOTAL	**$**	**3,176,245**	**$**	**2,080,000**	**$**	**3,438,000**	**$**	**4,746,000**	**$**	**1,308,000**	**38.0%**
TOTAL OUTLAYS	**$**	**8,509,137**	**$**	**8,690,985**	**$**	**10,135,017**	**$**	**11,884,963**	**$**	**1,749,947**	**17.3%**

(*) Interest income does not include GASB31 market value adjustment

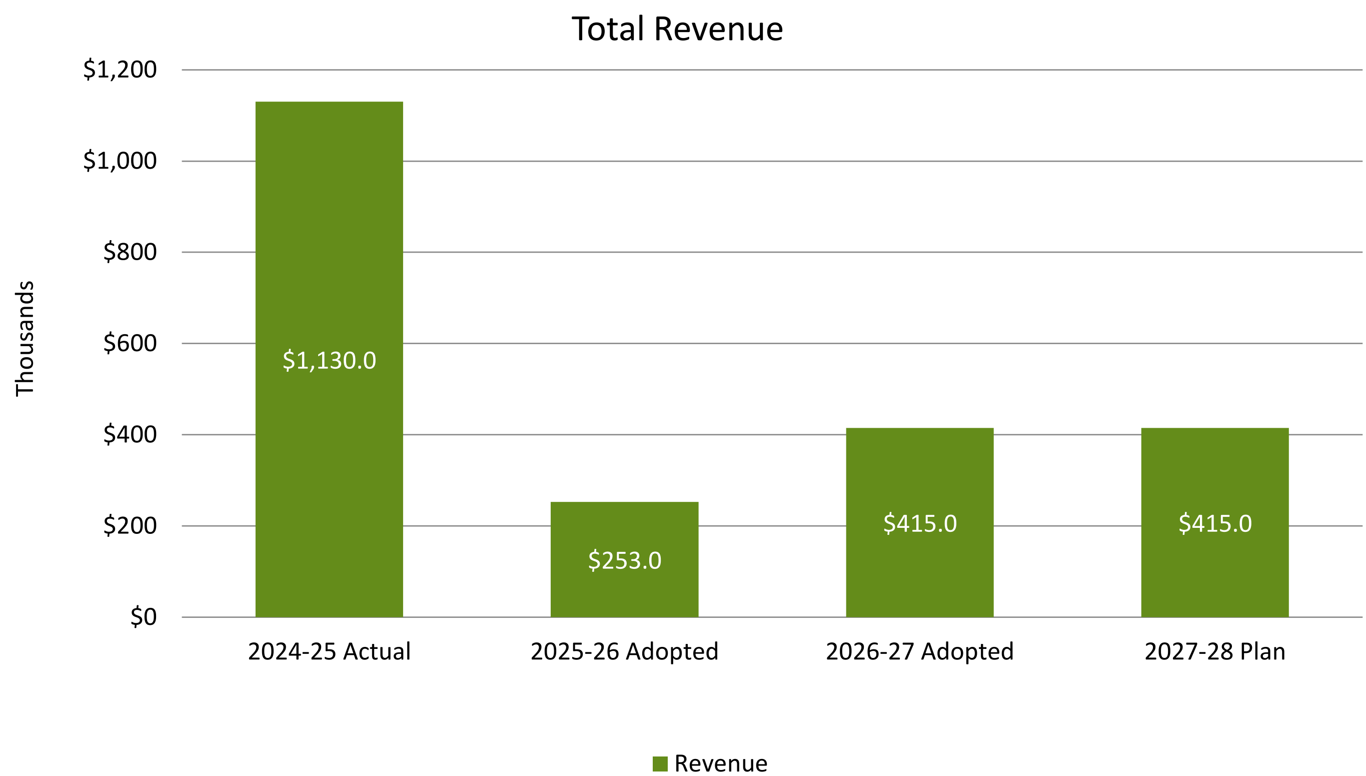
(**) Operations Outlays do not include OPEB Expense-unfunded liability

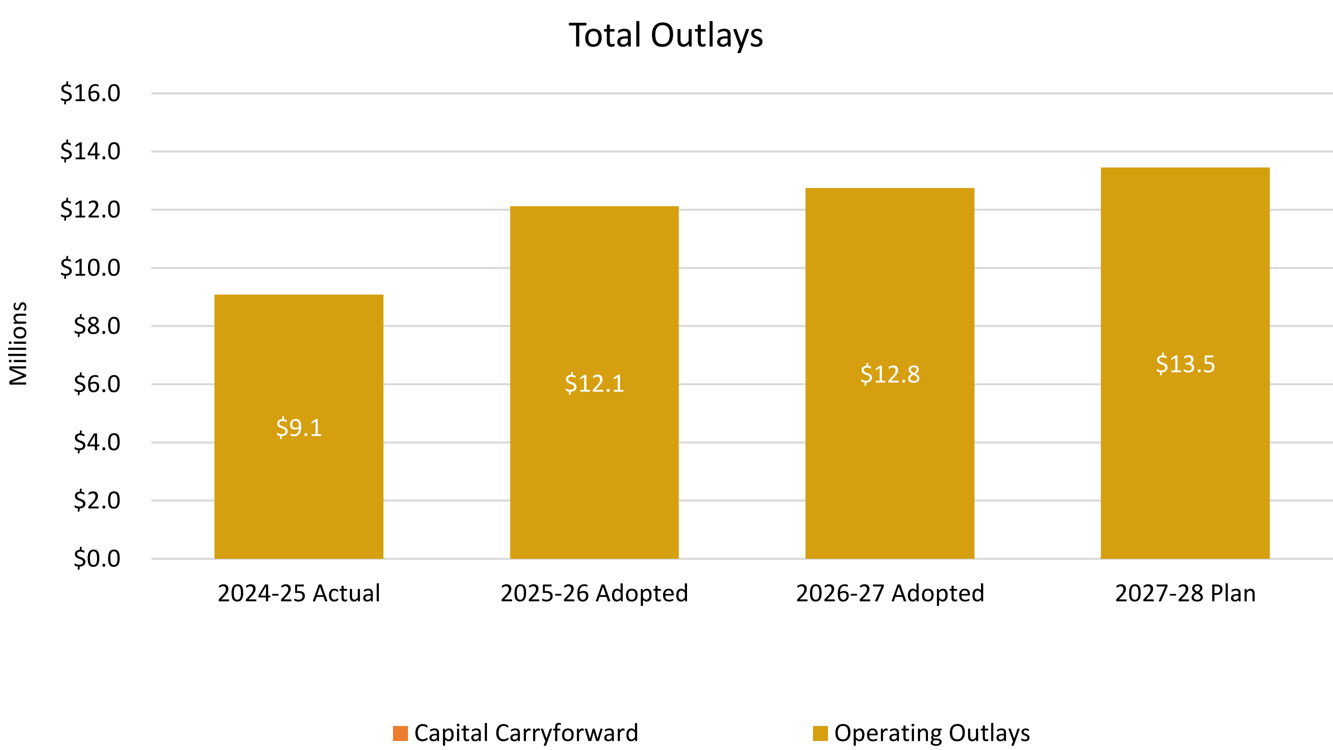
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Fleet Management Fund

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
70011099	Class I Equip Oper / Maint	1,040,638	1,469,105	1,640,494	1,726,849	General Services
70021099	Class II Equip Oper / Maint	1,048,129	1,088,120	1,209,769	1,295,925	General Services
70031099	Class III Equip Oper / Maint	344,510	611,024	746,184	799,672	General Services
70041099	Class IV Equip Oper / Maint	1,408,122	1,489,663	1,603,472	1,713,738	General Services
70061003	Vehicle & Equipment Admin&Mgmt	1,446,096	1,899,110	1,479,096	1,573,113	General Services
70061004	Districtwide Salary Savings-71	–	(22,041)	(44,459)	(45,943)	Financial Planning & Management
70071041	Welding Services	45,396	76,002	62,460	75,609	General Services
Total Operations		**5,332,891**	**6,610,985**	**6,697,017**	**7,138,963**	
Capital						
70004001	New Vehicle Equip Acquisitio	650,476	580,000	615,000	633,000	General Services
70004002	Replacement Vehicle & Equip	2,525,770	1,500,000	2,823,000	4,113,000	General Services
Total Capital		**3,176,245**	**2,080,000**	**3,438,000**	**4,746,000**	
Total		**8,509,137**	**8,690,985**	**10,135,017**	**11,884,963**	

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Interest Income *	$ 722,988	$ 253,000	$ 415,000	$ 415,000	$ 162,000	64.0%
Non-Operating Other	406,998	-	-	-	-	0.0%
