Valley Water

FY 2023-24 & FY 2024-25

Operating and Capital Rolling Biennial Budget

Santa Clara Valley Water District

Proposed
FY 2023-24 & FY 2024-25
Operating and Capital
Rolling Biennial Budget

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Submitted by

Rick L. Callender, Esq.
Chief Executive Officer

Valley Water

Santa Clara Valley Water District

Proposed
FY 2023-24 & FY 2024-25
Rolling Biennial Budget

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Santa Clara Valley Water District

Proposed
FY 2023-24 & FY 2024-25
Rolling Biennial Budget

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Budget Transmittal Letter for Fiscal Year 2023-24 & 2024-25 Rolling Biennial Budget

May 16, 2023

Honorable Members of the Board of Directors of the Santa Clara Valley Water District:

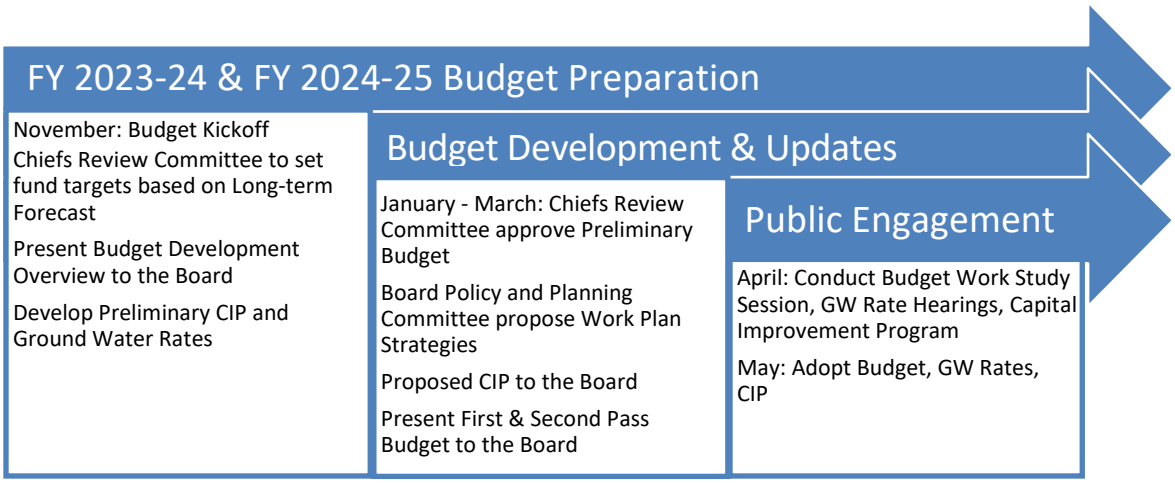
In accordance with Valley Water Policy, I am submitting the Fiscal Years 2023-24 (FY24) & 2024-25 (FY25) Proposed Operating and Capital Rolling Biennial Budget for the Santa Clara Valley Water District (Valley Water). This Budget represents Valley Water's second year after transitioning to a rolling biennial budget, which allows us to budget for FY24 and plan for FY25. In the rolling biennial budget process, the Board adopts a one-year budget and approves a second year Plan, with the FY25 Plan serving as a starting point for the next biennial budget cycle. The rolling biennial budget is updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization. Additionally, it represents Valley Water's mission of providing Santa Clara County safe, clean water for a healthy community, environment, and economy. This Budget provides a comprehensive financial plan that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans to support infrastructure needs; and funding for the repayment of long-term debt.

In FY24 & FY25, Valley Water will focus on smart investments in water infrastructure and technology to ensure Santa Clara County has sufficient safe, clean water for every person, business, and farm now and into the future. In all focus areas we will continue to engage the community and not lose sight of our environmental stewardship goals such as a net positive impact on the environment. Moderate rate increases will allow us to continue to ensure Santa Clara Valley has access to safe, clean water in future drought conditions, while also actively working to mitigate the possibility of future flooding events.

FINANCIAL OVERVIEW

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

The budget development process begins in November of each year and concludes on June 30, with the posting of the adopted budget. The budget development process for the FY24 and FY25 Biennial Budget includes several process improvements and numerous public hearings, as well as input from the Board on urgent priorities for the upcoming fiscal year.



VALLEY WATER PRIORITIES

This budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of Valley Water. The Budget was developed based on the Board's current strategies; the FY 2023-24 Board Work Plan will be approved in the near future. The organization will incorporate specific activities that address the Board's urgent priorities into its workplan and periodically update the Board Policy and Planning Committee and the full Board throughout the fiscal year and bring adjustments back to the Board, if needed.

Given the uncertainty posed by worsening climate change, it is imperative that Valley Water ensures a safe, clean water supply for our community. Valley Water continues to invest in critical infrastructure for our water supply and to protect our communities from serious flooding and remains strongly committed to environmental justice and prioritizing our disadvantaged communities including the unhoused population. Valley Water is responding to these goals in several ways, including expanded efforts with the proposed addition of 10 new positions for FY 2023-24 and 3 new positions for FY 2024-25.

REVENUE

The FY 2023-24 & 2024-25 Proposed Rolling Biennial Budget includes projected revenues of approximately $633.7 million in FY 2023-24, a net increase of $52.8 million from the $580.9 million included in the FY 2022-23 Adopted Budget. This 9.1% increase is primarily derived from the increase in water charges revenue ($63.6 million), property taxes ($11.9 million), special parcel taxes ($2.6 million), and other operating and non-operating revenues ($2.1 million), offset by decreases capital reimbursements (-$19.3 million), as well as benefit assessment (-$6.4 million) taxes and intergovernmental services (-$1.8 million). In FY 2024-25, revenues are estimated to be $730.1 million, a net increase of $96.4 million from the FY 2023-24 budget. The 15.2% growth is primarily attributed to higher water charges revenue ($76.6 million), capital reimbursements ($10.9 million), property taxes ($4.9 million), other operating/non-operating ($1.9), the special parcel tax ($1.2 million), intergovernmental services ($0.9 million), and benefit assessment taxes ($0.2 million).

APPROPRIATIONS/OUTLAYS

Net total operating and capital outlays for the FY 2023-24 Proposed Budget is $856.6 million, which includes $97.4 million in debt service outlays. For the FY 2024-25 Plan, net total operating and capital outlays is $980.4 million, which includes $119.3 million in debt service outlays. This figure does not include capital carry forward that was appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Fund charges.

NET OPERATING OUTLAYS

Net operating outlays for the FY 2023-24 Proposed Budget total $386.4 million, a decrease of $16.1 million from the FY 2022-23 Adopted Budget. The decrease in net outlays is primarily due to reduction of water purchases for the district. Net operating outlays for the FY 2024-25 Plan total $430.6 million, an increase of $44.2 million from the FY 2023-24 Budget, for the Palo Alto Water Reuse Agreement Project, Delta Conveyance Gap Funding, Los Vaqueros Reservoir participation, Water Rate Assistance Program, district election costs, Evelyn Fish Ladder construction and vegetation removal work beyond the Stream Maintenance Program 2 limits.

NET CAPITAL OUTLAYS

Net capital project appropriations total $372.7 million in the FY 2023-24 Proposed Budget, a decrease of $59.7 million from the 2022-23 Adopted Budget. It is anticipated that $97.2 million of the FY 2022-23 Adjusted Budget for capital projects also will carry forward into FY 2023-24 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. For the FY 2024-25 Plan, net capital project appropriations total $430.5 million, an increase of $57.7 million from the FY 2023-24 Budget; $16.6 million of the FY 2023-24 Budget for capital projects is estimated to be carried forward into the FY 2024-25 Budget. The capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

INTRA-DISTRICT REIMBURSEMENTS

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements, totaling $124.9 million in FY 2023-24 and $130.7 million in FY 2024-25. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

OTHER FINANCING SOURCES/USES

Other financing sources include debt financing proceeds to fund capital projects. For FY 2023-24, Valley Water anticipates issuing approximately $268.8 million in debt proceeds, of which $230.4 million is to finance the Water Utility system infrastructure improvements and $38.4 million is for Safe, Clean Water (SCW) capital projects.

RESERVES

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves; further detail is found in the FY 2023-24 & FY 2024-25 Rolling Biennial

Operating and Capital Budget document beginning on page 3−51. Overall, budgeted reserves for Fiscal Year 2023-24 are expected to increase $71.5 million to a total of $474.0 million versus the Adopted FY 2022-23 Budget. This increase is primarily due to higher water charges revenue associated with increased water demand assumptions, increase in property tax revenue, and lower funding for the Capital Improvement Program in FY 2023-24. For FY 2024-25, budgeted reserves are estimated to increase $54.7 million to a total of $528.7 million. This overall increase is primarily due to increased water charges revenue, capital reimbursements and debt proceeds offset by increased Capital Outlays.

($ in Thousands)	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Planned Budget 2023-24	Proposed Budget 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff	Planned Budget 2024-25	Change from 2023-24 $ Diff	Change from 2023-24 % Diff
Restricted Reserves										
Safe, Clean Water & Natural Flood Protection Fund	174,451	151,692	210,788	184,208	185,841	34,149	23%↑	195,276	9,435	5%↑
Water Enterprise Funds	104,048	67,261	66,856	28,114	28,409	(38,852)	(58%)↓	41,657	13,248	47%↑
Subtotal	**278,499**	**218,953**	**277,644**	**212,322**	**214,250**	**(4,703)**	**(2%)↓**	**236,933**	**22,683**	**11%↑**
Committed Reserves										
General Fund	7,175	9,094	10,323	12,574	11,968	2,874	32%↑	12,670	702	6%↑
Watershed Stream Stewardship Fund	119,219	102,259	111,051	117,998	159,921	57,662	56%↑	185,849	25,928	16%↑
Water Enterprise Funds	124,595	56,310	99,431	75,326	67,179	10,869	19%↑	72,810	5,631	8%↑
Internal Service Funds	26,521	15,864	21,515	14,613	20,651	4,787	30%↑	20,415	(236)	(1%)↓
Subtotal	**277,510**	**183,527**	**242,320**	**220,511**	**259,719**	**76,192**	42%↑	**291,744**	**32,025**	12%↑
Grand Total	**556,009**	**402,480**	**519,964**	**432,833**	**473,969**	**71,489**	**18%↑**	**528,677**	**54,708**	**12%↑**

DEBT OVERVIEW

The FY 2023-24 debt portfolio total outstanding principal of $1.15 billion includes $198.6 million for Watersheds and $948.6 million for the Water Utility Enterprise. The annual debt service budget of $97.4 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

The long-term strategy is to issue short-term debt to provide just-in-time funding for eligible capital projects as actual expenditures are incurred. As the outstanding short-term debt obligations reach the program capacity, the outstanding short-term debt will be refunded with long-term debt to be repaid over 30 years. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while ensuring inter-generational equity by matching the timing of the debt service repayment to the useful life of the asset and allowing for the completion of capital projects in a timely manner. The FY 2023-24 Protection and Augmentation of Water Supplies (PAWS) report demonstrates that Water Utility finances will be sustainable, including the issuance of debt, assuming the forecasted water charge increases.

For the Safe, Clean Water Program, issuing debt allows the projects to be completed earlier as it bridges the timing difference between when the voter approved special parcel tax revenues are collected versus the desired project delivery schedule based on the Board approved CIP.

The Safe, Clean Water special parcel tax, approved by voters on November 3, 2020, authorized Valley Water to levy the special parcel tax with periodic Board review of the amount necessary to fund ongoing operations, maintenance and capital project costs planned under the SCW program.

The Santa Clara Valley Water District proactively manages its debt portfolio to ensure access to the public finance credit markets at the lowest available borrowing cost, preserve strong credit ratings, fulfill its fiduciary responsibility to its customers, and provide high quality water service, stream stewardship and flood protection at the lowest possible cost.

BOND RATINGS

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on Valley Waters positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Please see table below for ratings going into FY 2023-24.

	Water Utility Parity Debt	Watershed Debt	Safe Clean Water Debt	WIFIA Debt
Moody's	Aa1	Aa1	Aa1	N/A
Standard & Poor's	N/A	AAA	N/A	N/A
Fitch	AA+	AA+	AA+	AA+

STAFFING

The FY 2023-24 & FY 2024-25 Proposed Rolling Biennial Budget includes 924 positions composed of, 919 regular positions and 5 limited term positions for FY 2023-24, and 927 positions including, 922 regular positions and 5 limited term positions for FY 2024-25. This includes funding for 10 new positions in FY 2023-24 and 3 new positions for FY 2024-25. For a comprehensive schedule of district-wide salaries and benefits, please refer to the *Salaries & Benefits* in the "Financial Overview" section.

Regular Position Count by Organization Area

	Adjusted Budget 2021-22[2]	Adopted Budget 2022-23[3]	Change from 2022-23	Proposed Budget 2023-24[4]	Change from 2023-24	Proposed Plan 2024-25[5]
Board Appointed Officers[1]	76	78	1	79	0	79
Office of Integrated Water Management	54	56	0	56	0	56
External Affairs	46	46	1	47	0	47
Administrative Services	162	163	0	163	0	163
Water Utility	298	301	4	305	3	308
Watersheds	262	265	4	269	0	269
Districtwide	**898**	**909**	**10**	**919**	**3**	**922**

[1] Board Appointed Officers Include: Office of Chief Executive Office, District Counsel and Clerk of the Board.

[2] In FY 2021-22, Board approved 14 new regular positions and two limited term positions; Computer-Aided Design Unit moved from Watersheds to Office of Integrated Water Management.

[3] In FY 2022-23, Board approved 11 new positions

[4] In FY 2023-24, ten new positions are proposed.

[5] In FY 2024-25, three additional new positions are planned.

FUTURE OUTLOOK

Due to abundant rain and snow fall, California and Santa Clara County has recovered from the historic drought. However, Valley Water is requesting residents, businesses and farms to make water conservation a way of life and observe a voluntary 15% reduction of water use compared to 2019 . As climate change creates more extreme weather events, such as severe droughts and flooding, Valley Water continues investing in our water infrastructure to ensure a reliable water supply for generations to come. This includes upgrading and maintaining our pipelines and water treatment plants, evaluating new water storage projects, increasing our use of recycled and purified water, and expediting the Anderson Dam Seismic Retrofit project. Valley Water is using all financial resources available to offset the expected rate impacts including vigorously pursuing federal and state grant funding. It is prudent fiscal policy to start planning for the future by acting now and prioritizing projects for climate unknowns like drought and other natural disasters. Valley Water will remain committed to providing Santa Clara County with safe, clean water for a healthy life, environment, and economy.

Sincerely,

Rick L. Callender, Esq.
Chief Executive Officer

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Budget in Brief

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

Fiscal Year 2023-24

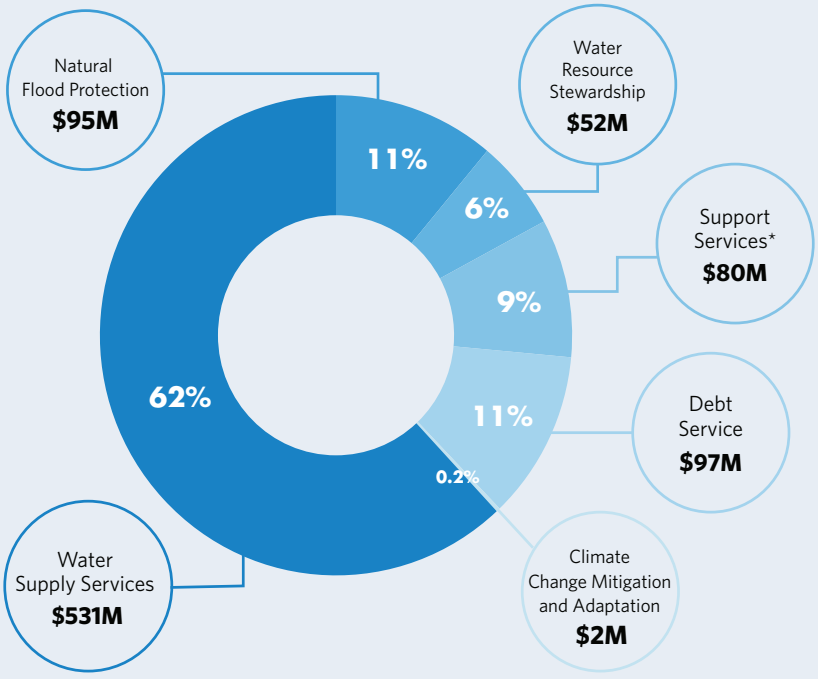
Budget in Brief

Valley Water

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

FY 2023-24 Adopted Budget of $857 million

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



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

Valley Water Budget

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

Uvas Canyon Creek

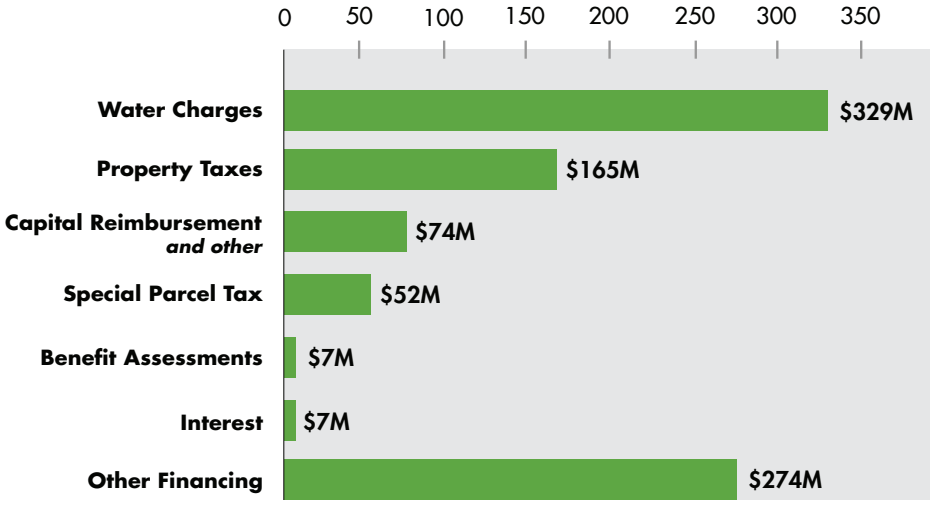
Balancing Act

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

Valley Water relies on multiple types of funding sources

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

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



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

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

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

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

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

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

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

Watersheds Projects

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

South San Francisco Bay Shoreline Project Phase I

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

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

South San Francisco Bay Shoreline

Coyote Creek Flood Protection Project

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

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

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

Bolsa Road Fish Passage Project

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

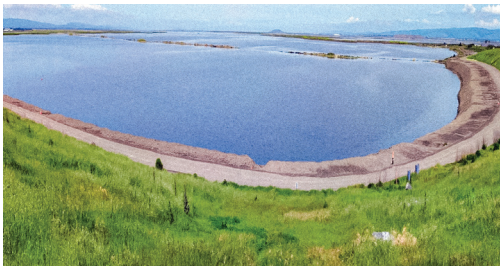
Key deliverables: Complete construction of channel improvements and begin plant establishment phase by December 2023.

Uvas-Carnadero Creek near Bolsa Road

Calabazas – San Tomas Aquino Creek Marsh Connection Project

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

Key deliverables: Complete feasible alternative report in June 2024.



A view of the former salt ponds.

Encampment Good Neighbor Program

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

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

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

Water Utility Projects

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

Anderson Dam Seismic Retrofit and Tunnel Projects

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

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

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

Purified Water Project

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

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

Water Tank at Silicon Valley Advanced Water Purification Center.

10-Year Pipeline Inspection and Rehabilitation

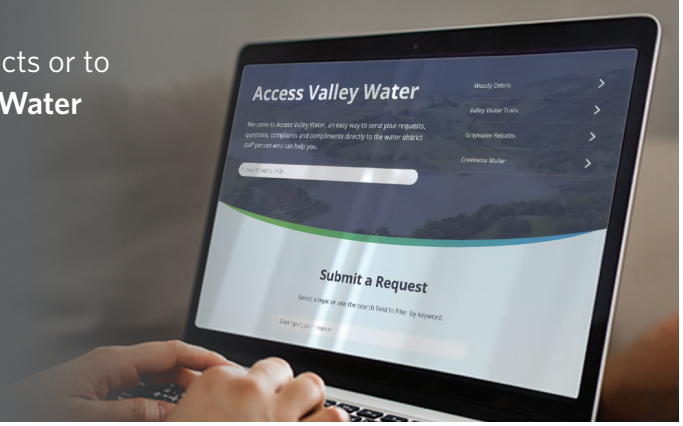
This project secures the reliability and long-term operational capability of Valley Water's extensive water pipeline system. Selected segments of the system are identified annually for inspection and rehabilitation.

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

Workers replace a valve and actuator along the Pacheco Conduit.

CONTACT US

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



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Valley Water Overview

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

Valley Water Overview

Valley Water (Santa Clara Valley Water District) is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. Valley Water serves nearly 2 million people in Santa Clara County by:

- Providing a reliable and safe supply of water.
- Enhancing streams and watersheds through creek restoration and habitat protection.
- Providing flood protection for homes, schools and businesses.
- Partnering with other agencies to provide trails, parks and open space for community recreation.

Valley Water's role as a multi-purpose agency enables it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.

Our mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

Located at the southern end of the San Francisco Bay, Santa Clara County is home to Silicon Valley. As the county's primary water resources agency, Valley Water serves 15 cities and towns, including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the county's unincorporated areas.

Collaboration with the community we serve is not only important but has proven to result in more successful outcomes. By seeking public input, Valley Water is respecting the fact that our operations and projects have a direct impact on people's lives.

Community action created Valley Water, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being overpumped, causing the land to subside or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives Valley Water its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.

The District Act authorizes Valley Water to "...provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. Valley Water may take action to carry out all of the following purposes:

(a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;

(b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;

(c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;

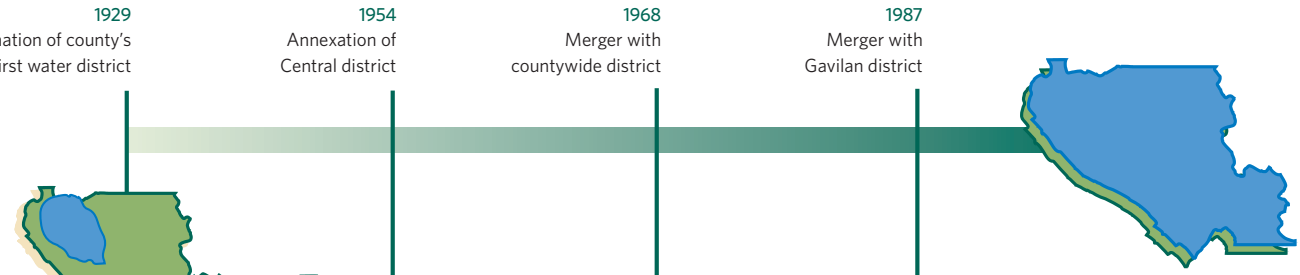
(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

(e) to increase, and prevent the waste or diminution of, the water supply in the district;

(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which Valley Water is located for any beneficial uses within the district;

(g) and to enhance, protect, and restore streams, riparian corridors, and natural resources in connection with carrying out the objects and purposes set forth in this section."

Evolution of Valley Water



1929
Formation of county's first water district

Santa Clara Valley Water Conservation District

- Formed in 1929 to serve the more populated northern valley.
- Built eight reservoirs.
- Built sack dams and recharge ponds.

1954
Annexation of Central district

Central Santa Clara Valley Water Conservation District

- Formed in 1949.
- Built recharge ponds.

1968
Merger with countywide district

Santa Clara County Flood Control and Water Conservation District

- Formed in 1952.
- Started county's flood protection program.
- Negotiated imported water supply from State Water Project (SWP).
- Built Rinconada Water Treatment Plant to process SWP raw water.

1987
Merger with Gavilan district

South Santa Clara Valley Water Conservation District
(renamed Gavilan Water District in 1980)

- Formed in 1938.
- Built two reservoirs.
- Built recharge ponds.

Santa Clara Valley Water District
(as named in 1974)

- Advanced county's flood protection program.
- Built Penitencia and Santa Teresa water treatment plants.
- Negotiated imported water supply from federal Central Valley Project.
- Expanded mission to include environmental stewardship.
- In 2006, Valley Water becomes an independent special district with removal of county's oversight of Valley Water's budget.
- In 2019 shortened moniker to Valley Water. Official name remains Santa Clara Valley Water District.

Today's Santa Clara Valley Water District is the result of the consolidation of four agencies over time, as shown above. Valley Water's products and services have grown along with its increased levels of responsibility for critical water resource and environmental management functions.

Valley Water Overview

Local Economy

With the COVID-19 pandemic in the rear-view mirror, the local economy is recovering from the pandemic downturn in early 2020. While the region continues to address COVID-19 concerns, the death rate per capita declined in 2022 and the rollout of COVID-19 vaccines contributed to the local economic upswing. The region recovered from pandemic job losses by April 2022. The rise and fall of the stock market drove large shifts in venture funding and IPOs. Additionally, the demand for commercial space was affected by remote work, which created extra capacity on roadways and significantly decreased demand for public transit.

The local area's March 2023 unemployment rate was 3.3%, up from a revised 3.2% in February 2023, and above the estimate of 2.9% from the previous year. This is lower than the unemployment rate of 4.8% for California and 3.6% for the United States during the same period.[1]

The local area's unemployment rate hit a historic low of 1.8% in May 2022, as 88,000 jobs were added between mid-2021 and mid-2022 (a growth rate of 5.4%). At the end of 2022, however, layoffs commenced in Silicon Valley. There was a 1% decrease in the region's share of the 1.1 million-person workforce for the largest tech companies, which continues to become more concentrated. The 30 largest firms accounted for 42% of employment, with Google, Apple and Meta representing 19%.[2]

The April 2023 Bay Area Consumer Price Index (CPI), a measure of price of goods and services such as energy, transportation, and housing, increased by 0.4% over the previous two months. This slight increase was influenced by higher prices for shelter, with decreases to food and energy prices. The CPI increased 4.2% over the past year, with food prices advancing 6.1%, and energy prices decreasing 7.9% (primarily due to lower prices for gasoline).[3] The cost of living in the county is high, which is challenging for low-income families with housing affordability being one of the key contributing factors prompting concern.

Annual inflation in the U.S. in April was at 4.9%.[4] The Federal Reserve increased interest rates by 0.25 percentage points, from 5.0% to 5.25% following its May 3, 2023 meeting making the benchmark rate the highest it's been since 2007.[5] This marks the tenth straight meeting it has raised rates in an effort to reduce liquidity to the financial markets and reduce inflation.[6,7] In their statement for the May 3rd rate increase, the Federal Reserve included language that they will take into account the cumulative tightening of monetary policy, the lags with which it affects economic activity and inflation, and economic and financial developments in determining the extent to which additional policy firming may be appropriate to return inflation to 2% over time.[5]

According to the U.S. Bureau of Economic Analysis' (BEA) "advance" estimate for the first quarter of 2023 released on April 27, 2023, the real gross domestic product (GDP) increased at an annual rate of 1.1% in the first quarter of 2023. This increase reflected the following:

- Increases in consumer spending, exports, federal government spending, state and local spending, and nonresidential fixed investment, which were offset by
- Decreases in private inventory investment and residential fixed investment.[8]

In 2022, COVID-19 dropped to the sixth leading cause of death in the region with 3,320 deaths, compared to the third leading cause in 2021. The total number of COVID cases rose to 642,200 in 2022, with a quarter of the population having contracted the virus.[2]

The region's population continues to decline, with its share of young people also decreasing. This is due to a 74% rise in domestic outmigration, a reversal of the net flow of foreign immigrants, declining birth rates, and rising death rates. With net foreign immigration negative in 2021 for the first time in recent history, the trend reversed in 2022. The population continues to age, with the number of residents over age 65 up 32% since 2011 and number of children under age 18 down 8%.[2]

At $144,400, average annual earned income in the Bay Area is 60% higher than in California overall ($83,060), and almost twice the national figure in 2022 ($76,800). While per capita income and average wages increased

in the region, high inflation eroded some of those gains, with inflation outpacing year-over-year gains in median household income. As of January 2023, the minimum wage ordinance ranged from $16 to $18.15 per hour. Income disparity remains high in the area. In 2022, the top 10% of households held 66% of the wealth; eight of the wealthiest residents held more wealth than the bottom 50% (nearly half a million households) combined. Despite a relatively low household poverty rate of 5% in 2022, nearly one-third of all local area households did not earn enough money to meet basic needs without public or private/informal assistance.[2]

In 2022, home prices continued to increase, up nearly 7% over the prior year with a median price of $1.8 million in Santa Clara County. Many residents are also struggling to afford rents or mortgages; nearly half of all renters are financially burdened by housing costs. Potential first-time homebuyers are also less likely to afford a median-priced home in the region compared to California (38%) or nationwide (61%). In 2022, only 27% of first-time homebuyers in the region were able to afford a median priced home, down from 32% in 2021.[2]

Based on data through November, there were 23,300 homes sold in 2022, a 25% drop year-over-year. This follows a spike in 2021 (30,900 homes sold). The number of homes sold below $1 million has decreased by more than half over the past four years, affecting the region's increasing median home sale prices. High housing costs limit the ability to pay for basic needs, which can prompt families to share living spaces and increase homelessness. In 2022, building permits issued for multi-family units exceeded 80% for the first time since 2014. Statewide, 53% of residential units were for multi-family development.[2]

With the persistence of remote work, office leasing volumes decreased in 2022 by 30%. The average amount of space per lease has sharply declined, indicating companies require less office space. However, businesses requiring other commercial space have not downsized. Office rates did not outpace inflation like other space types. Additionally, with layoffs in the tech sector at the end of 2022, businesses have started to sublease their spaces.[2]

Over the past two fiscal years, local cities in the region progressively tightened their budgets to accommodate revenue declines and spending related to the pandemic. In FY22, local cities experienced declines in both revenues and expenses, with an estimated 5% decline in revenues and 6% decline in expenses, year-over-year. Aggregate revenues have declined by $400 million, including a 15% decline in charges for services and 71% decline in investment earnings.[2]

This FY 2023-24 and 2024-25 Biennial Budget represents Valley Water's continuation of a rolling biennial budget. This process allows us to plan for the upcoming fiscal years 2024 and 2025 with the goal of providing longer-term transparency to the public regarding Valley Water's plans and helps maintain our financial strength.

Valley Water will continue to prudently plan for projects that we are committed to deliver for the public as we navigate through potential severe weather (drought and floods), changes in our local economy and global political and environmental changes.

[1] State of California Employment Development Department (EDD), April 21, 2023 labor market info

[2] Joint Venture Silicon Valley Institute for Regional Studies, 2023 Silicon Valley Index

[3] US BLS (Bureau of labor Statistics), May 10, 2023 Release – CPI April 2023

[4] US Inflation Calculator (April 2023, released May 10, 2023)

[5] Federal Reserve FOMC statement (May 3, 2023 release)

[6] Bankrate.com, February 1, 2023

[7] CNBC (May 3, 2023)

[8] U.S. Bureau of Economic Analysis (BEA), April 27, 2023 News Release

Valley Water Overview

Governance and Board of Directors

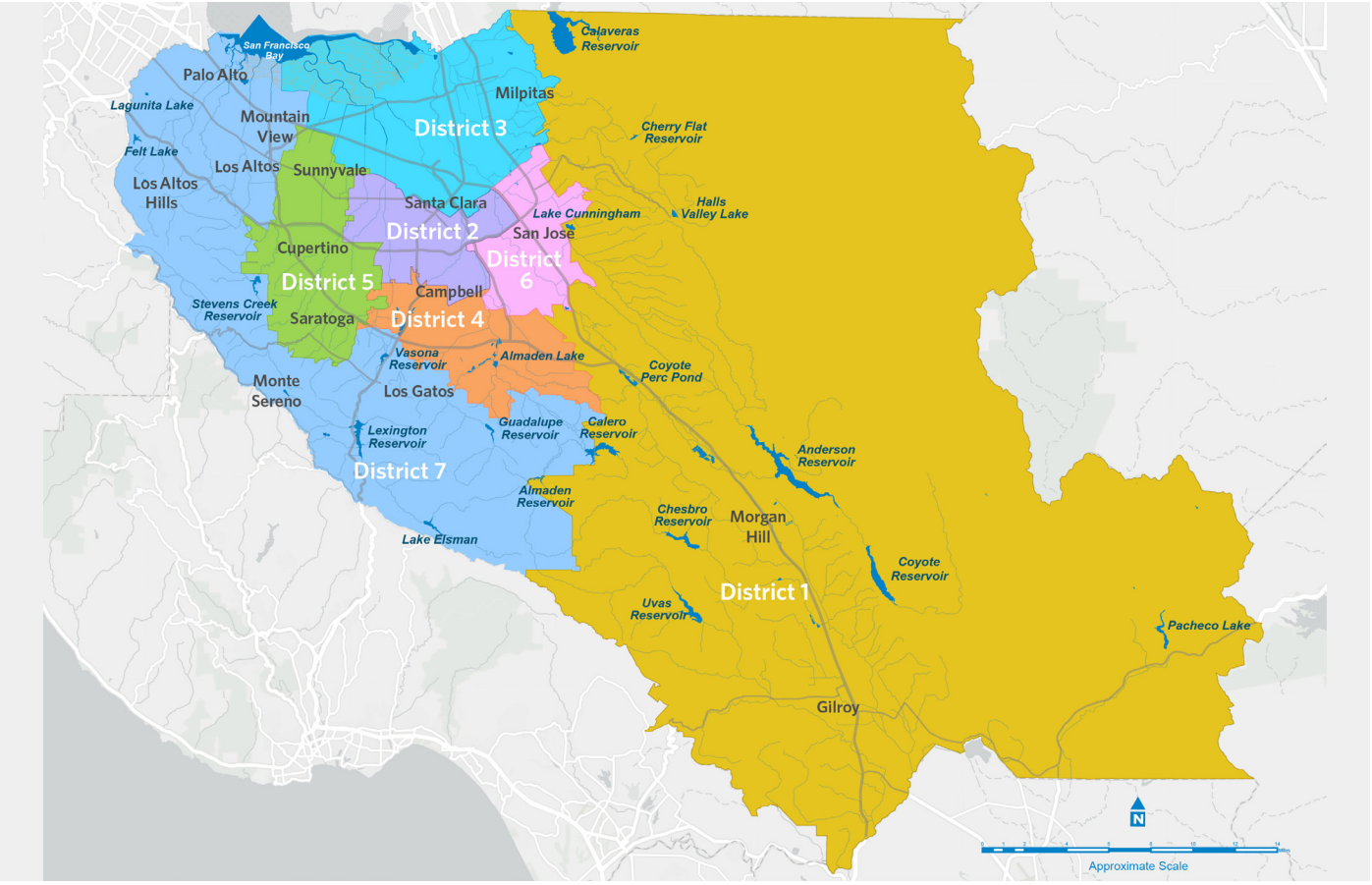
The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs Valley Water and directs the board appointed officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal process. The purpose of the board, on behalf of Santa Clara County, is to provide Silicon Valley safe, clean water for a healthy life, environment and economy. The directors serve over-lapping four-year terms, a structure created pursuant to the adoption of the District Act. Elections are held in November of even number years. The Valley Water Board of Directors elects a new chair and vice chair annually in January.

The Board sets direction for Valley Water through its policy governance structure. Through adopted policies, the Board determines Valley Water's mission, goals, and outcomes to be achieved for the good of the public. Specifically, the Board's Ends policies are the outcomes expected to be achieved by the organization for its customers. These include ensuring a safe, reliable and affordable source of water; natural flood protection; water resources stewardship; and climate change mitigation and adaptation. The CEO dedicates resources to implement programs and projects that achieve the Board's Ends policies.

In meeting the Board's Ends policies, the CEO and other Board Appointed Officers (BAOs) are solely accountable to the Board for organizational performance, which is monitored quarterly. The Board regularly reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives. The Board's Policies can be viewed at:

https://www.valleywater.org/how-we-operate/board-governance-policies.

Board directorial districts



History Timeline

For 92 years, Valley Water has improved and expanded its products and services to meet the growing needs of Santa Clara County residents.

Early 1900s

Nearly 14,000 acres of orchards and vineyards are under irrigation in Santa Clara Valley. Local farmers begin noticing a significant drop in well water levels.

1920s

Concern over land subsidence from overpumping the groundwater basin leads farmers and business leaders to push for the formation of the Santa Clara Valley Water Conservation Committee.

1929: The Santa Clara Valley Water Conservation District is formed by the State Legislature.

1930s

Calero, Almaden, Guadalupe, Vasona, Stevens Creek and Coyote reservoirs are completed. Recharging of the underground aquifers begins.

1931, 1937 and 1938: Floods occur in the midst of drought and land subsidence.

1940s

Significant post-war population growth.

1940-46: Major drought. Land subsidence worsens in north San Jose due to overpumping. Voters pass construction bonds for Lexington and Anderson dams for water storage and percolation.

1940, 1942 and 1943: Floods occur in the midst of drought and land subsidence.

1950s

Increased growth shifts county's water use from primarily agricultural to domestic and industrial. The South Santa Clara Valley Water Conservation District builds the Chesbro and Uvas dams.

The Central Santa Clara Valley Water Conservation District is annexed to the Santa Clara Valley Water Conservation District. Water conservation education begins in earnest.

1952: The County Board of Supervisors forms the Santa Clara County Flood Control and Water Conservation District to protect the county from flooding and supplement local water supply with imported water. The "Christmas Week" floods of 1955 leave thousands homeless. The Guadalupe River alone floods 8,300 acres, the worst flood on that river in recorded history.

1960s

1960: The county's population swells to 642,000.

1962: President John F. Kennedy and Gov. Edmund G. "Pat" Brown dedicate the San Luis Dam and Reservoir west of Los Baños.

1965: The state of California begins delivering water from the Sacramento-San Joaquin River Delta to Santa Clara County via the South Bay Aqueduct. Slowly, the addition of imported water to recharge efforts begins to reverse land subsidence; by 1969 it is halted for the first time in 40 years. Rinconada Water Treatment Plant begins drinking water treatment and distribution operations in Los Gatos.

1968: The Santa Clara Valley Water Conservation District and the Santa Clara County Flood Control and Water Conservation District merge to manage water supply and flood programs for most of the county.

1970s

The Santa Clara Valley Flood Control and Water District changes its name to the Santa Clara Valley Water District. Penitencia Water Treatment Plant comes on line.

1976-77: Historic drought years reduce deliveries from the State Water Project; Delta water is too salty to be percolated into local aquifers, but is still used by the treatment plants. Conservation efforts achieve a 22 percent drop in water usage.

Valley Water Overview

1980s

Environmental concerns are addressed as part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

1980: The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

1987: South county voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period. The county's population nears 1.7 million.

1990s

The 1987-93 drought drives Valley Water to seek new sources of water through recycling, water banking and aggressive water conservation.

1995: Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San Jose.

1997: Valley Water completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards. Coyote Creek flooded several sites between Morgan Hill and San José, causing damage to homes and businesses.

1998: Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead Valley Water into the 21st Century.

2000-2022

Valley Water takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County wells and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

2000: County voters approved the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

2005: The 15-year, $346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

2006: Santa Teresa Water Treatment Plant delivers Valley Water's first ozonated water, providing customers better-tasting, more healthful tap water.

2007: Assembly Bill 2435 is enacted, ending county oversight of Valley Water's budget and other procedural holdovers from the 1968 merger. Penitencia Water Treatment Plant begins delivering ozonated water to customers.

2009: Valley Water Board calls for 15% mandatory conservation in response to continuing water shortage; recession drives significant Valley Water budget reductions.

2010: Assembly Bill 466 enacted, increasing the boundaries for the Board of Directors from five to seven districts.

2012: 74% of county voters approve the Safe, Clean Water (Measure B), a special tax to ensure continuity of flood protection, dam maintenance and stream stewardship services for 15 more years.

2014: The Silicon Valley Advanced Water Purification Center is completed, producing 8 million gallons a day of purified recycled water to enhance the quality of recycled "purple pipe" water used for non-potable purposes and demonstrating technologies that can be used to purify water to augment drinking water supplies.

2015: Entering the fourth year of drought, the Board adopted a resolution calling for a countywide water use reduction of 30% compared to 2013. Valley Water began a large-scale modernization of the Rinconada Water Treatment Plant, the second-largest of Valley Water's plants.

2016: Mid-year, the Board voted to reduce the water use reduction target to 20%. The implementation of fluoridation was completed in December 2016 for South, East and North San Jose, and Milpitas.

2017: In January, the Board adopted a resolution continuing the 20% water use reduction target and three day per week watering restriction.

2018: After a 2017 flood impacted neighborhoods along Coyote Creek, the Board approved changes to Anderson Reservoir operations to reduce the risk of flooding downstream. Crews completed short-term flood protection improvements in the Rock Springs neighborhood before the winter began. The Board and the City of San Jose approved a new Emergency Action Plan to prepare for and respond to flooding on Coyote Creek.

2019: The California Water Commission awarded the Pacheco Reservoir Expansion Project $484.55 million under Proposition 1, and approved Valley Water's request for early funding of $24.2 million to proceed with next steps, such as completing environmental documents and permit applications. The project would expand Pacheco Reservoir's storage capacity to provide for increased emergency water supplies, improved operational flexibility, improved water quality, additional water supply reliability, and ecosystem benefits throughout our region and the Sacramento-San Joaquin Delta.

2020: In November, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that will continue to provide the funding for local projects that support Valley Water's mission. Beginning in October, Valley Water lowered water levels in Anderson Reservoir in response to an order by the Federal Energy Regulatory Committee to reduce the risk to the public should the dam fail during a large earthquake. Anderson Reservoir will be unavailable for a decade as Valley Water builds a new, larger outlet tunnel and retrofits the dam.

2021: As Santa Clara County endures a second year of drought, the Valley Water Board declared a drought emergency in June and called for 15% mandatory conservation. Valley Water releases the draft Environmental Impact Report for the proposed expansion of Pacheco Reservoir in south Santa Clara County. In July, Valley Water held a groundbreaking ceremony for the Anderson Dam Tunnel Project.

2022: In April, Valley Water held a groundbreaking ceremony to commemorate the start of construction on the first phase of the South San Francisco Bay Shoreline Project. Valley Water is partnering with the U.S. Army Corps of Engineers, the California State Coastal Conservancy, and the U.S. Fish & Wildlife Service on the construction of this multi-objective infrastructure project.

Board Committees

Committees are made up of board members that advise the Board on an ongoing basis for an assigned subject purpose.

Board Policy and Planning Committee: Provides support to the Board in areas of:

1. Board planning process.
2. Board Committees' principles and structures.
3. Board and organization performance monitoring.
4. Other tasks as assigned by the Board.

Board Audit Committee: Assist the Board, consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.

Board Ethics and Conduct Committee: Consider initiation of investigation of allegations against a Board member in accordance with Board Governance Policy GP-6.

Capital Improvement Program (CIP) Committee: Provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

Climate Adaptation and Sustainability Committee: Plan for the future of Valley Water with respect to undeniable climate change; reduce Valley Water carbon footprint and accurate accounting of such; and investigation of an ecological footprint accounting for Valley Water in addition to financial accounting.

Diversity and Inclusion Ad Hoc Committee: Work on Board and Director identified diversity and inclusion issues.

Environmental Creek Cleanup Committee: Discuss homelessness and encampment issues and bring discussion and recommendations back to the Board.

Recycled Water Committee: Develop a long-term proposal for how Valley Water can work together with other local agencies on recycled water opportunities within Valley Water boundaries, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Stream Planning and Operations Committee (SPOC): Track progress of Initialing Parties of the FAHCE Settlement Agreement in completing requirements enabling dismissal of water rights complaint and commencement of restoration program. Identify/recommend Board actions to ensure expeditious completion of requirements defined in Purpose 1, including engagement with appointed boards and senior officials of other Initialing Parties. Identify/track progress of District and non-District activities that may affect the FAHCE Settlement Agreement and implementation.

Water Conservation and Demand Management Committee: Support the Board in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.

Water Storage Exploratory Committee: Receive and discuss information on issues related to additional water storage options.

Board Advisory Committees

Committees made up of constituents/elected officials that are formed and managed in accordance with Board resolution.

Agricultural Water Advisory Committee: To assist the Board with policies and issues pertaining to agricultural water supply and use, and in the annual review of groundwater production charges.

Environmental and Water Resources Committee: To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship.

Santa Clara Valley Water Commission: To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship, as well as in the annual review of groundwater production charges.

Santa Clara Valley Water District Youth Commission: Assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission for Board consideration, and to identify Board-related issues pertaining to public policy education, outreach, and all matters impacting Santa Clara County youth and Valley Water.

Joint Committees

Committees made up of board members and other agency staff that are formed to advise the Board and or in accordance with agreements, contracts, etc.

Joint Recycled Water Advisory Committee with the City of Sunnyvale: Develop a long-term proposal for how Valley Water and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Recycled Water Policy Advisory Committee with the City of San Jose/Santa Clara/TPAC: Required per term in the City–Valley Water 40-year Integration Agreement. The Committee shall tender its advice to Valley Water's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.

Joint Recycled Water Policy Committee with the Cities of Palo Alto, East Palo Alto, and Mountain View: Develop a long-term proposal for how Valley Water and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy:
Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin.
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County.
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan.

4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County.
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

San Felipe Division Reach One Committee: Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.

Board Working Groups

Board Working Groups are made up of board members that advise the Board on an assigned subject/purpose, limited in scope and duration.

Delta Conveyance Authority Group: Information sharing.

Financial Sustainability Group: Review organizational financial sustainability factors.

External Monitoring Committee

Committee made up of members of the community nominated by the Directors.

Safe, Clean Water Independent Monitoring Committee: Annually reviews the implementation of the intended results of the program and reports its findings to the Board, which makes the Committee report available to the residents and voters of Santa Clara County.

Groundwater Benefit Zones in Santa Clara County

As part of Valley Water's core water supply function, four distinct groundwater benefit zones form the basis for establishing District water charges. Zone W-2 roughly encompasses the Santa Clara Subbasin north of Metcalf Road. Zone W-5 encompasses the valley floor of the Llagas Subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River. Zone W-7 encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue. Zone W-8 encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, west of Santa Teresa Boulevard, and generally north of Hecker Pass Highway. Water charges are set separately for each zone, reflecting Valley Water activities benefiting each zone.

Watershed Areas and Flood Control Zones of Santa Clara County

More than 800 miles of creeks flow through Santa Clara County. Valley Water works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Sixty-eight years of working for flood protection has reduced the intensity and frequency of flooding in Santa Clara County.

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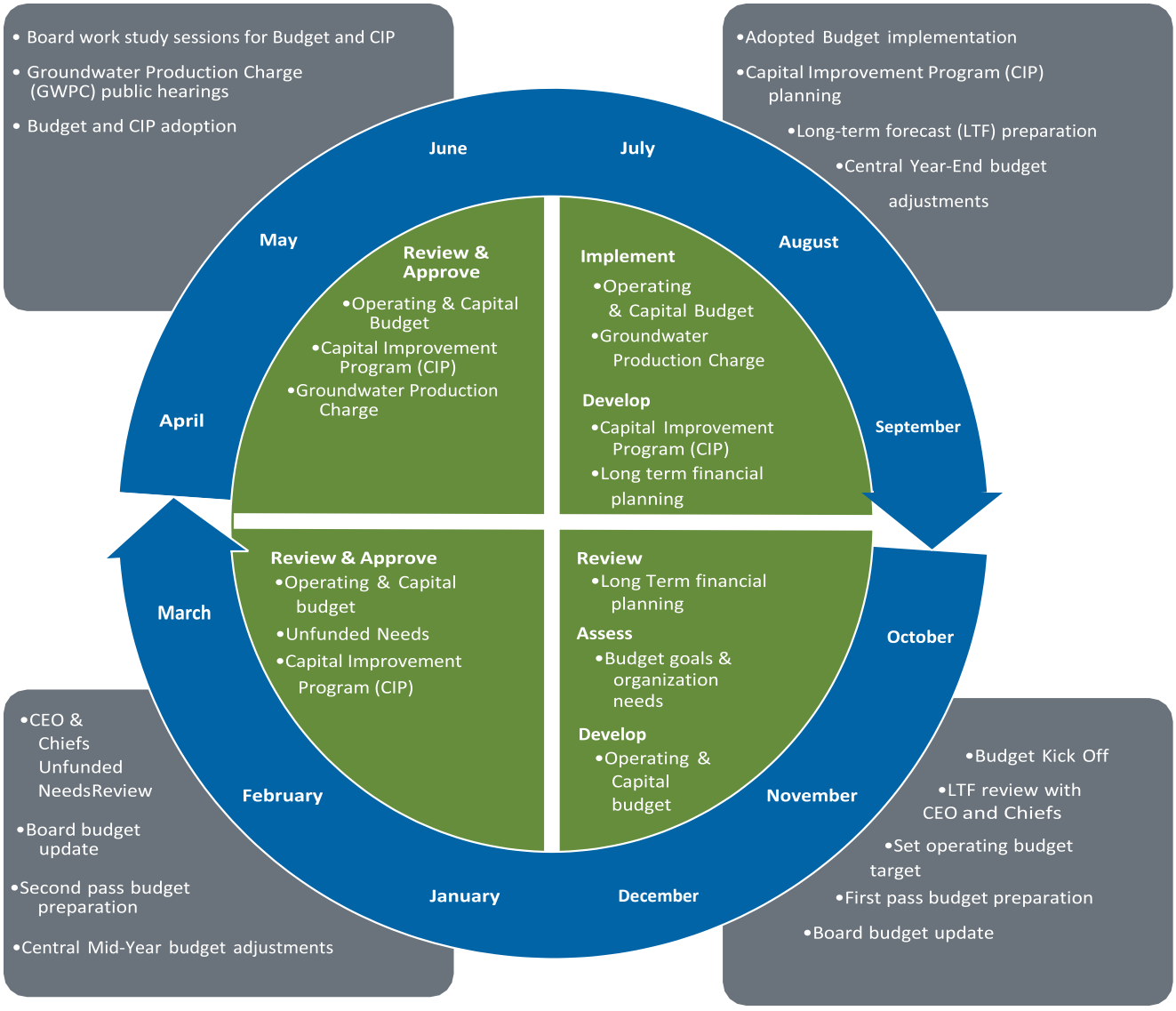
Financial Overview

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

FINANCIAL OVERVIEW

Budget Process Overview



Financial Overview

Budget Development

In accordance with the District Act and Valley Water Board of Directors' Governance Policies, Valley Water prepares and adopts an Operating and Capital Budget annually. The budget is developed in coordination with and including the Financial Planning and Rate Setting the Capital Improvement Plan (CIP) processes. The FY 2023-24 & FY 2024-25 Operating and Capital Rolling Biennial Budget is the presentation of a rolling biennial budget which reflects a subsequent fiscal year plan in FY 2024-25. The second fiscal year serves as a planning tool and will set the framework for the preparation of the FY 2024-25 Operating and Capital Rolling Biennial Budget in the following year.

Financial Planning and Rate Setting

Every year staff prepares a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long-term financial sustainability of the various Valley Water funds. For the Water Utility Enterprise funds, Valley Water uses the "revenue requirements" methodology to set the groundwater production charge and other water charges for each zone. In general, costs associated with operations, capital, debt service and reserve requirements are estimated over a 10-year time frame. The amount not funded by property taxes, interest earnings, debt proceeds, and other income is covered by water charges. A water charge projection is calculated for each zone to recover the revenue requirements over a 10-year time frame in accordance with the pricing policy (Board Resolution 99-21). The water charge setting process is conducted in accordance with the District Act and Board resolution 12-10 and includes the preparation of an annual report on the Protection and Augmentation of Water Supplies (PAWS). The report provides information on present and future water requirements for the County, water supply available to Valley Water, future capital and operating requirements, benefits and services provided by Valley Water, financing methods, and water charges by zone. A series of public hearings and meetings are conducted with advisory committees and stakeholders to ensure that feedback is gathered for the Board to consider in establishing water charges each year.

Capital Improvement Plan

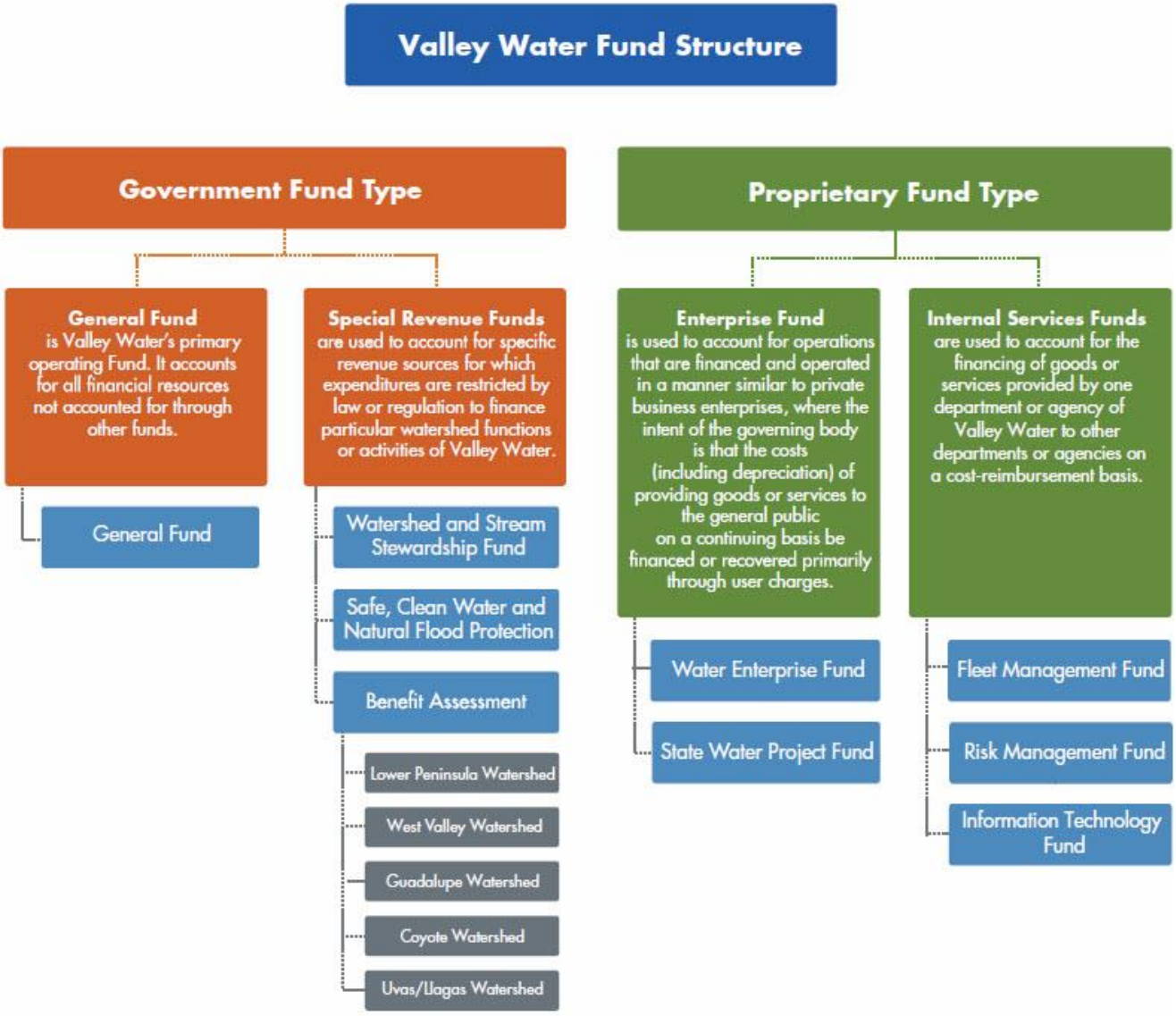
Valley Water prepares a Capital Improvement Program (CIP) annually. It is a five-year rolling CIP, meaning that it is updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year and is publicly available for review. The CIP includes project descriptions, schedules, and forecasts for capital funding needs. The CIP is the primary means of coordinating schedules and budgets for capital work.

For detail of capital expenditures and the impact of capital investments on the operating budget, please visit: https://www.valleywater.org/public-review-documents.

Other Planning Documents

Valley Water's budget is informed by many planning documents including but not limited to:

- Countywide Water Reuse Master Plan (CoRe Plan)
- One Water Plan
- Protection and Augmentation of Water Supplies Report 2023-24
- Requests of the 119th Congress
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Stream Maintenance Program Manual
- Water Utility Enterprise Five Year Operations and Maintenance Plan
- Water Utility Water Supply Master Plan
- Watersheds Five Year Operations and Maintenance Plan


Valley Water Fund Structure
Government Fund Type
General Fund
is Valley Water's primary operating Fund. It accounts for all financial resources not accounted for through other funds.
General Fund
Special Revenue Funds
are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance particular watershed functions or activities of Valley Water.
Watershed and Stream Stewardship Fund
Safe, Clean Water and Natural Flood Protection
Benefit Assessment
Lower Peninsula Watershed
West Valley Watershed
Guadalupe Watershed
Coyote Watershed
Uvas/Llagas Watershed
Proprietary Fund Type
Enterprise Fund
is used to account 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.
Water Enterprise Fund
State Water Project Fund
Internal Services Funds
are used to account for the financing of goods or services provided by one department or agency of Valley Water to other departments or agencies on a cost-reimbursement basis.
Fleet Management Fund
Risk Management Fund
Information Technology Fund

Financial Overview

Basis of Budgeting

The Budget is prepared using the modified accrual basis. Revenues are recognized only when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the payments are incurred, or an encumbrance is made.

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance- related legal and contractual provisions.

Revenue

Revenue projections are, in general, taken from Valley Water's long-range planning documents. These planning tools are updated annually based on the best information available. They are documented annually as part of the Annual Report on the Protection and Augmentation of Water Supplies (PAWS), the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Annual Report.

The FY 2023-24 Budget includes projected revenues of $633.7 million. These revenues are a net increase of 9.1% from the $580.9 million included in the FY 2022-23 Adopted Budget. The net $52.8 million increase is primarily derived from an increase in water charges revenue ($63.6 million), property taxes ($11.9 million), special parcel tax ($2.6 million), and Interest and other operating and non-operating revenues ($2.1 million), offset by decreases in capital reimbursements (-$19.3 million), benefit assessment taxes (-$6.4 million), and intergovernmental services (-$1.8 million).

The FY 2024-25 planned revenue of $730.1 million reflects a net increase of $96.4 million over the FY 2023- 24 Budget. The 15.2% growth is primarily attributed to higher water charges revenue ($76.6 million), capital reimbursements ($10.9 million), property taxes ($4.9 million), interest and other operating and non-operating revenues ($1.8 million), special parcel tax ($1.1 million), intergovernmental services ($0.9 million), and benefit assessment taxes ($0.2 million).

The specific categories of revenue include:

Water Revenue

The main source of Valley Water revenue is from water charges which is projected at $328.6 million for FY 2023-24, an increase of 24.0% over the FY 2022-23 Adopted Budget. The FY 2024-25 water revenue estimate of $405.1 million is a 23.3% increase over FY 2023-24. Revenues from treated water are the largest source with an estimated amount of $174.1 million in FY 2023-24 and increasing by $40.4 million to an estimated $214.5 million in FY 2024-25. Groundwater production charges are budgeted at $150.9 million growing to $186.5 million, and surface/recycled water sales are projected at $3.6 million increasing to $4.1 million for FY 2023-24 and FY 2024-25 respectively. These estimates include rate increases of 14.5% in Zone W-2, 5.9% in Zone W-5, 12.9% in Zone W-7, and 8.0% in Zone W-8 for municipal and industrial groundwater charges in each fiscal year of the biennial budget. Furthermore, estimates anticipate water usage rebounding 7.9% in FY 2023-24 and an additional 7.5% in FY 2024-25 due to estimated population growth and residents resuming water usage as drought conditions have passed.

Further discussion on groundwater production charges is provided in the Water Utility Enterprise Fund Summary section of this budget and in the FY 2023-24 PAWS Report.

Property Tax

Property tax revenues are estimated at $165.0 million for FY 2023-24, an increase of 7.8% from the FY 2022-23 Adopted Budget. The planned FY 2024-25 amount assumes a 3% increase totaling $169.9 million. Valley Water benefits from two types of property taxes: 1% ad valorem and levies for State Water Project (SWP) indebtedness. The 1% ad valorem is estimated at $138.0 million in FY 2023-24 and $141.9 million in FY 2024-25. Levies for State Water Project (SWP) indebtedness are budgeted at $27.0 million in FY 2023-24 and $28.0 million in FY 2024-25. More information on property tax revenue is included in the Major Sources of Revenue section later in this chapter.

Special Parcel Tax

The Safe, Clean Water and Natural Flood Protection Program special parcel tax was approved in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan, then again in 2012 as the Safe, Clean Water and Natural Flood Protection Program; most recently, an ongoing Safe, Clean Water and Natural Flood Protection Program was approved by voters in November 2020. The Special Parcel Tax for FY 2023-24 is budgeted at $52.3 million, and FY 2024-25 projected revenue is $53.4 million reflecting an increase of 5.3% in FY 2023-24 and 2.2% increase in FY 2024-25. Further details on the Special Parcel Tax and its uses can be located in the Major Sources of Revenues section, the Safe, Clean Water & Natural Flood Protection Fund summary, and the Safe, Clean Water & Natural Flood Protection Annual Report.

Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements and are set at 1.25 times the duly authorized annual debt service requirements for assessed parcels in each watershed. Benefit Assessment revenue budget is $6.9 million for FY 2023-24 and $7.1 million is planned for FY 2024-25. Benefit Assessment taxes are described further in the Major Sources of Revenue and in the Watershed Management Fund Summary sections.

Capital Reimbursements

Capital reimbursements are from local, state, and federal agencies for specified capital projects that are already completed or would be undertaken during this budget period. District-wide capital reimbursements are budgeted at $67.8 million for FY 2023-24 and projected at $78.7 million in FY 2024-25. See the Major Sources of Revenue section for further details.

Interest

Overall interest earnings are estimated at $7.2 million in FY 2023-24 and $9.0 million in FY 2024-25. The increase of $1.8 million is primarily due to the expectation of a moderately higher interest rate earned by the portfolio.

Intergovernmental Services

Intergovernmental Services revenue are reimbursements from cost sharing agreements with local cities and agencies. The FY 2023-24 totals $1.4 million in this category and is comprised of reimbursements from local agencies ($0.8 million) for conservation incentive programs such as the Lawn Rebate Program, Greywater Program, and Home Water Use Reports, and for reimbursements from the San Benito Water District for O&M San Felipe Reach 1 projects ($0.6 million).

The Planned FY 2024-25 amount of $2.3 million is comprised of San Felipe Reach 1 projects O&M reimbursements form the San Benito Water District ($0.8 million) and conservation incentive program reimbursements ($1.5 million) which includes contributions from local agencies ($0.8 million) and reimbursements from the State of California for Prop 1 ($0.7 million).

Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals $4.5 million in FY 2023-24 and FY 2024-25.

Appropriations/Outlays

Total FY 2023-24 operating and capital outlays are budgeted at $981.5 million, which includes intra-district reimbursements of $124.9 million, and these net to total operating and capital outlays of $856.6 million. These figures do not include capital carry forward ($97.2 million) appropriated by the Board in prior years. The $124.9 million of intra-district charges are comprised of General Fund reimbursements (64.2%) and Internal Service Funds charges (35.8%). Of the total FY 2023-24 net outlays, operating outlays (including debt service) accounts for $483.9 million, reflecting a minor decrease of $1.0 million compared to the FY 2022-23 Adopted Budget of $484.9 million. The total net capital outlays make up $372.7 million compared to the FY 2023-23 Adopted Budget of $432.4 million, accounting for a $59.7 million decrease.

The planned FY 2024-25 total operating and capital outlays are projected to increase by $129.7 million over FY 2023-24, reaching $1,111.1 million. The total net of intra-district reimbursements is $980.4 million, of which $550.0 million is net operating expenses and $430.4 million are net capital expenses. These amounts do not include the projected capital projects carryforward of $16.6 million and is net of an estimated $130.7 million in intra-district reimbursements comprised of General Fund reimbursements (64.5%) and Internal Service Funds charges (35.5%).

The increase in net outlays over the Biennial Budget reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing Valley Water include but are not limited to:

- Maintaining optimal conditions in all Valley Water infrastructure such as levees, concrete channels, culverts, percolation ponds, dams and reservoirs, water distribution systems, water treatment plants, various operations buildings, and other facilities
- Delivering an ambitious capital program on time and within budget
- Advancing Valley Water's interests in countywide stormwater resource planning
- Actively participating in decisions regarding California Delta Conveyance
- Leading efforts to advance recycled and purified water efforts within Santa Clara County
- Pursuing new water supply and increased water storage opportunities
- Providing safe, clean water and natural flood protection equitably to all Santa Clara County while protecting ecosystem functions and enhancing habitats
- Attaining net positive impact on the environment when completing projects
- Addressing future impacts of climate change to Valley Water's mission and operations.
- Addressing encampments in coordination with regional partners and progressing on an Unhoused Task Force framework

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. FY 2023-24 budgeted levels are $124.9 million, and $130.7 million planned in FY 2024-25. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management. Approximately, 60% of intra-district charges is paid by the Water Utility Enterprise, 40% by Watersheds Funds.

Capital Outlays

The capital budget represents the projects that have been identified and prioritized in the 5-Year Capital Improvement Program (CIP). FY 2023-24 net capital project outlays total $372.7 million, a decrease of $59.7 million as compared to the net FY 2022-23 Adopted Budget of $432.4 million. It is anticipated that $97.2 million of the FY 2022-23 Adjusted Budget for capital projects will be carried forward to FY 2023-24 as most capital projects require multiple years to complete.

Net Capital Outlays are planned to reach $430.5 million in FY 2024-25 reflecting a $57.7 million increase over the prior year budgeted level and assumes $16.6 million of the prior year's capital funds will carry forward to FY 2024-25.

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. Valley Water anticipates issuing bonds or commercial paper for approximately $268.8 million in FY 2023-24, and $321.6 million in FY 2024-25, to finance various Water Utility and Safe, Clean Water and Natural Flood Protection capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2023-24 are estimated at $474.0 million, an increase of $71.5 million compared to the FY 2022-23 Adopted Budget level. Projections for FY 2024-25 show reserves increasing $54.7 million further for a total of $528.7 million.

Staffing

The FY 2023-24 Budget includes 919 regular positions (which include four fellowships and two apprentice positions) and five limited-term positions for a total position count of 924. This staffing level includes 10 new positions to support priorities such as: Water Utility and Watershed Management capital improvement projects; develop an apprenticeship program to fill Instrument Systems Control Technician positions; convert temporary staffing to permanent for ongoing pre-construction and other field monitoring associated with Stream Maintenance Program (SMP) activities; provide an increased level of service for encampment cleanups. There are three additional positions planned in FY 2024-25, increasing the regular position count to 922 positions to strive to meet the Board's priorities. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 121,199,000	$ 150,871,000	$ 28,869,000	23.7%
Treated Water Charges	145,365,475	139,746,000	139,194,000	174,081,000	34,335,000	24.6%
Surface&Recycled Water Charges	2,003,338	3,207,000	3,207,000	3,613,000	406,000	12.7%
Benefit Assessment	13,447,241	13,274,144	13,548,559	6,891,766	(6,382,378)	-48.1%
Property Tax	157,363,023	153,122,151	160,755,100	165,019,497	11,897,346	7.8%
Special Parcel Tax	46,954,690	49,645,791	49,645,791	52,277,018	2,631,227	5.3%
Intergovermental Services	6,295,559	3,267,274	1,352,294	1,424,295	(1,842,979)	-56.4%
Operating Other	798,232	688,044	773,288	782,045	94,001	13.7%
Capital Reimbursements	21,355,292	87,116,000	50,759,000	67,836,000	(19,280,000)	-22.1%
Interest Income *	7,166,167	6,000,000	7,200,000	7,200,000	1,200,000	20.0%
Non-Operating Other	6,248,250	2,850,370	3,627,968	3,680,056	829,686	29.1%
TOTAL REVENUE	**$ 532,026,696**	**$ 580,918,774**	**$ 551,262,000**	**$ 633,675,677**	**$ 52,756,903**	**9.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 414,212,665	$ 478,614,808	$ 494,653,489	$ 470,385,433	$ (8,229,375)	-1.7%
Operating Project	8,535,774	8,484,926	9,319,926	6,603,095	(1,881,831)	-22.2%
Debt Service	58,076,369	82,350,473	72,234,010	97,434,264	15,083,791	18.3%
Total Operating Outlays	**$ 480,824,808**	**$ 569,450,207**	**$ 576,207,425**	**$ 574,422,792**	**$ 4,972,585**	**0.9%**
Capital Outlays						
Capital Projects	$ 372,726,483	$ 462,788,575	$ 487,012,428	$ 407,071,536	$ (55,717,039)	-12.0%
Carry Forward Capital Projects	-	67,372,222	-	97,173,535	29,801,313	44.2%
Total Capital Outlays	**$ 372,726,483**	**$ 530,160,797**	**$ 487,012,428**	**$ 504,245,071**	**$ (25,915,726)**	**-4.9%**
TOTAL OUTLAYS**	**$ 853,551,291**	**$ 1,099,611,004**	**$ 1,063,219,853**	**$ 1,078,667,863**	**$ (20,943,141)**	**-1.9%**
Less Intra-District Reimb	(97,328,083)	(115,000,864)	(115,000,864)	(124,927,947)	(9,927,083)	8.6%
NET OUTLAYS	**$ 756,223,208**	**$ 984,610,140**	**$ 948,218,989**	**$ 953,739,916**	**$ (30,870,224)**	**-3.1%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 171,725,418	$ 334,491,000	$ 360,741,074	$ 268,775,583	$ (65,715,417)	-19.6%
Transfers In	15,838,532	36,740,517	37,014,927	15,471,947	(21,268,570)	-57.9%
Transfers Out	(15,838,532)	(36,568,603)	(36,843,013)	(10,178,347)	26,390,256	-72.2%
TOTAL OTHER SOURCES/(USES)	**$ 171,725,418**	**$ 334,662,914**	**$ 360,912,988**	**$ 274,069,183**	**$ (60,593,731)**	**-18.1%**
BALANCE AVAILABLE	**$ (52,471,094)**	**$ (69,028,452)**	**$ (36,044,001)**	**$ (45,995,056)**	**$ 23,033,396**	**-33.4%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 41,066,971	$ 6,066,971	$ (36,409,167)	-85.7%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,480,832	3,530,832	120,747	3.5%
WUE State Water Project Tax Reserve	11,398,101	6,352,290	11,141,456	8,816,456	2,464,166	38.8%
WUE Debt Service Reserve	10,239	6,999	10,239	-	(6,999)	-100.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	1,298,138	-	(908,138)	-100.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,581,693	4,718,017	(4,112,667)	-46.6%
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***	123,267,581	47,365,114	121,634,047	37,906,382	(9,458,732)	-20.0%
SCW Operating and Capital Reserve	21,183,313	74,326,854	59,154,025	117,935,002	43,608,148	58.7%
Total Restricted Reserves	**$ 278,498,398**	**$ 218,953,302**	**$ 277,644,401**	**$ 214,250,660**	**$ (4,702,642)**	**-2.1%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 108,147,611	$ 13,147,429	$ 57,129,006	$ 11,963,405	$ (1,184,024)	-9.0%
Operating and Capital Reserve	156,554,679	158,532,809	173,243,837	232,838,010	74,305,201	46.9%
WUE San Jose Water Purification Reserve	-	-	-	1,000,000	1,000,000	0.0%
Liability/Workers' Comp Self-Insurance	7,714,800	6,621,000	8,337,000	8,337,000	1,716,000	25.9%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	3,609,913	5,580,026	353,765	6.8%
Total Committed Reserves	**$ 277,509,760**	**$ 183,527,499**	**$ 242,319,756**	**$ 259,718,441**	**$ 76,190,942**	**41.5%**
TOTAL YEAR-END RESERVES	**$ 556,008,158**	**$ 402,480,801**	**$ 519,964,157**	**$ 473,969,101**	**$ 71,488,300**	**17.8%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 155,777,427	$ 170,824,512	$ 170,824,512	$ 175,496,202	$ 4,671,690	2.7%
Salary Savings Factor	-	(2,693,924)	(2,693,924)	(2,772,242)	(78,318)	2.9%
Services & Supplies	195,131,092	234,381,116	251,254,797	213,700,765	(20,680,351)	-8.8%
Intra-District Charges	71,839,920	84,588,030	84,588,030	90,563,802	5,975,772	7.1%
OPERATING OUTLAY TOTAL	**$ 422,748,439**	**$ 487,099,734**	**$ 503,973,415**	**$ 476,988,527**	**$ (10,111,207)**	**-2.1%**
DEBT SERVICE						
Services & Supplies	$ 1,837,359	$ 5,849,371	$ 5,745,371	$ 4,486,371	$ (1,363,000)	-23.3%
Debt Service	56,239,010	76,501,102	66,488,639	92,947,893	16,446,791	21.5%
DEBT SERVICE TOTAL	**$ 58,076,369**	**$ 82,350,473**	**$ 72,234,010**	**$ 97,434,264**	**$ 15,083,791**	**18.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 44,100,828	$ 50,324,593	$ 50,324,593	$ 54,105,280	$ 3,780,687	7.5%
Salary Savings Factor	-	(816,046)	(816,046)	(877,577)	(61,531)	7.5%
Services & Supplies	303,137,487	382,867,193	407,091,047	319,479,687	(63,387,506)	-16.6%
Carry Forward Capital Projects	-	67,372,222	-	97,173,535	29,801,313	44.2%
Intra-District Charges	25,488,168	30,412,835	30,412,835	34,364,145	3,951,310	13.0%
CAPITAL PROJECTS TOTAL	**$ 372,726,483**	**$ 530,160,797**	**$ 487,012,429**	**$ 504,245,070**	**$ (25,915,727)**	**-4.9%**
TOTAL OUTLAYS ****	**$ 853,551,291**	**$ 1,099,611,004**	**$ 1,063,219,854**	**$ 1,078,667,861**	**$ (20,943,143)**	**-1.9%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 150,871,000	$ 186,506,000	$ 35,635,000	23.6%
Treated Water Charges	145,365,475	139,746,000	174,081,000	214,524,000	40,443,000	23.2%
Surface&Recycled Water Charges	2,003,338	3,207,000	3,613,000	4,088,000	475,000	13.1%
Benefit Assessment	13,447,241	13,274,144	6,891,766	7,123,978	232,212	3.4%
Property Tax	157,363,023	153,122,151	165,019,497	169,910,451	4,890,954	3.0%
Special Parcel Tax	46,954,690	49,645,791	52,277,018	53,427,112	1,150,094	2.2%
Intergovermental Services	6,295,559	3,267,274	1,424,295	2,294,595	870,300	61.1%
Operating Other	798,232	688,044	782,045	791,064	9,019	1.2%
Capital Reimbursements	21,355,292	87,116,000	67,836,000	78,715,000	10,879,000	16.0%
Interest Income *	7,166,167	6,000,000	7,200,000	9,000,000	1,800,000	25.0%
Non-Operating Other	6,248,250	2,850,370	3,680,056	3,733,847	53,791	1.5%
TOTAL REVENUE	**$ 532,026,696**	**$ 580,918,774**	**$ 633,675,677**	**$ 730,114,047**	**$ 96,438,370**	**15.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 414,212,665	$ 478,614,808	$ 470,385,433	$ 519,177,459	$ 48,792,026	10.4%
Operating Project	8,535,774	8,484,926	6,603,095	7,267,304	664,209	10.1%
Debt Service	58,076,369	82,350,473	97,434,264	119,312,987	21,878,723	22.5%
Total Operating Outlays	**$ 480,824,808**	**$ 569,450,207**	**$ 574,422,792**	**$ 645,757,750**	**$ 71,334,958**	**12.4%**
Capital Outlays						
Capital Projects	$ 372,726,483	$ 462,788,575	$ 407,071,536	$ 465,391,424	$ 58,319,888	14.3%
Carry Forward Capital Projects	-	67,372,222	97,173,535	16,555,107	(80,618,428)	-83.0%
Total Capital Outlays	**$ 372,726,483**	**$ 530,160,797**	**$ 504,245,071**	**$ 481,946,531**	**$ (22,298,540)**	**-4.4%**
TOTAL OUTLAYS**	**$ 853,551,291**	**$ 1,099,611,004**	**$ 1,078,667,863**	**$ 1,127,704,281**	**$ 49,036,418**	**4.5%**
Less Intra-District Reimb	(97,328,083)	(115,000,864)	(124,927,947)	(130,739,541)	(5,811,594)	4.7%
NET OUTLAYS	**$ 756,223,208**	**$ 984,610,140**	**$ 953,739,916**	**$ 996,964,740**	**$ 43,224,824**	**4.5%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 171,725,418	$ 334,491,000	$ 268,775,583	$ 321,557,944	$ 52,782,361	19.6%
Transfers In	15,838,532	36,740,517	15,471,947	21,182,050	5,710,103	36.9%
Transfers Out	(15,838,532)	(36,568,603)	(10,178,347)	(21,182,050)	(11,003,703)	108.1%
TOTAL OTHER SOURCES/(USES)	**$ 171,725,418**	**$ 334,662,914**	**$ 274,069,183**	**$ 321,557,944**	**$ 47,488,761**	**17.3%**
BALANCE AVAILABLE	**$ (52,471,094)**	**$ (69,028,452)**	**$ (45,995,056)**	**$ 54,707,251**	**$ 100,702,307**	**-218.9%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 6,066,971	$ 26,975,131	$ 20,908,160	344.6%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,530,832	3,580,832	50,000	1.4%
WUE State Water Project Tax Reserve	11,398,101	6,352,290	8,816,456	5,801,456	(3,015,000)	-34.2%
WUE Debt Service Reserve	10,239	6,999	-	-	-	0.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	-	-	-	0.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,718,017	22,175	(4,695,842)	-99.5%
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***	123,267,581	47,365,114	37,906,382	25,547,832	(12,358,550)	-32.6%
SCW Operating and Capital Reserve	21,183,313	74,326,854	117,935,002	139,728,262	21,793,260	18.5%
Total Restricted Reserves	**$ 278,498,398**	**$ 218,953,302**	**$ 214,250,660**	**$ 236,932,688**	**$ 22,682,028**	**10.6%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 108,147,611	$ 13,147,429	$ 11,963,405	$ 7,766,848	$ (4,196,557)	-35.1%
Operating and Capital Reserve	156,554,679	158,532,809	232,838,010	268,985,517	36,147,507	15.5%
WUE San Jose Water Purification Reserve	-	-	1,000,000	1,000,000	-	0.0%
Liability/Workers' Comp Self-Insurance	7,714,800	6,621,000	8,337,000	8,337,000	-	0.0%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	5,580,026	5,654,299	74,273	1.3%
Total Committed Reserves	**$ 277,509,760**	**$ 183,527,499**	**$ 259,718,441**	**$ 291,743,664**	**$ 32,025,223**	**12.3%**
TOTAL YEAR-END RESERVES	**$ 556,008,158**	**$ 402,480,801**	**$ 473,969,101**	**$ 528,676,352**	**$ 54,707,251**	**11.5%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 155,777,427	$ 170,824,512	$ 175,496,202	$ 188,684,542	$ 13,188,340	7.5%
Salary Savings Factor	-	(2,693,924)	(2,772,242)	(2,941,114)	(168,872)	6.1%
Services & Supplies	195,131,092	234,381,116	213,700,765	244,899,190	31,198,425	14.6%
Intra-District Charges	71,839,920	84,588,030	90,563,802	95,802,145	5,238,343	5.8%
OPERATING OUTLAY TOTAL	**$ 422,748,439**	**$ 487,099,734**	**$ 476,988,527**	**$ 526,444,763**	**$ 49,456,236**	**10.4%**
DEBT SERVICE						
Services & Supplies	$ 1,837,359	5,849,371	4,486,371	4,168,961	$ (317,410)	-7.1%
Debt Service	56,239,010	$ 76,501,102	$ 92,947,893	$ 115,144,026	22,196,133	23.9%
DEBT SERVICE TOTAL	**$ 58,076,369**	**$ 82,350,473**	**$ 97,434,264**	**$ 119,312,987**	**$ 21,878,723**	**22.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 44,100,828	$ 50,324,593	$ 54,105,280	$ 55,909,361	$ 1,804,081	3.3%
Salary Savings Factor	-	(816,046)	(877,577)	(901,418)	(23,841)	2.7%
Services & Supplies	303,137,487	382,867,193	319,479,687	375,446,085	55,966,398	17.5%
Carry Forward Capital Projects	-	67,372,222	97,173,535	16,555,107	(80,618,428)	-83.0%
Intra-District Charges	25,488,168	30,412,835	34,364,145	34,937,396	573,251	1.7%
CAPITAL PROJECTS TOTAL	**$ 372,726,483**	**$ 530,160,797**	**$ 504,245,070**	**$ 481,946,531**	**$ (22,298,539)**	**-4.4%**
TOTAL OUTLAYS ****	**$ 853,551,291**	**$ 1,099,611,004**	**$ 1,078,667,861**	**$ 1,127,704,281**	**$ 49,036,420**	**4.5%**

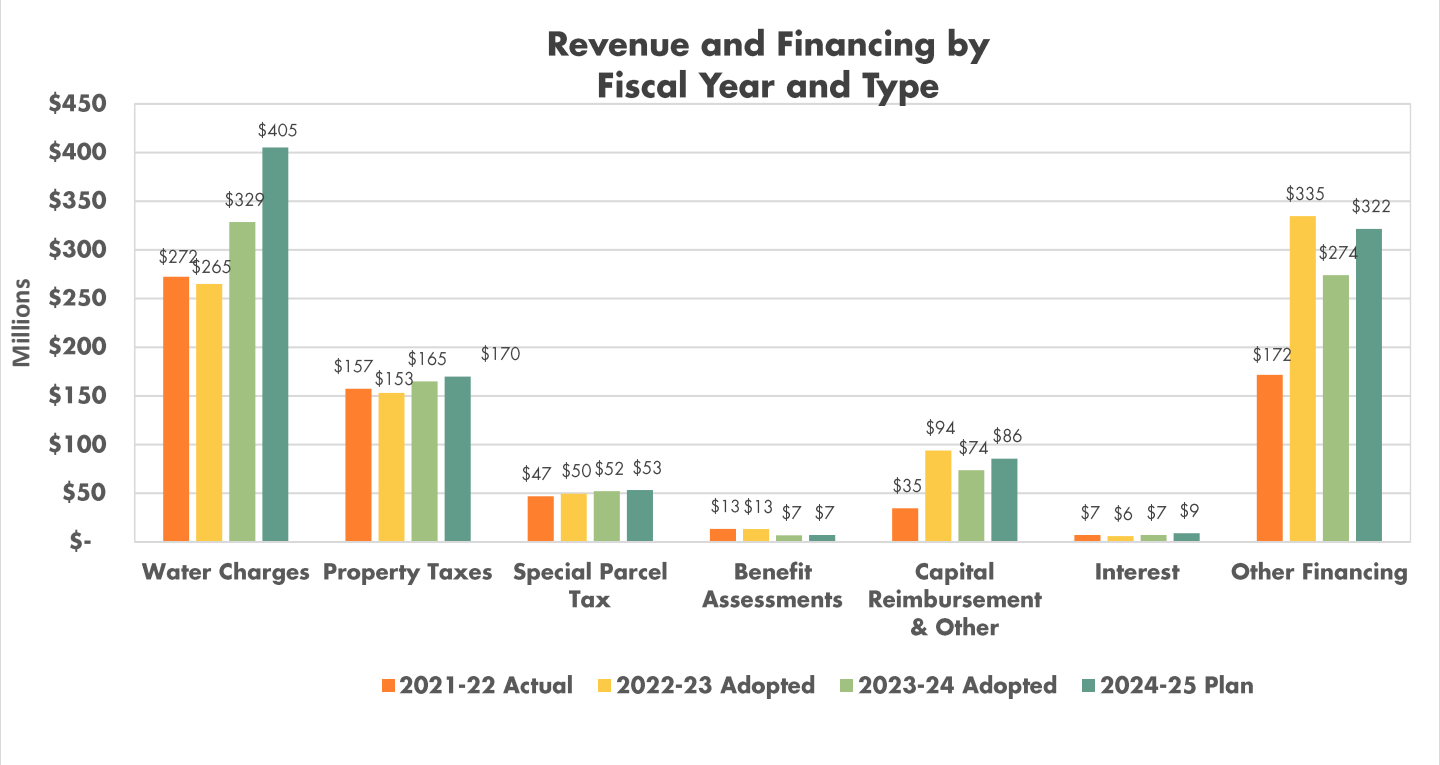
(*) Interest income does not include GASB31 market value adjustment

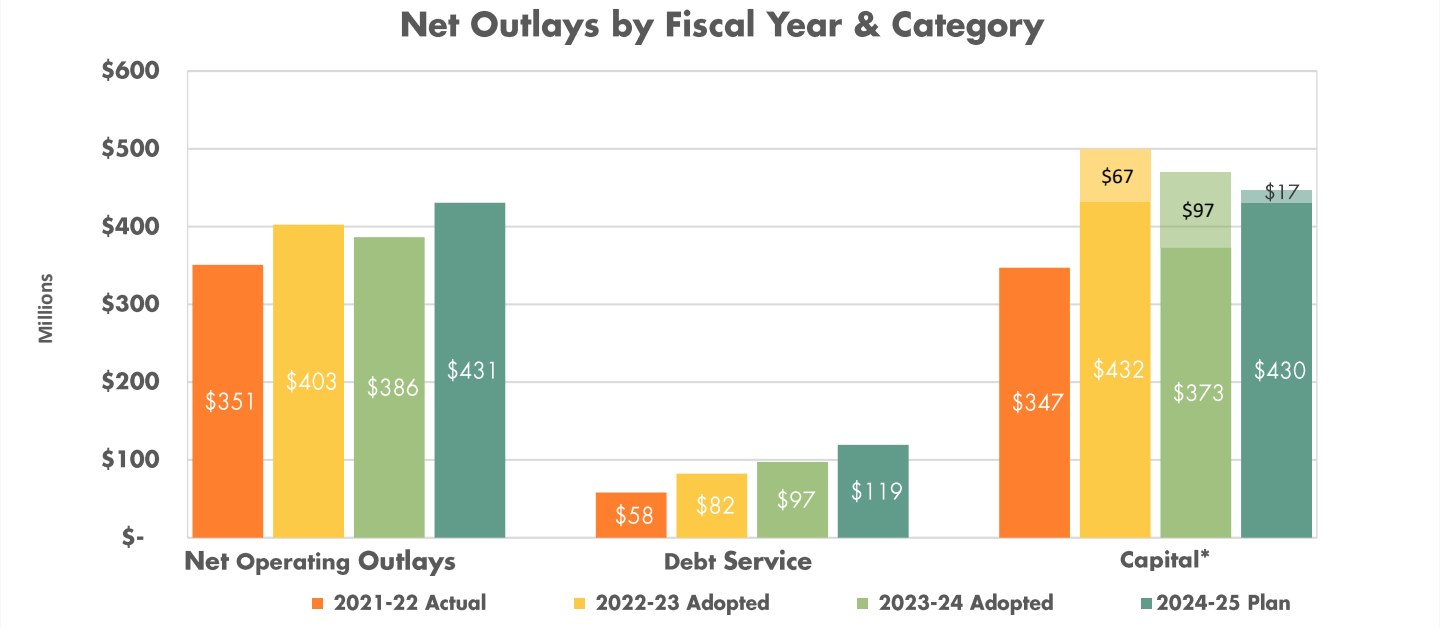
(**) Operations outlays do not include OPEB Expense-unfunded liability

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

(****) Total Outlays amounts may have a slight variance due to rounding

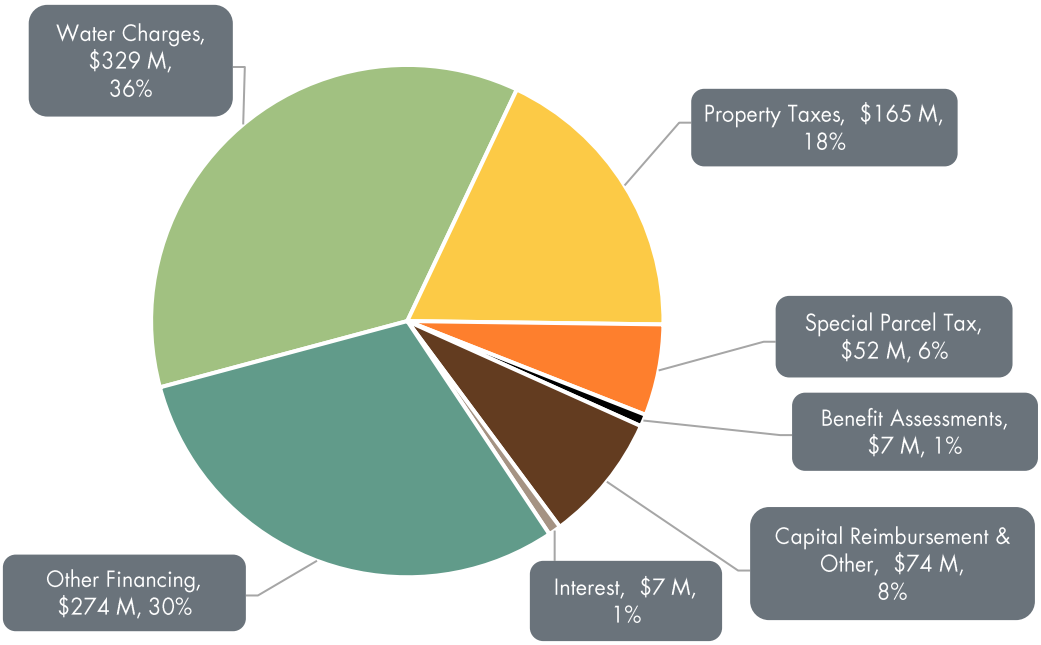
Revenue and Outlays



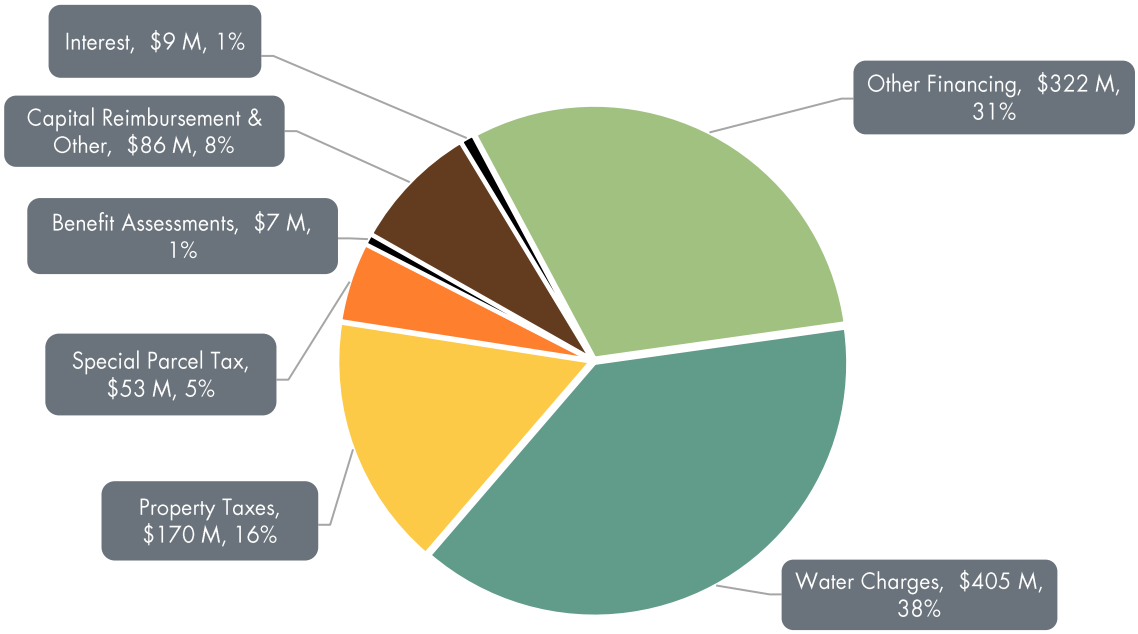


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

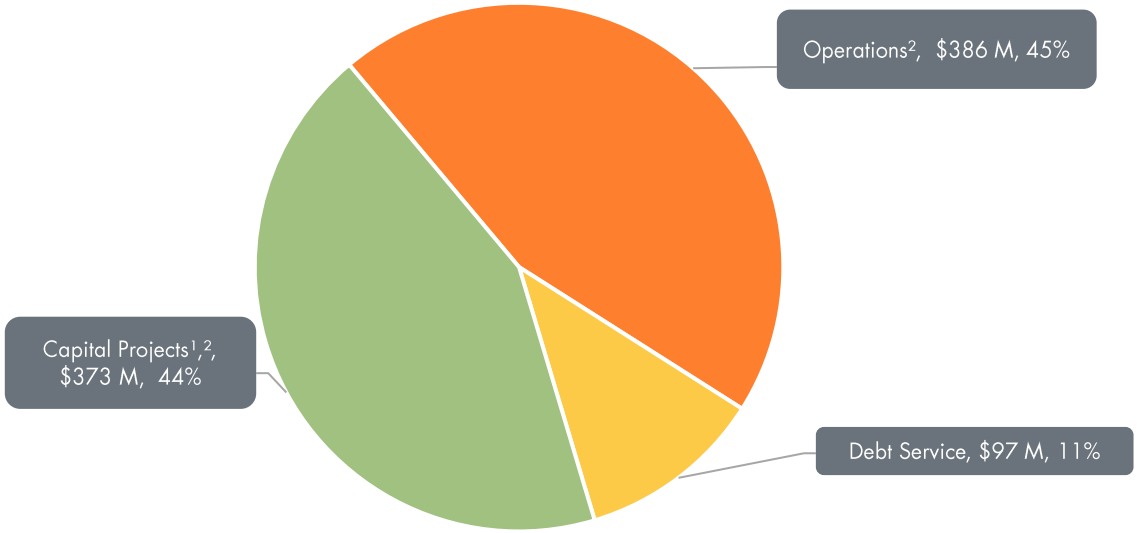
FY 2023-24 Adopted Revenue and Debt Financing, $908 Million



FY 2024-25 Plan Revenue and Debt Financing, $1,052 Million

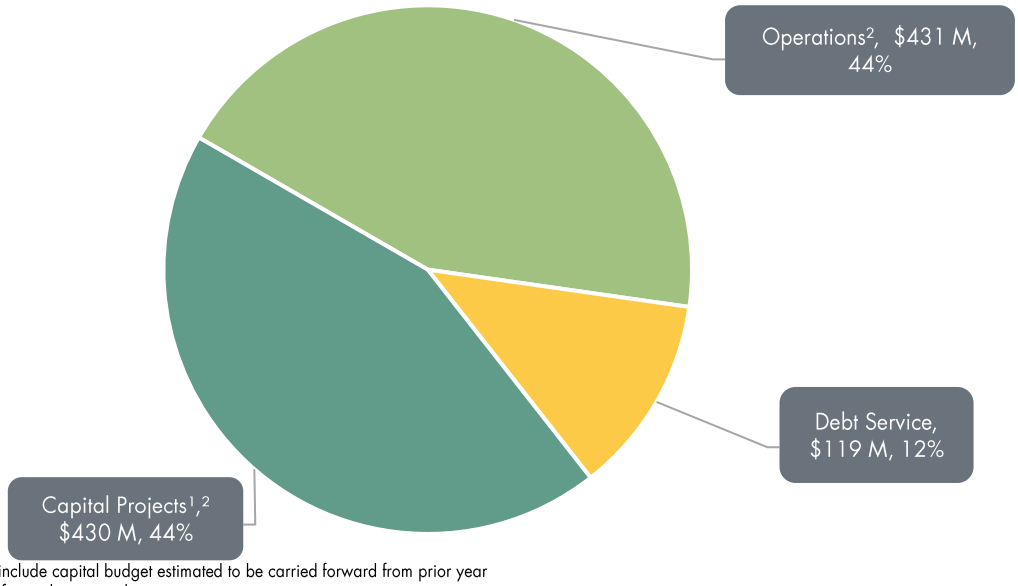


FY 2023-24 Adopted Net Outlays By Category, $857 Million



[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Capital and Operations are net of intra-district reimbursements.

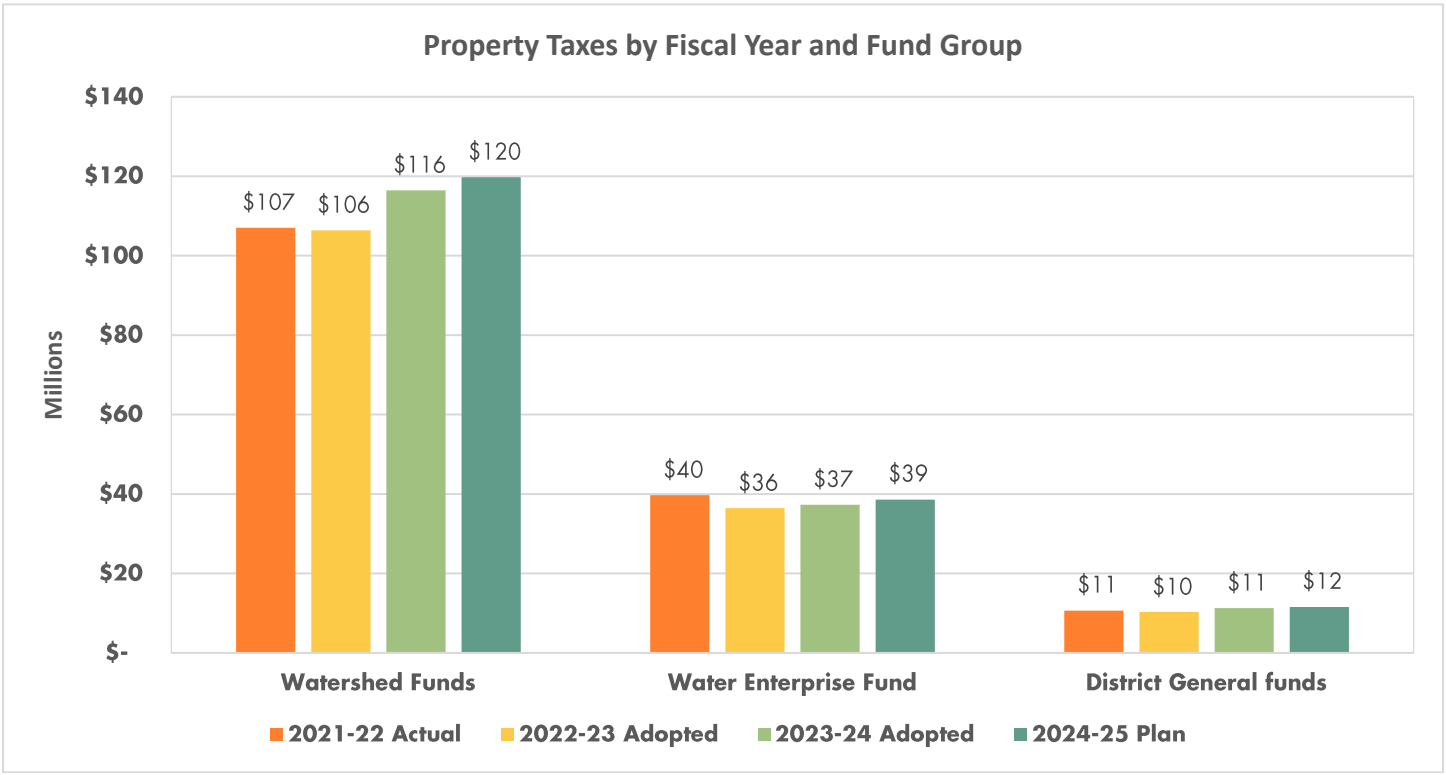
FY 2024-25 Plan Net Outlays By Category, $980 Million

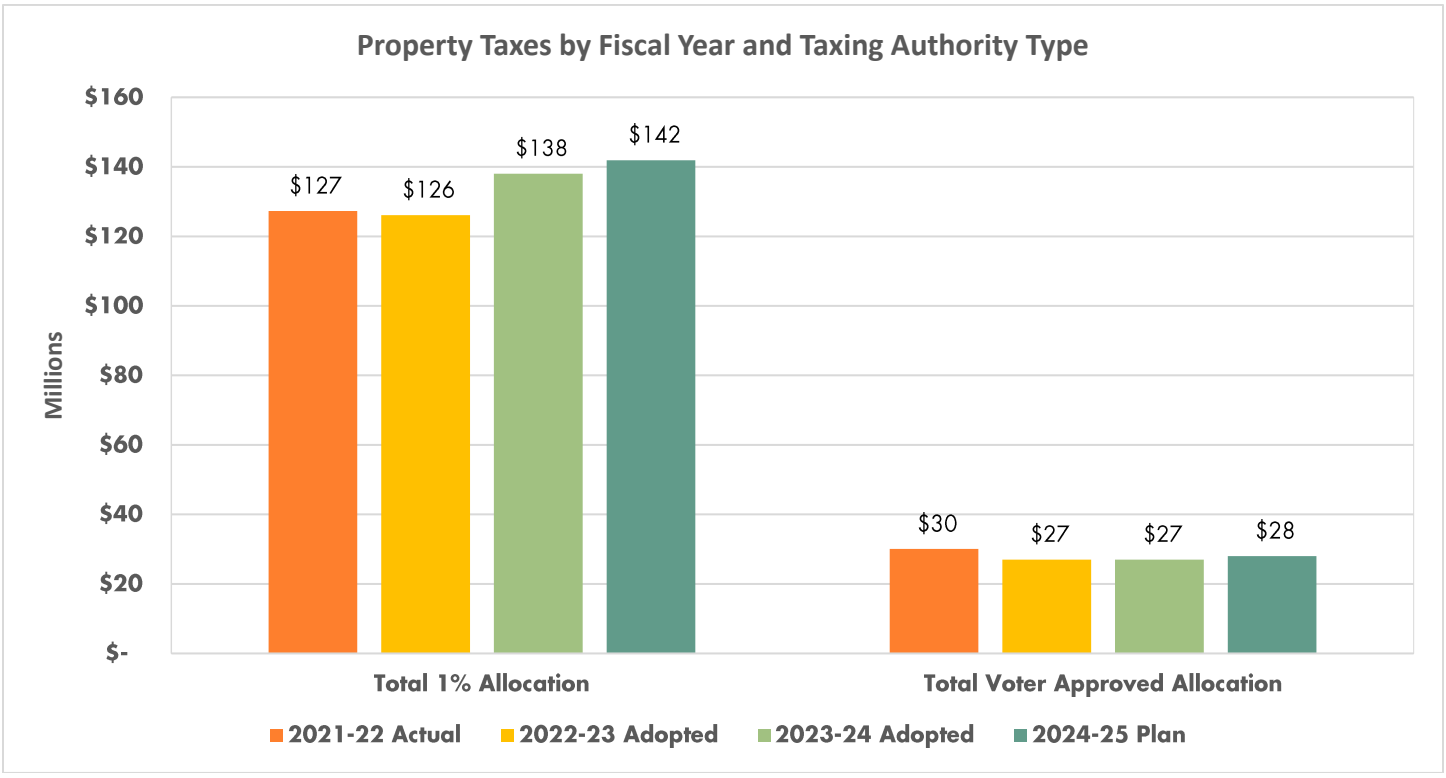


[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Capital and Operations are net of intra-district reimbursements.

MAJOR SOURCES OF REVENUE

Property Taxes





Property Taxes

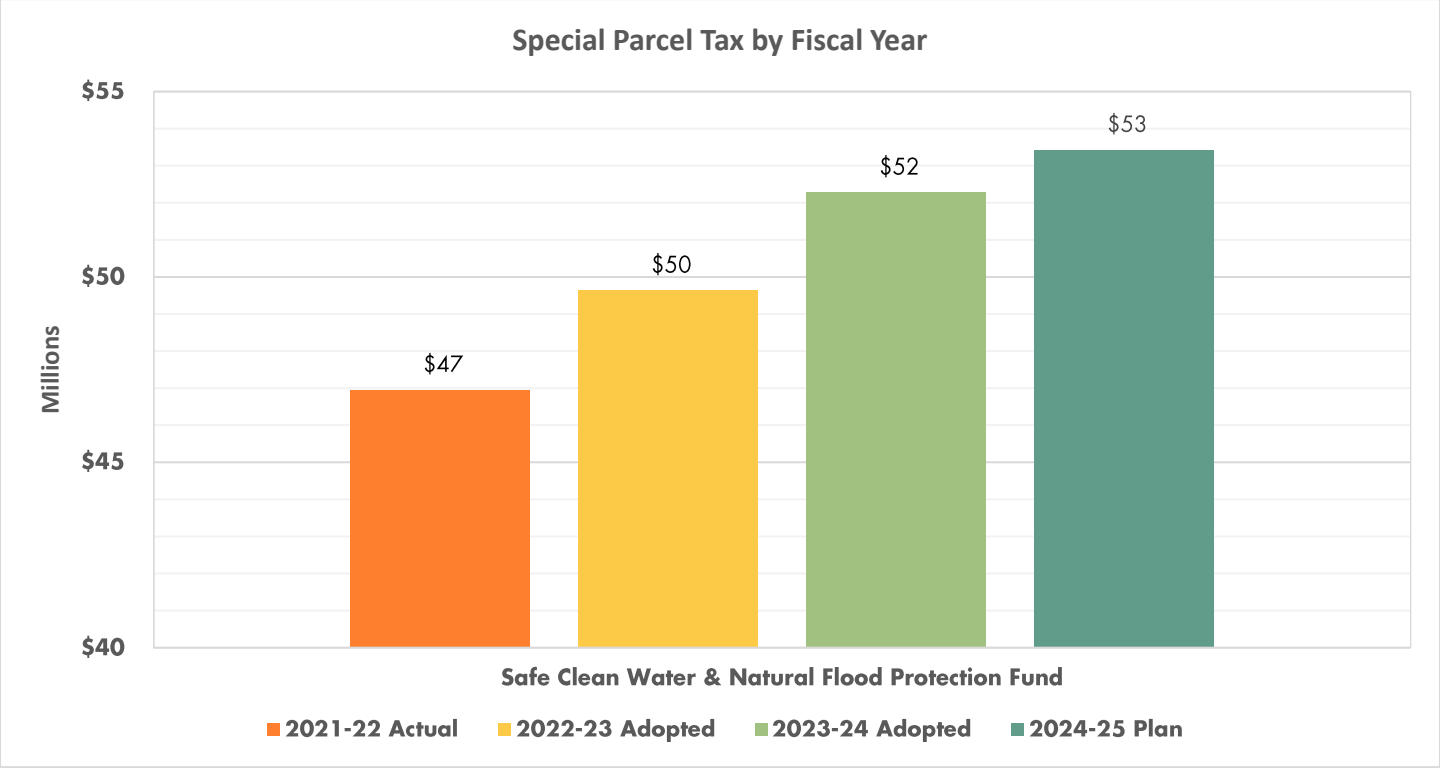
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2023-24, Valley Water is projecting $138.0 million in 1% Ad Valorem tax revenue, a 9.4% increase over the FY 2023-23 Adopted Budget. The increase reflects the growth in the assessed value of all property in Santa Clara County. For FY 2024-25, 1% Ad Valorem tax is projected to increase 2.8% to $141.9 million.

Valley Water also levies a State Water Project property tax based on its annual indebtedness to the State pursuant to its water supply contract dated November 20, 1961. This indebtedness is part of Valley Water's SWP water purchase costs and pays for construction, maintenance, and operation of SWP infrastructure and facilities. For FY 2023-24 and FY 2024-25, based on the projected operation costs, SWP taxes are projected at $27.0 million and $28.0 million, respectively.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Property Tax					
1 % Ad Valorem Property Tax					
Watershed Stream Stewardship Fund	$ 106,997,869	$ 106,390,743	$ 112,843,700	$ 116,443,701	$ 119,728,881
Water Enterprise Fund	9,653,085	9,435,263	9,999,800	10,314,710	10,604,045
District General Fund	10,650,548	10,296,145	10,911,600	11,261,086	11,577,525
Total 1% Allocation	**$ 127,301,502**	**$ 126,122,151**	**$ 133,755,100**	**$ 138,019,497**	**$ 141,910,451**
State Water Project Debt Service	**$ 30,061,522**	**$ 27,000,000**	**$ 27,000,000**	**$ 27,000,000**	**$ 28,000,000**
Total Property Tax	**$ 157,363,024**	**$ 153,122,151**	**$ 160,755,100**	**$ 165,019,497**	**$ 169,910,451**

Special Parcel Tax



Special Parcel Tax

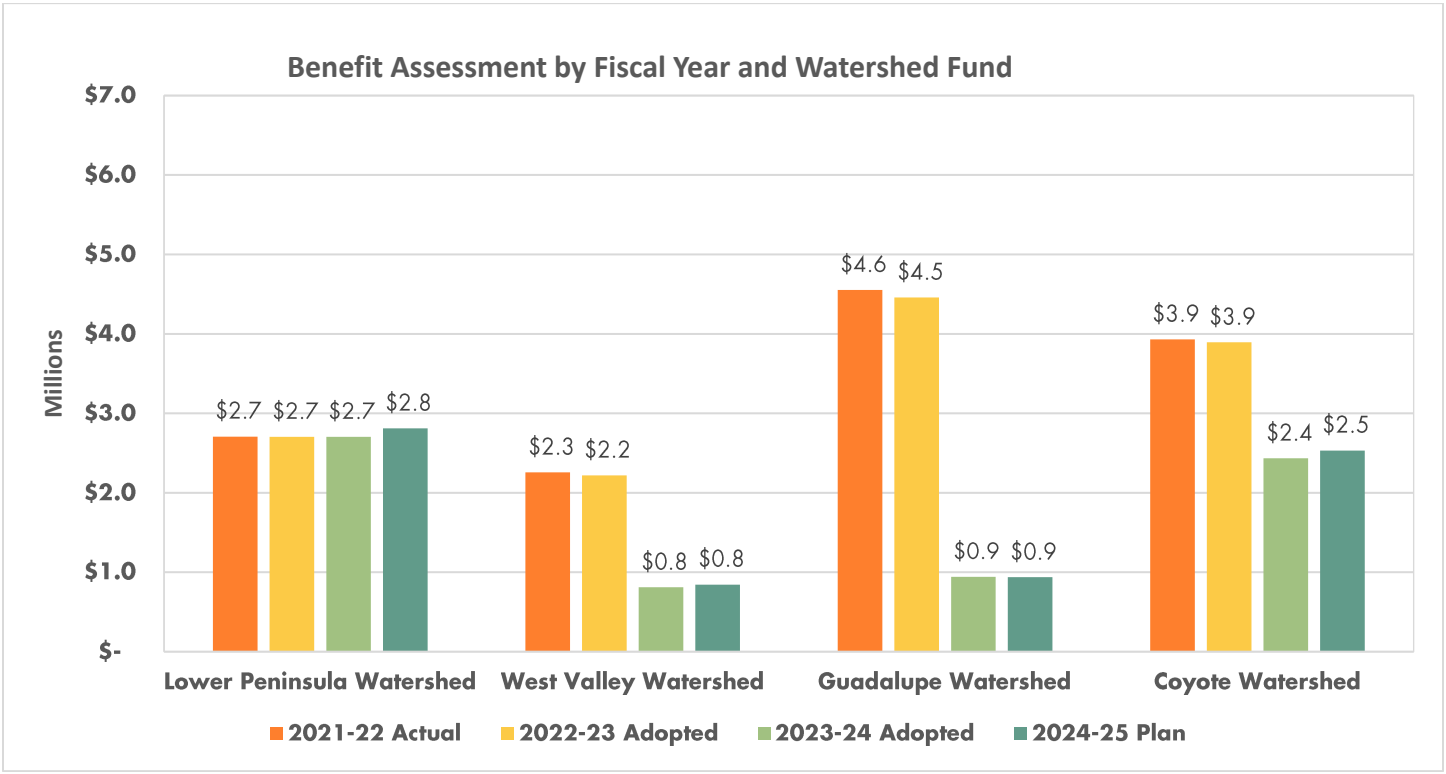
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks Program). In November 2012, the voters approved the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that built upon the success of its predecessor Clean, Safe Creeks Program. In November 2020, voters overwhelmingly approved Measure S, a renewal of the Safe, Clean Water Program. The special parcel tax levy is based on the land use and parcel size rather than assessed property value. The Board of Directors may adjust it annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 2%, whichever is greater.

