Valley Water

FY 2024-25 & FY 2025-26

Operating and Capital Rolling Biennial Budget

Santa Clara Valley Water District

Adopted
FY 2024-25 & FY 2025-26
Operating and Capital
Rolling Biennial Budget

BOARD OF DIRECTORS

Nai Hsueh
Chair, District 5

John L. Varela
District 1

Barbara F. Keegan
District 2

Richard P. Santos
Vice Chair, District 3

Jim Beall
District 4

Tony Estremera
District 6

Rebecca Eisenberg
District 7

Submitted by

Rick L. Callender, Esq.
Chief Executive Officer

Valley Water

Santa Clara Valley Water District

Adopted
FY 2024-25 & FY 2025-26
Rolling Biennial Budget

Prepared by

Darin Taylor
Chief Financial Officer

Enrique De Anda
Budget Manager

Timothy Chan
Senior Management Analyst

Agnes Lee
Senior Management Analyst

Adrian Liu
Senior Management Analyst

Kristie Resendez
Senior Management Analyst

Han Van
Senior Management Analyst

Executive Review Committee

Rick Callender, Chris Hakes,
Aaron Baker, Rachael Gibson, Tina Yoke

Santa Clara Valley Water District

Adopted
FY 2024-25 & FY 2025-26
Rolling Biennial Budget

Recognitions

Gina Adriano

Jennifer Abadilla

Benjamin Apolo III

Sandra Benavidez

Todd Bridgen

Mark Gomez

Hortencia Gonzalez

Emily Gross

Robert Harvie

Katrina Holden

Peggy Lam

Sadie Lum

Jennifer Martin

Carmen Narayanan

Arthur Saye

Lana Sheehan

Charlene Sun

Cheryl Togami

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Santa Clara Valley Water District
California

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

Budget Transmittal Letter for Fiscal Year 2024-25 & 2025-26 Rolling Biennial Budget

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

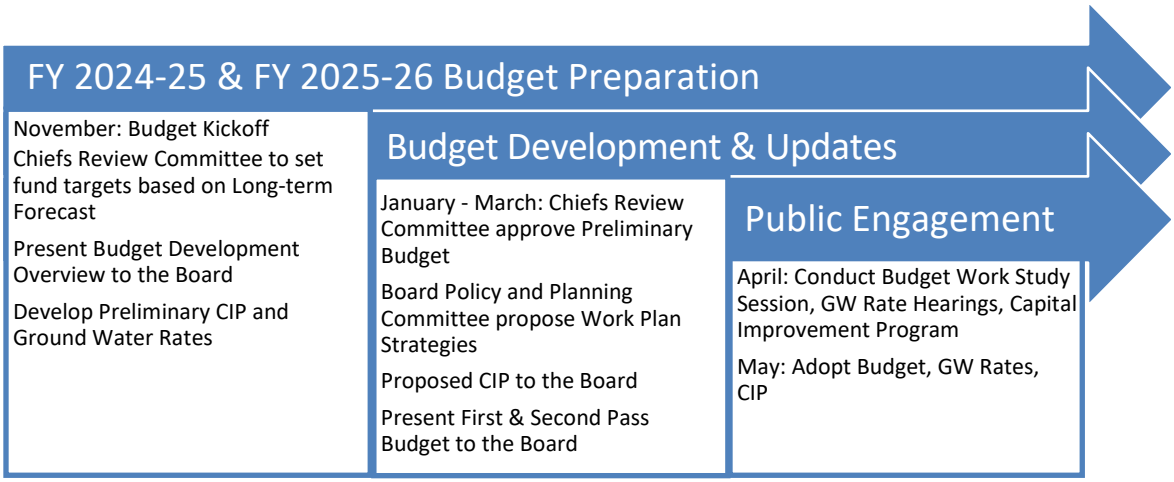
In accordance with Valley Water Policy, I am submitting the Fiscal Years 2024-25 (FY25) & 2025-26 (FY26) Proposed Operating and Capital Rolling Biennial Budget for the Santa Clara Valley Water District (Valley Water). This Budget represents Valley Water's rolling biennial budget, which allows us to budget for FY25 and plan for FY26. In the rolling biennial budget process, the Board adopts a one-year budget and approves a second year Plan, with the FY26 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 FY25 & FY26, Valley Water will continue to invest in critical infrastructure to ensure Santa Clara County has sufficient safe, clean water for every person, business, and farm now and into the future as well as to protect our communities from flooding. Valley Water will remain strongly committed to environmental justice and prioritizing our disadvantaged communities, including the unhoused population. Valley Water will also be responding to inflationary pressures by containing costs, via a hiring freeze and reductions to supplies and services costs to deliver our promises with a fiscally responsible budget.

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 FY25 and FY26 Biennial Budget includes 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 2024-25 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 challenges posed by our struggling economy and inflationary pressures, it is important for Valley Water to continue to operate and deliver at the lowest cost possible. This budget is responsive to inflationary pressures by incorporating a hiring freeze and refinements to supplies and services costs which will allow Valley Water to efficiently fund the Board's priorities. Even with the budget reductions, Valley Water remains steadfastly committed to the provision of safe, clean water, a healthy environment, and flood protection by investing in critical infrastructure projects. Also, Valley Water remains dedicated to environmental justice and to addressing encampments with a humane approach.

REVENUE

The FY 2024-25 & 2025-26 Proposed Rolling Biennial Budget includes projected revenues of approximately $695.2 million in FY 2024-25, a net increase of $61.5 million from the $633.7 million included in the FY 2023-24 Adopted Budget. This 9.7% increase is primarily derived from the increase in water charges revenue ($71.9 million), property taxes ($11.3 million), other operating and non-operating revenues ($2.1 million), special parcel taxes ($1.3 million), intergovernmental services ($0.3 million), and benefit assessment taxes ($0.2 million), offset by decreases in capital reimbursements (-$25.5 million). In FY 2025-26, revenues are estimated to be $793.5 million, a net increase of $98.3 million from the FY 2024-25 budget. The 14.1% growth is primarily attributed to higher water charges revenue ($73.5 million), capital reimbursements ($18.7 million), property taxes ($3.9 million), special parcel tax ($1.2 million), other operating and non-operating revenue ($0.4 million), and intergovernmental services ($0.7 million), offset by a slight reduction in the benefit assessment taxes (-$0.2 million).

APPROPRIATIONS/OUTLAYS

Net total operating and capital outlays for the FY 2024-25 Proposed Budget is $963.6 million, which includes $103.7 million in debt service outlays. For the FY 2025-26 Plan, net total operating and capital outlays is $1,148.4 million, which includes $124.4 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 2024-25 Proposed Budget total $429.9 million, an increase of $43.4 million from the FY 2023-24 Adopted Budget. The increase in net outlays is primarily due to Palo Alto Water Reuse Agreement project, B.F. Sisk Dam Raise project, Encampment Management Program project, IT Technical Infrastructure Services and Software Services project, district election costs, and additional employee healthcare and pension benefit costs to improve recruitment and retention. Net operating outlays for the FY 2025-26 Plan total $445.1 million, an increase of $15.2 million from the FY 2024-25 Budget.

NET CAPITAL OUTLAYS

Net capital project appropriations total $430.1 million in the FY 2024-25 Proposed Budget, an increase of $57.4 million from the 2023-24 Adopted Budget. It is anticipated that $46.4 million of the FY 2023-24 Adjusted Budget for capital projects also will carry forward into FY 2024-25 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. For the FY 2025-26 Plan, net capital project appropriations total $578.9 million, an increase of $148.8 million from the FY 2024-25 Budget; $18.7 million of the FY 2024-25 Budget for capital projects is estimated to be carried forward into the FY 2025-26 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 $129.1 million in FY 2024-25 and $135.9 million in FY 2025-26. 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 2024-25, Valley Water anticipates issuing approximately $345.9 million in debt proceeds, of which $236.3 million is to finance the Water Utility system infrastructure improvements and $109.6 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 2024-25 & FY 2025-26 Rolling Biennial

Operating and Capital Budget document beginning on page 3−50. Overall, budgeted reserves for Fiscal Year 2024-25 are expected to decrease $60.5 million to a total of $413.5 million versus the Adopted FY 2023-24 Budget. This decrease is primarily due to higher Operating and Capital Outlays offset by higher water charges revenue associated with increased water demand assumptions and higher property tax revenue in FY 2024-25. For FY 2025-26, budgeted reserves are estimated to decrease $31.4 million to a total of $382.1 million. This overall decrease is primarily due to increased Operating and Capital Outlays offset by increased water charges revenue and Capital Reimbursements.

($ in Thousands)	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Planned Budget 2024-25	Adopted Budget 2024-25	Change from 2023-24 $ Diff	Change from 2023-24 % Diff	Planned Budget 2025-26	Change from 2024-25 $ Diff	Change from 2024-25 % Diff
Restricted Reserves										
Safe, Clean Water & Natural Flood Protection Fund	205,846	185,841	97,643	203,027	114,854	(70,987)	(38%)↓	83,258	(31,596)	(28%)↓
Water Enterprise Funds	85,575	28,409	31,128	35,109	37,828	9,419	33%↑	61,271	23,443	62%↑
Subtotal	**291,421**	**214,250**	**128,771**	**238,136**	**152,682**	**(61,568)**	**(29%)↓**	**144,529**	**(8,153)**	**(5%)↓**
Committed Reserves										
General Fund	16,872	11,968	15,756	11,658	14,780	2,812	23%↑	17,144	2,364	16%↑
Watershed Stream Stewardship Fund	115,795	159,921	140,196	176,040	150,650	(9,271)	(6%)↓	135,686	(14,964)	(10%)↓
Water Enterprise Funds	162,529	67,179	73,427	67,790	73,088	5,909	9%↑	63,675	(9,413)	(13%)↓
Internal Service Funds	28,815	20,651	24,260	19,344	22,293	1,642	8%↑	21,051	(1,242)	(6%)↓
Subtotal	**324,011**	**259,719**	**253,639**	**274,832**	**260,811**	**1,092**	%↑	**237,556**	**(23,255)**	(9%)↓
Grand Total	**615,432**	**473,969**	**382,410**	**512,968**	**413,493**	**(60,476)**	**(13%)↓**	**382,085**	**(31,408)**	**(8%)↓**

DEBT OVERVIEW

The FY 2024-25 debt portfolio total outstanding principal of $1.64 billion includes $188.5 million for Watersheds and $1.45 billion for the Water Utility Enterprise. The annual debt service budget of $103.7 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 2024-25 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 are adopted.

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 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.

Please see table below for ratings going into FY 2024-25.

	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 2024-25 & FY 2025-26 Proposed Rolling Biennial Budget includes 925 positions composed of 921 regular positions and 4 limited term positions for both FY 2024-25 and FY 2025-26, maintaining positions flat as compared to the FY 2023-24 Adjusted Budget. 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 2022-23	Adopted Budget 2023-24[2]	Change from 2023-24	Proposed Budget 2024-25	Change from 2024-25	Proposed Plan 2025-26
Board Appointed Officers[1]	78	79	-1	78	0	78
Office of Integrated Water Management	55	56	14	70	0	70
External Affairs	41	47	-1	46	0	46
Administrative Services	168	163	3	166	0	166
Water Utility	306	305	-1	304	0	304
Watersheds	266	269	-12	257	0	257
Districtwide	**914**	**919**	**2**	**921**	**0**	**921**

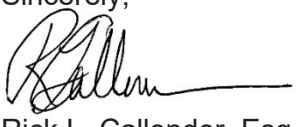
[1] Board Appointed Officers Include: Office of Chief Executive Office, District Counsel and Clerk of the Board.

[2] Two positions were added during FY 2023-24.

FUTURE OUTLOOK

Valley Water is responding to inflation driven cost increases and budgetary pressure by implementing a hiring freeze, delaying projects, and reviewing operations to be more efficient. While tightening the belt, this budget still allows Valley Water to accomplish the goals of our core mission, and make crucial investments in water storage, water conservation, water recycling, and other infrastructure projects to ensure our community and water supply are protected from natural disasters due to climate change. Valley Water also remains strongly committed to environmental justice to ensure everyone is treated equally by dedicating funding and working with other local agencies to address encampments in a humane fashion. Valley Water will continue to focus on delivering the promises we made to the community: providing safe, clean water, a healthy environment, and flood protection to make sure we are not only addressing the challenges in the past year, but also into the future.

Sincerely,



Rick L. Callender, Esq.
Chief Executive Officer

Table of Contents

Introduction

Board of Directors I-1
Budget Team I-2
Staff Recognitions I-3
GFOA Distinguished Budget Presentation Award I-4
CEO's Budget Transmittal Letter I-5

Chapter 1 – Budget in Brief

Budget in Brief 1-1

Chapter 2 - Valley Water Overview

Valley Water Overview 2-1

Chapter 3 – Financial Overview

Introduction 3-1
Major Sources of Revenues 3-18
Salaries and Benefits 3-37
Debt & Investments 3-41
Reserve Policy and Fund Balances 3-50

Chapter 4 – End Policies and Outcomes

Introduction 4-1
E2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served. 4-14
E3 - Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future. 4-19
E4 - Water resources stewardship protects and enhances ecosystem health. 4-21
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. 4-23
E6 - Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities. 4-24
SS – Support Services 4-25
DS – Debt Service 4-30
Ends Policies and Objectives 4-32
Outcome Measures 4-41

Chapter 5 –Division Summary

Valley Water Organizational Chart 5-1

Table of Contents

Board Appointed Officers 5-4

External Affairs 5-30

Administrative Services 5-39

Office of Integrated Water Management 5-74

Watersheds 5-91

Water Utility 5-118

Chapter 6 – Fund Summaries

Watershed Management Funds 6-1

Water Enterprise and State Water Project Funds 6-45

General Funds 6-94

Service Funds 6-104

Chapter 7 - Resolutions

Resolutions 7-1

Chapter 8 - Appendices

Appendix A - Glossary A-1

Appendix B – Capital Project Estimated Carryforward Budget B-1

Appendix C – Water Utility Enterprise Long Term Forecast C-1

Appendix D – Summary By Fund D-1

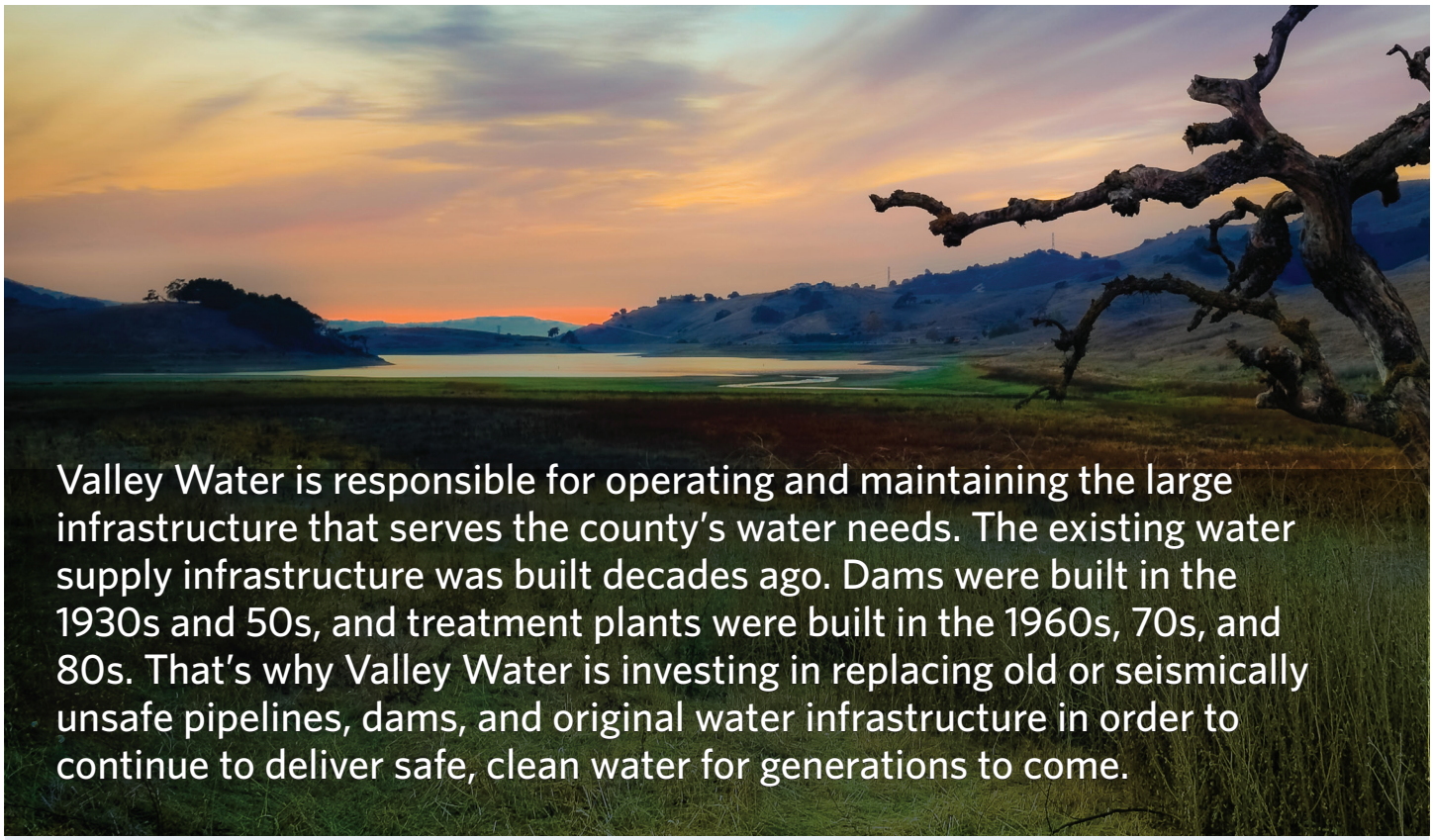
Budget in Brief

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

Fiscal Year 2024–25

Budget in Brief

Valley Water

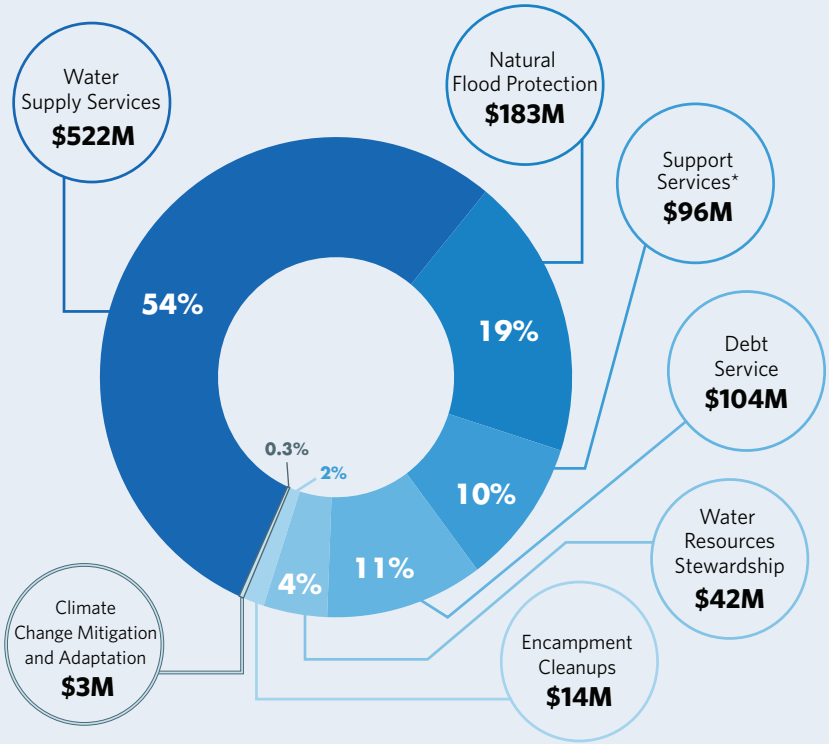


Valley Water is responsible for operating and maintaining the large infrastructure that serves the county's water needs. The existing water supply infrastructure was built decades ago. Dams were built in the 1930s and 50s, and treatment plants were built in the 1960s, 70s, and 80s. That's why Valley Water is investing in replacing old or seismically unsafe pipelines, dams, and original water infrastructure in order to continue to deliver safe, clean water for generations to come.

FY 2024–25 Adopted Budget of $964 million

Valley Water manages an integrated water resources system that provides a reliable supply of safe, clean water, flood protection and environmental stewardship on behalf of Santa Clara County's 2 million residents.

In May 2024, the Valley Water Board of Directors adopted a budget for Fiscal Year 2024–25 of $964 million 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 FY 24-25 and plan for FY 25-26. 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.

Rinconada Water Treatment Plant Reliability Improvement Project Phases 3-6.

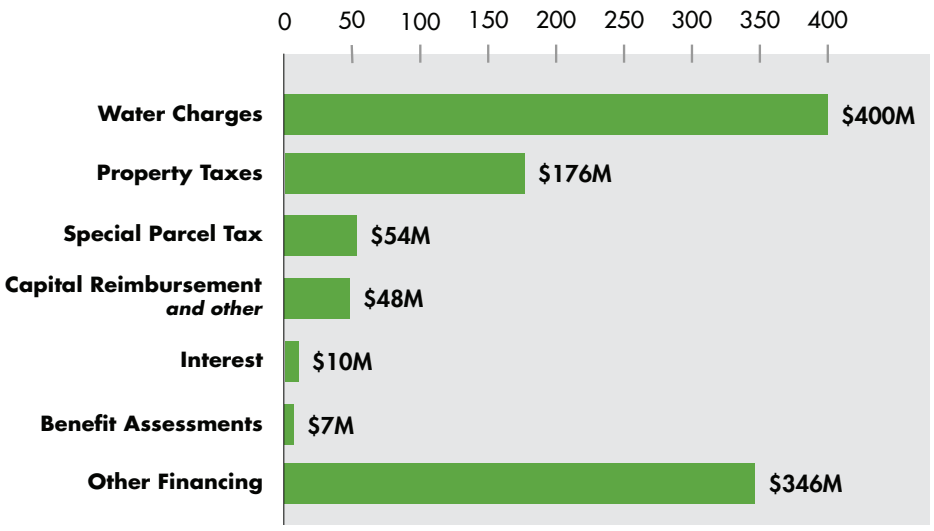
Balancing Act

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 the agency's 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 from cash investments, cost-sharing agreements with other agencies, grants, and debt proceeds.

FY 2024–25 Adopted Revenue and Debt Financing of $1.041 billion



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.

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

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

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

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

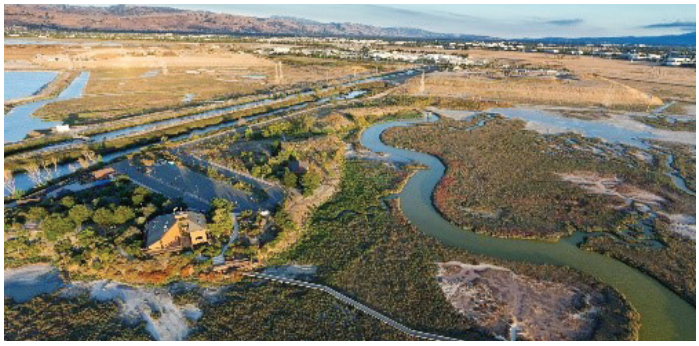
Environmental and Watershed Projects

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 San Francisco Bay. Here are a few priority watershed projects included in the Fiscal Year 2024–25 budget to achieve these goals.

South San Francisco Bay Shoreline Project Phase I

The South San Francisco Bay Shoreline 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 reaches from the Alviso Marina County Park to Artesian Slough in summer 2025.



Aerial view of the South San Francisco Bay Shoreline.

Coyote Creek Flood Protection Project

The Coyote Creek Flood Protection 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 February 2017.

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 flood wall at Watson Park designed to protect homes from flood water for the Coyote Creek Flood Protection Project.

Ogier Ponds Separation from Coyote Creek

The Ogier Ponds Coyote Creek Separation Project will improve steelhead habitat while maintaining or enhancing existing recreational uses. The project will construct a channel to separate Coyote Creek from Ogier Ponds.

Key deliverables: Complete planning study and initiate design phase in 2025.

Ogier Ponds includes six large, artificial water bodies in southern San José.

Good Neighbor Program

Valley Water is committed to humanely assisting in the permanent relocation of unsheltered people living on lands along waterways and at water supply and flood risk reduction facilities. The 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: Collaborate with Santa Clara County, cities and other service providers to address the challenges posed by encampments of unsheltered people. Our efforts include working with the City of San José on encampment relocations to meet MS4 Storm Water Permit requirements and the needs of Valley Water's Coyote Creek Flood Protection Project.

Encampment cleanup at Los Gatos Creek, upstream of Auzerais Ave. in San José.

Safe, Clean, Drinking Water Projects

The Water Utility Enterprise is primarily responsible for providing communities in Santa Clara County with a safe, reliable and affordable water supply. The Fiscal Year 2024–25 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 will then will begin retrofitting the existing dam.

Key deliverables: Complete construction of the outlet tunnel, complete 100% design level package, and certify the final Environmental Impact Report.

Anderson Tunnel construction site.

Rinconada Water Treatment Plant Reliability Improvement Project

The Rinconada Reliability Improvement Project will upgrade, retrofit and replace aging equipment to increase the water treatment plant capacity from 80 million gallons per day to 100 million gallons per day. The upcoming work includes the construction of new facilities for raw water ozonation, dual media filtration and chlorine contact. This project will allow Valley Water to continue to provide safe, clean, drinking water to the west side of Santa Clara County.

Key deliverables: Complete demolition of existing clarifiers. Begin construction on the chlorine contact building and ozone generation building.

Rendering of the completed Rinconada Reliability Improvement Project.

Coyote Pumping Plant Adjustable Speed Drive Replacement Project

The Coyote Pumping Plant Adjustable Speed Drive Replacement Project will replace key equipment and rehabilitate existing pump motors at the Coyote Pumping Plant in Morgan Hill. This facility, an important part of Valley Water's infrastructure, allows the delivery of imported water supplies to treatment plants and percolation ponds in Santa Clara County. The plant receives water from San Luis Reservoir and has six pumps that allow for its distribution through our vast infrastructure system.

Key deliverables: Complete 100% of plans and specifications. Complete negotiations for the Phase 2 construction contract.

Existing Pump Control Panels (left) which will be replaced, and Pump Control Motors (right) which will be rehabilitated as part of the Coyote Pumping Plant Adjustable Speed Drive Replacement Project.

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***.

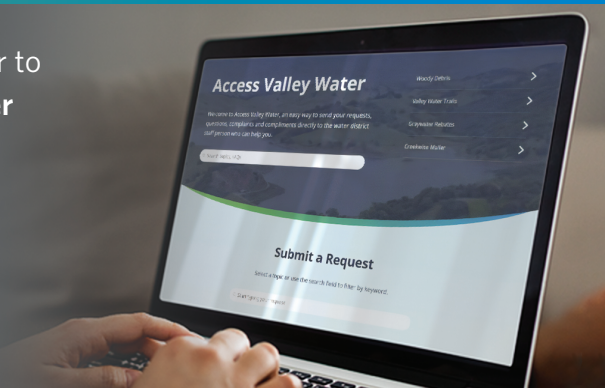
FOLLOW US

scvwd

valleywater

valleywater

Join our mailing list:
https://delivr.com/2uz9z



© 2024 Santa Clara Valley Water District • 06/2024 LS

Valley Water Overview

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

This page left intentionally blank.

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.

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

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.

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 José, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the county's unincorporated areas.

Collaboration with the community we serve is important and 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;

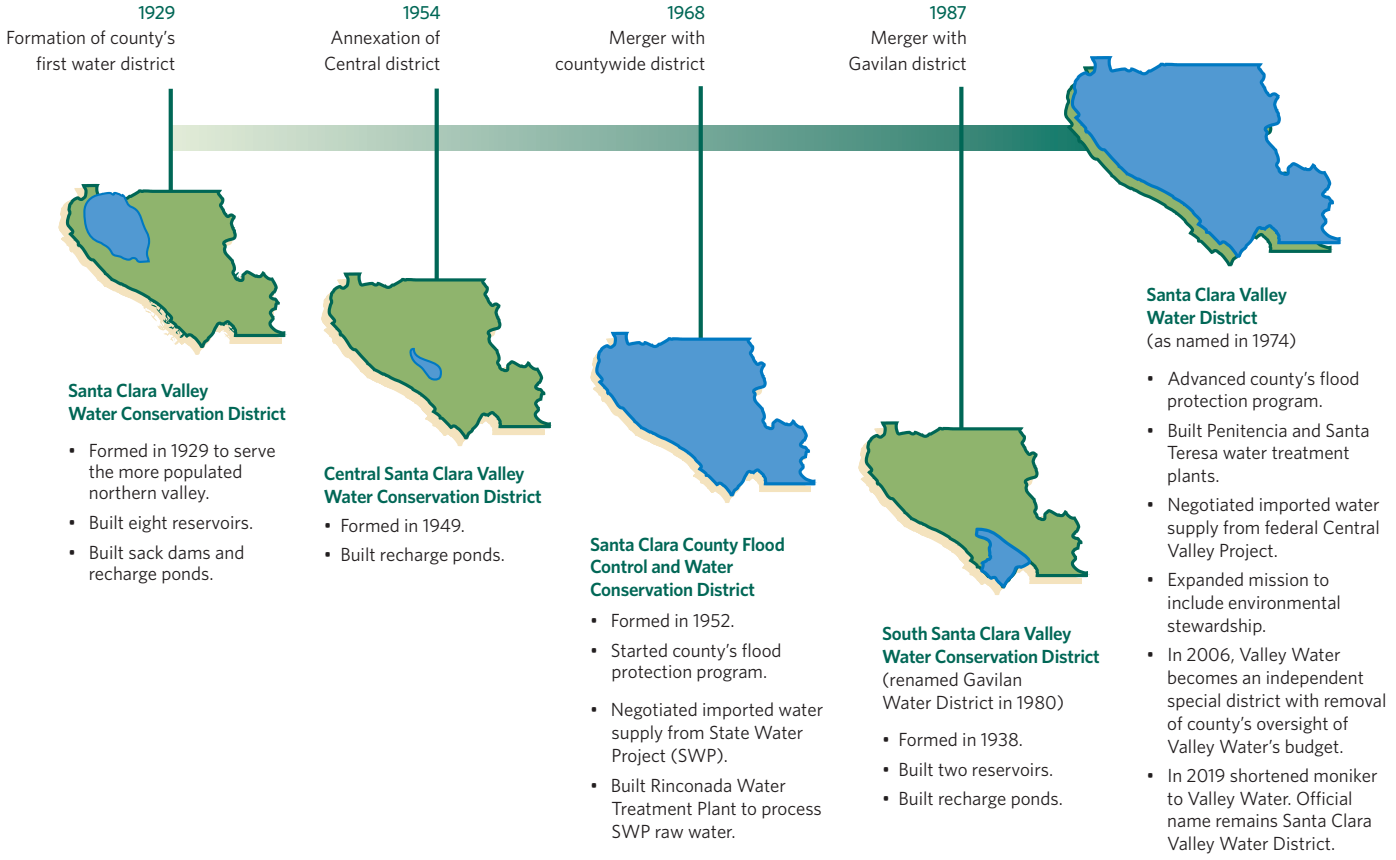
(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

(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



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.

Local Economy

Silicon Valley experienced significant changes in its economic landscape in the past year. Although successive Federal Reserve interest rate increases appear to have slowed inflation, elevated interest rates are dampening investment and growth at both national and local levels.

The local unemployment rate has risen with layoffs in the tech sector and is now higher than 2022. The venture capital (VC) funding was low in 2023 compared to previous years. Nevertheless, with the growth in Artificial Intelligence (AI) companies, the region's economy is still relatively strong. Other sectors like cultural, entertainment

and recreational services have also seen employment growth, indicating a diversification beyond tech. In addition, Silicon Valley's population has begun to grow again after four consecutive years of decline. Amidst these economic dynamics, the region still grapples with high consumer prices, notably in food, energy, and shelter, and faces challenges in commercial real estate and a continued housing affordability crisis.

The local area's unemployment rate has slowly ticked downward and held steady. The April 2024 unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area was 3.9%, down from a revised 4.2% in March 2024, but above the estimate of 2.9% from the previous year. This rate is lower than the statewide average (4.8%) but slightly higher than the national average (3.5%) during the same period.[1] Most industries in the region have returned to prepandemic levels of employment, while others are facing new realities. Silicon Valley currently has a workforce of 1.7 million people, 1% higher than 2019 (before the pandemic). Silicon Valley's 20 largest tech companies shed 7% of their Bay Area workforce in 2023 (approximately 18,800 workers). However, employment in tech at the end of 2023 was more than 37,000 employees above prepandemic figures. Jobs in the tech sector now comprise 28% of the workforce. While the tech sector was recalibrating its workforce, other segments of the economy grew including jobs in arts, entertainment, and recreation. Jobs in community infrastructure and services (including education, construction, and healthcare) have experienced three consecutive years of growth and returned to prepandemic level of 846,000 in 2019.[2]

The April 2024 Bay Area Consumer Price Index (CPI), a measure of price of a "market basket" of goods and services such as energy, transportation, and housing, increased by 1.8% over the previous two months. This increase was primarily influenced by higher prices for shelter and gasoline. The CPI increased 3.8% over the past year, with food prices advancing 3.1% and energy prices increasing 18%, mainly in the price of electricity. The index for all items less food and energy also increased 3.1% over the year.[3] Annual inflation in the U.S. in April 2024 was 3.4% with consumer prices rising 0.3% on a seasonally adjusted basis, slightly down from the 0.4% increase from March.[4,5] According to the latest Federal Open Market Committee (FOMC) statement released on May 1, 2024, the recent economic indicators suggest the U.S. economic activity has continued to expand at a solid pace, job gains have remained strong, and the unemployment rate has remained low. Inflation has eased over the past year, but remain elevated in the recent months. There has been a lack of further progress toward the Committee's 2% inflation objective as the FOMC seeks to achieve maximum employment and inflation at the rate of 2% over the longer run. In support of its goals, the FOMC decided to maintain the target range for the federal funds rate at 5.25–5.5%. The FOMC does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%.[6]

According to the U.S. Bureau of Economic Analysis, the real gross domestic product (GDP) increased slightly in the first quarter of 2024, at an annual rate of 1.6%. In the fourth quarter of the prior year, real GDP increased 3.4%. This increase reflected the following:

- Consumer spending (increase in services)
- State and local government spending (increase in compensation of state and local government employees)
- Non-residential fixed investment (increase in intellectual property products)
- Residential fixed investment (increase in brokers' commissions, other ownership transfer cost, and new single-family housing construction)[7]

Despite high interest rates and employment losses in the tech sector, Silicon Valley and San Francisco's aggregate market cap hit an all-time high in February 2024. Although VC funding was low relative to the spikes in recent years, AI companies experienced a less pronounced year-over-year decline in VC funding (-14%) than overall Greater Silicon Valley totals (-36%).[2] Silicon Valley's population grew in 2023 after four consecutive years of decline.

Valley Water Overview

The number of people departing the region fell 52% compared to the previous year, and the number of foreign immigrants grew by 37%. Of those who moved out of Silicon Valley, 23% remained in the nine county Bay Area. Silicon Valley is attracting tech talent in greater numbers than other U.S. tech centers. But the region's population is also aging. The share of residents 65 years or older has grown by 32% since 2012, while the number of children is down 13% over the same period.[2] The commercial space in the region is also facing challenges. Office vacancy rates rose to nearly 19% by the end of 2023, reflecting a transitioning economy and new patterns of remote work. The volume of commercial leases declined 22% versus the previous year, leaving 31 million square feet unoccupied. A corresponding decline in rental rates has not materialized. Office rents remained at $5.85 per square foot, slightly higher (0.3%) than the previous year. The amount of office space under construction also declined by 35% in 2023. Hotel development has declined significantly and no new Industrial or R&D developments broke ground in 2023.[2] Despite a slight 4% decrease in inflation-adjusted median home prices, mostly attributable to high interest rates, the region still has the nation's highest housing prices. Median home sale price at the end of 2023 was $1.76 million, an amount out of reach for 74% of first-time homebuyers. Silicon Valley's persistent housing shortage didn't spur additional permitting activity in 2023, which declined by 52% compared to 2022. The region's renters are more likely to be burdened by housing costs than owners, with 41% of renters spending more than 30% of their gross income on rent (compared to with 33% of homeowners spending more than 30% of their gross income). Since the pandemic-era moratorium on evictions was lifted in July 2022, the dislocation has skyrocketed with 5,500 evictions in 2023. More than 10,000 Silicon Valley residents were unhoused as of Dec. 31, 2023, including 657 unsheltered minors and young adults.[2] The average Silicon Valley worker earns $189,000 per year; however, the region's median household income ($149,600) is barely outpacing inflation. The growing income divide has accelerated since the beginning of the Great Recession economic recovery period, increasing twice as quickly as the state or nation between 2010 and 2022. Furthermore, the income distribution is becoming increasingly skewed by the highest income earners. The top 10% of households hold 70% of the collective wealth. If Silicon Valley's wealth (including real estate) was evenly distributed, it would amount to $2 million per household.[2] The income gap between residents is much wider in Silicon Valley than elsewhere. The region's cities have tightened their budgets as revenues declined and increased pandemic-related spending became dependent on fees and charges to a greater extent than ever before. In FY2021–2022, fees and charges represented 50% of all revenues. As a result, the region's 39 cities experienced a slight budgetary surplus with total revenues exceeding expenses by nearly $1.3 billion.[2]

This FY 2024–25 and 2025–26 Biennial Budget represents Valley Water's continuation of a rolling biennial budget. This process allows our agency to plan for the upcoming fiscal years 2025 and 2026 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), May 17, 2024, labor market info

2 Joint Venture Silicon Valley Institute for Regional Studies, 2024 Silicon Valley Index

3 US Bureau of Labor Statistics (BLS) Western Information Office, May 15, 2024 Release – CPI April 2024

4 US Inflation Calculator (April 2024, released May 15, 2024)

5 US BLS, May 15, 2024 - Economic News Release

6 Federal Reserve FOMC statement (May 1, 2024 release)

7 U.S. Bureau of Economic Analysis (BEA), Gross Domestic Product, First Quarter 2024 (Advance Estimate) April 25, 2024 News Release

Valley Water Overview

Governance and Board of Directors

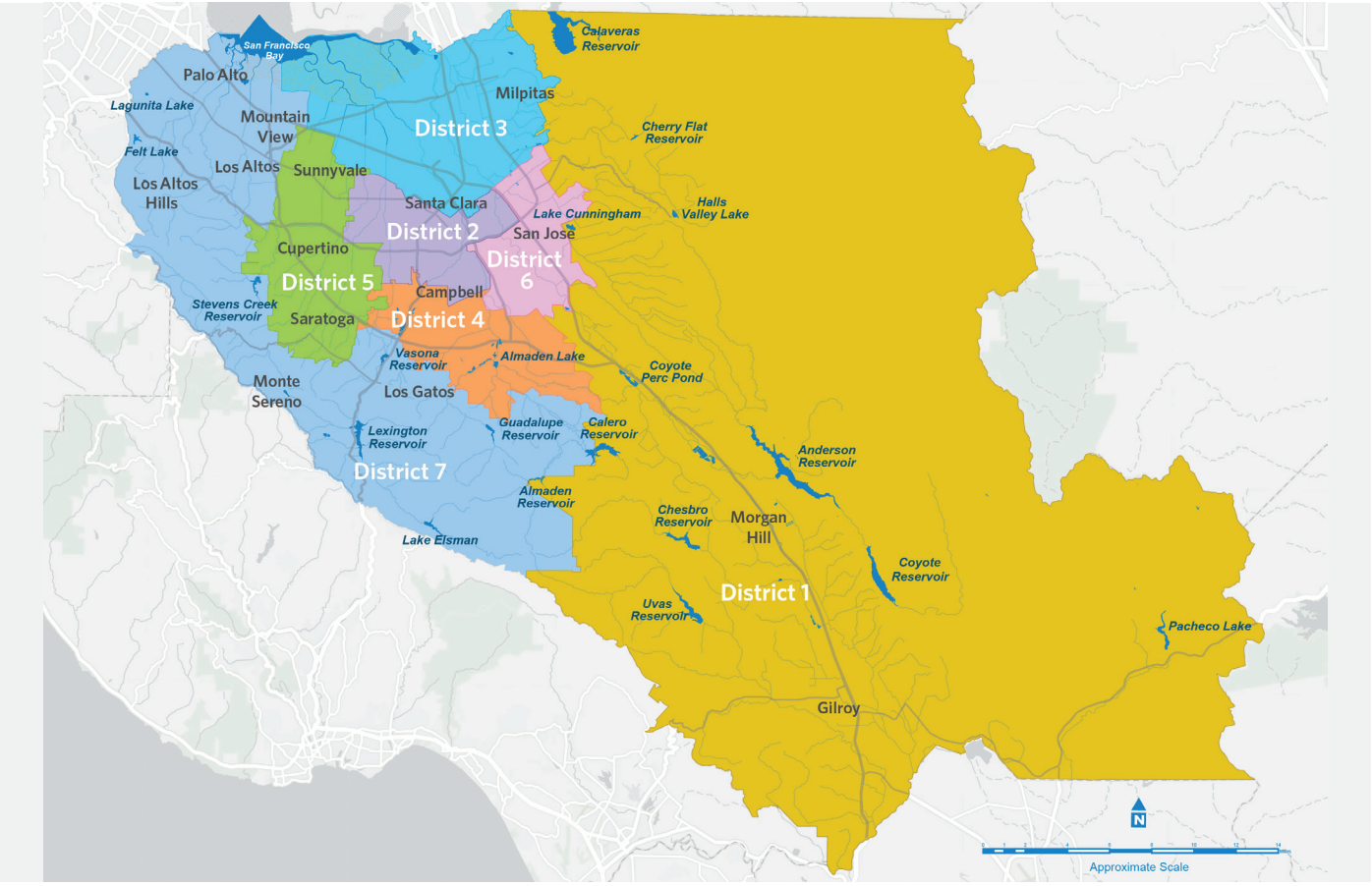
The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs Valley Water and directs the board appointed officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal 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 José 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 José.

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.

2000-2023

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 José, 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.

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.

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.

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. 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.

2023: In August, the Valley Water Board of Directors certified the Fish and Aquatic Habitat Collaborative Effort's final environmental impact report. The document details how Valley Water proposes to release water from our reservoirs to balance water supply needs while also providing habitat for steelhead in Stevens Creek and both steelhead and Chinook salmon in the Guadalupe watershed. The document also details a range of non-flow measures that provide improvements for the fisheries in the creeks, such as removal of passage barriers and adding beneficial in-stream habitat.

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 Monitoring 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. Board and Director identified issues related to Diversity and Inclusion.
5. 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 Ad Hoc 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.

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 Supply and Demand Management Committee: Receive and discuss information on issues related to additional water storage options. 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.

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 José/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.

Environmental Stakeholder Group: Information sharing.

External Monitoring Committee

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

Renewed 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

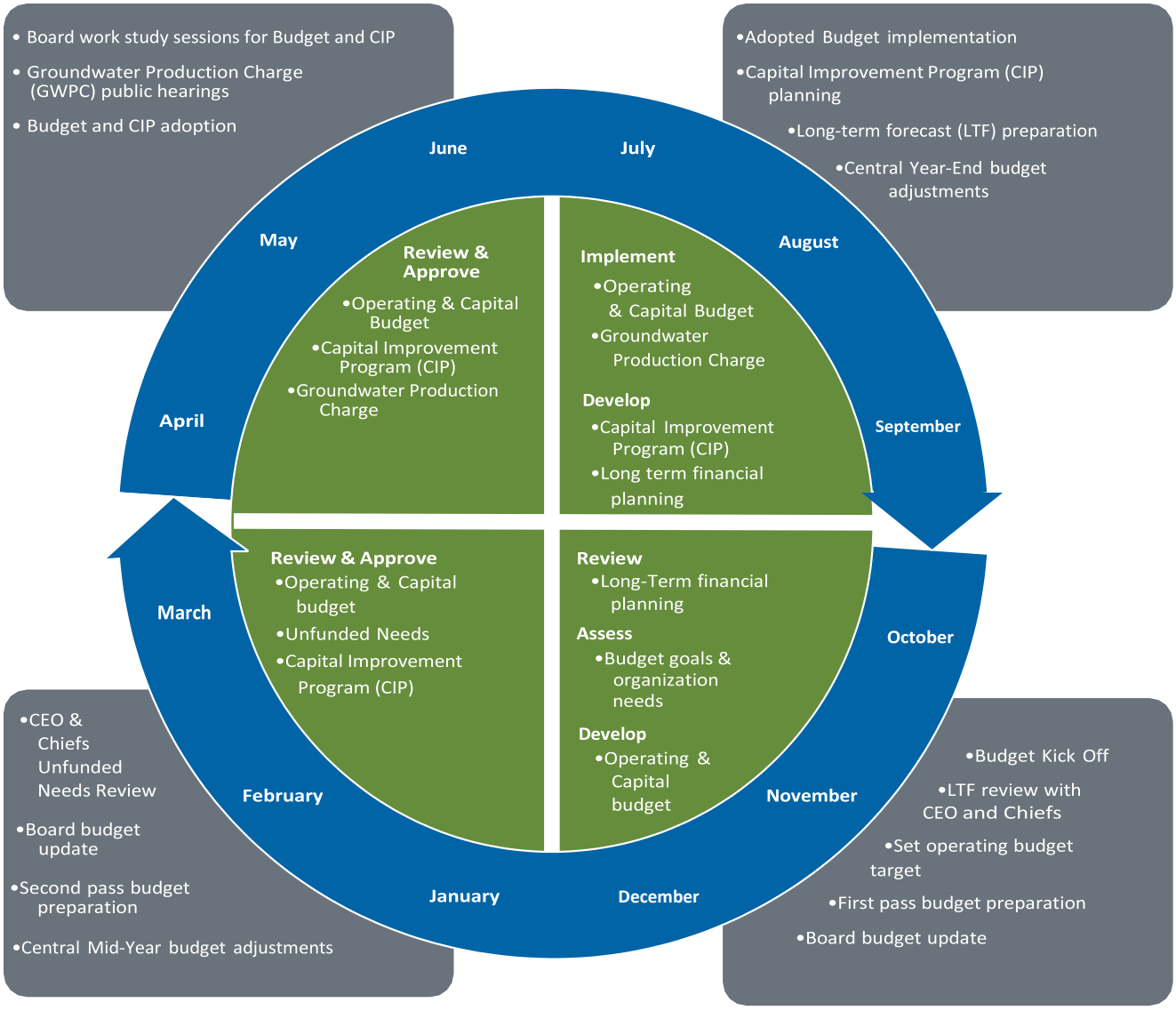
More than 800 miles of creeks flow through Santa Clara County. Valley Water works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Sixty-eight years of working for flood protection has reduced the intensity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

Financial Overview

FY 2024–25 & FY 2025–26
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, and Capital Improvement Plan (CIP) processes. The FY 2024-25 & FY 2025-26 Operating and Capital Rolling Biennial Budget includes the FY 2024-25 budget and a subsequent fiscal year plan for FY 2025-26. The second fiscal year serves as a planning tool and will set the framework for the preparation of the FY 2025-26 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

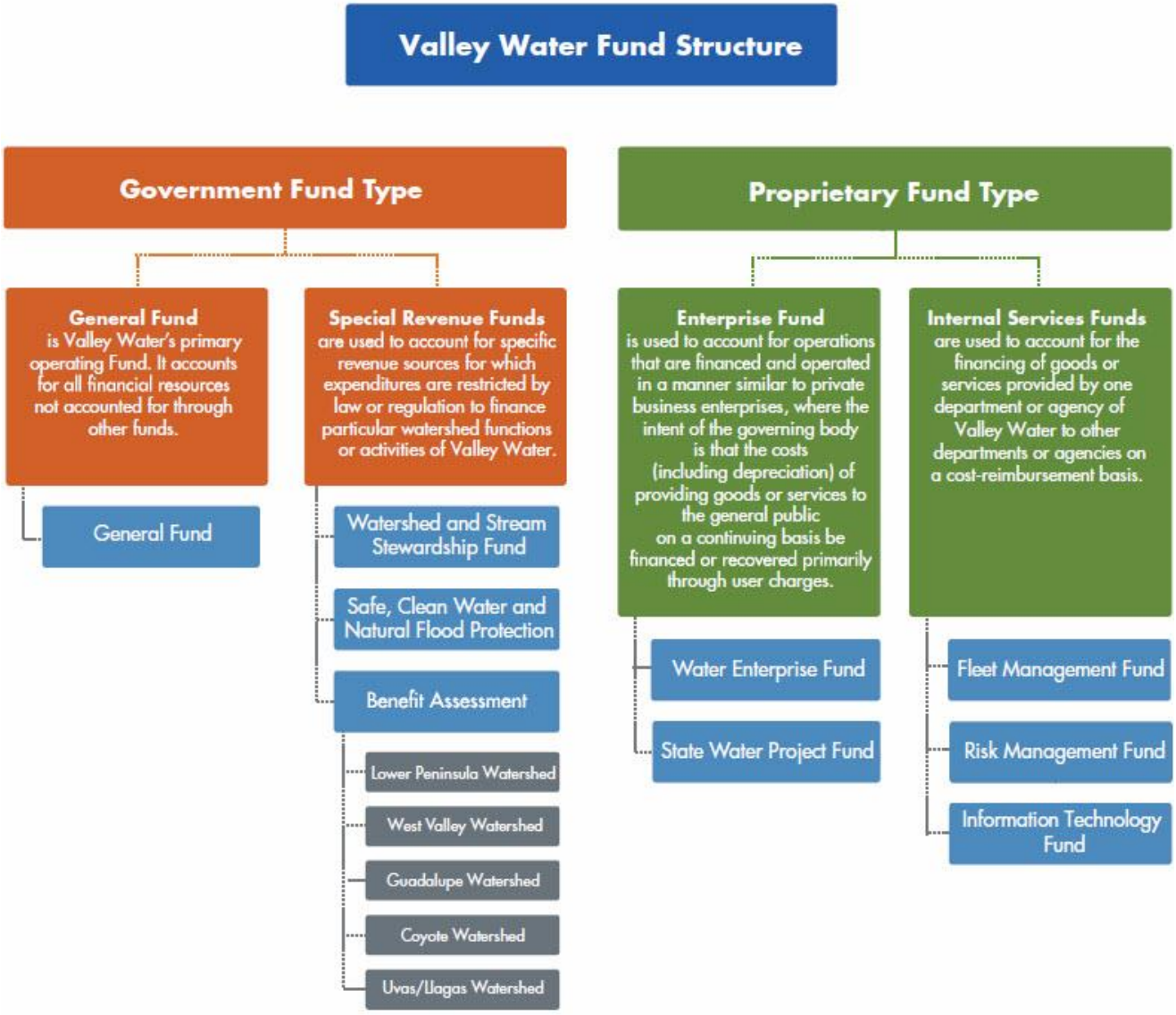
Valley Water prepares a Capital Improvement Program (CIP) annually. It is a five-year rolling CIP, meaning that it is updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year and is publicly available for review. The CIP includes project descriptions, schedules, 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 2024-25
- Requests of the 118th 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 2024-25 Budget includes projected revenues of $695.2 million. These revenues are a net increase of 9.7% from the $633.7 million included in the FY 2023-24 Adopted Budget. The net $61.5 million increase is derived from an increase in water charges revenue ($71.9 million), property taxes ($11.3 million), interest and other operating and non-operating revenues ($2.1 million), special parcel tax ($1.3 million), intergovernmental services ($0.3 million) and benefit assessment taxes ($0.2 million), offset by decreases in capital reimbursements (-$25.5 million).

The FY 2025-26 planned revenue of $793.5 million reflects a net increase of $98.3 million over the FY 2024-25 Budget. The 14.1% growth is primarily attributed to an increase in water charges revenue ($73.5 million), capital reimbursements ($18.7 million), property taxes ($3.9 million), special parcel tax ($1.2 million), intergovernmental services ($0.7 million), interest and other operating and non-operating revenues ($0.5 million), offset by a slight reduction in the benefit assessment tax revenue (-$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 $400.5 million for FY 2024-25, an increase of 21.9% over the FY 2023-24 Adopted Budget. The FY 2025-26 water revenue estimate of $474.0 million is an 18.4% increase over FY 2024-25. Revenues from treated water are the largest source with an estimated amount of $211.7 million in FY 2024-25 and increasing by $38.6 million to an estimated $250.3 million in FY 2025-26. Groundwater production charges are budgeted at $184.7 million growing to $219.3 million, and surface/recycled water sales are projected at $4.0 million in FY 2024-25 and increasing to $4.4 million for 2025-26. These estimates include rate increases of 12.9% in Zone W-2, 6.6% in Zone W-5, 14.2% 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, staff estimates water usage rebounding 7.7% in FY 2025 and an additional 7.2% in FY 2026 due to residents resuming water usage as drought conditions have passed.

Additional information on groundwater production charges is provided in the Water Utility Enterprise Fund Summary section of this budget and in the FY 2024-25 PAWS Report.

Property Tax

Property tax revenues are estimated at $176.4 million for FY 2024-25, an increase of 6.9% from the FY 2023-24 Adopted Budget. The planned FY 2025-26 amount assumes a 2.2% increase totaling $180.3 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 $148.4 million in FY 2024-25 and $152.3 million in FY 2025-26. Levies for State Water Project (SWP) indebtedness are budgeted at $28.0 million in FY 2024-25 and $28.0 million in FY 2025-26. 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 2024-25 is budgeted at $53.5 million, and FY 2025-26 projected revenue is $54.7 million reflecting an increase of CPI, or 2.4%, in the first year and 2.2% in the second year. 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 $7.1 million for FY 2024-25 and $6.9 million is planned for FY 2025-26. 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 $42.4 million for FY 2024-25 and projected at $61.1 million in FY 2025-26. See the Major Sources of Revenue section for further details.

Interest

Overall interest earnings are estimated at $10.0 million in FY 2024-25 and $10.5 million in FY 2025-26. The increase of $2.8 million in the first year and $0.5 million in the second year are 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 2024-25 totals $1.7 million in this category and is comprised of reimbursements from local agencies ($1.1 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 2025-26 amount of $2.4 million is comprised of San Felipe Reach 1 projects O&M reimbursements form the San Benito Water District ($0.6 million), conservation incentive program reimbursements ($0.8 million) which includes contributions from local agencies and reimbursements from Pacheco project partnerships ($1.0 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 $3.7 million in FY 2024-25 and FY 2025-26.

Appropriations/Outlays

Total FY 2024-25 operating and capital outlays are budgeted at $1,092.8 million, which includes intra-district reimbursements of $129.1 million, and these net to total operating and capital outlays of $963.6 million. These figures do not include capital carry forward ($46.4 million) appropriated by the Board in prior years. The $129.1 million of intra-district charges are comprised of General Fund reimbursements (64%) and Internal Service Funds charges (36%). Of the total FY 2024-25 net outlays, operating outlays (including debt service) accounts for $533.5 million, reflecting an increase of $49.7 million compared to the FY 2023-24 Adopted Budget of $483.9 million. The total net capital outlays make up $430.1 million compared to the FY 2023-24 Adopted Budget of $372.7 million, accounting for a $57.4 million increase.

The planned FY 2025-26 total operating and capital outlays are projected to increase by $191.5 million over FY 2024-25, reaching $1,284.3 million. The total net of intra-district reimbursements is $1,148.4 million, of which $569.5 million is net operating expenses and $578.9 million are net capital expenses. These amounts do not include the projected capital projects carryforward of $18.7 million and is net of an estimated $135.9 million in intra-district reimbursements comprised of General Fund reimbursements (64%) and Internal Service Funds charges (36%).

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 2024-25 budgeted levels are $129.1 million, and $135.9 million planned in FY 2025-26. 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 Five-Year Capital Improvement Program (CIP). FY 2024-25 net capital project outlays total $430.1 million, an increase of $57.4 million as compared to the net FY 2023-24 Adopted Budget of $372.7 million. It is anticipated that $46.4 million of the FY 2023-24 Adjusted Budget for capital projects will be carried forward to FY 2024-25 as most capital projects require multiple years to complete.

Net Capital Outlays are planned to reach $578.9 million in FY 2025-26 reflecting a $148.8 million increase over the prior year budgeted level and assumes $18.7 million of the prior year's capital funds will carry forward to FY 2025-26.

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. Valley Water anticipates issuing bonds or commercial paper for approximately $345.9 million in FY 2024-25, and $342.2 million in FY 2025-26, to finance various Water Utility and Safe, Clean Water and Natural Flood Protection capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2024-25 are estimated at $413.5 million, a decrease of $60.5 million compared to the FY 2023-24 Adopted Budget level. Projections for FY 2025-26 show reserves decreasing $31.4 million further for a total of $382.1 million.

Staffing

The FY 2024-25 Budget includes 921 regular positions (which includes two apprentice positions) and four limited-term positions for a total position count of 925. This staffing level reflects a net increase of one position over the prior year's Adopted Budget. This increase reflects two new positions that were added during FY 2023-24 to increase the level of support for the unsheltered and enhance encampment cleanup operations. This increase is offset by the elimination of one limited term in the CADD Unit which was set to expire in FY 2024-25. For a comprehensive schedule of district-wide salaries and benefits, please refer to the Salaries and Benefits section in this chapter.

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 150,881,000	$ 184,722,000	$ 33,851,000	22.4%
Treated Water Charges	159,215,177	174,081,000	174,081,000	211,703,000	37,622,000	21.6%
Surface & Recycled Water Charges	1,950,130	3,613,000	3,613,000	4,040,000	427,000	11.8%
Benefit Assessment	13,229,442	6,891,766	6,822,849	7,052,737	160,971	2.3%
Property Tax	167,681,678	165,019,497	171,218,000	176,354,500	11,335,003	6.9%
Special Parcel Tax	49,501,115	52,277,018	52,277,018	53,531,667	1,254,649	2.4%
Intergovernmental Services	5,527,955	1,424,295	1,548,880	1,687,880	263,585	18.5%
Operating Other	1,155,481	782,045	772,118	781,137	(909)	-0.1%
Capital Reimbursements	35,175,868	67,836,000	34,312,000	42,356,000	(25,480,000)	-37.6%
Interest Income *	14,672,127	7,200,000	10,000,000	10,000,000	2,800,000	38.9%
Non-Operating Other	6,379,443	3,680,056	2,887,041	2,943,714	(736,342)	-20.0%
TOTAL REVENUE	**$ 561,423,969**	**$ 633,675,677**	**$ 608,412,906**	**$ 695,172,635**	**$ 61,496,958**	**9.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 417,011,643	$ 470,385,435	$ 499,106,662	$ 518,936,116	$ 48,550,681	10.3%
Operating Project	4,609,233	6,603,095	11,502,971	5,301,661	(1,301,434)	-19.7%
Debt Service	65,048,659	97,434,264	97,434,264	103,673,639	6,239,375	6.4%
Total Operating Outlays	**$ 486,669,536**	**$ 574,422,794**	**$ 608,043,897**	**$ 627,911,415**	**$ 53,488,621**	**9.3%**
Capital Outlays						
Capital Projects	$ 414,114,048	$ 407,071,538	$ 560,334,913	$ 464,841,687	$ 57,770,150	14.2%
Carry Forward Capital Projects	-	97,159,534	-	46,371,112	(50,788,422)	-52.3%
Total Capital Outlays	**$ 414,114,048**	**$ 504,231,072**	**$ 560,334,913**	**$ 511,212,799**	**$ 6,981,728**	**1.4%**
TOTAL OUTLAYS	**$ 900,783,583**	**$ 1,078,653,865**	**$ 1,168,378,810**	**$ 1,139,124,215**	**$ 60,470,349**	**5.6%**
Less Intra-District Reimb	(107,180,400)	(124,927,947)	(124,927,947)	(129,113,429)	(4,185,482)	3.4%
NET OUTLAYS	**$ 793,603,183**	**$ 953,725,918**	**$ 1,043,450,863**	**$ 1,010,010,785**	**$ 56,284,867**	**5.9%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 280,092,624	$ 268,775,583	$ 196,725,000	$ 345,920,030	$ 77,144,447	28.7%
Transfers In	36,645,613	15,471,947	15,403,078	26,501,310	11,029,363	71.3%
Transfers Out	(36,645,613)	(10,178,347)	(10,110,480)	(26,501,307)	(16,322,960)	160.4%
TOTAL OTHER SOURCES/(USES)	**$ 280,092,624**	**$ 274,069,183**	**$ 202,017,598**	**$ 345,920,033**	**$ 71,850,850**	**26.2%**
BALANCE AVAILABLE	**$ 47,913,409**	**$ (45,981,058)**	**$ (233,020,358)**	**$ 31,081,883**	**$ 77,062,941**	**-167.6%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 6,066,971	$ 19,996,328	$ 13,929,357	229.6%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,530,832	3,580,832	50,000	1.4%
WUE State Water Project Tax Reserve	13,860,460	8,816,456	11,535,460	8,973,390	156,934	1.8%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	4,718,017	-	(4,718,017)	-100.0%
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***	116,786,238	37,906,382	37,138,316	25,336,118	(12,570,264)	-33.2%
SCW Operating and Capital Reserve	59,060,206	117,935,002	30,505,025	59,517,635	(58,417,367)	-49.5%
Total Restricted Reserves	**$ 291,420,976**	**$ 214,250,660**	**$ 128,771,621**	**$ 152,681,303**	**$ (61,569,357)**	**-28.7%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 113,451,091	$ 11,963,405	$ 133,570,106	$ 9,927,136	$ (2,036,269)	-17.0%
Operating and Capital Reserve	195,598,646	232,838,015	104,495,141	228,275,839	(4,562,176)	-2.0%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	6,430,250	8,337,000	-	0.0%
Excess ERAF Contingency Reserve	-	-	-	6,862,516	6,862,516	0.0%
WUE San Jose Water Purification Reserve	-	1,000,000	1,000,000	-	(1,000,000)	-100.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	8,144,146	7,409,352	1,829,326	32.8%
Total Committed Reserves	**$ 324,010,646**	**$ 259,718,446**	**$ 253,639,643**	**$ 260,811,843**	**$ 1,093,397**	**0.4%**
TOTAL YEAR-END RESERVES	**$ 615,431,622**	**$ 473,969,106**	**$ 382,411,264**	**$ 413,493,147**	**$ (60,475,959)**	**-12.8%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 164,901,681	$ 175,496,203	$ 175,496,204	$ 190,193,556	$ 14,697,353	8.4%
Salary Savings Factor	-	(2,772,242)	(2,772,242)	(2,901,035)	(128,794)	4.6%
Services & Supplies	177,006,306	213,700,765	247,321,868	242,575,325	28,874,560	13.5%
Intra-District Charges	79,712,889	90,563,804	90,563,803	94,369,931	3,806,127	4.2%
OPERATING OUTLAY TOTAL	**$ 421,620,876**	**$ 476,988,530**	**$ 510,609,633**	**$ 524,237,776**	**$ 47,249,246**	**9.9%**
DEBT SERVICE						
Services & Supplies	$ 2,761,198	$ 4,486,371	$ 4,486,371	$ 5,033,001	$ 546,630	12.2%
Debt Service	62,287,462	92,947,893	92,947,893	98,640,638	5,692,745	6.1%
DEBT SERVICE TOTAL	**$ 65,048,659**	**$ 97,434,264**	**$ 97,434,264**	**$ 103,673,639**	**$ 6,239,375**	**6.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 45,786,161	$ 54,105,281	$ 53,960,203	$ 56,126,805	$ 2,021,524	3.7%
Salary Savings Factor	-	(877,577)	(877,577)	(890,129)	(12,552)	1.4%
Services & Supplies	340,860,376	319,479,687	472,981,890	374,861,512	55,381,825	17.3%
Carry Forward Capital Projects	-	97,159,534	-	46,371,112	(50,788,422)	-52.3%
Intra-District Charges	27,467,511	34,364,146	34,270,397	34,743,499	379,353	1.1%
CAPITAL PROJECTS TOTAL	**$ 414,114,048**	**$ 504,231,072**	**$ 560,334,913**	**$ 511,212,799**	**$ 6,981,728**	**1.4%**
TOTAL OUTLAYS	**$ 900,783,583**	**$ 1,078,653,865**	**$ 1,168,378,810**	**$ 1,139,124,215**	**$ 60,470,349**	**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

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 184,722,000	$ 219,323,000	$ 34,601,000	18.7%
Treated Water Charges	159,215,177	174,081,000	211,703,000	250,262,000	38,559,000	18.2%
Surface & Recycled Water Charges	1,950,130	3,613,000	4,040,000	4,422,000	382,000	9.5%
Benefit Assessment	13,229,442	6,891,766	7,052,737	6,854,512	(198,225)	-2.8%
Property Tax	167,681,678	165,019,497	176,354,500	180,296,441	3,941,941	2.2%
Special Parcel Tax	49,501,115	52,277,018	53,531,667	54,709,363	1,177,696	2.2%
Intergovernmental Services	5,527,955	1,424,295	1,687,880	2,424,295	736,415	43.6%
Operating Other	1,155,481	782,045	781,137	790,426	9,290	1.2%
Capital Reimbursements	35,175,868	67,836,000	42,356,000	61,056,000	18,700,000	44.1%
Interest Income *	14,672,127	7,200,000	10,000,000	10,500,000	500,000	5.0%
Non-Operating Other	6,379,443	3,680,056	2,943,714	2,882,067	(61,647)	-2.1%
TOTAL REVENUE	**$ 561,423,969**	**$ 633,675,677**	**$ 695,172,635**	**$ 793,520,104**	**$ 98,347,469**	**14.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 417,011,643	$ 470,385,435	$ 518,936,116	$ 540,282,545	$ 21,346,430	4.1%
Operating Project	4,609,233	6,603,095	5,301,661	5,192,127	(109,534)	-2.1%
Debt Service	65,048,659	97,434,264	103,673,639	124,427,220	20,753,581	20.0%
Total Operating Outlays	**$ 486,669,536**	**$ 574,422,794**	**$ 627,911,415**	**$ 669,901,892**	**$ 41,990,477**	**6.7%**
Capital Outlays						
Capital Projects	$ 414,114,048	$ 407,071,538	$ 464,841,687	$ 614,371,258	$ 149,529,571	32.2%
Carry Forward Capital Projects	-	97,159,534	46,371,112	18,711,273	(27,659,839)	-59.6%
Total Capital Outlays	**$ 414,114,048**	**$ 504,231,072**	**$ 511,212,799**	**$ 633,082,531**	**$ 121,869,732**	**23.8%**
TOTAL OUTLAYS	**$ 900,783,583**	**$ 1,078,653,865**	**$ 1,139,124,215**	**$ 1,302,984,424**	**$ 163,860,209**	**14.4%**
Less Intra-District Reimb	(107,180,400)	(124,927,947)	(129,113,429)	(135,895,650)	(6,782,220)	5.3%
NET OUTLAYS	**$ 793,603,183**	**$ 953,725,918**	**$ 1,010,010,785**	**$ 1,167,088,774**	**$ 157,077,989**	**15.6%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 280,092,624	$ 268,775,583	$ 345,920,030	$ 342,159,817	$ (3,760,213)	-1.1%
Transfers In	36,645,613	15,471,947	26,501,310	27,380,096	878,786	3.3%
Transfers Out	(36,645,613)	(10,178,347)	(26,501,307)	(27,380,093)	(878,786)	3.3%
TOTAL OTHER SOURCES/(USES)	**$ 280,092,624**	**$ 274,069,183**	**$ 345,920,033**	**$ 342,159,821**	**$ (3,760,213)**	**-1.1%**
BALANCE AVAILABLE	**$ 47,913,409**	**$ (45,981,058)**	**$ 31,081,883**	**$ (31,408,849)**	**$ (62,490,732)**	**-201.1%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 19,996,328	$ 42,891,864	$ 22,895,536	114.5%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,580,832	3,630,832	50,000	1.4%
WUE State Water Project Tax Reserve	13,860,460	8,816,456	8,973,390	5,070,944	(3,902,446)	-43.5%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	-	-	-	0.0%
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***	116,786,238	37,906,382	25,336,118	12,530,147	(12,805,971)	-50.5%
SCW Operating and Capital Reserve	59,060,206	117,935,002	59,517,635	40,728,012	(18,789,623)	-31.6%
Total Restricted Reserves	**$ 291,420,976**	**$ 214,250,660**	**$ 152,681,303**	**$ 144,528,799**	**$ (8,152,504)**	**-5.3%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 113,451,091	$ 11,963,405	$ 9,927,136	$ 4,021,834	$ (5,905,302)	-59.5%
Operating and Capital Reserve	195,598,646	232,838,015	228,275,839	210,319,125	(17,956,714)	-7.9%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	8,337,000	8,337,000	-	0.0%
Excess ERAF Contingency Reserve	-	-	6,862,516	7,134,476	271,960	4.0%
WUE San Jose Water Purification Reserve	-	1,000,000	-	-	-	0.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	7,409,352	7,743,063	333,711	4.5%
Total Committed Reserves	**$ 324,010,646**	**$ 259,718,446**	**$ 260,811,843**	**$ 237,555,498**	**$ (23,256,345)**	**-8.9%**
TOTAL YEAR-END RESERVES	**$ 615,431,622**	**$ 473,969,106**	**$ 413,493,147**	**$ 382,084,297**	**$ (31,408,849)**	**-7.6%**