TOTAL REVENUE	**$ 1,129,987**	**$ 253,000**	**$ 415,000**	**$ 415,000**	**$ 162,000**	**64.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 9,078,648	$ 12,125,325	$ 12,125,325	$ 12,753,661	$ 628,336	5.2%
Total Operating Outlays	**$ 9,078,648**	**$ 12,125,325**	**$ 12,125,325**	**$ 12,753,661**	**$ 628,336**	**5.2%**
TOTAL OUTLAYS	**$ 9,078,648**	**$ 12,125,325**	**$ 12,125,325**	**$ 12,753,661**	**$ 628,336**	**5.2%**
Less Intra-District Reimbursements	(12,505,199)	(14,696,698)	(14,696,698)	(12,123,835)	2,572,863	-17.5%
NET OUTLAYS	**$ (3,426,550)**	**$ (2,571,373)**	**$ (2,571,373)**	**$ 629,827**	**$ 3,201,199**	**-124.5%**
BALANCE AVAILABLE	**$ 4,556,537**	**$ 2,824,373**	**$ 2,986,373**	**$ (214,827)**	**$ (3,039,199)**	**-107.6%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 11,476,000	$ 11,476,000	$ 11,476,000	$ -	0.0%
Property Self-Insurance/Catastrophic	10,693,087	6,529,910	10,540,460	10,325,633	3,795,723	58.1%
Total Committed Reserves	**$ 19,030,087**	**$ 18,005,910**	**$ 22,016,460**	**$ 21,801,633**	**$ 3,795,723**	**21.1%**
TOTAL YEAR-END RESERVES	**$ 19,030,087**	**$ 18,005,910**	**$ 22,016,460**	**$ 21,801,633**	**$ 3,795,723**	**21.1%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,412,658	$ 2,636,647	$ 2,636,647	$ 2,754,491	$ 117,843	4.5%
Salary Savings Factor	-	(26,696)	(26,696)	(57,982)	(31,286)	117.2%
Services & Supplies	5,258,650	8,057,856	8,057,856	8,626,046	568,190	7.1%
Intra-District Charges	1,407,341	1,457,518	1,457,518	1,431,107	(26,411)	-1.8%
OPERATING OUTLAY TOTAL	**$ 9,078,648**	**$ 12,125,325**	**$ 12,125,325**	**$ 12,753,661**	**$ 628,336**	**5.2%**
TOTAL OUTLAYS	**$ 9,078,648**	**$ 12,125,325**	**$ 12,125,325**	**$ 12,753,661**	**$ 628,336**	**5.2%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Risk Management Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
REVENUE						
Interest Income *	$ 722,988	$ 253,000	$ 415,000	$ 415,000	$ -	0.0%