A report released by the Bureau of Labor Statistics indicated that the change in CPI for the last year (from February 2022 to February 2023) was 5.3%. For FY 2023-24, the Board of Directors approved an increase in the special parcel tax revenues to equal the change in CPI of 5.3% over the FY 2022-23 Adopted Budget. As noted previously, the tax levy may be increased by the CPI or 2%, whichever is greater.

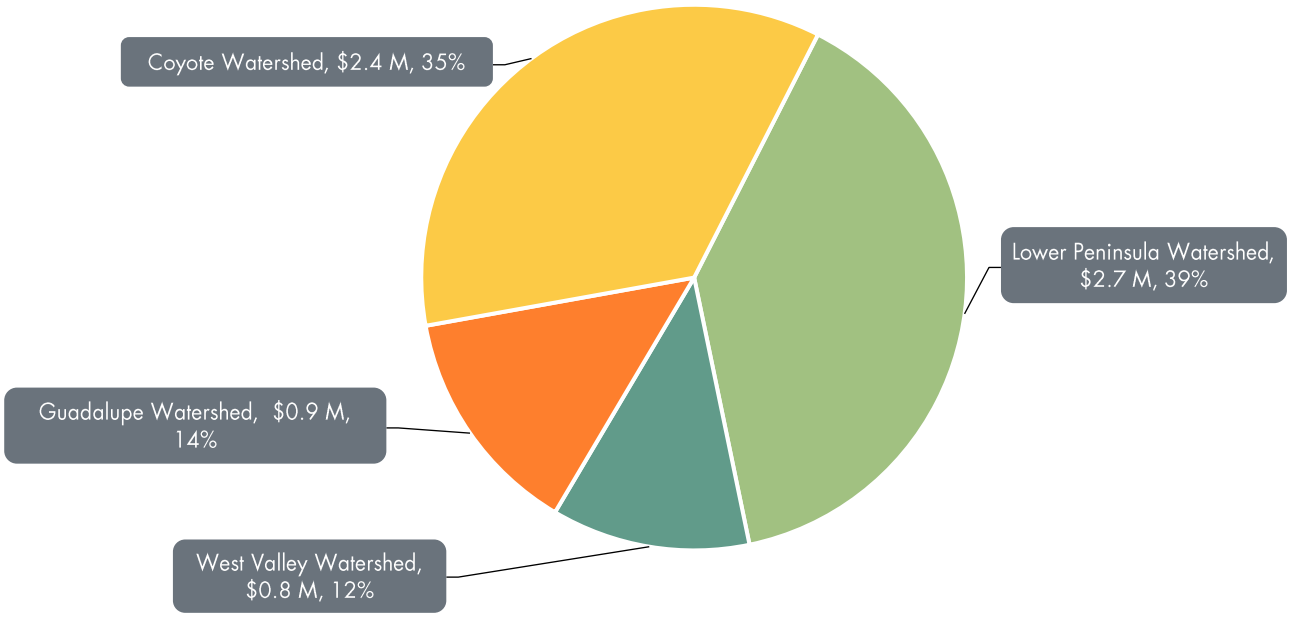
The FY 2024-25 Planned amount assumes an increase of 2.2% over the FY 2023-24 Budget, which reflects the Board adopted 2% increase in the special tax rates, and an anticipated increase in eligible parcels based on construction activity in the county. Staff will reevaluate the revenue assumptions during the development of FY 2024-25 & FY 2025-26 Operating and Capital Rolling Biennial Budget.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Special Parcel Tax					
Safe Clean Water & Natural Flood Protection Fund	$ 46,954,690	$ 49,645,791	$ 49,645,791	$ 52,277,018	$ 53,427,112
Total Special Parcel Tax	**$ 46,954,690**	**$ 49,645,791**	**$ 49,645,791**	**$ 52,277,018**	**$ 53,427,112**

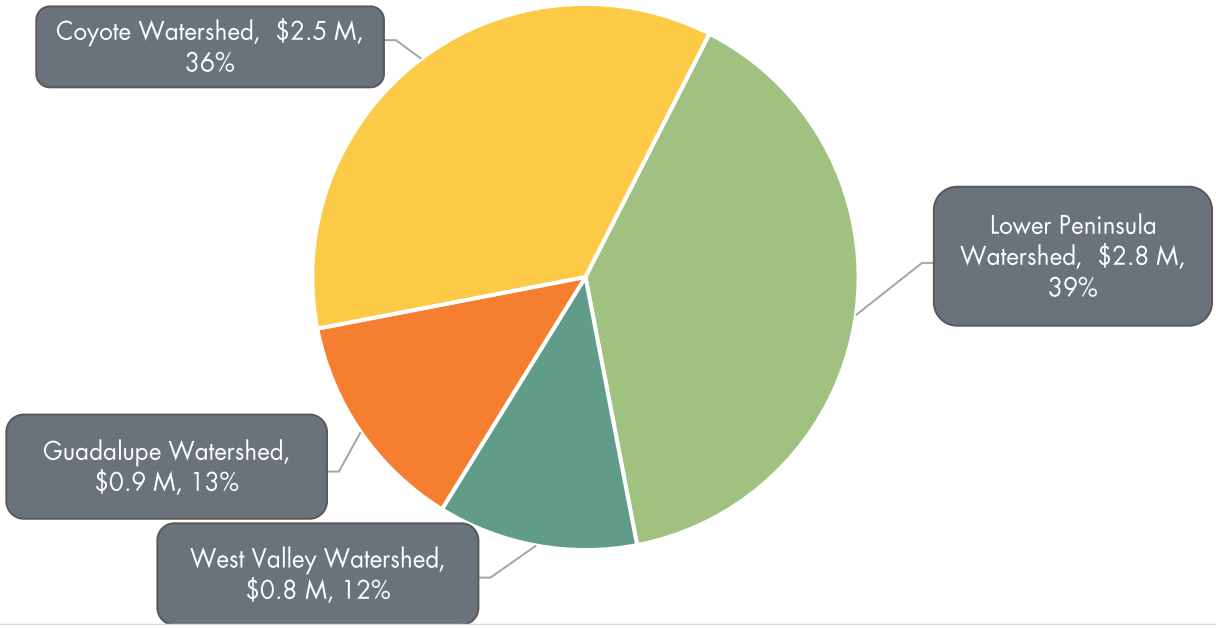
Benefit Assessment



FY 2023-24 Adopted Benefit Assessments, $6.9 Million



FY 2024-25 Plan Benefit Assessments, $7.1 Million



Benefit Assessment

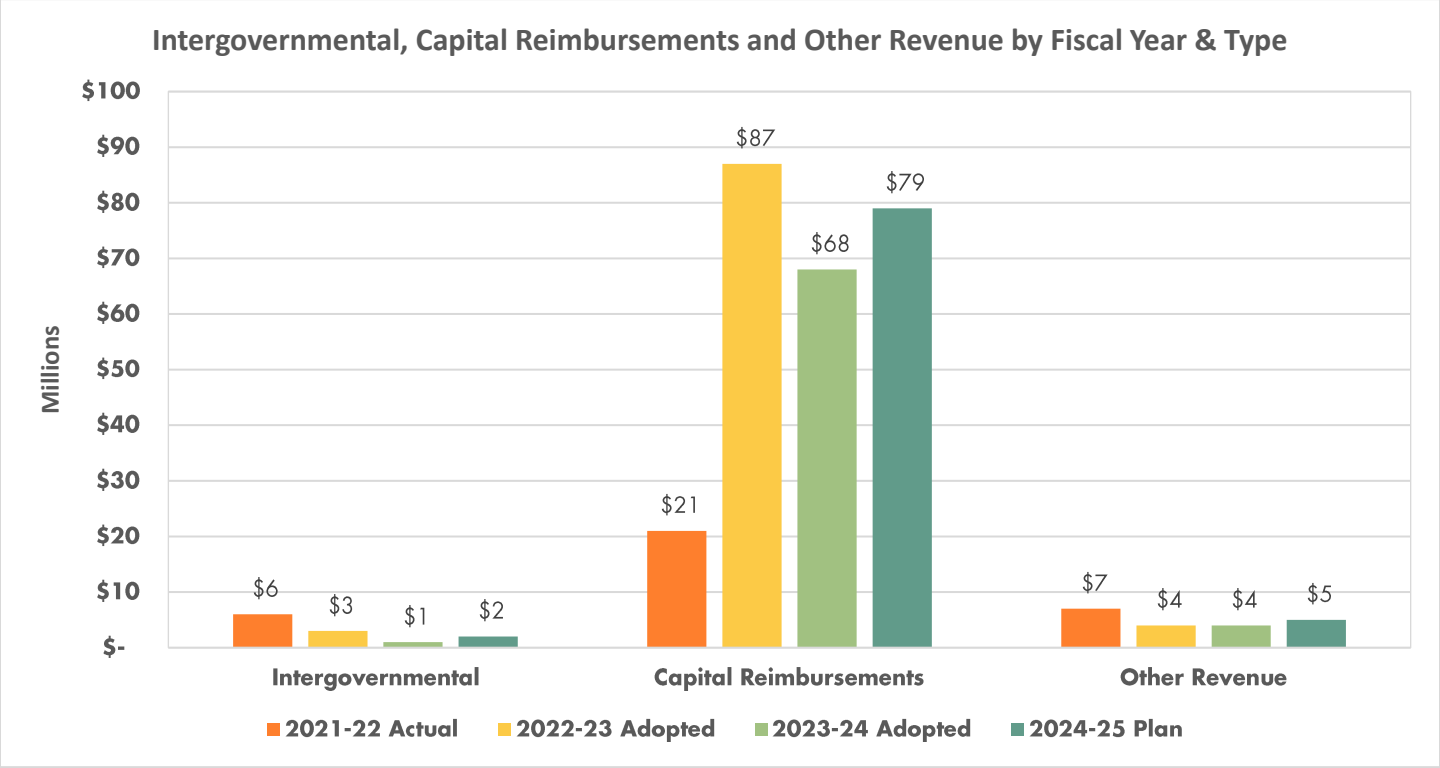
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will payoff the bonds associated with this program.

FY 2023-24 and FY 2024-25 continue under this debt repayment phase of the Benefit Assessment program with benefit assessments levied at 1.25 times the annual debt service.

For FY 2023-24 and FY 2024-25, the Benefit Assessment revenue receipts are projected at $6.9 million and $7.1 million, respectively. The decrease in revenue collection from previous years is due to some bonds associated with this program being paid in full in FY 2022-23. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Benefit Assessment					
Lower Peninsula Watershed	$ 2,707,090	$ 2,703,278	$ 2,811,590	$ 2,704,621	$ 2,811,834
West Valley Watershed	2,256,452	2,218,285	2,250,776	811,318	843,479
Guadalupe Watershed	4,552,966	4,458,666	4,494,779	941,188	937,515
Coyote Watershed	3,930,734	3,893,914	3,991,414	2,434,639	2,531,150
Total Benefit Assessments	**$ 13,447,242**	**$ 13,274,143**	**$ 13,548,559**	**$ 6,891,766**	**$ 7,123,978**

Intergovernmental, Capital Reimbursements and Other Revenue



Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of $1.4 million in FY 2023-24 and $2.3 million in FY 2024-25 in the Water Utility Enterprise Fund. These funds are primarily for reimbursement from the San Benito County Water District (SBCWD) for operating maintenance of the San Felipe Division Reach 1, and for conservation activities funded by state grants and local cost sharing agreements.

Capital Reimbursement Revenue

Capital reimbursement revenue are expected at $67.8 million in FY 2023-24 and $78.7 million in FY 2024-25.

Water Utility Enterprise receipts in FY 2023-24 are budgeted at $10.3 million, comprised of $3.0 million from the Department of Water Resources for the Cross Valley Pipeline Extension project, $3.8 million from California Water Commission for the Pacheco Reservoir Expansion project, $2.7 million from the US Bureau of Reclamation for the recycled water pipeline project in South County, and $0.8 million from San Benito County Water District for small capital improvements on the San Felipe Division Reach 1. In FY 2024-25, the only reimbursement anticipated is $41,000 for shared capital improvements expenses on the San Felipe Division Reach 1 from San Benito County Water District.

Watershed and Stream Stewardship Fund capital reimbursement are expected to be $34.2 million in FY 2023-24, comprised of $18.9 million in state subvention funds for the San Francisco Bay Shoreline project, $11.4 million Measure AA grant for the San Francisco Bay Shoreline project and $3.9 million for Calabazas/San Tomas Aquino Creek-Marsh Connection project. In FY 2024-25 reimbursements totaling $12.7 million are comprised of $12.2 million in Measure AA grants and state subvention funds for the San Francisco Bay Shoreline project and $0.5 million state subvention for the Llagas Creek Lower Capacity Restoration project.

Safe, Clean Water Fund reimbursements of $23.4 million in FY 2023-24, comprised of: state subventions of $1.0 million for the Llagas Creek –Upper, Buena Vista to Wright project and $22.4 million unsecured funding from Natural Resources Conservation Service (NRCS) for Llagas Creek - Phase 2B Construction project. In FY 2024-25, reimbursements total $66.0 million, comprised of: $10.0 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay to Middlefield Road project; and $56.0 million in unsecured funding from NRCS for the Upper Llagas Creek - Phase 2B Construction project.

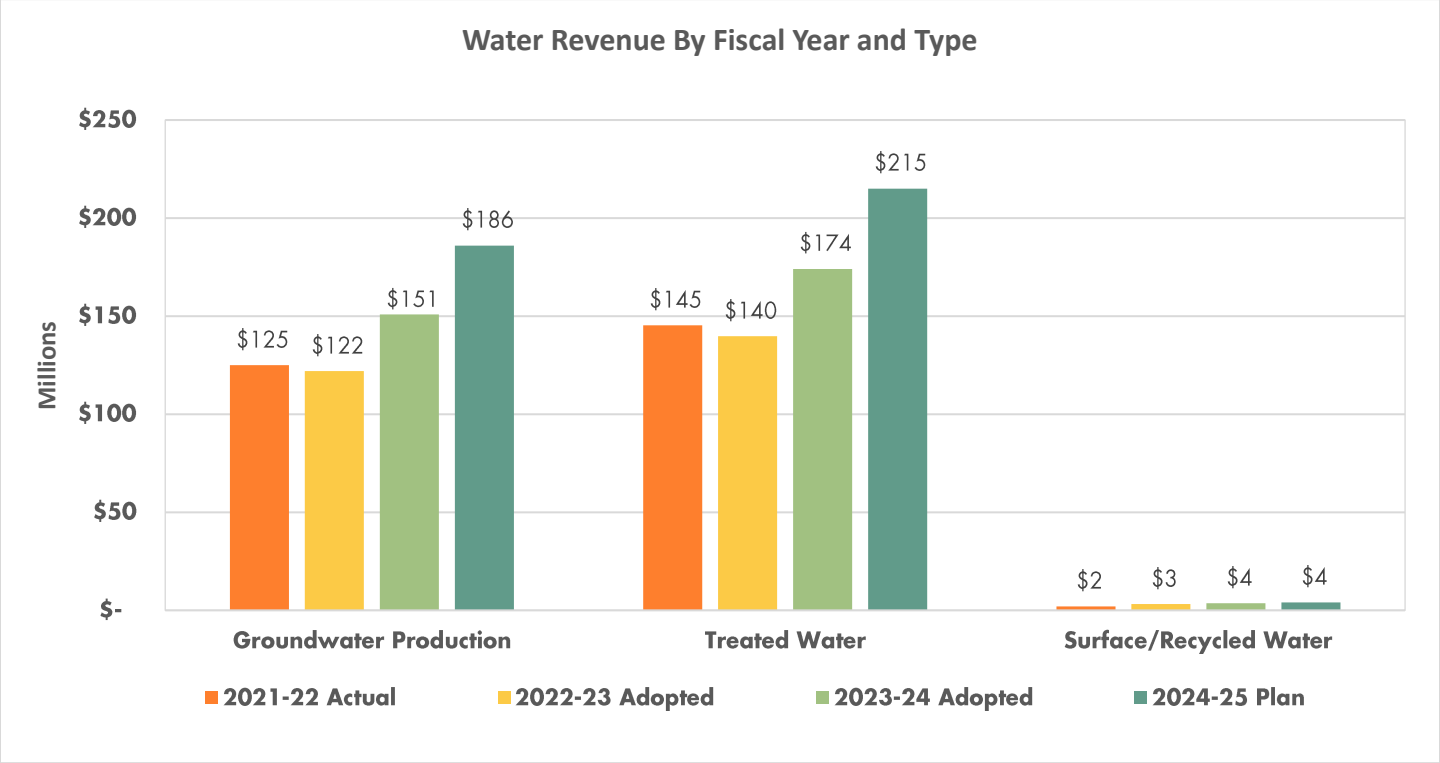
Other Revenue

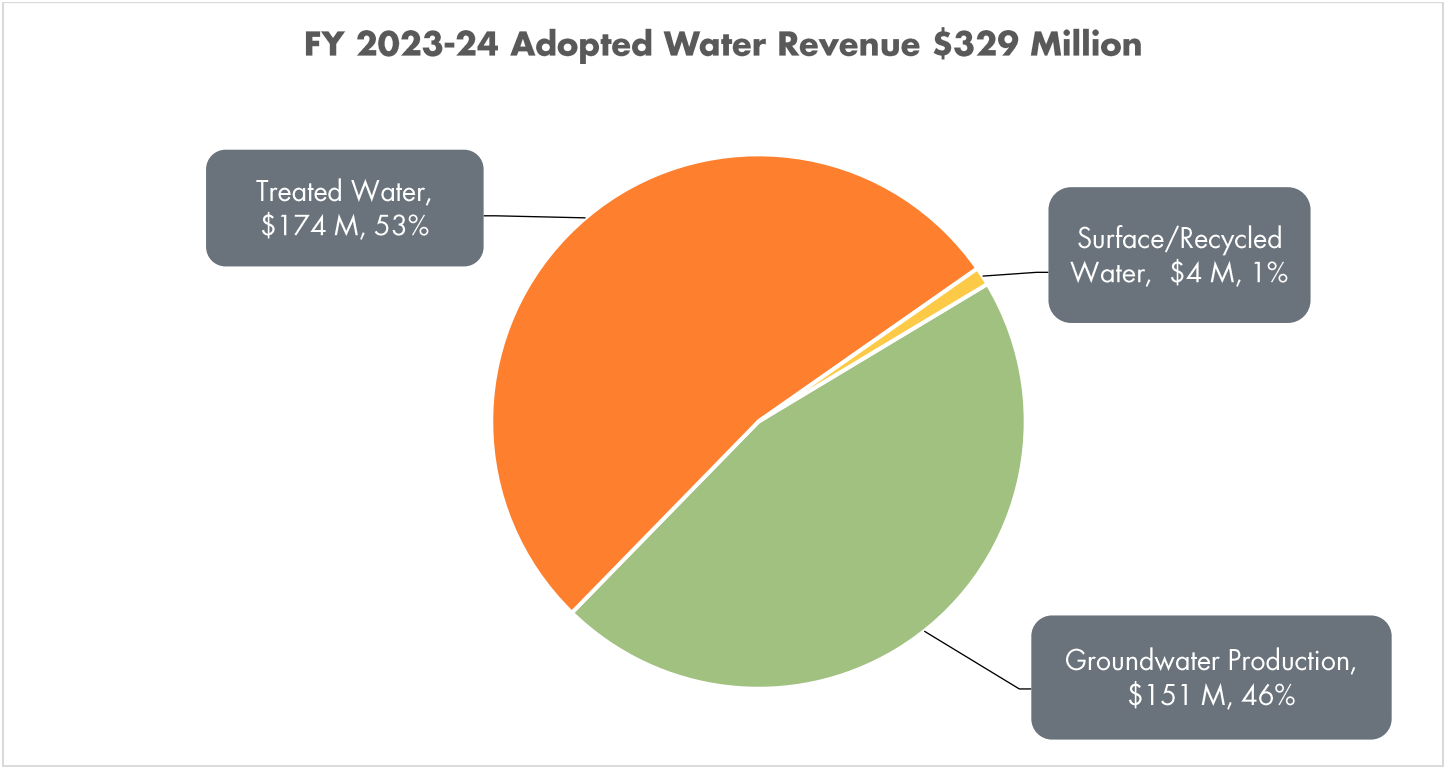
The other operating and non-operating revenue total $4.5 million per fiscal year. Approximately $1.8 million is budgeted for Watersheds, $2.6 million for Water Utility and $0.1 million for the Internal Service funds.

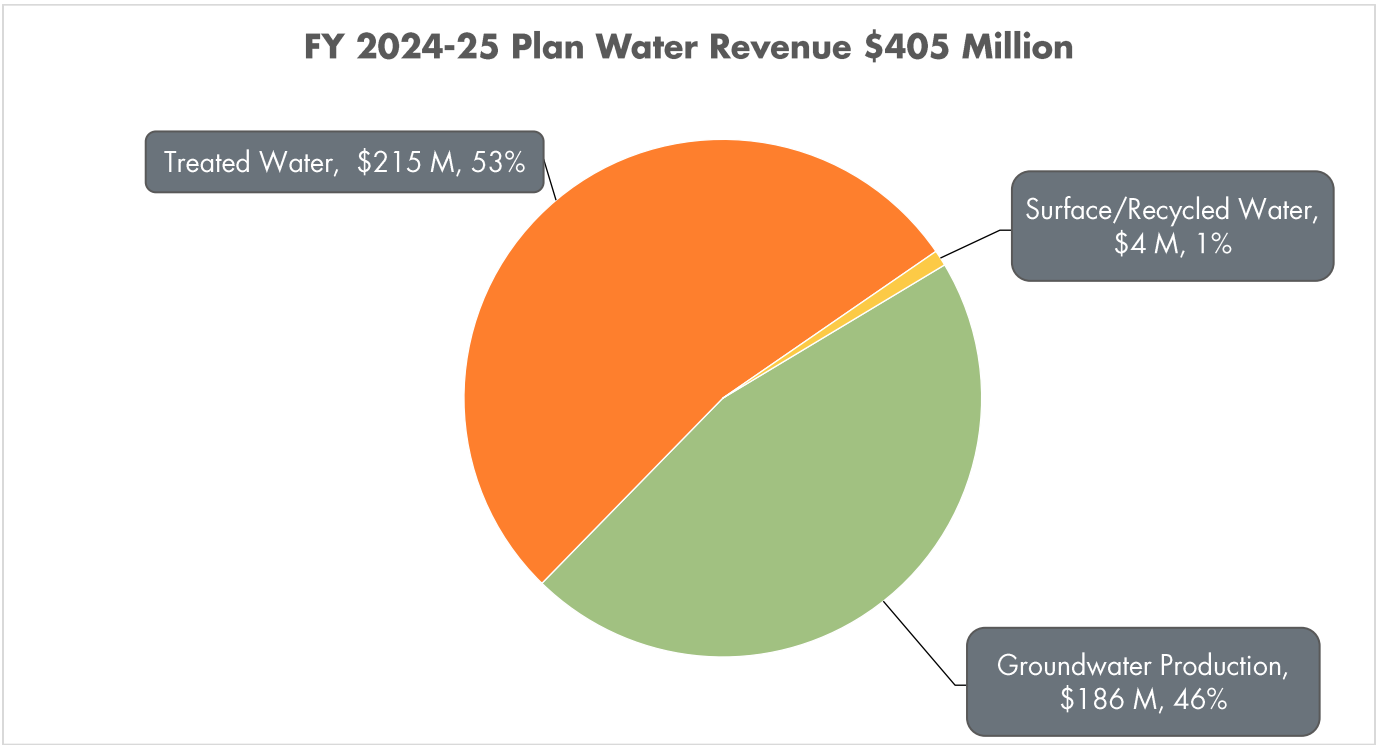
Intergovernmental, Capital Reimbursements and Other Revenue

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Intergovernmental Services					
Watershed Stream Stewardship Fund	$ 138,050	$ –	$ –	$ –	$ –
Safe Clean Water & Natural Flood Protection Fund	7,184	–	–	–	–
Water Enterprise Fund	5,340,252	3,267,274	1,352,294	1,424,295	2,294,595
Internal Service Funds	134,089	–	–	–	–
District General Fund	675,984	–	–	–	–
Total Intergovernmental Services	**$ 6,295,559**	**$ 3,267,274**	**$ 1,352,294**	**$ 1,424,295**	**$ 2,294,595**
Capital Reimbursements					
Watershed Stream Stewardship Fund	$ 10,782,233	$ 27,985,000	$ 36,982,000	$ 34,170,000	$ 12,674,000
Safe Clean Water & Natural Flood Protection Fund	4,963,901	51,826,000	3,841,000	23,400,000	66,000,000
Water Enterprise Fund	5,609,159	7,305,000	9,936,000	10,266,000	41,000
Total Capital Reimbursements	**$ 21,355,293**	**$ 87,116,000**	**$ 50,759,000**	**$ 67,836,000**	**$ 78,715,000**
Other					
Watershed Stream Stewardship Fund	$ 2,767,660	$ 1,671,244	$ 1,756,490	$ 1,809,184	$ 1,863,458
Safe Clean Water & Natural Flood Protection Fund	550,642	–	–	–	–
Water Enterprise Fund	1,645,607	786,170	1,594,766	1,602,917	1,611,453
State Water Project Fund	1,742,266	1,000,000	1,000,000	1,000,000	1,000,000
District General Fund	139,789	30,000	30,000	30,000	30,000
Internal Service Funds	200,520	51,000	20,000	20,000	20,000
Total Other	**$ 7,046,484**	**$ 3,538,414**	**$ 4,401,256**	**$ 4,462,101**	**$ 4,524,911**
Total Intergov'l & Other Revenues	**$ 34,697,336**	**$ 93,921,688**	**$ 56,512,550**	**$ 73,722,396**	**$ 85,534,506**

Water Revenue




FY 2023-24 Adopted Water Revenue $329 Million
Treated Water, $174 M, 53%
Surface/Recycled Water, $4 M, 1%
Groundwater Production, $151 M, 46%


FY 2024-25 Plan Water Revenue $405 Million
Treated Water, $215 M, 53%
Surface/Recycled Water, $4 M, 1%
Groundwater Production, $186 M, 46%

Water Revenue

Valley Water's water revenue is comprised of charges for the following types of water usage:

- **Groundwater Production** - Water produced by pumping from the underground water basins
- **Treated Water** - Water which has been processed through a Valley Water treatment plant
- **Surface Water** - Water diverted from streams, creeks, reservoirs, or raw water distribution lines
- **Recycled Water** - Wastewater which has been treated for use in crop irrigation, landscaping, and industrial uses

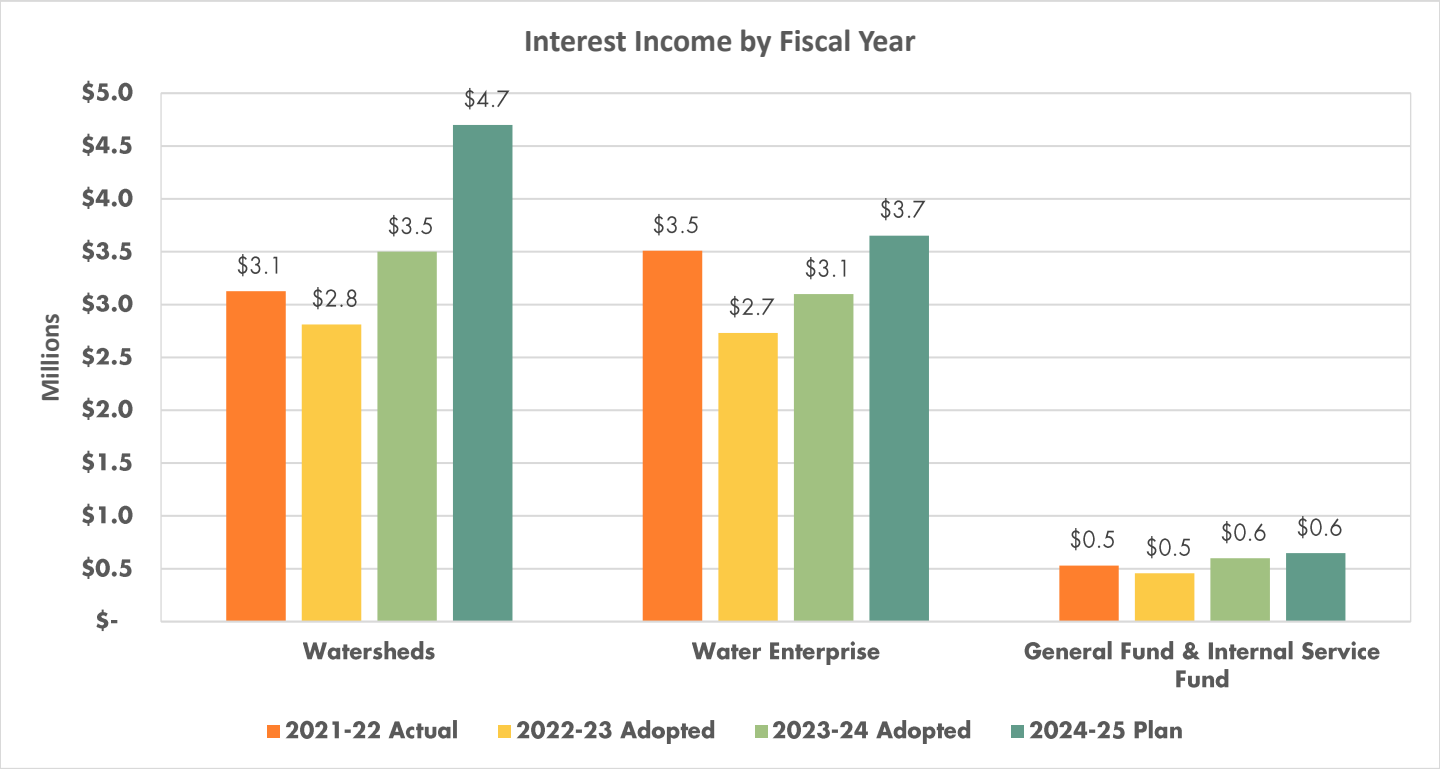
Water revenues in FY 2023-24 Budget and FY 2024-25 Plan are based on staff's recommendations to the Board. Water charges are necessary to provide funding for critical infrastructure and operational needs, water imported via California's state and federal water systems, and the development of future supplies and storage. The water charges are shown in the accompanying Water Utility Charge Summary schedule found in the Water Enterprise Fund Summary section of this book.

FY 2023-24 revenue estimates reflect an increase of 14.5% in groundwater production charges for the North County (Zone W-2) when compared to FY 2022-23. In the Llagas Subbasin (Zone W-5), revenue estimates reflect an increase of 5.9% in the groundwater production charge when compared to FY 2022-23. In the Coyote Valley (Zone W-7) revenue estimates reflect an increase of 12.9% in the groundwater production charge when compared to FY 2022-23. In the foothills below the Uvas and Chesbro reservoirs (Zone W-8), revenue estimates reflect an increase of 8.0% to the groundwater production charge relative to FY 2022-23. For all zones, the same annual rate increases are projected in FY 2024-25.

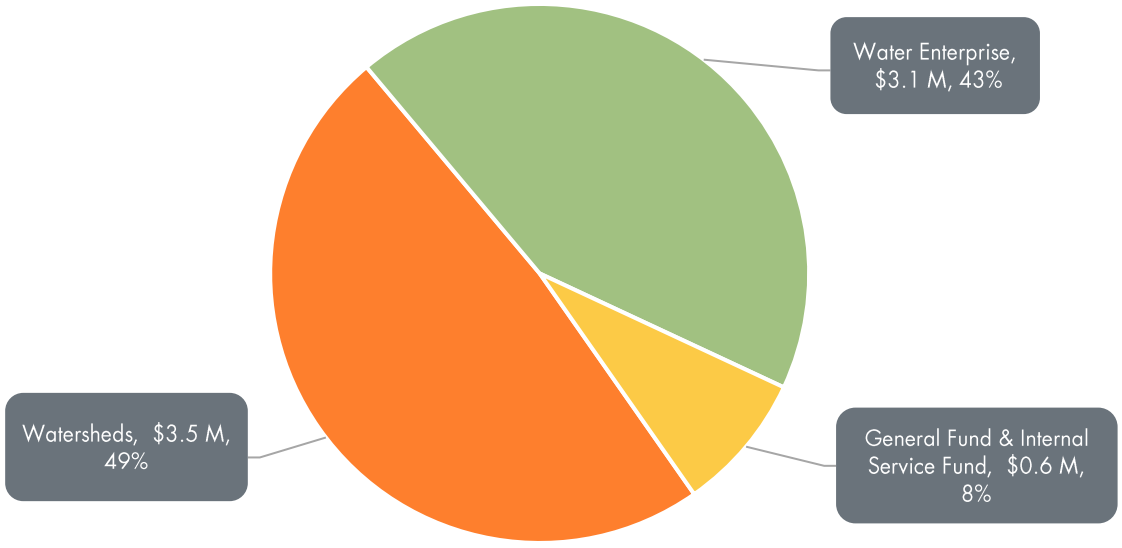
The FY 2023-24 water use estimate of 207,000 AF represents a 15,000 AF, or 7.8% increase compared to the FY 2022-23 adopted water budget usage amount of 192,000 AF. In FY 2024-25 water use estimate increases to 222,000 AF, assuming water use rebounds over time back to pre-drought levels. Additionally, other sources such as Hetch Hetchy and local retail water supplies like San Jose Water Company, Stanford, and South Bay Water Recycling provide approximately 70,000 acre-feet of water per year to Santa Clara County. Valley Water does not receive revenue for these sources of supply.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Water Revenue					
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 121,199,000	$ 150,871,000	$ 186,506,000
Treated Water Charges	145,365,475	139,746,000	139,194,000	174,081,000	214,524,000
Surface&Recycled Water Charges	2,003,338	3,207,000	3,207,000	3,613,000	4,088,000
Total Water Revenue	**$ 272,398,242**	**$ 264,955,000**	**$ 263,600,000**	**$ 328,565,000**	**$ 405,118,000**

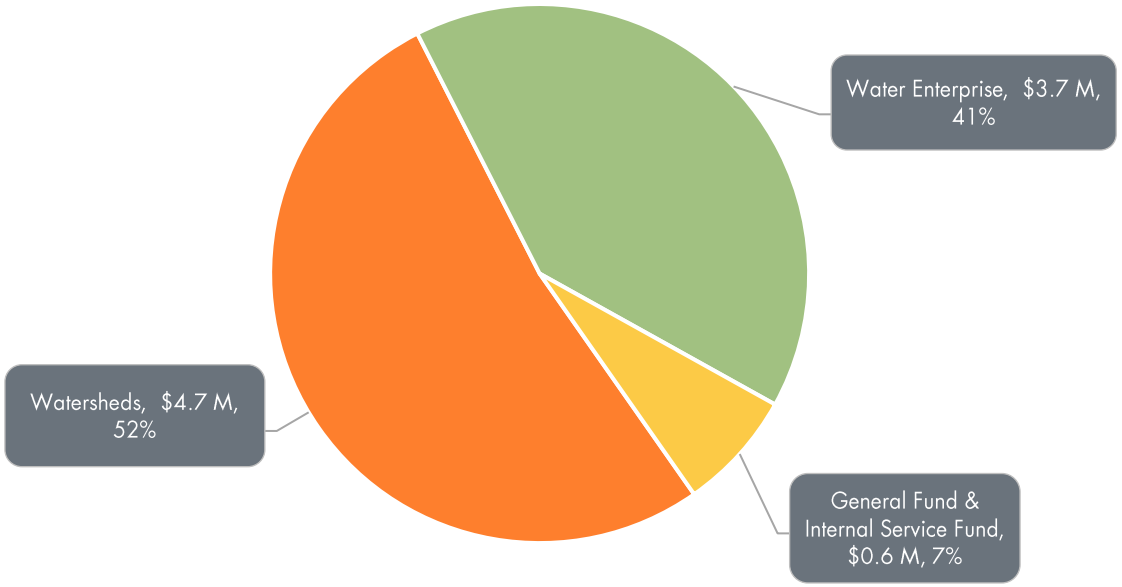
Interest Income



FY 2023-24 Adopted Interest Earnings, $7.2 Million



FY 2024-25 Plan Interest Earnings, $9.0 Million



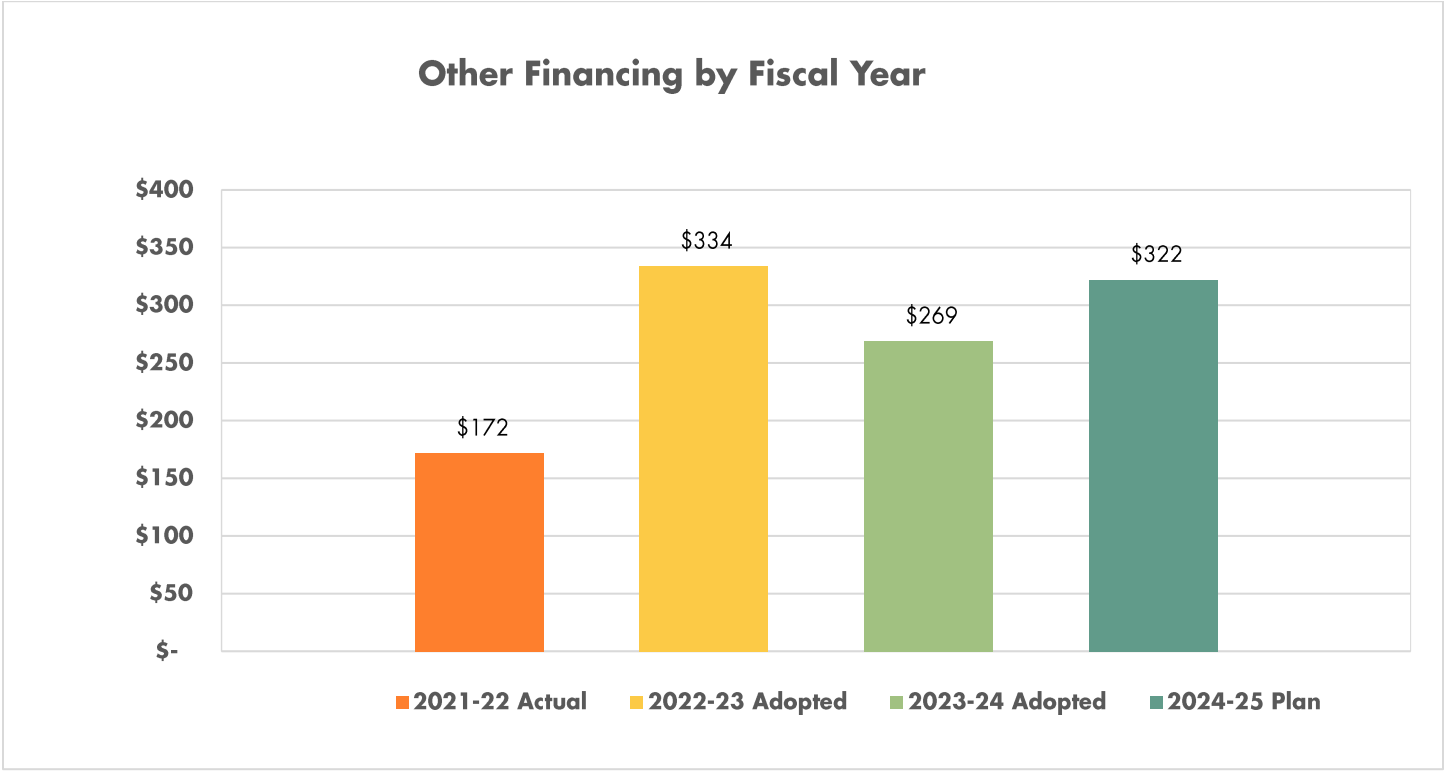
Interest Income

Valley Water invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et.al. Valley Water's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, repurchase agreements, municipal obligations, mutual funds, and supranational obligations. Prohibited investments include securities not listed above, as well as fossil fuel companies, inverse floaters, range notes, interest-only strips derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, as specified in Section 53601.6 of the California Government Code. For additional information regarding the Valley Water's investment policy, please visit: https:// www.valleywater.org/how-we-operate/financebudget/ investor-relations and select District Debt and Investment Management.

Interest earnings is estimated to be $7.2 million for FY 2023-24 and $9.0 million for FY 2024-25, respectively. The estimates assume an average portfolio yield of 1.2% for FY 2023-24 and 1.5% for FY 2024-25.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Interest Income					
Watershed Stream Stewardship Fund	$ 1,406,737	$ 1,250,000	$ 1,645,000	$ 1,630,000	$ 2,250,000
Safe Clean Water & Natural Flood Protection Fund	1,720,441	1,561,000	1,900,000	1,900,000	2,450,000
Water Enterprise Fund	3,509,629	2,731,500	3,100,000	3,125,000	3,652,000
General Fund	100,688	150,000	105,000	105,000	130,000
Service Funds	428,671	307,500	450,000	440,000	518,000
Total Interest Income	**$ 7,166,166**	**$ 6,000,000**	**$ 7,200,000**	**$ 7,200,000**	**$ 9,000,000**

Other Financing



The Other Financing Sources and Uses category typically includes one-time or ongoing non-revenue financial transactions. Debt financing instruments in this category include commercial paper, short-term debt obligations, refunding revenue bonds, and certificates of participation (COPs). These financing instruments may be issued to assist in refunding and financing the costs of acquisition, design, construction, improvement, and installation of certain Water Utility and Safe, Clean Water and Natural Flood Protection Program capital projects.

Valley Water anticipates issuing approximately $268.8 million in debt proceeds in FY 2023-24, of which $230.4 million is for Water Utility and $38.4 million is for the Safe, Clean Water program. In FY 2024-25, planned issuance is approximately $321.6 million, $250.3 million for Water Utility and $71.3 million for Safe, Clean Water program, respectively.

All planned debt financing is factored in Valley Water's long-term financial forecast models to ensure that pledged revenues are sufficient to meet or exceed the targeted debt service coverage ratio.

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
OTHER FINANCING SOURCES/(USES)					
Debt Proceeds	$ 171,725,418	$ 334,491,000	$ 360,741,074	$ 268,775,583	$ 321,557,944
TOTAL OTHER SOURCES/(USES)	**$ 171,725,418**	**$ 334,491,000**	**$ 360,741,074**	**$ 268,775,583**	**$ 321,557,944**

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SALARIES AND BENEFITS

Salaries and Benefits

The FY 2023-24 salary and benefit budget is based on a total of 924 positions, which includes 919 regular positions and five limited term positions. The total salaries and benefits budget is $226.0 million, an increase of $8.3 million or 3.8% from the FY 2022-23 Adopted Budget. The increase is primarily due to a 3% cost of living adjustment (COLA), step increase for eligible positions, funding for ten new positions, and a $1.7 million increase in health insurance costs.

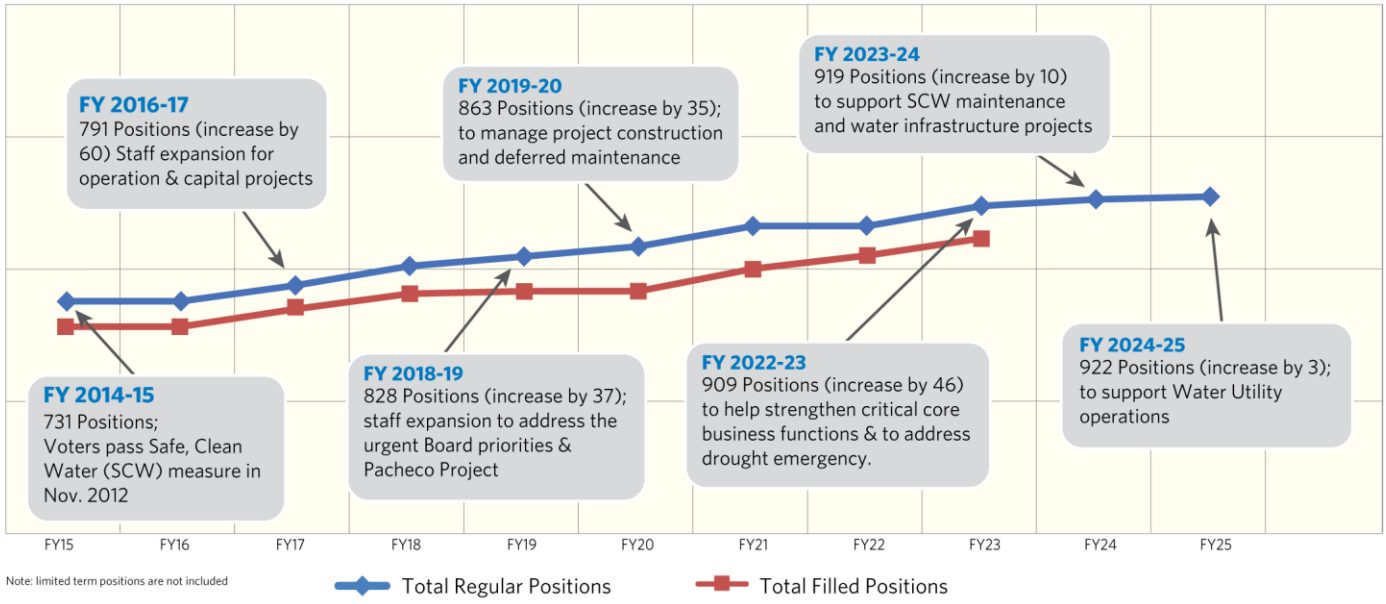
In FY 2024-25, salaries and benefits are projected at $240.8 million, a 6.5% increase compared to the FY 2023-24 budget. The increase is primarily attributed to a 3% COLA, funding for additional three new positions, an estimated $5.4 million increase in CalPERS required contribution, and a $2.0 million increase in health insurance costs.

Summary of Positions

	Adopted Budget FY 2021-22	Adjusted Budget FY 2021-22 [2]	Adopted Budget FY 2022-23 [3]	Adopted Budget FY 2023-24 [4]	Proposed Plan FY 2024-25 [5]
Board Appointed Officers [1]	74	76	78	79	79
Office of Integrated Water Mgmt	40	54	56	56	56
External Affairs	46	46	46	47	47
Administrative Services	162	162	163	163	163
Water Utility	297	298	301	305	308
Watersheds	265	262	265	269	269
Total Regular Positions	**884**	**898**	**909**	**919**	**922**
Limited Term Positions	8	10	9	5	5
Total	**892**	**908**	**918**	**924**	**927**

[1] Board Appointed Officers include: Office of Chief Executive Office, District Counsel, and Clerk of the Board.
[2] During FY 2021-22, Board approved 14 new regular positions and two limited term positions; Computer-Aided Design Unit moved from Watersheds to Office of Integrated Water Management.
[3] FY 2022-23, Board approved 11 new positions.
[4] FY 2023-24, Board approved 10 new positions.
[5] FY 2024-25, three additional new positions are planned.

Valley Water Regular Position Trends, FY 2015-2025



Salaries and Benefits

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Salaries					
Salaries	$ 128,256,168	$ 138,917,335	$ 138,917,336	$ 144,580,250	$ 152,139,332
Overtime	4,011,936	3,665,195	3,665,195	3,949,781	3,839,945
Special Pays	1,780,657	1,065,500	1,065,500	1,086,500	1,092,350
Salary Savings	–	(3,509,969)	(3,509,969)	(3,649,818)	(3,842,532)
Total Salaries	**$ 134,048,761**	**$ 140,138,061**	**$ 140,138,062**	**$ 145,966,713**	**$ 153,229,095**
Benefits					
Fed & State Taxes & Benefits	$ 1,939,529	$ 2,063,301	$ 2,063,299	$ 2,146,414	$ 2,257,520
Retirement Contributions	36,692,439	44,300,293	44,300,293	45,036,959	50,439,303
Group Ins-Active Employees	15,126,686	18,122,181	18,122,181	19,359,278	20,978,653
Group Ins-Retired Employees	12,077,851	13,015,300	13,015,300	13,442,300	13,846,800
Total Benefits	**$ 65,836,505**	**$ 77,501,075**	**$ 77,501,073**	**$ 79,984,951**	**$ 87,522,276**
Total Salary & Benefits	**$ 199,885,266**	**$ 217,639,136**	**$ 217,639,135**	**$ 225,951,664**	**$ 240,751,371**

	Labor Hours 2021-22	Labor Hours 2022-23	Labor Hours 2022-23	Labor Hours 2023-24	Labor Hours 2024-25
Budget Hours					
Regular Hours	1,631,189	1,608,649	1,608,649	1,621,818	1,624,443
Overtime	40,864	31,827	31,827	32,572	30,750
Compensated Absences	288,319	297,420	297,420	297,866	301,481
Total Hours	**1,960,372**	**1,937,896**	**1,937,896**	**1,952,256**	**1,956,674**

DEBT SERVICE

Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorizethe Board of Directors (Board) to incur short and long term debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. Valley Water's debt issuance practices are governed under the California Government and Water codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of $8 million. Other provisions of state law authorize the issuance of short- term debt up to a specified percentage of revenue anticipated within a period of time.

Specifically, Valley Water may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt:

EL-4.7 states that a Board Appointed Officer (BAO) shall:

"Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year." Furthermore,the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenantsof bond documents;
- 4.7.4. Establish prudent Valley Water Debt Policies that are consistent with Board policies and provide guidance to employees in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for Valley Water to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with Valley Water's Debt Policy and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations;
- 4.7.7 Valley Water shall not do business with banks who do not have an Environmental, Social and Governance (ESG) ranking at or better than the "Average/Medium" category by at least one of the professional ESG research companies such as Sustainalytics, or other equivalent rankings published by other ESG research firms. Small and local banks/ credit unions located within the nine Bay Area counties with total assets at or below $10 billion are exempt from this provision.

Financial Overview

Debt Policy

Valley Water proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, Valley Water shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Water Utility Certificates of Participation and Revenue Bonds are encompassed within the Parity Master Resolution adopted on February 23, 2016 (as amended from time to time). Water Utility coverage ratios required for debt service are set at a minimum of 1.25 times the annual debt service for parity lien debt. Valley Water is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding Valley Water's debt policy, please visit: https:/ www.valleywater.org/ how-we-operate/financebudget/investor-relations.

Bond Ratings

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper, Revolving Line of Credit, and Revenue Bonds of $1.15 billion as of June 30, 2023. Scheduled annual debt service for FY 2023-24 is approximately $97.4 million including financing and legal fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Safe Clean Water fund are the Series 2022A Refunding Revenue bonds with a final maturity of 2049 and Series 2022B Revenue COPs with a final maturity of 2026. Currently outstanding for the Water Utility are the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue COP 2016C/ D with a final maturity of 2029, the Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, the Water System Refunding Revenues Bonds Series Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, the Water System Refunding Revenues Bonds Series 2019A/B with a final maturity of 2049, 2019C with a final maturity of 2036, the Water System Refunding Revenue Bonds 2020A/B with a final maturity of 2050, the Revenue COP 2020C/D with a final maturity of 2041, the Water System Refunding Revenue Bonds 2023A/B with a final maturity of 2052, the Revenue COP 2023C-1 with a final maturity of 2026, 2023C-2 with a final maturity of 2041, 2023D with a final maturity of 2026, as well as the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the Valley Water Board.

Financial Overview

On February 14, 2023, Valley Water executed two Water Infrastructure Finance and Innovation Act (WIFIA) Master Agreements (WMA) with the U.S. Environmental Protection Agency for certain Water Utility Enterprise and Safe, Clean Water capital projects. The WMA for the Water Utility Enterprise provides up to $580 million of WIFIA loan capacity to fund the Anderson Dam Seismic Retrofit and Coyote Percolation Dam projects. The WMA for the Safe, Clean Water program provides up to $147 million of WIFIA loan capacity to fund the Coyote Creek, Sunnyvale East and West Channels, and Upper Penitencia Creek flood protection projects. Valley Water has not drawn on any WIFIA loans as of June 30, 2023.

Planned Issuances

Valley Water is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax initially approved by Santa Clara County voters in the November 6, 2012 election and renewed in the November 3, 2020 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that Valley Water must maintain a minimum 1.25 debt service coverage ratio on all parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2023-24: 1.96
- FY 2024-25: 1.99
- FY 2025-26: 2.38
- FY 2026-27: 2.60
- FY 2027-28: 2.98

(Source: FY 2023-24 Annual Report on the Protection and Augmentation of Water Supplies)

Investment Portfolio

Valley Water's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that Valley Water has funds available when needed to meet expenditures are the two most important goals. Once those goals are satisfied, Valley Water strives to earn a market rate of return on its investments. About 60% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder 40% of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund, money market mutual funds and Certificates of Deposit, as well as supranational/corporate medium term notes.

The investment holdings are reviewed for compliance with Valley Water's investment policy and California State Government Code by accounting staff on a monthly basis, and by the Valley Water's independent auditor on an annual basis. In addition, Valley Water's investment committee holds meetings at least quarterly to review the portfolio performance.

In addition to statutory requirements, the Board has adopted policies (Executive Limitations or EL) related to investment:

EL-4.9 states that a Board Appointed Officer (BAO) shall:

Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:

- 4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.
- 4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

Bond Ratings

	Water Utility Parity Debt	Watershed Debt	Safe Clean Water Debt	WIFIA Debt
Moody's	Aa1	Aa1	Aa1	N/A
Standard & Poor's	N/A	AAA	N/A	N/A
Fitch	AA+	AA+	AA+	AA+

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Cost	Outstanding as of 6/30/23	2023-2024 Debt Service Payments Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs [2]	$59,390,000	3/7/2017	2.56%	$33,810,000	$4,575,000	$1,690,500	$6,265,500
2012A COPs	52,955,000	11/20/2012	1.41%	5,090,000	5,090,000	203,600	5,293,600
2022A Safe, Clean Water Revenue Bonds	75,295,000	12/6/2022	4.13%	75,295,000	920,000	3,741,750	4,661,750
2022B Safe, Clean Water COPs	46,445,000	12/6/2022	3.01%	46,445,000	-	-	-
2023A Safe, Clean Water Revenue Bonds	38,530,000	11/1/2023	5.12%		247,000	481,625	728,625
Safe, Clean Water Commercial Paper -TE [3]	38,000,000	various	variable	38,000,000	-	2,705,000	2,705,000
Total Watersheds	**310,615,000**			**198,640,000**	**10,832,000**	**8,822,475**	**19,654,475**
Water Utility Indebtedness							
2016 Water Utility Refunding Revenue Bonds							
Series A	$106,315,000	3/30/2016	3.25%	$106,315,000	$ -	$5,315,750	$5,315,750
Series B - taxable	75,215,000	3/30/2016	4.32%	75,215,000	-	3,229,621	3,229,621
Subtotal	181,530,000			181,530,000	-	8,545,371	8,545,371
2016 Water Utility Certificates of Participation							
Series C	43,075,000	3/30/2016	2.13%	24,625,000	3,685,000	1,231,250	4,916,250
Series D- taxable	54,970,000	3/30/2016	3.14%	30,995,000	4,740,000	1,032,169	5,772,169
Subtotal	98,045,000			55,620,000	8,425,000	2,263,419	10,688,419
2017 Water Utility Refunding Revenue Bonds							
Series A	54,710,000	5/2/2017	3.13%	43,720,000	2,190,000	2,186,000	4,376,000
2019 Water Utility Refunding Revenue Bonds							
Series A	15,225,000	4/25/2019	3.75%	14,235,000	280,000	711,750	991,750
Series B - taxable	80,030,000	4/25/2019	3.81%	73,270,000	1,795,000	2,707,898	4,502,898
Series C - taxable	38,280,000	11/26/2019	2.76%	30,790,000	2,190,000	801,554	2,991,554
Subtotal	133,535,000			118,295,000	4,265,000	4,221,201	8,486,201
2020 Water Utility Refunding Revenue Bonds							
Series A	24,120,000	10/14/2020	3.33%	24,120,000	-	1,206,000	1,206,000
Series B - taxable	68,530,000	10/14/2020	2.98%	68,530,000	-	2,033,285	2,033,285
Subtotal	92,650,000			92,650,000	-	3,239,285	3,239,285
2020 Water Utility Certificates of Participation							
Series C	38,360,000	10/14/2020	2.07%	38,360,000	1,750,000	1,918,000	3,668,000
Series D - taxable	75,020,000	10/14/2020	2.20%	75,020,000	3,370,000	1,473,218	4,843,218
Subtotal	113,380,000			113,380,000	5,120,000	3,391,218	8,511,218
2023 Water Utility Refunding Revenue Bonds							
Series A	52,090,000	1/19/2023	4.19%	52,090,000	-	2,762,250	2,762,250
Series B - taxable	69,045,000	1/19/2023	5.11%	69,045,000	1,025,000	3,721,760	4,746,760
Subtotal	121,135,000			121,135,000	1,025,000	6,484,010	7,509,010
2023 Water Utility Certificates of Participation							
Series C1	117,365,000	1/19/2023	2.35%	117,365,000	-	-	-
Series C2	42,285,000	1/19/2023	3.22%	42,285,000	1,465,000	1,801,500	3,266,500
Series D- taxable	62,615,000	1/19/2023	4.33%	62,615,000	-	-	-
Subtotal	222,265,000			222,265,000	1,465,000	1,801,500	3,266,500
2024 Water Utility Refunding Revenue Bonds							
Series A	171,910,000	1/1/2024	5.04%	-	1,106,250	3,581,458	4,687,708
Series B - taxable	105,100,000	1/1/2024	6.44%	-	1,106,250	2,802,667	3,908,917
Subtotal	277,010,000			-	2,212,500	6,384,125	8,596,625

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Cost	Outstanding as of 6/30/23	2023-2024 Debt Service Payments		
					Principal	Interest	Total
2024 Water Utility Certificates of Participation							
Series C	49,905,000	1/1/2024	5.09%		1,106,250	1,039,688	2,145,938
Series D- taxable	30,510,000	1/1/2024	6.49%		1,106,250	813,600	1,919,850
Subtotal	80,415,000			-	2,212,500	1,853,288	4,065,788
WU Commercial Paper [3]	-	various	variable	-		6,009,000	6,009,000
Total Water Utility	**1,374,675,000**			**948,595,000**	**26,915,000**	**46,378,416**	**73,293,416**
Combined Total	**1,685,290,000**			**1,147,235,000**	**37,747,000**	**55,200,891**	**92,947,891**

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Approximately $0.5M of the 2017A COPs annual debt service is funded by the general fund.
(3) Commercial Paper incurs variable rates that are subject to change pending actual market conditions at time of issuance.

Debt Service Payment Schedule

	Principal	Interest	Total [1]
Watersheds Certificates of Participation/Safe, Clean Water Revenue Bonds[2]			
2023/24	$ 10,832,000	$ 6,117,475	$ 16,949,475
2024/25	6,250,000	6,543,188	12,793,188
2025/26	7,730,000	10,277,125	18,007,125
2026/27	54,555,000	9,886,750	64,441,750
2027/28 and thereafter	191,310,000	138,200,625	329,510,625
Total	**$ 270,677,000**	**$ 171,025,163**	**$ 441,702,163**
Water Utility Revenue Bonds / Certificates of Participation[2]			
2023/24	$ 26,915,000	$ 40,369,416	$ 67,284,416
2024/25	114,811,000	56,425,837	171,236,837
2025/26	135,830,000	62,744,395	198,574,395
2026/27	33,210,000	61,430,915	94,640,915
2027/28 and thereafter	1,196,279,250	911,746,654	2,108,025,904
Total	**$ 1,507,045,250**	**$ 1,132,717,218**	**$ 2,639,762,468**
Commercial Paper			
2023/24	$ -	$ 8,714,000	$ 8,714,000
2024/25	-	12,314,000	12,314,000
2025/26	-	6,820,000	6,820,000
2026/27	-	9,136,000	9,136,000
2027/28 and thereafter	-	14,810,000	14,810,000
Total	**$ -**	**$ 51,794,000**	**$ 51,794,000**
Total All Outstanding Debt			
2023/24	$ 37,747,000	$ 55,200,891	$ 92,947,891
2024/25	121,061,000	75,283,025	196,344,025
2025/26	143,560,000	79,841,520	223,401,520
2026/27	87,765,000	80,453,665	168,218,665
2027/28 and thereafter	1,387,589,250	1,064,757,279	2,452,346,529
Total	**$ 1,777,722,250**	**$ 1,355,536,380**	**$ 3,133,258,630**

(1) Annual debt service payments reflect principal and interest only and exclude fees.

(2) Includes projected principal and interest payments for the anticipated issuances of Water Utility Series 2024A/B/C/D and Safe, Clean Water Series 2023A

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RESERVE POLICY AND FUND BALANCES

Valley Water Reserve Policy

The Valley Water Reserve Policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.6 - Financial Planning and Budgeting - "At least annually present the Board with information about Valley Water's financial reserves and schedule an opportunity for the public to comment thereon."

The Governmental Accounting Standards Board (GASB) 54 statement, issued in March 2009, required that governmental agencies adopt new standards of reporting fund balance no later than the first fiscal year beginning after June 15, 2010. While the GASB 54 requirement was specifically issued for governmental type funds, Valley Water, under its conservative and prudent fiscal policy, extended the requirement to include the enterprise and internal service funds (Water Utility Enterprise, State Water Project, Fleet Management, Information Technology, and Risk Management).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, Valley Water will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows Valley Water to fund costs consistent with the Capital Improvement Program, Water Supply Master Plan, and long-range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. Valley Water will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

Definitions

According to a GASB 54 statement issued in March 2009, there are four categories for reporting of fund balances depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.
- Restricted fund balance - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - these are self-imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves which are defined as follows:

- Budgeted Reserves - Budgeted reserves may vary from those of the Annual Comprehensive Financial Report (ACFR) where it is appropriate to recognize actual cash transactions that are recorded in the ACFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited ACFR.
- Special Purpose Reserves, Water Utility Enterprise Fund – These reserves are per the Parity Master Resolution which allows establishment of special purpose reserves by District Board resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement Valley Water revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

Restricted Reserves

Debt Service Reserve

These reserves were established for various bond issuances. The funds are not available for general needs of Valley Water and must be maintained as dictated in the bond covenants of the various issuances. Not all bond issuances may have all of the following reserves, but the primary debt reserves are: Debt Service Reserve Fund (to fund payments should Valley Water not be able to make debt service payments due to cash shortfalls), Arbitrage Rebate (to accumulate funds to offset the potential liability from excess earnings) and Debt Service Payment Fund (a pass-through reserve for initiating debt service payments).

Debt Proceeds Reserve

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust and identified in Debt Proceeds Reserves.

Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund

The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement Valley Water revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

Guiding Principal #5 (GP5) Reserve – Water Utility Enterprise Fund

In May 2018, Valley Water Board approved a resolution to establish GP5 – Equity and costs are important to allow certain communities/agencies to receive Valley Water contributions in the form of additional, incremental, dedicated and segregated funds exclusively for water conservation programs, recycled water, purified water, wastewater treatment plant environment updates, automatic meter infrastructure (AMI) updates, or dedicated environmental focused grants from FY 2019 through FY 2024, subject to 20% matching funds from the communities receiving Valley Water contributions. This funding source is limited to communities/agencies that currently pay State Water Project tax but receive an average of 85% of their water supply from non-District managed supplies. Valley Water's contributions shall not exceed the State Water Project taxes paid by these communities/agencies. Any unspent funds shall be returned to Valley Water by FY 2025-26. The GP5 reserve was established in FY 2019-20, and will continue through FY 2025-26, as a sub-category of the Rate Stabilization Fund to set aside the unspent/unencumbered balances as approved by the Board in FY 2018-19 and subsequent years. The minimum funding level for this reserve is $0. The specific level is to be financially prudent and based on reasonably anticipated needs.

San Felipe Emergency Reserve - Water Utility Enterprise Fund

This special purpose reserve is required by Valley Water contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service.

Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of $200,000 until the reserve totals $1.75 million after which interest earned on the reserve is deposited annually.

Silicon Valley Advanced Water Purification Center (SVAWPC) Reserve - Water Utility Enterprise Fund

This special purpose reserve serves as a fund for replacement of micro-filtration modules, reverse osmosis elements, and ultraviolet lamps at the Silicon Valley Advanced Water Purification Center (SVAWPC). Per theRecycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa Clara Valley Water District dated March 2010, the annualcontribution to the reserve may be up to $810,000 starting in FY 2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap was set in FY 2013-14 at $2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on afive-year replacement schedule for the micro-filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

Supplemental Water Supply Reserve - Water Utility Enterprise Fund

This special purpose reserve funds water banking activities, transfers, and exchanges necessary to augment supplies during water shortages and to sell or bank unused supplies when water resources are available. The minimum funding level is set at 20% - 50% of the annual imported water purchases budget based on prudent projections of hydrology, Delta conditions, and the water market.

Drought Reserve - Water Utility Enterprise Fund

This special purpose reserve funds drought response costs necessary to protect the residents, industry and riparian ecosystems of Santa Clara County, and to minimize water charge impacts during a drought emergency (as determined by the Board). To minimize water rate impacts, this reserve may be funded by Board direction to allocate actual surplus revenue that may have occurred during the prior year. Surplus revenue is defined as the positive difference between actual Water Utility operating revenue and budgeted Water Utility operating revenue. This reserve may also be funded by planned appropriations, which would be paid for by water rates and approved by the Board during annual water rate adoption. Drought response costs may include but not be limited to: water purchases and exchanges; special studies or system improvements related to delivery of water purchases; incremental conservation activities; and accelerated or opportunistic operations and maintenance activities spurred by the drought. The maximum funding level is set at 10% of adopted budget operating outlays.

Public-Private Partnership (P3) Reserve – Water Utility Enterprise Fund

This special purpose reserve provides a funding source for costs associated with Valley Water's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. The minimum funding level for this reserve is $0, and the maximum is $20 million. The specific level is to be financially prudent and based on reasonably anticipated needs.

State Water Project Tax Reserve - Water Utility Enterprise Fund

The purpose of the State Water Project Tax Reserve is to accumulate unspent funds for voter-approved State Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

Currently Authorized Projects Reserve - Voter Approved Safe, Clean Water Fund

This reserve is designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of this reserve for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board- approved capital project appropriations remaining at the end of each fiscal year.

A portion of this reserve is automatically re-appropriated at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Encumbrance Reserves - Voter Approved Safe, Clean Water Fund and State Water Project Fund

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Operating and Capital Reserve - Voter Approved Safe, Clean Water Fund

The purposes of this reserve are to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year. The funding level is a minimum of 50% of adopted budget operations outlays. The minimum level includes remaining available resources after the needs of all other reserves have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Safe, Clean Water (SCW) Rate Stabilization Reserve - Voter Approved Safe, Clean Water Fund

The SCW Rate Stabilization Reserve is required to offset timing differences between expenses and collection of the SCW special parcel tax to meet debt service coverage requirements. The minimum funding level is $0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial conditions warrant and as approved by the Valley Water Board of Directors.

Contingency Reserve - Voter Approved Safe, Clean Water Fund

The Contingency Reserve for the Safe, Clean Water Fund is established and maintained as financial or other business conditions warrant. Funds accumulated in this reserve are used to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The minimum funding level is $0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial or other business conditions warrant and as approved by the Valley Water Board of Directors.

Committed Reserves

Liability/Workers' Compensation Self-Insurance Reserve - Risk Management Fund

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that Valley Water's self-insurance programs have adequate resources for general liability and workers' compensation ultimate payouts for both known and incurred but not reported claims.

Additionally, because of Valley Water's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on an independent actuarial evaluation conducted bi-annually for general liability and workers compensation programs. The reserve level is set each year based on the actuarially determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts that are greater than those budgeted.

The Board of Directors approved funding of Workers' Compensation Reserve at 90 percent actuarial confidence level and funding of General Liability Reserve at 90 percent confidence level at the April 28, 2009 board meeting.

Property Self-Insurance/Catastrophic Reserve - Risk Management Fund

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to Valley Water facilities such as pipelines and levees and to provide sufficient funds to initiate repair and recovery of damage to Valley Water facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact Valley Water operations and/or to cover all or a portion of District-paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves would be replenished from later reimbursement by FEMA for costs initially paid from this reserve. The reserve funding level is a minimum of $5 million adjusted for outstanding reimbursements.

When this reserve is used, the corresponding reimbursements received are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-district Risk Management Fund charges.

Floating Rate Debt Payment Stabilization Reserve - Water Utility Enterprise Fund

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve may be funded at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is $0. Should payments for floating rate interest in a given fiscal year exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

San Jose Water Purification Reserve - Water Utility Enterprise Fund

The purpose of this reserve is to advance a potable reuse capital project at the Silicon Valley Advanced Water Purification Facility, which includes planning for a future capital project and collaborating with City of San Jose and City of Santa Clara staff. Once a new capital project has been developed and approved by the Valley Water Board as part of the CIP process, this reserve will sunset.

Operating & Capital Reserve - except for Safe, Clean Water Fund

These reserves serve several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating and capital needs that arise during the year and, in the case of the water utility, to protect against revenue shortage caused by unusually wet years. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Currently Authorized Projects Reserve - except for Safe, Clean Water Fund

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund, shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

A portion of these reserves are automatically reappropriated to projects at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Assigned Reserves

Encumbrance Reserves - except for Safe, Clean Water Fund and State Water Project Fund

These reserves represent the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of these reserves will be adjusted annually, at year- end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Market Valuation Reserves

The reserves for market valuation represent the increase/ gain (only) in the market value of Valley Water's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires Valley Water to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Due to this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, Valley Water's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, Valley Water holds all securities to their maturity, thereby not incurring any loss or gain that could impact the size and yield of the investment portfolio. These reserves do not represent cash available for appropriation and were established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

Reserve Schedule

	Estimated Balances				
	Year-End 2021-22	Adopted 2022-23	Projected YE 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
GENERAL FUND					
Committed Reserves					
Operating & Capital Reserve	$ 5,174,508	$ 9,094,273	$ 6,942,531	$ 10,573,015	$ 11,603,076
Currently Authorized Projects Reserve***	2,000,000	-	3,380,000	1,394,500	1,066,893
Total General Fund Reserves	**$ 7,174,508**	**$ 9,094,273**	**$ 10,322,531**	**$ 11,967,515**	**$ 12,669,969**
SPECIAL REVENUE FUNDS (WATERSHEDS)					
Restricted Reserves					
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
SCW Operating & Capital Reserve	21,183,313	74,326,854	59,154,025	117,935,002	139,728,262
SCW Currently Authorized Projects Reserve***	123,267,581	47,365,114	121,634,047	37,906,382	25,547,832
Total Resticted Reserves	**$ 174,450,894**	**$ 151,691,968**	**$ 210,788,072**	**$ 185,841,384**	**$ 195,276,094**
Committed Reserves					
Operating & Capital Reserve	$ 93,111,564	$ 96,652,218	$ 108,305,843	$ 158,599,933	$ 185,848,950
Currently Authorized Projects***	26,107,618	5,606,763	2,745,227	1,320,710	-
Total Committed Reserves	**$ 119,219,182**	**$ 102,258,981**	**$ 111,051,070**	**$ 159,920,643**	**$ 185,848,950**
Total Special Revenue Funds Reserves	**$ 293,670,076**	**$ 253,950,949**	**$ 321,839,142**	**$ 345,762,027**	**$ 381,125,044**
Total Governmental Funds	**$ 300,844,584**	**$ 263,045,222**	**$ 332,161,673**	**$ 357,729,542**	**$ 393,795,013**
WATER ENTERPRISE & STATE WATER PROJECT FUNDS					
Restricted Reserves					
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 41,066,971	$ 6,066,971	$ 26,975,131
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,480,832	3,530,832	3,580,832
WUE State Water Project Tax Reserve	11,398,101	6,352,290	11,141,456	8,816,456	5,801,456
WUE Debt Service Reserve	10,239	6,999	10,239	-	-
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	5,277,000
WUE SVAWPC Reserve	1,298,138	908,138	1,298,138	-	-
WUE Drought Reserve	10,000,000	-	-	-	-
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,581,693	4,718,017	22,175
Total Restricted Reserves	**$ 104,047,504**	**$ 67,261,334**	**$ 66,856,329**	**$ 28,409,276**	**$ 41,656,594**
Committed Reserves					
WUE San Jose Water Purification Reserve	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000
Operating & Capital Reserve	47,140,253	49,185,921	48,803,283	56,930,697	65,109,904
Currently Authorized Projects Reserve***	77,455,037	7,124,270	50,628,057	9,248,195	6,699,955
Total Committed Reserves	**$ 124,595,290**	**$ 56,310,191**	**$ 99,431,340**	**$ 67,178,892**	**$ 72,809,859**
Total Water Enterprise Funds Reserves	**$ 228,642,794**	**$ 123,571,525**	**$ 166,287,669**	**$ 95,588,168**	**$ 114,466,453**
INTERNAL SERVICE FUNDS:					
Committed Reserves					
Operating & Capital Reserve	$ 11,128,355	$ 3,600,397	$ 9,192,180	$ 6,734,369	$ 6,423,594
Currently Authorized Projects***	2,584,956	416,396	375,723	-	-
Liability/Workers' Comp Self-Insurance Reserve	7,714,800	6,621,000	8,337,000	8,337,000	8,337,000
Property Self-Insurance/Catastrophic Reserve	5,092,670	5,226,261	3,609,913	5,580,026	5,654,299
Total Committed Reserves	**$ 26,520,781**	**$ 15,864,054**	**$ 21,514,816**	**$ 20,651,395**	**$ 20,414,893**
Total Internal Service Funds Reserves	**$ 26,520,781**	**$ 15,864,054**	**$ 21,514,816**	**$ 20,651,395**	**$ 20,414,893**
Total Proprietary Funds	**$ 255,163,575**	**$ 139,435,579**	**$ 187,802,485**	**$ 116,239,563**	**$ 134,881,346**

Reserve Schedule

	Estimated Balances				
	Year-End 2021-22	Adopted 2022-23	Projected YE 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
TOTAL RESERVE SUMMARIES					
Total Proprietary Funds	$ 255,163,575	$ 139,435,579	$ 187,802,485	$ 116,239,563	$ 134,881,346
Total Governmental Funds	300,844,584	263,045,222	332,161,673	357,729,542	393,795,013
Total Year-End Reserves	**$ 556,008,159**	**$ 402,480,801**	**$ 519,964,158**	**$ 473,969,105**	**$ 528,676,359**
Total Restricted Reserves	$ 278,498,398	$ 218,953,302	$ 277,644,401	$ 214,250,660	$ 236,932,688
Total Committed Reserves	277,509,761	183,527,499	242,319,757	259,718,445	291,743,671
Total Year-End Reserves	**$ 556,008,159**	**$ 402,480,801**	**$ 519,964,158**	**$ 473,969,105**	**$ 528,676,359**

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

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Ends Policies and Outcomes

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

END POLICIES AND OUTCOMES

Ends Policies and Outcomes

Introduction

The Valley Water Board of Directors has an established Governance Process by which it conducts its business, as well as organizes, delegates and limits authority to the Board Appointed Officers (BAOs). The Governance also outlines "Ends" policies, which describe the mission, outcomes or results to be achieved by Valley Water BAOs. Balancing the Ends policies are Executive Limitations, which set limits on BAO activities in fulfilling the Ends, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water staff's accountability in using budgeted resources to accomplish those ends.

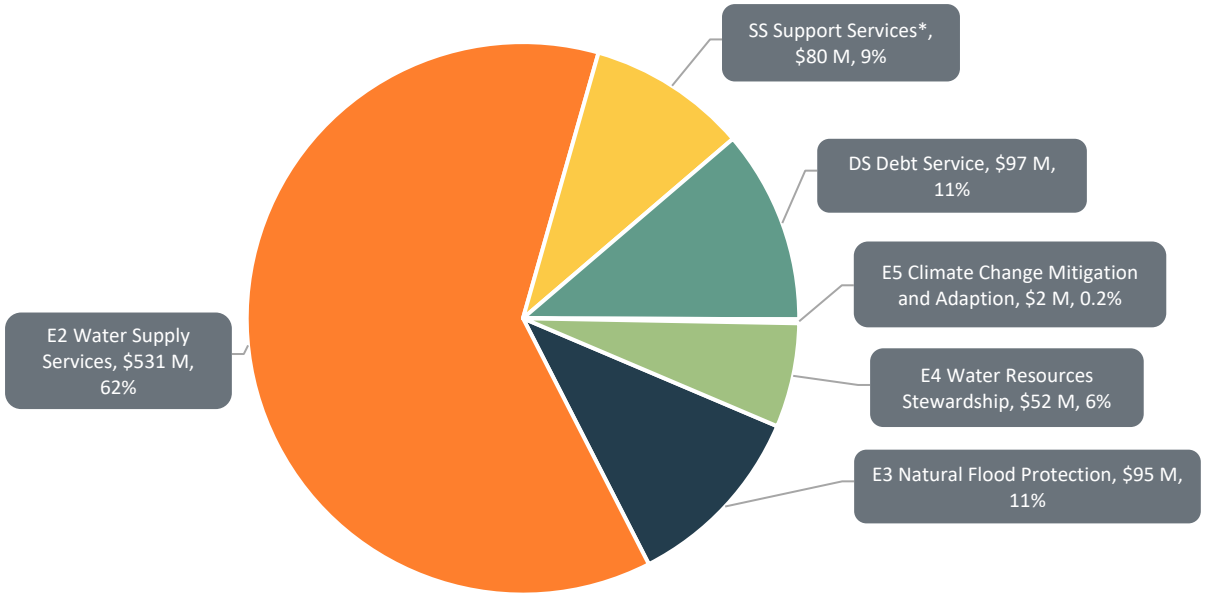
Ends Governance Polices of the Board, are organized into three levels of detail. The highest level is the Ends Policy, of which the board has five: E-1 Mission and General Principles, E-2 Water Supply Services, E-3 Natural Flood Protection, E-4 Water Resources Stewardship, and E-5 Climate Change Mitigation and Adaptation. These polices each go into greater detail in the form of a goal, the second level of detail, and within the goal, the objective to meet, which is the lowest level of detail.

In this chapter, Valley Water's budget is broken out by the Ends policies, goals and objectives showing how resources align with the Board's Ends Governance Polices. In conclusion of this chapter are the Outcome Measures, which report performance in each Ends Goal in order to measure Valley Water's ability to achieve the Ends Governance Polices of the Board.

District wide budget by Ends and Support Services

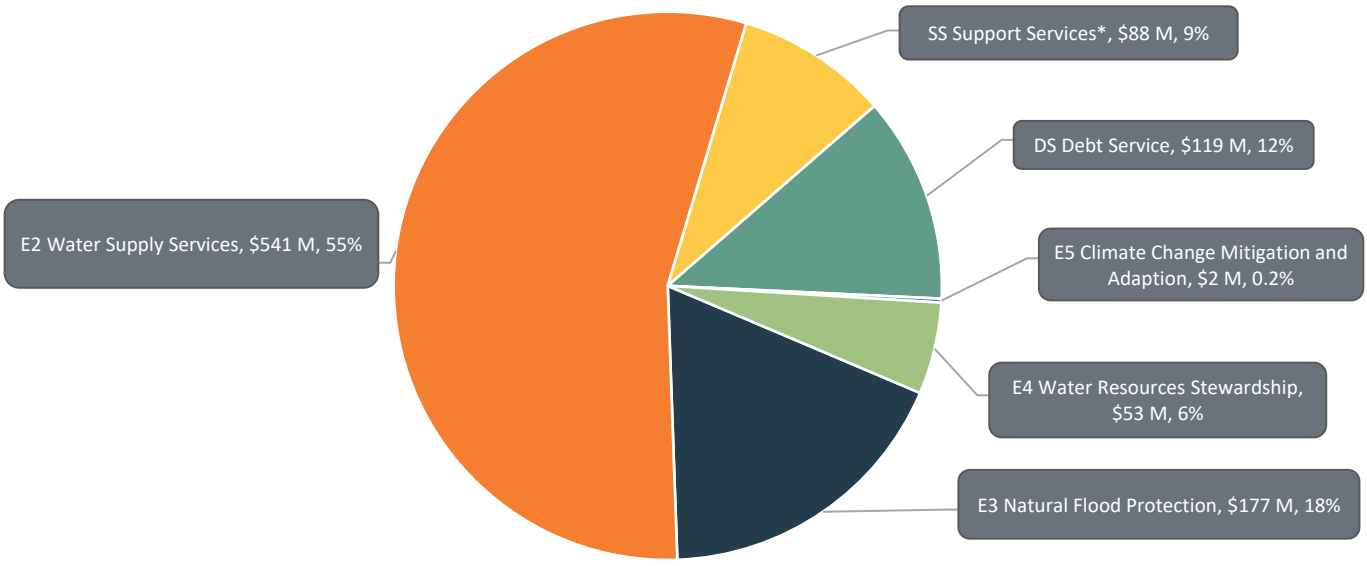
Ends Code	Ends Description		Adopted Budget 2023-24		Proposed Plan 2024-25
E2	Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.	$	531,254,666	$	541,379,958
E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.		94,885,501		177,062,318
E4	Water resources stewardship protects and enhances ecosystem health.		52,196,190		52,873,155
E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.		2,296,091		2,324,165
SS	Support Services		203,427,615		218,196,591
DS	Debt Services		97,434,264		119,312,987
Grand Total		$	981,494,327	$	1,111,149,174
Less Intra-District Reimbursements			(124,927,947)		(130,739,541)
Net Budget		**$**	**856,566,380**	**$**	**980,409,633**

FY 2023-24 Total Net Outlays $857 Million



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

FY 2024-25 Total Net Outlays $980 Million



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

Ends Policies and Outcomes

Ends Code	Ends Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.1	Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	$ -	$ -
E2.2	Protect and sustain the county's existing, diverse water supplies.	151,475,795	167,389,853
E2.3	Protect and maintain existing water infrastructure.	324,737,642	312,479,062
E2.4	Increase regional self-reliance through water conservation and reuse.	35,526,615	44,491,819
E2.5	Manage water resources using an integrated, science-based approach.	18,448,855	14,672,513
E2.6	Promote access to equitable and affordable water supplies.	1,065,760	2,346,709
E3.1	Maintain flood protection facilities to design levels of protection.	50,001,133	53,587,347
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	7,354,138	8,254,460
E3.3	Increase the health and safety of residents countywide by reducing community flood risk	37,530,230	115,220,511
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	13,661,562	8,427,896
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	15,482,411	21,350,340
E4.3	Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	-	-
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	9,226,473	9,190,701
E4.5	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.	13,825,743	13,904,218
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	766,997	768,526
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	1,529,093	1,555,639
SS.1	BAO & District Leadership	34,288,286	37,391,968
SS.2	Financial Planning & Management Services	18,698,877	19,747,751
SS.3	Human Resources Services	15,284,863	15,928,744
SS.4	Information Management Services	33,737,196	38,201,741
SS.5	Corporate Business Assets	50,791,489	53,431,735
SS.6	General Management & Administration	54,276,723	57,337,184
SS.7	Salary Savings	(3,649,818)	(3,842,532)
DS.1	Debt Service	97,434,264	119,312,987
Grand Total		$ 981,494,327	$ 1,111,149,174
Less Intradistrict Reimbursements		(124,927,947)	(130,739,541)
Net Budget		$ 856,566,380	$ 980,409,633

Ends Policies and Outcomes

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.1	Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	$ -	$ -

A reliable supply of clean water is necessary for the social, economic, and environmental well-being of Santa Clara County. The Water Supply Master Plan (Master Plan) explains Valley Water's strategy for providing a reliable and sustainable water supply in a cost-effective manner. The Master Plan adopted by the Board in 2019 informs investment decisions by describing the type and level of water supply investments Valley Water is planning to make through 2040. The Master Plan discusses the adopted water supply level of service goal to develop supplies to meet at least 100 percent of annual water demand identified in the Master Plan during non-drought years and at least 80 percent of annual water demand in drought years. This is an overarching goal to support the more specific goals described below to which projects are assigned.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.2	Protect and sustain the county's existing, diverse water supplies.	$ 151,475,795	$ 167,389,853

The projects assigned to this goal provide resources for Valley Water activities needed to manage groundwater to ensure sustainable supplies and avoid land subsidence; aggressively protect groundwater from the threat of contamination; protect imported water supplies and associated contracts and partnerships; protect and manage local surface water supplies and associated water rights; and deliver reliable, high quality drinking water from water treatment plants.

The largest budget item for this section is water imported by Valley Water, which provides about 40% of Valley Water's water supply, on average. The FY 2023-24 budget includes over $60 million for the contractual obligations of water purchases with the federal Central Valley Project (CVP) and the State Water Project (SWP). In addition to contract water, Valley Water's budget includes Water Banking expenses of approximately $5.9 million to put approximately 27,800-acre feet of water in the Semitropic Water Storage District water bank located in Kern County, and an additional $6 million in supplemental water purchases to help mitigate the impact on water supply of the storage capacity loss of Valley Water's largest dam at Anderson Reservoir. Also included in the budget is $3.7 million to continue participation in the planning process for the California Delta Conveyance Project and $75,000 for Sites Reservoir to maintain minimum 0.2% participation at 500-acre feet.

Local groundwater resources make up the foundation of water supply in Santa Clara County, but they need to be augmented to reliably meet the needs of county residents, businesses, agriculture, and the environment. The use of imported and local surface water supplies for treated water deliveries and groundwater recharge is essential for continued groundwater sustainability and to avoid resumed land subsidence in northern Santa Clara County. The budget for this goal includes funding for Valley Water's drought emergency response, groundwater management, water quality protection, water operations planning, protection of water rights, and operational costs to distribute raw water to the three water treatment plants and groundwater recharge facilities. Investments in surface water and groundwater quality monitoring, implementation of Valley Water's well ordinance, and participation in the invasive mussel prevention program reduce water treatment costs, reduce contaminants in drinking water sources, and help sustain water quality for current and future beneficial uses.

On average, Valley Water's three drinking water treatment plants deliver over 100,000 acre-feet of water each year to water retailers. The provision of treated surface water reduces demands on groundwater and helps ensure reliable water supplies. The budget for this goal includes funds to operate the three drinking water treatment plants, the treated water transmission and distribution system, the Campbell Well Field, Valley Water's water quality laboratory, and the SFPUC/Valley Water intertie facility. This includes related engineering and technical support for operations and capital projects. Funding to study the acquisition and expansion of an eleventh surface reservoir, Pacheco, also is included in this Budget.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.3	Protect and maintain existing water infrastructure.	$ 324,737,642	$ 312,479,062

Projects falling under this goal include resources for Valley Water to plan for infrastructure maintenance and replacement to reduce risk of failure; prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure; and prepare for and respond effectively to water utility emergencies.

Providing safe, clean water to Silicon Valley requires a vast and complex network of infrastructure. Valley Water owns and operates 10 surface water reservoirs, three drinking water treatment plants, 17 miles of canals, five water supply diversion dams, three raw water pump stations, 102 recharge ponds, one advanced recycled water purification center in partnership with the City of San Jose, and various infrastructure to connect these facilities. This goal provides funding for maintenance activities related to the water supply system as well as engineering and environmental support. This includes the inspection, monitoring, and repair of 94 miles of raw water pipelines and 40 miles of treated water pipelines to mitigate the risk of catastrophic pipeline failure.

This goal also includes funds to address aging infrastructure, a growing need given that much of Valley Water's key water supply infrastructure is more than 50 years old. Budget is included to address infrastructure upgrades needed to ensure continued water supply reliability, including major rehabilitation of Valley Water's largest water treatment plant, Rinconada.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.4	Increase regional self-reliance through water conservation and reuse.	$ 35,526,615	$ 44,491,819

Projects categorized under this goal provide resources for Valley Water to maximize utilization of all demand management tools; incentivize water use efficiency and water conservation; promote, protect, and expand potable and non-potable water reuse; and promote storm water capture and reuse.

Funding is included for Valley Water's water conservation program, which helps reduce water use during shortages and promotes water conservation as a California way of life. This includes residential, commercial/industrial, agricultural, and landscape rebates and related technical assistance, as well as water conservation grants, water waste enforcement, and a water conservation outreach campaign. Valley Water's long-term water conservation programs are estimated to save over 78,000 acre-feet per year compared to the water consumed in baseline year 1992. This is in addition to short-term savings achieved during water shortages.

Valley Water supports development of recycled and purified water as a locally controlled, drought resilient water supply in the county. This includes the partnership with the City of San Jose on the Silicon Valley Advanced Water Purification Center (including operation and maintenance of the facility), partnerships with other wastewater agencies in the county, and various capital projects throughout the county. Funding is included for these partnerships. Also funded is the Purified Water Project which will replenish groundwater with purified water. The Purified Water Project will include a new advanced purification facility in Palo Alto and 20 miles of pipeline to deliver the purified water to the Los Gatos Recharge System. The Purified Water Project is being procured using a Public Private Partnership (P3) model, where Valley Water owns the facilities, and a private partner designs, builds, finances, operates, and maintains the project.

Also included under this policy is funding for the Guiding Principle 5 program, which will provide funding for water recycling and conservation programs through partnership with retailers who receive most of their water from sources other than Valley Water.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.5	Manage water resources using an integrated, science-based approach.	$ 18,448,855	$ 14,672,513

These projects include funding for Valley Water to plan for future water supply needs; promote efficient and reliable operation of water supply systems; promote water supply projects with multiple benefits, including environmental stewardship and flood

protection; invest in and rely on science to support planning and decision-making; and build and maintain effective partnerships to achieve water supply goals.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include: coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short- term and long-term water demand and supply options, complying with regulatory reporting, implementing the Water Shortage Contingency Plan in times of drought, and optimizing the use of available supplies. These planning efforts guide Valley Water's operations and investments to ensure water supply reliability and prevent adverse impacts like permanent land subsidence. Participation in future projects such as the Los Vaqueros Reservoir Expansion Project and Transfer Bethany Pipeline Project is also included in this goal.

This goal also provides resources for Valley Water to engage with stakeholders and the public on water utility operations, projects, and long-term planning efforts.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.6	Promote access to equitable and affordable water supplies.	$ 1,065,760	$ 2,346,709

Projects assigned to this overarching goal promote equal access to clean, safe, and affordable water supply across all communities served; maintain affordable water rates through cost-effective water supply investments and management; and continue customer assistance and incentive programs.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E3.1	Maintain flood protection facilities to design levels of protection.	$ 50,001,133	$ 53,587,347

Projects assigned to this goal provide for the preservation of flood conveyance capacity of streams and other channels. The best available science is utilized to minimize the effects on the environment and protect habitat.

Valley Water is committed to reducing the risk of flooding to homes, businesses, and schools and improving the environment by performing work to remove sediment build-up, manage vegetation, clear trash and debris, and stabilize creek banks that have eroded during high water flows. Other annual efforts under SCW (Safe, Clean Water) Projects F1 help maintain flood conveyance capacity with sediment removal of approximately 20,000 to 50,000 cubic yards and management of approximately 1,000 acres of in-stream vegetation control to maintain design conveyance capacity. Additionally, under Project F4 Valley Water conducts annual upland vegetation management of approximately 3,000 acres for access and fire code compliance, inspection of approximately 190 miles of creeks, assessment of watershed facility conditions, inspection of levees (approximately 100 miles) and maintenance of levees (approximately 30,000 linear feet).

The FY 2023-24 Budget includes a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal, and mediation of hazards associated with trees. Valley Water will also prepare a new Environmental Impact Report and pursue regulatory permits and environmental clearances to continue the next version of the Stream Maintenance Program (SMP-3), to ensure sustainability of county flood protection improvements. In addition, Valley Water's Capital Improvement Program includes several projects to maintain existing flood protection infrastructure including the Watershed Asset Rehabilitation Program, Guadalupe River – Tasman to I-880 Project, and Lower Llagas Capacity Restoration Project.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	$ 7,354,138	$ 8,254,460

Projects assigned to this goal provide for activities that reduce the potential for flood damages. Such activities include the creation and distribution of a floodplain mailer, as part of an annual countywide flood awareness campaign—these efforts help inform businesses and residents with preparedness tips on what to do before, during, and after a flood event.

Valley Water also participates in the Community Rating System under FEMA's National Flood Insurance Program. Communities that

participate in the program earn points for activities that promote good flood risk reduction practices. Valley Water's points are passed onto participating communities in Santa Clara County to help increase their points, which increases the discounts for property owners who pay flood insurance premiums throughout the county.

A major component of this goal is flood emergency planning and response. Office of Emergency Services (OES) leads the development of Flood Emergency Action Plans (EAPs), in coordination with impacted municipal jurisdictions. Flood EAPs identify flood hot spots, as well as the roles and responsibilities for emergency response by Valley Water and impacted cities and county. OES also leads training and exercise efforts between Valley Water and the impacted municipal jurisdiction to validate and improve the Flood EAPs. To ensure readiness, staff will participate in inter-agency training exercises at the state and countywide level as well as those specific to our emergency operations. Valley Water partners with other public agencies for a unified approach when providing flood response.

In addition, a minimum of 40,000 filled sandbags and locations with sand piles and empty bags for the public to fill their own as an alternative, are provided as a courtesy to the public and other agencies.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E3.3	Increase the health and safety of residents countywide by reducing community flood risk	$ 37,530,230	$ 115,220,511

Projects assigned to this goal provide for activities that deliver equitable flood risk reduction throughout Santa Clara County. Valley Water conducts comprehensive long-range planning for flood protection and environmental stewardship that integrates water supply goals and objectives. This integrated planning process, or One Water, is conducted at the watershed scale and includes extensive stakeholder input, including targeted outreach to historically underrepresented communities. In FY 2023-24, watershed plans for the Guadalupe and Upper Pajaro watersheds will be completed. *

FY 2023-24 efforts include updating the Water Resources Protection Manual; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and improving our flood warning system. Valley Water will also submit a FEMA letter of map revision for Permanente Creek, add new flood and reservoir forecast points to the ALERT website, and complete floodplain mapping for the Alamitos Creek watershed.

Valley Water's Capital Improvement Program also includes several projects to construct new flood protection infrastructure to reduce flood risk in the future. The majority of these projects are a part of the Safe Clean Water Program.

*This project is listed under another goal, but it serves to address the broader 3.3 goal of increasing health and safety of residents countywide by reducing community flood risk.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	$ 13,661,562	$ 8,427,896

Projects assigned to this goal provide for the protection and restoration of various aquatic ecosystems through preservation, improvements to the watersheds, pollution prevention and engaging/educating the public about the importance of protecting water quality and stream stewardship.

One Water is Valley Water's long-term plan for environmental stewardship. The One Water Countywide Framework is an integrated planning process, which incorporates water supply goals and objectives in the development of watershed management actions, resulting in prioritized actions for each of Santa Clara County's five major watersheds. This type of long-term planning allows Valley Water to assess current opportunities, meet future challenges, and move water resource management actions in a more sustainable direction over time. The Framework process is driven by stakeholder input, ensuring that the resulting watershed plans have broad community support and thus reducing conflict as individual actions are implemented.*

The Framework establishes a guiding vision and goals which shape the development of each watershed plan. Progress towards the goals is quantified according to five objectives through data metrics, which are also used to compare potential management actions

to prioritize those with multiple benefits. In this way, One Water aligns with environmental regulations and results in better, less impactful projects that are easier to permit. Watershed plans for the Guadalupe and Upper Pajaro watersheds will be substantially completed in FY 2023-24. Priority stewardship actions that will be implemented as part of the Coyote Creek watershed plan include completing planning for the Ogier Ponds Restoration Project.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	$ 15,482,411	$ 21,350,340

Projects assigned to this goal provide for the protection of aquatic and streamside ecosystems through incorporating biological impact avoidance measures into capital project design, restoring natural stream processes and features to provide suitable habitat for native species, and enhancing habitat connectivity.

SCW Project D1 supports Valley Water management of at least 300 acres of existing riparian planting projects and 200 acres of invasive plant removal projects throughout the five watersheds. Funding for this project ensures that all required riparian planting and invasive plant removal projects are maintained as functional habitat that can support wildlife. In addition, this project includes targeted control of especially damaging non-native, invasive plant species making the natural habitat less vulnerable and more resilient to climate change.

Additionally, SCW Project D3: Sediment Reuse to Support Restoration Projects reuses local sediment removed through Valley Water's stream maintenance activities and capital projects 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.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.3	Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	$ -	$ -

This goal provides for the protection of our imported water supplies by encouraging inclusive, sustainable management of water resources in the Bay-Delta and its watersheds, which is where Valley Water's imported water (IW) supplies originate. FY 2023-24 projects that meet this goal are the Imported Water Program, IW San Felipe Division deliveries, IW South Bay Aqueduct Deliveries, State Water Project Costs, and Delta Conveyance Project.

Specific Goal E4.3 work funded in these imported water projects includes meeting future water supply demand through diverse and coordinated water supply planning, including participation in the Los Vaqueros Reservoir Expansion Project, Sites Reservoir Project, groundwater banking opportunities, development of the Delta Conveyance Project, and other water supply planning projects as they arise.

Work funded in these imported water projects promotes holistic ecosystem management through science-based decision-making through multiple avenues including funding and participating in the Central Valley Project Improvement Act (CVPIA) Restoration Fund Stakeholder Integration Team, the Collaborative Science and Adaptive Management Program structured decision-making processes for Delta smelt and salmonid recovery efforts, and the State Water Contractors Science Program. It also includes funding for tidal and floodplain restoration projects, implementation of other permit conditions under the federal and California Endangered Species Acts for long-term operations of the Central Valley Project and State Water Project, and participation in proceedings to update the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) including development of Voluntary Agreements for implementation of Bay-Delta Plan amendments.

Work funded in these imported water projects also includes actively engaging in the protection of source water quality through collaboration and funding of the Municipal Water Quality Investigations Program and participation in State Water Quality Control Board proceedings.

Note: 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 E2.2 – "Protect and sustain the county's existing, diverse water supplies" and, therefore, $0 is reflected under Goal E4.3.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	$ 9,226,473	$ 9,190,701

Valley Water's Safe, Clean Water (SCW) Program Projects B1 and B2 reduce pollutants in streams, reservoirs, and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. These programs address water quality concerns currently identified by local and state regulatory agencies, as well as contaminants of emerging concern. Initiatives under these projects are consistent with the Regional Water Quality Control Board impaired water bodies designation and Total Maximum Daily Loads, which are the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards. Under this project, Valley Water studies and implements methods to reduce methyl mercury formation in reservoirs and helps create and carry out realistic plans to reduce contaminants, such as nutrients, bacteria, pesticides, polychlorinated biphenyls, and others, in local creeks and reservoirs.

SCW Good Neighbor Program Projects F5 and F6 support encampment cleanups and other graffiti and litter removal efforts. Cleanup of encampment generated trash, debris, and hazardous pollutants are independent or coordinated with local municipalities and other agencies for services related to encampment cleanups and to help provide alternatives to homelessness. In addition to encampment cleanups, the Good Neighbor Program also supports quarterly cleanups of problem trash sites to help reduce waterway pollution and keep creeks and riparian areas free of debris.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.5	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.	$ 13,825,743	$ 13,904,218

Projects assigned to this goal promote and support access to trails and open space through various grants and community partnerships for planning, design, and construction, and maintenance. In FY 2023-24, Valley Water will provide funding for projects that support access to trails and open space through the renewed Safe, Clean Water (SCW) Program. Valley Water will continue to manage the administration of seven (7) active open space and trails grants. In addition, Valley Water continues to work with cities on trail implementation through joint use agreements, in accordance with the Trails Policy Criteria and Guidance.

In FY 2023-24, Valley Water will provide up to $2 million in grant and partnership funding for qualified projects under the renewed Safe, Clean Water (SCW) Program. This includes up to $1.4 million for standard grants, $100,000 for mini-grants, $100,000 for water bottle refill stations, up to $200,000 for standards partnerships, and additional funding for partnerships with small cities. Additionally, Valley Water will continue to manage the administration of nearly 100 active grants and partnerships.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	$ 766,997	$ 768,526

Projects assigned to this goal provide for activities to identify and inventory Valley Water's greenhouse gas (GHG) emissions and to create various means to reduce our carbon footprint and achieve carbon neutrality.

The Climate Change Action Plan (CCAP) provides goals, strategies, and possible actions to address the ways Valley Water is vulnerable to climate change impacts in each of its mission areas, including water supply, flood protection, and ecosystem stewardship. There are seven goals in the CCAP to help guide Valley Water's response to climate change. The first three goals focus on reduction of Valley Water's GHG emissions: Reduce Direct Greenhouse Gas Emissions, and Reduce Indirect Greenhouse Gas Emissions.

In FY 2023-24, Valley Water will complete the update of its GHG emissions inventory, project future GHG emissions including

construction emissions, prepare a qualified GHG Reduction Plan consistent with the California Environmental Quality Act (CEQA), and develop a CEQA streamlining checklist for future projects covered by the plan. The GHG Reduction Plan will provide a comprehensive GHG reduction strategy to address operations and capital project emissions or provide for offset options.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	$ 1,529,093	$ 1,555,639

Valley Water's Climate Change Action Plan includes four goals to improve the resiliency of Valley Water's assets and operations to climate change, including: Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness. Projects assigned to this goal also provide for development of 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.

A critical part of adapting to future changes in precipitation patterns is providing for diverse and resilient sources of water supply for Santa Clara County. Valley Water's imported water supply is also at risk as sea level rise (SLR) extends into the Delta. Through public outreach and collaboration with retailers, countywide water use reduction and long-term conservation will be implemented. In addition, the Purified Water Project* will continue to be pursued to replenish groundwater supplies with purified water and expand usage of recycled and purified water.

In the past 100 years, sea level rose by 8 inches in the Bay Area, and we are likely to see an increase in sea level of 1.6 – 3.4 feet by 2100. Valley Water is already taking steps to minimize the impacts of SLR (sea level rise) along the South Bay through a variety of projects, the biggest of which is the South San Francisco Bay Shoreline Project*. A partnership between the California State Coastal Conservancy, the U.S. Army Corps of Engineers, Valley Water and other stakeholders, this project will protect Alviso against a 1% coastal flood with up to 2.6 feet of sea level rise. In FY 2023-24 Valley Water will complete construction of Reaches 1-3 of Phase 1 of the Shoreline Project. Valley Water is also a partner of an effort in its early planning stages to extend similar protection to the remainder of the Santa Clara County coastline.

In FY 2023-24, a reconnaissance study for flood- managed aquifer recharge will be completed to evaluate storm water capture on undeveloped lands. Additionally, a fuel management policy and wildfire risk assessment framework will be established to guide efforts to mitigate wildfire risk to Valley Water land rights and assets. The establishment of the policy and risk framework will then provide the foundation for the development of a broader agency-wide wildfire resilience plan.*

*These projects are listed under various other goals, but they serve to address the broader 5.2 goal of reducing climate change impacts.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.1	BAO & District Leadership	$ 34,288,286	$ 37,391,968

Board Appointed Officers (BAOs) and Valley Water Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers, Office of External Affairs, and Valley Water's risk management including Emergency Management, Health and Safety, and Security related functions and activities. The BAOs are Valley Water staff that report directly to the Board of Directors and include the positions of Chief Executive Officer (CEO), District Counsel, and the Clerk of the Board**.**

Chief Executive Officer: Provides strategic direction and oversight to lead the organization in implementing Valley Water's mission. The CEO provides executive leadership to Valley Water and supports the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations.

Clerk of the Board: Provides regulatory and administrative services required to support the Board of Directors' functions and activities, including support to the Board's Advisory and Ad Hoc Committees, BAOs, Valley Water staff, and constituents. The Clerk of the Board supports executive management and the public by ensuring the Board meetings are kept open and public in accordance with the Ralph M. Brown Act.

District Counsel: Represents Valley Water's interests in a variety of legal and administrative matters and provides timely and useful legal advice to the Board of Directors and management as Valley Water implements strategies to streamline operations and increase accountability.

External Affairs: Provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water as well as for communication and outreach efforts. External Affairs is responsible for internal and external communications to the media, community, and the public; community engagement in the areas of education, volunteerism, grants, water supply outreach, and the community rating system program as well as oversight of the Youth Commission; government relations efforts at the local, regional, state, and federal levels; and ensuring that racial equity, diversity, and inclusion are addressed and incorporated into existing policies, programs, and practices.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.2	Financial Planning & Management Services	$ 18,698,877	$ 19,747,751

Financial Planning and Management Services provides management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.3	Human Resources Services	$ 15,284,863	$ 15,928,744

Human Resources Services are primarily linked to human resource planning, development, and management. These services include District-wide funding for recruitment, professional development, technical training, employee wellness, internships, and the ethics and equal employment opportunity programs.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.4	Information Management Services	$ 33,737,196	$ 38,201,741

The Information Technology Division serves the technology needs of the Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. This is done by providing planning, design, and operational support and maintenance of Valley Water's: (1) physical technology infrastructure and cyber security posture management; and (2) software application.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.5	Corporate Business Assets	$ 50,791,489	$ 53,431,735

Corporate Business Assets includes the functions and activities of Construction Contracts & Support, Purchasing, Consultant Contract Services, Equipment Management, Facilities Management, Business Support, and Warehouse Services in the General Services Division. Also included in this category are a few of support services projects from the Water Utility Enterprise, and Water Utility projects that overarch Ends policies and therefore cannot be attributed to a single Ends policy (e.g., water measurement, asset management, select planning projects).

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.6	General Management & Administration	$ 54,276,723	$ 57,337,184

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit, division office, program administration, long-term operational planning efforts, and other critical District-wide support service functions and activities required to achieve organizational goals and objectives.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
SS.7	Salary Savings	$ (3,649,818)	$ (3,842,532)

Salary savings budget is 3% of total regular employee salaries District-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

Goal Code	Goal Description	Adopted Budget 2023-24	Proposed Plan 2024-25
DS.1	Debt Service	$ 97,434,264	$ 119,312,987

Debt Service includes the budget to pay interest, principal, and fees associated with the debt.