Combined Fund Summary - All Funds

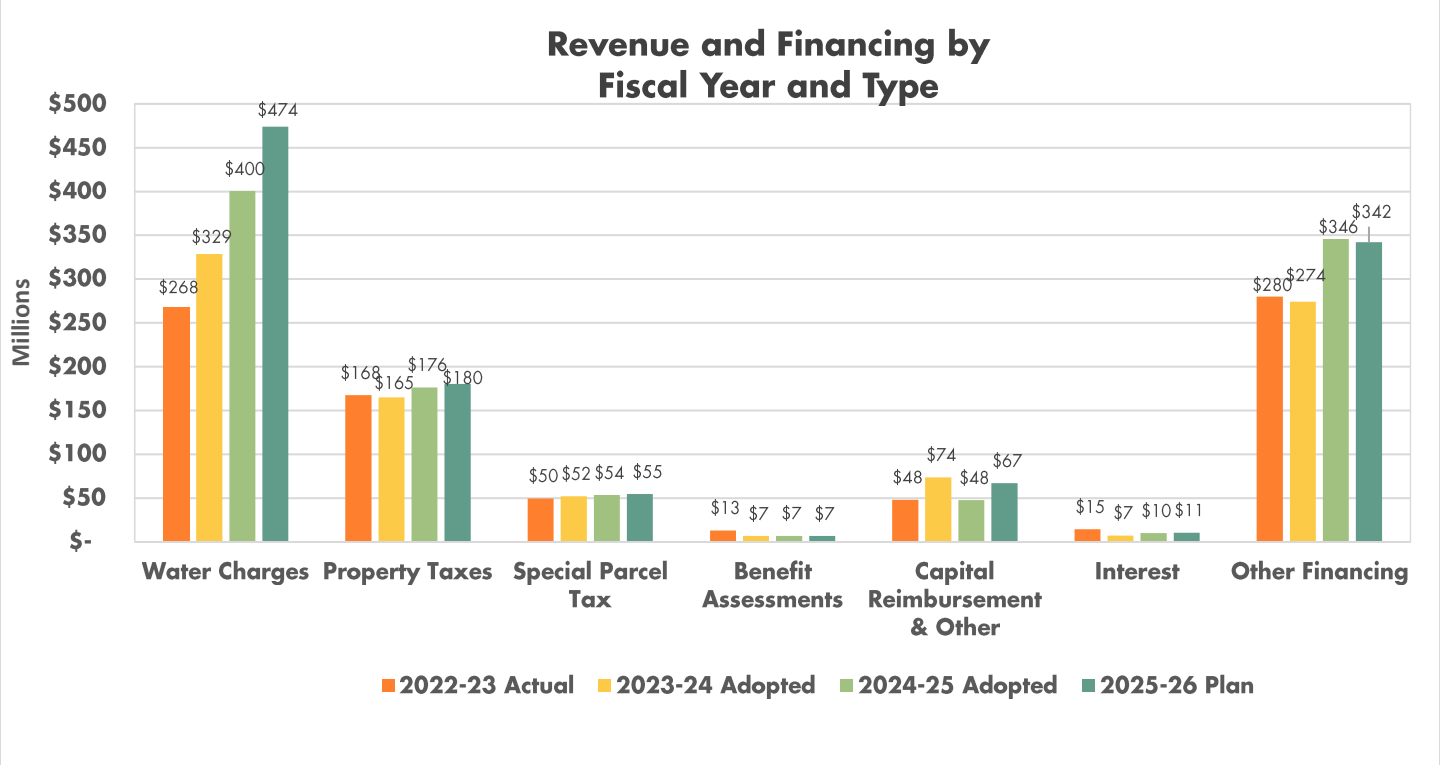
	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 164,901,681	$ 175,496,203	$ 190,193,556	$ 202,900,755	$ 12,707,199	6.7%
Salary Savings Factor	-	(2,772,242)	(2,901,035)	(3,059,477)	(158,442)	5.5%
Services & Supplies	177,006,306	213,700,765	242,575,325	245,223,058	2,647,733	1.1%
Intra-District Charges	79,712,889	90,563,804	94,369,931	100,410,337	6,040,407	6.4%
OPERATING OUTLAY TOTAL	**$ 421,620,876**	**$ 476,988,530**	**$ 524,237,776**	**$ 545,474,672**	**$ 21,236,896**	**4.1%**
DEBT SERVICE						
Services & Supplies	$ 2,761,198	4,486,371	5,033,001	5,173,001	$ 140,000	2.8%
Debt Service	62,287,462	$ 92,947,893	$ 98,640,638	$ 119,254,219	20,613,581	20.9%
DEBT SERVICE TOTAL	**$ 65,048,659**	**$ 97,434,264**	**$ 103,673,639**	**$ 124,427,220**	**$ 20,753,581**	**20.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 45,786,161	$ 54,105,281	$ 56,126,805	$ 57,718,897	$ 1,592,092	2.8%
Salary Savings Factor	-	(877,577)	(890,129)	(905,127)	(14,998)	1.7%
Services & Supplies	340,860,376	319,479,687	374,861,512	522,072,176	147,210,663	39.3%
Carry Forward Capital Projects	-	97,159,534	46,371,112	18,711,273	(27,659,839)	-59.6%
Intra-District Charges	27,467,511	34,364,146	34,743,499	35,485,313	741,814	2.1%
CAPITAL PROJECTS TOTAL	**$ 414,114,048**	**$ 504,231,072**	**$ 511,212,799**	**$ 633,082,531**	**$ 121,869,732**	**23.8%**
TOTAL OUTLAYS	**$ 900,783,583**	**$ 1,078,653,865**	**$ 1,139,124,215**	**$ 1,302,984,424**	**$ 163,860,209**	**14.4%**

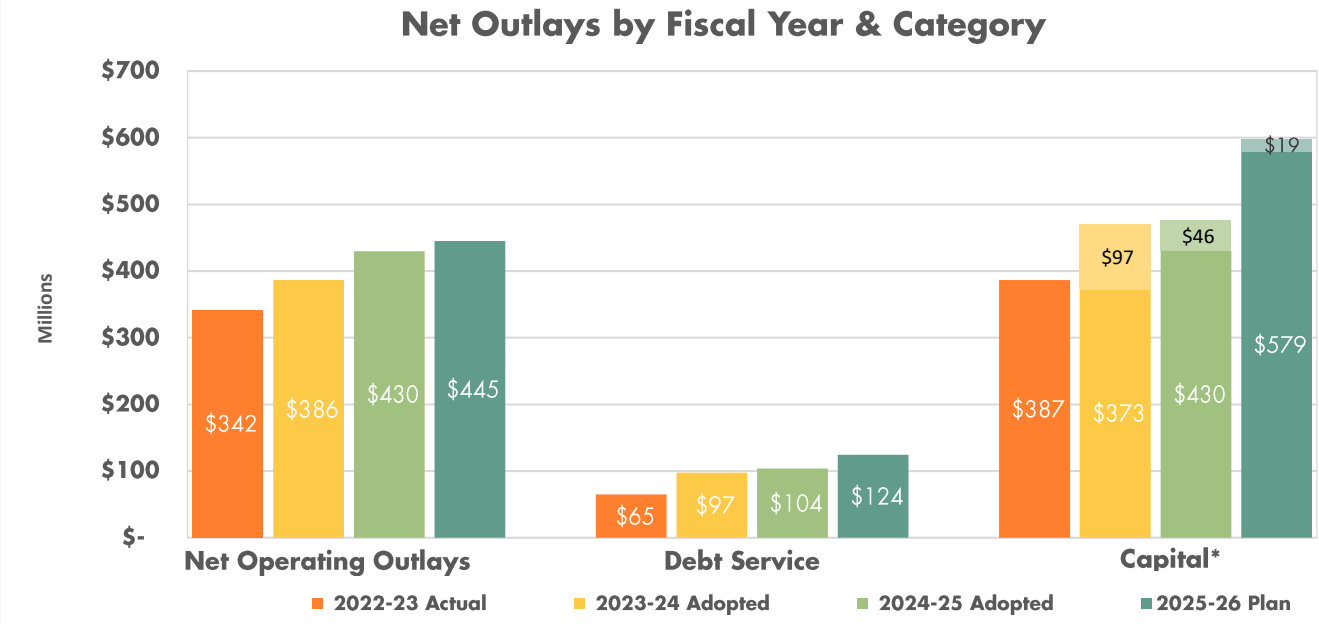
(*) Interest income does not include GASB31 market value adjustment

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

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

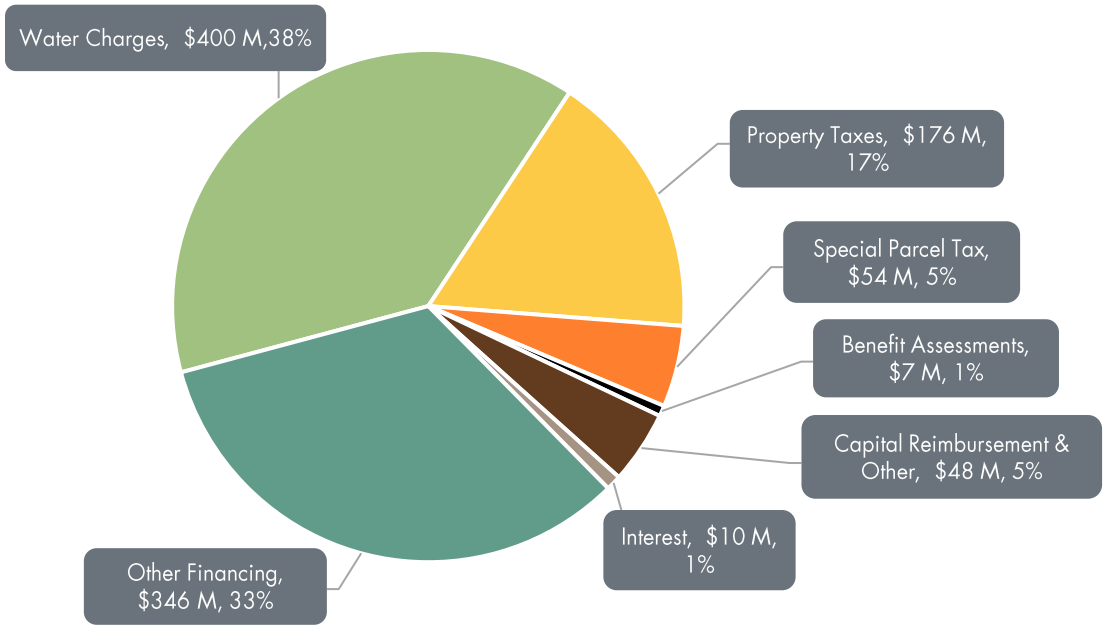
Revenue and Outlays



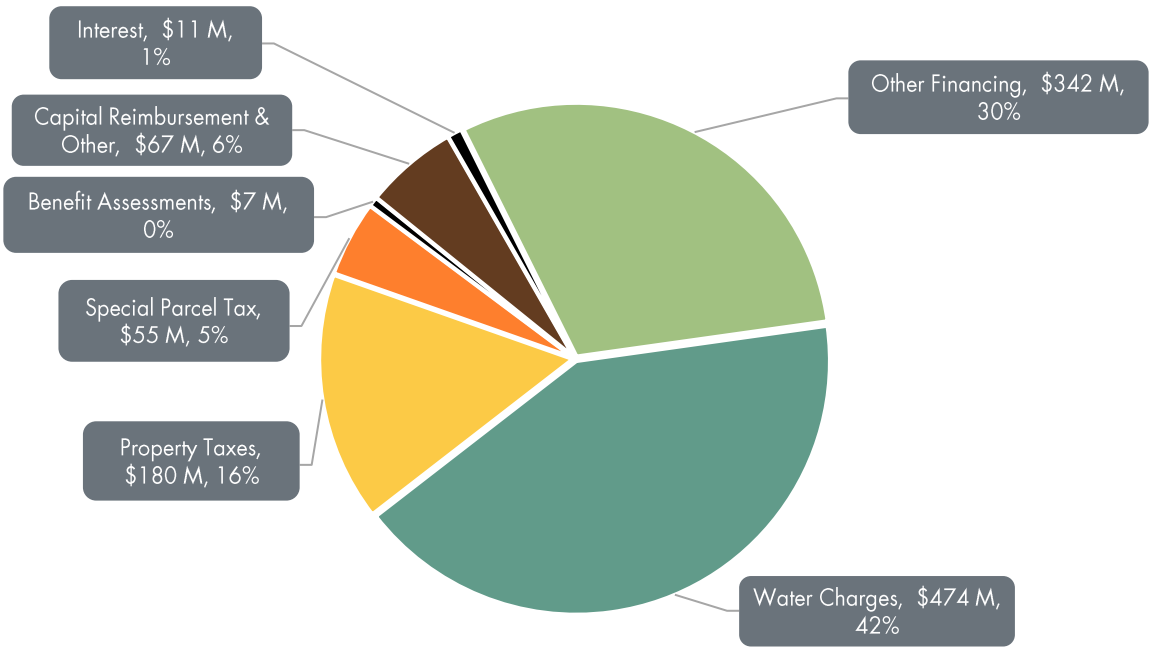


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

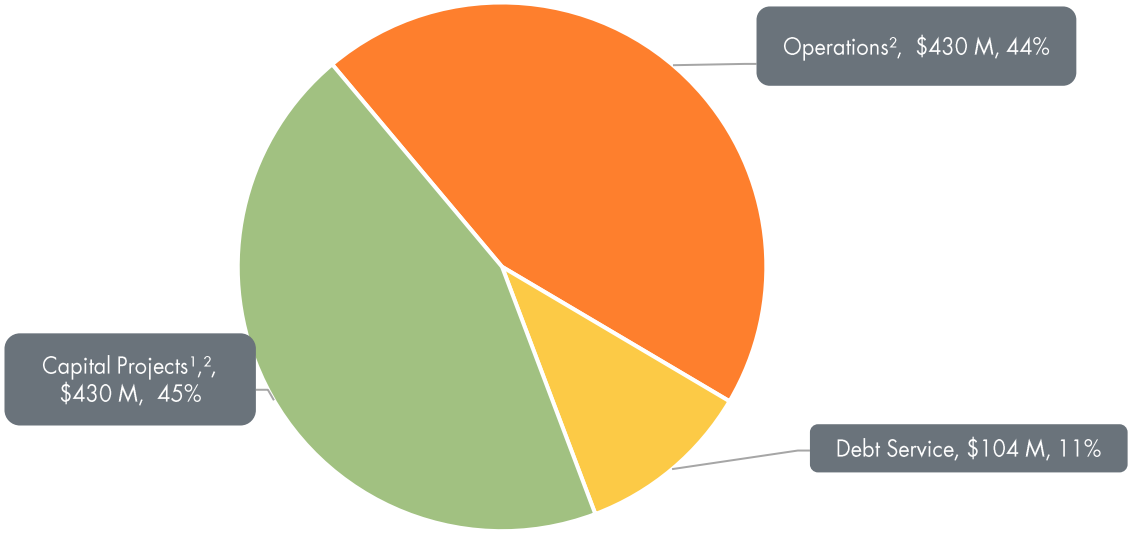
FY 2024-25 Adopted Revenue and Debt Financing, $1,041 Million



FY 2025-26 Plan Revenue and Debt Financing, $1,136 Million

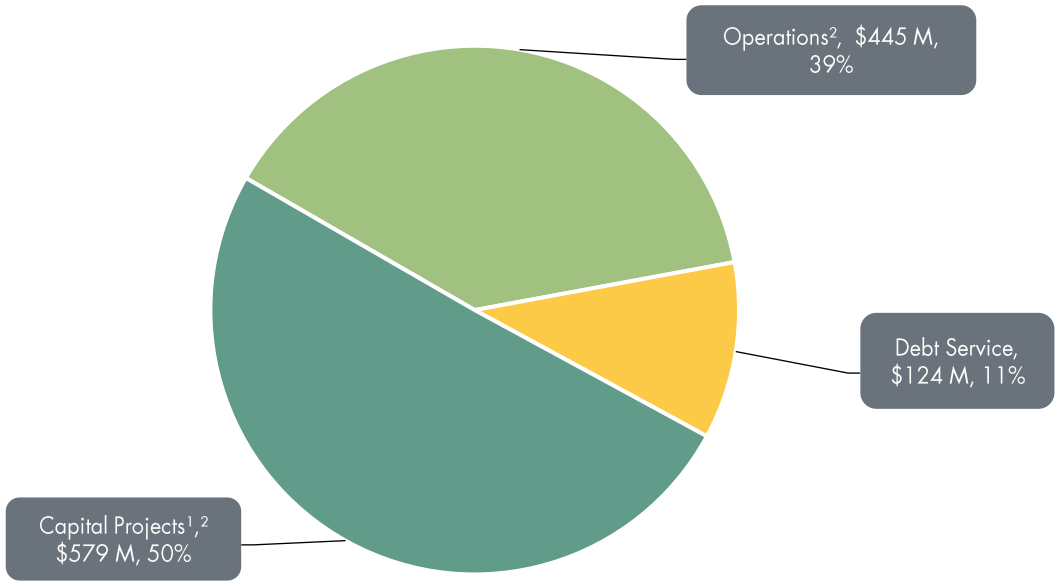


FY 2024-25 Adopted Net Outlays By Category, $964 Million



[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.

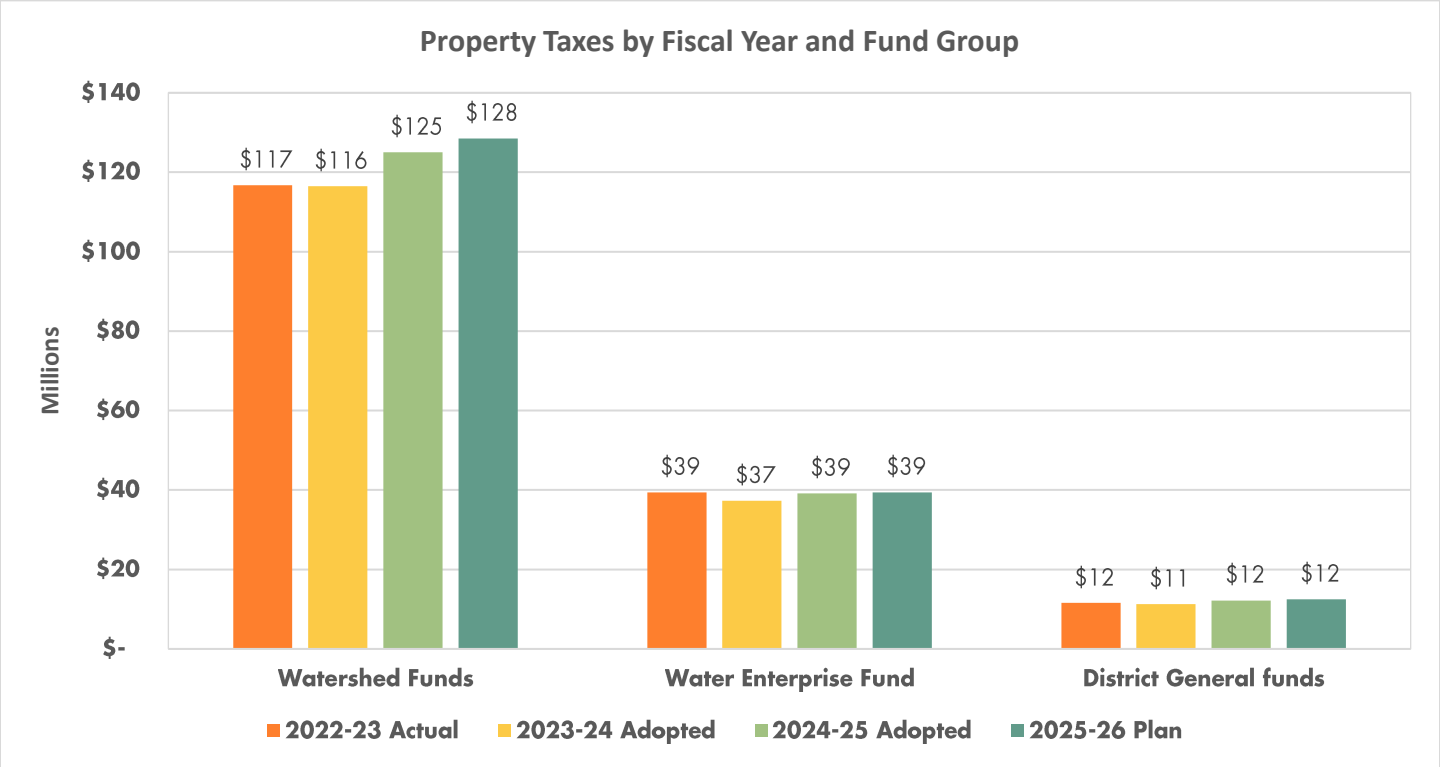
FY 2025-26 Plan Net Outlays By Category, $1,148 Million



[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

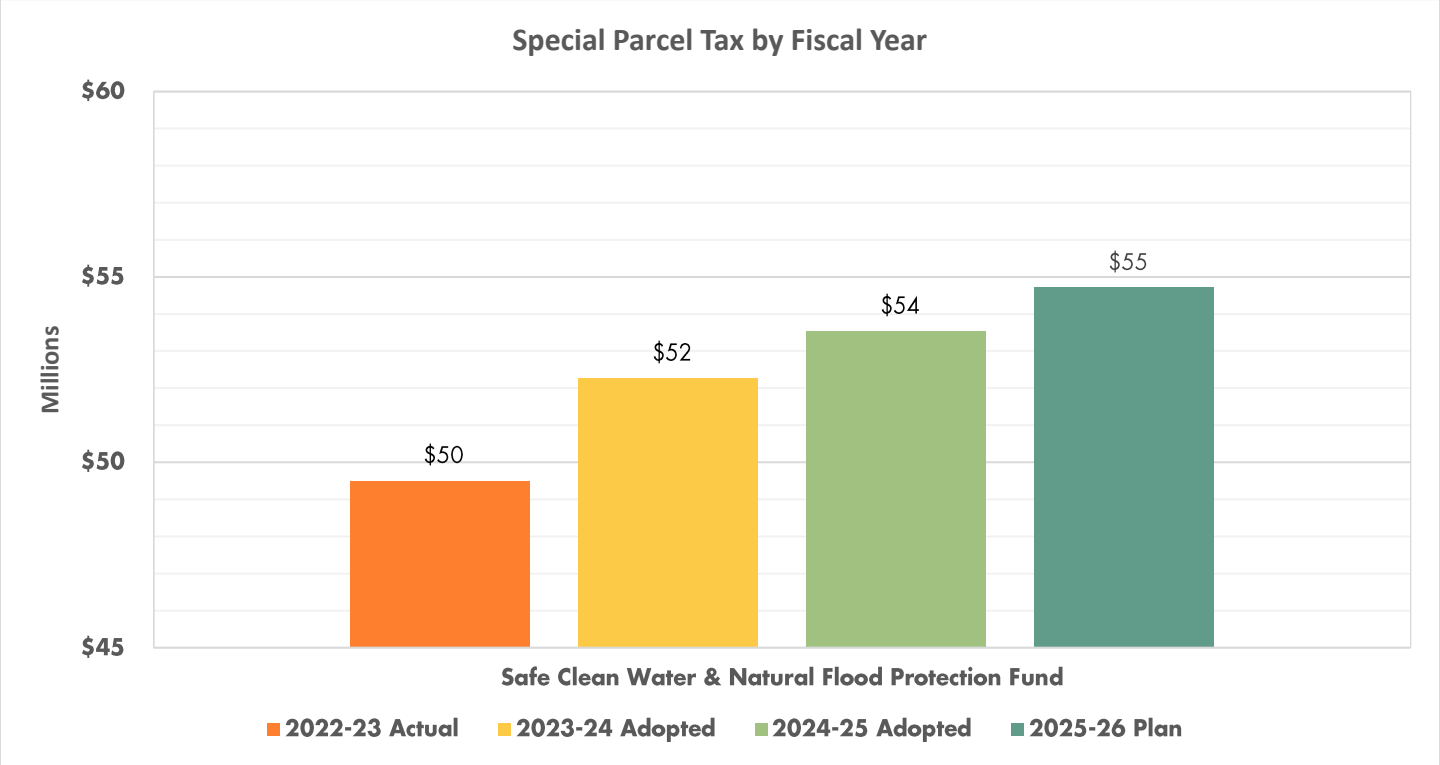
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2024-25, Valley Water is projecting $148.4 million in 1% Ad Valorem tax revenue, a 7.5% increase over the FY 2023-24 Adopted Budget. The increase reflects the growth in the assessed value of all property in Santa Clara County. For FY 2025-26, 1% Ad Valorem tax is projected to increase 2.7% to $152.3 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 2024-25 and FY 2025-26, based on the projected operation costs, SWP taxes are projected at $28.0 million for each fiscal year.

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Property Tax					
1 % Ad Valorem Property Tax					
Watershed Stream Stewardship Fund	$ 116,705,972	$ 116,443,701	$ 121,528,000	$ 124,993,000	$ 128,456,000
Water Enterprise Fund	10,522,021	10,314,710	10,846,000	11,163,000	11,388,946
District General Fund	11,581,449	11,261,086	11,844,000	12,198,500	12,451,495
Total 1% Allocation	**$ 138,809,442**	**$ 138,019,497**	**$ 144,218,000**	**$ 148,354,500**	**$ 152,296,441**
State Water Project Debt Service	**$ 28,872,237**	**$ 27,000,000**	**$ 27,000,000**	**$ 28,000,000**	**$ 28,000,000**
Total Property Tax	**$ 167,681,679**	**$ 165,019,497**	**$ 171,218,000**	**$ 176,354,500**	**$ 180,296,441**

Special Parcel Tax



Special Parcel Tax

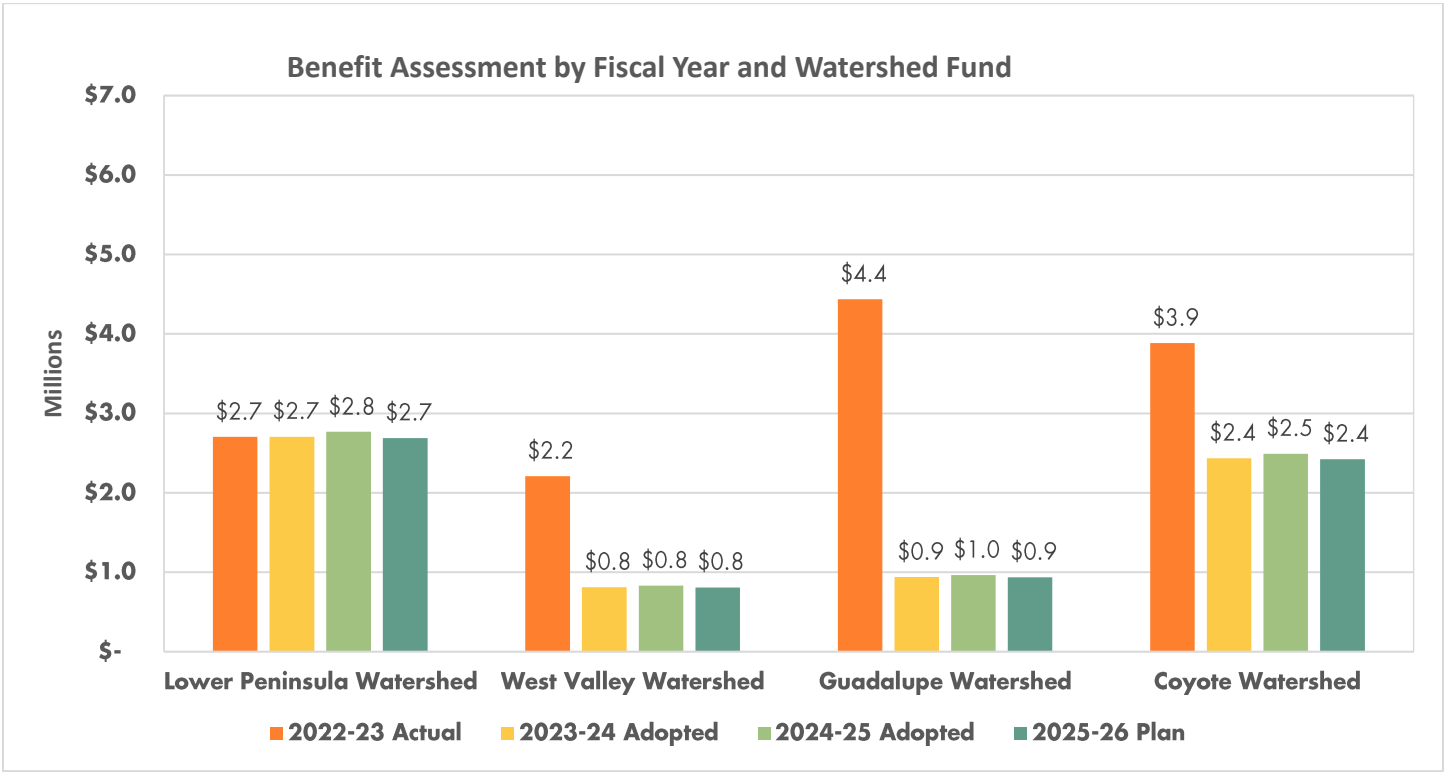
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks Program). In November 2012, the voters approved the Safe, Clean Water and Natural 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.

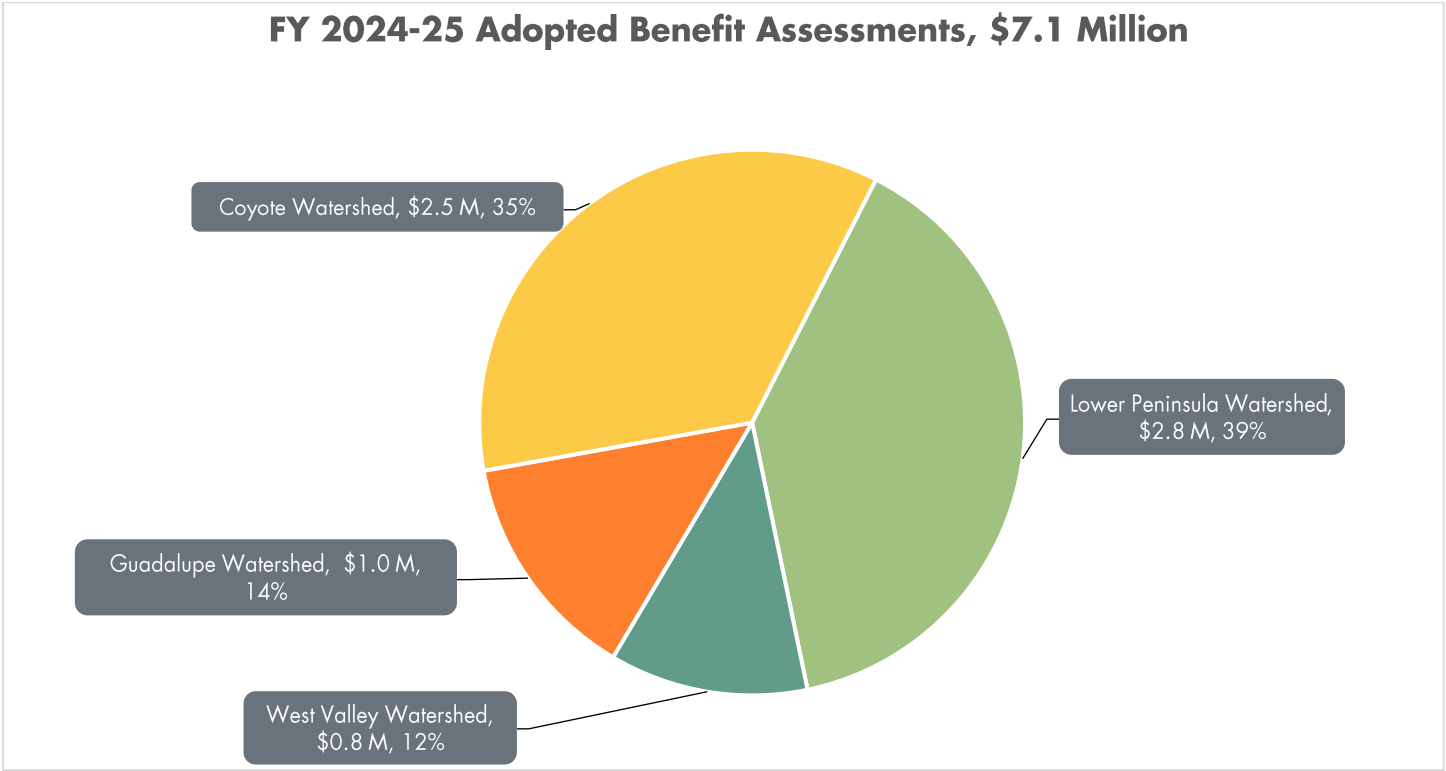
The Bureau of Labor Statistics released a report indicating the change in CPI over the last year (from February 2023 to February 2024) was 2.4%. For FY 2024-25, the Board of directors approved an increase in the special parcel tax revenues to equal the change in CPI of 2.4% over the FY 2023-24 Adopted Budget. As noted previously, the tax levy may be increased by the CPI or 2%, whichever is greater.

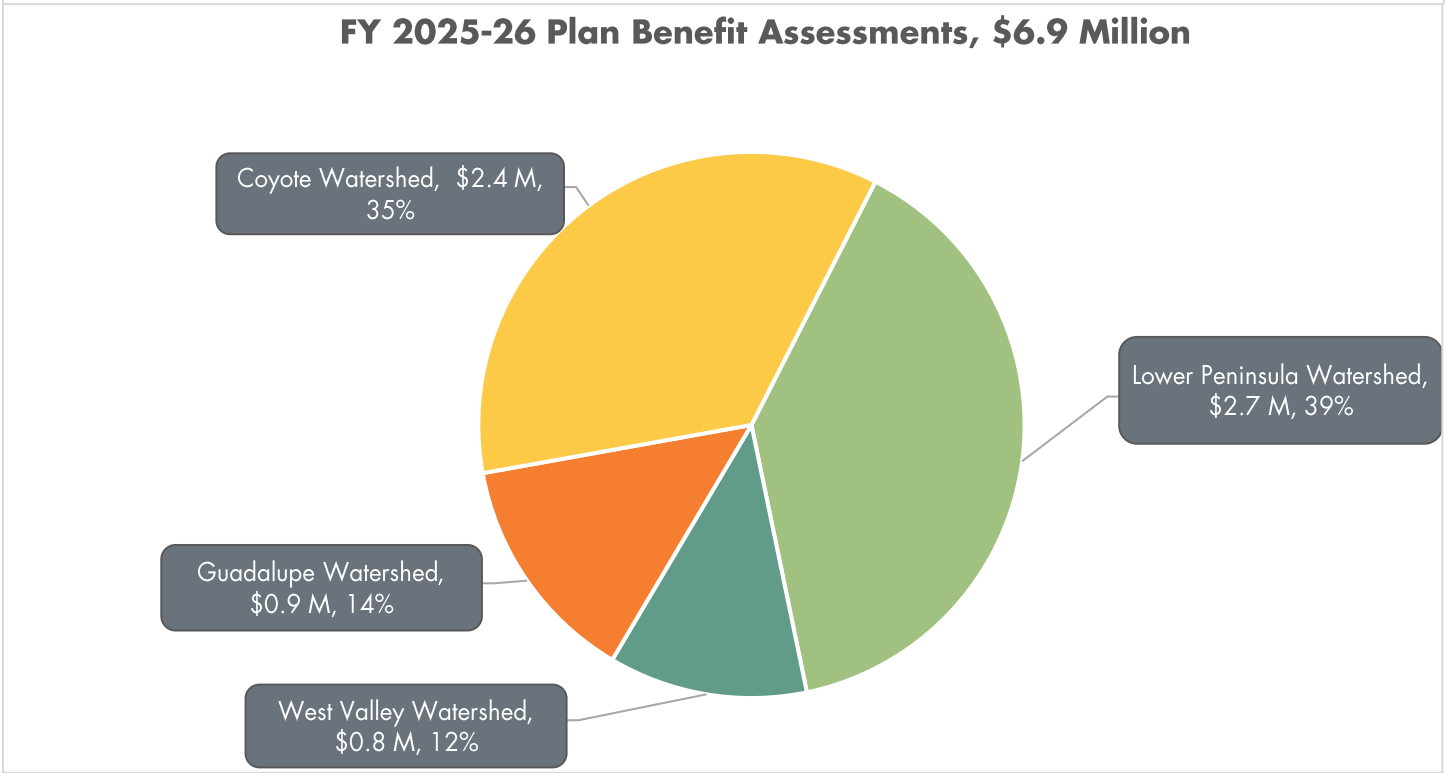
The FY 2025-26 Planned amount assumes an increase of 2.2% over the FY 2024-25 Budget, which reflects the Board adopted 2% increase in the special tax rates, and an anticipated increase in eligible parcels based on construction activity in the county. Staff will reevaluate the revenue assumptions during the development of FY 2025-26 & FY 2026-27 Operating and Capital Rolling Biennial Budget.

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Special Parcel Tax					
Safe Clean Water & Natural Flood Protection Fund	$ 49,501,115	$ 52,277,018	$ 52,277,018	$ 53,531,667	$ 54,709,363
Total Special Parcel Tax	**$ 49,501,115**	**$ 52,277,018**	**$ 52,277,018**	**$ 53,531,667**	**$ 54,709,363**

Benefit Assessment




FY 2024-25 Adopted Benefit Assessments, $7.1 Million
Coyote Watershed, $2.5 M, 35%
Lower Peninsula Watershed, $2.8 M, 39%
Guadalupe Watershed, $1.0 M, 14%
West Valley Watershed, $0.8 M, 12%


FY 2025-26 Plan Benefit Assessments, $6.9 Million
Coyote Watershed, $2.4 M, 35%
Lower Peninsula Watershed, $2.7 M, 39%
Guadalupe Watershed, $0.9 M, 14%
West Valley Watershed, $0.8 M, 12%

Benefit Assessment

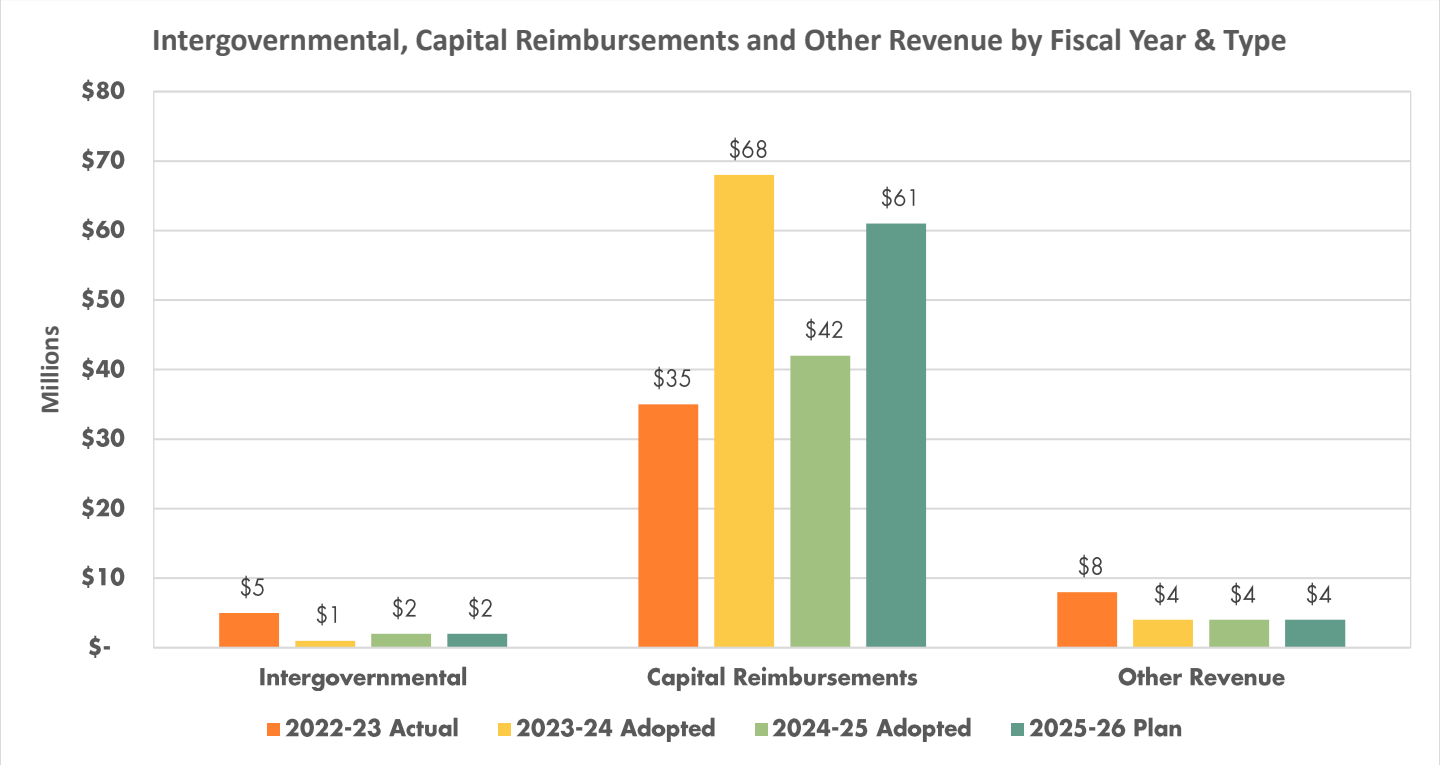
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000, but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with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

FY 2024-25 and FY 2025-26 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 2024-25 and FY 2025-26, the Benefit Assessment revenue receipts are projected at $7.1 million and $6.9 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 2023-24. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Benefit Assessment					
Lower Peninsula Watershed	$ 2,702,589	$ 2,704,621	$ 2,677,575	$ 2,767,793	$ 2,690,001
West Valley Watershed	2,208,002	811,318	803,205	830,268	806,932
Guadalupe Watershed	4,435,037	941,188	931,776	963,171	936,100
Coyote Watershed	3,883,814	2,434,639	2,410,293	2,491,505	2,421,479
Total Benefit Assessments	**$ 13,229,442**	**$ 6,891,766**	**$ 6,822,849**	**$ 7,052,737**	**$ 6,854,512**

Intergovernmental, Capital Reimbursements and Other Revenue



Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of $1.7 million in FY 2024-25 and $2.4 million in FY 2025-26 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 $42.4 million in FY 2024-25 and $61.1 million in FY 2025-26.

Water Utility Enterprise receipts in FY 2024-25 are budgeted at $0.5 million and $0.6 million in FY 2025-26 from San Benito County Water District for small capital improvements on the San Felipe Division Reach 1.

Watershed and Stream Stewardship Fund capital reimbursement are expected to be $11.9 million in FY 2024-25, comprised of $0.5 million in state subvention funds for the Llagas Creek Lower Capacity Restoration project and $11.4 million Measure AA grant for the San Francisco Bay Shoreline project. In FY 2025-26, reimbursements totaling $0.5 million state subvention for the Llagas Creek Lower Capacity Restoration project.

Safe, Clean Water Fund reimbursements of $30.0 million in FY 2024-25, comprised of: $20.0 million unsecured funding from Natural Resources Conservation Service (NRCS) for Llagas Creek - Phase 2B Construction project; and, $10.0 million in unsecured grants and partnerships (upstream funding) for the San Francisquito Creek, San Francisco Bay Shoreline to Middlefield Road project. In FY 2025-26, reimbursements total $60.0 million, comprised of: $10.0 million in unsecured grants and partnerships (upstream funding) for the San Francisquito Creek; and, $50.0 million in unsecured funding from NRCS for the Upper Llagas Creek - Phase 2B Construction project.

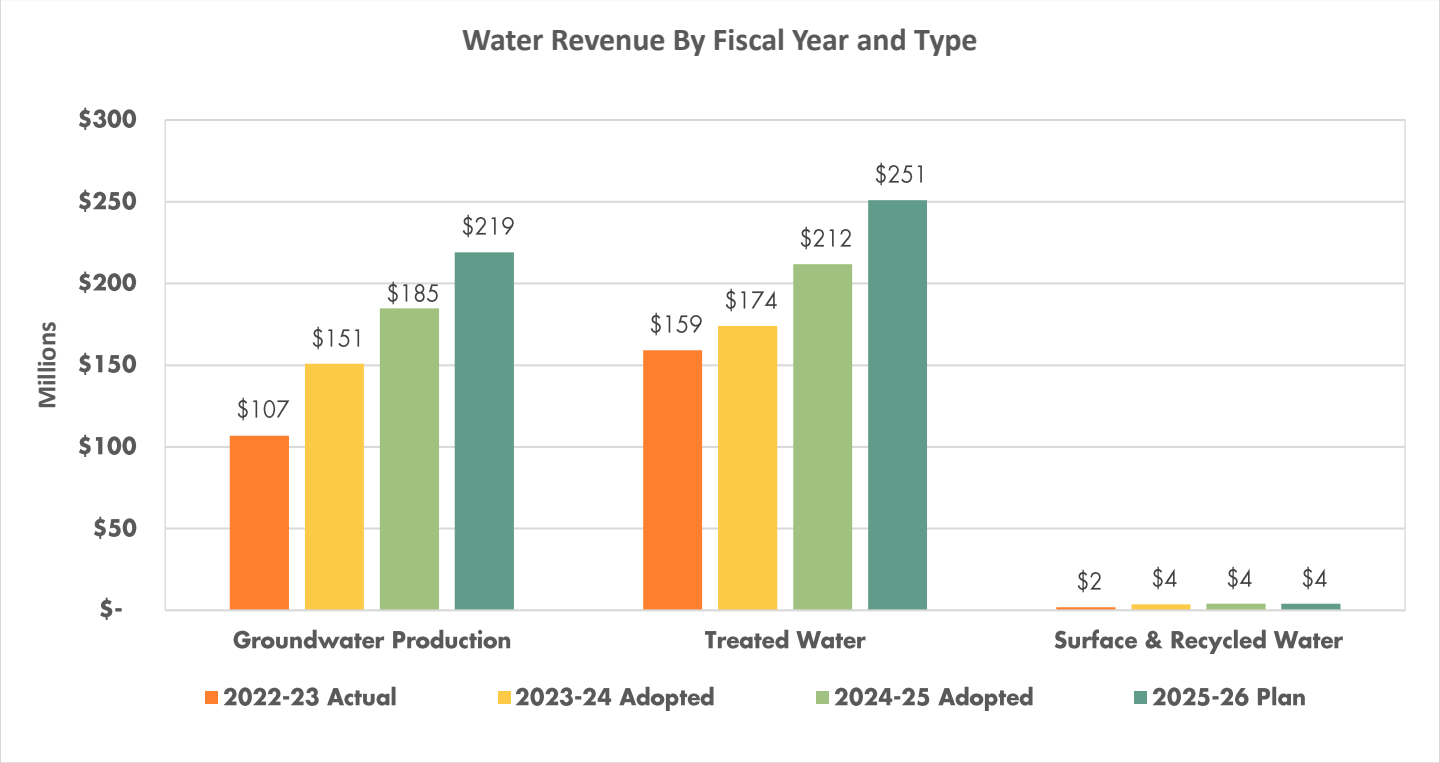
Other Revenue

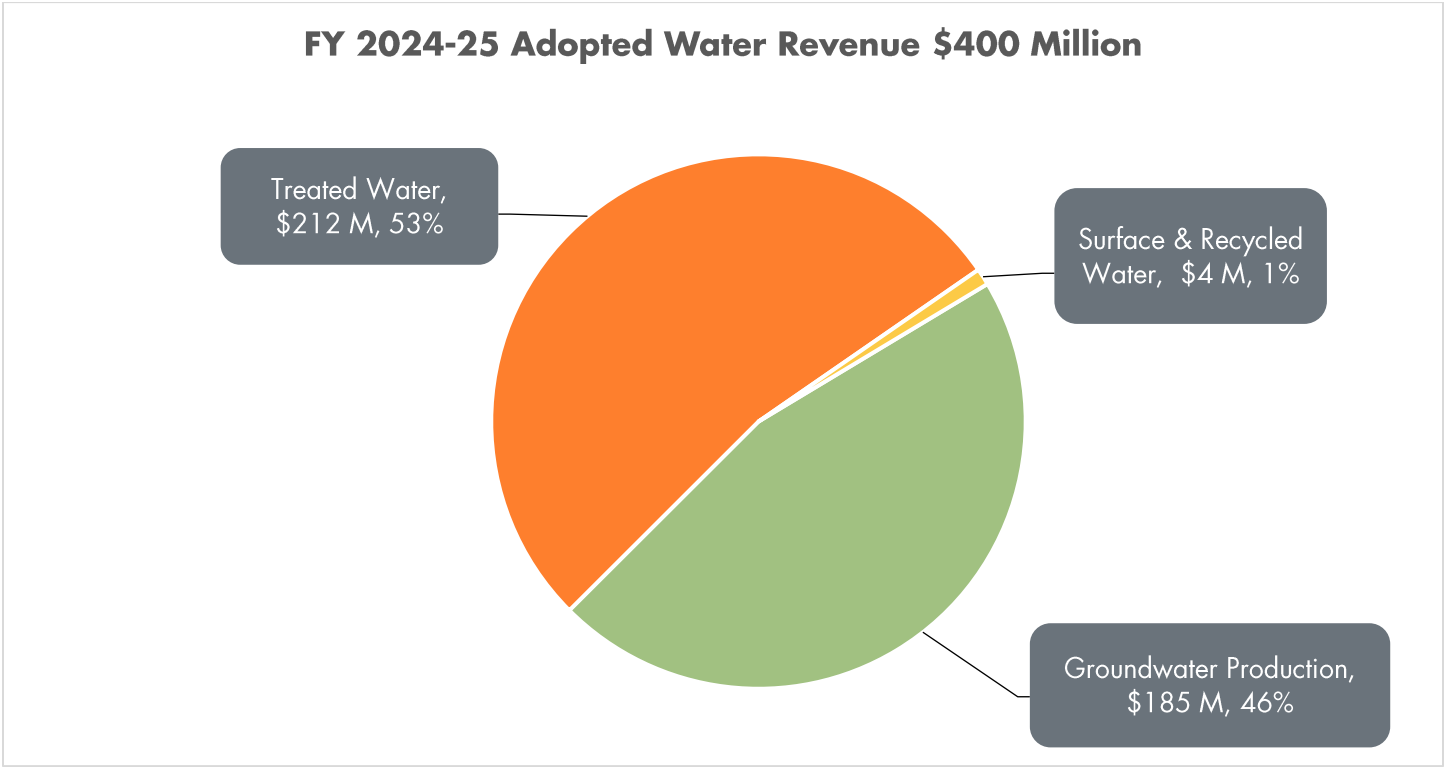
The other operating and non-operating revenue total $3.7 million per fiscal year. Approximately $1.8 million is budgeted for Watersheds, $1.8 million for Water Utility and $0.1 million for the General and Internal Service funds.

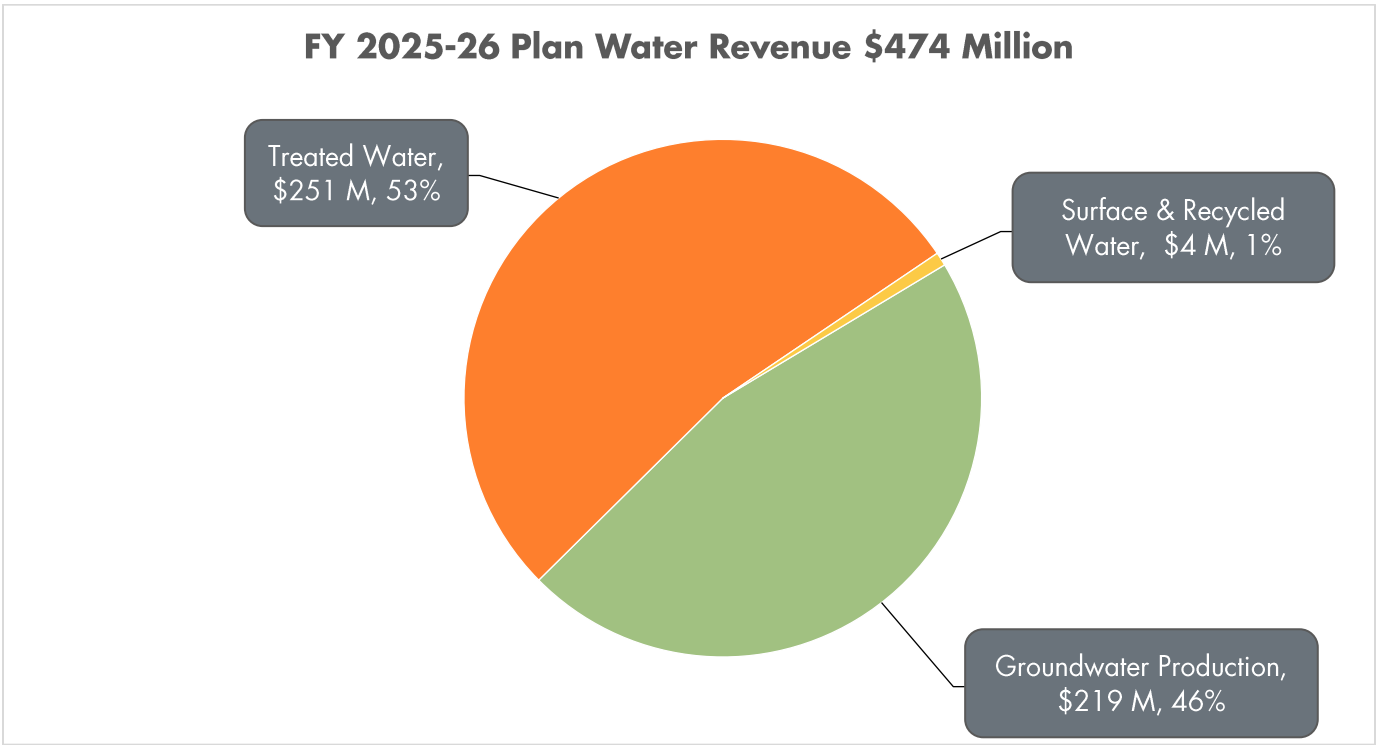
Intergovernmental, Capital Reimbursements and Other Revenue

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Intergovernmental Services					
Watershed Stream Stewardship Fund	$ 111,445	$ –	$ –	$ –	$ –
Safe Clean Water & Natural Flood Protection Fund	40,425	–	–	–	–
Water Enterprise Fund	5,376,085	1,424,295	1,548,880	1,687,880	2,424,295
Total Intergovernmental Services	**$ 5,527,955**	**$ 1,424,295**	**$ 1,548,880**	**$ 1,687,880**	**$ 2,424,295**
Capital Reimbursements					
Watershed Stream Stewardship Fund	$ 13,575,736	$ 34,170,000	$ 26,285,000	$ 11,900,000	$ 500,000
Safe Clean Water & Natural Flood Protection Fund	7,976,000	23,400,000	1,000,000	30,000,000	60,000,000
Water Enterprise Fund	13,624,133	10,266,000	7,027,000	456,000	556,000
Total Capital Reimbursements	**$ 35,175,869**	**$ 67,836,000**	**$ 34,312,000**	**$ 42,356,000**	**$ 61,056,000**
Other					
Watershed Stream Stewardship Fund	$ 2,807,985	$ 1,809,184	$ 1,809,184	$ 1,863,459	$ 1,919,362
Safe Clean Water & Natural Flood Protection Fund	348,401	–	–	–	–
Water Enterprise Fund	769,932	1,602,917	799,975	810,892	701,731
State Water Project Fund	1,260,147	1,000,000	1,000,000	1,000,000	1,000,000
District General Fund	2,105,702	30,000	30,000	30,000	30,600
Internal Service Funds	242,757	20,000	20,000	20,500	20,800
Total Other	**$ 7,534,924**	**$ 4,462,101**	**$ 3,659,159**	**$ 3,724,851**	**$ 3,672,493**
Total Intergov'l & Other Revenues	**$ 48,238,748**	**$ 73,722,396**	**$ 39,520,039**	**$ 47,768,731**	**$ 67,152,788**

Water Revenue




FY 2024-25 Adopted Water Revenue $400 Million
Treated Water, $212 M, 53%
Surface & Recycled Water, $4 M, 1%
Groundwater Production, $185 M, 46%


FY 2025-26 Plan Water Revenue $474 Million
Treated Water, $251 M, 53%
Surface & Recycled Water, $4 M, 1%
Groundwater Production, $219 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

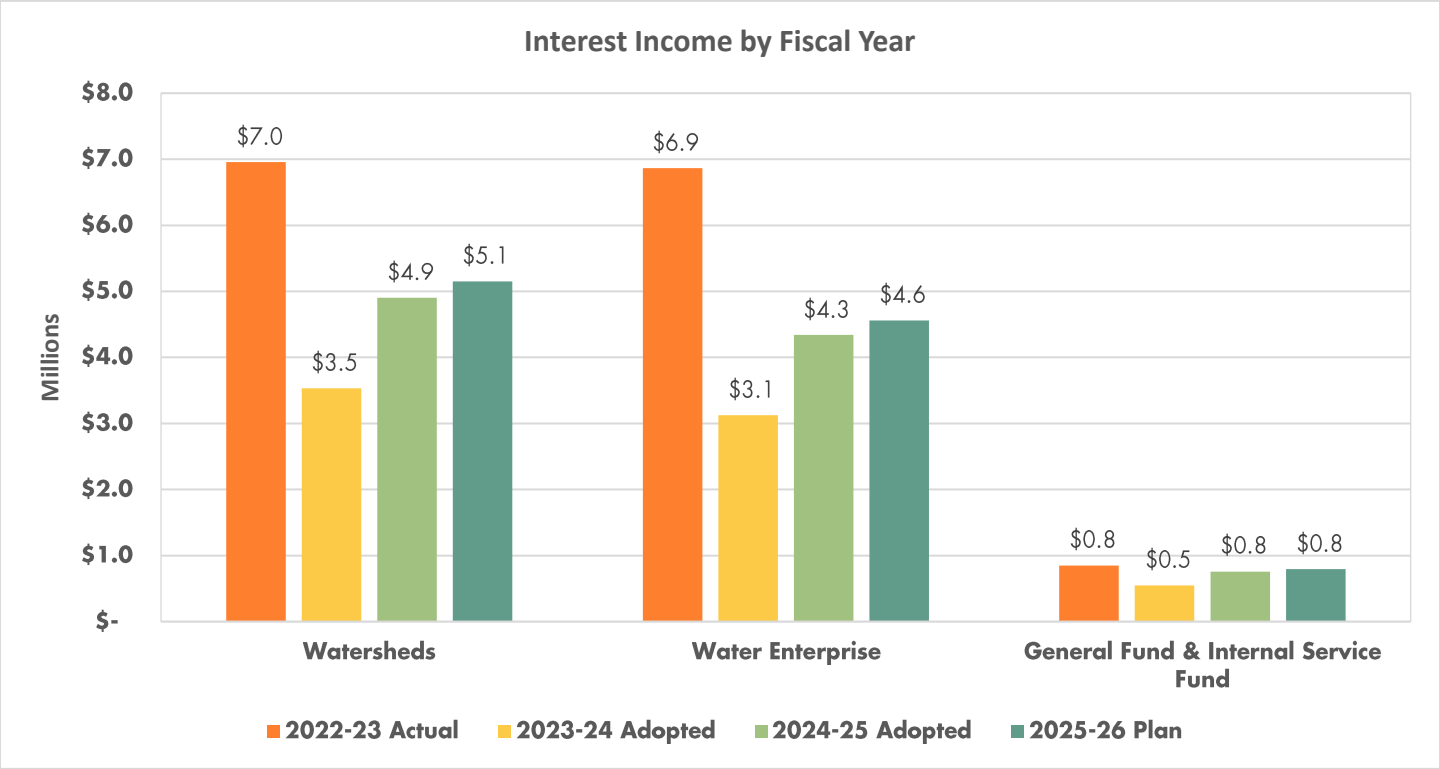
Water revenues in FY 2024-25 Budget and FY 2025-26 Plan are based on staff's recommendations to the Board. Water charges are necessary to provide funding for critical infrastructure and operational needs, water imported via California's state and federal water systems, and the development of future supplies 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.

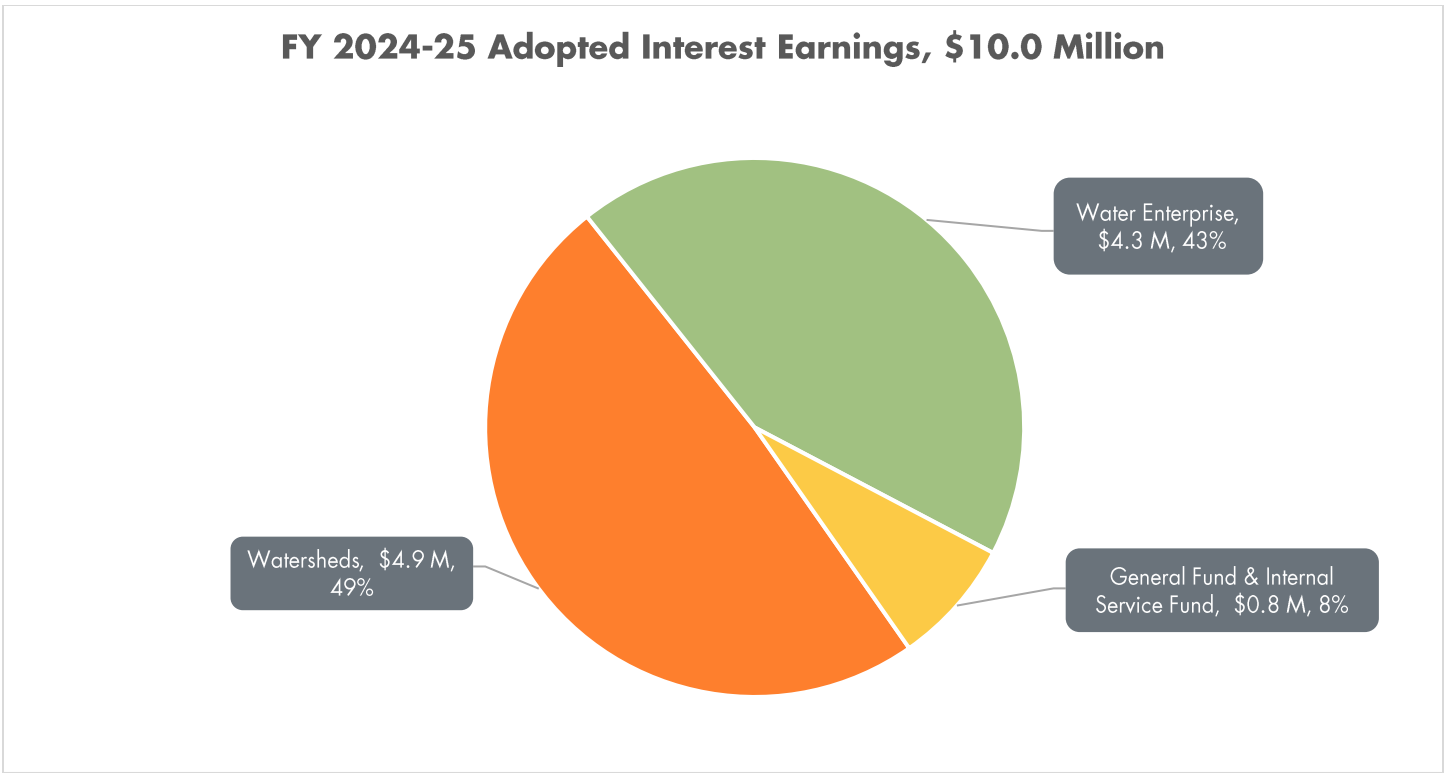
FY 2024-25 revenue estimates reflect an increase of 12.9% in groundwater production charges for the North County (Zone W-2) when compared to FY 2023-24. In the Llagas Subbasin (Zone W-5), revenue estimates reflect an increase of 6.6% in the groundwater production charge when compared to FY 2023-24. In the Coyote Valley (Zone W-7) revenue estimates reflect an increase of 14.2% in the groundwater production charge when compared to FY 2023-24. 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 2023-24. In FY 2025-26, Zone W-2 anticipates a rate increase of 9.9%, while all other zones, project the same annual rate increases as scheduled in FY 2024-25.

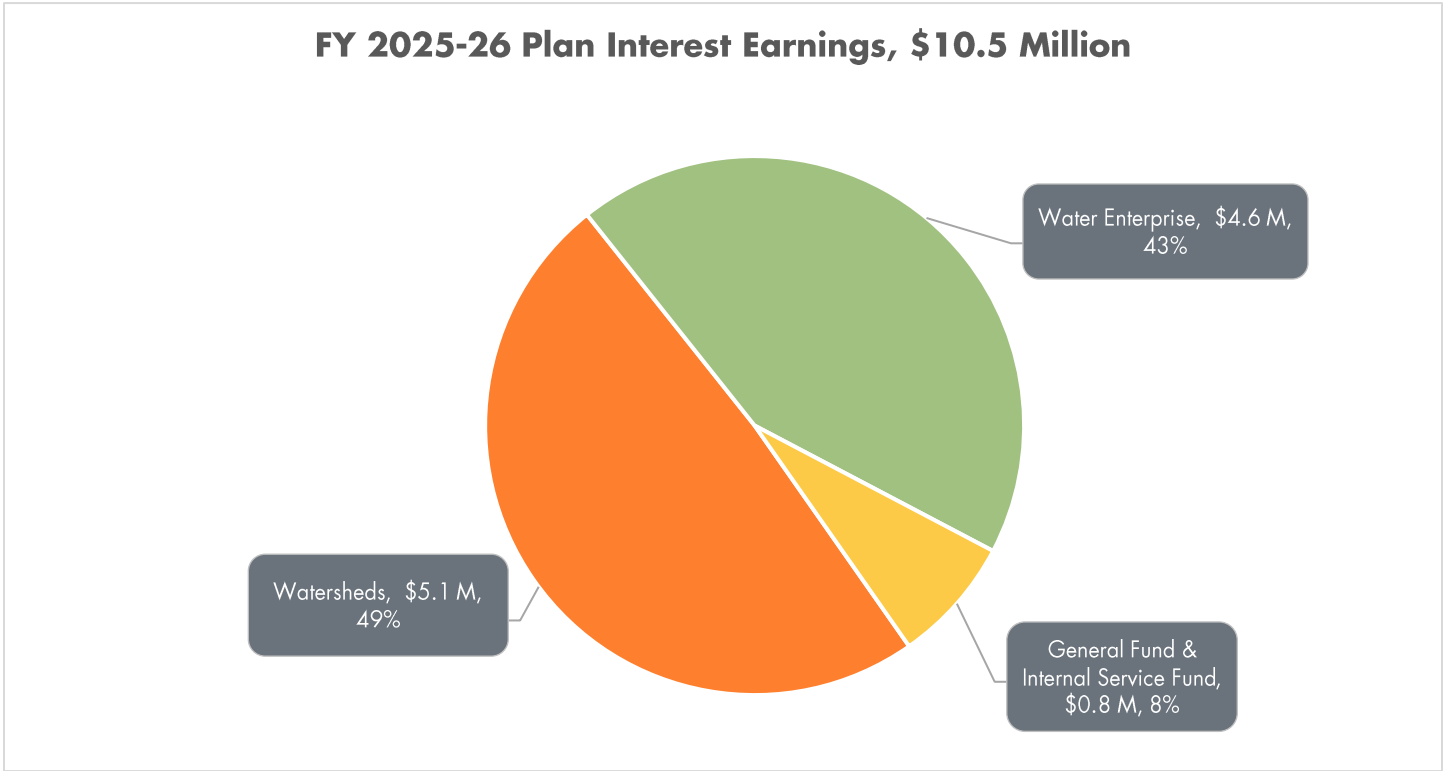
The FY 2024-25 water use estimate of 222,000 AF represents a 15,000 AF, or 7.2% increase compared to the FY 2023-24 adopted water budget usage amount of 207,000 AF. In FY 2024-25 water use estimate increases to 238,000 AF, assuming water use rebounds over time back to pre-drought levels. Additionally, 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Water Revenue					
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 150,881,000	$ 184,722,000	$ 219,323,000
Treated Water Charges	159,215,177	174,081,000	174,081,000	211,703,000	250,262,000
Surface&Recycled Water Charges	1,950,130	3,613,000	3,613,000	4,040,000	4,422,000
Total Water Revenue	**$ 268,100,859**	**$ 328,565,000**	**$ 328,575,000**	**$ 400,465,000**	**$ 474,007,000**

Interest Income




FY 2024-25 Adopted Interest Earnings, $10.0 Million
Water Enterprise, $4.3 M, 43%
General Fund & Internal Service Fund, $0.8 M, 8%
Watersheds, $4.9 M, 49%


FY 2025-26 Plan Interest Earnings, $10.5 Million
Water Enterprise, $4.6 M, 43%
General Fund & Internal Service Fund, $0.8 M, 8%
Watersheds, $5.1 M, 49%

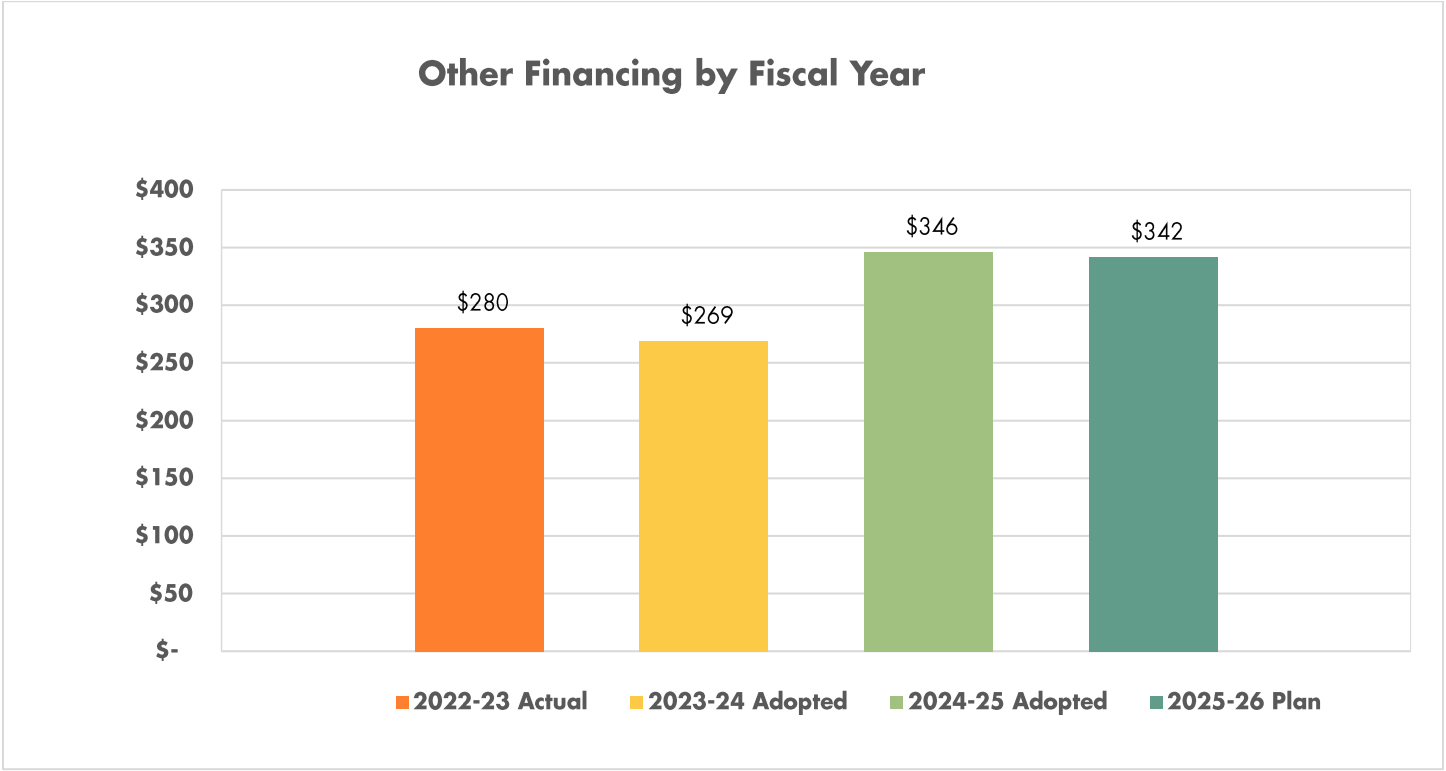
Interest Income

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 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 are estimated to be $10.0 million for FY 2024-25 and $10.5 million for FY 2025-26. The estimates assume an average portfolio yield of 1.75% for FY 2024-25 and FY 2025-26.