Non-Operating Other	406,998	-	-	-	-	0.0%
TOTAL REVENUE	**$ 1,129,987**	**$ 253,000**	**$ 415,000**	**$ 415,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 9,078,648	$ 12,125,325	$ 12,753,661	$ 13,457,684	$ 704,023	5.5%
Total Operating Outlays	**$ 9,078,648**	**$ 12,125,325**	**$ 12,753,661**	**$ 13,457,684**	**$ 704,023**	**5.5%**
TOTAL OUTLAYS	**$ 9,078,648**	**$ 12,125,325**	**$ 12,753,661**	**$ 13,457,684**	**$ 704,023**	**5.5%**
Less Intra-District Reimbursements	(12,505,199)	(14,696,698)	(12,123,835)	(13,095,899)	(972,064)	8.0%
NET OUTLAYS	**$ (3,426,550)**	**$ (2,571,373)**	**$ 629,827**	**$ 361,785**	**$ (268,041)**	**-42.6%**
BALANCE AVAILABLE	**$ 4,556,537**	**$ 2,824,373**	**$ (214,827)**	**$ 53,215**	**$ 268,041**	**-124.8%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 11,476,000	$ 11,476,000	$ 11,476,000	$ -	0.0%
Property Self-Insurance/Catastrophic	10,693,087	6,529,910	10,325,633	10,378,848	53,215	0.5%
Total Committed Reserves	**$ 19,030,087**	**$ 18,005,910**	**$ 21,801,633**	**$ 21,854,848**	**$ 53,215**	**0.2%**
TOTAL YEAR-END RESERVES	**$ 19,030,087**	**$ 18,005,910**	**$ 21,801,633**	**$ 21,854,848**	**$ 53,215**	**0.2%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,412,658	$ 2,636,647	$ 2,754,491	$ 2,891,463	$ 136,972	5.0%
Salary Savings Factor	-	(26,696)	(57,982)	(60,149)	(2,167)	3.7%
Services & Supplies	5,258,650	8,057,856	8,626,046	9,022,171	396,125	4.6%
Intra-District Charges	1,407,341	1,457,518	1,431,107	1,604,199	173,092	12.1%
OPERATING OUTLAY TOTAL	**$ 9,078,648**	**$ 12,125,325**	**$ 12,753,661**	**$ 13,457,684**	**$ 704,023**	**5.5%**
TOTAL OUTLAYS	**$ 9,078,648**	**$ 12,125,325**	**$ 12,753,661**	**$ 13,457,684**	**$ 704,023**	**5.5%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

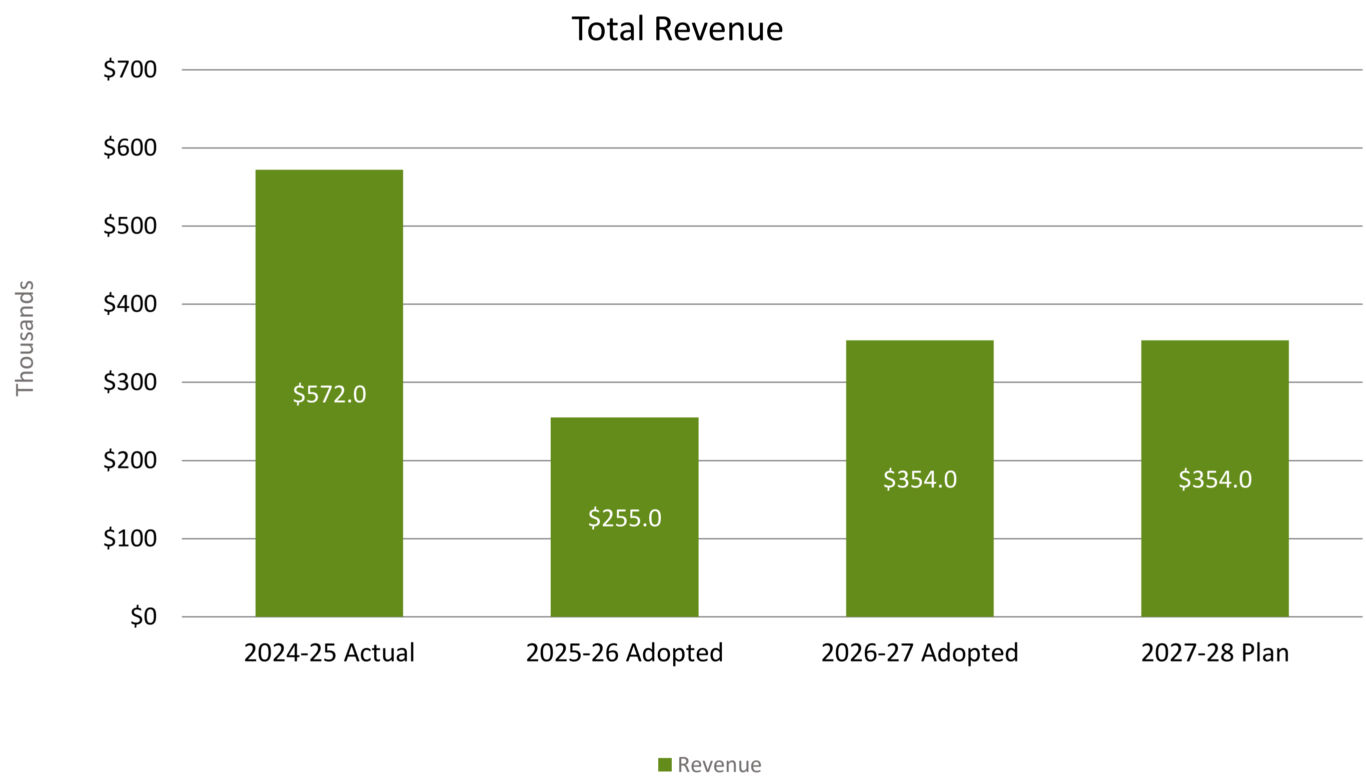