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.1 Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
E2.1 Total		-	-

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.2 Protect and sustain the county's existing, diverse water supplies.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
60041003	Hollister Groundwater Mgmt	53,142	55,116
91041012	Water Operations Planning	500,363	520,192
91041018	Groundwater Management Program	5,692,612	5,997,414
91061008	Drought Emergency	3,418,048	58,044
91111001	Water Rights	740,473	749,813
91131004	Imported Water Program	5,939,651	6,172,585
91131006	IW San Felipe Division Delvrs	18,717,739	22,631,792
91131007	IW South Bay Aqueduct Delvrs	5,068,845	6,526,586
91131008	State Water Project Costs	30,325,000	32,015,000
91151013	Water Banking Operations	5,881,785	6,475,350
91154007	San Felipe Division Capital	11,954,755	12,375,300
91211004	San Felipe Reach 1 Operation	776,015	803,376
91211084	San Felipe Reach1 Ctrl and Ele	370,257	386,059
91221002	San Felipe Reach 2 Operation	80,734	84,122
91231002	San Felipe Reach 3 Operation	329,113	339,198
91231084	San Felipe Reach3 Ctrl and Ele	243,004	233,360
91251001	Los Vaqueros Reservoir Expansion	3,500,000	6,800,000
91451002	Well Ordinance Program	2,387,784	2,640,371
91451005	Source Water Quality Mgmt	413,377	437,402
91451011	Invasive Mussel Prevention	794,510	803,673
91601001	Delta Conveyance Project	3,679,178	8,936,091
91761001	Local Res/Div Plan & Analysis	2,383,516	2,381,876
91951001	San Luis Low Point Improvement	44,587	46,768
92761009	Recharge/RW Field Ops	3,650,441	3,662,286
92761082	Raw Water T&D Ctrl and Electr	690,445	698,971
93081002	Plant Maintenance Engineering & Commissioning Project	745,959	1,235,638
93081008	W T General Water Quality	2,801,940	2,865,750
93231009	PWTP General Operations	7,809,270	7,806,204
93281005	STWTP - General Operations	6,733,988	7,405,862
93291012	RWTP General Operations	10,910,432	10,665,894
93294059	RWTP Ammonia Storage Facility Upgrade Project	630,457	502,332
93401002	Water District Laboratory	6,982,887	7,493,984
93761001	SF/SCVWD Intertie General Ops	176,177	182,214
93761004	Campbell Well Field Operations	101,972	104,322
93761006	Treated Water Ctrl & Elec Eng	3,157,846	3,326,321
95011003	WU Asset Protection Support	1,344,173	1,386,456
95111003	Water Use Measurement	2,445,318	2,584,131
E2.2 Total		**151,475,795**	**167,389,853**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.3 Protect and maintain existing water infrastructure.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
26764001	IRP2 AddLine Valves	3,558,119	3,609,217
91081007	Dam Safety Program	2,426,976	2,316,109
91084019	Dam Safety Seismic Stability	127,162	313,992
91211005	SFD Reach 1 Administration	10,872	11,663
91211085	SF Reach 1-Engineering - Other	589,276	393,607
91211099	San Felipe Reach 1 Gen Maint	1,019,147	1,061,951
91214010	Small Caps, San Felipe R1	2,072,371	966,741
91221006	SF Reach 2-Engineering - Other	280,572	355,983
91221099	San Felipe Reach 2 Gen Maint	161,714	167,626
91231085	SF Reach 3-Engineering - Other	608,987	433,687
91231099	San Felipe Reach 3 Gen Maint	1,343,082	1,395,307
91234002	Coyote Pumping Plant ASD	13,060,226	1,114,682
91761099	Dams / Reservoir Gen Maint	3,455,058	3,582,584
91854001	Almaden Dam Improvements	57,784	384,218
91864005	Anderson Dam Seismic Retrofit	26,733,749	62,890,273
91864006	Anderson Dam Tunnel Project	59,589,078	35,691,555
91864007	Coyote Creek Flood Management Measures	53,991,138	31,791,633
91864008	Coyote Creek Chillers	3,229,930	11,357
91894002	Guadalupe Dam SeisRetf Des&Con	523,586	109,202
91954002	Pacheco Reservoir ExpansionPrj	41,995,814	20,005,898
92144001	Pacheco/SC Conduit ROW ACQ	74,636	215,716
92261099	Vasona Pump Station Gen Main	304,297	314,417
92264001	Vasona Pump Station Upgrade	-	9,094,204
92304001	Almaden Valley Pipeline	1,677,587	2,235,375
92761008	Recycled Water T&D Genrl Maint	235,427	240,372
92761010	Rchrg / RW Field Fac Maint	1,751,500	1,910,396
92761083	Raw Water T&D Eng Other	1,231,946	1,426,773
92761085	Anderson Hydrelctrc Fclty Main	112,849	118,968
92761099	Raw Water T / D Gen Maint	2,875,476	2,969,269
92764009	Small Caps, Raw Water T&D	1,019,978	2,441,782
92781002	Raw Water Corrosion Control	804,488	892,526
93044001	WTP Master Plan Implementation	3,057,393	819,019
93081009	Water Treatment Plant Engineer	418,820	409,396
93084004	Wtr Trtmnt Plnt Electr Imprv	-	6,199,181
93231099	Penitencia WTP General Maint	3,568,503	3,473,227
93234044	PWTP Residuals Management	1,490,165	10,070,130
93281099	Santa Teresa WTP General Maint	4,047,860	4,192,912
93284013	STWTP Filter Media Replace	5,097,891	-
93294057	RWTP Reliability Improvement	22,176,962	68,463,988
93294058	RWTP Residuals Remediation	1,210,022	-
93761005	Campbell Well Field Maint	131,209	136,471
93761099	SF/SCVWD Intertie Gen Maint	165,544	164,021
93764004	Small Caps, Water Treatment	3,397,748	6,240,539
94084007	Treated Water Isolation Valves	610,768	2,159,154
94761005	TW T&D - Engineering - Other	606,937	903,767
94761099	Treated Water T/D Gen Maint	1,615,733	1,515,832
94764006	Small Caps,Treated Water T&D	276,250	349,500
94781001	Treated Water T/D Corrosion	676,258	765,713

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.3 Protect and maintain existing water infrastructure.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
95044001	Distribution System Master Plan Implementation	1,932,237	856,308
95044002	SCADA Master Plan Implementation	388,687	756,991
95084002	10-Yr PL Inspection and Rehab	27,291,036	11,567,861
E2.3 Total		**324,737,642**	**312,479,061**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.4 Increase regional self-reliance through water conservation and reuse.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
91094001	Land Rights-SC Recycled Water	3,009,520	-
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	379,146	-
91094010	So. County Recycled Water Fund	-	24,351
91101004	Recycled & Purified Water Prog	5,872,494	5,943,871
91151001	Water Conservation Program	12,088,726	12,275,010
91151014	GP5 Reimbursement Program	4,581,693	4,718,017
91241001	Wolfe Road Recycled Water Facility	206,000	206,000
91261001	PaloAlto Water Reuse Agreement	1,732,000	14,346,000
91281007	SVAWPC Facility Operations	3,689,877	3,582,175
91281008	SVAWPC Facility Maintenance	3,891,164	3,312,081
91441003	Desalination	75,995	84,315
E2.4 Total		**35,526,615**	**44,491,819**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.5 Manage water resources using an integrated, science-based approach.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
62061005	WS Customer Relations&Outreach	1,158,379	1,200,876
91151012	Recycld/PurifiedWaterPublicEng	1,266,950	1,315,870
91304001	Purified Water Project	10,177,795	6,102,236
92041014	FAHCE/Three Creeks Project	3,662,836	3,805,615
92761001	Raw Water T&D Gen'l Oper	1,837,834	1,908,240
92761012	Untreated Water Prog Plan	345,061	339,677
E2.5 Total		**18,448,855**	**14,672,513**

Ends Policies and Outcomes

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.6 Promote access to equitable and affordable water supplies.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
60232001	Water Rate Assistance Program	-	1,225,000
95151002	WU Customer Relations&Outreach	1,065,760	1,121,709
E2.6 Total		**1,065,760**	**2,346,709**

E2 Total	**531,254,667**	**541,379,956**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.1 Maintain flood protection facilities to design levels of protection.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00041022	Stream Maint Prog Mgmt	5,389,311	5,522,744
00761023	Watershed Sediment Removal	7,430,148	7,524,227
00761078	Vegetation Mangmnt for Access	4,732,485	4,883,854
00762011	Tree Maintenance Program	1,245,509	1,298,447
00811049	Subsidence Monitoring	883,822	1,228,129
26164001	HaleCreekEnhancementPilotStudy	8,294	32,761
26771067	Stream Capacity Vegetation Con	3,531,068	3,876,310
30154019	Guadalupe R Tasman Dr-I880	1,340,422	1,099,971
62021009	Watershds O&M Eng&Insp Support	2,202,791	2,798,742
62042050	Watershd Maint Guideline Updte	930,684	-
62061029	Field Operations Support	743,601	766,297
62084001	Watersheds Asset Rehabilitatio	8,383,188	6,644,580
62761009	Pond A4 Operations	127,104	108,243
62761024	Wtrshd Facility Cndtion Assmnt	2,805,300	2,965,782
62761025	Watershed General Field Maint	3,478,562	2,880,952
62761026	Watershed Debris Removal	1,816,864	1,840,080
62761027	Watershed Erosion Protection	3,546,308	4,155,717
62761028	Watershed Levee Maintenance	881,096	1,020,895
62761080	Non SMP Veg Removal for Convey	524,577	2,816,301
E3.1 Total		**50,001,133**	**53,587,347**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.2 Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00811043	Hydrologic Data Msrmt & Mgmt	2,468,035	2,775,099
10394001	PA Flood Basin Tide Gate Replc	-	410,483
26041023	Emergency Response Upgrades	757,937	811,295
26041024	Flood Risk Reduction Studies	1,210,809	1,247,184
26061005	Flood Emrgncy Respnse Planning	224,754	233,660
62041023	Community Rating System (CRS)	639,933	611,082
62061008	Hydrology&Hydraulics Tech Supp	1,488,840	1,591,368
62761008	Sandbag Program	563,829	574,290
E3.2 Total		**7,354,138**	**8,254,460**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.3 Increase the health and safety of residents countywide by reducing community flood risk

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00044026	San Francisco Bay Shoreline	2,795,177	55,823
10244001	Permanente Ck, SF Bay-Foothill	18,887	21,841
26074002	Sunnyvale East & West Channel	-	13,783,929
26174041	Berryessa Calav/Old Pied Cor	1,146,183	-
26174043	Coyote Creek, Montague-Tully	1,604,232	14,439,153
26174051	U. Llagas Ck, Reimburse E6b	22,167	21,840
26174052	Llagas Ck - Upper Construction	-	730,505
26174055	Llagas Creek-Phase 2B Construction	22,400,000	56,000,000
26244001	Permanente Ck, Bay-Fthill CSC	458,066	-
26284002	San Francisquito Early Implemt	4,916,529	25,433,492
26444002	SFBS EIAs 1-4	2,707,157	1,119,326
26444004	San Francisco Bay Shoreline EIAs 5-10	1,045,000	3,276,075
E3.3 Total		**37,530,230**	**115,220,511**

E3 Total	**94,885,501**	**177,062,318**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.1 Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00041047	Ecolgcal Data Collectn & Analy	377,008	987,601
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	1,395,168	1,733,044
20444002	Pond A4 Resilient Habitat Restoration	4,725,500	1,023,135
26044004	D6 Bolsa Road Fish Passage Improvement	2,660,549	27,301
26072008	SCW D7 Conservation Habitat	912,012	912,478
26752043	Impaired Water Bodies Imprvmts	1,481,834	1,581,083
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	727,627	909,380
62042047	Mitigation & Stwdshp Land Mgmt	243,247	252,363
62042051	Plant Pathogen Management	303,295	291,414
62181005	SMP Mitigation Site Mgmt	835,323	710,097
E4.1 Total		**13,661,562**	**8,427,896**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.2 Sustain ecosystem health while managing local water resources for flood protection and water supply.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00061012	Facilities Env Compliance	965,953	1,009,832
00741042	Water Resorcs EnvPlng & Permtg	2,533,041	2,432,258
00761075	Mgmt of Revegetation Projects	3,694,731	4,289,647
26042002	Fish Habitat Improvements	714,440	951,322
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning and Design, D4.1)	1,230,375	1,840,469
26044005	SCW D4.3 Fish Passage Improvements	666,000	854,037
30151026	Guad Rvr Mitgtn Monitoring Prg	520,214	919,731
40212032	Coyote Creek Mitgtn Monitoring	283,000	296,906
62041043	Environmental Srvcs Tech Suppt	865,610	992,690
62042032	Multiple Sm Prjcts Mitgtn Mont	439,073	458,291
62181006	Instream Habitat Complexity	982,097	4,616,327
62761006	Invasive Plant Management Prog	2,587,877	2,688,832
E4.2 Total		**15,482,411**	**21,350,340**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.3 Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
E4.3 Total		**-**	**-**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.4 Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00761022	Watershed Good Neighbor Maint	2,239,094	2,105,727
00771011	Inter Agency Urban Runoff Prog	2,619,259	2,689,431
00771031	HAZMAT Emergency Response	238,366	254,168
26771027	Encampment Cleanup Program	4,129,755	4,141,375
E4.4 Total		**9,226,473**	**9,190,701**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.5 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.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00061019	Creek Stewardship	504,906	536,038
20194005	San Tomas Ck, Quito Rd Bridges	330,000	-
26061020	F6 Public Arts	245,626	162,617
26061021	F9 Safe Clean Water Grants and Partnerships	3,378,096	3,457,454
26441003	D3 SCW Sed Reuse to Support Shoreline	307,164	328,981
60171002	Education & Volunteer Program	2,474,134	2,601,440
62011002	Watershed Asset Protection Sup	6,138,977	6,376,452
62021003	CPRU Tech Support	446,839	441,236
E4.5 Total		**13,825,743**	**13,904,218**

E4 Total	**52,196,190**	**52,873,155**

E5

Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.

E5.1 Minimize greenhouse gas emissions from Valley Water's operations.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00021008	Energy Management	342,899	377,473
00061048	Climate Change Adaptation/Mtg.	424,098	391,053
E5.1 Total		**766,997**	**768,526**

E5

Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.

E5.2 Adapt Valley Water's assets and operations to reduce climate change impacts.

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
60061058	Drought Induced Tree Removal	1,529,093	1,555,639
E5.2 Total		**1,529,093**	**1,555,639**

E5 Total	**2,296,091**	**2,324,165**

SS Support Services

SS.1 BAO & District Leadership

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
60091001	Directors Fees / Expenses	594,950	616,750
60131007	Ofc of Chief Executive Officer	1,491,300	1,598,166
60131014	Continual Improvement	782,804	799,477
60141001	District Counsel	5,579,415	5,983,796
60171009	Community Relations	225,821	235,160
60231002	Communications	2,114,369	2,214,670
60231003	Federal Government Relations	1,038,707	1,079,837
60231004	State Government Relations	1,361,989	1,432,553
60231005	Local Government Relations	2,451,420	2,559,815
60231006	Office of Chief of Ext Affairs	1,287,017	1,360,507
60231007	Internal Communications	628,626	654,368
60241026	Quality and Env Mgmt Sys Prog	599,163	628,720
60281004	Racial EquityDiversity&Inclusn	2,295,894	2,022,341
60301001	Clerk of the Board Serv	2,945,903	4,635,934
65051001	Risk Management	6,513,410	7,006,764
65051002	Workers Compensation Program	1,027,809	1,060,046
65051003	Health&Safety Program Mgt	3,299,689	3,503,062
65052001	2017 President Day Flood	50,000	-
SS.1 Total		**34,288,286**	**37,391,968**

SS Support Services

SS.2 Financial Planning & Management Services

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00031001	Watershed Revenue	159,915	169,635
00031002	Grants Management	1,821,931	1,892,719
00061045	Asset Management Program	3,418,793	3,938,025
00121003	LT Financial Planning & Rate S	758,900	812,981
26001090	Unscoped Projects-Budget Only	100,000	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000	100,000
60001091	Unscoped Projects-Budget Only	100,000	100,000
60001092	CEA UnscopedProject-BudgetOnly	100,000	100,000
60111002	General Accounting Services	5,545,446	5,613,942
60221001	Budget and Financial Analyses	2,734,557	2,859,799
60221002	Debt & Treasury Management	1,287,039	1,388,342
62001090	Unscoped Projects-Budget Only	150,000	150,000
95001090	Unscoped Projects-Budget Only	150,000	150,000
95101003	**Water Revenue Program**	2,272,296	2,372,307
SS.2 Total		**18,698,877**	**19,747,751**

SS Support Services

SS.3 Human Resources Services

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00061059	Workforce Development Technical Training Program	1,114,742	1,177,225
60281003	Ethics & EEO Programs	168,100	198,100
60281006	Reasonable Accommodation	130,182	133,210
60291001	Recruitment and Examination	3,334,141	3,454,772
60291002	Benefits and Wellness Admin	1,658,651	1,725,847
60291003	Labor Relations	1,414,676	1,518,249
60291004	Workforce Development	2,528,787	2,619,036
60291005	Classification&CompensationPgm	261,017	271,968
60291011	HR Program Admin	871,070	951,062
60291030	HR Systems Management Program	764,905	802,158
60291032	Bargaining Unit Representation	224,479	241,043
60291040	Rotation Program	648,900	648,900
60291041	**Internship Program**	1,145,550	1,145,550
60291044	**Next-Gen workforce Development Program**	1,019,663	1,041,623
SS.3 Total		**15,284,863**	**15,928,744**

SS Support Services

SS.4 Information Management Services

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
60311001	Records & Library Services	1,332,836	1,392,310
73271001	Telecommunications Sys Opr/M	1,940,485	2,196,885
73271002	Technical Infrastructure Servi	6,053,684	6,257,860
73271003	Network Administration	2,855,000	2,537,000
73271004	Information Security Admin	1,342,000	1,342,000
73271005	Offce Cmptr Maint/Help Dsk Sup	1,009,000	809,000
73271006	Info Technology Div Admin	1,135,178	1,172,203
73271007	Emerging IT Technologies	104,000	106,000
73271008	Software Maint & License	4,110,000	4,276,000
73271009	Software Services	7,623,878	7,918,484
73274001	IT Disaster Recovery	44,000	-
73274004	Network Equipment	2,961,000	4,786,000
73274006	Office Computers Replace Equip	1,888,000	2,070,000
73274008	Software Upgrades & Enhancemen	1,321,824	1,159,000
73274009	Data Consolidation	16,310	39,000
95274003	WU Computer Network Modrnizatn	-	2,140,000
SS.4 Total		**33,737,196**	**38,201,741**

SS Support Services

SS.5 Corporate Business Assets

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00061056	F8 SCW Sustainable Creek Infrastructure	694,447	748,232
00071041	Welding Services	783,437	820,290
00074042	Capital Project Mgmt & Controls	1,190,414	1,224,920
00761071	Emergency Management	2,894,883	3,031,071
00811046	Warehouse Services	2,405,134	2,486,730
00811054	District Real Property Adminis	1,642,627	2,198,334
10291002	Rental Expense Stevens Creek	532,288	518,207
26061002	Rent Exp Clean Safe Ck 7/1/01+	257,659	265,061
30061004	Rent Exp Guadalupe & Coyote	362,680	380,408
60061018	General Services Div Admin	1,301,368	1,373,904
60101001	Purchasing Services	2,520,596	2,619,836
60101002	Building and Grounds	11,966,687	12,239,406
60101005	Districtwide Signage	305,271	369,045
60101008	District Security Services	4,977,364	5,417,107
60111006	Contract Services	2,635,507	2,736,729
60204016	Small Caps, Facility Mgmt	4,006,000	4,006,000
60351001	Business & Customer SupportSvc	3,485,602	3,736,897
60361002	Graphic Services	1,282,658	1,347,090
70004001	New Vehicle Equip Acquisitio	563,000	580,000
70004002	Replacement Vehicle & Equip	1,442,700	1,486,100
70011099	Class I Equip Oper / Maint	1,020,624	1,070,648
70021099	Class II Equip Oper / Maint	1,019,799	1,068,104
70031099	Class III Equip Oper / Maint	357,687	376,218
70041099	Class IV Equip Oper / Maint	1,118,243	1,175,075
70061003	Vehicle & Equipment Admin&Mgmt	1,397,538	1,500,154
95061012	Rental Expense San Pedro,MH	58,206	59,898
95061035	**Rent Exp Coyote**	255,568	262,505
SS.5 Total		**50,791,487**	**53,431,735**

SS Support Services

SS.6 General Management & Administration

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
00041039	Integrated Regional Water Mgmt	174,250	141,392
00061050	Office of Integrated Water Management	3,522,456	3,567,712
00061051	Lands Management Program	1,023,553	1,074,797
00074033	CIP Development & Admin	1,425,030	1,602,663
00074036	Survey Mgmt & Tech Support	791,163	966,766
00074038	Watershed Capital Program Servcs Admin	4,020,418	4,426,787
00074041	Construction Contracts and Support	3,480,078	3,715,562
00074047	Computer-Aided Design for Engineering	1,691,701	2,456,768
26041049	D5 SCW Watershed Plans	104,534	107,393
26061012	Safe Clean Water Implementatn	1,213,043	1,101,644
60131004	AS Administration	2,321,649	2,375,552
60221003	FPMD Administration	578,457	630,304
62041027	Integrated Wtr Resrce Mstr Pln	901,808	660,241
62061001	Watersheds Administration	9,843,515	10,740,333
73271010	IT Projects & Bus Operations	1,733,573	1,822,030
95061038	WUE Administration	11,567,444	11,565,778
95074005	WU Capital Prog Admin Support	6,303,354	6,641,316
95741001	Water Supply Planning	2,817,723	3,017,430
95761003	SCADA Network Administration	762,975	722,715
SS.6 Total		**54,276,723**	**57,337,184**

SS Support Services

SS.7 Salary Savings

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
26061004	Districtwide Salary Savings-26	(144,035)	(153,192)
26064023	Districtwide Salary Savings	(185,346)	(187,256)
60061023	Districtwide Salary Savings-11	(763,799)	(804,799)
60064023	Districtwide Salary Savings	(5,163)	(3,300)
62061002	Districtwide Salary Savings-12	(575,714)	(614,372)
62064023	Districtwide Salary Savings	(114,183)	(149,913)
65061004	Districtwide Salary Savings-72	(38,717)	(40,725)
70061004	Districtwide Salary Savings-71	(27,564)	(29,219)
73061004	Salary Savings-Fund 73	(154,680)	(160,976)
73064004	Salary Savings-Fund 73	(729)	(854)
91061007	Districtwide Salary Savings-61	(1,067,733)	(1,137,831)
95064011	Districtwide Salary Savings-61	(572,156)	(560,094)
SS.7 Total		**(3,649,818)**	**(3,842,532)**

SS Total	**203,427,613**	**218,196,591**

DS Debt Services

DS.1 Debt Service

Job Number	Project Name	Adopted Budget 2023-24	Proposed Plan 2024-25
10993008	2017A COP Refunding LP WS	2,294,603	2,295,636
20993007	2012A COP Refunding WV WS	1,176,161	-
20993008	2017A COP Refunding WV WS	686,339	685,777
26993001	Commercial Paper Tax Exmpt SCW	3,253,410	2,649,000
26993002	SCW Rev Bond 2022A (Tax-Exempt)	4,706,750	5,182,375
26993003	SCW COP 2022B (Tax-Exempt)	45,000	45,000
26993004	SCW WIFIA Loan 1 (ID 21116CA)	320,000	120,000
26993005	SCW Rev Bond 2023A (Tax-Exempt)	1,148,625	1,045,000
26993006	SCW Rev Bond 2024A (Tax-Exempt)	-	1,219,063
30993007	2012A COP Refunding Guad WS	2,941,890	-
30993008	2017A COP Refunding Guad WS	794,908	762,429
40993007	2012A COP Refunding Coyote WS	1,220,550	-
40993008	2017A COP Refunding Coyote WS	2,059,596	2,057,908
60993009	2017A COP Refunding GF	475,054	-
95993007	Commercial Paper Tax Exempt	3,620,980	4,646,480
95993008	Commercial Paper Taxable	3,620,980	4,646,480
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,360,750	5,360,750
95993016	2016B WU Ref Rev Bond(Taxable)	3,274,621	3,274,621
95993017	WU COP 2016C (Tax-Exempt)	4,961,250	4,972,000
95993018	WU COP 2016D (Taxable)	5,817,169	5,808,808
95993019	WU Rev Bond 2017A (Tax Exempt)	4,421,000	4,396,500
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,036,750	1,032,750
95993023	WU Rev Bond 2019B (Taxable)	4,547,898	4,545,348
95993024	WU Rev Bond 2019C (Taxable)	3,036,554	3,058,192
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,251,000	1,251,000
95993026	WU Rev Bond 2020B (Taxable)	2,078,285	2,078,285
95993027	WU COP 2020C (Tax-Exempt)	3,713,000	3,665,500
95993028	WU COP 2020D (Taxable)	4,888,218	4,933,840
95993029	WU Rev Bond 2023A (Tax-Exempt)	2,807,250	2,807,250
95993030	WU Rev Bond 2023B (Taxable)	4,791,760	4,796,453
95993031	WU Rev Bond 2024A (Tax-Exempt)	5,107,708	10,494,500
95993032	WU Rev Bond 2024B (Taxable)	3,953,917	8,625,400
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	45,000	45,000
95993034	WU COP 2023C1(Tax-Exempt)	45,000	45,000
95993035	WU COP 2023D(Taxable)	45,000	45,000
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	45,000	45,000
95993037	WU COP 2024C(Tax-Exempt)	2,565,938	5,880,250
95993038	WU COP 2024D(Taxable)	1,964,850	3,597,640
95993039	WU Rev Bond 2025A (Tax-Exempt)	-	4,906,263
95993040	WU Rev Bond 2025B (Taxable)	-	4,559,238
95993041	WU WIFIA Project 1 (Anderson Constr)	-	420,000
95993042	WU COP 2023C2 (Tax-Exempt)	3,311,500	3,313,250
DS.1 Total		**97,434,264**	**119,312,987**

DS Total	**97,434,264**	**119,312,987**

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Ends Policies Objectives

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.1 Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	**FY 2023-24**	**FY 2024-25**
	E2.1 Subtotal	**-**	**-**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.2 Protect and sustain the county's existing, diverse water supplies.	**FY 2023-24**	**FY 2024-25**
2.2.001	Manage groundwater to ensure sustainable supplies and avoid land subsidence.	9,163,802	6,110,575
2.2.002	Aggressively protect groundwater from the threat of contamination.	4,833,102	5,224,502
2.2.003	Protect imported water supplies and associated contracts and partnerships.	87,601,109	104,524,558
2.2.004	Protect and manage local surface water supplies and associated water rights.	9,826,853	9,941,697
2.2.005	Deliver reliable, high quality drinking water from water treatment plants.	40,050,930	41,588,521
E2.2 Subtotal		**151,475,795**	**167,389,853**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.3 Protect and maintain existing water infrastructure.	**FY 2023-24**	**FY 2024-25**
2.3.001	Plan for infrastructure maintenance and replacement to reduce risk of failure.	278,562,068	286,693,130
2.3.002	Prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure.	10,872	11,663
2.3.003	Prepare for and respond effectively to water utility emergencies.	46,164,702	25,774,269
E2.3 Subtotal		**324,737,642**	**312,479,062**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.4 Increase regional self-reliance through water conservation and reuse.	**FY 2023-24**	**FY 2024-25**
2.4.001	Maximize utilization of all demand management tools.	-	-
2.4.002	Incentivize water use efficiency and water conservation.	16,670,419	16,993,027
2.4.003	Promote, protect and expand potable and non-potable water reuse.	18,780,201	27,414,478
2.4.004	Promote stormwater capture and reuse.	75,995	84,315
E2.4 Subtotal		**35,526,615**	**44,491,819**

Ends Policies and Objectives

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.5 Manage water resources using an integrated, science-based approach.	**FY 2023-24**	**FY 2024-25**
2.5.001	Plan for future water supply needs.	10,177,795	6,102,236
2.5.002	Promote efficient and reliable operation of water supply systems.	2,182,894	2,247,917
2.5.003	Promote water supply projects with multiple benefits, including environmental stewardship and flood protection.	2,425,329	2,516,746
2.5.004	Invest in and rely on science to support planning and decision-making.	3,662,836	3,805,615
2.5.005	Build and maintain effective partnerships to achieve water supply goals.	-	-
E2.5 Subtotal		**18,448,855**	**14,672,513**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.6 Promote access to equitable and affordable water supplies.	**FY 2023-24**	**FY 2024-25**
2.6.001	Promote equal access to clean, safe, and affordable water supply across all communities.	1,065,760	1,121,709
2.6.002	Maintain affordable water rates through cost-effective water supply investments and management.	-	-
2.6.003	Continue customer assistance and incentive programs.	-	1,225,000
E2.6 Subtotal		**1,065,760**	**2,346,709**

E2 Budget Total	**531,254,666**	**541,379,958**

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.1 Maintain flood protection facilities to design levels of protection.		FY 2023-24	FY 2024-25
	3.1.001	Prioritize maintenance of existing facilities over construction of new capital projects.	2,748,821	7,267,716
	3.1.002	Inspect and maintain facilities on a regular basis.	45,440,533	45,298,735
	3.1.003	Perform maintenance using maintenance guidelines updated on a regular basis.	1,811,780	1,020,895
	E3.1 Subtotal		50,001,134	53,587,347

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.2 Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.		FY 2023-24	FY 2024-25
	3.2.001	Develop, maintain, and communicate emergency action plans.	788,584	1,218,432
	3.2.002	Develop, maintain, and communicate flood information to the community.	3,107,968	3,386,181
	3.2.003	Provide expertise in flood forecasting and flood warning systems to municipalities.	757,937	811,295
	3.2.004	Provide expertise to encourage public agencies to reduce flood risk and protect floodplain benefits.	2,699,650	2,838,552
	E3.2 Subtotal		7,354,139	8,254,460

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.3 Increase the health and safety of residents countywide by reducing community flood risk.		FY 2023-24	FY 2024-25
	3.3.001	Provide equitable, timely, and achievable flood protection for health and safety.	22,497,011	70,618,177
	3.3.002	Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.	15,033,219	44,602,334
	E3.3 Subtotal		37,530,230	115,220,511

E3 Budget Total	94,885,503	177,062,318

E4	Water resources stewardship protects and enhances ecosystem health.		
	E4.1 Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	**FY 2023-24**	**FY 2024-25**
4.1.001	Develop and share data to support resilient ecosystems and healthy populations of native species.	8,306,849	5,121,814
4.1.002	Monitor stream, reservoir, and Bay ecosystem health.	3,872,879	1,724,999
4.1.003	Use data to prioritize and equitably implement actions to reduce pollution, restore endangered species habitat, and enhance ecosystem function.	1,481,834	1,581,083
E4.1 Subtotal		**13,661,562**	**8,427,896**

E4	Water resources stewardship protects and enhances ecosystem health.		
	E4.2 Sustain ecosystem health while managing local water resources for flood protection and water supply.	**FY 2023-24**	**FY 2024-25**
4.2.001	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county.	3,476,425	4,638,517
4.2.002	Operate Valley Water facilities to balance water supply, flood protection, and ecosystem sustainability.	12,005,986	16,711,823
E4.2 Subtotal		**15,482,411**	**21,350,340**

E4	Water resources stewardship protects and enhances ecosystem health.		
	E4.3 Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	**FY 2023-24**	**FY 2024-25**
4.3.001	Meet future water supply demand through diverse and coordinated water supply planning.	-	-
4.3.002	Promote holistic ecosystem management through science-based decision-making.	-	-
4.3.003	Actively engage in the protection of source water quality through collaboration and funding.	-	-
E4.3 Subtotal		**-**	**-**

E4	Water resources stewardship protects and enhances ecosystem health.		
	E4.4 Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	**FY 2023-24**	**FY 2024-25**
4.4.001	Encourage stormwater capture, treatment, and reuse.	2,619,259	2,689,431
4.4.002	Prepare and respond to spills and dumping that threaten local waterways.	2,477,460	2,359,895
4.4.003	Collaborate with agencies and nonprofits to address homelessness and its impacts to Santa Clara County Waterways.	4,129,755	4,141,375
E4.4 Subtotal		**9,226,473**	**9,190,701**

E4 Water resources stewardship protects and enhances ecosystem health.

E4.5 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.

		FY 2023-24	FY 2024-25
4.5.001	Provide appropriate and equal public access to Valley Water's streamside and watershed lands.	6,585,817	6,817,688
4.5.002	Engage and educate the community in stream and watershed protection.	3,224,666	3,300,095
4.5.003	Build partnerships to protect and enhance watersheds and aquatic ecosystems.	4,015,260	3,786,435
E4.5 Subtotal		**13,825,743**	**13,904,218**

E4 Budget Total	**52,196,190**	**52,873,155**

E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.		
	E5.1 Minimize greenhouse gas emissions from Valley Water's operations.	**FY 2023-24**	**FY 2024-25**
5.1.001	Expand the use of clean technology in vehicles, equipment, and buildings, and develop carbon-efficient construction and service delivery practices.	424,098	391,053
5.1.002	Optimize energy use and expand renewable energy portfolio.	342,899	377,473
5.1.003	Incentivize low carbon practices, projects, and efforts by employees, contractors, and partners.	-	-
E5.1 Subtotal		**766,997**	**768,526**

E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.		
	E5.2 Adapt Valley Water's assets and operations to reduce climate change impacts.	**FY 2023-24**	**FY 2024-25**
5.2.001	Improve the resiliency of Santa Clara County's water supply to drought and other climate change impacts	1,529,093	1,555,639
5.2.002	Provide equitable protection from sea level rise and flooding, prioritizing disadvantaged communities.	-	-
5.2.003	Improve ecosystem resiliency through water resources stewardship.	-	-
5.2.004	Prepare for climate-related emergencies and provide equal access to information and services, particularly to disadvantaged communities.	-	-
E5.2 Subtotal		**1,529,093**	**1,555,639**

E5 Budget Total	**2,296,091**	**2,324,165**

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Outcome Measures

Ends Outcome Measures

Performance – Outcome Measures

Outcome Measures are one way that the Board monitors the degree to which the Board policies are met by the Chief Executive Officer. Measures are reported to the Board consistent with Board policy. These reports and further information on Outcome Measure performance is located at:
https://www.valleywater.org/how-we-operate/board-governance-policies/semi-annual-performance-report-board-directors.

The performance of the Outcome Measures is regularly monitored to ensure that they are achieved and meet the Board's expectations. The report summarizes the status of 17 Outcome Measures, grouped by Board Ends Policy. These performance areas are monitored by Watersheds, Water Utility , and Administrative Services divisions and their status is reported to the CEO. The new report format provides information that management can use to determine the current status and redirect the effort as needed based on the current situation and/or anticipated challenges.

BOARD ENDS POLICIES - OUTCOME MEASURES

FY 2020-21 Outcome Actual	FY 2021-22 Outcome Actual	FY 2022-23 Outcome Estimated	FY 2023-24 Outcome Target
E-2: Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
Did Valley Water meet its annual water demand?			
100% of annual water demand was met.	100% of annual water demand was met. Annual demand was down 11% compared to 2019 due to drought (on June 9, 2021 the Board called for a 15% reduction in water use compared to 2019)	100% of annual water demand was met. Annual demand was down 7% compared to 2019 due to drought (on June 9, 2021 the Board called for a 15% reduction in water use compared to 2019)	100% of annual water demand is met without calling for more than 20% water use reduction.
Total acre-feet of groundwater storage			
Estimated total groundwater storage was 332,000 acre-feet.	Estimated total groundwater storage was 312,000 acre-feet.	Projected total groundwater storage of more than 309,000 acre-feet.	Total groundwater storage is greater than 300,000 acre-feet .
Percentage of subsidence index wells with groundwater levels above subsidence thresholds			
100% of subsidence index wells had groundwater levels above subsidence thresholds.	100% of subsidence index wells had groundwater levels above subsidence thresholds.	100% of subsidence index wells with groundwater levels above subsidence thresholds.	100% of subsidence index wells with groundwater levels above subsidence thresholds.
Percentage of water supply wells that meet or exceeds quality standards			
96% of water supply wells tested met all primary drinking water standards (based on calendar year 2020).	91% of water supply wells tested met all primary drinking water standards (based on calendar year 2021).	85% of water supply wells tested meet all primary drinking water standards (based on estimate for 2022 data which is not fully available/analyzed)	95% of water supply wells meet or exceeds quality standards.
Percentage of treated water that meets or exceeds primary drinking water standards.			
100% of treated water delivered met or exceeded all primary drinking water standards.	100% of treated water delivered met or exceeded all primary drinking water standards.	100% of treated water delivered met or exceeded all primary drinking water standards.	100% of treated water meets or exceeds primary drinking water standards.

BOARD ENDS POLICIES - OUTCOME MEASURES

FY 2020-21 Outcome	FY 2021-22 Outcome	FY 2022-23 Outcome	FY 2023-24 Outcome
Actual	**Actual**	**Estimated**	**Target**
Percentage of total annual maintenance work plans completed for water transmission and distribution facilities on schedule			
Completed 21% of annual maintenance work plans for water treatment facilities and 82% of annual maintenance work plans for transmission and distribution facilities. Remaining work scheduled to be completed in next fiscal year. Note for water treatment facilities: FY21 included carried over purchases and installations from FY20. Maintenance work was still operating within COVID work schedules and distancing requirements.	Completed 76% of annual maintenance work plans for water treatment facilities and 88% of annual maintenance work plans for transmission and distribution facilities. Remaining work scheduled to be completed in next fiscal year.	Due to backlog of work carried over from prior fiscal years and previous COVID pandemic impacts, anticipate completing 45% of annual maintenance work plans for water treatment facilities by end of the fiscal year. Staff projects 80% of annual maintenance work plans for transmission and distribution facilities.	Complete at least 70% of total annual maintenance work plans completed for transmission and distribution facilities on schedule
Acre-feet of water supply portfolio from recycled and purified water			
17,436 acre-feet of recycled water in FY21.	16,855 acre-feet of recycled water in FY22.	Approximately 17,000 acre-feet of recycled water in FY23.	24,000 acre-feet by 2028.

BOARD ENDS POLICIES - OUTCOME MEASURES

FY 2020-21 Outcome Actual	FY 2021-22 Outcome Actual	FY 2022-23 Outcome Estimated	FY 2023-24 Outcome Target
E-3 Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
Prioritize rehabilitation of existing creek facilities to restore design levels of service, beyond routine maintenance, by ensuring annual funds budgeted for Watersheds Asset Rehabilitation Program (WARP) and Safe, Clean Water (SCW) F8 are included in the Watersheds Operation & Maintenance (O&M) budget.			
Target outcome not achieved, annual budget for WARP and SCW F8 projects amounted to 8.5% of annual Watersheds O&M budget	Annual budget for WARP and SCW F8 projects amounted to 24.5% of annual Watersheds O&M budget.	Annual budget for WARP and SCW F8 projects amounted to 13.9% of annual Watersheds O&M budget	Budget for WARP and SCW F8 projects is equivalent to at least 15% of Watersheds O&M Division annual budget.
Percent of flood protection facilities inspected annually.			
96% of levees were inspected and maintained in FY21. It is noted that staff's ability to conduct creek and levee inspections was compromised in certain high-risk areas due to safety concerns, insufficient law enforcement support, and COVID-19-related issues. To help ensure this measure is achieved, the unit has undertaken an improvement process to streamline and prioritize inspections.	100% of levees were inspected and maintained in FY22. It is noted that staff's ability to conduct creek and levee inspections continues to be compromised in certain high-risk areas due to safety concerns and at times, insufficient law enforcement support.	100% of levees are projected to be inspected and maintained in FY23. Staff's ability to conduct creek and levee inspections continues to be compromised in certain high-risk areas due to safety concerns and at times, insufficient law enforcement support. Continued higher flows in some streams due to winter storms may reduce the ability to conduct creek and levee inspections.	100% of levees and at least 50% of other flood protection facilities inspected annually.
Point Sum of the National Flood Insurance Program's (NFIP) Community Rating System (CRS) of all the participating CRS Communities in Santa Clara County.			
NFIP CRS total point sum (countywide) is being maintained in FY21 Q4. As of 06/30/21, the point sum remains as follows: 16,195 w/o Valley Water's points; 18,041 w/Valley Water points.	NFIP CRS total point sum (countywide) is being maintained in FY22 Q4. As of 06/30/22, the point sum remains as follows: 16,930 w/o Valley Water's points; 18,776 w/Valley Water points.	NFIP CRS total point sum (countywide) is being maintained in FY23 Q4. As of 03/28/23, the point sum remains as follows: 17,237 w/o Valley Water's points; 19,083 w/Valley Water points.	The point sum of all participating CRS Communities in Santa Clara County is 13,000 or higher.
Percent of flood protection projects that incorporate natural flood protection features			
77% of Capitol flood protection projects in the CIP incorporate NFP features (based on FY22-26 CIP Report)	83% of Capitol flood protection projects in the CIP incorporate NFP features (based on FY23-27 CIP Report)	87% of Capital flood protection projects in the CIP incorporate NFP features.	90% of flood protection projects incorporate natural flood protection (NFP) features that enhance the physical, hydrologic, and ecologic functions and process of streams within the community setting.

BOARD ENDS POLICIES - OUTCOME MEASURES

FY 2020-21 Outcome Actual	FY 2021-22 Outcome Actual	FY 2022-23 Outcome Estimated	FY 2023-24 Outcome Target
E-4 Water resources stewardship protects and enhances ecosystem health.			
Ecological data are made available to the public through the Valley Water webpage annually and the EcoAtlas tool.			
100% of VW's annual reports with ecological data are made available to the public through the Valley Water webpage and the EcoAtlas tool.	100% of VW's annual reports with ecological data are made available to the public through the Valley Water webpage and the EcoAtlas tool.	100% of VW's annual reports with ecological data are made available to the public through the Valley Water webpage and the EcoAtlas tool.	100% of Valley Water annual ecological monitoring reports are made available to the public.
Percent of stewardship projects that include objectives that enhance ecological functions, improve water quality, or provide for trails & open space.			
100% based on FY22-26 CIP Report.	100% based on FY23-27 CIP Report.	100% based on FY23-27 CIP Report.	All stewardship projects include objectives that enhance ecological functions, improve water quality, or provide for trails & open space.
Percent of new Joint Use Agreements (JUAs) that comply with the Trails Policy Criteria and Guidance.			
0 percent (Trail Policy and Guidance went into effect in FY21-22).	0 percent (several new JUAs are pending).	100% of new Joint Use Agreements (2 in FY23) comply with the Trails Policy Criteria and Guidance.	100% of new Joint Use Agreements comply with the Trails Policy Criteria and Guidance.

BOARD ENDS POLICIES - OUTCOME MEASURES

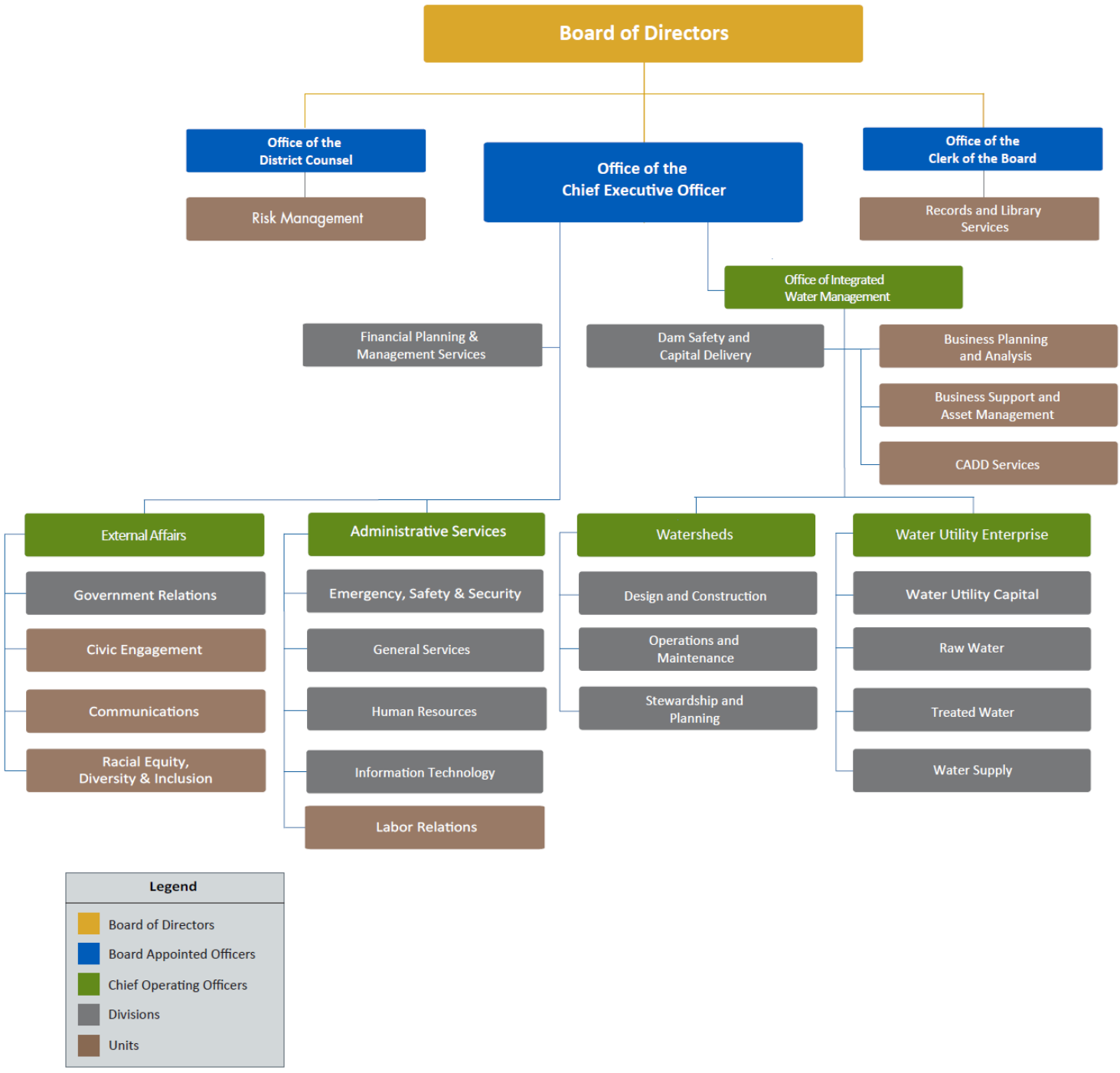
FY 2020-21 Outcome Actual	FY 2021-22 Outcome Actual	FY 2022-23 Outcome Estimated	FY 2023-24 Outcome Target
E-5 Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.			
Maintain Valley Water's California Green Business Certification.			
Yes, Valley Water is certified as a California Green Business.	Yes, Valley Water is certified as a California Green Business.	Yes, Valley Water is certified as a California Green Business.	Valley Water is certified as a California Green Business.
Percent of Valley Water's operating facilities are equipped with Electric Vehicle (EV) charging infrastructure.			
28% of Valley Water's operating facilities are equipped with EV charging infrastructure.	28% of Valley Water's operating facilities are equipped with EV charging infrastructure.	39% of Valley Water's operating facilities are equipped with EV charging infrastructure.	70% of Valley Water's operating facilities are equipped with EV charging infrastructure.
Percent of Valley Water's passenger vehicle portfolio that have been converted to electric vehicles (EVs).			
Valley Water's passenger vehicle fleet is 51% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 54% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 55% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 64% Hybrid and 11% EVs.

Division Summaries

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

DIVISION SUMMARIES

Division Summaries



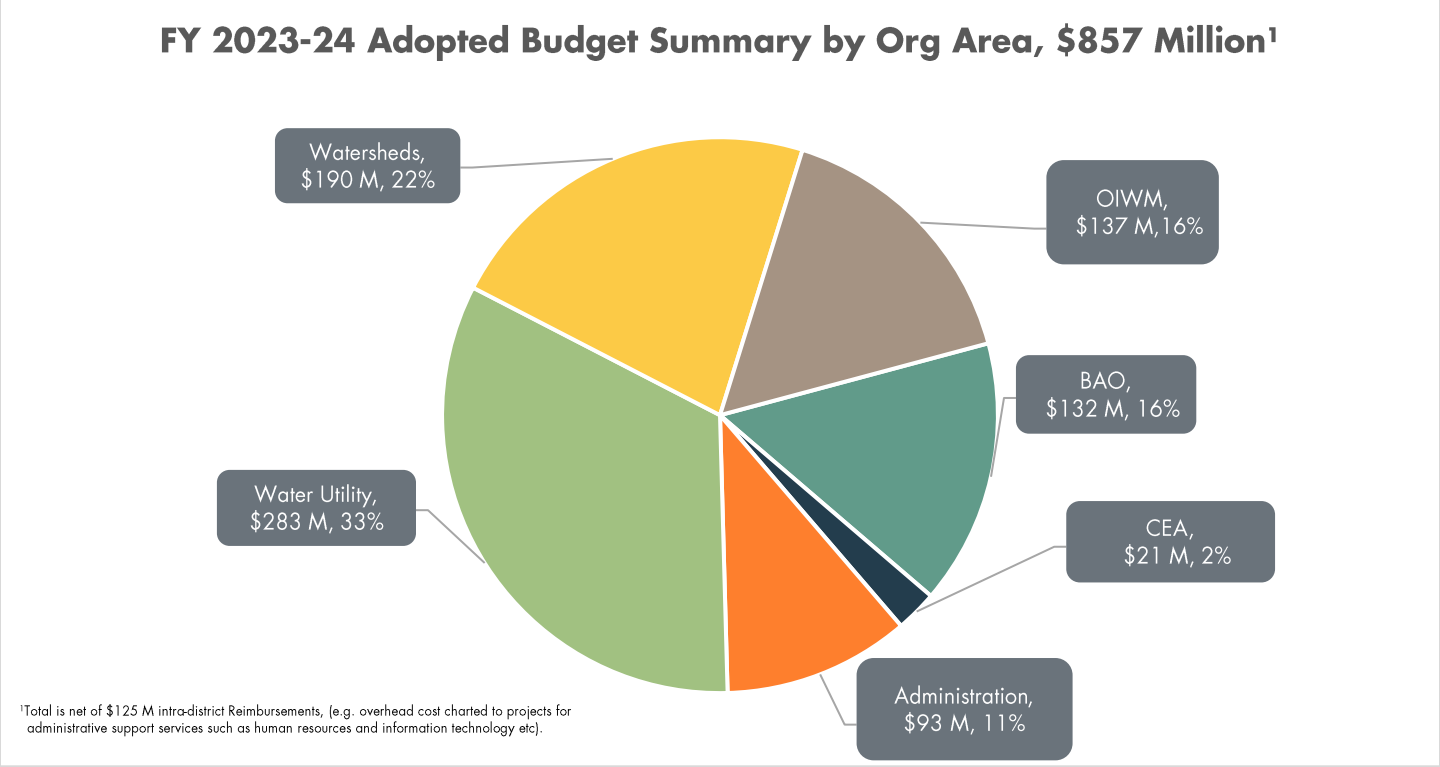
Division Summaries

Description

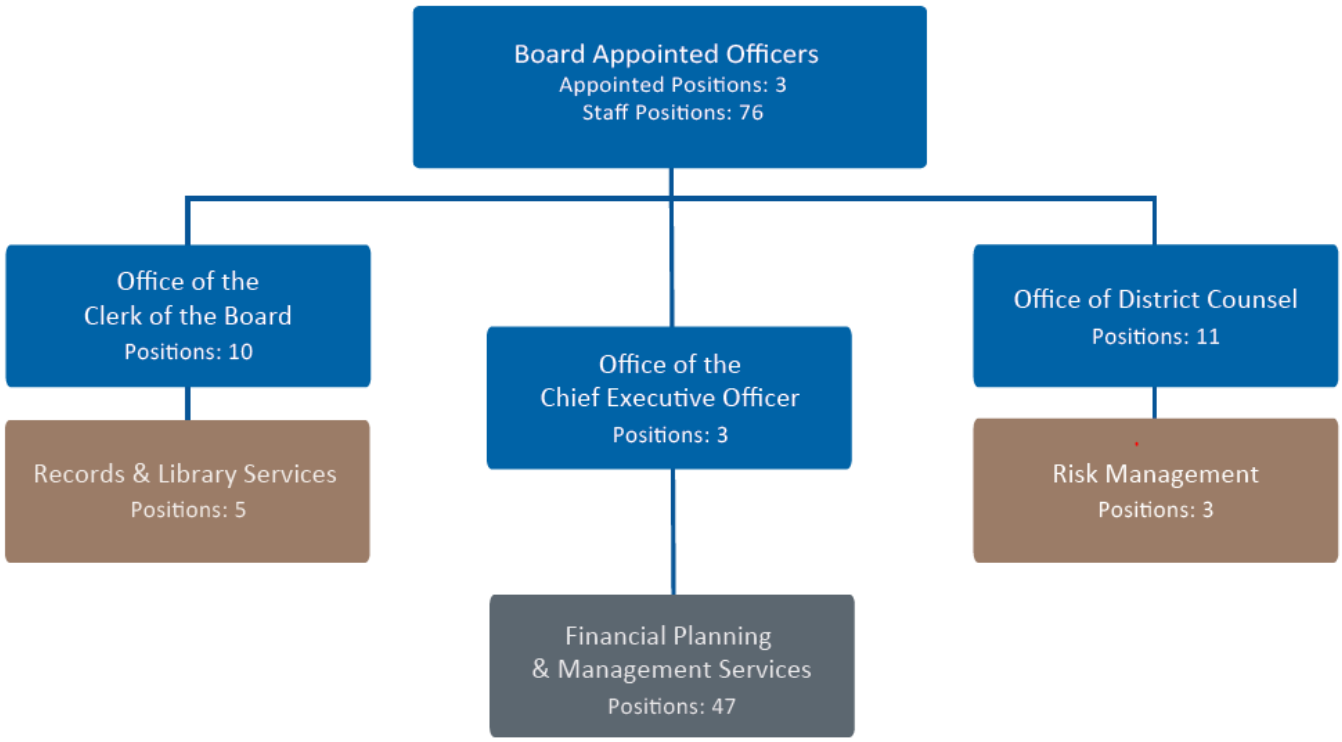
Valley Water utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

The Division Summary chapter is another way of looking at Valley Water's budget. This chapter represents a functional view of Valley Water's budget displaying all expenses that are charged by the organization area, division, and department by project type and account category.

Organizational areas and their division sections begin with an organizational chart showing the FY 2023-24 budget and positions. Each area then includes an overview of the services they provide, their objectives, accomplishments, and milestones. This is followed by a series of financial tables which display the budget by project type, account category, department, and the authorized position counts for four fiscal years.



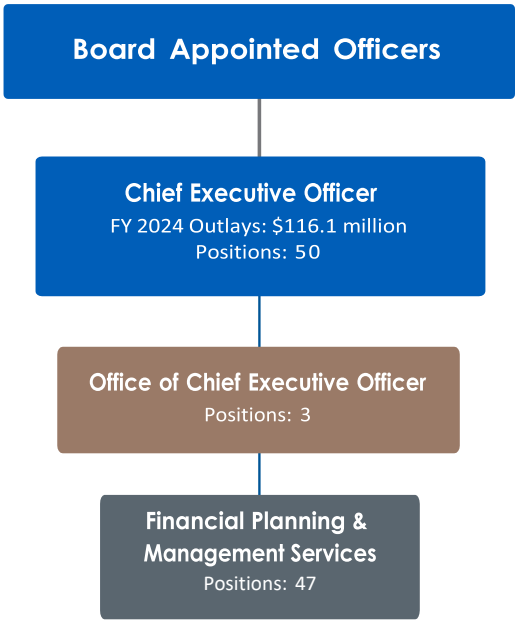
Board Appointed Officers



Description

Board Appointed Officers support the mission of Valley Water, to provide Silicon Valley safe, clean water for a healthy life, environment, and economy through essential core services for Valley Water, and include the Chief Executive Officer, the District Counsel, and the Clerk of the Board. Board Appointed Officers provide executive leadership of Valley Water; support to the Board of Directors and ensure that Valley Water efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; high quality, trustworthy, and responsive legal counsel to Valley Water ina manner that creatively assists in accomplishing Valley Water's mission; and maximize public access to the citizens of Santa Clara County in accordance with the State of California Ralph M. Brown Act.

Office of the CEO



Division Description and Objectives

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board of Directors to ensure that Valley Water meets the Board's Ends policies; and complies with the Boards' Executive Limitations Policies in a transparent, cost- effective, and efficient manner. The Office of the CEO also oversees the Financial Planning and Management Services Division.

FY 2023 Accomplishments

- Provided leadership and organizational guidance during the drought and the COVID-19 pandemic, prioritizing investments in our critical infrastructure and the safety of Valley Water staff while providing safe, clean, reliable water to Santa Clara County.
- Maintained transparency with staff through monthly virtual all-employee Town Hall meetings and agency-wide communications on key Board decisions and major issues and kept the Board and the public informed on Valley Water activities through twice-monthly CEO Bulletins.
- Held Management Leadership Team meetings for professional development, increased organizational communication, discussion, and presentations of real-time issues affecting Valley Water.
- Held weekly stand-up meetings with the Leadership Team and executive staff to stay current on relevant activities and potential issues and challenges impacting the agency. Held an annual Strategic Planning Retreat with the Leadership Team to plan for the next fiscal year.
- Coordinated the annual Board Strategic Planning Retreat to identify and discuss strategic priorities for the upcoming fiscal year and supported the Board in developing the next fiscal year's Board Work Plan.
- Provided strategic direction during an open and transparent budget development process and oversight of the current year's budget to ensure organizational fiscal accountability.
- Fostered cooperative and collaborative working relationships with partner agencies, stakeholders, and the community.

FY 2024 Milestones

- Continue to provide leadership and organizational guidance, prioritizing investments in our critical infrastructure and the safety of Valley Water staff, while providing safe, clean, reliable water to Santa Clara County.
- Provide oversight of the organization's budget and ensure organizational fiscal accountability through an open and transparent budget development process.
- Continue to hold regular all-employee Town Hall meetings, Management Leadership Team meetings, and Executive Team Meetings to foster open communication, transparency, and information sharing on key updates, projects, and policies pertinent to Valley Water employees.
- Maintain and ensure approved audit recommendations are fully implemented through the end of the fiscal year.
- Further develop and establish working relationships with partner agencies, retailers, stakeholders, and the community.
- Coordinate the annual Board Strategic Planning Retreat to support the development of the Board's Annual Work Plan.
- Advance workforce development and succession planning programs.
- Implement new technology tools that increase productivity and business efficiency.
- Advance racial equity, diversity and inclusion efforts within Valley Water and with stakeholders and the community.

FY 2025 Milestones

- Continue to provide leadership and organizational guidance, prioritizing investments in our critical infrastructure and the safety of Valley Water staff, while providing safe, clean, reliable water to Santa Clara County.
- Provide oversight of the organization's budget and ensure organizational fiscal accountability through an open and transparent budget development process.
- Continue to hold regular all-employee Town Hall meetings, Management Leadership Team meetings, and Executive Team Meetings to foster open communication, transparency, and information sharing on key updates, projects, and policies pertinent to Valley Water employees.
- Maintain and ensure approved audit recommendations are fully implemented through the end of the fiscal year.
- Further develop and establish working relationships with partner agencies, retailers, stakeholders, and the community.
- Coordinate the annual Board Strategic Planning Retreat to support the development of the Board's Annual Work Plan.
- Advance workforce development and succession planning programs.
- Implement new technology tools that increase productivity and business efficiency.
- Advance racial equity, diversity and inclusion efforts within Valley Water and with stakeholders and the community.

Office of the CEO — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	1,476,975	1,493,825	1,579,221	1,684,698
Total *	**1,476,975**	**1,493,825**	**1,579,221**	**1,684,698**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the CEO	1,476,975	1,493,825	1,579,221	1,684,698
Total *	**1,476,975**	**1,493,825**	**1,579,221**	**1,684,698**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of the CEO - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions

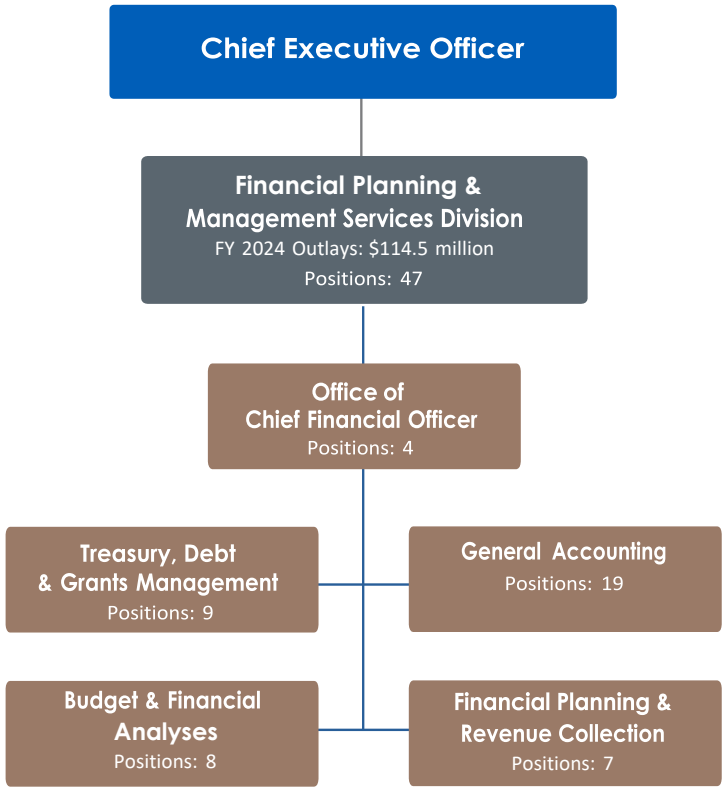
For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

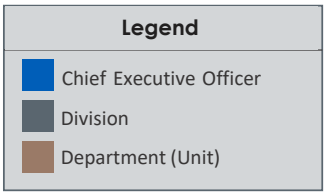
Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of Chief Executive Officer					
	Salaries & Benefits	1,210,276	1,128,287	1,177,292	1,271,108
	Services & Supplies	107,117	191,800	191,800	191,800
	Intra District Charges	159,583	173,739	210,129	221,791
Office of Chief Executive Officer Total		1,476,975	1,493,825	1,579,221	1,684,698
Operations Total *		**1,476,975**	**1,493,825**	**1,579,221**	**1,684,698**
Division Total *		**1,476,975**	**1,493,825**	**1,579,221**	**1,684,698**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Financial Planning and Management Services Division





Division Description and Objectives

Under the direction of the Chief Financial Officer, the Financial Planning and Management Services Division (FPMSD) serves as a partner to assist other departments in achieving their objectives. The primary roles of FPMSD are to facilitate necessary financial transactions, provide analyses and recommendations on decisions brought forth by operations, establish controls that minimize financial risks, and drive change or improvements in business processes or practices in order to improve productivity. The division is organized functionally as summarized below.

Continual Improvement

Continual Improvement supports the CEO's ability to lead the organization and ensures the Board is informed and supported in its work. The Continual Improvement team carries out this support through Valley Water's Quality and Environmental Management System, facilitating Board-commissioned, CEO-commissioned, and/or internal audits, and communicating monitoring data to the Board on the status of achieving its Ends Policies.

Treasury, Debt, and Grants Management

Treasury, Debt, and Grants Management manages districtwide treasury, debt financing, and grants programs, which includes the investment portfolio with a book value of over $700 million, a debt portfolio of over $1 billion, and annual grants reimbursements in excess of $30 million. In addition to managing the $97 million annual debt service budget, the department also prepares all legally required reports to meet bond covenants as well as state and federal requirements to ensure compliance with securities laws. Working with Valley Water's external municipal advisor and bond/disclosure counsel, the department leads debt issuance activities to provide funding for capital projects. The department leads grant management activities, which include research regarding compliance with grant terms and conditions and grant guidelines, grant application development, and administration of local, state, and federal grants and cost-sharing agreements for capital projects. Department staff also assist in the financial review and analysis of key capital projects such as California Delta Conveyance, Pacheco Reservoir, Los Vaqueros Reservoir, Sites Reservoir, and Recycled and Purified Water Public-Private-Partnership, among others. The department strives to achieve the objectives of maintaining high credit ratings, keeping financing costs low, ensuring the safety, liquidity, and yield of Valley Water's funds, and maximizing grant funding opportunities.

Budget and Financial Analyses

Budget and Financial Analyses provides timely and accurate financial information and analyses throughout the fiscal year. The department captures the cost of the resources needed for managing, planning, and implementing districtwide processes that culminate with the production of the rolling biennial operating and capital budget document. Additionally, the department provides districtwide financial analyses and high-level monitoring of financial results and ensures that the financial information provided to the Board, the public, and staff is accurate, reliable, and in accordance with Valley Water policy.

General Accounting

General Accounting includes the areas of General Ledger, Accounts Payable, Payroll, and Financial Systems. The General Ledger area focuses on accounting and financial reporting compliance with laws, regulations, Valley Water policies, and accounting professional standards. Accounts Payable is charged with processing payments to Valley Water's contractors, consultants, vendors, and staff expense claims, administering petty cash, and filing payment documents. Payroll processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings, and submission of Federal and State reporting requirements. Financial Systems provide for the maintenance and security of the payroll, benefits, human resources, and financial applications.

Financial Planning and Revenue Collection

Financial Planning prepares and manages long term financial plans and forecasts and drives the groundwater production charge setting process, which includes the preparation of the annual report on the Protection and Augmentation of Water Supplies (PAWS). Revenue Collection collects water revenue, property taxes, and benefit assessments for Valley Water. Water revenue is comprised of charges for groundwater, recycled, surface, and treated water usage. Property taxes and benefit assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts.

FY 2023 Accomplishments

- Delivered PERS/OPEB update to the Board on March 14, 2023.
- Presented 30-year forecast to the Board on March 28, 2023, per Board request.
- Established repository for Board and management directed audits conducted in the past 10 years.
- Made progress on Opportunities for Improvements (OFIs) resulting from the 2021 QEMS Benchmarking Analysis.
- Hired Moss Adams to participate in the Board's Auditor Pool.
- Reinitiated outcome measure reporting to the Board semi-annually based on new performance measures.
- Initiated Phase 2 of the redeveloped QEMS Internal Audit Program, which includes inviting the CEO and Chiefs to select areas to audit if desired.
- Earned more than $9 million in interest income from the investment portfolio.
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on EMMA as required by the Securities Exchange Commission, and California State Treasurer's Annual Debt Transparency Report.
- Provided ongoing financial support for various projects, such as the Delta Conveyance, Recycled and Purified Water Public-Private-Partnership, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Completed various debt financings: (1) closed $75 million in Refunding Revenue Bonds and $46 million in Certificates of Participation (COPs) for the Safe, Clean Water capital program on December 6, 2022; (2) closed $147 million in Water Infrastructure Finance and Innovation Act (WIFIA) Master Agreement for the Safe Clean Water program; (3) closed $121 million in Refunding Revenue Bonds and $223 million in COPs for the Water Utility capital program on January 19, 2023; (4) closed $580 million WIFIA Master Agreement for the Anderson Seismic Retrofit and Coyote Percolation Dam projects; and (5) negotiated $1.4 billion WIFIA Master Agreement for the Pacheco Reservoir Expansion project, anticipated to close in late summer 2023.
- Secured $22.6 million in new grants: $3.8 million from the U.S. Environmental Protection Agency (EPA) for the Calabazas/San Tomas Aquino Creek-Marsh Connection project; $3 million from the EPA for the Nine Creek Cleanup project; $3.2 million from the State Coastal Conservancy for the South San Francisco Bay Shoreline Phase 1 project; $3.8 million from the Department of Water Resources (DWR) for the Coyote Creek Flood Protection project; $3 million from the California Office of Emergency Services for the Pope Chaucer Bridge Replacement; and $5.8 million from DWR for the Cross Valley Pipeline Extension projects.
- Produced and distributed the second Adopted Rolling Biennial Budget Summary Document prior to June 30, 2023.
- Maintained the Balancing Act budget simulation tool that allows residents to adjust budgets for various Valley Water priorities and align resources with their preferred services.
- Implemented the new rolling biennial budget cloud-based publishing tool.
- Implemented dynamic actuals versus budget reports in the Birst cloud-based analytics tool.
- Provided Quarterly Financial Results updates to the Board Audit Committee and the Board.
- Automated the Safe, Clean Water (SCW) Report to be integrated with the current budget development software.
- Finalized the FY 2022 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2022.

- Completed the submission of the State Controller's Report by January 2023.
- Completed the FY 2022 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2023.
- Met State and Federal tax reporting requirements for 1099's by January 2023.
- Completed California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issued employee W-2's and completed 2022 W-2 Tax Reporting by January 31, 2023.
- Submitted 2022 calendar year compensation report to the State Controller's Office by April 2023.
- Completed audit of the Valley Water's 2021-2022 parcel tax database to determine if the parcels were assessed/ taxed with the approved assessment methodology.
- Completed annual enrollments for the Safe, Clean Water (SCW) Senior Exemption Program, with nearly 4,900 active seniors participating in the SCW Senior Exemption Program.
- Completed, produced, and filed the 52nd Annual Report on the Protection and Augmentation of Water Supplies.

FY 2024 Milestones

- Facilitate implementation of the Board's 2022-2024 Annual Audit Work Plan.
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis.
- Engage economic consultant to review Valley Water's water use forecast including a review of water demand elasticity.
- Prepare reports on the status of audits, including the status of implementation of recommendations and opportunities for improvement that are selected to be completed and accomplished throughout the fiscal year.
- Prepare and submit semi-annual performance reports to the Board through June 30, 2024.
- Actively manage $700M+ investment portfolio and $1 billion long-term debt portfolio, $150 million Commercial Paper Program, and $170 million Revolving Line of Credit.
- Issue Water Utility Refunding Revenue Bonds, Series 2024A/B/C/D with an estimated par amount of $230 million, and Safe, Clean Water Refunding Revenue Bonds, Series 2024A with an estimated par amount of $38 million.
- Close on $1.4 billion WIFIA Master Agreement for the Pacheco Reservoir Expansion project, anticipated to close in late summer 2023.
- Administer the $2.1 billion WIFIA program for the Anderson Dam Seismic Retrofit, Coyote Percolation Dam, Pacheco Reservoir Expansion capital projects as well as the Sunnyvale East-West Channel, Coyote Creek, and Upper Penitencia Flood Protection projects.
- Provide ongoing financial support for various projects, such as the California Delta Conveyance, Countywide Water Reuse Program, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Actively seek new local, state, and federal grant funding opportunities and manage grants/cost-sharing agreements, as well as the State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures.
- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Biennial Budget Summary Book in time for Board Adoption on or before June 30 on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or before July 1.
- Address Budget requests during the fiscal year for projects, services, or staff requests that are unbudgeted as part of the Adopted Budget; identify spending offset or funding source at the time of the request and ensure that the request has a net-zero effect, a balanced transaction, on the budget.
- Ensure that all Valley Water Funds maintain adequate reserves per the District Reserve policy and prudent financial planning to ensure sufficient resources for current services and obligations and to prepare for future anticipated funding requirements and unforeseen events.

- In preparation for each budget pass, produce the position file, overhead, and benefit rates. After each budget pass, produce proforma reports, trend data information on selected items, fund target analysis results, and detailed budget files (reports are produced in March, April, and May).
- Produce and support the organization with detailed analysis and presentation materials for senior management and Board of Directors meetings and presentations.
- Ensure, and contribute to, the successful implementation of Enterprise Resource Planning in the Financial Planning and Management Services Division.
- Produce a rolling biennial budget process to be updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization.
- Load the Adopted Budget to Financial System by July 1 and publish it on Valley Water's website by June 30. Additionally, ensure Birst monthly financial reports are correct within one week of the accounting period closing, and finalize and post the Encumbrance and Capital Carry Forward budget.
- Review Board Agenda materials for accuracy and consistency with financial policy and practices.
- Finalize the FY 2023 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2023.
- Complete the submission of the State Controller's Report by January 2024.
- Complete the FY2023 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2024.
- Print weekly vendor checks by Thursday afternoon and send them to the mailroom by Friday morning.
- Process and distribute employee paychecks by Thursday morning every other week.
- Meet State and Federal tax reporting requirements for 1099's by January 2024.
- Complete California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issue employee W-2's by the end of January 2024.
- Submit the 2023 calendar year compensation report to the State Controller's Office by April 2024.
- Stabilize the new Infor Financial and Payroll enterprise systems.
- Complete the first phase of Development Impact Fee studies for Water Supply and Flood Protection and begin second phase of the studies if directed to do so by the Board.
- Complete Annual Report on the Protection and Augmentation of Water Supplies (PAWS) by the end of February 2024.

FY 2025 Milestones

- Facilitate implementation of the Board's 2022-2024 Annual Audit Work Plan.
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis.
- As directed, prepare reports on the status of audits, including the status of implementation of recommendations and opportunities for improvement that are selected to be completed and accomplished throughout the fiscal year.
- Prepare and submit semi-annual Performance Reports to the Board through June 30, 2024.
- Manage the Internal Audit Program and conduct periodic internal audits to confirm compliance.
- Prudently invest District funds while maintaining safety, liquidity and optimizing interest income.
- Manage the District's debt portfolio as well as implement financing strategies to fund Valley Water's capital improvement plan.
- Implement $2.1 billion WIFIA loan administration program for Pacheco, Anderson, and Safe, Clean Water projects.
- Actively seek new local, state, and federal grant funding opportunities and manage grants/ cost-sharing agreements, as well as the State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures.
- Continue to successfully deliver the applicable recurring budget annual processes as described under FY 2024 Milestones.
- Contribute to the ongoing refinement of the Enterprise Resource Planning software in the Financial Planning and Management Services Division.

- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Biennial Budget Summary Book in time for Board Adoption on or prior to June 30, on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or prior to July 1.
- Continue involvement in the successful project delivery of various software implementation projects for the organization as it relates to budget.
- Finalize the FY 2024 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2024.
- Complete the submission of the State Controller's Report by January 2025.
- Complete the FY 2024 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2025.
- Print weekly vendor checks by Thursday afternoon and send them to the mailroom by Friday morning.
- Process and distribute employee paychecks by Thursday morning every other week.
- Meet State and Federal tax reporting requirements for 1099's by January 2025.
- Complete California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issue employee W-2's by the end of January 2025.
- Submit the 2024 calendar year compensation report to the State Controller's Office by April 2025.
- Complete Annual Report on the Protection and Augmentation of Water Supplies (PAWS) by the end of February 2025.

Financial Planning and Management Services Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	13,605,347	15,862,619	16,644,098	17,077,020
Debt services	58,076,369	82,350,473	97,434,264	119,312,987
Capital	548,606	322,370	442,501	438,694
Total *	**72,230,322**	**98,535,462**	**114,520,863**	**136,828,700**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Budget & Financial Analyses	2,605,023	2,566,550	2,700,568	2,824,789
Financial Planning and Revenue Collection	2,849,416	3,050,785	3,177,720	3,325,236
General Accounting	4,798,545	5,253,257	5,487,444	5,552,820
Office of the CFO	1,514,060	2,057,678	2,097,214	2,044,543
Treasury, Debt, and Grants Management	60,463,278	85,607,192	101,057,917	123,081,313
Total *	**72,230,322**	**98,535,462**	**114,520,863**	**136,828,700**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Financial Planning and Management Services Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**44**	**46**	**47**	**47**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Budget & Financial Analyses					
	Salaries & Benefits	1,957,686	2,034,023	2,107,267	2,219,114
	Services & Supplies	351,688	222,000	222,000	228,660
	Intra District Charges	295,648	310,527	371,300	377,015
Budget & Financial Analyses Total		2,605,023	2,566,550	2,700,568	2,824,789
Financial Planning and Revenue Collection					
	Salaries & Benefits	1,709,895	1,746,869	1,797,805	1,895,770
	Services & Supplies	186,295	275,200	276,200	288,400
	Intra District Charges	953,226	1,009,812	1,103,715	1,141,066
Financial Planning and Revenue Collection Total		2,849,416	3,031,881	3,177,720	3,325,236
General Accounting					
	Salaries & Benefits	3,686,306	4,350,789	4,438,616	4,513,890
	Services & Supplies	166,705	312,875	358,150	322,950
	Intra District Charges	481,830	589,593	690,678	715,980
General Accounting Total		4,334,841	5,253,257	5,487,444	5,552,820
Office of the CFO					
	Salaries & Benefits	1,050,693	1,091,495	1,107,431	1,180,533
	Services & Supplies	300,823	797,900	786,600	653,600
	Intra District Charges	162,544	168,283	203,183	210,410
Office of the CFO Total		1,514,060	2,057,678	2,097,214	2,044,543
Treasury, Debt, and Grants Management					
	Salaries & Benefits	1,554,141	1,748,029	1,920,271	2,045,892
	Services & Supplies	197,202	532,200	486,200	489,440
	Intra District Charges	550,663	673,024	774,680	794,300
Treasury, Debt, and Grants Management Total		2,302,006	2,953,253	3,181,152	3,329,632
Operations Total *		**13,605,347**	**15,862,619**	**16,644,098**	**17,077,020**

Debt Service Budget by Department and Account Category

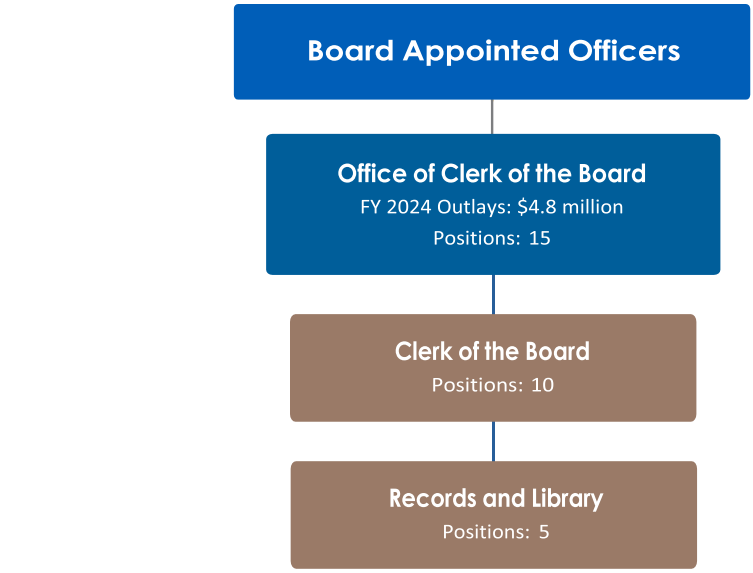
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
	Services & Supplies	58,076,369	82,350,473	97,434,264	119,312,987
Treasury, Debt, and Grants Management Total		58,076,369	82,350,473	97,434,264	119,312,987
Debt Service Total *		**58,076,369**	**82,350,473**	**97,434,264**	**119,312,987**

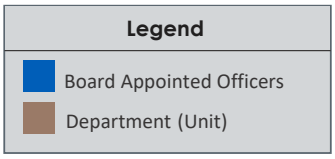
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Financial Planning and Revenue Collection					
	Salaries & Benefits	–	11,789	–	–
	Intra District Charges	–	7,115	–	–
Financial Planning and Revenue Collection Total		–	18,904	–	–
General Accounting					
	Salaries & Benefits	306,450	–	–	–
	Intra District Charges	157,254	–	–	–
General Accounting Total		463,704	–	–	–
Treasury, Debt, and Grants Management					
	Salaries & Benefits	28,281	95,508	209,463	208,942
	Services & Supplies	40,402	150,000	100,000	100,000
	Intra District Charges	16,219	57,958	133,039	129,752
Treasury, Debt, and Grants Management Total		84,902	303,466	442,501	438,694
Capital Total *		**548,606**	**322,370**	**442,501**	**438,694**
Division Total *		**72,230,322**	**98,535,462**	**114,520,863**	**136,828,700**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of Clerk of the Board





Division Description and Objectives

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, 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.

The Office of the Clerk of the Board facilitates the public's access to Board information, including Board and committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with District Ordinance 02-01, Resolution 11-73, Board Governance Policy GP- 10, and maintains the integrity of the Board's legislative records, processes, and actions. The Office of the Clerk of the Board also oversees Records & Library Services.

Records & Library Services

Records & Library Services provides the administration of the Records Management Center and the Valley Water Library (including secure storage, retrieval, and proper disposition of Valley Water records and reference materials); administration of the Valley Water Records Management Program; and the provision of Valley Water's responses to legal demands for records.

FY 2023 Accomplishments

- Successfully managed over 33 Regular and Special Board meetings in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully managed over 100 Board Committee Meetings in accordance with Board Policies, and the Ralph M. Brown Act.
- Successfully scheduled over 1,000 meetings for individual Directors.
- Tracked, monitored, and reported on the registration of external lobbyists in accordance with Ordinance 10-01.
- Assigned, tracked, and monitored approximately 250 Board Correspondences.
- Assigned and tracked approximately 15 Board Member Requests and 25 Individual Board Member Requests in accordance with Board Governance Policy EL-2.6.
- Successfully scheduled presentation of Board Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully tracked and presented the Board-approved Board Performance Management process.
- Successfully managed the November 2022 General Elections for Board Seats.
- Successfully managed review revisions to the Board Governance Ends and Governance Process Policies.
- Provided secure storage, retrieval, and proper disposition of Valley Water records and reference materials as required.
- Processed approximately 300 requests for records services from Valley Water staff.
- Responded to approximately 300 requests for access to or copies of Valley Water records from members of the public and/or other legal demands for documents such as subpoenas.
- Processed more than 5,000 engineering drawings and 200 boxes of records.
- Improved access to scanned files formerly stored on microfilm.
- Consolidated satellite libraries into the main library.
- Improved storage environment for oversize records and photographs.
- Migrated several legacy data systems to new databases.

FY 2024 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by March 2024.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2024.
- Coordinate and present the Board Meeting Compensation information and hearing in January 2024.
- Provide the Board of Directors with a report of registered external lobbyists by August 2023 and February 2024.
- Assign, track, and monitor Board Member Requests, responses, and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track, and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies, and the Ralph M. Brown Act with 100% compliance.
- Coordinate and present the Board Performance Management Report in June 2024.
- Successfully manage meetings for individual Directors.
- Prepare responses to legal demands for documents to ensure compliance with state and federal requirements.
- Support internal staff research and reference needs, as requested.

FY 2025 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2025.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2025.
- Coordinate and present the Board Meeting Compensation information and hearing in January 2025.
- Provide the Board of Directors with a report of registered external lobbyists by August 2024 and February 2025.
- Assign, track, and monitor Board Member Requests, responses, and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track, and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies, and the Ralph M. Brown Act with 100% compliance.
- Coordinate and present the Board Performance Management Report in June 2025.
- Successfully manage meetings for individual Directors.
- Successfully manage the November 2024 General Elections for Board Seats.
- Prepare responses to legal demands for documents to ensure compliance with state and federal requirements.
- Support internal staff research and reference needs, as requested.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	7,734,932	5,687,954	4,833,808	6,603,014
Total *	**7,734,932**	**5,687,954**	**4,833,808**	**6,603,014**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Plan Budget
Office of Clerk of the Board	6,507,878	4,435,847	3,517,767	5,228,031
Records and Library Services	1,227,054	1,252,107	1,316,042	1,374,984
Total *	**7,734,932**	**5,687,954**	**4,833,808**	**6,603,014**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of Clerk of the Board - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**15**	**15**	**15**	**15**

** Authorized positions exclude limited term positions

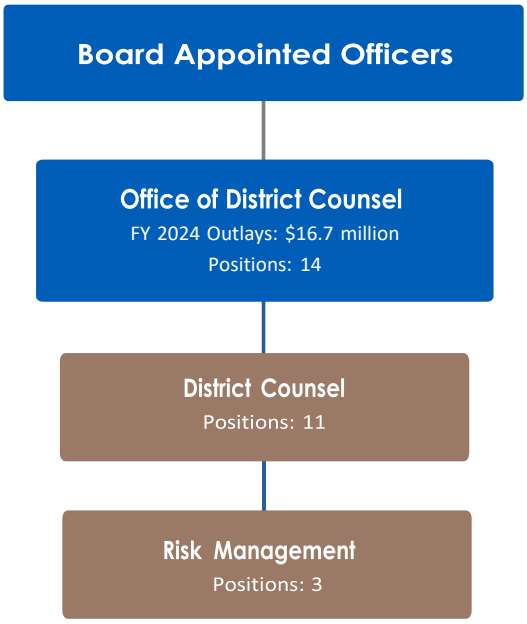
For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the Clerk of the Board					
	Salaries & Benefits	2,261,984	2,289,780	2,378,270	2,549,562
	Services & Supplies	3,926,898	1,802,100	723,120	2,244,920
	Intra District Charges	318,996	343,967	416,376	433,549
Office of the Clerk of the Board Total		6,507,878	4,435,847	3,517,767	5,228,031
Records and Library Services					
	Salaries & Benefits	999,992	998,500	1,026,273	1,079,047
	Services & Supplies	81,421	100,200	105,700	108,900
	Intra District Charges	145,641	153,407	184,068	187,037
Records and Library Services Total		1,227,054	1,252,107	1,316,042	1,374,984
Operations Total *		**7,734,932**	**5,687,954**	**4,833,808**	**6,603,014**
Division Total *		**7,734,932**	**5,687,954**	**4,833,808**	**6,603,014**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of District Counsel



Division Description and Objectives

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 the Risk Management program.

Risk Management

The mission of the Risk Management Program is to protect Valley Water's assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk. Specifically, the department is tasked with the management of Valley Water's Workers Compensation program and risk retention (self-insurance) and risk transfer (insurance) programs to maximize coverage and comply with Board Governance policies cost-effectively.

FY 2023 Accomplishments

- Provided timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Provided representation to Valley Water relating to annual groundwater production charges and to the update of Valley Water's groundwater charge zones.
- Served as counsel or co-counsel in all Valley Water litigation matters.
- Provided legal advice and services on labor relations matters, including the negotiation of renewed Memoranda of Understanding with the bargaining units and representing management in labor arbitrations.
- Provided legal advice and services on all transactional matters.
- Provided legal review and advice on all Valley Water strategic master plans, including the Urban Water Management Plan and Water Supply Master Plan.
- Provided legal advice regarding imported water matters including, drought impacts, water transfer agreements, and litigation.
- Provided legal advice to Valley Water regarding ongoing capital projects, including the Anderson Dam Tunnel Project, the Pacheco Reservoir Expansion Project, and the Purified Water P3 Project.
- Provided legal advice to the Racial Equity, Diversion, and Inclusion regarding ongoing personnel and labor relations matters.
- Provided legal advice to Valley Water to mitigate risks from COVID-19 and to comply with COVID-19-related legal requirements.
- Administered the Workers Compensation program in a manner that increased employee awareness of potential dangers and sought to reduce employee injuries and accidents.
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses.
- Served as the main point of contact between Valley Water and vendors related to claim activity.
- Submitted insurance applications timely in order to successfully secure competitive quotes for insurance renewal policies.

FY 2024 Milestones

- Continue providing timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Provide continued legal advice and support to Valley Water regarding COVID-19 and return-to-work matters.
- Serve as counsel or co-counsel in all Valley Water litigation matters.
- Provide legal advice and services on labor relations matters, including representing management in labor arbitrations.
- Provide legal advice and services on all transactional matters.
- Provide legal advice regarding imported water matters including, drought impacts, water transfer agreements, and litigation.
- Implement agreed-upon FY23 measures to address audit findings and recommendations.

- Provide legal advice to Valley Water regarding ongoing capital projects, including the Anderson Dam Tunnel Project, the Pacheco Reservoir Expansion Project, and the Purified Water P3 Project.
- Provide a quarterly Executive Monitoring Report to the Board of Directors.
- Placement of Excess Workers Compensation Insurance Policy by February 1, 2024.
- Post Cal/OSHA Log 300 February 1 through April 30, 2024.
- Report Valley Water injuries/illnesses at monthly Safety Committee meetings.
- Conduct monthly Open Liability Claims review.
- Organize quarterly W/C claim file reviews.
- Interface with TPA and state governmental entities to ensure Valley Water compliance with new medical set-aside regulations.
- Provide periodic comprehensive reports detailing the progress of the W/C program.
- Secure Non-Owned Aircraft Policy by February 1, 2024.
- Secure Excess Liability Policies by May 1, 2024.
- Secure Drone Policy by May 22, 2024.
- Secure Cyber Liability Policy by June 1, 2024.
- Secure Property Insurance Policy by June 30, 2024.
- Review all policies for coverage and accuracy by June 30, 2024.
- Serve as the main point of contact between Valley Water and its vendors related to claim activity.
- Work with legal counsel, TPA, District Counsel, and staff to provide support for litigation process and ready cases for trial or settlement.

FY 2025 Milestones

- Continue providing timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Serve as counsel or co-counsel in all Valley Water litigation matters.
- Provide legal advice and services on labor relations matters, including representing management in labor arbitrations.
- Provide legal advice and services on all transactional matters.
- Provide legal advice to Valley Water regarding ongoing capital projects, including the Anderson Dam Tunnel Project, the Pacheco Reservoir Expansion Project, and the Purified Water P3 Project.
- Provide quarterly Executive Monitoring Report to the Board of Directors.
- Placement of Excess Workers Compensation Insurance Policy by February 1, 2025.
- Post Cal/OSHA Log 300 February 1 through April 30, 2025.
- Report Valley Water injuries/illnesses at monthly Safety Committee meetings.
- Conduct monthly Open Liability Claims review.
- Organize quarterly W/C claim file reviews.
- Interface with TPA and state governmental entities to ensure Valley Water compliance with new medical set-aside regulations.
- Provide periodic comprehensive reports detailing the progress of the W/C program.
- Secure Non-Owned Aircraft Policy by February 1, 2025.
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- Secure Drone Policy by May 22, 2025.
- Secure Cyber Liability Policy by June 1, 2025.
- Secure Property Insurance Policy by June 30, 2025.
- Review all policies for coverage and accuracy by June 30, 2025.
- Serve as the main point of contact between Valley Water and its vendors related to claim activity.
- Work with legal counsel, TPA, District Counsel, and staff to provide support for litigation process and ready cases for trial or settlement.

Office of District Counsel — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	8,940,588	13,541,679	15,282,774	16,159,627
Operating Project	3,211,149	50,000	50,000	–
Capital	800,930	2,541,000	1,336,000	1,051,000
Total *	**12,952,667**	**16,132,679**	**16,668,774**	**17,210,627**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Plan Budget
Office of District Counsel	6,118,759	9,380,132	8,885,440	8,942,880
Risk Management Program	6,833,908	6,752,547	7,783,334	8,267,746
Total *	**12,952,667**	**16,132,679**	**16,668,774**	**17,210,627**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of District Council - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**14**	**14**	**14**	**14**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the District Counsel					
	Salaries & Benefits	3,597,861	3,902,852	4,071,588	4,419,205
	Services & Supplies	1,162,473	2,302,000	2,707,500	2,658,000
	Intra District Charges	557,495	634,280	770,352	814,676
Office of the District Counsel Total		5,317,829	6,839,132	7,549,440	7,891,880
Risk Management Program					
	Salaries & Benefits	789,420	795,399	815,828	854,785
	Services & Supplies	5,634,390	5,517,050	6,502,613	6,929,551
	Intra District Charges	410,098	440,098	464,893	483,410
Risk Management Program Total		6,833,908	6,752,547	7,783,334	8,267,746
Operations Total *		**12,151,737**	**13,591,679**	**15,332,774**	**16,159,627**

Capital Budget by Department and Account Category

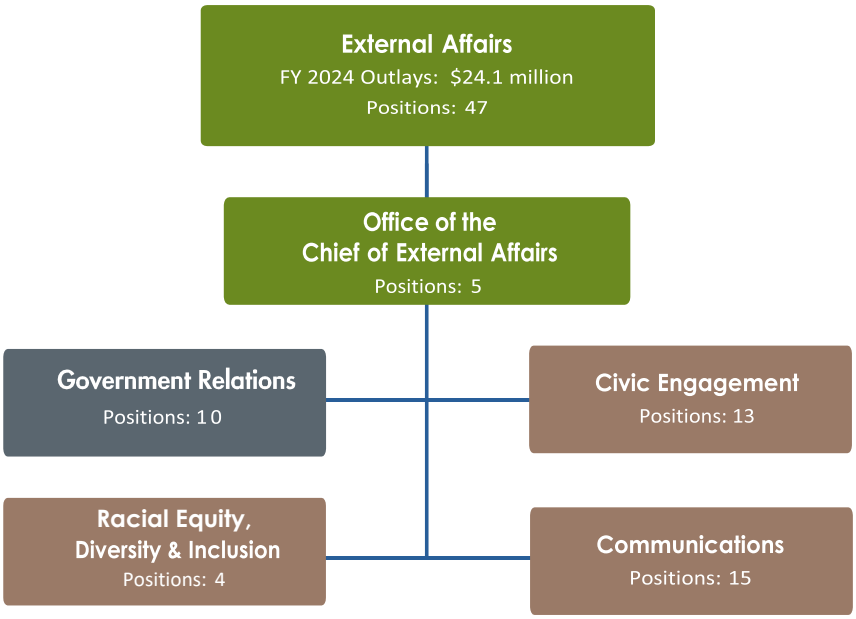
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the District Counsel					
	Services & Supplies	800,930	2,541,000	1,336,000	1,051,000
Office of the District Counsel Total		800,930	2,541,000	1,336,000	1,051,000
Capital Total *		**800,930**	**2,541,000**	**1,336,000**	**1,051,000**
Division Total *		**12,952,667**	**16,132,679**	**16,668,774**	**17,210,627**

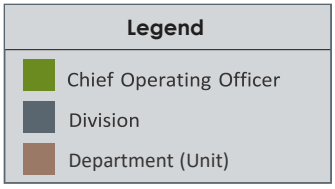
*Totals reflect the gross budget and includes intra-district reimbursement charges.

External Affairs

External Affairs is responsible for programs that increase employee and community awareness and engagement on Valley Water programs, projects, and challenges. External Affairs provides the strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. External Affairs is also responsible for managing racial equity, diversity and inclusion efforts.

Office of Chief of External Affairs





Division Description and Objectives

The Office of External Affairs provides leadership and management of planning, integration, and execution of strategic external affairs efforts through the Office of Communication, Office of Civic Engagement, Office of Government Relations, and the Office of Racial Equity, Diversity, and Inclusion.

Office of Government Relations

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote and advance the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Major activities include robust advocacy with elected and appointed officials and key advocacy stakeholders, execution of strategic partnerships, and community engagement through events and sponsorships. Government Relations serves as the internal and external connection for legislation, development of strategic support and opposition, and supplemental funding opportunities for Valley Water.

Office of Civic Engagement

The Office of Civic Engagement (OCE) engages with the community through partnerships, grants, educational activities, and community service opportunities to build understanding, trust, and support for Valley Water's goals and mission. OCE oversees the following programs: Safe, Clean Water Grants & Partnerships Program, Public Art, Education Outreach, Water 101 Academy/Ambassadors Program, Creek Stewardship, Water Supply Outreach, and Community Rating System. OCE also provides programmatic oversight and coordination for the Board Advisory Youth Commission and the Low- Income Residential Water Rate Assistance Program.

Office of Racial Equity, Diversity and Inclusion (REDI)

The Office of Racial Equity, Diversity and Inclusion (REDI) strives to strengthen and expand Valley Water's capacity to generate equitable outcomes for all communities served, including Tribal partners, through the development, implementation, and advancement of organizational norms to foster equity, diversity, and inclusion (DEI) and environmental justice (EJ) practices. Through collaboration with internal stakeholders, REDI supports initiatives to attract, retain, and promote a diverse and talented workforce. REDI also leads DEI capacity-building activities including training, cultural learning, and community-building to raise self-awareness, shared understanding, and DEI skills of our team.

Office of Communications

The Office of Communications informs, engages, and educates the community, including Valley Water employees, on water conservation, water supply and quality, flood protection, and environmental stream stewardship efforts. In addition to being responsive to the community regarding updates on all Valley Water projects and programs, Communications provides timely responses to media inquiries on relevant topics such as Valley Water's approach to extreme drought conditions or its future planning to secure more clean, safe, reliable water in the face of climate change or public emergencies. Through social media platforms, marketing campaigns and public relations efforts, Communications highlights the work of Valley Water and its Board of Directors.

FY 2023 Accomplishments

- Welcomed employees' return to in-person work through over 25 employee resource group-led events, including lectures, cultural celebrations, volunteering, and networking events. Employees enjoyed these opportunities to reconnect with peers after COVID-19. Over 1,100 participants attended these events through Q3.
- Launched two new pilot DEI capacity-building trainings: Conscious Conversations and Uncovering Racism.
- Adopted first-time resolutions acknowledging: Filipino American History Month (October), German American Heritage Month (October), Italian American Heritage Month (October), Polish American Heritage Month (October), International Holocaust Remembrance Day (January), Lunar New Year (February) and Genocide Remembrance Day (April).
- Adopted a resolution establishing Lunar New Year as an observed Valley Water Holiday.
- Secured media coverage at public events focusing on Valley Water's priority projects and the need to invest in water infrastructure and technology as local, regional, and national news outlets highlighted our efforts. Whether it was a feature local news story about the Anderson Dam Tunnel Project progress, $727 million in low-cost WIFIA loans, or a documentary special about our Silicon Valley Advanced Water Purification Center's innovative technology, Valley Water continued to make headlines.
- Coordinated and conducted 20 presentations as part of Valley Water's Speaker Bureau Program focused on the drought, water conservation, and water supply.
- Produced and posted 75 videos on social media, including multiple videos to support water conservation during the extreme drought. Videos included four Landscape Rebate Success stories and three on how to make water conservation a way of life. Staff also produced an instructional video on how to properly fill sandbags during the winter storms in January to keep residents up to date with the latest information. All 75 videos garnered about 8.2 million total views.
- Relaunched in-person tours at the Silicon Valley Advanced Water Purification Center for members of the public after shutting down due to COVID-19.
- Secured an endorsement and support for advanced purified water for drinking from the Santa Clara County Medical Association, including being featured in SCCMA's special edition medical journal, "The Bulletin."
- Engaged over 12,000 students and educators in the Education Outreach Program through in-person and virtual classroom presentations.
- Advocated for and secured funding for state grant programs of interest to Valley Water, including $310 million for recycled water projects, $100 million for water conveyance, $350 million for climate resilience, and $30 million for the San Francisco Bay Program.
- SB 23 (Caballero) - Developed legislation to expedite permitting for water supply and flood risk reduction, secured sponsorship by the Association of California Water Agencies, recruited a bill author for introduction, and have played a leading role in legislative advocacy for the bill now pending in the Legislature. Secured support from conservation planning districts.
- AB 939 (Pellerin) – Secured author for District Act financing reform bill that includes a deletion of the sunset for the Board of Directors' 15-day compensable days authority. Secured bipartisan support from numerous organizations and our member associations, including ACWA, CSDA, and CMUA. The bill is currently pending in the Legislature.
- AB 1469 (Kalra) – Developed groundbreaking legislation for Valley Water to assist unsheltered people, recruited a bill author for introduction, secured support from service providers and local governments, and achieved bipartisan support for the bill now pending in the Legislature.
- Advocated for and secured $91.2 million for construction of the South San Francisco Bay Shoreline Phase I Project and advocated for $1.13 million to complete the General Reevaluation Report for the Upper Guadalupe River Project, which was included in the President's FY 2024 Budget.
- Organized three advocacy trips to Washington, D.C. (spring and fall) and Sacramento (spring) to advocate directly with elected officials and members of the Biden and Newsom administrations, respectively.
- Convened a diverse cross–section of elected officials, business leaders, agricultural leaders, and environmental advocates from throughout Silicon Valley at the 2022 Water Summit to discuss our current water supply challenges and how we can partner together to address the drought and worsening climate change impacts.

- Hosted elected officials, staff, and key advocacy stakeholders from the public, non-profit, and private sectors on the VIP Water Walk Tour of Valley Water's critical water infrastructure projects to educate and engage them on the projects' benefits and advocate for funding and legislative needs.
- Educated, engaged, and bolstered support for Valley Water priorities with communities across Santa Clara County by participating in over 30 community events, highlighting water conservation, purified and recycled water, and community-specific projects.
- Supported Valley Water's and the Board's presence at a variety of civic, business, diversity and inclusion, and professional events by sponsoring more than 70 conferences, symposia, science fairs, and other events that had a nexus to and advanced Valley Water's mission, vision, and goals.

FY 2024 Milestones

- Convene meetings with Directors and senior staff to solicit input for new policy and legislative priorities and develop new/edited guiding principles and legislative proposals to the Board for review and adoption by November.
- Coordinate the Sacramento and D.C. advocacy trips, with our state and federal officials to advocate for Valley Water's funding and legislative priorities.
- Secure FY 2024 federal funding to complete the General Reevaluation Report for the Upper Guadalupe River Project.
- Secure roughly $70 million in funding from the Natural Resources Conservation Service to begin construction on Phase 2B of the Upper Llagas Creek Project.
- Initiate implementation of 5-Year DEI Strategic Master Plan through the development of tailored Equity Action Plans that aligned across the agency.
- Advance environmental justice (EJ) in collaboration with the EJ workgroup and finalize recommendations for agency-wide implementation.
- Launch internal communication framework and protocol for the acknowledgement of external social-interest events and incidents to ensure consistency and transparency or the decision-making process.
- Launch grant cycle making $1.4 million in funding available to the public.
- Continue to increase stakeholder outreach, engagement, and support for the purified water project.
- Continue to educate and engage students and educators through in-person and virtual presentations.
- Continue building ambassador support and community leaders through the Water 101 Academy by recruiting new participants and retaining their attendance and engagement.
- Host National River Cleanup and Coastal Cleanup Days.
- Continue working with Sacred Heart Community Service to disburse $1 million in financial assistance to over 1000 low-income households in Santa Clara County.
- Continue to manage effective PR campaigns and media outreach to communicate Valley Water projects, programs, and responses.
- Continue community outreach through public meetings and other forums to inform the public and stakeholders about projects impacting their communities.
- Continue keeping employees informed of both internal and external programs, projects, and issues facing Valley Water.
- Continue to provide graphic services support for all projects and programs to create engaging content while meeting branding standards for the agency.

FY 2025 Milestones

- Convene meetings with Directors and senior staff to solicit input for new policy and legislative priorities and develop new/edited guiding principles and legislative proposals to the Board for review and adoption by November.
- Coordinate the Sacramento and D.C. advocacy trips, with our state and federal officials to advocate for Valley Water's funding and legislative priorities.

- Work with local municipalities to adopt additional water conservation measures to help achieve the Board's call for a voluntary 15% water use reduction.
- Assess the initial implementation of racial equity, diversity, and inclusion strategic 5-year master plan and DEI action plans to measure progress and the need for realignment.
- Develop and implement policies, training, and activities to advance equity, diversity and inclusion throughout the organization and with the community.
- Lead Employee Resource Groups and assist them with their individual missions.
- Launch grant cycle making $1.4 million in funding available to the public.
- Continue stakeholder engagement and outreach to garner ongoing support for the Purified Water Program through active tours and presentations.
- Continue building ambassador support and community leaders through the Water 101 Academy by recruiting new participants and retaining their attendance and engagement.
- Host National River Cleanup and Coastal Cleanup Days.
- Continue to manage effective PR campaigns and media outreach to communicate Valley Water projects, programs, and responses.
- Continue community outreach through public meetings and other forums will be held to inform the public and stakeholders about projects impacting their communities.
- Publish the next edition of Valley Water's history book, which documents major milestones the agency has recorded from 2005 to 2025.
- Continue to provide graphic services support for all projects and programs to create engaging content while meeting branding standards for the agency.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	19,126,615	22,821,845	23,723,149	23,538,185
Operating Project	850,000	1,225,000	–	1,225,000
Capital	96,447	325,357	378,858	365,614
Total *	**20,073,061**	**24,372,202**	**24,102,007**	**25,128,799**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Civic Engagement	5,682,543	8,971,365	7,959,139	9,312,594
District Communications	7,801,164	8,274,784	7,274,122	6,916,311
Government Relations	3,527,940	4,160,924	5,118,321	5,327,943
Office of Chief of External Affairs	1,602,969	1,639,347	1,993,349	2,119,811
Racial Equity, Diversity & Inclusion	1,458,444	1,325,781	1,757,075	1,452,140
Total *	**20,073,061**	**24,372,202**	**24,102,007**	**25,128,799**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of the Chief of External Affairs - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**46**	**46**	**47**	**47**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

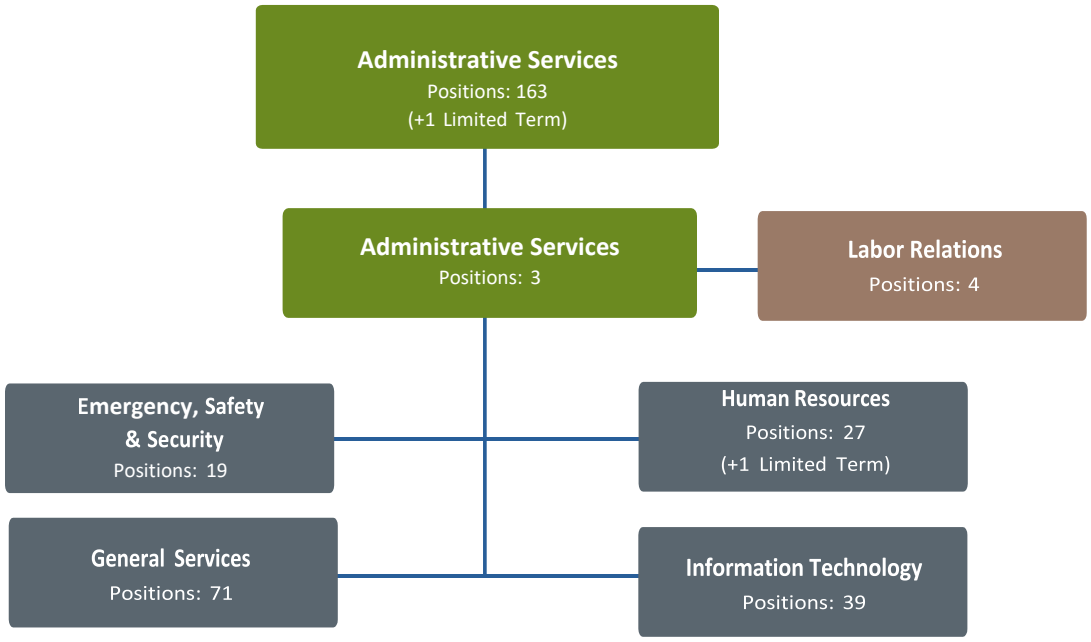
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Civic Engagement					
	Salaries & Benefits	2,619,773	3,121,912	3,050,751	3,251,760
	Services & Supplies	2,225,726	4,636,028	3,618,200	4,710,230
	Intra District Charges	827,531	1,124,661	1,206,120	1,260,558
Civic Engagement Total		5,673,030	8,882,601	7,875,071	9,222,548
Communications					
	Salaries & Benefits	3,391,136	3,811,463	3,444,972	3,652,730
	Services & Supplies	3,250,357	2,994,366	2,477,187	1,896,756
	Intra District Charges	1,072,739	1,232,363	1,080,552	1,116,089
Communications Total		7,714,231	8,038,191	7,002,711	6,665,576
Government Relations					
	Salaries & Benefits	2,011,542	2,402,596	2,921,359	3,122,743
	Services & Supplies	1,207,998	1,414,070	1,704,470	1,693,670
	Intra District Charges	308,400	344,258	492,492	511,530
Government Relations Total		3,527,940	4,160,924	5,118,321	5,327,943
Office of the Chief of External Affairs					
	Salaries & Benefits	1,385,289	1,265,127	1,488,701	1,602,609
	Services & Supplies	25,117	176,100	231,300	231,000
	Intra District Charges	192,564	198,121	273,349	286,201
Office of the Chief of External Affairs Total		1,602,969	1,639,347	1,993,349	2,119,811
Racial Equity, Diversity & Inclusion					
	Salaries & Benefits	830,937	896,373	987,484	1,051,624
	Services & Supplies	485,877	280,600	562,900	185,900
	Intra District Charges	141,630	148,808	183,312	189,784
Racial Equity, Diversity & Inclusion Total		1,458,444	1,325,781	1,733,697	1,427,308
Operations Total *		**19,976,615**	**24,046,845**	**23,723,149**	**24,763,185**

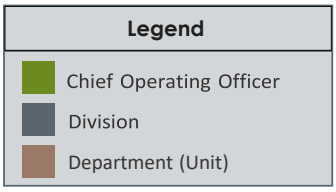
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Civic Engagement					
	Salaries & Benefits	5,977	43,464	39,960	43,965
	Services & Supplies	–	18,400	18,400	18,400
	Intra District Charges	3,537	26,901	25,708	27,681
Civic Engagement Total		9,514	88,765	84,068	90,046
Communications					
	Salaries & Benefits	39,703	120,517	126,790	131,854
	Services & Supplies	24,668	46,500	67,500	40,500
	Intra District Charges	22,563	69,575	77,121	78,381
Communications Total		86,933	236,592	271,411	250,735
Racial Equity, Diversity & Inclusion					
	Salaries & Benefits	–	–	14,124	15,104
	Intra District Charges	–	–	9,254	9,728
Racial Equity, Diversity & Inclusion Total		–	–	23,378	24,832
Capital Total *		**96,447**	**325,357**	**378,858**	**365,614**
Division Total *		**20,073,061**	**24,372,202**	**24,102,007**	**25,128,799**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

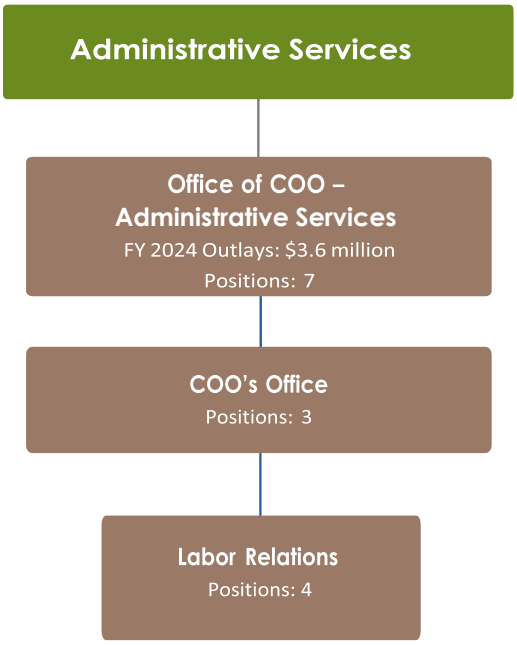
Administrative Services

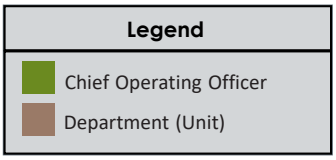




The Administrative Services (AS) support the mission of Valley Water - to provide Silicon Valley safe, clean water for a healthy life, environment, and economy - by providing essential business services for Valley Water. Administrative Services are vital to Valley Water operations and capital programs. Directed by the Chief Operating Officer, Valley Water's Administrative Services is comprised of four management divisions, each of which includes functional departments that carry out the work of the division.

Office of COO Administrative Services





Division Description and Objectives

The Office of the Chief Operating Officer (COO) of Administrative Services (AS) oversees the Emergency, Safety & Security division, General Services division, Human Resources division, Information Technology division, and Labor Relations department. The COO leads and manages the AS to achieve the Board's Ends Goals and Objectives. This includes providing AS the leadership, staff, and funding to conduct the administrative nature of the AS functions. In general, the COO Office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Labor Relations

Labor Relations promotes a proactive and positive labor relations program, in compliance with legal mandates, negotiated agreements, and constructive management principles. Labor Relations represents Valley Water management in all matters involving labor relations. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations and acts as a resource in the areas of administrative policies and procedures.

FY 2023 Accomplishments

Provided leadership and support for all the administrative needs of Valley Water including oversight over Emergency, Safety & Security, General Services, Information Technology, Human Resources, and Labor Relations. Accomplishments of the Emergency, Safety & Security, General Services, Human Resources, and Information Technology are listed in the Division Summaries in the next section. The following is the list of accomplishments for the Labor Relations:

- Completed Performance Improvement training for all Managers.
- Completed labor relations training on new laws for 2023.
- Initiated disciplinary action training for all Managers.
- Implemented telework policy.
- Worked with staff and bargaining units concerning return to work logistics due to the COVID-19 pandemic.
- Facilitated and implemented multiple re-organizations across agency and bargaining units.
- Facilitated and implemented multiple vacant position reclassification requests across agency and bargaining units.
- Facilitated multiple training opportunities for managers and supervisors through the Liebert Cassidy Whitmore consortium membership.
- Negotiated multiple limited term positions across agency and bargaining units.
- Negotiated 2022-2025 Memorandum of Understanding (MOUs) with the Employees Association, Engineers Society and Professional Managers Association bargaining units.
- Conducted Reasonable Accommodation (RA) training.
- Conducted Code of Conduct training.
- For investigations, partnered with training department to mitigate further disciplinary action.
- Partnered with bargaining units to address "patterns" and mitigate outstanding issues.
- Implemented EEO and corrective action data discussions with managers and bargaining units.

FY 2024 Milestones

- Initiate MOU training, geared towards HR and Finance, in August 2023.
- Initiate RA training for managers in January 2024.
- Implement code of conduct training.
- Implement RA training.

FY 2025 Milestones

- Continue developing and providing supervisor/manager training.
- Begin working towards successor MOU agreement for 2025.