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Interest Income					
Watershed Stream Stewardship Fund	$ 2,330,225	$ 1,630,000	$ 2,264,000	$ 2,264,000	$ 2,377,000
Safe Clean Water & Natural Flood Protection Fund	4,625,124	1,900,000	2,639,000	2,639,000	2,771,000
Water Enterprise Fund	6,868,031	3,125,000	4,340,000	4,340,000	4,557,000
General Fund	185,636	105,000	146,000	146,000	153,000
Service Funds	663,112	440,000	611,000	611,000	642,000
Total Interest Income	**$ 14,672,128**	**$ 7,200,000**	**$ 10,000,000**	**$ 10,000,000**	**$ 10,500,000**

Other Financing



The Other Financing includes Debt instruments such as 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 $345.9 million in debt proceeds in FY 2024-25, of which $236.3 million is for Water Utility and $109.6 million is for the Safe, Clean Water program. In FY 2025-26, planned issuance is approximately $342.2 million, $288.1 million for Water Utility and $54.1 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
OTHER FINANCING					
Debt Proceeds	$ 280,092,624	$ 268,775,583	$ 196,725,000	$ 345,920,030	$ 342,159,817
TOTAL OTHER FINANCING	**$ 280,092,624**	**$ 268,775,583**	**$ 196,725,000**	**$ 345,920,030**	**$ 342,159,817**

This page left intentionally blank.

SALARIES AND BENEFITS

Salaries and Benefits

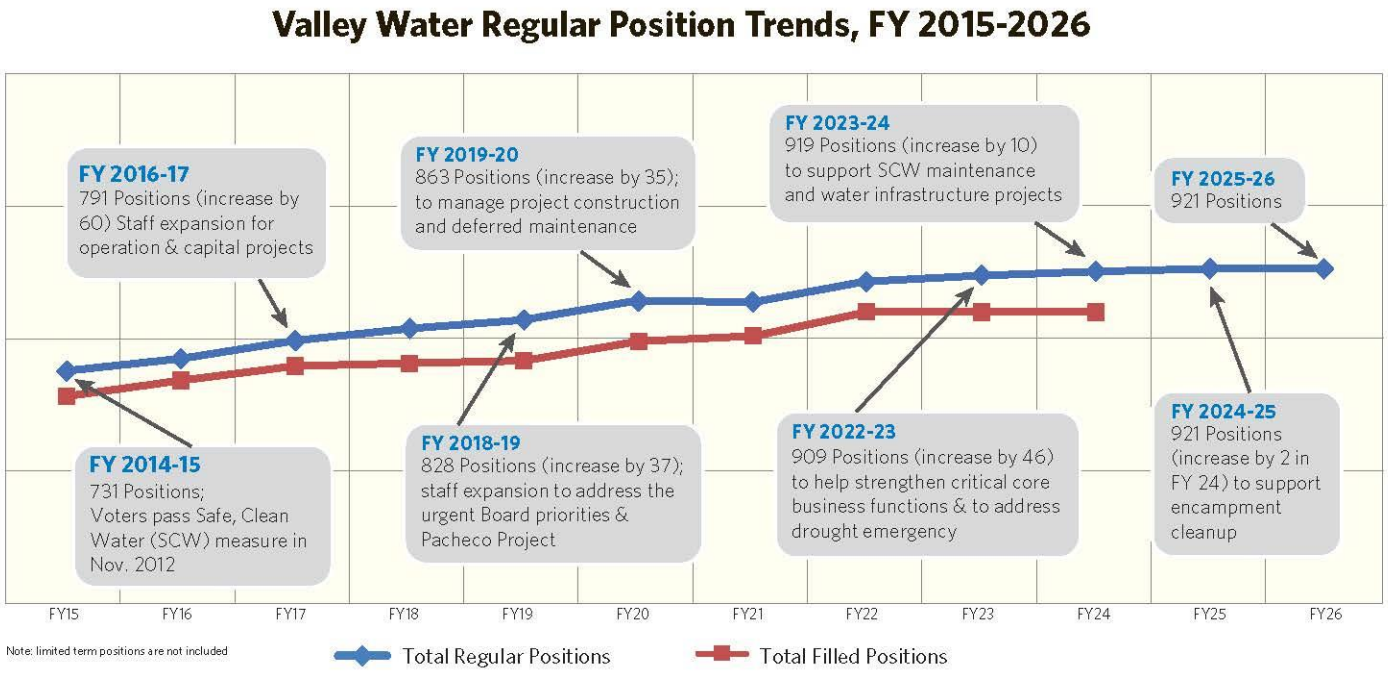
The FY 2024-25 salary and benefit budget is based on a total of 925 positions, which includes 921 regular positions and four limited term positions. The total salaries and benefits budget is $242.5 million, an increase of $16.6 million or 7.3% from the FY 2023-24 Adopted Budget. The increase is primarily due to a 3% cost of living adjustment (COLA), an estimated $4.0 million increase in CalPERS contribution, and a $5.2 million increase in health insurance costs.

In FY 2025-26, salaries and benefits are projected at $256.7 million, a 5.8% increase compared to the FY 2024-25 budget. The increase is primarily attributed to a 3% COLA, and an estimated $3.2 million increase in CalPERS, and a $3.3 million increase in health insurance costs.

Summary of Positions

	Adopted Budget FY 2022-23	Adopted Budget FY 2023-24	Adopted Budget FY 2024-25 [2]	Proposed Plan FY 2025-26
Board Appointed Officers [1]	78	79	78	78
Office of Integrated Water Mgmt	56	56	70	70
External Affairs	46	47	46	46
Administrative Services	163	163	166	166
Water Utility	301	305	304	304
Watersheds	265	269	257	257
Total Regular Positions	**909**	**919**	**921**	**921**
Limited Term Positions	9	5	4	4
Total	**918**	**924**	**925**	**925**

[1] Board Appointed Officers include: Office of Chief Executive Office, District Counsel, and Clerk of the Board.
[2] 2 positions were added during FY 2023-24



Salaries and Benefits

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Salaries					
Salaries	$ 130,457,939	$ 144,580,251	$ 144,501,117	$ 150,627,470	$ 157,660,243
Overtime	5,098,368	3,949,781	3,949,781	3,949,212	3,892,908
Special Pays	1,091,823	1,086,500	1,086,500	1,101,549	1,104,899
Salary Savings	–	(3,649,818)	(3,649,818)	(3,791,164)	(3,964,604)
Total Salaries	**$ 136,648,130**	**$ 145,966,714**	**$ 145,887,580**	**$ 151,887,067**	**$ 158,693,446**
Benefits					
Fed & State Taxes & Benefits	$ 2,019,373	$ 2,146,414	$ 2,146,414	$ 2,243,098	$ 2,346,844
Retirement Contributions	42,152,104	45,036,959	45,036,959	49,040,946	52,217,805
Group Ins-Active Employees	15,958,032	19,359,278	19,359,278	24,545,317	27,823,546
Group Ins-Retired Employees	13,910,203	13,442,300	13,442,300	14,812,769	15,573,407
Total Benefits	**$ 74,039,712**	**$ 79,984,951**	**$ 79,984,951**	**$ 90,642,130**	**$ 97,961,602**
Total Salary & Benefits	**$ 210,687,842**	**$ 225,951,665**	**$ 225,872,531**	**$ 242,529,197**	**$ 256,655,048**

Labor Hours	2022-23	2023-24	2023-24	2024-25	2025-26
Budget Hours					
Regular Hours	1,666,437	1,621,818	1,621,818	1,615,195	1,613,492
Overtime	50,874	32,572	32,572	31,861	30,349
Compensated Absences	285,400	297,776	297,776	306,101	307,514
Total Hours	**2,002,711**	**1,952,166**	**1,952,166**	**1,953,157**	**1,951,355**

DEBT & INVESTMENTS

Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the 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.

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 a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is a 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.

On September 8, 2023, Governor Newsom signed into state law Assembly Bill 939, which made numerous changes to the District Act, including amending the limit on short-term debt Valley Water could issue without holding an election. Consistent with the California Constitution, Valley Water may issue short term debt (with maturities up to five years) that is payable in any fiscal year in an amount, when added to the interest thereon, not to exceed 85% of the estimated amount of revenues, charges, taxes, and assessments that will be available in that fiscal year for the payment of principal and interest on the debt.

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 covenants of 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/finance budget/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 $1.64 billion as of June 30, 2024. Scheduled annual debt service for FY 2024-25 is approximately $103.7 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. 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. Additionally, the Water System Refunding Revenue Bonds 2024A/B with a final maturity of 2054, and the Revenue COP 2024C/D with a final maturity of 2048 are anticipated to be issued in mid-2024.

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 (EPA) to provide up to $580 million of WIFIA loan capacity to fund the Anderson Dam Seismic Retrofit and Coyote Percolation Dam projects and 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. The initial loan for the Safe Clean Water program was executed on February 14, 2023 for $41 million at 3.77% interest rate to fund the planning and design costs for the eligible projects as well as construction costs for the Sunnyvale East and West Channels project. The initial loan for the Anderson Dam and Coyote Percolation Dam projects was executed on February 14, 2023 for $74 million at 3.77% interest rate to fund the planning and design costs.

On October 30, 2023, Valley Water executed a third WIFIA Master Agreement with the EPA to provide up to $1.45 billion of WIFIA loan capacity to fund the Pacheco Reservoir Expansion Project. The initial loan for the Pacheco project was executed on October 30, 2023, for $92 million at 5.08% interest rate to fund the planning and design costs.

Valley Water has not drawn on any WIFIA loans as of June 30, 2024.

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 2024-25: 2.02
- FY 2025-26: 2.52
- FY 2026-27: 2.56
- FY 2027-28: 2.63
- FY 2028-29: 2.39

(Source: FY 2024-25 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. Safeguardingtaxpayers' 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 remaining 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 6/30/24	2024-2025 Debt Service Payments		
					Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs	$59,390,000	3/7/2017	2.56%	$29,235,000	$4,295,000	$1,461,750	$5,756,750
2022A Safe, Clean Water Revenue Bonds	75,295,000	12/6/2022	4.13%	74,375,000	1,455,000	3,682,375	5,137,375
2022B Safe, Clean Water COPs	46,445,000	12/6/2022	3.01%	46,445,000	-	-	-
Safe, Clean Water Commercial Paper -TE [2]	38,485,580	various	variable	38,485,580	-	3,976,000	3,976,000
Total Watersheds	219,615,580			188,540,580	5,750,000	9,120,125	14,870,125
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%	20,940,000	3,880,000	1,047,000	4,927,000
Series D- taxable	54,970,000	3/30/2016	3.14%	26,255,000	4,870,000	893,808	5,763,808
	98,045,000			47,195,000	8,750,000	1,940,808	10,690,808
2017 Water Utility Refunding Revenue Bonds							
Series A	54,710,000	5/2/2017	3.13%	41,530,000	2,275,000	2,076,500	4,351,500
2019 Water Utility Refunding Revenue Bonds							
Series A	15,225,000	4/25/2019	3.75%	13,955,000	290,000	697,750	987,750
Series B - taxable	80,030,000	4/25/2019	3.81%	71,475,000	1,840,000	2,660,348	4,500,348
Series C - taxable	38,280,000	11/26/2019	2.76%	28,600,000	2,255,000	758,192	3,013,192
Subtotal	133,535,000			114,030,000	4,385,000	4,116,290	8,501,290
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%	36,610,000	1,790,000	1,830,500	3,620,500
Series D - taxable	75,020,000	10/14/2020	2.20%	71,650,000	3,435,000	1,453,840	4,888,840
Subtotal	113,380,000			108,260,000	5,225,000	3,284,340	8,509,340

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

	Total Amount Sold	Date of Issue	True Interest Cost	Outstanding as of 6/30/24	2024-2025 Debt Service Payments		
					Principal	Interest	Total
2023 Water Utility Refunding Revenue Bonds							
Series A	52,090,000	1/19/2023	4.19%	52,090,000	-	2,604,500	2,604,500
Series B - taxable	69,045,000	1/19/2023	5.11%	67,865,000	1,225,000	3,301,754	4,526,754
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%	40,760,000	1,610,000	2,038,000	3,648,000
Series D- taxable	62,615,000	1/19/2023	4.33%	62,615,000	-	-	-
Subtotal	343,400,000			340,695,000	2,835,000	7,944,254	10,779,254
2024 Water Utility Refunding Revenue Bonds							
Series A-1	66,205,000	TBD	4.72%[3]	66,205,000	-	3,310,250	3,310,250
Series B-1 taxable	81,395,000	TBD	6.40%[3]	81,395,000	-	5,175,908	5,175,908
2024 Water Utility Certificates of Participation							
Series C	126,420,000	TBD	4.25%[3]	126,420,000	2,950,000	5,321,000	8,271,000
Series D- taxable	97,095,000	TBD	6.31%[3]	97,095,000	2,155,000	4,592,506	6,747,506
Subtotal	371,115,000			371,115,000	5,105,000	18,399,664	23,504,664
WU Commercial Paper [2]	150,000,000	various	variable	150,000,000		5,649,000	5,649,000
Total Water Utility	**1,538,365,000**			**1,447,005,000**	**28,575,000**	**55,195,512**	**83,770,512**
Combined	**$1,757,980,580**			**$1,635,545,580**	**$34,325,000**	**$64,315,637**	**$98,640,637**

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

(2) Commercial Paper incurs variable rates that are subject to change pending actual market conditions at time of issuance.

(3) Indicative rates, subject to change at time of issuance.

Debt Service Payment Schedule

	Principal	Interest	Total [1]
Watersheds Certificates of Participation/Safe, Clean Water Revenue Bonds[2]			
2024/25	$ 5,750,000	$ 5,144,125	$ 10,894,125
2025/26	6,045,000	4,854,750	10,899,750
2026/27	6,345,000	4,550,625	10,895,625
2027/28	6,660,000	5,064,740	11,724,740
2028/29 and thereafter	123,684,116	92,937,468	216,621,583
Total	$ **148,484,116**	$ **112,551,707**	$ **261,035,823**
Water Utility Revenue Bonds / Certificates of Participation[2]			
2024/25	$ 28,575,000	$ 49,546,512	$ 78,121,512
2025/26	32,555,000	63,137,466	95,692,466
2026/27	33,605,000	60,660,272	94,265,272
2027/28	34,975,000	59,285,442	94,260,442
2028/29 and thereafter	1,403,172,987	1,090,218,549	2,493,391,536
Total	**$ 1,532,882,987**	**$ 1,322,848,240**	**$ 2,855,731,227**
Commercial Paper			
2024/25	$ -	$ 9,625,000	$ 9,625,000
2025/26	-	12,662,000	12,662,000
2026/27	-	10,130,000	10,130,000
2027/28	-	5,886,000	5,886,000
2028/29 and thereafter	-	30,383,000	30,383,000
Total	**$ -**	**$ 68,686,000**	**$ 68,686,000**
Total All Outstanding Debt			
2024/25	$ 34,325,000	$ 64,315,637	$ 98,640,637
2025/26	38,600,000	80,654,216	119,254,216
2026/27	39,950,000	75,340,897	115,290,897
2027/28	41,635,000	70,236,182	111,871,182
2028/29 and thereafter	1,526,857,103	1,213,539,016	2,740,396,119
Total	**$ 1,681,367,103**	**$ 1,504,085,948**	**$ 3,185,453,050**

(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 2024 A/B/C/D, 2025A/B, and WIFIA loans for both Safe Clean Water and Water Utility Funds.

This page left intentionally blank.

RESERVE POLICY AND FUND BALANCES

Valley Water Reserve Policy

Valley Water's 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:

A. **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.

B. **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.

C. **Assigned fund balance** – these are amounts that 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.

D. **Non-spendable fund balance** – these are 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 the spendable fund balances are considered. 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:

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:

1. **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.

2. **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.

A. Restricted Reserves

1. 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).

2. 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.

3. 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 senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

A. Restricted Reserves (Continued)

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

In May 2018, Valley Water Board of Directors 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. If an eligible agency has not gained Valley Water approval for a program by June 30, 2024, the dedicated, segregated funds go back to Valley Water by FY 2026. The GP5 reserve was established in FY 2019-20 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. Upon Valley Water approval of award for a program within the FY 2019-24 timeframe, the funds shall be reserved for the recipient, including interest earned, to reimburse eligible expenditures through FY 2033.

5. 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.

6. 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 the Recycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa Clara Valley Water District dated March 2010, the annual contribution 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 a five-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. The reserve will sunset once the funds are fully expended, which is currently anticipated in FY 2025-26.

7. 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.

A. Restricted Reserves (Continued)

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

A. Restricted Reserves (Continued)

13. 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.

14. 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.

B. Committed Reserves

1. 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 independent actuarial evaluations 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 greater than those budgeted.

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

2. 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 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 are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-district Risk Management Fund charges.

B. Committed Reserves (Continued)

3. Excess ERAF Contingency Reserve

The Excess ERAF Contingency Reserve sets aside 22% of Valley Water's Excess Educational Revenue Augmentation Fund (ERAF) receipts from FY 2020-21 to FY 2023-24, and 20% of receipts thereafter, in anticipation of a repayment to the state. This is a result of the State of California Proposed FY 2024-25 Budget which retroactively amends the current calculation of the disbursement of Excess ERAF funds to also include Charter Schools, reducing the amount of funds returned to agencies in five counties (Marin, San Francisco, Santa Clara, San Mateo, and Napa), including Valley Water. Santa Clara County and Marin County have filed lawsuits to attempt to block these changes. If successful, the funds will not have to be repaid, and will remain with Valley Water. If the lawsuits are not successful, and the budget proposal is approved, then Valley Water must refund the reserved funds. This reserve will no longer be necessary after a favorable ruling or the repayment to the state, contingent on the outcome of the pending litigation.

4. 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.

5. 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 of Directors as part of the CIP process, this reserve will sunset. A new capital project was established in the FY 2024-25 Budget bringing the balance for this reserve to $0.

6. 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.

7. 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 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.

B. Committed Reserves (Continued)

A portion of these reserves are automatically re appropriated 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.

C. Assigned Reserves

1. 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.

2. 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 2022-23	Adopted 2023-24	Projected YE 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Governmental Funds					
GENERAL FUND					
Committed Reserves					
Excess ERAF Contingency Reserve	$ -	$ -	$ -	$ 666,631	$ 693,093
Operating & Capital Reserve	12,838,190	10,573,015	14,361,953	14,113,584	16,451,194
Currently Authorized Projects Reserve***	4,034,117	1,394,500	1,394,069	-	-
Total General Fund Reserves	**$ 16,872,307**	**$ 11,967,515**	**$ 15,756,022**	**$ 14,780,215**	**$ 17,144,287**
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	59,060,206	117,935,002	30,505,025	59,517,635	40,728,012
SCW Currently Authorized Projects Reserve***	116,786,238	37,906,382	37,138,316	25,336,118	12,530,147
Total Restricted Reserves	**$ 205,846,444**	**$ 185,841,384**	**$ 97,643,341**	**$ 114,853,753**	**$ 83,258,159**
Committed Reserves					
Excess ERAF Contingency Reserve	$ -	$ -	$ -	$ 5,605,897	$ 5,827,357
Operating & Capital Reserve	95,903,395	158,599,934	139,896,768	145,010,892	129,858,076
Currently Authorized Projects***	19,891,171	1,320,710	299,698	33,303	441
Total Committed Reserves	**$ 115,794,566**	**$ 159,920,644**	**$ 140,196,466**	**$ 150,650,092**	**$ 135,685,874**
Total Special Revenue Funds Reserves	**$ 321,641,010**	**$ 345,762,028**	**$ 237,839,807**	**$ 265,503,845**	**$ 218,944,033**
Total Governmental Funds	**$ 338,513,317**	**$ 357,729,543**	**$ 253,595,829**	**$ 280,284,060**	**$ 236,088,320**
Proprietary Funds					
WATER ENTERPRISE & STATE WATER PROJECT FUNDS					
Restricted Reserves					
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 6,066,971	$ 19,996,328	$ 42,891,864
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,530,832	3,580,832	3,630,832
WUE State Water Project Tax Reserve	13,860,460	8,816,456	11,535,460	8,973,390	5,070,944
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	5,277,000	8,677,000
WUE SVAWPC Reserve	1,298,138	-	-	-	-
WUE Drought Reserve	-	-	-	-	1,000,000
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	4,718,017	-	-
Total Restricted Reserves	**$ 85,574,532**	**$ 28,409,276**	**$ 31,128,280**	**$ 37,827,550**	**$ 61,270,640**
Committed Reserves					
Excess ERAF Contingency Reserve	$ -	$ -	$ -	$ 589,988	$ 614,026
WUE San Jose Water Purification Reserve	-	1,000,000	1,000,000	-	-
Operating & Capital Reserve	74,535,165	56,930,697	29,600,454	62,727,361	59,162,245
Currently Authorized Projects Reserve***	87,993,626	9,248,195	42,826,222	9,770,707	3,898,267
Total Committed Reserves	**$ 162,528,791**	**$ 67,178,892**	**$ 73,426,675**	**$ 73,088,056**	**$ 63,674,538**
Total Water Enterprise Funds Reserves	$ 248,103,323	$ 95,588,168	$ 104,554,955	$ 110,915,606	$ 124,945,178

Reserve Schedule

	Estimated Balances				
	Year-End 2022-23	Adopted 2023-24	Projected YE 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
INTERNAL SERVICE FUNDS					
Committed Reserves					
Operating & Capital Reserve	$ 12,321,896	$ 6,734,369	$ 9,563,156	$ 6,424,002	$ 4,847,612
Currently Authorized Projects***	1,532,177	-	122,927	123,126	123,126
Liability/Workers' Comp Self-Insurance Reserve	8,337,000	8,337,000	6,430,250	8,337,000	8,337,000
Property Self-Insurance/Catastrophic Reserve	6,623,909	5,580,026	8,144,146	7,409,352	7,743,063
Total Committed Reserves	**$ 28,814,982**	**$ 20,651,395**	**$ 24,260,480**	**$ 22,293,480**	**$ 21,050,801**
Total Internal Service Funds Reserves	**$ 28,814,982**	**$ 20,651,395**	**$ 24,260,480**	**$ 22,293,480**	**$ 21,050,801**
Total Proprietary Funds	**$ 276,918,305**	**$ 116,239,563**	**$ 128,815,435**	**$ 133,209,086**	**$ 145,995,979**
TOTAL RESERVE SUMMARIES					
Total Proprietary Funds	$ 276,918,305	$ 116,239,563	$ 128,815,435	$ 133,209,086	$ 145,995,979
Total Governmental Funds	338,513,317	357,729,543	253,595,829	280,284,060	236,088,320
Total Year-End Reserves by Fund Type	**$ 615,431,623**	**$ 473,969,106**	**$ 382,411,264**	**$ 413,493,147**	**$ 382,084,299**
Total Restricted Reserves	$ 291,420,976	$ 214,250,660	$ 128,771,621	$ 152,681,303	$ 144,528,799
Total Committed Reserves	324,010,646	259,718,446	253,639,643	260,811,844	237,555,499
Total Year-End Reserves By Reserve Type	**$ 615,431,623**	**$ 473,969,106**	**$ 382,411,264**	**$ 413,493,147**	**$ 382,084,299**

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

This page left intentionally blank.

Ends Policies and Outcomes

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

This page left intentionally blank.

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.

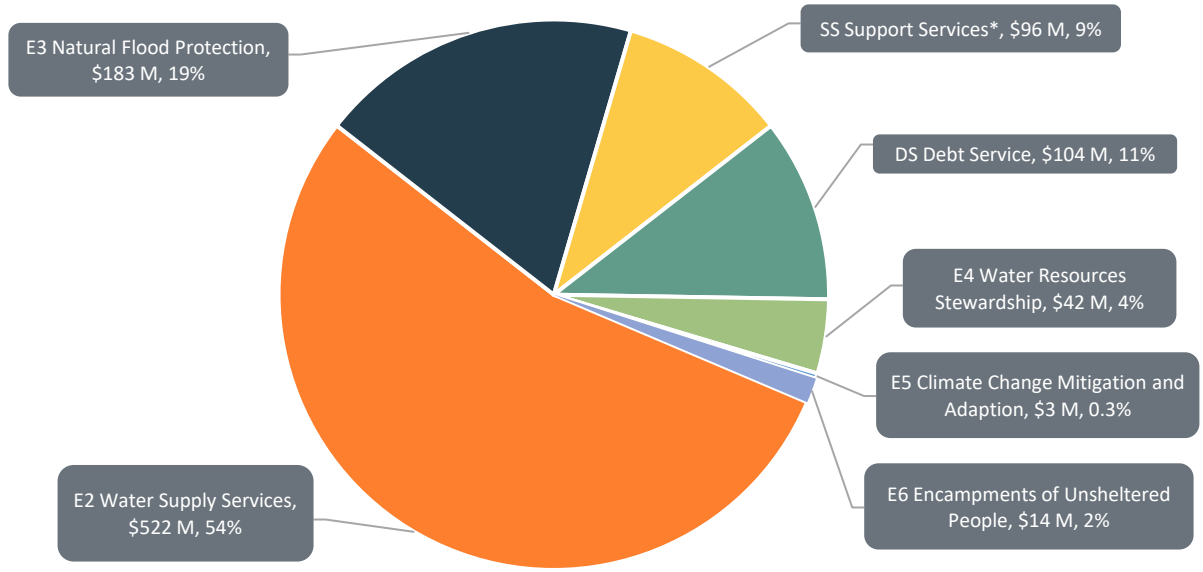
Ends Governance Polices of the Board, are organized into three levels of detail. The highest level is the Ends Policy, of which the board has five: E-1 Mission and General Principles, E-2 Water Supply Services, E-3 Natural Flood Protection, E-4 Water Resources Stewardship, E-5 Climate Change Mitigation and Adaptation, and E-6 Encampments of Unsheltered People (EUP). 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

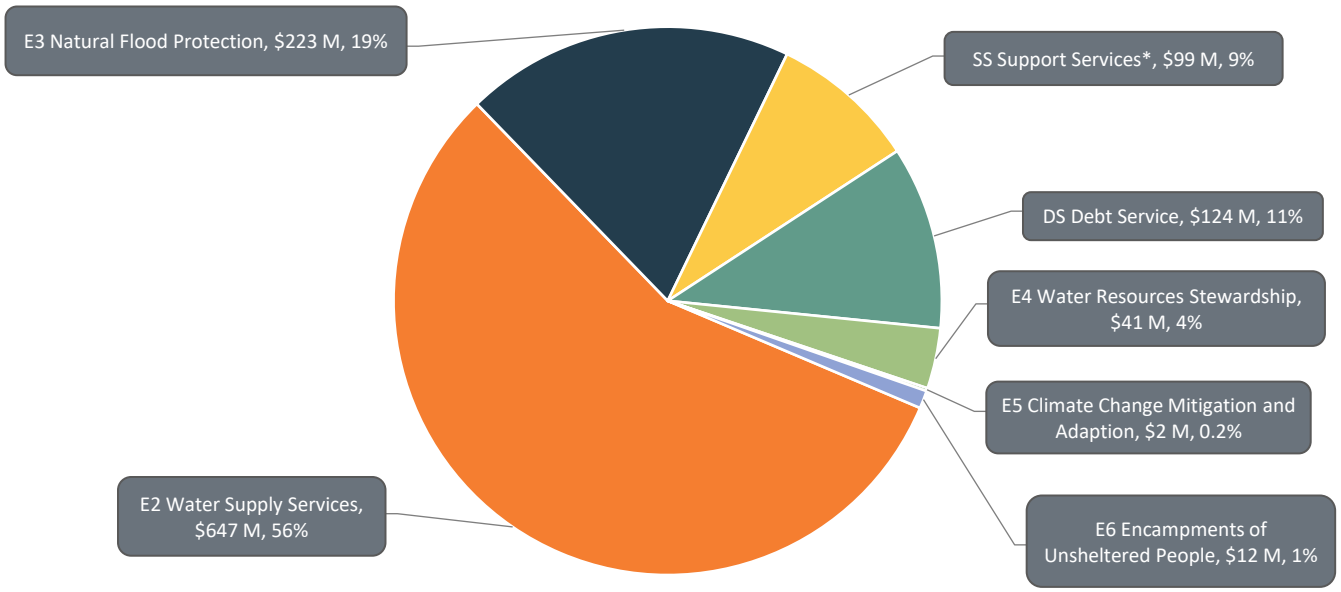
Ends Code	Ends Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E2	Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.	$ 521,956,362	$ 647,045,229
E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.	182,912,568	223,230,734
E4	Water resources stewardship protects and enhances ecosystem health.	42,312,234	40,859,884
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.	2,935,121	1,801,951
E6	Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	14,320,728	11,522,850
SS	Support Services	224,642,450	235,385,283
DS	Debt Services	103,673,639	124,427,220
Grand Total		$ 1,092,753,103	$ 1,284,273,151
Less Intra-District Reimbursements		(129,113,429)	(135,895,650)
Net Budget		**$ 963,639,673**	**$ 1,148,377,501**

FY 2024-25 Total Net Outlays $964 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 2025-26 Total Net Outlays $1,148 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 2024-25	Proposed Plan 2025-26
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.	169,230,548	186,188,697
E2.3	Protect and maintain existing water infrastructure.	305,325,574	406,187,477
E2.4	Increase regional self-reliance through water conservation and reuse.	37,516,335	44,968,390
E2.5	Manage water resources using an integrated, science-based approach.	8,708,341	8,475,355
E2.6	Promote access to equitable and affordable water supplies.	1,175,564	1,225,309
E3.1	Maintain flood protection facilities to design levels of protection.	65,860,418	69,543,983
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	7,873,563	10,507,497
E3.3	Increase the health and safety of residents countywide by reducing community flood risk.	109,178,587	143,179,254
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	7,091,179	6,161,854
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	18,366,824	16,893,401
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.	4,476,412	4,925,994
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.	12,377,820	12,878,636
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	899,222	932,888
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	2,035,899	869,063
E6.1	Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	14,320,728	11,522,850
SS.1	BAO & District Leadership	35,877,151	36,513,681
SS.2	Financial Planning & Management Services	20,905,636	22,200,009
SS.3	Human Resources Services	18,046,153	18,385,164
SS.4	Information Management Services	39,718,780	37,904,194
SS.5	Corporate Business Assets	53,395,638	60,723,947
SS.6	General Management & Administration	60,490,257	63,622,892
SS.7	Salary Savings	(3,791,164)	(3,964,604)
DS.1	Debt Service	103,673,639	124,427,220
Grand Total		$ 1,092,753,103	$ 1,284,273,151
Less Intra-district Reimbursements		(129,113,429)	(135,895,650)
Net Budget		$ 963,639,673	$ 1,148,377,501

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
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. The Master Plan is currently being updated.

This Ends Goal supports Valley Water's objective of ensuring residents' access to water. This goal is supported in further details under Ends Goals 2.2-2.6 and project related costs are identified respectively under each Ends Goal.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E2.2	Protect and sustain the county's existing, diverse water supplies.	$ 169,230,548	$ 186,188,697

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 2024-25 budget includes over $62 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 expenses of approximately $5.6 million for water banking activity with the Semitropic Water Storage District water bank located in Kern County, and an additional $6.6 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 $10 million for Valley Water's share of planning costs in the B.F. Sisk Dam Raise and Reservoir Expansion Project, $5.8 million to continue participation in the planning process for the Delta Conveyance Project, $4 million for continued participation in the Los Vaqueros Reservoir Expansion Project, and $93,000 for Sites Reservoir to maintain minimum 0.2% participation at 3,117-acre feet of storage.

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 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, as well as Valley Water's well ordinance compliance program 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.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E2.3	Protect and maintain existing water infrastructure.	$ 305,325,574	$ 406,187,477

Projects categorized 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, 19 miles of active 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 2024-25	Proposed Plan 2025-26
E2.4	Increase regional self-reliance through water conservation and reuse.	$ 37,516,335	$ 44,968,390

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.

Valley Water's existing long-range plan, the Water Supply Master Plan 2040, provides a long-term strategy for ensuring Valley Water's water supply sustainability through 2040 and is currently being updated. The strategy includes the element of increasing water reuse and conservation. Projects include developing up to 24,000 acre-feet of potable reuse and projects to meet the water conservation savings target of 110,000 acre-feet per year by 2040.

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 approximately 84,000 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 San Jose Purified Water Project – Phase 1 Demonstration Facility to ensure a future full-scale direct potable reuse facility, designed in the most cost-effective way, will meet regulatory requirements to protect public health and provide reliable drought-proof water supplies.

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 2024-25	Proposed Plan 2025-26
E2.5	Manage water resources using an integrated, science-based approach.	$ 8,708,341	$ 8,475,355

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 2024-25	Proposed Plan 2025-26
E2.6	Promote access to equitable and affordable water supplies.	$ 1,175,564	$ 1,225,309

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 2024-25	Proposed Plan 2025-26
E3.1	Maintain flood protection facilities to design levels of protection.	$ 65,860,418	$ 69,543,983

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 2024-25 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 and Guadalupe River – Tasman to I-880 Project.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	$ 7,873,563	$ 10,507,497

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 partners with communities in Santa Clara County to participate in the Community Rating System under FEMA's National Flood Insurance Program. Communities that participate in the program earn points for activities that promote and implement good flood risk reduction practices. Valley Water's existing activities help participating communities gain points, which increases the discounts for property owners who pay FEMA-required flood insurance premiums.

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 2024-25	Proposed Plan 2025-26
E3.3	Increase the health and safety of residents countywide by reducing community flood risk.	$ 109,178,587	$ 143,179,254

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.

FY 2024-25 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 Berryessa and Lower Penitencia Creek and complete floodplain mapping for the Stevens 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.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's	$ 7,091,179	$ 6,161,854

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. Priority stewardship actions that will be implemented as part of the Coyote Creek watershed plan include planning for the Ogier Ponds Restoration Project.

In FY 2024-25, Valley Water will substantially complete One Water plans for the final two watersheds in Santa Clara County – the Lower Peninsula and West Valley watersheds.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	$ 18,366,824	$ 16,893,401

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 2024-25	Proposed Plan 2025-26
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 2024-25 projects that support this goal are the Imported Water Program, IW San Felipe Division deliveries, IW South Bay Aqueduct Deliveries, State Water Project Costs, San Felipe Division Capital, Water Banking Operations, 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 water storage and supply projects, groundwater banking opportunities, and development of the Delta Conveyance Project.

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 Collaborative Science and Adaptive Management Program structured decision-making processes for Delta smelt and salmonid recovery efforts, the State Water Contractors Science Program, and the San Luis & Delta-Mendota Water Authority 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 Agreements to Support Healthy Rivers and Landscapes that would implement the 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 2024-25	Proposed Plan 2025-26
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	$ 4,476,412	$ 4,925,994

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.

Additionally, SCW Good Neighbor Program Project F6 supports Valley Water's graffiti and litter removal efforts, including 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 2024-25	Proposed Plan 2025-26
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.	$ 12,377,820	$ 12,878,636

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 2024-25, Valley Water will provide up to $2 million in grant and partnership funding for qualified projects under the renewed Safe, Clean Water (SCW) Program, which includes projects that provide access to trails and open space. 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.

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.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	$ 899,222	$ 932,888

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 2024-25, Valley Water will complete 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. A Low Carbon Fuel Credit program will

also be implemented.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	$ 2,035,899	$ 869,063

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 based on 2018 sea level rise (SLR) guidance for the San Francisco Bay area by the Ocean Protection Council. Valley Water is already taking steps to minimize the impacts of SLR 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 2024-25, Valley Water will complete construction of Reaches 1-3 of Phase 1 of the Shoreline Project. Further construction of Reaches 1-3 will continue throughout FY 2025-26. 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 2024-25, a wildfire resilience fuel management plan* will be developed in response to Valley Water's wildfire risk assessment, to mitigate wildfire risk to Valley Water land rights and assets, and environmental review will be initiated. The Wildfire Resiliency Plan (WRP), which will focus on vegetation as a fuel source for wildfires, will provide land management approaches and recommended treatment actions to reduce fire severity while protecting and supporting sensitive ecological resources and other identified infrastructure on Valley Water land rights. Design of the San Tomas Calabazas Creek Marsh Reconnection Project will begin, and construction of the Pond A4 Resilient Habitat Restoration Project will be completed.

*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 2024-25	Proposed Plan 2025-26
E6.1	Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	$ 14,320,728	$ 11,522,850

Projects assigned to this goal support Valley Water's commitment, through a regional approach, to address the human health, safety, operational, and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities. This includes efforts to identify Valley Water-owned land that may be suitable for the development of housing for unsheltered people, as well as Valley Water's efforts to increase its level of service for encampment cleanups based on need and resource availability.

Safe, Clean Water Program Project F5: Good Neighbor Program: Encampment Cleanup supports encampment cleanups. Valley Water performs cleanups of encampment-generated trash, debris, and hazardous pollutants independently or in coordination with local municipalities and other agencies for services related to encampment cleanups and to help provide alternatives to homelessness.

Goal Code	Goal Description	Adopted Budget 2024-25	Proposed Plan 2025-26
SS.1	BAO & District Leadership	$ 35,877,151	$ 36,513,681

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 2024-25	Proposed Plan 2025-26
SS.2	Financial Planning & Management Services	$ 20,905,636	$ 22,200,009

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 2024-25	Proposed Plan 2025-26
SS.3	Human Resources Services	$ 18,046,153	$ 18,385,164

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 2024-25	Proposed Plan 2025-26
SS.4	Information Management Services	$ 39,718,780	$ 37,904,194

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 2024-25	Proposed Plan 2025-26
SS.5	Corporate Business Assets	$ 53,395,638	$ 60,723,947

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 2024-25	Proposed Plan 2025-26
SS.6	General Management & Administration	$ 60,490,257	$ 63,622,892

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 2024-25	Proposed Plan 2025-26
SS.7	Salary Savings	$ (3,791,164)	$ (3,964,604)

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 2024-25	Proposed Plan 2025-26
DS.1	Debt Service	$ 103,673,639	$ 124,427,220

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

Ends Policies and Outcomes

E2

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

E2.1 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 2024-25	Proposed Plan 2025-26
-	-	-	-
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 2024-25	Proposed Plan 2025-26
26044056	SCW Regnart Creek Rehabilitation Project (F8)	695,500	8,231,097
60041003	Hollister Groundwater Mgmt	52,499	54,260
91041012	Water Operations Planning	726,838	773,581
91041018	Groundwater Management Program	6,122,538	6,621,614
91111001	Water Rights	619,305	653,139
91131004	Imported Water Program	6,129,588	6,216,008
91131006	IW San Felipe Division Delvrs	32,419,137	27,918,419
91131007	IW South Bay Aqueduct Delvrs	4,531,469	4,531,469
91131008	State Water Project Costs	31,562,070	32,902,446
91151013	Water Banking Operations	5,624,186	10,905,396
91154007	San Felipe Division Capital	12,375,300	12,810,639
91211004	San Felipe Reach 1 Operation	712,080	745,169
91211084	San Felipe Reach1 Ctrl and Ele	353,362	369,008
91221002	San Felipe Reach 2 Operation	75,554	78,884
91231002	San Felipe Reach 3 Operation	138,270	340,057
91231084	San Felipe Reach3 Ctrl and Ele	213,040	220,470
91251001	Los Vaqueros Reservoir Expansion	4,000,000	4,500,000
91451002	Well Ordinance Program	2,747,255	2,918,560
91451005	Source Water Quality Mgmt	440,970	703,611
91451011	Invasive Mussel Prevention	806,191	751,639
91601001	Delta Conveyance Project	5,833,087	8,090,000
91761001	Local Res/Div Plan & Analysis	2,496,119	2,673,603
92761009	Recharge/RW Field Ops	4,069,175	4,385,020
92761082	Raw Water T&D Ctrl and Electr	759,490	770,346
93081002	Plant Maintenance Engineering & Commissioning Project	876,010	1,029,825
93081008	W T General Water Quality	2,851,478	2,999,047
93231009	PWTP General Operations	7,861,659	8,167,314
93281005	STWTP - General Operations	7,859,476	8,188,982
93291012	RWTP General Operations	10,899,291	11,504,154
93294059	RWTP Ammonia Storage Facility Upgrade Project	476,543	545,126
93401002	Water District Laboratory	7,187,527	7,575,483
93761001	SF/SCVWD Intertie General Ops	55,815	57,332
93761004	Campbell Well Field Operations	59,851	59,745
93761006	Treated Water Ctrl & Elec Eng	3,066,738	3,222,217
95011003	WU Asset Protection Support	1,318,392	1,384,455
95044004	SMPIP Upgrades - Phase 1	586,000	551,616
95111003	Water Use Measurement	2,628,746	2,738,967
E2.2 Total		**169,230,548**	**186,188,697**

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 2024-25	Proposed Plan 2025-26
26764001	IRP2 AddLine Valves	9,486,047	3,785,376
91081007	Dam Safety Program	1,934,714	1,998,247
91084019	Dam Safety Seismic Stability	298,688	500,781
91211005	SFD Reach 1 Administration	11,707	12,582
91211085	SF Reach 1-Engineering - Other	408,804	420,781
91211099	San Felipe Reach 1 Gen Maint	1,078,085	1,183,827
91214010	Small Caps, San Felipe R1	3,110,179	2,407,357
91221006	SF Reach 2-Engineering - Other	326,209	340,478
91221099	San Felipe Reach 2 Gen Maint	175,217	184,984
91231085	SF Reach 3-Engineering - Other	393,847	497,203
91231099	San Felipe Reach 3 Gen Maint	1,377,212	1,441,285
91234002	Coyote Pumping Plant ASD	21,021,999	9,861,229
91234010	Small Caps, San Felipe R3	1,347,254	3,096,988
91761099	Dams / Reservoir Gen Maint	3,604,236	3,594,052
91854003	Almaden Calero Canal Rehab	694,000	724,131
91864005	Anderson Dam Seismic Retrofit	45,111,165	159,421,703
91864006	Anderson Dam Tunnel Project	42,425,291	973,440
91864007	Coyote Creek Flood Management Measures	31,419,088	554,861
91864008	Coyote Creek Chillers	554,647	-
91864009	Coyote Percolation Dam Replacement	73,031	-
91874004	Calero Dam Seismic Retrofit - Design & Construction	3,016,000	3,095,539
91894002	Guadalupe Dam SeisRetf Des&Con	103,834	108,160
91954002	Pacheco Reservoir ExpansionPrj	-	11,875,426
92144001	Pacheco/SC Conduit ROW ACQ	227,350	-
92261099	Vasona Pump Station Gen Main	180,661	227,959
92264001	Vasona Pump Station Upgrade	1,169,524	1,773,824
92304001	Almaden Valley Pipeline	2,128,879	2,214,035
92761008	Recycled Water T&D Genrl Maint	242,195	257,472
92761010	Rchrg / RW Field Fac Maint	1,935,571	2,254,315
92761083	Raw Water T&D Eng Other	1,454,919	1,625,363
92761085	Anderson Hydrelctrc Fclty Main	19,294	20,444
92761099	Raw Water T / D Gen Maint	3,128,629	3,288,089
92764009	Small Caps, Raw Water T&D	3,204,807	1,100,000
92781002	Raw Water Corrosion Control	699,316	712,313
93044001	WTP Master Plan Implementation	516,144	282,298
93081009	Water Treatment Plant Engineer	458,698	232,517
93084004	Wtr Trtmnt Plnt Electr Imprv	672,006	5,927,946
93231099	Penitencia WTP General Maint	3,616,353	3,791,985
93234044	PWTP Residuals Management	9,395,630	17,551,394
93281099	Santa Teresa WTP General Maint	4,333,733	4,539,107
93284013	STWTP Filter Media Replace	575,660	-
93291099	Rinconada WTP General Maint	4,769,025	4,999,753
93294057	RWTP Reliability Improvement	66,210,007	121,474,570
93761005	Campbell Well Field Maint	159,465	153,741
93761099	SF/SCVWD Intertie Gen Maint	223,915	227,486
93764004	Small Caps, Water Treatment	6,307,255	11,470,712
94084007	Treated Water Isolation Valves	2,010,978	1,886,481
94761005	TW T&D - Engineering - Other	937,920	1,033,617

Ends Policies and Outcomes

E2

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

E2.3 Protect and maintain existing water infrastructure.

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
94761099	Treated Water T/D Gen Maint	1,561,113	1,668,316
94764006	Small Caps,Treated Water T&D	349,500	292,000
94781001	Treated Water T/D Corrosion	575,532	566,852
95044001	Distribution System Master Plan Implementation	630,577	656,531
95044002	SCADA Master Plan Implementation	49,401	727,917
95084002	10-Yr PL Inspection and Rehab	19,610,264	9,152,008
E2.3 Total		**305,325,574**	**406,187,475**

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 2024-25	Proposed Plan 2025-26
91094001	Land Rights-SC Recycled Water	8,233	-
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	147,183	133,037
91101004	Recycled & Purified Water Prog	5,376,152	5,523,679
91151001	Water Conservation Program	12,553,044	12,714,031
91151014	GP5 Reimbursement Program	5,307,648	-
91241001	Wolfe Road Recycled Water Facility	195,000	195,000
91261001	PaloAlto Water Reuse Agreement	4,746,000	10,646,000
91281007	SVAWPC Facility Operations	4,659,245	4,744,590
91281008	SVAWPC Facility Maintenance	3,395,073	4,431,475
91294001	San Jose Purified Water Project - Phase I	1,040,000	6,489,600
91441003	Desalination	88,758	90,978
E2.4 Total		**37,516,335**	**44,968,390**

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 2024-25	Proposed Plan 2025-26
62061005	WS Customer Relations&Outreach	1,241,371	1,291,553
91151012	Recycld/PurifiedWaterPublicEng	1,143,509	1,203,977
92041014	FAHCE/Three Creeks Project	3,991,418	3,566,420
92761001	Raw Water T&D Gen'l Oper	2,047,232	2,121,651
92761012	Untreated Water Prog Plan	284,811	291,755
E2.5 Total		**8,708,341**	**8,475,355**

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 2024-25	Proposed Plan 2025-26
95151002	WU Customer Relations&Outreach	1,175,564	1,225,309
E2.6 Total		**1,175,564**	**1,225,309**

E2 Total	**521,956,362**	**647,045,227**

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 2024-25	Proposed Plan 2025-26
00041022	Stream Maint Prog Mgmt	5,889,161	6,254,556
00761023	Watershed Sediment Removal	6,967,926	7,476,885
00761078	Vegetation Mangmnt for Access	5,230,875	5,528,447
00762011	Tree Maintenance Program	1,484,133	1,533,349
00811049	Subsidence Monitoring	610,964	1,741,331
26164001	HaleCreekEnhancementPilotStudy	-	42,695
26771067	Stream Capacity Vegetation Con	3,678,111	3,828,908
30154019	Lower Guadalupe River Capacity Restoration Project	3,121,549	3,244,800
40214023	Coyote 10B Freshwater Wetland	2,236,000	3,283,227
62021009	Watershds O&M Eng&Insp Support	2,673,295	2,800,401
62061029	Field Operations Support	818,474	863,865
62084001	Watersheds Asset Rehabilitatio	19,678,034	17,549,967
62761009	Pond A4 Operations	81,480	100,985
62761024	Wtrshd Facility Cndtion Assmnt	2,822,970	2,974,052
62761025	Watershed General Field Maint	2,801,182	2,784,533
62761026	Watershed Debris Removal	2,116,050	1,689,336
62761027	Watershed Erosion Protection	3,719,739	3,972,747
62761028	Watershed Levee Maintenance	1,356,616	1,289,643
62761080	Non SMP Veg Removal for Convey	573,859	2,584,256
E3.1 Total		**65,860,418**	**69,543,983**

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 2024-25	Proposed Plan 2025-26
00811043	Hydrologic Data Msrmt & Mgmt	2,679,182	2,700,098
10394001	PA Flood Basin Tide Gate Replc	649,778	3,237,630
26041023	Emergency Response Upgrades	766,984	774,921
26041024	Flood Risk Reduction Studies	1,266,162	1,192,412
26061005	Flood Emrgncy Respnse Planning	209,342	216,168
62041023	Community Rating System (CRS)	229,691	211,180
62061008	Hydrology&Hydraulics Tech Supp	1,479,273	1,571,339
62761008	Sandbag Program	593,152	603,749
E3.2 Total		**7,873,563**	**10,507,497**

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 2024-25	Proposed Plan 2025-26
00044026	San Francisco Bay Shoreline	51,720	15,965,058
10244001	Permanente Ck, SF Bay-Foothill	21,702	-
26074002	Sunnyvale East & West Channel	9,362,668	5,076,716
26174043	Coyote Creek, Montague-Tully	16,064,197	94,496,345
26174051	U. Llagas Ck, Reimburse E6b	-	60,513
26174052	Llagas Ck - Upper Construction	2,635,902	271,698
26174055	Llagas Creek Phase 2B Construction	56,000,000	11,200,000
26284002	San Francisquito Early Implemt	22,781,902	9,453,171
26444002	SFBS EIAs 1-4	1,025,381	5,624,320
26444004	San Francisco Bay Shoreline EIAs 5-10	1,065,000	838,240
40174005	Berryessa Crk, Lwr. Pen Phs 2	170,115	86,528
40334005	Lwr Penitencia Crk Improvemnts	-	106,664
E3.3 Total		**109,178,587**	**143,179,254**

E3 Total	**182,912,568**	**223,230,734**

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 2024-25	Proposed Plan 2025-26
00041047	Ecolgcal Data Collectn & Analy	969,362	702,513
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	1,649,207	1,711,308
20444002	Pond A4 Resilient Habitat Restoration	966,500	-
26044004	D6 Bolsa Road Fish Passage Improvement	25,262	27,040
26072008	SCW D7 Conservation Habitat	12,268	12,781
26752043	Impaired Water Bodies Imprvmts	1,385,795	1,520,778
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	713,176	857,493
62042047	Mitigation & Stwdshp Land Mgmt	247,610	256,910
62042051	Plant Pathogen Management	307,737	316,385
62181005	SMP Mitigation Site Mgmt	814,261	756,646
E4.1 Total		**7,091,179**	**6,161,854**

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 2024-25	Proposed Plan 2025-26
00061012	Facilities Env Compliance	989,518	1,005,485
00741042	Water Resorcs EnvPlng & Permtg	3,075,354	2,638,682
00761075	Mgmt of Revegetation Projects	4,620,536	4,892,822
26042002	Fish Habitat Improvements	1,140,855	915,781
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning and D	1,056,423	32,448
26044005	SCW D4.3 Fish Passage Improvements	1,514,400	2,088,570
30151026	Guad Rvr Mitgtn Monitoring Prg	927,017	546,962
40212032	Coyote Creek Mitgtn Monitoring	259,247	267,080
62041043	Environmental Srvcs Tech Suppt	851,460	940,801
62042032	Multiple Sm Prjcts Mitgtn Mont	464,015	369,063
62181006	Instream Habitat Complexity	1,040,994	647,188
62761006	Invasive Plant Management Prog	2,427,005	2,548,519
E4.2 Total		**18,366,824**	**16,893,401**

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 2024-25	Proposed Plan 2025-26
-	-	-	-
E4.3 Total		**-**	**-**

*Note: The imported water projects are listed under Goal E2.2; therefore, $0 is reflected under Goal E4.3.

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 2024-25	Proposed Plan 2025-26
00761022	Watershed Good Neighbor Maint	1,420,012	1,736,506
00771011	Inter Agency Urban Runoff Prog	2,788,772	2,912,708
00771031	HAZMAT Emergency Response	267,627	276,780
E4.4 Total		**4,476,412**	**4,925,994**

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 2024-25	Proposed Plan 2025-26
00061019	Creek Stewardship	538,124	575,895
26061020	F6 Public Arts	32,651	34,710
26061021	F9 Safe Clean Water Grants and Partnerships	3,323,116	3,294,585
26441003	D3 SCW Sed Reuse to Support Shoreline	297,442	301,175
60171002	Education & Volunteer Program	1,058,139	1,114,110
62011002	Watershed Asset Protection Sup	6,685,422	7,093,444
62021003	CPRU Tech Support	442,926	464,716
E4.5 Total		**12,377,820**	**12,878,636**

E4 Total	**42,312,234**	**40,859,884**

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 2024-25	Proposed Plan 2025-26
00021008	Energy Management	369,527	389,382
00061048	Climate Change Adaptation/Mtg.	529,695	543,506
E5.1 Total		**899,222**	**932,888**

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 2024-25	Proposed Plan 2025-26
60061058	Drought Induced Tree Removal	2,035,899	869,063
E5.2 Total		**2,035,899**	**869,063**

E5 Total	**2,935,121**	**1,801,951**

E6

Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.

E6.1 Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
26771027	Encampment Cleanup Program	2,797,220	2,906,822
62771027	Encampment Management Program	11,523,509	8,616,028
E6.1 Total		**14,320,728**	**11,522,850**

E6 Total	**14,320,728**	**11,522,850**

SS Support Services

SS.1 BAO & District Leadership

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
60091001	Directors Fees / Expenses	616,750	639,800
60131007	Ofc of Chief Executive Officer	1,710,717	1,840,466
60131014	Continual Improvement	763,592	789,518
60141001	District Counsel	5,838,410	6,266,974
60171009	Community Relations	250,492	260,484
60171010	Community Benefits Project	1,279,614	1,352,800
60231002	Communications	1,721,743	1,816,569
60231003	Federal Government Relations	1,122,377	1,174,413
60231004	State Government Relations	1,446,413	1,527,823
60231005	Local Government Relations	2,443,977	2,538,409
60231006	Office of Chief of Ext Affairs	1,350,674	1,444,201
60231007	Internal Communications	731,328	768,422
60241026	Quality and Env Mgmt Sys Prog	608,181	642,483
60301001	Clerk of the Board Serv	4,398,041	3,087,766
65051001	Risk Management	6,494,093	7,013,166
65051002	Workers Compensation Program	1,067,829	1,105,582
65051003	Health&Safety Program Mgt	4,032,919	4,244,804
SS.1 Total		**35,877,151**	**36,513,681**

SS Support Services

SS.2 Financial Planning & Management Services

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
00031001	Watershed Revenue	164,857	175,335
00031002	Grants Management	1,899,741	1,991,784
00061045	Asset Management Program	4,859,688	5,329,728
00121003	LT Financial Planning & Rate S	787,925	829,105
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	5,808,835	6,133,906
60221001	Budget and Financial Analyses	2,801,492	2,934,501
60221002	Debt & Treasury Management	1,464,452	1,590,185
62001090	Unscoped Projects-Budget Only	150,000	150,000
95001090	Unscoped Projects-Budget Only	150,000	150,000
95101003	Water Revenue Program	2,418,647	2,515,465
SS.2 Total		**20,905,636**	**22,200,009**

SS Support Services

SS.3 Human Resources Services

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
00061059	Technical Training Program	1,085,228	1,110,765
60281003	Ethics & EEO Programs	173,100	173,100
60281004	Racial EquityDiversity&Inclusn	1,848,881	1,898,052
60281006	Reasonable Accommodation	60,000	60,000
60291001	Recruitment and Selection Program	3,435,476	3,243,146
60291002	Benefits and Wellness Program	1,638,955	1,731,105
60291003	Labor Relations	1,473,889	1,559,491
60291004	Workforce Development Program	3,142,944	3,220,581
60291005	Classification & Compensation Pgm	109,864	111,860
60291011	HR Program Admin	1,417,189	1,502,175
60291030	HRIS Admin & Data Analytics Pgm	1,160,520	1,220,229
60291032	Bargaining Unit Representation	212,307	221,980
60291041	Internship Program	1,417,584	1,438,573
60291044	Next-Gen Program	870,217	894,106
SS.3 Total		**18,046,153**	**18,385,164**

SS Support Services

SS.4 Information Management Services

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
60311001	Records & Library Services	1,640,644	1,722,038
73271001	Telecommunications Sys Opr/M	2,101,310	2,101,560
73271002	Technical Infrastructure Servi	6,263,988	6,569,208
73271003	Network Administration	3,953,000	4,328,000
73271004	Information Security Admin	1,315,000	1,255,000
73271005	Offce Cmptr Maint/Help Dsk Sup	689,000	689,000
73271006	Info Technology Div Admin	1,836,839	1,961,896
73271007	Emerging IT Technologies	104,000	104,000
73271008	Software Maint & License	4,196,950	4,413,000
73271009	Software Services	8,595,343	8,926,052
73274004	Network Equipment	4,255,000	1,161,000
73274006	Office Computers Replace Equip	2,070,000	1,756,000
73274008	Software Upgrades & Enhancemen	642,454	654,733
73274009	Data Consolidation	34,000	-
95274003	WU Computer Network Modrnizatn	2,021,252	2,262,707
SS.4 Total		**39,718,780**	**37,904,194**

SS Support Services

SS.5 Corporate Business Assets

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
00071041	Welding Services	826,766	836,690
00074042	Capital Project Mgmt & Controls	1,174,366	1,236,912
00761071	Emergency Management	2,896,020	3,028,018
00811046	Warehouse Services	2,730,829	2,990,047
00811054	District Real Property Adminis	1,741,605	2,397,949
10291002	Rental Expense Stevens Creek	353,198	431,682
26061002	Rent Exp Clean Safe Ck 7/1/01+	215,323	252,915
30061004	Rent Exp Guadalupe & Coyote	283,073	354,900
60061018	General Services Div Admin	1,390,378	1,468,991
60101001	Purchasing Services	1,884,785	1,967,171
60101002	Building and Grounds	12,335,142	12,456,638
60101005	Districtwide Signage	370,029	369,909
60101008	District Security Services	5,499,196	5,802,967
60111006	Contract Services	3,171,531	3,303,246
60204016	Small Caps, Facility Mgmt	4,006,000	4,006,000
60204022	Security Upgrades and Enhancement	300,096	331,095
60204032	Headquarters Operations Bldg	1,485,315	6,227,460
60351001	Business & Customer SupportSvc	3,644,018	3,869,665
60361002	Graphic Services	1,369,558	1,457,383
70004001	New Vehicle Equip Acquisitio	580,000	580,000
70004002	Replacement Vehicle & Equip	1,470,000	1,500,000
70011099	Class I Equip Oper / Maint	1,238,486	1,253,351
70021099	Class II Equip Oper / Maint	1,135,494	1,170,612
70031099	Class III Equip Oper / Maint	385,078	402,996
70041099	Class IV Equip Oper / Maint	1,152,674	1,149,717
70061003	Vehicle & Equipment Admin&Mgmt	1,531,280	1,641,933
95061012	Rental Expense San Pedro,MH	48,161	49,332
95061035	Rent Exp Coyote	177,233	186,367
SS.5 Total		**53,395,638**	**60,723,947**

SS Support Services

SS.6 General Management & Administration

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
00041039	Integrated Regional Water Mgmt	126,095	121,355
00061050	Office of Integrated Water Management	3,842,003	4,037,072
00061051	Lands Management Program	1,171,728	1,231,675
00074033	CIP Development & Admin	1,538,941	1,631,157
00074036	Survey Mgmt & Tech Support	519,857	756,513
00074038	Watershed Capital Program Servcs Admin	5,438,236	5,426,809
00074041	Construction Contracts and Support	3,086,192	3,315,160
00074047	Computer-Aided Design for Engineering	1,792,852	2,198,464
26041049	D5 SCW Watershed Plans	109,000	55,205
26061012	Safe Clean Water Implementatn	1,122,772	1,171,015
60131004	AS Administration	2,511,145	2,597,851
60221003	FPMD Administration	623,385	678,681
62041027	Integrated Wtr Resrce Mstr Pln	1,594,125	1,682,244
62061001	Watersheds Administration	11,608,019	12,536,367
73271010	IT Projects & Bus Operations	1,389,225	1,447,665
95061038	WUE Administration	11,646,046	12,411,999
95074005	WU Capital Prog Admin Support	8,193,553	8,159,614
95741001	Water Supply Planning	3,218,290	3,300,410
95761003	SCADA Network Administration	958,792	863,636
SS.6 Total		**60,490,257**	**63,622,892**

SS Support Services

SS.7 Salary Savings

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
26061004	Districtwide Salary Savings-26	(137,999)	(146,619)
26064023	Districtwide Salary Savings	(201,368)	(200,396)
60061023	Districtwide Salary Savings-11	(791,104)	(827,577)
60064023	Districtwide Salary Savings	(4,267)	(4,518)
62061002	Districtwide Salary Savings-12	(626,945)	(669,764)
62064023	Districtwide Salary Savings	(103,186)	(136,274)
65061004	Districtwide Salary Savings-72	(39,606)	(41,684)
70061004	Districtwide Salary Savings-71	(29,567)	(31,011)
73061004	Salary Savings-Fund 73	(165,764)	(172,901)
73064004	Salary Savings-Fund 73	(680)	(783)
91061007	Districtwide Salary Savings-61	(1,110,050)	(1,169,921)
95064011	Districtwide Salary Savings-61	(580,627)	(563,156)
SS.7 Total		**(3,791,164)**	**(3,964,604)**

SS Total	**224,642,450**	**235,385,283**

DS Debt Services

DS.1 Debt Service

Job Number	Project Name	Adopted Budget 2024-25	Proposed Plan 2025-26
10993008	2017A COP Refunding LP WS	2,289,952	2,292,024
20993008	2017A COP Refunding WV WS	686,927	687,549
26993001	Commercial Paper Tax Exmpt SCW	4,744,900	6,807,900
26993002	SCW Rev Bond 2022A (Tax-Exempt)	5,182,375	5,182,750
26993003	W COP 2022B (Tax-Exempt	45,000	45,000
26993004	SCW WIFIA Loan 1 (ID 21116CA)	65,000	45,000
26993005	W Rev Bond 2023A (Tax-Exempt)	110,000	45,000
26993006	W Rev Bond 2024A (Tax-Exempt)	-	445,000
26993007	SCW WIFIA Loan 2	120,000	145,000
26993008	SCW WIFIA Loan 3	-	145,000
30993008	2017A COP Refunding Guad WS	763,510	764,201
40993008	2017A COP Refunding Coyote WS	2,061,363	2,063,228
95993007	Commercial Paper Tax Exempt	3,721,550	4,058,550
95993008	Commercial Paper Taxable	3,721,550	4,208,550
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)	4,972,000	4,933,000
95993018	WU COP 2016D (Taxable)	5,808,808	5,845,452
95993019	WU Rev Bond 2017A (Tax Exempt)	4,396,500	4,447,750
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,032,750	1,033,250
95993023	WU Rev Bond 2019B (Taxable)	4,545,348	4,549,160
95993024	WU Rev Bond 2019C (Taxable)	3,058,192	3,000,363
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)	3,665,500	3,616,000
95993028	WU COP 2020D (Taxable)	4,933,840	4,983,250
95993029	WU Rev Bond 2023A (Tax-Exempt)	2,649,500	2,649,500
95993030	WU Rev Bond 2023B (Taxable)	4,571,754	4,575,304
95993031	WU Rev Bond 2024A-1 (Tax-Exempt)	3,730,250	3,355,250
95993032	WU Rev Bond 2024B-1 (Taxable)	5,220,908	5,220,908
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	45,000	45,000
95993034	WU COP 2023C1 (TE Note)	45,000	45,000
95993035	WU COP 2023D (TX Note)	45,000	45,000
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	45,000	45,000
95993037	WU COP 2024C (Tax-Exempt)	8,316,000	10,323,500
95993038	WU COP 2024D (Taxable)	6,792,506	8,785,791
95993039	WU Rev Bond 2025A (Tax-Exempt)	-	9,503,567
95993040	WU Rev Bond 2025B (Taxable)	-	4,568,267
95993041	WU WIFIA Project 1 Anderson #2	-	120,000
95993042	WU COP 2023C2 (Tax-Exempt)	3,693,000	3,657,500
95993043	WU Rev Bond 2024A-2 (TE NOTE)	45,000	45,000
95993044	WU Rev Bond 2024B-2 (TX NOTE)	45,000	45,000
95993045	CWIFP Anderson#1	270,000	45,000
95993046	CWIFP Dam Safety#1	270,000	45,000
DS.1 Total		**103,673,639**	**124,427,220**

DS Total	**103,673,639**	**124,427,220**

This page left intentionally blank.

Ends Policies Objectives

Ends Policies and 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.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.1.001 Aggressively protect groundwater from the threat of contamination and maintain and develop groundwater to optimize reliability and to minimize land subsidence and salt water intrusion.	-	-
	2.1.002 Protect, maintain, and develop local surface water.	-	-
	2.1.003 Protect, maintain, and develop imported water.	-	-
	2.1.004 Protect, maintain, and develop recycled water.	-	-
	2.1.005 Maximize water use efficiency, water conservation, and demand management opportunities.	-	-
	2.1.006 Prepare for and respond effectively to water utility emergencies.	-	-
	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.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.2.001 Manage groundwater to ensure sustainable supplies and avoid land subsidence.	6,761,037	7,227,490
	2.2.002 Aggressively protect groundwater from the threat of contamination.	6,071,501	13,888,624
	2.2.003 Protect imported water supplies and associated contracts and partnerships.	104,726,633	110,398,311
	2.2.004 Protect and manage local surface water supplies and associated water rights.	10,476,990	11,325,049
	2.2.005 Deliver reliable, high quality drinking water from water treatment plants.	41,194,387	43,349,224
	E2.2 Subtotal	**169,230,548**	**186,188,697**

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.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.3.001 Plan for infrastructure maintenance and replacement to reduce risk of failure.	293,816,842	388,627,612
	2.3.002 Prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure.	11,707	12,582
	2.3.003 Prepare for and respond effectively to water utility emergencies.	11,497,025	17,547,283
	E2.3 Subtotal	**305,325,574**	**406,187,477**

Ends Policies and Objectives

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.4.001	Maximize utilization of all demand management tools.	-	-
	2.4.002	Incentivize water use efficiency and water conservation.	17,860,692	12,714,031
	2.4.003	Promote, protect and expand potable and non-potable water reuse.	19,566,885	32,163,381
	2.4.004	Promote stormwater capture and reuse.	88,758	90,978
	E2.4 Subtotal		**37,516,335**	**44,968,390**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.5.001	Plan for future water supply needs.	-	-
	2.5.002	Promote efficient and reliable operation of water supply systems.	2,332,043	2,413,406
	2.5.003	Promote water supply projects with multiple benefits, including environmental stewardship and flood protection.	2,384,880	2,495,530
	2.5.004	Invest in and rely on science to support planning and decision-making.	3,991,418	3,566,420
	2.5.005	Build and maintain effective partnerships to achieve water supply goals.	-	-
	E2.5 Subtotal		**8,708,341**	**8,475,355**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	2.6.001	Promote equal access to clean, safe, and affordable water supply across all communities served.	1,175,564	1,225,309
	2.6.002	Maintain affordable water rates through cost-effective water supply investments and management.	-	-
	2.6.003	Continue customer assistance and incentive programs.	-	-
	E2.6 Subtotal		**1,175,564**	**1,225,309**

E2 Budget Total		**521,956,362**	**647,045,229**

Ends Policies and Objectives

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	3.1.001	Prioritize maintenance of existing facilities over construction of new capital projects.	4,306,373	7,570,387
	3.1.002	Inspect and maintain facilities on a regular basis.	60,197,429	60,683,953
	3.1.003	Perform maintenance using maintenance guidelines updated on a regular basis.	1,356,616	1,289,643
	E3.1 Subtotal		**65,860,418**	**69,543,983**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	3.2.001	Develop, maintain, and communicate emergency action plans.	1,452,272	4,057,547
	3.2.002	Develop, maintain, and communicate flood information to the community.	2,908,872	2,911,278
	3.2.003	Provide expertise in flood forecasting and flood warning systems to municipalities.	766,984	774,921
	3.2.004	Provide expertise to encourage public agencies to reduce flood risk and protect floodplain benefits.	2,745,435	2,763,751
	E3.2 Subtotal		**7,873,563**	**10,507,497**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	3.3.001	Provide equitable, timely, and achievable flood protection for health and safety.	67,998,570	16,715,591
	3.3.002	Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.	41,180,017	126,463,663
	E3.3 Subtotal		**109,178,587**	**143,179,254**

E3 Budget Total		**182,912,568**	**223,230,734**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	4.1.001	Develop and share data to support resilient ecosystems and healthy populations of native species.	3,896,498	3,154,876
	4.1.002	Monitor stream, reservoir, and Bay ecosystem health.	1,808,886	1,486,199
	4.1.003	Use data to prioritize and equitably implement actions to reduce pollution, restore endangered species habitat, and enhance ecosystem function.	1,385,795	1,520,778
	E4.1 Subtotal		**7,091,179**	**6,161,854**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	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.	4,563,138	3,977,599
	4.2.002	Operate Valley Water facilities to balance water supply, flood protection, and ecosystem sustainability.	13,803,686	12,915,802
	E4.2 Subtotal		**18,366,824**	**16,893,401**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	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		**-**	**-**

*Note: The imported water projects are listed under Goal E2.2; therefore, $0 is reflected under Goal E4.3.