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

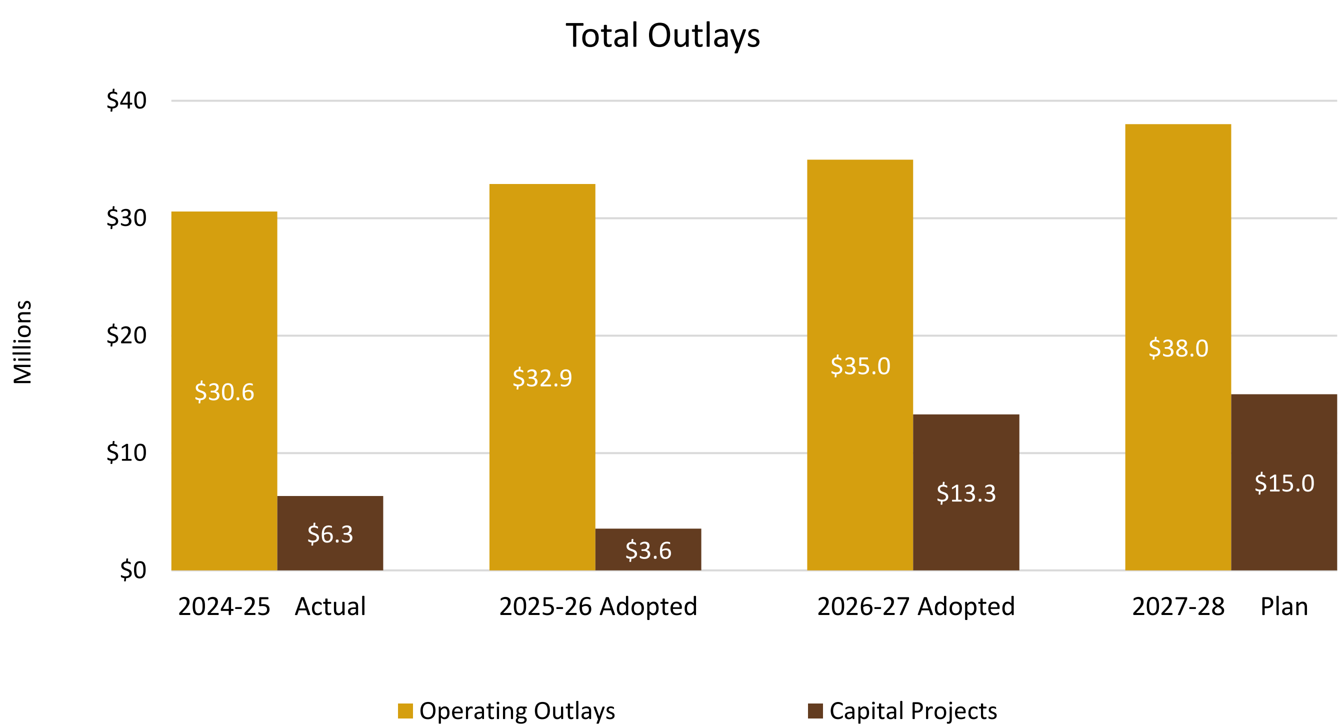
Total Outlays - Risk Management Fund

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
65051001	Risk Management	4,676,796	6,980,060	7,457,491	7,912,981	Office of the District Counsel
65051002	Workers Compensation Program	521,756	1,110,067	1,141,398	1,154,570	Emergency, Safety & Security
65051003	Health&Safety Program Mgt	3,880,096	4,061,894	4,212,755	4,450,282	Emergency, Safety & Security
65061004	Districtwide Salary Savings-72	–	(26,696)	(57,982)	(60,149)	Financial Planning & Management
Total Operations		**9,078,648**	**12,125,325**	**12,753,661**	**13,457,684**	
Total		**9,078,648**	**12,125,325**	**12,753,661**	**13,457,684**	

Fund Summaries

Information Technology Fund





Information Technology Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
REVENUE						
Interest Income *	$ 570,277	$ 255,000	$ 354,000	$ 354,000	$ 99,000	38.8%
Non-Operating Other	1,747	-	-	-	-	0.0%
TOTAL REVENUE	**$ 572,024**	**$ 255,000**	**$ 354,000**	**$ 354,000**	**$ 99,000**	**38.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 30,563,455	$ 32,921,308	$ 32,921,308	$ 34,990,134	$ 2,068,826	6.3%
Total Operating Outlays	**$ 30,563,455**	**$ 32,921,308**	**$ 32,921,308**	**$ 34,990,134**	**$ 2,068,826**	**6.3%**
Capital Outlays						
Capital Projects	$ 6,329,133	$ 3,561,546	$ 4,064,000	$ 13,292,954	$ 9,731,408	273.2%
Carryforward Capital Projects	-	454	-	(454)	(908)	-200.0%
Total Capital Outlays	**$ 6,329,133**	**$ 3,562,000**	**$ 4,064,000**	**$ 13,292,500**	**$ 9,730,500**	**273.2%**
TOTAL OUTLAYS	**$ 36,892,588**	**$ 36,483,308**	**$ 36,985,308**	**$ 48,282,634**	**$ 11,799,326**	**32.3%**
Less Intra-District Reimbursements	(27,794,731)	(29,103,752)	(29,103,752)	(35,474,242)	(6,370,490)	21.9%