Office of COO Administrative Services — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	2,001,514	3,141,798	3,612,632	3,850,755
Total *	**2,001,514**	**3,141,798**	**3,612,632**	**3,850,755**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Labor Relations	981,661	1,372,725	1,751,985	1,910,039
Office of COO Administrative Services	1,019,853	1,769,073	1,860,646	1,940,716
Total *	**2,001,514**	**3,141,798**	**3,612,632**	**3,850,755**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of COO Administrative Services - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	6	7	7	7

** Authorized positions exclude limited term positions

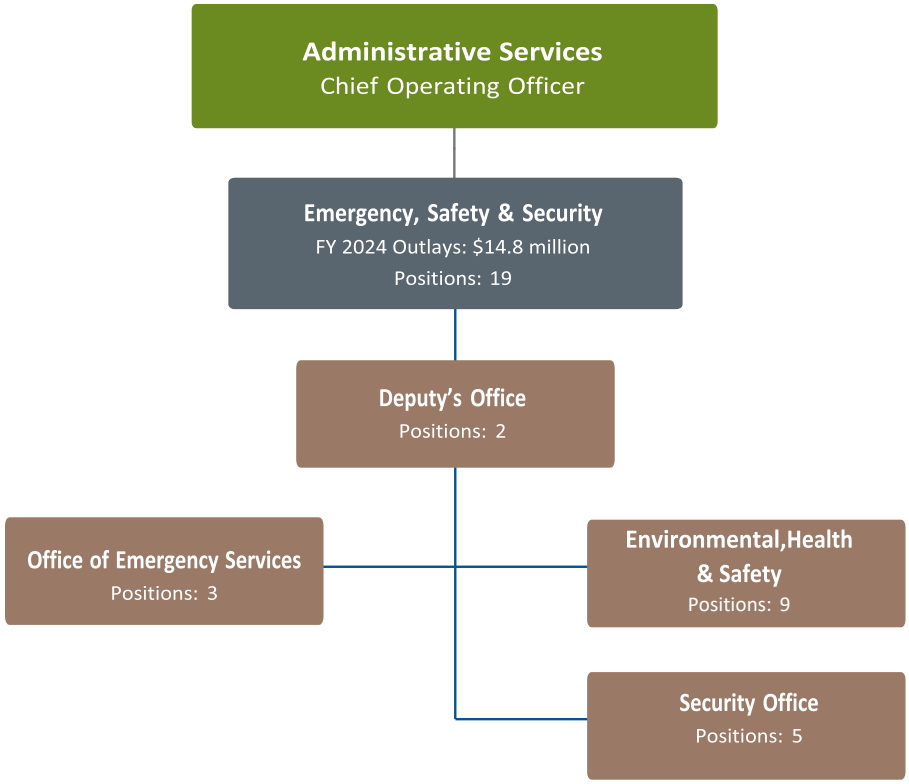
For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

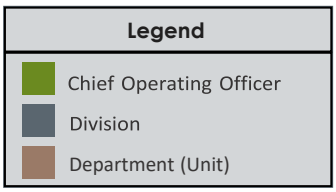
Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Labor Relations					
	Salaries & Benefits	791,156	1,027,752	1,140,467	1,220,289
	Services & Supplies	66,426	182,600	417,400	487,400
	Intra District Charges	124,079	162,374	194,119	202,349
Labor Relations Total		981,661	1,372,725	1,751,985	1,910,039
Office of COO Administrative Services					
	Salaries & Benefits	879,473	935,093	977,765	1,048,087
	Services & Supplies	4,993	684,810	702,810	705,810
	Intra District Charges	135,387	149,170	180,071	186,819
Office of COO Administrative Services Total		1,019,853	1,769,073	1,860,646	1,940,716
Operations Total *		**2,001,514**	**3,141,798**	**3,612,632**	**3,850,755**
Division Total *		**2,001,514**	**3,141,798**	**3,612,632**	**3,850,755**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Emergency, Safety and Security Division





Division Description and Objectives

The Emergency, Safety and Security Division includes the Office of Emergency Services (OES), Environmental Health and Safety Unit (EH&S), and the Security Office (SO). The Division provides a safe and secure environment for Valley Water infrastructure, staff and facilities, while maintaining a level of preparedness to respond to unplanned incidents and events.

Office of Emergency Services

The Office of Emergency Services (OES) is responsible for ensuring comprehensive, integrated, risk-based, emergency management for the staff and critical infrastructure of Valley Water.

The Office of Emergency Services (OES) manages the Valley Water Emergency Operations Plan (EOP), the Business Continuity Program, the FEMA-approved Local Hazard Mitigation Plan (LHMP), and the development of Stream/Flood Emergency Action Plans (EAPs). OES is also responsible for maintaining inter-agency relationships, Multi-Agency Coordination (MAC) systems, Mutual Aid and Emergency Assistance Agreements, and managing a Training and Exercise Plan (TEP) that meets SEMS/NIMS requirements and promoting California Office of Emergency Services (CALOES) EOC position credentialing. OES also manages a dedicated Emergency Operations Center (EOC) and alternate EOC in high state of readiness.

Environmental, Health & Safety Services

The Environmental, Health & Safety (EH&S) Unit provides services for all Valley Water divisions and staff. These services cover a wide range of activities including environmental, health and safety written program development and maintenance, technical and behavioral safety training, incident investigation services, ergonomic evaluations and corrective measures, contractor safety program evaluation, inspection and audit services and support, hazard analysis and risk prevention services, fall protection surveys and fall hazard mitigation, Department of Transportation driver safety program, and alcohol and drug abuse prevention and testing services.

The EH&S Unit also provides industrial hygiene services such as lead, asbestos, and mold testing services, building indoor air quality assessments and environmental lab testing services coordination, audiometric testing and workplace sound level surveys, respiratory protection services including on-site respiratory fit testing services, ventilation surveys, and bloodborne pathogens and biological hazard surveys and assessments. The EH&S Unit is responsible for hazardous materials storage management, hazardous waste storage and disposal management, electronic waste and recycling compliance and annual report submittal, underground and above ground storage tank inspections and permitting, Hazardous Materials Business Plans development and submittal, environmental regulatory facilities permit management, 24/7 hazardous materials emergency response capabilities, Spill Prevention Control and Countermeasure oil storage management planning development, California Accidental Release Program management for highly hazardous materials, Portable Equipment Registration Program management, and gasoline systems annual air emissions testing coordination.

Additionally, the Environmental, Health and Safety (EH&S) Unit responds to requests from customers for specific health and safety services consultation and program assistance to ensure that Valley Water's health and safety programs are functional and sustainable. EH&S staff also act as Valley Water's liaison with applicable regulatory agencies when required.

Security Office

The Security Office (SO) provides risk-based security capabilities that are developed through a preparedness cycle of analysis, development, planning, and verification. These capabilities are provided utilizing guard force, patrols, remote monitoring capabilities, and a Security Operations Center to prevent and protect Valley Water's critical infrastructure and staff from terrorism, sabotage, vandalism, theft, violence, and other malicious acts. The SO also provides Valley Water with a liaison to local, regional, state, and federal law enforcement and intelligence agencies.

FY2023 Accomplishments

Office of Emergency Services

- Conducted Annual Winter Preparedness Workshop with external stakeholders.
- Developed Pandemic and Infectious Disease Plan to support business continuity during the public health emergency.
- Completed Annual Local Hazard Mitigation Plan status report.
- Implemented "Do 1 Thing" monthly preparedness communications in News You Can Use (NYCU) for Valley Water staff.
- Completed annual review and update to the Valley Water Emergency Operations Plan.
- Upgraded Emergency Operations Center (EOC) Audio/Video system and expanded primary EOC facility.
- Conducted Annual EOC and Emergency Action Plan (EAP) training and exercise events.
- Developed Stream/Flood EAP for San Tomas Aquino Creek.
- Established Emergency Steering Committee for Valley Water.
- Coordinated EOC activation for drought.
- Continued coordination of EOC Activation for Coronavirus/COVID-19 Pandemic; EOC implemented virtually to support social distancing.

Environmental, Health & Safety Services

- Multiple facility fall protection engineering projects were continued and completed from the previous fiscal year.
- Supported multiple Water Utility Enterprise and Watersheds Field Operations projects by conducting risk assessments, providing training, conducting facility design reviews, aided in the planning and execution of pipeline inspections and repairs of the Almaden Valley Pipeline.
- Purchased and distributed new safety equipment.
- Conducted multiple occupational noise assessments.
- Successfully managed the Department of Transportation alcohol and drug testing program.
- Updated various work instructions to meet changing workplace requirements as well as Cal/OSHA requirements.
- Provided safety assessments and protocols for the Vasona electrical upgrade project.
- Updated Hazardous Materials Business Plans for multiple facilities.
- Performed facility and work activity risk assessments and implemented identified mitigation and risk reduction protocols to minimize potential COVID-19 exposures to all employees, contractors, vendors and other at Valley Water facilities.

- Participated in the EOC activation response to the COVID-19 pandemic filling dual roles as EOC Safety Officer and EH&S Branch Coordinator within the Operations Section to monitor and adjust practices and protocols based on rapidly changing Public Health Orders during the pandemic.

Security Office

- Developed a Security Drone Program.
- Developed Pandemic and infectious Disease Security Plan to support business continuity during public health emergency.
- Implemented the key control management system.
- Completed annual review and update to the Leroy-Anderson dam FERC security compliance inspection.
- Upgraded Security Operations Center (SOC) Audio/Video system.
- Participated in the Leroy-Anderson Dam security tabletop and full exercise.
- Participated in attending local and regional Threat Working Groups.
- Established an active shooter program.
- Completed annual Valley Water threat assessment update.

- Established 24/7 security guards at drinking water treatment plants.
- Facilitated three Department of Homeland vulnerability assessments on Valley Water critical assets.
- Developed encrypted access badges to replace vulnerable badges enhancing access control.
- Coordinated with EOC Activation during the Coronavirus/COVID-19 Pandemic, supporting social distancing mandates.
- Installed a CCTV based Intrusion Detection System at Pacheco Pass Pumping Plant.

FY 2024 Milestones

Office of Emergency Services

- Conduct annual Winter Preparedness Workshop with external stakeholders.
- Conduct annual review of Emergency Operations Plan and update as appropriate.
- Produce annual Local Hazard Mitigation Plan status report.
- Implement “Do 1 Thing” monthly preparedness communications in NYCU for Valley Water staff.
- Maintain EOC facilities and systems.
- Continued development of Flood Emergency Action Plan (EAP).
- Conduct Annual EOC and EAP training and exercise events.
- Manage Emergency Steering Committee for Valley Water.
- Manage OES On Call program.

Environmental, Health & Safety Services

- Conduct a minimum of 12 Tier II safety inspections.
- Complete a minimum of four annual fire evacuation drills at major occupied facilities.
- Conduct a minimum of 30 required safety training classes in-house.
- Conduct a minimum of 8 Valley Water Safety Committee meetings.
- Conduct a minimum of 12 job safety assessments.
- Provide quarterly updates to the District’s Safe Clean Water Project B5 webpage.

Security Office

- Approve and plan phase Implementation of the Water Security Enhancement capital project.
- Implement the Unhoused Relocation Program.
- Extend active shooter defense training down to unit managers.
- Initiate encrypted access card replacement program.

FY 2025 Milestones

Office of Emergency Services

- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct annual review of Emergency Operations Plan and update as appropriate.
- Produce Annual Local Hazard Mitigation Plan status report.
- Implement “Do 1 Thing” monthly preparedness communications in NYCU for Valley Water staff.
- Maintain EOC facilities and systems.
- Continue development of Flood EAPs.
- Conduct Annual EOC and Emergency Action Plan (EAP) training and exercise events.
- Manage Emergency Steering Committee for Valley Water.
- Manage OES On Call program.

Environmental, Health & Safety Services

- Conduct a minimum of 12 Tier II safety inspections.
- Complete a minimum of four annual fire evacuation drills at major occupied facilities.
- Conduct a minimum of 30 required safety training classes in-house.
- Conduct a minimum of 8 Valley Water Safety Committee meetings.
- Conduct a minimum of 12 job safety assessments.
- Provide quarterly updates to the District's Safe Clean Water Project B5 webpage.

Security Office

- Complete the Security Enhancement capital project.
- Train staff on new access control and CCTV/IDS systems.
- Analyze Unhoused Relocation Program information.

Budget Issues and Constraints

Office of Emergency Services

The Office of Emergency Services (OES) is not tasked with budgeting or development of Field Response, Incident Command Post (ICP) or Watersheds or Water Utility Departmental Operation Center (DOC) capabilities. District OES does not budget for or direct implementation of specific mitigation measures; or response and recovery activities that are unique to the expertise of other District units such as procurement and emergency response and recovery cost accounting, tracking, and reimbursement plans and systems.

Environmental, Health & Safety Services

The efforts required to prepare for, respond to, mitigate, and recover from the increasing spread of COVID, such as: staffing salaries and benefits, regulatory permit fees, hazardous waste disposal fees, regulatory training costs, District-wide safety supplies, and safety equipment purchases and rentals.

Security Office

- Security Staff and Guard Force do not have law enforcement powers, which limits response to potential high-order threats.
- Security Unit coordinates with Information Technology services, but does not direct, plan, or implement cyber, SCADA, or computer data security.

Emergency, Safety and Security Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	11,179,813	13,420,454	14,319,506	15,259,583
Operating Project	200,000	–	–	–
Capital	121,473	509,723	521,067	556,039
Total *	**11,501,286**	**13,930,177**	**14,840,573**	**15,815,622**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Emergency Safety & Security Division Deputy's Office	891,960	828,234	912,727	982,438
Environmental, Health & Safety	3,948,501	4,334,431	4,334,887	4,589,824
Office of Emergency Services	1,559,708	2,157,103	2,202,668	2,268,723
Security Office	5,101,116	6,610,409	7,390,290	7,974,637
Total *	**11,501,286**	**13,930,177**	**14,840,573**	**15,815,622**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Emergency, Safety and Security Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**19**	**19**	**19**	**19**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

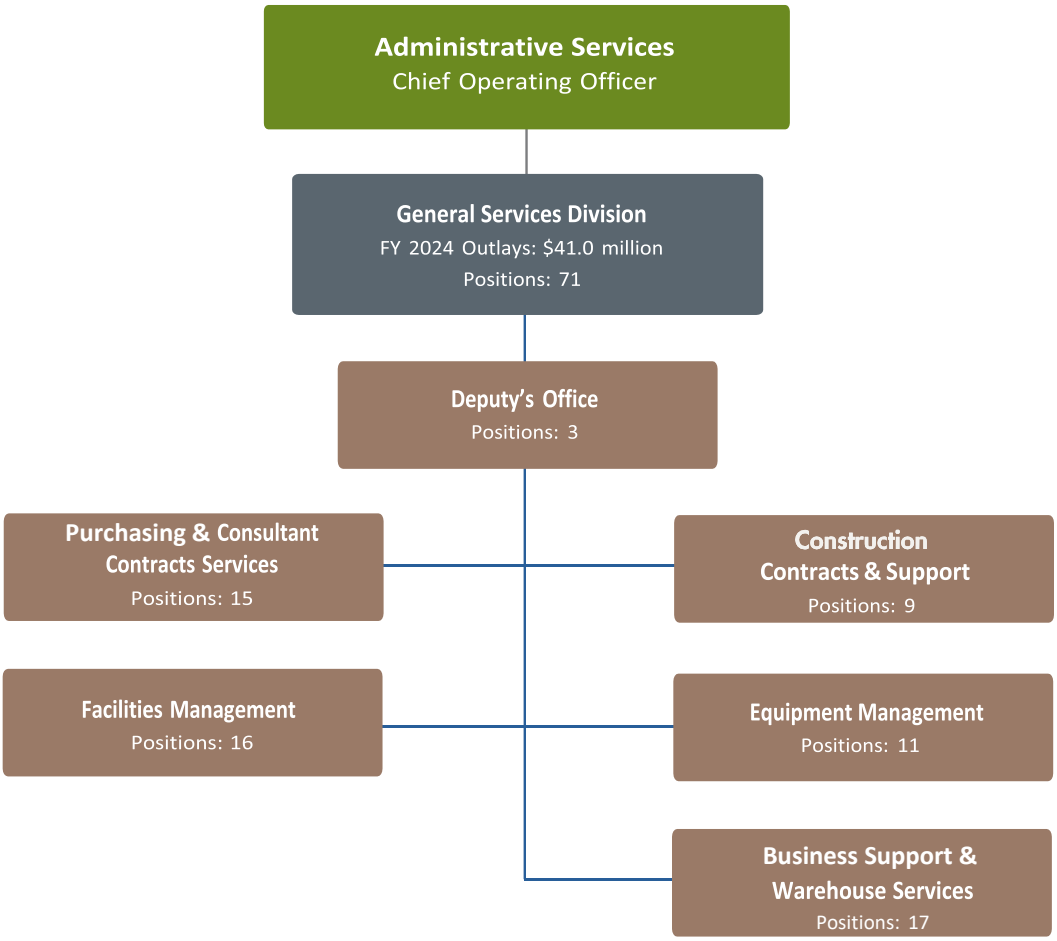
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Emergency, Safety & Security Division Deputy's Office					
	Salaries & Benefits	493,283	513,512	549,641	600,099
	Services & Supplies	111,565	–	8,000	–
	Intra District Charges	287,112	314,722	355,086	382,338
Emergency, Safety & Security Division Deputy's Office Total		891,960	828,234	912,727	982,438
Environmental, Health & Safety					
	Salaries & Benefits	2,125,558	2,168,381	2,057,454	2,197,754
	Services & Supplies	742,972	922,855	978,550	1,013,300
	Intra District Charges	1,079,971	1,243,194	1,298,883	1,378,771
Environmental, Health & Safety Total		3,948,501	4,334,431	4,334,887	4,589,824
Office of Emergency Services					
	Salaries & Benefits	746,609	799,541	828,683	876,108
	Services & Supplies	475,792	916,000	898,000	898,000
	Intra District Charges	337,306	441,562	475,985	494,616
Office of Emergency Services Total		1,559,708	2,157,103	2,202,668	2,268,723
Security Office					
	Salaries & Benefits	1,172,904	1,150,241	1,189,405	1,386,425
	Services & Supplies	3,524,474	4,795,413	5,493,697	5,816,986
	Intra District Charges	282,265	155,031	186,122	215,187
Security Office Total		4,979,644	6,100,686	6,869,224	7,418,598
Operations Total *		**11,379,813**	**13,420,454**	**14,319,506**	**15,259,583**

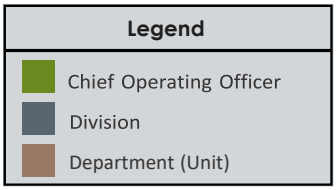
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Security Office					
	Salaries & Benefits	–	270,714	261,028	146,140
	Services & Supplies	121,473	198,634	211,555	383,564
	Intra District Charges	–	40,375	48,484	26,335
Security Office Total		121,473	509,723	521,067	556,039
Capital Total *		**121,473**	**509,723**	**521,067**	**556,039**
Division Total *		**11,501,286**	**13,930,177**	**14,840,573**	**15,815,622**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

General Services Division





Division Description and Objectives

The General Services Division is responsible for the procurement of goods, general services and consultant services, construction contract advertisement, award and compliance, facility and fleet management, and business support and warehouse services in support of Valley Water's missions, business, and operational needs.

Construction Contracts and Support

The Construction Contracts and Support Unit provides support to Valley Water staff and facilitates the advertisement, bid and award process for all public works construction projects over $50,000. This Unit also monitors Construction Contracts for post award compliance with pertinent laws, codes and regulations, and provides ongoing support through project close-out.

Business Support, and Warehouse Services

The Business Support & Warehouse Unit provides operational support including switchboard, mail delivery, reprographic, word processing and forms. The Unit also provides inventory control services through the warehouse and includes management of Valley Water's Uniform Program, DRIP store and Fleet auto parts. It serves as the central receiving and distribution point for the organization.

Purchasing and Consultant Contracts Services

The Purchasing and Consultant Contracts Unit provides strategic and technical sourcing for the purchase and acquisition of all goods, general services, and professional consulting services. The Unit also manages non-competitive solicitations and competitive solicitations for all goods and services exceeding $50,000, and consulting and contract services exceeding $225,000, and provides guidance and support for post award contract administration.

Equipment Management

The Equipment Management Unit provides overall planning, management, administrative oversight, maintenance, and repairs for District fleet and welding services, which includes 335 sedans, SUVs, light, medium, and heavy trucks, construction equipment and forklifts, and 596 pieces of equipment including tools, generators, boats, trailers, etc.

Facilities Management

The Facilities Management Unit provides maintenance and repair services for approximately 24 Valley Water facilities, including the renewal and upgrades to buildings and grounds.

FY 2023 Accomplishments

- The Construction Contracts and Support Unit completed the advertisement, bidding, and award of 9 capital projects.
- The Business Support and Warehouse Services Unit implemented an online uniform ordering system with an external vendor, saving processing and reporting time. The Unit also updated and standardized unit intranet sites to ensure information is accurate and easy to locate, implemented InForAll ERP software solution for Winfield Warehouse and Fleet inventory, and implemented inventory management of Fleet parts to align with the needs of Valley Water operations resulting in cost and time savings.
- The Purchasing and Consultant Contracts Unit transitioned to a new Procurement Portal, Planet Bids, (from Contract Administration System) and implemented a new ERP (Infor) that offers requisitioning, purchase order issuance and contract tracking in one system. The Unit also continued to utilize new Contract Process Improvements to respond efficiently and effectively to District consultant contract requirements as well as identify additional process improvements aligned with best practices.
- The Equipment Management Unit replaced 11 vehicles and 2 pieces of construction equipment in accordance with Valley Water's replacement criteria (12-year or 125,000-miles) and achieved 98% preventive maintenance compliance on light duty vehicles. The Unit also provided Fleet Management oversight, effectively meeting district needs using industry best practices.

- The Facilities Management Unit continued working with the Employee Workspace group on a project to maximize workspace and achieve operational facilities related efficiencies. The Unit also installed a new patio canopy at Blossom Hill Annex, completed a roofing repair project at the Administration Building, upgraded HVAC equipment at the fleet shop, renovated an employee breakroom at the Maintenance Office and completed various office renovations at the Headquarters building, including the repurposing of two telephone booths to lactation rooms for staff.

FY 2024 Milestones

- The Construction Contracts and Support Unit will continue to monitor and enforce state prevailing wage laws and Valley Water's Project Labor Agreement on active construction contracts. The Unit will also manage the advertisement, bid, and award process for approximately 13 capital projects with a construction value of over $972M.
- The Business Support & Warehouse Unit will maintain consistent communication with Clerk of the Board, CEO, Communications, Government Relations, Water Conservation, Watersheds, Capital, and Water Utility regarding upcoming projects. Assess and implement efficiencies for warehouse management and continue to provide business support services.
- The Purchasing and Consultant Contracts Unit will develop and implement contract templates for all contract types and solicitations. The Unit will also enhance outreach and engagement with Small Business Enterprises regarding procurement opportunities with Valley Water.
- The Equipment Management Unit will replace 14 vehicles and 19 pieces of construction equipment in accordance with Valley Water's vehicle and equipment replacement criteria (i.e., 12-year or 125,000-miles). The Unit will also expand Valley Water's Electric Vehicle Fleet portfolio and increase access to vehicle charging facilities.
- The Facilities Management Unit will finalize the Facility Condition Assessment and prepare a 20-year Facility Repair and Replacement Plan to prioritize the maintenance of Valley Water facilities. The Unit will also complete office renovations at various facilities to maximize workspaces and to achieve operational efficiencies.

FY 2025 Milestones

- The Construction Contracts and Support Unit will continue to monitor and enforce state prevailing wage laws and Valley Water's Project Labor Agreement on active construction contracts. The Unit will also manage the advertisement, bid, and award process for approximately 11 capital projects with a construction value of over $147M.
- The Business Support & Warehouse Unit will maintain consistent communication with Clerk of the Board, CEO, Communications, Government Relations, Water Conservation, Watersheds, Capital, and Water Utility regarding upcoming projects. The Unit will continue to implement warehouse efficiencies for inventory receiving and distribution and continue to provide business support services.
- The Purchasing and Consultant Contracts Unit implement contracting efficiencies to improve processing times between submission and closeout of requisitions.
- The Equipment Management Unit will replace 18 vehicles and 18 pieces of construction equipment in accordance with Valley Water's vehicle and equipment replacement criteria (i.e., 12-year or 125,000-miles). The Unit will also implement measures to meet the California Air Resources Board diesel emission replacement requirements ahead of the State mandate.
- The Facilities Management Unit will continue to implement priority maintenance projects identified in the Facility Condition Assessment.

Budget Issues and Constraints

Constraints of the General Services Division include unknown and unplanned customer requests that may require deviation from planned activities. In addition, uncertainty of fuel costs, unexpected natural disasters such as flooding, or wildfires could impact staff's ability to provide support to field operations. Staff will also need to work through a backlog of projects to be completed, where consultant support is needed. Additionally, Valley Water's facilities are fully occupied thus there is limited space to temporarily locate

employees to minimize disruptions while work is in progress. This constraint on the space requires that Valley Water consider new approaches taking into consideration cost of adding new workspace, use of technology, new approaches to work to maximize efficiencies. The availability of commercial Fleet vehicles and equipment continue to be impacted by the global chip shortage and supply chain issues. This has impacted production, extended lead times and has constrained staffs' ability to purchase new and replacement vehicles, as well as equipment.

General Services Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	24,195,603	30,214,581	30,692,099	31,931,015
Operating Project	1,692	–	–	–
Capital	8,049,269	12,884,680	10,302,576	10,576,859
Total *	**32,246,564**	**43,099,261**	**40,994,675**	**42,507,874**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Business Support & Warehouse	4,494,572	6,497,209	5,904,922	6,208,426
Construction Contracts and Support	2,183,598	3,793,573	4,188,281	4,410,400
Equipment Management	7,034,707	7,990,248	7,706,506	8,079,905
Facilities Management	12,667,318	18,019,769	16,475,820	16,816,072
General Services Division Deputy's Office	654,014	924,564	1,314,493	1,386,855
Purchasing & Consultant Contracts Services	5,212,355	5,873,899	5,404,653	5,606,215
Total *	**32,246,564**	**43,099,261**	**40,994,675**	**42,507,874**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

General Services Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**72**	**72**	**71**	**71**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

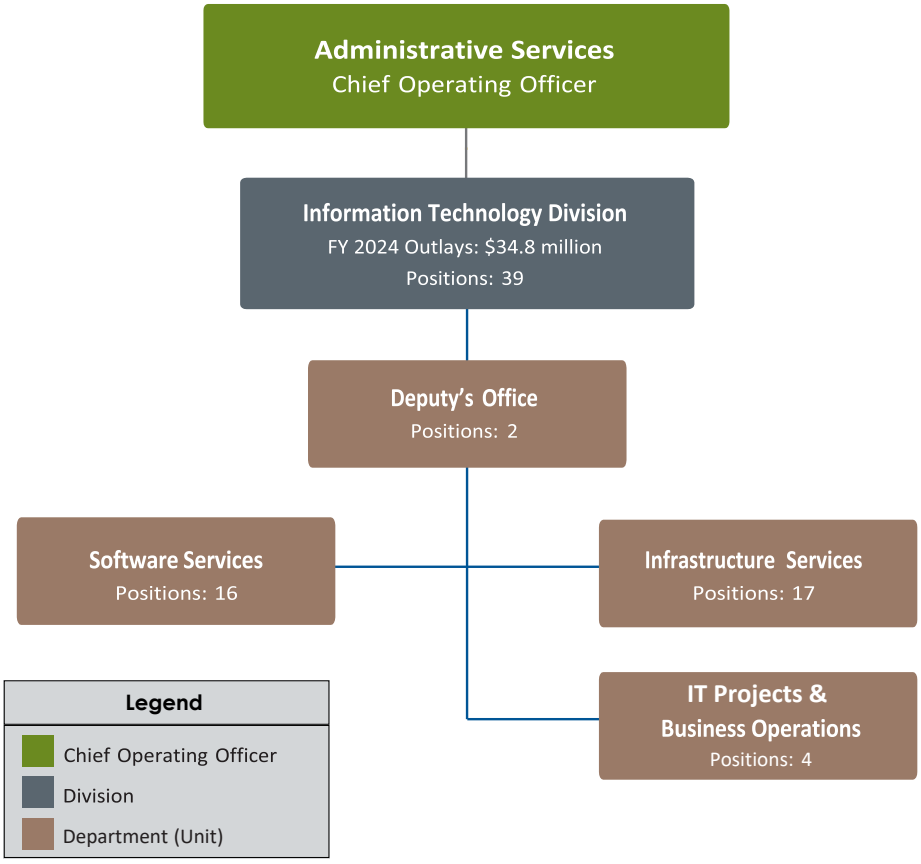
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	2,681,149	2,980,586	3,052,026	3,274,078
	Services & Supplies	944,087	2,550,245	1,784,732	1,828,547
	Intra District Charges	868,885	946,286	1,028,487	1,074,012
Business Support & Warehouse Total		4,494,122	6,477,117	5,865,245	6,176,637
Construction Contracts and Support					
	Salaries & Benefits	11,955	8,215	3,912	4,193
	Services & Supplies	3,422	–	–	–
	Intra District Charges	1,188	1,291	714	742
Construction Contracts and Support Total		16,564	9,506	4,626	4,935
Equipment Management					
	Salaries & Benefits	1,893,203	2,142,980	2,220,054	2,375,871
	Services & Supplies	1,355,594	2,097,550	2,186,313	2,275,718
	Intra District Charges	981,561	1,202,051	1,294,438	1,362,216
Equipment Management Total		4,230,359	5,442,581	5,700,806	6,013,805
Facilities Management					
	Salaries & Benefits	3,171,654	3,509,504	3,639,726	3,865,699
	Services & Supplies	6,072,880	7,657,729	8,023,695	8,106,695
	Intra District Charges	718,167	725,825	803,769	837,679
Facilities Management Total		9,962,701	11,893,059	12,467,189	12,810,072
General Services Division Deputy's Office					
	Salaries & Benefits	331,160	564,283	871,405	936,769
	Services & Supplies	229,094	272,400	287,400	287,400
	Intra District Charges	71,236	87,881	155,688	162,686
General Services Division Deputy's Office Total		631,490	924,564	1,314,493	1,386,855
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	3,672,737	3,770,364	3,536,709	3,723,988
	Services & Supplies	635,431	1,123,637	1,170,165	1,170,165
	Intra District Charges	553,892	573,754	632,865	644,558
Purchasing & Consultant Contracts Services Total		4,862,061	5,467,755	5,339,739	5,538,711
Operations Total *		**24,197,295**	**30,214,581**	**30,692,099**	**31,931,015**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	402	12,389	23,918	19,309
	Services & Supplies	48	–	–	–
	Intra District Charges	–	7,703	15,759	12,481
Business Support & Warehouse Total		450	20,092	39,676	31,789
Construction Contracts and Support					
	Salaries & Benefits	1,250,477	2,080,522	2,302,822	2,457,043
	Services & Supplies	100,237	431,000	431,000	431,000
	Intra District Charges	816,321	1,272,545	1,449,833	1,517,422
Construction Contracts and Support Total		2,167,035	3,784,067	4,183,655	4,405,465
Equipment Management					
	Services & Supplies	2,804,348	2,547,667	2,005,700	2,066,100
Equipment Management Total		2,804,348	2,547,667	2,005,700	2,066,100
Facilities Management					
	Salaries & Benefits	16,845	28,136	1,558	–
	Services & Supplies	2,684,087	6,080,000	4,006,000	4,006,000
	Intra District Charges	3,686	18,575	1,073	–
Facilities Management Total		2,704,617	6,126,711	4,008,631	4,006,000
General Services Division Deputy's Office					
	Salaries & Benefits	15,065	–	–	–
	Intra District Charges	7,459	–	–	–
General Services Division Deputy's Office Total		22,524	–	–	–
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	24,783	251,474	39,306	41,242
	Services & Supplies	324,806	–	–	–
	Intra District Charges	705	154,670	25,607	26,263
Purchasing & Consultant Contracts Services Total		350,294	406,143	64,914	67,505
Capital Total *		**8,049,269**	**12,884,680**	**10,302,576**	**10,576,859**
Division Total *		**32,246,564**	**43,099,261**	**40,994,675**	**42,507,874**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Information Technology Division



Division Description and Objectives

The Information Technology Division Administration provides management oversight, leadership and strategic support for Information Technology Infrastructure, Information Security Services, and Software Services, to ensure operational effectiveness and fiscal accountability. The Information Technology Division serves the technology needs of Valley Water. The division delivers and maintains effective IT services that meet current and future needs of Valley Water. The division also provide oversight of effective, efficient, and implementation of major Information Technology initiatives.

Administration

The Information Technology Division Administration provides management oversight, leadership and strategic support for Infrastructure Services, Software Services, and IT Projects and business Operations to ensure operational effectiveness and fiscal accountability.

Infrastructure Services

Infrastructure Services is responsible for implementing and maintaining the network and data-center, cyber security posture, telephone systems, radios, cellular devices, tablets, computers, laptops systems software, and connectivity (e.g., servers, networks, WiFi, etc.); first point of contact for staff to report problems and seek answers to questions related to their personal computers, network access, email, personal productivity software, and business application software; and problem triage, resolution, and escalation. Supports Audio/Visual needs enterprise-wide, including the Board Room.

Software Services

Software Services develops (where appropriate), supports, and maintains the Valley Water's business applications. These include Enterprise Resources Planning (ERP) system, work, and asset management system (Maximo), geographic information system (GIS), in-house applications, and Valley Water's internet and intranet.

IT Projects and Business Operations

The Information Technology Project and Business Operations Department is responsible for IT project management, strategic planning and alignment, complex analysis, program development, compliance, policy development, budget, reporting and financial planning. The department strives to ensure innovative technologies are effectively utilized across the organization; prioritizes and sequences technology projects; and leads, plans, oversees and participates in the more complex and difficult work of staff responsible for providing administrative, human resources, financial, and compliance support to the Information Technology division.

FY 2023 Accomplishments

- Completion of the 2019 IT Strategic Plan.
- Provided management support for the operational work of the departments.
- Completed transition to the new ERP for Finance, Human Resources, Purchasing and Contract Services.
- Completed conversion to Voice Over IP Communications.
- Completed Hyland OnBase CRM for HR and Lands Management.
- Completed SCADA Server upgrades.
- Upgraded Maximo Asset Management to latest version.
- Deployed new Project Management Information System and new Staff Forecasting Tool.
- Completed Disaster Readiness Assessment and Gap Analysis and kicked off recommended upgrades.

FY 2024 Milestones

- Implement IT Strategic Plan in the IT Master Plan in coordination with the CEO's Office.
- Execute redesign and refresh of the Valleywater.org web site.
- Develop a long-term strategy for communication, collaboration, and file storage.
- Complete implementation of IT Disaster Recovery for Business Services.
- Develop a long-term strategy for remote communications to Water Utility sites.
- Complete Virtual Desktop Infrastructure for GIS services.
- Implement various cybersecurity projects including physical infrastructure upgrades and multi-factor authentication.
- Implement system changes in support of modernizing Community Projects operations.
- Implement an online credit card processing tool.
- Complete implementation of Cityworks for Wells Management and Permitting.
- Begin upgrades to conference and board room technologies in alignment with new hybrid work needs.

FY 2025 Milestones

- Begin implementation of the IT Master Plan.
- Support the addition of new departments/workflows to Access Valley Water, Hyland Onbase, and other platforms.
- Continue the move to the Cloud through SAAS, IAAS and PAAS projects.
- Assess and implement new tools policies and procedures in support of IT customer service improvements.
- Implement various cybersecurity projects including physical infrastructure upgrades.

Budget Issues and Constraints

Organizational willingness and readiness to change business processes to leverage the new technology, and to jointly own technology projects with the IT Division.

A combination of a lack of human resources combined with a large amount of technical debt (requirements to support legacy, dated and overlapping applications) creates staffing challenges for modernization projects. Many projects overlap with each other, centralized IT governance of IT Service Catalog (to be accomplished during Master Planning process) and approval of projects is needed.

Information Technology Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	21,525,182	24,750,202	28,567,219	29,035,201
Capital	8,573,054	5,336,934	6,231,134	10,194,000
Total *	**30,098,236**	**30,087,136**	**34,798,353**	**39,229,201**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Information Technology Division Deputy's Office	1,397,102	1,439,162	1,254,079	1,293,113
Infrastructure Services	16,482,140	15,616,559	18,802,405	22,808,935
IT Project & Business Ops	601,514	1,540,558	1,738,390	1,805,996
Software Services	11,617,479	11,490,858	13,003,479	13,321,157
Total *	**30,098,236**	**30,087,136**	**34,798,353**	**39,229,201**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Information Technology Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**38**	**40**	**39**	**39**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

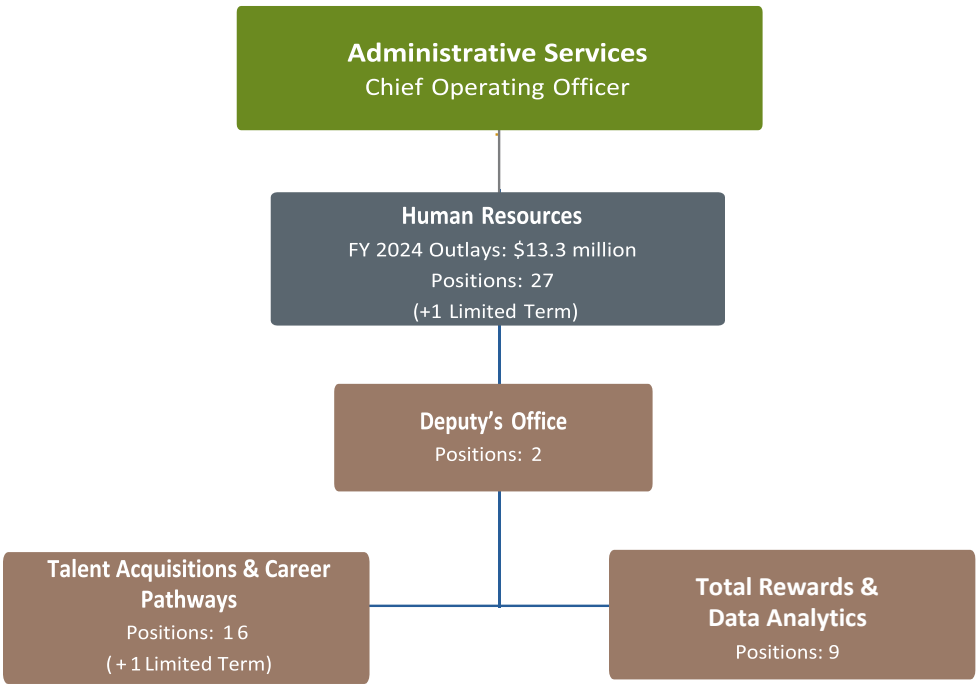
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Information Technology Division Dupty's Office					
	Salaries & Benefits	561,415	578,157	595,773	628,053
	Services & Supplies	326,951	342,500	357,500	359,500
	Intra District Charges	241,160	281,086	300,806	305,559
Information Technology Division Dupty's Office Total		1,129,526	1,201,742	1,254,079	1,293,113
Infrastructure Services					
	Salaries & Benefits	3,170,436	3,722,823	3,910,077	4,128,308
	Services & Supplies	6,443,282	6,236,000	8,055,000	7,695,146
	Intra District Charges	1,185,360	1,789,751	1,944,328	1,989,481
Infrastructure Services Total		10,799,079	11,748,574	13,909,405	13,812,935
IT Project & Business Ops					
	Salaries & Benefits	392,054	939,867	993,283	1,062,778
	Services & Supplies	58,879	138,000	239,000	219,000
	Intra District Charges	150,581	462,692	506,108	524,218
IT Project & Business Ops Total		601,514	1,540,558	1,738,390	1,805,996
Software Services					
	Salaries & Benefits	3,564,844	4,109,823	4,177,494	4,417,602
	Services & Supplies	4,083,333	4,103,519	5,345,000	5,511,000
	Intra District Charges	1,346,885	2,045,985	2,142,850	2,194,555
Software Services Total		8,995,062	10,259,327	11,665,344	12,123,157
Operations Total *		**21,525,182**	**24,750,202**	**28,567,219**	**29,035,201**

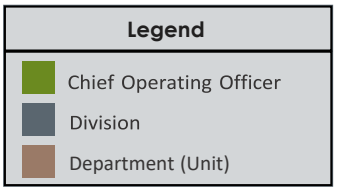
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Information Technology Division Deputy's Office					
	Services & Supplies	267,576	237,419	–	–
Information Technology Division Deputy's Office Total		267,576	237,419	–	–
Infrastructure Services					
	Salaries & Benefits	22,815	–	–	–
	Services & Supplies	5,650,572	3,867,985	4,893,000	8,996,000
	Intra District Charges	9,674	–	–	–
Infrastructure Services Total		5,683,061	3,867,985	4,893,000	8,996,000
Software Services					
	Salaries & Benefits	26,928	141,328	–	–
	Services & Supplies	2,584,325	1,019,194	1,338,134	1,198,000
	Intra District Charges	11,163	71,008	–	–
Software Services Total		2,622,417	1,231,530	1,338,134	1,198,000
Capital Total *		**8,573,054**	**5,336,934**	**6,231,134**	**10,194,000**
Division Total *		**30,098,236**	**30,087,136**	**34,798,353**	**39,229,201**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Human Resources Division





Division Description and Objectives

The Human Resources Division is the people-focused strategic management arm the of an organization's workforce. The division is responsible for planning, managing, directing, and coordinating programs and services to elevate Valley Water and the greatest asset, our employees. The Division includes two units, the Talent Acquisition and Career Pathways, and the Total Rewards Unit. The two units provide functional support in the areas of Recruitment and Selection, Next Gen Career Pathways, Workforce Development, Technical Training, Benefits and Wellness, Classification Compensation and Human Resources System Management.

Total Rewards and Data Analytics

The Total Rewards unit is responsible for designing, planning, and implementing programs and services that help in retention and attracting employees, increasing engagement and satisfaction of employees that can lead to improvement in business performance. The Total Rewards unit includes the areas of benefits, wellness, classification/compensation program, as well as data analytics and Human Resources Information Management Systems (HRIS).

Talent Acquisition and Career Pathways

The Talent Acquisition and Career Pathways Unit is responsible for designing, planning, and providing oversight of four mission-critical programs that include Recruitment and Selection, Next Generation Career Pathways, Workforce Development, and Technical Training. This unit supports management in attracting and hiring the best talent, feeding the pipeline of a diverse workforce, developing the workforce of the future, contributing to succession development of staff, and ensuring staff has the professional and technical skills needed to achieve Valley Water's mission.

FY 2023 Accomplishments

- Updated recruitment and selection process to incorporate new trends and tools to ensure that we have the ability to recruit a highly qualified and diverse workforce. Provided management support for the operational work of the departments.
- Created a Next Generation Career Pathway Program to partner with local community and education partners.
- Led HR Team through implementation and worked with ERP project team to increase user adoption of Infor.
- Managed Leadership Programs (Supervisory, Leads Academy, etc.) and assisted with the employee recognition programs.
- Conducted an annual health fair, processed all annual health plan renewals, and transferred to a new benefits broker and coordinated open enrollment, developed virtual wellness activities and programs.
- Implemented the resource forecasting and data analytics system that provides and data tool, improving quality of business decisions.
- Procured a new benefits broker and increased the annual open enrollment benefits for all active employees, board of directors, retirees, and COBRA participants, while saving over a million dollars in commissions.
- Leveraged partnerships with learning organizations to expand Valley Water programs to increase the knowledge of infrastructure and careers in the water industry.
- Implemented Watershed Ed Season 2 to foster knowledge sharing and transfer in the organization.

FY 2024 Milestones

- Maintain a market-based benefited staff salary system through salary surveys, research, and analyses.
- Create a valuable reporting system that provides accurate HR Data and data analytics, improving the quality of business decisions.
- Provide increased efficiency by streamlining and standardizing the electronic process of key processes.
- Update recruitment and selection process to incorporate new trends and tools to ensure that we can recruit a highly qualified and diverse workforce.
- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct

reports by July to establish goals and August for year-end reviews.
- Manage the leadership programs (Supervisory, Leads Academy, etc.) by June.
- Process all annual health plan renewals and coordinate open enrollments for all active employees, board of directors, retirees, and COBRA participants by April 1.
- Develop and coordinate onsite wellness activities and programs and provide a wellness executive summary to management by June 30.
- Coordinate the Employee recognition Program and Service Awards events.
- Implement position career ladders to enable staff to advance throughout their career at Valley Water.

FY 2025 Milestones

- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by July to establish goals and August for year-end reviews.
- Manage the leadership programs (Supervisory, Leads Academy, etc.) by June.
- Process all annual health plan renewals and coordinate open enrollments for all active employees, board of directors, retirees, and COBRA participants by April 1.
- Develop and coordinate onsite wellness activities and programs and provide a wellness executive summary to management by June 30.
- Coordinate the Employee Recognition Program and Service Awards events.
- Implement position career ladders to enable staff to advance throughout their career at Valley Water.
- Reduce vacancy rate by successfully attracting, recruiting, and selecting a diverse and qualified workforce.

Human Resources Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	8,770,086	12,292,908	13,286,584	13,780,922
Capital	803,247	–	–	–
Total *	**9,573,333**	**12,292,908**	**13,286,584**	**13,780,922**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Talent Acquisition & Career Pathways	1,784,228	926,109	2,627,873	2,749,720
Human Resources Division Deputy's Office	2,508,474	835,524	868,339	947,608
Total Rewards & Data Analytics	5,217,695	10,531,274	9,790,372	10,083,594
Workforce Development Unit	62,937	–	–	–
Total *	**9,573,333**	**12,292,908**	**13,286,584**	**13,780,922**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Human Resources Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**27**	**25**	**27**	**27**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

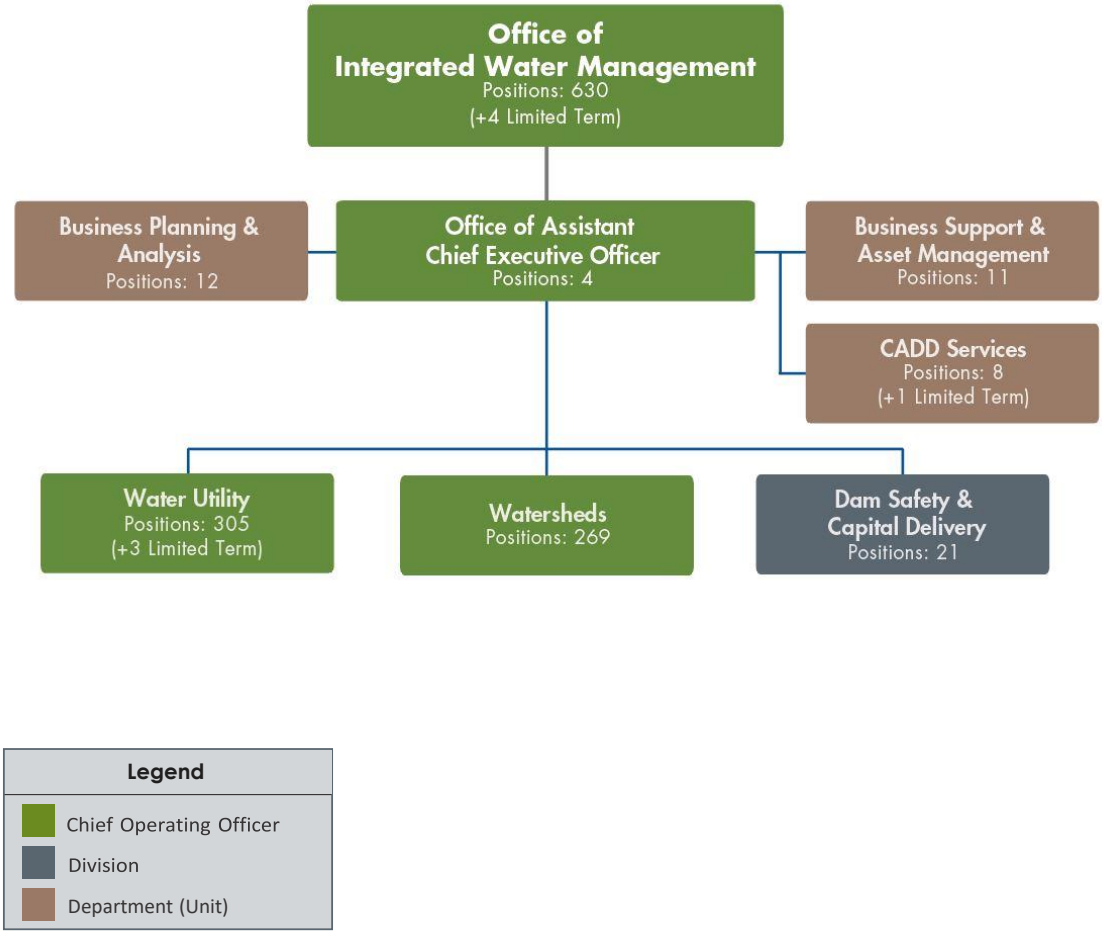
Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Total Rewards and Data Analytics					
	Salaries & Benefits	1,352,871	551,888	2,122,759	2,231,504
	Services & Supplies	35,049	286,100	132,000	138,000
	Intra District Charges	243,948	88,122	373,114	380,216
Total Rewards and Data Analytics Total		1,631,868	926,109	2,627,873	2,749,720
Human Resources Division Deputy's Office					
	Salaries & Benefits	857,908	587,094	622,063	675,195
	Services & Supplies	1,494,861	160,000	140,000	160,000
	Intra District Charges	155,704	88,431	106,276	112,413
Human Resources Division Deputy's Office Total		2,508,474	835,524	868,339	947,608
Talent Acquisition and Career Pathways					
	Salaries & Benefits	3,487,374	5,098,237	4,038,200	4,266,239
	Services & Supplies	485,401	4,407,050	4,793,130	4,835,130
	Intra District Charges	594,032	1,025,987	959,041	982,225
Talent Acquisition and Career Pathways Total		4,566,808	10,531,274	9,790,372	10,083,594
Workforce Development Unit					
	Services & Supplies	62,937	–	–	–
Workforce Development Unit Total		62,937	–	–	–
Operations Total *		**8,770,086**	**12,292,908**	**13,286,584**	**13,780,922**

Capital Budget by Department and Account Category

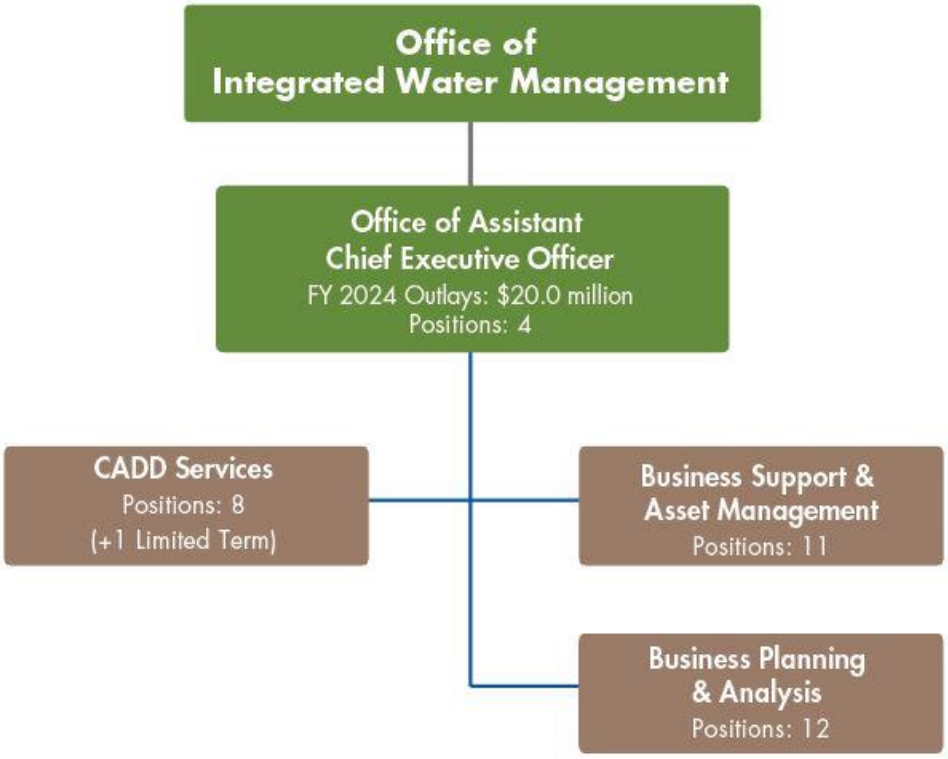
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Total Rewards and Data Analytics					
	Salaries & Benefits	103,662	–	–	–
	Intra District Charges	48,698	–	–	–
Total Rewards and Data Analytics Total		152,360	–	–	–
Talent Acquisition and Career Pathways					
	Salaries & Benefits	417,281	–	–	–
	Intra District Charges	233,606	–	–	–
Talent Acquisition and Career Pathways Total		650,887	–	–	–
Capital Total *		**803,247**	**–**	**–**	**–**
Division Total *		**9,573,333**	**12,292,908**	**13,286,584**	**13,780,922**

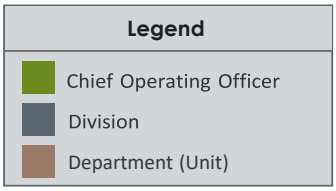
Office of Integrated Water Management



The Office of Integrated Water Management (OIWM) oversees Valley Water's Watersheds and Water Utility business areas and includes the Office of the Assistant Chief Executive Officer, which contains three district-wide capital and operations support units, as well as the Dam Safety and Capital Delivery Division. OIWM provides focused leadership to ensure a cohesive working relationship between the two major business areas.

Office of Assistant Chief Executive Officer





Division Description and Objectives

The Office of the Assistant Chief Executive Officer leads and manages Valley Water's Office of Integrated Water Management and facilitates coordination between the Watersheds and Water Utility business areas to achieve the Board's Ends, Goals, and Objectives. This department provides managerial and administrative support to ensure Valley Water's projects and programs are achieved in an efficient and effective manner.

Business Planning and Analysis

The Business Planning and Analysis unit manages, plans, and oversees four major Valley Water-wide programs. This unit is responsible for Valley Water's implementation of the Five-Year planning process for the Capital Improvement Program (CIP), which includes implementation of an annual development cycle, the validation and evaluation process, and the change management process. The Five-Year Plan for the CIP is a financial plan for funding Valley Water's capital projects that is developed annually on a rolling basis. The Capital Project Management and Project Controls (CPMPC) Program is responsible for development and implementation of Projectmates, which is a project management information system (PMIS) for capital projects that will provide a tool for more effective management of the CIP and CIP projects. This unit also ensures the implementation of Valley Water's Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program). This includes producing implementation plans and annual reports, managing the Change Control Process, supporting the Independent Monitoring Committee, and monitoring the progress of each Safe, Clean Water Program project as it moves towards delivering its Key Performance Indicators (KPIs). Finally, this unit continues the implementation of Valley Water's Lands Management Program to establish and maintain a centralized framework to integrate the management of maintenance obligations on Valley Water-owned lands and easements, as well as those made through contractual commitments.

Business Support and Asset Management

The Business Support and Asset Management Unit implements and continually improves asset management standards and information systems based on industry best practices. The unit manages Valley Water's water utility, watershed, and administration asset management programs, and supports the users of Valley Water's Computerized Maintenance Management System (CMMS), Maximo. In addition, the unit manages three Water Utility infrastructure master planning projects: The Water Treatment Plant, SCADA System, and Distribution System Master Plan Implementation Projects. These projects will develop a master plan of capital improvements for Valley Water's Water Utility Infrastructure to ensure reliable service of safe, clean drinking water into the future, and implement the improvements identified in the plans. The unit also manages a Safe, Clean Water project, F-8: Sustainable Creek Infrastructure for Continued Public Safety.

CADD Services

The CADD (Computer-Aided Design and Drafting) Services unit is responsible for the production of Valley-Water-wide engineering drafting and design work, plan production standards, and management of computer-aided design (CAD) software in support of Valley Water's water resources facilities, flood management, pipeline infrastructure, and watershed management facilities.

FY 2023 Accomplishments

Business Planning and Analysis:

Capital Improvement Program (CIP) Five-Year Planning Process:

- Developed and applied the Funding Filters for Prioritization as a tool to support the Board's decision making related to funding capital projects.

- Conducted outreach activities with cities and county from February 2023 through April 2023.
- Developed the Preliminary, Draft and Final versions of the CIP FY 2024-28 Five-Year Plan for Board approval.

Capital Project Management and Project Controls Program (CPMPC):
- Facilitated configurations and customizations of Projectmates and developed workflows and facilitated integration of Projectmates with Okta, Vena, and Infor.
- Delivered customized training of Projectmates to project teams and management.
- Delivered biennial training of Capital Improvement Program (CIP) Planning workflows and Quality and Environmental Management System (QEMS) policies and procedures.
- Compiled and disseminated a Quarterly Office of Integrated Water Management Newsletter.

Safe, Clean Water Program:
- Successfully concluded the FY 2021-22 review cycle of the November 2020 voter approved Safe, Clean Water Program. This included developing the FY 2021-22 Annual Report, coordinating and facilitating the Independent Monitoring Committee (IMC) and its sub-committee meetings, and development of the IMC Report and Management Response to the IMC Report.
- Began implementation of the review cycle for the FY 2022-23 Safe, Clean Water Program.
- Carried out IMC FY 2021-22 review recommendations as approved by Board and in accordance with the program Change Control Process.

Lands Management Program:
- Maintained a master project list, establishing document and information linkages pertaining to lands management activities and obligations.
- Issued a Request for Proposal to provide a wildfire risk assessment framework and modeling protocol to establish integrated wildfire risk profiles for Valley Water land rights and High-Value Resources and Assets (HVRAs).
- Applied for a Grant requesting consultant services to assist with the development of a Valley Water Wildfire Resiliency Plan.

Business Support and Asset Management:

Watershed Asset Management Program
- Analyzed and prioritized over 15 creeks for Safe, Clean Water Project Priority F-8.
- Completed the FY 2024-28 Watershed Operations and Maintenance Asset Renewal Plans.
- Developed draft long-term forecast schedule and budget of asset renewal activities for high-risk creeks.

Watershed Utility Asset Management Program
- Completed the FY 2024-28 Water Utility Operations and Maintenance Asset Renewal Plan.
- Developed draft long-term forecast schedule and budget of asset renewal activities for Water Utility Small Capital Improvement Projects.

Water Treatment Plant Master Plan Implementation Project
- Completed condition assessments and treatment process evaluation of three water treatment plants.
- Completed the Problem Definition Report

Distribution System Master Plan Implementation Project
- Completed a treated water demand study with feedback from treated water retailers.
- Completed verification of hydraulic models.

SCADA Master Plan Implementation Project
- Completed Valley Water Risk Matrix.
- Completed cybersecurity workshops.

District-Wide Asset Management and Business Support
- Completed the Valley Water District-Wide Asset Management Plan.

- Implemented Maximo Fleet and Meters sites.

CADD Services:

- Completed 295 CADD Requests, resulting in an increase of 49.7% from previous fiscal year.
- Maintained an average rate of CADD Requests completed versus submitted above 85%.
- Maintained a CADD Request on-time completion rate of 93%.
- Updated the CADD Standards Manual for Consultants and Engineers.
- Implemented a structured CADD Training Program.

FY 2024 Milestones

Business Planning and Analysis

- Develop the FY 2025-29 CIP Five-Year Plan through implementation of the annual cycle.
- Provide updates and annual training of Capital Improvement Program (CIP) Planning workflows and Quality and Environmental Management System (QEMS) policies.
- Develop the FY 2022-23 Safe, Clean Water Annual Report.
- Continue development of the Fuel Management Policy and Wildfire Resiliency Plan.
- Continue implementation of Projectmates, the project management information system, and continue development and implementation of the project controls component of the Program.
- Implement FY 2022-23 performance audit recommendations of Valley Water's Capital Improvement Program (CIP).
- Begin implementation of the IMC FY 2022-23 recommendations as approved by Board and in accordance with the program Change Control Process.

Business Support and Asset Management

- Develop FY 2025-29 Watersheds and Water Utility Operations and Maintenance and Asset Renewal Plans.
- Finalize initial draft scope and budget of watersheds asset renewal and improvement projects under the Safe Clean Water Project F8 and initiate F8 Implementation Capital Project.
- Complete the FY23 San Felipe Division Reach 1 Asset Condition Report.
- Complete the Planning Study Report for the Water Treatment Plant Master Plan Implementation Project.
- Complete Distribution System Master Plan project asset risk and renewal methodology.
- Complete Planning Study Reports for early SCADA Master Plan Implementation Projects.

CADD Services

- Upgrade Valley Water CADD Users software from version 2021 to 2024.
- Maintain an up-to-date CADD Standards Manual for Contractors and Engineers.
- Begin updating Valley Water Standard Details.
- Maintain an average CADD Request completion rate versus submitted equal to or greater than 85%.
- Maintain a CADD Request on-time completion rate of 90% or greater.

FY 2025 Milestones

Business Planning and Analysis

- Develop the FY 2026-30 CIP Five-Year Plan through implementation of the annual cycle.
- Develop the FY 2023-24 Safe, Clean Water Annual Report.
- Provide updates and annual training of Capital Improvement Program (CIP) Planning workflows and Quality and Environmental

Management System (QEMS) policies.
- Finalize and begin implementation of the Fuel Management Policy and Wildfire Resiliency Plan.
- Continue implementation of Projectmates, the project management information system, and continue development and implementation of the project controls component of the Program.
- Begin implementation of the IMC FY 2023-24 recommendations as approved by Board and in accordance with the program Change Control Process.

Business Support and Asset Management
- Develop FY 2026-30 Watersheds and Water Utility Operations and Maintenance Plans.
- Complete the Implementation Plan and initiate the capital projects identified in the Water Treatment Plant Master Plan Implementation Project.
- Complete the Planning Study Reports and initiate capital projects identified in the Distribution System Master Plan Implementation Projects.
- Complete the Planning Study Reports for projects identified in the SCADA Master Plan Implementation Project.

CADD Services
- Maintain an up-to-date CADD Standards Manual for Contractors and Engineers.
- Finalize update of Valley Water Standard Details.
- Maintain an average CADD Request completion rate versus submitted equal to or greater than 85%.
- Maintain a CADD Request On-Time completion rate of 90% or greater.

Budget Issues and Constraints
- Balancing the budgetary needs of Valley Water's water supply, environmental, and flood protection missions.
- The need to supplement some project funding with grants, partnership dollars, and federal funding.
- With over 20,000 assets to manage, the program is constrained to analyzing subsets of assets each year rather than all assets every year.
- The program relies on support from operations, maintenance, and engineering staff in all Valley Water business areas.

Office of Assistant Chief Executive Officer — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	7,797,053	10,344,561	10,377,072	10,879,192
Operating Project	2,928	10,702	9,785	–
Capital	10,599,428	5,197,081	9,592,589	6,820,298
Total *	**18,399,409**	**15,552,343**	**19,979,447**	**17,699,490**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Business Planning and Analysis Unit	4,792,165	5,255,626	5,459,489	5,442,873
Business Support & Asset Management	10,610,217	4,838,725	8,924,059	6,284,176
CADD Services	1,488,500	2,775,377	2,891,420	3,087,115
Office of Integrated Water Management	1,508,527	2,682,615	2,704,478	2,885,326
Total *	**18,399,409**	**15,552,343**	**19,979,447**	**17,699,490**

* Totals include intra-district reimbursement charges. FY2022 and FY2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of Assistant Chief of Executive Officer - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**34**	**35**	**35**	**35**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

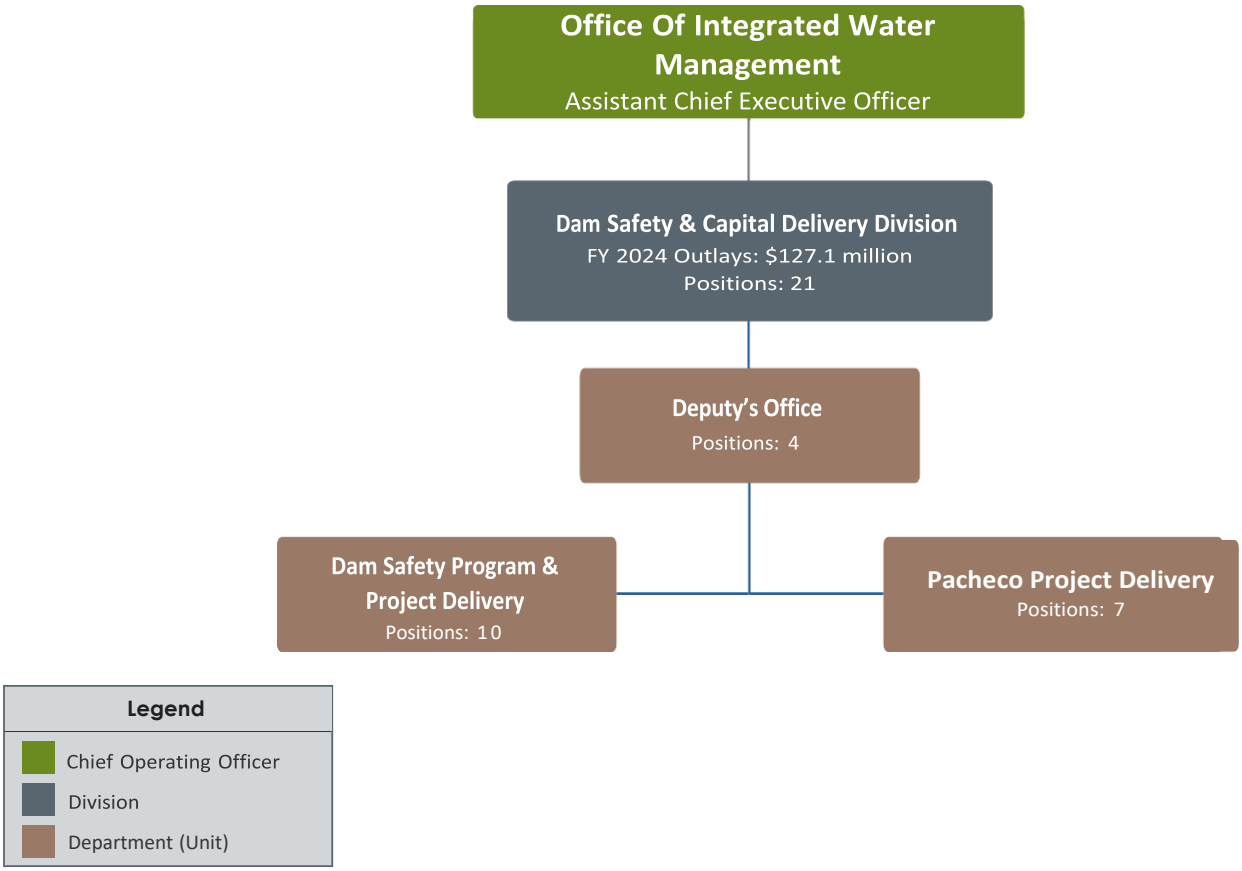
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	2024-25 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,139,766	1,578,369	1,565,555	1,592,503
	Services & Supplies	55,876	105,600	381,600	134,125
	Intra District Charges	629,039	938,187	992,739	989,910
Business Planning and Analysis Total		1,824,681	2,622,155	2,939,894	2,716,538
Business Support & Asset Management					
	Salaries & Benefits	1,814,638	2,311,866	2,271,745	2,485,318
	Services & Supplies	1,229,279	994,400	711,000	961,000
	Intra District Charges	1,070,591	1,445,706	1,467,812	1,571,237
Business Support & Asset Management Total		4,114,507	4,751,972	4,450,557	5,017,555
CADD Services					
	Salaries & Benefits	168,949	182,918	184,009	166,090
	Services & Supplies	153,849	10,000	10,000	10,000
	Intra District Charges	29,468	105,602	116,053	102,930
CADD Services Total		352,265	298,521	310,062	279,020
Office of Integrated Water Management					
	Salaries & Benefits	956,105	1,398,872	1,366,581	1,484,123
	Services & Supplies	12,648	414,300	414,300	414,300
	Intra District Charges	539,774	869,443	905,464	967,656
Office of Integrated Water Management Total		1,508,527	2,682,615	2,686,345	2,866,079
Operations Total *		**7,799,981**	**10,355,263**	**10,386,858**	**10,879,192**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,184,525	1,412,651	1,425,588	1,560,630
	Services & Supplies	1,129,882	413,341	216,474	218,474
	Intra District Charges	653,076	807,477	877,533	947,230
Business Planning and Analysis Total		2,967,484	2,633,470	2,519,595	2,726,334
Business Support & Asset Management					
	Salaries & Benefits	310,933	607,463	806,683	777,952
	Services & Supplies	6,008,924	(902,723)	3,144,319	(4,347)
	Intra District Charges	175,853	382,014	522,500	493,016
Business Support & Asset Management Total		6,495,710	86,754	4,473,502	1,266,622
CADD Services					
	Salaries & Benefits	751,604	1,483,590	1,566,859	1,717,116
	Services & Supplies	10,355	135,600	27,800	27,800
	Intra District Charges	374,275	857,667	986,700	1,063,179
CADD Services Total		1,136,234	2,476,857	2,581,359	2,808,095
Office of Integrated Water Management					
	Salaries & Benefits	–	–	10,900	11,643
	Intra District Charges	–	–	7,233	7,603
Office of Integrated Water Management Total		–	–	18,133	19,247
Capital Total *		**10,599,428**	**5,197,081**	**9,592,589**	**6,820,298**
Division Total *		**18,399,409**	**15,552,343**	**19,979,447**	**17,699,490**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Dam Safety and Capital Delivery Division



Division Description and Objectives

The Dam Safety and Capital Delivery Division is responsible for planning, implementation, and management of the portion of Valley Water's 5-year Capital Improvement Program (CIP) associated with dam construction and maintenance. This Division consists of two units— the Pacheco Project Delivery unit and the Dam Safety Program & Project Delivery unit. Valley Water's dams continue to be Water Utility Enterprise (WUE) assets and all post-construction operations will remain the responsibility of the WUE business area.

Pacheco Project Delivery

The Pacheco Project Delivery unit is responsible for implementation of the Pacheco Reservoir Expansion Project, including capital efforts of planning, design, and environmental documentation and permitting. The Pacheco Reservoir Expansion Project will expand the existing Pacheco reservoir to provide up to 140,000 acre-feet of storage capacity. This expansion will provide emergency water supply, fisheries habitat improvement, operational flexibility for managing Valley Water's federal imported water supplies, and incidental flood risk reduction. Unit staff coordinate with the California Water Commission, the U.S. Bureau of Reclamation, and other agencies regarding funding and partnering opportunities for the project.

Dam Safety Program & Project Delivery

The Dam Safety Program and Project Delivery unit manages maintenance, inspections, regulatory compliance, and safety of the twelve Valley Water dams. In addition, the unit also delivers all capital projects related to the dams. The dam safety and dam maintenance activities are carried out through the unit's Dam Safety Program and the Dams and Reservoirs Maintenance Program. Capital projects currently managed by the unit include Anderson Dam Seismic Retrofit Project (ADSRP), Calero Dam Seismic Retrofit Project (CDSRP), and Guadalupe Dam Seismic Retrofit Project (GDSRP). Other dam-related projects currently managed by the unit include the Almaden Dam Improvement Project, and Dam Safety Evaluation – Phase 1 Project.

FY 2023 Accomplishments

Pacheco Reservoir Expansion Project (PREP):

- Completed the project Planning Phase with finalization of the Planning Study Report (PSR).
- Completed 30% level project design including review by the Division of Safety of Dams (DSOD).
- Prepared Water Infrastructure Finance and Innovation Act (WIFIA) loan documents for execution.
- Coordination with permitting agencies including United States Fish and Wildlife Service (USFWS), California Department of Fish and Wildlife (CDFW), National Marine Fisheries Service (NMFS), United States Army Corps of Engineers (USACE), and California Department of Water Resources (DWR).
- Received private property access and initiated Phase 2 field investigations to gather additional environmental and geotechnical data.

Anderson Dam Seismic Retrofit Project (ADSRP):

- Completed the draft ADSRP Environmental Impact Report (EIR) for public comment.
- Continued formal consultation with USFWS, NMFS, USACE, CDFW, and California State Water Resources Control Board (SWRCB) on required regulatory permits.
- Completed 90% level design and submitted to Federal Energy Regulatory Compliance (FERC) and DSOD for review.
- Continued construction and made significant progress on the Anderson Dam Tunnel Project (ADTP).
- Initiated construction phase for three of the FERC Order Compliance Project (FOCP) - the Cross Valley Pipeline Extension, Coyote Percolation Dam Project, and Coyote Creek Flood Management Measures Project.

Other Dam Seismic Retrofit Project:

- Completed DSOD/FERC inspections for all dams.
- Completed annual surveillance/monitoring reports for all dams.

FY 2024 Milestones

Pacheco Reservoir Expansion Project (PREP):

- Complete Phase 2 environmental and geotechnical investigations.
- Distribute PG&E transmission line for Valley Water review.
- Complete Caltrans Preliminary Draft Project Report.
- Complete Updated Project Description.
- Complete Geotechnical Data Report (Vol. 3).

Dam Seismic Retrofit Project:

- Complete 100% design level package for the Anderson Dam Seismic Retrofit Project.
- Complete 90% design of the Guadalupe Dam Seismic Retrofit Project.
- Produce annual FERC/DSOD reports summarizing dam surveillance/monitoring results; participate in FERC/DSOD annual inspections and address maintenance issues identified during these inspections.

FY 2025 Milestones

Pacheco Reservoir Expansion Project (PREP):

- Complete recirculated draft EIR/draft EIS joint document.
- Distribute 60% design for Valley Water and DSOD review.

Dam Seismic Retrofit Project:

- Perform procurement process for the Anderson Dam Seismic Retrofit Project construction contract.
- Prepare draft EIR for Almaden-Calero Canal.
- Prepare DEIR for Guadalupe Dam Seismic Retrofit Project.
- Produce annual FERC/DSOD reports summarizing dam surveillance/monitoring results; participate in FERC/DSOD annual inspections and address maintenance issues identified during these inspections.

Budget Issues and Constraints

Progress on all projects can be greatly affected by external forces such as coordination with external agencies and regulatory bodies, securing permits, and negotiation of various agreements between Valley Water and other agencies or regulators. Projects are faced with compressed timelines. Staffing challenges, both within the Division and support from other Valley Water units may present obstacles to the achievement of Division objectives.

Dam Safety and Capital Delivery Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	2,118,668	3,095,972	3,615,485	3,518,664
Capital	112,951,594	190,131,799	123,453,145	111,609,032
Total *	**115,070,262**	**193,227,772**	**127,068,630**	**115,127,696**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Dam Safety Program & Project Delivery	84,862,012	161,878,309	85,089,960	95,392,187
Office of Dam Safety and Capital Delivery Division	1,728,833	2,087,112	2,210,796	2,376,113
Pacheco Project Delivery	28,479,416	29,262,351	39,767,873	17,359,396
Total *	**115,070,262**	**193,227,772**	**127,068,630**	**115,127,696**

* Totals include intra-district reimbursement charges. FY2022 and FY2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Dam Safety and Capital Delivery Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**20**	**21**	**21**	**21**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	2024-25 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	870,827	975,925	1,096,501	1,148,308
	Services & Supplies	674,167	1,466,000	1,752,000	1,595,000
	Intra District Charges	492,871	597,705	708,832	727,203
Dam Safety Program & Project Delivery Total		2,037,865	3,039,630	3,557,333	3,470,511
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	1,354	–	–	–
	Services & Supplies	975	1,850	1,850	1,850
	Intra District Charges	58	–	–	–
Office of Dam Safety and Capital Delivery Division Total		2,387	1,850	1,850	1,850
Pacheco Project Delivery					
	Salaries & Benefits	53,986	33,900	34,371	28,457
	Services & Supplies	3,900	–	–	–
	Intra District Charges	20,530	20,592	21,931	17,846
Pacheco Project Delivery Total		78,416	54,492	56,302	46,303
Operations Total *		**2,118,668**	**3,095,972**	**3,615,485**	**3,518,664**

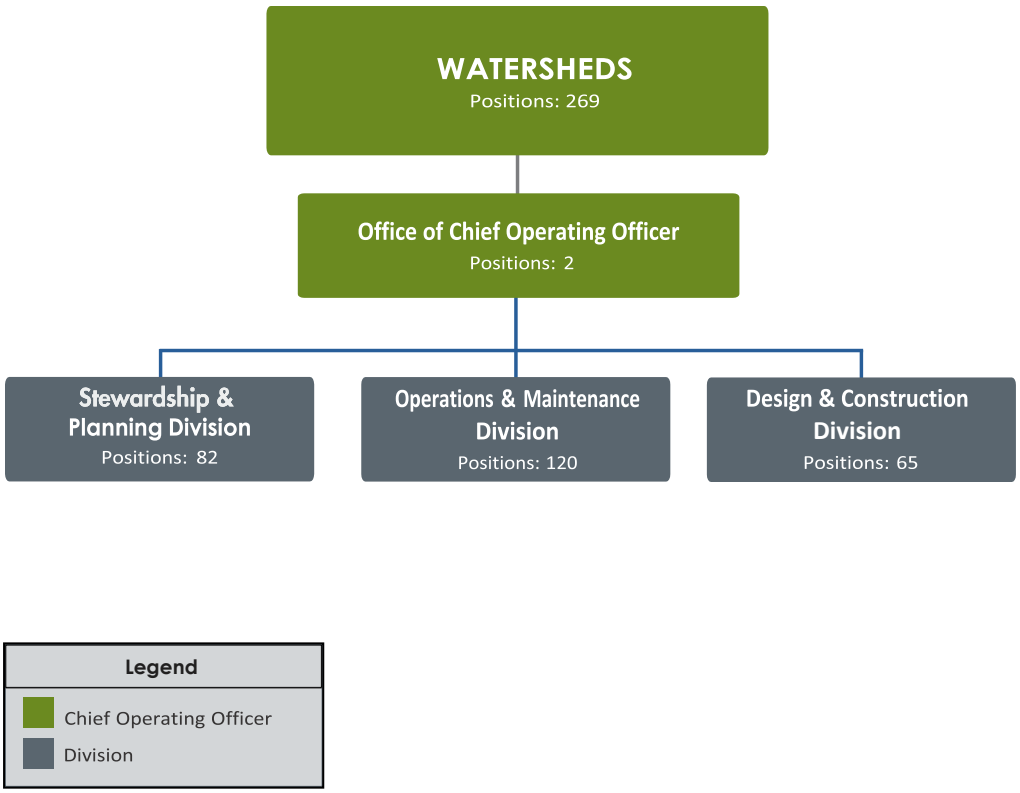
*Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

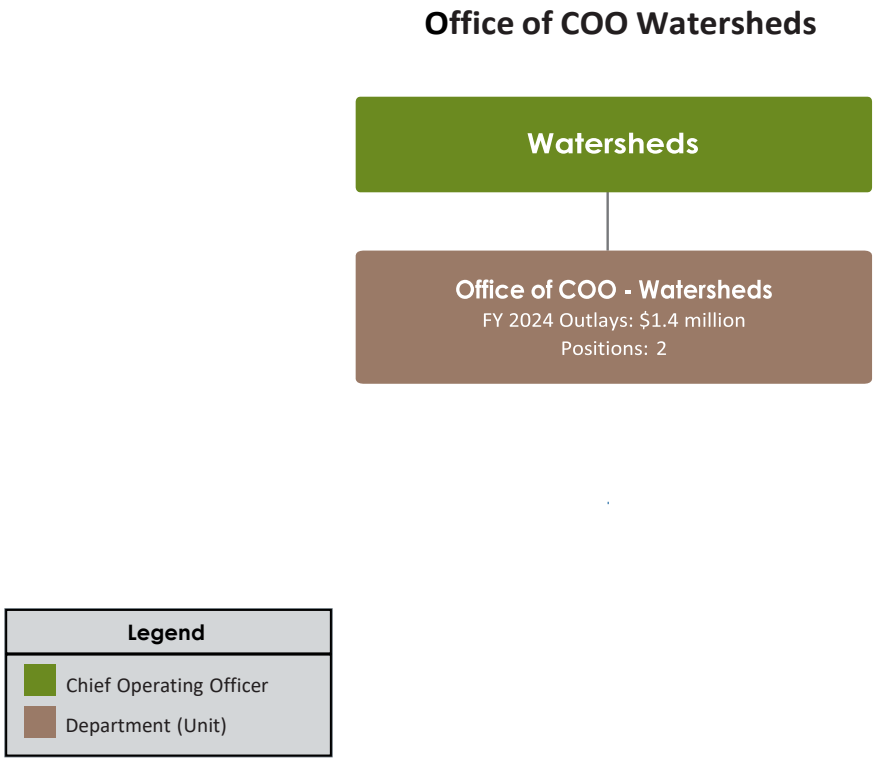
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	1,454,706	1,755,874	1,629,077	1,719,975
	Services & Supplies	80,544,291	156,052,506	78,847,393	89,109,500
	Intra District Charges	825,150	1,030,299	1,056,157	1,092,202
Dam Safety Program & Project Delivery Total		82,824,147	158,838,679	81,532,627	91,921,676
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	1,088,662	1,268,513	1,331,483	1,440,303
	Services & Supplies	3,443	21,552	–	–
	Intra District Charges	634,342	795,197	877,464	933,960
Office of Dam Safety and Capital Delivery Division Total		1,726,447	2,085,262	2,208,947	2,374,263
Pacheco Project Delivery					
	Salaries & Benefits	1,702,331	1,802,954	1,834,414	1,981,818
	Services & Supplies	25,733,112	26,309,519	36,706,495	14,088,143
	Intra District Charges	965,557	1,095,387	1,170,662	1,243,133
Pacheco Project Delivery Total		28,401,000	29,207,859	39,711,571	17,313,093
Capital Total *		**112,951,594**	**190,131,799**	**123,453,145**	**111,609,032**
Division Total *		**115,070,262**	**193,227,772**	**127,068,630**	**115,127,696**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Watersheds



Watersheds oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects.



The Office of the Chief Operating Officer leads and manages Watersheds to achieve the Board's Ends, Goals, and Objectives. This includes providing Watersheds the leadership, staff, and funding to conduct the administrative aspects of Watersheds functions. In general, this provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting Valley Water-wide special events/efforts that benefit the whole organization.

Office of COO Watersheds — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	2,001,092	1,547,984	1,365,782	1,438,798
Capital	10,629	–	–	–
Total *	**2,011,720**	**1,547,984**	**1,365,782**	**1,438,798**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the COO	2,011,720	1,547,984	1,365,782	1,438,798
Total *	**2,011,720**	**1,547,984**	**1,365,782**	**1,438,798**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of the COO Watersheds - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**2**	**2**	**2**	**2**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

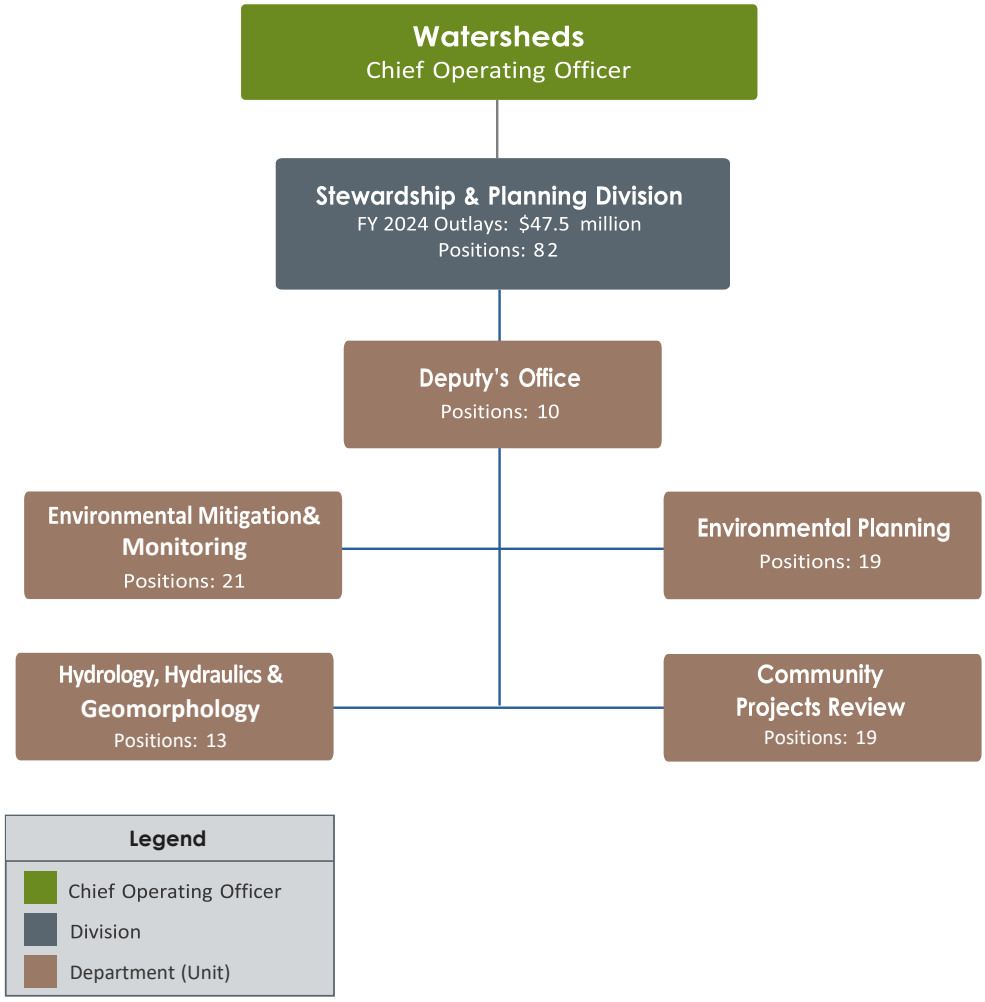
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	2024-25 Proposed Plan
Office of the COO					
	Salaries & Benefits	1,021,547	693,268	734,150	798,144
	Services & Supplies	519,059	445,815	180,650	157,100
	Intra District Charges	460,485	408,901	450,982	483,554
Office of the COO Total		2,001,092	1,547,984	1,365,782	1,438,798
Operations Total *		**2,001,092**	**1,547,984**	**1,365,782**	**1,438,798**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of the COO					
	Salaries & Benefits	7,288	–	–	–
	Intra District Charges	3,340	–	–	–
Office of the COO Total		10,629	–	–	–
Capital Total *		**10,629**	**–**	**–**	**–**
Division Total *		**2,011,720**	**1,547,984**	**1,365,782**	**1,438,798**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Stewardship & Planning Division



Division Description and Objectives

The Watershed Stewardship and Planning Division consists of five units with 82 staff members. The Division provides project and long-range planning for flood protection and stewardship; develops and oversees the integration of biological, hydrological, water quality, and geomorphological data into the planning, design, and construction of capital projects and operational programs; provides environmental planning, permitting, and monitoring services; ensures Valley Water's compliance with the regional stormwater quality permit; protects Valley Water's streams and other assets through implementation of the Water Resources Protection Ordinance, and collaborates with municipalities in the County to ensure development projects minimize impacts to Valley Water's mission. In addition, the Division co-leads the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and the Climate Change Action Plan, and ensures timely completion of Key Performance Indicators for the Safe, Clean Water and Natural Flood Protection Program's surface water quality, environmental monitoring, and habitat enhancement and restoration priorities.

Office of Watershed Stewardship and Planning (Deputy's Office)

The Office of Watershed Stewardship and Planning includes staff who report to the Assistant Officer and are responsible for conducting all phases of planning for water resources stewardship. Key projects include planning studies for Ogier Ponds Separation from Coyote Creek and other fish habitat and passage improvement projects, as well as the Calabazas - San Tomas Aquino Creek Realignment Project, which will restore natural sediment transport processes within the creeks to create approximately 1,500 acres of tidal marsh within former salt ponds, and the Pond A4 Resilient Habitat Restoration Project, which will re-use Stream Maintenance Program sediment to create a 40-acre habitat ecotone. Unit staff also conduct long-range planning for water resources management (the One Water Plan), which identifies priority flood protection and environmental stewardship actions within each of Santa Clara County's five major watersheds, and Valley Water's Climate Change Action Plan/Greenhouse Gas Reduction Plan.

Environmental Planning

The Environmental Planning unit provides environmental planning and documentation, California Environmental Quality Act (CEQA) compliance, and regulatory permitting services for both Water Utility and Watersheds capital projects and programs. This unit's objective is to meet the requirements of federal, state, and local environmental laws and regulations, while seeking to minimize environmental impacts of proposed projects and develop options for meaningful mitigation of unavoidable impacts. This unit ensures that environmental regulations are appropriately applied and provides technical expertise for legislative items pertaining to environmental review and permit streamlining, serving as Valley Water's technical expert in legislative and multi-agency proceedings. The Environmental Planning Unit also manages Safe Clean Water Program Impaired Water Bodies Improvement (B1) and Interagency Urban Runoff Program (B2) projects.

Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring unit is responsible for: managing mitigation monitoring programs for Valley Water; three ecology-oriented Safe, Clean Water Program stewardship projects (D2, D5, and D7); administering two on-call biological services consultant agreements; land management and easement monitoring for mitigation lands; oversight of the plant pathogen program; providing biological subject matter expertise to support over 30 capital projects and long-range planning programs; biological expertise and collaboration on the Valley Habitat Plan (VHP); and managing the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE). The unit provides ecological and biological expertise supporting Valley Water activities, projects, and programs to effectively manage natural resources, stewardship, and compliance with environmental laws and regulations. The unit specializes in special-status species, jurisdictional habitats, impact and habitat function assessments, avoidance and minimization measures, mitigation design and monitoring, environmental permitting, and stewardship.

Hydrology, Hydraulics & Geomorphology

The Hydrology, Hydraulics and Geomorphology unit builds the foundation of Valley Water's flood protection work and provides the

essential data for groundwater recharge and reservoir release analysis for environmental purposes. The unit begins with the measurement of rainfall and stream flow gauge data, the analysis of which provides the flood flow frequency that determines the flood-control projects' design basis, routing the flood flow through the creeks, and then determines the creek size and height of levees and floodwalls. The unit manages a flood forecast and flood warning system to send flood warning messages to the community for potential flood risks; and it develops the geomorphologic analysis that provides the basis for channel modification to minimize maintenance needs and sustain long-term stability.

Community Projects Review

The Community Projects Review Unit (CPRU) provides for protection of Valley Water's Watershed, Water Utility assets and interests from external activities and threats as defined by the Water Resources Protection Ordinance through the review of approximately 1,241 projects and issuance of approximately 113 encroachment permits for activities on Valley Water right of way and ordinance enforcement for activities undertaken without appropriate permits. The unit projects include implementation of the Underground Service Alert program that entails reviewing approximately 2,280 tickets per year. The unit also reviews proposed developments within the planning stages as they interface with Valley Water and interests. The unit also includes specialized maintenance and development of approximately 10,000 map pages showing Valley Water land rights and flooding and the dissemination of information to the public.

FY 2023 Accomplishments

- Completed Phase I of the Regional Temperature Study in coordination with Regional Water Quality Control Board and the Technical Review Panel.
- Finalized the Planning Study Report for Upper Penitencia Creek Flood Protection Project.
- Obtained $3.8 million grant from U.S. EPA San Francisco Bay Water Quality Improvement Fund for Calabazas-San Tomas Aquino Creek-Marsh Connection Project and completed Problem Definition Report shared publicly during first community workshop.
- Accelerated planning for the Ogier Ponds Creek Lake Separation Project as a conservation measure for the Anderson Dam Seismic Retrofit and held first community meeting.
- Completed greenhouse gas inventory, baseline, and target-setting for the agency-wide Greenhouse Gas Reduction Plan.
- Finalized flood risk vulnerability assessments for the Upper Pajaro and Guadalupe Watersheds, and held nearly 25 stakeholder meetings as part of the One Water planning process.
- Completed 2 Joint Trail Amendments with the City of San Jose on Thompson Creek and Guadalupe River.
- Developed a new draft licensing option as a part of the Encroachment Remediation Program.
- Completed Ross Creek and South Babb Flood Protection feasibility studies.
- Completed Permanente Flood Protection Project LOMR submittal.
- Completed Lexington FIRO Pilot Study.

FY 2024 Milestones

- Publish Draft Environmental Impact Reports for the Anderson Dam Seismic Retrofit and Purified Water projects.
- Complete One Water Guadalupe River and Upper Pajaro River Watershed Plans.
- Complete draft Planning Study for the Ogier Ponds project.
- Complete the Greenhouse Gas Reduction Plan as part of Climate Change Action Plan Implementation.
- Renew eight expiring Joint Use Agreements with municipalities for trails on Valley Water lands and update GIS JUA layer.
- Finalize and implement new licensing option for encroachments.
- Update Permanente/Stevens Creek design flows by targeting a calibrated HEC-HMS model.
- Complete Stevens Creek watersheds 100-year floodplain update.
- Enhance a new Flood Watch web site to support flood emergency monitor and response.
- Complete the FAHCE Final EIR.

FY 2025 Milestones

- Develop One Water Lower Peninsula and West Valley Watershed Plans.
- Finalize Planning Study Report for the Ogier Ponds project and begin design phase work.
- Finalize Planning Study Report for the Calabazas and San Tomas Creeks Realignment Project.
- Certification of the final EIR for the Anderson Dam Seismic Retrofit Project.
- Obtain natural resource agency permits for watershed, water utility, and stewardship capital projects, including key actions on Anderson Dam Seismic Retrofit Project.
- Maintain partnerships with cities to address surface water quality improvements, including participation in countywide, regional, or statewide stormwater program committees.
- Complete Community Projects Review Unit Oracle upgrade and replace database.
- Complete the Other Agreements layer, BART Project Area layer, Pipeline Realignment layers for Snell Pipeline and Stevens Creek Pipeline and update the CPRU Permit layer with legacy data from County cadastral maps.
- Update Llagas Creek design flows by completing a calibrated HEC-HMS model.
- Incorporate urban hydrology studies into the hydrology manual.

Budget Issues and Constraints

- Achieving flood protection, design flow maintenance, and successful implementation of in-stream habitat enhancement and mitigation presents continual challenges.
- Regulatory uncertainties associated with key capital projects, including evolving regulations, unclear mitigation requirements, and difficulty in obtaining needed mitigation lands, threaten project timelines.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	22,237,508	25,446,126	27,320,392	29,660,838
Operating Project	1,949,559	3,832,332	4,195,470	4,452,504
Capital	7,726,154	7,507,650	15,968,962	12,535,651
Total *	**31,913,221**	**36,786,108**	**47,484,824**	**46,648,992**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Community Projects Review	5,890,399	7,154,855	7,721,170	7,592,684
Environmental Mitigation & Monitoring	9,940,328	11,975,463	11,509,122	12,714,920
Environmental Planning	8,429,713	10,023,733	10,402,623	10,572,462
Environmental Planning #1	137,423	–	–	–
Hydrology, Hydraulics & Geomor	6,020,221	6,171,754	6,641,389	6,954,570
Office of Watersheds Stewardship & Pln Div	1,445,738	1,460,303	11,210,519	8,814,355
Safe Clean Water Implementation	49,400	–	–	–
Total *	**31,913,221**	**36,786,108**	**47,484,824**	**46,648,992**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Watershed Stewardship & Planning Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**82**	**82**	**82**	**82**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

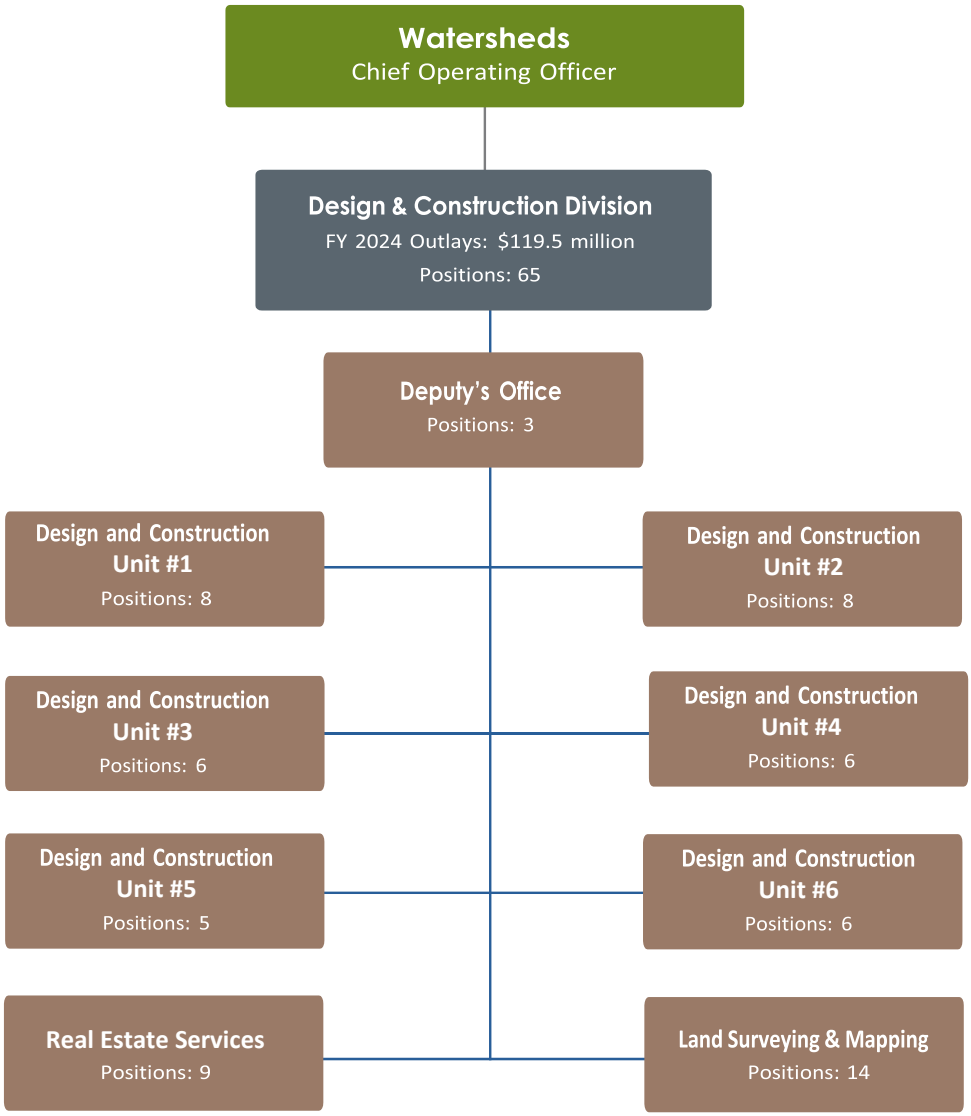
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Community Projects Review					
	Salaries & Benefits	3,491,792	4,272,149	4,207,224	4,503,046
	Services & Supplies	173,435	224,723	374,182	175,616
	Intra District Charges	1,984,653	2,576,252	2,703,879	2,840,850
Community Projects Review Total		5,649,879	7,073,125	7,285,286	7,519,512
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,767,640	3,167,317	3,197,254	3,582,614
	Services & Supplies	2,355,998	3,774,300	2,885,800	3,699,834
	Intra District Charges	1,553,632	1,929,822	2,042,810	2,245,149
Environmental Mitigation & Monitoring Total		6,677,270	8,871,439	8,125,865	9,527,597
Environmental Planning					
	Salaries & Benefits	2,002,848	2,052,344	2,336,892	2,648,996
	Services & Supplies	1,836,853	2,681,450	2,451,450	2,318,362
	Intra District Charges	1,175,819	1,284,670	1,515,538	1,682,030
Environmental Planning Total		5,015,521	6,018,464	6,303,880	6,649,388
Environmental Planning #1					
	Services & Supplies	137,378	–	–	–
Environmental Planning #1 Total		137,378	–	–	–
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	2,666,493	2,964,858	3,099,546	3,344,317
	Services & Supplies	1,030,211	1,039,718	1,126,500	1,137,400
	Intra District Charges	1,515,177	1,850,551	2,006,420	2,129,519
Hydrology, Hydraulics & Geomor Total		5,211,880	5,855,128	6,232,466	6,611,236
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	908,782	900,821	1,997,376	2,099,501
	Services & Supplies	13,528	–	266,400	361,000
	Intra District Charges	523,428	559,482	1,304,590	1,345,108
Office of Watersheds Stewardship & Pln Div Total		1,445,738	1,460,303	3,568,366	3,805,609
Safe Clean Water Implementation					
	Services & Supplies	49,400	–	–	–
Safe Clean Water Implementation Total		49,400	–	–	–
Operations Total *		**24,187,067**	**29,278,458**	**31,515,862**	**34,113,342**

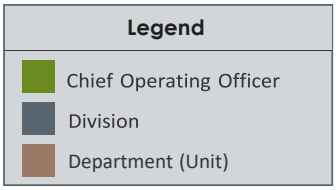
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Community Projects Review					
	Salaries & Benefits	148,273	50,945	64,438	44,874
	Services & Supplies	7,438	–	330,000	–
	Intra District Charges	84,809	30,786	41,447	28,298
Community Projects Review Total		240,519	81,730	435,885	73,173
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,023,965	1,844,926	2,025,234	1,930,891
	Services & Supplies	76,360	115,000	45,500	30,000
	Intra District Charges	1,162,732	1,144,099	1,312,523	1,226,431
Environmental Mitigation & Monitoring Total		3,263,057	3,104,025	3,383,257	3,187,322
Environmental Planning					
	Salaries & Benefits	2,056,347	2,332,644	2,327,208	2,301,522
	Services & Supplies	131,974	200,407	250,675	150,000
	Intra District Charges	1,225,871	1,472,218	1,520,860	1,471,552
Environmental Planning Total		3,414,192	4,005,269	4,098,743	3,923,075
Environmental Planning #1					
	Services & Supplies	44	–	–	–
Environmental Planning #1 Total		44	–	–	–
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	467,855	192,757	244,464	206,730
	Services & Supplies	64,202	–	–	–
	Intra District Charges	276,284	123,869	164,459	136,604
Hydrology, Hydraulics & Geomor Total		808,341	316,626	408,924	343,334
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	–	–	851,347	930,353
	Services & Supplies	–	–	6,232,727	3,480,127
	Intra District Charges	–	–	558,079	598,267
Office of Watersheds Stewardship & Pln Div Total		–	–	7,642,153	5,008,747
Capital Total *		**7,726,154**	**7,507,650**	**15,968,962**	**12,535,651**
Division Total *		**31,913,221**	**36,786,108**	**47,484,824**	**46,648,992**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Design & Construction Division





Division Description and Objectives

The Watersheds Design and Construction Division designs and constructs capital projects related to Watersheds operations. This includes delivery of projects in Valley Water's rolling 5-year Capital Improvement Program (CIP) and Safe, Clean Water and Natural Flood Protection Program. The objectives of the Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems. This Division also provides organization-wide support services for Surveying and Real Estate needs.

Design & Construction Units #1 - 6

The Division has six units responsible for design and construction of various watershed and water resource stewardship capital projects, with two of the units (Design & Construction Unit #5 & #6) providing additional planning support and repair work on existing watersheds facilities.

Design and Construction Units #1-4 have responsibility for a number of capital projects including, but not limited to,

Design:

- Completed construction of the Lower Berryessa Creek Flood Protection Project – Phase 2, Able Street to East Calaveras Boulevard.
- Upper Llagas Creek Flood Protection Project
- Coyote Percolation Dam Replacement
- Upper Guadalupe River Flood Protection Project
- San Francisquito Creek Flood Protection Project
- Coyote Creek Flood Protection Project

Construction:

- San Francisco Bay Shoreline, Phase 1, Reaches 1-3
- Upper Llagas Creek Flood Protection Project, Phase 2A
- Hale Creek Enhancement Pilot Study
- Bolsa Road Fish Passage Enhancement
- Coyote Creek Flood Management Measures
- Lower Berryessa Creek Flood Protection Project

Design and Construction Unit #5 is responsible for implementation of the Watersheds Asset Rehabilitation Program (WARP) projects which includes repair and rehabilitation of several segments of levees and flood walls along Calabazas Creek, Guadalupe River, Permanente Creek, and Coyote Creek. Projects are identified and prioritized annually by the Operations and Maintenance (O&M) engineering staff that identify rehabilitation needs that are beyond the every day maintenance capability of O&M staff and require development of engineering designs to restore damaged sections.

Design and Construction Unit #6 is responsible for the planning and design of several projects including: Guadalupe River – Tasman to I-880; Lower Llagas Creek Capacity Restoration; Evelyn Fish Passage; and the South San Francisco Bay Shoreline Project, Phases II and III effort along the Santa Clara County shoreline.

Land Surveying & Mapping

The Land Surveying and Mapping unit is responsible for professional land surveying and mapping services in support of planning, design, construction, and maintenance of Valley Water facilities. This is accomplished by accurately locating existing and proposed Valley Water facilities, providing graphical representations of land features, boundaries, and fixed works, and complying with applicable state and local laws and ordinances.

Real Estate Services

The Real Estate Services unit is responsible for real estate services such as buying and selling property, managing the residential and non-residential leasing and licensing program, negotiations, appraisal, title, and relocation services. The unit also provides administrative support of Real Estate services including database input, maintenance, and reporting.

FY 2023 Accomplishments

- Completed construction of the Lower Berryessa Creek Flood Protection Project – Phase 2, Able Street to East Calaveras Boulevard.
- Completed 3-year plant establishment period for the Lower Berryessa Creek Flood Protection Project – Phase 1 and 2,, Lower Penitencia Creek confluence to East Calaveras Boulevard.
- Completed construction of tthe Permanente Creek Flood Protection Project – Floodwall Retrofit.
- Continued 3-year plant establishment period for the Upper Llagas Creek Flood Protection – Phase 1.
- Continued construction of Lower Penitencia Creek Improvements Project.
- Continued construction for Phase 1, EIA 11, of the South San Francisco Bay Shoreline Project.
- Continued construction of Upper Llagas Creek Flood Protection – Phase 2A.
- Continued construction for the Lower Calera Creek Flood Protection Project.
- Completed construction of the Hale Creek Enhancement Pilot Project.
- Began design of the Palo Alto Tide Gate, Phase 1 Rehabilitation Project.
- Continued design of the Coyote Creek Flood Protection Project.
- Completed design for the Sunnyvale East-West Flood Protection Project.
- Completed design for the Upper Llagas Creek Flood Protection – Phase 2B.
- Completed design and began construction of the Coyote Creek Flood Management Measures Project.
- Completed design and began construction of the Coyote Percolation Dam Replacement Project.
- Completed construction of Piedmont Creek Concrete Repair Project.
- Completed designs for the Calabazas Creek Bank Repair and Guadalupe River Bank Repair projects under the Watersheds Asset Rehabilitation Program (WARP).

FY 2024 Milestones

- Complete Design of Sunnyvale East and West Channels Flood Protection Project.
- Complete Design of Coyote Creek Flood Protection Project.
- Complete construction of the Coyote Percolation Dam Replacement Project.
- Complete construction of the Bolsa Road Fish Passage Improvements Project.
- Complete construction of the Lower Calera Creek Project.
- Complete construction of Lower Penitencia Creek Improvements Project.
- Complete construction of the Upper Llagas Creek Flood Protection Project, Phase 2A.
- Secure NRCS grant funding and begin construction of the Upper Llagas Creek Flood Protection Phase 2B.
- Continue Construction of South San Francisco Bay Shoreline Protection Phase I, Reaches 1-3.
- Complete design of the Coyote Creek Flood Protection Project.
- Complete design of the Palo Alto Tide Gate Rehabilitation, Phase 1 Project.
- Complete planning of the Guadalupe River – Tasman to I-880 Project.
- Begin design of Upper Penitencia Creek Project.
- Complete construction of Guadalupe River Erosion Repair Project under WARP.
- Complete construction of Coyote Creek Rodent Levee Repair Project under WARP.
- Complete design of Hale Creek and Permanente Creek U-frame Wall Repair Projects under WARP.

- Complete design of Coyote Creek Erosion Repair at Julian and San Jose High School under WARP.
- Complete design of Guadalupe River Erosion Repair at San Carlos Street under WARP.
- Complete design of Channel Widening, Top of Bank Improvements, and Pope-Chaucer Bridge Replacement at San Francisquito Creek.

FY 2025 Milestones

- Begin design of Guadalupe River – Tasman to I-880 Project.
- Begin construction on Phase 1 of Sunnyvale East and West Channels Flood Protection Project.
- Continue construction of Upper Llagas Creek Flood Protection – Phase 2B.
- Complete construction of the South San Francisco Bay Shoreline Project – Phase 1, Reaches 1-3 levees.
- Complete construction for Coyote Creek Flood Management Measures Project, as part of the Andreson Dam FOCP.
- Complete design phase and begin construction of Coyote Creek Flood Protection Project.
- Complete construction of Guadalupe River Erosion at San Carlos Street under WARP.
- Complete construction of Hale Creek and Permanente Creek U-frame Wall Repair Projects under WARP.
- Complete construction of Coyote Creek Erosion Repair at Julian and San Jose High School under WARP.

Budget Issues and Constraints

- Price escalation on projects due to economic uncertainty of material and labor availability will continue to impact project budgets and available funding.
- Projects involving multiple project partners at Federal and Local level will continue to require significant engagement requiring significant time and resource investments.
- Availability of outside funding sources such as grants and subventions will need continued focused efforts.
- Timely receipt of permits from environmental regulatory agencies continues to be a challenge.
- Environmental permit requirements will require strategic negotiations and engagement to ensure permit conditions do not impose undue burden on projects and on Valley Water resulting in long term O&M liabilities.
- Limited Right-of-Way along project corridors and real estate acquisitions costs are increasing significantly.