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	4.4.001	Encourage stormwater capture, treatment, and reuse.	2,788,772	2,912,708
	4.4.002	Prepare and respond to spills and dumping that threaten local waterways.	1,687,639	2,013,286
	E4.4 Subtotal		**4,476,412**	**4,925,994**

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.		**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	4.5.001	Provide appropriate and equal public access to Valley Water's streamside and watershed lands.	7,128,348	7,558,160
	4.5.002	Engage and educate the community in stream and watershed protection.	1,628,914	1,724,716
	4.5.003	Build partnerships to protect and enhance watersheds and aquatic ecosystems.	3,620,558	3,595,760
	E4.5 Subtotal		**12,377,820**	**12,878,636**
	E4 Budget Total		**42,312,234**	**40,859,884**

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.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
5.1.001	Expand the use of clean technology in vehicles, equipment, and buildings, and develop carbon-efficient construction and service delivery practices.	529,695	543,506
5.1.002	Optimize energy use and expand renewable energy portfolio.	369,527	389,382
5.1.003	Incentivize low carbon practices, projects, and efforts by employees, contractors, and partners.	-	-
E5.1 Subtotal		**899,222**	**932,888**

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.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
5.2.001	Improve the resiliency of Santa Clara County's water supply to drought and other climate change impacts	2,035,899	869,063
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		**2,035,899**	**869,063**

E5 Budget Total	**2,935,121**	**1,801,951**

E6	Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.		
	E6.1 Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	**Adopted Budget FY 2024-25**	**Proposed Plan FY 2025-26**
	6.1.001 Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people.	11,523,509	8,616,028
	6.1.002 Increase the level of service for encampment cleanup efforts based on need and resource availability.	2,797,220	2,906,822
	6.1.003 Identify Valley Water lands for regional partners to use for housing or other services for unsheltered people.	-	-
	E6.1 Subtotal	**14,320,728**	**11,522,850**
	E6 Budget Total	**14,320,728**	**11,522,850**

This page left intentionally blank.

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			
	2022-23 Outcome Actual	**2023-24 Outcome Estimated**	**2024-25 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. 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 was met. FY22-23 demand was down 12% compared to 2019. On June 13, 2023, the Board adopted a resolution to support water conservation as a way of life and an ordinance with a set of permanent water waste prohibitions for Santa Clara County.	100% of annual water demand is met without calling for more than 20% water use reduction.
Total acre-feet of groundwater storage			
	Total groundwater storage of more than 374,000 acre-feet.	Total groundwater storage is 382,000 acre-feet (as of December 2023).	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 with 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			
	83% of water supply wells tested met all primary drinking water standards (based on calendar year 2022 data)	83% of water supply wells tested meet all primary drinking water standards (based on calendar year 2022 data - calendar year 2023 data not yet available). Short of target outcome due to elevated nitrate, primarily in South County domestic wells, likely a result of historic and current sources such as fertilizer and septic systems. VW continues to implement Salt and Nutrient Management Plans and engage with regulatory and land use agencies as needed.	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 meets or exceeds primary drinking water standards.

Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2022-23 Outcome Actual	2023-24 Outcome Estimated	2024-25 Outcome Target
Percentage of total annual maintenance work plans completed for water transmission and distribution facilities on schedule			
	Completed 76% of planned work at the water treatment facilities. Staff projects 80% of annual maintenance work plans for transmission and distribution facilities.	Staff projects to complete 70% of planned work at the water treatment facilities by end of FY 23-24. Also, staff projects to complete 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			
	Approximately 16,000 acre-feet of recycled water in FY23.	On target to achieve approximately 16,000 acre-feet of recycled water by end of FY24. Ability to achieve target outcome of 24,000 acre-feet by 2028 is contingent on implementing a potable reuse project.	24,000 acre-feet by 2028.

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2022-23 Outcome Actual	**2023-24 Outcome Estimated**	**2024-25 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.			
	Annual budget for WARP and SCW F8 projects amounted to 13.9% of annual Watersheds O&M budget.	Annual budget for WARP and SCW F8 projects amounted to 15.7% 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.			
	100% of levees were 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. In the second half of FY23, continued higher flows in some streams due to winter storms reduced the ability to conduct some creek and levee inspections.	On track for 100% of levees and 50% of other flood protection facilities to be inspected and maintained in FY24. 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 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 FY23 Q4. As of 06/30/23, the point sum remains as follows: 17,113 w/o Valley Water's points; 18,959 w/Valley Water points.	NFIP CRS total point sum (countywide) is being maintained in FY24 Q2. As of 1/24/24, the point sum remains as follows: 17,113 w/o Valley Water's points; 18,959 w/Valley Water points.	The point sum of all participating CRS Communties in Santa Clara County is 13,000 or higher.
Percent of flood protection projects that incorporate natural flood protection features			
	89% of Capital flood protection projects in the CIP incorporate NFP features.	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			
	2022-23 Outcome Actual	**2023-24 Outcome Estimated**	**2024-25 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 data on ecosystem health are available to the public on EcoAtlas, and the related watershed reports are on the Valley Water webpage.	100% of VW's data on ecosystem health are available to the public on EcoAtlas, and the related watershed reports are on the Valley Water webpage.	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 &			
	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.			
	100% of new Joint Use Agreements (2 in FY23) comply with the Trails Policy Criteria and Guidance.	100% of new Joint Use Agreements (2 in FY24) comply with the Trails Policy Criteria and Guidance.	100% of new Joint Use Agreements comply with the Trails Policy Criteria and Guidance.

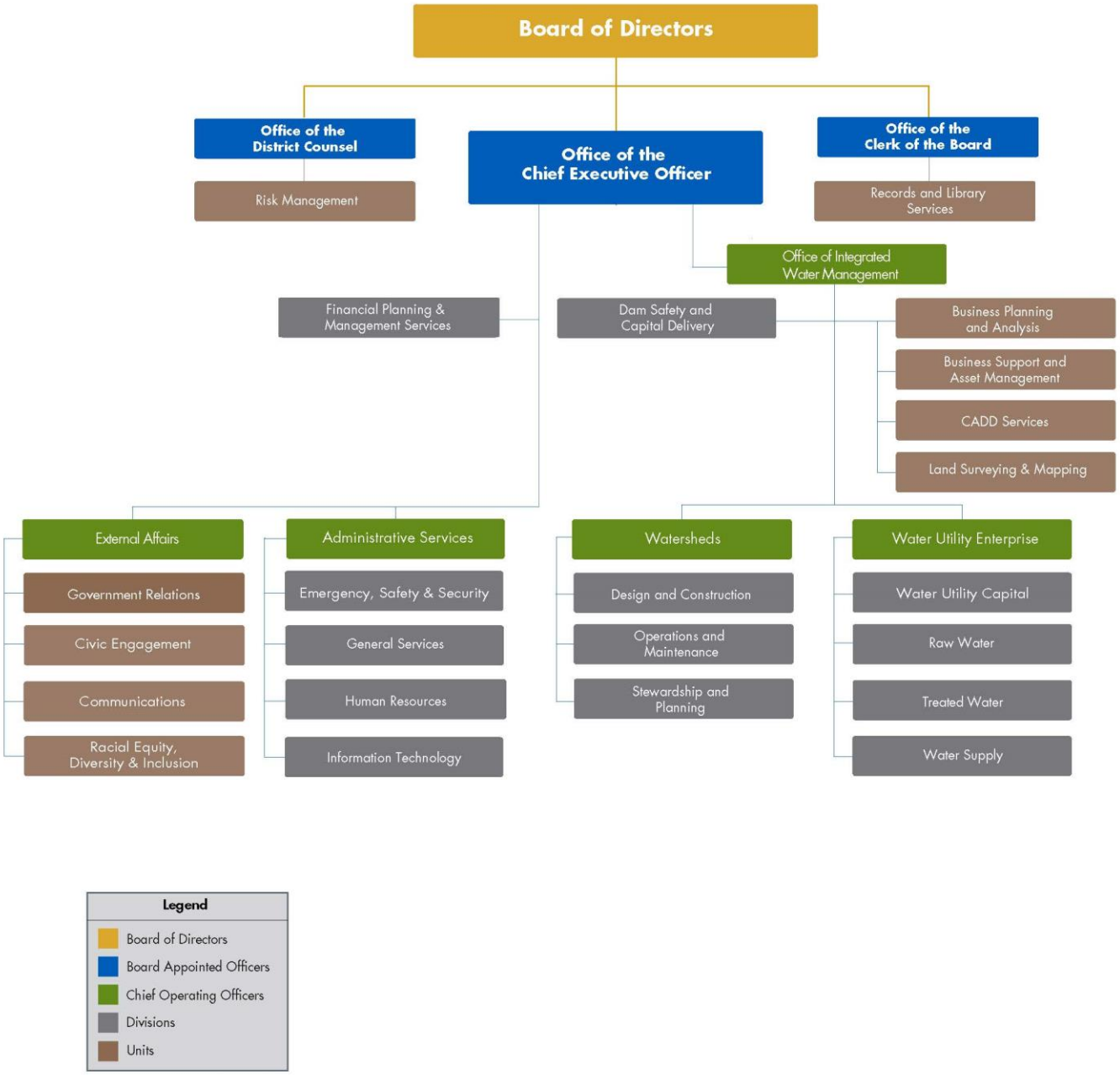
Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2022-23 Outcome Actual	2023-24 Outcome Estimated	2024-25 Outcome Target
E-5 Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood			
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.	Valley Water is certified as a California Green Business.
Percent of Valley Water's operating facilities are equipped with Electric Vehicle (EV) charging infrastructure.			
	39% 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.	100% 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 55% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 55% Hybrid and 5% EVs.	100% of Valley Water's passenger vehicles are EVs.

Division Summaries

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

DIVISION SUMMARIES

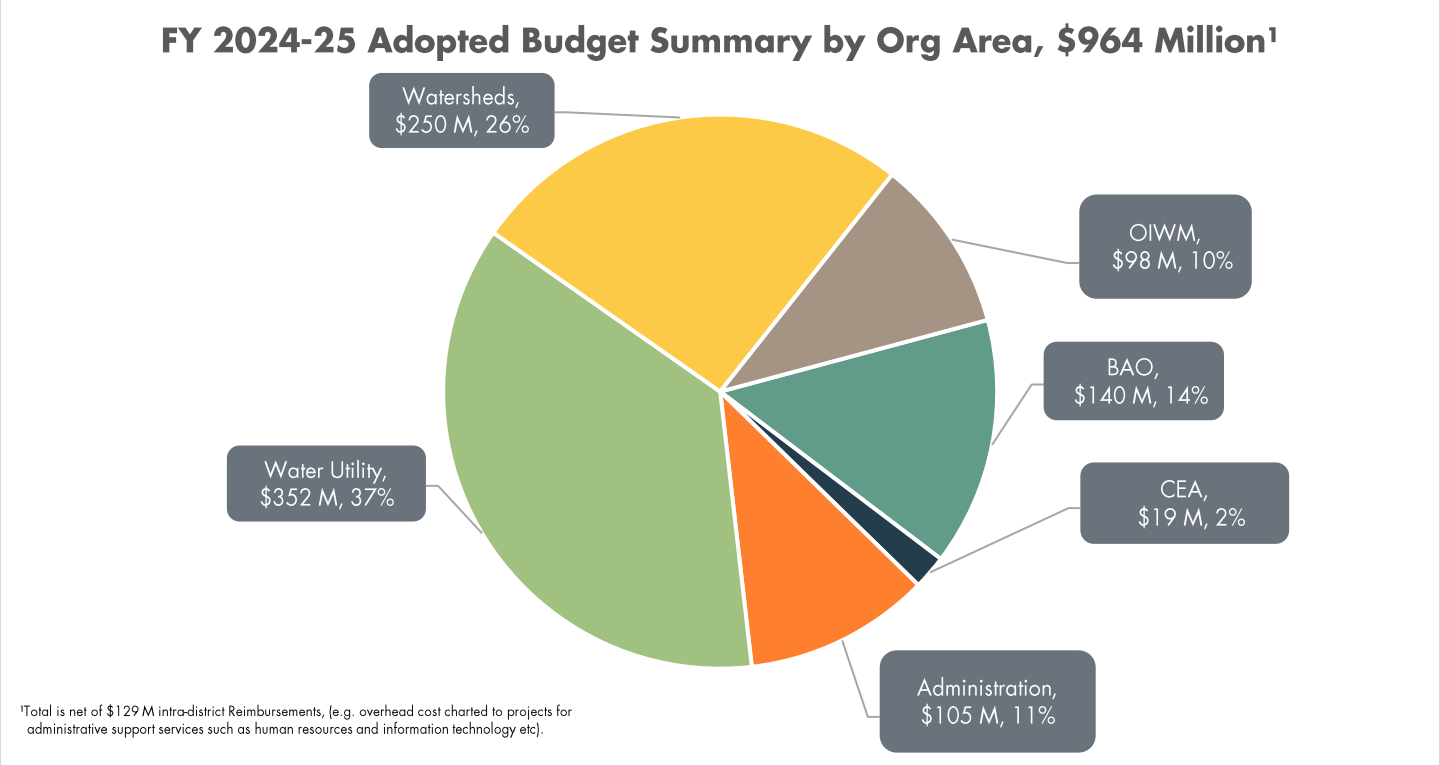

Board of Directors
Office of the District Counsel
Risk Management
Office of the Chief Executive Officer
Office of the Clerk of the Board
Records and Library Services
Office of Integrated Water Management
Financial Planning & Management Services
Dam Safety and Capital Delivery
Business Planning and Analysis
Business Support and Asset Management
CADD Services
Land Surveying & Mapping
External Affairs
Government Relations
Civic Engagement
Communications
Racial Equity, Diversity & Inclusion
Administrative Services
Emergency, Safety & Security
General Services
Human Resources
Information Technology
Watersheds
Design and Construction
Operations and Maintenance
Stewardship and Planning
Water Utility Enterprise
Water Utility Capital
Raw Water
Treated Water
Water Supply
Legend
Board of Directors
Board Appointed Officers
Chief Operating Officers
Divisions
Units

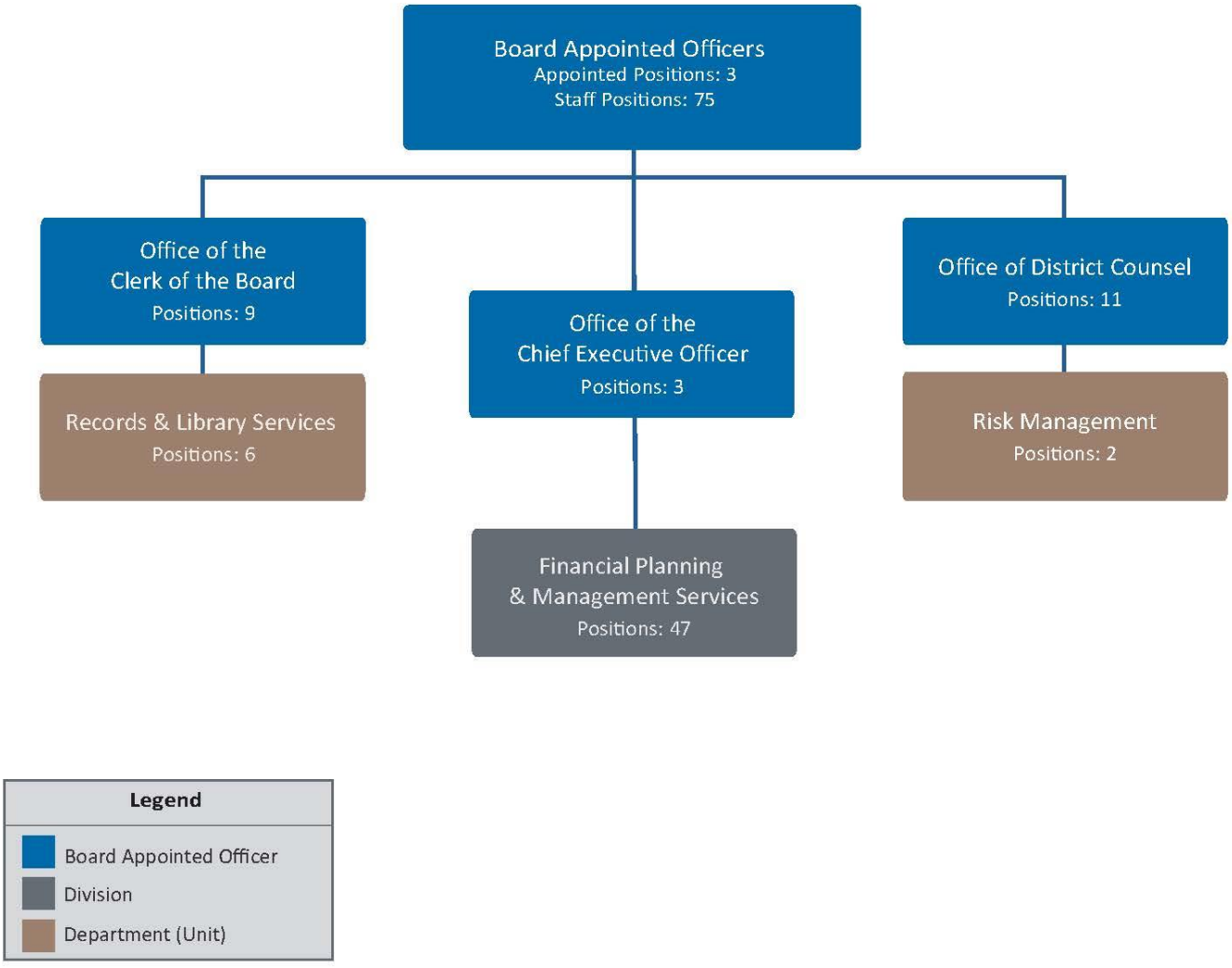
Description

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 2024-25 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
Appointed Positions: 3
Staff Positions: 75
Office of the Clerk of the Board
Positions: 9
Records & Library Services
Positions: 6
Office of the Chief Executive Officer
Positions: 3
Financial Planning & Management Services
Positions: 47
Office of District Counsel
Positions: 11
Risk Management
Positions: 2
Legend
Board Appointed Officer
Division
Department (Unit)

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; delivers high quality, trustworthy, and responsive legal counsel to Valley Water in a manner that 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 2024 Accomplishments

- Successfully held Management Leadership Team meetings for management team building and development and communication, discussion, and presentations of real-time issues affecting the district.
- Consistently held Leadership Team meetings to engage in dialogue on processes, issues, and activities impacting Valley Water and to inform the Leadership Team of upcoming issues and challenges.
- Fostered cooperative and collaborative working relationships with other agencies.
- Facilitated monthly all-employee Town Hall Meetings to maintain organization-wide communications and transparency regarding agency activities and key Board decisions.
- Ensured organizational fiscal accountability and transparency through an open and transparent budget process.
- Reviewed expenses to ensure they are within budget allocation and provided oversight and strategic direction during the budget development process.
- Continued to lead agency-wide Diversity, Equity and Inclusion (DEI) initiatives.
- Organized a Board Strategic Planning Retreat to identify strategic priorities and develop the Board's Work Plan for the next fiscal year.

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.

FY 2026 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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	1,598,392	1,579,221	1,796,134	1,924,201
Total *	**1,598,392**	**1,579,221**	**1,796,134**	**1,924,201**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the CEO	1,598,392	1,579,221	1,796,134	1,924,201
Total *	**1,598,392**	**1,579,221**	**1,796,134**	**1,924,201**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of the CEO - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions

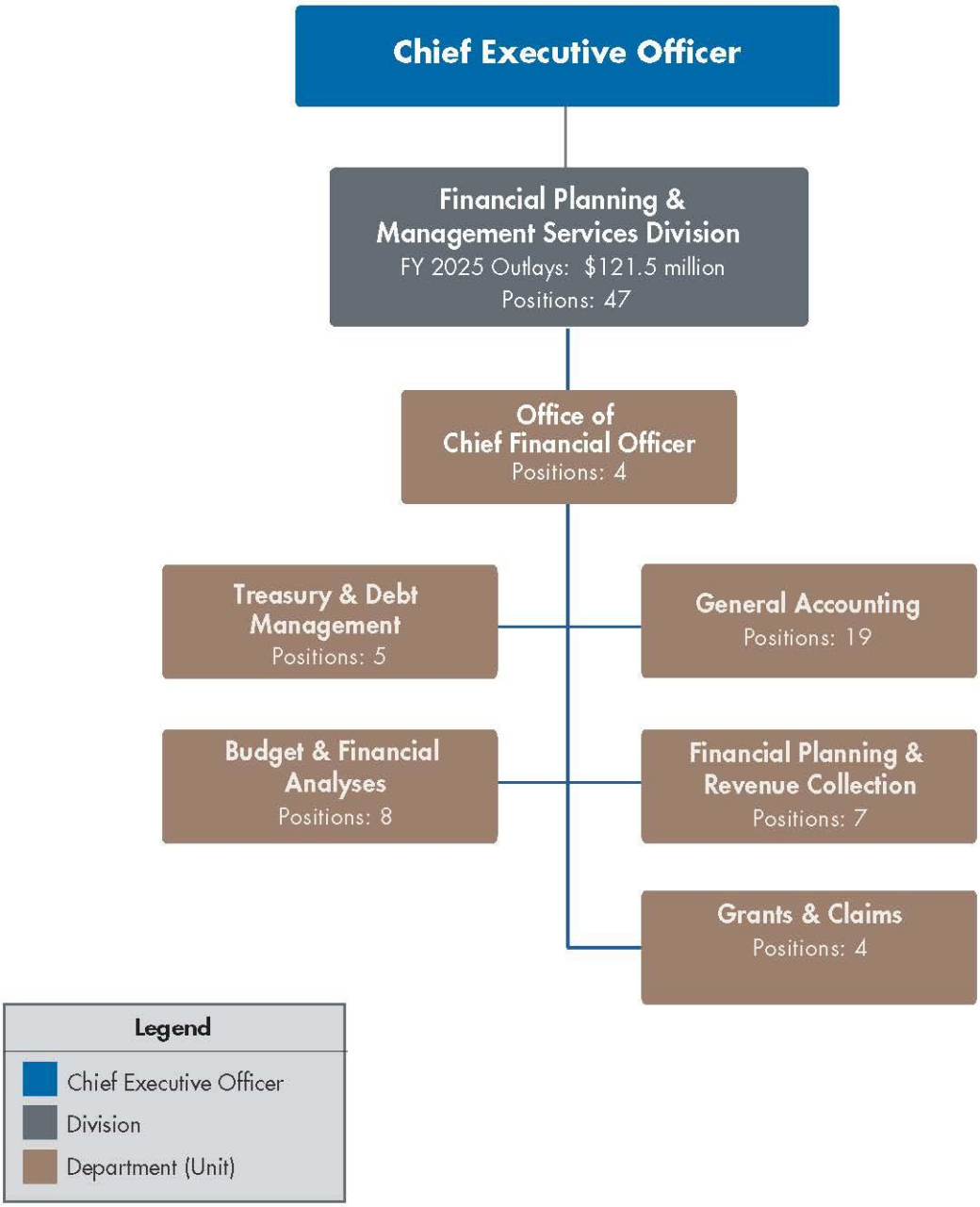
***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of Chief Executive Officer					
	Salaries & Benefits	1,292,947	1,177,292	1,343,206	1,448,818
	Services & Supplies	128,150	191,800	211,800	211,800
	Intra District Charges	177,296	210,129	241,127	263,582
Office of Chief Executive Officer Total		1,598,392	1,579,221	1,796,134	1,924,201
Operations Total *		**1,598,392**	**1,579,221**	**1,796,134**	**1,924,201**
Division Total *		**1,598,392**	**1,579,221**	**1,796,134**	**1,924,201**

*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 units 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

The Continual Improvement Unit supports the CEO's ability to lead the organization and ensure 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 through Semi-Annual Performance Reports.

Treasury and Debt Management

Treasury and Debt Management manages the District-wide treasury and debt management programs. The key roles performed by the unit include the following: (1) Ensure sufficient liquidity is maintained to meet all of Valley Water's financial obligations, as well as ensuring a reasonable portfolio yield is attained while maintaining the safety of the investment portfolio; (2) Manage the District-wide debt service budget, which includes principal and interest payments for the Watersheds, Water Utility, and Safe, Clean Water funds, as well as the related financial, legal, and banking services associated with the debt program; (3) Prepare all legally required reports to meet debt covenants as well as state and federal requirements to ensure compliance with securities laws; (4) Work with external municipal advisor and bond/disclosure counsel to lead debt issuance activities to provide the necessary funding to pay for capital projects; (5) Provide professional financial advisory to support the financing requirements for the Capital Improvement Program, including but not limited to, the Board's priorities for the Delta Conveyance, Pacheco Reservoir Expansion Project, Anderson Dam, Los Vaqueros Reservoir, Sites Reservoir, Recycled and Purified Water, among others; and (6) Manage the Water Infrastructure Finance and Innovation Act (WIFIA) Program for the Water Utility and Safe Clean Water capital programs.

Budget and Financial Analyses

Budget and Financial Analyses Unit provides timely and accurate financial information and analyses throughout the year. The unit oversees the cost of the resources needed for managing, planning and implementing District-wide processes that culminate with the production of the annual operating and capital budget document; provides District wide financial analysis, high level monitoring of financial results, and ensures that financial information provided to Board, the public, and staff is accurate, reliable and in accordance with District policy.

General Accounting

General Accounting unit includes the areas of General Ledger, Accounts Payable, Payroll, and Financial Systems. The General Ledger area focuses on accounting and financial reporting functions to provide relevant, accurate and timely financial reporting of Valley Water's financial condition in compliance with laws, regulations, Valley Water policies and professional standards. Accounts Payable is charged with processing payment disbursements to Valley Water's contractors, consultants, and vendors, administering petty cash, and maintaining payment documents, in compliance with Valley Water procedures. 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 systems, including the implementation of system upgrades, MOU changes, and salary and benefit changes.

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, treated, recycled, and surface 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.

Grants and Claims

The Grants and Claims Unit manages Valley Water's inbound grants program to seek local, state and federal grant funding for eligible operating and capital projects. The unit is responsible for researching grant opportunities, working with applicable divisions to develop and submit competitive proposals, and once an award is received, implementing grant compliance and preparing reimbursement claims.

FY 2024 Accomplishments

- Earned $14.5 million in interest income and managed the $650 million investment portfolio.
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on the Electronic Municipal Market Access web portal 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, Expedited and Purified Water program, Pacheco Reservoir, Anderson Dam, Sites Reservoir, and Los Vaqueros Reservoir.
- Negotiated and executed $146M SCW WIFIA Master Agreement and $2.5 billion Water Utility WIFIA Master Agreement.
- Managed $1 billion+ debt portfolio for Water Utility, Safe Clean Water and Watersheds funds.
- Obtained Board approval to issue up to $450 million in debt to fund the Water Utility capital projects on January 23, 2024.
- Submitted $2 billion preliminary applications for the Corps Water Infrastructure Financing Program (CWIFP) loan for the Anderson Dam Seismic Retrofit and Dam Safety Projects.
- Updated and maintained Balancing Act online budget simulation to engage community.
- Produced and distributed the Adopted Rolling Biennial Budget Summary Document prior to June 30, 2024.
- Provided Quarterly Financial Results updates to the Board Audit Committee and the Board.
- Maintained the Balancing Act budget simulation tool that allows residents to adjust budgets, and provide comments, for Valley Water projects and align resources with their preferred projects.
- Finalized the FY2023 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2023.
- Completed the submission of the FY2023 State Controller's Report by January 2024.
- Completed FY2023 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2024.
- Processed month-end close by the 10th of the following month.
- Prepared Board expense reimbursement reports on a quarterly basis.
- Met State and Federal tax reporting requirements for calendar year 2023 by distributing 1099's by January 2024.
- Processed the bi-weekly payroll and generated payroll checks by Thursday of each pay week.
- Completed calendar year 2023 W-2 Tax Reporting by January 31, 2024.
- Issued employee W-2's for calendar year 2023 by January 31, 2024.
- Submitted compensation report for calendar year 2023 to the State Controller's Office by April 2024.
- Filed PAWS report with Clerk of Board on time.
- Prepared annual groundwater production charge analysis, ensuring water charges were adopted for next fiscal year on time.
- Effectively executed the Safe, Clean Water Senior Exemption Program. Enrolled nearly 500 additional seniors while maintaining

number of active seniors in the program (4,900).
- Implemented eBill solution for online payments.
- Submitted a $50 million HMGP grant for the Coyote Creek Flood Protection Project and an additional $23 million HMGP Grant for the Sunnyvale East Flood Protection Project.
- Submitted a $50 million BRIC grant and FMA grant for the Coyote Creek Flood Protection Project.
- Submitted a $2 million EPA grant for Workforce Development.
- Submitted a $3 million EPA grant for the Good Neighbors Cleanup Program.
- Submitted a $2 million USBR grant for the Upper Penitencia Creek Flood Protection Project.
- Implemented $80 million NRCS grant for Upper Llagas Phase 2B project.
- Received two grant awards from USBR for $700K to fund feasibility studies for Purified Water and South County Water Reuse project.
- Received $5 million grant award for Pond A4 Project from State Coastal Conservancy.

FY 2025 Milestones

- Implement the WIFIA loan administration program for the Safe, Clean Water program, Anderson, and Pacheco Reservoir Expansion projects.
- 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 the District's capital improvement plan.
- Issue up to $450 million in debt to fund the Water Utility capital projects.
- Negotiate and execute up to $200 million in Letter of Credit to support the Commercial Paper Program.
- Negotiate and execute $2 billion CWIFP loan for the Anderson Dam Seismic Retrofit and Dam Safety Projects.
- 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.
- 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 FY2024 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2024.
- Complete the submission of the FY2024 State Controller's Report by January 2025.
- Complete the FY2024 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2025.

- Process the month-end close by the 10th of the following month.
- Prepare Board expense reimbursement reports on a quarterly basis.
- Meet State and Federal tax reporting requirements for calendar year 2024 by distributing 1099's by January 2025.
- Process the bi-weekly payroll and generate payroll checks by Thursday of each pay week.
- Complete calendar year 2024 W-2 Tax Reporting by January 31, 2025.
- Issue employee W-2's for calendar year 2024 by January 31, 2025.
- Submit compensation report for calendar year 2024 to the State Controller's Office by April 2025.
- File PAWS report with Clerk of Board on time.
- Prepare annual groundwater production charge analysis, ensuring water charges are adopted for next fiscal year on time.
- Complete the water production audit for all water producing facilities located within District Charge Zones and ensure correct revenue is collected for all water produced.
- Continue enhancements to revenue collection software for groundwater, recycled water, and surface water accounts.
- Levy property taxes with County Assessor's Office, ensuring correct revenue is collected.
- Provide financial planning and analysis support to the District while continually updating and maintaining financial models.
- Provide excellent customer service to Valley Water customers, internally and externally.
- Submit competitive local, state and federal grant applications.
- Prepare periodic progress reports and reimbursement claims.

FY 2026 Milestones

- Implement the WIFIA and CWIFP loan administration program for the Safe, Clean Water program, Anderson, and Pacheco Reservoir Expansion projects.
- Prudently invest District funds while maintaining safety, liquidity and optimizing interest income.
- Manage the District's debt portfolio as well as implementing financing strategies to fund the District's capital improvement plan.
- 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.
- 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 FY2025 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2025.

- Complete the submission of the FY2025 State Controller's Report by January 2026.
- Complete the FY2025 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2026.
- Process the month-end close by the 10th of the following month.
- Prepare Board expense reimbursement reports on a quarterly basis.
- Meet State and Federal tax reporting requirements for calendar year 2025 by distributing 1099's by January 2026.
- Process the bi-weekly payroll and generate payroll checks by Thursday of each pay week.
- Complete calendar year 2025 W-2 Tax Reporting by January 31, 2026.
- Issue employee W-2's for calendar year 2025 by January 31, 2026.
- Submit compensation report for calendar year 2025 to the State Controller's Office by April 2026.
- File PAWS report with Clerk of Board on time.
- Prepare annual groundwater production charge analysis, ensuring water charges are adopted for next fiscal year on time.
- Complete the water production audit for all water producing facilities located within District Charge Zones and ensure correct revenue is collected for all water produced.
- Continue enhancements to revenue collection software for groundwater, recycled water, and surface water accounts.
- Levy property taxes with County Assessor's Office, ensuring correct revenue is collected.
- Provide financial planning and analysis support to the District while continually updating and maintaining financial models.
- Provide excellent customer service to Valley Water customers, internally and externally.
- Submit competitive local, state and federal grant applications.
- Prepare periodic progress reports and reimbursement claims.

Financial Planning and Management Services Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	15,195,421	16,644,098	17,421,653	18,356,455
Debt services	65,046,267	97,434,264	103,673,639	124,427,220
Capital	175,587	442,501	357,082	314,074
Total *	**80,417,276**	**114,520,863**	**121,452,374**	**143,097,749**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Budget & Financial Analyses	2,489,370	2,700,568	2,767,449	2,899,326
Financial Planning and Revenue Collection	3,122,693	3,177,720	3,358,047	3,506,512
General Accounting	5,052,766	5,487,444	5,748,794	6,071,599
Grants and Claims	–	–	1,866,523	1,957,147
Office of the CFO	1,595,594	2,097,214	2,125,077	2,239,393
Treasury and Debt Management	68,156,853	101,057,917	105,586,484	126,423,772
Total *	**80,417,276**	**114,520,863**	**121,452,374**	**143,097,749**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Financial Planning and Management Services Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**46**	**47**	**47**	**47**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Budget & Financial Analyses					
	Salaries & Benefits	2,066,458	2,107,267	2,178,927	2,288,389
	Services & Supplies	113,332	222,000	210,000	214,000
	Intra District Charges	309,580	371,300	378,523	396,937
Budget & Financial Analyses Total		2,489,370	2,700,568	2,767,449	2,899,326
Financial Planning and Revenue Collection					
	Salaries & Benefits	1,799,074	1,797,805	1,890,179	1,989,784
	Services & Supplies	300,989	276,200	339,900	342,000
	Intra District Charges	1,022,630	1,103,715	1,127,968	1,174,729
Financial Planning and Revenue Collection Total		3,122,693	3,177,720	3,358,047	3,506,512
General Accounting					
	Salaries & Benefits	4,231,866	4,438,616	4,586,825	4,859,987
	Services & Supplies	242,162	358,150	436,950	441,858
	Intra District Charges	578,354	690,678	725,019	769,755
General Accounting Total		5,052,381	5,487,444	5,748,794	6,071,599
Grants and Claims					
	Salaries & Benefits	–	–	1,022,984	1,082,405
	Services & Supplies	–	–	204,000	204,000
	Intra District Charges	–	–	639,538	670,742
Grants and Claims Total		–	–	1,866,523	1,957,147
Office of the CFO					
	Salaries & Benefits	1,126,416	1,107,431	1,208,184	1,290,124
	Services & Supplies	292,663	786,600	694,000	709,500
	Intra District Charges	176,515	203,183	222,893	239,769
Office of the CFO Total		1,595,594	2,097,214	2,125,077	2,239,393
Treasury and Debt Management					
	Salaries & Benefits	1,846,399	1,920,271	1,077,785	1,185,444
	Services & Supplies	458,963	486,200	276,403	276,403
	Intra District Charges	630,022	774,680	201,575	220,630
Treasury and Debt Management Total		2,935,383	3,181,152	1,555,763	1,682,477
Operations Total *		**15,195,421**	**16,644,098**	**17,421,653**	**18,356,455**

Debt Service Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Treasury and Debt Management					–
	Services & Supplies	65,046,267	97,434,264	103,673,639	124,427,220
Treasury and Debt Management Total		65,046,267	97,434,264	103,673,639	124,427,220
Debt Service Total *		**65,046,267**	**97,434,264**	**103,673,639**	**124,427,220**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
General Accounting					
	Salaries & Benefits	385	–	–	–
General Accounting Total		385	–	–	–
Treasury and Debt Management					
	Salaries & Benefits	110,657	209,463	223,523	197,365
	Services & Supplies	–	100,000	–	–
	Intra District Charges	64,546	133,039	133,559	116,709
Treasury and Debt Management Total		175,202	442,501	357,082	314,074
Capital Total *		**175,587**	**442,501**	**357,082**	**314,074**
Division Total *		**80,417,276**	**114,520,863**	**121,452,374**	**143,097,749**

*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 Unit provides: the administration of the Records Management Center and Valley Water Library (including secure storage, retrieval, and proper disposition of Valley Water's records and reference materials), and the provision of Valley Water's responses to legal demands for records. The Records Management Center holds records dating from the late 1800s to the present, in a wide variety of fixed media. Collections include engineering drawings, project files, accounting records, construction photographs, maps, and other records. The Valley Water Library is responsible for providing access to Valley Water generated information assets (such as engineering reports) as well as providing access to externally created information sources (such as books, subscription data sources, and technical journals). This project also provides reference, research, and current news awareness services. This project also provides prompt and legal responses to requests from members of the public for access to or copies of Valley Water records in accordance with the California Public Records Act. This project provides operational transparency to the public and provides access to the public's information assets. This project may also be used to provide responses to subpoenas, grand jury requests and other legal demands for documents from external customers, if needed.

FY 2024 Accomplishments

- Successfully managed over 30 Regular and Special Board Meeting 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 350 Board Correspondences.
- Assigned and tracked approximately 40 Board Member Requests and 60 Individual Board Member Request 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 managed review revisions to the Board Governance Policies.
- Provided secure storage, retrieval, and proper disposition of District's records and reference materials as required.
- Processed approximately 250 requests for records services from District staff.
- Responded to approximately 350 requests for access to or copies of District records from members of the public.
- Processed approximately 4,000 Engineering drawings and about 200 boxes of records.
- Performed lawful dispositions for expired hardcopy materials.
- Completed an Emergency Preparedness and Business Continuity Planning Workshop.
- Continued to convert microfilmed records to digital formats.
- Successfully moved a large, fragile collection of oversize hardcopy documents to secure archival storage.

FY 2025 Milestones

- Successfully manage Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully manage Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully manage meetings for individual Directors.
- Track, monitor and report the registration of external lobbyists in accordance with Ordinance 10-01.
- Assign, track, and monitor Board Correspondences.
- Assign and track Board Member Requests and Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Successfully schedule presentation of Board Advisory Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully track and present Board-approved Board Performance Management process.
- Manage review and revisions of the Board Governance Policies as necessary.
- Manage November 2024 District Elections.
- Provide high quality research, library, and records management customer services. Manage collections effectively and efficiently. Respond to all legal demands for documents within statutory requirements. Upgrade legacy data systems to modern technologies.

FY 2026 Milestones

- Successfully manage Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully manage Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully manage meetings for individual Directors.
- Track, monitor and report the registration of external lobbyists in accordance with Ordinance 10-01.
- Assign track and monitor Board Correspondences.
- Assigned and tracked Board Member Requests and Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Successfully schedule presentation of Board Advisory Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully track and present Board-approved Board Performance Management process.
- Manage review and revisions of the Board Governance Policies as necessary.
- Provide high quality research, library, and records management customer services. Manage collections effectively and efficiently. Respond to all legal demands for documents within statutory requirements.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	5,394,513	4,833,808	6,616,774	5,404,889
Capital	191	–	–	–
Total *	**5,394,705**	**4,833,808**	**6,616,774**	**5,404,889**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Plan Budget
Office of Clerk of the Board	4,135,463	3,517,767	4,996,479	3,703,985
Records and Library Services	1,259,241	1,316,042	1,620,294	1,700,904
Total *	**5,394,705**	**4,833,808**	**6,616,774**	**5,404,889**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of Clerk of the Board - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**15**	**15**	**15**	**15**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the Clerk of the Board					
	Salaries & Benefits	2,067,147	2,378,270	2,319,293	2,500,613
	Services & Supplies	1,743,361	723,120	2,271,160	764,210
	Intra District Charges	324,954	416,376	406,026	439,163
Office of the Clerk of the Board Total		4,135,463	3,517,767	4,996,479	3,703,985
Records and Library Services					
	Salaries & Benefits	1,026,876	1,026,273	1,274,515	1,340,904
	Services & Supplies	80,125	105,700	118,900	120,900
	Intra District Charges	152,050	184,068	226,879	239,100
Records and Library Services Total		1,259,050	1,316,042	1,620,294	1,700,904
Operations Total *		**5,394,513**	**4,833,808**	**6,616,774**	**5,404,889**
Division Total *		**5,394,513**	**4,833,808**	**6,616,774**	**5,404,889**

*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 unit is tasked with the management of Valley Water's risk retention (self-insurance) and risk transfer (insurance) programs to maximize coverage and comply with Board Governance policies cost-effectively.

FY 2024 Accomplishments

- Provided timely, accurate, and strategic legal advice to Valley Water, Valley Water's Board, officers, and employees.
- Provided representation to Valley Water relating to annual groundwater production charges, claims and litigation.
- Provided representation to Valley Water relating to capital improvement program development, and budgeting.
- Provided representation and advice to Valley Water in public works financing.
- Provided environmental legal advice and representation as to the implementation of the FAHCE settlement agreement and related litigation.
- Provided legal advice regarding imported water matters including water transfer agreements and litigation.
- Provided legal advice to Valley Water regarding on-going capital projects, particularly the Board's highest-priority project, the Anderson Dam Seismic Retrofit project.
- Provided legal advice to the Human Resources Division regarding on-going personnel and labor relations matters.
- Administered the Workers Compensation program in a manner that increased employee awareness of potential dangers and sought to reduce employee injuries and accidents until the reorganization of the Workers' Compensation function, which was effective February 15, 2024.
- Managed safety, ergonomics, and industrial hygiene programs in compliance with regulatory requirements and industry best practices until the reorganization of the Workers' Compensation function, which was effective February 15, 2024.
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses.
- Main Point of Contact between Valley Water and vendors related to claim activity.
- Conducted other claim and cost research as necessary.

FY 2025 Milestones

- Provide timely, accurate, and politically neutral legal advice to Valley Water, the Board, officers, and employees, in particular.
- Provide representation to Valley Water relating to annual groundwater production charges, claims, and litigation.
- Provide representation to Valley Water relating to capital improvement program development, and budgeting.
- Provide representation and advice to Valley Water in public works financing.
- Provide environmental legal advice and representation as to the implementation of the FAHCE settlement agreement and related litigation.
- Provide legal advice regarding imported water matters including water transfer agreements and litigation.
- Provide legal advice to Valley Water regarding on-going capital projects, particularly the Board's highest-priority project, the Anderson Dam Seismic Retrofit project.
- Provide legal advice regarding procurement of goods and services.
- Provide legal advice regarding financial transactions and disclosures.

- Provide legal advice to the Human Resources Division regarding on-going personnel and labor relations matters.
- Placement of Excess Workers' Compensation Insurance Policy by February 1, 2025.
- Conduct monthly Open Liability Claims Review.
- Secure Non-Owned Aircraft Policy by February 1, 2025.
- Secure Crime Policy by April 1, 2025.
- Secure Excess Liability Policies by May 1, 2025.
- 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.
- Main Point of Contact between Valley Water and 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 2026 Milestones

- Provide timely, accurate, and politically neutral legal advice to Valley Water, the Board, officers, and employees, in particular.
- Provide representation to Valley Water relating to annual groundwater production charges, claims, and litigation.
- Provide representation to Valley Water relating to capital improvement program development, and budgeting.
- Provide representation and advice to Valley Water in public works financing.
- Provide environmental legal advice and representation as to the implementation of the FAHCE settlement agreement.
- Provide legal advice regarding imported water matters including water transfer agreements and litigation.
- Provide legal advice to Valley Water regarding on-going capital projects, particularly the Board's highest-priority project, the Anderson Dam Seismic Retrofit project.
- Provide legal advice regarding procurement of goods and services.
- Provide legal advice regarding financial transactions and disclosures.
- Provide legal advice to the Human Resources Division regarding on-going personnel and labor relations matters.
- Placement of Excess Workers Compensation Insurance Policy by February 1, 2025.
- Conduct monthly Open Liability Claims Review.
- Secure Non-Owned Aircraft Policy by February 1, 2026.
- Secure Excess Liability Policies by May 1, 2026.
- Secure Drone Policy by May 22, 2026.
- Secure Cyber Liability Policy by June 1, 2026.
- Secure Property Insurance Policy by June 30, 2026.
- Review all policies for coverage and accuracy by June 30, 2026.
- Main Point of Contact between Valley Water and 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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	10,608,863	15,282,774	14,032,790	14,637,743
Debt services	2,392	–	–	–
Operating Project	124	50,000	–	–
Capital	807,615	1,336,000	1,176,000	1,136,000
Total *	**11,418,994**	**16,668,774**	**15,208,790**	**15,773,743**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Plan Budget
Office of District Counsel	7,137,065	8,885,440	8,723,959	8,770,117
Risk Management Program	4,281,929	7,783,335	6,484,831	7,003,626
Total *	**11,418,994**	**16,668,774**	**15,208,790**	**15,773,743**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of District Council - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**14**	**14**	**13**	**13**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the District Counsel					
	Salaries & Benefits	4,067,861	4,071,588	4,376,213	4,726,252
	Services & Supplies	1,622,992	2,707,500	2,358,300	2,021,050
	Intra District Charges	636,206	770,352	813,445	886,815
Office of the District Counsel Total		6,327,059	7,549,440	7,547,959	7,634,117
Risk Management Program					
	Salaries & Benefits	812,882	815,828	603,372	630,947
	Services & Supplies	3,045,050	6,502,613	5,556,286	6,034,577
	Intra District Charges	423,996	464,893	325,173	338,102
Risk Management Program Total		4,281,929	7,783,335	6,484,831	7,003,626
Operations Total *		**10,608,987**	**15,332,774**	**14,032,790**	**14,637,743**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the District Counsel					
	Services & Supplies	807,615	1,336,000	1,176,000	1,136,000
Office of the District Counsel Total		807,615	1,336,000	1,176,000	1,136,000
Capital Total *		**807,615**	**1,336,000**	**1,176,000**	**1,136,000**
Division Total *		**11,416,602**	**16,668,774**	**15,208,790**	**15,773,743**

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

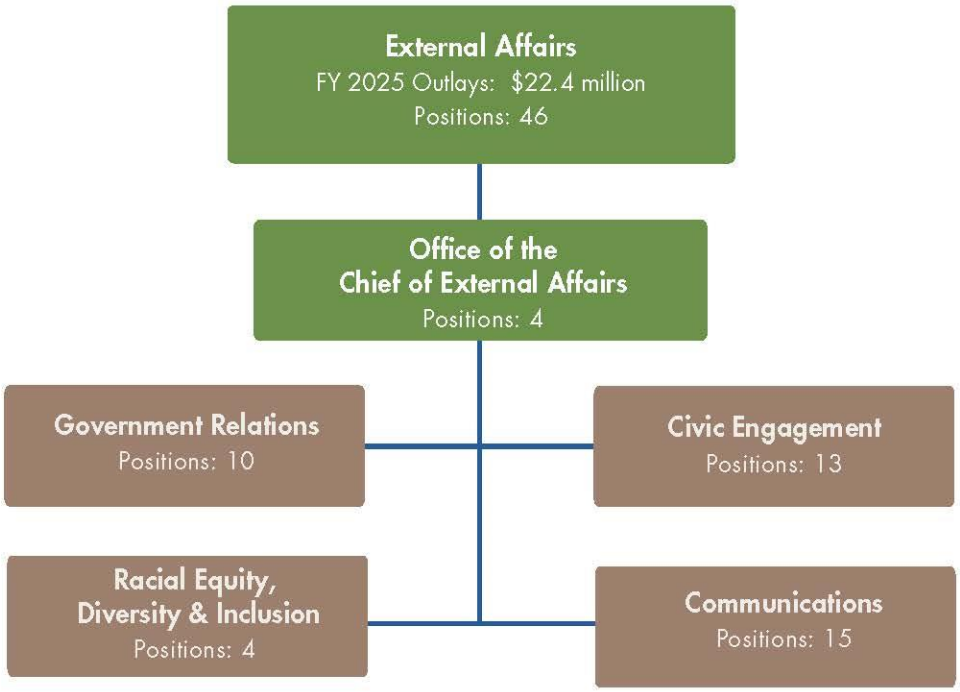
Debt Budget by Department and Account Category

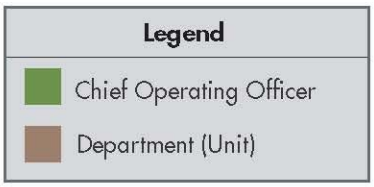
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the District Counsel					–
	Services & Supplies	2,392	–	–	–
Office of the District Counsel Total		2,392	–	–	–
					–
Debt Service Total *		**2,392**	**–**	**–**	**–**
Division Total *		**11,418,994**	**16,668,774**	**15,208,790**	**15,773,743**

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 2024 Accomplishments

- Advocated with Congress to advance legislation that would address a significant funding challenge for the South San Francisco Bay Shoreline Phase I Project.
- Advocated for and secured $1.135M in federal funding to complete the Upper Guadalupe River Project General Reevaluation Report.
- Coordinated successful advocacy trips to Washington, D.C. with Members of Congress, staff, and key agency officials to advocate for Valley Water projects and priorities.
- Coordinated a successful advocacy trip to Sacramento, that included more than 20 meetings with Members of the Legislature, staff, and key agency officials to advocate for Valley Water projects and priorities.
- Educated, engaged and bolstered support for Valley Water priorities with communities across Santa Clara County by facilitating Valley Water participation in community events across Santa Clara County.
- Valley Water's Housing Bill signed into law - On October 10, Governor Newsom signed AB 1469 (Kalra) Valley Water Assisting Unsheltered People. AB 1469 took effect on January 1, 2024.
- District Act Financial Reform Bill Signed into Law - On September 8, Governor Newsom signed AB 939 (Pellerin) Smart Financing for Valley Water Infrastructure. AB 939 took effect on January 1, 2024.
- Continued fostering beneficial working relationships with members of the local media so they are receptive to covering Valley Water news/events.
- Hosted an event to help Flycasters of San Jose connect with local non-profit groups and organizations to help create a more diverse and inclusive membership to include youth and under-represented groups and to expand its education program in local schools.
- Continued the development of the Public Art Strategic Plan with a community meeting and a community survey in multiple languages to collect public input for consideration.
- In August, Valley Water submitted its annual report for the Program for Public Information and (Community Rating System) CRS recertification packet, which FEMA approved. These two items are critical to keeping and maintaining CRS credits for Valley Water and the other ten CRS-participating cities.
- Continued a comprehensive outreach plan to support the expanded purified water project.
- Engaged with 6,516 students, 286 teachers and 1,080 members of the public through education outreach programs (as of March 2024).
- Successfully hosted a modified Coastal Cleanup event that took place on September 23, turning out 1,209 volunteers that cleaned up 61 miles throughout the county. Volunteers removed a total of 27,071 lbs. of trash.
- Initiated implementation of Diversity Equity and Inclusion (DEI) strategy, including the development of action plans with HR.
- Deployed agency-wide revised and expanded Environmental Justice -Equity Assessment process.

FY 2025 Milestones

- Annually convene a policy and legislative development meeting; establish priorities; bring guiding principles and legislative proposals to the Board for review and adoption by November on an as needed/directed basis.
- Coordinate D.C. advocacy trips with our federal officials and a Sacramento advocacy trip with our state officials to advocate for Valley Waters funding and legislative priorities.
- Continue to implement the audit recommendations, complete the redesign of the Safe, Clean Water Grants & Partnerships Program, and continue to administer the program, making $2 million in funding available to the public for community-led projects.
- Develop a Public Art Strategic Plan to guide Valley Water’s public art activities over the next 15 years.
- Partner with Santa Clara County communities to reduce FEMA required flood insurance premiums for property owners through the Community Rating System and conduct flood awareness outreach.
- Support volunteer cleanup activities, such as National River Cleanup Day (NRCD), California Coastal Cleanup Day (CCCD), the Great

American Litter Pick Up, Adopt-A-Creek and the Creek Connections Action Group; along with creekwise education and regional coordination efforts.

- Educate and engage at least 10,000 students and educators in Santa Clara County.
- Educate and inform the public about recycled and purified water as one of several water supply strategies, particularly for the potential use of highly purified recycled water to expand drinking water supplies.
- Continue implementation of DEI strategic initiatives by assisting in developing division/unit-specific equity action plans by June 30, 2025.
- Initiate DEI strategic initiatives implementation assessment of key performance indicators by June 30, 2025.
- Host a series of cultural competency and diversity events, including but not limited to panels, lunch & learns, and training, by June 30, 2025.
- Continue to develop mechanisms for employee consultation on culturally relevant content in collaboration with an employee advisory group and provide recommendations.
- Conduct ongoing outreach to local Tribal groups and support agency outreach efforts to disadvantaged communities by June 30, 2025.
- 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.
- Develop and draft the next edition of Valley Water's history book, which documents major milestones the agency has recorded from 2005 to 2025.

FY 2026 Milestones

- Annually convene a policy and legislative development meeting; establish priorities; bring guiding principles and legislative proposals to the Board for review and adoption by November on an as needed/directed basis.
- Coordinate D.C. advocacy trips with our federal officials and a Sacramento advocacy trip with our state officials to advocate for Valley Waters funding and legislative priorities.
- Continue administering the redesigned Safe, Clean Water Grants & Partnerships Program and make $2 million in funding available to the public for community-led projects.
- Implement a Public Art Strategic Plan to guide Valley Water's public art activities over the next 15 years.
- Partner with Santa Clara County communities to reduce FEMA required flood insurance premiums for property owners through the Community Rating System and conduct flood awareness outreach.
- Youth Commission – Foster greater involvement of youth in local government through this youth-led advisory group to the Board of Directors, which includes hosting a Career Day and completing an annual work plan by end of fiscal year.

- Support volunteer cleanup activities, such as National River Cleanup Day (NRCD), California Coastal Cleanup Day (CCCD), the Great American Litter Pick Up, Adopt-A-Creek and the Creek Connections Action Group; along with creekwise education and regional coordination efforts.
- Educate and engage at least 10,000 students and educators in Santa Clara County.
- Educate and inform the public about recycled and purified water as one of several water supply strategies, particularly for the potential use of highly purified recycled water to expand drinking water supplies.
- Continue DEI initiative implementation by assisting in developing division/unit-specific equity action plans by June 30, 2026.
- Monitor DEI initiatives implementation assessment of key performance indicators by June 30, 2026.
- Host a series of cultural competency and diversity events, including but not limited to panels, lunch & learns, and training, by June 30, 2026.
- Continue to develop mechanisms for employee consultation on culturally relevant content in collaboration with an employee advisory group and provide recommendations.
- Conduct ongoing outreach to local Tribal groups and support agency outreach efforts to disadvantaged communities by June 30, 2026.
- 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.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	20,150,317	23,723,149	22,126,849	23,051,439
Operating Project	504,739	–	–	–
Capital	294,149	378,858	311,668	317,406
Total *	**20,949,205**	**24,102,007**	**22,438,517**	**23,368,844**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Civic Engagement	5,977,440	7,959,139	–	–
District Communications	7,934,251	7,274,122	6,851,120	7,195,796
Government Relations	3,175,078	5,118,321	5,102,728	5,340,605
Office of Chief of External Affairs	2,987,397	1,993,349	1,602,471	1,702,278
Office of Civic Engagement	–	–	7,449,886	7,620,139
Racial Equity, Diversity & Inclusion	875,040	1,757,075	1,432,312	1,510,027
Total *	**20,949,205**	**24,102,007**	**22,438,517**	**23,368,844**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of the Chief of External Affairs - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**46**	**47**	**46**	**46**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

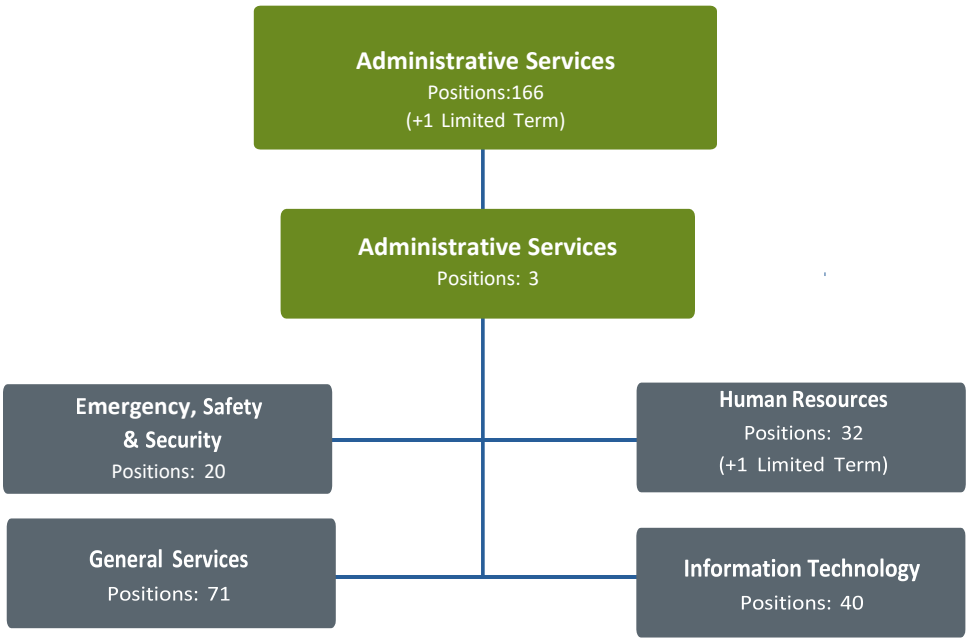
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Civic Engagement					
	Salaries & Benefits	2,591,893	3,050,751	–	–
	Services & Supplies	2,428,773	3,618,200	–	–
	Intra District Charges	956,773	1,206,120	–	–
Civic Engagement Total		5,977,440	7,875,071	–	–
Communications					
	Salaries & Benefits	3,696,713	3,444,972	3,726,652	3,951,076
	Services & Supplies	2,831,894	2,477,187	1,738,061	1,786,430
	Intra District Charges	1,183,920	1,080,552	1,148,722	1,207,187
Communications Total		7,712,527	7,002,711	6,613,435	6,944,694
Government Relations					
	Salaries & Benefits	1,259,778	2,921,359	3,041,836	3,240,463
	Services & Supplies	1,546,706	1,704,470	1,552,100	1,555,002
	Intra District Charges	296,594	492,492	508,792	545,140
Government Relations Total		3,103,078	5,118,321	5,102,728	5,340,605
Office of the Chief of External Affairs					
	Salaries & Benefits	2,466,142	1,488,701	1,220,862	1,303,159
	Services & Supplies	266,391	231,300	167,600	170,100
	Intra District Charges	254,864	273,349	214,009	229,020
Office of the Chief of External Affairs Total		2,987,397	1,993,349	1,602,471	1,702,278
Office of Civic Engagement					
	Salaries & Benefits	–	–	3,075,403	3,287,331
	Services & Supplies	–	–	3,144,075	3,011,242
	Intra District Charges	–	–	1,168,526	1,255,261
Office of Civic Engagement Total		–	–	7,388,004	7,553,835
Racial Equity, Diversity & Inclusion					
	Salaries & Benefits	599,824	987,484	1,070,829	1,147,044
	Services & Supplies	141,815	562,900	157,200	157,200
	Intra District Charges	132,976	183,312	192,182	205,783
Racial Equity, Diversity & Inclusion Total		874,615	1,733,697	1,420,211	1,510,027
Operations Total *		**20,655,056**	**23,723,149**	**22,126,849**	**23,051,439**

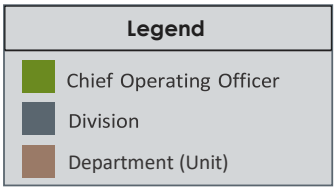
Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Civic Engagement					
	Salaries & Benefits	–	39,960	–	–
	Services & Supplies	–	18,400	–	–
	Intra District Charges	–	25,708	–	–
Civic Engagement Total		–	84,068	–	–
Communications					
	Salaries & Benefits	122,256	126,790	131,185	139,995
	Services & Supplies	29,073	67,500	30,000	30,000
	Intra District Charges	70,395	77,121	76,500	81,107
Communications Total		221,724	271,411	237,685	251,102
Government Relations					
	Services & Supplies	72,000	–	–	–
Government Relations Total		72,000	–	–	–
Office of Civic Engagement					
	Salaries & Benefits	–	–	26,596	29,012
	Services & Supplies	–	–	18,400	18,952
	Intra District Charges	–	–	16,886	18,339
Office of Civic Engagement Total		–	–	61,882	66,304
Racial Equity, Diversity & Inclusion					
	Salaries & Benefits	257	14,124	7,466	–
	Intra District Charges	168	9,254	4,635	–
Racial Equity, Diversity & Inclusion Total		425	23,378	12,101	–
Capital Total *		**294,149**	**378,858**	**311,668**	**317,406**
Division Total *		**20,949,205**	**24,102,007**	**22,438,517**	**23,368,844**

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

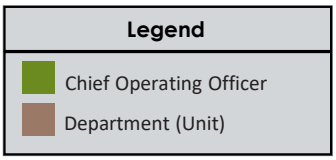
Administrative Services





The Administrative Services (AS) business area supports 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, Administrative Services is comprised of four management divisions, each of which includes functional units 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, and Information Technology division. The COO leads and manages 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 support of agency-wide and special events.

FY 2024 Accomplishments

- Provided leadership and support for all the administrative needs of Valley Water including oversight over Information Technology, General Services, Emergency, Health & Security Services, Human Resources, and Labor Relations.

FY 2025 Milestones

- Provide executive leadership and direct oversight to Administrative Services business area.
- Review and revise the Chief Operating Officer of AS work plan and ensure alignment of Administrative Services with the Board Work Plan.
- Increase operational and customer service levels.
- Provide management training activities that promote communication, project efficiencies, and process improvement.

FY 2026 Milestones

- Provide executive leadership and direct oversight to Administrative Services business area.
- Review and revise the Chief Operating Officer of AS work plan and ensure alignment of Administrative Services with the Board Work Plan.
- Increase operational and customer service levels.
- Provide management training activities that promote communication, project efficiencies, and process improvement.

Office of COO Administrative Services — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	1,295,134	1,860,646	2,155,510	2,241,218
Capital	1,662	–	–	–
Total *	**1,296,797**	**1,860,646**	**2,155,510**	**2,241,218**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of COO Administrative Services	1,296,797	1,860,646	2,155,510	2,241,218
Total *	**1,296,797**	**1,860,646**	**2,155,510**	**2,241,218**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of COO Administrative Services - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

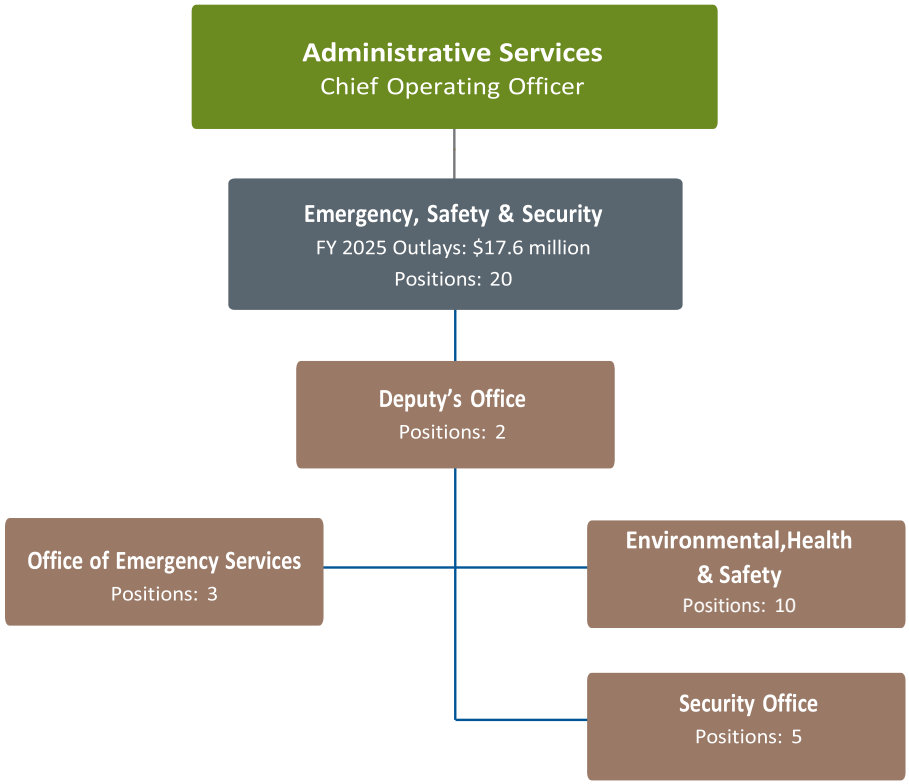
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of COO Administrative Services					
	Salaries & Benefits	875,837	977,766	1,065,987	1,137,625
	Services & Supplies	274,290	702,810	897,760	897,760
	Intra District Charges	145,007	180,071	191,763	205,833
Office of COO Administrative Services Total		1,295,134	1,860,646	2,155,510	2,241,218
Operations Total *		**1,295,134**	**1,860,646**	**2,155,510**	**2,241,218**
Division Total *		**1,296,797**	**1,860,646**	**2,155,510**	**2,241,218**

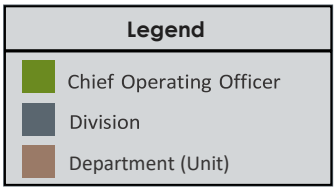
*Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of COO Admin Services					
	Salaries & Benefits	1,449	–	–	–
	Intra District Charges	213	–	–	–
Office of COO Admin Services Total		1,662	–	–	–
Capital Total *		**1,662**	**–**	**–**	**–**
Division Total *		**1,296,797**	**1,860,646**	**2,155,510**	**2,241,218**

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. The EH&S Unit is also tasked with the management of Valley Water's Workers' Compensation program.

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 security guard staff, 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.

FY 2024 Accomplishments

Office of Emergency Services

- Conducted Annual Winter Preparedness Workshop with external stakeholders.
- Joined Santa Clara County Multijurisdiction Hazard Mitigation Plan
- Completed the 5-Year Hazard Mitigation Plan Annex as part of the County's Multijurisdiction Hazard Mitigation Plan; approved by FEMA.
- Developed and updated five business continuity plans for the organization and identified a future strategy for the Business Continuity Plan.
- Conducted Emergency Action Plan (EAP) Training and Exercise events: Water Utility - EPA, Joint Powers Authority, City of San José Joint EAP.
- Developed Flood EAP for Lower Penitencia Creek and a Joint EAP flood response procedure appendix for Berryessa Creek.
- Continued to manage and facilitate meetings for the Valley Water Emergency Steering Committee.
- Coordinated EOC Activations as required and requested by Crisis Management Team(s).
- Developed the Coronavirus/COVID-19 Pandemic After Action Report (AAR) to ensure opportunities were clearly documented.

Environmental, Health & Safety Services

- Completed 100% of Tier I Facility Safety Inspections.
- Completed 100% of Tier II Facility Safety Audits.
- Continued COVID-19 workplace compliance.
- Developed and implemented Naloxone Availability Bystander Use Program.
- Continued EH&S support of Capital Improvement Program (CIP) projects.
- Completed California Accidental Release Program requirements, including compliance audit, Process Hazard Analysis, and Risk Management Plan.
- Completed evacuation drills.

Security Office

- Completed annual review and update to the Leroy-Anderson dam FERC security compliance inspection.
- Participated in local and regional Threat Working Groups.
- Completed Valley Water-Wide Security Plan.
- Completed Annual District Threat Assessment Update.
- Initiated enhanced security planning for field staff working in unhoused areas.