NET OUTLAYS	**$ 9,097,857**	**$ 7,379,556**	**$ 7,881,556**	**$ 12,808,392**	**$ 5,428,836**	**73.6%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,001,300	$ 3,561,546	$ 4,063,546	$ 13,292,500	$ 9,730,954	273.2%
TOTAL OTHER SOURCES/(USES)	**$ 7,001,300**	**$ 3,561,546**	**$ 4,063,546**	**$ 13,292,500**	**$ 9,730,954**	**273.2%**
BALANCE AVAILABLE	**$ (1,524,533)**	**$ (3,563,010)**	**$ (3,464,010)**	**$ 838,108**	**$ 4,401,118**	**-123.5%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 107,920	$ 123,126	$ 107,466	$ 107,920	$ (15,206)	-12.3%
Operating and Capital Reserve	8,631,156	3,349,549	5,167,600	6,005,254	2,655,705	79.3%
Total Committed Reserves	**$ 8,739,076**	**$ 3,472,675**	**$ 5,275,066**	**$ 6,113,174**	**$ 2,640,499**	**76.0%**
TOTAL YEAR-END RESERVES	**$ 8,739,076**	**$ 3,472,675**	**$ 5,275,066**	**$ 6,113,174**	**$ 2,640,499**	**76.0%**

Information Technology Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Projected Year End 2025-26	Adopted Budget 2026-27	Change from 2025-26 Adopted $ Diff	% Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,185,760	$ 11,678,513	$ 11,678,513	$ 12,625,193	$ 946,680	8.1%
Salary Savings Factor	-	(116,492)	(116,492)	(263,538)	(147,046)	126.2%
Services & Supplies	15,547,336	15,943,720	15,943,720	17,591,608	1,647,888	10.3%
Intra-District Charges	4,830,359	5,415,566	5,415,566	5,036,871	(378,696)	-7.0%
OPERATING OUTLAY TOTAL	**$ 30,563,455**	**$ 32,921,308**	**$ 32,921,308**	**$ 34,990,134**	**$ 2,068,826**	**6.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 29,463	$ -	$ -	$ -	$ -	0.0%
Services & Supplies	6,281,778	3,561,546	4,064,000	13,292,954	9,731,408	273.2%
Carryforward Capital Projects	-	454	-	(454)	(908)	-200.0%
Intra-District Charges	17,892	-	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 6,329,133**	**$ 3,562,000**	**$ 4,064,000**	**$ 13,292,500**	**$ 9,730,500**	**273.2%**