Watershed Design & Construction Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	6,396,757	7,424,723	5,701,380	6,680,707
Operating Project	603,515	1,337,990	244,689	111,751
Capital	117,328,556	122,990,302	113,563,153	154,915,772
Total *	**124,328,828**	**131,753,015**	**119,509,222**	**161,708,229**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Design & Construction Unit #1	10,481,420	8,088,648	61,919,511	71,078,049
Design & Construction Unit #2	25,159,358	831,153	13,771,900	3,099,050
Design & Construction Unit #3	34,568,431	55,065,174	19,043,975	65,543,218
Design & Construction Unit #4	27,927,986	45,930,099	2,367,541	1,805,071
Design & Construction Unit #5	11,414,485	6,133,841	6,612,306	2,096,463
Design & Construction Unit #6	4,948,284	4,736,162	4,333,295	6,343,741
Land Surveying & Mapping	5,477,729	5,471,699	5,672,324	5,799,884
Office of WS Design&Const Div	558,970	785,932	1,401,363	1,516,208
Real Estate Services	3,792,165	4,710,307	4,387,006	4,426,546
Total *	**124,328,828**	**131,753,015**	**119,509,222**	**161,708,229**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Watershed Design & Construction Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**66**	**66**	**65**	**65**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	13,128	3,333	3,845	4,114
	Services & Supplies	10,416	3,600	3,600	–
	Intra District Charges	1,183	2,081	2,515	2,644
Design & Construction Unit #1 Total		24,728	9,014	9,961	6,758
Design & Construction Unit #2					
	Salaries & Benefits	10,544	–	–	2,112
	Services & Supplies	3,600	–	–	–
	Intra District Charges	1,076	–	–	1,322
Design & Construction Unit #2 Total		15,221	–	–	3,434
Design & Construction Unit #3					
	Salaries & Benefits	13,521	10,410	7,541	7,994
	Services & Supplies	1,275	2,000	2,000	2,000
	Intra District Charges	2,918	3,473	2,652	2,730
Design & Construction Unit #3 Total		17,714	15,884	12,192	12,725
Design & Construction Unit #4					
	Salaries & Benefits	23,549	3,853	5,019	5,307
	Services & Supplies	44,627	600	600	600
	Intra District Charges	4,055	2,326	3,200	3,314
Design & Construction Unit #4 Total		72,231	6,779	8,819	9,221
Design & Construction Unit #5					
	Salaries & Benefits	36,016	12,287	13,139	13,775
	Services & Supplies	14,647	500	–	–
	Intra District Charges	14,259	7,523	8,135	8,343
Design & Construction Unit #5 Total		64,923	20,310	21,273	22,118
Design & Construction Unit #6					
	Salaries & Benefits	1,182,223	1,720,440	227,153	283,823
	Services & Supplies	273,884	1,312,400	–	–
	Intra District Charges	689,652	1,067,739	145,573	179,564
Design & Construction Unit #6 Total		2,145,759	4,100,579	372,726	463,386
Land Surveying & Mapping					
	Salaries & Benefits	1,105,037	1,149,687	1,181,191	1,389,370
	Services & Supplies	188,377	221,500	224,500	52,000
	Intra District Charges	632,176	738,152	785,680	911,291
Land Surveying & Mapping Total		1,925,590	2,109,338	2,191,371	2,352,661
Office of WS Design&Const Div					
	Salaries & Benefits	64,827	–	–	–
	Services & Supplies	60	–	–	–
	Intra District Charges	29,381	–	–	–
Office of WS Design&Const Div Total		94,268	–	–	–

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Real Estate Services					
	Salaries & Benefits	1,061,940	1,079,433	1,357,151	1,802,042
	Services & Supplies	966,873	776,800	1,101,778	989,371
	Intra District Charges	611,026	644,576	870,798	1,130,742
Real Estate Services Total		2,639,839	2,500,809	3,329,727	3,922,155
Operations Total *		**7,000,272**	**8,762,713**	**5,946,069**	**6,792,457**

Capital Budget by Department and Account Category

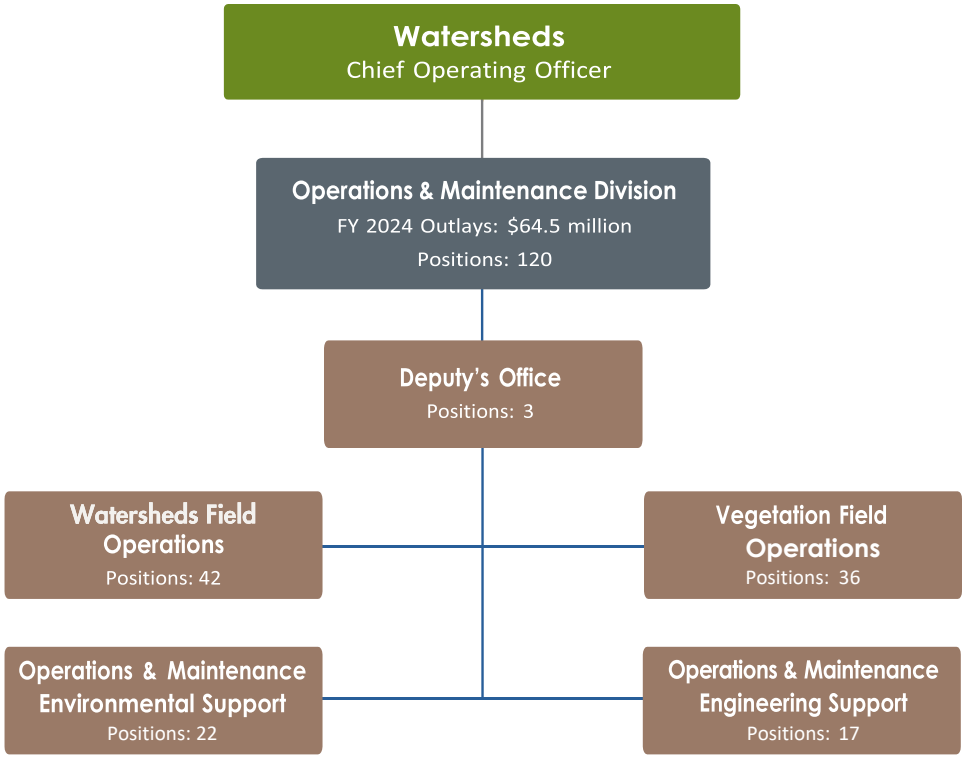
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	1,500,632	1,682,989	1,916,989	2,049,699
	Services & Supplies	8,082,881	5,370,385	58,737,710	67,703,396
	Intra District Charges	873,179	1,026,260	1,254,852	1,318,196
Design & Construction Unit #1 Total		10,456,692	8,079,635	61,909,550	71,071,291
Design & Construction Unit #2					
	Salaries & Benefits	1,721,551	1,727,390	1,973,328	2,093,006
	Services & Supplies	22,445,839	(1,933,876)	10,538,955	(308,418)
	Intra District Charges	976,747	1,037,639	1,259,617	1,311,028
Design & Construction Unit #2 Total		25,144,137	831,154	13,771,900	3,095,616
Design & Construction Unit #3					
	Salaries & Benefits	1,715,521	1,903,155	1,469,697	1,564,223
	Services & Supplies	31,828,539	51,968,354	16,578,639	62,940,580
	Intra District Charges	1,006,658	1,177,782	983,447	1,025,690
Design & Construction Unit #3 Total		34,550,717	55,049,290	19,031,783	65,530,493
Design & Construction Unit #4					
	Salaries & Benefits	1,919,046	2,330,661	1,499,582	1,592,937
	Services & Supplies	24,852,611	42,184,389	(97,141)	(792,131)
	Intra District Charges	1,084,098	1,408,271	956,280	995,044
Design & Construction Unit #4 Total		27,855,755	45,923,320	2,358,722	1,795,850
Design & Construction Unit #5					
	Salaries & Benefits	1,473,741	1,515,887	1,442,075	1,519,283
	Services & Supplies	9,020,902	3,669,328	4,256,148	(365,030)
	Intra District Charges	854,920	928,315	892,810	920,090
Design & Construction Unit #5 Total		11,349,562	6,113,530	6,591,033	2,074,344
Design & Construction Unit #6					
	Salaries & Benefits	1,564,719	1,074,288	1,272,411	1,319,396
	Services & Supplies	302,230	(1,108,037)	1,842,130	3,695,880
	Intra District Charges	935,576	669,332	846,028	865,078
Design & Construction Unit #6 Total		2,802,525	635,583	3,960,569	5,880,354
Land Surveying & Mapping					
	Salaries & Benefits	1,936,805	1,743,541	1,793,050	1,754,516
	Services & Supplies	417,394	475,500	476,000	532,500
	Intra District Charges	1,197,939	1,143,320	1,211,903	1,160,208
Land Surveying & Mapping Total		3,552,138	3,362,361	3,480,953	3,447,224
Office of WS Design&Const Div					
	Salaries & Benefits	305,264	500,009	879,605	955,706
	Services & Supplies	5,963	5,080	6,580	6,580
	Intra District Charges	153,475	280,843	515,178	553,923
Office of WS Design&Const Div Total		464,702	785,932	1,401,363	1,516,208

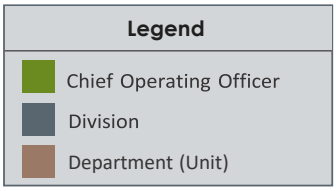
Division Summaries

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Real Estate Services					
	Salaries & Benefits	702,717	898,929	621,427	287,223
	Services & Supplies	37,625	769,600	35,700	35,700
	Intra District Charges	411,984	540,969	400,152	181,469
Real Estate Services Total		1,152,326	2,209,498	1,057,280	504,391
Capital Total *		**117,328,556**	**122,990,302**	**113,563,153**	**154,915,772**
Division Total *		**124,328,828**	**131,753,015**	**119,509,222**	**161,708,229**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Operations & Maintenance Division





Division Description and Objectives

The Watersheds Operations and Maintenance Division is composed of four units that provide field maintenance, engineering support, vegetation management, and environmental services management for Water Utility Facilities and the Stream Maintenance Program (SMP) in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas watersheds. The Office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the Division. The Division objective is to ensure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the Division.

Watershed Field Operations

The Watersheds Field Operations unit is responsible for coordination and management of field construction and routine maintenance activities on Water Utility and Watersheds facilities, budget development, coordination of emergency response services, and monitoring of safety procedures. The unit ensures that work is performed efficiently, effectively, with minimal environmental impact, and with the highest regard for the safety of the public and staff.

Vegetation Field Operations

The Vegetation Field Operations Department is responsible for the budget development, coordination, and management of integrated vegetation management programs, riparian planting and invasive plant management mitigation projects, hazard tree program and the sandbag program in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas Watersheds including capital projects and water utility sites.

Operations & Maintenance Environmental Support

The Operations and Maintenance Environmental Support unit provides environmental and logistics support to Valley Water operations and maintenance (O&M) activities in both Watersheds and Water Utility Enterprise. The unit supports the Stream Maintenance Program, Hazard Tree Program, Dam Maintenance Program, and Pipeline Maintenance Program, as well as numerous other O&M activities that occur outside these major programs. Environmental support includes preparation of California Environmental Quality Act (CEQA) analysis, permitting, and mitigation monitoring and reporting. Logistics support includes implementation of the Equipment Material and Labor program, as well as delivery of Valley Water-wide services such as sediment and water quality sampling/testing, rodent control, archeological consulting, and landfill disposal.

Operations & Maintenance Engineering Support

The Watersheds Operations and Maintenance Engineering Support unit is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watershed stewardship components of Valley Water's mission.

FY 2023 Accomplishments

Watersheds Field Operations

- 9 sediment removal projects (9,965 total cubic yards removed).
- 4,247 linear feet of erosion repaired.
- 772 cubic yards of trash removed through the Good Neighbor Maintenance program.
- 2,509 cubic yards of debris removal.
- 670.46 tons of trash and debris removed under Good Neighbor Encampment Cleanup.
- 2,109.18 acres managed under Good Neighbor Encampment Cleanup.

Vegetation Field Operations

- 64.85 Acres of mitigation site maintenance.
- 1913.63 Acres of upland access maintenance: weed abatement, access pruning, upland herbicide.
- 1182.09 Acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide.
- 125.19 Acres of invasive plant management.
- 101 trees 6 - 12" in diameter removed.
- 13 hazard trees removed.
- 50,000 sandbags made.

Operations & Maintenance Environmental Support

- Completed and submitted the Notice of Proposed Work (NPW) for the Stream Maintenance Program (SMP) to regulatory agencies by April 15th.
- Completed and submitted the Annual Summary Report (ASR) for the SMP to regulatory agencies by January 31st.
- Completed biological assessments and clearances for +1000 operations and maintenance work orders.
- Completion of CEQA Notice of Preparation (NOP) for SMP permit renewal process.
- Submitted permit extensions for SMP2 through Dec 2026.
- Obtained 401 certification permit extension of Central California Coast Region Water Quality Control Board for SMP2.

Operations and Maintenance Engineering Support

Operational

- Provided engineering support and construction oversight for 2022 Stream Maintenance Program (SMP) bank protection, levee maintenance, and sediment removal projects.
- Submitted annual inspection reports to U.S. Army Corps of Engineers for Guadalupe River, Coyote Creek, and Uvas Creek Flood Protection Projects.
- Submitted annual inspection report to Natural Resources Conservation Service for Lower Llagas Creek Flood Protection Project (PL-566).
- Continued to update and develop stream maintenance guidelines.
- Conducted creek and levee inspections.
- Was proactive prior to, during, and following winter storm events and emergency operations activations, providing inspection, engineering, and Field Information Team (FIT)-related support.

Strategic:

- Continued to work with O&M Division and Watersheds Design and Construction on O&M cost estimates for flood protection capital projects being turned over to Watersheds O&M to better inform long-term operations cost forecast for division.
- Continued to work with O&M Division and Watersheds Design and Construction on O&M cost estimates for flood protection capital projects being turned over to Watersheds O&M to better inform long-term operations cost forecast for division.
- Continued strategic planning as part of Safe, Clean Water Project F8.
- Continued to make progress on addressing unit's identified opportunities for improvement.

FY 2024 Milestones

Watersheds Field Operations

- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
- Participate in cost-share programs with local agencies for services related to encampment cleanups.

- Clean up identified trash and graffiti hot spots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.

Vegetation Field Operations
- Manage at least 300 acres of mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Manage at least 200 acres of invasive plant management mitigation sites.
- Hazard tree removals to protect people and property.
- 40,000 filled sandbags stocked by Nov. 30 annually.

Operations & Maintenance Environmental Support
- Complete and submit the Notice of Proposed Work (NPW) for the Stream Maintenance Program (SMP) to regulatory agencies by April 15th.
- Complete and submit Annual Summary Report (ASR) by January 31st.
- Submit required regulatory reports in a timely manner, conduct internal training, participate in multi-agency meetings, and administer and renew multi-agency permits.
- Develop and update contracts specifications and terms and conditions to ensure contracts for subsequent fiscal year are in place on time for Watershed Field Operation needs.
- Continue SMP-3 planning and analysis (Public Draft SMP-3 Manual and Draft EIR).
- Scope and develop county-wide invasive plant management program (IIPMP).
- Obtain SMP2 permit extensions for remaining regulatory agencies (Army Corp of Engineers, and California Department of Fish and Wildlife) for coverage through Dec 2026.
- Participate in Valley Habitat Plan reopener to include coverage for SMP activities and areas.

Operations and Maintenance Engineering Support
- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for SMP projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Continue updates and development of stream maintenance guidelines by December 2023.

FY 2025 Milestones

Watersheds Field Operations
- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
- Participate in cost-share programs with local agencies for services related to encampment cleanups.

- Clean up identified trash and graffiti hotspots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.
- Provide funding to implement public art projects on Valley Water property and infrastructure over the next 15 years.

Vegetation Field Operations
- Manage at least 300 acres of mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Manage at least 200 acres of invasive plant management mitigation sites.
- Hazard tree removals to protect people and property.

Operations & Maintenance Environmental Support
- Complete and submit Notice of Proposed Work (NPW) by April 15th.
- Complete and submit Annual Summary Report (ASR) by January 31st.
- Complete Final Invasive Plant Management Program (IIPMP) Manual by end of calendar year 2024.
- Complete Invasive Plant Management Program (IIPMP) final administrative final EIR and MMRP by end of FY 2025.
- Complete inclusion of SMP3 into Valley Habitat Plan planned by end of FY 2025.
- Finalize SMP3 Manual and Final EIR by end of FY 2025.

Operations and Maintenance Engineering Support
- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek:
- Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for SMP projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.

Budget Issues and Constraints
- The extent of maintenance work completed annually is constrained by staff resources, funding, and regulatory permit requirements.
- Increased amounts of encampments in the waterways are impacting encampment cleanup workload and this is inhibiting creek and levee inspections in certain areas.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	48,629,524	57,858,314	61,453,972	69,871,443
Operating Project	1,695,962	2,000,995	2,083,121	1,456,698
Capital	1,111,560	744,150	1,007,740	721,885
Total *	**51,437,046**	**60,603,459**	**64,544,832**	**72,050,025**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of Watershed O&M Division	993,360	1,205,527	1,303,138	1,391,618
Operations & Maintenance Engineering Support	6,397,819	6,814,863	7,430,955	8,532,623
Operations & Maintenance Environmental Support	8,370,461	10,163,167	11,486,391	16,637,857
Vegetation Field Operations	15,681,405	18,733,942	18,669,952	19,620,900
Watersheds Field Operations	19,994,001	23,685,960	25,654,396	25,867,028
Total *	**51,437,046**	**60,603,459**	**64,544,832**	**72,050,025**

* Totals include intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Watershed Operations & Maintenance Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**112**	**115**	**120**	**120**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

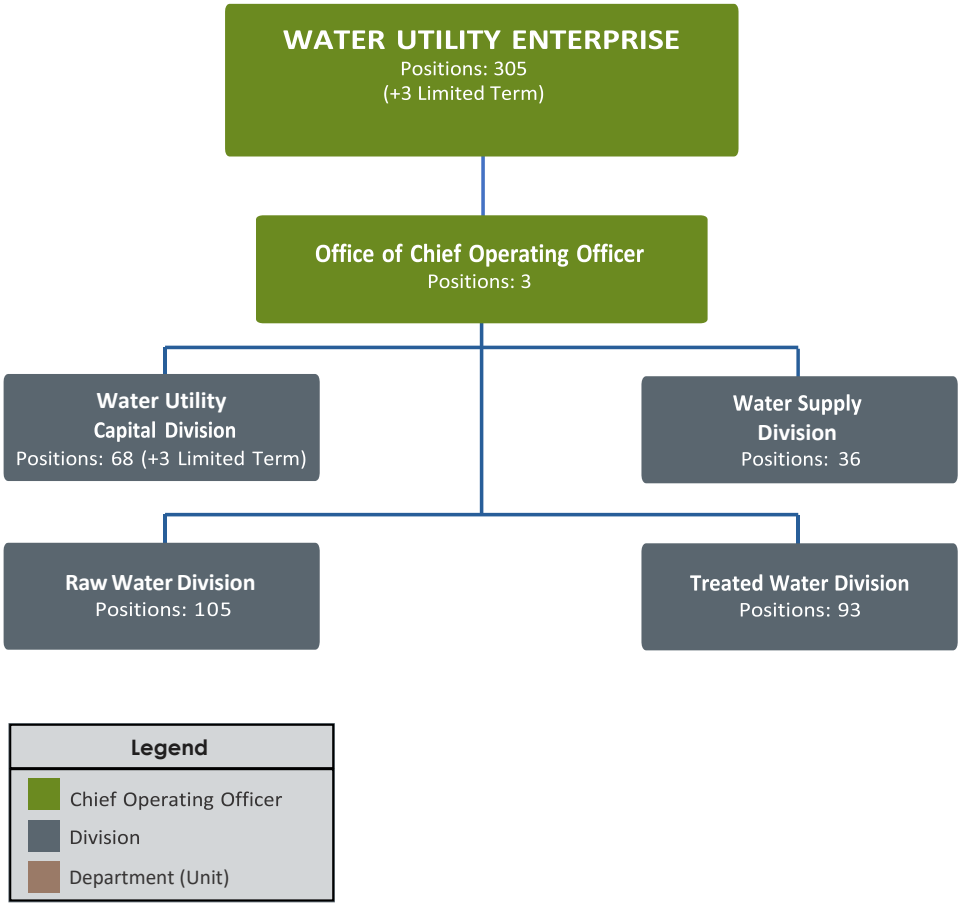
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Office of Watershed O&M Division					
	Salaries & Benefits	627,453	752,837	798,682	858,850
	Services & Supplies	4,880	3,375	3,375	3,375
	Intra District Charges	360,721	449,315	501,081	529,393
Office of Watershed O&M Division Total		993,054	1,205,527	1,303,138	1,391,618
Operations & Maintenance Engineering Support					
	Salaries & Benefits	3,394,204	3,411,981	3,830,893	4,098,804
	Services & Supplies	992,979	1,130,000	1,040,000	1,770,000
	Intra District Charges	1,980,490	2,167,576	2,523,689	2,651,883
Operations & Maintenance Engineering Support Total		6,367,673	6,709,557	7,394,582	8,520,687
Operations & Maintenance Environmental Support					
	Salaries & Benefits	4,204,888	4,477,984	4,833,982	5,233,374
	Services & Supplies	1,114,586	2,564,000	2,936,500	7,630,500
	Intra District Charges	2,462,554	2,805,993	3,177,198	3,376,663
Operations & Maintenance Environmental Support		7,782,028	9,847,977	10,947,680	16,240,537
Vegetation Field Operations					
	Salaries & Benefits	6,043,729	7,245,096	7,418,881	7,937,161
	Services & Supplies	5,261,514	6,254,700	5,747,500	5,952,722
	Intra District Charges	4,092,448	5,065,497	5,329,646	5,617,364
Vegetation Field Operations Total		15,397,691	18,565,292	18,496,027	19,507,246
Watersheds Field Operations					
	Salaries & Benefits	7,164,752	7,864,987	8,371,354	8,913,806
	Services & Supplies	7,055,613	8,923,500	10,028,500	9,386,000
	Intra District Charges	5,564,675	6,742,469	6,995,812	7,368,245
Watersheds Field Operations Total		19,785,040	23,530,956	25,395,666	25,668,051
Operations Total *		**50,325,485**	**59,859,309**	**63,537,093**	**71,328,140**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Offc of Watershed O&M Division					
	Services & Supplies	306	–	–	–
Offc of Watershed O&M Division Total		306	–	–	–
Operations & Maintenance Engineering Support					
	Salaries & Benefits	18,644	49,179	21,942	7,255
	Services & Supplies	550	25,000	–	–
	Intra District Charges	10,953	31,127	14,431	4,680
Operations & Maintenance Engineering Support Total		30,147	105,306	36,372	11,935
Operations & Maintenance Environmental Support					
	Salaries & Benefits	61,385	159,965	302,524	225,076
	Services & Supplies	489,514	54,750	36,000	26,000
	Intra District Charges	37,533	100,475	200,187	146,244
Operations & Maintenance Environmental Support		588,433	315,190	538,712	397,319
Vegetation Field Operations					
	Salaries & Benefits	117,337	78,206	80,665	65,292
	Services & Supplies	84,503	35,000	35,000	2,000
	Intra District Charges	81,874	55,444	58,261	46,362
Vegetation Field Operations Total		283,714	168,649	173,926	113,654
Watersheds Field Operations					
	Salaries & Benefits	112,002	35,550	90,275	96,310
	Services & Supplies	23,040	90,000	90,000	20,000
	Intra District Charges	73,919	29,454	78,455	82,667
Watersheds Field Operations Total		208,961	155,004	258,730	198,977
Capital Total *		**1,111,560**	**744,150**	**1,007,740**	**721,885**
Division Total *		**51,437,046**	**60,603,459**	**64,544,832**	**72,050,025**

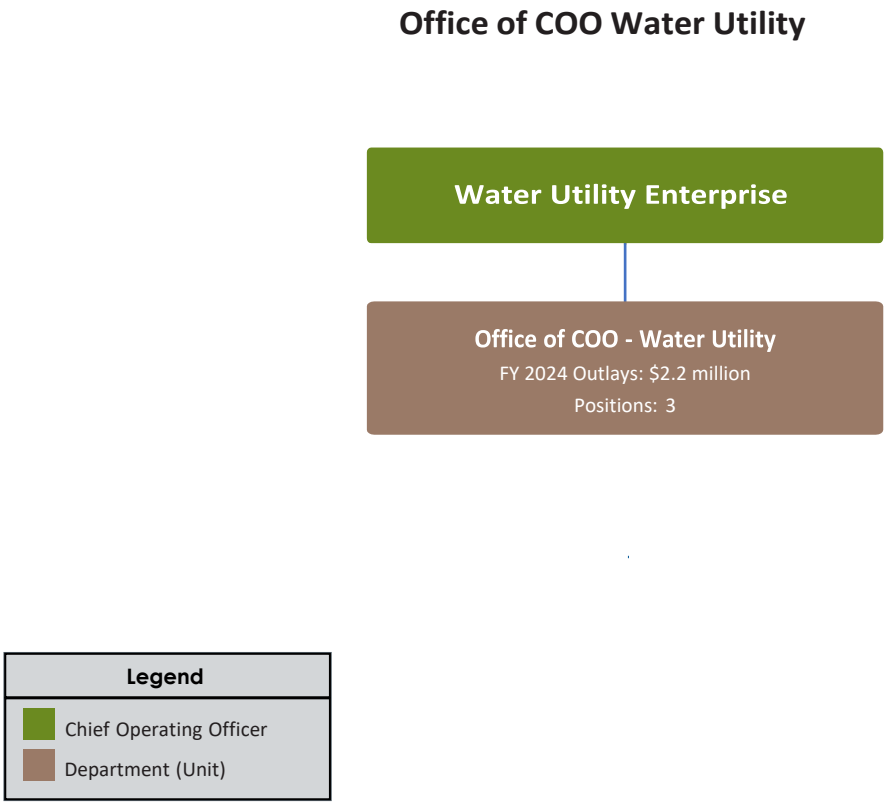
*Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility



The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

Directed by the Chief Operating Officer, Valley Water's Water Utility Enterprise (WUE) is comprised of four management divisions, each of which includes functional departments that carry out the work of the division and the enterprise.



Division Description and Objectives

The Office of the Chief Operating Officer (COO) Water Utility oversees the Water Utility Capital, Water Supply, Raw Water, and Treated Water divisions. The Water Utility Enterprise (WUE) is primarily responsible for carrying out the core services related to Ends Policy 2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served. The COO leads and manages the WUE to achieve the Board's Ends Goals and Objectives. This includes providing WUE the leadership, staff, and funding to conduct the administrative nature of the WUE functions. In general, the COO office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Office of COO Water Utility — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	1,819,951	1,995,140	2,139,252	1,704,275
Capital	209,190	66,689	69,690	73,457
Total *	**2,029,140**	**2,061,828**	**2,208,942**	**1,777,732**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of COO Water Utility	2,029,140	2,061,828	2,208,942	1,777,732
Total *	**2,029,140**	**2,061,828**	**2,208,942**	**1,777,732**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Office of COO Water Utility - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

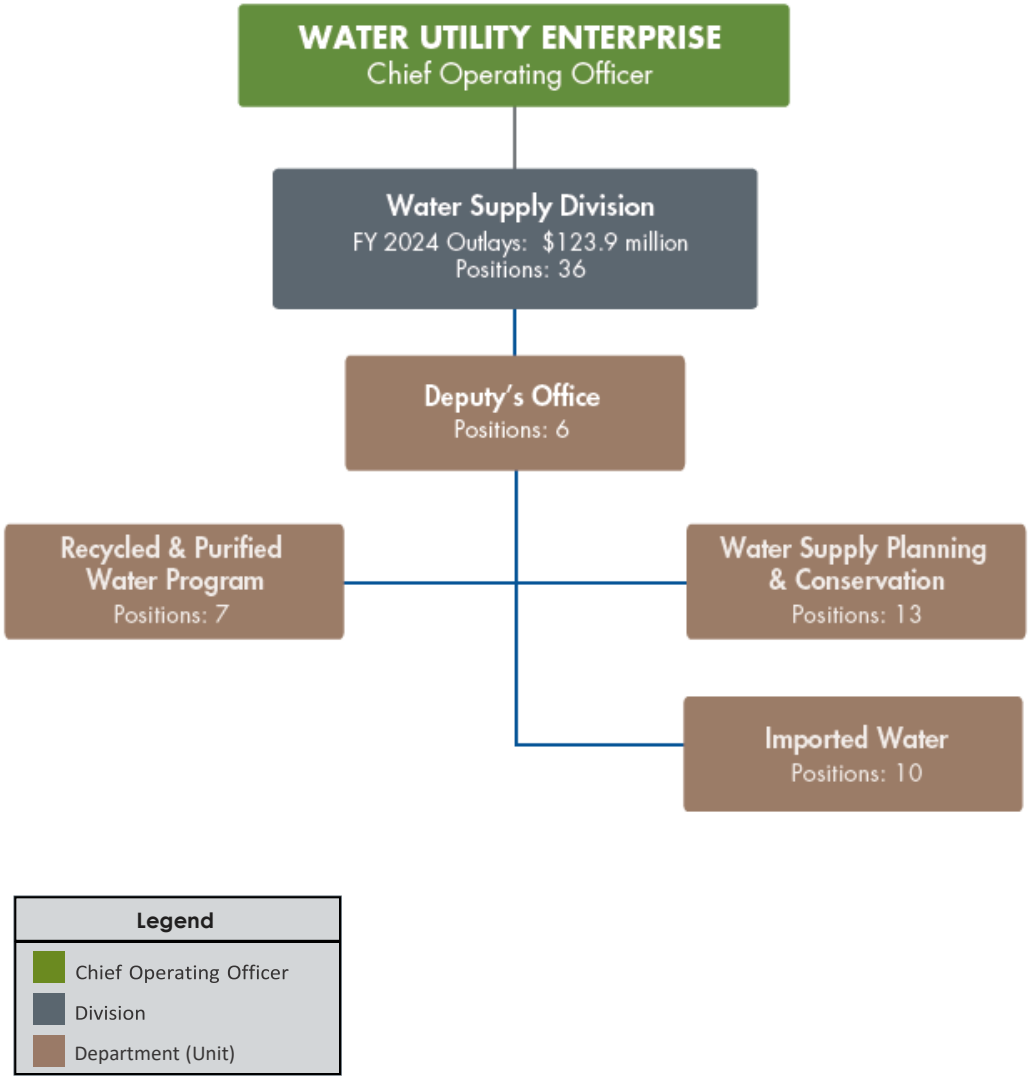
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	947,995	929,347	996,288	1,072,343
	Services & Supplies	422,961	526,280	548,780	–
	Intra District Charges	448,994	539,513	594,184	631,932
Office of COO Water Utility Total		1,819,951	1,995,140	2,139,252	1,704,275
Operations Total *		**1,819,951**	**1,995,140**	**2,139,252**	**1,704,275**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	–	42,179	43,639	46,202
	Services & Supplies	209,190	–	–	–
	Intra District Charges	–	24,510	26,051	27,254
Office of COO Water Utility Total		209,190	66,689	69,690	73,457
Capital Total *		**209,190**	**66,689**	**69,690**	**73,457**
Division Total *		**2,029,140**	**2,061,828**	**2,208,942**	**1,777,732**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Supply Division



Division Description and Objectives

The Water Supply Division is responsible for identifying future water supply needs, managing imported water supplies, implementing water conservation and recycled water programs, and drought response planning. The Division is comprised of the Recycled & Purified Water, Imported Water, and Water Supply Planning & Conservation Units.

Recycled & Purified Water Program

The Recycled and Purified Water Unit supports expansion and development of recycled and purified water in Santa Clara County by collaborating, negotiating and executing long-term agreements with various partners; and through implementation of Countywide Water Reuse Master Plan (CoRe Plan) projects.

Imported Water Program

The Imported Water Unit protects, manages and develops Valley Water's imported water assets, including the Central Valley Project, State Water Project, groundwater banking, water transfer and exchanges; and potential regional water supply projects; and represents Valley Water interests in Bay-Delta policy and regulatory issues.

Water Supply Planning & Conservation

The Water Supply Planning & Conservation Unit supports Valley Water's mission by developing long-term water supply plans to ensure a reliable water supply, participating in various regional water supply planning efforts, and by implementing water conservation and demand management programs.

FY 2023 Accomplishments

- Completed Geotechnical site assessments for Palo Alto and San Jose for potential sites of Advanced Water Purification Facility (AWPF).
- Reviewed design elements for an advanced Reverse Osmosis facility (Local Desalting Plan) to be constructed in Palo Alto.
- Coordinated with private developers to extend recycled water pipeline in Gilroy as recommended in the 2015 South County Master Plan Update.
- Saved approximately 82,000 acre-feet of water in FY 2022-23 from Valley Water's long-term conservation program that began in 1992.
- Conducted effective drought response actions including development and implementation of a new water waste ordinance.
- Converted 1.7 million square feet of turf with the Landscape Rebate Program.
- Delivered the annual Water Supply Master Plan (WSMP) Monitoring and Assessment Plan (MAP) update to the Board.
- Completed and submitted Central Valley Project Improvement Act (CVPIA) 5-year plan to U.S. Bureau of Reclamation (USBR) (legal requirement); completed and submitted annual CVPIA Best Management Practices (BMP) reports to USBR (legal requirement).
- Completed and submitted the Urban Water Management Plan (UWMP) Annual Water Supply and Demand Assessment to Department of Water Resources (DWR) (legal requirement).
- Completed the Drought Response Plan benchmark and vulnerability studies.
- Completed the Agricultural Water Use Baseline Study.
- Developed the Flood-Managed Aquifer Recharge mapping tool for Santa Clara County.
- Completed the preliminary feasibility study for the Refinery Recycled Water Exchange (RRWE) Project.
- Executed six cost-share agreements/amendments valued at $1.3M towards implementing Valley Water Conservation Programs in Santa Clara County.
- Effectively managed imported water supplies during ongoing drought conditions and secured emergency water supplies, including transfers and Public Health and Safety water.

- Executed nine Imported Water agreements.
- Continued participation in Delta Conveyance Project, Sites Reservoir, and B.F. Sisk Dam Raise and Reservoir Expansion Project discussions.
- Semitropic analysis, Sustainable Groundwater Management Act (SGMA) risk review, and development of new water banking opportunities.
- Successful USBR Contract Compliance Review (completed once every decade).
- Provided leadership role in the Collaborative Science & Adaptive Management Program.
- Reviewed and commented on numerous letters, science reports, environmental documentation, and participated in Voluntary Agreement discussions.

FY 2024 Milestones

- Advance the Purified Water Project funding agreement, and grant applications
- Complete Phase II of the Title 22 Engineering Report for the Indirect Potable Reuse (IPR) Project and readiness for review by the Regional Board and Division of Drinking Water (DDW).
- Complete Phase II of the Reverse Osmosis (RO) Concentrate studies and evaluations pertinent to Palo Alto site in coordination with Palo Alto and Regional Water Board to obtain National Pollutant Discharge Elimination System (NPDES) permit adjustment for discharge of RO Concentrate.
- Execute lease and operations, administration, and management agreements with City of Palo Alto.
- Save approximately 84,000 acre-feet of water in FY 2023-24 from Valley Water's long-term conservation program (baseline year is 1992).
- Complete the Drought Response Plan and submit to USBR.
- Complete the Flood-Managed Aquifer Recharge (Flood-MAR) pre-feasibility study.
- Negotiate Los Vaqueros Expansion (LVE) Project service agreements.
- Deliver the annual WSMP MAP update to board.
- Identify potential sources of supplemental water by January 1, 2024 and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker (EL-7.3 compliance)
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2023.
- Update and maintain FY 2023-24 expenditure forecasts at least quarterly.

FY 2025 Milestones

- Collaboration and coordination with the selected P3 entity for finalizing the design and performance specifications for the AWPF.
- Initiation of the construction phase for the AWPF and coordination with regulatory agencies and local municipalities.
- Seek out local, state, and federal funding sources for recycled and purified water projects.
- Save approximately 86,000 acre-feet of water in FY 2024-25 from Valley Water's long-term conservation program (baseline year is 1992).
- Amend the UWMP Water Shortage Contingency Plan.
- Determine final participation in LVE.
- Complete the WSMP update.
- Deliver the annual WSMP MAP update to board; submit the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement).
- Submit annual CVPIA BMP reports to USBR (legal requirement).
- Identify potential sources of supplemental water by January 1, 2025 and provide timely support for the annual water supply

planning process.

- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker (EL-7.3 compliance).
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2024.
- Update and maintain FY 2024-25 expenditure forecasts at least quarterly.

Budget Issues and Constraints

Budget issues and constraints for the Division include insufficient resources to achieve all proposed Division goals; complex and lengthy negotiations with external agencies that can cause unexpected delays; and, managing regulatory requirements while trying to meet compressed schedules. In drought years, staffing for the water conservation program will be critical to meet heightened conservation targets. Increased budget may be necessary for the water supply planning and analysis program and for the purchase of additional emergency imported water supplies.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	114,883,273	128,531,783	103,514,575	130,679,949
Capital	13,730,147	22,701,712	20,364,472	17,808,774
Total *	**128,613,420**	**151,233,496**	**123,879,047**	**148,488,723**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Imported Water	104,971,401	98,779,441	80,660,596	94,228,258
Recycled & Purified Water Prog	8,271,811	22,645,790	19,164,218	30,012,714
Water Supply Admin	2,700,159	3,551,409	3,295,957	2,424,574
Water Supply Planning & Consrv	12,670,049	26,256,855	20,758,276	21,823,176
Total *	**128,613,420**	**151,233,496**	**123,879,047**	**148,488,723**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Water Supply Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**37**	**38**	**36**	**36**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

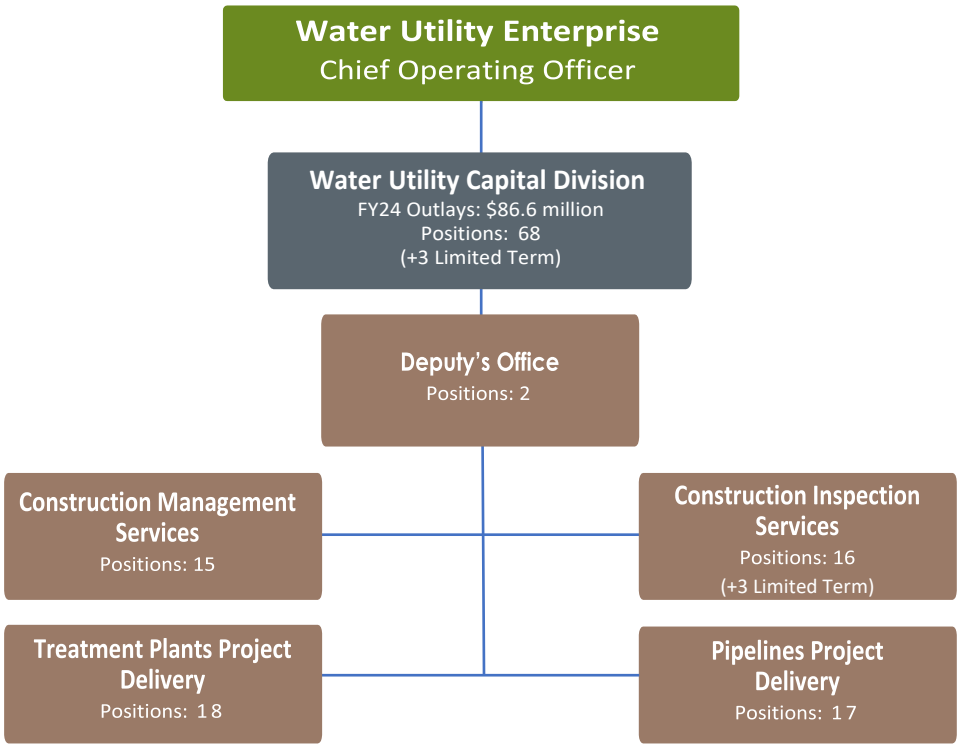
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	2024-25 Proposed Plan
Imported Water					
	Salaries & Benefits	2,297,005	2,573,674	2,655,226	2,826,214
	Services & Supplies	90,144,954	83,001,176	64,244,947	77,144,265
	Intra District Charges	1,373,389	1,610,277	1,758,342	1,832,947
Imported Water Total		93,815,348	87,185,127	68,658,515	81,803,426
Recycled & Purified Water Prog					
	Salaries & Benefits	1,339,951	1,371,254	1,467,968	1,571,210
	Services & Supplies	4,421,794	10,289,900	9,446,343	22,084,667
	Intra District Charges	745,307	824,962	932,119	977,605
Recycled & Purified Water Prog Total		6,507,052	12,486,116	11,846,431	24,633,482
Water Supply Division					
	Salaries & Benefits	1,235,250	1,627,319	1,331,131	1,437,474
	Services & Supplies	56,353	69,350	134,675	134,675
	Intra District Charges	607,494	994,523	859,143	912,018
Water Supply Division Total		1,899,096	2,691,192	2,324,949	2,484,166
Water Supply Planning & Consrv					
	Salaries & Benefits	2,714,813	2,820,988	3,012,596	3,237,693
	Services & Supplies	8,379,314	21,602,900	15,687,650	16,431,650
	Intra District Charges	1,567,650	1,745,460	1,984,434	2,089,532
Water Supply Planning & Consrv Total		12,661,777	26,169,348	20,684,680	21,758,875
Operations Total *		**114,883,273**	**128,531,783**	**103,514,575**	**130,679,949**

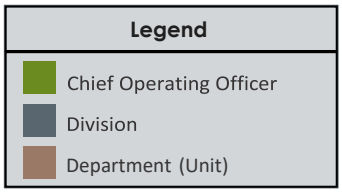
Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Imported Water					
	Salaries & Benefits	–	28,161	28,444	30,016
	Services & Supplies	11,156,053	11,548,501	11,954,755	12,375,300
	Intra District Charges	–	17,652	18,882	19,516
Imported Water Total		11,156,053	11,594,314	12,002,081	12,424,832
Recycled & Purified Water Prog					
	Salaries & Benefits	289,862	622,159	439,065	465,386
	Services & Supplies	1,312,544	9,163,317	6,600,000	4,624,351
	Intra District Charges	162,353	374,198	278,722	289,496
Recycled & Purified Water Prog Total		1,764,759	10,159,675	7,317,787	5,379,233
Water Supply Division					
	Salaries & Benefits	506,956	533,831	546,591	584,477
	Services & Supplies	17,882	–	71,500	(1,015,046)
	Intra District Charges	276,225	326,386	352,918	370,977
Water Supply Division Total		801,063	860,217	971,008	(59,592)
Water Supply Planning & Consrv					
	Salaries & Benefits	5,169	54,097	44,345	39,060
	Intra District Charges	3,103	33,411	29,251	25,241
Water Supply Planning & Consrv Total		8,272	87,507	73,596	64,301
Capital Total *		**13,730,147**	**22,701,712**	**20,364,472**	**17,808,774**
Division Total *		**128,613,420**	**151,233,496**	**123,879,047**	**148,488,723**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility Capital Division





Division Description and Objectives

The Water Utility Capital (WUC) Division is responsible for planning, design and construction of Water Utility capital projects in Valley Water's rolling 5-year Capital Improvement Program (CIP). This division also works across the agency with other departments, executives and elected officials, and coordinates with various local, state and federal agencies. Below are the units that the Water Utility Capital Division oversees.

Construction Management Services

The Construction Management Services Unit is responsible for management and administration of Capital construction projects included in the Water Utility, Watersheds, and Dam Safety Capital Improvement Program. Unit staff ensures contractors comply with the project requirements, including environmental compliance and operational requirements of our water treatment, transmission, storage, and flood control facilities.

Construction Inspection Services

The Construction Inspection Services Unit is responsible for inspection, and administration of Capital construction projects, in Plant Establishment Phase, included in the Water Utility, Watershed, and Dam Safety Capital Improvement Program. Unit staff ensures Valley Water contractors comply with the project requirements, including environmental compliance and operational requirements of water treatment, transmission, storage, and flood control facilities.

Treatment Plants Project Delivery

The Treatment Plants Project Delivery Unit is responsible for the planning, design, and engineering support services for the implementation of Valley Water's Capital Improvement Program for Water Utility treatment plant and pump station infrastructure projects and provides expert treatment plant and pump station design services throughout the District. Unit staff perform project management in addition to the planning, design, and engineering support services during construction for various water utility capital projects including expansion and rehabilitation of treatment plants and pump stations, major maintenance, and other improvements.

Pipelines Project Delivery

The Pipelines Project Delivery Unit is responsible for the planning, design, and engineering support services for the implementation of Valley Water's Capital Improvement Program for Water Utility distribution and pipeline infrastructure projects and provides expert pipeline design services throughout the District. Unit staff perform project management in addition to the planning, design, and engineering support services during construction, structural engineering for various water utility distribution, pipeline, pump station/plant, capital projects, including expansion and rehabilitation projects in addition to the 10-Year Pipeline Inspection and Rehabilitation Project, major maintenance, and other improvements. The Unit also manages the Water Utility Small Capital Projects to support the Water Utility's Asset Management Program.

FY 2023 Accomplishments

- Started the design of Treated Water Isolation Valve Project.
- Started the design of West Pipeline Phases 1 & 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Started the construction of Santa Clara Conduit (10-Year Pipeline) Inspection and Rehabilitation Project.
- Started the construction of the Almaden Valley Pipeline (10-Year Pipeline) Inspection and Rehabilitation Project.
- Completed the design and awarded the construction of the Snell (10-Year Pipeline) Inspection and Rehabilitation Project.
- Started the design of the Almaden Valley Pipeline Replacement Project.
- Started the construction of Pacheco Pumping Plant HVOS and Electrical Upgrades Project.

- Completed 100% Design of the Rinconada Water Treatment Plant Reliability Improvement Project, Phases 3.
- Initiate Construction of the Santa Teresa Water Treatment Plant Filter Media Replacement Project.
- Completed preliminary design of the Penitencia Water Treatment Plant Residuals Management Project.
- Completed 60% Design of the Water Treatment Plant Electrical Improvement Project.
- Conducted the Public Hearing on the Engineer's Report and CEQA Determination for the Coyote Pumping Plant ASDs Replacement Project.
- Awarded of the Design-Build agreement for the Coyote Pumping Plant ASDs Replacement Project.
- Completed 30% Design of the Vasona Pumping Plant Upgrade Project.

Provided primary construction management, primary construction inspection services, or advisory construction management and inspection services for Water Utility, Dam Safety, Watershed and Maintenance projects such as:

- Permanente Creek at Rancho San Antonio
- Upper Llagas Creek, Phase 1
- WARP: Piedmont Creek Interim Concrete Repair
- Upper Guadalupe R6 Gravel Replacement
- Emergency Almaden Valley Pipeline Repair
- RWTP Residuals Remediation
- South County Recycled Water Pipeline
- STWTP Filter Media Replacement
- WARP: Calabazas Creek Phase I & II
- Santa Clara Conduit Inspection and Rehabilitation Phase I
- FOCP Coyote Percolation Dam Removal
- Santa Clara Conduit Inspection and Rehabilitation Phase II
- Snell Pipeline Inspection and Rehabilitation
- Lower Penitencia Creek
- Lower Calera Creek
- Upper Llagas Phase 2B
- WARP Coyote Creek Rodent Damage Repair
- WARP Blossom Hill Gabion/Malone Rd. Retaining Wall
- Upper Llagas 8, Phase 2A – Tunnel
- FOCP Anderson Dam Tunnel
- Hale Creek Pilot Project
- Coyote PP ASD Replacement
- FOCP Coyote Creek FMM: Phase I

FY 2024 Milestones

- Complete the design of Treated Water Isolation Valve Project at West Pipeline (2 of 3 locations).
- Complete the design of West Pipeline Phases 1 & 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Start the construction of West Pipeline Phase 1 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete the construction of Santa Clara Conduit (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete the construction of the Almaden Valley Pipeline (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete the construction of the South County Recycled Water Pipeline Project.

- Complete the construction of Pacheco Pumping Plant HVOS and Electrical Upgrades Project.
- Complete Construction of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Project closeout of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Award Construction Contract for the Rinconada Water Treatment Plant Reliability Improvement Project, Phase 3-6.
- Complete Design of the Penitencia Water Treatment Plant Residuals Management Project.
- Complete 90% Design of the Water Treatment Plant Electrical Improvement Project.
- Complete 30% Design of the Coyote Pumping Plant ASDs Replacement Project.
- Complete the CEQA documents and initiate the RFP for the Design Builder for selection of the Vasona Pumping Plant Upgrade Project.

Provide primary construction management, primary construction inspection services, or advisory construction management and inspection services Water Utility, Watershed, Maintenance, and Dam Safety projects such as:

- South County Recycled Water Pipeline
- STWTP Filter Media Replacement
- WARP: Calabazas Creek Phase I & II
- Santa Clara Conduit Inspection and Rehabilitation Phase I
- RWTP Residuals Remediation
- FOCP Coyote Percolation Dam Removal
- Santa Clara Conduit Inspection and Rehabilitation Phase II
- Snell Pipeline Inspection and Rehabilitation
- WTP Electrical Improvement
- Upper Llagas Phase 2B
- FOCP Coyote Creek Chillers
- Sunnyvale East & West
- West Pipeline Inspection & Rehabilitation Phase I
- PWTP Sulfuric Acid Line Extension
- WARP Coyote Creek Rodent Repair
- WARP Blossom Hill/Malone Road Erosion, Guadalupe
- WARP San Carlos Gabion Repair, Guad & Alviso Levee Repair, Alviso Slough
- WARP Permanente Creek & Hale Creek, Rosita to Arboleda
- Upper Llagas Creek Phase I
- Lower Penitencia Creek
- Lower Calera Creek
- South County Recycled Water Pipeline
- WARP: Calabazas Creek Phase I & II
- Upper Llagas 8, Phase 2A - Tunnel
- FOCP Anderson Dam Tunnel
- Coyote PP ASD Replacement (D-B)
- RWTP RIP Phase 3, 4, 5
- FOCP Coyote Creek FMM: Phase I

FY 2025 Milestones

- Complete construction of the Treated Water Isolation Valve Project at West Pipeline (1 of 3 locations).
- Complete the construction of West Pipeline Phase 1 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete the design of Almaden Valley Pipeline Project.
- Award Construction Contract for the Water Treatment Plants Electrical Improvement Project.
- Award Construction Contract for the Penitencia Water Treatment Plant Residuals Management.

Provide primary construction management, primary construction inspection services, or advisory construction management and inspection services for Water Utility, Watershed, Maintenance, and Dam Safety projects such as:

- Snell Pipeline Inspection and Rehabilitation
- Upper Llagas Phase 2B
- Almaden Lake Improvement
- WTP Electrical Improvement
- Sunnyvale East & West
- West Pipeline Inspection and Rehab Phase I
- West Pipeline Inspection and Rehab Phase II
- PWTP Residuals Management
- WARP San Carlos Gabion Repair, Guad & Alviso Levee Repair, Alviso Slough
- WARP Permanente Creek & Hale Creek, Rosita to Arboleda
- PWTP Sulfuric Acid Line Extension
- Upper Llagas Creek Phase I
- Lower Penitencia Creek
- Lower Calera Creek
- South County Recycled Water Pipeline
- WARP: Calabazas Creek Phase I & II
- FOCP Anderson Dam Tunnel
- Coyote PP ASD Replacement (D-B)
- RWTP RIP Phase 3, 4, 5
- FOCP Coyote Creek FMM Phase I

Budget Issues and Constraints

The amount of funding available, derived from groundwater production charges in both North and South County, will determine the number of Capital Projects which will be funded in a given year. Current staffing levels will preclude the implementation of projects not already identified within the 5-year CIP. Staff availability and support outside of the Water Utility Capital Division is also a factor affecting completion of the projected milestones and the volume of work that can be accomplished. Project progress can be greatly affected by external factors outside of Valley Water (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies).

Water Utility Capital Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	513,834	59,318	135,423	144,436
Operating Project	381	–	–	–
Capital	76,679,240	74,202,065	86,468,850	121,971,433
Total *	**77,193,455**	**74,261,383**	**86,604,273**	**122,115,869**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Construction Management Services	11,330,611	13,345,474	6,621,213	6,831,194
Construction Inspection Services	–	–	6,930,524	7,268,209
Pipelines Project Delivery	31,840,106	21,776,713	31,360,389	15,923,197
Purified Water Project Delivery	215,000	–	–	–
Treatment Plants Project Delivery	31,771,483	38,396,241	39,145,390	90,578,859
Water Utility Capital Division	2,036,254	742,955	2,546,757	1,514,410
Total *	**77,193,455**	**74,261,383**	**86,604,273**	**122,115,869**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Water Utility Capital Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**62**	**64**	**68**	**68**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

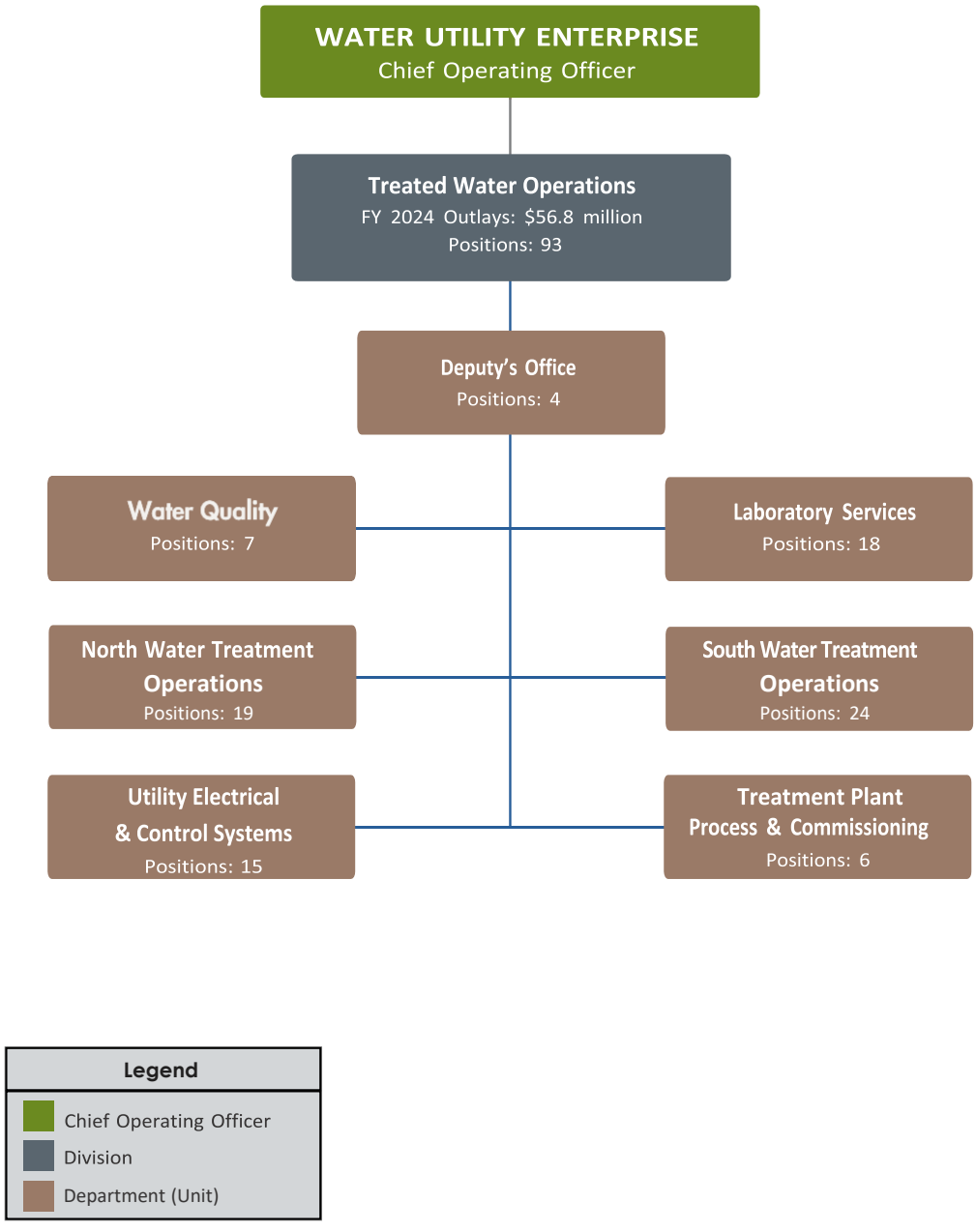
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Construction Management Services					
	Salaries & Benefits	97,800	4,262	11,912	11,941
	Services & Supplies	16,190	–	–	–
	Intra District Charges	8,743	795	5,953	5,710
Construction Management Services Total		122,733	5,057	17,865	17,651
Construction Inspection Services					
	Salaries & Benefits	–	–	17,994	20,839
	Intra District Charges	–	–	12,052	13,634
Construction Inspection Services Total		–	–	30,046	34,474
Pipelines Project Delivery					
	Salaries & Benefits	178,182	36,618	49,901	52,925
	Services & Supplies	11,128	–	–	–
	Intra District Charges	79,913	17,643	29,198	30,384
Pipelines Project Delivery Total		269,223	54,261	79,099	83,309
Treatment Plants Project Delivery					
	Salaries & Benefits	57,051	–	7,109	7,645
	Services & Supplies	3,287	–	–	–
	Intra District Charges	16,966	–	1,304	1,358
Treatment Plants Project Delivery Total		77,303	–	8,412	9,003
Water Utility Capital Division					
	Salaries & Benefits	2,779	–	–	–
	Services & Supplies	42,076	–	–	–
	Intra District Charges	100	–	–	–
Water Utility Capital Division Total		44,956	–	–	–
Operations Total *		**514,215**	**59,318**	**135,423**	**144,436**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Construction Management Services					
	Salaries & Benefits	6,820,996	7,492,395	3,850,314	4,034,545
	Services & Supplies	398,341	1,047,172	178,616	88,842
	Intra District Charges	3,988,541	4,800,851	2,574,418	2,690,156
Construction Management Services Total		11,207,878	13,340,417	6,603,347	6,813,543
Construction Inspection Services					
	Salaries & Benefits	–	–	4,174,459	4,394,230
	Services & Supplies	–	–	54,870	54,870
	Intra District Charges	–	–	2,671,149	2,784,635
Construction Inspection Services Total		–	–	6,900,478	7,233,736
Pipelines Project Delivery					
	Salaries & Benefits	3,343,522	3,660,561	3,984,513	4,250,839
	Services & Supplies	26,274,586	15,788,779	24,680,949	8,850,454
	Intra District Charges	1,952,776	2,273,112	2,615,828	2,738,595
Pipelines Project Delivery Total		31,570,883	21,722,452	31,281,290	15,839,888
Purified Water Project Delivery					
	Services & Supplies	215,000	–	–	–
Purified Water Project Delivery Total		215,000	–	–	–
Treatment Plants Project Delivery					
	Salaries & Benefits	3,086,366	3,671,183	4,464,958	4,780,438
	Services & Supplies	26,837,395	32,467,580	31,782,282	82,759,137
	Intra District Charges	1,770,419	2,257,478	2,889,737	3,030,281
Treatment Plants Project Delivery Total		31,694,180	38,396,241	39,136,978	90,569,856
Water Utility Capital Division					
	Salaries & Benefits	675,897	628,861	749,877	801,821
	Services & Supplies	1,033,278	(224,579)	1,366,300	256,300
	Intra District Charges	282,123	338,673	430,580	456,289
Water Utility Capital Division Total		1,991,298	742,955	2,546,757	1,514,410
Capital Total *		**76,679,240**	**74,202,065**	**86,468,850**	**121,971,433**
Division Total *		**77,193,455**	**74,261,383**	**86,604,273**	**122,115,869**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Treated Water Division



Division Description and Objectives

The Treated Water Division (Division) is responsible for managing the operation of Valley Water's three conventional drinking water treatment plants and the Campbell Well Field to provide a reliable, high-quality drinking water supply to the Santa Clara County residents. The Division also manages the operation and maintenance of the Silicon Valley Advanced Water Purification Center to enhance the quality and advance the use of recycled water in the county.

In addition, the Division manages business units that provide leadership and technical support in areas of laboratory services; water quality process engineering; electrical and control systems engineering; and plant maintenance engineering to improve the overall safety, quality, and reliability of current facilities and the commissioning of new facilities upon capital construction handover to Operations and Maintenance (O&M). Furthermore, the Division regularly communicates with Valley Water's drinking water retailers to maintain a collaborative working relationship and conducts annual check-ins and ad-hoc meetings with the State Water Resources Control Board (SWRCB) for ongoing and annual updates of drinking and recycled water regulations.

Laboratory Services

The Laboratory Services Unit is responsible for providing analytical and sampling services to the Water Utility Enterprise. Our state-of-the-art laboratory is accredited with the California Environmental Laboratory Accreditation Program (ELAP), maintains a robust quality assurance and quality control program, and tests water produced from each of our drinking water treatment plants, the Silicon Valley Advanced Water Purification Center, surface water reservoirs, and groundwater basins.

Water Quality

The Water Quality Unit is responsible for providing operational, process, and project support to the treatment plants as well as other Valley Water units regarding source water quality and water treatment. The unit is also responsible for tracking drinking water-related regulatory development, providing recommendations for regulatory compliance strategy, and communicating with the Division of Drinking Water (DDW), under the jurisdiction of the SWRCB, on various regulatory issues. In addition, the unit oversees Source Water Quality Management and Invasive Mussel Prevention Programs in collaboration with internal and external groups.

Plant Maintenance Engineering and Commissioning

The Plant Maintenance Engineering and Commissioning Unit leads and coordinates the commissioning and start-up activities at Valley Water's treatment plants and treated water pipelines. The unit supports and implements the integration of large capital projects, throughout all phases, to our treatment plants and treated water pipelines. The unit also provides mechanical engineering support services for operations, maintenance, asset management and capital improvements at the treatment plants and pump stations.

North Water Treatment Operations

The North Water Treatment Operations Unit provides safe, clean, and high-quality drinking water to Valley Water's three (3) treated water retailers along the East/Milpitas Pipelines, including San Jose Water Company, City of San Jose, and City of Milpitas. The unit is responsible for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Penitencia Water Treatment Plant (PWTP), the joint San Francisco Public Utilities Commission (SFPUC)-Valley Water (VW) Intertie facility, and the East/Milpitas Pipeline turnouts. The unit is also responsible for cost-effective operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations

The South Water Treatment Operations Unit provides safe, clean, and high-quality drinking water and a backup supply of drinking water to Valley Water's seven (7) treated water retailers, and ultimately to the residents of Santa Clara County. The unit is responsible for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Santa Teresa Water Treatment Plant (STWTP), the Rinconada Water Treatment Plant (RWTP), the Campbell Well Field, and the West and Snell/East Pipeline turnouts.

Utility Electrical and Control Systems Engineering

The Utility Electrical and Control Systems Engineering Unit provides electrical, control systems, Supervisory Control and Data Acquisition (SCADA), and imported electricity management engineering services, including direct technical services, in support of Valley Water's critical infrastructure and systems used in the day-to-day (24 hours a day, 7 days a week) operations and maintenance of its complex, countywide raw and treated water conveyance system (including three raw water pump stations and pipelines), three drinking water treatment plants, one advanced purified water processing plant, the headquarters office campus and watershed facilities. The imported electricity management saves Valley Water approximately $1 million in annual electrical energy expenditures and is 100 percent carbon-free in 2021.

FY 2023 Accomplishments

- 100% of the treated water delivered to customers met and surpassed all applicable primary drinking water standards.
- Managed the effective operation and maintenance of the STWTP, PWTP, RWTP, SFPUC-Valley Water Intertie facility, Campbell Well Field, and East and West Pipeline turnouts to deliver treated water to our customers which met and/or surpassed all applicable primary drinking water quality regulatory standards.
- Timely submittal of operational and compliance reports to DDW, SWQCB, water retailers, and internal stakeholders, as required, and upon request.
- 100% of the purified water produced from SVAWPC met Title 22 recycled water standards and O&M agreement targets.
- Water Quality Lab successfully met ELAP requirements for laboratory accreditation, quality control, and proficiency testing and completed over 150,000 tests to support ongoing Valley Water operations.
- Continued the implementation of a web-based document management system to organize, maintain, update laboratory standard operating procedures and track employee trainings and electronic signatures.
- Continued the upgrade of Laboratory Information Management System (LIMS) and implementation of new Environmental Information Management (EIM) System.
- Supported construction of the RWTP and Residuals Remediation the PWTP Flocculation/Sedimentation Basin Rehabilitation Project and the STWTP Filter Media Replacement Project.
- Provided design review for treatment plant capital projects including the RWTP Reliability Improvement Phase 3-6 Project, the PWTP & STWTP Electrical Improvement Project and the PWTP Residuals Management Project.
- Supported treatment plant and pump station equipment replacement/rehabilitation projects.
- Supported the Water Treatment Plant, Distribution System and SCADA Master Plan Projects.
- Provided regular communication with water retailers on pertinent water quality activities, operational issues, and held successful, quarterly Water Retailer Meetings.
- Provided regular communications with DDW on pertinent water quality activities, regulatory compliance and held a successful annual meeting with DDW.
- Met with water retailers on a regular basis during various emergencies to address concerns and provide operational updates.
- Provided electrical, instrumentation and control, and SCADA engineering support for all water treatment plants, Campbell Well Field, SFPUC-Valley Water Intertie, pump stations, and pipelines to support day-to-day operations and maintenance, capital improvements and upgrades, and master planning.

- Continued to operate during COVID-19 restrictions, with no major impact to plant operations or treated water delivery.
- Continued to successfully manage treatment plant operations and address water quality issues under severe drought and chemical supply chain challenges.
- Water Quality Lab passed annual performance evaluations in a wide variety of chemical and microbiological analyses.
- Represented Valley Water on ACWA panel related to PFAS, CUWA committees, and Operations and Water Quality, NV AWWA Regulatory committee.
- Successfully managed a district wide cost-effective and carbon-free imported electricity program.

FY 2024 Milestones

- 100% of the treated water delivered to customers meets and/or surpasses all applicable primary drinking water standards.
- Meet all sampling and reporting requirements established by regulatory agencies and Valley Water operational needs including timely submittal of all operational and compliance reports to regulatory agencies, water retailers, and internal stakeholders.
- Maintain laboratory accreditation with ELAP. Maintain state accreditation through California ELAP for majority of drinking water parameters through the successful completion of on-site audits, proficiency testing studies, and payment of applicable fees.
- Provide support to capital improvement efforts at all water treatment plants.
- Support treatment plant and pump station equipment replacement/rehabilitation efforts.
- Provide regular communications with water retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct quarterly water retailer meetings, and receive an average of “good” or “excellent” rating in the annual retailer surveys.
- Support the development of the Water Treatment Plant, Distribution System and SCADA Master Plans.
- Participate and support the development of SCADA implementation plan as the subject matter experts.
- Provide Electrical & Control Systems (SCADA) Engineering support to district wide capital improvement efforts.
- Managed a district wide cost-effective and carbon-free imported electricity program.

FY 2025 Milestones

- 100% of the treated water delivered to customers meets and/or surpasses all applicable primary drinking water standards.
- Meet all sampling and reporting requirements established by regulatory agencies and Valley Water operational needs. Timely submittal of all operational and compliance reports to regulatory agencies, water retailers, and internal stakeholders.
- Maintain laboratory accreditation with ELAP.
- Provide support to capital improvement efforts at all water treatment plants.
- Support treatment plant and pump station equipment replacement/rehabilitation efforts.
- Provide regular communications with water retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct quarterly water retailer meetings, and receive an average of “good” or “excellent” rating in the annual retailer surveys.
- Support the development of the Water Treatment Plant, Distribution System and SCADA Master Plans.
- Participate and support the development of SCADA implementation plan as the subject matter experts.
- Provide Electrical & Control Systems (SCADA) Engineering support to district wide capital improvement efforts.
- Manage a district wide cost-effective and carbon-free imported electricity program.

Budget Issues and Constraints

- Source water quality challenges, especially during times of drought that threaten uninterrupted operations.
- Aging infrastructure that threatens uninterrupted operations.
- Ongoing staffing and resources assignment constraints to support capital and large projects.
- Ongoing staffing and resources assignment constraints to keep up with increasing regulatory requirements, and track regulatory

compliance related to PFAS, CEC and others.

- Maintain adequate level of operational service during extreme weather conditions, chemical supply issues, wildfire events, power outages, etc.
- Limited pool of journey-level water treatment plant operator, electrical and control system/SCADA, and process engineering talent available locally.

Treated Water Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	45,558,635	51,500,069	52,492,232	53,719,529
Operating Project	6,306	–	–	–
Capital	6,608,291	4,674,959	4,329,729	4,454,635
Total *	**52,173,232**	**56,175,029**	**56,821,960**	**58,174,164**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Laboratory Services	7,560,202	7,836,778	8,339,389	8,870,366
North Water Treatment Operations	11,635,770	12,806,486	15,200,184	14,495,680
South Water Treatment Operations	14,383,011	17,261,334	16,786,639	17,134,278
Treated Water Division Deputy's Office	1,763,115	1,959,425	2,040,004	2,159,292
Treatment Plant Process & Commissioning	5,808,552	2,545,648	2,747,143	3,276,701
Utility Electrical & Control Systems	7,256,848	9,623,244	7,349,734	7,686,982
Water Quality	3,765,735	4,142,113	4,358,868	4,550,864
Total *	**52,173,232**	**56,175,029**	**56,821,960**	**58,174,164**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Treated Water Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**93**	**93**	**93**	**95**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

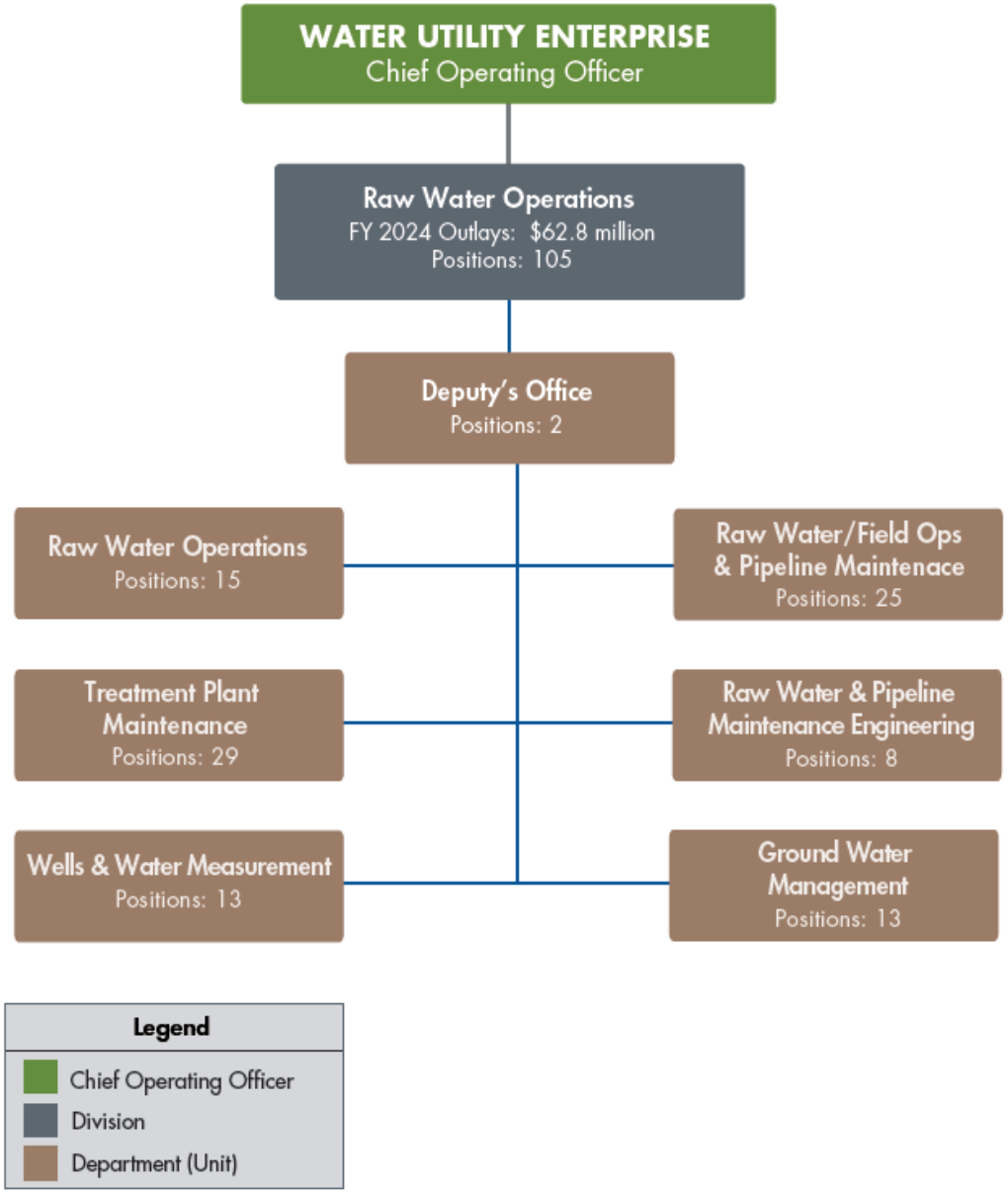
Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Laboratory Services					
	Salaries & Benefits	4,112,036	4,019,921	4,181,646	4,678,156
	Services & Supplies	1,019,647	1,303,000	1,400,000	1,220,000
	Intra District Charges	2,254,264	2,457,787	2,695,491	2,940,506
Laboratory Services Total		7,385,946	7,780,708	8,277,137	8,838,662
North Water Treatment Operations					
	Salaries & Benefits	4,501,434	4,318,161	4,489,818	4,685,553
	Services & Supplies	4,696,575	5,757,750	7,705,493	6,642,844
	Intra District Charges	2,433,585	2,635,231	2,840,780	2,915,546
North Water Treatment Operations Total		11,631,594	12,711,142	15,036,091	14,243,943
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	629,046	1,069,825	622,231	1,005,269
	Services & Supplies	11,639	10,000	143,000	143,000
	Intra District Charges	354,770	661,078	402,444	632,554
Plant Maintenance Engineering & Commissioning Total		995,454	1,740,903	1,167,675	1,780,823
South Water Treatment Operations					
	Salaries & Benefits	5,650,888	5,530,283	5,378,378	5,785,375
	Services & Supplies	5,898,072	8,417,497	7,923,000	7,718,000
	Intra District Charges	2,821,216	3,090,252	3,237,222	3,392,233
South Water Treatment Operations Total		14,370,175	17,038,032	16,538,600	16,895,607
Treated Water Division Deputy's Office					
	Salaries & Benefits	1,039,160	1,181,678	1,199,566	1,281,962
	Services & Supplies	13,509	70,000	75,000	73,500
	Intra District Charges	558,723	707,747	765,438	803,830
Treated Water Division Deputy's Office Total		1,611,392	1,959,425	2,040,004	2,159,292
Utility Electrical & Control Systems					
	Salaries & Benefits	3,256,318	3,246,496	2,910,480	3,105,766
	Services & Supplies	928,320	1,157,900	636,800	636,800
	Intra District Charges	1,728,467	1,879,746	1,752,065	1,849,790
Utility Electrical & Control Systems Total		5,913,105	6,284,142	5,299,346	5,592,356
Water Quality					
	Salaries & Benefits	1,631,841	1,725,292	1,727,848	1,785,942
	Services & Supplies	1,086,871	1,201,900	1,284,900	1,285,400
	Intra District Charges	938,562	1,058,526	1,120,631	1,137,503
Water Quality Total		3,657,274	3,985,718	4,133,379	4,208,845
Operations Total *		**45,564,941**	**51,500,069**	**52,492,232**	**53,719,529**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Laboratory Services					
	Salaries & Benefits	1,135	34,655	37,705	19,391
	Services & Supplies	172,495	–	–	–
	Intra District Charges	626	21,416	24,547	12,312
Laboratory Services Total		174,255	56,070	62,252	31,703
North Water Treatment Operations					
	Salaries & Benefits	1,003	57,826	97,989	151,465
	Services & Supplies	2,558	–	–	–
	Intra District Charges	614	37,518	66,104	100,272
North Water Treatment Operations Total		4,176	95,344	164,093	251,737
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	903,172	497,451	959,063	918,119
	Services & Supplies	3,400,000	–	–	–
	Intra District Charges	509,926	307,294	620,405	577,760
Plant Maintenance Engineering & Commissioning Total		4,813,097	804,745	1,579,468	1,495,878
South Water Treatment Operations					
	Salaries & Benefits	3,159	138,253	149,559	144,919
	Services & Supplies	8,030	–	–	–
	Intra District Charges	1,647	85,049	98,480	93,752
South Water Treatment Operations Total		12,835	223,302	248,038	238,671
Treated Water Division Deputy's Office					
	Salaries & Benefits	95,839	–	–	–
	Services & Supplies	1,495	–	–	–
	Intra District Charges	54,389	–	–	–
Treated Water Division Deputy's Office Total		151,723	–	–	–
Utility Electrical & Control Systems					
	Salaries & Benefits	687,711	911,221	1,249,346	1,293,103
	Services & Supplies	256,149	1,894,950	–	–
	Intra District Charges	399,882	532,931	801,042	801,523
Utility Electrical & Control Systems Total		1,343,743	3,339,103	2,050,388	2,094,626
Water Quality					
	Salaries & Benefits	68,342	96,586	136,495	208,501
	Intra District Charges	40,120	59,808	88,994	133,518
Water Quality Total		108,462	156,395	225,489	342,019
Capital Total *		**6,608,291**	**4,674,959**	**4,329,729**	**4,454,635**
Division Total *		**52,173,232**	**56,175,029**	**56,821,960**	**58,174,164**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Raw Water Division



Division Description and Objectives

The Raw Water Division (Division) maintains the Water Utility infrastructure, operates the Raw Water System, and ensures continued groundwater sustainability. This includes the operations and maintenance of Valley Water's 10 reservoirs, three raw water pump stations, 94 miles of large-diameter raw water transmission pipelines and tunnels, and a multifaceted groundwater recharge system, including 98 miles of managed creeks and 102 recharge ponds. The Division also maintains Valley Water's three water treatment plants, Advanced Water Purification Center, Campbell Well Field, 17 miles of recycled water pipelines in South County, and 40 miles of large diameter treated water distribution pipelines. The Division also prepares the Annual Water Supply Operations Plan for the water supply of the county, manages local water rights, and ensures compliance with regulators for Raw Water Operations as described below.

Groundwater Management

The Groundwater Management Unit helps ensure continued groundwater sustainability by providing accurate and timely information on current and forecasted groundwater conditions, ensuring Valley Water compliance with SGMA requirements, and implementing programs to protect groundwater resources. Related programs include groundwater level, groundwater quality, and land subsidence monitoring; evaluation of groundwater data and the use of numerical models to inform operational decisions and long-term water supply planning; activities to protect groundwater quality; and the maintenance and implementation of a comprehensive groundwater management plan for compliance with the District Act and SGMA.

Raw Water Operations Unit

The Raw Water Operations Unit performs the day-to-day operations planning and 24/7 remote operations of Valley Water's Raw Water System as described above. In addition, the unit administers the untreated surface water program. The unit also performs the required water rights and regulatory compliance reporting to maintain and protect local water supply operations.

Raw Water and Pipeline Maintenance Engineering Unit

The Raw Water and Pipeline Maintenance Engineering Unit provides civil and corrosion control engineering in support of Water Utility operations, maintenance and capital programs and projects. The unit also supports the 10-year pipeline rehabilitation capital project and oversees the implementation of the management strategy for large diameter water conveyance and transmission pipelines. This includes the inspection of welded steel, bar-wrapped and Pre-stressed Concrete Cylinder Pipe (PCCP) as well as the development of seismic and risk management tools for pipelines. In addition, the unit provides engineering support for the three water treatment plants, Silicon Valley Advanced Water Purification Center (SVAWPC), three raw water pump stations, SFPUC Intertie, and other related infrastructure and facilities.

Raw Water/Field Operations and Pipeline Maintenance Unit

The Raw Water/Field Operations and Pipeline Maintenance Unit is responsible for the mechanical, electrical, and raw water control system along with 24/7 on-call support for Valley Water facilities. This includes the preventive, corrective, and rehabilitative maintenance of the pipeline infrastructure, which includes three pump stations, Pacheco, Coyote and Vasona reservoirs, and over 150 miles of pipelines. Also included is the operation and maintenance of recharge and water distribution systems for groundwater basins, reservoirs, canals, and other water supply infrastructure.

Treatment Plant Maintenance Unit

The Treatment Plant Maintenance Unit conducts predictive, preventive, corrective, and rehabilitative maintenance required to sustain operations of the Santa Teresa Water Treatment Plant, Penitencia Water Treatment Plant, Rinconada Water Treatment Plant,

Advanced Purification Center, Campbell Well Field, and San Francisco Intertie to produce and distribute treated water.

Wells & Water Measurement

The Wells and Water Measurement Department is responsible for the Well Ordinance Program and Water Measurement Program. The Well Ordinance Program helps protect Valley Water's groundwater resource by providing services used for the implementation of Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County. The Water Measurement Program provides services and supplies for the operation of Valley Water's meter test facility, for meter reading, for meter installation, for the test and overhaul of meters, and for the preventative and corrective maintenance of approximately 1,000 groundwater, treated water, and raw water meters.

FY 2023 Accomplishments

- Completed the work projects identified in the 5-Year Maintenance Work Plan.
- Completed the Water Year 2022 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- End-of-year 2022 groundwater storage within Stage 1 (Normal) despite on-going drought.
- Maintained reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Developed annual Water Supply Operations Plans during FY 2023.
- Operated the raw water conveyance system 24/7/365 without any major incidents.
- Safely operated Valley Water's 10 reservoirs during the record-setting rainy season.
- Operated the Almaden-Calero Canal during the rainy season to transfer excess water from Almaden Reservoir to Calero Reservoir and maximize the beneficial use of local water.
- Published the two-year report for the Fish and Aquatic Habitat Collaborative Effort (FAHCE) Plus Pilot Study on Guadalupe and Stevens Creek reservoirs and embarked on the implementing of a third year of the study.
- Supported the development of the FAHCE Draft Environmental Impact Report.
- Submitted the annual water rights reports by the new State Water Resources Control Board deadline of February 1, 2023.
- Submitted the annual reports for the Lake or Streambed Alteration Agreements (LSAAs) for North and South County by their respective deadlines.
- Provided civil and corrosion control engineering support for Water Utility O&M efforts.
- Responded to and supported pipeline emergency repair efforts.
- Maintained, monitored, and adjusted cathodic protection and corrosion control equipment.
- Supported capital improvement projects, including but not limited to the Anderson Dam Seismic Retrofit Project and Pacheco Dam Expansion Project.
- Issued approximately 650 well permits and completed approximately 720 well inspections as of March 31, 2023.
- Conducted enforcement on 35 abandoned wells in accordance with the plan per the Wells Ordinance.
- Worked with consultants on implementation of CityWorks computer system for well permitting and inspection documentation.
- Completed maintenance of 489 Valley Water meters and backflow devices. Read meters weekly for 32 Treated water sites, monthly for 257 meters along 10 routes for groundwater well sites, and semi-annually for 869 meters along 23 routes for groundwater well sites.
- Performed 43 treated water verifications.
- Completed Maximo upgrade with consultant and Asset management Unit.
- Completed meter reading software upgrade form ITRON to TEMETRA ITRON, a cloud-based system.

FY 2024 Milestones

- Plan, execute, and complete work projects identified in the Five-Year Maintenance Work Plan.

- Maintain reliable water treatment, raw water, and pipeline facilities by performing corrective and scheduled preventative maintenance.
- Management of Cathodic Protection and Corrosion Control Systems (maintenance, surveys, troubleshooting and repairs).
- Develop and follow the annual Water Supply Operations Plan.
- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's ten (10) reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Operate the Almaden-Calero Canal during the storm season if hydrology provides the necessary conditions.
- Prepare the three-year report for FAHCE Plus Pilot Study on Guadalupe and Stevens Creek reservoirs and conclude the Study with concurrence from the FAHCE Settlement Agreement Initialing Parties.
- Complete groundwater recharge pond maintenance.
- Complete the Water Year 2023 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2022 Annual Groundwater Report.
- Complete the annual water rights reports by the February 1, 2024, deadline.
- Complete the annual LSAA reports for North and South County by their respective deadlines.
- Provide civil and corrosion control engineering support for Water Utility O&M efforts.
- Respond to and support pipeline emergency repair efforts.
- Maintain, monitor, and adjust cathodic protection and corrosion control equipment.
- Support capital improvement projects.
- Develop and implement a 4-year joint apprenticeship training program for the Instrumentation and Controls Technician series, and on-board two apprenticeship candidates.
- Complete QA/QC of CityWorks and Migrated data into CityWorks from WRIS database.
- Continue to issue well permits, perform inspections, and conduct enforcement of abandoned wells.
- Continue to read meters weekly for 32 Treated Water sites, monthly for 229 meters along 10 routes for groundwater well sites, and semi-annually for 805 meters along 23 routes for groundwater well sites.
- Continue to install meters and perform treated water verifications.
- Start installing Advanced Metering Infrastructure for Valley Water meters.
- Continue to test and repair Valley Water backflow devices per California Code of Regulations Title 17.

FY 2025 Milestones

- Plan, execute, and complete work projects identified in the Five-Year Maintenance Work Plan.
- Maintain reliable water treatment, raw water, and pipeline facilities by performing corrective and scheduled preventative maintenance.
- Management of Cathodic Protection and Corrosion Control Systems (maintenance, surveys, troubleshooting and repairs).
- Develop and follow the annual Water Supply Operations Plan.
- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's ten (10) reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Operate the Almaden-Calero Canal during the storm season if hydrology provides the necessary conditions.
- Operate the North County reservoirs by following the Board-adopted FAHCE rules and collaborate with the FAHCE Settlement Agreement Initialing Parties and Adaptive Management Team.
- Complete groundwater recharge pond maintenance.

- Complete the Water Year 2024 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2023 Annual Groundwater Report.
- Complete the annual water rights reports by the February 1, 2025, deadline.
- Complete the annual LSAA reports for North and South County by their respective deadlines.
- Provide civil and corrosion control engineering support for Water Utility O&M efforts.
- Respond to and support pipeline emergency repair efforts.
- Maintain, monitor, and adjust cathodic protection and corrosion control equipment.
- Support capital improvement projects.
- Continue to issue well permits, perform inspections, and conduct enforcement of abandoned wells.
- Continue to read meters weekly for 32 Treated Water sites, monthly for 229 meters along 10 routes for groundwater well sites, and semi-annually for 805 meters along 23 routes for groundwater well sites.
- Continue to install meters and perform treated water verifications.
- Continue to install Advanced Metering Infrastructure for Valley Water meters.
- Continue to test and repair Valley Water backflow devices per California Code of Regulations Title 17.

Budget Issues and Constraints

- Aging infrastructure, climate change, and potential water quality challenges that threaten uninterrupted operations and groundwater management.
- Updating cost recovery protocols for existing Surface Water and Metering Programs.
- Regulatory requirements for Water Supply Operations, including the FERC order to draw down Anderson to deadpool.
- Ongoing staffing and resource assignment constraints to: support operations, maintenance, capital, and large projects; track and engage on contaminants that may affect groundwater supplies including PFAS; support the FAHCE program and coordination effort with regulatory agencies.
- Limited pool of qualified journey-level skilled trades talent available regionally.

Raw Water Division — Budget Summary

Project Type (Category)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Operations	43,699,042	47,582,954	49,728,779	51,959,609
Operating Project	14,282	27,906	20,029	21,351
Capital	6,778,670	12,652,102	13,041,070	11,298,283
Total *	**50,491,994**	**60,262,963**	**62,789,879**	**63,279,243**

Department (Unit)	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Groundwater Monitoring & Analy	5,635,351	5,421,432	5,700,406	5,978,562
Raw Water Division Deputy's Office	853,544	888,609	943,367	1,011,388
Raw Water Operations	6,587,546	7,492,101	7,598,289	7,821,203
Raw Wtr-Field Ops & Pipeline Maint.	12,333,129	19,895,427	21,358,187	17,512,749
Treatment Plant Maintenance	12,704,554	16,505,972	15,836,444	19,295,469
Utility Maintenance Engineering	7,777,120	5,262,861	6,420,261	6,363,910
Wells & Water Measurement	4,600,749	4,796,561	4,932,924	5,295,962
Total *	**50,491,994**	**60,262,963**	**62,789,879**	**63,279,243**

* Totals includes intra-district reimbursement charges. FY 2022 and FY 2023 department expenditures are presented according to the FY 2024 Division Organizational Chart

Raw Water Division - Position Summary

	FY 2021-22 Adjusted Budget	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Authorized Positions **	**103**	**103**	**105**	**106**

** Authorized positions exclude limited term positions

For comparison purposes, FY 2022 and FY 2023 position count lists all positions according to the FY 2024 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2023-24 Proposed Plan
Groundwater Management					
	Salaries & Benefits	3,166,441	3,113,973	3,213,496	3,409,097
	Services & Supplies	728,235	340,000	351,500	351,500
	Intra District Charges	1,739,193	1,874,411	2,046,137	2,123,425
Groundwater Management Total		5,633,869	5,328,384	5,611,133	5,884,022
Raw Water Division Deputy's Office					
	Salaries & Benefits	541,581	546,746	568,223	613,406
	Services & Supplies	2,509	11,500	11,500	11,500
	Intra District Charges	309,453	330,363	363,643	386,482
Raw Water Division Deputy's Office Total		853,544	888,609	943,367	1,011,388
Raw Water Operations					
	Salaries & Benefits	3,897,844	3,759,732	3,743,178	3,923,085
	Services & Supplies	490,411	1,198,225	1,122,850	1,073,700
	Intra District Charges	2,053,044	2,143,671	2,242,253	2,300,380
Raw Water Operations Total		6,441,298	7,101,628	7,108,281	7,297,165
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	5,278,058	5,454,216	5,639,705	5,956,911
	Services & Supplies	2,366,821	3,216,360	3,291,360	3,291,360
	Intra District Charges	3,402,795	3,869,049	4,069,866	4,239,101
Raw Wtr-Field Ops & Pipeline Maint. Total		11,047,675	12,539,625	13,000,931	13,487,372
Treatment Plant Maintenance					
	Salaries & Benefits	5,396,382	5,666,672	5,958,599	6,310,265
	Services & Supplies	2,083,844	3,131,000	2,922,000	2,921,000
	Intra District Charges	3,356,875	3,887,931	4,150,079	4,320,704
Treatment Plant Maintenance Total		10,837,101	12,685,603	13,030,679	13,551,969
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	1,746,736	1,363,448	1,296,267	1,881,103
	Services & Supplies	1,538,554	2,052,600	2,976,800	2,347,800
	Intra District Charges	1,021,286	890,814	887,105	1,252,981
Raw Water & Pipeline Maintenance Engineering Total		4,306,575	4,306,862	5,160,172	5,481,884
Wells & Water Measurement					
	Salaries & Benefits	2,833,623	2,763,917	2,843,558	3,021,895
	Services & Supplies	119,958	241,750	183,750	293,800
	Intra District Charges	1,639,681	1,754,481	1,866,938	1,951,464
Wells & Water Measurement Total		4,593,263	4,760,149	4,894,245	5,267,160
Operations Total *		**43,713,324**	**47,610,860**	**49,748,808**	**51,980,960**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021-22 Budgetary Actuals	FY 2022-23 Adopted Budget	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Plan
Groundwater Management					
	Salaries & Benefits	952	57,909	54,360	58,062
	Intra District Charges	531	35,139	34,913	36,478
Groundwater Management Total		1,483	93,048	89,273	94,540
Raw Water Operations					
	Salaries & Benefits	93,777	241,713	297,581	321,096
	Intra District Charges	52,471	148,760	192,427	202,942
Raw Water Operations Total		146,248	390,473	490,008	524,038
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	169,314	189,382	196,190	209,936
	Services & Supplies	1,007,478	7,024,000	8,011,021	3,659,559
	Intra District Charges	108,663	142,420	150,046	155,882
Raw Wtr-Field Ops & Pipeline Maint. Total		1,285,455	7,355,802	8,357,256	4,025,377
Treatment Plant Maintenance					
	Salaries & Benefits	69,818	432,635	442,618	483,739
	Services & Supplies	1,753,331	3,069,000	2,035,000	4,905,000
	Intra District Charges	44,304	318,734	328,148	354,761
Treatment Plant Maintenance Total		1,867,454	3,820,368	2,805,765	5,743,500
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	668,632	587,119	756,857	537,613
	Services & Supplies	2,376,286	–	–	–
	Intra District Charges	425,628	368,880	503,231	344,414
Raw Water & Pipeline Maintenance Engineering Total		3,470,545	955,999	1,260,089	882,027
Wells & Water Measurement					
	Salaries & Benefits	4,687	22,465	23,505	17,658
	Intra District Charges	2,799	13,947	15,174	11,144
Wells & Water Measurement Total		7,486	36,412	38,679	28,802
Capital Total *		**6,778,670**	**12,652,102**	**13,041,070**	**11,298,283**
Division Total *		**50,491,994**	**60,262,963**	**62,789,879**	**63,279,243**

*Totals reflect the gross budget and includes intra-district reimbursement charges.

Fund Summaries

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

WATERSHED MANAGEMENT FUNDS

Fund Summaries

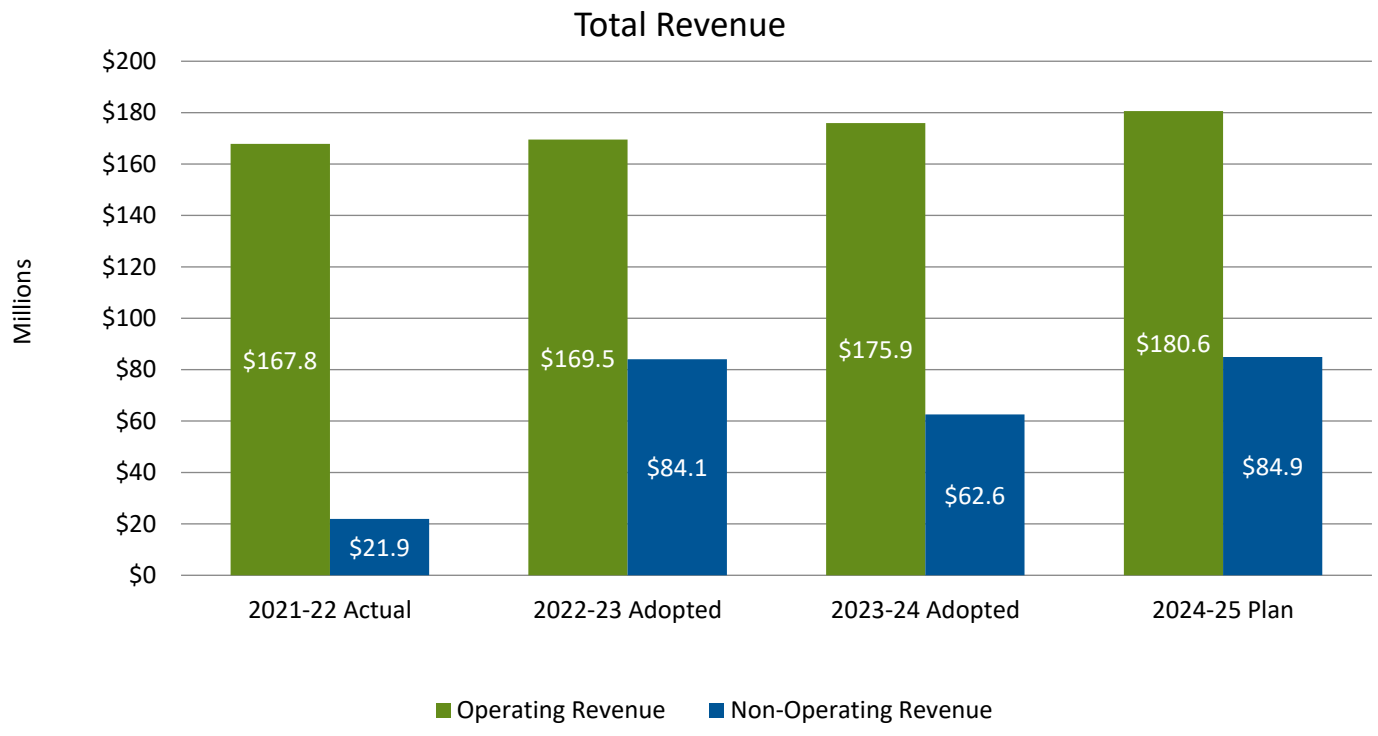
Overview

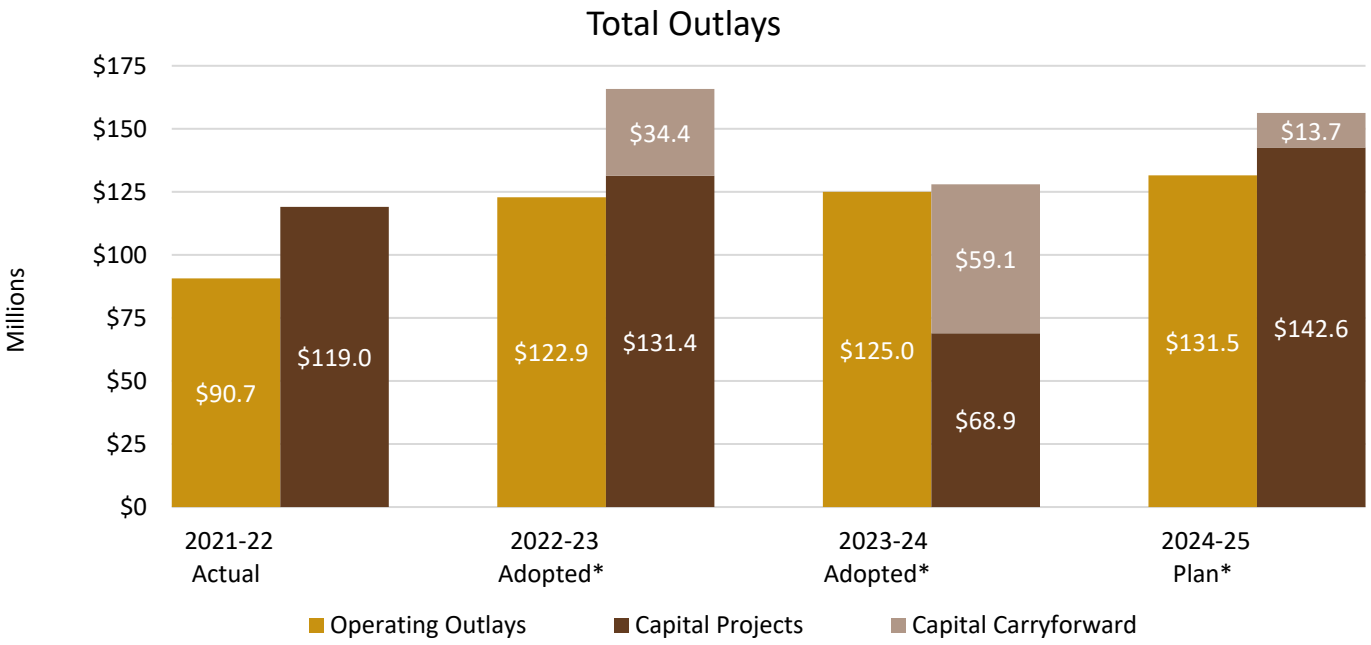
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection, and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed 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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 13,447,242	$ 13,274,143	$ 13,548,559	$ 6,891,766	$ (6,382,377)	-48.1%
Property Tax	106,997,869	106,390,743	112,843,700	116,443,701	10,052,958	9.4%
Special Parcel Tax	46,954,690	49,645,791	49,645,791	52,277,018	2,631,227	5.3%
Intergovermental Services	145,234	-	-	-	-	0.0%
Operating Other	283,372	206,629	291,873	300,630	94,001	45.5%
Total Operating Revenue	**167,828,407**	**$ 169,517,306**	**$ 176,329,923**	**$ 175,913,115**	**$ 6,395,809**	**3.8%**
Non-Operating Revenue						
Capital Reimbursements	$ 15,746,133	$ 79,811,000	$ 40,823,000	$ 57,570,000	$ (22,241,000)	-27.9%
Interest Income *	3,127,178	2,811,000	3,545,000	3,530,000	719,000	25.6%
Non-Operating Other	3,034,929	1,464,615	1,464,617	1,508,554	43,939	3.0%
Total Non-Operating Revenue	**21,908,241**	**$ 84,086,615**	**$ 45,832,617**	**$ 62,608,554**	**$ (21,478,061)**	**-25.5%**
TOTAL REVENUE	**$ 189,736,648**	**$ 253,603,921**	**$ 222,162,540**	**$ 238,521,669**	**$ (15,082,252)**	**-5.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 74,562,678	$ 94,542,029	$ 96,905,136	$ 98,203,308	$ 3,661,280	3.9%
Operating Project	4,211,575	6,865,597	7,050,597	6,179,442	(686,155)	-10.0%
Debt Service	11,935,871	21,465,906	15,184,943	20,647,831	(818,075)	-3.8%
Total Operating Outlays	**$ 90,710,124**	**$ 122,873,532**	**$ 119,140,676**	**$ 125,030,581**	**$ 2,157,050**	**1.8%**
Capital Outlays						
Capital Projects	$ 119,024,309	$ 131,352,855	$ 119,918,483	$ 68,894,304	$ (62,458,552)	-47.6%
Carry Forward Capital Projects	-	34,445,511	-	59,088,059	24,642,548	71.5%
Total Capital Outlays	**$ 119,024,309**	**$ 165,798,366**	**$ 119,918,483**	**$ 127,982,363**	**$ (37,816,004)**	**-22.8%**
TOTAL OUTLAYS**	**$ 209,734,433**	**$ 288,671,898**	**$ 239,059,159**	**$ 253,012,944**	**$ (35,658,954)**	**-12.4%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 56,000,000	$ 53,000,000	$ 75,315,664	$ 38,360,887	$ (14,639,113)	-27.6%
Transfers In	5,083,225	2,445,017	2,719,432	6,304,920	3,859,903	157.9%
Transfers Out	(12,677,132)	(32,695,003)	(32,969,413)	(6,251,647)	26,443,356	-80.9%
TOTAL OTHER SOURCES/(USES)	**$ 48,406,093**	**$ 22,750,014**	**$ 45,065,683**	**$ 38,414,160**	**$ 15,664,146**	**68.9%**
BALANCE AVAILABLE	**$ 28,408,308**	**$ (12,317,963)**	**$ 28,169,064**	**$ 23,922,885**	**$ 36,240,848**	**-294.2%**
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***	123,267,581	47,365,114	121,634,047	37,906,382	(9,458,732)	-20.0%
SCW Operating and Capital Reserve	21,183,313	74,326,854	59,154,025	117,935,002	43,608,148	58.7%
Total Restricted Reserves	**$ 174,450,894**	**$ 151,691,968**	**$ 210,788,072**	**$ 185,841,384**	**$ 34,149,416**	**22.5%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 26,107,618	$ 5,606,763	$ 2,745,227	$ 1,320,710	$ (4,286,053)	-76.4%
Operating and Capital Reserve	93,111,564	96,652,218	108,305,843	158,599,933	61,947,715	64.1%
Total Committed Reserves	**$ 119,219,182**	**$ 102,258,981**	**$ 111,051,070**	**$ 159,920,643**	**$ 57,661,662**	**56.4%**
TOTAL YEAR-END RESERVES	**$ 293,670,076**	**$ 253,950,949**	**$ 321,839,142**	**$ 345,762,027**	**$ 91,811,078**	**36.2%**

Watershed Management Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 36,250,450	$ 42,918,090	$ 42,918,090	$ 45,038,547	$ 2,120,457	4.9%
Salary Savings Factor	-	(686,340)	(686,340)	(719,750)	(33,409)	4.9%
Services & Supplies	19,587,971	30,791,965	33,340,072	29,371,306	(1,420,659)	-4.6%
Intra-District Charges	22,935,832	28,383,910	28,383,910	30,692,647	2,308,737	8.1%
OPERATING OUTLAY TOTAL	$ **78,774,253**	$ **101,407,625**	$ **103,955,732**	$ **104,382,750**	$ **2,975,126**	**2.9%**
DEBT SERVICE						
Services & Supplies	$ 912,208	$ 2,355,782	$ 2,251,782	$ 1,465,502	$ (890,280)	-37.8%
Debt Service	11,023,660	19,110,122	12,933,159	19,182,329	72,207	0.4%
DEBT SERVICE TOTAL	$ **11,935,868**	$ **21,465,904**	$ **15,184,941**	$ **20,647,831**	$ **(818,073)**	**-3.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 16,740,124	$ 17,854,518	$ 17,854,518	$ 18,602,934	$ 748,416	4.2%
Salary Savings Factor	-	(289,611)	(289,611)	(299,529)	(9,918)	3.4%
Services & Supplies	92,521,666	102,979,360	91,544,988	38,777,749	(64,201,611)	-62.3%
Carry Forward Capital Projects	-	34,445,511	-	59,088,059	24,642,548	71.5%
Intra-District Charges	9,762,519	10,808,588	10,808,588	11,813,150	1,004,562	9.3%
CAPITAL PROJECTS TOTAL	$ **119,024,309**	$ **165,798,366**	$ **119,918,483**	$ **127,982,363**	$ **(37,816,003)**	**-22.8%**
TOTAL OUTLAYS ****	$ **209,734,430**	$ **288,671,895**	$ **239,059,156**	$ **253,012,944**	$ **(35,658,950)**	**-12.4%**

(*) 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 amounts may have a slight variance due to rounding

Watershed Management Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 13,447,242	$ 13,274,143	$ 6,891,766	$ 7,123,978	$ 232,212	3.4%
Property Tax	106,997,869	106,390,743	116,443,701	119,728,881	3,285,180	2.8%
Special Parcel Tax	46,954,690	49,645,791	52,277,018	53,427,112	1,150,094	2.2%
Intergovermental Services	145,234	-	-	-	-	0.0%
Operating Other	283,372	206,629	300,630	309,649	9,019	3.0%
Total Operating Revenue	**$ 167,828,407**	**$ 169,517,306**	**$ 175,913,115**	**$ 180,589,620**	**$ 4,676,505**	**2.7%**
Non-Operating Revenue						
Capital Reimbursements	$ 15,746,133	$ 79,811,000	$ 57,570,000	$ 78,674,000	$ 21,104,000	36.7%
Interest Income *	3,127,178	2,811,000	3,530,000	4,700,000	1,170,000	33.1%
Non-Operating Other	3,034,929	1,464,615	1,508,554	1,553,809	45,255	3.0%
Total Non-Operating Revenue	**$ 21,908,241**	**$ 84,086,615**	**$ 62,608,554**	**$ 84,927,809**	**$ 22,319,255**	**35.6%**
TOTAL REVENUE	**$ 189,736,648**	**$ 253,603,921**	**$ 238,521,669**	**$ 265,517,429**	**$ 26,995,760**	**11.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 74,562,678	$ 94,542,029	$ 98,203,308	$ 109,816,189	$ 11,612,881	11.8%
Operating Project	4,211,575	6,865,597	6,179,442	5,652,770	(526,672)	-8.5%
Debt Service	11,935,871	21,465,906	20,647,831	16,062,188	(4,585,643)	-22.2%
Total Operating Outlays	**$ 90,710,124**	**$ 122,873,532**	**$ 125,030,581**	**$ 131,531,147**	**$ 6,500,566**	**5.2%**
Capital Outlays						
Capital Projects	$ 119,024,309	$ 131,352,855	$ 68,894,304	$ 142,595,445	$ 73,701,141	107.0%
Carry Forward Capital Projects	-	34,445,511	59,088,059	13,679,260	(45,408,799)	-76.8%
Total Capital Outlays	**$ 119,024,309**	**$ 165,798,366**	**$ 127,982,363**	**$ 156,274,705**	**$ 28,292,342**	**22.1%**
TOTAL OUTLAYS**	**$ 209,734,433**	**$ 288,671,898**	**$ 253,012,944**	**$ 287,805,852**	**$ 34,792,908**	**13.8%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 56,000,000	$ 53,000,000	$ 38,360,887	$ 71,248,142	$ 32,887,255	85.7%
Transfers In	5,083,225	2,445,017	6,304,920	1,322,228	(4,982,692)	-79.0%
Transfers Out	(12,677,132)	(32,695,003)	(6,251,647)	(14,918,930)	(8,667,283)	138.6%
TOTAL OTHER SOURCES/(USES)	**$ 48,406,093**	**$ 22,750,014**	**$ 38,414,160**	**$ 57,651,440**	**$ 19,237,280**	**50.1%**
BALANCE AVAILABLE	**$ 28,408,308**	**$ (12,317,963)**	**$ 23,922,885**	**$ 35,363,017**	**$ 11,440,132**	**47.8%**
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***	123,267,581	47,365,114	37,906,382	25,547,832	(12,358,550)	-32.6%
SCW Operating and Capital Reserve	21,183,313	74,326,854	117,935,002	139,728,262	21,793,260	18.5%
Total Restricted Reserves	**$ 174,450,894**	**$ 151,691,968**	**$ 185,841,384**	**$ 195,276,094**	**$ 9,434,710**	**5.1%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 26,107,618	$ 5,606,763	$ 1,320,710	$ -	$ (1,320,710)	-100.0%
Operating and Capital Reserve	93,111,564	96,652,218	158,599,933	185,848,950	27,249,017	17.2%
Total Committed Reserves	**$ 119,219,182**	**$ 102,258,981**	**$ 159,920,643**	**$ 185,848,950**	**$ 25,928,307**	**16.2%**
TOTAL YEAR-END RESERVES	**$ 293,670,076**	**$ 253,950,949**	**$ 345,762,027**	**$ 381,125,044**	**$ 35,363,017**	**10.2%**

Watershed Management Funds

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 36,250,450	$ 42,918,090	$ 45,038,547	$ 48,687,984	$ 3,649,437	8.1%
Salary Savings Factor	-	(686,340)	(719,750)	(767,564)	(47,815)	6.6%
Services & Supplies	19,587,971	30,791,965	29,371,306	34,933,849	5,562,543	18.9%
Intra-District Charges	22,935,832	28,383,910	30,692,647	32,614,691	1,922,044	6.3%
OPERATING OUTLAY TOTAL	**$ 78,774,253**	**$ 101,407,625**	**$ 104,382,750**	**$ 115,468,960**	**$ 11,086,209**	**10.6%**
DEBT SERVICE						
Services & Supplies	$ 912,208	$ 2,355,782	$ 1,465,502	$ 1,015,000	$ (450,502)	-30.7%
Debt Service	11,023,660	19,110,122	19,182,329	15,047,187	(4,135,142)	-21.6%
DEBT SERVICE TOTAL	**$ 11,935,868**	**$ 21,465,904**	**$ 20,647,831**	**$ 16,062,187**	**$ (4,585,644)**	**-22.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 16,740,124	$ 17,854,518	$ 18,602,934	$ 20,813,542	$ 2,210,608	11.9%
Salary Savings Factor	-	(289,611)	(299,529)	(337,169)	(37,641)	12.6%
Services & Supplies	92,521,666	102,979,360	38,777,749	109,141,561	70,363,812	181.5%
Carry Forward Capital Projects	-	34,445,511	59,088,059	13,679,260	(45,408,799)	-76.8%
Intra-District Charges	9,762,519	10,808,588	11,813,150	12,977,511	1,164,362	9.9%
CAPITAL PROJECTS TOTAL	**$ 119,024,309**	**$ 165,798,366**	**$ 127,982,363**	**$ 156,274,705**	**$ 28,292,342**	**22.1%**
TOTAL OUTLAYS ****	**$ 209,734,430**	**$ 288,671,895**	**$ 253,012,944**	**$ 287,805,852**	**$ 34,792,908**	**13.8%**

(*) 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 amounts may have a slight variance due to rounding

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 watersheds funds supported by revenue from:

- All 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
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training 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-2.5 (SMP-2.5) 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, proposed workload quantities in this fund summary are subject to change.

The FY 2023-24 Rolling Biennial Budget includes three (3.0) new positions funded from the Watershed and Stream Stewardship Fund (two positions are fully funded, and one position is partially funded). The two (2.0) fully funded positions will perform pre-construction and other field monitoring associated with Stream Maintenance Program (SMP) activities. This work is currently being performed by temporary employees and will be converted to full time regular employees. The one (1.0) partially funded position from this fund will be supporting grants and administration work.

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 2023-24 Rolling Biennial Budget.

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

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

- 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 30,000 linear feet of levees
- Watersheds Asset Rehabilitation Program: Calabazas Creek, Guadalupe River and Coyote Creek
- Lower Llagas Capacity Restoration
- Guadalupe River Flood Protection, Tasman Drive toI- 880

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 Ordinance
- Implementing the Encroachment Remediation and Prevention Plan
- Consulting with and supporting external agencies for floodplain management
- Maintaining and improving Valley Water's flood warning system

This includes providing approximately 40,000 filled sandbags 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 conveyance capacity of modified channels.