FY 2025 Milestones

Office of Emergency Services

- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct review of Valley Water's Emergency Operations Plan and ensure it complies with state/federal regulations.
- Produce Annual Local Hazard Mitigation Plan status report.
- Maintain EOC Facilities and Systems.
- Continue development of Flood Emergency Action Plans (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 to ensure quick and effective response to emergencies.

Environmental, Health & Safety Services
- Maintain regulatory compliance.
- Conduct a Tier II Facility Safety Audit for all manned District facilities.
- Complete annual fire evacuation drills for all manned District facilities.
- Coordinate, schedule, and complete all required safety-related training.
- Support Business Units in the hosting of monthly Local Safety Committee meetings.
- Provide quarterly updates to the District's Safe Clean Water Project B5 webpage.
- Continue implementation of COVID-19 workplace compliance.
- Provide timely after-hours response to safety incidents through on-call program.

Security Office
- Lead Enhanced Safety and Security measures for staff.
- Developed Safety Plan in compliance with SB 553.
- Support Security Enhancement and Upgrades Capital Project.
- Select new Video Management System (VMS)/Video Surveillance System (VSS) and Access Control System.
- Manage law enforcement security support for all field operations.
- Provide timely after-hours response to security incidents through on-call program.

FY 2026 Milestones

Office of Emergency Services
- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct review of Valley Water's Emergency Operations Plan and ensure it complies with state/federal regulations.
- Produce Annual Local Hazard Mitigation Plan status report.
- 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 to ensure quick and effective response to emergencies.

Environmental, Health & Safety Services
- Maintain regulatory compliance.
- Conduct a Tier II safety inspection for all manned District facilities.
- Complete annual fire evacuation drills for all manned District facilities.
- Coordinate, schedule, and complete all required safety-related training.
- Support Business Units in the hosting of monthly Local Safety Committee meetings.
- Provide quarterly updates to the District's Safe Clean Water Project B5 webpage.
- Provide timely after-hours response to safety incidents through on-call program.

Security Office
- Support Security Enhancement and Upgrades Capital Improvement Program (CIP) Project.
- Integrate new Video Management and Access Control system.
- Manage law enforcement security support for all field operations.
- Provide timely after-hours response to security incidents through on-call program.

Budget Issues and Constraints

Constraints of Emergency, Safety and Security Division include the Enhanced Safety and Security measures that are required to support staff safety in response to increase number of incidents and threats to staff. Staff and contracted security services cost have increased as a result.

Emergency, Safety and Security Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	11,802,492	14,319,506	16,910,197	17,697,549
Capital	167,604	521,067	679,458	630,460
Total *	**11,970,096**	**14,840,573**	**17,589,655**	**18,328,009**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Emergency Safety & Security Division Deputy's Office	1,070,976	912,727	964,494	1,039,915
Environmental, Health & Safety	3,746,729	4,334,887	6,512,320	6,781,035
Office of Emergency Services	1,596,251	2,202,668	2,133,477	2,195,693
Security Office	5,556,140	7,390,290	7,979,364	8,311,365
Total *	**11,970,096**	**14,840,573**	**17,589,655**	**18,328,009**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Emergency, Safety and Security Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**19**	**19**	**20**	**20**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

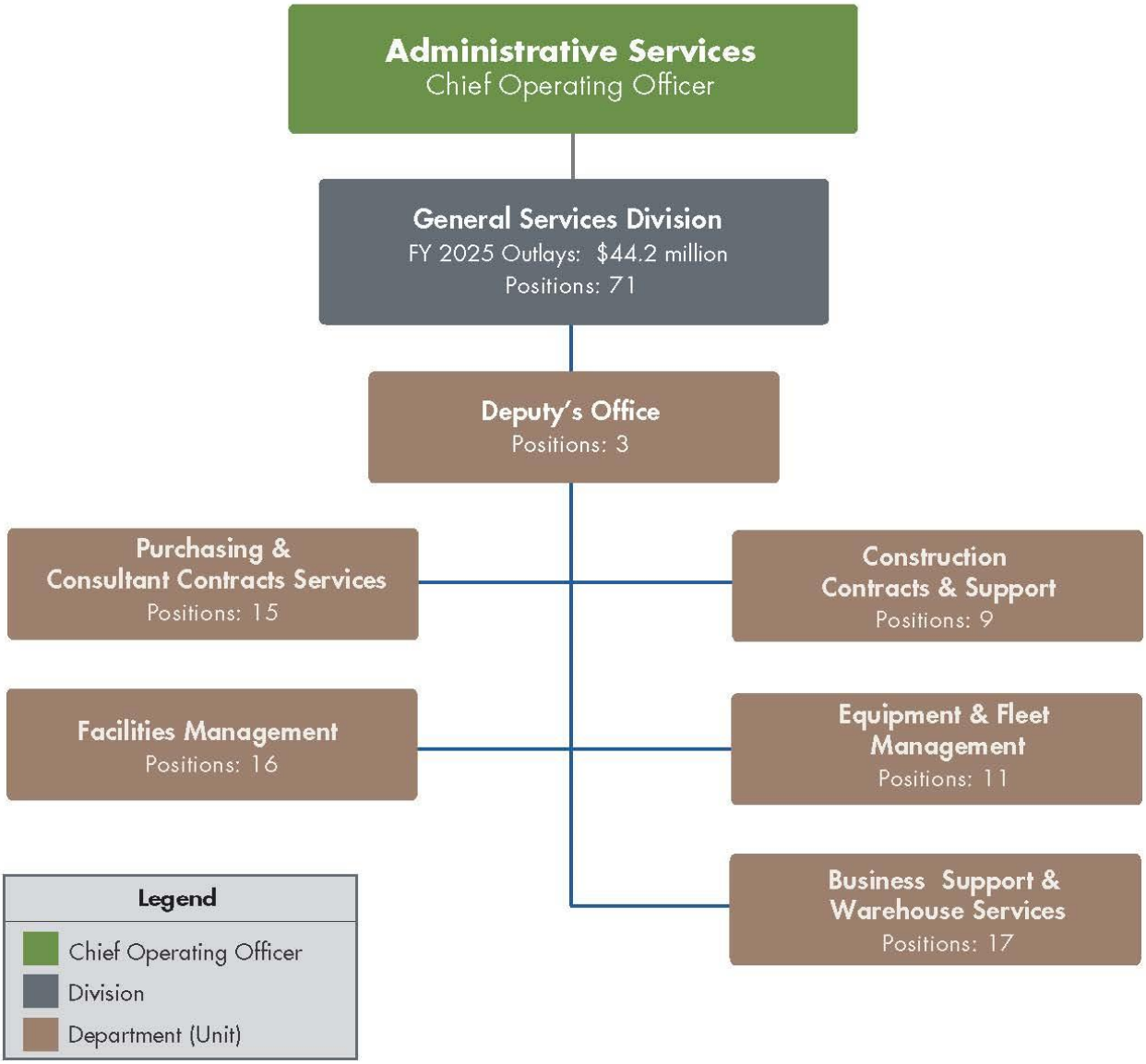
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Emergency, Safety & Security Division Deputy's Office					
	Salaries & Benefits	519,832	549,641	588,814	635,879
	Services & Supplies	259,753	8,000	7,500	7,500
	Intra District Charges	291,391	355,086	368,180	396,537
Emergency, Safety & Security Division Deputy's Office Total		1,070,976	912,727	964,494	1,039,915
Environmental, Health & Safety					
	Salaries & Benefits	1,950,921	2,057,454	2,511,822	2,696,836
	Services & Supplies	731,541	978,550	2,398,300	2,383,463
	Intra District Charges	1,064,267	1,298,883	1,424,739	1,526,972
Environmental, Health & Safety Total		3,746,729	4,334,887	6,334,861	6,607,271
Office of Emergency Services					
	Salaries & Benefits	740,477	828,683	872,306	913,412
	Services & Supplies	523,586	898,000	768,500	768,500
	Intra District Charges	332,188	475,985	492,672	513,782
Office of Emergency Services Total		1,596,251	2,202,668	2,133,477	2,195,693
Security Office					
	Salaries & Benefits	1,287,040	1,189,405	1,321,394	1,448,439
	Services & Supplies	3,906,730	5,493,697	5,934,575	6,160,329
	Intra District Charges	194,766	186,122	221,396	245,901
Security Office Total		5,388,536	6,869,224	7,477,365	7,854,669
Operations Total *		**11,802,492**	**14,319,506**	**16,910,197**	**17,697,549**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Security Office					
	Salaries & Benefits	11,238	261,028	182,513	136,772
	Services & Supplies	154,833	211,555	284,720	293,708
	Intra District Charges	1,533	48,484	34,766	26,216
Security Office Total		167,604	521,067	501,999	456,696
Environmental, Health & Safety					
	Salaries & Benefits	–	–	109,351	107,379
	Intra District Charges	–	–	68,108	66,384
Environmental, Health & Safety Total		–	–	177,459	173,764
Capital Total *		**167,604**	**521,067**	**679,458**	**630,460**
Division Total *		**11,970,096**	**14,840,573**	**17,589,655**	**18,328,009**

*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 Capital construction projects over $50,000. This unit also monitors capital 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, services, and professional services contracts exceeding $50,000. The unit also provides guidance and support for post award contract administration.

Equipment and Fleet Management

Equipment Management staff provide overall planning, management, administrative oversight, maintenance, and repairs for equipment and fleet, which includes vehicles, construction equipment, forklifts, tools, generators, boats, and trailers.

Facilities Management

Facilities Management staff provide maintenance and repair services for approximately 24 Valley Water facilities, including the renewal and upgrades to buildings and grounds. Staff also provide welding services to support operations.

FY 2024 Accomplishments

Construction Contracts and Support

- Completed Advertisement/Bid/Award/Compliance for nine Capital Projects.
- Adopted Ordinance establishing a Small Business Enterprise Outreach Program for Valley Water.

Business Support, and Warehouse Services

- Completed the upgrade of Mail Center Equipment for more efficient performance and cost savings.
- Updated and standardized unit intranet sites to ensure information is accurate and easy to locate.

Purchasing and Consultant Contracts Services

- Completed 117 formal solicitations and generated 718 purchase orders in the first half of FY24.
- Improved contract processes to respond efficiently and effectively to operational needs.
- Developed a Vendor Performance Evaluation program for the evaluation of vendors providing services to Valley Water.

Equipment and Fleet Management

- Replaced 11 vehicles and two pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- Achieved 97.9% preventive maintenance compliance on light duty vehicles.
- Provided Fleet Management oversight effectively meeting District needs using industry best practices.
- Met CARB diesel emission replacement requirements ahead of mandate.

Facilities Management

- Completed office renovations at the Headquarters Building for the Executive, Legal Office and first floor staff areas.
- Completed Asphalt Maintenance Projects at Almaden Campus (Blossom Hill Annex, Headquarters back parking lot and fleet motor pool).

FY 2025 Milestones

Construction Contracts and Support

- Advertise, Bid, Award and monitor Compliance for approximately 11 Capital Projects.
- Develop and document processes for monitoring and enforcing Labor Compliance and Project Labor Agreement requirements for CIP construction projects.
- Implement the Small Business Enterprise Outreach Program for CIP construction projects.
- Develop initiatives to increase Small Business participation in Valley Water procurement opportunities.

Business Support, and Warehouse Services

- Produce high-quality deliverables with customer deadlines.

Purchasing and Consultant Contracts Services

- Work with legal to develop and implement contract templates for all contracts and solicitations.
- Develop a desktop manual for procurement staff to ensure consistency for all solicitations.
- Execute 95% of agreements under $50,000 within thirty (30) days after receipt of the request.
- Execute 95% of purchase orders valued at $50,000 or less issued within two (2) workdays after receipt of complete purchase request.
- Execute all competitive solicitations within timelines set per approved QEMS work instructions.
- Increase Small Business participation in Valley Water procurement opportunities.

Equipment and Fleet Management

- Replace vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- Replace Class IV equipment in accordance with Valley Water replacement criteria.
- Acquire new vehicles approved in the budget to meet operational needs.
- Achieve 90% or higher on preventive maintenance workorders on vehicles.
- Provide Fleet Management oversight effectively meeting Valley Water needs using industry best practices.
- Meet CARB diesel emission replacement requirements to meet mandate.

Facilities Management

- Repair and maintain HVAC systems in accordance with industry standards.
- Complete Facility Condition Assessment for all Valley Water facilities and prepare a 20-year Facility Repair and Replacement Plan.
- Complete small capital project improvements at the Crest, Maintenance Building, and Blossom Hill Annex.
- Respond to repair and maintenance needs within five business days 90% of the time.
- Provide welding services to meet Valley Water operations.
- Facilitate space planning, moves, and set ups to meet Valley Water operational needs.

FY 2026 Milestones

Construction Contracts and Support

- Advertise, Bid, Award and monitor Compliance for approximately 11 Capital Projects.
- Incorporate Small Business Enterprise Outreach Program recommendations from consultants.
- Increase Small Business participation in Valley Water procurement opportunities.

Business Support, and Warehouse Services

- Perform an annual physical inventory and to achieve 90% inventory accuracy or better.
- Produce high-quality deliverables with customer deadlines.

Purchasing and Consultant Contracts Services

- Work with legal to update contract templates for all contracts and solicitations.
- Update desktop manual for procurement staff to ensure consistency for all solicitations.
- Execute 95% of agreements under $50,000 within thirty (30) days after receipt of the request.
- Execute 95% of purchase orders valued at $50,000 or less issued within two workdays after receipt of complete purchase request.
- Execute all competitive solicitations within timelines set per approved QEMS work instructions.

Equipment and Fleet Management

- Replace vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- Replace Class IV equipment in accordance with Valley Water replacement criteria.
- Acquire new vehicles approved in the budget to meet operational needs.
- Achieve 90% or higher on preventive maintenance workorders on vehicles.
- Provide Fleet Management oversight effectively meeting Valley Water needs using industry best practices.
- Meet CARB diesel emission replacement requirements to meet mandate.

Facilities Management

- Complete office renovations at various locations.
- Repair and maintain HVAC systems in accordance with industry standards.
- Respond to repair and maintenance needs within five business days 90% of the time.
- Provide welding services to meet Valley Water operations.
- Facilitate space planning, moves, and set ups to meet Valley Water operational needs.

Budget Issues and Constraints

Constraints of the General Services Division include unknown and unplanned customer requests that may require deviation from planned activities. The Facilities Management unit continues to repair or replace equipment and address facility needs that have experienced prior deferred maintenance. These projects result in higher annual small capital projects cost as the backlog of maintenance needs are addressed.

General Services Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	25,255,935	30,692,099	32,176,071	33,244,366
Capital	9,175,268	10,302,576	12,046,463	17,056,853
Total *	**34,431,203**	**40,994,675**	**44,222,534**	**50,301,219**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Business Support & Warehouse	4,687,970	5,904,922	6,378,877	6,849,371
Construction Contracts and Support	2,782,537	4,188,281	4,311,380	4,458,445
Equipment Management	7,678,639	7,706,506	8,320,507	8,535,947
Facilities Management	14,105,321	16,475,820	18,423,523	23,373,562
General Services Division Deputy's Office	813,554	1,314,493	1,401,897	1,480,467
Purchasing & Consultant Contracts Services	4,363,181	5,404,653	5,386,350	5,603,426
Total *	**34,431,203**	**40,994,675**	**44,222,534**	**50,301,219**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

General Services Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**72**	**71**	**71**	**71**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

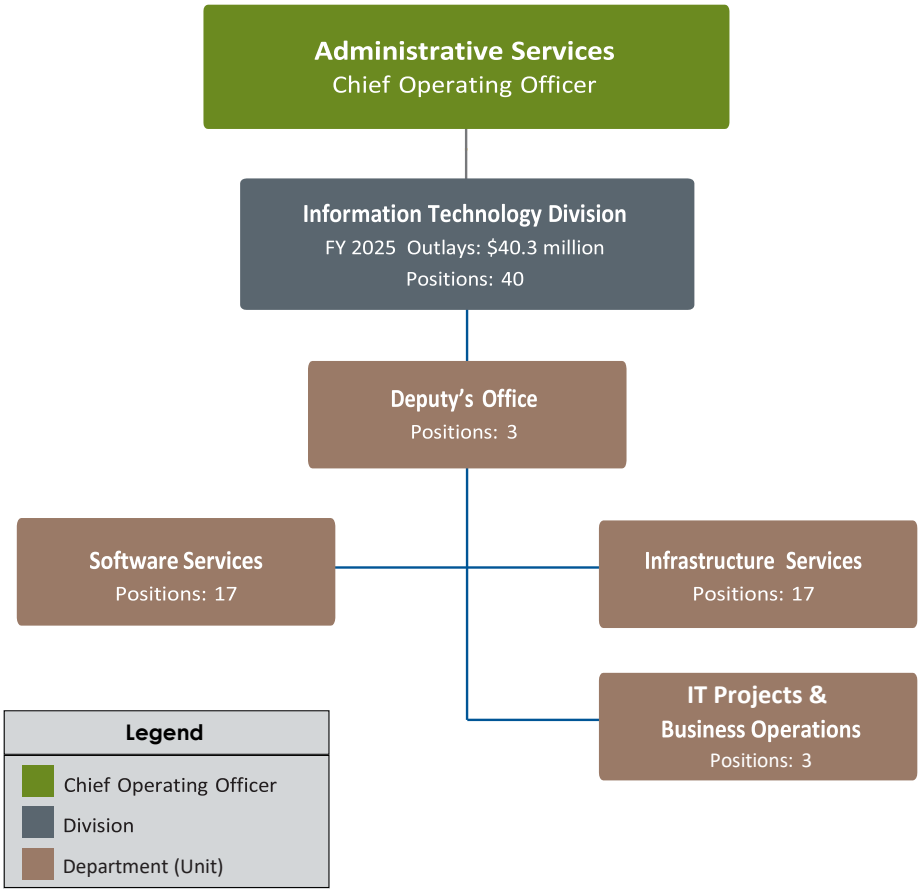
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	2,777,848	3,052,026	3,356,427	3,567,726
	Services & Supplies	991,722	1,784,732	1,833,881	2,024,401
	Intra District Charges	916,716	1,028,487	1,153,148	1,218,893
Business Support & Warehouse Total		4,686,286	5,865,245	6,343,456	6,811,020
Construction Contracts and Support					
	Salaries & Benefits	18,891	3,912	13,248	14,024
	Services & Supplies	3,821	–	7,500	7,500
	Intra District Charges	2,972	714	2,360	2,499
Construction Contracts and Support Total		25,683	4,626	23,108	24,024
Equipment Management					
	Salaries & Benefits	2,196,178	2,220,054	2,457,728	2,635,379
	Services & Supplies	2,031,890	2,186,313	2,441,270	2,377,270
	Intra District Charges	1,168,529	1,294,438	1,371,509	1,443,298
Equipment Management Total		5,396,597	5,700,806	6,270,507	6,455,947
Facilities Management					
	Salaries & Benefits	3,169,254	3,639,726	3,956,802	4,028,125
	Services & Supplies	6,029,972	8,023,695	8,111,000	8,115,800
	Intra District Charges	775,100	803,769	845,175	891,805
Facilities Management Total		9,974,326	12,467,189	12,912,977	13,035,730
General Services Division Deputy's Office					
	Salaries & Benefits	714,603	871,405	949,407	1,015,843
	Services & Supplies	4,034	287,400	285,500	285,500
	Intra District Charges	94,918	155,688	166,990	179,124
General Services Division Deputy's Office Total		813,554	1,314,493	1,401,897	1,480,467
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	3,353,186	3,536,709	3,742,734	3,922,968
	Services & Supplies	428,375	1,170,165	834,365	834,365
	Intra District Charges	577,928	632,865	647,026	679,845
Purchasing & Consultant Contracts Services Total		4,359,489	5,339,739	5,224,126	5,437,178
Operations Total *		**25,255,935**	**30,692,099**	**32,176,071**	**33,244,366**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	–	23,918	21,627	23,488
	Services & Supplies	1,683	–	–	–
	Intra District Charges	–	15,759	13,794	14,863
Business Support & Warehouse Total		1,683	39,676	35,421	38,351
Construction Contracts and Support					
	Salaries & Benefits	1,670,589	2,302,822	2,418,348	2,498,694
	Services & Supplies	44,281	431,000	412,000	412,000
	Intra District Charges	1,041,983	1,449,833	1,457,924	1,523,727
Construction Contracts and Support Total		2,756,854	4,183,655	4,288,272	4,434,421
Equipment Management					
	Salaries & Benefits	1,021	–	–	–
	Services & Supplies	2,280,692	2,005,700	2,050,000	2,080,000
	Intra District Charges	330	–	–	–
Equipment Management Total		2,282,043	2,005,700	2,050,000	2,080,000
Facilities Management					
	Salaries & Benefits	–	1,558	38,068	99,862
	Services & Supplies	4,130,996	4,006,000	5,464,054	10,215,638
	Intra District Charges	–	1,073	8,423	22,332
Facilities Management Total		4,130,996	4,008,631	5,510,545	10,337,832
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	183	39,306	99,914	102,723
	Services & Supplies	3,396	–	–	–
	Intra District Charges	112	25,607	62,311	63,525
Purchasing & Consultant Contracts Services Total		3,692	64,914	162,225	166,248
Capital Total *		**9,175,268**	**10,302,576**	**12,046,463**	**17,056,853**
Division Total *		**34,431,203**	**40,994,675**	**44,222,534**	**50,301,219**

*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 Headquarters Boardroom.

Software Services

Software Services develops (where appropriate), supports, and maintains 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 Unit is responsible for IT project management, strategic planning and alignment, complex analysis, program development, compliance, policy development, budget, reporting and financial planning. The unit 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 2024 Accomplishments

Infrastructure Services

- Refreshed 25% of the District's desktop and laptop computers.
- Responded to 90% of monthly IT service desk requests within 24 hours.
- Achieved a monthly customer satisfaction rating of 90% or higher.
- Achieved a monthly IT service desk closure rate of 90% or higher.
- Achieved maintenance and operations monthly performance target rate of 99% availability for: Voice mail and phone system; Internet service; Computer network; Electronic Mail; and Production storage system.
- Completed Supervisory Control and Data Acquisition (SCADA) technical infrastructure buildout.
- Completed Disaster Recovery Phase I buildout.
- Completed Internet capacity upgrade.

- Completed Internet High Availability upgrade.
- Upgraded Virtual Private VPN.
- Upgrade remote site servers and storage.
- Implemented Voice Over Internet Protocol (VOIP) system.
- Completed SCADA Server Replacement.
- Completed Disaster Readiness Assessment and Gap Analysis.

Software Services

- Evaluated desktop and web application needs and provided solutions (Ongoing).
- Performed annual fiscal year updates in Maximo (Labor Rate, GL Account).
- Migrated Internal Coldfusion applications (developed by SSU) to APEX or Drupal Web Forms.
- Implemented interactive and self-service features on external website.
- Reviewed existing spatial data and updated as necessary.
- Provided at least two sessions of district staff classroom GIS training classes.
- Provided technical support for Infor CloudSuite.
- Initiated Hyland OnBase Customer Relationship Management system for two business units.
- Implemented Salesforce application.
- Completed Aqua Upgrade/Refresh.

IT Projects and Business Operations

- Supported Infor ERP Project.
- Supported Information Technology Projects as necessary.
- Continued implementation of IT Strategic Cybersecurity plans.
- Provided management and operational support services.

FY 2025 Milestones

Infrastructure Services

- Refresh 25% of District's desktop and laptop computers.
- Respond to 90% of monthly IT service desk requests within 24 hours.
- Achieve a monthly customer satisfaction rating of 90% or higher.
- Achieve a monthly IT service desk closure rate of 90% or higher.
- Achieve maintenance and operations monthly performance target rate of 99% availability for: voice mail and phone system; internet service; computer network; electronic mail; and production storage system.
- Roll out Virtual Desktop Infrastructure (VDI).
- Complete Satellite Buildout for at least five sites.
- Complete Workstation Encryption.
- Complete Security Information and Event Monitoring (SIEM) implementation.
- Initiate SCADA Telemetry Project.
- Provide IT Services and Project Support for all Units/Divisions.

Software Services

- Complete upgrades of various applications.
- Implement new software tools.
- Retire legacy applications in alignment with IT Strategic Plan.

IT Projects and Business Operations

- Continue management of IT Projects and Operations.
- Ensure IT Budget is effectively managed.
- Initiate replacement bolt-on tools for Payroll and HR.
- Initiate replacement of the new ERP solution.
- Initiate deployment of refreshed Master Plan.
- Complete Community Projects Review Unit (CPRU) Projects.
- Initiate use of Artificial Intelligence and Business Intelligence Software and processes.

FY 2026 Milestones

Infrastructure Services

- Refresh 25% of the District's desktop and laptop computers.
- Respond to 90% of monthly IT service desk requests within 24 hours.
- Achieve a monthly customer satisfaction rating of 90% or higher.
- Achieve a monthly IT service desk closure rate of 90% or higher.
- Achieve maintenance and operations monthly performance target rate of 99% availability for: voice mail and phone system; internet service; computer network; electronic mail; and production storage system.
- Roll out Virtual Desktop Infrastructure (VDI).
- Complete Satellite Buildout for at least five sites.
- Complete Workstation Encryption.
- Complete Security Information and Event Monitoring (SIEM) implementation.
- Complete SCADA Telemetry Project.

Software Services

- Complete upgrades of various applications.
- Implement new software tools.
- Retire legacy applications in alignment with IT Strategic Plan.

IT Projects and Business Operations

- Continue management of IT Projects and Operations.
- Ensure IT Budget is effectively managed.
- Initiate deployment of refreshed Master Plan.
- Complete Community Projects Review Unit (CPRU) Projects.
- Provide IT Services and Project Support for all Units/Divisions.

Budget Issues and Constraints

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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	22,666,629	28,567,219	31,275,060	32,523,707
Capital	5,895,490	6,231,134	9,022,706	5,834,440
Total *	**28,562,119**	**34,798,353**	**40,297,766**	**38,358,148**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Information Technology Division Deputy's Office	1,952,414	1,254,079	1,576,110	2,062,690
Infrastructure Services	15,736,954	18,802,405	23,556,035	20,912,035
IT Project & Business Ops	647,451	1,738,390	1,384,394	1,442,321
Software Services	10,225,300	13,003,479	13,781,228	13,941,101
Total *	**28,562,119**	**34,798,353**	**40,297,766**	**38,358,148**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Information Technology Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**39**	**39**	**40**	**40**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

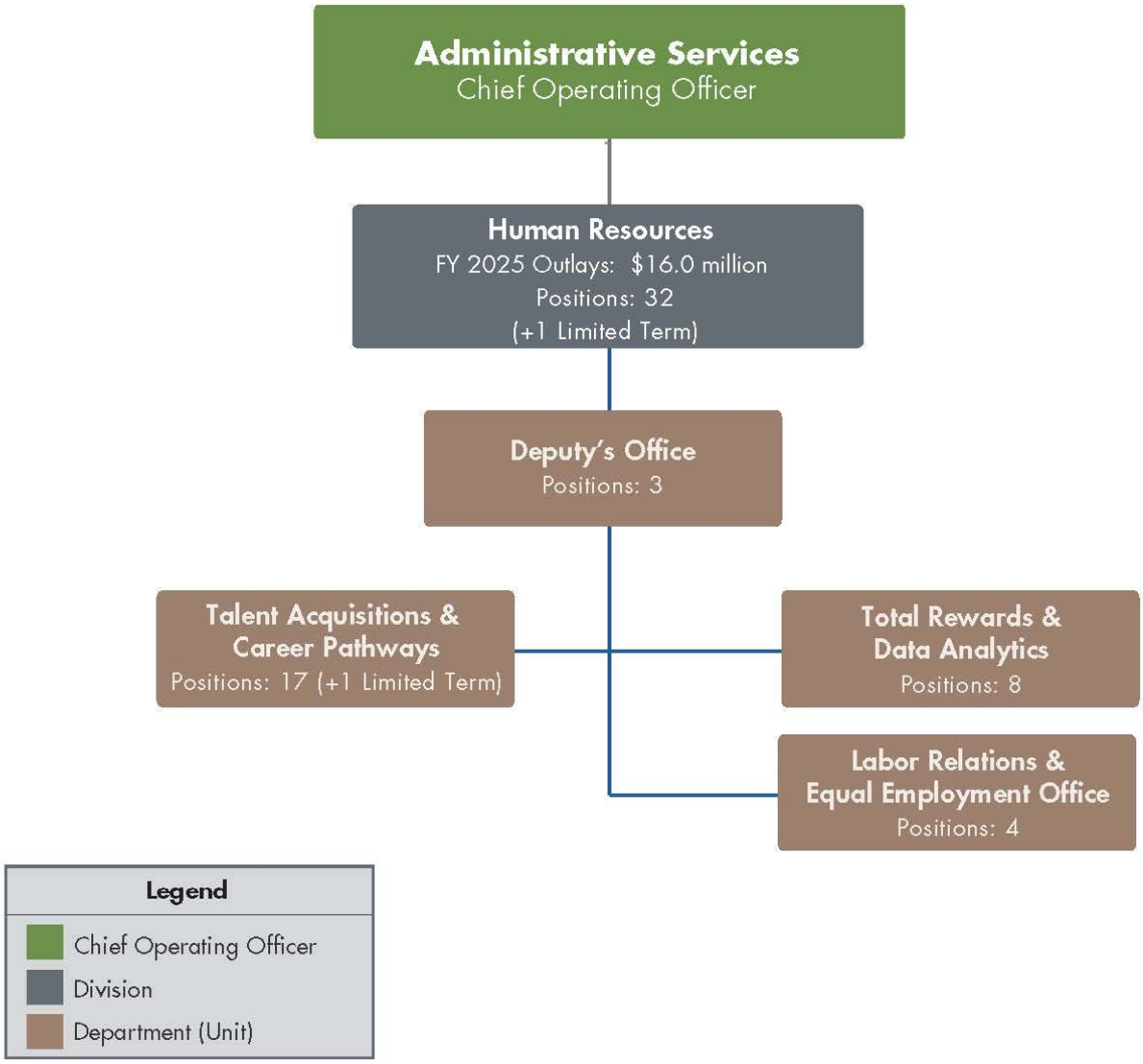
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Information Technology Division Dupty's Office					
	Salaries & Benefits	786,895	595,773	1,047,456	1,135,444
	Services & Supplies	177,081	357,500	383,000	383,000
	Intra District Charges	221,619	300,806	508,200	544,513
Information Technology Division Dupty's Office Total		1,185,595	1,254,079	1,938,656	2,062,957
Infrastructure Services					
	Salaries & Benefits	3,501,342	3,910,077	4,230,873	4,472,031
	Services & Supplies	5,740,357	8,055,000	9,009,000	9,221,000
	Intra District Charges	1,614,564	1,944,328	1,969,910	2,039,296
Infrastructure Services Total		10,856,263	13,909,405	15,209,783	15,732,327
IT Project & Business Ops					
	Salaries & Benefits	411,719	993,283	769,173	813,487
	Services & Supplies	49,368	239,000	235,500	235,500
	Intra District Charges	185,884	506,108	379,721	393,335
IT Project & Business Ops Total		646,970	1,738,390	1,384,394	1,442,321
Software Services					
	Salaries & Benefits	4,089,786	4,177,494	4,652,678	4,904,821
	Services & Supplies	3,960,516	5,345,000	5,778,950	5,995,000
	Intra District Charges	1,927,498	2,142,850	2,310,600	2,386,281
Software Services Total		9,977,800	11,665,344	12,742,228	13,286,101
Operations Total *		**22,666,629**	**28,567,219**	**31,275,060**	**32,523,707**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Information Technology Division Deputy's Office					
	Services & Supplies	766,819	–	(362,546)	(267)
Information Technology Division Deputy's Office Total		766,819	–	(362,546)	(267)
Infrastructure Services					
	Services & Supplies	4,880,691	4,893,000	8,346,252	5,179,707
Infrastructure Services Total		4,880,691	4,893,000	8,346,252	5,179,707
IT Project & Business Ops					
	Salaries & Benefits	323	–	–	–
	Intra District Charges	158	–	–	–
IT Project & Business Ops Total		481	–	–	–
Software Services					
	Salaries & Benefits	32,613	–	–	–
	Services & Supplies	199,630	1,338,134	1,039,000	655,000
	Intra District Charges	15,257	–	–	–
Software Services Total		247,500	1,338,134	1,039,000	655,000
Capital Total *		**5,895,490**	**6,231,134**	**9,022,706**	**5,834,440**
Division Total *		**28,562,119**	**34,798,353**	**40,297,766**	**38,358,148**

*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 three units, the Talent Acquisition and Career Pathways, the Total Rewards Unit, and Labor Relations and Equal Employment Opportunity Unit. The three 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, Labor Relations and Equal Employment Opportunity.

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).

Labor Relations

The Labor Relations unit 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.

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 2024 Accomplishments

Total Rewards and Data Analytics

- Implemented the resource forecasting and data analytics system that provides and data tool, improving quality of business decisions.
- Conducted an annual health fair, processed all annual health plan renewals, transferred to a new benefits broker, coordinated open enrollment, and developed virtual wellness activities and programs.
- Conducted the annual open enrollment benefits for all active employees, Board of Directors, retirees and COBRA participants.
- Provided an award-winning Wellness Program.
- Worked on implementing an Artificial Intelligence system as a way to provide HR information to employees in a more timely and efficient manner.
- Created and implemented the Lactation Accommodation Policy and Leave for Reproductive Loss Policy.

Talent Acquisition and Career Pathways

- 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.
- Implemented the full Next Generation Career Pathway Program focused on partnering with local community and education partners.
- Enhanced sourcing tools to reach passive candidates and market Valley Water as an employer of choice.

- Leveraged partnerships with learning organizations to expand Valley Water programs to increase the knowledge of infrastructure and careers in the water industry.
- Researched, selected, and/or created professional development programs for competency trainings and leadership programs to expand staff skills and knowledge.
- Rolled out the selection process for the apprenticeship program.
- Created the Fair Chance and Disability programs that will assist Valley Water with engaging the community while expanding recruitment opportunities.
- Managed Leadership Programs (Supervisory, Leads Academy, etc.) and assisted with the employee recognition programs.

Labor Relations

- Conducted Labor Relations training for Emerging Leaders Certification Program.
- Facilitated and implemented multiple reorganizations across agency and all bargaining units.
- Offered multiple training opportunities for managers and supervisors through Liebert Cassidy Whitmore consortium membership.
- Continued project to develop and deliver training on Labor Relations issues for managers and supervisors at Valley Water.

FY 2025 Milestones

Total Rewards and Data Analytics

- Coordinate and process the annual open enrollment for all active employees, Board of Directors, retirees and COBRA participants.
- Develop and coordinate onsite wellness activities and programs and provide a Wellness Executive Summary.
- Maintaining 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 streamlining and standardizing electronic process of key processes.
- Monitor and update Artificial Intelligence system to ensure HR information to accurately provided to employees.

Talent Acquisition and Career Pathways

- Continue to update Recruitment and Selection practices with the goal of reducing vacancy rates through successfully attracting, recruiting, and selecting a diverse and qualified workforce.
- Provide ongoing recruitment support to our Management and Leadership teams, introduce new programs, recruitment initiatives and partnering with Communications team to continue to be an employer of choice.
- Maintain collaborative projects and partnerships within the county, focusing on career readiness and recruitment for diverse candidates, and engage diverse communities in a proactive and innovative way to ensure inclusiveness and diversity.
- Administer programs to provide professional development, succession planning and preparation, Valley Water specific software, and manager/supervisor training to enhance knowledge and skills for staff.
- Continue to develop workforce development programs that create pathways for applicants within the community.
- Expand on the internal trainings and workforce development offerings to assist employees in advancing throughout their career at Valley Water.
- Manage the Development of the Performance Program reviews for Valley Water Employees.

Labor Relations

- Conduct Labor Relations training for Emerging Leaders Certification Program.
- Provide multiple training opportunities for managers and supervisors through Liebert Cassidy Whitmore consortium membership.
- Continue developing and providing supervisor/manager training.

- Prepare for next round of MOU negotiations and complete negotiations by 12/31/2025.

FY 2026 Milestones

Total Rewards and Data Analytics

- Process all annual health plan renewals and coordinate open enrollments for all active employees, Board of Directors, retirees, and COBRA participants.
- Coordinate and process the annual open enrollment for all active employees, Board of Directors, retirees and COBRA participants.
- Develop and coordinate onsite wellness activities and programs and provide a Wellness Executive Summary.
- Maintaining 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 streamlining and standardizing electronic process of key processes.

Talent Acquisition and Career Pathways

- Update Recruitment and Selection practices with the goal of reducing vacancy rates through successfully attracting, recruiting, and selecting a diverse and qualified workforce.
- Provide ongoing recruitment support to our Management and Leadership teams, introduce new programs, such as Veteran Recruitment initiatives and partnering with Communications team to continue to be an employer of choice.
- Maintain collaborative projects and partnerships within the county, focusing on career readiness and recruitment for diverse candidates, and engage diverse communities in a proactive and innovative way to ensure inclusiveness and diversity.
- Develop workforce development programs that create pathways for applicants within the community.
- Administer programs to provide professional development, succession planning and preparation, Valley Water specific software, and manager/supervisor training to enhance knowledge and skills for staff Implement content providers to enhance on-demand/virtual training for staff to accommodate our staff's diverse learning styles.
- Expand on the internal trainings and workforce development offerings to assist employees in advancing throughout their career at Valley Water.

Labor Relations

- Conduct Labor Relations training for Emerging Leaders Certification Program.
- Offer multiple training opportunities for managers and supervisors through Liebert Cassidy Whitmore consortium membership
- Continue project to develop and deliver training on Labor Relations issues for managers and supervisors at Valley Water.

Human Resources Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	9,999,805	15,038,569	15,973,417	16,244,220
Capital	2,224	–	–	–
Total *	**10,002,029**	**15,038,569**	**15,973,417**	**16,244,220**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Talent Acquisition & Career Pathways	6,429,156	9,790,372	9,910,032	9,880,479
Labor Relations & Equalo Employment Office	1,181,500	1,751,985	1,825,379	1,915,296
Human Resources Division Deputy's Office	1,713,346	868,339	1,410,981	1,495,092
Total Rewards & Data Analytics	662,505	2,627,873	2,827,025	2,953,353
Workforce Development Unit	15,521	–	–	–
Total *	**10,002,029**	**15,038,569**	**15,973,417**	**16,244,220**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Human Resources Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**29**	**31**	**32**	**32**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

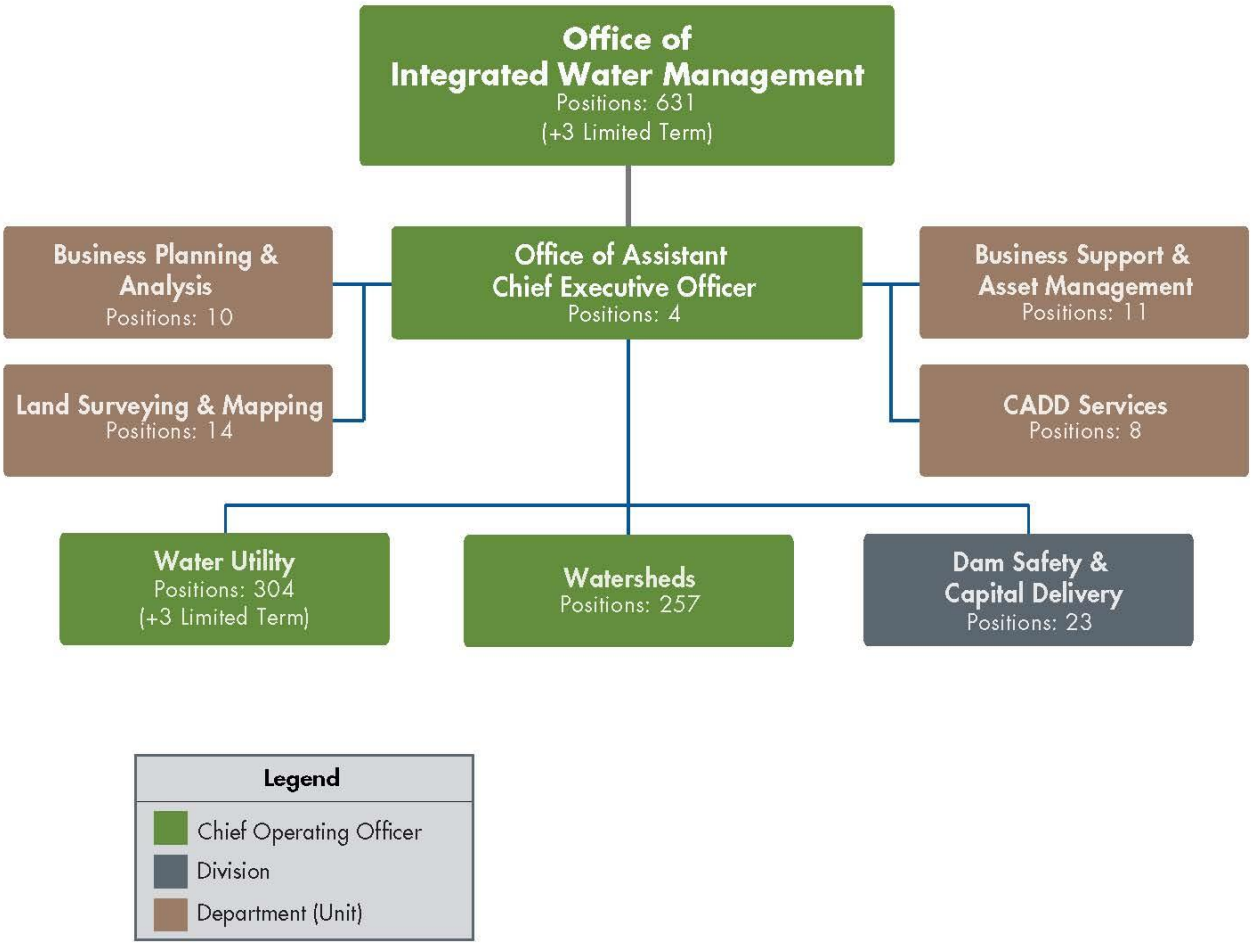
Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Total Rewards and Data Analytics					
	Salaries & Benefits	540,441	2,122,759	2,103,381	2,204,332
	Services & Supplies	34,255	132,000	353,000	359,000
	Intra District Charges	87,810	373,114	370,644	390,021
Total Rewards and Data Analytics Total		662,505	2,627,873	2,827,025	2,953,353
Labor Relations & Equal Employment Office					
	Salaries & Benefits	990,103	1,140,467	1,226,240	1,301,981
	Services & Supplies	28,691	417,400	392,400	392,400
	Intra District Charges	162,706	194,119	206,738	220,915
Labor Relations & Equal Employment Office Total		1,181,500	1,751,985	1,825,379	1,915,296
Human Resources Division Deputy's Office					
	Salaries & Benefits	635,374	622,063	1,056,195	1,127,793
	Services & Supplies	986,785	140,000	175,000	175,000
	Intra District Charges	90,992	106,276	179,786	192,299
Human Resources Division Deputy's Office Total		1,713,150	868,339	1,410,981	1,495,092
Talent Acquisition and Career Pathways					
	Salaries & Benefits	4,377,664	4,038,200	4,594,572	4,597,693
	Services & Supplies	1,053,821	4,793,130	4,284,413	4,246,613
	Intra District Charges	995,643	959,041	1,031,047	1,036,173
Talent Acquisition and Career Pathways Total		6,427,128	9,790,372	9,910,032	9,880,479
Workforce Development Unit					
	Services & Supplies	15,521	–	–	–
Workforce Development Unit Total		15,521	–	–	–
Operations Total *		**9,999,805**	**15,038,569**	**15,973,417**	**16,244,220**

Capital Budget by Department and Account Category

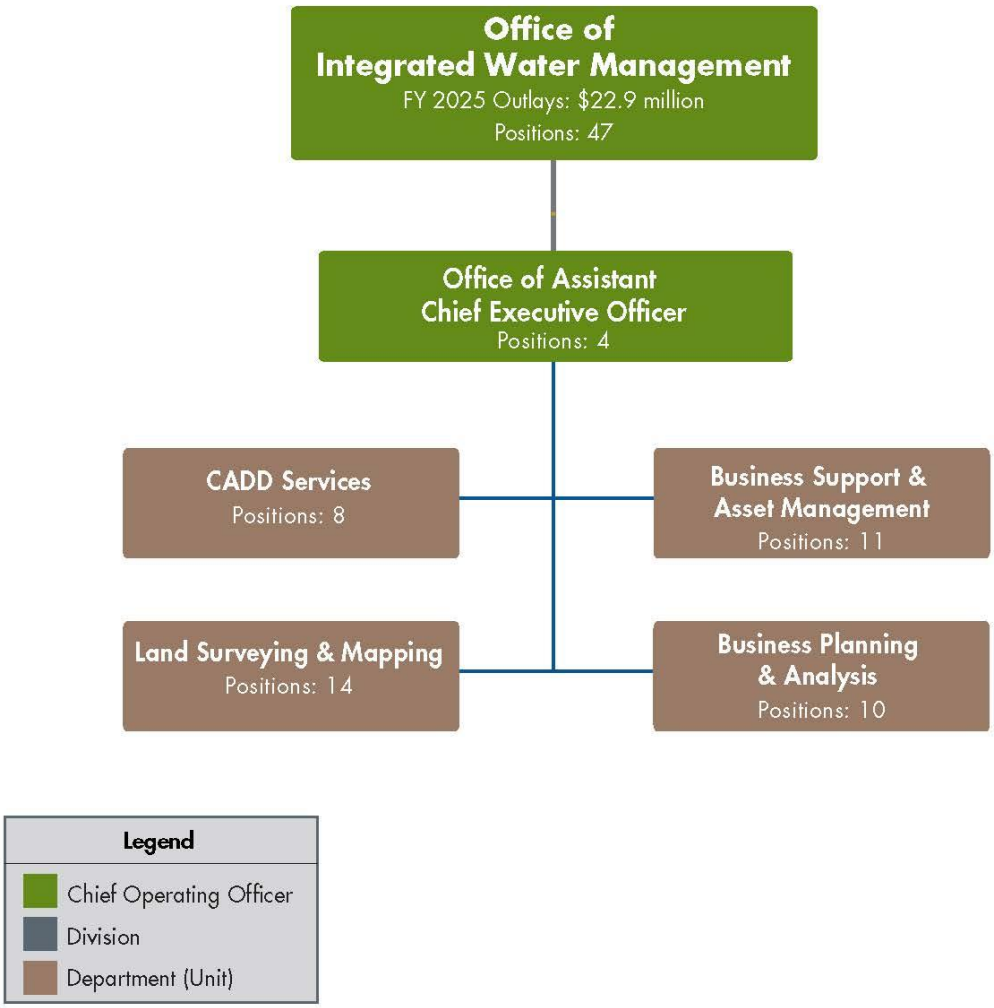
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of Human Resources Division					
	Services & Supplies	195	–	–	–
Office of Human Resources Division Total		195	–	–	–
Talent Acquisition and Career Pathways					
	Salaries & Benefits	1,757	–	–	–
	Intra District Charges	271	–	–	–
Talent Acquisition and Career Pathways Total		2,029	–	–	–
Capital Total *		**2,224**	**–**	**–**	**–**
Division Total *		**10,002,029**	**15,038,569**	**15,973,417**	**16,244,220**

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 four 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 three 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 the 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 are developed annually on a rolling basis. The Capital Project Management and Project Controls (CPMPC) Program is responsible for supporting the CIP Committee, Capital Quality and Environmental Management System (QEMS) document control and training, and implementing Projectmates, a project management information system (PMIS) for capital projects that will provide a tool for more effective management of the CIP and CIP projects. Finally, 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 toward delivering its Key Performance Indicators (KPIs).

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, watersheds, and administration (facilities and fleet) 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 the program needed to implement the improvements identified in the plans.

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.

Land Surveying & Mapping

The Land Surveying and Mapping unit is responsible for professional land surveying and mapping services supporting the 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.

FY 2024 Accomplishments

Business Planning and Analysis

Capital Improvement Program (CIP):

- Developed the FY 2025 -29 CIP Five-Year Plan through the implementation of the annual cycle.

- Conducted outreach activities with cities and counties from February 2024 through May 2024.
- Developed and applied the Funding Categories, which includes Funding Filters for Prioritization, to serve as a tool to support the Board's decision making related to funding capital projects.

Capital Project Management and Project Controls Program (CPMPC):
- Facilitated configurations and customizations of Projectmates, developed workflows, and oversaw integration of Projectmates with Okta, Vena, and Infor.
- Delivered customized training of Projectmates to project teams and management.
- Reviewed and updated Capital QEMS policies,procedures, work instructions, and forms.
- Continued implementation of Projectmates, the project management information system, and continued development and implementation of the project controls component of the Program.
- Implemented performance audit recommendations for Valley Water's Capital Improvement Program (CIP).

Safe, Clean Water Program:
- Developed the FY 2022-23 Safe, Clean Water Annual Report. This included coordinating and facilitating the Independent Monitoring Committee (IMC) and its sub-committee meetings and the development of the IMC Report and Management Response to the IMC Report.
- Began implementation of the review cycle for the FY 2023-24 Safe, Clean Water Program.
- Implemented the IMC FY 2022-23 recommendations as approved by the Board and in accordance with the program updated and Board-approved Change Control Process.
- Conducted program changes, including modifications and adjustments, in accordance with the Change Control Process.
- Initiated the independent audit of the renewed program.
- Assisted with the 2012 Safe, Clean Water and Natural Flood Protection (2012 Program) Performance Close-Out Audit.

Business Support & Asset Management

District-Wide Asset Management and Business Support
- Implemented new Computerized Maintenance Management System site and workflows for Fleet.
- Initiated recertification efforts for the American Water Infrastructure Act.

Watersheds Asset Management Program
- Completed the FY25-29 Watershed Operations & Maintenance and Asset Renewal Plan.
- Refined the list of proposed Watershed Asset Renewal and Improvement Projects, including 10, 15, and 30-year cost forecast modeling.
- Completed the Stevens Creek Asset Management Plan.
- Completed F8 planning work and initiated the SCW Regnart Creek Rehabilitation (F8) project.

Water Utility Asset Management Program
- Completed the FY25-29 Water Utility Operations & Maintenance and Asset Renewal Plan.
- Developed the list of asset renewal activities for FY25-26 Water Utility Small Capital Improvement Projects, including resource and budget planning support.
- Completed San Felipe Reach 1 Asset Condition Report.
- Water Utility Infrastructure Master Plan Implementation Projects.

<u>Water Treatment Plants</u>
- Completed condition assessments and treatment process evaluation of three water treatment plants.
- Completed the Basis of Planning and System Evaluation Phase.
- Developed the Community Outreach Plan for the recommended project alternatives.

<u>Distribution System</u>

- Continued condition assessments of distribution system assets.
- Completed the hydraulic model verification of raw and treated water systems.

Supervisory Control and Data Acquisition (SCADA)

- Developed the Needs Assessment and Gap Analysis.
- Initiated the early implementation project (SMPIP Upgrades - Phase 1).

CADD Services

- Maintained the CADD Service request monthly completion rate versus submittals above 90%.
- Maintained a CADD Standards Training Program (Website updates, Training Videos, Guidelines, etc.).
- Completed over 200 CADD service requests.

Land Surveying & Mapping

- Performed Cross Valley Level Circuit.
- Completed one zone per year of the Benchmark Maintenance project and posted results to the external website.
- Completed over 200 Land Surveying & Mapping service requests.
- Established new On-Call Surveying Services Contract.

FY 2025 Milestones

Business Planning and Analysis

- Develop the CIP FY 2026-30 Five-Year Plan through the implementation of the annual cycle.
- Develop the FY 2023 -24 Safe, Clean Water Annual Report.
- Provide updates and annual training on CIP Development workflows and Capital QEMS policies.
- 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 the Board and in accordance with the program Change Control Process.

Business Support and Asset Management

District-Wide Asset Management and Business Support

- Implement new Computerized Maintenance Management System site and workflows for Facilities.
- Finish recertification efforts for the American Water Infrastructure Act.

Watersheds Asset Management Program

- Complete the FY26-30 Watershed Operations & Maintenance and Asset Renewal Plan.
- Finalize the scope of work for the Watersheds Asset Management Plan and initiate work.

Water Utility Asset Management Program

- Complete the FY26-30 Water Utility Operations & Maintenance and Asset Renewal Plan.
- Develop the list of asset renewal activities for FY26-27 Water Utility Small Capital Improvement Projects, including resource and budget planning support.

Water Utility Infrastructure Master Plan Implementation Projects

Water Treatment Plants

- Complete Planning Study Report.
- Complete Project Implementation Plan.

Distribution System

- Complete asset condition assessments.
- Complete Problem Definition Report.

Supervisory Control and Data Acquisition (SCADA)

- Complete Planning for SMPIP Upgrades - Phase 1.
- Develop SCADA system implementation standards.

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 Services monthly request completion rate versus submitted equal to or greater than 85%.

Land Surveying & Mapping

- Perform precise leveling of Cross Valley Level Circuit.
- Perform precise leveling of Zone 5 of the Benchmark Maintenance Program and complete GPS adjustment of new datum by end Fiscal Year.
- Provide right of way mapping for Pacheco Reservoir Expansion Project.

FY 2026 Milestones

Business Planning and Analysis

- Develop the FY 2027-31 CIP Five-Year Plan through the implementation of the annual cycle.
- Develop the FY 2024-25 Safe, Clean Water Annual Report.
- Provide updates and annual training on Capital Improvement Program (CIP) Planning workflows and Quality and Environmental Management System (QEMS) policies.
- 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 2024 -25 recommendations as approved by the Board and in accordance with the program Change Control Process.

Business Support and Asset Management

- Develop FY 2027-31 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 Services monthly request completion rate versus submitted equal to or greater than 85%.

Land Surveying & Mapping

- Perform Cross Valley Level Circuit

- Perform one zone of Benchmark Maintenance Program
- Provide right of way mapping for Pacheco Reservoir Expansion Project

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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	10,975,311	12,323,755	12,917,994	14,891,974
Operating Project	86,691	254,474	22,293	23,479
Capital	11,812,179	13,073,542	9,935,768	9,160,881
Total *	**22,874,181**	**25,651,771**	**22,876,055**	**24,076,334**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Business Planning and Analysis Unit	4,731,487	5,459,489	4,803,967	5,058,260
Business Support & Asset Management	8,203,869	8,924,059	6,900,986	7,134,086
CADD Services	2,265,961	2,891,421	2,597,760	2,806,290
Land Surveying & Mapping	5,571,667	5,672,324	5,735,993	6,120,267
Office of Integrated Water Management	2,101,195	2,704,478	2,837,349	2,957,431
Total *	**22,874,181**	**25,651,771**	**22,876,055**	**24,076,334**

* Totals include intra-district reimbursement charges. FY2023 and FY2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of Assistant Chief of Executive Officer - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**49**	**49**	**47**	**47**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

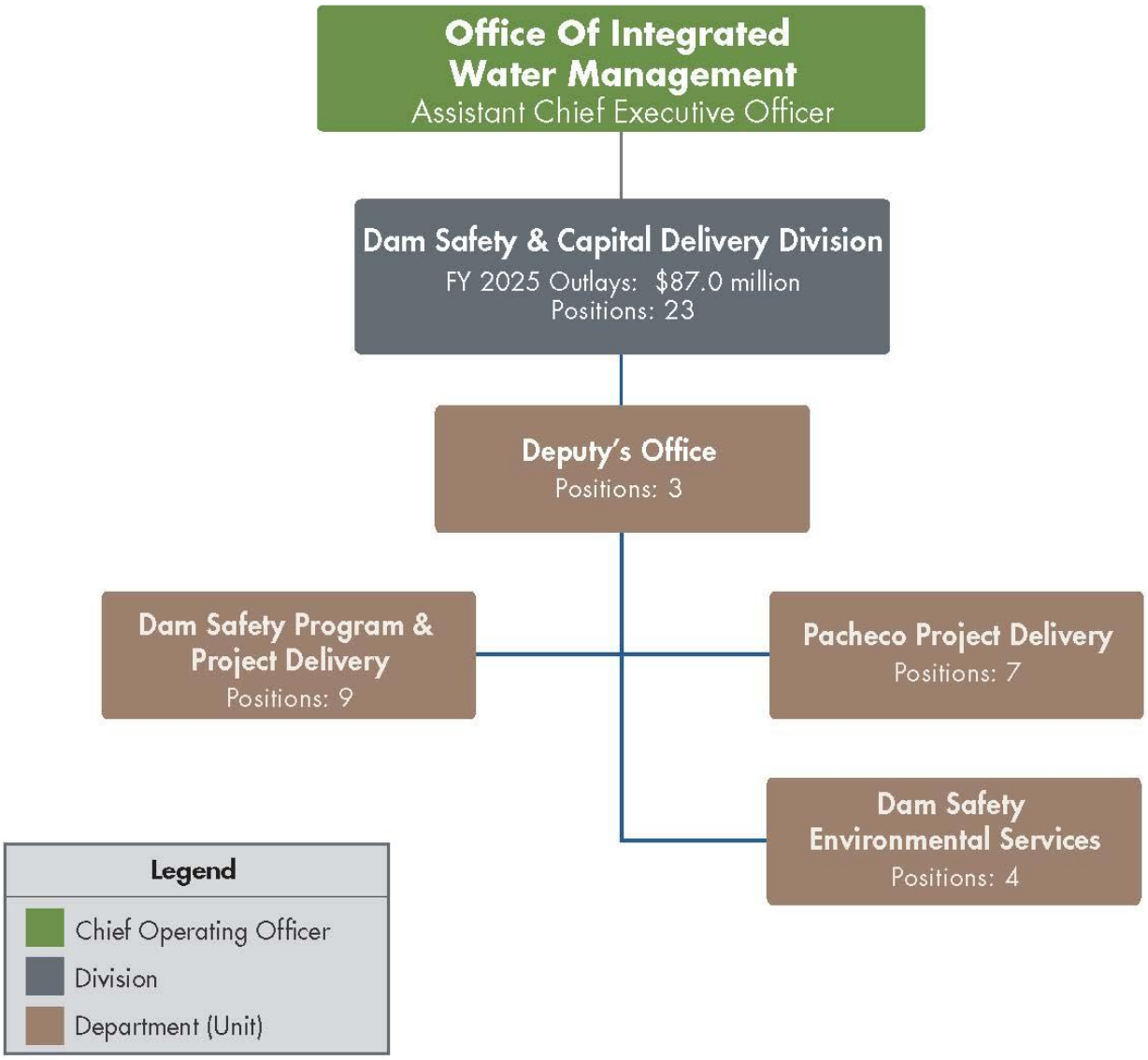
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	2025-26 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,416,426	1,565,555	1,119,201	1,176,569
	Services & Supplies	70,142	381,600	352,940	367,940
	Intra District Charges	813,430	992,739	694,062	724,639
Business Planning and Analysis Total		2,299,998	2,939,894	2,166,203	2,269,148
Business Support & Asset Management					
	Salaries & Benefits	2,182,403	2,271,745	2,550,753	2,867,757
	Services & Supplies	763,318	711,000	950,500	930,500
	Intra District Charges	1,278,248	1,467,812	1,593,385	1,775,559
Business Support & Asset Management Total		4,223,968	4,450,557	5,094,638	5,573,815
CADD Services					
	Salaries & Benefits	171,463	184,009	107,789	107,736
	Services & Supplies	6,936	10,000	5,000	5,000
	Intra District Charges	93,031	116,053	68,378	68,225
CADD Services Total		271,431	310,062	181,166	180,961
Land Surveying & Mapping					
	Salaries & Benefits	1,085,346	1,181,191	1,600,415	2,275,692
	Services & Supplies	490,705	224,500	62,000	237,000
	Intra District Charges	600,655	785,680	1,017,780	1,441,408
Land Surveying & Mapping Total		2,176,706	2,191,371	2,680,195	3,954,101
Office of Integrated Water Management					
	Salaries & Benefits	1,282,966	1,366,581	1,396,134	1,472,324
	Services & Supplies	20,893	414,300	548,300	549,300
	Intra District Charges	786,040	905,464	873,649	915,803
Office of Integrated Water Management Total		2,089,899	2,686,345	2,818,083	2,937,428
Operations Total *		**11,062,002**	**12,578,229**	**12,940,287**	**14,915,453**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,437,548	1,425,588	1,507,568	1,597,588
	Services & Supplies	143,461	216,474	218,674	236,584
	Intra District Charges	850,480	877,533	911,521	954,939
Business Planning and Analysis Total		2,431,489	2,519,595	2,637,764	2,789,111
Business Support & Asset Management					
	Salaries & Benefits	805,967	806,683	723,269	593,583
	Services & Supplies	2,696,025	3,144,319	630,692	598,740
	Intra District Charges	477,909	522,500	452,387	367,948
Business Support & Asset Management Total		3,979,901	4,473,502	1,806,348	1,560,271
CADD Services					
	Salaries & Benefits	1,150,297	1,566,859	1,458,756	1,585,405
	Services & Supplies	157,246	27,800	33,440	36,640
	Intra District Charges	686,988	986,700	924,397	1,003,284
CADD Services Total		1,994,530	2,581,359	2,416,593	2,625,329
Land Surveying & Mapping					
	Salaries & Benefits	1,930,595	1,793,050	1,593,241	1,097,695
	Services & Supplies	260,982	476,000	437,000	363,500
	Intra District Charges	1,203,384	1,211,903	1,025,557	704,971
Land Surveying & Mapping Total		3,394,961	3,480,953	3,055,797	2,166,166
Office of Integrated Water Management					
	Salaries & Benefits	6,997	10,900	11,843	12,325
	Intra District Charges	4,299	7,233	7,423	7,678
Office of Integrated Water Management Total		11,297	18,133	19,266	20,003
Capital Total *		**11,812,179**	**13,073,542**	**9,935,768**	**9,160,881**
Division Total *		**22,874,181**	**25,651,771**	**22,876,055**	**24,076,334**

*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 for maintenance of the dam facilities and for capital projects at the dam facilities as part of Valley Water's 5-year Capital Improvement Program (CIP). The objective of the Dam Safety and Capital Delivery Division is to ensure the dam facilities remain safe, compliant, and in good condition. This Division consists of three units— the Pacheco Project Delivery unit, the Dam Safety Program & Project Delivery unit, and the Dam Safety Environmental Services 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.

Dam Safety Environmental Services

The Dam Safety Environmental Services unit is a newly formed unit created to address critical business needs in the Dam Safety and & Capital Delivery Division. The unit provides environmental and regulatory compliance for the ADSRP, CDSRP, GDSRP, and any other needs for the Division.

FY 2024 Accomplishments

Pacheco Reservoir Expansion Project (PREP):

- 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).
- $92 million WIFIA loan for planning and design approved by EPA on October 30, 2023.

Anderson Dam Seismic Retrofit Project (ADSRP):

- Released the draft ADSRP Environmental Impact Report (EIR) for public comment.
- Submitted the final Surrender Application to Federal Energy Regulatory Compliance (FERC)
- Continued formal consultation with USFWS, NMFS, USACE, CDFW, and California State Water Resources Control Board (SWRCB) on required regulatory permits.
- Completed 90% level design of the Spillway and submitted to FERC and DSOD for review.

- Continued construction and made significant progress on the Anderson Dam Tunnel Project (ADTP). Completed conventional excavation portion of the diversion tunnel and began mobilizing the micro-tunnel boring machine.
- Completed construction of the Cross Valley Pipeline Extension Project (CVPE), an Anderson FERC order compliance project.

Other Dam Seismic Retrofit Project:

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

FY 2025 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 tribal consultation.
- Distribute 60% design for Valley Water and DSOD review.
- Recirculate the draft EIR and EIS documents.

Dam Seismic Retrofit Project:

- Complete construction of the diversion tunnel of the ADTP.
- Complete 100% design level package for the ADSRP.
- Certify the Final EIR for the ADSRP.
- Submit permit applications for ADSRP.
- Complete the draft EIR for the CDSRP.
- 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 2026 Milestones

Pacheco Reservoir Expansion Project (PREP):

- Distribute the 90% design for Valley Water and DSOD review.
- Obtain State Water Board Rights approval.
- Certify the EIR/EIS documents.

Dam Seismic Retrofit Project:

- Advertise and award the ADSRP.
- Complete the draft EIR of the GDSRP.
- Complete the revised 90% design of the GDSRP.
- 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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	2,756,111	3,615,485	3,368,802	3,368,207
Capital	159,025,091	123,453,145	83,597,873	169,426,357
Total *	**161,781,202**	**127,068,630**	**86,966,675**	**172,794,563**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Dam Safety Program & Project Delivery	129,291,453	90,599,958	96,866,517	160,439,638
Dam Safety Environmental Services	–	–	1,711,912	1,786,094
Office of Dam Safety and Capital Delivery Division	2,106,310	(3,299,202)	(9,489,232)	1,434,743
Pacheco Project Delivery	30,383,439	39,767,874	(2,122,522)	9,134,088
Total *	**161,781,202**	**127,068,630**	**86,966,675**	**172,794,563**

* Totals include intra-district reimbursement charges. FY2023 and FY2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Dam Safety and Capital Delivery Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**21**	**21**	**23**	**23**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	2025-26 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	954,626	1,096,501	979,833	1,018,567
	Services & Supplies	1,168,987	1,752,000	1,555,200	1,486,200
	Intra District Charges	582,792	708,832	615,520	635,657
Dam Safety Program & Project Delivery Total		2,706,405	3,557,333	3,150,553	3,140,424
Dam Safety Environmental Services					
	Salaries & Benefits	–	–	137,591	144,337
	Intra District Charges	–	–	80,658	83,446
Dam Safety Environmental Services Total		–	–	218,249	227,783
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	2,346	–	–	–
	Services & Supplies	778	1,850	–	–
Office of Dam Safety and Capital Delivery Division Total		3,124	1,850	–	–
Pacheco Project Delivery					
	Salaries & Benefits	29,930	34,371	–	–
	Services & Supplies	5,356	–	–	–
	Intra District Charges	11,297	21,931	–	–
Pacheco Project Delivery Total		46,582	56,302	–	–
Operations Total *		**2,756,111**	**3,615,485**	**3,368,802**	**3,368,207**

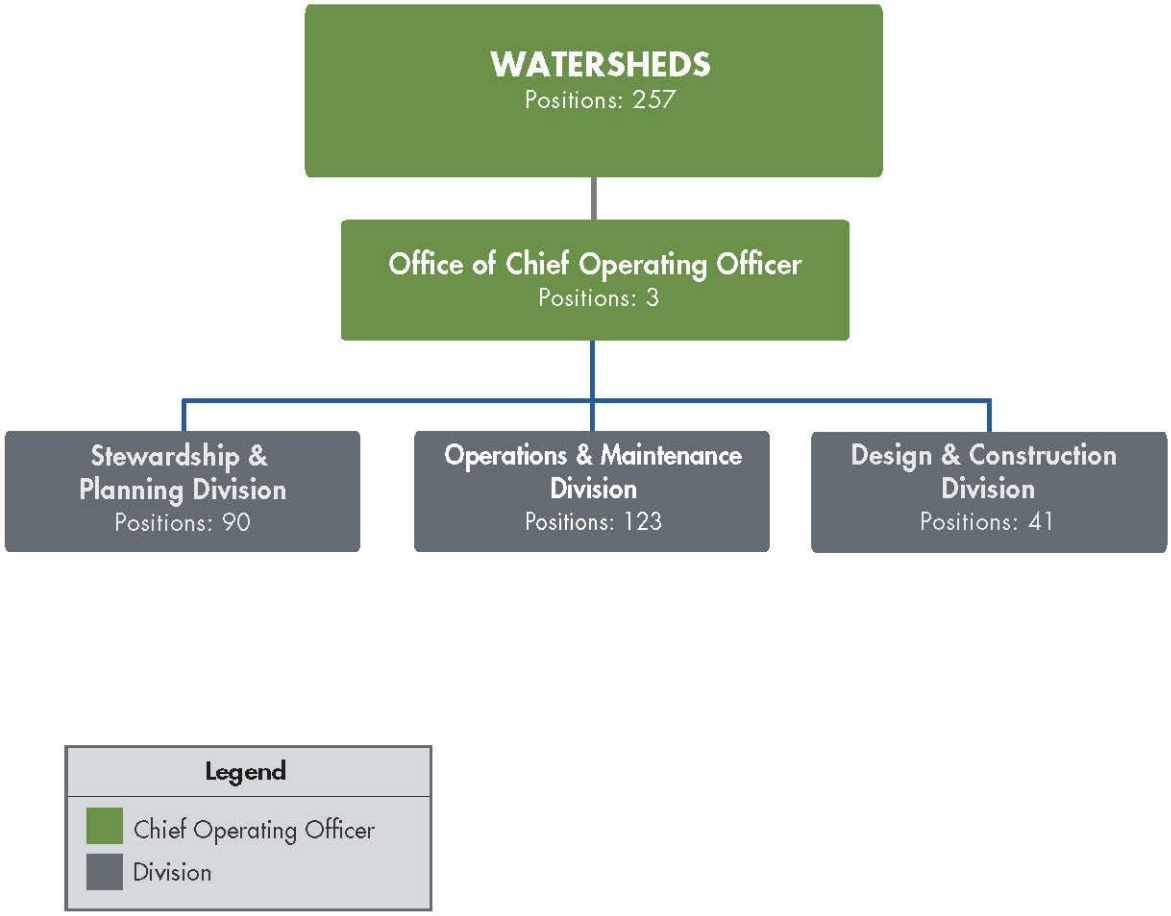
*Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	1,231,938	1,629,077	1,703,523	1,796,397
	Services & Supplies	124,599,748	84,357,391	90,934,304	154,377,530
	Intra District Charges	753,361	1,056,157	1,078,138	1,125,286
Dam Safety Program & Project Delivery Total		126,585,047	87,042,625	93,715,964	157,299,214
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	1,130,498	1,331,483	1,091,028	1,166,584
	Services & Supplies	245,891	(5,509,998)	(11,270,074)	(463,974)
	Intra District Charges	726,797	877,464	689,814	732,133
Office of Dam Safety and Capital Delivery Division Total		2,103,186	(3,301,052)	(9,489,232)	1,434,743
Dam Safety Environmental Services					
	Salaries & Benefits	–	–	926,464	971,890
	Services & Supplies	–	–	9,150	9,150
	Intra District Charges	–	–	558,049	577,272
Dam Safety Environmental Services Total		–	–	1,493,663	1,558,312
Pacheco Project Delivery					
	Salaries & Benefits	1,765,583	1,834,414	2,052,075	2,174,659
	Services & Supplies	27,517,451	36,706,495	(5,434,758)	5,642,559
	Intra District Charges	1,053,823	1,170,662	1,260,161	1,316,870
Pacheco Project Delivery Total		30,336,857	39,711,571	(2,122,522)	9,134,088
Capital Total *		**159,025,091**	**123,453,145**	**83,597,873**	**169,426,357**
Division Total *		**161,781,202**	**127,068,630**	**86,966,675**	**172,794,563**

*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.