TOTAL OUTLAYS	**$ 36,892,588**	**$ 36,483,308**	**$ 36,985,308**	**$ 48,282,634**	**$ 11,799,326**	**32.3%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Information Technology Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	Change from 2026-27 Adopted % Diff
REVENUE						
Interest Income *	$ 570,277	$ 255,000	$ 354,000	$ 354,000	$ -	0.0%
Non-Operating Other	1,747	-	-	-	-	0.0%
TOTAL REVENUE	**$ 572,024**	**$ 255,000**	**$ 354,000**	**$ 354,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 30,563,455	$ 32,921,308	$ 34,990,134	$ 37,999,769	$ 3,009,635	8.6%
Total Operating Outlays	**$ 30,563,455**	**$ 32,921,308**	**$ 34,990,134**	**$ 37,999,769**	**$ 3,009,635**	**8.6%**
Capital Outlays						
Capital Projects	$ 6,329,133	$ 3,561,546	$ 13,292,954	$ 15,016,540	$ 1,723,586	13.0%
Carryforward Capital Projects	-	454	(454)	-	454	-100.0%
Total Capital Outlays	**$ 6,329,133**	**$ 3,562,000**	**$ 13,292,500**	**$ 15,016,540**	**$ 1,724,040**	**13.0%**
TOTAL OUTLAYS	**$ 36,892,588**	**$ 36,483,308**	**$ 48,282,634**	**$ 53,016,309**	**$ 4,733,675**	**9.8%**
Less Intra-District Reimbursements	(27,794,731)	(29,103,752)	(35,474,242)	(35,813,777)	(339,534)	1.0%
NET OUTLAYS	**$ 9,097,857**	**$ 7,379,556**	**$ 12,808,392**	**$ 17,202,532**	**$ 4,394,140**	**34.3%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,001,300	$ 3,561,546	$ 13,292,500	$ 15,016,548	$ 1,724,048	13.0%
TOTAL OTHER SOURCES/(USES)	**$ 7,001,300**	**$ 3,561,546**	**$ 13,292,500**	**$ 15,016,548**	**$ 1,724,048**	**13.0%**
BALANCE AVAILABLE	**$ (1,524,533)**	**$ (3,563,010)**	**$ 838,108**	**$ (1,831,984)**	**$ (2,670,092)**	**-318.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 107,920	$ 123,126	$ 107,920	$ 107,920	$ -	0.0%
Operating and Capital Reserve	8,631,156	3,349,549	6,005,254	4,173,270	(1,831,984)	-30.5%
Total Committed Reserves	**$ 8,739,076**	**$ 3,472,675**	**$ 6,113,174**	**$ 4,281,190**	**$ (1,831,984)**	**-30.0%**