Major Capital Projects starting or continuing construction:

- San Francisco Bay Shoreline Phase I Flood Protection and Habitat Restoration

- Coyote Creek Flood Management Measures Project
- Upper Llagas Creek Flood Protection Phase 2A
- Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd, Phase 2
- Lower Penitencia Creek Improvements, Berryessa to Coyote Creeks

Major Capital Projects in planning and design:

- San Francisco Bay Shoreline Phases II and III
- Coyote Creek Flood Protection Project
- Sunnyvale East and West Channels Flood Protection Project
- San Francisquito Creek Flood Protection

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

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

- Managing mitigation and enhancement sites
- Monitoring the biological values along the creeks and bay
- Understanding the natural hydrology of the watersheds
- Responding to hazardous material incidents
- Educating residents on creek stewardship

The One Water framework develops long-term plans for each watershed in Santa Clara County. The plans are driven by stakeholder input to ensure community support and align closely with environmental regulations to result in less impactful, permittable projects.

Major Capital Projects:

- SMP Mitigation and Stream and Watershed Protection Program, the Calabazas/San Tomas Creek-Marsh Connection Feasible Alternatives report
- Pond A4 Resilient Habitat Restoration

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

Implement the Integrated Invasive Plant Management Program for invasive species control, Bolsa Road Fish Passage Improvements, San Francisco Bay Shoreline planning, and the Ogier Ponds Planning Study.

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

- Complete the second year of sampling and analysis to estimate reservoirs' contribution of greenhouse gasses, 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
- Renew the agreement for 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
- Enter into agreement with UCSC on an atmospheric deposition study
- Conducting stormwater runoff pollution prevention activities
- Continuing Good Neighbor Maintenance to remove trash from creek reaches
- Repairing fences as needed for public safety; and responding 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

- Implement Climate Change Action Plan (CCAP) which provides goals, strategies, and possible actions to address the ways that Valley Water is vulnerable to climate change impacts in each of Valley Water's mission areas, including water supply, flood protection, and ecosystem stewardship. The first three CCAP goals focus on reduction of Valley Water's GHG emissions: Reduce Direct Greenhouse Gas Emissions, Expand the Renewable Energy Portfolio and Improve Energy Efficiency, and Reduce Indirect Greenhouse Gas Emissions.

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 to climate change through the 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.

Fiscal Status

For FY 2023-24, Property Tax revenue is projected at $116.4 million, a 9.4% or $10.1 million increase from the FY 2022-23 Adopted Budget. In FY 2024-25, Property Tax revenue is projected at $119.7 million.

For FY 2023-24, Capital Reimbursements of $34.2 million are budgeted as follows:

- $18.9 million State Subvention funds for the San Francisco Bay Shoreline project
- $11.4 million Measure AA grant for the San Francisco Bay Shoreline project
- $3.4 million for SFBRA Measure AA for the Calabazas/San Tomas Aquino Ck-Marsh Connection project
- $0.5 million for CDFW funds for the Calabazas/San Tomas Aquino Ck-Marsh Connection project

For FY 2024-25, Capital Reimbursements of $12.7 million are budgeted as follows:

- $11.4 million Measure AA grant for the San Francisco Bay Shoreline project
- $0.8 million State Subvention funds for the San Francisco Bay Shoreline project
- $0.5 million State Subventions for the Llagas Ck–Lwr, Capacity Restoration project

Other Income of $1.8 million in FY 2023-24 and $1.9 million in FY 2024-25 is budgeted for rental and other miscellaneous income.

Interest Income is projected to be $1.6 million for FY 2023-24 and $2.3 million FY 2024-25, due to the expectation of moderately increasing interest rate earned by the portfolio.

Operating Transfers In from the Benefit Assessment Funds for the excess amount over the debt obligations is budgeted at $1.0 million for FY 2023-24 and $1.3 million in FY 2024-25.

For FY 2023-24, Operating Transfers Out of $4.05 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $2.49 million to the Information Technology Fund for IT capital projects costs
- $1.53 million to the General Fund for Drought Induced Tree Removal
- $0.03 million to the General Fund for Security Upgrades and Enhancements

For FY 2024-25, Operating Transfers Out of $6.04 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $3.22 million to the Information Technology Fund for IT capital projects costs
- $1.56 million to the General Fund for Drought Induced Tree Removal
- $1.23 million to the Water Enterprise Fund for Open Space Credit
- $0.03 million to the General Fund for Security Upgrades and Enhancements

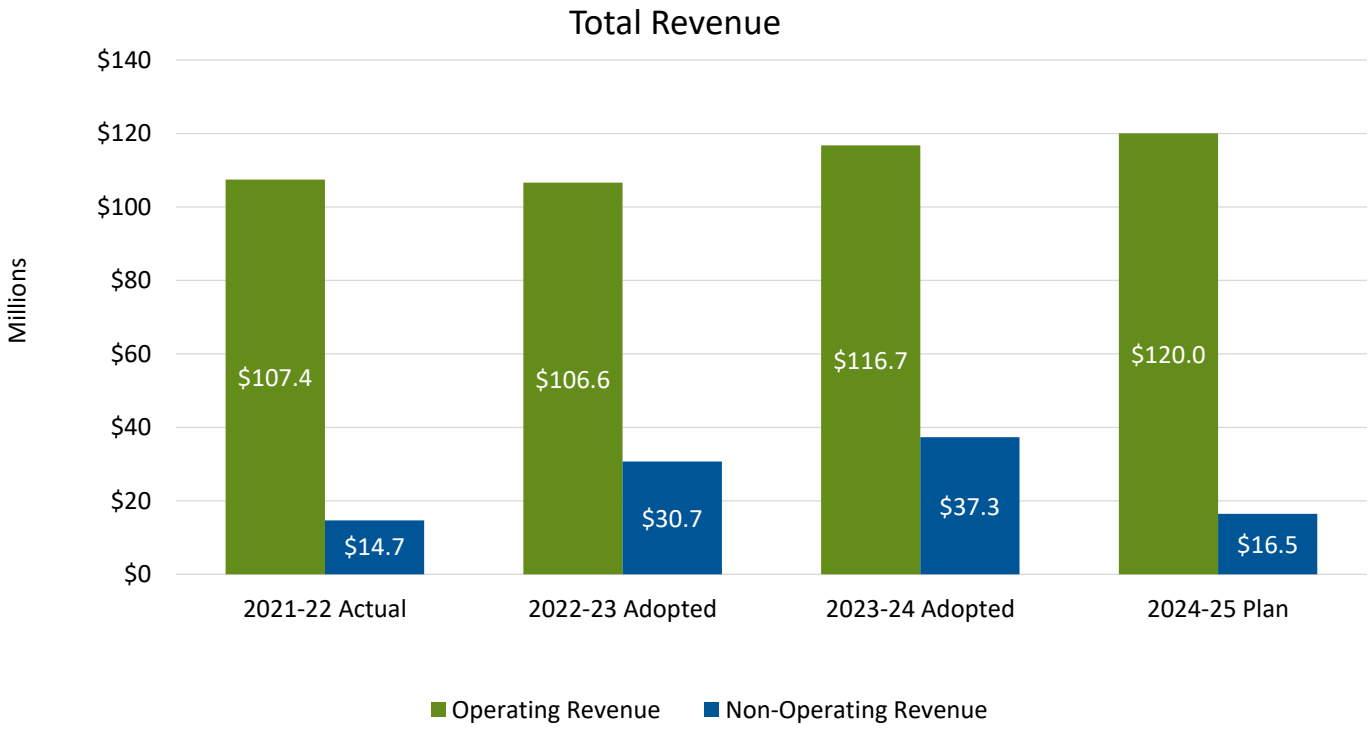
Total Outlays are $102.1 million for FY 2023-24, a decrease of $17.2 million relative to the FY 2022-23 Adopted Budget. Total Outlays are $105.9 million for FY 2024-25, an increase of $3.7 million relative to the FY 2023-24 Proposed Budget. A detailed overview of projects in the Watershed and Stream Stewardship Fund is explained in the *Outcome* section above.

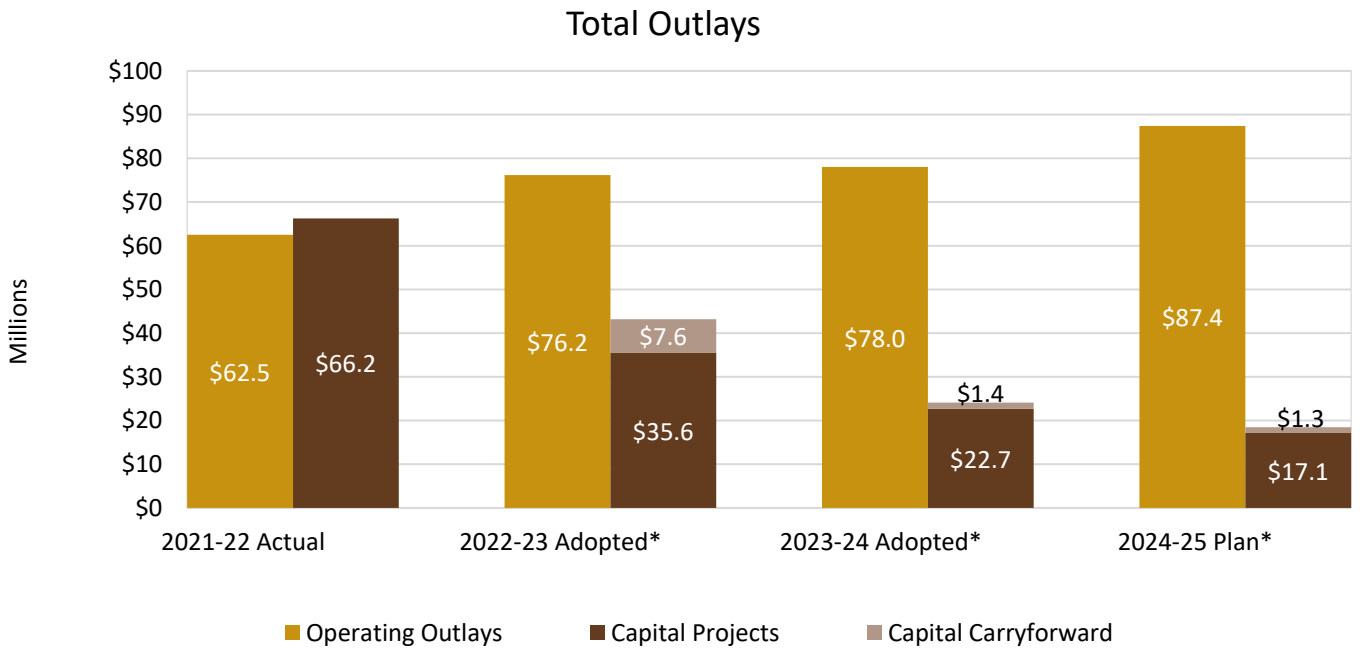
Total reserves for FY 2023-24 are $159.9 million, an increase of $57.7 million relative to the FY 2022-23 Adopted Budget. The increase is primarily due to the one-time $25.0 million transfer out to the WUE Fund in FY 2022-23 to stabilize rates, which is no longer reflected in FY24, and large decreases in projected FY 2023-24 capital outlays for a few projects. Total reserves for FY 2024-25 are $185.8 million, an increase of $25.9 million from FY 2023-24.

Budget Issues

- Capital infrastructure rehabilitation projects costs continue to increase, creating challenges with funding construction of these projects as labor and construction costs rise. We are also experiencing longer timelines for negotiating right-of-way needs to proceed with projects.
- Designing and implementing permittable projects with competing priorities between agencies and limited mitigation options.
- The rapid growth of encampments post-COVID has greatly impacted field operations. Recent case law changes have impacted our ability to manage encampments, and the large increase in the number of encampments has translated into higher 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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 106,997,869	$ 106,390,743	112,843,700	$ 116,443,701	$ 10,052,958	9.4%
Intergovernmental Services	138,050	-	-	-	-	0.0%
Operating Other	283,372	206,629	291,873	300,630	94,001	45.5%
Total Operating Revenue	**$ 107,419,291**	**$ 106,597,372**	**$ 113,135,573**	**$ 116,744,331**	**$ 10,146,959**	**9.5%**
Non-Operating Revenue						
Capital Reimbursements	$ 10,782,233	$ 27,985,000	$ 36,982,000	$ 34,170,000	$ 6,185,000	22.1%
Interest Income *	1,406,737	1,250,000	1,645,000	1,630,000	380,000	30.4%
Non-Operating Other	2,484,287	1,464,615	1,464,617	1,508,554	43,939	3.0%
Total Non-Operating Revenue	**$ 14,673,257**	**$ 30,699,615**	**$ 40,091,617**	**$ 37,308,554**	**$ 6,608,939**	**21.5%**
TOTAL REVENUE	**$ 122,092,548**	**$ 137,296,987**	**$ 153,227,190**	**$ 154,052,885**	**$ 16,755,898**	**12.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 60,600,695	$ 73,087,745	$ 73,512,745	$ 74,960,918	$ 1,873,173	2.6%
Operating Project	1,919,384	3,070,412	3,255,412	3,071,155	743	0.0%
Total Operating Outlays	**$ 62,520,079**	**$ 76,158,157**	**$ 76,768,157**	**$ 78,032,073**	**$ 1,873,916**	**2.5%**
Capital Outlays						
Capital Projects	$ 66,242,733	$ 35,563,773	$ 58,531,867	$ 22,684,492	$ (12,879,281)	-36.2%
Carry Forward Capital Projects	-	7,614,717	-	1,424,517	(6,190,200)	-81.3%
Total Capital Outlays	**$ 66,242,733**	**$ 43,178,490**	**$ 58,531,867**	**$ 24,109,009**	**$ (19,069,481)**	**-44.2%**
TOTAL OUTLAYS**	**$ 128,762,812**	**$ 119,336,647**	**$ 135,300,024**	**$ 102,141,082**	**$ (17,195,565)**	**-14.4%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	2,476,830	2,273,103	2,547,518	1,011,320	(1,261,783)	-55.5%
Transfers Out	(8,600,302)	(28,642,800)	(28,642,795)	(4,053,550)	24,589,250	-85.8%
TOTAL OTHER SOURCES/(USES)	**$ (6,123,472)**	**$ (26,369,697)**	**$ (26,095,277)**	**$ (3,042,230)**	**$ 23,327,467**	**-88.5%**
BALANCE AVAILABLE	**$ (12,793,736)**	**$ (8,409,357)**	**$ (8,168,111)**	**$ 48,869,573**	**$ 57,278,930**	**-681.1%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 26,107,618	$ 5,606,763	$ 2,745,227	$ 1,320,710	$ (4,286,053)	-76.4%
Operating and Capital Reserve	93,111,564	96,652,218	108,305,844	158,599,934	61,947,716	64.1%
Total Committed Reserves	**$ 119,219,182**	**$ 102,258,981**	**$ 111,051,071**	**$ 159,920,644**	**$ 57,661,663**	**56.4%**
TOTAL YEAR-END RESERVES	**$ 119,219,182**	**$ 102,258,981**	**$ 111,051,071**	**$ 159,920,644**	**$ 57,661,663**	**56.4%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 29,872,058	$ 34,523,787	$ 34,523,787	$ 36,042,767	$ 1,518,980	4.4%
Salary Savings Factor	-	(552,789)	(552,789)	(575,714)	(22,926)	4.1%
Services & Supplies	13,925,338	19,477,205	20,087,205	18,254,391	(1,222,814)	-6.3%
Intra-District Charges	18,722,683	22,709,954	22,709,954	24,310,629	1,600,675	7.0%
OPERATING OUTLAY TOTAL	**$ 62,520,079**	**$ 76,158,157**	**$ 76,768,157**	**$ 78,032,073**	**$ 1,873,915**	**2.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,392,206	$ 7,505,986	$ 7,505,986	$ 7,069,200	$ (436,786)	-5.8%
Salary Savings Factor	-	(121,705)	(121,705)	(114,183)	7,522	-6.2%
Services & Supplies	54,570,705	23,645,383	46,613,476	11,288,837	(12,356,546)	-52.3%
Carry Forward Capital Projects	-	7,614,717	-	1,424,517	(6,190,200)	-81.3%
Intra-District Charges	4,279,822	4,534,110	4,534,110	4,440,639	(93,471)	-2.1%
CAPITAL PROJECTS TOTAL	**$ 66,242,733**	**$ 43,178,491**	**$ 58,531,867**	**$ 24,109,010**	**$ (19,069,481)**	**-44.2%**
TOTAL OUTLAYS ****	**$ 128,762,812**	**$ 119,336,648**	**$ 135,300,024**	**$ 102,141,083**	**$ (17,195,566)**	**-14.4%**

(*) 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 amounts may have a slight variance due to rounding

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Proposed Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 106,997,869	$ 106,390,743	$ 116,443,701	$ 119,728,881	$ 3,285,180	2.8%
Intergovernmental Services	138,050	-	-	-	-	0.0%
Operating Other	283,372	206,629	300,630	309,649	9,019	3.0%
Total Operating Revenue	**$ 107,419,291**	**$ 106,597,372**	**$ 116,744,331**	**$ 120,038,530**	**$ 3,294,199**	**2.8%**
Non-Operating Revenue						
Capital Reimbursements	$ 10,782,233	$ 27,985,000	$ 34,170,000	$ 12,674,000	$ (21,496,000)	-62.9%
Interest Income *	1,406,737	1,250,000	1,630,000	2,250,000	620,000	38.0%
Non-Operating Other	2,484,287	1,464,615	1,508,554	1,553,809	45,255	3.0%
Total Non-Operating Revenue	**$ 14,673,257**	**$ 30,699,615**	**$ 37,308,554**	**$ 16,477,809**	**$ (20,830,745)**	**-55.8%**
TOTAL REVENUE	**$ 122,092,548**	**$ 137,296,987**	**$ 154,052,885**	**$ 136,516,339**	**$ (17,536,546)**	**-11.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 60,600,695	$ 73,087,745	$ 74,960,918	$ 85,209,065	$ 10,248,147	13.7%
Operating Project	1,919,384	3,070,412	3,071,155	2,207,887	(863,269)	-28.1%
Total Operating Outlays	**$ 62,520,079**	**$ 76,158,157**	**$ 78,032,073**	**$ 87,416,952**	**$ 9,384,878**	**12.0%**
Capital Outlays						
Capital Projects	$ 66,242,733	$ 35,563,773	$ 22,684,492	$ 17,131,129	$ (5,553,363)	-24.5%
Carry Forward Capital Projects	-	7,614,717	1,424,517	1,320,710	(103,807)	-7.3%
Total Capital Outlays	**$ 66,242,733**	**$ 43,178,490**	**$ 24,109,009**	**$ 18,451,839**	**$ (5,657,170)**	**-23.5%**
TOTAL OUTLAYS**	**$ 128,762,812**	**$ 119,336,647**	**$ 102,141,082**	**$ 105,868,791**	**$ 3,727,709**	**3.6%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	2,476,830	2,273,103	1,011,320	1,322,228	310,908	30.7%
Transfers Out	(8,600,302)	(28,642,800)	(4,053,550)	(6,041,470)	(1,987,920)	49.0%
TOTAL OTHER SOURCES/(USES)	**$ (6,123,472)**	**$ (26,369,697)**	**$ (3,042,230)**	**$ (4,719,242)**	**$ (1,677,012)**	**55.1%**
BALANCE AVAILABLE	**$ (12,793,736)**	**$ (8,409,357)**	**$ 48,869,573**	**$ 25,928,306**	**$ (22,941,267)**	**-46.9%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 26,107,618	$ 5,606,763	$ 1,320,710	$ -	$ (1,320,710)	-100.0%
Operating and Capital Reserve	93,111,564	96,652,218	158,599,934	185,848,950	27,249,016	17.2%
Total Committed Reserves	**$ 119,219,182**	**$ 102,258,981**	**$ 159,920,644**	**$ 185,848,950**	**$ 25,928,306**	**16.2%**
TOTAL YEAR-END RESERVES	**$ 119,219,182**	**$ 102,258,981**	**$ 159,920,644**	**$ 185,848,950**	**$ 25,928,306**	**16.2%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Proposed Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 29,872,058	$ 34,523,787	$ 36,042,767	$ 38,983,478	$ 2,940,710	8.2%
Salary Savings Factor	-	(552,789)	(575,714)	(614,372)	(38,657)	6.7%
Services & Supplies	13,925,338	19,477,205	18,254,391	23,200,143	4,945,752	27.1%
Intra-District Charges	18,722,683	22,709,954	24,310,629	25,847,702	1,537,073	6.3%
OPERATING OUTLAY TOTAL	$ **62,520,079**	$ **76,158,157**	$ **78,032,073**	$ **87,416,951**	$ **9,384,878**	**12.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,392,206	$ 7,505,986	$ 7,069,200	$ 8,929,702	$ 1,860,503	26.3%
Salary Savings Factor	-	(121,705)	(114,183)	(149,913)	(35,730)	31.3%
Services & Supplies	54,570,705	23,645,383	11,288,837	2,835,374	(8,453,463)	-74.9%
Carry Forward Capital Projects	-	7,614,717	1,424,517	1,320,710	(103,807)	-7.3%
Intra-District Charges	4,279,822	4,534,110	4,440,639	5,515,966	1,075,327	24.2%
CAPITAL PROJECTS TOTAL	$ **66,242,733**	$ **43,178,491**	$ **24,109,010**	$ **18,451,839**	$ **(5,657,170)**	**-23.5%**
TOTAL OUTLAYS ****	$ **128,762,812**	$ **119,336,648**	$ **102,141,083**	$ **105,868,790**	$ **3,727,708**	**3.6%**

(*) 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 amounts may have a slight variance due to rounding

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
10291002	Rental Expense Stevens Creek	376,754	313,100	532,288	518,207	Watersheds Desn & Construction Division
30061004	Rent Exp Guadalupe & Coyote	368,474	298,482	362,680	380,408	Watersheds Desn & Construction Division
30151026	Guad Rvr Mitgtn Monitoring Prg	153,760	902,833	520,214	919,731	Watershed Stewardship & Planning Div
62001090	Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of Integrated Water Management
62011002	Watershed Asset Protection Sup	5,458,616	5,733,011	6,138,977	6,376,452	Watershed Stewardship & Planning Div
62021003	CPRU Tech Support	136,407	163,634	446,839	441,236	Watershed Stewardship & Planning Div
62021008	Energy Management	6,676	7,591	6,858	7,549	Treated Water Division
62021009	Watershds O&M Eng&Insp Support	1,816,467	1,838,865	2,202,791	2,798,742	Watersheds Operations & Maint Division
62031001	Watershed Revenue	15,946	44,844	47,975	50,891	Financial Planning & Mgmt Div
62031002	Grants Management	625,434	902,385	910,966	946,360	Financial Planning & Mgmt Div
62041022	Stream Maint Prog Mgmt	4,605,435	4,512,272	5,389,311	5,522,744	Watersheds Operations & Maint Division
62041023	Community Rating System (CRS)	295,882	485,288	639,933	611,082	Office of the CEA
62041027	Integrated Wtr Resrce Mstr Pln	1,230,627	2,393,319	901,808	660,241	Watershed Stewardship & Planning Div
62041039	Integrated Regional Water Mgmt	19,454	37,083	43,563	35,348	Water Supply Division
62041043	Environmental Srvcs Tech Suppt	501,240	815,233	865,610	992,690	Watershed Stewardship & Planning Div
62041047	Ecolgcal Data Collectn & Analy	163,505	142,323	124,413	325,908	Watershed Stewardship & Planning Div
62061001	Watersheds Administration	9,902,686	9,783,383	9,843,515	10,740,333	Office of COO Watersheds
62061002	Districtwide Salary Savings-12	–	(552,789)	(575,714)	(614,372)	Financial Planning & Mgmt Div
62061005	WS Customer Relations&Outreach	961,961	1,082,198	1,158,379	1,200,876	Office of the CEA
62061008	Hydrology&Hydraulics Tech Supp	1,176,104	1,373,978	1,488,840	1,591,368	Watershed Stewardship & Planning Div
62061019	Creek Stewardship	75,904	227,215	227,208	241,217	Office of the CEA
62061028	WS Training & Development	60	–	–	–	Office of Integrated Water Management
62061029	Field Operations Support	646,409	707,067	743,601	766,297	Watersheds Operations & Maint Division
62061045	Asset Management Program	1,120,345	1,383,367	1,367,517	1,575,210	Office of Integrated Water Management
62061048	Climate Change Adaptation/Mtg.	85,918	228,495	212,049	195,527	Watershed Stewardship & Planning Div
62061051	Lands Management Program	348,463	360,954	511,776	537,398	Office of Integrated Water Management
62061056	F8 SCW Sustainable Creek Infrastructure	220,175	345,093	347,224	374,116	Office of Integrated Water Management
62071041	Welding Services	80,977	55,465	101,847	106,638	General Services Division
62181005	SMP Mitigation Site Mgmt	619,912	812,173	835,323	710,097	Watershed Stewardship & Planning Div
62181006	Instream Habitat Complexity	126,301	1,311,148	982,097	4,616,327	Watersheds Operations & Maint Division
62741042	Water Resorcs EnvPlng & Permtg	200,538	192,917	253,304	243,226	Watersheds Operations & Maint Division
62761006	Invasive Plant Management Prog	1,299,520	2,424,149	2,587,877	2,688,832	Watersheds Operations & Maint Division
62761008	Sandbag Program	473,767	575,962	563,829	574,290	Watersheds Operations & Maint Division
62761009	Pond A4 Operations	37,675	106,906	127,104	108,243	Watersheds Operations & Maint Division
62761022	Watershed Good Neighbor Maint	924,763	1,235,575	1,343,456	1,263,436	Watersheds Operations & Maint Division
62761023	Watershed Sediment Removal	3,248,495	5,354,625	5,869,817	5,944,140	Watersheds Operations & Maint Division

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
62761024	Wtrshd Facility Cndtion Assmnt	2,011,267	2,558,788	2,805,300	2,965,782	Watersheds Operations & Maint Division
62761025	Watershed General Field Maint	2,706,546	3,654,778	3,478,562	2,880,952	Watersheds Operations & Maint Division
62761026	Watershed Debris Removal	1,521,333	1,796,586	1,816,864	1,840,080	Watersheds Operations & Maint Division
62761027	Watershed Erosion Protection	4,504,890	4,052,066	3,546,308	4,155,717	Watersheds Operations & Maint Division
62761028	Watershed Levee Maintenance	1,136,157	843,987	881,096	1,020,895	Watersheds Operations & Maint Division
62761071	Emergency Management	1,250,774	1,379,397	1,447,441	1,515,536	Emergency, Safety and Security Division
62761074	Corps Local Sponsor O&M	(7,463)	–	–	–	Watersheds Operations & Maint Division
62761075	Mgmt of Revegetation Projects	991,795	1,603,463	1,551,787	1,801,652	Watersheds Operations & Maint Division
62761078	Vegetation Mangmnt for Access	4,182,076	3,757,751	4,022,612	4,151,276	Watersheds Operations & Maint Division
62761080	Non SMP Veg Removal for Convey	5,825	327,924	524,577	2,816,301	Watersheds Operations & Maint Division
62771011	Inter Agency Urban Runoff Prog	975,848	1,212,962	1,231,052	1,264,033	Watershed Stewardship & Planning Div
62771031	HAZMAT Emergency Response	73,596	107,121	107,265	114,376	Emergency, Safety and Security Division
62811043	Hydrologic Data Msrmt & Mgmt	1,083,620	1,100,657	1,234,017	1,387,550	Watershed Stewardship & Planning Div
62811046	Warehouse Services	968,447	1,494,143	1,130,413	1,168,763	General Services Division
62811049	X Valley Subsidence Survey	164,884	359,091	441,911	614,065	Watersheds Desn & Construction Division
62811054	District Real Property Adminis	776,896	805,935	1,149,839	1,538,834	Watersheds Desn & Construction Division
62061059	Workforce Development Technical Training Program	–	511,764	557,371	588,613	Human Resources Division
62061050	Office of Integrated Water Management	929,555	1,773,187	1,761,228	1,783,856	Office of Integrated Water Management
Total Operations		**60,600,695**	**73,087,745**	**74,960,918**	**85,209,065**	
Operating Project						
40212032	Coyote Creek Mitgtn Monitoring	55,779	340,626	283,000	296,906	Watershed Stewardship & Planning Div
62042032	Multiple Sm Prjcts Mitgtn Mont	168,696	238,108	439,073	458,291	Watershed Stewardship & Planning Div
62042047	Mitigation & Stwdshp Land Mgmt	275,256	377,693	243,247	252,363	Watershed Stewardship & Planning Div
62042050	Watershd Maint Guideline Updte	669,641	973,577	930,684	–	Watersheds Operations & Maint Division
62042051	Plant Pathogen Management	129,030	336,972	303,295	291,414	Watershed Stewardship & Planning Div
62062003	El Nino Flood Emrgncy Response	7,200	–	–	–	Office of Integrated Water Management
62762011	Tree Maintenance Program	613,782	803,435	871,857	908,913	Watersheds Operations & Maint Division
Total Operating Projects		**1,919,384**	**3,070,412**	**3,071,155**	**2,207,887**	

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Capital *						
10394001	PA Flood Basin Tide Gate Replc	1,726,070	–	–	410,483	Watersheds Desn & Construction Division
20194005	San Tomas Ck, Quito Rd Bridges	–	–	330,000	–	Watershed Stewardship & Planning Div
30154019	Guadalupe R Tasman Dr-I880	949,947	–	1,340,422	1,099,971	Watersheds Desn & Construction Division
40174004	L. Berryessa Ck, L.Penit-Calav	48,388	–	–	–	Watersheds Desn & Construction Division
40174005	Berryessa Crk, Lwr. Pen Phs 2	22,053,238	1,906,445	341,988	256,626	Watersheds Desn & Construction Division
40264008	Lwr Silver-R4-6 N Babb-Cunni	113,329	51,986	–	–	Watersheds Desn & Construction Division
40264011	Cunningham Fld Detention Cert	72,876	–	–	–	Watersheds Desn & Construction Division
40334005	Lwr Penitencia Crk Improvemnts	8,873,731	8,149,706	74,844	81,902	Watersheds Desn & Construction Division
50284010	Lower Llagas Capacity Restore	30,871	–	–	2,123,315	Watersheds Desn & Construction Division
62044001	Watershed Habitat Enhancemnt S	64,944	–	–	–	Watersheds Desn & Construction Division
62044026	San Francisco Bay Shoreline	18,178,837	15,890,427	2,795,177	55,823	Watersheds Desn & Construction Division
62064023	Districtwide Salary Savings	–	(121,705)	(114,183)	(149,913)	Financial Planning & Mgmt Div
62074033	CIP Development & Admin	204,390	121,142	256,505	288,479	Office of Integrated Water Management
62074036	Survey Mgmt & Tech Support	69,189	48,519	142,409	174,018	Watersheds Desn & Construction Division
62084001	Watersheds Asset Rehabilitatio	11,605,413	6,741,457	8,383,188	6,644,580	Watersheds Desn & Construction Division
10244001	Permanente Ck, SF Bay-Foothill	304,987	337,000	18,887	21,841	Watersheds Desn & Construction Division
62074040	Capital Project Mgmt System	538,239	155,834	–	–	Office of Integrated Water Management
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	501,138	750,286	1,395,168	1,733,044	Watershed Stewardship & Planning Div
62074041	Construction Contracts and Support	170,498	226,380	626,414	668,801	General Services Division
62074038	Watershed Capital Program Servcs Admin	669,881	785,456	1,849,392	2,036,322	Watersheds Desn & Construction Division
20444002	Pond A4 Resilient Habitat Restoration	–	–	4,725,500	1,023,135	Watershed Stewardship & Planning Div
62074047	Computer-Aided Design for Engineering	–	136,742	304,506	442,218	Office of Integrated Water Management
62074042	Capital Project Mgmt & Controls	66,767	384,099	214,275	220,486	Office of Integrated Water Management
Total Capital		**66,242,733**	**35,563,774**	**22,684,492**	**17,131,129**	
Total		**128,762,812**	**111,721,931**	**100,716,565**	**104,548,081**	

* Capital Outlays table for FY 22-23, FY 23-24 and FY 24-25 reflects new funding, 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 (6) 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 collection of the SCW parcel tax. Additionally, a Contingency Reserve was also 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 benefit not only the community at large, but that also provide relief to Water Utility rate payers. For example, the fund will contribute toward the Pacheco Reservoir Expansion, Water Conservation Rebates and Programs, and the Anderson Dam Seismic Retrofit projects, which would otherwise need to be fully paid by water utility rate payers.

The FY 2023-24 Rolling Biennial Budget includes funding for two (2.0) new positions from the SCW fund which are necessary to supplement an increased level of service in the encampment cleanup program.

Outcomes

Following each goal statement is a list of projects that are included in the FY 2023-24 Rolling Biennial Budget.

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 Natural Disasters.

- A1: Pacheco Reservoir Expansion – this fund provides a portion of funding to help the expansion of the reservoir. A collaboration between Valley Water, the San Benito County Water District, and the Pacheco Pass Water District, Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change. The project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. It will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure, and improve fish habitat.

- A3: Pipeline Reliability – this project constructs four (4) 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.

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 a 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 effort 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. The project requires managing a minimum of 100 miles of improved channels annually by removing sediment or instream vegetation to maintain 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 maintenance and emergency personnel and equipment. It helps fund maintenance access of 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 management 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. The project 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 of 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. These are all capital projects.

Major Capital Projects starting construction:

- Sunnyvale East and Sunnyvale West Channels Flood Protection Project – Begin construction in FY24 (Project E2)

Major Capital Projects continuing construction:

- Upper Llagas Creek, Buena Vista Road to Wright Avenue (Project E6)
- Coyote Creek Flood Management Measures Project, first part of Project E1 (Funded by Water Utility Fund 61, implemented under the FERC Order Compliance Projects)

Major Capital Projects closing out construction:

- Permanente Creek Flood Protection – San Francisco Bay to Foothill Expressway (2012 Safe, Clean Water Program)

Major Capital Projects in planning and design:

- Coyote Creek, Montague Expressway to Tully Road – Design (Project E1)
- Upper Penitencia Creek, Coyote Creek to Dorel Drive – Design (Project E4)
- San Francisquito Creek, San Francisco Bay to Upstream of Highway 101 – Design (Project E5) (The San Francisco Bay to Highway 101 reach phase was completed in FY19 and the project is being closed out in FY24)
- San Francisco Bay Shoreline Economic Impact Areas (EIAs) 1-4 and 5-9 – Feasibility/Planning (Project E7)

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 Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, D: Restore Wildlife Habitat and Provide Open Space, and F: Support Public Health and Public Safety for Our Community.

• 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 (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.

- D7: Partnerships for the Conservation of Habitat Lands – this project is to acquire, restore and protect 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 includes 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 Projects – this project reuses local sediment removed through Valley Water's stream maintenance activities and capital projects 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 Improvement – 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 is to restore and improve 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 – Begin construction in late FY 2023 (Project D6.2)
  - Hale Creek Enhancement Pilot Study – Completed construction in FY 2023 (Project D6.1)

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 entails 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 includes 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, and partnerships 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 partnerships with small municipalities or special districts with boundaries substantially within the footprint of small cities for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $52.3 million in FY 2023-24, which is an increase of 5.3%, or $2.6 million from the FY 2022-23 Adopted Budget. For FY 2024-25, the special parcel tax is budgeted at $53.4 million. This special tax is based on the land use and parcel size rather than 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. Consequently, the annual rates of change are different from the other property taxes in the Watershed and Stream Stewardship (WSS) Fund.

In FY 2023-24, Capital Reimbursements of $23.4 million are budgeted as follows:

- $22.4 million in NRCS unsecured funding for the Llagas Creek, Upper (Phase 2b) project
- $1.0 million State Subvention funds for the Llagas Creek–Upper, Buena Vista to Wright project

In FY 2024-25, Capital Reimbursements of $66.0 million are budgeted as follows:

- $56.0 million in NRCS unsecured funding for the Llagas Creek, Upper (Phase 2b) project
- $10.0 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay Middlefield Rd. project

Interest income is projected to be $1.9 million in FY 2023-24 and $2.5 million in FY 2024-25.

In FY 2023-24, Operating Transfers Out of $1.2 million is budgeted as follows:

- $1.1 million to the WUE (Water Utility Enterprise) Fund for the Conservation Program
- $0.1 million for the Security Upgrades and Enhancements project

In FY 2024-25, Operating Transfers Out of $7.5 million is budgeted as follows:

- $6.3 million for the Anderson Dam Seismic Retrofit project
- $1.1 million to the WUE (Water Utility Enterprise) Fund for the Conservation Program
- $0.1 million for THE Security Upgrades and Enhancements project

Total Outlays are $82.0 million for FY 2023-24, a decrease of $49.3 million relative to the FY 2022-23 Adopted Budget. Total Outlays are $163.8 million for FY 2024-25, an increase of $81.7 million relative to the FY 2023-24 Proposed Budget. A detailed overview of projects in the Safe, Clean Water Fund is explained above.

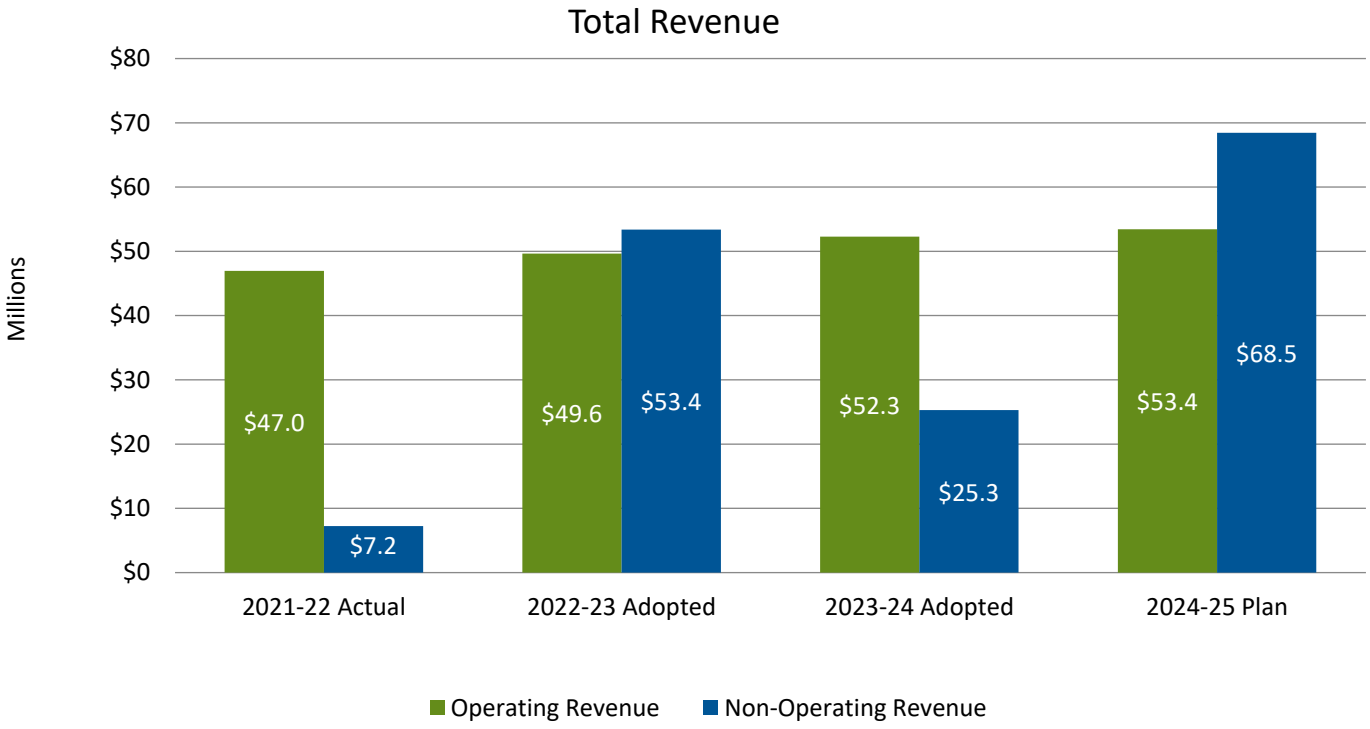
Debt Proceeds are also planned to fund capital outlays; $38.4 million in FY 2023-24 and $71.2 million in FY 2024-25.

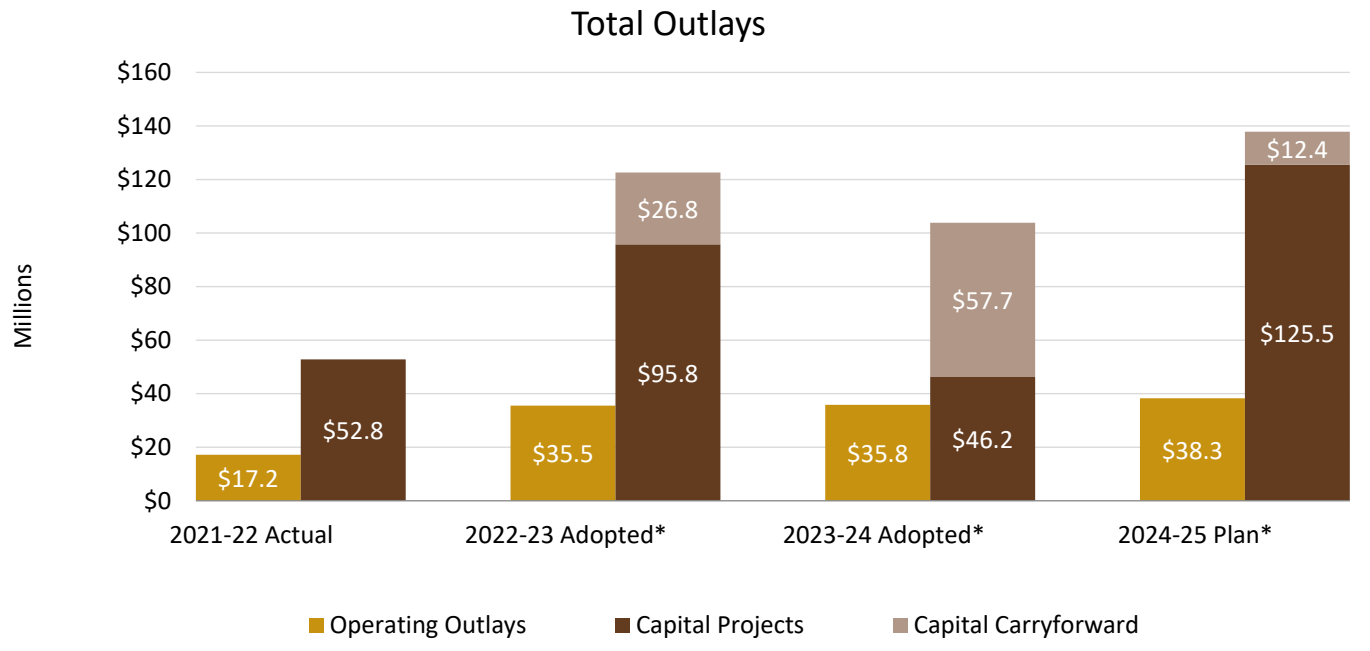
Total reserves for FY 2023-24 are $185.8 million, an increase of $34.1 million relative to the FY 2022-23 Adopted Budget. This increase is primarily due to lower expenditures in a few capital projects projected for FY 2022-23 compared to the FY 2022-23 Adopted Budget. Total reserves for FY 2024-25 are estimated at $195.3 million, an increase of $9.4 million from FY 2023-24.

Budget Issues

- Safe, Clean Water Program Priority E flood protection projects: escalating project costs due to inflationary pressures and supply chain and labor issues have resulted in project modifications, including funding modifications to Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection Project and E4: Upper Penitencia Creek Flood Protection Project.
- Safe, Clean Water Program Priority F5: Good Neighbor Program: Encampment Cleanup. The rapid growth of unhoused encampments along waterways post-COVID has strained resources for maintenance and cleanup operations. Staff is working to progress countywide coordination in addressing the impacts of encampments.
- Safe Clean Water Program Priority D1, F1, F4: recent dry years have caused challenges for vegetation management from an increase in diseased and dead trees to the pressures of completing weed abatement work in anticipation of early fire season. Additionally, weed abatement work footprints have increased to reduce fire risk around encampments.

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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 46,954,690	$ 49,645,791	49,645,791	$ 52,277,018	$ 2,631,227	5.3%
Intergovernmental Services	7,184	-	-	-	-	0.0%
Total Operating Revenue	**$ 46,961,874**	**$ 49,645,791**	**$ 49,645,791**	**$ 52,277,018**	**$ 2,631,227**	**5.3%**
Non-Operating Revenue						
Capital Reimbursements	$ 4,963,901	$ 51,826,000	$ 3,841,000	$ 23,400,000	$ (28,426,000)	-54.8%
Interest Income *	1,720,441	1,561,000	1,900,000	1,900,000	339,000	21.7%
Non-Operating Other	550,642	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 7,234,984**	**$ 53,387,000**	**$ 5,741,000**	**$ 25,300,000**	**$ (28,087,000)**	**-52.6%**
TOTAL REVENUE	**$ 54,196,858**	**$ 103,032,791**	**$ 55,386,791**	**$ 77,577,018**	**$ (25,455,773)**	**-24.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,961,983	$ 21,454,283	$ 23,392,390	$ 23,242,391	$ 1,788,107	8.3%
Operating Project	2,292,192	3,795,185	3,795,185	3,108,287	(686,898)	-18.1%
Debt Service	937,920	10,292,950	4,011,987	9,473,785	(819,165)	-8.0%
Total Operating Outlays	**$ 17,192,095**	**$ 35,542,418**	**$ 31,199,562**	**$ 35,824,463**	**$ 282,044**	**0.8%**
Capital Outlays						
Capital Projects	$ 52,781,576	$ 95,789,082	$ 61,386,616	$ 46,209,811	$ (49,579,271)	-51.8%
Carry Forward Capital Projects	-	26,830,794	-	57,663,542	30,832,748	114.9%
Total Capital Outlays	**$ 52,781,576**	**$ 122,619,876**	**$ 61,386,616**	**$ 103,873,353**	**$ (18,746,523)**	**-15.3%**
TOTAL OUTLAYS**	**$ 69,973,671**	**$ 158,162,294**	**$ 92,586,178**	**$ 139,697,816**	**$ (18,464,478)**	**-11.7%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 56,000,000	$ 53,000,000	$ 75,315,664	$ 38,360,887	$ (14,639,113)	-27.6%
Transfers In	2,606,395	-	-	-	-	0.0%
Transfers Out	(1,600,000)	(1,779,100)	(1,779,100)	(1,186,777)	592,323	-33.3%
TOTAL OTHER SOURCES/(USES)	**$ 57,006,395**	**$ 51,220,900**	**$ 73,536,564**	**$ 37,174,110**	**$ (14,046,790)**	**-27.4%**
BALANCE AVAILABLE	**$ 41,229,582**	**$ (3,908,603)**	**$ 36,337,177**	**$ (24,946,688)**	**$ (21,038,085)**	**538.3%**
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***	123,267,581	47,365,114	121,634,047	37,906,382	(9,458,732)	-20.0%
SCW Operating and Capital Reserve	21,183,313	74,326,854	59,154,025	117,935,002	43,608,148	58.7%
Total Restricted Reserves	**$ 174,450,894**	**$ 151,691,968**	**$ 210,788,072**	**$ 185,841,384**	**$ 34,149,416**	**22.5%**
TOTAL YEAR-END RESERVES	**$ 174,450,894**	**$ 151,691,968**	**$ 210,788,072**	**$ 185,841,384**	**$ 34,149,416**	**22.5%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 6,378,392	$ 8,394,303	$ 8,394,303	$ 8,995,780	$ 601,476	7.2%
Salary Savings Factor	-	(133,551)	(133,551)	(144,035)	(10,484)	7.8%
Services & Supplies	5,662,634	11,314,760	13,252,867	11,116,915	(197,845)	-1.7%
Intra-District Charges	4,213,148	5,673,957	5,673,957	6,382,018	708,061	12.5%
OPERATING OUTLAY TOTAL	**$ 16,254,174**	**$ 25,249,469**	**$ 27,187,576**	**$ 26,350,678**	**$ 1,101,208**	**4.4%**
DEBT SERVICE						
Services & Supplies	$ 904,922	$ 2,268,690	$ 2,164,690	$ 1,378,410	$ (890,280)	-39.2%
Debt Service	32,997	8,024,260	1,847,297	8,095,375	71,115	0.9%
DEBT SERVICE TOTAL	**$ 937,919**	**$ 10,292,950**	**$ 4,011,987**	**$ 9,473,785**	**$ (819,165)**	**-8.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 9,347,918	$ 10,348,532	$ 10,348,532	$ 11,533,734	$ 1,185,203	11.5%
Salary Savings Factor	-	(167,905)	(167,905)	(185,346)	(17,441)	10.4%
Services & Supplies	37,950,961	79,333,977	44,931,512	27,488,912	(51,845,065)	-65.4%
Carry Forward Capital Projects	-	26,830,794	-	57,663,542	30,832,748	114.9%
Intra-District Charges	5,482,697	6,274,478	6,274,478	7,372,511	1,098,033	17.5%
CAPITAL PROJECTS TOTAL	**$ 52,781,576**	**$ 122,619,876**	**$ 61,386,617**	**$ 103,873,353**	**$ (18,746,522)**	**-15.3%**
TOTAL OUTLAYS ****	**$ 69,973,669**	**$ 158,162,295**	**$ 92,586,180**	**$ 139,697,816**	**$ (18,464,479)**	**-11.7%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 46,954,690	$ 49,645,791	$ 52,277,018	$ 53,427,112	$ 1,150,094	2.2%
Intergovernmental Services	7,184	-	-	-	-	0.0%
Total Operating Revenue	**$ 46,961,874**	**$ 49,645,791**	**$ 52,277,018**	**$ 53,427,112**	**$ 1,150,094**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 4,963,901	$ 51,826,000	$ 23,400,000	$ 66,000,000	$ 42,600,000	182.1%
Interest Income *	1,720,441	1,561,000	1,900,000	2,450,000	550,000	28.9%
Non-Operating Other	550,642	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 7,234,984**	**$ 53,387,000**	**$ 25,300,000**	**$ 68,450,000**	**$ 43,150,000**	**170.6%**
TOTAL REVENUE	**$ 54,196,858**	**$ 103,032,791**	**$ 77,577,018**	**$ 121,877,112**	**$ 44,300,094**	**57.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,961,983	$ 21,454,283	$ 23,242,391	$ 24,607,125	$ 1,364,734	5.9%
Operating Project	2,292,192	3,795,185	3,108,287	3,444,883	336,597	10.8%
Debt Service	937,920	10,292,950	9,473,785	10,260,438	786,653	8.3%
Total Operating Outlays	**$ 17,192,095**	**$ 35,542,418**	**$ 35,824,463**	**$ 38,312,446**	**$ 2,487,984**	**6.9%**
Capital Outlays						
Capital Projects	$ 52,781,576	$ 95,789,082	$ 46,209,811	$ 125,464,316	$ 79,254,504	171.5%
Carry Forward Capital Projects	-	26,830,794	57,663,542	12,358,550	(45,304,992)	-78.6%
Total Capital Outlays	**$ 52,781,576**	**$ 122,619,876**	**$ 103,873,353**	**$ 137,822,866**	**$ 33,949,512**	**32.7%**
TOTAL OUTLAYS**	**$ 69,973,671**	**$ 158,162,294**	**$ 139,697,816**	**$ 176,135,312**	**$ 36,437,496**	**26.1%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 56,000,000	$ 53,000,000	$ 38,360,887	$ 71,248,142	$ 32,887,255	85.7%
Transfers In	2,606,395	-	-	-	-	0.0%
Transfers Out	(1,600,000)	(1,779,100)	(1,186,777)	(7,555,232)	(6,368,455)	536.6%
TOTAL OTHER SOURCES/(USES)	**$ 57,006,395**	**$ 51,220,900**	**$ 37,174,110**	**$ 63,692,910**	**$ 26,518,800**	**71.3%**
BALANCE AVAILABLE	**$ 41,229,582**	**$ (3,908,603)**	**$ (24,946,688)**	**$ 9,434,710**	**$ 34,381,398**	**-137.8%**
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***	123,267,581	47,365,114	37,906,382	25,547,832	(12,358,550)	-32.6%
SCW Operating and Capital Reserve	21,183,313	74,326,854	117,935,002	139,728,262	21,793,260	18.5%
Total Restricted Reserves	**$ 174,450,894**	**$ 151,691,968**	**$ 185,841,384**	**$ 195,276,094**	**$ 9,434,710**	**5.1%**
TOTAL YEAR-END RESERVES	**$ 174,450,894**	**$ 151,691,968**	**$ 185,841,384**	**$ 195,276,094**	**$ 9,434,710**	**5.1%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 6,378,392	$ 8,394,303	$ 8,995,780	$ 9,704,506	$ 708,726	7.9%
Salary Savings Factor	-	(133,551)	(144,035)	(153,192)	(9,157)	6.4%
Services & Supplies	5,662,634	11,314,760	11,116,915	11,733,705	616,790	5.5%
Intra-District Charges	4,213,148	5,673,957	6,382,018	6,766,989	384,971	6.0%
OPERATING OUTLAY TOTAL	$ **16,254,174**	$ **25,249,469**	$ **26,350,678**	$ **28,052,008**	$ **1,701,330**	**6.5%**
DEBT SERVICE						
Services & Supplies	$ 904,922	$ 2,268,690	$ 1,378,410	$ 970,000	$ (408,410)	-29.6%
Debt Service	32,997	8,024,260	8,095,375	9,290,438	1,195,063	14.8%
DEBT SERVICE TOTAL	$ **937,919**	$ **10,292,950**	$ **9,473,785**	$ **10,260,438**	$ **786,653**	**8.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 9,347,918	$ 10,348,532	$ 11,533,734	$ 11,883,840	$ 350,105	3.0%
Salary Savings Factor	-	(167,905)	(185,346)	(187,256)	(1,910)	1.0%
Services & Supplies	37,950,961	79,333,977	27,488,912	106,306,187	78,817,274	286.7%
Carry Forward Capital Projects	-	26,830,794	57,663,542	12,358,550	(45,304,992)	-78.6%
Intra-District Charges	5,482,697	6,274,478	7,372,511	7,461,545	89,035	1.2%
CAPITAL PROJECTS TOTAL	$ **52,781,576**	$ **122,619,876**	$ **103,873,353**	$ **137,822,866**	$ **33,949,512**	**32.7%**
TOTAL OUTLAYS ****	$ **69,973,669**	$ **158,162,295**	$ **139,697,816**	$ **176,135,312**	$ **36,437,495**	**26.1%**

(*) 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 amounts may have a slight variance due to rounding

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
26001090	Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of Integrated Water Management
26031001	Watershed Revenue	37,207	104,637	111,941	118,745	Financial Planning & Mgmt Div
26041023	Emergency Response Upgrades	507,973	650,915	757,937	811,295	Watershed Stewardship & Planning Div
26041024	Flood Risk Reduction Studies	1,102,901	1,412,026	1,210,809	1,247,184	Watershed Stewardship & Planning Div
26041047	Ecolgcal Data Collectn & Analy	331,965	288,959	252,595	661,693	Watershed Stewardship & Planning Div
26041049	D5 SCW Watershed Plans	1,532	103,000	104,534	107,393	Watershed Stewardship & Planning Div
26061002	Rent Exp Clean Safe Ck 7/1/01+	278,338	240,995	257,659	265,061	Watersheds Desn & Construction Division
26061004	Districtwide Salary Savings-26	–	(133,551)	(144,035)	(153,192)	Financial Planning & Mgmt Div
26061005	Flood Emrgncy Respnse Planning	100,332	217,115	224,754	233,660	Emergency, Safety and Security Division
26061006	Pollution Prvtn Prtnrshp & Grt	(360)	–	–	–	Office of the CEA
26061007	Grants to Rest Habitat Access	5,000	–	–	–	Office of the CEA
26061012	Safe Clean Water Implementatn	796,747	1,199,414	1,213,043	1,101,644	Office of Integrated Water Management
26061019	Creek Stewardship	92,772	277,707	277,698	294,821	Office of the CEA
26061056	F8 SCW Sustainable Creek Infrastructure	220,176	345,093	347,224	374,116	Office of Integrated Water Management
26761022	Watershed Good Neighbor Maint	616,509	823,717	895,638	842,291	Watersheds Operations & Maint Division
26761023	Watershed Sediment Removal	528,825	1,423,381	1,560,331	1,580,088	Watersheds Operations & Maint Division
26761075	Mgmt of Revegetation Projects	1,369,624	2,214,306	2,142,944	2,487,995	Watersheds Operations & Maint Division
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	610,551	1,146,905	727,627	909,380	Watershed Stewardship & Planning Div
26761078	Vegetation Mangmnt for Access	738,017	663,132	709,873	732,578	Watersheds Operations & Maint Division
26771011	Inter Agency Urban Runoff Prog	685,170	851,654	864,356	887,512	Watershed Stewardship & Planning Div
26771027	Encampment Cleanup Program	2,216,297	2,406,885	4,129,755	4,141,375	Watersheds Operations & Maint Division
26771031	HAZMAT Emergency Response	24,532	35,707	35,755	38,125	Emergency, Safety and Security Division
26771067	Stream Capacity Vegetation Con	2,203,070	3,344,353	3,531,068	3,876,310	Watersheds Operations & Maint Division
26061020	F6 Public Arts	114,371	257,606	245,626	162,617	Office of the CEA
26061021	F9 Safe Clean Water Grants and Partnerships	1,178,440	3,203,776	3,378,096	3,457,454	Office of the CEA
26441003	D3 SCW Sed Reuse to Support Shoreline	201,993	276,551	307,164	328,981	Watersheds Operations & Maint Division
Total Operations		**13,961,983**	**21,454,283**	**23,242,391**	**24,607,125**	
Operating Project						
26042002	Fish Habitat Improvements	659,903	1,222,882	714,440	951,322	Watershed Stewardship & Planning Div
26072008	SCW D7 Conservation Habitat	–	910,902	912,012	912,478	Watershed Stewardship & Planning Div
26752043	Impaired Water Bodies Imprvmts	1,632,288	1,661,401	1,481,834	1,581,083	Watershed Stewardship & Planning Div
Total Operating Projects		**2,292,192**	**3,795,185**	**3,108,287**	**3,444,883**	

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Debt Service						
26993001	Commercial Paper Tax Exmpt SCW	937,920	3,142,690	3,253,410	2,649,000	Financial Planning & Mgmt Div
26993003	SCW COP 2022B (Tax-Exempt)	–	268,000	45,000	45,000	Financial Planning & Mgmt Div
26993004	SCW WIFIA Loan 1 (ID 21116CA)	–	850,000	320,000	120,000	Financial Planning & Mgmt Div
26993006	SCW Rev Bond 2024A (Tax-Exempt)	–	–	–	1,219,063	Financial Planning & Mgmt Div
26993005	SCW Rev Bond 2023A (Tax-Exempt)	–	–	1,148,625	1,045,000	Financial Planning & Mgmt Div
26993002	SCW Rev Bond 2022A (Tax-Exempt)	–	6,032,260	4,706,750	5,182,375	Financial Planning & Mgmt Div
Total Debt Service		**937,920**	**10,292,950**	**9,473,785**	**10,260,438**	
Capital*						
26044001	Almaden Lake Improvement	1,000,435	20,854,617	–	–	Watersheds Desn & Construction Division
26044002	SCW Fish Passage Improvement	167,051	15,006	–	–	Watershed Stewardship & Planning Div
26064023	Districtwide Salary Savings	–	(167,905)	(185,346)	(187,256)	Financial Planning & Mgmt Div
26074002	Sunnyvale East & West Channel	1,253,173	930,024	–	13,783,929	Watersheds Desn & Construction Division
26074033	CIP Development & Admin	313,397	333,140	299,256	336,559	Office of Integrated Water Management
26074036	Survey Mgmt & Tech Support	106,090	133,428	166,144	203,021	Watersheds Desn & Construction Division
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	1,061,783	30,958	–	–	Watersheds Desn & Construction Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	259,940	–	–	–	Watersheds Desn & Construction Division
26164001	HaleCreekEnhancementPilotStudy	2,463,844	72,300	8,294	32,761	Watersheds Desn & Construction Division
26174041	Berryessa Calav/Old Pied Cor	338,032	–	1,146,183	–	Watersheds Desn & Construction Division
26174042	Berryessa Calav/Old Pied LER	4,448	–	–	–	Watersheds Desn & Construction Division
26174043	Coyote Creek, Montague-Tully	2,246,659	6,372,531	1,604,232	14,439,153	Watersheds Desn & Construction Division
26174051	U. Llagas Ck, Reimburse E6b	1,381,746	–	22,167	21,840	Watersheds Desn & Construction Division
26174054	U.Llagas Ck Design B. Vsta Rd	213,724	–	–	–	Watersheds Desn & Construction Division
26244001	Permanente Ck, Bay-Fthill CSC	811,469	–	458,066	–	Watersheds Desn & Construction Division
26284001	San Francisquito Ck,BaySer CSC	11,876	–	–	–	Watersheds Desn & Construction Division
26284002	San Francisquito Early Implemt	1,484,738	–	4,916,529	25,433,492	Watersheds Desn & Construction Division
26324001	U Penitncia Crk Corp Coord SCW	679,254	–	–	–	Watersheds Desn & Construction Division
26764001	IRP2 AddLine Valves	379,940	1,219,676	3,558,119	3,609,217	Water Utility Capital Division
26044004	D6 Bolsa Road Fish Passage Improvement	1,439,711	4,169,832	2,660,549	27,301	Watersheds Desn & Construction Division
26444002	SFBS EIAs 1-4	423,562	1,760,717	2,707,157	1,119,326	Watersheds Desn & Construction Division

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
26074038	Watershed Capital Program Servcs Admin	2,009,665	2,356,367	2,171,026	2,390,465	Watersheds Desn & Construction Division
26074041	Construction Contracts and Support	261,430	622,545	730,816	780,268	General Services Division
26174052	Llagas Ck - Upper Construction	33,217,294	55,550,525	–	730,505	Watersheds Desn & Construction Division
26074042	Capital Project Management and Controls	–	–	249,987	257,233	Office of Integrated Water Management
26444004	San Francisco Bay Shoreline EIAs 5-10	–	1,045,470	1,045,000	3,276,075	Watersheds Desn & Construction Division
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning and Design, D4.1)	1,252,315	113,808	1,230,375	1,840,469	Watershed Stewardship & Planning Div
26044005	SCW D4.3 Fish Passage Improvements	–	–	666,000	854,037	Watershed Stewardship & Planning Div
26174055	Llagas Creek-Phase 2B Construction	–	–	22,400,000	56,000,000	Watersheds Desn & Construction Division
26074047	Computer-Aided Design for Engineering	–	376,041	355,257	515,921	Office of Integrated Water Management
Total Capital		**52,781,575**	**95,789,080**	**46,209,810**	**125,464,317**	
Total		**69,973,669**	**131,331,498**	**82,034,272**	**163,776,763**	

* Capital Outlays table for FY 22-23, FY 23-24 and FY 24-25 reflects new funding, does not include capital carryforward funding from prior year.

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by 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:

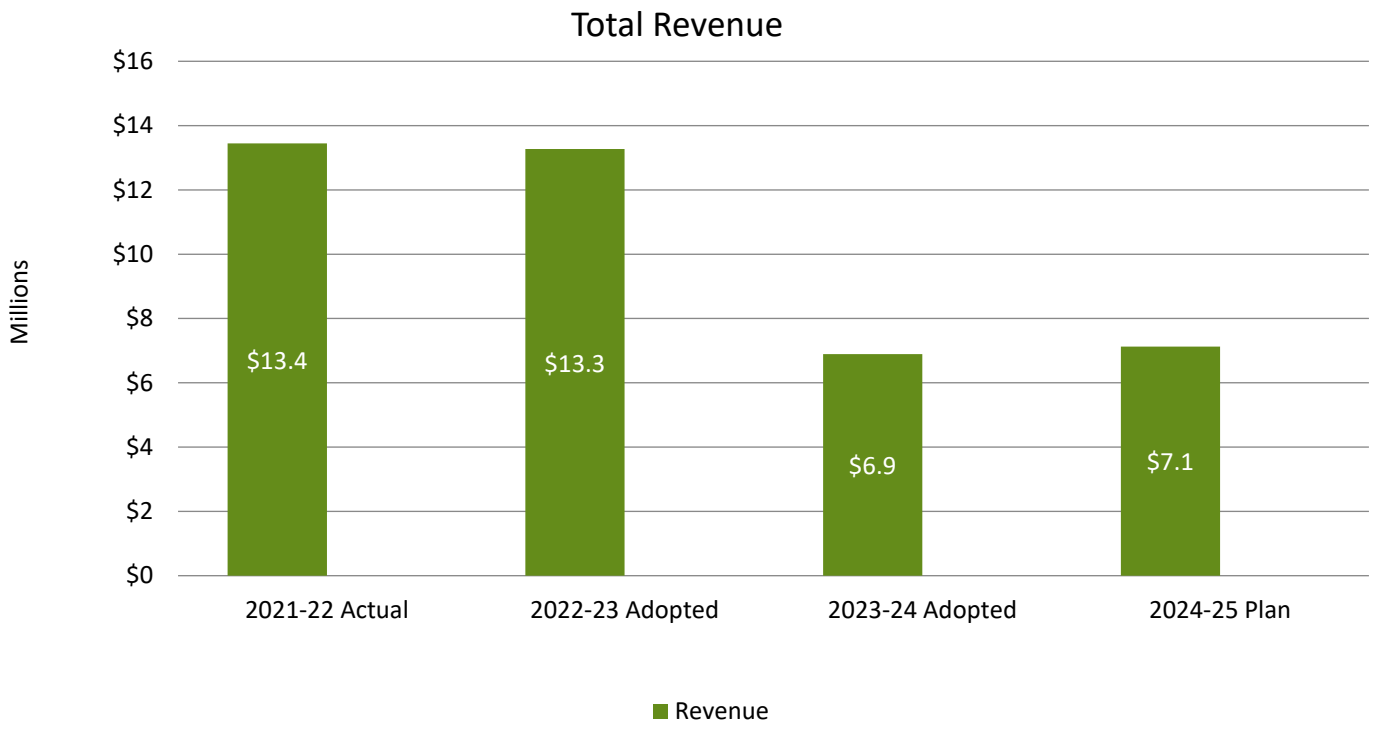
- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, 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.

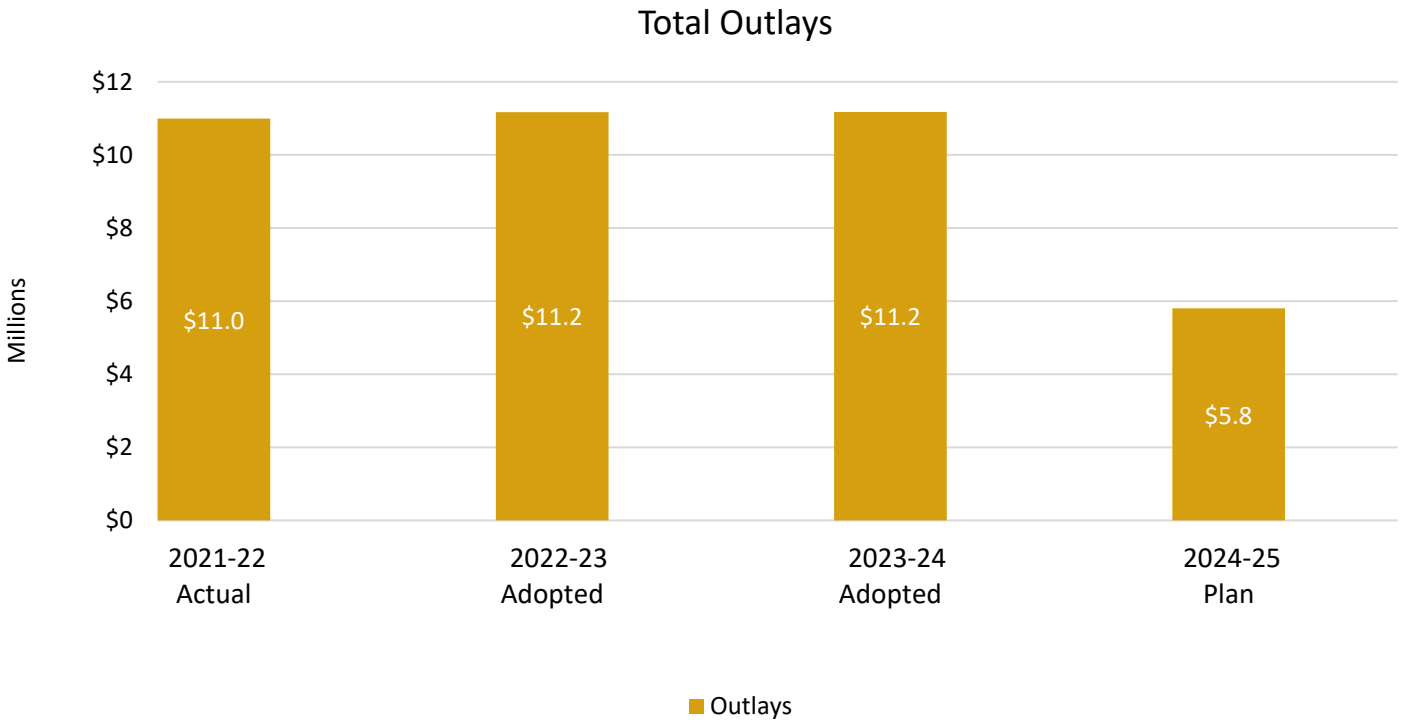
These benefit assessment funds now are comprised of the voter-approved debt repayment phase of the benefit assessments program, levied at 1.25 times the annual debt service. The excess amount over annual debt service is transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure. For FY 2023-24 and FY 2024-25, the transfer to the Watershed and Stream Stewardship Fund is expected at $1.0 million and $1.3 million a year, respectively. Debt that was issued in 2012 (2012A Certificates of Participation, or 2012A COPs) are scheduled to have a final debt service payment in FY 2023-24. Funds held in the 2012A debt service reserve were used to partially pay the 2012A COPs debt service payment in FY 2022-23 and will be utilized to fully pay the debt service payment in FY 2023-24. Funds held in the 2012A debt service reserve will be reflected as a transfer into the Benefit Assessment Funds and will be released to offset the final debt service payment in FY 2023-24.

The FY 2023-24 benefit assessment for a single family residence is expected at approximately:

- $26.56/year for Lower Peninsula Watershed
- $4.72/year for West Valley Watershed
- $4.36/year for Guadalupe Watershed
- $12.88/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,707,090	$ 2,703,278	$ 2,811,590	$ 2,704,621	$ 1,343	0.0%
West Valley Watershed	2,256,452	2,218,285	2,250,776	811,318	(1,406,967)	-63.4%
Guadalupe Watershed	4,552,966	4,458,666	4,494,779	941,188	(3,517,478)	-78.9%
Coyote Watershed	3,930,734	3,893,914	3,991,414	2,434,639	(1,459,275)	-37.5%
TOTAL REVENUE	**$ 13,447,241**	**$ 13,274,144**	**$ 13,548,559**	**$ 6,891,766**	**$ (6,382,378)**	**-48.1%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,276,234	$ 2,292,531	$ 2,292,531	$ 2,294,603	$ 2,072	0.1%
West Valley Watershed	1,828,594	1,863,200	1,863,200	1,862,499	(700)	0.0%
Guadalupe Watershed	3,655,134	3,737,572	3,737,572	3,736,798	(773)	0.0%
Coyote Watershed	3,237,989	3,279,653	3,279,653	3,280,146	494	0.0%
TOTAL OUTLAYS	**$ 10,997,950**	**$ 11,172,955**	**$ 11,172,955**	**$ 11,174,047**	**$ 1,092**	**0.0%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ -	$ 171,914	$ 171,914	$ 5,293,600	$ 5,121,686	2979.2%
Transfers Out						
To Watershed & Stream Stewardship Fund	(2,476,830)	(2,273,103)	(2,547,518)	(1,011,320)	1,261,783	-55.5%
TOTAL OTHER SOURCES/(USES)	**$ (2,476,830)**	**$ (2,101,189)**	**$ (2,375,604)**	**$ 4,282,280**	**$ 6,383,469**	**-303.8%**
BALANCE AVAILABLE	**$ (27,539)**	**$ -**	**$ -**	**$ (1)**	**$ (1)**	**0.0%**

(*) 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 amounts may have a slight variance due to rounding

Benefit Assessment Funds Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,707,090	$ 2,703,278	$ 2,704,621	$ 2,811,834	$ 107,213	4.0%
West Valley Watershed	2,256,452	2,218,285	811,318	843,479	32,161	4.0%
Guadalupe Watershed	4,552,966	4,458,666	941,188	937,515	(3,673)	-0.4%
Coyote Watershed	3,930,734	3,893,914	2,434,639	2,531,150	96,511	4.0%
TOTAL REVENUE	**$ 13,447,241**	**$ 13,274,144**	**$ 6,891,766**	**$ 7,123,978**	**$ 232,212**	**3.4%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,276,234	$ 2,292,531	$ 2,294,603	$ 2,295,636	$ 1,033	0.0%
West Valley Watershed	1,828,594	1,863,200	1,862,499	685,777	(1,176,722)	-63.2%
Guadalupe Watershed	3,655,134	3,737,572	3,736,798	762,429	(2,974,369)	-79.6%
Coyote Watershed	3,237,989	3,279,653	3,280,146	2,057,908	(1,222,238)	-37.3%
TOTAL OUTLAYS	**$ 10,997,950**	**$ 11,172,955**	**$ 11,174,047**	**$ 5,801,751**	**$ (5,372,296)**	**-48.1%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ -	$ 171,914	$ 5,293,600	$ -	$ (5,293,600)	-100%
Transfers Out						
To Watershed & Stream Stewardship Fund	(2,476,830)	(2,273,103)	(1,011,320)	(1,322,228)	(310,908)	30.7%
TOTAL OTHER SOURCES/(USES)	**$ (2,476,830)**	**$ (2,101,189)**	**$ 4,282,280**	**$ (1,322,228)**	**$ (5,604,508)**	**-130.9%**
BALANCE AVAILABLE	**$ (27,539)**	**$ -**	**$ (1)**	**$ (1)**	**$ (1)**	**0.0%**

(*) 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 amounts may have a slight variance due to rounding

Total Outlays - Lower Peninsula Watershed

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP WS	2,276,234	2,292,531	2,294,603	2,295,636	Financial Planning & Mgmt Div
Total Debt Service		**2,276,234**	**2,292,531**	**2,294,603**	**2,295,636**	
Total		**2,276,234**	**2,292,531**	**2,294,603**	**2,295,636**	

Total Outlays - West Valley Watershed

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Debt Service						
20993007	2012A COP Refunding WV WS	1,145,747	1,177,482	1,176,161	–	Financial Planning & Mgmt Div
20993008	2017A COP Refunding WV WS	682,847	685,717	686,339	685,777	Financial Planning & Mgmt Div
Total Debt Service		**1,828,594**	**1,863,200**	**1,862,499**	**685,777**	
Total		**1,828,594**	**1,863,200**	**1,862,499**	**685,777**	

Total Outlays - Guadalupe Watershed

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Debt Service						
30993007	2012A COP Refunding Guad WS	2,865,815	2,945,197	2,941,890	–	Financial Planning & Mgmt Div
30993008	2017A COP Refunding Guad WS	789,319	792,375	794,908	762,429	Financial Planning & Mgmt Div
Total Debt Service		**3,655,134**	**3,737,572**	**3,736,798**	**762,429**	
Total		**3,655,134**	**3,737,572**	**3,736,798**	**762,429**	

Total Outlays - Coyote Watershed

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Debt Service						
40993007	2012A COP Refunding Coyote WS	1,188,988	1,221,922	1,220,550	–	Financial Planning & Mgmt Div
40993008	2017A COP Refunding Coyote WS	2,049,001	2,057,731	2,059,596	2,057,908	Financial Planning & Mgmt Div
Total Debt Service		**3,237,989**	**3,279,653**	**3,280,146**	**2,057,908**	
Total		**3,237,989**	**3,279,653**	**3,280,146**	**2,057,908**	

WATER UTILITY ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

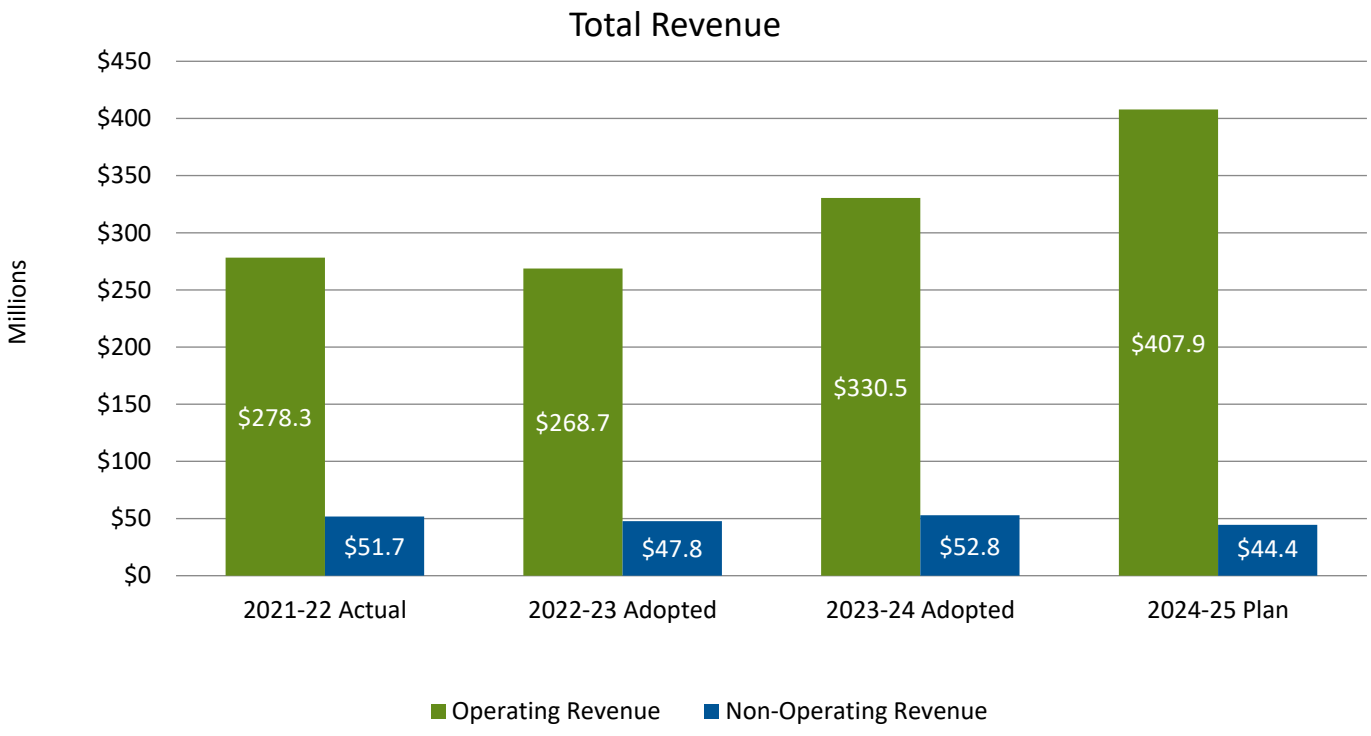
Overview

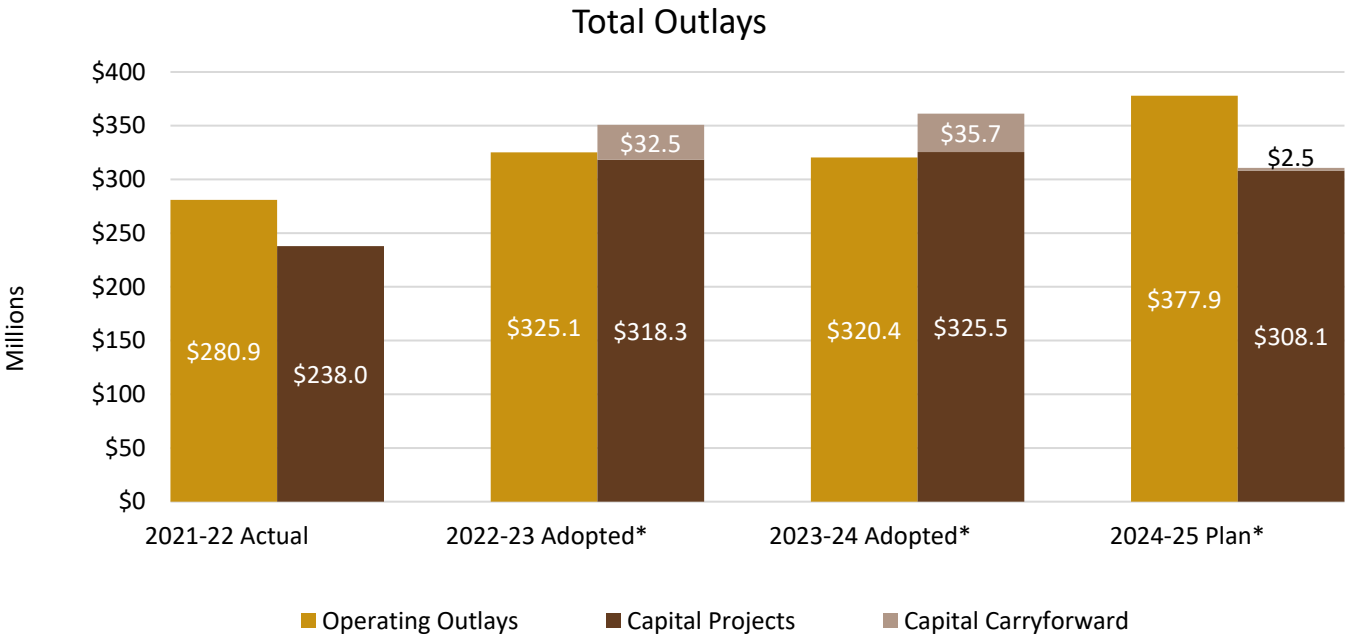
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed 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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 121,199,000	$ 150,871,000	$ 28,869,000	23.7%
Treated Water Charges	145,365,475	139,746,000	139,194,000	174,081,000	34,335,000	24.6%
Surface & Recycled Water Charges	2,003,338	3,207,000	3,207,000	3,613,000	406,000	12.7%
Intergovernmental Services	5,340,252	3,267,274	1,352,294	1,424,295	(1,842,979)	-56.4%
Operating Other	514,860	481,415	481,415	481,415	-	0.0%
Total Operating Revenue	**$ 278,253,354**	**$ 268,703,689**	**$ 265,433,709**	**$ 330,470,710**	**$ 61,767,021**	**23.0%**
Non-Operating Revenue						
Property Tax	$ 39,714,607	$ 36,435,263	$ 36,999,800	$ 37,314,710	$ 879,447	2.4%
Capital Reimbursements	5,609,159	7,305,000	9,936,000	10,266,000	2,961,000	40.5%
Interest Income *	3,509,629	2,731,500	3,100,000	3,125,000	393,500	14.4%
Non-Operating Other	2,873,013	1,304,755	2,113,351	2,121,502	816,747	62.6%
Total Non-Operating Revenue	**$ 51,706,407**	**$ 47,776,518**	**$ 52,149,151**	**$ 52,827,212**	**$ 5,050,694**	**10.6%**
TOTAL REVENUE	**$ 329,959,761**	**$ 316,480,207**	**$ 317,582,860**	**$ 383,297,922**	**$ 66,817,715**	**21.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 234,994,994	$ 264,353,565	$ 277,516,139	$ 243,713,640	$ (20,639,925)	-7.8%
Operating Project	263,049	344,329	344,329	373,653	29,324	8.5%
Debt Service	45,666,983	60,409,922	56,574,422	76,311,378	15,901,456	26.3%
Total Operating Outlays	**$ 280,925,026**	**$ 325,107,816**	**$ 334,434,890**	**$ 320,398,671**	**$ (4,709,145)**	**-1.4%**
Capital Outlays						
Capital Projects	$ 237,955,574	$ 318,267,600	$ 353,115,805	$ 325,455,222	$ 7,187,622	2.3%
Carry Forward Capital Projects	-	32,524,433	-	35,724,253	3,199,820	9.8%
Total Capital Outlays	**$ 237,955,574**	**$ 350,792,033**	**$ 353,115,805**	**$ 361,179,475**	**$ 10,387,442**	**3.0%**
TOTAL OUTLAYS**	**$ 518,880,600**	**$ 675,899,849**	**$ 687,550,695**	**$ 681,578,146**	**$ 5,678,297**	**0.8%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 115,725,418	$ 281,491,000	$ 285,425,410	$ 230,414,696	$ (51,076,304)	-18.1%
Transfers In	1,000,000	26,060,900	26,060,900	1,092,727	(24,968,173)	-95.8%
Transfers Out	(3,161,400)	(3,873,600)	(3,873,600)	(3,926,700)	(53,100)	1.4%
TOTAL OTHER SOURCES/(USES)	**$ 113,564,018**	**$ 303,678,300**	**$ 307,612,710**	**$ 227,580,723**	**$ (76,097,577)**	**-25.1%**
BALANCE AVAILABLE	**$ (75,356,821)**	**$ (55,741,342)**	**$ (62,355,125)**	**$ (70,699,501)**	**$ (14,958,159)**	**26.8%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 41,066,971	$ 6,066,971	$ (36,409,167)	-85.7%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,480,832	3,530,832	120,747	3.5%
WUE State Water Project Tax Reserve	11,398,101	6,352,290	11,141,456	8,816,456	2,464,166	38.8%
WUE Debt Service Reserve	10,239	6,999	10,239	-	(6,999)	-100.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	1,298,138	-	(908,138)	-100.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,581,693	4,718,017	(4,112,667)	-46.6%
Total Restricted Reserves	**$ 104,047,504**	**$ 67,261,334**	**$ 66,856,329**	**$ 28,409,276**	**$ (38,852,058)**	**-57.8%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000	0.0%
Currently Authorized Projects Reserve***	77,455,037	7,124,270	50,628,057	9,248,195	2,123,925	29.8%
Operating and Capital Reserve	47,140,253	49,185,921	48,803,283	56,930,697	7,744,776	15.7%
Total Committed Reserves	**$ 124,595,290**	**$ 56,310,191**	**$ 99,431,340**	**$ 67,178,892**	**$ 10,868,701**	**19.3%**
TOTAL YEAR-END RESERVES	**$ 228,642,794**	**$ 123,571,525**	**$ 166,287,669**	**$ 95,588,168**	**$ (27,983,357)**	**-22.6%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 64,152,625	$ 67,958,926	$ 67,958,926	$ 67,899,879	$ (59,047)	-0.1%
Salary Savings Factor	-	(1,062,535)	(1,062,535)	(1,067,733)	(5,198)	0.5%
Services & Supplies	134,257,625	156,134,811	169,297,385	133,729,278	(22,405,533)	-14.4%
Intra-District Charges	36,847,794	41,666,692	41,666,692	43,525,869	1,859,177	4.5%
OPERATING OUTLAY TOTAL	$ **235,258,044**	$ **264,697,894**	$ **277,860,468**	$ **244,087,293**	$ **(20,610,601)**	**-7.8%**
DEBT SERVICE						
Services & Supplies	$ 924,737	$ 3,490,680	$ 3,490,680	$ 3,017,960	$ (472,720)	-13.5%
Debt Service	44,742,246	56,919,242	53,083,742	73,293,418	16,374,176	28.8%
DEBT SERVICE TOTAL	$ **45,666,983**	$ **60,409,922**	$ **56,574,422**	$ **76,311,378**	$ **15,901,456**	**26.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 26,398,182	$ 31,962,922	$ 31,962,922	$ 35,144,904	$ 3,181,982	10.0%
Salary Savings Factor	-	(518,403)	(518,403)	(572,156)	(53,753)	10.4%
Services & Supplies	196,321,983	267,381,825	302,230,030	268,436,524	1,054,699	0.4%
Carry Forward Capital Projects	-	32,524,433	-	35,724,253	3,199,820	9.8%
Intra-District Charges	15,235,409	19,441,256	19,441,256	22,445,950	3,004,694	15.5%
CAPITAL PROJECTS TOTAL	$ **237,955,574**	$ **350,792,033**	$ **353,115,805**	$ **361,179,475**	$ **10,387,442**	**3.0%**
TOTAL OUTLAYS ****	$ **518,880,601**	$ **675,899,849**	$ **687,550,695**	$ **681,578,146**	$ **5,678,297**	**0.8%**

(*) 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 amounts may have a slight variance due to rounding

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 150,871,000	$ 186,506,000	$ 35,635,000	23.6%
Treated Water Charges	145,365,475	139,746,000	174,081,000	214,524,000	40,443,000	23.2%
Surface & Recycled Water Charges	2,003,338	3,207,000	3,613,000	4,088,000	475,000	13.1%
Intergovernmental Services	5,340,252	3,267,274	1,424,295	2,294,595	870,300	61.1%
Operating Other	514,860	481,415	481,415	481,415	-	0.0%
Total Operating Revenue	**$ 278,253,354**	**$ 268,703,689**	**$ 330,470,710**	**$ 407,894,010**	**$ 77,423,300**	**23.4%**
Non-Operating Revenue						
Property Tax	$ 39,714,607	$ 36,435,263	$ 37,314,710	$ 38,604,045	$ 1,289,335	3.5%
Capital Reimbursements	5,609,159	7,305,000	10,266,000	41,000	(10,225,000)	-99.6%
Interest Income *	3,509,629	2,731,500	3,125,000	3,652,000	527,000	16.9%
Non-Operating Other	2,873,013	1,304,755	2,121,502	2,130,038	8,536	0.4%
Total Non-Operating Revenue	**$ 51,706,407**	**$ 47,776,518**	**$ 52,827,212**	**$ 44,427,083**	**$ (8,400,129)**	**-15.9%**
TOTAL REVENUE	**$ 329,959,761**	**$ 316,480,207**	**$ 383,297,922**	**$ 452,321,093**	**$ 69,023,171**	**18.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 234,994,994	$ 264,353,565	$ 243,713,640	$ 274,306,605	$ 30,592,965	12.6%
Operating Project	263,049	344,329	373,653	389,534	15,881	4.3%
Debt Service	45,666,983	60,409,922	76,311,378	103,250,798	26,939,420	35.3%
Total Operating Outlays	**$ 280,925,026**	**$ 325,107,816**	**$ 320,398,671**	**$ 377,946,937**	**$ 57,548,266**	**18.0%**
Capital Outlays						
Capital Projects	$ 237,955,574	$ 318,267,600	$ 325,455,222	$ 308,140,935	$ (17,314,286)	-5.3%
Carry Forward Capital Projects	-	32,524,433	35,724,253	2,548,240	(33,176,013)	-92.9%
Total Capital Outlays	**$ 237,955,574**	**$ 350,792,033**	**$ 361,179,475**	**$ 310,689,175**	**$ (50,490,300)**	**-14.0%**
TOTAL OUTLAYS**	**$ 518,880,600**	**$ 675,899,849**	**$ 681,578,146**	**$ 688,636,112**	**$ 7,057,966**	**1.0%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 115,725,418	$ 281,491,000	$ 230,414,696	$ 250,309,802	$ 19,895,106	8.6%
Transfers In	1,000,000	26,060,900	1,092,727	9,916,122	8,823,395	807.5%
Transfers Out	(3,161,400)	(3,873,600)	(3,926,700)	(5,032,620)	(1,105,920)	28.2%
TOTAL OTHER SOURCES/(USES)	**$ 113,564,018**	**$ 303,678,300**	**$ 227,580,723**	**$ 255,193,304**	**$ 27,612,581**	**12.1%**
BALANCE AVAILABLE	**$ (75,356,821)**	**$ (55,741,342)**	**$ (70,699,501)**	**$ 18,878,285**	**$ 89,577,786**	**-126.7%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 6,066,971	$ 26,975,131	$ 20,908,160	344.6%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,530,832	3,580,832	50,000	1.4%
WUE State Water Project Tax Reserve	11,398,101	6,352,290	8,816,456	5,801,456	(3,015,000)	-34.2%
WUE Debt Service Reserve	10,239	6,999	-	-	-	0.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	-	-	-	0.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,718,017	22,175	(4,695,842)	-99.5%
Total Restricted Reserves	**$ 104,047,504**	**$ 67,261,334**	**$ 28,409,276**	**$ 41,656,594**	**$ 13,247,318**	**46.6%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ -	$ 1,000,000	$ 1,000,000	$ -	0
Currently Authorized Projects Reserve***	77,455,037	7,124,270	9,248,195	6,699,955	(2,548,240)	-27.6%
Operating and Capital Reserve	47,140,253	49,185,921	56,930,697	65,109,904	8,179,207	14.4%
Total Committed Reserves	**$ 124,595,290**	**$ 56,310,191**	**$ 67,178,892**	**$ 72,809,859**	**$ 5,630,967**	**8.4%**
TOTAL YEAR-END RESERVES	**$ 228,642,794**	**$ 123,571,525**	**$ 95,588,168**	**$ 114,466,453**	**$ 18,878,285**	**19.7%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 64,152,625	$ 67,958,926	$ 67,899,879	$ 73,463,874	$ 5,563,995	8.2%
Salary Savings Factor	-	(1,062,535)	(1,067,733)	(1,137,831)	(70,098)	6.6%
Services & Supplies	134,257,625	156,134,811	133,729,278	156,150,790	22,421,512	16.8%
Intra-District Charges	36,847,794	41,666,692	43,525,869	46,219,306	2,693,438	6.2%
OPERATING OUTLAY TOTAL	**$ 235,258,044**	**$ 264,697,894**	**$ 244,087,293**	**$ 274,696,139**	**$ 30,608,847**	**12.5%**
DEBT SERVICE						
Services & Supplies	$ 924,737	$ 3,490,680	$ 3,017,960	$ 3,153,960	$ 136,000	4.5%
Debt Service	44,742,246	56,919,242	73,293,418	100,096,838	26,803,420	36.6%
DEBT SERVICE TOTAL	**$ 45,666,983**	**$ 60,409,922**	**$ 76,311,378**	**$ 103,250,798**	**$ 26,939,420**	**35.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 26,398,182	$ 31,962,922	$ 35,144,904	$ 34,838,160	$ (306,744)	-0.9%
Salary Savings Factor	-	(518,403)	(572,156)	(560,094)	12,063	-2.1%
Services & Supplies	196,321,983	267,381,825	268,436,524	251,995,385	(16,441,139)	-6.1%
Carry Forward Capital Projects	-	32,524,433	35,724,253	2,548,240	(33,176,013)	-92.9%
Intra-District Charges	15,235,409	19,441,256	22,445,950	21,867,484	(578,466)	-2.6%
CAPITAL PROJECTS TOTAL	**$ 237,955,574**	**$ 350,792,033**	**$ 361,179,475**	**$ 310,689,175**	**$ (50,490,299)**	**-14.0%**
TOTAL OUTLAYS ****	**$ 518,880,601**	**$ 675,899,849**	**$ 681,578,146**	**$ 688,636,112**	**$ 7,057,966**	**1.0%**

(*) 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 amounts may have a slight variance due to rounding

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 207,000 acre-feet (AF) in FY 2023-24 and 222,000 AF in FY 2024-25. This entails operation, maintenance and construction of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 62,701 AF while Valley Water's largest reservoir, Anderson, is offline while its dam is undergoing extensive retrofit
- 17 miles of canals
- Five water supply diversion dams
- 102 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
- A well field

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 2023-24 and FY 2024-25 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 2023-24 is $383.3 million ($355.3 million for Fund 61 and $28.0 million for Fund 63), or 21.1% more than the FY 2022-23 Adopted Budget. FY 2024-25 total revenue is projected at $452.3 million ($423.3 million for Fund 61 and $29.0 million for Fund 63), or an increase of 18.0% from FY 2023-24.

The approved FY 2023-24 water charges will generate $328.6 million in revenues from groundwater production charges and the sale of treated, recycled and surface water totaling 207,000 acre-feet, which is a 7.8% increase versus the FY 2022-23 Adopted Budget. After holding water rates flat with a 0.0% increase for FY 2020-21 in response to the economic hardships caused by the global pandemic, Valley Water raised groundwater production rates approximately 9.1% for Municipal and Industrial groundwater North County W-2 to provide funding for critical infrastructure and operational needs in the FY 2021-22 Adopted Budget. For FY 2022-23, groundwater production charges were raised by 5.2% to 15.0% depending on the benefit zone. The increases were driven by exceptionally high drought management expenses for imported emergency water and conservation activities, the success of those conservation activities lead to reduced water use by water retailers and residents of Santa Clara County, and which correspondingly, lead to a reduction in water revenue. Valley Water fully recovered hydrologically from this historic drought late in FY 2023. Water rate escalations in this Budget for both FY 2023-24 and FY 2024-25 are up to a 14.5% increase depending on the groundwater benefit zone. Water revenue for FY 2024-25 is expected to rebound approximately $76.6 million to $405.1 million based on an estimated 15,000 additional acre-feet of water usage. More information on groundwater charges is found later in this chapter and in the FY 2023-24 Protection and Augmentation of Water Supplies Report.

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2023-24. They total an estimated $37.3 million, of which $27 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 another $10.3 million in ad valorem property taxes recorded in the Water Utility Enterprise Fund (Fund 61) for general use. In FY 2024-25, combined property taxes are projected to increase 3.5% to $38.6 million.

FY 2023-24 revenues also include $10.3 million in capital reimbursements from four main sources – the California Water Commission for the Pacheco Reservoir Expansion Project, the United States Bureau of Reclamation for the South County Recycled Water Pipeline, the Department of Water Resources for the Cross Valley Pipeline, and funds from San Benito County Water District (SBCWD) for small capital improvements on the shared San Felipe Division Reach 1 (SFDR1). The only Capital Reimbursement anticipated for FY 2024-25 is a small reimbursement from SBCWD for shared expenses on SFDR1.

Interest, intergovernmental services and other revenue round out Water Utility Enterprise revenues at $7.2 million for FY 2023-24. For FY 2024-25, budgeted levels increase by $1.4 million primarily due to securing Proposition 1 funding of $0.7 million for conservation activities and an anticipated increase of $0.5 million in interest earnings.

Operating Budget

Operating costs (excluding debt service) for FY 2023-24 are expected to be $244.1 million for both funds. This represents a $20.6 million decrease, or -7.8%, from the FY 2022-23 Adopted Budget. The decrease is primarily attributable to eliminating $17.5 million for emergency water purchases compared to the prior year and a $9.7 million reduction to enhanced conservation programs in response to the historic drought. These reductions are offset by $2.0 million in additional funding for increasing participation in the Los Vaqueros Expansion project, $2.1 million in State Water Project contract costs, and inflationary increases for ongoing expenses such as chemicals and security at water treatment plants and supplies and materials for various maintenance programs. The FY 2024-25 Budget increases to $274.7 million, an increase of $30.6 million compared to FY2023-24. The largest increase is a $12.6 million payment for the recycling Agreement with the City of Palo Alto for salt facility construction, state and federal water purchase costs increase by $5.5 million, Delta Conveyance Gap Funding increases by $5.3 million, Los Vaqueros Expansion project participation costs increase $3.3 million, and a net $4.0 million of inflationary cost increases across many projects.

The cost of contractually obligated water purchases from federal and state water projects in FY 2023-24 and FY 2024-25 continue to be the largest Water Utility Enterprise expense at $16.8 million and $30.3 million, respectively. In addition to operating budget water expenses, the capital budget also includes $12.0 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project. These combined contractually obligated water costs are anticipated to increase approximately 9.4%, or $5.5 million, for FY 2024-25.

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 $15.9 million in FY 2023-24 to $76.3 million, and by an additional $26.9 million in FY 2024-25 to $103.3 million. The debt service coverage ratio is projected at 2.16 and 1.96 for FY 2023-24 and FY 2024-25, respectively, and targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings.

Capital Budget

In FY 2023-24, capital projects are budgeted at $325.5 million and capital carry forward is estimated at $35.7 million bringing total planned capital spending to $361.2 million. This is a $10.4 million increase, or 3.0%, over the prior year and represents the largest single year capital budget in the Water Utility Enterprise Fund's history. The increase is primarily attributed to the construction of the Anderson Dam related Coyote Creek Management Measures, the Rinconada Water Treatment Plant Reliability Improvement Project, and the 10-Year Pipeline Project for the Santa Clara Conduit Rehabilitation (Phase 2) and Snell Pipeline Rehabilitation. For FY 2024-25, $308.1 million in planned funding is anticipated with an additional capital carry forward of $2.5 million for a total planned budget of $310.6 million. More information about Valley Water's Capital Program can be found in the FY 2024-28 Capital Improvement Program.

Debt Financing and Interfund Transfers

Staff is planning debt issuances in FY 2023-24 of $230.4 million and in FY 2024-25 of $250.3 million to help finance critical investments in major water supply infrastructure projects.

For FY 2023-24, interfund transfers into the Water Utility Enterprise Fund total $1.1 million for conservation programs, and transfers out total $3.9 million primarily for IT equipment. Transfers in planned for FY 2024-25 total $9.9 million to contribute to funding for the Anderson Dam Seismic Retrofit Project ($6.3 million), the open space credit ($2.5 million), and conservation programs ($1.1 million) while transfers out to other funds total $5.0 million primarily for IT equipment.

Reserves

Total FY 2023-24 ending reserves for both funds (Fund 61 and 63) are projected to be $95.6 million, a decrease of $28 million relative to the FY 2022-23 Adopted Budget. Given financial constraints while recovering from the severe drought conditions experienced until very recently, and to avoid any impact to previously developed groundwater production charges and debt coverage constraints, the FY 2023-24 budget draws down the Rate Stabilization reserve from $42.5 million to $6.1 million. For FY 2024-25, reserves are projected to begin to recover rising by $18.9 million to $114.5 million total.

Positions

During FY 2022-23, 1.0 full-time equivalent (FTE) Senior Management Analyst position was transferred from the Dam Safety and Capital Delivery Division to provide needed immediate analytical support and support for the $86 million planned for capital projects managed by the Water Utility Capital Division in the upcoming year. A net of 4.0 FTEs are added in the FY 2023-24 Adopted Budget: 2.0 FTE Resident Construction Inspectors to provide capital projects inspection services; 1.0 Associate Civil Engineer to support the Rinconada and Penitencia water treatment plants residuals remediation projects coming on line; 2.0 Apprentices to kick-start a formal Instrument Systems Control Technician apprentice program; and, the reduction of 1.0 Fellow. Last, 1.0 executive management position was transferred from the Water Supply Division to External Affairs, an office outside of the Water Utility. These additions and transfers increase the net total positions in the Water Utility organization by four from 301 to 305 FTE regular positions. Additionally, there are 3.0 Limited Term positions.

The Water Utility Enterprise Fund also provides resources for positions directly supporting the Utility in other Valley Water departments. This year, 1.0 Management Analyst was added to the Treasury and Debt Management Office to support the grants management program. Fifty percent of funding for the position is provided by the WUE Fund.

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.

- Operate 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.
- Continue 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, to enact additional interim risk reduction measures to ensure public safety prior to the start of construction. These measures included: revising the level of the reservoir seismic restriction, identifying and executing all activities necessary to safely keep the reservoir at dead-pool, expediting construction of the low-level outlet tunnel, and quickly advancing design and permitting of the overall Seismic Retrofit Project.

- Coordinate the Anderson Dam Seismic Retrofit Project with the Fish Habitat Restoration Plan (including the FAHCE Coyote Creek Phase 1 measures, and the adaptive management program) as well as the response to comments and completion of the Final EIR for the FAHCE Two Creeks (Guadalupe and Stevens Creek) and the three creeks water rights change petitions to the State Water Board.
- Continue seismic retrofit design of Calero and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- In conjunction with the San Benito County Water District and Pacheco Pass Water District, continue to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County. The Project is envisioned to expand the 5,500 acre-foot reservoir to 140,000 acre-feet, thereby increasing water reliability by reducing the frequency and severity of water shortages, increasing emergency water supplies, improving water quality, providing flood protection for disadvantaged communities, and protecting and growing the native steelhead fish population.
- Continue seismic retrofit design of Calero and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Initiate the next construction phases of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Award construction contracts of the 10-Year Pipeline Project for Santa Clara Conduit Rehabilitation Project, Almaden Valley Pipeline Rehabilitation Project, and Snell Pipeline Rehabilitation.
- Meet or surpass all applicable drinking water standards and deliver over 110,000 acre-feet of water to fulfill treated water contracts by operating Rinconada, Penitencia, and Santa Teresa water treatment plants and continuing to deliver treated water under supply chain and source water quality challenges.
- Coordinate with the SFPUC the emergency operations of the SFPUC/Valley Water Intertie to supplement treated water delivery needed during outages.
- In conjunction with South Bay Water Recycling program, continue to operate the Silicon Valley Advanced Water Purification Center to enhance the quality and promote use of recycled water.
- Continue to develop necessary indirect potable reuse implementation project agreements with the City of Palo Alto.
- Continue to develop and implement purified water supply systems agreements with other wastewater agency partners to develop and enhance long-term supply reliability, including implementation of potable reuse.
- Participate in the planning, evaluation, and negotiation of agreements for storage projects like Sites and Los Vaqueros reservoirs. This includes evaluation of potential benefits to Valley Water as well as seeking funding opportunities to offset potential Valley Water expenses.
- Continue to resolve issues and pursue regulatory actions conducive to the best possible opportunity for Valley Water to participate in the California Delta Conveyance Project.
- Continue to explore and evaluate out-of-county groundwater banking projects for potential investment.
- Complete the drought response plan to ensure the most operationally sound and cost effective responses to future droughts.

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's two main groundwater production charges are for Municipal and Industrial (M&I) and Agricultural use. The FY 2023-24 Budget includes a North County (Zone W-2) M&I groundwater production charge of $1,974 per acre-foot (AF) that reflects a 14.5% increase from FY 2022- 23 Adopted Budget. A 13.6% increase to contract treated water charges, or $2,089 per AF, and a 13.0% increase to non-contract treated water, or $2,174 per AF, also are included in this budget. In FY 2024-25, the Zone W-2 M&I rate reflects a 14.5% increase, a 13.7% increase for contract treated water charges and a 13.2% increase for non-contract treated water charges when compared to FY 2023-24.

Maintaining the contract treated water surcharge at $115 per AF in both FY 2023-24 and FY 2024-25 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 2023-24 and FY 2024-25. The average household in Zone W-2 would experience an increase in their monthly bill of around $8.61 in FY 2023-24. Customers may also experience additional charge increases enacted by their retail water provider.

The FY 2023-24 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 5.9% increase over the prior year, or $543.50 per AF. The average household in this zone would experience an increase in their monthly bill of $1.05. The Coyote Valley (Zone W-7) M&I groundwater production charge reflects a 12.9% increase from the prior year, or $657.50 per AF. The average household in this zone would experience an increase in their monthly bill of $2.58. 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 $398.00 per AF. The average household in this zone would experience an increase in their monthly bill of $1.02. For all zones in the South County region (W-5, W-7 and W-8), the rate increase in FY 2024-25 is the same as FY 2023-24.

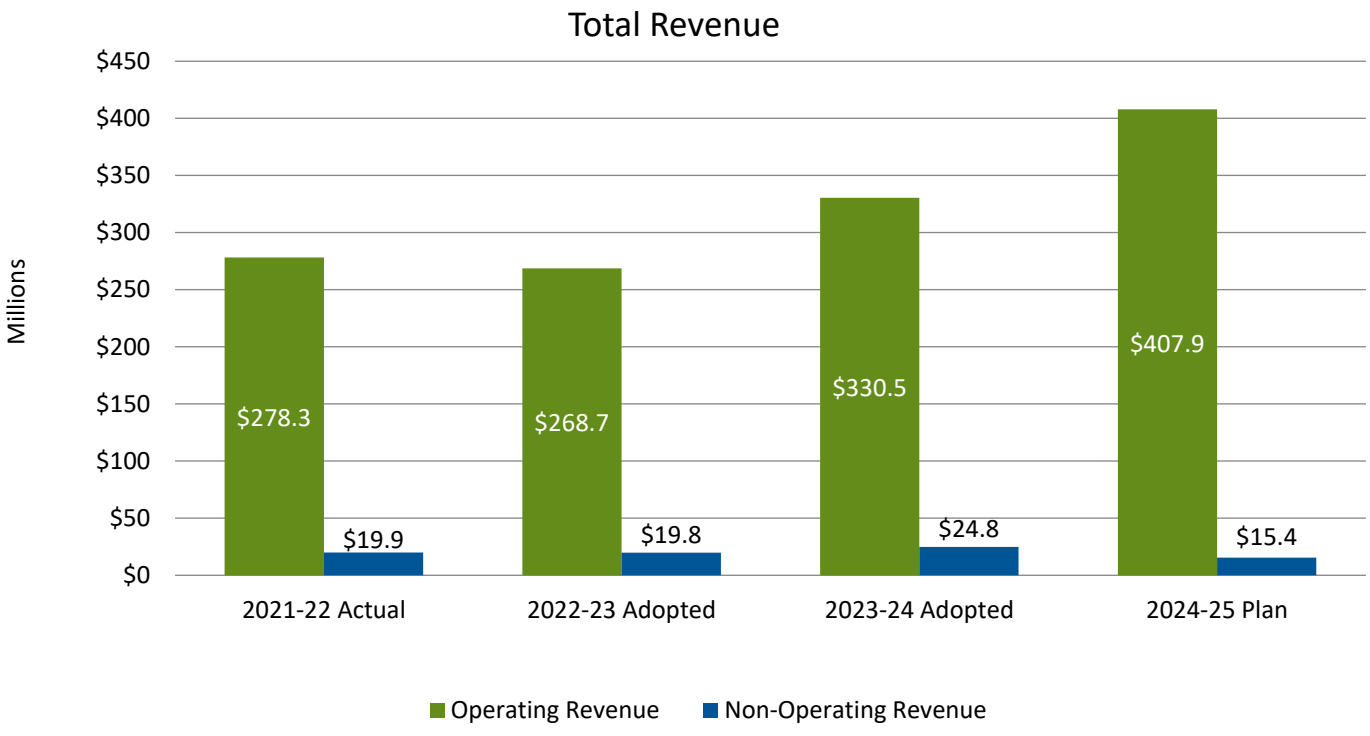
The agricultural groundwater production charge in any groundwater benefit zone for FY 2023-24 is $36.85 per AF, which is the same as the prior year per Board direction. The agricultural groundwater production charge is usually calculated at 10% of the lowest M&I charge which is Zone W-8. This methodology is anticipated to be followed for FY 2024-25. The surface water master charge increased 14.6% from $47.10 per AF to $54.00 per AF in FY 2023-24 to help align revenues with the costs related to managing, operating and billing for surface water diversions. The same rate increase of 14.6% is projected for FY 2024-25.