Office of COO Watersheds

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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	1,918,803	1,365,782	1,841,346	1,951,032
Capital	11,149	–	–	–
Total *	**1,929,952**	**1,365,782**	**1,841,346**	**1,951,032**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the COO	1,929,952	1,365,782	1,841,346	1,951,032
Total *	**1,929,952**	**1,365,782**	**1,841,346**	**1,951,032**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of the COO Watersheds - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**2**	**2**	**3**	**3**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

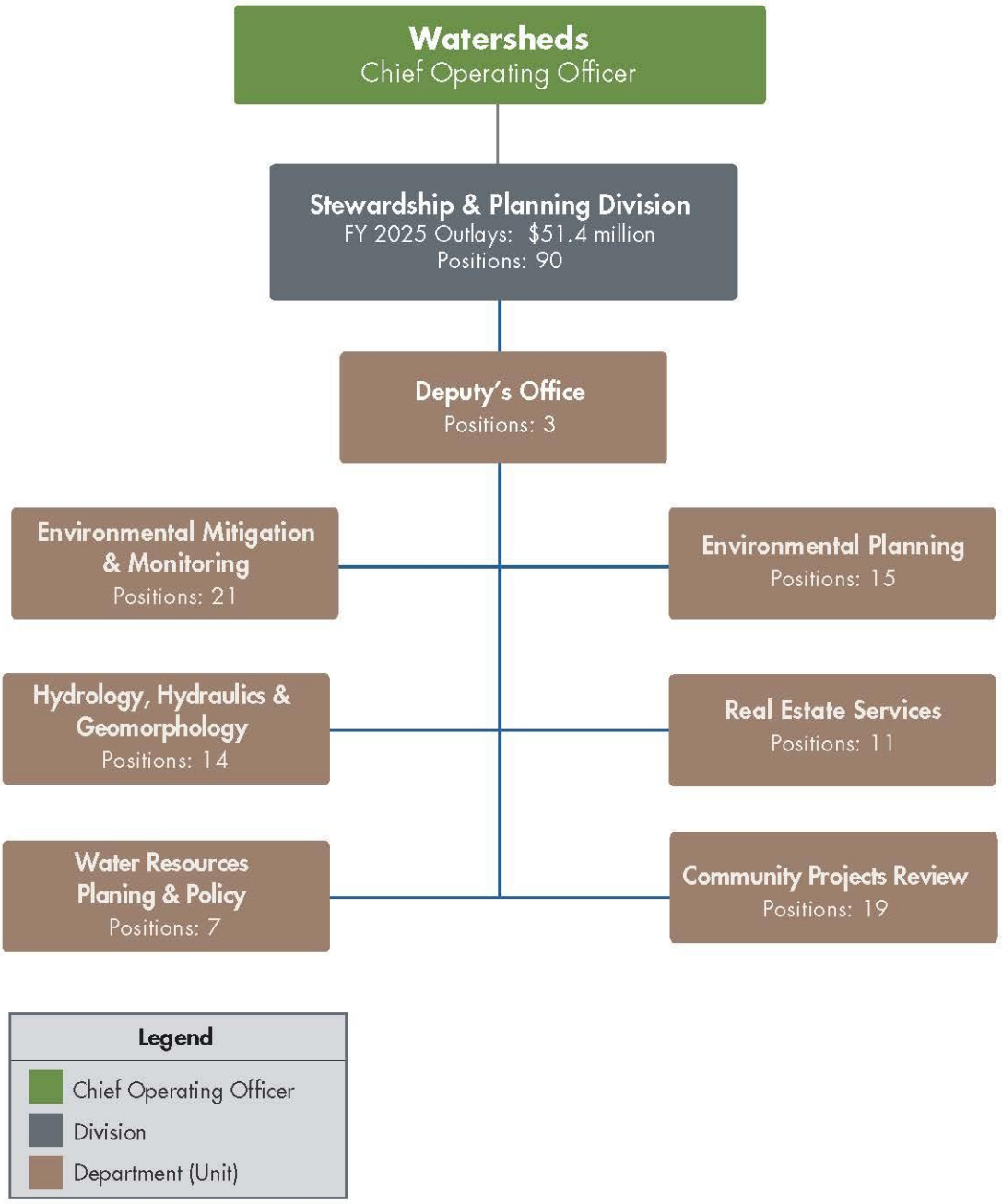
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	2025-26 Proposed Plan
Office of the COO					
	Salaries & Benefits	909,092	734,150	1,018,338	1,085,298
	Services & Supplies	590,937	180,650	185,115	185,115
	Intra District Charges	418,775	450,982	637,893	680,619
Office of the COO Total		1,918,803	1,365,782	1,841,346	1,951,032
Operations Total *		**1,918,803**	**1,365,782**	**1,841,346**	**1,951,032**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of the COO					
	Services & Supplies	11,149	–	–	–
Office of the COO Total		11,149	–	–	–
Capital Total *		**11,149**	**–**	**–**	**–**
Division Total *		**1,929,952**	**1,365,782**	**1,841,346**	**1,951,032**

*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 is composed of six units that 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. This Division also provides District-wide services support from the Real Estate, and Community Project Review Units.

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 violations as defined by the Water Resources Protection Ordinance through the review of approximately 1,407 projects and issuance of approximately 150 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 2,407 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 and the Geographic Information System (GIS) layers showing Valley Water land rights, USA facility marking zones, encroachment prioritization, and CPRU project file information, as well as providing FEMA, flooding, and water resource information to the public and responding to Public Records Act requests. Provides technical assistance for and assists in the negotiation of real estate transactions, including joint use agreements, licenses, right of way dedications and sales, and agreements related to land development, public agency projects, or other construction on Valley Water property.

Environmental Planning

The Environmental Planning Unit (EPU) provides project planning, environmental document preparation, California Environmental Quality Act (CEQA) compliance, and natural resource agency permitting services for water utility and watershed capital projects. Additionally, the Environmental Planning Unit also supports CEQA lead and responsible agency actions for Valley Water permit and grant programs. Finally, the unit also manages Safe, Clean Water Projects B1 and B2, and provides surface water quality regulatory expertise.

Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring Unit is responsible for: managing long-term mitigation monitoring programs for Valley Water; three ecology-oriented, stewardship Safe Clean Water Programs (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; managing the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE), as well as the mitigation monitoring commitments for the Anderson Dam Seismic Retrofit project. The unit also provides ecological and biological expertise supporting Valley Water activities, projects, and programs to effectively manage natural resources, stewardship, and comply 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, reservoir, 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 develops the geomorphologic analysis that provides the basis for channel modification to minimize maintenance needs and sustain long-term stability.

Real Estate Services

The Real Estate Services Unit (RESU) provides professional real estate expertise in the areas of negotiation and acquisition for permanent and temporary land rights for capital improvement and other projects, disposition of real estate assets, appraisal services, relocation of homeowners, businesses and agricultural operations, and asset management, including property management activities for Valley Water owned residential and commercial properties. RESU is a key proponent of VW's GIS system and coordinates integration of data and layer to provide up-to-date system information for agency-wide operational and project requirements. Recently integrated into RESU, the Land Management Program is tasked with determining various land rights, analysis of surplus VW property in relation to the disposition of real estate, coordination of interagency joint use agreements, expansion of the On Base Enterprise Content Management System (ECM), and deployment of an agency-level wildfire resilience plan.

Water Resources Planning & Policy

The Water Resources Planning and Policy Unit conducts long-range and project planning for watersheds, manages and reports on Valley Water's response to climate change, and collaborates with regional partners to promote a coordinated approach to water resources stewardship. The unit is responsible for implementation of Safe Clean Water Priority D-4, Fish Passage, and Habitat Enhancement. Other notable projects include the Calabazas/San Tomas Aquino Creek - Marsh Reconnection (a partnership with the South Bay Salt Ponds Restoration Project), the Ogier Ponds Separation from Coyote Creek, and the Stevens Creek Fish Passage Improvement projects, such as Moffett Fish Ladder. Long-range planning efforts include the Climate Change Action Plan and the Watershed Management Plans (One Water).

FY 2024 Accomplishments

- Completed One Water Guadalupe and Upper Pajaro Watershed Plans.
- Conditionally awarded a $5.0 million grant from California State Coastal Conservancy for the Pond A4 Resilient Habitat Restoration (RHR) Project, developed 60% designs, and completed CEQA.
- Submitted NOAA Grant Application requesting $15.0 million of construction funding, completed Conceptual Alternatives Report, and held trail stakeholder/public meetings for the Calabazas/San Tomas Creek-Marsh Connection Projects.
- Completed Conceptual and Feasible Alternatives Reports for Ogier Ponds Separation from Coyote Creek, and the Moffett Fish Ladder Project.
- Identified target fish passage impediments along Arroyo Calero/Alamitos/Guadalupe Creeks for the Safe Clean Water Priority D Fish Habitat Improvements Project and initiated fieldwork.
- Released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report.
- Certified the Final Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) Environmental Impact Report.
- Met SCW D2, D5 and D7 KPIs' and targets in the 5-year implementation plan. Completed the Guadalupe Watershed Reassessment for D5 and assisted in the land acquisition of conservation land for D7.

- Executed partnership Memorandums of Understanding (MOU) with CA Coastal Conservancy, Midpeninsula Regional Open Space District, and the Valley Habitat Agency for invasive plant control and habitat restoration under SCW D2.
- Gave numerous external presentations on plant pathogens, fisheries efforts, and habitat restoration at scientific conferences as well as educational outreach at local schools.
- Completed all monitoring required for the Anderson Dam Seismic Retrofit Project-Federal Energy Regulatory Commission Order Compliance (ADSRP- FOCP) project.
- Completed CEQA Environmental Review for projects spanning Watersheds, Water Utility, Stewardship, Community Project Review permits, wells permit, and Safe, Clean Water Grants program activities.
- Completed natural resource agency permitting of Palo Alto Tide Gate, Santa Clara and Pacheco Conduits Right-of-Way Acquisition, and Snell Pipeline Inspection and Repair projects.
- Met KPIs for Safe Clean Water Projects B1 and B2, including implementing and exploring methods to address mercury, development of new pollution prevention projects, and submittal of the Municipal Regional Stormwater Permit annual report.
- Completed a layer in GIS - Joint Use Agreements (JUA) layer.
- Completed City of San Jose Joint Trail Agreement (JTA) amendments on Thompson Creek and Coyote Creek. Renewed JUAs with the City of Gilroy and Santa Clara.
- Remediated 70+ encroachments.
- Provided technical data and added additional gauge for Guadalupe Emergency Action Plan.
- Created a new Flood Watch web site to support flood emergency monitor and response.
- Completed Ross Creek and S. Babb Flood Protection feasibility studies.
- Managed 86 non-residential leases and licenses countywide.

FY 2025 Milestones

- Issue Final EIR for the Anderson Dam Seismic Retrofit Project and submit natural resource regulatory permit applications.
- Develop One Water West Valley and Lower Peninsula Watershed Plans.
- Conduct CEQA and obtain regulatory permits for the Coyote Creek Flood Protection Project.
- Complete the Calabazas-San Tomas Aquino Creek-Marsh Connection Project Planning Study Report and initiate design phase.
- Complete Planning Study Report for the Ogier Ponds Creek-Lake Separation Project and initiate design phase.
- Complete Planning Study Report for the Stevens Creek Fish Passage Improvement Project and initiate design phase (Moffett Fish Ladder).
- Complete design and acquire permits for the Pond A4 RHR Project and start construction of access and staging area.
- Complete Fish Passage Assessment for Arroyo Calero and Alamitos and Guadalupe Creeks including hydraulic modeling.
- Maintain partnership MOUs for invasive plant control and habitat restoration under SCW D2.
- Provide project management and oversight of the FAHCE monitoring program.
- Maintain at least two trash capture devices or other litter control programs through 2026.
- Maintain Valley Water's municipal stormwater compliance program through 2026 and submit Municipal Regional Stormwater Permit annual report in September.
- Implement management actions to reduce methylmercury in fish in four reservoirs (Almaden, Guadalupe, Calero, and Stevens Creek reservoirs) by 2026.
- Begin access point and staging area improvements for SMP sediment delivery at Pond A4.

- Create new Oracle Upgrade and Customer Relationship Management System and Document Storage system, including creation of new work processes, forms, and applications for the new system.
- Update Llagas Creek design flows by completing a calibrated HEC-HMS model by June 2025.
- Complete Llagas watersheds 100-year floodplain update by June 2025.
- Enhance a new Flood Watch web site to support flood emergency monitor and response.
- Provide all Real Estate Services needed by Valley Water internal customers associated with Capital projects and Valley Water needs.

FY 2026 Milestones

- Complete Lower Peninsula and West Valley Watershed Master Plans.
- Conduct CEQA and 30% Design for the Calabazas San Tomas Aquino Creek-Marsh Connection Project.
- Complete Fish Passage Impediment Removal Prioritization Study for Arroyo Calero/Alamitos/Guadalupe Creeks including 10% design plans for high priority sites.
- Conduct CEQA for the Stevens Creek Fish Passage Improvement Project.
- Construct Live Oak fish habitat improvement project on Coyote Creek.
- Complete 30% PS&E for the Ogier Ponds project.
- Begin SMP sediment delivery at Pond A4 as part of Phase 2 of Pond A4 RHR Project to restore 40 acres of mudflat, valuable habitat for shorebirds.
- Maintain partnership MOUs for invasive plant control and habitat restoration under SCW D2.
- Maintain at least two trash capture devices or other litter control programs through 2026.
- Maintain Valley Water's municipal stormwater compliance program through 2026 and submit Municipal Regional Stormwater Permit annual report in September.
- Implement management actions to reduce methylmercury in fish in four reservoirs (Almaden, Guadalupe, Calero, and Stevens Creek reservoirs) by 2026.
- Implement new Oracle Upgrade and Customer Relationship Management System and Document Storage system, including creation of new work processes, forms, and applications for the new system.
- Finalize urban hydrology studies, incorporating the knowledge into the hydrology manual.
- Complete Lower Peninsula Watersheds 100-year floodplain update by June 2026.
- Provide all Real Estate Services needed by Valley Water internal customers associated with Capital projects and Valley Water needs.

Budget Issues and Constraints

- Water right complaints and associated draft settlement agreements, regulatory permits, external party requests for reevaluations, external partner funding limitations, and federal funding limits all prove challenging.
- Predictable regulatory authorization of projects in compliance with evolving natural resource management rules and regulations remains a constraint to timely implementation of projects.
- Jurisdictional complexity and staff resources, especially given a high volume of unplanned requests and the reduction and elimination of temporary resources from the budget, may cause delays.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	28,067,308	30,650,119	33,596,997	35,169,795
Operating Project	1,922,283	4,195,470	3,750,071	3,564,690
Capital	14,642,864	17,026,242	14,015,223	13,920,290
Total *	**44,632,456**	**51,871,831**	**51,362,291**	**52,654,775**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Community Projects Review	6,430,607	7,721,171	7,534,169	7,967,555
Environmental Mitigation & Monitoring	10,554,471	11,509,122	11,988,149	11,379,266
Environmental Planning	11,243,079	10,402,623	9,053,833	9,693,707
Environmental Planning #1	66,391	–	–	–
Hydrology, Hydraulics & Geomor	6,689,158	6,641,389	7,261,319	7,587,040
Office of Watersheds Stewardship & Pln Div	6,155,494	11,210,520	2,208,827	3,370,153
Real Estate Services	3,493,255	4,387,006	5,068,949	5,289,328
Water Resources Planning & Policy	–	–	8,247,046	7,367,725
Total *	**44,632,456**	**51,871,831**	**51,362,291**	**52,654,775**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Watershed Stewardship & Planning Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**84**	**91**	**90**	**90**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

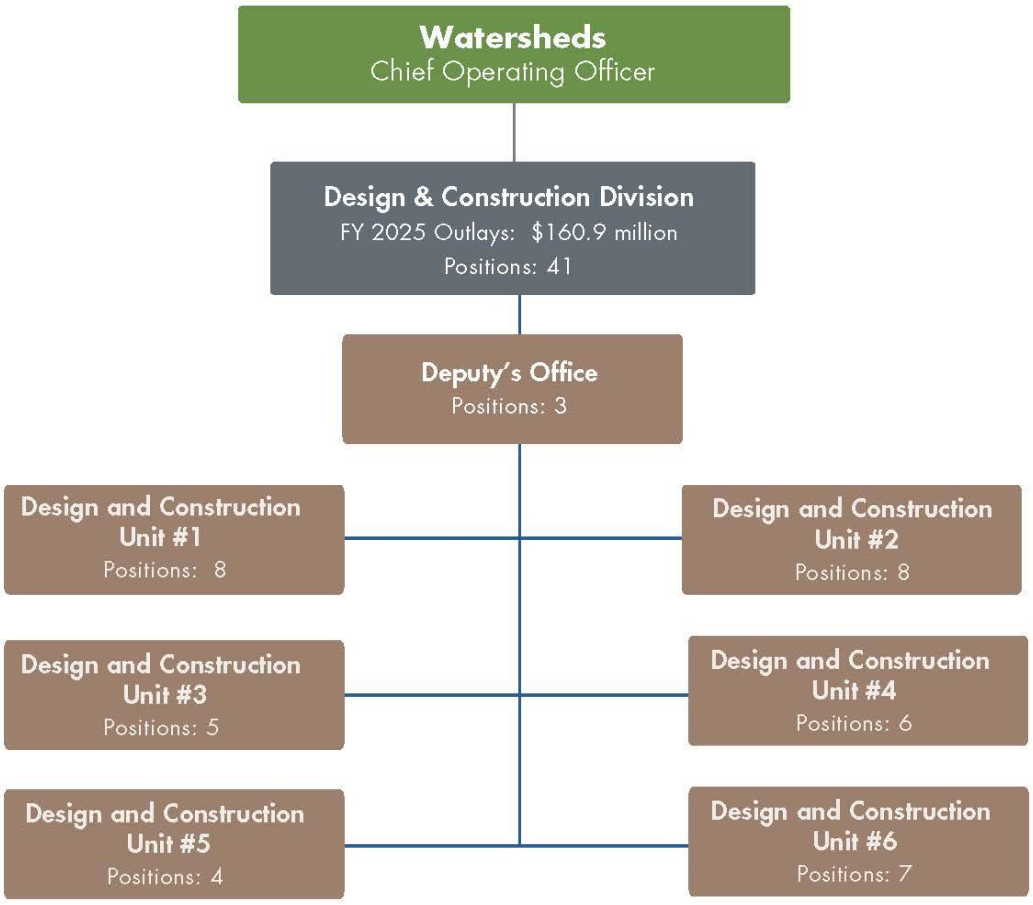
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Community Projects Review					
	Salaries & Benefits	3,843,676	4,207,224	4,430,444	4,726,063
	Services & Supplies	207,650	374,182	256,922	256,922
	Intra District Charges	2,360,588	2,703,879	2,764,912	2,930,718
Community Projects Review Total		6,411,914	7,285,286	7,452,278	7,913,703
Environmental Mitigation & Monitoring					
	Salaries & Benefits	3,264,686	3,197,254	3,539,798	3,778,831
	Services & Supplies	2,488,065	2,885,800	2,974,441	1,919,259
	Intra District Charges	1,866,325	2,042,810	2,192,816	2,316,110
Environmental Mitigation & Monitoring Total		7,619,076	8,125,865	8,707,055	8,014,199
Environmental Planning					
	Salaries & Benefits	1,827,867	2,336,892	2,180,233	2,452,061
	Services & Supplies	1,972,255	2,451,450	2,458,537	2,593,250
	Intra District Charges	1,127,038	1,515,538	1,392,644	1,553,707
Environmental Planning Total		4,927,159	6,303,880	6,031,413	6,599,017
Environmental Planning #1					
	Services & Supplies	66,391	–	–	–
Environmental Planning #1 Total		66,391	–	–	–
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	3,054,597	3,099,546	3,671,925	3,849,915
	Services & Supplies	1,283,279	1,126,500	975,016	985,491
	Intra District Charges	1,812,573	2,006,420	2,271,561	2,361,035
Hydrology, Hydraulics & Geomor Total		6,150,449	6,232,466	6,918,502	7,196,440
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	1,438,199	1,997,376	1,097,521	1,189,070
	Services & Supplies	374,485	266,400	7,000	7,000
	Intra District Charges	803,761	1,304,590	693,082	750,119
Office of Watersheds Stewardship & Pln Div Total		2,616,445	3,568,366	1,797,603	1,946,188
Real Estate Services					
	Salaries & Benefits	1,048,096	1,357,151	2,047,331	2,586,117
	Services & Supplies	540,638	1,101,778	687,371	687,371
	Intra District Charges	609,423	870,798	1,264,356	1,581,339
Real Estate Services Total		2,198,157	3,329,727	3,999,059	4,854,827
Water Resources Planning & Policy					
	Salaries & Benefits	–	–	1,070,659	1,147,158
	Services & Supplies	–	–	692,750	343,710
	Intra District Charges	–	–	677,749	719,241
Water Resources Planning & Policy Total		–	–	2,441,157	2,210,109
Operations Total *		**29,989,592**	**34,845,589**	**37,347,069**	**38,734,484**

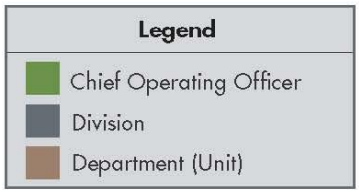
Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Community Projects Review					
	Salaries & Benefits	9,085	64,438	50,401	33,254
	Services & Supplies	3,959	330,000	–	–
	Intra District Charges	5,650	41,447	31,490	20,598
Community Projects Review Total		18,693	435,885	81,891	53,852
Environmental Mitigation & Monitoring					
	Salaries & Benefits	1,838,134	2,025,234	2,000,422	2,071,488
	Services & Supplies	30,724	45,500	28,000	10,000
	Intra District Charges	1,066,536	1,312,524	1,252,671	1,283,578
Environmental Mitigation & Monitoring Total		2,935,395	3,383,258	3,281,093	3,365,067
Environmental Planning					
	Salaries & Benefits	2,296,613	2,327,208	1,699,330	1,645,836
	Services & Supplies	2,592,791	250,675	232,000	400,000
	Intra District Charges	1,426,516	1,520,860	1,091,089	1,048,854
Environmental Planning Total		6,315,920	4,098,743	3,022,419	3,094,690
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	279,968	244,464	208,848	238,770
	Services & Supplies	82,449	–	–	–
	Intra District Charges	176,292	164,459	133,969	151,830
Hydrology, Hydraulics & Geomor Total		538,710	408,924	342,817	390,599
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	734,916	851,347	–	–
	Services & Supplies	2,404,602	6,232,727	411,224	1,423,965
	Intra District Charges	399,531	558,079	–	–
Office of Watersheds Stewardship & Pln Div Total		3,539,049	7,642,153	411,224	1,423,965
Real Estate Services					
	Salaries & Benefits	771,597	621,427	638,361	247,467
	Services & Supplies	62,187	35,700	35,700	35,700
	Intra District Charges	461,313	400,152	395,829	151,334
Real Estate Services Total		1,295,097	1,057,280	1,069,890	434,501
Water Resources Planning & Policy					
	Salaries & Benefits	–	–	904,499	922,632
	Services & Supplies	–	–	4,328,813	3,656,490
	Intra District Charges	–	–	572,577	578,495
Water Resources Planning & Policy Total		–	–	5,805,888	5,157,616
Capital Total *		**14,642,864**	**17,026,242**	**14,015,223**	**13,920,290**
Division Total *		**44,632,456**	**51,871,831**	**51,362,291**	**52,654,775**

*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 flood protection and environmental stewardship. 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.

The Division has six units responsible for planning, design and construction of various watershed and water resource stewardship capital projects, as well as repair work on existing watersheds facilities.

These projects include, but are not limited to:

- Upper Llagas Creek Flood Protection Project
- Coyote Creek Flood Protection Project
- Sunnyvale East and West Channels
- Evelyn Fish Passage
- Palo Alto Tide Gate Phase 1 Seismic Retrofit and Rehabilitation Project
- South Babb Creek Flood Mitigation Project Construction:
- Coyote Percolation Dam Replacement
- Upper Llagas Creek Flood Protection Project, Phase 2A
- Coyote Creek Flood Management Measures
- Lower Calera Creek Flood Protection Project
- Regnart Creek Emergency Bank Stabilization Project

In addition to design and construction of these projects, the Division is also responsible for the planning of the Lower Guadalupe River Flood Protection project and other flood protection and stewardship projects that are identified and prioritized as part of the Watershed Planning process.

The Division is also 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 who identify rehabilitation needs that are beyond the everyday maintenance capability of O&M staff and require development of engineering designs to restore damaged sections.

Valley Water's Watershed Capital program has a significant portion of the program implemented in partnership with other local and federal partners, such as the United States Army Corps of Engineers (USACE) and San Francisquito Creek Joint Powers Authority. With significant funding and technical lead or support roles, Valley Water plays a vital role in advancing and implementing these projects.

The Division plays a key role in advancing projects which include:

- Upper Guadalupe River Flood Protection Project (Design)
- San Francisco Bay Shoreline, Phase 1, Reaches 1-3 (Construction)
- San Francisco Bay Shoreline, Phase 1, Reaches 4-5 (Planning/Design)
- San Francisco Bay Shoreline, Phase 2 (Planning)
- San Francisco Bay Shoreline, Phase 3 (Planning)
- San Francisquito Creek Flood Protection Project (Design)

FY 2024 Accomplishments

- Completed design of Sunnyvale East and West Channels Flood Protection Project.
- Completed 3-year plant establishment period for the Permanente Creek Flood Protection Project – Rancho San Antonio Basin.
- Completed construction of the Coyote Percolation Dam Replacement Project.
- Completed construction of the Bolsa Road Fish Passage Improvements Project.
- Completed construction of the Lower Calera Creek Flood Protection Project.
- Completed construction of Lower Penitencia Creek Improvements Project.
- Completed construction of the Upper Llagas Creek Flood Protection Project, Phase 2A.
- Secured NRCS grant funding and begin construction of the Upper Llagas Creek Flood Protection Phase 2B.
- Continued Construction of South San Francisco Bay Shoreline Protection Phase I, Reaches 1-3.
- Completed design of the Palo Alto Tide Gate Seismic Retrofit and Rehabilitation, Phase 1 Project.
- Completed planning of the Lower Guadalupe River Flood Protection Project.
- Began design of Upper Penitencia Creek Project.
- Continued design of Guadalupe River Erosion Repair Project under WARP.
- Completed construction of Coyote Creek Rodent Levee Repair Project under WARP.
- Continued design of Hale Creek and Permanente Creek U-frame Wall Repair Projects under WARP.
- Continued design of Coyote Creek Erosion Repair at Julian and San Jose High School under WARP.
- Continued design of Guadalupe River Erosion Repair at San Carlos Street under WARP.
- Completed design of Channel Widening, Top of Bank Improvements, and Pope-Chaucer Bridge Replacement at San Francisquito Creek.

FY 2025 Milestones

- Begin design of Lower Guadalupe River Flood Protection 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.
- Continue 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 Anderson Dam FOCP.
- Complete design phase and begin construction of Coyote Creek Flood Protection Project.
- Complete construction of Guadalupe River Erosion Repairs 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.
- Complete construction of South Babb Creek Mitigation Project.
- Complete construction of Palo Alto Tide Gate Phase 1 Seismic Retrofit and Rehabilitation Project.
- Complete General Re-evaluation Report for Upper Guadalupe River Flood Protection Project.

FY 2026 Milestones

- Continue construction of Coyote Creek Flood Protection Project.
- Complete construction of the South San Francisco Bay Shoreline Project – Phase 1, Reaches 1-3 levees.
- Complete 3-year plant establishment period for the Lower Penitencia Creek Improvement Project.
- Complete 3-year plant establishment period for the Lower Calera Creek Flood Protection Project.
- Complete construction of Guadalupe River Erosion at San Carlos Street under WARP.

Budget Issues and Constraints

- Price escalation on projects due to economic uncertainty of material and labor availability continues 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.
- Projects involving multiple partners where Valley Water's role is ambiguous causes for significant hurdles in advancing projects.
- 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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	2,153,568	424,972	270,322	281,127
Operating Project	174,163	–	–	–
Capital	99,344,501	109,024,920	160,585,040	169,656,703
Total *	**101,672,232**	**109,449,892**	**160,855,363**	**169,937,830**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Design & Construction Unit #1	34,331,268	61,919,511	68,670,493	103,490,020
Design & Construction Unit #2	6,685,710	13,771,900	4,797,695	17,904,501
Design & Construction Unit #3	24,122,820	19,043,975	63,896,781	12,288,865
Design & Construction Unit #4	18,366,142	2,367,541	2,069,365	17,749,042
Design & Construction Unit #5	13,189,576	6,612,306	14,461,690	7,242,264
Design & Construction Unit #6	3,916,031	4,333,295	5,482,374	9,670,501
Office of WS Design&Const Div	1,060,686	1,401,363	1,476,966	1,592,637
Total *	**101,672,232**	**109,449,892**	**160,855,363**	**169,937,830**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Watershed Design & Construction Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**50**	**42**	**41**	**41**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

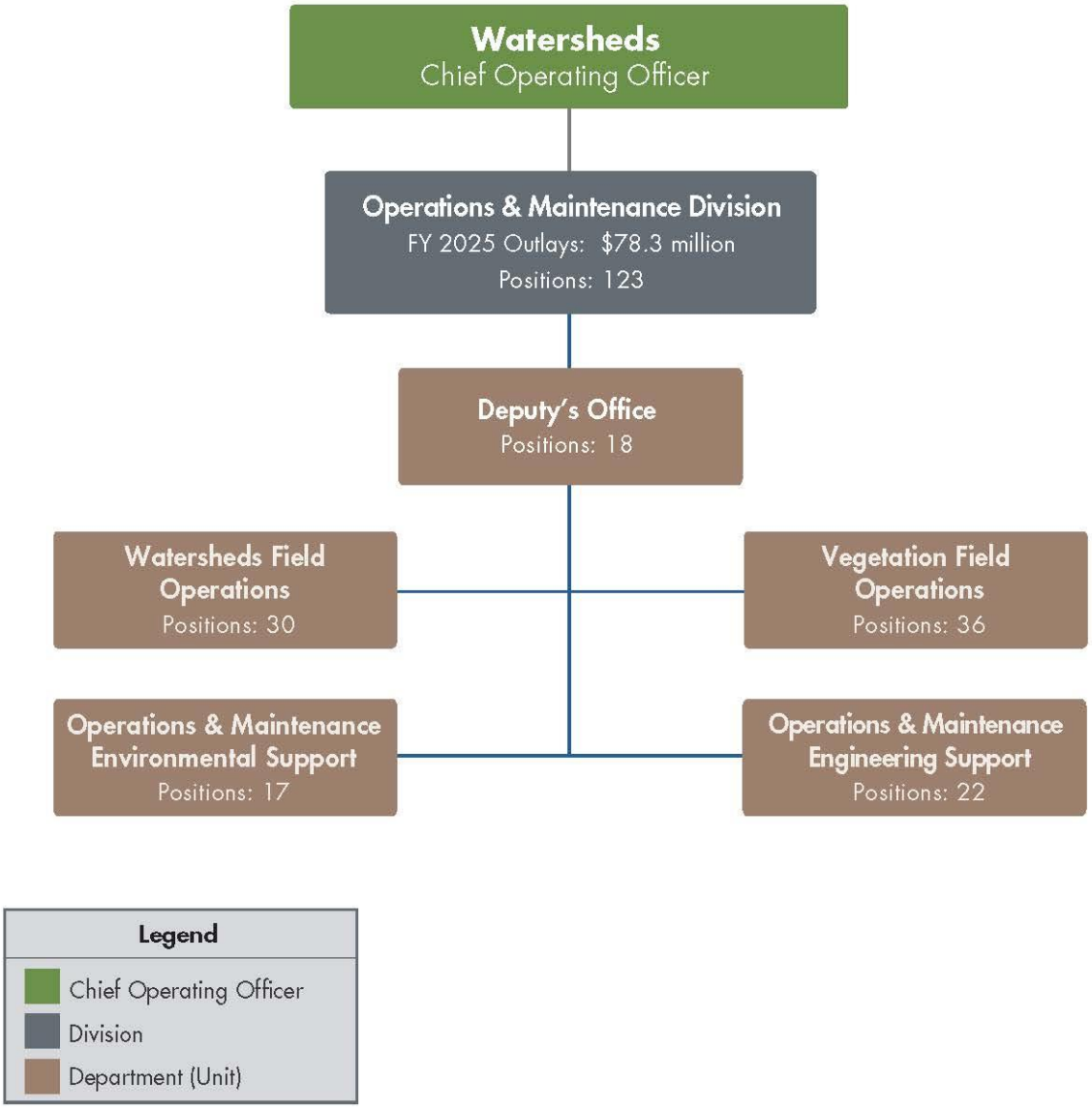
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	13,549	3,845	4,099	4,383
	Services & Supplies	54,278	3,600	–	–
	Intra District Charges	1,196	2,515	2,580	2,736
Design & Construction Unit #1 Total		69,023	9,961	6,679	7,119
Design & Construction Unit #2					
	Salaries & Benefits	8,621	–	2,149	2,248
	Services & Supplies	4,271	–	–	–
	Intra District Charges	767	–	1,322	1,368
Design & Construction Unit #2 Total		13,660	–	3,471	3,616
Design & Construction Unit #3					
	Salaries & Benefits	8,840	7,541	7,460	–
	Services & Supplies	1,029	2,000	2,000	2,000
	Intra District Charges	485	2,652	2,622	–
Design & Construction Unit #3 Total		10,355	12,192	12,082	2,000
Design & Construction Unit #4					
	Salaries & Benefits	18,224	5,019	3,260	3,407
	Services & Supplies	2,322	600	900	900
	Intra District Charges	2,963	3,200	1,992	2,061
Design & Construction Unit #4 Total		23,509	8,819	6,153	6,368
Design & Construction Unit #5					
	Salaries & Benefits	1,513	13,139	–	–
	Services & Supplies	3,750	–	–	–
	Intra District Charges	212	8,135	–	–
Design & Construction Unit #5 Total		5,475	21,273	–	–
Design & Construction Unit #6					
	Salaries & Benefits	835,417	227,153	150,077	163,409
	Services & Supplies	515,252	–	–	–
	Intra District Charges	495,396	145,573	91,861	98,616
Design & Construction Unit #6 Total		1,846,065	372,726	241,938	262,025
Office of WS Design&Const Div					
	Salaries & Benefits	241,901	–	–	–
	Services & Supplies	760	–	–	–
	Intra District Charges	116,981	–	–	–
Office of WS Design&Const Div Total		359,643	–	–	–
Operations Total *		**2,327,730**	**424,972**	**270,322**	**281,127**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	1,659,306	1,916,989	2,137,706	2,279,610
	Services & Supplies	31,623,217	58,737,710	65,179,349	99,779,414
	Intra District Charges	979,465	1,254,852	1,346,760	1,423,877
Design & Construction Unit #1 Total		34,261,988	61,909,550	68,663,814	103,482,901
Design & Construction Unit #2					
	Salaries & Benefits	1,863,961	1,973,328	2,133,800	2,252,029
	Services & Supplies	3,708,235	10,538,955	1,346,245	14,277,245
	Intra District Charges	1,099,854	1,259,617	1,314,179	1,371,612
Design & Construction Unit #2 Total		6,672,050	13,771,900	4,794,224	17,900,885
Design & Construction Unit #3					
	Salaries & Benefits	1,655,044	1,469,697	1,376,365	1,450,323
	Services & Supplies	21,432,742	16,578,639	61,630,314	9,918,116
	Intra District Charges	1,024,679	983,447	878,020	918,426
Design & Construction Unit #3 Total		24,112,465	19,031,783	63,884,699	12,286,865
Design & Construction Unit #4					
	Salaries & Benefits	1,761,837	1,499,582	1,614,096	1,701,655
	Services & Supplies	15,479,953	(97,141)	(537,480)	15,011,534
	Intra District Charges	1,100,843	956,280	986,596	1,029,486
Design & Construction Unit #4 Total		18,342,633	2,358,722	2,063,212	17,742,674
Design & Construction Unit #5					
	Salaries & Benefits	1,587,597	1,442,075	1,176,987	1,242,131
	Services & Supplies	10,690,025	4,256,148	12,590,000	5,280,000
	Intra District Charges	906,478	892,810	694,703	720,133
Design & Construction Unit #5 Total		13,184,100	6,591,033	14,461,690	7,242,264
Design & Construction Unit #6					
	Salaries & Benefits	1,188,818	1,272,411	1,676,649	1,769,373
	Services & Supplies	130,902	1,842,130	2,501,844	6,532,101
	Intra District Charges	750,245	846,028	1,061,943	1,107,002
Design & Construction Unit #6 Total		2,069,966	3,960,569	5,240,436	9,408,476
Office of WS Design&Const Div					
	Salaries & Benefits	442,212	879,605	925,878	998,033
	Services & Supplies	6,843	6,580	7,650	7,650
	Intra District Charges	252,245	515,178	543,438	586,954
Office of WS Design&Const Div Total		701,300	1,401,363	1,476,966	1,592,637
Capital Total *		**99,344,501**	**109,024,920**	**160,585,040**	**169,656,703**
Division Total *		**101,672,232**	**109,449,892**	**160,855,363**	**169,937,830**

*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 provides field maintenance, engineering support, vegetation management, and environmental services management for Water Supply and Flood Protection facilities and on lands managed under the Stream Maintenance Program (SMP). The Watersheds Operations and Maintenance Division Deputy's Office provides administrative leadership and support for the four units that comprise the Division. The Division Deputy's Office is also home to the Good Neighbor Program: Encampment Cleanup operations, which encompasses Valley Water's work to address the environmental effects of encampments of unsheltered people located along waterways and on Valley Water property. The Division objective is to ensure that maintenance work is performed in accordance with regulatory permits and stream 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, 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.

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. 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. O&M Programs supported by this Unit include the Stream Maintenance Program, Hazard Tree Program, Dam Maintenance Program and Pipeline Maintenance Program. The Unit utilizes three service delivery teams (Watersheds, Water Utility and EML) to ensure timely delivery of required support to both planned and corrective maintenance activities within these programs. The Unit also supports other O&M activities that occur outside these major programs in areas such as Raw Water Operations, Treated Water Operations, Wells, Water Rights and Ground Water Monitoring. Additional logistics support services are available District-wide and include 19 different disciplines of resources including construction resources such as heavy trucking, operated and unoperated heavy equipment and general labor.

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 2024 Accomplishments

Watersheds Operations and Maintenance Division Deputy's Office

- 798 tons of trash and debris removed under Good Neighbor Program: Encampment Cleanup.
- 2,987 acres managed under Good Neighbor Program: Encampment Cleanup.
- Note: Encampment Cleanup was assigned to Division Deputy's Office beginning in January 2024.

Watersheds Field Operations

- 55,713 total cubic yards of sediment removed.
- 8,747 linear feet of bank protection.
- 2,475 cubic yards debris removal.
- 804 cubic yards of trash removed through the Good Neighbor Program: Graffiti and Litter Removal and Public Art.

Vegetation Field Operations

- 334.29 acres of mitigation site maintenance.
- 2,927 acres of upland access maintenance: weed abatement, access pruning, and upland herbicide.
- 2,055.43 acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide.
- 393 acres of invasive plant management.
- 150 trees 6 – 12” in diameter at breast-height removed for purposes such as flow conveyance and access.
- 52 hazard trees removed.
- 110,000 sandbags made.

Operations & Maintenance Environmental Support

- Completed the Notice of Proposed Work (NPW) for the Stream Maintenance Program (SMP) and submitted to regulatory agencies by April 15th.
- Completed the Annual Summary Report (ASR) for the SMP and submitted to regulatory agencies by January 31st.
- Obtained permit renewals for SMP 2.5 (Lake and Streambed Alteration Agreement (LSAA) with California Department of Fish and Wildlife, 401 Water Quality Certification from Regional Water Quality Control Board, and U.S. Army Corps of Engineers’ Regional General Permit (RGP) and associated Biological Opinions from U.S. Fish and Wildlife Service and National Marine Fisheries Service).
- Completed and distributed Draft SMP3 Manual.
- Completed non-consultant funding agreement with Trout Unlimited for removal of Little Arthur Dam (SMP3 mitigation).
- Submitted Invasive Species Management Plan to CDFW as part of WUE operations by January.

Operations and Maintenance Engineering Support

- Provided engineering support and construction oversight for 2023 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, develop, and finalize stream maintenance guidelines for compliance with SMP permits.
- Provided inspection, engineering, and Field Information Team (FIT)-related support prior to, during, and following winter storm events and emergency operations activations.

- Continued to work with division colleagues 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 under the creation of the newly established Safe, Clean Water Project F8.
- Continued to make progress on addressing unit's identified opportunities for improvement.

FY 2025 Milestones

Watersheds Operations and Maintenance Division Deputy's Office

- 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.

Watersheds Field Operations

- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- 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.

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 Sandbags made and distributed to sites Countywide by November 30th, annually.

Operations & Maintenance Environmental Support

- Complete Notice of Proposed Work (NPW) by April 15th.
- Complete Annual Summary Report by January 31st.
- Complete Draft Subsequent EIR and MMRP for SMP3 by October 2025.
- Complete Final Subsequent EIR for SMP3 by April 2025.
- Start demolition of Little Arthur Creek Dam for SMP3 mitigation credit under non-consultant agreement.
- Finalize program manual for County-Wide Invasive Plant Management Program by December 2024.
- Complete CEQA document for County-Wide Invasive Plant Management Program by June 2025.
- Submit permit applications for County-Wide Invasive Plant Management Program by June 2025.

Operations and Maintenance Engineering Support

- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, Upper Berryessa 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 inspection; (b) Prepare and submit annual inspection report 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.

FY 2026 Milestones

Watersheds Operations and Maintenance Division Deputy's Office

- 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.

Watersheds Field Operations

- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- 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.

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 Sandbags made and distributed to sites Countywide by November 30th, annually.

Operations & Maintenance Environmental Support

- Complete Notice of Proposed Work (NPW) by April 15th.
- Complete Annual Summary Report by January 31st.
- Complete Draft Subsequent EIR and MMRP for SMP3 by October 2026.
- Submit permit applications for Canal Maintenance Program by April 2026

Operations and Maintenance Engineering Support

- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, Upper Berryessa 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 inspection; (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

- Encampment abatements generally have been suspended due to limitations imposed by federal case law and the lack of available housing in Santa Clara County. However, in areas where regulatory or capital work is required to be performed, Valley Water may remove encampments to support that work. Cleanup crews continue to perform enhanced cleanups in the areas surrounding encampments Countywide.
- Increased amounts of encampments in the waterways are impacting watershed operations.
- The extent of maintenance work completed annually is constrained by staff resources, funding, and timely responses and increased regulations from regulatory agencies.
- Lack of resources, funding, and working days during the limited SMP working window creates challenges for completing all necessary O&M work.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	55,078,363	61,453,972	75,420,519	75,552,429
Operating Project	1,909,882	2,083,121	1,529,296	1,603,958
Capital	1,139,888	1,007,740	1,308,857	1,246,879
Total *	**58,128,132**	**64,544,833**	**78,258,672**	**78,403,266**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of Watershed O&M Division	1,228,087	1,303,138	17,994,746	15,771,426
Operations & Maintenance Engineering Support	6,181,771	7,430,955	7,405,891	8,715,372
Operations & Maintenance Environmental Support	9,679,805	11,486,392	12,779,443	13,387,916
Vegetation Field Operations	18,645,886	18,669,952	21,321,460	21,086,586
Watersheds Field Operations	22,392,585	25,654,396	18,757,131	19,441,966
Total *	**58,128,132**	**64,544,833**	**78,258,672**	**78,403,266**

* Totals include intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Watershed Operations & Maintenance Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**115**	**120**	**123**	**123**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

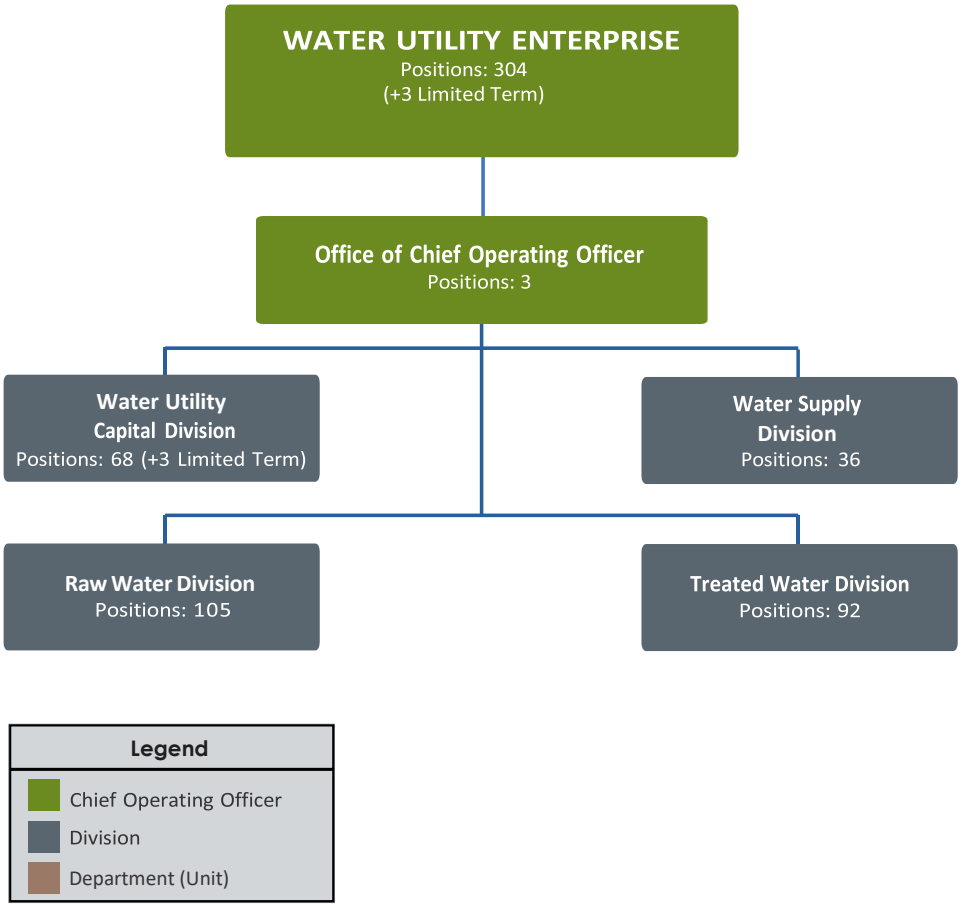
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Office of Watershed O&M Division					
	Salaries & Benefits	779,644	798,682	4,145,155	4,450,968
	Services & Supplies	8,731	3,375	11,080,050	8,399,050
	Intra District Charges	439,712	501,081	2,629,150	2,801,709
Office of Watershed O&M Division Total		1,228,087	1,303,138	17,854,355	15,651,727
Operations & Maintenance Engineering Support					
	Salaries & Benefits	3,638,110	3,830,893	4,192,628	4,437,357
	Services & Supplies	311,976	1,040,000	476,500	1,376,500
	Intra District Charges	2,212,197	2,523,689	2,598,768	2,730,892
Operations & Maintenance Engineering Support Total		6,162,283	7,394,582	7,267,895	8,544,749
Operations & Maintenance Environmental Support					
	Salaries & Benefits	4,488,079	4,833,982	5,022,291	5,386,065
	Services & Supplies	1,764,980	2,936,500	2,891,500	2,914,000
	Intra District Charges	2,748,045	3,177,198	4,022,302	4,311,281
Operations & Maintenance Environmental Support		9,001,105	10,947,680	11,936,093	12,611,347
Vegetation Field Operations					
	Salaries & Benefits	7,227,202	7,418,881	8,427,813	8,979,398
	Services & Supplies	6,528,676	5,747,500	7,096,700	5,956,700
	Intra District Charges	4,778,398	5,329,646	5,629,828	5,993,709
Vegetation Field Operations Total		18,534,276	18,496,027	21,154,341	20,929,807
Watersheds Field Operations					
	Salaries & Benefits	7,839,028	8,371,354	6,687,847	7,101,106
	Services & Supplies	8,065,637	10,028,500	7,357,150	7,357,150
	Intra District Charges	6,157,830	6,995,812	4,692,134	4,960,502
Watersheds Field Operations Total		22,062,495	25,395,666	18,737,131	19,418,758
Operations Total *		**56,988,244**	**63,537,093**	**76,949,815**	**77,156,387**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Offc of Watershed O&M Division					
	Salaries & Benefits	–	–	84,217	71,942
	Intra District Charges	–	–	56,175	47,757
Offc of Watershed O&M Division Total		–	–	140,392	119,699
Operations & Maintenance Engineering Support					
	Salaries & Benefits	12,300	21,942	85,172	105,619
	Intra District Charges	7,188	14,431	52,824	65,004
Operations & Maintenance Engineering Support Total		19,488	36,372	137,996	170,624
Operations & Maintenance Environmental Support					
	Salaries & Benefits	121,680	302,524	443,566	409,336
	Services & Supplies	482,352	36,000	45,000	40,000
	Intra District Charges	74,668	200,187	354,784	327,234
Operations & Maintenance Environmental Support		678,700	538,712	843,351	776,570
Vegetation Field Operations					
	Salaries & Benefits	48,391	80,665	80,719	74,707
	Services & Supplies	29,201	35,000	32,000	32,000
	Intra District Charges	34,017	58,261	54,400	50,072
Vegetation Field Operations Total		111,609	173,926	167,119	156,779
Watersheds Field Operations					
	Salaries & Benefits	122,878	90,275	–	1,844
	Services & Supplies	112,096	90,000	20,000	20,000
	Intra District Charges	95,116	78,455	–	1,364
Watersheds Field Operations Total		330,090	258,730	20,000	23,208
Capital Total *		**1,139,888**	**1,007,740**	**1,308,857**	**1,246,879**
Division Total *		**58,128,132**	**64,544,833**	**78,258,672**	**78,403,266**

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

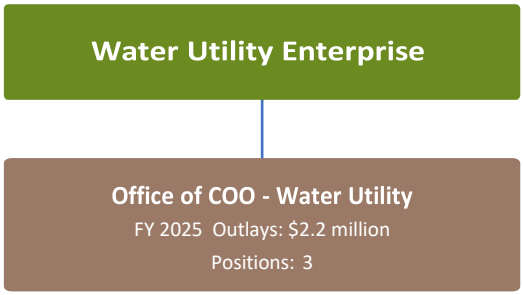
Water Utility

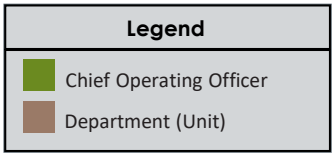


The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

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.

Office of COO Water Utility





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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	2,003,103	2,139,252	2,124,646	2,243,275
Capital	1,238	69,690	74,778	78,229
Total *	**2,004,340**	**2,208,942**	**2,199,425**	**2,321,504**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of COO Water Utility	2,004,340	2,208,942	2,199,425	2,321,504
Total *	**2,004,340**	**2,208,942**	**2,199,425**	**2,321,504**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Office of COO Water Utility - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

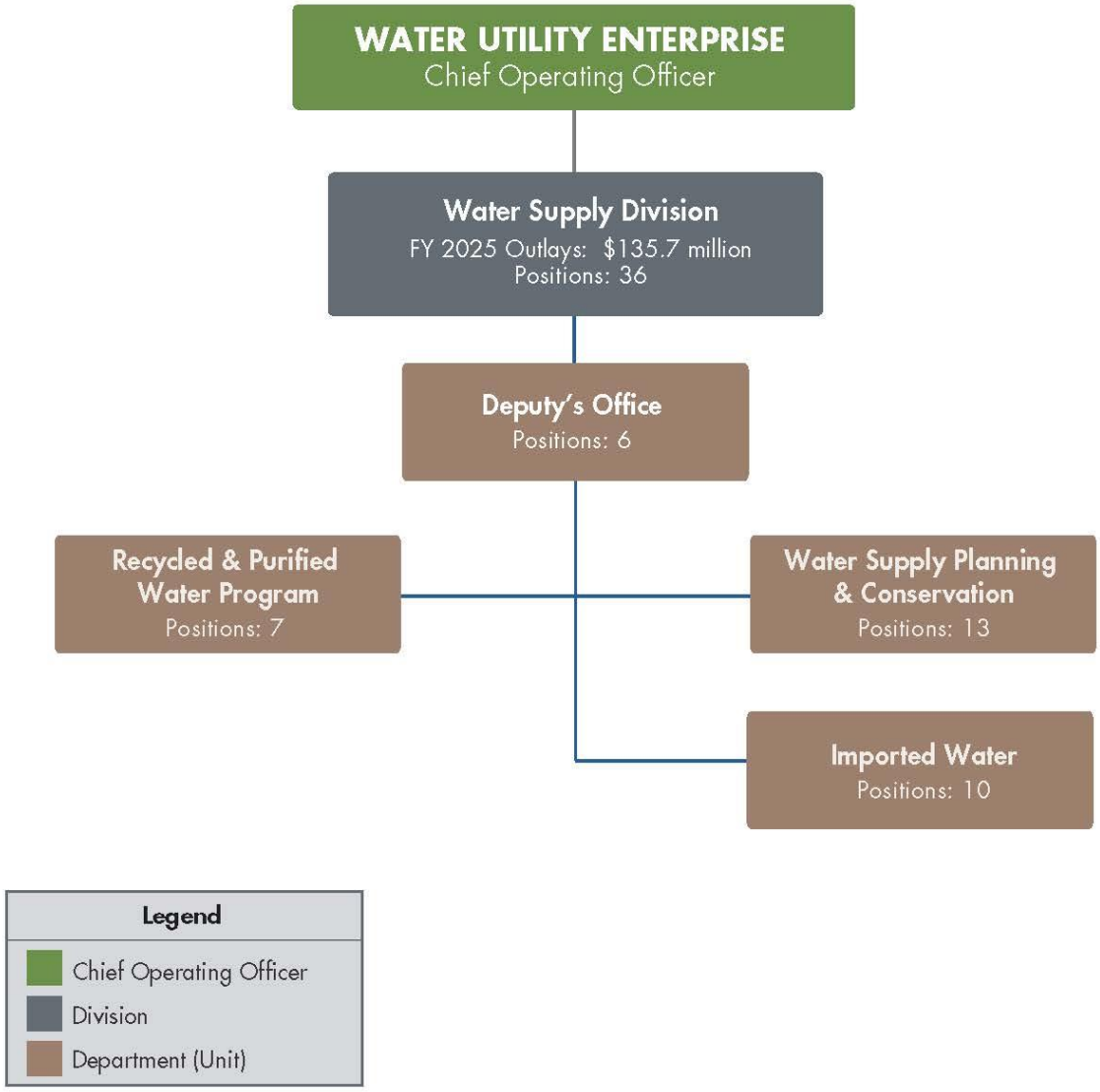
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	1,002,332	996,288	1,079,702	1,155,212
	Services & Supplies	437,018	548,780	415,500	415,500
	Intra District Charges	563,752	594,184	629,444	672,563
Office of COO Water Utility Total		2,003,103	2,139,252	2,124,646	2,243,275
Operations Total *		**2,003,103**	**2,139,252**	**2,124,646**	**2,243,275**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	–	43,639	47,220	49,422
	Services & Supplies	1,238	–	–	–
	Intra District Charges	–	26,052	27,559	28,806
Office of COO Water Utility Total		1,238	69,690	74,778	78,229
Capital Total *		**1,238**	**69,690**	**74,778**	**78,229**
Division Total *		**2,004,340**	**2,208,942**	**2,199,425**	**2,321,504**

*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 and planning for future water supply needs, managing imported water supplies, and implementing water conservation and recycled and purified water programs. The Division is comprised of the Recycled & Purified Water, Imported Water, and Water Supply Planning & Conservation Departments.

Recycled & Purified Water

The Recycled and Purified Water (R&PW) Unit supports expansion and development of recycled and purified water as well as desalination in Santa Clara County by planning, collaborating, negotiating and executing long-term agreements with regional partners. In addition, R&PW is responsible for implementing various planning and technical investigations and validation such as the Reverse Osmosis (RO) Concentrate Management plan, Countywide Water Reuse Master Plan (CoRe Plan), and running pilot projects to test efficacy of various treatment systems for water purification and RO Concentrate (ROC) management. Recycled and Purified Water also works on direct potable reuse (DPR) by evaluating feasible projects and being directly involved in the relevant regulatory and legislative processes as well as providing technical assistance to the DPR outreach and grant for the DPR project and desalination. These services will support a proactive role for Valley Water to reach its goals for water reuse expansion and to provide resilient and reliable future water supply.

Imported Water

The Imported Water Unit protects, manages and develops Valley Water's imported water assets, including the Central Valley Project, State Water Project, and other contract rights; meets current year operational needs for imported supplies; represents Valley Water in joint efforts to develop statewide and regional water supply projects; participates in Bay-Delta policy development and regulatory processes, manages and develops Valley Water's groundwater banking programs, evaluates and makes recommendations regarding participation in water supply planning projects; develops water transfers, exchanges and banking agreements; and manages imported water costs.

Water Supply Planning & Conservation

The Water Supply Planning and Conservation Unit supports Valley Water's mission by developing the Water Supply Master Plan, Valley Water's strategy to achieve long-term water supply reliability in Santa Clara County, by developing state and federally required plans, by participating in various regional water supply planning efforts, and by evaluating, designing, and implementing over 20 water conservation and demand management programs for the residential, commercial, industrial, institutional and agricultural sectors to meet Valley Water long-term water conservation goals.

FY 2024 Accomplishments

- Completed technical work for planned Indirect Potable Reuse (IPR) project, including geotechnical site assessments for potential sites of Advanced Water Purification Facility and Phase I Title 22 Engineering report.
- Coordinated with the Cities of Palo Alto and Mountain View, consistent with the 2019 Agreement, on the development of a potable reuse project and reviewed design elements for an advanced RO facility (Local Desalting Plant) to be constructed in Palo Alto and partially funded by Valley Water to enhance the recycled water quality.
- Completed Desalination Environmental Feasibility Planning Study for a potential desalination facility in Santa Clara County.
- Coordinated with private developers to extend recycled water pipeline in Gilroy as recommended in the 2015 South County Master Plan Update.
- Completed the 2024 South County Recycled Water Master Plan Update that reprioritized capital projects' needs and evaluated future water reuse opportunities for Morgan Hill.
- Awarded two planning grants from the Bureau of Reclamation to conduct feasibility studies for the San Jose-Santa Clara Purified Water Program and the South County Water Recycling Program.
- Completed roadmap for developing Demonstration and full-scale facility with Cities of San Jose and Santa Clara.

- Conducted virtual and in-person technical tours of Silicon Valley Advanced Water Purification Center for elected officials, researchers, students and public.
- Effectively managed imported water supplies during 100% SWP & CVP water allocations in CY 2023, including banking 33,750 acre-feet in Semitropic Groundwater Storage Bank and managing supplies to avoid loss or spill.
- Continued participation in Delta Conveyance Project, Sites Reservoir, Sisk Dam Raise and Reservoir Expansion Project, and Los Vaqueros Reservoir Expansion Project.
- Received Board approval for continued funding of the Sisk Dam Raise and Reservoir Expansion Project.
- Continued evaluation of Semitropic operations related to water quality trends, future recovery costs, and SGMA implementation, and development of new water banking opportunities.
- Worked with multiple CVP water agencies and the U.S. Bureau of Reclamation to develop a plan for enhancing reliability of the Central Valley Project.
- Reviewed and commented on environmental documentation including the Delta Conveyance Project preliminary draft EIR and the Sacramento Bay-Delta Water Quality Control Plan.
- Continued participation in statewide efforts to balance water supply and ecosystem needs through State Water Resources Control Board processes (i.e., development of Agreements to Support Healthy Rivers and Landscapes).
- Saved approximately 80,000 acre-feet in FY 2022 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.
- Started the comprehensive update of the Water Supply Master Plan (WSMP) and delivered the annual WSMP Monitoring and Assessment Plan (MAP) update to the Board.
- Completed and submitted CVPIA 5-year plan and annual CVPIA BMP reports to USBR and the UWMP Annual Water Supply and Demand Assessment to DWR.
- Completed the Drought Response Plan benchmark and vulnerability studies and 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.
- Utilized $700,000 in Proposition 1 grant funding for the Landscape Rebate Program.
- Executed an agreement with City of Milpitas to install Advanced Metering Infrastructure (AMI).
- Entered an agreement with Bay Area Water Supply and Conservation Agency (BAWSCA) to develop resources for retailers to remain in compliance with the State's Water Conservation Framework (AB 1668/SB 606).
- Entered into agreements with the City of Palo Alto and the City of Santa Clara to increase conservation rebate rates in their respective service areas and to expand Water Use Reports to their customers.
- Named a US Environmental Protection Agency (EPA) WaterSense Partner of the Year.
- Launched 4 Conservation pilot programs: one to increase commercial property participation rates, a hands-on permaculture training, leak detection and repair for underrepresented community members, and toilet repair and replacement for underrepresented community members.
- Held the 8th annual Landscape Summit attracting 164 attendees.

FY 2025 Milestones

- Develop the San Jose Purified Water Project Phase 1 Demonstration Facility project through negotiation and development of necessary agreements.
- Complete major portions of the partnership agreements with the cities of San José and Santa Clara for Land, Operations & Maintenance, and Treated Wastewater to allow initiation of planning and procurement for the design a DPR Demonstration Facility adjacent to Silicon Valley Advanced Water Purification Center (SVAWPC).
- Start procurement for the design of a direct potable reuse (DPR) demonstration facility next to SVAWPC.
- Complete Desalination Engineering Feasibility Study in the Santa Clara County- with intake and outfall in the South SF Bay.
- Seek out local, state, and federal funding sources for recycled and purified water projects.

- 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.
- Save approximately 83,000 acre-feet in FY 2023 from Valley Water's long-term conservation program (baseline year is 1992).
- Amend the UWMP Water Shortage Contingency Plan.
- Complete the WSMP update.
- Submit the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement) and annual CVPIA BMP reports to USBR (legal requirement).

FY 2026 Milestones

- Execute needed agreements and design the San Jose Purified Water Project Phase 1 facility.
- Complete design for the DPR Demonstration Facility project in San Jose.
- Initiate procurement for construction of the DPR Demonstration Facility in San Jose.
- Seek out local, state, and federal funding sources for recycled and purified water projects.
- Identify potential sources of supplemental water by January 1, 2026, 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 2025.
- Save approximately 86,000 acre-feet in FY 2024 from Valley Water's long-term conservation program (baseline year is 1992).
- Amend the UWMP Water Shortage Contingency Plan.
- Complete the WSMP update.
- Deliver the annual WSMP Monitoring and Assessment Plan (MAP) update to the Board.
- Submit the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement) and annual CVPIA BMP reports to USBR (legal requirement).

Budget Issues and Constraints

Budget issues and constraints for the Division include insufficient resources to achieve all proposed Division goals; staffing needs for the water conservation program (to meet the Board's 2030 goal) and water supply modeling program and funding needs for the water supply planning and analysis program; 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, increased budget may be necessary for the water supply planning and analysis program and for the purchase of additional emergency imported water supplies. In addition, staffing for the water conservation program will be critical to meet heightened conservation targets and modernizing how data is analyzed, stored, and shared with stakeholders will become an increasingly important resource to invest in.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	95,786,622	103,514,575	122,463,261	128,531,819
Capital	13,030,807	20,364,472	13,223,591	19,245,823
Total *	**108,817,428**	**123,879,048**	**135,686,852**	**147,777,642**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Imported Water	82,133,931	80,660,596	101,675,759	107,049,326
Recycled & Purified Water Prog	5,418,900	19,164,218	15,110,767	21,378,403
Water Supply Admin	3,155,730	3,295,957	3,490,469	3,710,387
Water Supply Planning & Consrv	18,108,868	20,758,276	15,409,857	15,639,526
Total *	**108,817,428**	**123,879,048**	**135,686,852**	**147,777,642**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Water Supply Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**38**	**36**	**36**	**36**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

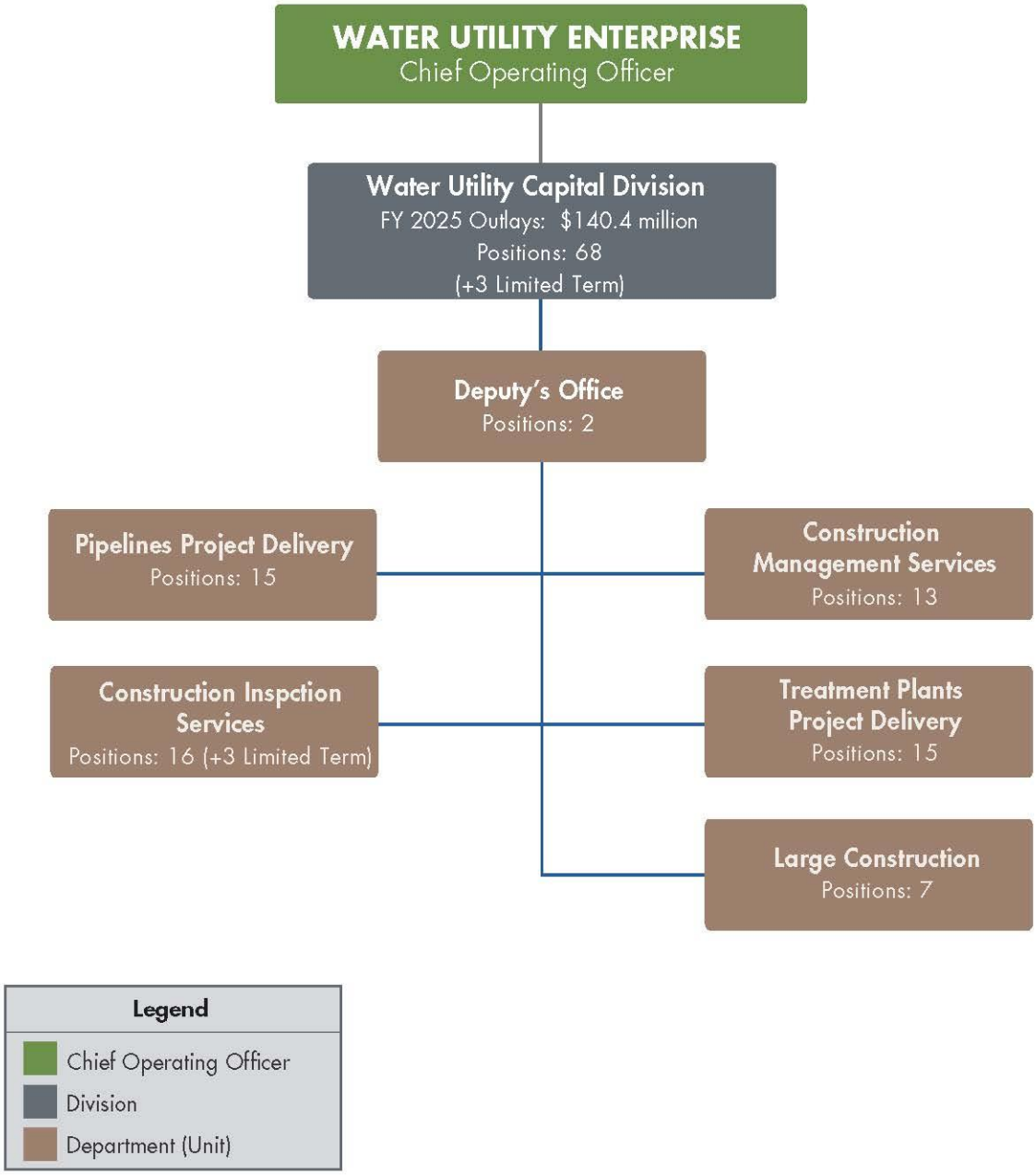
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	2025-26 Proposed Plan
Imported Water					
	Salaries & Benefits	2,640,160	2,655,226	2,902,450	3,063,189
	Services & Supplies	66,331,671	64,244,947	84,545,394	89,219,985
	Intra District Charges	1,613,325	1,758,342	1,820,936	1,908,304
Imported Water Total		70,585,156	68,658,515	89,268,780	94,191,478
Recycled & Purified Water Prog					
	Salaries & Benefits	1,584,042	1,467,968	1,615,082	1,711,085
	Services & Supplies	2,418,685	9,446,343	12,728,798	13,321,150
	Intra District Charges	930,458	932,119	988,695	1,037,025
Recycled & Purified Water Prog Total		4,933,185	11,846,431	15,332,575	16,069,259
Water Supply Division					
	Salaries & Benefits	1,306,867	1,331,131	1,492,836	1,609,872
	Services & Supplies	77,061	134,675	112,200	112,200
	Intra District Charges	781,969	859,143	912,044	977,708
Water Supply Division Total		2,165,897	2,324,949	2,517,080	2,699,780
Water Supply Planning & Consrv					
	Salaries & Benefits	2,939,747	3,012,596	3,257,225	3,449,214
	Services & Supplies	13,413,498	15,687,650	10,006,650	9,931,650
	Intra District Charges	1,749,139	1,984,434	2,080,952	2,190,438
Water Supply Planning & Consrv Total		18,102,383	20,684,680	15,344,826	15,571,302
Operations Total *		**95,786,622**	**103,514,575**	**122,463,261**	**128,531,819**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Imported Water					
	Salaries & Benefits	172	28,444	19,429	29,042
	Services & Supplies	11,548,501	11,954,755	12,375,300	12,810,639
	Intra District Charges	102	18,882	12,250	18,166
Imported Water Total		11,548,775	12,002,081	12,406,979	12,857,847
Recycled & Purified Water Prog					
	Salaries & Benefits	305,705	439,065	452,498	476,164
	Services & Supplies	785	6,600,000	(951,246)	4,544,453
	Intra District Charges	179,226	278,722	276,941	288,528
Recycled & Purified Water Prog Total		485,715	7,317,787	(221,808)	5,309,144
Water Supply Division					
	Salaries & Benefits	559,265	546,591	604,127	628,625
	Services & Supplies	89,901	71,500	–	–
	Intra District Charges	340,666	352,918	369,262	381,983
Water Supply Division Total		989,832	971,008	973,389	1,010,608
Water Supply Planning & Consrv					
	Salaries & Benefits	4,045	44,345	39,674	41,719
	Intra District Charges	2,439	29,252	25,357	26,505
Water Supply Planning & Consrv Total		6,485	73,596	65,031	68,224
Capital Total *		**13,030,807**	**20,364,472**	**13,223,591**	**19,245,823**
Division Total *		**108,817,428**	**123,879,048**	**135,686,852**	**147,777,642**

*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 during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship 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 contractors comply with the project requirements, including environmental compliance and operational requirements during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship facilities.