TOTAL YEAR-END RESERVES	**$ 8,739,076**	**$ 3,472,675**	**$ 6,113,174**	**$ 4,281,190**	**$ (1,831,984)**	**-30.0%**

Information Technology Fund Summary

	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Change from 2026-27 Adopted $ Diff	% Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,185,760	$ 11,678,513	$ 12,625,193	$ 13,283,382	$ 658,188	5.2%
Salary Savings Factor	-	(116,492)	(263,538)	(275,165)	(11,627)	4.4%
Services & Supplies	15,547,336	15,943,720	17,591,608	19,117,365	1,525,757	8.7%
Intra-District Charges	4,830,359	5,415,566	5,036,871	5,874,187	837,316	16.6%
OPERATING OUTLAY TOTAL	**$ 30,563,455**	**$ 32,921,308**	**$ 34,990,134**	**$ 37,999,769**	**$ 3,009,634**	**8.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 29,463	$ -	$ -	$ -	$ -	0.0%
Services & Supplies	6,281,778	3,561,546	13,292,954	15,016,540	1,723,586	13.0%
Carryforward Capital Projects	-	454	(454)	-	454	-100.0%
Intra-District Charges	17,892	-	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 6,329,133**	**$ 3,562,000**	**$ 13,292,500**	**$ 15,016,540**	**$ 1,724,040**	**13.0%**
TOTAL OUTLAYS	**$ 36,892,588**	**$ 36,483,308**	**$ 48,282,634**	**$ 53,016,309**	**$ 4,733,675**	**9.8%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2024-25	Adopted Budget 2025-26	Adopted Budget 2026-27	Proposed Plan 2027-28	Project Managed By
Operations						
73271001	Telecommunications Sys Opr/M	3,119,010	2,166,220	2,384,915	2,575,511	Information Technology
73271002	Technical Infrastructure Servi	6,168,866	7,022,455	7,509,971	8,194,239	Information Technology
73271003	Network Administration	3,908,579	4,390,000	4,522,890	5,503,939	Information Technology
73271004	Information Security Admin	1,266,209	1,417,000	1,607,000	1,611,950	Information Technology
73271005	Offce Cmptr Maint/Help Dsk Sup	571,041	689,000	566,250	571,650	Information Technology