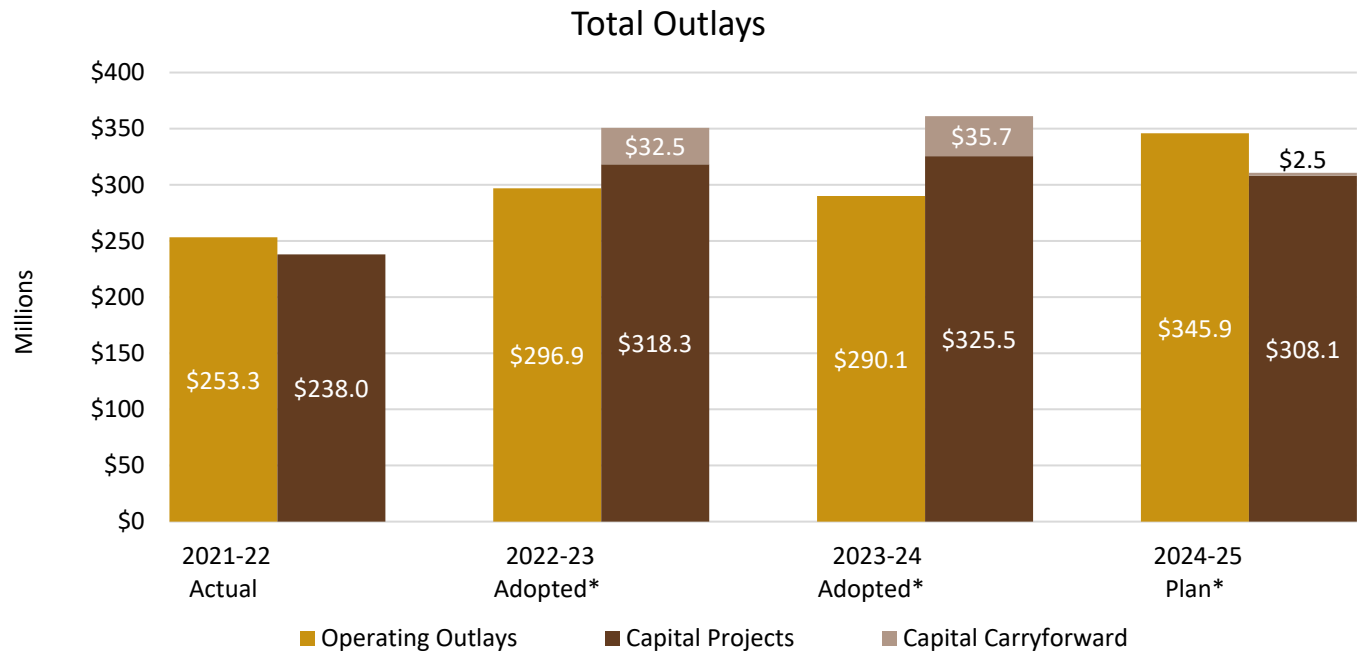
For recycled water in FY 2023-24, the M&I charge increased 6.2% to $523.50 per AF. Agricultural recycled water increased 4.6% to $67.20 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water. Rate increases for FY 2024-25 are also expected to be the same as FY 2023-24.

With the end of the drought in Santa Clara County, the FY 2023-24 water use estimate of 207,000 AF represents a 15,000 AF increase, or 7.8%, compared to the FY 2022-23 adopted water budget usage amount of 192,000 AF. The FY 2024-25 water use estimate increases to 222,000 AF, based on the assumption that water use will rebound to pre-drought levels over time.

A table with historical and current water charges is included in the pages that follow, and more information on groundwater charges can be found in the FY 2023-24 Production and Augmentation of Water Supplies (PAWS) Annual Report. While presented for two years as part of the rolling biennial budget, water charges are analyzed and adopted on an annual basis.

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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	121,199,000	$ 150,871,000	$ 28,869,000	23.7%
Treated Water Charges	145,365,475	139,746,000	139,194,000	174,081,000	34,335,000	24.6%
Surface & Recycled Water Charges	2,003,338	3,207,000	3,207,000	3,613,000	406,000	12.7%
Intergovernmental Services	5,340,252	3,267,274	1,352,294	1,424,295	(1,842,979)	-56.4%
Operating Other	514,860	481,415	481,415	481,415	-	0.0%
Total Operating Revenue	**$ 278,253,354**	**$ 268,703,689**	**265,433,709**	**$ 330,470,710**	**$ 61,767,021**	**23.0%**
Non-Operating Revenue						
Property Tax	$ 9,653,085	$ 9,435,263	9,999,800	$ 10,314,710	$ 879,447	9.3%
Capital Reimbursements	5,609,159	7,305,000	9,936,000	10,266,000	2,961,000	40.5%
Interest Income *	3,509,629	2,731,500	3,100,000	3,125,000	393,500	14.4%
Non-Operating Other	1,130,747	304,755	1,113,351	1,121,502	816,747	268.0%
Total Non-Operating Revenue	**$ 19,902,620**	**$ 19,776,518**	**24,149,151**	**$ 24,827,212**	**$ 5,050,694**	**25.5%**
TOTAL REVENUE	**$ 298,155,974**	**$ 288,480,207**	**289,582,860**	**$ 355,297,922**	**$ 66,817,715**	**23.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 207,371,247	$ 236,096,920	249,259,494	$ 213,388,640	$ (22,708,280)	-9.6%
Operating Project	263,049	344,329	344,329	373,653	29,324	8.5%
Debt Service	45,666,983	60,409,922	56,574,422	76,311,378	15,901,456	26.3%
Total Operating Outlays	**$ 253,301,279**	**$ 296,851,171**	**306,178,245**	**$ 290,073,671**	**$ (6,777,500)**	**-2.3%**
Capital Outlays						
Capital Projects	$ 237,955,574	$ 318,267,600	353,115,805	$ 325,455,222	$ 7,187,622	2.3%
Carry Forward Capital Projects	-	32,524,433	-	35,724,253	3,199,820	9.8%
Total Capital Outlays	**$ 237,955,574**	**$ 350,792,033**	**353,115,805**	**$ 361,179,475**	**$ 10,387,442**	**3.0%**
TOTAL OUTLAYS**	**$ 491,256,853**	**$ 647,643,204**	**659,294,050**	**$ 651,253,146**	**$ 3,609,942**	**0.6%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 115,725,418	$ 281,491,000	285,425,410	$ 230,414,696	$ (51,076,304)	-18.1%
Transfers In	1,000,000	26,060,900	26,060,900	1,092,727	(24,968,173)	-95.8%
Transfers Out	(3,161,400)	(3,873,600)	(3,873,600)	(3,926,700)	(53,100)	1.4%
TOTAL OTHER SOURCES/(USES)	**$ 113,564,018**	**$ 303,678,300**	**307,612,710**	**$ 227,580,723**	**$ (76,097,577)**	**-25.1%**
BALANCE AVAILABLE	**$ (79,536,861)**	**$ (55,484,697)**	**(62,098,480)**	**$ (68,374,501)**	**$ (12,889,804)**	**23.2%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	41,066,971	$ 6,066,971	$ (36,409,167)	-85.7%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,480,832	3,530,832	120,747	3.5%
WUE Debt Service Reserve	10,239	6,999	10,239	-	(6,999)	-100.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	1,298,138	-	(908,138)	-100.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,581,693	4,718,017	(4,112,667)	-46.6%
Total Restricted Reserves	**$ 92,649,403**	**$ 60,909,044**	**55,714,873**	**$ 19,592,820**	**$ (41,316,224)**	**-67.8%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ -	-	$ 1,000,000	$ 1,000,000	0.0%
Currently Authorized Projects Reserve***	77,455,037	7,124,270	50,628,057	9,248,195	2,123,925	29.8%
Operating and Capital Reserve	47,140,253	49,185,921	48,803,283	56,930,697	7,744,776	15.7%
Total Committed Reserves	**$ 124,595,290**	**$ 56,310,191**	**99,431,340**	**$ 67,178,892**	**$ 9,868,701**	**17.5%**
TOTAL YEAR-END RESERVES	**$ 217,244,693**	**$ 117,219,235**	**155,146,213**	**$ 86,771,712**	**$ (30,447,523)**	**-26.0%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 64,152,625	$ 67,958,926	67,958,926	$ 67,899,879	$ (59,047)	-0.1%
Salary Savings Factor	-	(1,062,535)	(1,062,535)	(1,067,733)	(5,198)	0.5%
Services & Supplies	106,633,878	127,878,166	141,040,740	103,404,278	(24,473,888)	-19.1%
Intra-District Charges	36,847,794	41,666,692	41,666,692	43,525,869	1,859,177	4.5%
OPERATING OUTLAY TOTAL	$ **207,634,297**	$ **236,441,249**	**249,603,823**	$ **213,762,293**	$ **(22,678,956)**	**-9.6%**
DEBT SERVICE						
Services & Supplies	$ 924,737	$ 3,490,680	3,490,680	$ 3,017,960	$ (472,720)	-13.5%
Debt Service	44,742,246	56,919,242	53,083,742	73,293,418	16,374,176	28.8%
DEBT SERVICE TOTAL	$ **45,666,983**	$ **60,409,922**	**56,574,422**	$ **76,311,378**	$ **15,901,456**	**26.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 26,398,182	$ 31,962,922	31,962,922	$ 35,144,904	$ 3,181,982	10.0%
Salary Savings Factor	-	(518,403)	(518,403)	(572,156)	(53,753)	10.4%
Services & Supplies	196,321,983	267,381,825	302,230,030	268,436,524	1,054,699	0.4%
Carry Forward Capital Projects	-	32,524,433	-	35,724,253	3,199,820	9.8%
Intra-District Charges	15,235,409	19,441,256	19,441,256	22,445,950	3,004,694	15.5%
CAPITAL PROJECTS TOTAL	$ **237,955,574**	$ **350,792,033**	**353,115,805**	$ **361,179,475**	$ **10,387,442**	**3.0%**
TOTAL OUTLAYS ****	$ **491,256,854**	$ **647,643,204**	**659,294,050**	$ **651,253,146**	$ **3,609,942**	**0.6%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 125,029,429	$ 122,002,000	$ 150,871,000	$ 186,506,000	$ 35,635,000	23.6%
Treated Water Charges	145,365,475	139,746,000	174,081,000	214,524,000	40,443,000	23.2%
Surface & Recycled Water Charges	2,003,338	3,207,000	3,613,000	4,088,000	475,000	13.1%
Intergovernmental Services	5,340,252	3,267,274	1,424,295	2,294,595	870,300	61.1%
Operating Other	514,860	481,415	481,415	481,415	-	0.0%
Total Operating Revenue	**$ 278,253,354**	**$ 268,703,689**	**$ 330,470,710**	**$ 407,894,010**	**$ 77,423,300**	**23.4%**
Non-Operating Revenue						
Property Tax	9,653,085	$ 9,435,263	$ 10,314,710	$ 10,604,045	$ 289,335	2.8%
Capital Reimbursements	$ 5,609,159	7,305,000	10,266,000	41,000	(10,225,000)	-99.6%
Interest Income *	3,509,629	2,731,500	3,125,000	3,652,000	527,000	16.9%
Non-Operating Other	1,130,747	304,755	1,121,502	1,130,038	8,536	0.8%
Total Non-Operating Revenue	**$ 19,902,620**	**$ 19,776,518**	**$ 24,827,212**	**$ 15,427,083**	**$ (9,400,129)**	**-37.9%**
TOTAL REVENUE	**$ 298,155,974**	**$ 288,480,207**	**$ 355,297,922**	**$ 423,321,093**	**$ 68,023,171**	**19.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 207,371,247	$ 236,096,920	$ 213,388,640	$ 242,291,605	$ 28,902,965	13.5%
Operating Project	263,049	344,329	373,653	389,534	15,881	4.3%
Debt Service	45,666,983	60,409,922	76,311,378	103,250,798	26,939,420	35.3%
Total Operating Outlays	**$ 253,301,279**	**$ 296,851,171**	**$ 290,073,671**	**$ 345,931,937**	**$ 55,858,266**	**19.3%**
Capital Outlays						
Capital Projects	$ 237,955,574	$ 318,267,600	$ 325,455,222	$ 308,140,935	$ (17,314,286)	-5.3%
Carry Forward Capital Projects	-	32,524,433	35,724,253	2,548,240	(33,176,013)	-92.9%
Total Capital Outlays	**$ 237,955,574**	**$ 350,792,033**	**$ 361,179,475**	**$ 310,689,175**	**$ (50,490,300)**	**-14.0%**
TOTAL OUTLAYS**	**$ 491,256,853**	**$ 647,643,204**	**$ 651,253,146**	**$ 656,621,112**	**$ 5,367,966**	**0.8%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 115,725,418	$ 281,491,000	$ 230,414,696	$ 250,309,802	$ 19,895,106	8.6%
Transfers In	1,000,000	26,060,900	1,092,727	9,916,122	8,823,395	807.5%
Transfers Out	(3,161,400)	(3,873,600)	(3,926,700)	(5,032,620)	(1,105,920)	28.2%
TOTAL OTHER SOURCES/(USES)	**$ 113,564,018**	**$ 303,678,300**	**$ 227,580,723**	**$ 255,193,304**	**$ 27,612,581**	**12.1%**
BALANCE AVAILABLE	**$ (79,536,861)**	**$ (55,484,697)**	**$ (68,374,501)**	**$ 21,893,285**	**$ 90,267,786**	**-132.0%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 54,069,620	$ 42,476,138	$ 6,066,971	$ 26,975,131	$ 20,908,160	344.6%
WUE San Felipe Emergency Reserve	3,430,832	3,410,085	3,530,832	3,580,832	50,000	1.4%
WUE Debt Service Reserve	10,239	6,999	-	-	-	0.0%
WUE Supplemental Water Supply Reserve	7,877,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	908,138	-	-	-	0.0%
WUE Drought Reserve	10,000,000	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	15,963,574	8,830,684	4,718,017	22,175	(4,695,842)	-99.5%
Total Restricted Reserves	**$ 92,649,403**	**$ 60,909,044**	**$ 19,592,820**	**$ 35,855,138**	**$ 16,262,318**	**83.0%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ -	$ 1,000,000	$ 1,000,000	$ -	0.0%
Currently Authorized Projects Reserve***	77,455,037	7,124,270	9,248,195	6,699,955	(2,548,240)	-27.6%
Operating and Capital Reserve	47,140,253	49,185,921	56,930,697	65,109,904	8,179,207	14.4%
Total Committed Reserves	**$ 124,595,290**	**$ 56,310,191**	**$ 67,178,892**	**$ 72,809,859**	**$ 5,630,967**	**8.4%**
TOTAL YEAR-END RESERVES	**$ 217,244,693**	**$ 117,219,235**	**$ 86,771,712**	**$ 108,664,997**	**$ 21,893,285**	**25.2%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 64,152,625	$ 67,958,926	$ 67,899,879	$ 73,463,874	$ 5,563,995	8.2%
Salary Savings Factor	-	(1,062,535)	(1,067,733)	(1,137,831)	(70,098)	6.6%
Services & Supplies	106,633,878	127,878,166	103,404,278	124,135,790	20,731,512	20.0%
Intra-District Charges	36,847,794	41,666,692	43,525,869	46,219,306	2,693,438	6.2%
OPERATING OUTLAY TOTAL	**$ 207,634,297**	**$ 236,441,249**	**$ 213,762,293**	**$ 242,681,139**	**$ 28,918,846**	**13.5%**
DEBT SERVICE						
Services & Supplies	$ 924,737	$ 3,490,680	$ 3,017,960	$ 3,153,960	$ 136,000	4.5%
Debt Service	44,742,246	56,919,242	73,293,418	100,096,838	26,803,420	36.6%
DEBT SERVICE TOTAL	**$ 45,666,983**	**$ 60,409,922**	**$ 76,311,378**	**$ 103,250,798**	**$ 26,939,420**	**35.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 26,398,182	$ 31,962,922	$ 35,144,904	$ 34,838,160	$ (306,744)	-0.9%
Salary Savings Factor	-	(518,403)	(572,156)	(560,094)	12,063	-2.1%
Services & Supplies	196,321,983	267,381,825	268,436,524	251,995,385	(16,441,139)	-6.1%
Carry Forward Capital Projects	-	32,524,433	35,724,253	2,548,240	(33,176,013)	-92.9%
Intra-District Charges	15,235,409	19,441,256	22,445,950	21,867,484	(578,466)	-2.6%
CAPITAL PROJECTS TOTAL	**$ 237,955,574**	**$ 350,792,033**	**$ 361,179,475**	**$ 310,689,175**	**$ (50,490,300)**	**-14.0%**
TOTAL OUTLAYS ****	**$ 491,256,854**	**$ 647,643,204**	**$ 651,253,146**	**$ 656,621,112**	**$ 5,367,966**	**0.8%**

(*) 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 amounts may have a slight variance due to rounding

Water Utility Water Charge Summary

Rate per Acre-Foot ($/AF)	Adopted 2020-21	Adopted 2021-22	Adopted 2022-23	Adopted 2023-24	Projected [1] 2024-25
Basic User / Groundwater Production Charge					
Non-Agricultural					
Zone W-2	$ 1,374.00	$ 1,499.00	$ 1,724.00	$ 1,974.00	$ 2,260.00
Zone W-5	467.00	488.00	513.00	543.50	576.00
Zone W-7	481.00	528.50	582.50	657.50	742.50
Zone W-8	327.00	341.50	368.50	398.00	430.00
Agricultural					
All Zones	$ 28.86	$ 34.15	$ 36.85	$ 36.85	$ 43.00
Surface Water[2]					
Surface Water Master Charge	$ 37.50	$ 40.90	$ 47.10	$ 54.00	$ 61.90
Total Surface Water Charge[2]					
All Zones Agricultural	$ 66.36	$ 75.05	$ 83.95	$ 90.85	$ 104.90
Zone W-2 Non-Agricultural	1,411.50	1,539.90	1,771.10	2,028.00	2,321.90
Zone W-5 Non-Agricultural	504.50	528.90	560.10	597.50	637.90
Zone W-7 Non-Agricultural	518.50	569.40	629.60	711.50	804.40
Zone W-8 Non-Agricultural	364.50	382.40	415.60	452.00	491.90
Treated Water					
Contract (Scheduled)[3]	$ 1,474.00	$ 1,614.00	$ 1,839.00	$ 2,089.00	$ 2,375.00
Non-Contract[4]	1,574.00	1,699.00	1,924.00	2,174.00	2,460.00
Recycled Water					
Gilroy Recycled Facility					
Agricultural	$ 56.26	$ 61.55	$ 64.25	$ 67.20	$ 70.35
Non-Agricultural	447.00	468.00	493.00	523.50	556.00

1.Water charges are adopted by the Board annually. The projected FY 2024-25 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 in FY 2022-23 and FY 2023-24 and FY 2024-25, $100/AF in years prior)

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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 140,372,371	$ 157,366,706	$ 170,184,280	$ 133,567,740	$ (23,798,966)	-15.1%
Capital	160,847,619	247,342,222	247,362,222	244,330,959	(3,011,263)	-1.2%
Total	**$ 301,219,990**	**$ 404,708,928**	**$ 417,546,502**	**$ 377,898,699**	**$ (26,810,229)**	**-6.6%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 17,515,969	$ 17,750,696	$ 18,020,696	$ 17,589,534	$ (161,163)	-0.9%
Capital	3,784,989	2,857,876	2,857,876	2,772,201	(85,675)	-3.0%
Total	**$ 21,300,958**	**$ 20,608,573**	**$ 20,878,573**	**$ 20,361,735**	**$ (246,838)**	**-1.2%**
WATER TREATMENT						
Operations	$ 46,076,405	$ 51,860,553	$ 51,860,553	$ 52,567,528	$ 706,975	1.4%
Capital	41,559,855	39,537,498	45,408,498	37,060,639	(2,476,859)	-6.3%
Total	**$ 87,636,260**	**$ 91,398,051**	**$ 97,269,051**	**$ 89,628,167**	**$ (1,769,884)**	**-1.9%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	2,462,299	2,999,680	2,999,680	2,898,928	(100,752)	-3.4%
Capital	282,855	296,880	296,880	887,018	590,138	198.8%
Total	**$ 2,745,154**	**$ 3,296,560**	**$ 3,296,560**	**$ 3,785,946**	**$ 489,386**	**14.8%**
ADMINISTRATION & GENERAL						
Operations	$ 28,567,950	$ 34,375,929	$ 34,450,929	$ 37,089,910	$ 2,713,981	7.9%
Operating Projects	263,049	344,329	344,329	373,653	29,324	8.5%
Debt	45,666,983	60,409,922	56,574,422	76,311,378	15,901,456	26.3%
Capital	31,480,256	28,233,124	30,361,124	40,404,405	12,171,282	43.1%
Total	**$ 105,978,238**	**$ 123,363,304**	**$ 121,730,804**	**$ 154,179,346**	**$ 30,816,042**	**25.0%**
TOTAL WATER ENTERPRISE FUND	**$ 518,880,600**	**$ 643,375,416**	**$ 660,721,490**	**$ 645,853,893**	**$ 2,478,477**	**0.4%**
Carried Forward Capital Projects	**$** -	$ 32,524,433	$ 26,829,205	**$** 35,724,253	$ 3,199,820	9.8%
TOTAL FUND WITH CARRYFORWARD	**$ 518,880,600**	**$ 675,899,849**	**$ 687,550,695**	**$ 681,578,146**	**$ 5,678,297**	**0.8%**
FUND SUMMARY BY CATEGORY						
Operations	$ 234,994,994	$ 264,353,565	$ 277,516,139	$ 243,713,640	$ (20,639,925)	-7.8%
Operating Projects	263,049	344,329	344,329	373,653	29,324	8.5%
Debt	45,666,983	60,409,922	56,574,422	76,311,378	15,901,456	26.3%
Capital	237,955,574	318,267,600	326,286,600	325,455,222	7,187,622	2.3%
Carried Forward Capital Projects	-	32,524,433	26,829,205	35,724,253	3,199,820	9.8%
TOTAL WATER ENTERPRISE FUND	**$ 518,880,600**	**$ 675,899,849**	**$ 687,550,695**	**$ 681,578,146**	**$ 5,678,297**	**0.8%**

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 140,372,371	$ 157,366,706	$ 133,567,740	$ 159,453,590	$ 25,885,850	19.4%
Capital	160,847,619	247,342,222	244,330,959	172,067,292	(72,263,666)	-29.6%
Total	**$ 301,219,990**	**$ 404,708,928**	**$ 377,898,699**	**$ 331,520,882**	**$ (46,377,816)**	**-12.3%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 17,515,969	$ 17,750,696	$ 17,589,534	$ 18,378,395	$ 788,861	4.5%
Capital	3,784,989	2,857,876	2,772,201	13,987,077	11,214,876	404.5%
Total	**$ 21,300,958**	**$ 20,608,573**	**$ 20,361,735**	**$ 32,365,472**	**$ 12,003,737**	**59.0%**
WATER TREATMENT						
Operations	$ 46,076,405	$ 51,860,553	$ 52,567,528	$ 54,760,327	$ 2,192,799	4.2%
Capital	41,559,855	39,537,498	37,060,639	92,295,188	55,234,550	149.0%
Total	**$ 87,636,260**	**$ 91,398,051**	**$ 89,628,167**	**$ 147,055,516**	**$ 57,427,349**	**64.1%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 2,462,299	$ 2,999,680	$ 2,898,928	$ 3,185,312	$ 286,384	9.9%
Capital	282,855	296,880	887,018	2,508,654	1,621,636	182.8%
Total	**$ 2,745,154**	**$ 3,296,560**	**$ 3,785,946**	**$ 5,693,966**	**$ 1,908,020**	**50.4%**
ADMINISTRATION & GENERAL						
Operations	$ 28,567,950	$ 34,375,929	$ 37,089,910	$ 38,528,982	$ 1,439,072	3.9%
Operating Projects	263,049	344,329	373,653	389,534	15,881	4.3%
Debt	45,666,983	60,409,922	76,311,378	103,250,798	26,939,420	35.3%
Capital	31,480,256	28,233,124	40,404,405	27,282,724	(13,121,681)	-32.5%
Total	**$ 105,978,238**	**$ 123,363,304**	**$ 154,179,346**	**$ 169,452,037**	**$ 15,272,691**	**9.9%**
TOTAL WATER ENTERPRISE FUND	**$ 518,880,600**	**$ 643,375,415**	**$ 645,853,893**	**$ 686,087,873**	**$ 40,233,980**	**6.2%**
Carried Forward Capital Projects	**$** -	$ 32,524,433	**$** 35,724,253	$ 2,548,240	$ (33,176,013)	-92.9%
TOTAL FUND WITH CARRYFORWARD	**$ 518,880,600**	**$ 675,899,848**	**$ 681,578,146**	**$ 688,636,113**	**$ 7,057,967**	**1.0%**
FUND SUMMARY BY CATEGORY						
Operations	$ 234,994,994	$ 264,353,565	$ 243,713,640	$ 274,306,605	$ 30,592,965	12.6%
Operating Projects	263,049	344,329	373,653	389,534	15,881	4.3%
Debt	45,666,983	60,409,922	76,311,378	103,250,798	26,939,420	35.3%
Capital	237,955,574	318,267,600	325,455,222	308,140,935	(17,314,286)	-5.3%
Carried Forward Capital Projects	-	32,524,433	35,724,253	2,548,240	(33,176,013)	-92.9%
TOTAL WATER ENTERPRISE FUND	**$ 518,880,600**	**$ 675,899,850**	**$ 681,578,146**	**$ 688,636,113**	**$ 7,057,967**	**1.0%**

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
91041012	Water Operations Planning	616,031	561,148	500,363	520,192	Raw Water Division
91041018	Groundwater Management Program	5,643,170	5,465,683	5,692,612	5,997,414	Raw Water Division
91061012	Facilities Env Compliance	48,018	45,947	48,298	50,492	Emergency, Safety and Security Division
91081007	Dam Safety Program	1,857,300	2,090,678	2,426,976	2,316,109	Dam Safety and Capital Delivery Division
91101004	Recycled & Purified Water Prog	4,280,538	5,880,216	5,872,494	5,943,871	Water Supply Division
91111001	Water Rights	606,986	816,717	740,473	749,813	Raw Water Division
91131004	Imported Water Program	4,584,462	5,651,871	5,939,651	6,172,585	Water Supply Division
91131006	IW San Felipe Division Delvrs	17,467,543	28,244,711	18,717,739	22,631,792	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	29,551,090	9,746,728	5,068,845	6,526,586	Water Supply Division
91151001	Water Conservation Program	7,847,057	11,547,086	12,088,726	12,275,010	Water Supply Division
91151011	Water Conservation Campaign	500	–	–	–	Office of the CEA
91151012	Recycld/PurifiedWaterPublicEng	828,829	1,224,529	1,266,950	1,315,870	Office of the CEA
91151013	Water Banking Operations	12,234,601	13,344,604	5,881,785	6,475,350	Water Supply Division
91151014	GP5 Reimbursement Program	–	4,355,000	4,581,693	4,718,017	Water Supply Division
91211004	San Felipe Reach 1 Operation	658,312	745,889	776,015	803,376	Raw Water Division
91211005	SFD Reach 1 Administration	3,496	12,086	10,872	11,663	Raw Water Division
91211084	San Felipe Reach1 Ctrl and Ele	406,007	463,921	370,257	386,059	Treated Water Division
91211085	SF Reach 1-Engineering - Other	286,767	527,548	589,276	393,607	Raw Water Division
91211099	San Felipe Reach 1 Gen Maint	887,227	1,000,025	1,019,147	1,061,951	Raw Water Division
91221002	San Felipe Reach 2 Operation	63,788	78,686	80,734	84,122	Raw Water Division

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
91221006	SF Reach 2-Engineering - Other	128,986	235,069	280,572	355,983	Raw Water Division
91221099	San Felipe Reach 2 Gen Maint	817,722	159,594	161,714	167,626	Raw Water Division
91231002	San Felipe Reach 3 Operation	110,864	310,537	329,113	339,198	Raw Water Division
91231084	San Felipe Reach3 Ctrl and Ele	331,933	293,835	243,004	233,360	Treated Water Division
91231085	SF Reach 3-Engineering - Other	25,294	138,206	608,987	433,687	Raw Water Division
91231099	San Felipe Reach 3 Gen Maint	629,900	1,298,342	1,343,082	1,395,307	Raw Water Division
91241001	Wolfe Road Recycled Water Facility	168,415	150,000	206,000	206,000	Treated Water Division
91281007	SVAWPC Facility Operations	3,232,326	2,984,989	3,689,877	3,582,175	Treated Water Division
91281008	SVAWPC Facility Maintenance	2,370,973	3,142,016	3,891,164	3,312,081	Treated Water Division
91441003	Desalination	8,474	67,478	75,995	84,315	Water Supply Division
91451002	Well Ordinance Program	2,248,258	2,354,253	2,387,784	2,640,371	Raw Water Division
91451005	Source Water Quality Mgmt	371,990	395,615	413,377	437,402	Treated Water Division
91451011	Invasive Mussel Prevention	596,686	716,680	794,510	803,673	Treated Water Division
91601001	Delta Conveyance Project	2,551,933	2,813,897	3,679,178	8,936,091	Water Supply Division
91761001	Local Res/Div Plan & Analysis	2,426,303	2,452,753	2,383,516	2,381,876	Raw Water Division
91761013	SCADA Systems Upgrades	82,752	130,248	–	–	Treated Water Division
91761099	Dams / Reservoir Gen Maint	1,535,967	3,423,595	3,455,058	3,582,584	Dam Safety and Capital Delivery Division
91951001	San Luis Low Point Improvement	41,889	43,341	44,587	46,768	Dam Safety and Capital Delivery Division
91261001	PaloAlto Water Reuse Agreement	2,500,000	2,618,000	1,732,000	14,346,000	Water Supply Division
91181001	Water Recycling - General	1,275	–	–	–	Water Supply Division
91061008	Drought Emergency	4,076,432	13,141,074	3,418,048	58,044	Water Supply Division

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
91251001	Los Vaqueros Reservoir Expansion	618,533	1,500,000	3,500,000	6,800,000	Water Supply Division
Total Operations		**112,748,624**	**129,110,061**	**103,242,740**	**127,438,590**	
Capital						
91084019	Dam Safety Seismic Stability	275,162	417,838	127,162	313,992	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	1,540,131	–	–	–	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water	110,920	3,259,810	3,009,520	–	Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	15,163,405	6,794,961	379,146	–	Water Utility Capital Division
91094010	So. County Recycled Water Fund	37,215	511,387	–	24,351	Water Supply Division
91214010	Small Caps, San Felipe R1	1,556,000	3,821,386	2,072,371	966,741	Raw Water Division
91224010	Small Caps, San Felipe R2	158,382	–	–	–	Raw Water Division
91234002	Coyote Pumping Plant ASD	773,683	9,293,283	13,060,226	1,114,682	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	782,390	2,360,000	4,932,941	209,413	Raw Water Division
91234011	Coyote Warehouse	88,409	126,366	–	–	Water Utility Capital Division
91854001	Almaden Dam Improvements	76,984	–	57,784	384,218	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	109,423,266	28,640,280	26,733,749	62,890,273	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit Des&Con	4,056	–	–	–	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	59,063	–	523,586	109,202	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	15,121,791	30,793,730	41,995,814	20,005,898	Dam Safety and Capital Delivery Division
91864010	Cross Valley Pipeline Extension Project	10,706	7,152,000	–	–	Dam Safety and Capital Delivery Division
91304001	Purified Water Project	4,498,744	10,935,259	10,177,795	6,102,236	Water Supply Division
91864009	Coyote Percolation Dam Replacement	3,719	2,987,389	12,495,964	76,442	Watersheds Desn & Construction Division
91864008	Coyote Creek Chillers	–	6,022,720	3,229,930	11,357	Dam Safety and Capital Delivery Division

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
91154007	San Felipe Division Capital	11,156,053	11,548,501	11,954,755	12,375,300	Water Supply Division
91864007	Coyote Creek Flood Management Measures	124	20,567,313	53,991,138	31,791,633	Watersheds Desn & Construction Division
91864006	Anderson Dam Tunnel Project	7,418	102,110,000	59,589,078	35,691,555	Dam Safety and Capital Delivery Division
Total Capital		**160,847,621**	**247,342,223**	**244,330,959**	**172,067,293**	
Total		**273,596,245**	**376,452,284**	**347,573,699**	**299,505,883**	

Fund 61 Total Outlays - Raw Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
92061012	Facilities Env Compliance	86,432	82,705	86,936	90,885	Emergency, Safety and Security Division
92261099	Vasona Pump Station Gen Main	186,423	182,543	304,297	314,417	Raw Water Division
92761001	Raw Water T&D Gen'l Oper	1,693,611	1,831,467	1,837,834	1,908,240	Raw Water Division
92761008	Recycled Water T&D Genrl Maint	179,327	297,457	235,427	240,372	Raw Water Division
92761009	Recharge/RW Field Ops	3,351,543	3,661,865	3,650,441	3,662,286	Raw Water Division
92761010	Rchrg / RW Field Fac Maint	1,906,400	1,498,192	1,751,500	1,910,396	Raw Water Division
92761012	Untreated Water Prog Plan	331,376	364,026	345,061	339,677	Raw Water Division
92761013	SCADA Systems Upgrades	104,819	164,981	–	–	Treated Water Division
92761082	Raw Water T&D Ctrl and Electr	653,771	873,655	690,445	698,971	Treated Water Division
92761083	Raw Water T&D Eng Other	1,253,371	1,686,110	1,231,946	1,426,773	Raw Water Division
92761085	Anderson Hydrelctrc Fclty Main	19,418	156,479	112,849	118,968	Raw Water Division
92761099	Raw Water T / D Gen Maint	3,849,442	2,686,863	2,875,476	2,969,269	Raw Water Division
92781002	Raw Water Corrosion Control	699,035	732,580	804,488	892,526	Raw Water Division
92041014	FAHCE/Three Creeks Project	3,201,003	3,531,773	3,662,836	3,805,615	Watershed Stewardship & Planning Div
Total Operations		**17,515,971**	**17,750,696**	**17,589,536**	**18,378,395**	
Capital						
92144001	Pacheco/SC Conduit ROW ACQ	303,356	847,382	74,636	215,716	Water Utility Capital Division
92264001	Vasona Pump Station Upgrade	352,275	921,037	–	9,094,204	Water Utility Capital Division
92304001	Almaden Valley Pipeline	120,472	79,897	1,677,587	2,235,375	Water Utility Capital Division
92764009	Small Caps, Raw Water T&D	3,008,887	1,009,560	1,019,978	2,441,782	Raw Water Division
Total Capital		**3,784,990**	**2,857,876**	**2,772,201**	**13,987,077**	
Total		**21,300,961**	**20,608,572**	**20,361,737**	**32,365,472**	

Fund 61 Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
93061012	Facilities Env Compliance	585,817	560,556	589,231	615,998	Emergency, Safety and Security Division
93081008	W T General Water Quality	2,616,771	2,798,193	2,801,940	2,865,750	Treated Water Division
93081009	Water Treatment Plant Engineer	348,610	486,834	418,820	409,396	Raw Water Division
93231009	PWTP General Operations	6,811,247	7,079,467	7,809,270	7,806,204	Treated Water Division
93231099	Penitencia WTP General Maint	2,812,246	3,343,680	3,568,503	3,473,227	Raw Water Division
93281005	STWTP - General Operations	6,302,831	7,374,700	6,733,988	7,405,862	Treated Water Division
93281099	Santa Teresa WTP General Maint	3,379,052	3,840,730	4,047,860	4,192,912	Raw Water Division
93291012	RWTP General Operations	9,169,695	10,616,479	10,910,432	10,665,894	Treated Water Division
93291099	Rinconada WTP General Maint	3,829,613	4,240,601	4,225,889	4,682,113	Raw Water Division
93401002	Water District Laboratory	6,181,325	6,531,932	6,982,887	7,493,984	Treated Water Division
93761001	SF/SCVWD Intertie General Ops	37,939	170,418	176,177	182,214	Treated Water Division
93761004	Campbell Well Field Operations	17,741	101,583	101,972	104,322	Treated Water Division
93761005	Campbell Well Field Maint	92,190	128,462	131,209	136,471	Raw Water Division
93761006	Treated Water Ctrl & Elec Eng	2,960,353	2,974,128	3,157,846	3,326,321	Treated Water Division
93761013	SCADA Systems Upgrades	331,006	520,993	–	–	Treated Water Division
93761099	SF/SCVWD Intertie Gen Maint	69,627	139,083	165,544	164,021	Raw Water Division
93081002	Plant Maintenance Engineering & Commissioning Project	530,343	952,716	745,959	1,235,638	Treated Water Division
Total Operations		**46,076,405**	**51,860,553**	**52,567,528**	**54,760,327**	
Capital						
93084004	Wtr Trtmnt Plnt Electr Imprv	917,535	2,411,232	–	6,199,181	Water Utility Capital Division
93234044	PWTP Residuals Management	1,990,131	1,857,192	1,490,165	10,070,130	Water Utility Capital Division
93284013	STWTP Filter Media Replace	2,048,426	5,593,063	5,097,891	–	Water Utility Capital Division
93294051	RWTP FRP Residuals Management	158,400	–	–	–	Water Utility Capital Division
93294056	RWTP Treated Water Valves Upgd	129	–	–	–	Water Utility Capital Division

Fund 61 Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
93294057	RWTP Reliability Improvement	13,912,598	6,035,032	22,176,962	68,463,988	Water Utility Capital Division
93294058	RWTP Residuals Remediation	14,943,942	18,397,192	1,210,022	–	Water Utility Capital Division
93764004	Small Caps, Water Treatment	3,688,061	4,509,122	3,397,748	6,240,539	Raw Water Division
93044001	WTP Master Plan Implementation	3,900,634	734,666	3,057,393	819,019	Office of Integrated Water Management
93294059	RWTP Ammonia Storage Facility Upgrade Project	–	–	630,457	502,332	Water Utility Capital Division
Total Capital		**41,559,856**	**39,537,499**	**37,060,638**	**92,295,189**	
Total		**87,636,261**	**91,398,052**	**89,628,166**	**147,055,516**	

Fund 61 Total Outlays - Treated Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
94761005	TW T&D - Engineering - Other	603,538	705,645	606,937	903,767	Raw Water Division
94761013	SCADA Systems Upgrades	33,100	52,099	–	–	Treated Water Division
94761099	Treated Water T/D Gen Maint	1,570,255	1,645,607	1,615,733	1,515,832	Raw Water Division
94781001	Treated Water T/D Corrosion	255,406	596,328	676,258	765,713	Raw Water Division
Total Operations		**2,462,299**	**2,999,680**	**2,898,928**	**3,185,312**	
Capital						
94084007	Treated Water Isolation Valves	282,855	–	610,768	2,159,154	Water Utility Capital Division
94764006	Small Caps,Treated Water T&D	–	296,880	276,250	349,500	Raw Water Division
Total Capital		**282,855**	**296,880**	**887,018**	**2,508,654**	
Total		**2,745,154**	**3,296,560**	**3,785,946**	**5,693,966**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
95001090	Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of Integrated Water Management
95011003	WU Asset Protection Support	691,394	1,139,081	1,344,173	1,386,456	Watershed Stewardship & Planning Div
95021008	Energy Management	226,965	258,104	233,171	256,682	Treated Water Division
95031002	Grants Management	625,434	902,385	910,966	946,360	Financial Planning & Mgmt Div
95041039	Integrated Regional Water Mgmt	58,361	111,250	130,688	106,044	Water Supply Division
95061012	Rental Expense San Pedro,MH	5,914	54,288	58,206	59,898	Watersheds Desn & Construction Division
95061037	WUE Training & Development	450	–	–	–	Office of COO Water Utility
95061038	WUE Administration	8,539,526	11,287,299	11,567,444	11,565,778	Office of COO Water Utility
95061043	WUE TW Div Admin Support	21	–	–	–	Treated Water Division
95061045	Asset Management Program	2,053,965	1,729,208	1,709,397	1,969,012	Office of Integrated Water Management
95061047	WUE Technical Training Program	593,593	–	–	–	Human Resources Division
95061048	Climate Change Adaptation/Mtg.	85,918	228,495	212,049	195,527	Watershed Stewardship & Planning Div
95061051	Lands Management Program	348,463	360,954	511,776	537,398	Office of Integrated Water Management
95071041	Welding Services	467,172	319,989	587,578	615,218	General Services Division
95101003	Water Revenue Program	2,051,726	2,216,975	2,272,296	2,372,307	Financial Planning & Mgmt Div
95111003	Water Use Measurement	2,206,546	2,358,608	2,445,318	2,584,131	Raw Water Division
95121003	LT Financial Planning & Rate S	503,097	495,340	523,641	560,957	Financial Planning & Mgmt Div
95151002	WU Customer Relations&Outreach	1,156,841	1,063,317	1,065,760	1,121,709	Office of the CEA
95741001	Water Supply Planning	2,203,818	2,281,086	2,817,723	3,017,430	Water Supply Division
95741042	Water Resorcs EnvPlng & Permtg	1,804,844	1,736,252	2,279,737	2,189,032	Watersheds Operations & Maint Division
95761003	SCADA Network Administration	75,552	423,239	762,975	722,715	Information Technology Division
95761071	Emergency Management	1,250,774	1,379,397	1,447,441	1,515,536	Emergency, Safety and Security Division
95771011	Inter Agency Urban Runoff Prog	415,254	516,154	523,852	537,886	Watershed Stewardship & Planning Div
95771031	HAZMAT Emergency Response	65,418	95,219	95,346	101,667	Emergency, Safety and Security Division

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
95811043	Hydrologic Data Msrmt & Mgmt	1,083,619	1,100,657	1,234,017	1,387,550	Watershed Stewardship & Planning Div
95811046	Warehouse Services	597,551	921,918	697,489	721,152	General Services Division
95811049	X Valley Subsidence Survey	164,884	359,091	441,911	614,065	Watersheds Desn & Construction Division
95811054	District Real Property Adminis	332,956	345,401	492,788	659,500	Watersheds Desn & Construction Division
95061059	Workforce Development Technical Training Program	–	511,764	557,371	588,613	Human Resources Division
95061035	Rent Exp Coyote	28,341	257,270	255,568	262,505	Watersheds Desn & Construction Division
95061050	Office of Integrated Water Management	929,554	1,773,187	1,761,228	1,783,856	Office of Integrated Water Management
Total Operations		**28,567,950**	**34,375,929**	**37,089,910**	**38,528,982**	
Operating Project						
95762011	Tree Maintenance Program	263,049	344,329	373,653	389,534	Watersheds Operations & Maint Division
Total Operating		**263,049**	**344,329**	**373,653**	**389,534**	
Debt Service						
95993007	Commercial Paper Tax Exempt	475,964	3,221,840	3,620,980	4,646,480	Financial Planning & Mgmt Div
95993008	Commercial Paper Taxable	412,168	3,221,840	3,620,980	4,646,480	Financial Planning & Mgmt Div
95993012	2006B WUE Refunding (Taxable)	877,013	–	–	–	Financial Planning & Mgmt Div
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,316,800	5,360,750	5,360,750	5,360,750	Financial Planning & Mgmt Div
95993016	2016B WU Ref Rev Bond(Taxable)	3,230,671	3,249,621	3,274,621	3,274,621	Financial Planning & Mgmt Div
95993017	WU COP 2016C (Tax-Exempt)	4,984,650	4,988,000	4,961,250	4,972,000	Financial Planning & Mgmt Div
95993018	WU COP 2016D (Taxable)	5,705,013	5,773,255	5,817,169	5,808,808	Financial Planning & Mgmt Div
95993019	WU Rev Bond 2017A (Tax Exempt)	4,374,400	4,383,500	4,421,000	4,396,500	Financial Planning & Mgmt Div
95993022	WU Rev Bond 2019A (Tax-Exempt)	996,650	1,035,000	1,036,750	1,032,750	Financial Planning & Mgmt Div
95993023	WU Rev Bond 2019B (Taxable)	4,507,895	4,521,980	4,547,898	4,545,348	Financial Planning & Mgmt Div
95993024	WU Rev Bond 2019C (Taxable)	3,025,336	3,063,794	3,036,554	3,058,192	Financial Planning & Mgmt Div
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,210,300	1,251,000	1,251,000	1,251,000	Financial Planning & Mgmt Div
95993026	WU Rev Bond 2020B (Taxable)	2,035,085	2,053,285	2,078,285	2,078,285	Financial Planning & Mgmt Div
95993027	WU COP 2020C (Tax-Exempt)	3,777,550	3,769,000	3,713,000	3,665,500	Financial Planning & Mgmt Div

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
95993028	WU COP 2020D (Taxable)	4,737,488	4,806,649	4,888,218	4,933,840	Financial Planning & Mgmt Div
95993039	WU Rev Bond 2025A (Tax-Exempt)	–	–	–	4,906,263	Financial Planning & Mgmt Div
95993038	WU COP 2024D(Taxable)	–	–	1,964,850	3,597,640	Financial Planning & Mgmt Div
95993035	WU COP 2023D(Taxable)	–	–	45,000	45,000	Financial Planning & Mgmt Div
95993034	WU COP 2023C1(Tax-Exempt)	–	2,883,213	45,000	45,000	Financial Planning & Mgmt Div
95993032	WU Rev Bond 2024B (Taxable)	–	270,000	3,953,917	8,625,400	Financial Planning & Mgmt Div
95993031	WU Rev Bond 2024A (Tax-Exempt)	–	270,000	5,107,708	10,494,500	Financial Planning & Mgmt Div
95993029	WU Rev Bond 2023A (Tax-Exempt)	–	2,538,401	2,807,250	2,807,250	Financial Planning & Mgmt Div
95993042	WU COP 2023C2 (Tax-Exempt)	–	–	3,311,500	3,313,250	Financial Planning & Mgmt Div
95993041	WU WIFIA Project 1 (Anderson Constr)	–	–	–	420,000	Financial Planning & Mgmt Div
95993040	WU Rev Bond 2025B (Taxable)	–	–	–	4,559,238	Financial Planning & Mgmt Div
95993037	WU COP 2024C(Tax-Exempt)	–	–	2,565,938	5,880,250	Financial Planning & Mgmt Div
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	–	720,000	45,000	45,000	Financial Planning & Mgmt Div
95993030	WU Rev Bond 2023B (Taxable)	–	2,878,794	4,791,760	4,796,453	Financial Planning & Mgmt Div
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	–	150,000	45,000	45,000	Financial Planning & Mgmt Div
Total Debt Service		**45,666,983**	**60,409,922**	**76,311,378**	**103,250,798**	
Capital						
95074001	Capital Warranty Services	66,125	–	–	–	Water Utility Capital Division
95074033	CIP Development & Admin	817,557	1,029,707	840,768	945,571	Office of Integrated Water Management
95074036	Survey Mgmt & Tech Support	276,755	412,415	466,786	570,392	Watersheds Desn & Construction Division
95084002	10-Yr PL Inspection and Rehab	17,046,198	14,175,207	27,291,036	11,567,861	Water Utility Capital Division
95274003	WU Computer Network Modrnizatn	562	1,274,000	–	2,140,000	Information Technology Division
95044001	Distribution System Master Plan Implementation	4,669,705	728,869	1,932,237	856,308	Office of Integrated Water Management
95074040	Capital Project Mgmt System	780,446	353,225	–	–	Office of Integrated Water Management
95044002	SCADA Master Plan Implementation	2,047,121	1,571,408	388,687	756,991	Office of Integrated Water Management

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
95074042	Capital Project Mgmt & Controls	270,582	870,623	702,344	722,703	Office of Integrated Water Management
95074005	WU Capital Prog Admin Support	4,823,212	5,249,534	6,303,354	6,641,316	Water Utility Capital Division
95074047	Computer-Aided Design for Engineering	–	1,162,310	998,104	1,449,493	Office of Integrated Water Management
95074041	Construction Contracts and Support	681,992	1,924,229	2,053,246	2,192,182	General Services Division
Total Capital		**31,480,255**	**28,233,124**	**40,404,406**	**27,282,723**	
Total		**105,978,237**	**123,363,305**	**154,179,347**	**169,452,037**	

Fund 61 and 63 Outlays - Combined Total

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25
Outlays Summary by Account Type				
Operations				
Source of Supply	112,748,624	129,110,061	103,242,740	127,438,590
Raw Water Transmission & Distribution	17,515,971	17,750,696	17,589,536	18,378,395
Water Treatment	46,076,405	51,860,553	52,567,528	54,760,327
Treated Water Transmission & Distribution	2,462,299	2,999,680	2,898,928	3,185,312
Administration and General	28,567,950	34,375,929	37,089,910	38,528,982
Total Operations	**$207,371,249**	**$236,096,920**	**$213,388,642**	**$242,291,605**
Operating				
Administration and General	263,049	344,329	373,653	389,534
Total Operating	**$263,049**	**$344,329**	**$373,653**	**$389,534**
Debt				
Administration and General	45,666,983	60,409,922	76,311,378	103,250,798
Total Debt Service	**$45,666,983**	**$60,409,922**	**$76,311,378**	**$103,250,798**
Capital				
Source of Supply	160,847,621	247,342,223	244,330,959	172,067,293
Raw Water Transmission & Distribution	3,784,990	2,857,876	2,772,201	13,987,077
Water Treatment	41,559,856	39,537,499	37,060,638	92,295,189
Treated Water Transmission & Distribution	282,855	296,880	887,018	2,508,654
Administration and General	31,480,255	28,233,124	40,404,406	27,282,723
Total Capital	**$237,955,577**	**$318,267,602**	**$325,455,222**	**$308,140,936**
Total Fund 61 Outlays	**$491,256,858**	**$615,118,773**	**$615,528,895**	**$654,072,873**
Fund 63: State Water Project Costs	27,623,747	28,256,645	30,325,000	32,015,000
Total Water Utility Enterprise Outlays	**518,880,605**	**643,375,418**	**645,853,895**	**686,087,873**

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year-End 2022-23	Adopted Budget 2023-24	% Change from 2022-23	Proposed Plan 2024-25	% Change from 2023-24
North County - Zone W2							
Allocated Revenue							
Operating Revenue	263,372,585	254,573,413	251,303,433	314,480,761	24%	388,974,814	24%
Non-operating Revenue	47,837,453	44,449,890	48,360,040	49,024,021	10%	40,558,031	(17%)
Total Allocated Revenue	311,210,038	299,023,303	299,663,473	363,504,782	22%	429,532,845	18%
Allocated Operating Outlays							
Operations	211,726,976	236,756,956	249,385,759	217,466,509	(8%)	245,911,144	13%
Operating Projects	202,594	264,833	264,833	286,527	8%	298,705	4%
Debt Service	45,666,983	60,409,922	56,574,422	76,311,378	26%	103,250,798	35%
Total Allocated Operating Outlays	257,596,552	297,431,711	306,225,014	294,064,414	(1%)	349,460,647	19%
Balance Available for Capital/Reserve	53,613,486	1,591,592	(6,561,541)	69,440,368	4263%	80,072,198	15%
Total Capital Appropriations	237,955,574	350,792,033	353,115,805	361,179,475	3%	310,689,175	(14%)
Other Financing Sources							
Revenue Bond Proceeds	115,725,418	281,491,000	285,425,410	230,414,696	(18%)	250,309,802	9%
Transfers In	1,000,000	26,060,900	26,060,900	1,092,727	(96%)	9,916,122	807%
Transfers Out	(3,161,400)	(3,873,600)	(3,873,600)	(3,926,700)	1%	(5,032,620)	28%
Total Other Financing Sources/(Uses)	113,564,018	303,678,300	307,612,710	227,580,723	(25%)	255,193,304	12%
Other Intra-Zone Allocations							
South County Open Space Credit	(6,699,190)	(9,312,257)	(6,248,521)	(8,182,169)	(12%)	(10,634,544)	30%
South County Capital Amortization	6,391,402	9,345,734	7,184,919	7,713,655	(17%)	10,443,709	35%
So. County Interest (Earnings)/Payments	(173,217)	(41,725)	(122,090)	(70,147)	68%	(33,821)	(52%)
Balance Available for W2	(71,259,075)	(45,530,389)	(51,250,328)	(64,697,045)	42%	24,351,671	(138%)
South County - Zones W5, W-7 & W-8							
Zone W5 - Llagas Subbasin							
Allocated Revenue							
Operating Revenue	9,876,020	9,430,491	9,430,384	10,460,561	11%	12,092,437	16%
Non-operating Revenue	2,966,183	2,551,756	2,905,379	2,916,256	14%	2,966,383	2%
Total Allocated Revenue	12,842,202	11,982,247	12,335,764	13,376,817	12%	15,058,820	13%
Zone W7 - Coyote Valley							
Allocated Revenue							
Operating Revenue	4,854,556	4,544,286	4,544,400	5,352,407	18%	6,622,924	24%
Non-operating Revenue	831,098	712,895	814,017	816,978	15%	831,411	2%
Total Allocated Revenue	5,685,654	5,257,181	5,358,417	6,169,385	17%	7,454,335	21%
Zone W8 - Foothills below Uvas & Chesbro Reservoirs							
Allocated Revenue							
Operating Revenue	150,193	155,499	155,492	176,980	14%	203,835	15%
Non-operating Revenue	71,674	61,976	69,714	69,957	13%	71,258	2%
Total Allocated Revenue	221,867	217,475	225,206	246,937	14%	275,093	11%

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year-End 2022-23	Adopted Budget 2023-24	% Change from 2022-23	Proposed Plan 2024-25	% Change from 2023-24
Total South County Revenue							
Operating Revenue	14,880,769	14,130,276	14,130,276	15,989,948	13%	18,919,196	18%
Non-operating Revenue	3,868,955	3,326,627	3,789,111	3,803,191	14%	3,869,052	2%
Total Allocated Revenue	18,749,724	17,456,903	17,919,387	19,793,139	13%	22,788,248	15%
Open Space Credit	6,699,190	9,312,257	6,248,521	8,182,169	(12%)	10,634,544	30%
Total Current Resources	25,448,914	26,769,160	24,167,908	27,975,308	5%	33,422,792	19%
Total South County Costs							
Operations	20,146,919	22,902,201	23,083,616	22,902,646	0%	24,351,614	6%
Operating Projects	60,456	79,496	79,496	87,126	10%	90,829	4%
Imported Water Purchases	3,121,100	4,694,408	5,046,764	3,344,485	(29%)	4,043,848	21%
Total Allocated Costs	23,328,475	27,676,105	28,209,876	26,334,257	(5%)	28,486,291	8%
Balance Available for Capital/Reserve	2,120,439	(906,945)	(4,041,968)	1,641,051	(281%)	4,936,501	201%
Interest (earned)/due Utility Reserves	(173,217)	(41,725)	(122,090)	(70,147)	68%	(33,821)	(52%)
Total Capital Amortization	6,391,402	9,345,734	7,184,919	7,713,655	(17%)	10,443,709	35%
Balance Available/(Deficit) for So. County	(4,097,746)	(10,210,954)	(11,104,798)	(6,002,457)	(41%)	(5,473,387)	(9%)
Total Balance Available/(Deficit)	(75,356,821)	(55,741,343)	(62,355,126)	(70,699,502)	27%	18,878,284	(127%)

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
Operations							
91041012	Water Operations Planning	49,536	32,524	-	418,304	500,364	Raw Water Deliveries
91041018	Groundwater Management Program	2,043,648	563,569	56,484	3,028,911	5,692,612	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(191,619)	(53,412)	(3,936)	(818,765)	(1,067,732)	Water Usage Ratio
91061008	Drought Emergency Response	-	-	-	3,418,048	3,418,048	No South County Benefit
91061012	Facilities Environmental Compliance	4,777	3,126	22	40,372	48,297	Raw Water Deliveries
91081007	Dam Safety Program	488,988	47,422	9,708	1,880,858	2,426,976	Program Benefit Calculation
91101004	Recycled & Purified Water Program	381,712	-	-	5,490,782	5,872,494	Population
91111001	Water Rights and Accounting	73,307	48,131	-	619,036	740,474	Raw Water Deliveries
91131004	Imported Water Program	282,605	390,833	-	5,266,213	5,939,651	Imported Water Ratio
91131006	San Felipe Division Deliveries	1,403,498	1,940,987	-	15,373,254	18,717,739	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	-	-	-	5,068,845	5,068,845	No South County Benefit
91131008	State Water Project Costs	-	-	-	30,325,000	30,325,000	No South County Benefit
91151001	Water Conservation Program	1,051,719	48,355	48,355	10,940,297	12,088,726	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	82,352	-	-	1,184,599	1,266,951	Population
91151013	Water Banking Operations	279,852	387,025	-	5,214,908	5,881,785	Imported Water Ratio
91151014	GP5 Reimbursement Program	-	-	-	4,581,693	4,581,693	No South County Benefit
91211004	San Felipe Reach 1 Operations	61,151	84,570	-	630,294	776,015	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	857	1,185	-	8,831	10,873	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	29,177	40,350	-	300,730	370,257	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	46,436	64,219	-	478,622	589,277	CVP Imported Water Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
91211099	San Felipe Reach 1 Gen Maint	80,310	111,066	-	827,771	1,019,147	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	6,362	8,798	-	65,574	80,734	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	22,109	30,577	-	227,886	280,572	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	12,743	17,624	-	131,347	161,714	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	8,112	31,010	-	289,992	329,114	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	5,989	22,896	-	214,119	243,004	CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	15,010	57,380	-	536,597	608,987	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	33,103	126,548	-	1,183,431	1,343,082	CVP Imported Water Ratio
91241001	Wolfe Road Recycled Water Facility	-	-	-	206,000	206,000	Population
91251001	Los Vaqueros-Bethany Transfer PL Placeholder	-	-	-	3,500,000	3,500,000	No South County Benefit
91261001	Palo Alto Water Reuse Agreement	-	-	-	1,732,000	1,732,000	No South County Benefit
91281007	SVAWPC Facility Operations	-	-	-	3,689,877	3,689,877	No South County Benefit
91281008	SVAWPC Facility Maintenance	-	-	-	3,891,164	3,891,164	No South County Benefit
91441003	Desalination	13,638	3,802	280	58,275	75,995	Water Usage Ratio
91451002	Well Ordinance Program	210,125	105,063	-	2,072,597	2,387,785	Well Permits and Inpections
91451005	Source Water Quality Management	-	-	-	413,377	413,377	Water Usage Ratio
91451011	Invasive Mussel Prevention	-	-	-	794,510	794,510	Raw Water Deliveries
91601001	Delta Conveyance	175,053	242,092	-	3,262,032	3,679,177	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	426,649	119,176	9,534	1,828,157	2,383,516	Water Usage Ratio
91761099	Dams & Resevoir Gen Maint	664,484	64,442	13,192	2,712,940	3,455,058	Program Benefit Calculation
91951001	San Luis Lowpoint Improvement Program	3,514	4,859	-	36,215	44,588	CVP Imported Water Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
92041014	FAHCE/Three Creeks HCP Project	96,176	133,058	-	3,433,603	3,662,837	Coyote Water Supply Ratio
92061012	Facilities Environmental Compliance	8,599	5,627	40	72,669	86,935	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	-	-	-	304,297	304,297	No South County Benefit
92761001	Raw Water T&D Gen'l Oper	181,946	119,459	-	1,536,429	1,837,834	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	235,427	-	-	-	235,427	Benefits Only South County
92761009	Recharge/RW Field Ops	843,526	529,315	3,852	2,273,748	3,650,441	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	404,728	253,968	1,848	1,090,956	1,751,500	Groundwater Recharge Ratio
92761012	Untreated Surface Water Program	103,518	104,898	-	136,644	345,060	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Elec Eng	68,295	44,689	321	577,139	690,444	Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	121,858	79,738	573	1,029,778	1,231,947	Raw Water Deliveries
92761085	Anderson Hydrelectrc Fclty Main	8,893	12,298	-	91,658	112,849	Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mnt	284,427	186,117	1,337	2,403,595	2,875,476	Raw Water Deliveries
92781002	RW Corrosion Control	79,576	52,071	374	672,467	804,488	Raw Water Deliveries
93061012	Environmental Compliance Support	-	-	-	589,231	589,231	No South County Benefit
93081002	Treatment Plant Process & Commissioning	-	-	-	745,959	745,959	No South County Benefit
93081008	W T General Water Quality	-	-	-	2,801,940	2,801,940	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	-	-	-	418,820	418,820	No South County Benefit
93231009	PWTP Operations General	-	-	-	7,809,270	7,809,270	No South County Benefit
93231099	Penitencia WTP General Maint	-	-	-	3,568,503	3,568,503	No South County Benefit
93281005	STWTP - General Operations	-	-	-	6,733,988	6,733,988	No South County Benefit
93281099	Santa Teresa Wtr General Maint	-	-	-	4,047,860	4,047,860	No South County Benefit

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
93291012	RWTP General Operations	-	-	-	10,910,432	10,910,432	No South County Benefit
93291099	Rinconada WTP General Maint	-	-	-	4,225,889	4,225,889	No South County Benefit
93401002	Wtr District Laboratory	578,166	49,007	4,270	6,351,445	6,982,888	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	-	-	-	176,177	176,177	No South County Benefit
93761004	Campbell Wellfield Operations	-	-	-	101,972	101,972	No South County Benefit
93761005	Campbell Wellfield Maintenance	-	-	-	131,209	131,209	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	-	-	-	3,157,846	3,157,846	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	-	-	-	165,544	165,544	No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	-	-	-	606,937	606,937	No South County Benefit
94761099	Treated Water T&D Gen Maint	-	-	-	1,615,733	1,615,733	No South County Benefit
94781001	TW T&D Corrosion Control	-	-	-	676,258	676,258	No South County Benefit
95001090	Unscoped Operations Activities	26,920	7,504	553	115,024	150,001	Water Usage Ratio
95011003	Asset Protection Support	57,418	16,005	1,179	1,269,571	1,344,173	Program Benefit Calculation
95021008	Energy Management	2,705	793	93	229,580	233,171	Labor Hours
95031002	Grants Management	296,578	82,668	6,092	525,627	910,965	Program Benefit Calculation
95041039	Integrated Regional Water Mgmt	23,454	6,538	482	100,215	130,689	Water Usage Ratio
95061012	Residntl Rental Exp San Pedro, MH	58,206	-	-	-	58,206	Benefits only South County
95061035	Rental Expense Coyote	-	255,568	-	-	255,568	Benefits only South County
95061038	WUE Administration	2,075,938	578,648	42,642	8,870,217	11,567,445	Water Usage Ratio
95061045	WUE TW Div Admin Support	306,775	85,511	6,301	1,310,810	1,709,397	No South County Benefit
95061048	Climate Change Adaptation/Mitg	38,055	10,608	782	162,605	212,050	Water Usage Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
95061050	Office of Integrated Wtr Mgmt	316,077	88,103	6,493	1,350,556	1,761,229	Program Benefit Calculation
95061051	Lands Management Program	91,845	25,601	1,887	392,443	511,776	Program Benefit Calculation
95061059	Workforce Development Technical Training Program	100,028	27,882	2,055	427,406	557,371	Program Benefit Calculation
95071041	Welding Services	7,552	2,105	155	577,766	587,578	Program Benefit Calculation
95101003	Water Revenue Program	1,089,793	318,576	23,177	840,749	2,272,295	Labor Hours
95111003	Water Use Measurement General	1,012,362	41,570	46,461	1,344,925	2,445,318	Labor Hours
95121003	Long Term Financial Planning	93,975	26,195	1,930	401,541	523,641	Water Usage Ratio
95151002	Water Utlity Customer Relations	69,274	-	-	996,486	1,065,760	Population
95741001	Water Supply Planning	505,679	140,953	10,387	2,160,703	2,817,722	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	105,248	29,469	2,204	2,142,816	2,279,737	Program Benefit Calculation
95761003	SCADA Network Administration	75,469	49,384	355	637,767	762,975	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	94,084	-	-	1,353,358	1,447,442	Population
95771011	InterAgency Urban Runoff Program	51,817	33,907	244	437,885	523,853	Raw Water Deliveries
95771031	HAZMAT Emergency Response	6,181	674	309	88,183	95,347	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	74,041	196,209	149,316	814,451	1,234,017	Stream Gauge Location
95811046	Warehouse Svcs 50% WU	125,174	34,891	2,571	534,853	697,489	Water Usage Ratio
95811049	X Valley Subsidence Survey	13,230	4,953	3,323	420,404	441,910	Program Benefit Calculation
95811054	District Real Property Admin	88,438	24,651	1,817	377,883	492,789	Program Benefit Calculation
Operations Projects Total		**17,586,644**	**8,203,424**	**457,061**	**217,466,511**	**243,713,640**	

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2023-24	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
Operating Projects							
95762011	Tree Maintenance Program	67,057	18,692	1,377	286,527	373,653	Water Usage Ratio
Operating Projects Total		**67,057**	**18,692**	**1,377**	**286,527**	**373,653**	
Operations and Operating Total		**17,653,701**	**8,222,116**	**458,438**	**217,753,038**	**244,087,293**	

South County Capital Amortization Zone W-5

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2024 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
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
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	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
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
South County Recycled Water Fund	8,678	100.0%	8,678	450	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	4.1%	769	51	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,955	5.5%	653	653	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	7.9%	528	27	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	196	13	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,544	7.9%	122	122	N/A	CVP Imported Water 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
Small Caps, San Felipe Reach 3	4,957	7.9%	391	391	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	10,531	17.9%	1,890	98	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	8,920	7.9%	703	36	FY 53	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio

South County Capital Amortization Zone W-5

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2024 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	8.5%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	800	9.9%	79	79	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	519	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	9.4%	194	12	FY 46	Water Usage Ratio
Water Protection	11,387	1.7%	199	13	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	7.0%	320	21	FY 44	Water Usage Ratio
Capital Warranty Services	187	17.9%	34	34	N/A	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	1.7%	6	0	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	9.7%	47	2	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	0	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	7.5%	433	29	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	7.5%	6	0	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	8.6%	216	14	FY 44	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	17.9%	504	27	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,223	77	FY 46	Benefits Only South County
IT Capital Fund Transfers	3,739	17.9%	671	671	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	4,101	10.2%	418	362	N/A	Total Capital Cost Ratio
Total Zone W-5	**$219,434**		**$50,280**	**$5,159**		

* 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 2024 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
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
Dam Instrumentation	6,243	4.6%	289	19	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	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
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	4.9%	932	62	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,955	7.6%	903	903	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	10.9%	730	38	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	238	16	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	9.3%	22	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,544	10.9%	168	168	N/A	CVP Imported Water 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
Small Caps, San Felipe Reach 3	4,957	10.9%	540	540	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	10,531	5.0%	527	27	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	0	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	8,920	10.9%	972	50	FY 53	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 2024 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-7
Coyote Dam Control Building Improvements	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	2.4%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	169	11	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	800	6.5%	52	52	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	12.1%	1,377	71	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	2.7%	56	4	FY 46	Water Usage Ratio
Water Protection	11,387	0.5%	57	4	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	2.0%	93	8	FY 44	Water Usage Ratio
Capital Warranty Services	187	5.0%	9	9	N/A	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.5%	2	0	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	2.8%	13	1	FY 48	Water Usage Ratio
Corp Yard Relocation	26	2.2%	1	0	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	2.2%	125	8	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	2.2%	2	0	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	2.5%	63	-	FY 44	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	5.0%	140	8	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	0.0%	-	-	FY 46	Benefits Only South County
IT Capital Fund Transfers	3,739	5.0%	187	187	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	4,101	2.8%	117	-	N/A	Total Capital Cost Ratio
Total Zone W-7	**$219,434**		**$10,860**	**$2,391**		

* 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 2024 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
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
Dam Instrumentation	6,243	0.4%	23	2	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	0.3%	1	0	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	1	0	FY 45	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
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	0.0%	-	-	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,955	0.0%	-	-	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	0.0%	-	-	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	0.0%	-	-	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	0.0%	-	-	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,544	0.0%	-	-	N/A	CVP Imported Water 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
Small Caps, San Felipe Reach 3	4,957	0.0%	-	-	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	10,531	0.4%	39	2	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.0%	1	0	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.1%	2	0	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	8,920	0.0%	-	-	FY 53	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	0.0%	-	-	FY 42	Anderson Deliveries 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 2024 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
Pacheco Pumping Plant ASD Replacement	18,518	0.0%	-	-	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	0.2%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	0.0%	-	-	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	0.0%	2	0	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	800	0.0%	0	0	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	0.0%	-	-	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	0.2%	4	0	FY 46	Water Usage Ratio
Water Protection	11,387	0.0%	5	0	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	0.2%	7	0	FY 44	Water Usage Ratio
Capital Warranty Services	187	0.4%	1	1	N/A	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.0%	0	0	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	0.2%	1	0	FY 48	Water Usage Ratio
Corp Yard Relocation	26	0.2%	0	0	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	0.2%	10	1	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	0.2%	0	0	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	0.0%	-	-	FY 44	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	0.2%	3	0	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	0.4%	10	1	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	2	FY 46	Benefits Only South County
IT Capital Fund Transfers	3,739	0.4%	14	14	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	4,101	0.2%	9	2	N/A	Total Capital Cost Ratio
Total Zone W-8	**$219,434**		**$179**	**$26**		

* 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 2024 Cost Recovery Amount
Zone W-5	$ 50,280	$ 5,159
Zone W-7	10,860	2,391
Zone W-8	179	26
Grand Total	**$** 61,319	**$** 7,576

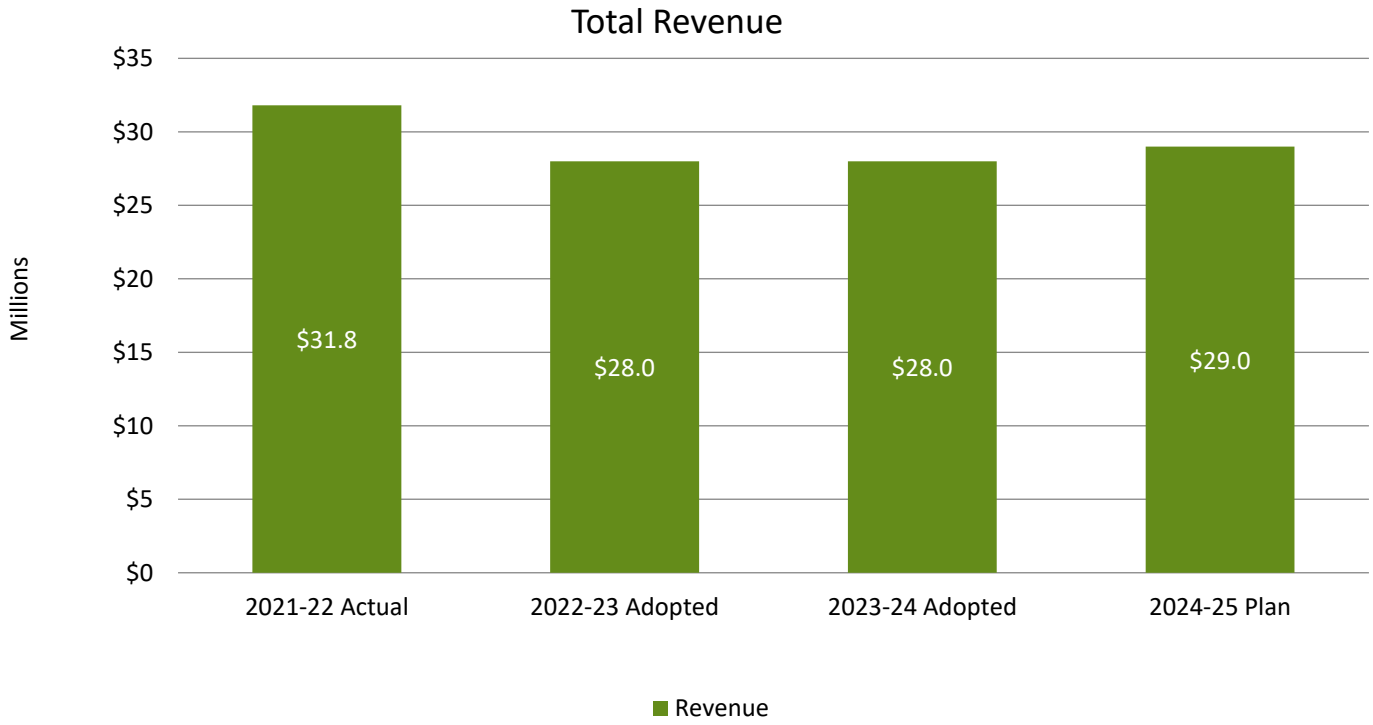
Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

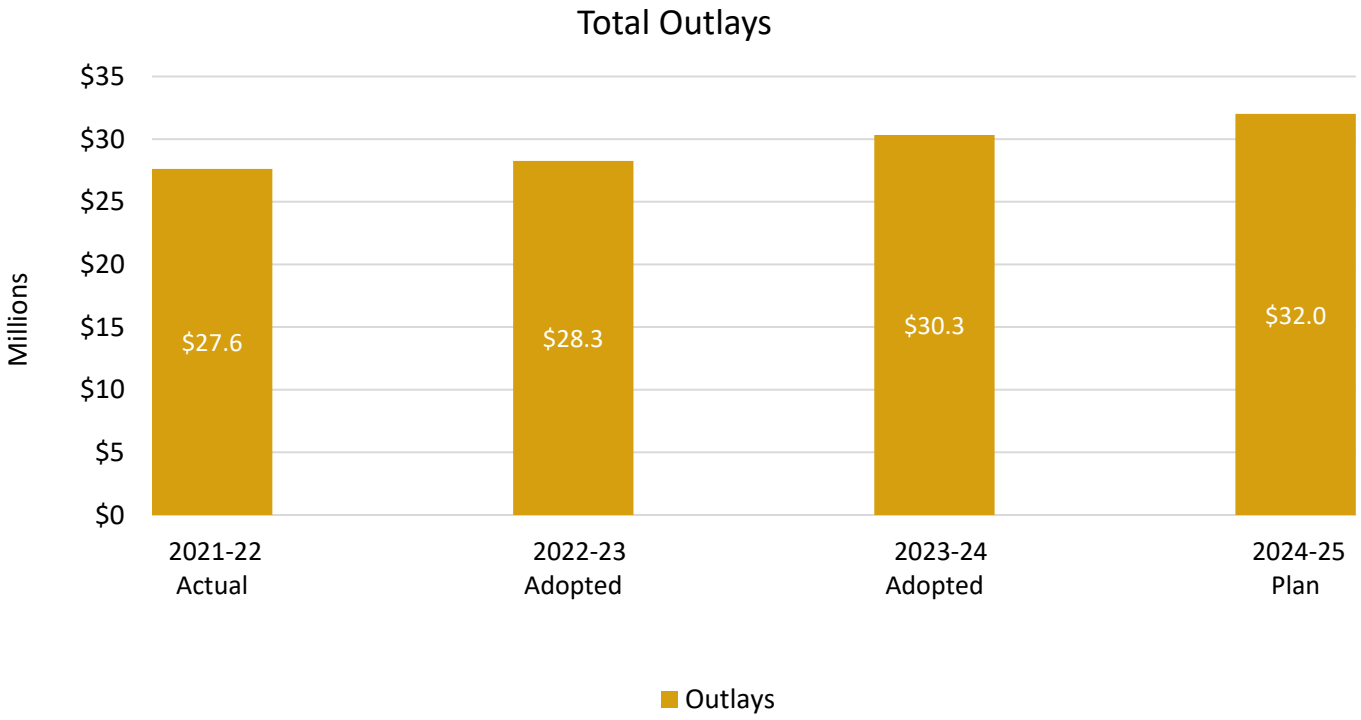
State Water Project Fund

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 2023-24 and FY 2024-25, staff recommends setting the State Water Project tax at $27.0 million and $28.0 million, respectively. This translates to a property tax bill for the average single- family residence in Santa Clara County of roughly $41.00 per year. Staff anticipates that Valley Water's contractual indebtedness to the State of California under the State Water Supply Contract will be around $30.3 million for FY 2023-24, rising to $32.0 million in FY2024-25. 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 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Property Tax	$ 30,061,522	$ 27,000,000	27,000,000	$ 27,000,000	$ -	0.0%
Non-Operating Other	1,742,266	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 31,803,788**	**$ 28,000,000**	**28,000,000**	**$ 28,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 27,623,747	$ 28,256,645	28,256,645	$ 30,325,000	$ 2,068,355	7.3%
Total Operating Outlays	**$ 27,623,747**	**$ 28,256,645**	**28,256,645**	**$ 30,325,000**	**$ 2,068,355**	**7.3%**
TOTAL OUTLAYS****	**$ 27,623,747**	**$ 28,256,645**	**28,256,645**	**$ 30,325,000**	**$ 2,068,355**	**7.3%**
BALANCE AVAILABLE	**$ 4,180,041**	**$ (256,645)**	**(256,645)**	**$ (2,325,000)**	**$ (2,068,355)**	**805.9%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	11,398,101	$ 6,352,290	11,141,456	$ 8,816,456	$ 2,464,166	38.8%
Total Restricted Reserves	**$ 11,398,101**	**$ 6,352,290**	**11,141,456**	**$ 8,816,456**	**$ 2,464,166**	**38.8%**
TOTAL YEAR-END RESERVES	**$ 11,398,101**	**$ 6,352,290**	**11,141,456**	**$ 8,816,456**	**$ 2,464,166**	**38.8%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	27,623,747	$ 28,256,645	28,256,645	$ 30,325,000	$ 2,068,355	7.3%
OPERATING OUTLAY TOTAL	$ **27,623,747**	$ **28,256,645**	**28,256,645**	$ **30,325,000**	$ **2,068,355**	**7.3%**
TOTAL OUTLAYS ****	$ **27,623,747**	$ **28,256,645**	**28,256,645**	$ **30,325,000**	$ **2,068,355**	**7.3%**

(*) 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 amounts may have a slight variance due to rounding

State Water Project Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Property Tax	$ 30,061,522	$ 27,000,000	$ 27,000,000	$ 28,000,000	$ 1,000,000	3.7%
Non-Operating Other	1,742,266	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 31,803,788**	**$ 28,000,000**	**$ 28,000,000**	**$ 29,000,000**	**$ 1,000,000**	**3.6%**
OUTLAYS						
Operating Outlays						
Operations **	$ 27,623,747	$ 28,256,645	$ 30,325,000	$ 32,015,000	$ 1,690,000	5.6%
Total Operating Outlays	**$ 27,623,747**	**$ 28,256,645**	**$ 30,325,000**	**$ 32,015,000**	**$ 1,690,000**	**5.6%**
TOTAL OUTLAYS****	**$ 27,623,747**	**$ 28,256,645**	**$ 30,325,000**	**$ 32,015,000**	**$ 1,690,000**	**5.6%**
BALANCE AVAILABLE	**$ 4,180,041**	**$ (256,645)**	**$ (2,325,000)**	**$ (3,015,000)**	**$ (690,000)**	**29.7%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 11,398,101	$ 6,352,290	$ 8,816,456	$ 5,801,456	$ (3,015,000)	-34.2%
Total Restricted Reserves	**$ 11,398,101**	**$ 6,352,290**	**$ 8,816,456**	**$ 5,801,456**	**$ (3,015,000)**	**-34.2%**
TOTAL YEAR-END RESERVES	**$ 11,398,101**	**$ 6,352,290**	**$ 8,816,456**	**$ 5,801,456**	**$ (3,015,000)**	**-34.2%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	27,623,747	28,256,645	30,325,000	32,015,000	1,690,000	5.6%
OPERATING OUTLAY TOTAL	**$ 27,623,747**	**$ 28,256,645**	**$ 30,325,000**	**$ 32,015,000**	**$ 1,690,000**	**5.6%**
TOTAL OUTLAYS ****	**$ 27,623,747**	**$ 28,256,645**	**$ 30,325,000**	**$ 32,015,000**	**$ 1,690,000**	**5.6%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Fund 63 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
91131008	State Water Project Costs	27,623,747	28,256,645	30,325,000	32,015,000	Water Supply Division
Total Operations		**27,623,747**	**28,256,645**	**30,325,000**	**32,015,000**	
Total		**27,623,747**	**28,256,645**	**30,325,000**	**32,015,000**	

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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 direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board of Directors to ensure that Valley Water meets the Board's Ends policies and complies with the Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of the CEO also oversees the Financial Planning and Management Services Division.

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 the 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. The Office of the Clerk of the Board also oversees Records & Library Services.

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 Valley Water's relationships with the community, government officials, the media, and other key stakeholders. In addition, the CEA is responsible for ensuring that racial equity and inclusion are addressed and incorporated into existing policies, programs, and practices. The Office of the CEA also oversees the Civic Engagement, Government Relations, Communications, and Racial Equity, Diversity and Inclusion offices.

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, Human Resources, and Information Technology. The Office of 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. The COO-AS also oversees Labor Relations.

Major Capital Projects

The FY 2023-24 and FY2024-25 Capital Outlay budget in the General Fund is approximately $4.4 million in each fiscal year to improve and maintain existing buildings, grounds, and services through several small capital improvement projects. This is a decrease of $2.1 million from FY 2022-23 due to the updated planning, design, and construction phases of Headquarters Building project.

Fiscal Status

Intra-District Reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $80.2 million in FY 2023-24, a 5.2% increase from FY 2022-23. In FY 2024-25, the reimbursements are projected to increase an additional 5.1% to $84.3 million. The Intra-District Reimbursements rate for FY 2023-24 and FY 2024-25 is 83%. The CEO, District Counsel, Clerk of the Board, and District 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.

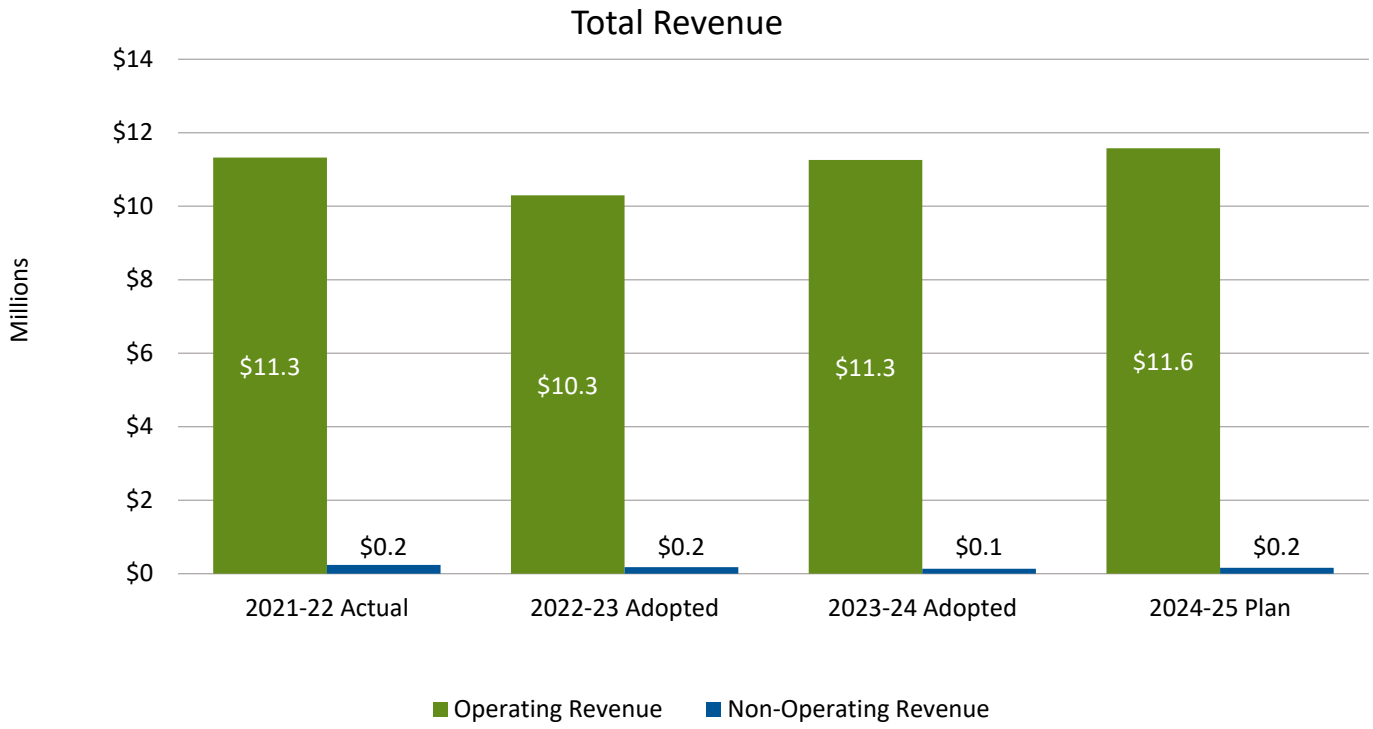
Property Tax revenue is projected at $11.3 million for FY 2023-24. The projection reflects an increase of $1.0 million or a 9.4% increase from the FY 2022-23 Adopted Budget. The increase in Property Tax revenue is based on property tax roll updates received from Santa Clara County. In FY 2024-25, Property Tax revenue is projected to increase an additional 2.8% to $11.6 million. Interest Income is $105,000 in FY 2023-24; in FY 2024-25, it is projected to increase to $130,000.

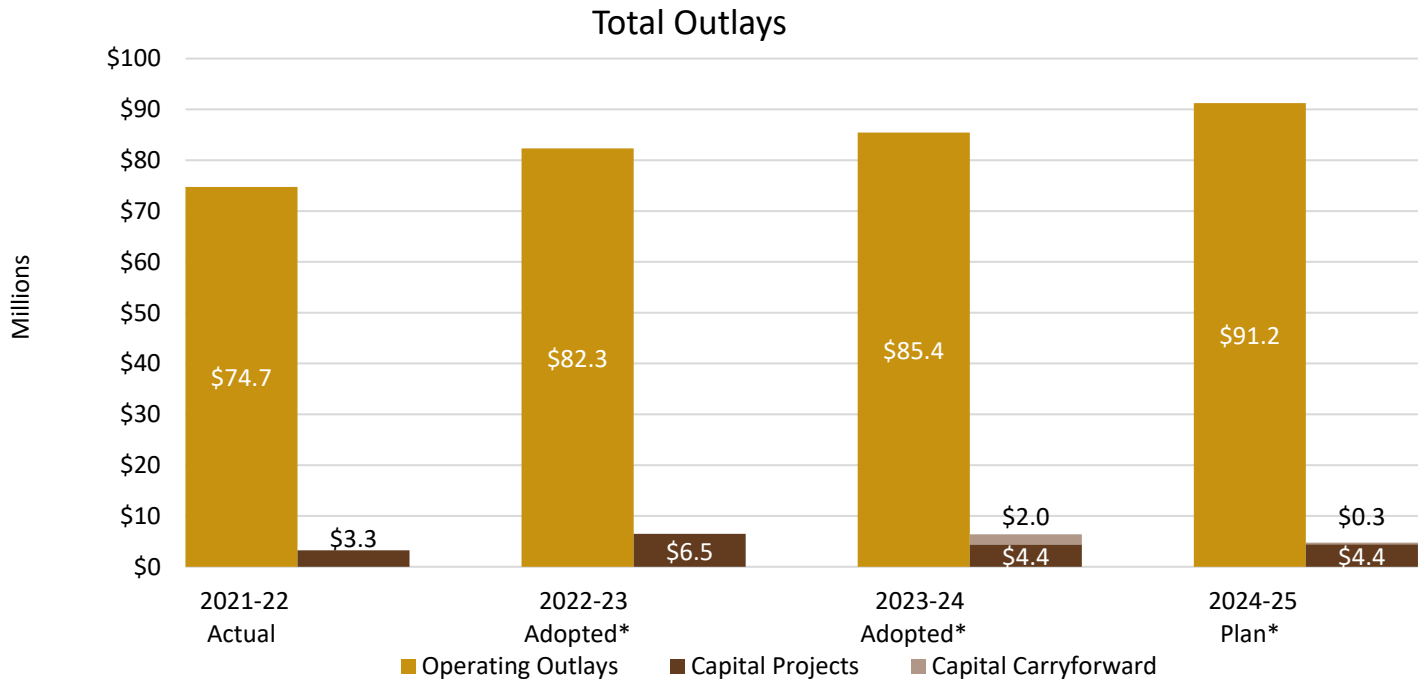
Operating Outlays for the services provided to Watersheds and Water Utility Enterprise total $85.4 million for FY 2023-24. This is an increase of $3.1 million or a 3.8% increase from the FY 2022-23 Adopted Budget. This change is primarily comprised of: increases in salary and related costs per MOU ($3.9 million), increases in services and supplies for security and protective services ($0.4 million), Recruitment and Examination ($0.3 million), Next-Gen Workforce Development ($0.5 million), decrease in election costs (-$1.1 million), and a net decrease in various projects and programs (-$0.9 million). In FY 2024-25, Operating Outlays are projected to increase an additional 6.8% to $91.2 million.

Operating Transfers In for FY 2023-24 are $1.8 million: Drought Induced Tree Removal ($1.5 million) from the Watershed and Stream Stewardship (WSS) Fund and Security Upgrades and Enhancements Capital Project ($0.3 million) from the Water Utility Enterprise Fund (60%), the Safe Clean Water Fund (30%), and the WSS Fund (10%). For FY 2024-25, Operating Transfers In are projected to be $1.9 million for the Drought Induced Tree Removal Project ($1.6 million) and the Security Upgrades and Enhancements Capital Project ($0.3 million); and Operating Transfers Out are projected to be $1.2 million for the Open Space Credit to the Water Utility Enterprise Fund.

General Fund reserves are estimated at approximately $12.0 million for FY 2023-24 and $12.7 million for FY 2024-25 and are in compliance with the Valley Water Reserve Policy.

General Fund





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

General Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 10,650,548	$ 10,296,145	$ 10,911,600	$ 11,261,086	$ 964,941	9.4%
Intergovermental Services	675,984	-	-	-	-	0.0%
Total Operating Revenue	**$ 11,326,532**	**$ 10,296,145**	**$ 10,911,600**	**$ 11,261,086**	**$ 964,941**	**9.4%**
Non-Operating Revenue						
Interest Income *	$ 100,688	$ 150,000	$ 105,000	$ 105,000	$ (45,000)	-30.0%
Non-Operating Other	139,789	30,000	30,000	30,000	-	0.0%
Total Non-Operating Revenue	**$ 240,477**	**$ 180,000**	**$ 135,000**	**$ 135,000**	**$ (45,000)**	**-25.0%**
TOTAL REVENUE	**$ 11,567,009**	**$ 10,476,145**	**$ 11,046,600**	**$ 11,396,086**	**$ 919,941**	**8.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 73,424,787	$ 80,622,250	$ 80,795,250	$ 84,957,337	$ 4,335,087	5.4%
Operating Project	850,000	1,225,000	1,475,000	-	(1,225,000)	-100.0%
Debt Service	473,517	474,646	474,646	475,054	408	0.1%
Total Operating Outlays	**$ 74,748,304**	**$ 82,321,896**	**$ 82,744,896**	**$ 85,432,391**	**$ 3,110,495**	**3.8%**
Capital Outlays						
Capital Projects	$ 3,253,912	$ 6,473,621	$ 5,585,621	$ 4,400,121	$ (2,073,500)	-32.0%
Carry Forward Capital Projects	-	6	-	1,985,500	1,985,494	100.0%
Total Capital Outlays	**$ 3,253,912**	**$ 6,473,627**	**$ 5,585,621**	**$ 6,385,621**	**$ (88,006)**	**-1.4%**
TOTAL OUTLAYS**	**$ 78,002,216**	**$ 88,795,523**	**$ 88,330,517**	**$ 91,818,012**	**$ 3,022,489**	**3.4%**
Less Intra-District Reimbursements	(62,249,355)	(76,259,345)	(76,259,345)	(80,223,610)	(3,964,265)	5.2%
NET OUTLAYS	**$ 15,752,861**	**$ 12,536,178**	**$ 12,071,172**	**$ 11,594,402**	**$ (941,776)**	**-7.5%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,311,307	$ 4,172,600	$ 4,172,595	$ 1,843,300	$ (2,329,300)	-55.8%
TOTAL OTHER SOURCES/(USES)	**$ 3,311,307**	**$ 4,172,600**	**$ 4,172,595**	**$ 1,843,300**	**$ (2,329,300)**	**-55.8%**
BALANCE AVAILABLE	**$ (874,545)**	**$ 2,112,567**	**$ 3,148,023**	**$ 1,644,984**	**$ (467,583)**	**-22.1%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 2,000,000	$ -	$ 3,380,000	$ 1,394,500	$ 1,394,500	0.0%
Operating and Capital Reserve	5,174,508	9,094,273	6,942,531	10,573,015	1,478,742	16.3%
Total Committed Reserves	**$ 7,174,508**	**$ 9,094,273**	**$ 10,322,531**	**$ 11,967,515**	**$ 2,873,242**	**31.6%**
TOTAL YEAR-END RESERVES	**$ 7,174,508**	**$ 9,094,273**	**$ 10,322,531**	**$ 11,967,515**	**$ 2,873,242**	**31.6%**

General Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 44,398,682	$ 46,131,920	$ 46,131,920	$ 48,607,639	$ 2,475,719	5.4%
Salary Savings Factor	-	(726,710)	(726,710)	(763,799)	(37,089)	5.1%
Services & Supplies	22,742,280	28,901,465	29,324,465	28,099,115	(802,350)	-2.8%
Intra-District Charges	7,133,824	7,540,575	7,540,575	9,014,383	1,473,808	19.5%
OPERATING OUTLAY TOTAL	**$ 74,274,786**	**$ 81,847,250**	**$ 82,270,250**	**$ 84,957,338**	**$ 3,110,088**	**3.8%**
DEBT SERVICE						
Services & Supplies	$ 413	$ 2,908	$ 2,908	$ 2,908	$ -	0.0%
Debt Service	473,104	471,738	471,738	472,146	408	0.1%
DEBT SERVICE TOTAL	**$ 473,517**	**$ 474,646**	**$ 474,646**	**$ 475,054**	**$ 408**	**0.1%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 41,073	$ 319,229	$ 319,229	$ 311,452	$ (7,777)	-2.4%
Salary Savings Factor	-	(4,975)	(4,975)	(5,163)	(188)	3.8%
Services & Supplies	3,195,664	6,093,189	5,205,189	4,017,068	(2,076,121)	-34.1%
Carry Forward Capital Projects	-	6	-	1,985,500	1,985,494	100.0%
Intra-District Charges	17,175	66,178	66,178	76,764	10,586	16.0%
CAPITAL PROJECTS TOTAL	**$ 3,253,912**	**$ 6,473,627**	**$ 5,585,621**	**$ 6,385,621**	**$ (88,006)**	**-1.4%**
TOTAL OUTLAYS ****	**$ 78,002,215**	**$ 88,795,523**	**$ 88,330,517**	**$ 91,818,013**	**$ 3,022,490**	**3.4%**

(*) 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 amounts may have a slight variance due to rounding

General Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 10,650,548	$ 10,296,145	$ 11,261,086	$ 11,577,525	$ 316,439	2.8%
Intergovermental Services	675,984	-	-	-	-	0.0%
Total Operating Revenue	**$ 11,326,532**	**$ 10,296,145**	**$ 11,261,086**	**$ 11,577,525**	**$ 316,439**	**2.8%**
Non-Operating Revenue						
Interest Income *	$ 100,688	$ 150,000	$ 105,000	$ 130,000	$ 25,000	23.8%
Non-Operating Other	139,789	30,000	30,000	30,000	-	0.0%
Total Non-Operating Revenue	**$ 240,477**	**$ 180,000**	**$ 135,000**	**$ 160,000**	**$ 25,000**	**18.5%**
TOTAL REVENUE	**$ 11,567,009**	**$ 10,476,145**	**$ 11,396,086**	**$ 11,737,525**	**$ 341,439**	**3.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 73,424,787	$ 80,622,250	$ 84,957,337	$ 90,014,225	$ 5,056,888	6.0%
Operating Project	850,000	1,225,000	-	1,225,000	1,225,000	0.0%
Debt Service	473,517	474,646	475,054	-	(475,054)	-100.0%
Total Operating Outlays	**$ 74,748,304**	**$ 82,321,896**	**$ 85,432,391**	**$ 91,239,225**	**$ 5,806,834**	**6.8%**
Capital Outlays						
Capital Projects	$ 3,253,912	$ 6,473,621	$ 4,400,121	$ 4,436,131	$ 36,010	0.8%
Carry Forward Capital Projects	-	6	1,985,500	327,607	(1,657,893)	-83.5%
Total Capital Outlays	**$ 3,253,912**	**$ 6,473,627**	**$ 6,385,621**	**$ 4,763,738**	**$ (1,621,883)**	**-25.4%**
TOTAL OUTLAYS**	**$ 78,002,216**	**$ 88,795,523**	**$ 91,818,012**	**$ 96,002,963**	**$ 4,184,951**	**4.6%**
Less Intra-District Reimbursements	(62,249,355)	(76,259,345)	(80,223,610)	(84,308,692)	(4,085,082)	5.1%
NET OUTLAYS	**$ 15,752,861**	**$ 12,536,178**	**$ 11,594,402**	**$ 11,694,271**	**$ 99,869**	**0.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,311,307	$ 4,172,600	$ 1,843,300	$ 1,889,700	$ 46,400	2.5%
Transfers Out	-	-	-	(1,230,500)	(1,230,500)	0.0%
TOTAL OTHER SOURCES/(USES)	**$ 3,311,307**	**$ 4,172,600**	**$ 1,843,300**	**$ 659,200**	**$ (1,184,100)**	**-64.2%**
BALANCE AVAILABLE	**$ (874,545)**	**$ 2,112,567**	**$ 1,644,984**	**$ 702,454**	**$ (942,530)**	**-57.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 2,000,000	$ -	$ 1,394,500	$ 1,066,893	$ (327,607)	-23.5%
Operating and Capital Reserve	5,174,508	9,094,273	10,573,015	11,603,076	1,030,061	9.7%
Total Committed Reserves	**$ 7,174,508**	**$ 9,094,273**	**$ 11,967,515**	**$ 12,669,969**	**$ 702,454**	**5.9%**
TOTAL YEAR-END RESERVES	**$ 7,174,508**	**$ 9,094,273**	**$ 11,967,515**	**$ 12,669,969**	**$ 702,454**	**5.9%**

General Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 44,398,682	$ 46,131,920	$ 48,607,639	$ 51,729,157	$ 3,121,518	6.4%
Salary Savings Factor	-	(726,710)	(763,799)	(804,799)	(41,000)	5.4%
Services & Supplies	22,742,280	28,901,465	28,099,115	30,942,358	2,843,243	10.1%
Intra-District Charges	7,133,824	7,540,575	9,014,383	9,372,510	358,127	4.0%
OPERATING OUTLAY TOTAL	**$ 74,274,786**	**$ 81,847,250**	**$ 84,957,338**	**$ 91,239,226**	**$ 6,281,888**	**7.4%**
DEBT SERVICE						
Services & Supplies	$ 413	$ 2,908	$ 2,908	$ -	$ (2,908)	-100.0%
Debt Service	473,104	471,738	472,146	-	(472,146)	-100.0%
DEBT SERVICE TOTAL	**$ 473,517**	**$ 474,646**	**$ 475,054**	**$ -**	**$ (475,054)**	**-100.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 41,073	$ 319,229	$ 311,452	$ 203,122	$ (108,329)	-34.8%
Salary Savings Factor	-	(4,975)	(5,163)	(3,300)	1,862	-36.1%
Services & Supplies	3,195,664	6,093,189	4,017,068	4,176,942	159,874	4.0%
Carry Forward Capital Projects	-	6	1,985,500	327,607	(1,657,893)	-83.5%
Intra-District Charges	17,175	66,178	76,764	59,368	(17,397)	-22.7%
CAPITAL PROJECTS TOTAL	**$ 3,253,912**	**$ 6,473,627**	**$ 6,385,621**	**$ 4,763,739**	**$ (1,621,883)**	**-25.4%**
TOTAL OUTLAYS ****	**$ 78,002,215**	**$ 88,795,523**	**$ 91,818,013**	**$ 96,002,965**	**$ 4,184,951**	**4.6%**

(*) 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 amounts may have a slight variance due to rounding

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
60001090	CEOUnscoped Projects-BudgtOnly	–	100,000	100,000	100,000	Office of the CEO
60001091	Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of the COO Admin Services
60001092	CEA UnscopedProject-BudgetOnly	–	100,000	100,000	100,000	Office of the CEA
60021008	Energy Management	100,132	113,870	102,870	113,242	Treated Water Division
60041003	Hollister Groundwater Mgmt	52,151	70,648	53,142	55,116	Raw Water Division
60061012	Facilities Env Compliance	240,089	229,736	241,488	252,458	Emergency, Safety and Security Division
60061018	General Services Div Admin	606,018	924,486	1,301,368	1,373,904	General Services Division
60061023	Districtwide Salary Savings-11	–	(726,710)	(763,799)	(804,799)	Financial Planning & Mgmt Div
60061055	Asset Management Program	373,448	345,842	341,879	393,802	Office of Integrated Water Management
60061058	Drought Induced Tree Removal	1,522,582	1,778,595	1,529,093	1,555,639	Watersheds Operations & Maint Division
60071041	Welding Services	18,687	12,800	23,503	24,609	General Services Division
60091001	Directors Fees / Expenses	548,468	569,550	594,950	616,750	Office of the Clerk of the Board
60101001	Purchasing Services	1,947,543	2,719,534	2,520,596	2,619,836	General Services Division
60101002	Building and Grounds	9,469,281	11,571,583	11,966,687	12,239,406	General Services Division
60101005	Districtwide Signage	317	126,812	305,271	369,045	General Services Division
60101008	District Security Services	2,424,791	4,464,810	4,977,364	5,417,107	Emergency, Safety and Security Division
60101017	CADD System Tech Support	275,328	–	–	–	Office of Integrated Water Management
60111002	General Accounting Services	4,314,296	5,310,897	5,545,446	5,613,942	Financial Planning & Mgmt Div
60111006	Contract Services	2,466,005	2,568,059	2,635,507	2,736,729	General Services Division
60121003	LT Financial Planning & Rate S	226,029	222,544	235,259	252,024	Financial Planning & Mgmt Div
60131007	Ofc of Chief Executive Officer	1,467,381	1,405,102	1,491,300	1,598,166	Office of the CEO
60131014	Continual Improvement	339,947	985,886	782,804	799,477	Financial Planning & Mgmt Div
60141001	District Counsel	4,724,173	5,166,381	5,579,415	5,983,796	Office of the District Counsel
60171002	Education & Volunteer Program	2,131,439	2,210,599	2,474,134	2,601,440	Office of the CEA
60171009	Community Relations	268,409	216,867	225,821	235,160	Office of the CEA
60221001	Budget and Financial Analyses	2,583,691	2,599,449	2,734,557	2,859,799	Financial Planning & Mgmt Div
60221002	Debt & Treasury Management	1,051,052	1,122,665	1,287,039	1,388,342	Financial Planning & Mgmt Div
60221003	FPMD Administration	540,780	538,858	578,457	630,304	Financial Planning & Mgmt Div
60231002	Communications	1,971,585	1,781,791	2,114,369	2,214,670	Office of the CEA
60231003	Federal Government Relations	624,574	793,120	1,038,707	1,079,837	Government Relations Division
60231004	State Government Relations	1,246,934	1,276,027	1,361,989	1,432,553	Government Relations Division
60231005	Local Government Relations	1,735,693	2,098,315	2,451,420	2,559,815	Government Relations Division
60231006	Office of Chief of Ext Affairs	1,514,046	1,562,390	1,287,017	1,360,507	Office of the CEA
60241026	Quality and Env Mgmt Sys Prog	601,211	546,151	599,163	628,720	Financial Planning & Mgmt Div
60281003	Ethics & EEO Programs	438,384	682,128	168,100	198,100	Office of the COO Admin Services
60281004	Racial EquityDiversity&Inclusn	1,570,061	1,608,416	2,295,894	2,022,341	Office of the CEA
60281006	Reasonable Accommodation	4,417	157,766	130,182	133,210	Office of the COO Admin Services
60291001	Recruitment and Examination	2,384,933	3,120,634	3,334,141	3,454,772	Human Resources Division
60291002	Benefits and Wellness Admin	1,675,077	1,664,863	1,658,651	1,725,847	Human Resources Division
60291003	Labor Relations	916,470	1,378,433	1,414,676	1,518,249	Office of the COO Admin Services
60291005	Classification&CompensationPgm	–	–	261,017	271,968	Human Resources Division
60291011	HR Program Admin	221,769	817,905	871,070	951,062	Human Resources Division
60291030	HR Systems Management Program	635,729	20,000	764,905	802,158	Human Resources Division
60291032	Bargaining Unit Representation	236,377	16,449	224,479	241,043	Office of the COO Admin Services
60291040	Rotation Program	594,065	618,000	648,900	648,900	Human Resources Division
60291041	Internship Program	802,144	1,571,000	1,145,550	1,145,550	Human Resources Division
60291043	Succession Planning	34,028	–	–	–	Human Resources Division
60301001	Clerk of the Board Serv	5,988,753	3,889,028	2,945,903	4,635,934	Office of the Clerk of the Board
60311001	Records & Library Services	1,202,206	1,268,312	1,332,836	1,392,310	Office of the Clerk of the Board

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
60351001	Business & Customer SupportSvc	2,593,251	3,317,618	3,485,602	3,736,897	General Services Division
60601012	EOC - PSPS 10.25.19	445	–	–	–	Emergency, Safety and Security Division
60601013	Covid 19	3,274,060	–	–	–	Emergency, Safety and Security Division
60811046	Warehouse Services	494,526	762,967	577,232	596,815	General Services Division
60131004	AS Administration	1,145,231	2,220,419	2,321,649	2,375,552	Office of the COO Admin Services
60231007	Internal Communications	534,080	588,968	628,626	654,368	Office of the CEA
60361002	Graphic Services	968,502	1,255,712	1,282,658	1,347,090	Office of the CEA
60291004	Workforce Development	2,324,203	2,756,976	2,528,787	2,619,036	Human Resources Division
60291044	Next-Gen workforce Development Program	–	–	1,019,663	1,041,623	Human Resources Division
Total Operations		**73,424,787**	**80,622,250**	**84,957,337**	**90,014,225**	
Operating Project						
60232001	Water Rate Assistance Program	850,000	1,225,000	–	1,225,000	Office of the CEA
Total Operating Projects		**850,000**	**1,225,000**	**–**	**1,225,000**	
Debt Service						
60993009	2017A COP Refunding GF	473,517	474,646	475,054	–	Financial Planning & Mgmt Div
Total Debt Service		**473,517**	**474,646**	**475,054**	**–**	
Capital						
60064023	Districtwide Salary Savings	–	(4,975)	(5,163)	(3,300)	Financial Planning & Mgmt Div
60074033	CIP Development & Admin	13,626	15,143	14,250	16,027	Office of Integrated Water Management
60074036	Survey Mgmt & Tech Support	4,613	6,065	7,912	9,668	Watersheds Desn & Construction Division
60204016	Small Caps, Facility Mgmt	3,203,823	4,000,000	4,006,000	4,006,000	General Services Division
60204032	Headquarters Operations Bldg	–	2,080,000	–	–	General Services Division
60204022	Security Upgrades and Enhancement	–	314,000	313,500	333,765	Emergency, Safety and Security Division
60074040	Capital Project Mgmt System	13,456	5,194	–	–	Office of Integrated Water Management
60074041	Construction Contracts and Support	11,367	28,298	34,801	37,156	General Services Division
60074042	Capital Project Mgmt & Controls	7,028	12,803	11,904	12,249	Office of Integrated Water Management
60074047	Computer-Aided Design for Engineering	–	17,093	16,917	24,568	Office of Integrated Water Management
Total Capital		**3,253,912**	**6,473,621**	**4,400,121**	**4,436,131**	
Total		**78,002,216**	**88,795,517**	**89,832,513**	**95,675,357**	

SERVICE FUNDS

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 District-owned 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 2023-24 total $6.4 million with an overhead rate of 5.3% and $6.8 million for FY 2024-25 with an overhead rate of 5.4%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Replacement of 14 vehicles and 19 pieces of construction 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.
- Evaluate and implement industry best practices within operations.
- 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, workers' compensation insurance, and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of the Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through the establishment of and compliance with safe work procedures and best management practices for the industry.

Intra-district reimbursements for FY 2023-24 total $12.7 million with an overhead rate of 10.5% and $11.4 million for FY 2024-25 with an overhead rate of 9%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to manage safety, ergonomics, and industrial hygiene programs in compliance with regulatory requirements and industry best practices.

Information Technology Fund

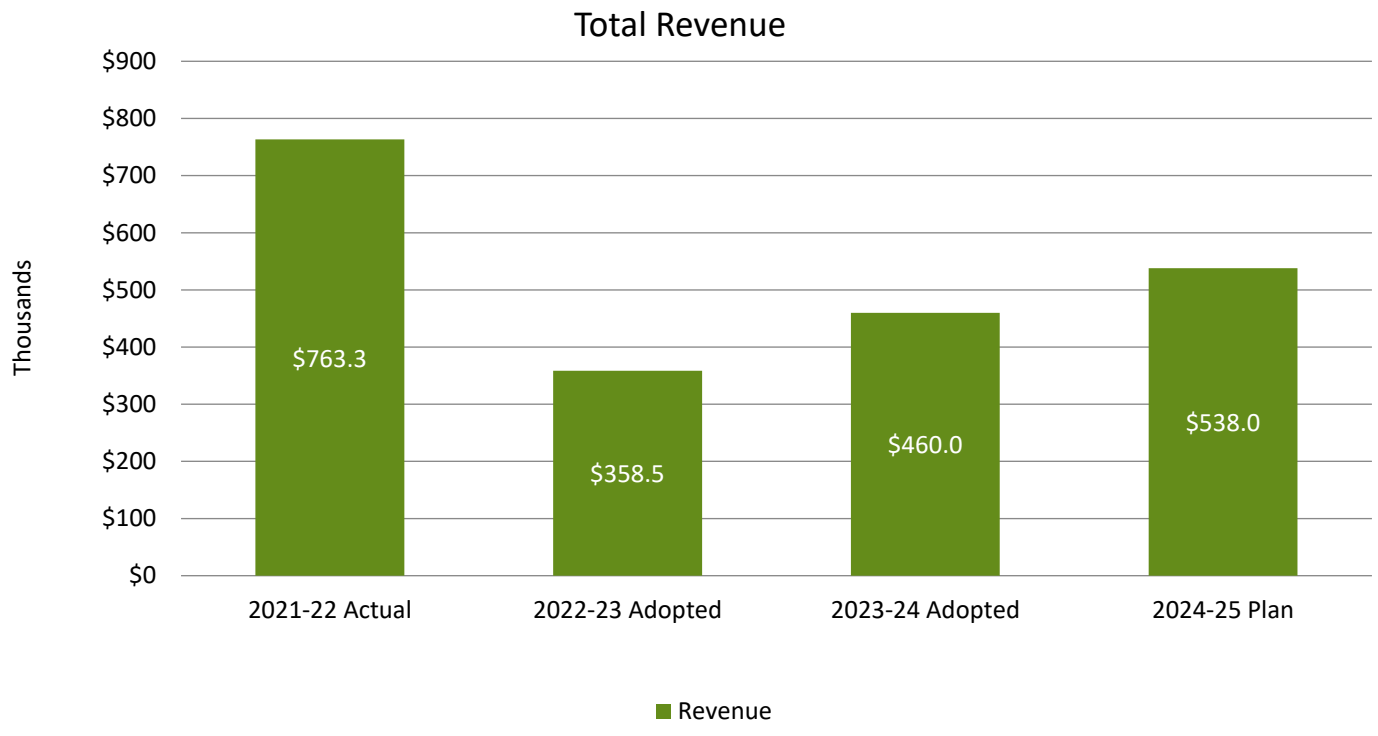
The Information Technology Fund was established to capture the operation, maintenance, and replacement costs to support the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-district reimbursements for FY 2023-24 total $25.7 million with an overhead rate of 22%, and $28.2 million for FY 2024-25 with an overhead rate of 23%.