Large Construction Projects

The Large Construction Projects Unit is responsible for providing and performing construction management oversight functions for Valley Water's large construction projects that outside consultant construction management firms are hired by Valley Water to manage and administer, including the Water Utility, Watershed, and Dam Safety Capital Improvement Program. These consultants, on behalf of Valley Water, ensure that contractors comply with the project requirements, including environmental compliance and operational requirements during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship 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 infrastructure projects and provides expert treatment plant 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, 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, and pump station infrastructure projects and provides expert pipeline 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, structural engineering for various water utility distribution, pipeline, pump station/plant, capital projects. The Unit also manages the Pipeline Maintenance Program, including the 10-Year Pipeline Inspection and Rehabilitation Program.

FY 2024 Accomplishments

- Initiated construction of the Rinconada Water Treatment Plant (RWTP) Reliability Improvement Project, Phases 3-6.
- Completed construction of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Completed 30% and 60% design of the Penitencia Water Treatment Plant (PWTP) Residuals Management Project.
- Continued the design of Treated Water Isolation Valve Project.
- Continued the design of West Pipeline Phases 1 & 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Awarded the construction of Santa Clara Conduit Phase 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Awarded the construction of the Snell (10-Year Pipeline) Inspection and Rehabilitation Project.
- Completed the draft environmental document (Initial Study/Mitigated Negative Declaration) for the Vasona Pump Station Project.
- Continued the design of the Almaden Valley Pipeline Replacement Project.
- Continued the Phase 1 (design) of the Coyote Pumping Plant Adjustable Speed Drives (ASD) Replacement (Design-Build) Project.
- Completed construction of the South County Recycled Water Project.

Provided primary construction management and primary construction inspection services for Water Utility, Dam Safety, Watershed and Maintenance projects such as:

- Almaden Valley Pipeline Inspection & Rehab
- Permanente Creek Channel Improvement Floodwall Redesign
- Central & Parallel East Pipeline Rehabilitation
- PWTP Rehabilitation of Flocculation and Sedimentation Basins
- Federal Energy Regulatory Commission Order Compliance Project (FOCP) Cross Valley Pipeline Extension
- Lower Penitencia Creek
- South County Recycled Water Pipeline
- Watersheds Asset Rehabilitation Program (WARP) Regnart Creek Emergency Repairs at Bubb Road
- WARP Coyote Creek Levee Rodent Damage Repair
- Santa Clara Conduit Inspection and Rehabilitation Phases I and II
- Rinconada Water Treatment Plant (RWTP) Residuals Remediation
- WARP Calabazas Creek Phase I & II
- FOCP Coyote Percolation Dam Removal
- Snell Pipeline Inspection and Rehabilitation
- FOCP Coyote Creek Chillers
- Upper Llagas Phase 2B
- Permanente Rancho San Antonio
- Santa Teresa Water Treatment Plant (STWTP) Filter Media Replacement
- Lower Calera Creek
- RWTP Reliability Improvement Project Phases 3, 4, 5
- FOCP Anderson Dam Tunnel

Additionally, provided construction management and inspection services for the following Watershed and emergency projects:

- Upper Llagas Creek, Phase 1
- Lower Berryessa Creek, Phase 2
- Permanente Creek at Rancho San Antonio
- Almaden Valley Pipeline Emergency Response
- Milpitas Pipeline Emergency Response

Provided construction management oversight functions for the following active construction projects:

- Anderson Dam Tunnel Project
- Coyote Creek Flood Measures Management Project
- RWTP Reliability Improvement Project, Phases 3-6

FY 2025 Milestones

- Complete construction for the Santa Teresa Water Treatment Plant Filter Media Replacement Project.
- Complete final design of the Penitencia Water Treatment Plant Residuals Management Project.
- Initiate final design of the Water Treatment Plants Electrical Improvement Project.
- Award the construction of West Pipeline Phase 1 (10-Year Pipeline) Inspection and Rehabilitation Project
- Award the construction of the Infrastructure Reliability Program Portfolio 2 (IRP2) Valve Project at West Pipeline.
- Award the construction of West Pipeline Phase 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete the design of Almaden Valley Pipeline Replacement Project.
- Complete construction of Snell Pipeline (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete construction of Santa Clara Conduit Phase 2 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Amend the Phase 1 (Design-Build) agreement for the Coyote Pumping Plant ASD Replacement (Design-Build) Project, and start the Phase 2 (construction) of the Project.
- Continue the design of Treated Water Isolation Valve Project.

Provide primary construction management and primary construction inspection services for Water Utility, Watershed, Maintenance, and Dam Safety projects such as:

- FOCP Coyote Percolation Dam Removal
- Santa Clara Conduit Inspection and Rehabilitation Phase II
- Snell Pipeline Inspection and Rehabilitation
- FOCP Coyote Creek Chillers
- Water Treatment Plant (WTP) Electrical Improvement
- Upper Llagas Phase 2B
- Sunnyvale East & West
- West Pipeline Inspection & Rehabilitation Phase I
- WARP Blossom Hill/Malone Road Erosion Repair, Guadalupe
- WARP Concrete U-Frame Wall Repair, Permanente Creek & Hale Creek
- Evelyn Fish Passage Restoration
- South Babb Creek Flood Mitigation Project
- PWTP Residuals Management
- Palo Alto Flood Basin Tide Gate Phase 1
- WARP Calabazas Creek Phase I & II
- WARP Levee Rehabilitation, Llagas Creek
- WARP Erosion Repair at Julian, Coyote Creek
- Upper Llagas Creek Phase I
- Lower Penitencia Creek
- Lower Calera Creek
- South County Recycled Water Pipeline
- WARP Coyote Creek Rodent Repair
- FOCP Anderson Dam Tunnel
- Coyote Pumping Plant ASD Replacement

- RWTP Reliability Improvement Project Phases 3, 4, 5
- FOCP Coyote Creek Flood Management Measures Phase I

Provide construction management oversight functions for the following construction projects:

- Anderson Dam Tunnel Project
- Coyote Creek Flood Measures Management Project
- RWTP Reliability Improvement Project, Phases 3-6
- Anderson Dam Seismic Retrofit Project
- Other construction projects as assigned

FY 2026 Milestones

- Initiate construction of the Penitencia Water Treatment Plant Residuals Management Project.
- Initiate construction of the Water Treatment Plants Electrical Improvement Project.
- Begin construction of West Pipeline Phase 1 (10-Year Pipeline) Inspection and Rehabilitation Project.
- Begin construction of the IRP2 Valve Project at West Pipeline.
- Begin construction of the Treated Water Isolation Valve Project at West Pipeline.
- Continue construction of the Coyote Pumping Plant ASD Project.

Provide primary construction management and primary construction inspection services for Water Utility, Watershed, Maintenance, and Dam Safety projects such as:

- WTP Electrical Improvement
- Upper Llagas Phase 2B
- Sunnyvale East & West
- West Pipeline Inspection & Rehabilitation Phase I and Phase II
- WARP Blossom Hill/Malone Road Erosion Repair, Guadalupe
- WARP Concrete U-Frame Wall Repair, Permanente Creek & Hale Creek
- WARP Levee Rehabilitation, Llagas Creek
- Evelyn Fish Passage Restoration
- South Babb Creek Flood Mitigation Project
- WARP Erosion Repair at Julian, Coyote Creek
- PWTP Residuals Management
- WARP Coyote Creek Rodent Repair
- Palo Alto Tide Gate Seismic Retrofit and Rehab Phase 1
- Lower Penitencia Creek
- Lower Calera Creek
- South County Recycled Water Pipeline
- WARP Calabazas Creek Phase I & II
- FOCP Anderson Dam Tunnel
- RWTP Reliability Improvement Project Phases 3, 4, 5
- Anderson Dam Seismic Retrofit
- FOCP Coyote Creek Flood Management Measures Phase I

Provide construction management oversight functions for the following construction projects:

- Anderson Dam Tunnel Project
- RWTP Reliability Improvement Project, Phases 3-6
- Anderson Dam Seismic Retrofit Project
- Other construction projects as assigned

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 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	528,923	135,423	155,721	131,408
Operating Project	1,522	–	–	–
Capital	90,088,426	86,468,851	140,253,950	182,551,930
Total *	**90,618,872**	**86,604,273**	**140,409,670**	**182,683,338**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Construction Management Services	6,967,287	6,621,213	5,971,554	6,458,654
Construction Inspection Services	5,339,577	6,930,524	7,264,215	7,790,988
Large Construction	–	–	3,392,703	3,572,959
Pipelines Project Delivery	30,139,513	31,360,389	50,524,786	23,606,475
Treatment Plants Project Delivery	39,295,712	39,145,390	72,014,358	139,939,329
Water Utility Capital Division	8,876,782	2,546,757	1,242,054	1,314,932
Total *	**90,618,872**	**86,604,273**	**140,409,670**	**182,683,338**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Water Utility Capital Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**65**	**68**	**68**	**68**

** Authorized positions exclude limited term positions

*** For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

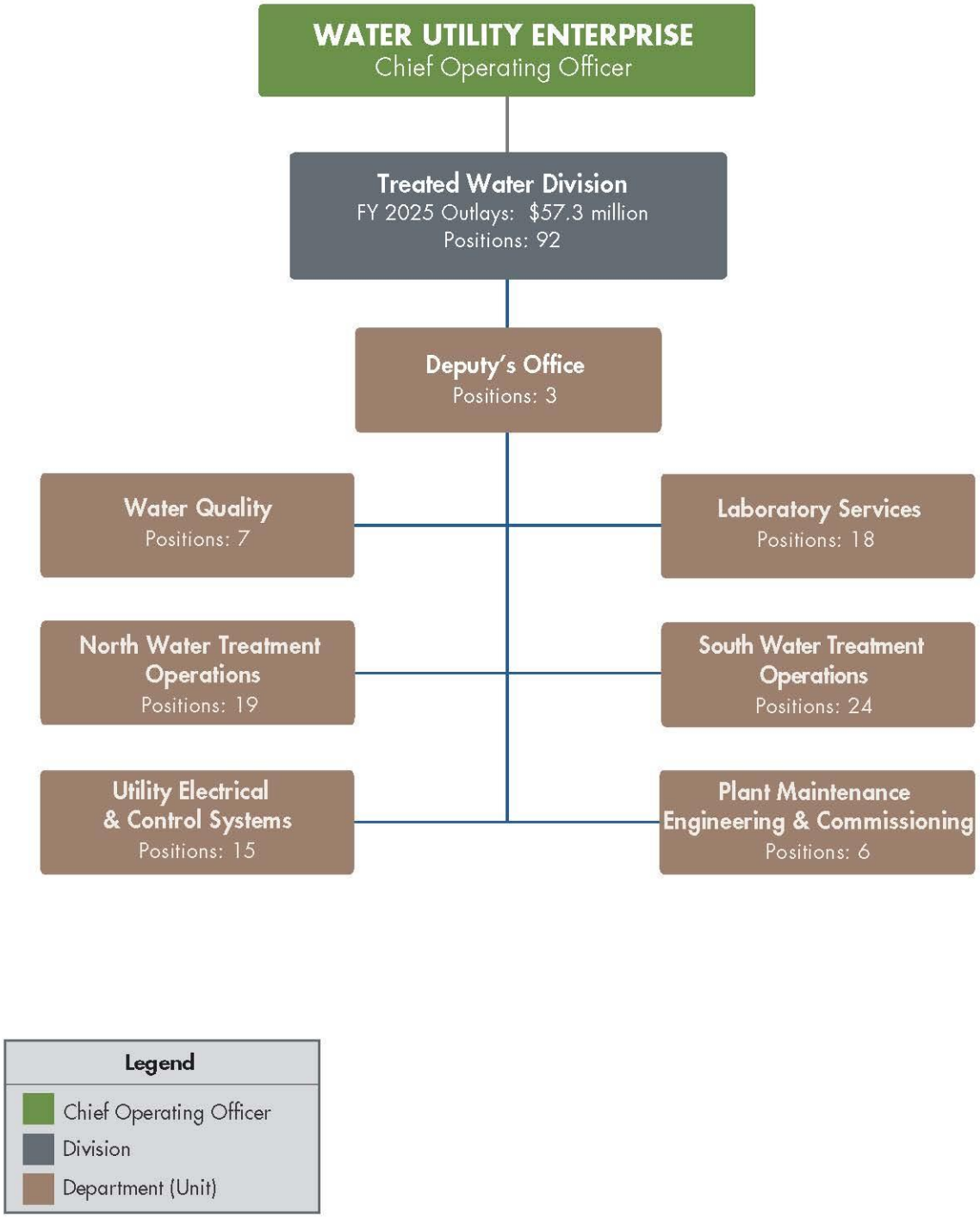
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Construction Management Services					
	Salaries & Benefits	119,129	11,912	24,549	7,605
	Services & Supplies	13,016	–	–	–
	Intra District Charges	50,850	5,953	11,197	4,940
Construction Management Services Total		182,995	17,865	35,746	12,544
Construction Inspection Services					
	Salaries & Benefits	30,446	17,994	16,373	14,954
	Services & Supplies	9,866	–	–	–
	Intra District Charges	10,745	12,052	10,692	9,821
Construction Inspection Services Total		51,057	30,046	27,065	24,775
Pipelines Project Delivery					
	Salaries & Benefits	43,835	49,901	55,343	55,081
	Services & Supplies	2,824	–	–	–
	Intra District Charges	8,361	29,198	29,893	30,820
Pipelines Project Delivery Total		55,019	79,099	85,236	85,901
Treatment Plants Project Delivery					
	Salaries & Benefits	108,889	7,109	6,474	6,907
	Services & Supplies	7,704	–	–	–
	Intra District Charges	60,945	1,304	1,199	1,281
Treatment Plants Project Delivery Total		177,538	8,412	7,674	8,187
Water Utility Capital Division					
	Salaries & Benefits	43,504	–	–	–
	Intra District Charges	20,332	–	–	–
Water Utility Capital Division Total		63,836	–	–	–
Operations Total *		**530,445**	**135,423**	**155,721**	**131,408**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Construction Management Services					
	Salaries & Benefits	3,846,046	3,850,314	3,508,007	3,739,447
	Services & Supplies	100,904	178,616	124,589	264,733
	Intra District Charges	2,837,342	2,574,418	2,303,211	2,441,930
Construction Management Services Total		6,784,292	6,603,347	5,935,808	6,446,110
Construction Inspection Services					
	Salaries & Benefits	3,375,791	4,174,459	4,371,478	4,647,842
	Services & Supplies	406,971	54,870	32,700	125,271
	Intra District Charges	1,505,757	2,671,149	2,832,971	2,993,100
Construction Inspection Services Total		5,288,520	6,900,478	7,237,150	7,766,213
Large Construction					
	Salaries & Benefits	–	–	2,044,385	2,161,920
	Services & Supplies	–	–	55,470	55,470
	Intra District Charges	–	–	1,292,848	1,355,569
Large Construction Total		–	–	3,392,703	3,572,959
Pipelines Project Delivery					
	Salaries & Benefits	3,522,564	3,984,513	3,657,408	3,914,853
	Services & Supplies	24,525,886	24,680,949	44,431,123	17,107,338
	Intra District Charges	2,036,044	2,615,828	2,351,019	2,498,384
Pipelines Project Delivery Total		30,084,494	31,281,290	50,439,550	23,520,574
Treatment Plants Project Delivery					
	Salaries & Benefits	3,254,753	4,464,958	3,792,172	4,033,358
	Services & Supplies	33,891,314	31,782,282	65,811,012	133,366,406
	Intra District Charges	1,972,107	2,889,737	2,403,501	2,531,377
Treatment Plants Project Delivery Total		39,118,174	39,136,978	72,006,685	139,931,141
Water Utility Capital Division					
	Salaries & Benefits	541,666	749,877	807,804	865,394
	Services & Supplies	8,008,622	1,366,300	(34,884)	(55,798)
	Intra District Charges	262,658	430,580	469,134	505,336
Water Utility Capital Division Total		8,812,946	2,546,757	1,242,054	1,314,932
Capital Total *		**90,088,426**	**86,468,851**	**140,253,950**	**182,551,930**
Division Total *		**90,618,872**	**86,604,273**	**140,409,670**	**182,683,338**

*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 testing 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 a significant amount in annual electrical energy expenditures and is 100 percent carbon-free.

FY 2024 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 and Reliability Improvement Phase 3-6 Projects and the STWTP Filter Media Replacement Project.
- Provided design review for treatment plant capital projects including the PWTP & STWTP Electrical Improvement Project and the PWTP Residuals Management Project.
- Supported treatment plant, distribution system pipeline, and pump station equipment condition assessment and 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.
- Improved reliability and maintainability of water treatment plants and water substations.
- Provided support to Water Utility and Watersheds CIP projects.
- Obtained $460,000 in reimbursement for completed energy efficiency project and renewable energy projects.
- 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 in Operations and Water Quality, CA/NV AWWA Regulatory committee and Utility Council.
- Successfully managed a district wide cost-effective and carbon-free imported electricity program resulting in $2 million electrical energy expenditure savings in FY 2024.
- Supported several capital projects including master plans for Raw Water, Treater Water, Dam and Watershed.
- Completed small capital projects request to evaluate alternate capital project delivery process for the substation equipment at Pacheco Pumping Plant.
- Successfully upgraded process control servers at Penitencia and Santa Teresa Water Treatment Plants.

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 condition assessment and replacement/rehabilitation efforts.
- Collaborate and communicate with DDW on pertinent current and upcoming regulatory developments and compliance requirements.
- 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. Complete the planning of the new Solar projects at Almaden Campus and Silicon Valley Advanced Water Purification Center.
- Complete the replacement of operational data management system.

FY 2026 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 condition assessment and replacement/rehabilitation efforts.
- Collaborate and communicate with DDW on pertinent current and upcoming regulatory developments and compliance requirements.
- 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. Complete the RFP phase of the new Solar projects at Almaden Campus and Silicon Valley Advanced Water Purification Center.

Budget Issues and Constraints

- Deteriorating source water quality due to extreme weather conditions challenge continual water treatment operations.
- Aging infrastructure that can impact operations.
- Maintaining adequate level of operational service during extreme weather conditions, chemical supply issues, wildfire events, power outages, etc.
- Hiring qualified and certified staff to support capital and large projects.
- Staffing and resources assignment to keep up with increasing regulatory requirements, and track regulatory compliance related to PFAS, CEC, microplastics and others.
- Limited pool of journey-level water treatment plant operator, electrical and control system/SCADA, mechanical and process engineering talent available locally.

Treated Water Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	48,459,915	52,492,232	53,411,503	57,006,289
Capital	2,260,435	4,329,729	3,869,841	4,675,740
Total *	**50,720,350**	**56,821,961**	**57,281,344**	**61,682,029**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Laboratory Services	7,790,939	8,339,389	8,598,952	9,059,849
North Water Treatment Operations	13,635,106	15,200,184	15,238,850	16,576,193
Plant Maintenance Engineering & Commissioning	2,361,750	2,747,143	2,851,369	3,002,422
South Water Treatment Operations	15,708,713	16,786,639	17,996,223	18,822,740
Treated Water Division Deputy's Office	1,357,931	2,040,004	1,534,188	1,639,644
Utility Electrical & Control Systems	6,310,527	7,349,734	6,522,764	7,665,893
Water Quality	3,555,383	4,358,868	4,538,998	4,915,288
Total *	**50,720,350**	**56,821,961**	**57,281,344**	**61,682,029**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Treated Water Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**93**	**93**	**92**	**92**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

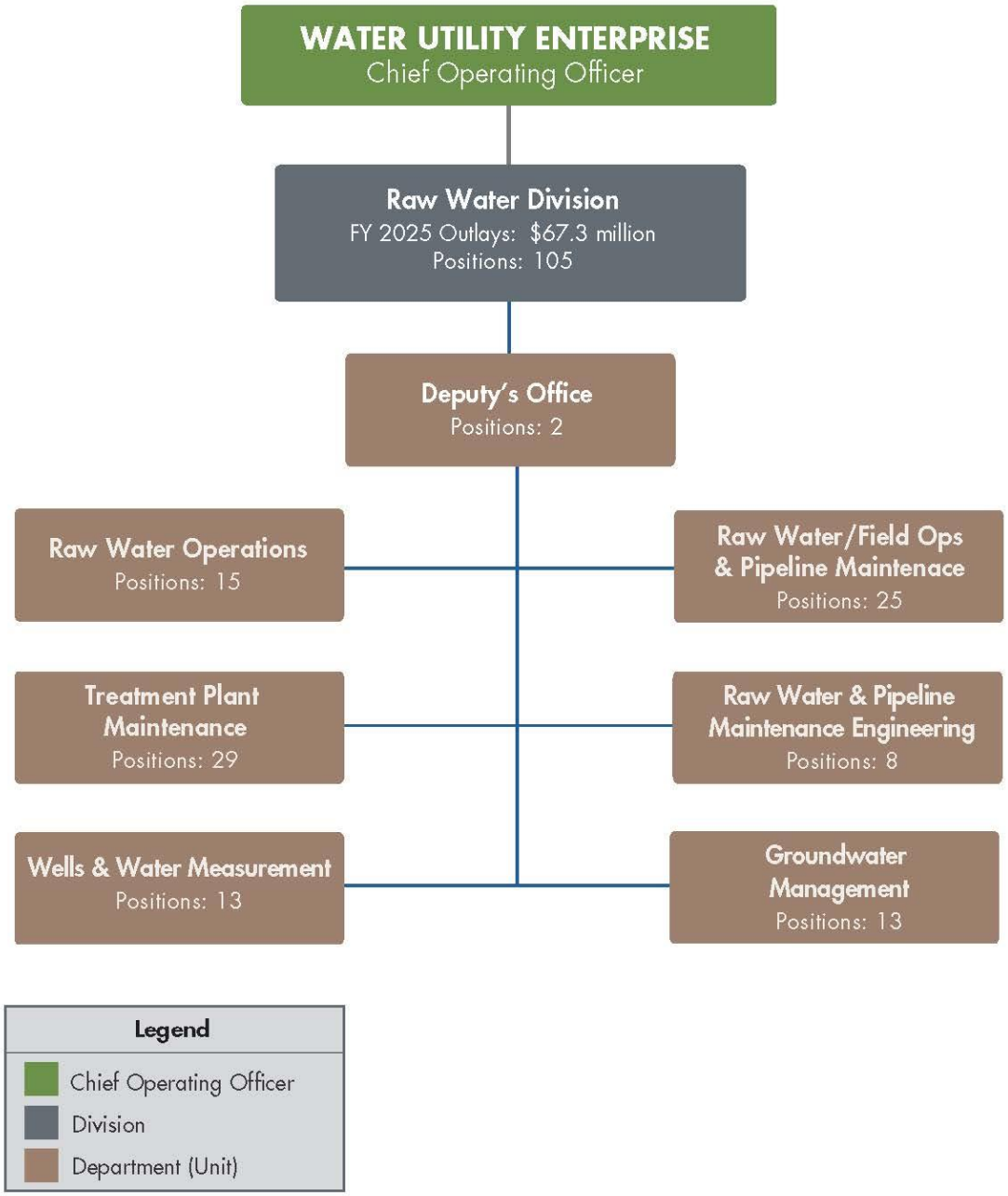
Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Laboratory Services					
	Salaries & Benefits	4,097,791	4,181,646	4,537,736	4,813,555
	Services & Supplies	1,233,670	1,400,000	1,207,500	1,268,500
	Intra District Charges	2,442,865	2,695,491	2,782,200	2,924,367
Laboratory Services Total		7,774,326	8,277,137	8,527,437	9,006,422
North Water Treatment Operations					
	Salaries & Benefits	4,844,073	4,489,818	4,776,369	5,051,708
	Services & Supplies	6,161,096	7,705,493	7,405,732	8,358,332
	Intra District Charges	2,611,553	2,840,780	2,869,986	3,021,302
North Water Treatment Operations Total		13,616,723	15,036,091	15,052,087	16,431,342
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	1,081,395	622,231	791,736	893,617
	Services & Supplies	46,547	143,000	86,500	86,500
	Intra District Charges	658,329	402,444	496,797	556,570
Plant Maintenance Engineering & Commissioning Total		1,786,271	1,167,675	1,375,033	1,536,687
South Water Treatment Operations					
	Salaries & Benefits	5,483,617	5,378,378	5,699,093	6,078,816
	Services & Supplies	7,254,576	7,923,000	8,611,000	8,919,000
	Intra District Charges	2,923,610	3,237,222	3,216,687	3,411,310
South Water Treatment Operations Total		15,661,803	16,538,600	17,526,780	18,409,126
Treated Water Division Deputy's Office					
	Salaries & Benefits	840,614	1,199,566	899,975	970,110
	Services & Supplies	4,230	75,000	78,500	76,950
	Intra District Charges	513,086	765,438	555,713	592,584
Treated Water Division Deputy's Office Total		1,357,931	2,040,004	1,534,188	1,639,644
Utility Electrical & Control Systems					
	Salaries & Benefits	2,750,673	2,910,480	2,872,700	3,017,690
	Services & Supplies	492,000	636,800	589,800	590,800
	Intra District Charges	1,520,963	1,752,065	1,723,749	1,808,091
Utility Electrical & Control Systems Total		4,763,636	5,299,346	5,186,249	5,416,581
Water Quality					
	Salaries & Benefits	1,759,233	1,727,848	1,811,358	1,912,625
	Services & Supplies	723,714	1,284,900	1,288,600	1,493,800
	Intra District Charges	1,016,278	1,120,631	1,109,771	1,160,062
Water Quality Total		3,499,226	4,133,379	4,209,730	4,566,487
Operations Total *		**48,459,915**	**52,492,232**	**53,411,503**	**57,006,289**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Laboratory Services					
	Salaries & Benefits	4,441	37,705	44,182	33,117
	Services & Supplies	9,486	–	–	–
	Intra District Charges	2,686	24,547	27,333	20,310
Laboratory Services Total		16,613	62,252	71,515	53,427
North Water Treatment Operations					
	Salaries & Benefits	2,116	97,989	114,027	88,752
	Services & Supplies	14,997	–	–	–
	Intra District Charges	1,269	66,104	72,736	56,099
North Water Treatment Operations Total		18,383	164,093	186,763	144,851
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	345,265	959,063	907,054	903,114
	Services & Supplies	27,079	–	–	–
	Intra District Charges	203,135	620,405	569,282	562,621
Plant Maintenance Engineering & Commissioning Total		575,479	1,579,468	1,476,336	1,465,735
South Water Treatment Operations					
	Salaries & Benefits	1,429	149,559	289,670	256,054
	Services & Supplies	45,482	–	–	–
	Intra District Charges	–	98,480	179,774	157,560
South Water Treatment Operations Total		46,910	248,038	469,443	413,614
Utility Electrical & Control Systems					
	Salaries & Benefits	977,526	1,249,346	1,325,494	1,401,162
	Services & Supplies	1,518	–	(821,107)	(38,227)
	Intra District Charges	567,848	801,042	832,128	886,378
Utility Electrical & Control Systems Total		1,546,892	2,050,388	1,336,515	2,249,313
Water Quality					
	Salaries & Benefits	35,512	136,495	203,660	216,696
	Intra District Charges	20,645	88,994	125,608	132,105
Water Quality Total		56,158	225,489	329,268	348,801
Capital Total *		**2,260,435**	**4,329,729**	**3,869,841**	**4,675,740**
Division Total *		**50,720,350**	**56,821,961**	**57,281,344**	**61,682,029**

*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 ten 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, the Silicon Valley Advanced Water Purification Center (SVAWPC), 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 (Operations Plan) for the water supply of the county, manages local water rights and groundwater basins, administers the Well Ordinance and Water Measurement programs, 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 Sustainable Groundwater Management Act (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 that comprises local surface water reservoirs, raw water pipelines, pump stations, and appurtenances. The Operations Plan guides the beneficial use of local and imported water throughout the Santa Clara County. The unit is responsible of the implementation of the Fish and Aquatic Habitat Collaborative Effort (FAHCE) flows from the reservoirs in the Guadalupe River and Stevens Creek watersheds. 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, SVAWPC, three raw water pump stations, San Francisco Public Utilities Commission (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 – and over 150 miles of pipelines. Also included are 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 Unit 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 needed 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 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 2024 Accomplishments

- Completed the work projects identified in the Five-Year Maintenance Work Plan.
- Submitted the Water Year 2023 Report for the Santa Clara and Llagas Subbasins by the Department of Water Resources annual April 1 deadline for continued SGMA compliance.
- End-of-year 2023 groundwater storage within Stage 1 (Normal).
- Maintained reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Developed annual Water Supply Operations Plans during FY 2024.
- Operated the raw water conveyance system 24/7/365 without any major incidents.
- Safely operated Valley Water's 10 reservoirs during the 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 third-year report for the Fish and Aquatic Habitat Collaborative Effort (FAHCE) Plus Pilot Study on Guadalupe and Stevens Creek reservoirs.
- In October 2023, started the implementation of the FAHCE-Plus Modified Program flows for the five reservoirs in the Guadalupe River and Stevens Creek watersheds.
- Supported the development of the Anderson Dam Seismic Retrofit Project's Draft Environmental Impact Report.
- Submitted the annual water rights reports by the new State Water Resources Control Board deadline of February 1, 2024.
- 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 717 well permits and completed approximately 786 well inspections as of March 31, 2024.
- Conducted enforcement on 45 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.
- Launched the CityWorks online public portal on March 18, 2024, to accept permit applications and payments online.

- Completed maintenance of 555 Valley Water meters and backflow devices. Read meters weekly for 32 Treated Water sites, monthly for 227 meters along 10 routes for groundwater well sites, and semi-annually for 815 meters along 23 routes for groundwater well sites.
- Performed 58 treated water verifications.
- Completed Maximo upgrade with consultant and Asset Management Unit.
- Developed and implemented a four-year joint apprenticeship training program for the instrumentation and Controls Technician series.

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 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.
- Implement the FAHCE Plus Modified flows for the Guadalupe River and Stevens Creek watersheds.
- Meet and collaborate with the FAHCE Initialing Parties and Adaptive Management Team.
- Prepare the annual FAHCE-Plus Modified report.
- 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.
- Complete the workflow processes for both permitting and field inspections for Cityworks. 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 227 meters along 10 routes for groundwater well sites, and semi-annually for 815 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.
- Work with SCADA and Control Technicians to implement a Program (PI Program) to obtain treated water meter reads remotely.

FY 2026 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 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.
- Prepare the annual FAHCE-Plus Modified report.
- Complete groundwater recharge pond maintenance.
- Complete the Water Year 2025 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2024 Annual Groundwater Report.
- Complete the annual water rights reports by the February 1, 2026, 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 227 meters along 10 routes for groundwater well sites, and semi-annually for 815 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; and support the FAHCE-Plus Modified Program and coordination efforts with regulatory agencies.

Raw Water Division — Budget Summary

Project Type (Category)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Operations	45,316,115	49,728,779	52,880,550	55,829,406
Operating Project	9,829	20,029	–	–
Capital	6,237,680	13,041,071	14,383,390	19,119,193
Total *	**51,563,625**	**62,789,879**	**67,263,940**	**74,948,599**

Department (Unit)	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Groundwater Monitoring & Analy	5,534,969	5,700,406	5,976,109	6,441,520
Raw Water Division Deputy's Office	890,996	943,367	1,010,585	1,085,496
Raw Water Operations	6,736,725	7,598,290	7,576,422	8,114,011
Raw Wtr-Field Ops & Pipeline Maint.	12,252,379	21,358,187	21,444,550	21,589,900
Treatment Plant Maintenance	13,885,932	15,836,444	19,880,227	25,832,825
Utility Maintenance Engineering	7,904,020	6,420,261	5,959,922	6,196,998
Wells & Water Measurement	4,358,604	4,932,924	5,416,126	5,687,848
Total *	**51,563,625**	**62,789,879**	**67,263,940**	**74,948,599**

* Totals includes intra-district reimbursement charges. FY 2023 and FY 2024 department expenditures are presented according to the FY 2025 Division Organizational Chart

Raw Water Division - Position Summary

	FY 2022-23 Adjusted Budget***	FY 2023-24 Adopted Budget***	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Authorized Positions **	**103**	**105**	**105**	**105**

** Authorized positions exclude limited term positions

***For comparison purposes, FY 2023 and FY 2024 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2024-25 Proposed Plan
Groundwater Management					
	Salaries & Benefits	3,308,232	3,213,496	3,470,842	3,678,292
	Services & Supplies	327,510	351,500	324,300	470,300
	Intra District Charges	1,899,227	2,046,137	2,142,615	2,253,042
Groundwater Management Total		5,534,969	5,611,133	5,937,757	6,401,634
Raw Water Division Deputy's Office					
	Salaries & Benefits	553,538	568,223	618,588	665,985
	Services & Supplies	4,591	11,500	11,500	11,500
	Intra District Charges	332,868	363,643	380,496	408,011
Raw Water Division Deputy's Office Total		890,996	943,367	1,010,585	1,085,496
Raw Water Operations					
	Salaries & Benefits	3,688,731	3,743,178	4,098,139	4,309,884
	Services & Supplies	843,918	1,122,850	862,050	1,090,500
	Intra District Charges	2,041,034	2,242,253	2,354,893	2,456,227
Raw Water Operations Total		6,573,683	7,108,281	7,315,081	7,856,610
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	5,297,513	5,639,705	6,020,499	6,351,959
	Services & Supplies	2,589,542	3,291,360	4,058,660	4,218,260
	Intra District Charges	3,503,438	4,069,866	3,960,543	4,164,657
Raw Wtr-Field Ops & Pipeline Maint. Total		11,390,492	13,000,931	14,039,702	14,734,876
Treatment Plant Maintenance					
	Salaries & Benefits	5,733,495	5,958,599	6,374,339	6,720,872
	Services & Supplies	2,758,786	2,922,000	3,296,500	3,389,500
	Intra District Charges	3,719,293	4,150,080	4,360,163	4,582,395
Treatment Plant Maintenance Total		12,211,574	13,030,679	14,031,002	14,692,767
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	1,535,614	1,296,267	1,665,266	1,786,522
	Services & Supplies	1,929,697	2,976,800	2,401,800	2,452,800
	Intra District Charges	900,315	887,105	1,063,232	1,130,853
Raw Water & Pipeline Maintenance Engineering Total		4,365,626	5,160,172	5,130,298	5,370,175
Wells & Water Measurement					
	Salaries & Benefits	2,606,698	2,843,558	3,080,801	3,264,113
	Services & Supplies	137,136	183,750	360,300	345,300
	Intra District Charges	1,614,770	1,866,938	1,975,025	2,078,435
Wells & Water Measurement Total		4,358,604	4,894,246	5,416,126	5,687,848
Operations Total *		**45,325,945**	**49,748,809**	**52,880,550**	**55,829,406**

Capital Budget by Department and Account Category

Department	Account Category	FY 2022-23 Budgetary Actuals	FY 2023-24 Adopted Budget	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Plan
Groundwater Management					
	Salaries & Benefits	–	54,360	23,643	24,661
	Intra District Charges	–	34,913	14,709	15,224
Groundwater Management Total		–	89,273	38,353	39,886
Raw Water Operations					
	Salaries & Benefits	102,744	297,581	161,144	159,296
	Intra District Charges	60,297	192,427	100,196	98,105
Raw Water Operations Total		163,041	490,008	261,341	257,401
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	451,660	196,190	214,063	220,866
	Services & Supplies	118,835	8,011,021	7,044,404	6,482,000
	Intra District Charges	291,391	150,046	146,380	152,158
Raw Wtr-Field Ops & Pipeline Maint. Total		861,887	8,357,256	7,404,848	6,855,024
Treatment Plant Maintenance					
	Salaries & Benefits	75,449	442,618	532,647	564,799
	Services & Supplies	1,557,035	2,035,000	4,927,186	10,164,208
	Intra District Charges	41,874	328,148	389,392	411,051
Treatment Plant Maintenance Total		1,674,358	2,805,765	5,849,225	11,140,059
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	573,403	756,857	513,516	510,000
	Services & Supplies	2,635,686	–	–	–
	Intra District Charges	329,305	503,231	316,108	316,823
Raw Water & Pipeline Maintenance Engineering Total		3,538,394	1,260,089	829,624	826,823
Wells & Water Measurement					
	Salaries & Benefits	–	23,505	–	–
	Intra District Charges	–	15,174	–	–
Wells & Water Measurement Total		–	38,679	–	–
Capital Total *		**6,237,680**	**13,041,071**	**14,383,390**	**19,119,193**
Division Total *		**51,563,625**	**62,789,879**	**67,263,940**	**74,948,599**

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

Fund Summaries

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

WATERSHED MANAGEMENT FUNDS

Fund Summaries

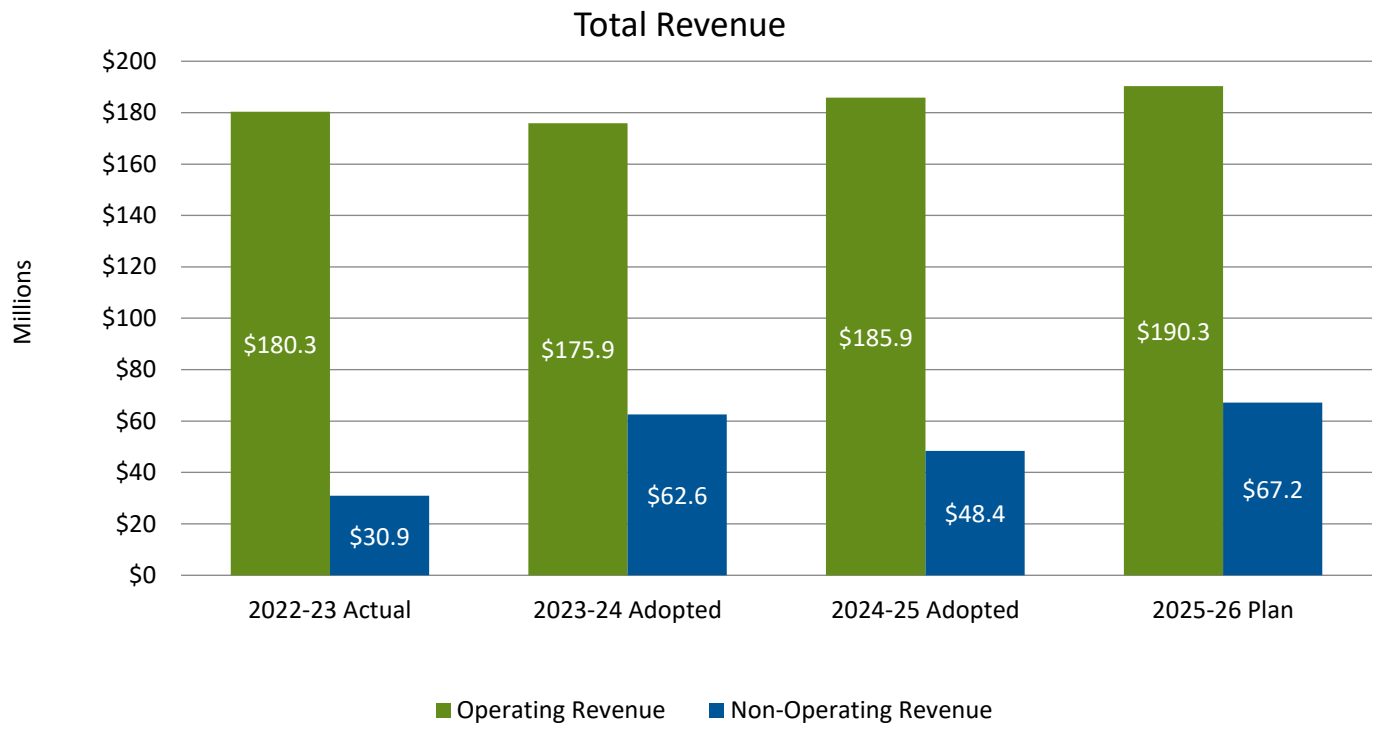
Overview

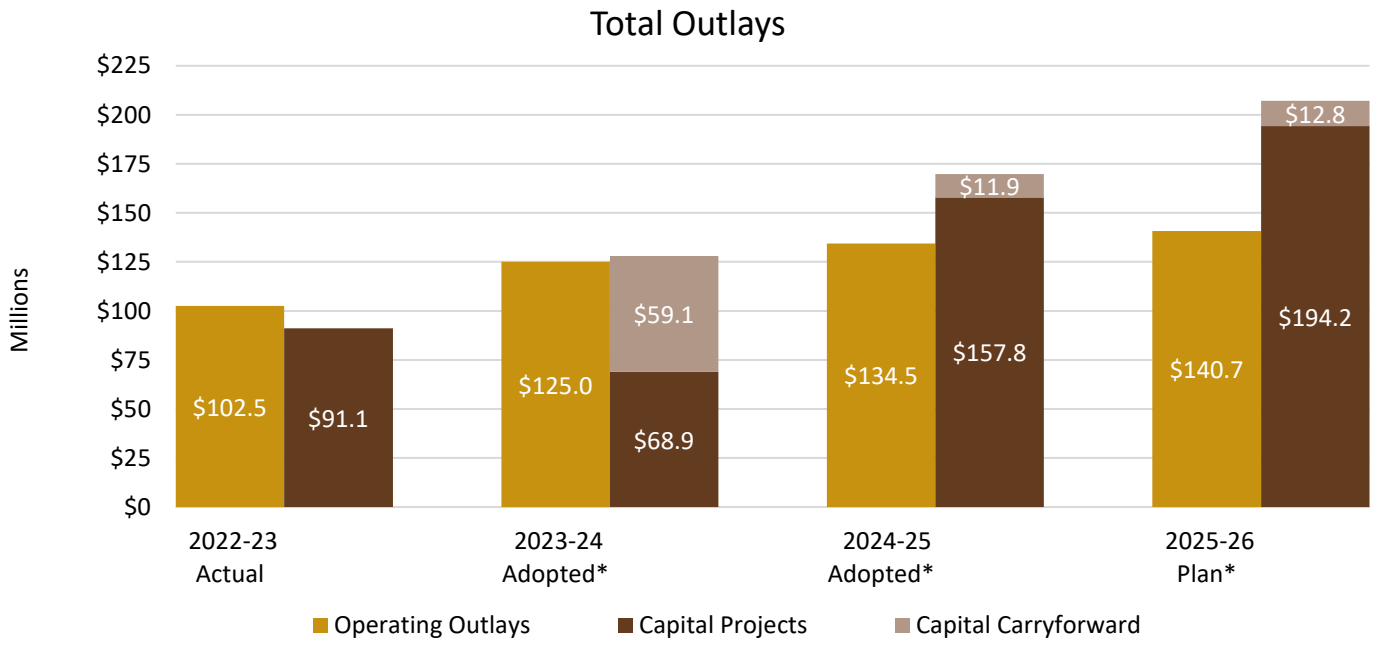
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection, and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 13,229,442	$ 6,891,766	$ 6,822,849	$ 7,052,737	$ 160,971	2.3%
Property Tax	116,705,972	116,443,701	121,528,000	124,993,000	8,549,299	7.3%
Special Parcel Tax	49,501,115	52,277,018	52,277,018	53,531,667	1,254,649	2.4%
Intergovernmental Services	151,870	-	-	-	-	0.0%
Operating Other	716,727	300,630	300,630	309,649	9,019	3.0%
Total Operating Revenue	**$ 180,305,126**	**$ 175,913,115**	**$ 180,928,497**	**$ 185,887,053**	**$ 9,973,938**	**5.7%**
Non-Operating Revenue						
Capital Reimbursements	$ 21,551,735	$ 57,570,000	$ 27,285,000	$ 41,900,000	$ (15,670,000)	-27.2%
Interest Income *	6,955,349	3,530,000	4,903,000	4,903,000	1,373,000	38.9%
Non-Operating Other	2,439,658	1,508,554	1,508,554	1,553,810	45,256	3.0%
Total Non-Operating Revenue	**$ 30,946,743**	**$ 62,608,554**	**$ 33,696,554**	**$ 48,356,810**	**$ (14,251,744)**	**-22.8%**
TOTAL REVENUE	**$ 211,251,869**	**$ 238,521,669**	**$ 214,625,051**	**$ 234,243,863**	**$ (4,277,806)**	**-1.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 84,757,718	$ 98,203,309	$ 101,553,505	$ 113,524,662	$ 15,321,352	15.6%
Operating Project	3,821,965	6,179,442	9,754,442	4,856,421	(1,323,021)	-21.4%
Debt Service	13,906,631	20,647,832	20,647,832	16,069,027	(4,578,805)	-22.2%
Total Operating Outlays	**$ 102,486,314**	**$ 125,030,583**	**$ 131,955,779**	**$ 134,450,109**	**$ 9,419,526**	**7.5%**
Capital Outlays						
Capital Projects	$ 91,054,023	$ 68,894,305	$ 166,523,596	$ 157,824,632	$ 88,930,327	129.1%
Carry Forward Capital Projects	-	59,088,059	-	11,922,094	(47,165,965)	-79.8%
Total Capital Outlays	**$ 91,054,023**	**$ 127,982,364**	**$ 166,523,596**	**$ 169,746,726**	**$ 41,764,362**	**32.6%**
TOTAL OUTLAYS	**$ 193,540,337**	**$ 253,012,947**	**$ 298,479,375**	**$ 304,196,835**	**$ 51,183,888**	**20.2%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 38,485,580	$ 38,360,887	$ -	$ 109,609,029	$ 71,248,142	185.7%
Transfers In	2,308,762	6,304,920	6,236,001	4,250,988	(2,053,932)	-32.6%
Transfers Out	(32,772,013)	(6,251,647)	(6,182,880)	(16,243,007)	(9,991,360)	159.8%
TOTAL OTHER SOURCES/(USES)	**$ 8,022,329**	**$ 38,414,160**	**$ 53,121**	**$ 97,617,010**	**$ 59,202,850**	**154.1%**
BALANCE AVAILABLE	**$ 25,733,861**	**$ 23,922,882**	**$ (83,801,203)**	**$ 27,664,038**	**$ 3,741,156**	**15.6%**
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***	116,786,238	37,906,382	37,138,316	25,336,118	(12,570,264)	-33.2%
SCW Operating and Capital Reserve	59,060,206	117,935,002	30,505,025	59,517,635	(58,417,367)	-49.5%
Total Restricted Reserves	**$ 205,846,444**	**$ 185,841,384**	**$ 97,643,341**	**$ 114,853,753**	**$ (70,987,631)**	**-38.2%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 19,891,171	$ 1,320,710	$ 299,698	$ 33,303	$ (1,287,407)	-97.5%
Operating and Capital Reserve	95,903,395	158,599,934	139,896,768	145,010,892	(13,589,042)	-8.6%
Excess ERAF Contingency Reserve	-	-	-	5,605,897	5,605,897	0.0%
Total Committed Reserves	**$ 115,794,566**	**$ 159,920,644**	**$ 140,196,466**	**$ 150,650,092**	**$ (9,270,552)**	**-5.8%**
TOTAL YEAR-END RESERVES	**$ 321,641,010**	**$ 345,762,028**	**$ 237,839,807**	**$ 265,503,845**	**$ (80,258,183)**	**-23.2%**

Watershed Management Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 40,094,980	$ 45,038,547	$ 45,038,547	$ 49,551,343	$ 4,512,795	10.0%
Salary Savings Factor	-	(719,750)	(719,750)	(764,943)	(45,194)	6.3%
Services & Supplies	22,527,802	29,371,306	36,296,502	37,485,712	8,114,406	27.6%
Intra-District Charges	25,956,901	30,692,648	30,692,648	32,108,972	1,416,324	4.6%
OPERATING OUTLAY TOTAL	**$ 88,579,683**	**$ 104,382,751**	**$ 111,307,947**	**$ 118,381,082**	**$ 13,998,331**	**13.4%**
DEBT SERVICE						
Services & Supplies	$ 1,165,041	$ 1,465,503	$ 1,465,503	$ 1,198,901	$ (266,602)	-18.2%
Debt Service	12,741,590	19,182,329	19,182,329	14,870,126	(4,312,203)	-22.5%
DEBT SERVICE TOTAL	**$ 13,906,631**	**$ 20,647,832**	**$ 20,647,832**	**$ 16,069,027**	**$ (4,578,805)**	**-22.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 15,388,154	$ 18,602,934	$ 18,457,856	$ 19,282,856	$ 679,921	3.7%
Salary Savings Factor	-	(299,529)	(299,529)	(304,554)	(5,025)	1.7%
Services & Supplies	66,369,561	38,777,749	136,645,867	126,965,906	88,188,157	227.4%
Carry Forward Capital Projects	-	59,088,059	-	11,922,094	(47,165,965)	-79.8%
Intra-District Charges	9,296,308	11,813,150	11,719,401	11,880,424	67,274	0.6%
CAPITAL PROJECTS TOTAL	**$ 91,054,023**	**$ 127,982,364**	**$ 166,523,596**	**$ 169,746,726**	**$ 41,764,362**	**32.6%**
TOTAL OUTLAYS	**$ 193,540,337**	**$ 253,012,947**	**$ 298,479,375**	**$ 304,196,835**	**$ 51,183,888**	**20.2%**

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

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

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

Watershed Management Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 13,229,442	$ 6,891,766	$ 7,052,737	$ 6,854,512	$ (198,225)	-2.8%
Property Tax	116,705,972	116,443,701	124,993,000	128,456,000	3,463,000	2.8%
Special Parcel Tax	49,501,115	52,277,018	53,531,667	54,709,363	1,177,696	2.2%
Intergovernmental Services	151,870	-	-	-	-	0.0%
Operating Other	716,727	300,630	309,649	318,938	9,289	3.0%
Total Operating Revenue	**$ 180,305,126**	**$ 175,913,115**	**$ 185,887,053**	**$ 190,338,813**	**$ 4,451,760**	**2.4%**
Non-Operating Revenue						
Capital Reimbursements	$ 21,551,735	$ 57,570,000	$ 41,900,000	$ 60,500,000	$ 18,600,000	44.4%
Interest Income *	6,955,349	3,530,000	4,903,000	5,148,000	245,000	5.0%
Non-Operating Other	2,439,658	1,508,554	1,553,810	1,600,424	46,614	3.0%
Total Non-Operating Revenue	**$ 30,946,743**	**$ 62,608,554**	**$ 48,356,810**	**$ 67,248,424**	**$ 18,891,614**	**39.1%**
TOTAL REVENUE	**$ 211,251,869**	**$ 238,521,669**	**$ 234,243,863**	**$ 257,587,237**	**$ 23,343,374**	**10.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 84,757,718	$ 98,203,309	$ 113,524,662	$ 117,334,944	$ 3,810,282	3.4%
Operating Project	3,821,965	6,179,442	4,856,421	4,732,122	(124,299)	-2.6%
Debt Service	13,906,631	20,647,832	16,069,027	18,667,652	2,598,625	16.2%
Total Operating Outlays	**$ 102,486,314**	**$ 125,030,583**	**$ 134,450,109**	**$ 140,734,718**	**$ 6,284,608**	**4.7%**
Capital Outlays						
Capital Projects	$ 91,054,023	$ 68,894,305	$ 157,824,632	$ 194,245,011	$ 36,420,379	23.1%
Carry Forward Capital Projects	-	59,088,059	11,922,094	12,838,833	916,739	7.7%
Total Capital Outlays	**$ 91,054,023**	**$ 127,982,364**	**$ 169,746,726**	**$ 207,083,844**	**$ 37,337,118**	**22.0%**
TOTAL OUTLAYS	**$ 193,540,337**	**$ 253,012,947**	**$ 304,196,835**	**$ 347,818,562**	**$ 43,621,726**	**14.3%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 38,485,580	$ 38,360,887	$ 109,609,029	$ 54,055,817	$ (55,553,212)	-50.7%
Transfers In	2,308,762	6,304,920	4,250,988	5,047,513	796,525	18.7%
Transfers Out	(32,772,013)	(6,251,647)	(16,243,007)	(15,431,819)	811,189	-5.0%
TOTAL OTHER SOURCES/(USES)	**$ 8,022,329**	**$ 38,414,160**	**$ 97,617,010**	**$ 43,671,512**	**$ (53,945,499)**	**-55.3%**
BALANCE AVAILABLE	**$ 25,733,861**	**$ 23,922,882**	**$ 27,664,038**	**$ (46,559,813)**	**$ (74,223,851)**	**-268.3%**
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***	116,786,238	37,906,382	25,336,118	12,530,147	(12,805,971)	-50.5%
SCW Operating and Capital Reserve	59,060,206	117,935,002	59,517,635	40,728,012	(18,789,623)	-31.6%
Total Restricted Reserves	**$ 205,846,444**	**$ 185,841,384**	**$ 114,853,753**	**$ 83,258,159**	**$ (31,595,594)**	**-27.5%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 19,891,171	$ 1,320,710	$ 33,303	$ 441	$ (32,862)	-98.7%
Operating and Capital Reserve	95,903,395	158,599,934	145,010,892	129,858,075	(15,152,817)	-10.4%
Excess ERAF Contingency Reserve	-	-	5,605,897	5,827,357	221,460	4.0%
Total Committed Reserves	**$ 115,794,566**	**$ 159,920,644**	**$ 150,650,092**	**$ 135,685,873**	**$ (14,964,219)**	**-9.9%**
TOTAL YEAR-END RESERVES	**$ 321,641,010**	**$ 345,762,028**	**$ 265,503,845**	**$ 218,944,032**	**$ (46,559,812)**	**-17.5%**

Watershed Management Funds

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 40,094,980	$ 45,038,547	$ 49,551,343	$ 53,538,092	$ 3,986,749	8.0%
Salary Savings Factor	-	(719,750)	(764,943)	(816,383)	(51,439)	6.7%
Services & Supplies	22,527,802	29,371,306	37,485,712	34,850,496	(2,635,216)	-7.0%
Intra-District Charges	25,956,901	30,692,648	32,108,972	34,494,861	2,385,889	7.4%
OPERATING OUTLAY TOTAL	**$ 88,579,683**	**$ 104,382,751**	**$ 118,381,082**	**$ 122,067,066**	**$ 3,685,983**	**3.1%**
DEBT SERVICE						
Services & Supplies	$ 1,165,041	$ 1,465,503	$ 1,198,901	$ 1,728,901	$ 530,000	44.2%
Debt Service	12,741,590	19,182,329	14,870,126	16,938,751	2,068,625	13.9%
DEBT SERVICE TOTAL	**$ 13,906,631**	**$ 20,647,832**	**$ 16,069,027**	**$ 18,667,652**	**$ 2,598,625**	**16.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 15,388,154	$ 18,602,934	$ 19,282,856	$ 21,557,173	$ 2,274,318	11.8%
Salary Savings Factor	-	(299,529)	(304,554)	(336,670)	(32,116)	10.5%
Services & Supplies	66,369,561	38,777,749	126,965,906	159,817,075	32,851,168	25.9%
Carry Forward Capital Projects	-	59,088,059	11,922,094	12,838,833	916,739	7.7%
Intra-District Charges	9,296,308	11,813,150	11,880,424	13,207,433	1,327,009	11.2%
CAPITAL PROJECTS TOTAL	**$ 91,054,023**	**$ 127,982,364**	**$ 169,746,726**	**$ 207,083,844**	**$ 37,337,118**	**22.0%**
TOTAL OUTLAYS	**$ 193,540,337**	**$ 253,012,947**	**$ 304,196,835**	**$ 347,818,562**	**$ 43,621,726**	**14.3%**

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

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

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

Watershed and Stream Stewardship Fund

Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five 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
- Encampment cleanups and management
- 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, the proposed workload quantities in this fund summary are subject to change.

Outcomes

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2024-25 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 to I - 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 Phase 2B
- Coyote Creek Flood Protection Project
- Sunnyvale East and West Channels Flood Protection Project

Major Capital Projects in planning and design:

- San Francisco Bay Shoreline Phases II and III
- Coyote Creek 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:

- The Calabazas/San Tomas Creek-Marsh Connection Feasible Alternatives Report
- Pond A4 Resilient Habitat Restoration
- Coyote 10B Freshwater Wetland

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, 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 – "Protect imported water supplies and associated contracts and partnerships." Please refer to the summary of that goal in the End Policies and Outcomes.

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 waterways
- 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

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

- Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people, including collaboration with the City of San José on encampment relocations to meet MS4 Storm Water Permit requirements and Coyote Creek Flood Protection Project needs
- Increase the level of service for encampment cleanup efforts based on need and resource availability, including expansion of cleanup operations
- Identify Valley Water lands for regional partners to use for housing or other services for unsheltered people and, as resources allow, work in consultation with local cities or the County to construct low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities to assist unsheltered people

Fiscal Status

Property Tax revenue is projected at $125.0 million for FY 2024-25. The projection reflects an increase of $8.5 million, a 7.3% increase from the FY 2023-24 Adopted Budget. The increase in Property Tax revenue is based on updates received from Santa Clara County assessor's office. In FY 2025-26, Property Tax revenue is projected to increase an additional 2.8% to $128.5 million.

For FY 2024-25, Capital Reimbursements are projected at $11.9 million, a decrease of $22.3 million from the FY 2023-24 Adopted Budget: $11.4 million Measure AA grant for the San Francisco Bay Shoreline project and $0.5 million State Subventions for the Llagas Ck–Lwr, Capacity Restoration project. For FY 2025-26, the projected Capital Reimbursement is $0.5 million for State Subventions for the Llagas Ck–Lwr project.

Other Income of $1.9 million in FY 2024-25 and FY 2025-26 is budgeted for rental and other miscellaneous Income.

Interest Income is projected to be $2.3 million for FY 2024-25 and $2.4 million for FY 2025-26. Interest income is projected to be relatively stable, despite anticipated decreases in interest rates in 2025 and 2026, due to the staggered nature of Valley Water's investment portfolio. Investments with staggered maturities are held to maturity at fixed interest rates, which provides a stable interest income stream in a low interest rate environment.

Operating Transfers In from the Benefit Assessment Funds for the excess amount over the debt obligations is budgeted at $1.3 million for FY 2024-25 and $1.0 million in FY 2025-26.

For FY 2024-25, Operating Transfers Out of $7.0 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $2.8 million to the Information Technology Fund for IT capital projects costs
- $2.0 million to the General Fund for Drought Induced Tree Removal
- $2.0 million to the Water Enterprise Fund for the Open Space Credit
- $0.2 million to the General Fund for Security Upgrades and HQ Building capital project costs

For FY 2025-26, Operating Transfers Out of $4.8 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $1.4 million to the Information Technology Fund for IT capital projects costs
- $0.9 million to the General Fund for Drought Induced Tree Removal
- $1.9 million to the Water Enterprise Fund for the Open Space Credit
- $0.6 million to the General Fund for HQ Building/Fleet & Facility Annex Improvement projects

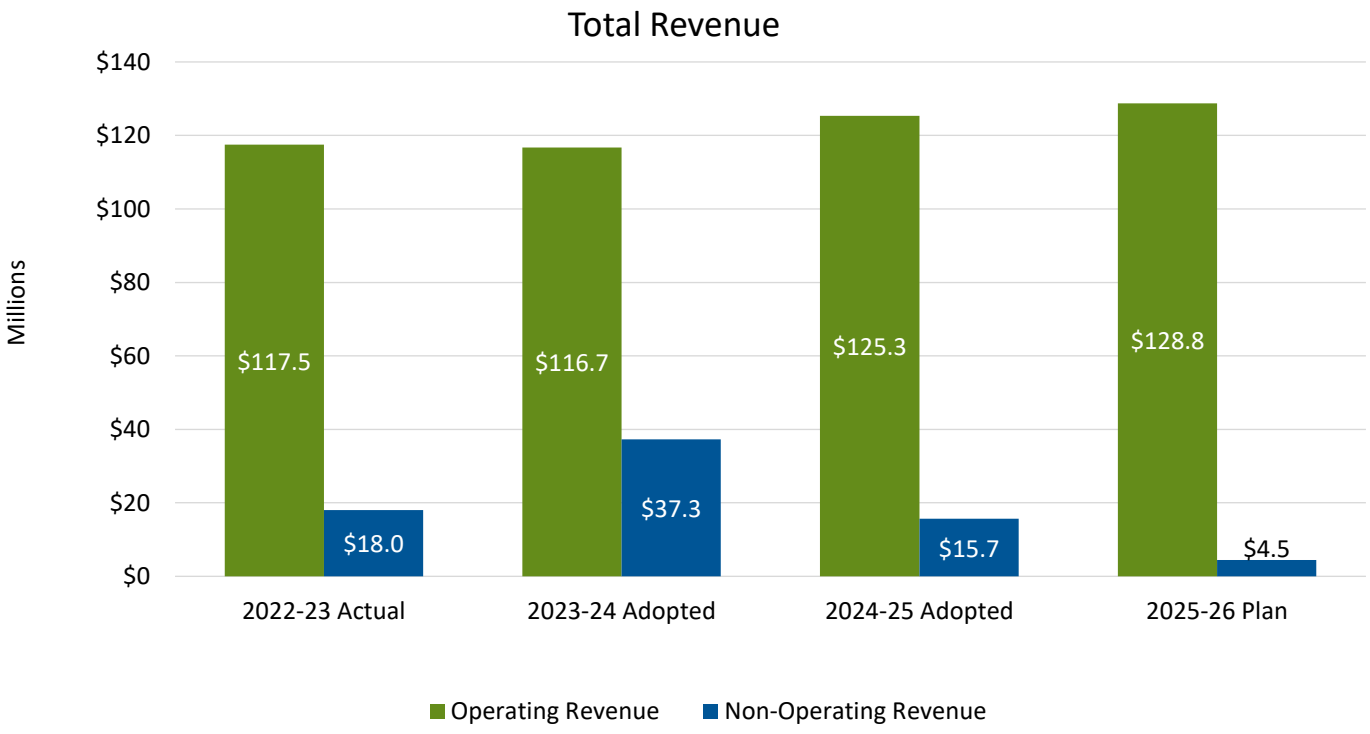
Total Operating Outlays are budgeted at $93.8 million for FY 2024-25, an increase of $15.8 million or 20.2% relative to the FY 2023-24 Adopted Budget. This change is primarily comprised of increases in salary and related costs ($4.4 million), intra-district charges ($2.0 million), an increase in services and supplies (S&S) from the encampment management program ($10.0 million), and a net decrease in S&S from various projects and programs (-$0.6 million). In FY 2025-26, Total Operating Outlays are projected to increase an additional 3.3% to $96.9 million. Total Capital Outlays are budgeted at $31.0 million for FY 2024-25, an increase of $6.9 million or a 28.5% relative to the FY 2023-24 Adopted Budget. In FY 2025-26, total Capital Outlays are projected to increase an additional 53.4% to $47.5 million. A detailed overview of projects in the Watershed and Stream Stewardship Fund is explained in the Outcome section.

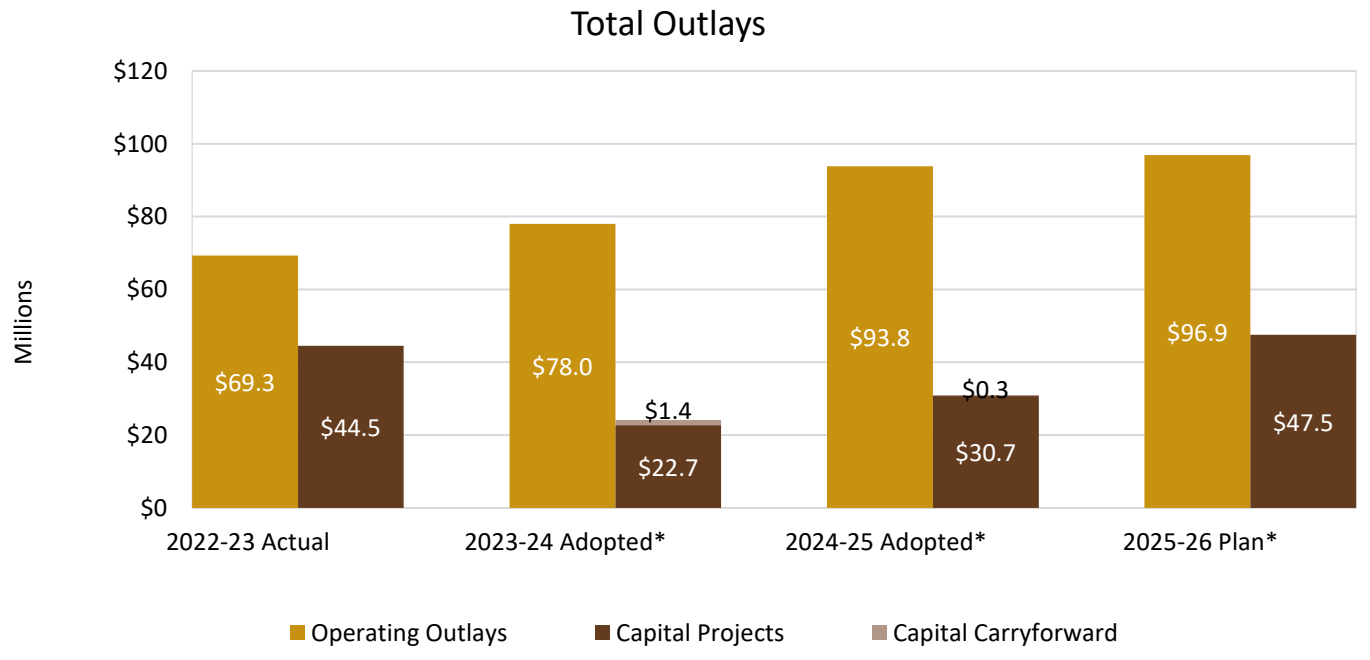
Total Watershed & Stream Stewardship reserves for FY 2024-25 are estimated at approximately $150.7 million and $135.7 million for FY 2025-26 and are in compliance with the Valley Water Reserve Policy.