73271006	Info Technology Div Admin	1,788,269	1,248,567	1,280,031	1,384,796	Information Technology
73271007	Emerging IT Technologies	59,672	104,000	107,120	107,120	Information Technology
73271008	Software Maint & License	4,490,204	4,465,500	5,466,144	5,630,128	Information Technology
73271009	Software Services	7,710,514	8,780,962	8,707,211	9,314,317	Information Technology
73271010	IT Projects & Bus Operations	1,479,122	2,104,869	2,471,746	2,683,269	Information Technology
73271011	Technology Innovation	1,969	649,227	630,393	698,016	Information Technology
73061004	Districtwide Salary Savings-73	–	(116,492)	(263,538)	(275,165)	Financial Planning & Management
Total Operations		**30,563,455**	**32,921,308**	**34,990,134**	**37,999,769**	
Capital						
73274002	ERP System Implementation	15,206	–	–	–	Information Technology
73274004	Network Equipment	3,573,762	1,309,000	2,651,000	656,000	Information Technology
73274006	Office Computers Replace Equip	1,741,413	1,644,000	1,677,000	2,064,000	Information Technology
73274008	Software Upgrades & Enhancemen	689,481	608,546	652,954	666,540	Information Technology
73274009	Data Consolidation	258,000	–	–	–	Information Technology
73074036	Survey Mgmt & Tech Support	5,060	–	–	–	Office of Integrated Water Management
73074033	CIP Development & Admin	14,001	–	–	–	Office of Integrated Water Management
73074047	Computer-Aided Design for	5,754	–	–	–	Office of Integrated Water Management
73074041	Construction Contracts and Support	14,539	–	–	–	General Services
73074042	Capital Project Mgmt & Controls	11,918	–	–	–	Office of Integrated Water Management
73274013	ERP Replacement Project	–	–	8,312,000	11,630,000	Information Technology
Total Capital		**6,329,133**	**3,561,546**	**13,292,954**	**15,016,540**	
Total		**36,892,588**	**36,482,854**	**48,283,088**	**53,016,309**	