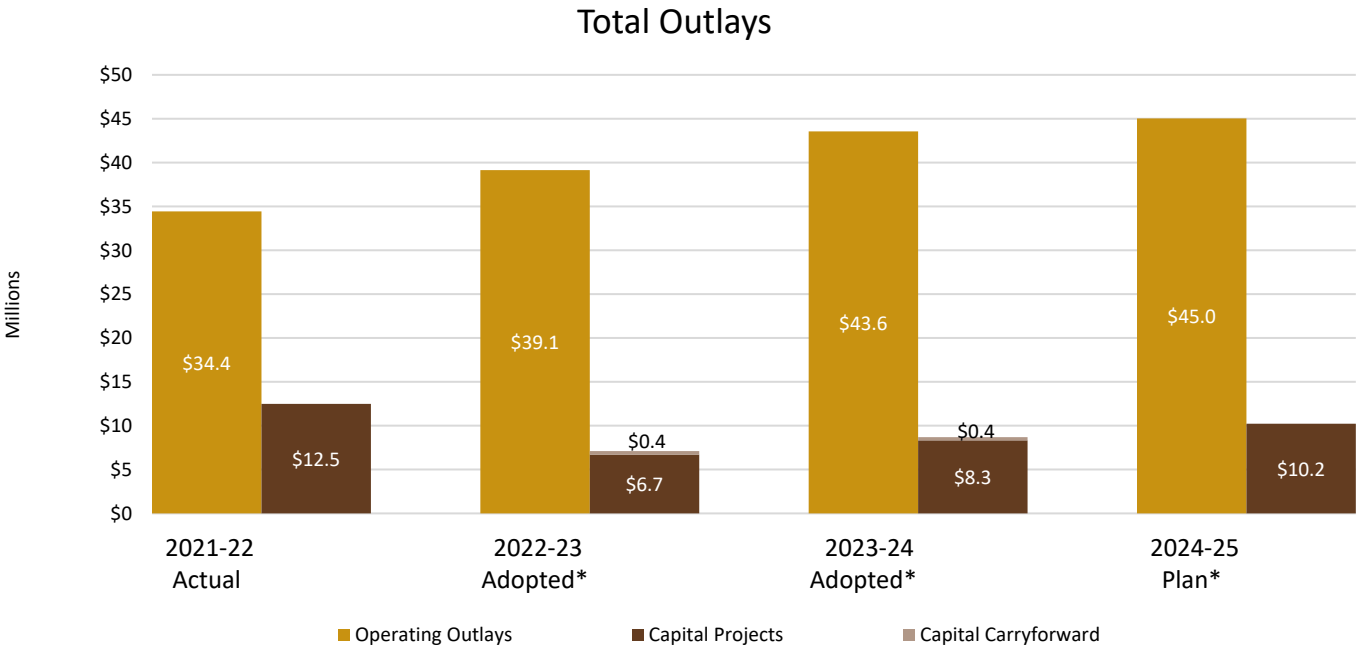
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Update IT Strategic Plan in the IT Master Plan in coordination with CEO's Office.
- Execute redesign and refresh of the Valleywater.org web site.
- Develop long term strategy for communication, collaboration, and file storage.
- Complete implementation of IT Disaster Recovery for Business Services.
- Develop long term strategy for remote communications to WUE sites.
- Complete Virtual Desktop Infrastructure for GIS services.
- Implement Various cybersecurity projects including physical infrastructure upgrades and multi-factor authentication.
- Implement system changes in support of modernizing Community Projects operations.
- Implement online credit card processing tool.
- Complete implementation of Cityworks for the Wells Management and Permitting Unit.
- Begin upgrades to conference and board room technologies in alignment with new hybrid work needs.

Service Funds Combined





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

Service Funds Combined Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Intergovermental Services	$ 134,089	$ -	$ -	$ -	$ -	0.0%
Interest Income *	428,671	307,500	450,000	440,000	132,500	43.1%
Non-Operating Other	200,520	51,000	20,000	20,000	(31,000)	-60.8%
TOTAL REVENUE	**$ 763,280**	**$ 358,500**	**$ 470,000**	**$ 460,000**	**$ 101,500**	**28.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 31,230,206	$ 39,096,964	$ 39,436,964	$ 43,511,147	$ 4,414,182	11.3%
Operating Project	3,211,149	50,000	450,000	50,000	-	0.0%
Total Operating Outlays	**$ 34,441,355**	**$ 39,146,964**	**$ 39,886,964**	**$ 43,561,147**	**$ 4,414,182**	**11.3%**
Capital Outlays						
Capital Projects	$ 12,492,688	$ 6,694,499	$ 8,392,519	$ 8,321,889	$ 1,627,390	24.3%
Carry Forward Capital Projects	-	402,273	-	375,723	(26,550)	-6.6%
Total Capital Outlays	**$ 12,492,688**	**$ 7,096,772**	**$ 8,392,519**	**$ 8,697,612**	**$ 1,600,840**	**22.6%**
TOTAL OUTLAYS**	**$ 46,934,043**	**$ 46,243,736**	**$ 48,279,483**	**$ 52,258,759**	**$ 6,015,023**	**13.0%**
Less Intra-District Reimbursements	(35,078,728)	(38,741,519)	(38,741,519)	(44,704,338)	(5,962,819)	15.4%
NET OUTLAYS	**$ 11,855,315**	**$ 7,502,217**	**$ 9,537,964**	**$ 7,554,421**	**$ 52,204**	**0.7%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,444,000	$ 4,062,000	$ 4,062,000	$ 6,231,000	$ 2,169,000	53.4%
TOTAL OTHER SOURCES/(USES)	**$ 6,444,000**	**$ 4,062,000**	**$ 4,062,000**	**$ 6,231,000**	**$ 2,169,000**	**53.4%**
BALANCE AVAILABLE	**$ (4,648,035)**	**$ (3,081,717)**	**$ (5,005,964)**	**$ (863,421)**	**$ 2,218,296**	**-72.0%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 2,584,956	$ 416,396	$ 375,723	$ -	$ (416,396)	-100.0%
Operating and Capital Reserve	11,128,355	3,600,397	9,192,180	6,734,369	3,133,972	87.0%
Liability/Workers' Comp Self-Insurance	7,714,800	6,621,000	8,337,000	8,337,000	1,716,000	25.9%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	3,609,913	5,580,026	353,765	6.8%
Total Committed Reserves	**$ 26,520,781**	**$ 15,864,054**	**$ 21,514,816**	**$ 20,651,395**	**$ 4,787,341**	**30.2%**
TOTAL YEAR-END RESERVES	**$ 26,520,781**	**$ 15,864,054**	**$ 21,514,816**	**$ 20,651,395**	**$ 4,787,341**	**30.2%**

Service Funds Combined Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,975,669	$ 13,815,576	$ 13,815,576	$ 13,950,137	$ 134,561	1.0%
Salary Savings Factor	-	(218,339)	(218,339)	(220,960)	(2,622)	1.2%
Services & Supplies	18,543,216	18,552,874	19,292,874	22,501,066	3,948,192	21.3%
Intra-District Charges	4,922,470	6,996,853	6,996,853	7,330,904	334,051	4.8%
OPERATING OUTLAY TOTAL	**$ 34,441,355**	**$ 39,146,964**	**$ 39,886,964**	**$ 43,561,147**	**$ 4,414,182**	**11.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 921,449	$ 187,924	$ 187,924	$ 45,990	$ (141,934)	-75.5%
Salary Savings Factor	-	(3,057)	(3,057)	(729)	2,328	-76.1%
Services & Supplies	11,098,174	6,412,820	8,110,840	8,248,347	1,835,527	28.6%
Carry Forward Capital Projects	-	402,273	-	375,723	(26,550)	-6.6%
Intra-District Charges	473,065	96,812	96,812	28,281	(68,531)	-70.8%
CAPITAL PROJECTS TOTAL	**$ 12,492,688**	**$ 7,096,772**	**$ 8,392,519**	**$ 8,697,612**	**$ 1,600,840**	**22.6%**
TOTAL OUTLAYS ****	**$ 46,934,043**	**$ 46,243,736**	**$ 48,279,483**	**$ 52,258,759**	**$ 6,015,022**	**13.0%**

(*) 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 amounts may have a slight variance due to rounding

Service Funds Combined Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 $ Diff	Change from 2023-24 % Diff
REVENUE						
Intergovermental Services	$ 134,089	$ -	$ -	$ -	$ -	0.0%
Interest Income *	428,671	307,500	440,000	518,000	78,000	17.7%
Non-Operating Other	200,520	51,000	20,000	20,000	-	0.0%
TOTAL REVENUE	**$ 763,279**	**$ 358,500**	**$ 460,000**	**$ 538,000**	**$ 78,000**	**17.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 31,230,206	$ 39,096,964	$ 43,511,147	$ 45,040,439	$ 1,529,292	3.5%
Operating Project	3,211,149	50,000	50,000	-	(50,000)	-100.0%
Total Operating Outlays	**$ 34,441,355**	**$ 39,146,964**	**$ 43,561,147**	**$ 45,040,439**	**$ 1,479,292**	**3.4%**
Capital Outlays						
Capital Projects	$ 12,492,688	$ 6,694,499	$ 8,321,889	$ 10,218,912	$ 1,897,024	22.8%
Carry Forward Capital Projects	-	402,273	375,723	-	(375,723)	-100.0%
Total Capital Outlays	**$ 12,492,688**	**$ 7,096,772**	**$ 8,697,612**	**$ 10,218,912**	**$ 1,521,301**	**17.5%**
TOTAL OUTLAYS****	**$ 46,934,043**	**$ 46,243,736**	**$ 52,258,759**	**$ 55,259,351**	**$ 3,000,592**	**5.7%**
Less Intra-District Reimbursements	(35,078,728)	(38,741,519)	(44,704,338)	(46,430,849)	(1,726,511)	3.9%
NET OUTLAYS	**$ 11,855,315**	**$ 7,502,217**	**$ 7,554,421**	**$ 8,828,502**	**$ 1,274,081**	**16.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,444,000	$ 4,062,000	$ 6,231,000	$ 8,054,000	$ 1,823,000	29.3%
TOTAL OTHER SOURCES/(USES)	**$ 6,444,000**	**$ 4,062,000**	**$ 6,231,000**	**$ 8,054,000**	**$ 1,823,000**	**29.3%**
BALANCE AVAILABLE	**$ (4,648,035)**	**$ (3,081,717)**	**$ (863,421)**	**$ (236,502)**	**$ 626,919**	**-72.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 2,584,956	$ 416,396	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	11,128,355	3,600,397	6,734,369	6,423,594	(310,775)	-4.6%
Liability/Workers' Comp Self-Insurance	7,714,800	6,621,000	8,337,000	8,337,000	-	0.0%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	5,580,026	5,654,299	74,273	1.3%
Total Committed Reserves	**$ 26,520,781**	**$ 15,864,054**	**$ 20,651,395**	**$ 20,414,893**	**$ (236,502)**	**-1.1%**
TOTAL YEAR-END RESERVES	**$ 26,520,781**	**$ 15,864,054**	**$ 20,651,395**	**$ 20,414,893**	**$ (236,502)**	**-1.1%**

Service Funds Combined Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 $ Diff	Change from 2023-24 % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,975,669	$ 13,815,576	$ 13,950,137	$ 14,803,528	$ 853,391	6.1%
Salary Savings Factor	-	(218,339)	(220,960)	(230,919)	(9,959)	4.5%
Services & Supplies	18,543,216	18,552,874	22,501,066	22,872,193	371,127	1.6%
Intra-District Charges	4,922,470	6,996,853	7,330,904	7,595,637	264,734	3.6%
OPERATING OUTLAY TOTAL	**$ 34,441,355**	**$ 39,146,964**	**$ 43,561,147**	**$ 45,040,439**	**$ 1,479,293**	**3.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 921,449	$ 187,924	$ 45,990	$ 54,537	$ 8,546	18.6%
Salary Savings Factor	-	(3,057)	(729)	(854)	(125)	17.2%
Services & Supplies	11,098,174	6,412,820	8,248,347	10,132,198	1,883,851	22.8%
Carry Forward Capital Projects	-	402,273	375,723	-	(375,723)	-100.0%
Intra-District Charges	473,065	96,812	28,281	33,033	4,752	16.8%
CAPITAL PROJECTS TOTAL	**$ 12,492,688**	**$ 7,096,772**	**$ 8,697,612**	**$ 10,218,914**	**$ 1,521,301**	**17.5%**
TOTAL OUTLAYS ****	**$ 46,934,043**	**$ 46,243,736**	**$ 52,258,759**	**$ 55,259,353**	**$ 3,000,592**	**5.7%**

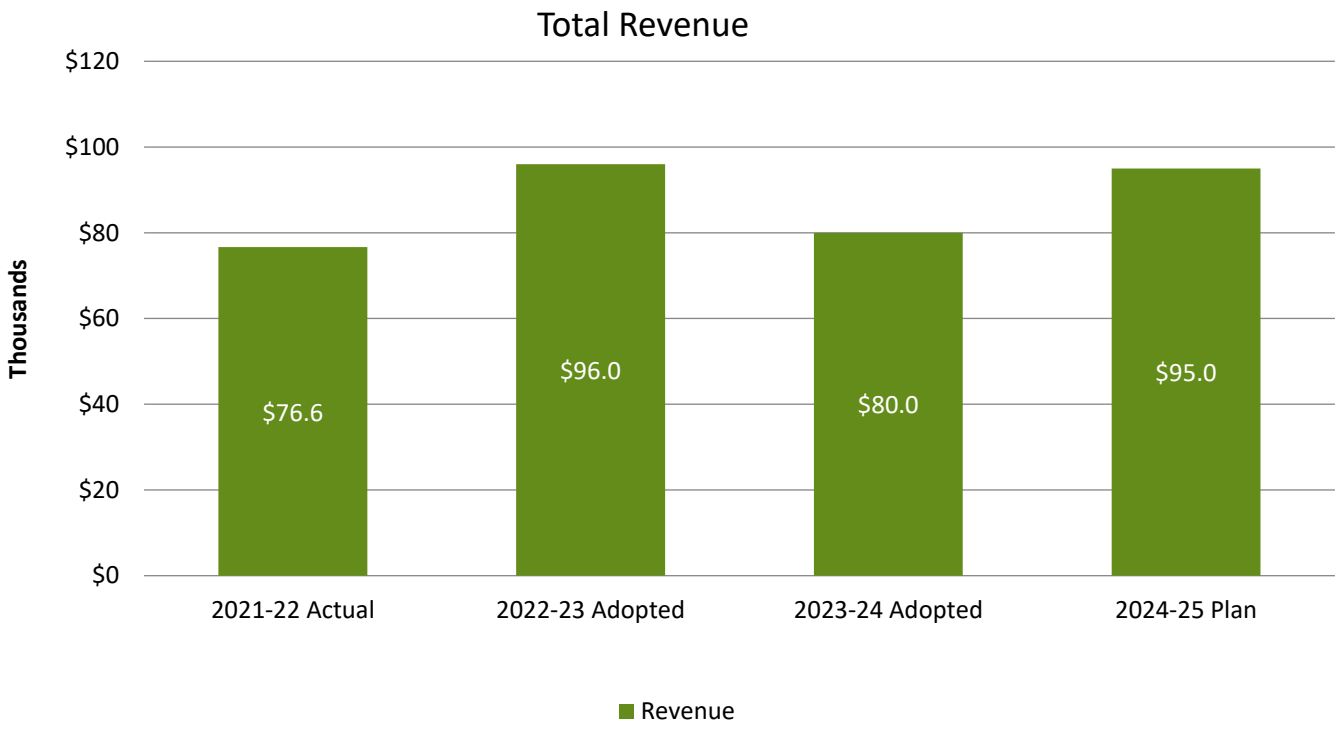
(*) Interest income does not include GASB31 market value adjustment

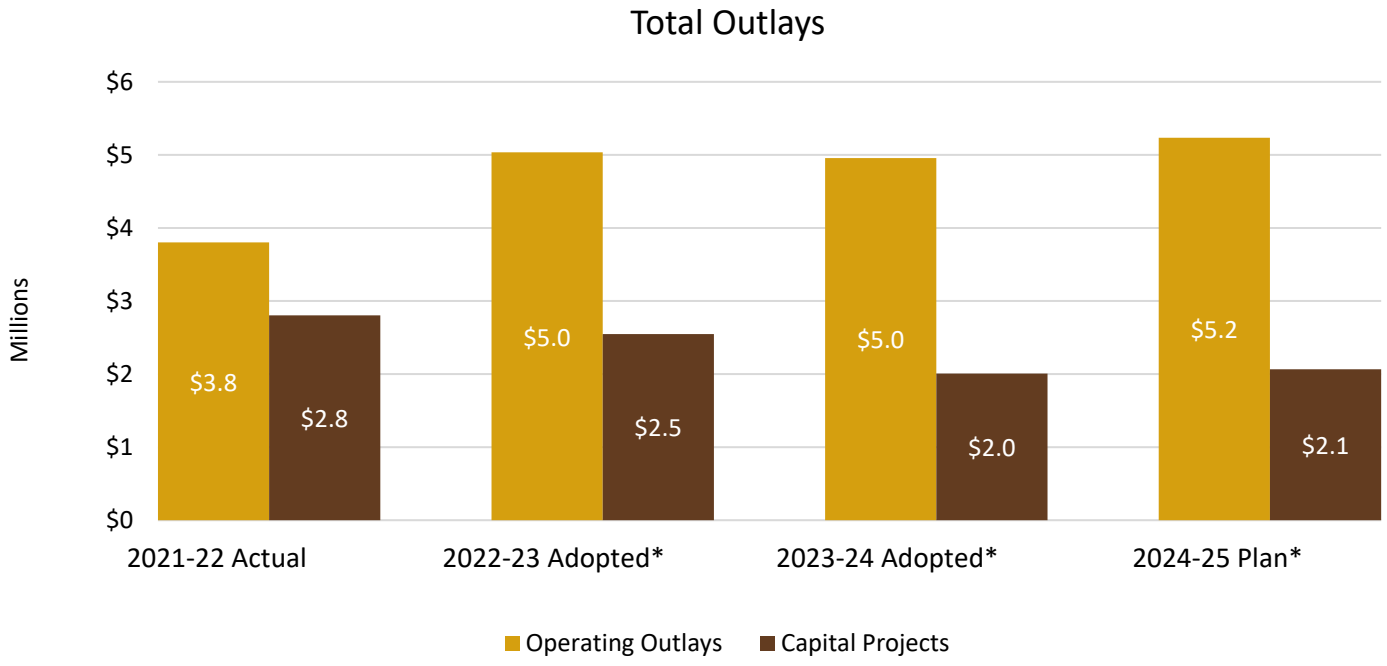
(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

(****) Total Outlays amounts may have a slight variance due to rounding

Fleet Management Fund





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

Fleet Management Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Interest Income *	$ 70,605	$ 45,000	$ 70,000	$ 60,000	$ 15,000	33.3%
Non-Operating Other	6,039	51,000	20,000	20,000	(31,000)	-60.8%
Total Non - Operating Revenue	**$ 76,644**	**$ 96,000**	**$ 90,000**	**$ 80,000**	**$ (16,000)**	**-16.7%**
TOTAL REVENUE	**$ 76,644**	**$ 96,000**	**$ 90,000**	**$ 80,000**	**$ (16,000)**	**-16.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 3,802,831	$ 5,034,404	$ 5,034,404	$ 4,956,838	$ (77,567)	-1.5%
Total Operating Outlays	**$ 3,802,831**	**$ 5,034,404**	**$ 5,034,404**	**$ 4,956,838**	**$ (77,567)**	**-1.5%**
Capital Outlays						
Capital Projects	$ 2,804,348	$ 2,547,667	$ 2,547,667	$ 2,005,700	$ (541,967)	-21.3%
Total Capital Outlays	**$ 2,804,348**	**$ 2,547,667**	**$ 2,547,667**	**$ 2,005,700**	**$ (541,967)**	**-21.3%**
TOTAL OUTLAYS**	**$ 6,607,179**	**$ 7,582,071**	**$ 7,582,071**	**$ 6,962,538**	**$ (619,533)**	**-8.2%**
Less Intra-District Reimbursements	(6,573,785)	(7,101,404)	(7,101,404)	(6,361,886)	739,518	-10.4%
NET OUTLAYS	**$ 33,394**	**$ 480,667**	**$ 480,667**	**$ 600,652**	**$ 119,985**	**25.0%**
BALANCE AVAILABLE	**$ 43,250**	**$ (384,667)**	**$ (390,667)**	**$ (520,652)**	**$ (135,985)**	**35.4%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 4,173,415	$ 1,420,160	$ 3,782,748	$ 3,262,096	$ 1,841,936	129.7%
Total Committed Reserves	**$ 4,173,415**	**$ 1,420,160**	**$ 3,782,748**	**$ 3,262,096**	**$ 1,841,936**	**129.7%**
TOTAL YEAR-END RESERVES	**$ 4,173,415**	**$ 1,420,160**	**$ 3,782,748**	**$ 3,262,096**	**$ 1,841,936**	**129.7%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,578,720	$ 1,979,511	$ 1,979,511	$ 1,859,784	$ (119,727)	-6.0%
Salary Savings Factor	-	(29,737)	(29,737)	(27,564)	2,173	-7.3%
Services & Supplies	1,389,858	1,994,270	1,994,270	2,063,418	69,148	3.5%
Intra-District Charges	834,252	1,090,360	1,090,360	1,061,199	(29,161)	-2.7%
OPERATING OUTLAY TOTAL	**$ 3,802,830**	**$ 5,034,404**	**$ 5,034,404**	**$ 4,956,837**	**$ (77,567)**	**-1.5%**
CAPITAL PROJECTS						
Services & Supplies	$ 2,804,348	$ 2,547,667	$ 2,547,667	$ 2,005,700	$ (541,967)	-21.3%
CAPITAL PROJECTS TOTAL	**$ 2,804,348**	**$ 2,547,667**	**$ 2,547,667**	**$ 2,005,700**	**$ (541,967)**	**-21.3%**
TOTAL OUTLAYS ****	**$ 6,607,178**	**$ 7,582,071**	**$ 7,582,071**	**$ 6,962,537**	**$ (619,534)**	**-8.2%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Fleet Management Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 70,605	$ 45,000	$ 60,000	75,000	$ 15,000	25.0%
Non-Operating Other	6,039	51,000	20,000	20,000	-	0.0%
Total Non - Operating Revenue	**$ 76,644**	**$ 96,000**	**$ 80,000**	**95,000**	**$ 15,000**	**18.8%**
TOTAL REVENUE	**$ 76,644**	**$ 96,000**	**$ 80,000**	**95,000**	**$ 15,000**	**18.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 3,802,831	$ 5,034,404	$ 4,956,838	5,234,806	$ 277,968	5.6%
Total Operating Outlays	**$ 3,802,831**	**$ 5,034,404**	**$ 4,956,838**	**5,234,806**	**$ 277,968**	**5.6%**
Capital Outlays						
Capital Projects	$ 2,804,348	$ 2,547,667	$ 2,005,700	2,066,100	$ 60,400	3.0%
Total Capital Outlays	**$ 2,804,348**	**$ 2,547,667**	**$ 2,005,700**	**2,066,100**	**$ 60,400**	**3.0%**
TOTAL OUTLAYS**	**$ 6,607,179**	**$ 7,582,071**	**$ 6,962,538**	**7,300,906**	**$ 338,368**	**4.9%**
Less Intra-District Reimbursements	(6,573,785)	(7,101,404)	(6,361,886)	(6,800,166)	(438,280)	6.9%
NET OUTLAYS	**$ 33,394**	**$ 480,667**	**$ 600,652**	**500,740**	**$ (99,912)**	**-16.6%**
BALANCE AVAILABLE	**$ 43,250**	**$ (384,667)**	**$ (520,652)**	**(405,740)**	**$ 114,912**	**-22.1%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 4,173,415	$ 1,420,160	$ 3,262,096	2,856,356	$ (405,740)	-12.4%
Total Committed Reserves	**$ 4,173,415**	**$ 1,420,160**	**$ 3,262,096**	**2,856,356**	**$ (405,740)**	**-12.4%**
TOTAL YEAR-END RESERVES	**$ 4,173,415**	**$ 1,420,160**	**$ 3,262,096**	**2,856,356**	**$ (405,740)**	**-12.4%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,578,720	$ 1,979,511	$ 1,859,784	1,995,514	$ 135,729	7.3%
Salary Savings Factor	-	(29,737)	(27,564)	(29,219)	(1,655)	6.0%
Services & Supplies	1,389,858	1,994,270	2,063,418	2,148,457	85,039	4.1%
Intra-District Charges	834,252	1,090,360	1,061,199	1,120,054	58,855	5.5%
OPERATING OUTLAY TOTAL	$ **3,802,830**	$ **5,034,404**	$ **4,956,837**	**5,234,806**	$ **277,968**	**5.6%**
CAPITAL PROJECTS						
Services & Supplies	$ 2,804,348	$ 2,547,667	$ 2,005,700	2,066,100	$ 60,400	3.0%
CAPITAL PROJECTS TOTAL	$ **2,804,348**	$ **2,547,667**	$ **2,005,700**	**2,066,100**	$ **60,400**	**3.0%**
TOTAL OUTLAYS ****	$ **6,607,178**	$ **7,582,071**	$ **6,962,537**	**7,300,906**	$ **338,368**	**4.9%**

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

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

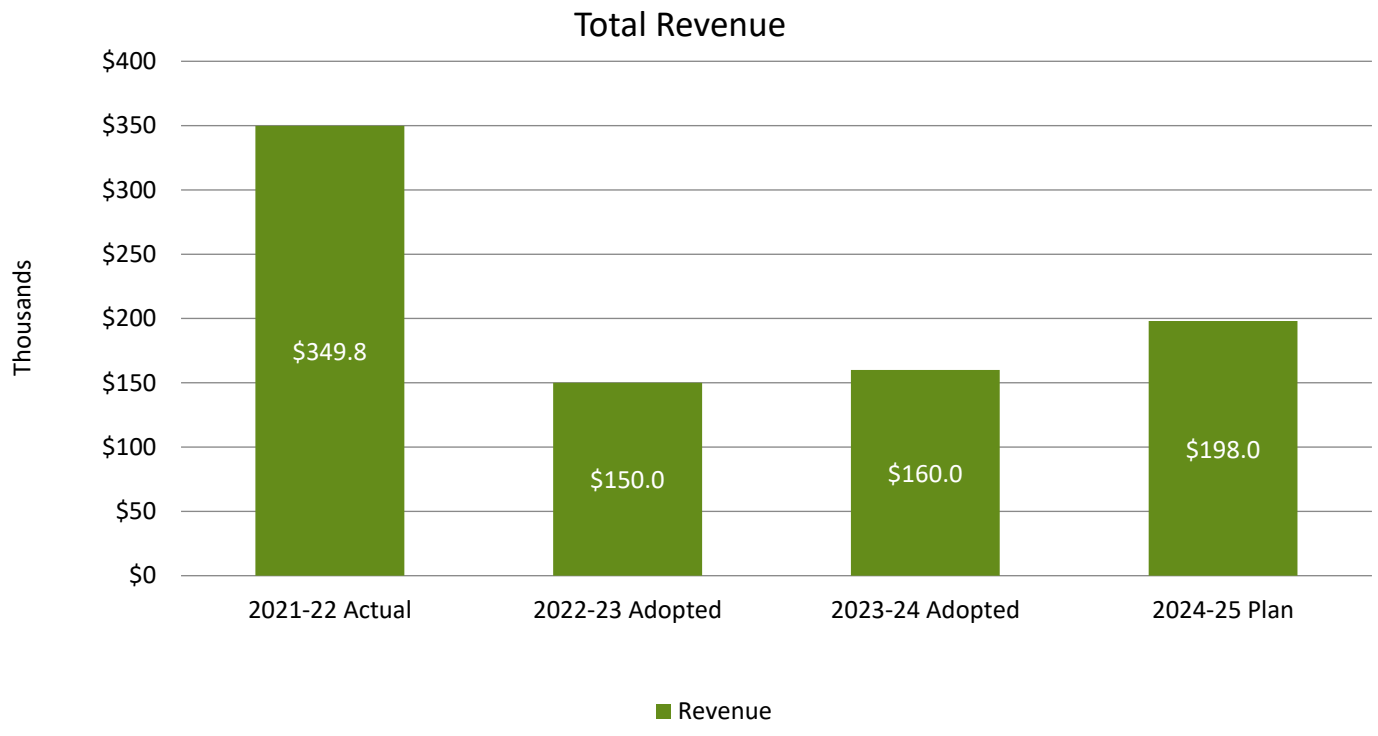
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

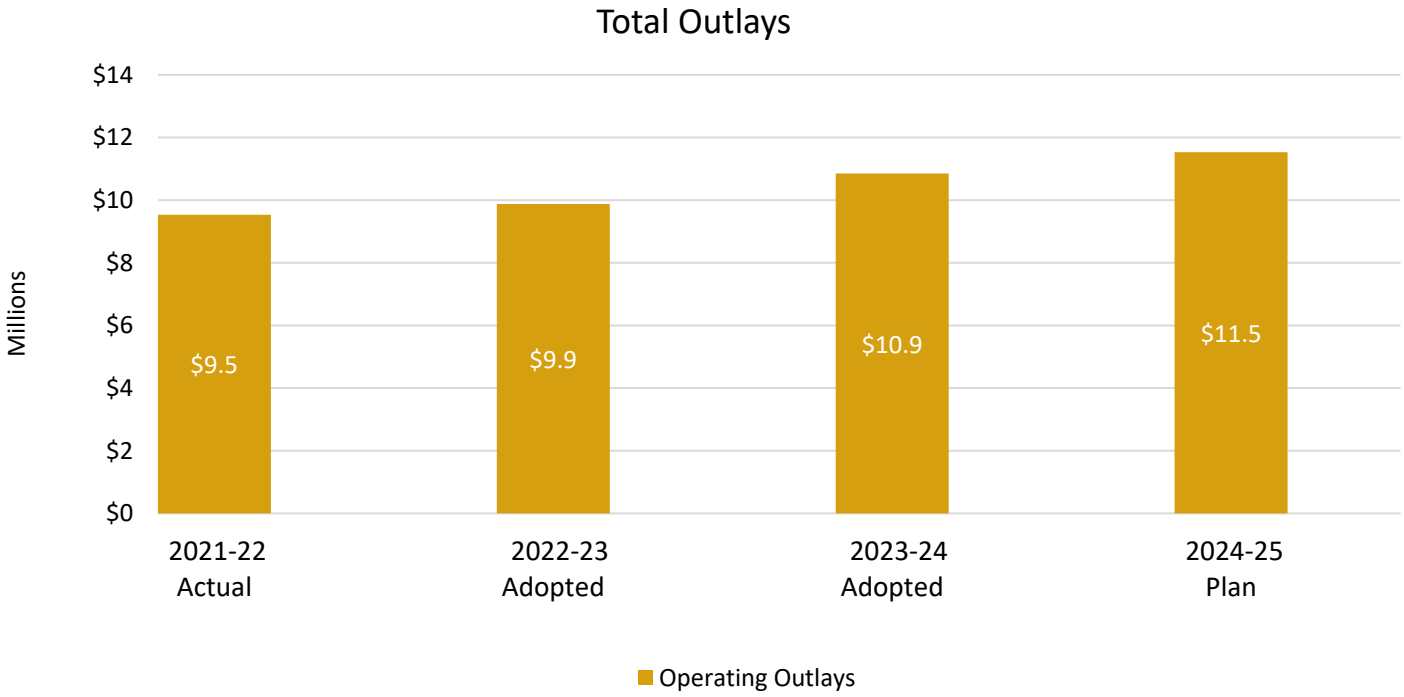
(****) Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Fleet Management Fund

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
70011099	Class I Equip Oper / Maint	820,667	974,990	1,020,624	1,070,648	General Services Division
70021099	Class II Equip Oper / Maint	869,349	983,891	1,019,799	1,068,104	General Services Division
70031099	Class III Equip Oper / Maint	177,105	347,250	357,687	376,218	General Services Division
70041099	Class IV Equip Oper / Maint	615,325	1,081,566	1,118,243	1,175,075	General Services Division
70061003	Vehicle & Equipment Admin&Mgmt	1,077,599	1,638,046	1,397,538	1,500,154	General Services Division
70061004	Districtwide Salary Savings-71	–	(29,737)	(27,564)	(29,219)	Financial Planning & Mgmt Div
70061045	Asset Management Program	186,724	–	–	–	Office of Integrated Water Management
70071041	Welding Services	56,061	38,399	70,509	73,826	General Services Division
Total Operations		**3,802,831**	**5,034,404**	**4,956,838**	**5,234,806**	
Capital						
70004001	New Vehicle Equip Acquisitio	1,396,143	546,000	563,000	580,000	General Services Division
70004002	Replacement Vehicle & Equip	1,408,205	2,001,667	1,442,700	1,486,100	General Services Division
Total Capital		**2,804,348**	**2,547,667**	**2,005,700**	**2,066,100**	
Total		**6,607,179**	**7,582,071**	**6,962,538**	**7,300,906**	

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Interest Income *	$ 146,354	$ 150,000	$ 160,000	$ 160,000	$ 10,000	6.7%
Non-Operating Other	203,484	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 349,838**	**$ 150,000**	**$ 160,000**	**$ 160,000**	**$ 10,000**	**6.7%**
TOTAL REVENUE	**$ 349,838**	**$ 150,000**	**$ 160,000**	**$ 160,000**	**$ 10,000**	**6.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 6,321,269	$ 9,828,164	$ 9,828,164	$ 10,802,191	$ 974,027	9.9%
Operating Project	3,211,149	50,000	450,000	50,000	-	0.0%
Total Operating Outlays	**$ 9,532,418**	**$ 9,878,164**	**$ 10,278,164**	**$ 10,852,191**	**$ 974,027**	**9.9%**
TOTAL OUTLAYS**	**$ 9,532,418**	**$ 9,878,164**	**$ 10,278,164**	**$ 10,852,191**	**$ 974,027**	**9.9%**
Less Intra-District Reimbursements	(5,520,063)	(9,257,607)	(9,257,607)	(12,662,304)	(3,404,697)	36.8%
NET OUTLAYS	**$ 4,012,355**	**$ 620,557**	**$ 1,020,557**	**$ (1,810,113)**	**$ (2,430,670)**	**-391.7%**
Other Financing Sources/(Uses)						
Transfers In	$ 3,175,000	$ -	$ -	$ -	$ -	0.0%
Total Other Source/(Uses)	**$ 3,175,000**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
BALANCE AVAILABLE	**$ (487,517)**	**$ (470,557)**	**$ (860,557)**	**$ 1,970,113**	**$ 2,440,670**	**-518.7%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 7,714,800	$ 6,621,000	$ 8,337,000	$ 8,337,000	$ 1,716,000	25.9%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	3,609,913	5,580,026	353,765	6.8%
Total Committed Reserves	**$ 12,807,470**	**$ 11,847,261**	**$ 11,946,913**	**$ 13,917,026**	**$ 2,069,765**	**17.5%**
TOTAL YEAR-END RESERVES	**$ 12,807,470**	**$ 11,847,261**	**$ 11,946,913**	**$ 13,917,026**	**$ 2,069,765**	**17.5%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,270,212	$ 2,402,209	$ 2,402,209	$ 2,326,747	$ (75,462)	-3.1%
Salary Savings Factor	-	(38,367)	(38,367)	(38,717)	(350)	0.9%
Services & Supplies	6,071,752	6,155,600	6,555,600	7,153,163	997,563	16.2%
Intra-District Charges	1,190,454	1,358,721	1,358,721	1,410,998	52,276	3.8%
OPERATING OUTLAY TOTAL	**$ 9,532,418**	**$ 9,878,163**	**$ 10,278,163**	**$ 10,852,191**	**$ 974,027**	**9.9%**
TOTAL OUTLAYS ****	**$ 9,532,418**	**$ 9,878,163**	**$ 10,278,163**	**$ 10,852,191**	**$ 974,027**	**9.9%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Risk Management Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 146,354	$ 150,000	$ 160,000	$ 198,000	$ 38,000	23.8%
Non-Operating Other	203,484	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 349,838**	**$ 150,000**	**$ 160,000**	**$ 198,000**	**$ 38,000**	**23.8%**
TOTAL REVENUE	**$ 349,838**	**$ 150,000**	**$ 160,000**	**$ 198,000**	**$ 38,000**	**23.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 6,321,269	$ 9,828,164	$ 10,802,191	$ 11,529,147	$ 726,956	6.7%
Operating Project	3,211,149	50,000	50,000	-	(50,000)	-100.0%
Total Operating Outlays	**$ 9,532,418**	**$ 9,878,164**	**$ 10,852,191**	**$ 11,529,147**	**$ 676,956**	**6.2%**
TOTAL OUTLAYS**	**$ 9,532,418**	**$ 9,878,164**	**$ 10,852,191**	**$ 11,529,147**	**$ 676,956**	**6.2%**
Less Intra-District Reimbursements	(5,520,063)	(9,257,607)	(12,662,304)	(11,405,420)	1,256,884	-9.9%
NET OUTLAYS	**$ 4,012,355**	**$ 620,557**	**$ (1,810,113)**	**$ 123,727**	**$ 1,933,840**	**-106.8%**
Other Financing Sources/(Uses)						
Transfers In	$ 3,175,000	$ -	$ -	$ 0.0%	$ -	0.0%
Total Other Source/(Uses)	**$ 3,175,000**	**$ -**	**$ -**	**$ 0.0%**	**$ -**	**0.0%**
BALANCE AVAILABLE	**$ (487,517)**	**$ (470,557)**	**$ 1,970,113**	**$ 74,273**	**$ (1,895,840)**	**-96.2%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 7,714,800	$ 6,621,000	$ 8,337,000	$ 8,337,000	$ -	0.0%
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	5,580,026	5,654,299	74,273	1.3%
Total Committed Reserves	**$ 12,807,470**	**$ 11,847,261**	**$ 13,917,026**	**$ 13,991,299**	**$ 74,273**	**0.5%**
TOTAL YEAR-END RESERVES	**$ 12,807,470**	**$ 11,847,261**	**$ 13,917,026**	**$ 13,991,299**	**$ 74,273**	**0.5%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,270,212	$ 2,402,209	$ 2,326,747	$ 2,482,299	$ 155,552	6.7%
Salary Savings Factor	-	(38,367)	(38,717)	(40,725)	(2,008)	5.2%
Services & Supplies	6,071,752	6,155,600	7,153,163	7,588,851	435,688	6.1%
Intra-District Charges	1,190,454	1,358,721	1,410,998	1,498,722	87,725	6.2%
OPERATING OUTLAY TOTAL	$ **9,532,418**	$ **9,878,163**	$ **10,852,191**	$ **11,529,147**	$ **676,957**	**6.2%**
TOTAL OUTLAYS ****	$ **9,532,418**	$ **9,878,163**	$ **10,852,191**	$ **11,529,147**	$ **676,957**	**6.2%**

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

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

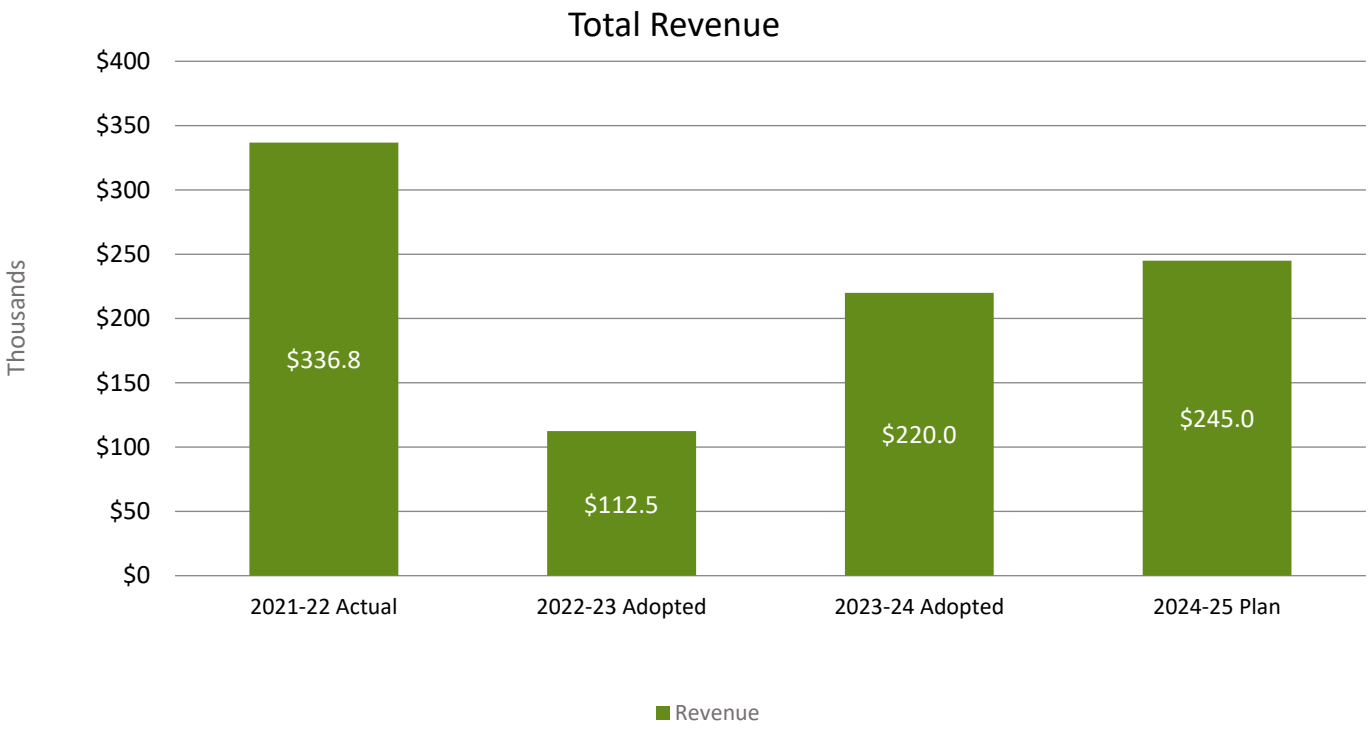
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

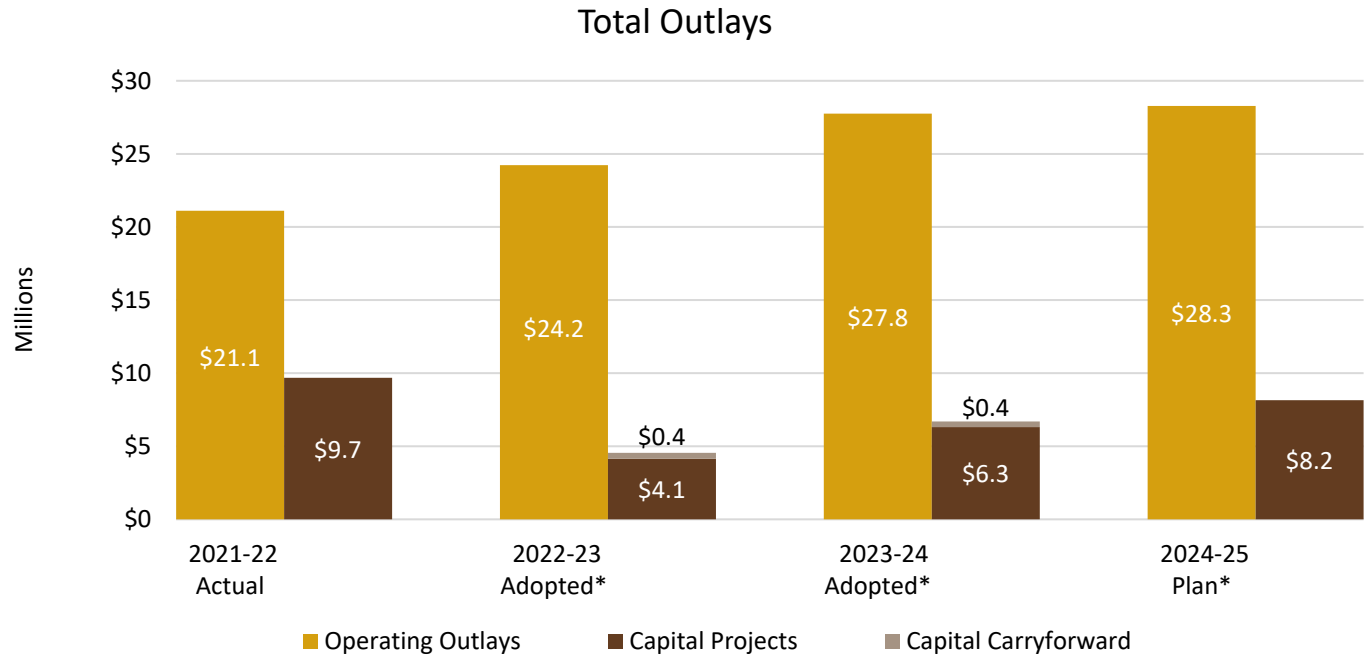
(****) Total Outlays amounts may have a slight variance due to rounding

Total Outlays -Risk Management Fund

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
65051001	Risk Management	3,001,480	5,541,878	6,513,410	7,006,764	Office of the District Counsel
65051002	Workers Compensation Program	476,482	976,160	1,027,809	1,060,046	Office of the District Counsel
65051003	Health&Safety Program Mgt	2,843,308	3,348,493	3,299,689	3,503,062	Emergency, Safety and Security Division
65061004	Districtwide Salary Savings-72	–	(38,367)	(38,717)	(40,725)	Financial Planning & Mgmt Div
Total Operations		**6,321,269**	**9,828,164**	**10,802,191**	**11,529,147**	
Operating Project						
65052001	2017 President Day Flood	3,211,149	50,000	50,000	–	Office of the District Counsel
Total Operating Projects		**3,211,149**	**50,000**	**50,000**	**–**	
Total		**9,532,418**	**9,878,164**	**10,852,191**	**11,529,147**	

Information Technology Fund





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

Information Technology Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
REVENUE						
Intergovernmental Services	$ 134,089	$ -	$ -	$ -	$ -	0.0%
Interest Income *	211,712	112,500	220,000	220,000	107,500	95.6%
Non-Operating Other	(9,003)	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 336,797**	**$ 112,500**	**$ 220,000**	**$ 220,000**	**$ 107,500**	**95.6%**
TOTAL REVENUE	**$ 336,797**	**$ 112,500**	**$ 220,000**	**$ 220,000**	**$ 107,500**	**95.6%**
OUTLAYS						
Operating Outlays						
Operations **	$ 21,106,107	$ 24,234,397	$ 24,574,397	$ 27,752,118	$ 3,517,721	14.5%
Total Operating Outlays	**$ 21,106,107**	**$ 24,234,397**	**$ 24,574,397**	**$ 27,752,118**	**$ 3,517,721**	**14.5%**
Capital Outlays						
Capital Projects	$ 9,688,340	$ 4,146,832	$ 5,844,852	$ 6,316,189	$ 2,169,357	52.3%
Carry Forward Capital Projects	-	402,273	-	375,723	(26,550)	-6.6%
Total Capital Outlays	**$ 9,688,340**	**$ 4,549,105**	**$ 5,844,852**	**$ 6,691,912**	**$ 2,142,807**	**47.1%**
TOTAL OUTLAYS**	**$ 30,794,447**	**$ 28,783,502**	**$ 30,419,249**	**$ 34,444,030**	**$ 5,660,528**	**19.7%**
Less Intra-District Reimbursements	(22,984,880)	(22,382,508)	(22,382,508)	(25,680,148)	(3,297,640)	14.7%
NET OUTLAYS	**$ 7,809,567**	**$ 6,400,994**	**$ 8,036,741**	**$ 8,763,882**	**$ 2,362,888**	**36.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,269,000	$ 4,062,000	$ 4,062,000	$ 6,231,000	$ 2,169,000	53.4%
TOTAL OTHER SOURCES/(USES)	**$ 3,269,000**	**$ 4,062,000**	**$ 4,062,000**	**$ 6,231,000**	**$ 2,169,000**	**53.4%**
BALANCE AVAILABLE	**$ (4,203,769)**	**$ (2,226,494)**	**$ (3,754,741)**	**$ (2,312,882)**	**$ (86,388)**	**3.9%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 2,584,956	$ 416,396	$ 375,723	$ -	$ (416,396)	-100.0%
Operating and Capital Reserve	6,954,940	2,180,237	5,409,432	3,472,273	1,292,036	59.3%
Total Committed Reserves	**$ 9,539,896**	**$ 2,596,633**	**$ 5,785,155**	**$ 3,472,273**	**$ 875,640**	**33.7%**
TOTAL YEAR-END RESERVES	**$ 9,539,896**	**$ 2,596,633**	**$ 5,785,155**	**$ 3,472,273**	**$ 875,640**	**33.7%**

Information Technology Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Change from 2022-23 Adopted $ Diff	Change from 2022-23 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,126,737	$ 9,433,855	$ 9,433,855	$ 9,763,605	$ 329,750	3.5%
Salary Savings Factor	-	(150,235)	(150,235)	(154,680)	(4,445)	3.0%
Services & Supplies	11,081,606	10,403,004	10,743,004	13,284,485	2,881,481	27.7%
Intra-District Charges	2,897,764	4,547,772	4,547,772	4,858,708	310,935	6.8%
OPERATING OUTLAY TOTAL	**$ 21,106,107**	**$ 24,234,396**	**$ 24,574,396**	**$ 27,752,118**	**$ 3,517,721**	**14.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 921,449	$ 187,924	$ 187,924	$ 45,990	$ (141,934)	-75.5%
Salary Savings Factor	-	(3,057)	(3,057)	(729)	2,328	-76.1%
Services & Supplies	8,293,826	3,865,153	5,563,173	6,242,647	2,377,494	61.5%
Carry Forward Capital Projects	-	402,273	-	375,723	(26,550)	-6.6%
Intra-District Charges	473,065	96,812	96,812	28,281	(68,531)	-70.8%
CAPITAL PROJECTS TOTAL	**$ 9,688,340**	**$ 4,549,105**	**$ 5,844,852**	**$ 6,691,912**	**$ 2,142,807**	**47.1%**
TOTAL OUTLAYS ****	**$ 30,794,447**	**$ 28,783,501**	**$ 30,419,248**	**$ 34,444,030**	**$ 5,660,528**	**19.7%**

(*) 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

(****) Total Outlays amounts may have a slight variance due to rounding

Information Technology Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Intergovernmental Services	$ 134,089	$ -	$ -	$ -	$ -	0.0%
Interest Income *	211,712	112,500	220,000	245,000	25,000	11.4%
Non-Operating Other	(9,003)	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 336,797**	**$ 112,500**	**$ 220,000**	**$ 245,000**	**$ 25,000**	**11.4%**
TOTAL REVENUE	**$ 336,797**	**$ 112,500**	**$ 220,000**	**$ 245,000**	**$ 25,000**	**11.4%**
Outlay Summary By Account Type						
OUTLAYS						
Operating Outlays						
Operations **	$ 21,106,107	$ 24,234,397	$ 27,752,118	$ 28,276,486	$ 524,368	1.9%
Total Operating Outlays	**$ 21,106,107**	**$ 24,234,397**	**$ 27,752,118**	**$ 28,276,486**	**$ 524,368**	**1.9%**
Capital Outlays						
Capital Projects	$ 9,688,340	$ 4,146,832	$ 6,316,189	$ 8,152,812	$ 1,836,624	29.1%
Carry Forward Capital Projects	-	402,273	375,723	-	(375,723)	-100.0%
Total Capital Outlays	**$ 9,688,340**	**$ 4,549,105**	**$ 6,691,912**	**$ 8,152,812**	**$ 1,460,901**	**21.8%**
TOTAL OUTLAYS**	**$ 30,794,447**	**$ 28,783,502**	**$ 34,444,030**	**$ 36,429,298**	**$ 1,985,268**	**5.8%**
Less Intra-District Reimbursements	(22,984,880)	(22,382,508)	(25,680,148)	(28,225,263)	(2,545,115)	9.9%
NET OUTLAYS	**$ 7,809,567**	**$ 6,400,994**	**$ 8,763,882**	**$ 8,204,035**	**$ (559,847)**	**-6.4%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,269,000	$ 4,062,000	$ 6,231,000	$ 8,054,000	$ 1,823,000	29.3%
TOTAL OTHER SOURCES/(USES)	**$ 3,269,000**	**$ 4,062,000**	**$ 6,231,000**	**$ 8,054,000**	**$ 1,823,000**	**29.3%**
BALANCE AVAILABLE	**$ (4,203,770)**	**$ (2,226,494)**	**$ (2,312,882)**	**$ 94,965**	**$ 2,407,847**	**-104.1%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 2,584,956	$ 416,396	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	6,954,940	2,180,237	3,472,273	3,567,238	94,965	2.7%
Total Committed Reserves	**$ 9,539,896**	**$ 2,596,633**	**$ 3,472,273**	**$ 3,567,238**	**$ 94,965**	**2.7%**
TOTAL YEAR-END RESERVES	**$ 9,539,896**	**$ 2,596,633**	**$ 3,472,273**	**$ 3,567,238**	**$ 94,965**	**2.7%**

Information Technology Fund Summary

	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,126,737	$ 9,433,855	$ 9,763,605	$ 10,325,715	$ 562,110	5.8%
Salary Savings Factor	-	(150,235)	(154,680)	(160,976)	(6,296)	4.1%
Services & Supplies	11,081,606	10,403,004	13,284,485	13,134,885	(149,600)	-1.1%
Intra-District Charges	2,897,764	4,547,772	4,858,708	4,976,861	118,154	2.4%
OPERATING OUTLAY TOTAL	**$ 21,106,107**	**$ 24,234,396**	**$ 27,752,118**	**$ 28,276,485**	**$ 524,368**	**1.9%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 921,449	$ 187,924	$ 45,990	$ 54,537	$ 8,546	18.6%
Salary Savings Factor	-	(3,057)	(729)	(854)	(125)	17.2%
Services & Supplies	8,293,826	3,865,153	6,242,647	8,066,098	1,823,451	29.2%
Carry Forward Capital Projects	-	402,273	375,723	-	(375,723)	-100.0%
Intra-District Charges	473,065	96,812	28,281	33,033	4,752	16.8%
CAPITAL PROJECTS TOTAL	**$ 9,688,340**	**$ 4,549,105**	**$ 6,691,912**	**$ 8,152,814**	**$ 1,460,901**	**21.8%**
TOTAL OUTLAYS ****	**$ 30,794,447**	**$ 28,783,501**	**$ 34,444,030**	**$ 36,429,299**	**$ 1,985,267**	**5.8%**

(*) 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 amounts may have a slight variance due to rounding

Total Outlays - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Adopted Budget 2023-24	Proposed Plan 2024-25	Project Managed By
Operations						
73061004	Salary Savings-Fund 73	–	(150,235)	(154,680)	(160,976)	Financial Planning & Mgmt Div
73271001	Telecommunications Sys Opr/M	2,864,501	2,148,485	1,940,485	2,196,885	Information Technology Division
73271002	Technical Infrastructure Servi	758,147	5,590,078	6,053,684	6,257,860	Information Technology Division
73271003	Network Administration	3,052,967	2,361,000	2,855,000	2,537,000	Information Technology Division
73271004	Information Security Admin	1,329,595	932,000	1,342,000	1,342,000	Information Technology Division
73271005	Offce Cmptr Maint/Help Dsk Sup	2,120,240	304,000	1,009,000	809,000	Information Technology Division
73271006	Info Technology Div Admin	907,605	1,086,859	1,135,178	1,172,203	Information Technology Division
73271007	Emerging IT Technologies	87,154	100,000	104,000	106,000	Information Technology Division
73271008	Software Maint & License	3,490,256	3,281,519	4,110,000	4,276,000	Information Technology Division
73271009	Software Services	5,669,665	7,045,769	7,623,878	7,918,484	Information Technology Division
73271010	IT Projects & Bus Operations	825,978	1,534,922	1,733,573	1,822,030	Information Technology Division
Total Operations		**21,106,107**	**24,234,397**	**27,752,118**	**28,276,486**	
Capital						
73064004	Salary Savings-Fund 73	–	(3,057)	(729)	(854)	Financial Planning & Mgmt Div
73274001	IT Disaster Recovery	1,339,249	–	44,000	–	Information Technology Division
73274002	ERP System Implementation	1,694,861	237,419	–	–	Information Technology Division
73274004	Network Equipment	1,949,595	911,000	2,961,000	4,786,000	Information Technology Division
73274006	Office Computers Replace Equip	1,495,625	1,682,985	1,888,000	2,070,000	Information Technology Division
73274008	Software Upgrades & Enhancemen	2,000,224	1,233,889	1,321,824	1,159,000	Information Technology Division
73274009	Data Consolidation	296,200	–	16,310	39,000	Information Technology Division
73274012	Telephone System Voice Over IP	862,496	–	–	–	Information Technology Division
73074036	Survey Mgmt & Tech Support	4,613	6,065	7,912	9,668	Watersheds Desn & Construction Division
73074033	CIP Development & Admin	13,626	15,143	14,250	16,027	Office of Integrated Water Management
73074047	Computer-Aided Design for Engineering	–	17,093	16,917	24,568	Office of Integrated Water Management
73074040	Capital Project Mgmt System	13,456	5,194	–	–	Office of Integrated Water Management
73074041	Construction Contracts and Support	11,367	28,298	34,801	37,156	General Services Division
73074042	Capital Project Mgmt & Controls	7,028	12,803	11,904	12,249	Office of Integrated Water Management
Total Capital		**9,688,340**	**4,146,832**	**6,316,189**	**8,152,812**	
Total		**30,794,446**	**28,381,228**	**34,068,307**	**36,429,298**	

Resolutions

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

Resolutions

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-41

APPROVING AND ADOPTING THE OPERATING AND CAPITAL ROLLING BIENNIAL BUDGET FOR FISCAL YEAR 2023-24

WHEREAS, on April 26, 2023, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study session to review and consider the Proposed Operating and Capital Rolling Biennial Budget (Budget) for Fiscal Year (FY) 2023-24; and

WHEREAS, such budget work study sessions were open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2023-24 was developed in accordance with the Board's Executive Limitations EL-4 that the Valley Water's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2023-24; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016): San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, and P3 Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2023-24 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Budget for FY 2023-24, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

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FY 2023-24 Operating, Capital, and Interfund Transfer Budget

1.	General Fund (11)	$ 89,832,512
2.	Watershed and Stream Stewardship Fund (12)	$ 104,770,115
3.	Lower Peninsula Watershed Fund (21)	$ 2,704,621
4.	West Valley Watershed Fund (22)	$ 1,977,565
5.	Guadalupe Watershed (23)	$ 3,858,280
6.	Coyote Watershed Fund (24)	$ 3,644,900
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 83,221,051
8.	Water Enterprise Fund (61)	$ 619,455,593
9.	State Water Project Fund (63)	$ 30,325,000
10.	Fleet Management Fund (71)	$ 6,962,538
11.	Risk Management Fund (72)	$ 10,852,191
12.	Information Technology Fund (73)	$ 34,068,307

FY 2023-24 Reserves Budget

1.	General Fund (11)	$ 11,967,515
2.	Watershed and Stream Stewardship Fund (12)	$ 159,920,644
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 185,841,384
4.	Water Enterprise Fund (61)	$ 86,771,712
5.	State Water Project Fund (63)	$ 8,816,456
6.	Fleet Management Fund (71)	$ 3,262,096
7.	Risk Management Fund (72)	$ 13,917,026
8.	Information Technology Fund (73)	$ 3,472,273

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2023-24 Operating, Capital and Interfund Transfer Budget shall occur as follows:

   (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations.

   (b) By Valley Water Board of Directors action for all budget adjustments between capital projects within a fund that exceed $100,000 per project within the fiscal year.

   (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20 percent of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.

   (d) By the CEO, or his/her designee, for all other changes.

2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2022-23 for capital projects are hereby reappropriated to FY 2023-24 for continued use in those same projects, up to $100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2023-24. The portion of the balances that are not reappropriated to FY 2023-24 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

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3. Any variances at the end of FY 2023-24 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2023-24 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2023-24 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:

   (a) First, to restore Restricted Reserves.

   (b) Second, to restore Risk Fund Committed Reserves.

   (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.

   (d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2024-25, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water shall proceed in accordance with the following authorizations:

   (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

   (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption of the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Beall, Santos, Estremera, Hsueh, Varela

NOES: Directors Eisenberg, Keegan

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L Varela
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-35

APPROVING THE CAPITAL IMPROVEMENT PROGRAM
FISCAL YEARS 2024-2028 FIVE-YEAR PLAN

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Capital Improvement Program (CIP) Five-Year Plan and to have it reviewed by the County of Santa Clara and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Valley Water Board of Directors was provided with the CIP Draft Fiscal Years (FY) 2024-2028 Five-Year Plan for review and discussion at its meeting held on February 28, 2023; and

WHEREAS, on March 3, 2023, the CIP Draft FY 2024-28 Five-Year Plan was provided to the County of Santa Clara and all cities within Valley Water's jurisdiction, for their review; and

WHEREAS, Valley Water staff conducted subsequent meetings with public works staff at the cities of Santa Clara, Milpitas, and Palo Alto regarding the CIP Draft FY 2024-28 Five-Year Plan; and

WHEREAS, on April 11, April 25-26, and May 16, 2023, Valley Water conducted a public hearing for purposes of receiving input with regard to the CIP Draft FY 2023-27 Five-Year Plan; and

WHEREAS, on May 16, 2023, the Valley Water Board of Directors directed staff to include appropriate changes to finalize the CIP FY 2024-28 Five-Year Plan by June 30, 2023.

NOW, THEREFORE BE IT RESOLVED that Valley Water's Board of Directors does hereby approve the Capital Improvement Program FY 2024-28 Five-Year Plan.

PASSED AND ADOPTED by the Santa Clara Valley Water District Board of Directors by the following vote on May 16, 2023:

AYES: Directors Estremera, Hsueh, Beall, Santos, Varela

NOES: Directors Eisenberg, Keegan

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-38

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2023–2024

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water's water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements; a method of financing such requirements; a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year; and a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W-2, W-5, W-7, and W-8;

2. That on the 24th day of February 2023, said report was duly delivered to the Clerk of the Valley Water Board;

3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 11th day of April 2023, by teleconference, videoconference, or both and in-person attendance at the time stated;

4. That on February 24, 2023, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;

5. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 11th day of April 2023, at 1 p.m. a public hearing upon said report was duly commenced via teleconference, videoconference and in-person attendance, with the opportunity given to the public to comment, and was continued for further hearing to the evening of April 13, 2023 (teleconference, videoconference and in-person attendance in Morgan Hill) and again to the afternoon of April 25, 2023 (teleconference, videoconference and in-person attendance in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at the public hearing;

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7. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;

9. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

10. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits;

    b. Purchasing or leasing supplies, equipment, or materials;

    c. Meeting financial reserve needs; and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year's rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be,

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and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$1,974.00	$36.85

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year's rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$543.50	$36.85

FOURTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year's rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$657.50	$36.85

FIFTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2023–2024 groundwater production charge (per acre-foot) for agricultural water should remain unchanged from last year's rate but that the groundwater production charge for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-8 of Valley Water for fiscal year 2023–2024 (July 1, 2023–June 30, 2024) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$398.00	$36.85

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SIXTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

SEVENTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Varela

NOES: Directors Eisenberg, Keegam

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Michele L King
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-39

DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2023–2024

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water, including a recommendation as to charges for surface water that should be imposed in Zones W-2, W-5, W-7, and W-8 of Valley Water during the ensuing fiscal year;

2. That on February 24, 2023, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;

3. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 11th day of April 2023, at 1 p.m. a public hearing upon said report was duly commenced via teleconference, videoconference and in-person attendance, with the opportunity given to the public to comment, and was continued for further hearing to the evening of April 13, 2023 (teleconference, videoconference and in-person attendance in Morgan Hill) and again to the afternoon of April 25, 2023 (teleconference, videoconference and in-person attendance in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;

5. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

6. The record owners of water-producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase;

7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2, W-5, W-7, and W-8, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of surface water facilities in Zone W-2, W-5, W-7, and W-8; and

8. That the California Environmental Quality Act does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

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a. Meeting operating expenses, including employee wage rates and fringe benefits;

b. Purchasing or leasing supplies, equipment, or materials;

c. Meeting financial reserve needs; and

d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the charges to be applied in fiscal year 2023–2024 (July 1, 2023–June 30, 2024) for surface-delivered water of Valley Water, for Valley Water watermaster service, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$1,974.00	$36.85

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$543.50	$36.85

3. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-7 is:

Water Other Than Agricultural	Agricultural Water
$657.50	$36.85

4. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-8 is:

Water Other Than Agricultural	Agricultural Water
$398.00	$36.85

5. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water shall be $54.00 per acre-foot; and

6. Charges per acre-foot for surface water delivered to users in Valley Water outside of Zone W-2, Zone W-5, Zone W-7, or Zone W-8 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of

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the Basic User Charge and the Treated Water Surcharge for the 2023–2024 fiscal year (July 1, 2023–June 30, 2024):

Charge	Amount
Basic User Charge	$1,974.00
Treated Water Surcharge	115.00
Contract Treated Water Charge	$2,089.00

BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2023–2024 fiscal year (July 1, 2023–June 30, 2024):

Water Other Than Agricultural	Agricultural Water
$523.50	$67.20

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Varela

NOES: Directors Eisenberg, Keegan

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Michele L King
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-36

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2023-2024 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS

BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Water District (Valley Water) as follows:

FIRST: In accordance with the requirements of law and of the terms of Valley Water Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of Valley Water has caused a written report to be prepared and filed for the fiscal year 2023–24, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of Valley Water, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of Valley Water and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

A. Fix and establish land use categories for each parcel of land to be assessed in Valley Water as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for apartments or institutional purposes such as churches and schools.

Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.

(2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2023–24 commencing July 1, 2023, and ending June 30, 2024, on each parcel of real property in each established flood control zone of Valley Water, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

Flood Control Benefit Assessments to be Collected in 2023–2024

Flood Control Zone	Debt Obligation
Northwest	$2,731,941
North Central	$819,513
Central	$950,695
East	$2,459,231
South	$0

C. The actual 2023–2024 rates shall be determined by the CEO or his designee, once updated parcel land use and area information is received from the Santa Clara County Assessor's Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and Valley Water Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7 are hereby amended to provide as follows:

> Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Estremera, Santos, Beall, Hsueh, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L Varela
F600AB219490464...

JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2023-2024 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments — Resolution No. 23-36

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 16, 2023

DocuSigned by:
Michele L King
7E1632DBD935E40C...

MICHELE L. KING
Clerk, Board of Directors
Santa Clara Valley Water District

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-37

PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2023-2024

WHEREAS, the Santa Clara Valley Water District (Valley Water) owns property and builds, operates, and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards, and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird, and wildlife habitat and provide open space access; and provide flood protection to homes, business, schools, streets, and highways; and

WHEREAS, more than two-thirds of the electors voting in Santa Clara County did favor a special tax measure in the November 3, 2020, General Election thereby approving the special tax specified in Resolution No. 20-64 for designated purposes.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors (Board) of the Santa Clara Valley Water District as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2023, through June 30, 2024, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 16, 2023, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2023-2024 (FY 2023-24)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined), and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (1) 0.25 acre for Groups A, B, and C; and (2) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

Group A: Land used for commercial or industrial purposes: $611.91 per acre, $152.96 minimum for parcels up to 0.25 acre.

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Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: $458.93 per acre, $114.73 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $37.23 per unit.

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $76.45. The first 0.25 acre of a parcel of land used for single-family residential purposes: $76.45.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: $3.92 per acre, $39.21 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: $3.92 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.16 per acre, $11.55 minimum on parcels less than 10 acres; and (2) in rural areas: $0.16 per acre, with a $11.55 minimum.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: Valley Water will provide an exemption from the special tax for low-income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2023-2024 upon requesting such exemption from Valley Water prior to or during fiscal year 2023-2024. Granting similar exemptions for fiscal years beyond fiscal year 2023-2024 will be made at the discretion of the Board.

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

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PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-40

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2023-24 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA

WHEREAS, the Santa Clara Valley Water District (Valley Water) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With the State of California dated November 20, 1961 (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978, within the meaning of Article XIIIA of the California Constitution; and

WHEREAS, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2023, and ending June 30, 2024 (Fiscal Year 2023-24), will be at least $27.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, Valley Water's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board has previously considered, in a public hearing, Staff's recommendation that anticipated Fiscal Year 2023-24 Stater Water Project (SWP) expenses of approximately $28 million be paid for through the setting the SWP Tax at $27 million rather than through further increases to groundwater production charges over and above Staff's recommended FY 2023-2024 groundwater charge increases; and

WHEREAS, this Board is concurrently approving rate increases to all of Valley Water's groundwater, surface water, and recycled water charges for Fiscal Year 2023-24, including a 14.5% increase to North County (Zone W-2)'s municipal and industrial (M&I) groundwater production charge and increases between 6% to 13% in all other groundwater benefit zones and in the agricultural groundwater charge; and

WHEREAS, if anticipated SWP expenses were not paid through imposition of a $27 million SWP Tax but rather were paid for through groundwater charges, then Valley Water's North County (Zone W-2) municipal and industrial (M&I) groundwater production charge would have needed to be increased by approximately 24% (from $1,724/AF to $2,136/AF) rather than 14.5%. A one-time 24% wholesale water rate increase would be a significant hardship for low-income residents in Santa Clara County, many of whom are already participating in Valley Water's Water Rate Assistance Program (WRAP) in order to avoid water service shut-offs, late fees, and reconnection or reestablishment of service charges. In addition, this 24% wholesale

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rate increase does not take into account the additional rate increases that Valley Water's retailers will need to pass on to their customers. Similarly, absent putting SWP charges on the SWP tax, in South County, the M&I charges would have needed to have been increased by an additional: $33/AF in Zone W-5 (to $576.50/AF), $59/AF in Zone W-7 (to $716.50/AF), and $29/AF in Zone W-8 (to $427/AF). The agricultural groundwater charge would have needed to increase to $42.7/AF in all zones, and the open space credit would have needed to increase by roughly $792,330;

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2023-24 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not feasible to raise said sums from further one-year water rates increases; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2023-24 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of the United States Constitution and Article I, Section 9 of the California Constitution is $27.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. That, for the reasons stated above, said Board determines that it is infeasible to further increase or raise groundwater production charges or other water charges or rates to pay the $27 million in expenses associated with Valley Water's State Water Supply Contract dated November 20, 1961.

3. That consistent with the requirements of law and specifically within the limitations imposed by Article XIIIA of the Constitution of the State of California there shall be levied in Fiscal Year 2023-24 an ad valorem real property tax within Valley Water sufficient to raise the sum of $27.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

4. That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Beall, Santos, Estremera, Hsueh, Varela

NOES: Directors Eisenberg, Keegan

ABSENT: Directors

ABSTAIN: Directors

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SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-43

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEE

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (Valley Water), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for Valley Water; and

WHEREAS, from time to time, there are Valley Water funds available for the purpose of investment or deposit; and

WHEREAS, the Board of Valley Water has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of Valley Water.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/CFO, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, Valley Water pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and their designee (the Treasury and Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of Valley Water from any of the various accounts of Valley Water when such funds will not be needed for the immediate necessities of Valley Water.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2023-24, and shall be reconsidered by the Board at a public meeting annually.

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PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Estremera, Hsueh, Beall, Keegan, Santos, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
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JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-44

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Valley Water"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California ("State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program and to support other short-term financings from time to time, Valley Water has determined to issue in fiscal year 2023-2024 tax-exempt tax and revenue anticipation notes ("Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed $460,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

"Bonds" means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Acting or Interim Chief Executive Officer of Valley Water.

"Chief Financial Officer" means the duly-appointed Chief Financial Officer or any duly-appointed Acting or Interim Chief Financial Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016, as amended.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

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"Notes" means the Tax-Exempt Notes and the Taxable Notes.

"Regulations" means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

"Tax-Exempt Notes" means the Santa Clara Valley Water District 2023-2024 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2023-2024 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

"Valley Water" means the Santa Clara Valley Water District.

"Water Utility System Revenues" has the meaning set forth in the Master Resolution.

SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $460,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as "Exhibit B," shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated "Santa Clara Valley Water District 2023-2024 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2023-2024 Taxable Tax and Revenue Anticipation Notes." The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of Valley Water at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2024. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

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SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES

The obligation of Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support the commercial paper program, all in accordance with the Master Resolution. Valley Water may pledge Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support other short-term obligations, such pledge to be set forth in such short-term obligations. The Notes do not constitute a debt of Valley Water or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 6. CERTIFIED COPIES

The Valley Water Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
F600AB219490464...
JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
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Clerk, Board of Directors

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CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2023, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Santos, Estremera, Beall, Hsueh, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Affix Seal Here

Dated: May 16, 2023

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L. King 7E1632DBD93E40C...

MICHELE L. KING, CMC
Clerk, Board of Directors

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EXHIBIT A
COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT
2023–2024 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND 2023–2024 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

No. of Pages: 4

Exhibit Attachments: None

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT
2023–2024 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $240,000,000 in lawful money of the United States of America, on October 1, 2024, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2023-2024 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 16, 2023 authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2023.

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: 494EFB72AD8C4F9...

Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

By: DocuSigned by: Brian Hopper 82061720678A430...

Brian Hopper
Senior Assistant District Counsel

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

SANTA CLARA VALLEY WATER DISTRICT
2023–2024 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $220,000,000 in lawful money of the United States of America, on October 1, 2024, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2023-2024 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 16, 2023 authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2023.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
By: _____
494EFB72AD8C4F9...
Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

DocuSigned by:
By: Brian Hopper
82061720678A430...
Brian Hopper
Senior Assistant District Counsel

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

EXHIBIT B
COVERSHEET

$460,000,000
SANTA CLARA VALLEY WATER DISTRICT
2023–2024 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

No. of Pages: 1

Exhibit Attachments: None

DocuSign Envelope ID: 0C34D287-49D8-4F19-BA1A-312FE3D06018

EXHIBIT B

$460,000,000
SANTA CLARA VALLEY WATER DISTRICT
2023–2024 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $460,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the Santa Clara Valley Water District ("Valley Water"), as determined by the following calculation:

FY 2023–24 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$630,500,000
FY 2023–24 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	460,000,000
Interest on the Notes[3]	70,380,000
Total (B)	$530,380,000
Percentage (B)/(A)	84.12%

Dated: July 1, 2023

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
By: Darin Taylor
9CB8A1450C2B497...

Darin Taylor
Chief Financial Officer

[1] Source*: FY 2023-24 Preliminary Budget.*

[2] Up to $240 million in Tax-Exempt Notes and $220 million of Taxable Notes may be issued to support the commercial paper program and other short-term obligations.

[3] Assumes maximum interest rate of 12% calculated based on actual/360-day basis.

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-45

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein ("Project"); and

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is $46,200,000.

Section 3. This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, ..." is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the Issuer) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

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Section 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

Section 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

Section 10. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Hsueh, Beall, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
By: John L Varela
F600AB219490464...
JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...
Clerk, Board of Directors

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2023, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Santos, Estremera, Hsueh, Beall, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 16, 2023

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L King 7E1032BBD03E40C...

MICHELE L. KING, CMC
Clerk, Board of Directors

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2024-28 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 23-46

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE

WHEREAS, the Santa Clara Valley Water District ("Valley Water") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of Valley Water intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, "Project"); and

WHEREAS, Valley Water expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, Valley Water desires to incur certain expenditures with respect to the Project from available monies of Valley Water, which expenditures are desired to be reimbursed by Valley Water from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District hereby finds, determines, declares, and resolves as follows:

1. Valley Water hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

2. The reasonably expected maximum principal amount of the Obligations is $330,600,000.

3. This resolution is being adopted on or prior to the date ("Expenditure Date or Dates") that Valley Water will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, ..." is not applicable.

4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.

5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of Valley Water) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of Valley Water or any entity related in any manner to Valley Water, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

6. This resolution is consistent with the budgetary and financial circumstances of Valley Water as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by Valley Water (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by Valley Water that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

7. The limitations described in Section 3 and Section 4 of this resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

8. This resolution is adopted as official action of Valley Water in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Valley Water expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the Valley Water's official proceedings, and will be available for inspection by the general public at the main administrative office of Valley Water.

9. All the recitals in this resolution are true and correct and this Board of Directors so finds, determines, and represents.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Hsueh, Beall, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: John L Varela F699AB218499464...
JOHN L. VARELA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by: Michele L King 7E1632DBD93E40C...
Clerk, Board of Directors

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2023, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Santos, Estremera, Hsueh, Beall, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 16, 2023

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L King 7E1632DBD93E40C...

MICHELE L. KING, CMC
Clerk, Board of Directors

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

DocuSign Envelope ID: C26C0FCA-CE8C-489F-A709-53B23BB90DFA

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2024-28 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, water resources stewardship, and Expedited Purified Water Program, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

Appendices

FY 2023–24 & FY 2024–25
Operating and Capital Rolling Biennial Budget

Appendix A - Glossary

Appendix A - Glossary

Accrual

The accumulation or increase of something over time, especially payments or benefits.

Accrual Basis of Accounting

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

Acre Feet (AF)

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

Ad Valorem Tax

A tax based on value (e.g., a property tax).

Adjusted Budget

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

Adopted Budget

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

Annual Comprehensive Financial Report (ACFR)

The official annual financial report of the District, prepared by the General Accounting Unit, the report summarizes financial data for the previous fiscal year in a standardized format. The AFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

Agreements, Contractual

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

Allocated Project

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

Americans with Disabilities Act (ADA)

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

Appendix A - Glossary

Appropriation

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

Assessed Valuation

An official government value placed upon real estate or other property as a basis for levying taxes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

Audit

An independent examination of financial information.

Balanced Budget

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

Beginning Balance

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

Benefit Assessment

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

Benefits

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

Bonds

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond Proceeds

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

Bond Rating

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

Appendix A - Glossary

Budget

The planned use of expenditures and revenues over a given period of time

Budget Adjustment

A procedure to revise a budget appropriation, usually completed by either of two methods: (1) The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations, or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

Budgetary Basis

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Budget Process

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

Bureau Repayment Appropriation

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

Budget Year

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

Capital Budget

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

Capital Expenditure

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than two years and involves an expenditure of District resources greater than $50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements, Betterments, Upgrades, Replacements, Expansions Additions, and Ancillary Expenditures.

Appendix A - Glossary

Capital Projects

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of $50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed $50,000 in cost, have long-term life spans and are generally non-recurring.

Carry-Forward

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

Certificates of Participation (COPs)

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

CEQA

California Environmental Quality Act

CIP

See Capital Improvement Plan

Commercial Paper

Short term debt (1-270 days) issued primarily to fund capital expenditures.

Contingency Appropriation

A provision for unforeseen expenditures.

Cost Center

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

CVP

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

Debt Proceeds

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

Debt Service

Payment of interest and principal on long term debt.

Depreciation

(1)Expiration in the service life of capital assets attributable to wear and tear, deterioration and or action of the physical elements. (2) That portion of the cost of capital asset which is charged as an expense during a particular period.

Appendix A - Glossary

District Act

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

DWR

State Department of Water Resources

EIR

Environmental Impact Report

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

Ends

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

Enterprise Fund

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Executive Limitations (EL)

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions musttake place.

Expenditure/Expense

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

FAHCE

Fisheries and Aquatic Habitat Collaborative Effort

Fixed Assets

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of $2,000 or more, or the combined value of like or related units (aggregate value) is greater than $5,000 if the unit value is less than $2,000.

Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

Appendix A - Glossary

Full Time Equivalent (FTE)

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

Fund

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance

The net effect of assets less liabilities at any given point in time.

Gann Limit (Proposition 4)

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

GASB

Governmental Accounting Standards Board

General Fund

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation Debt

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

GFOA

Government Finance Officers Association

Government Finance Officers Association (GFOA) Distinguished Budget Award

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and a communication device.

Governmental Funds

Fund for activities that are primarily tax-supported operations or other mandatory payments.

Grants

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

Groundwater

Water pumped from underground aquifers

HAZMAT

Hazardous Materials

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intergovernmental Revenue

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

International Organization for Standardization (ISO)

An international standard-setting body composed of representatives from various national standards organizations.

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intra-District Reimbursement

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

ISMP

Information Systems Master Plan, a District document which provides objectives, justification, and plans for improving the District's use of information system and information technology infrastructure.

Levy

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities; (2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

MTBE

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

Modified Accrual Basis of Accounting

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

One Water Plan

This long term plan acts as an integrated water resources master plan for Valley Water, including water supply, flood protection, and environmental stewardship. The plan consists of an overarching countywide framework as well as five watersheds plans. One Water delivers a science-based decision-making process that enables the agency to strategically allocate limited resources toward those actions that achieve its mission and service to the community.

Operating Expenditure

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

Operations

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation. Operations, although recurring, require close coordination and a high degree of management oversight; however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

Operating Budget

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Operating Projects

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under $50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

Other Post Employment Benefits (OPEB)

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as-you-go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

Outlays

Expenditure/Expense.

Overhead

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred. Overtime Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

Perchlorate

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, airbag inflators and other uses. Perchlorate can contaminate groundwater and surface water supplies.

Projects

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

Property Tax

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

Property Tax Assessment

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

Proposed Budget

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

Proprietary Fund

Account for activities that are primarily funded by income from operations resulting from payments for goods and services provided to users.

Purchased Water

Water imported from other agencies to supplement local water supplies.

Recycled Water

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

Replacement Appropriation

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Reserve

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Rolling Biennial Budget

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

Safe, Clean Water and Natural Flood Protection Program (SCW)

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

San Felipe Appropriation

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

Self-Insurance Appropriation

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self- Insurance Appropriation provides funds to meet such losses.

Services and Supplies

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

Special District

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

Supplemental Water Supply Appropriation

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

Subsidence

The sinking of land surface that occurs when underground aquifers are over-pumped.

State Water Project

The State Water Project is a water and power system operated by the California Department of Water Resources.

Taxes

Compulsory charges levied by a government to finance services performed for the common benefit.

Transmittal Letter

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

Treated Water

Water which has been processed through a District water treatment plant.

Water Treatment Improvement Project

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.

Watershed

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

Watershed and Flood Control Zones

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones. Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

WMI

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and the San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

Zone W-1

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

Zone W-2

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

Zone W-3

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

Zone W-4

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

Zone W-5

Encompasses the valley floor of the Llagas subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River.

Zone W-7

Encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue.

Zone W-8

Encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, east of Santa Teresa Boulevard, and generally north of Hecker Pass Highway.

Appendix B – Capital Project Estimated Carry Forward BudgetWW

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2023-24	Estimated Carry Forward Budget 2024-25
60204032	Headquarters Operations Building	1,985,500	327,607
General Fund Carry-forward Budget		**$1,985,500**	**$327,607**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2023-24 or FY 2024-25. A negative carryforward amount is based on the CIP approved expenditures in FY 2022-23. If the actual FY 2022-23 expenditure exceeds the CIP approved FY 2022-23 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2023-24	Estimated Carry Forward Budget 2024-25
10244001	Permanente Ck, SF Bay-Foothill	2,013	-
10394001	PA Flood Basin Tide Gate Replacement	418,000	26,327
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	(1,138)	-
30154019	Guadalupe R Tasman Dr - I880	1,749	-
40174005	Berryessa Crk, Lower Penitencia Ck to Calaveras Phs 2	2,862	-
40334005	Lower Penitencia Crk Improvements	3,531	-
50284010	Llagas Creek–Lower, Capacity Restoration	992,750	1,294,383
62044026	San Francisco Bay Shoreline	1,163	-
62084001	Watersheds Asset Rehabilitation	3,587	-
Watershed and Stream Stewardship Fund Carry-forward Budget		**$1,424,517**	**$1,320,710**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2023-24 or FY 2024-25. A negative carryforward amount is based on the CIP approved expenditures in FY 2022-23. If the actual FY 2022-23 expenditure exceeds the CIP approved FY 2022-23 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2023-24	Estimated Carry Forward Budget 2024-25
26044001	Almaden Lake Improvement	1,599,268	-
26044002	SCW Fish Passage Improvement	15,675	21,840
26044003	SCW Ogier Ponds Separation from Coyote Creek	303,685	-
26044004	D6 Bolsa Road Fish Passage Improvement	3,235,121	-
26074002	Sunnyvale East & West Channel	7,533,250	1,948,777
26154002	Guadalupe Rv - Upr, 280 -SPRR R6	31,350	32,761
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	313,500	109,202
26164001	HaleCreekEnhancementPilotStudy	2,156	-
26174041	Berryessa Calav/Old Pied Cord	11,465,562	-
26174043	Coyote Creek, Montague - Tully	2,198,941	-
26174051	U. Llagas Ck, Reimburse E6b	(1,267)	-
26174052	Llagas Ck, Upper Construction	18,477,168	8,542,957
26174054	U.Llagas Ck Design B. Vsta Rd	1,097,250	1,255,829
26244001	Permanente Ck, Bay - Fthill CSC	1,073	-
26284002	San Francisquito Early Implementation	10,971,821	-
26324001	U Penitncia Crk Corp Coord SCW	418,000	447,184
26444002	SFBS EIAs 1-4	438	-
26764001	IRP2 AddLine Valves	551	-
Safe Clean Water Fund Carry-forward Budget		**$57,663,542**	**$12,358,550**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2023-24 or FY 2024-25. A negative carryforward amount is based on the CIP approved expenditures in FY 2022-23. If the actual FY 2022-23 expenditure exceeds the CIP approved FY 2022-23 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2023-24	Estimated Carry Forward Budget 2024-25
91084019	Dam Safety Seismic Stability	290,838	-
91084020	Calero - Guad Dams Seismic Retrofits	104,500	125,583
91094001	Land Rights - SC Recycled Water	80	-
91094009	SoCo Rcyld Wtr PL Short - Term 1B	(5,036)	-
91094010	So. County Recycled Water Fund	483,835	2,950
91234002	Coyote Pumping Plant ASD	(2,683)	-
91304001	Purified Water Project	649	-
91854001	Almaden Dam Improvements	255,716	-
91864005	Anderson Dam Seismic Retrofit	15,116	-
91864006	Anderson Dam Tunnel Project	417,482	-
91864007	Coyote Creek Flood Management Measures	9,380,419	-
91864008	Coyote Creek Chillers	5,423,320	-
91864009	Coyote Percolation Dam Replacement	(900)	-
91874004	Calero Dam SeisRetrfit Design & Construction	83,600	32,761
91894002	Guadalupe Dam Seismic Retrofit -Des & Cons	(1,086)	-
91954002	Pacheco Reservoir Expansion Project	(229)	-
92144001	Pacheco/SC Conduit ROW ACQ	1,358,644	-
92264001	Vasona Pump Station Upgrade	1,463,000	538,725
92304001	Almaden Valley Pipeline	461,528	-
93044001	WTP Master Plan Implementation	2,367	-
93084004	Wtr Trtmnt Plnt Electrical Improvement	1,149,500	560,466
93234044	PWTP Residuals Management	(3,130)	-
93284013	STWTP Filter Media Replacement	574	-
93294051	RWTP FRP Residuals Management	522,500	-
93294057	RWTP Reliability Improvement	12,357,643	-
93294058	RWTP Residuals Remediation	66	-
94084007	Treated Water Isolation Valves	(1,498)	-
95044001	Distribution Systems Master Plan Implementation	(1,705)	-
95044002	SCADA Master Plan Implementation	337,379	-
95074001	Capital Warranty Services	1,045,000	1,092,025
95084002	10-Year Pipeline Rehabilitation (FY18-FY27)	(526)	-
95274003	WTP-WQL Network Equipment	587,290	195,729
Water Utility Enterprise Fund Carry-forward Budget		**$35,724,253**	**$2,548,240**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2023-24 or FY 2024-25. A negative carryforward amount is based on the CIP approved expenditures in FY 2022-23. If the actual FY 2022-23 expenditure exceeds the CIP approved FY 2022-23 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2023-24	Estimated Carry Forward Budget 2024-25
73274001	IT Disaster Recovery	257	-
73274008	Software Upgrades & Enhancement	(224)	-
73274009	Data Consolidation	375,690	-
Information Technology Fund Carry-forward Budget		**$375,723**	**$-**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2023-24 or FY 2024-25. A negative carryforward amount is based on the CIP approved expenditures in FY 2022-23. If the actual FY 2022-23 expenditure exceeds the CIP approved FY 2022-23 expenditure, budget adjustments will be processed to address overspending.

Appendix C – Water Utility Enterprise Long Term Forecast

Appendix C – Water Utility Enterprise Long Term Forecast

(See Note 1)	Adopted 2023-24	Plan 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Operating Revenues							
Groundwater Production Charges	$150,871	$186,506	$221,098	$243,562	$268,333	$295,652	$325,782
Surface & Recycled Water Charges	3,613	4,088	4,471	4,887	5,346	5,847	6,885
Treated Water Charges	174,081	214,524	253,611	279,232	307,546	338,840	373,426
Inter-governmental Services	1,424	2,295	2,368	9,642	9,667	12,221	12,449
Other	481	481	406	406	406	406	406
Total Operating Revenue	$330,470	$407,894	$481,954	$537,729	$591,298	$652,966	$718,948
Non-Operating Revenues							
Property Taxes	$37,315	$38,604	$40,973	$45,807	$48,904	$52,116	$55,241
Interest	3,125	3,652	1,747	1,910	2,016	2,724	3,107
Capital Contributions	10,266	41	217	30,203	59,362	67,167	106,816
Other	2,122	2,130	2,139	2,148	2,158	2,168	2,179
Total Non-Operating Revenues	$52,828	$44,427	$45,076	$80,068	$112,440	$124,175	$167,343
Total Revenue	$383,298	$452,321	$527,030	$617,797	$703,738	$777,141	$886,291
Operating Outlays							
Operations	$243,714	$274,307	$277,688	$288,968	$297,494	$318,265	$328,465
Operating Projects	374	389	472	485	509	521	522
Debt Service	76,311	103,251	110,686	117,794	120,302	196,174	239,829
Total Operating Outlays	$320,399	$377,947	$388,846	$407,247	$418,305	$514,960	$568,816
Operating Transfers In/(Out)	$(2,834)	$4,883	$7,725	$3,429	$7,959	$8,739	$9,609
Debt Proceeds	230,415	250,310	202,631	101,692	221,654	432,976	311,968
Capital Outlay	(361,179)	(310,689)	(331,954)	(308,202)	(507,498)	(672,891)	(620,889)
Total Other Financing Sources/ (Uses)	$(133,598)	$(55,496)	$(121,598)	$(203,081)	$(277,885)	$(231,176)	$(299,312)
Balance Available	(70,699)	18,878	16,586	7,469	7,548	31,005	18,163
Reserves:							
Restricted Reserves:							
WUE Rate Stabilization Reserve	$6,067	$26,975	$43,472	$45,717	$46,889	$62,531	$71,384
GP 5 Reserve	4,718	22	-	-	-	-	-
San Felipe Emergency Reserve	3,531	3,581	3,631	3,681	3,731	3,781	3,831
State Water Project Tax Reserve	8,816	5,801	-	-	-	-	-
Supplemental Water Supply Reserve	5,277	5,277	8,677	12,077	15,477	18,877	19,277
Total Restricted Reserves	$28,409	$41,656	$57,780	$65,475	$72,097	$93,189	$102,492
Committed Reserves:							
SJ Potable Reuse Reserve	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Operating and Capital Reserve	56,931	65,110	83,578	84,353	86,280	97,195	107,056
Currently Authorized Projects Reserve	9,248	6,700	6,700	6,700	6,700	6,700	6,700
Total Committed Reserves	$67,179	$72,810	$91,278	$92,053	$93,980	$104,895	$114,756
Total Year-End Reserves	$95,588	$114,466	$149,058	$157,528	$166,077	$198,084	$217,248
Debt Service Coverage							
Senior & Parity Debt Service Coverage	2.18	1.98	2.39	2.61	2.99	2.03	1.90

Appendix C – Water Utility Enterprise Long Term Forecast

Note (1): The water utility financial forecast set forth herein represents the estimate of projected financial results of certain funds of the Valley Water related to Valley Water's water utility and is based upon Valley Water's judgment of the most probable occurrence of certain future events at the time this forecast is published. Such projected financial forecast is based on a variety of assumptions which are material in the development thereof, and variations in the assumptions may produce substantially different forecast results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material. Revenues, operating outlays and other amounts set forth above (i) are presented on a budgetary basis which is not consistent with generally accepted accounting principles in all respects, and (ii) may not be presented consistent with the requirements of other statutes, regulations or contractual obligations applicable to or entered into by Valley Water, including but not limited to bonds, notes or other obligations issued by or on behalf of Valley Water and payable from the Water Enterprise Fund and the State Water Project Fund. The Debt Service Coverage calculation included herein is
prepared for general reference and may not conform to the debt service coverage calculation formulas pursuant to the Water Utility Parity Master Resolutions or other calculations applicable to the Water Enterprise Fund and the State Water Project Fund individually. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of District bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rule making Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/

Appendix D – Summary By Fund

Appendix D – *Summary By Fund*

	Watershed Funds (Fund 12,21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24
REVENUE								
Groundwater Production Charges	-	-	-	-	125,029,429	122,002,000	121,199,000	150,871,000
Treated Water Charges	-	-	-	-	145,365,475	139,746,000	139,194,000	174,081,000
Surface & Recycled Water Charges	-	-	-	-	2,003,338	3,207,000	3,207,000	3,613,000
Benefit Assessment	13,447,242	13,274,143	13,548,559	6,891,766	-	-	-	-
Property Tax	106,997,869	106,390,743	112,843,700	116,443,701	39,714,607	36,435,263	36,999,800	37,314,710
Special Parcel Tax	46,954,690	49,645,791	49,645,791	52,277,018	-	-	-	-
Intergovernmental Services	145,234	-	-	-	5,340,252	3,267,274	1,352,294	1,424,295
Operating Other	283,372	206,629	291,873	300,630	514,860	481,415	481,415	481,415
Capital Reimbursements	15,746,133	79,811,000	40,823,000	57,570,000	5,609,159	7,305,000	9,936,000	10,266,000
Interest Income *	3,127,178	2,811,000	3,545,000	3,530,000	3,509,629	2,731,500	3,100,000	3,125,000
Non-Operating Other	3,034,929	1,464,615	1,464,617	1,508,554	2,873,013	1,304,755	2,113,351	2,121,502
TOTAL REVENUE	**189,736,647**	**253,603,921**	**222,162,540**	**238,521,669**	**329,959,762**	**316,480,207**	**317,582,860**	**383,297,922**
OUTLAYS								
Operating Outlays								
Operations **	74,562,678	94,542,029	96,905,136	98,203,308	234,994,994	264,353,565	277,516,139	243,713,640
Operating Project	4,211,575	6,865,597	7,050,597	6,179,442	263,049	344,329	344,329	373,653
Debt Service	11,935,871	21,465,906	15,184,943	20,647,831	45,666,983	60,409,922	56,574,422	76,311,378
Total Operating Outlays	**90,710,124**	**122,873,532**	**119,140,676**	**125,030,581**	**280,925,026**	**325,107,816**	**334,434,890**	**320,398,671**
Capital Outlays								
Capital Projects	119,024,309	131,352,855	119,918,483	68,894,304	237,955,574	318,267,600	353,115,805	325,455,222
Carry Forward Capital Projects	-	34,445,511	-	59,088,059	-	32,524,433	-	35,724,253
Total Capital Outlays	**119,024,309**	**165,798,366**	**119,918,483**	**127,982,363**	**237,955,574**	**350,792,033**	**353,115,805**	**361,179,475**
TOTAL OUTLAYS**	**209,734,433**	**288,671,898**	**239,059,159**	**253,012,944**	**518,880,600**	**675,899,849**	**687,550,695**	**681,578,146**
Less Intra-District Reimbursements	-	-	-	-	-	-	-	-
NET OUTLAYS	**209,734,433**	**288,671,898**	**239,059,159**	**253,012,944**	**518,880,600**	**675,899,849**	**687,550,695**	**681,578,146**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	56,000,000	53,000,000	75,315,664	38,360,887	115,725,418	281,491,000	285,425,410	230,414,696
Transfers In	5,083,225	2,445,017	2,719,432	6,304,920	1,000,000	26,060,900	26,060,900	1,092,727
Transfers Out	(12,677,132)	(32,695,003)	(32,969,413)	(6,251,647)	(3,161,400)	(3,873,600)	(3,873,600)	(3,926,700)
TOTAL OTHER SOURCES/(USES)	**48,406,093**	**22,750,014**	**45,065,683**	**38,414,160**	**113,564,018**	**303,678,300**	**307,612,710**	**227,580,723**
BALANCE AVAILABLE	**28,408,307**	**(12,317,963)**	**28,169,064**	**23,922,885**	**(75,356,820)**	**(55,741,342)**	**(62,355,125)**	**(70,699,501)**

Appendix D – *Summary By Fund*

	Watershed Funds (Fund 12,21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	-	-	-	-	54,069,620	42,476,138	41,066,971	6,066,971
WUE San Felipe Emergency Reserve	-	-	-	-	3,430,832	3,410,085	3,480,832	3,530,832
WUE State Water Project Tax Reserve	-	-	-	-	11,398,101	6,352,290	11,141,456	8,816,456
WUE Debt Service Reserve	-	-	-	-	10,239	6,999	10,239	-
WUE Supplemental Water Supply Reserve	-	-	-	-	7,877,000	5,277,000	5,277,000	5,277,000
WUE SVAWPC Reserve	-	-	-	-	1,298,138	908,138	1,298,138	-
WUE Drought Reserve	-	-	-	-	10,000,000	-	-	-
WUE Guiding Principal #5 (GP5) Reserve	-	-	-	-	15,963,574	8,830,684	4,581,693	4,718,017
SCW Rate Stabilization Reserve	25,000,000	25,000,000	25,000,000	25,000,000	-	-	-	-
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-
SCW Currently Authorized Projects Reserve***	123,267,581	47,365,114	121,634,047	37,906,382	-	-	-	-
SCW Operating and Capital Reserve	21,183,313	74,326,854	59,154,025	117,935,002	-	-	-	-
Total Restricted Reserves	**174,450,894**	**151,691,968**	**210,788,072**	**185,841,384**	**104,047,504**	**67,261,334**	**66,856,329**	**28,409,276**
Committed Reserves								
Currently Authorized Projects Reserve***	26,107,618	5,606,763	2,745,227	1,320,710	77,455,037	7,124,270	50,628,057	9,248,195
Operating and Capital Reserve	93,111,564	96,652,218	108,305,843	158,599,933	47,140,253	49,185,921	48,803,283	56,930,697
SJ Water Purification Reserve	-	-	-	-	-	-	-	1,000,000
Total Committed Reserves	**119,219,182**	**102,258,981**	**111,051,070**	**159,920,643**	**124,595,290**	**56,310,191**	**99,431,340**	**67,178,892**
TOTAL YEAR-END RESERVES	**293,670,076**	**253,950,949**	**321,839,142**	**345,762,027**	**228,642,794**	**123,571,525**	**166,287,669**	**95,588,168**
OPERATING OUTLAY								
Salaries and Benefits	36,250,450	42,918,090	42,918,090	45,038,547	64,152,625	67,958,926	67,958,926	67,899,879
Salary Savings Factor	-	(686,340)	(686,340)	(719,750)	-	(1,062,535)	(1,062,535)	(1,067,733)
Services & Supplies	19,587,971	30,791,965	33,340,072	29,371,306	134,257,625	156,134,811	169,297,385	133,729,278
Intra-District Charges	22,935,832	28,383,910	28,383,910	30,692,647	36,847,794	41,666,692	41,666,692	43,525,869
OPERATING OUTLAY TOTAL	**78,774,253**	**101,407,625**	**103,955,732**	**104,382,750**	**235,258,044**	**264,697,894**	**277,860,468**	**244,087,293**
DEBT SERVICE								
Services & Supplies	912,208	2,355,782	2,251,782	1,465,502	924,737	3,490,680	3,490,680	3,017,960
Debt Service	11,023,660	19,110,122	12,933,159	19,182,329	44,742,246	56,919,242	53,083,742	73,293,418
DEBT SERVICE TOTAL	**11,935,868**	**21,465,904**	**15,184,941**	**20,647,831**	**45,666,983**	**60,409,922**	**56,574,422**	**76,311,378**
CAPITAL PROJECTS								
Salaries and Benefits	16,740,124	17,854,518	17,854,518	18,602,934	26,398,182	31,962,922	31,962,922	35,144,904
Salary Savings Factor	-	(289,611)	(289,611)	(299,529)	-	(518,403)	(518,403)	(572,156)
Services & Supplies	92,521,666	102,979,360	91,544,988	38,777,749	196,321,983	267,381,825	302,230,030	268,436,524
Carry Forward Capital Projects	-	34,445,511	-	59,088,059	-	32,524,433	-	35,724,253
Intra-District Charges	9,762,519	10,808,588	10,808,588	11,813,150	15,235,409	19,441,256	19,441,256	22,445,950
CAPITAL PROJECTS TOTAL	**119,024,309**	**165,798,366**	**119,918,483**	**127,982,363**	**237,955,574**	**350,792,033**	**353,115,805**	**361,179,475**
TOTAL OUTLAYS**	**209,734,430**	**288,671,895**	**239,059,156**	**253,012,944**	**518,880,601**	**675,899,849**	**687,550,695**	**681,578,146**

(*) 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 amounts may have a slight variance due to rounding

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11,71-73)				Total District-wide			
	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24	Budgetary Basis Actual 2021-22	Adopted Budget 2022-23	Projected Year End 2022-23	Adopted Budget 2023-24
REVENUE								
Groundwater Production Charges	-	-	-	-	125,029,429	122,002,000	121,199,000	150,871,000
Treated Water	-	-	-	-	145,365,475	139,746,000	139,194,000	174,081,000
Surface/Recycled	-	-	-	-	2,003,338	3,207,000	3,207,000	3,613,000
Benefit Assessment	-	-	-	-	13,447,242	13,274,143	13,548,559	6,891,766
Property Tax	10,650,548	10,296,145	10,911,600	11,261,086	157,363,023	153,122,151	160,755,100	165,019,497
Parcel Tax	-	-	-	-	46,954,690	49,645,791	49,645,791	52,277,018
Intergovernmental Services	810,073	-	-	-	6,295,559	3,267,274	1,352,294	1,424,295
Operating Other	-	-	-	-	798,232	688,044	773,288	782,045
Capital Reimbursements	-	-	-	-	21,355,292	87,116,000	50,759,000	67,836,000
Interest Income *	529,359	457,500	555,000	545,000	7,166,167	6,000,000	7,200,000	7,200,000
Non-Operating Other	340,308	81,000	50,000	50,000	6,248,250	2,850,370	3,627,968	3,680,056
TOTAL REVENUE	**12,330,288**	**10,834,645**	**11,516,600**	**11,856,086**	**532,026,697**	**580,918,773**	**551,262,000**	**633,675,677**
OUTLAYS								
Operating Outlays								
Operations **	104,654,993	119,719,215	120,232,215	128,468,484	414,212,665	478,614,808	494,653,489	470,385,433
Operating Project	4,061,149	1,275,000	1,925,000	50,000	8,535,774	8,484,926	9,319,926	6,603,095
Debt Service	473,517	474,646	474,646	475,054	58,076,370	82,350,474	72,234,011	97,434,263
Total Operating Outlays	**109,189,659**	**121,468,861**	**122,631,861**	**128,993,538**	**480,824,809**	**569,450,208**	**576,207,426**	**574,422,791**
Capital Outlays								
Capital Projects	15,746,600	13,168,119	13,978,140	12,722,010	372,726,483	462,788,575	487,012,428	407,071,536
Carry Forward Capital Projects	-	402,273	-	2,361,223	-	67,372,216	-	97,173,535
Total Capital Outlays	**15,746,600**	**13,570,392**	**13,978,140**	**15,083,233**	**372,726,483**	**530,160,791**	**487,012,428**	**504,245,071**
TOTAL OUTLAYS**	**124,936,259**	**135,039,253**	**136,610,001**	**144,076,771**	**853,551,292**	**1,099,610,999**	**1,063,219,854**	**1,078,667,862**
Less Intra-District Reimbursements	(97,328,083)	(115,000,864)	(115,000,864)	(124,927,948)	(97,328,083)	(115,000,864)	(115,000,864)	(124,927,948)
NET OUTLAYS	**27,608,176**	**20,038,389**	**21,609,137**	**19,148,823**	**756,223,209**	**984,610,135**	**948,218,990**	**953,739,914**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	-	-	-	-	171,725,418	334,491,000	360,741,074	268,775,583
Transfers In	9,755,307	8,234,600	8,234,595	8,074,300	15,838,532	36,740,517	37,014,927	15,471,947
Transfers Out	-	-	-	-	(15,838,532)	(36,568,603)	(36,843,013)	(10,178,347)
TOTAL OTHER SOURCES/(USES)	**9,755,307**	**8,234,600**	**8,234,595**	**8,074,300**	**171,725,418**	**334,662,914**	**360,912,988**	**274,069,183**
BALANCE AVAILABLE	**(5,522,581)**	**(969,144)**	**(1,857,942)**	**781,563**	**(52,471,094)**	**(69,028,448)**	**(36,044,002)**	**(45,995,054)**

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11,71-73)				Total District-wide			
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	-	-	-	-	54,069,620	42,476,138	41,066,971	6,066,971
WUE San Felipe Emergency Reserve	-	-	-	-	3,430,832	3,410,085	3,480,832	3,530,832
WUE State Water Project Tax Reserve	-	-	-	-	11,398,101	6,352,290	11,141,456	8,816,456
WUE Debt Service Reserve	-	-	-	-	10,239	6,999	10,239	-
WUE Supplemental Water Supply Reserve	-	-	-	-	7,877,000	5,277,000	5,277,000	5,277,000
WUE SVAWPC Reserve	-	-	-	-	1,298,138	908,138	1,298,138	-
WUE Drought Reserve	-	-	-	-	10,000,000	-	-	-
WUE Guiding Principal #5 (GP5) Reserve	-	-	-	-	15,963,574	8,830,684	4,581,693	4,718,017
SCW Rate Stabilization Reserve	-	-	-	-	25,000,000	25,000,000	25,000,000	25,000,000
SCW Contingency Reserve	-	-	-	-	5,000,000	5,000,000	5,000,000	5,000,000
SCW Currently Authorized Projects Reserve***	-	-	-	-	123,267,581	47,365,114	121,634,047	37,906,382
SCW Operating and Capital Reserve	-	-	-	-	21,183,313	74,326,854	59,154,025	117,935,002
Total Restricted Reserves	**-**	**-**	**-**	**-**	**278,498,398**	**218,953,302**	**277,644,401**	**214,250,660**
Committed Reserves								
Currently Authorized Projects Reserve***	4,584,956	416,396	3,755,723	1,394,500	108,147,611	13,147,429	57,129,006	11,963,405
Operating and Capital Reserve	16,302,863	12,694,670	16,134,711	17,307,384	156,554,679	158,532,809	173,243,838	232,838,014
Property Self-Insurance/Catastrophic	5,092,670	5,226,261	3,609,913	5,580,026	5,092,670	5,226,261	3,609,913	5,580,026
SJ Water Purification Reserve	-	-	-	-	-	-	-	1,000,000
Liability/Workers' Comp Self-Insurance	7,714,800	6,621,000	8,337,000	8,337,000	7,714,800	6,621,000	8,337,000	8,337,000
Total Committed Reserves	**33,695,289**	**24,958,327**	**31,837,347**	**32,618,910**	**277,509,760**	**183,527,499**	**242,319,757**	**259,718,445**
TOTAL YEAR-END RESERVES	**33,695,289**	**24,958,327**	**31,837,347**	**32,618,910**	**556,008,158**	**402,480,801**	**519,964,158**	**473,969,105**
OPERATING OUTLAY								
Salaries and Benefits	55,374,352	59,947,496	59,947,496	62,557,776	155,777,427	170,824,512	170,824,512	175,496,202
Salary Savings Factor	-	(945,049)	(945,049)	(984,759)	-	(2,693,924)	(2,693,924)	(2,772,242)
Services & Supplies	41,285,496	47,454,339	48,617,339	50,600,181	195,131,092	234,381,116	251,254,797	213,700,765
Intra-District Charges	12,056,295	14,537,428	14,537,428	16,345,286	71,839,920	84,588,030	84,588,030	90,563,802
OPERATING OUTLAY TOTAL	**108,716,143**	**120,994,214**	**122,157,214**	**128,518,484**	**422,748,439**	**487,099,734**	**503,973,415**	**476,988,527**
DEBT SERVICE								
Services & Supplies	413	2,908	2,908	2,908	1,837,358	5,849,370	5,745,370	4,486,370
Debt Service	473,104	471,738	471,738	472,146	56,239,010	76,501,102	66,488,639	92,947,893
DEBT SERVICE TOTAL	**473,517**	**474,646**	**474,646**	**475,054**	**58,076,368**	**82,350,472**	**72,234,009**	**97,434,263**
CAPITAL PROJECTS								
Salaries and Benefits	962,522	507,153	507,153	357,442	44,100,828	50,324,593	50,324,593	54,105,280
Salary Savings Factor	-	(8,032)	(8,032)	(5,892)	-	(816,046)	(816,046)	(877,577)
Services & Supplies	14,293,838	12,506,008	13,316,028	12,265,415	303,137,487	382,867,193	407,091,047	319,479,687
Carry Forward Capital Projects	-	402,273	-	2,361,223	-	67,372,216	-	97,173,535
Intra-District Charges	490,240	162,990	162,990	105,045	25,488,168	30,412,835	30,412,835	34,364,145
CAPITAL PROJECTS TOTAL	**15,746,600**	**13,570,392**	**13,978,139**	**15,083,233**	**372,726,483**	**530,160,791**	**487,012,429**	**504,245,070**
TOTAL OUTLAYS**	**124,936,260**	**135,039,252**	**136,609,999**	**144,076,771**	**853,551,290**	**1,099,610,997**	**1,063,219,853**	**1,078,667,860**

(*) 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 amounts may have a slight variance due to rounding

Valley Water

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