Budget Issues and Constraints

- 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 continued rapid growth of encampments has greatly impacted field operations and maintenance activities. Restrictions imposed by federal case law 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 116,705,972	$ 116,443,701	$ 121,528,000	$ 124,993,000	$ 8,549,299	7.3%
Intergovernmental Services	111,445	-	-	-	-	0.0%
Operating Other	716,727	300,630	300,630	309,649	9,019	3.0%
Total Operating Revenue	**$ 117,534,144**	**$ 116,744,331**	**$ 121,828,630**	**$ 125,302,649**	**$ 8,558,318**	**7.3%**
Non-Operating Revenue						
Capital Reimbursements	$ 13,575,736	$ 34,170,000	$ 26,285,000	$ 11,900,000	$ (22,270,000)	-65.2%
Interest Income *	2,330,225	1,630,000	2,264,000	2,264,000	634,000	38.9%
Non-Operating Other	2,091,258	1,508,554	1,508,554	1,553,810	45,256	3.0%
Total Non-Operating Revenue	**$ 17,997,218**	**$ 37,308,554**	**$ 30,057,554**	**$ 15,717,810**	**$ (21,590,744)**	**-57.9%**
TOTAL REVENUE	**$ 135,531,362**	**$ 154,052,885**	**$ 151,886,184**	**$ 141,020,459**	**$ (13,032,426)**	**-8.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 67,461,822	$ 74,960,918	$ 75,585,918	$ 91,514,270	$ 16,553,352	22.1%
Operating Project	1,867,872	3,071,155	3,071,155	2,317,502	(753,654)	-24.5%
Total Operating Outlays	**$ 69,329,694**	**$ 78,032,074**	**$ 78,657,074**	**$ 93,831,772**	**$ 15,799,698**	**20.2%**
Capital Outlays						
Capital Projects	$ 44,537,780	$ 22,684,493	$ 45,716,061	$ 30,718,254	$ 8,033,762	35.4%
Carry Forward Capital Projects	-	1,424,517	-	266,395	(1,158,122)	-81.3%
Total Capital Outlays	**$ 44,537,780**	**$ 24,109,010**	**$ 45,716,061**	**$ 30,984,649**	**$ 6,875,640**	**28.5%**
TOTAL OUTLAYS	**$ 113,867,474**	**$ 102,141,084**	**$ 124,373,134**	**$ 124,816,421**	**$ 22,675,338**	**22.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,308,762	$ 1,011,320	$ 942,401	$ 1,250,988	$ 239,668	23.7%
Transfers Out	(28,684,151)	(4,053,550)	(4,053,550)	(7,001,400)	(2,947,850)	72.7%
TOTAL OTHER SOURCES/(USES)	**$ (26,375,389)**	**$ (3,042,230)**	**$ (3,111,149)**	**$ (5,750,412)**	**$ (2,708,182)**	**89.0%**
BALANCE AVAILABLE	**$ (4,711,500)**	**$ 48,869,571**	**$ 24,401,901**	**$ 10,453,626**	**$ (38,415,946)**	**-78.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 19,891,171	$ 1,320,710	$ 299,698	$ 33,303	$ (1,287,407)	-97.5%
Operating and Capital Reserve	95,903,395	158,599,934	139,896,769	145,010,893	(13,589,041)	-8.6%
Excess ERAF Contingency Reserve	-	-	-	5,605,897	5,605,897	0.0%
Total Committed Reserves	**$ 115,794,566**	**$ 159,920,644**	**$ 140,196,467**	**$ 150,650,093**	**$ (9,270,551)**	**-5.8%**
TOTAL YEAR-END RESERVES	**$ 115,794,566**	**$ 159,920,644**	**$ 140,196,467**	**$ 150,650,093**	**$ (9,270,551)**	**-5.8%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 32,781,001	$ 36,042,768	$ 36,042,768	$ 40,563,146	$ 4,520,378	12.5%
Salary Savings Factor	-	(575,714)	(575,714)	(626,945)	(51,230)	8.9%
Services & Supplies	15,465,333	18,254,391	18,879,391	27,616,630	9,362,239	51.3%
Intra-District Charges	21,083,359	24,310,630	24,310,630	26,278,941	1,968,311	8.1%
OPERATING OUTLAY TOTAL	**$ 69,329,694**	**$ 78,032,074**	**$ 78,657,074**	**$ 93,831,772**	**$ 15,799,698**	**20.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,747,313	$ 7,069,200	$ 7,069,200	$ 6,567,857	$ (501,342)	-7.1%
Salary Savings Factor	-	(114,183)	(114,183)	(103,186)	10,997	-9.6%
Services & Supplies	32,134,225	11,288,837	34,320,405	20,234,590	8,945,754	79.2%
Carry Forward Capital Projects	-	1,424,517	-	266,395	(1,158,122)	-81.3%
Intra-District Charges	4,656,242	4,440,639	4,440,639	4,018,993	(421,647)	-9.5%
CAPITAL PROJECTS TOTAL	**$ 44,537,780**	**$ 24,109,010**	**$ 45,716,061**	**$ 30,984,649**	**$ 6,875,640**	**28.5%**
TOTAL OUTLAYS	**$ 113,867,474**	**$ 102,141,084**	**$ 124,373,134**	**$ 124,816,421**	**$ 22,675,338**	**22.2%**

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

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

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

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Proposed Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 116,705,972	$ 116,443,701	$ 124,993,000	$ 128,456,000	$ 3,463,000	2.8%
Intergovernmental Services	111,445	-	-	-	-	0.0%
Operating Other	716,727	300,630	309,649	318,938	9,289	3.0%
Total Operating Revenue	**$ 117,534,144**	**$ 116,744,331**	**$ 125,302,649**	**$ 128,774,938**	**$ 3,472,289**	**2.8%**
Non-Operating Revenue						
Capital Reimbursements	$ 13,575,736	$ 34,170,000	$ 11,900,000	$ 500,000	$ (11,400,000)	-95.8%
Interest Income *	2,330,225	1,630,000	2,264,000	2,377,000	113,000	5.0%
Non-Operating Other	2,091,258	1,508,554	1,553,810	1,600,424	46,614	3.0%
Total Non-Operating Revenue	**$ 17,997,218**	**$ 37,308,554**	**$ 15,717,810**	**$ 4,477,424**	**$ (11,240,386)**	**-71.5%**
TOTAL REVENUE	**$ 135,531,362**	**$ 154,052,885**	**$ 141,020,459**	**$ 133,252,362**	**$ (7,768,097)**	**-5.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 67,461,822	$ 74,960,918	$ 91,514,270	$ 94,650,509	$ 3,136,239	3.4%
Operating Project	1,867,872	3,071,155	2,317,502	2,282,782	(34,719)	-1.5%
Total Operating Outlays	**$ 69,329,694**	**$ 78,032,074**	**$ 93,831,772**	**$ 96,933,292**	**$ 3,101,520**	**3.3%**
Capital Outlays						
Capital Projects	$ 44,537,780	$ 22,684,493	$ 30,718,254	$ 47,487,847	$ 16,769,592	54.6%
Carry Forward Capital Projects	-	1,424,517	266,395	32,862	(233,533)	-87.7%
Total Capital Outlays	**$ 44,537,780**	**$ 24,109,010**	**$ 30,984,649**	**$ 47,520,709**	**$ 16,536,059**	**53.4%**
TOTAL OUTLAYS	**$ 113,867,474**	**$ 102,141,084**	**$ 124,816,421**	**$ 144,454,001**	**$ 19,637,579**	**15.7%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,308,762	$ 1,011,320	$ 1,250,988	$ 1,047,513	$ (203,475)	-16.3%
Transfers Out	(28,684,151)	(4,053,550)	(7,001,400)	(4,810,094)	2,191,306	-31.3%
TOTAL OTHER SOURCES/(USES)	**$ (26,375,389)**	**$ (3,042,230)**	**$ (5,750,412)**	**$ (3,762,581)**	**$ 1,987,831**	**-34.6%**
BALANCE AVAILABLE	**$ (4,711,500)**	**$ 48,869,571**	**$ 10,453,626**	**$ (14,964,220)**	**$ (25,417,845)**	**-243.1%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 19,891,171	$ 1,320,710	$ 33,303	$ 441	$ (32,862)	-98.7%
Operating and Capital Reserve	95,903,395	158,599,934	145,010,893	129,858,075	(15,152,818)	-10.4%
Excess ERAF Contingency Reserve	-	-	5,605,897	5,827,357	221,460	4.0%
Total Committed Reserves	**$ 115,794,566**	**$ 159,920,644**	**$ 150,650,093**	**$ 135,685,873**	**$ (14,964,220)**	**-9.9%**
TOTAL YEAR-END RESERVES	**$ 115,794,566**	**$ 159,920,644**	**$ 150,650,093**	**$ 135,685,873**	**$ (14,964,220)**	**-9.9%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Proposed Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 32,781,001	$ 36,042,768	$ 40,563,146	$ 43,861,487	$ 3,298,341	8.1%
Salary Savings Factor	-	(575,714)	(626,945)	(669,764)	(42,819)	6.8%
Services & Supplies	15,465,333	18,254,391	27,616,630	25,497,878	(2,118,752)	-7.7%
Intra-District Charges	21,083,359	24,310,630	26,278,941	28,243,691	1,964,751	7.5%
OPERATING OUTLAY TOTAL	**$ 69,329,694**	**$ 78,032,074**	**$ 93,831,772**	**$ 96,933,292**	**$ 3,101,520**	**3.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,747,313	$ 7,069,200	$ 6,567,857	$ 8,791,225	$ 2,223,368	33.9%
Salary Savings Factor	-	(114,183)	(103,186)	(136,274)	(33,088)	32.1%
Services & Supplies	32,134,225	11,288,837	20,234,590	33,479,159	13,244,569	65.5%
Carry Forward Capital Projects	-	1,424,517	266,395	32,862	(233,533)	-87.7%
Intra-District Charges	4,656,242	4,440,639	4,018,993	5,353,737	1,334,744	33.2%
CAPITAL PROJECTS TOTAL	**$ 44,537,780**	**$ 24,109,010**	**$ 30,984,649**	**$ 47,520,709**	**$ 16,536,059**	**53.4%**
TOTAL OUTLAYS	**$ 113,867,474**	**$ 102,141,084**	**$ 124,816,421**	**$ 144,454,001**	**$ 19,637,579**	**15.7%**

(*) 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 - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
10291002	Rental Expense Stevens Creek	259,795	532,288	353,198	431,682	Watershed Stewardship & Planning Div
30061004	Rent Exp Guadalupe & Coyote	170,936	362,680	283,073	354,900	Watershed Stewardship & Planning Div
30151026	Guad Rvr Mitgtn Monitoring Prg	643,187	520,214	927,017	546,962	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	5,951,047	6,138,977	6,685,422	7,093,444	Watershed Stewardship & Planning Div
62021003	CPRU Tech Support	355,771	446,839	442,926	464,716	Watershed Stewardship & Planning Div
62021008	Energy Management	4,541	6,858	7,391	7,788	Treated Water Division
62021009	Watershds O&M Eng&Insp Support	1,831,353	2,202,791	2,673,295	2,800,401	Watersheds Operations & Maint Division
62031001	Watershed Revenue	95,094	47,975	49,457	52,600	Financial Planning & Mgmt Div
62031002	Grants Management	833,149	910,966	949,870	995,892	Financial Planning & Mgmt Div
62041022	Stream Maint Prog Mgmt	5,554,573	5,389,311	5,889,161	6,254,556	Watersheds Operations & Maint Division
62041023	Community Rating System (CRS)	455,108	639,933	229,691	211,180	Office of the CEA
62041027	Integrated Wtr Resrce Mstr Pln	1,838,552	901,808	1,594,125	1,682,244	Watershed Stewardship & Planning Div
62041039	Integrated Regional Water Mgmt	14,485	43,563	31,524	30,339	Water Supply Division
62041043	Environmental Srvcs Tech Suppt	608,309	865,610	851,460	940,801	Watershed Stewardship & Planning Div
62041047	Ecolgcal Data Collectn & Analy	215,879	124,413	319,889	231,829	Watershed Stewardship & Planning Div
62061001	Watersheds Administration	10,199,300	9,843,515	11,608,019	12,536,367	Office of COO Watersheds
62061002	Districtwide Salary Savings-12	–	(575,714)	(626,945)	(669,764)	Financial Planning & Mgmt Div
62061005	WS Customer Relations&Outreach	1,025,775	1,158,379	1,241,371	1,291,553	Office of the CEA
62061008	Hydrology&Hydraulics Tech Supp	1,291,022	1,488,840	1,479,273	1,571,339	Watershed Stewardship & Planning Div
62061019	Creek Stewardship	187,243	227,208	242,156	259,153	Office of the CEA
62061029	Field Operations Support	688,459	743,601	818,474	863,865	Watersheds Operations & Maint Division
62061045	Asset Management Program	1,356,434	1,367,517	1,943,875	2,131,891	Office of Integrated Water Management
62061048	Climate Change Adaptation/Mtg.	99,120	212,049	264,848	271,753	Watershed Stewardship & Planning Div
62061051	Lands Management Program	363,423	511,776	585,864	615,837	Watershed Stewardship & Planning Div
62061056	F8 SCW Sustainable Creek	259,212	347,224	–	–	Office of Integrated Water Management
62071041	Welding Services	47,870	101,847	107,480	108,770	General Services Division
62181005	SMP Mitigation Site Mgmt	502,045	835,323	814,261	756,646	Watershed Stewardship & Planning Div
62181006	Instream Habitat Complexity	171,079	982,097	1,040,994	647,188	Watersheds Operations & Maint Division
62741042	Water Resorcs EnvPlng & Permtg	236,167	253,304	307,535	263,868	Watersheds Operations & Maint Division
62761006	Invasive Plant Management Prog	1,593,526	2,587,877	2,427,005	2,548,519	Watersheds Operations & Maint Division
62761008	Sandbag Program	529,167	563,829	593,152	603,749	Watersheds Operations & Maint Division
62761009	Pond A4 Operations	48,691	127,104	81,480	100,985	Watersheds Operations & Maint Division
62761022	Watershed Good Neighbor Maint	799,377	1,343,456	852,007	1,041,904	Watersheds Operations & Maint Division
62761023	Watershed Sediment Removal	3,187,585	5,869,817	5,504,662	5,906,739	Watersheds Operations & Maint Division
62761024	Wtrshd Facility Cndtion Assmnt	2,241,001	2,805,300	2,822,970	2,974,052	Watersheds Operations & Maint Division
62761025	Watershed General Field Maint	2,675,600	3,478,562	2,801,182	2,784,533	Watersheds Operations & Maint Division
62761026	Watershed Debris Removal	2,476,124	1,816,864	2,116,050	1,689,336	Watersheds Operations & Maint Division
62761027	Watershed Erosion Protection	2,949,246	3,546,308	3,719,739	3,972,747	Watersheds Operations & Maint Division
62761028	Watershed Levee Maintenance	2,353,784	881,096	1,356,616	1,289,643	Watersheds Operations & Maint Division
62761071	Emergency Management	1,039,079	1,447,441	1,448,010	1,514,009	Emergency, Safety and Security Division
62761075	Mgmt of Revegetation Projects	1,239,752	1,551,787	1,940,625	2,054,985	Watersheds Operations & Maint Division
62761078	Vegetation Mangmnt for Access	4,829,349	4,022,612	4,446,244	4,699,180	Watersheds Operations & Maint Division
62761080	Non SMP Veg Removal for Convey	13,638	524,577	573,859	2,584,256	Watersheds Operations & Maint Division
62771011	Inter Agency Urban Runoff Prog	1,015,659	1,231,052	1,310,723	1,368,973	Watershed Stewardship & Planning Div
62771031	HAZMAT Emergency Response	68,671	107,265	120,432	124,551	Emergency, Safety and Security Division
62811043	Hydrologic Data Msrmt & Mgmt	1,145,966	1,234,017	1,339,591	1,350,049	Watershed Stewardship & Planning Div
62811046	Warehouse Services	935,191	1,130,413	1,283,490	1,405,322	General Services Division
62811049	X Valley Subsidence Survey	349,291	441,911	305,482	870,665	Office of Integrated Water Management
62811054	District Real Property Adminis	942,752	1,149,839	1,219,124	1,678,564	Watershed Stewardship & Planning Div
62061050	Office of Integrated Water	1,299,952	1,761,228	1,921,002	2,018,536	Office of Integrated Water Management
62771027	Encampment Management Program	–	–	11,523,509	8,616,028	Watersheds Operations & Maint Division

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
62061059	Technical Training Program	469,493	557,371	542,614	555,383	Human Resources Division
Total Operations		**67,461,822**	**74,960,918**	**91,514,270**	**94,650,509**	
Operating Project						
40212032	Coyote Creek Mitgtn Monitoring	168,664	283,000	259,247	267,080	Watershed Stewardship & Planning Div
62042032	Multiple Sm Prjcts Mitgtn Mont	296,114	439,073	464,015	369,063	Watershed Stewardship & Planning Div
62042047	Mitigation & Stwdshp Land Mgmt	223,709	243,247	247,610	256,910	Watershed Stewardship & Planning Div
62042050	Watershd Maint Guideline Updte	440,710	930,684	–	–	Watersheds Operations & Maint Division
62042051	Plant Pathogen Management	79,729	303,295	307,737	316,385	Watershed Stewardship & Planning Div
62762011	Tree Maintenance Program	658,946	871,857	1,038,893	1,073,345	Watersheds Operations & Maint Division
Total Operating Projects		**1,867,872**	**3,071,155**	**2,317,502**	**2,282,782**	
Capital *						
10394001	PA Flood Basin Tide Gate Replc	1,447,314	–	649,778	3,237,630	Watersheds Desn & Construction Division
20194005	San Tomas Ck, Quito Rd Bridges	–	330,000	–	–	Watershed Stewardship & Planning Div
30154015	Guadalupe Rv-DT, Coleman-SClra	4,400	–	–	–	Watersheds Desn & Construction Division
40174004	L. Berryessa Ck, L.Penit-Calav	42,711	–	–	–	Dam Safety and Capital Delivery Division
40174005	Berryessa Crk, Lwr. Pen Phs 2	2,988,281	341,988	170,115	86,528	Watersheds Desn & Construction Division
40264008	Lwr Silver-R4-6 N Babb-Cunni	12,386	–	–	–	Watersheds Desn & Construction Division
40334005	Lwr Penitencia Crk Improvemnts	8,699,745	74,844	–	106,664	Watersheds Desn & Construction Division
50284010	Lower Llagas Capacity Restore	506,892	–	–	–	Watersheds Desn & Construction Division
62044026	San Francisco Bay Shoreline	9,153,217	2,795,177	51,720	15,965,058	Watersheds Desn & Construction Division
62064023	Districtwide Salary Savings	–	(114,183)	(103,186)	(136,274)	Financial Planning & Mgmt Div
62074033	CIP Development & Admin	108,655	256,505	246,231	260,985	Office of Integrated Water Management
62074036	Survey Mgmt & Tech Support	38,921	142,409	83,177	121,042	Office of Integrated Water Management
62084001	Watersheds Asset Rehabilitatio	14,476,044	8,383,188	19,678,034	17,549,967	Watersheds Desn & Construction Division
10244001	Permanente Ck, SF Bay-Foothill	2,034,602	18,887	21,702	–	Watersheds Desn & Construction Division
62074040	Capital Project Mgmt System	34,408	–	–	–	Office of Integrated Water Management
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	3,196,412	1,395,168	1,649,207	1,711,308	Watershed Stewardship & Planning Div
62074041	Construction Contracts and Support	119,822	626,414	493,791	530,426	General Services Division
62074038	Watershed Capital Program Servcs Admin	725,930	1,849,392	978,882	976,826	Watersheds Desn & Construction Division
20444002	Pond A4 Resilient Habitat Restoration	–	4,725,500	966,500	–	Watershed Stewardship & Planning Div
62074047	Computer-Aided Design for Engineering	51,540	304,506	286,856	351,754	Office of Integrated Water Management
62074042	Capital Project Mgmt & Controls	322,962	214,275	187,899	197,906	Office of Integrated Water Management
40214023	Coyote 10B Freshwater Wetland	–	–	2,236,000	3,283,227	Watershed Stewardship & Planning Div
30154019	Lower Guadalupe River Capacity Restoration Project	573,539	1,340,422	3,121,549	3,244,800	Watersheds Desn & Construction Division
Total Capital		**44,537,780**	**22,684,493**	**30,718,254**	**47,487,847**	
Total		**113,867,474**	**100,716,567**	**124,550,026**	**144,421,139**	

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

Safe, Clean Water and Natural Flood Protection Fund

Description

The Safe, Clean Water and Natural Flood Protection Program (SCW Program) Fund accounts for the program that Santa Clara County voters approved in November 2020 to address six (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 the 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 also provide relief to Water Utility ratepayers. For example, the fund will contribute toward the Anderson Dam Seismic Retrofit projects, which would otherwise need to be fully paid by water utility ratepayers.

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 2024-25 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 Other Natural Disasters.

- 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.

- C1: Anderson Dam Seismic Retrofit – The SCW Program provides a portion of the funds required to help restore Anderson Reservoir's full operating capacity. The reservoir, the largest in the county, is an important water source for drinking water treatment plants and the recharge of the groundwater basin.

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

Incentivize water use efficiency and water conservation.

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

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

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

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

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

- F1: Vegetation Control and Sediment Removal for Capacity – This 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 FY25 (Project E2)
- Coyote Creek Flood Protection Project, Coyote Creek Montague Expressway to Tully Road, Phase 2 – Begin construction in FY25 (Project E1)
- San Francisquito Creek, San Francisco Bay to Upstream of Highway 101 – Begin construction in FY25 (Project E5) (The San Francisco Bay to Highway 101 reach phase was completed in FY19).

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:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive – Design (Project E4)
- 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 Priority D: Restore Wildlife Habitat and Provide Open Space.

- D2: Revitalize Riparian, Upland and Wetland Habitat – This project improves habitat for rare, threatened, or endangered species or vegetation and creates a more contiguous corridor for wildlife, including pollinators. It includes revitalizing through native plant revegetation and/or removal of invasive exotic species, developing an Early Detection and Rapid Response Program Manual, and identifying and treating occurrences of emergent invasive species.

- D5: Ecological Data Collection and Analysis – This project is to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. It entails reassessing and tracking stream ecological conditions and habitats in each of the county's watersheds every 15 years and providing funding toward the development and updates of five (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 – Completed construction in FY24 (Project D6.2); under three-year plant establishment and monitoring period and closeout is scheduled for FY27
    - Hale Creek Enhancement Pilot Project – Completed construction in FY23 (Project D6.1); under three-year plant establishment and monitoring period and closeout is scheduled for FY26

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, partnerships, and rebates for agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. It includes providing up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management.

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

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

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

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

Fiscal Status

The Safe, Clean Water Program special parcel tax is projected at $53.5 million in FY 2024-25, an increase of 2.4%, or $1.3 million from the FY 2023-24 Adopted Budget. For FY 2025-26, the special parcel tax is budgeted at $54.7 million. This special parcel tax is based on the land use and parcel size rather than the assessed property value, and the Valley Water Board of Directors may adjust it annually to account for inflation (using the San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumers) or 2%, whichever is greater. Consequently, the annual rates of change are different from the other property taxes in the Watershed and Stream Stewardship (WSS) Fund.

For FY 2024-25, Capital Reimbursements are projected at $30.0 million, an increase of $6.6 million from the FY 2023-24 Adopted Budget: $10.0 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay Middlefield Rd. Project and $20.0 million in Natural Resources Conservation Service (NRCS) unsecured funding for the Llagas Creek, Upper (Phase 2b) Project. In FY 2025-26, Capital Reimbursements are projected at $60.0 million: $10.0 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay Middlefield Rd. Project and $50.0 million in NRCS unsecured funding for the Llagas Creek, Upper (Phase 2b) Project.

Interest income is projected to be $2.6 million in FY 2024-25 and $2.8 million in FY 2025-26. Interest income is projected to be relatively stable, despite anticipated decreases in interest rates in 2025 and 2026, due to the staggered nature of Valley Water's investment portfolio. Investments with staggered maturities are held to maturity at fixed interest rates, which provides a stable interest income stream in a low interest rate environment.

Operating Transfers In from Fund 61 for Water Infrastructure Reliability Plan, Phase 2 (IRP2) at $3.0 million for FY 2024-25 and $4.0 million in FY 2025-26.

In FY 2024-25, Operating Transfers Out of $8.0 million is budgeted:

- $1.1 million to the Water Enterprise Fund for the Conservation Program
- $6.3 million to the Water Enterprise Fund for the Anderson Dam Seismic Retrofit Project
- $0.6 million to the General Fund for Security Upgrades and HQ Building capital project costs

In FY 2025-26, Operating Transfers Out of $9.6 million is budgeted as follows:

- $6.4 million to the Water Enterprise Fund for the Anderson Dam Seismic Retrofit Project
- $1.2 million to the Water Enterprise Fund for the Conservation Program
- $2.0 million to the General Fund for Security Upgrades and HQ Building capital project costs

Debt Proceeds are also planned to fund capital outlays at $109.6 million for FY 2024-25 and $54.1 million in FY 2025-26.

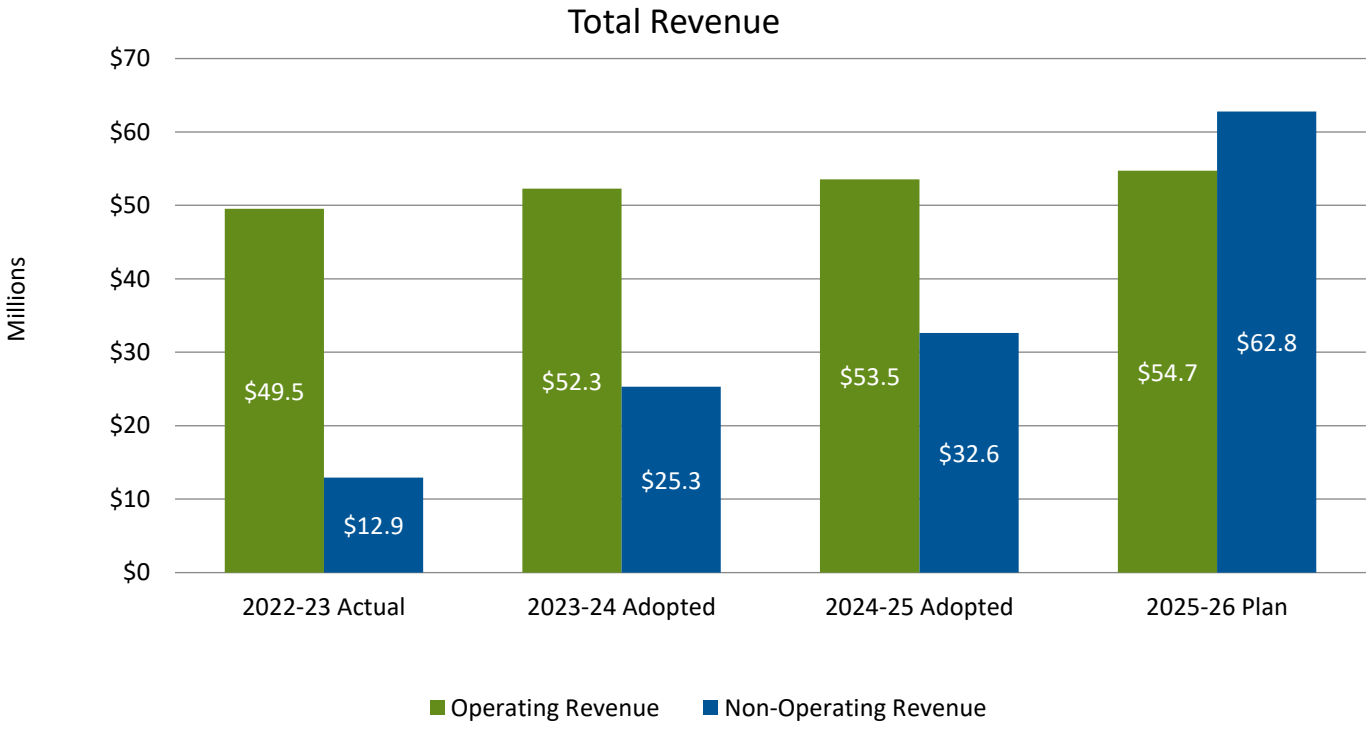
Total Operating Outlays are budgeted at $34.8 million for FY 2024-25, a decrease of $1.0 million or -2.8% relative to the FY 2023-24 Adopted Budget. In FY 2025-26, Total Operating Outlays are projected to increase by 9.1% to $38.0 million. Total Capital Outlays are budgeted at $138.8 million for FY 2024-25, an increase of $34.9 million or 33.6% relative to the FY 2023-24 Adopted Budget. In FY 2025-26, Total Capital Outlays are projected to increase an additional 15.0% to $159.6 million.

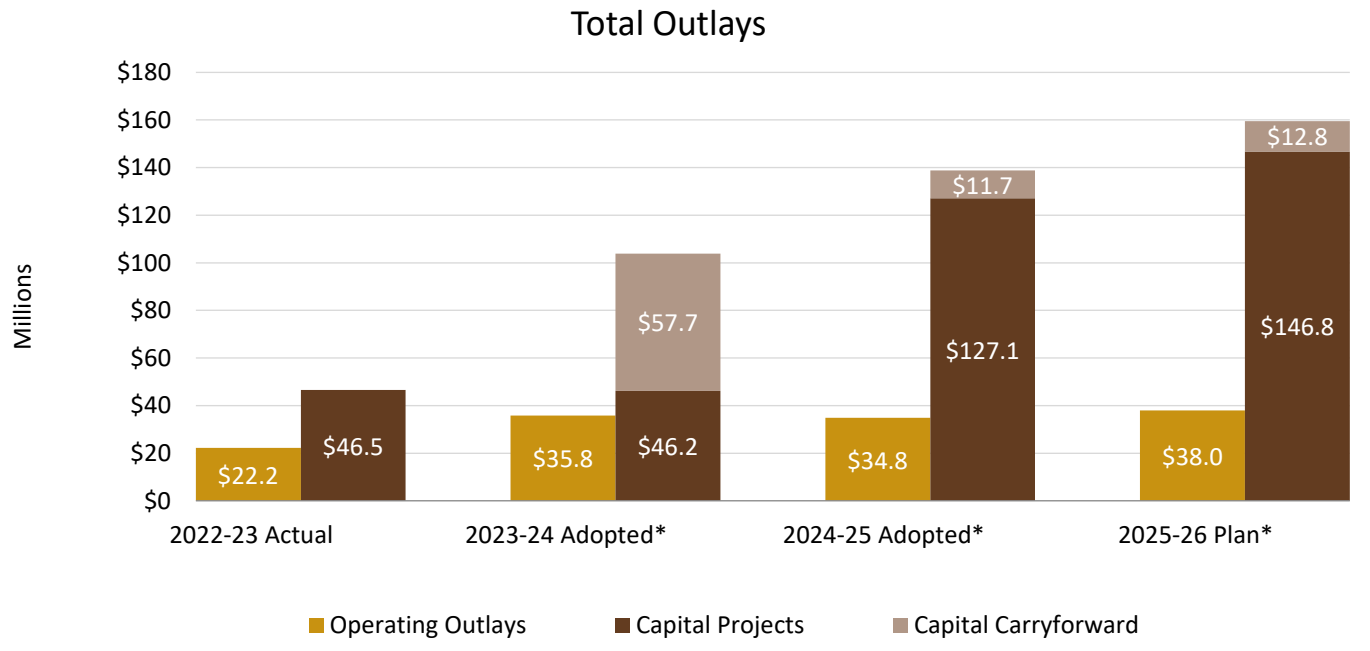
Total Safe, Clean Water & Natural Flood Protection Fund Reserves for FY 2024-25 are estimated at approximately $114.9 million and $83.3 million for FY 2025-26 and are in compliance with the Valley Water Reserve Policy.

Budget Issues and Constraints

- Safe, Clean Water Program Priority E flood protection projects: Project costs are escalating due to various factors, including inflationary pressures and supply chain and labor issues. This resulted in project modifications, including removing Project E4: Upper Penitencia Creek Flood Protection funding allocation for construction.
- Safe, Clean Water Program Priority F5: Good Neighbor Program: Encampment Cleanup. The rapid growth of unhoused encampments along waterways post-COVID and the Board's direction to enhance service levels in response to growing community expectations have strained resources for cleanup operations.
- 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 49,501,115	$ 52,277,018	52,277,018	$ 53,531,667	$ 1,254,649	2.4%
Intergovernmental Services	40,425	-	-	-	-	0.0%
Total Operating Revenue	**$ 49,541,540**	**$ 52,277,018**	**$ 52,277,018**	**$ 53,531,667**	**$ 1,254,649**	**2.4%**
Non-Operating Revenue						
Capital Reimbursements	$ 7,976,000	$ 23,400,000	$ 1,000,000	$ 30,000,000	$ 6,600,000	28.2%
Interest Income *	4,625,124	1,900,000	2,639,000	2,639,000	739,000	38.9%
Non-Operating Other	348,401	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 12,949,524**	**$ 25,300,000**	**$ 3,639,000**	**$ 32,639,000**	**$ 7,339,000**	**29.0%**
TOTAL REVENUE	**$ 62,491,064**	**$ 77,577,018**	**$ 55,916,018**	**$ 86,170,667**	**$ 8,593,649**	**11.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 17,295,896	$ 23,242,391	$ 25,967,587	$ 22,010,392	$ (1,231,999)	-5.3%
Operating Project	1,954,093	3,108,287	6,683,287	2,538,919	(569,368)	-18.3%
Debt Service	2,985,951	9,473,785	9,473,785	10,267,275	793,490	8.4%
Total Operating Outlays	**$ 22,235,940**	**$ 35,824,463**	**$ 42,124,659**	**$ 34,816,585**	**$ (1,007,877)**	**-2.8%**
Capital Outlays						
Capital Projects	$ 46,516,243	$ 46,209,812	$ 120,807,535	$ 127,106,377	$ 80,896,565	175.1%
Carry Forward Capital Projects	-	57,663,542	-	11,655,699	(46,007,843)	-79.8%
Total Capital Outlays	**$ 46,516,243**	**$ 103,873,354**	**$ 120,807,535**	**$ 138,762,076**	**$ 34,888,722**	**33.6%**
TOTAL OUTLAYS	**$ 68,752,183**	**$ 139,697,817**	**$ 162,932,194**	**$ 173,578,662**	**$ 33,880,845**	**24.3%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 38,485,580	$ 38,360,887	$ -	$ 109,609,029	$ 71,248,142	185.7%
Transfers In	-	-	-	3,000,000	3,000,000	0.0%
Transfers Out	(1,779,100)	(1,186,777)	(1,186,927)	(7,990,622)	(6,803,845)	573.3%
TOTAL OTHER SOURCES/(USES)	**$ 36,706,480**	**$ 37,174,110**	**$ (1,186,927)**	**$ 104,618,407**	**$ 67,444,297**	**181.4%**
BALANCE AVAILABLE	**$ 30,445,361**	**$ (24,946,689)**	**$ (108,203,103)**	**$ 17,210,412**	**$ 42,157,101**	**-169.0%**
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***	116,786,238	37,906,382	37,138,316	25,336,118	(12,570,264)	-33.2%
SCW Operating and Capital Reserve	59,060,206	117,935,002	30,505,025	59,517,635	(58,417,367)	-49.5%
Total Restricted Reserves	**$ 205,846,444**	**$ 185,841,384**	**$ 97,643,341**	**$ 114,853,753**	**$ (70,987,631)**	**-38.2%**
TOTAL YEAR-END RESERVES	**$ 205,846,444**	**$ 185,841,384**	**$ 97,643,341**	**$ 114,853,753**	**$ (70,987,631)**	**-38.2%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,313,979	$ 8,995,780	$ 8,995,780	$ 8,988,196	$ (7,583)	-0.1%
Salary Savings Factor	-	(144,035)	(144,035)	(137,999)	6,037	-4.2%
Services & Supplies	7,062,469	11,116,915	17,417,111	9,869,081	(1,247,834)	-11.2%
Intra-District Charges	4,873,542	6,382,018	6,382,018	5,830,031	(551,987)	-8.6%
OPERATING OUTLAY TOTAL	**$ 19,249,989**	**$ 26,350,678**	**$ 32,650,874**	**$ 24,549,310**	**$ (1,801,367)**	**-6.8%**
DEBT SERVICE						
Services & Supplies	$ 1,157,290	$ 1,378,410	$ 1,378,410	$ 1,153,900	$ (224,510)	-16.3%
Debt Service	1,828,661	8,095,375	8,095,375	9,113,375	1,018,000	12.6%
DEBT SERVICE TOTAL	**$ 2,985,951**	**$ 9,473,785**	**$ 9,473,785**	**$ 10,267,275**	**$ 793,490**	**8.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,640,841	$ 11,533,735	$ 11,388,656	$ 12,714,998	$ 1,181,264	10.2%
Salary Savings Factor	-	(185,346)	(185,346)	(201,368)	(16,022)	8.6%
Services & Supplies	34,235,336	27,488,912	102,325,463	106,731,316	79,242,404	288.3%
Carry Forward Capital Projects	-	57,663,542	-	11,655,699	(46,007,843)	-79.8%
Intra-District Charges	4,640,067	7,372,511	7,278,761	7,861,431	488,920	6.6%
CAPITAL PROJECTS TOTAL	**$ 46,516,243**	**$ 103,873,354**	**$ 120,807,535**	**$ 138,762,076**	**$ 34,888,722**	**33.6%**
TOTAL OUTLAYS	**$ 68,752,183**	**$ 139,697,817**	**$ 162,932,194**	**$ 173,578,662**	**$ 33,880,845**	**24.3%**

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

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

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

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 49,501,115	$ 52,277,018	$ 53,531,667	$ 54,709,363	$ 1,177,696	2.2%
Intergovernmental Services	40,425	-	-	-	-	0.0%
Total Operating Revenue	**$ 49,541,540**	**$ 52,277,018**	**$ 53,531,667**	**$ 54,709,363**	**$ 1,177,696**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 7,976,000	$ 23,400,000	$ 30,000,000	$ 60,000,000	$ 30,000,000	100.0%
Interest Income *	4,625,124	1,900,000	2,639,000	2,771,000	132,000	5.0%
Non-Operating Other	348,401	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 12,949,524**	**$ 25,300,000**	**$ 32,639,000**	**$ 62,771,000**	**$ 30,132,000**	**92.3%**
TOTAL REVENUE	**$ 62,491,064**	**$ 77,577,018**	**$ 86,170,667**	**$ 117,480,363**	**$ 31,309,696**	**36.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 17,295,896	$ 23,242,391	$ 22,010,392	$ 22,684,434	$ 674,043	3.1%
Operating Project	1,954,093	3,108,287	2,538,919	2,449,340	(89,579)	-3.5%
Debt Service	2,985,951	9,473,785	10,267,275	12,860,650	2,593,375	25.3%
Total Operating Outlays	**$ 22,235,940**	**$ 35,824,463**	**$ 34,816,585**	**$ 37,994,424**	**$ 3,177,838**	**9.1%**
Capital Outlays						
Capital Projects	$ 46,516,243	$ 46,209,812	$ 127,106,377	$ 146,757,164	$ 19,650,787	15.5%
Carry Forward Capital Projects	-	57,663,542	11,655,699	12,805,971	1,150,272	9.9%
Total Capital Outlays	**$ 46,516,243**	**$ 103,873,354**	**$ 138,762,076**	**$ 159,563,135**	**$ 20,801,059**	**15.0%**
TOTAL OUTLAYS	**$ 68,752,183**	**$ 139,697,817**	**$ 173,578,662**	**$ 197,557,559**	**$ 23,978,897**	**13.8%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 38,485,580	$ 38,360,887	$ 109,609,029	$ 54,055,817	$ (55,553,212)	-50.7%
Transfers In	-	-	3,000,000	4,000,000	1,000,000	33.3%
Transfers Out	(1,779,100)	(1,186,777)	(7,990,622)	(9,574,215)	(1,583,593)	19.8%
TOTAL OTHER SOURCES/(USES)	**$ 36,706,480**	**$ 37,174,110**	**$ 104,618,407**	**$ 48,481,602**	**$ (56,136,805)**	**-53.7%**
BALANCE AVAILABLE	**$ 30,445,361**	**$ (24,946,689)**	**$ 17,210,412**	**$ (31,595,594)**	**$ (48,806,006)**	**-283.6%**
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***	116,786,238	37,906,382	25,336,118	12,530,147	(12,805,971)	-50.5%
SCW Operating and Capital Reserve	59,060,206	117,935,002	59,517,635	40,728,012	(18,789,623)	-31.6%
Total Restricted Reserves	**$ 205,846,444**	**$ 185,841,384**	**$ 114,853,753**	**$ 83,258,159**	**$ (31,595,594)**	**-27.5%**
TOTAL YEAR-END RESERVES	**$ 205,846,444**	**$ 185,841,384**	**$ 114,853,753**	**$ 83,258,159**	**$ (31,595,594)**	**-27.5%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,313,979	$ 8,995,780	$ 8,988,196	$ 9,676,605	$ 688,409	7.7%
Salary Savings Factor	-	(144,035)	(137,999)	(146,619)	(8,620)	6.2%
Services & Supplies	7,062,469	11,116,915	9,869,081	9,352,618	(516,463)	-5.2%
Intra-District Charges	4,873,542	6,382,018	5,830,031	6,251,169	421,138	7.2%
OPERATING OUTLAY TOTAL	**$ 19,249,989**	**$ 26,350,678**	**$ 24,549,310**	**$ 25,133,774**	**$ 584,463**	**2.4%**
DEBT SERVICE						
Services & Supplies	$ 1,157,290	$ 1,378,410	$ 1,153,900	$ 1,683,900	$ 530,000	45.9%
Debt Service	1,828,661	8,095,375	9,113,375	11,176,750	2,063,375	22.6%
DEBT SERVICE TOTAL	**$ 2,985,951**	**$ 9,473,785**	**$ 10,267,275**	**$ 12,860,650**	**$ 2,593,375**	**25.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,640,841	$ 11,533,735	$ 12,714,998	$ 12,765,948	$ 50,950	0.4%
Salary Savings Factor	-	(185,346)	(201,368)	(200,396)	972	-0.5%
Services & Supplies	34,235,336	27,488,912	106,731,316	126,337,915	19,606,600	18.4%
Carry Forward Capital Projects	-	57,663,542	11,655,699	12,805,971	1,150,272	9.9%
Intra-District Charges	4,640,067	7,372,511	7,861,431	7,853,696	(7,735)	-0.1%
CAPITAL PROJECTS TOTAL	**$ 46,516,243**	**$ 103,873,354**	**$ 138,762,076**	**$ 159,563,135**	**$ 20,801,059**	**15.0%**
TOTAL OUTLAYS	**$ 68,752,183**	**$ 139,697,817**	**$ 173,578,662**	**$ 197,557,559**	**$ 23,978,897**	**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 - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
26001090	Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of Integrated Water Management
26031001	Watershed Revenue	221,885	111,941	115,400	122,734	Financial Planning & Mgmt Div
26041023	Emergency Response Upgrades	671,681	757,937	766,984	774,921	Watershed Stewardship & Planning Div
26041024	Flood Risk Reduction Studies	1,448,025	1,210,809	1,266,162	1,192,412	Watershed Stewardship & Planning Div
26041047	Ecolgcal Data Collectn & Analy	438,301	252,595	649,473	470,684	Watershed Stewardship & Planning Div
26041049	D5 SCW Watershed Plans	100,334	104,534	109,000	55,205	Watershed Stewardship & Planning Div
26061002	Rent Exp Clean Safe Ck 7/1/01+	96,939	257,659	215,323	252,915	Watershed Stewardship & Planning Div
26061004	Districtwide Salary Savings-26	–	(144,035)	(137,999)	(146,619)	Financial Planning & Mgmt Div
26061005	Flood Emrgncy Respnse Planning	128,345	224,754	209,342	216,168	Emergency, Safety and Security Division
26061008	Water Conservation Grants	2,500	–	–	–	Office of the CEA
26061012	Safe Clean Water Implementatn	1,172,004	1,213,043	1,122,772	1,171,015	Office of Integrated Water Management
26061019	Creek Stewardship	228,853	277,698	295,968	316,742	Office of the CEA
26061056	F8 SCW Sustainable Creek Infrastructure	259,213	347,224	–	–	Office of Integrated Water Management
26761022	Watershed Good Neighbor Maint	532,918	895,638	568,005	694,602	Watersheds Operations & Maint Division
26761023	Watershed Sediment Removal	847,333	1,560,331	1,463,265	1,570,146	Watersheds Operations & Maint Division
26761075	Mgmt of Revegetation Projects	1,712,041	2,142,944	2,679,911	2,837,837	Watersheds Operations & Maint Division
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	1,186,066	727,627	713,176	857,493	Watershed Stewardship & Planning Div
26761078	Vegetation Mangmnt for Access	852,242	709,873	784,631	829,267	Watersheds Operations & Maint Division
26771011	Inter Agency Urban Runoff Prog	713,122	864,356	920,295	961,193	Watershed Stewardship & Planning Div
26771027	Encampment Cleanup Program	2,430,071	4,129,755	2,797,220	2,906,822	Watersheds Operations & Maint Division
26771031	HAZMAT Emergency Response	22,891	35,755	40,144	41,517	Emergency, Safety and Security Division
26771067	Stream Capacity Vegetation Con	2,181,780	3,531,068	3,678,111	3,828,908	Watersheds Operations & Maint Division
26061020	F6 Public Arts	65,788	245,626	32,651	34,710	Office of the CEA
26061021	F9 Safe Clean Water Grants and Partnerships	1,949,030	3,378,096	3,323,116	3,294,585	Office of the CEA
26441003	D3 SCW Sed Reuse to Support Shoreline	34,536	307,164	297,442	301,175	Watersheds Operations & Maint Division
Total Operations		**17,295,896**	**23,242,391**	**22,010,392**	**22,684,434**	
Operating Project						
26042002	Fish Habitat Improvements	741,156	714,440	1,140,855	915,781	Watershed Stewardship & Planning Div
26072008	SCW D7 Conservation Habitat	12,358	912,012	12,268	12,781	Watershed Stewardship & Planning Div
26752043	Impaired Water Bodies Imprvmts	1,200,579	1,481,834	1,385,795	1,520,778	Watershed Stewardship & Planning Div
Total Operating Projects		**1,954,093**	**3,108,287**	**2,538,919**	**2,449,340**	
Debt Service						
26993001	Commercial Paper Tax Exmpt SCW	1,853,362	3,253,410	4,744,900	6,807,900	Financial Planning & Mgmt Div
26993002	SCW Rev Bond 2022A (Tax-Exempt)	773,825	4,706,750	5,182,375	5,182,750	Financial Planning & Mgmt Div
26993008	SCW WIFIA Loan 3	–	–	–	145,000	Financial Planning & Mgmt Div
26993003	SCW COP 2022B (Tax-Exempt)	122,466	45,000	45,000	45,000	Financial Planning & Mgmt Div
26993004	SCW WIFIA Loan 1 (ID 21116CA)	236,297	320,000	65,000	45,000	Financial Planning & Mgmt Div
26993007	SCW WIFIA Loan 2	–	–	120,000	145,000	Financial Planning & Mgmt Div
26993006	SCW Rev Bond 2024A (Tax-Exempt)	–	–	–	445,000	Financial Planning & Mgmt Div
26993005	SCW Rev Bond 2023A (Tax-Exempt)	–	1,148,625	110,000	45,000	Financial Planning & Mgmt Div
Total Debt Service		**2,985,951**	**9,473,785**	**10,267,275**	**12,860,650**	

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Capital*						
26044001	Almaden Lake Improvement	581,255	–	–	–	Watersheds Desn & Construction Division
26044002	SCW Fish Passage Improvement	42,334	–	–	–	Watershed Stewardship & Planning Div
26064023	Districtwide Salary Savings	–	(185,346)	(201,368)	(200,396)	Financial Planning & Mgmt Div
26074002	Sunnyvale East & West Channel	5,009,495	–	9,362,668	5,076,716	Watersheds Desn & Construction Division
26074033	CIP Development & Admin	298,801	299,256	215,452	228,362	Office of Integrated Water Management
26074036	Survey Mgmt & Tech Support	107,032	166,144	72,780	105,912	Office of Integrated Water Management
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	158,763	–	–	–	Watersheds Desn & Construction Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	510,329	–	–	–	Watersheds Desn & Construction Division
26164001	HaleCreekEnhancementPilotStudy	6,442,188	8,294	–	42,695	Watersheds Desn & Construction Division
26174041	Berryessa Calav/Old Pied Cor	344,844	1,146,183	–	–	Watersheds Desn & Construction Division
26174043	Coyote Creek, Montague-Tully	3,248,345	1,604,232	16,064,197	94,496,345	Watersheds Desn & Construction Division
26174051	U. Llagas Ck, Reimburse E6b	13,213	22,167	–	60,513	Watersheds Desn & Construction Division
26174054	U.Llagas Ck Design B. Vsta Rd	134,602	–	–	–	Watersheds Desn & Construction Division
26244001	Permanente Ck, Bay-Fthill CSC	591,573	458,067	–	–	Watersheds Desn & Construction Division
26284002	San Francisquito Early Implemt	1,517,806	4,916,529	22,781,902	9,453,171	Watersheds Desn & Construction Division
26324001	U Penitncia Crk Corp Coord SCW	275,515	–	–	–	Watersheds Desn & Construction Division
26764001	IRP2 AddLine Valves	1,133,484	3,558,119	9,486,047	3,785,376	Water Utility Capital Division
26044004	D6 Bolsa Road Fish Passage Improvement	1,614,489	2,660,549	25,262	27,040	Watersheds Desn & Construction Division
26444002	SFBS EIAs 1-4	464,576	2,707,157	1,025,381	5,624,320	Watersheds Desn & Construction Division
26074038	Watershed Capital Program Servcs Admin	2,177,815	2,171,026	4,459,353	4,449,984	Watersheds Desn & Construction Division
26074041	Construction Contracts and Support	329,510	730,816	432,067	464,122	General Services Division
26174052	Llagas Ck - Upper Construction	20,127,058	–	2,635,902	271,698	Watersheds Desn & Construction Division
26444004	San Francisco Bay Shoreline EIAs 5-10	200,000	1,045,000	1,065,000	838,240	Watersheds Desn & Construction Division
26044005	SCW D4.3 Fish Passage Improvements	–	666,000	1,514,400	2,088,570	Watershed Stewardship & Planning Div
26074047	Computer-Aided Design for Engineering	141,735	355,257	250,999	307,785	Office of Integrated Water Management
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning and D	1,051,483	1,230,375	1,056,423	32,448	Watershed Stewardship & Planning Div
26174055	Llagas Creek Phase 2B Construction	–	22,400,000	56,000,000	11,200,000	Watersheds Desn & Construction Division
26074042	Capital Project Mgmt & Controls	–	249,987	164,411	173,168	Office of Integrated Water Management
26044056	SCW Regnart Creek Rehabilitation Project (F8)	–	–	695,500	8,231,097	Watersheds Desn & Construction Division
Total Capital		**46,516,243**	**46,209,812**	**127,106,377**	**146,757,164**	
Total		**68,752,183**	**82,034,275**	**161,922,963**	**184,751,588**	

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

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by 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:

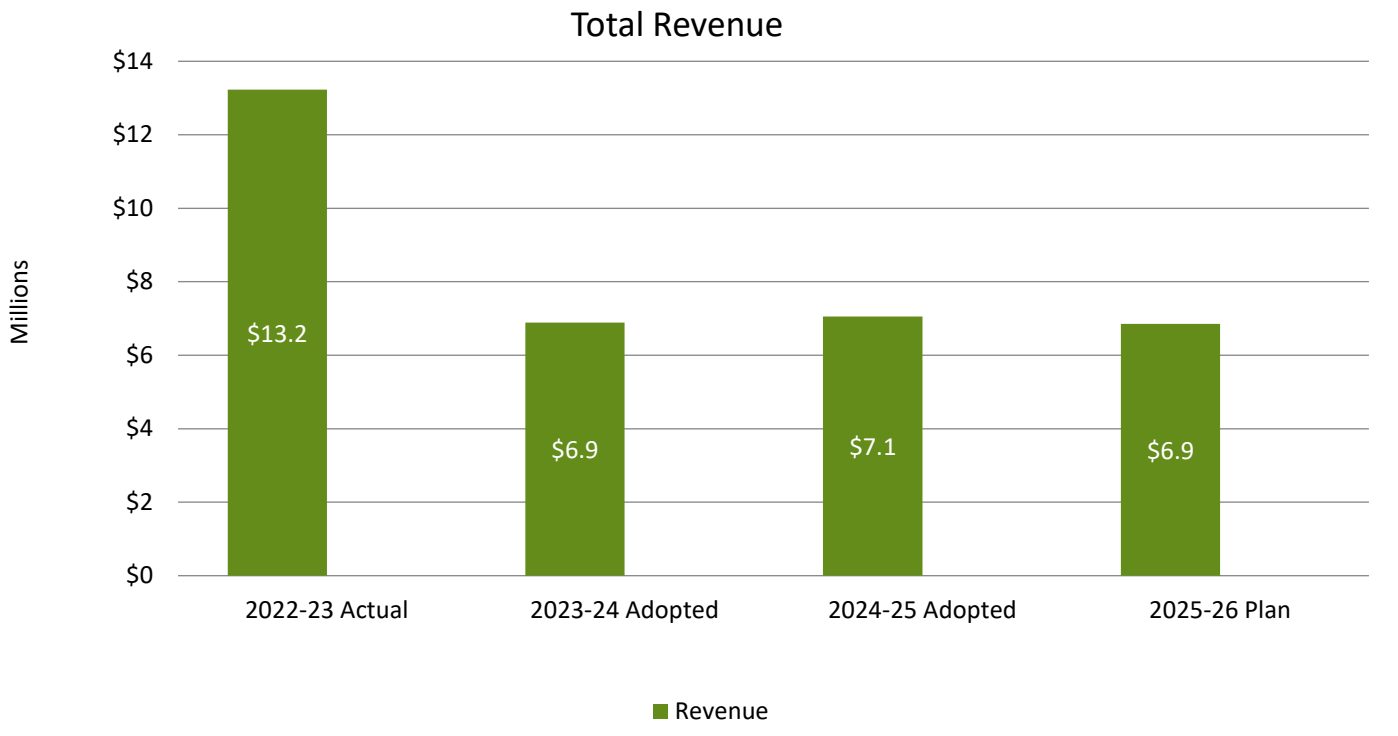
- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos 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.

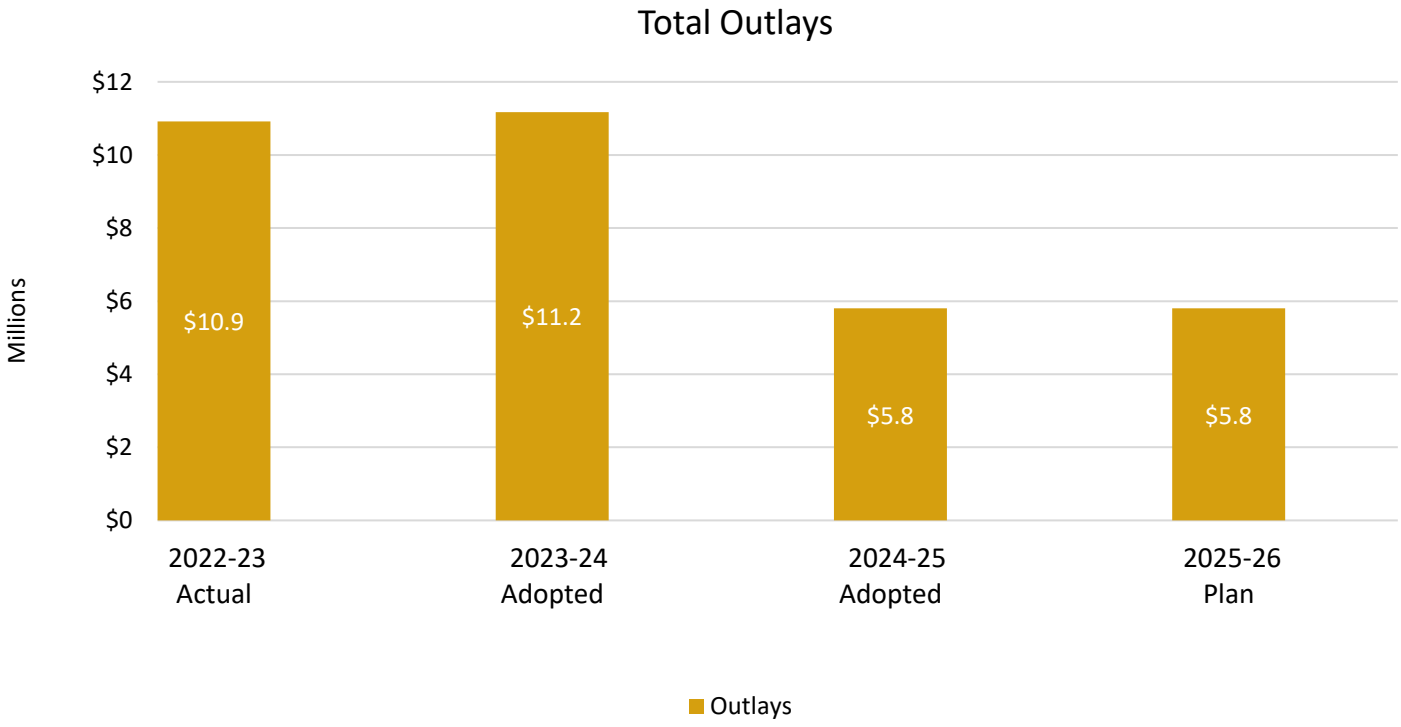
These benefit assessment funds now are comprised of the voter-approved debt repayment phase of the benefit assessments program, levied at 1.25 times the annual debt service. The excess amount over annual debt service is transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure. For FY 2024-25 and FY 2025-26, the transfer to the Watershed and Stream Stewardship Fund is expected at $1.3 million and $1.0 million a year, respectively. Debt that was issued in 2012 (2012A Certificates of Participation, or 2012A COPs) were fully repaid on February 1, 2024. Debt that was issued in 2017 (2017A Certificates of Participation, or 2017A COPs) are scheduled to be fully repaid on February 1, 2030.

The FY 2024-25 benefit assessment for a single family residence is expected at approximately:

- $26.55/year for Lower Peninsula Watershed
- $4.72/year for West Valley Watershed
- $4.18/year for Guadalupe Watershed
- $12.88/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,702,589	$ 2,704,621	$ 2,677,575	$ 2,767,793	$ 63,172	2.3%
West Valley Watershed	2,208,002	811,318	803,205	830,268	18,950	2.3%
Guadalupe Watershed	4,435,037	941,188	931,776	963,171	21,983	2.3%
Coyote Watershed	3,883,814	2,434,639	2,410,293	2,491,505	56,866	2.3%
TOTAL REVENUE	**$ 13,229,442**	**$ 6,891,766**	**$ 6,822,849**	**$ 7,052,737**	**$ 160,971**	**2.3%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,274,144	$ 2,294,603	$ 2,294,603	$ 2,289,952	$ (4,651)	-0.2%
West Valley Watershed	1,812,193	1,862,499	1,862,499	686,927	(1,175,572)	-63.1%
Guadalupe Watershed	3,614,604	3,736,798	3,736,798	763,510	(2,973,288)	-79.6%
Coyote Watershed	3,219,740	3,280,146	3,280,146	2,061,363	(1,218,783)	-37.2%
TOTAL OUTLAYS	**$ 10,920,680**	**$ 11,174,047**	**$ 11,174,047**	**$ 5,801,752**	**$ (5,372,295)**	**-48.1%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ -	$ 5,293,600	$ 5,293,600	$ -	$ (5,293,600)	-100.0%
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (2,308,762)	$ (1,011,320)	$ (942,403)	$ (1,250,985)	$ (239,665)	23.7%
TOTAL OTHER SOURCES/(USES)	**$ (2,308,762)**	**$ 4,282,280**	**$ 4,351,197**	**$ (1,250,985)**	**$ (5,533,265)**	**-129.2%**

(*) 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

Benefit Assessment Funds Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,702,589	$ 2,704,621	$ 2,767,793	$ 2,690,001	$ (77,792)	-2.8%
West Valley Watershed	2,208,002	811,318	830,268	806,932	(23,336)	-2.8%
Guadalupe Watershed	4,435,037	941,188	963,171	936,100	(27,071)	-2.8%
Coyote Watershed	3,883,814	2,434,639	2,491,505	2,421,479	(70,026)	-2.8%
TOTAL REVENUE	**$ 13,229,442**	**$ 6,891,766**	**$ 7,052,737**	**$ 6,854,512**	**$ (198,225)**	**-2.8%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,274,144	$ 2,294,603	$ 2,289,952	$ 2,292,024	$ 2,072	0.1%
West Valley Watershed	1,812,193	1,862,499	686,927	687,549	622	0.1%
Guadalupe Watershed	3,614,604	3,736,798	763,510	764,201	691	0.1%
Coyote Watershed	3,219,740	3,280,146	2,061,363	2,063,228	1,865	0.1%
TOTAL OUTLAYS	**$ 10,920,680**	**$ 11,174,047**	**$ 5,801,752**	**$ 5,807,002**	**$ 5,250**	**0.1%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ -	$ 5,293,600	$ -	$ -	$ -	0%
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (2,308,762)	$ (1,011,320)	$ (1,250,985)	$ (1,047,510)	$ 203,476	-16.3%
TOTAL OTHER SOURCES/(USES)	**$ (2,308,762)**	**$ 4,282,280**	**$ (1,250,985)**	**$ (1,047,510)**	**$ 203,476**	**-16.3%**

(*) 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 - Lower Peninsula Watershed

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP WS	2,274,144	2,294,603	2,289,952	2,292,024	Financial Planning & Mgmt Div
Total Debt Service		**2,274,144**	**2,294,603**	**2,289,952**	**2,292,024**	
Total		**2,274,144**	**2,294,603**	**2,289,952**	**2,292,024**	

Total Outlays - West Valley Watershed

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Debt Service						
20993007	2012A COP Refunding WV WS	1,129,974	1,176,161	–	–	Financial Planning & Mgmt Div
20993008	2017A COP Refunding WV WS	682,218	686,339	686,927	687,549	Financial Planning & Mgmt Div
Total Debt Service		**1,812,193**	**1,862,499**	**686,927**	**687,549**	
Total		**1,812,193**	**1,862,499**	**686,927**	**687,549**	

Total Outlays - Guadalupe Watershed

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Debt Service						
30993007	2012A COP Refunding Guad WS	2,826,366	2,941,890	–	–	Financial Planning & Mgmt Div
30993008	2017A COP Refunding Guad WS	788,238	794,908	763,510	764,201	Financial Planning & Mgmt Div
Total Debt Service		**3,614,604**	**3,736,798**	**763,510**	**764,201**	
Total		**3,614,604**	**3,736,798**	**763,510**	**764,201**	

Total Outlays - Coyote Watershed

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Debt Service						
40993007	2012A COP Refunding Coyote WS	1,172,620	1,220,550	–	–	Financial Planning & Mgmt Div
40993008	2017A COP Refunding Coyote WS	2,047,119	2,059,596	2,061,363	2,063,228	Financial Planning & Mgmt Div
Total Debt Service		**3,219,740**	**3,280,146**	**2,061,363**	**2,063,228**	
Total		**3,219,740**	**3,280,146**	**2,061,363**	**2,063,228**	

WATER UTILITY ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

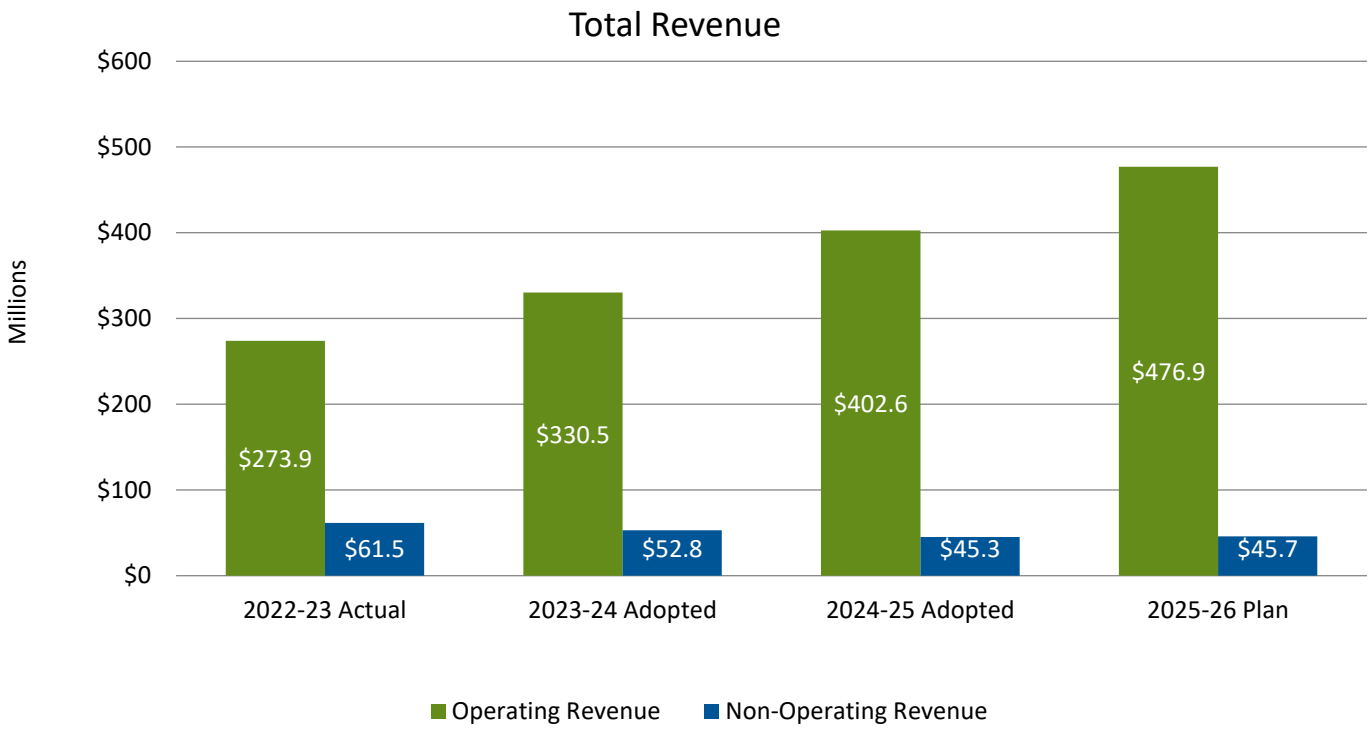
Overview

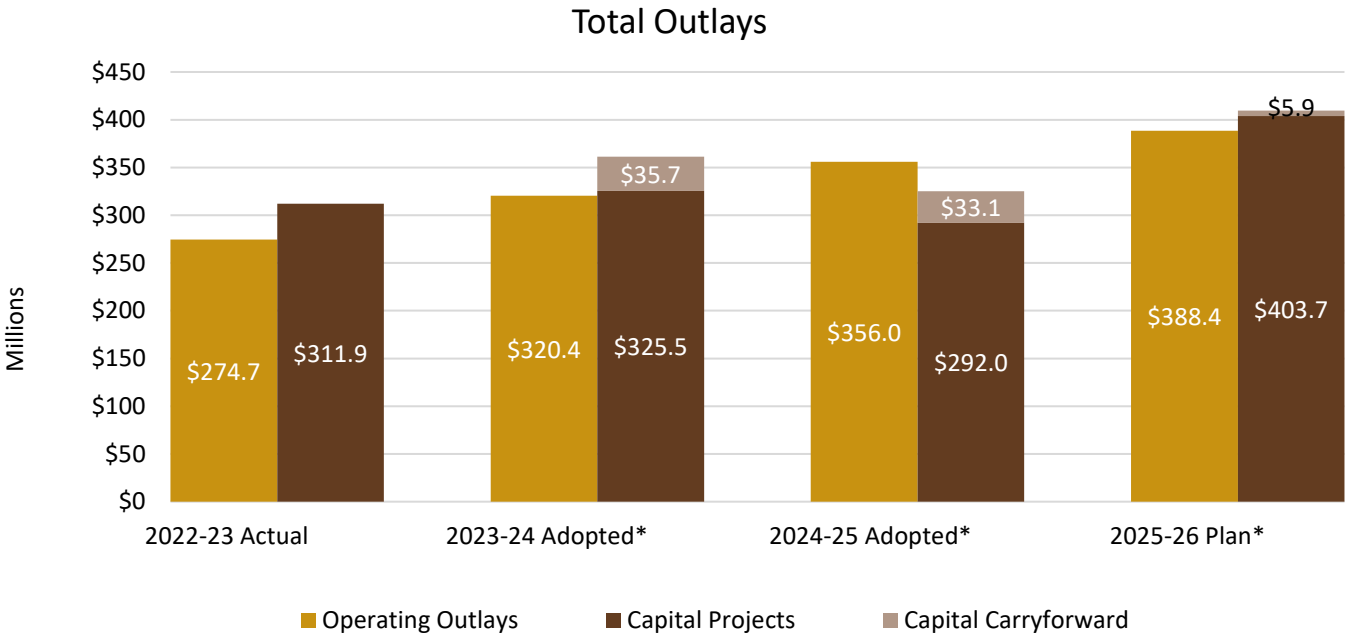
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 150,881,000	$ 184,722,000	$ 33,851,000	22.4%
Treated Water Charges	159,215,177	174,081,000	174,081,000	211,703,000	37,622,000	21.6%
Surface & Recycled Water Charges	1,950,130	3,613,000	3,613,000	4,040,000	427,000	11.8%
Intergovernmental Services	5,376,085	1,424,295	1,548,880	1,687,880	263,585	18.5%
Operating Other	438,754	481,415	471,488	471,488	(9,928)	-2.1%
Total Operating Revenue	**$ 273,915,698**	**$ 330,470,710**	**$ 330,595,368**	**$ 402,624,368**	**$ 72,153,658**	**21.8%**
Non-Operating Revenue						
Property Tax	$ 39,394,258	$ 37,314,710	$ 37,846,000	$ 39,163,000	$ 1,848,290	5.0%
Capital Reimbursements	13,624,133	10,266,000	7,027,000	456,000	(9,810,000)	-95.6%
Interest Income *	6,868,031	3,125,000	4,340,000	4,340,000	1,215,000	38.9%
Non-Operating Other	1,591,326	2,121,502	1,328,487	1,339,404	(782,098)	-36.9%
Total Non-Operating Revenue	**$ 61,477,747**	**$ 52,827,212**	**$ 50,541,487**	**$ 45,298,404**	**$ (7,528,808)**	**-14.3%**
TOTAL REVENUE	**$ 335,393,445**	**$ 383,297,922**	**$ 381,136,855**	**$ 447,922,772**	**$ 64,624,850**	**16.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 223,699,637	$ 243,713,641	$ 265,677,215	$ 267,907,550	$ 24,193,909	9.9%
Operating Project	282,405	373,653	373,653	445,240	71,587	19.2%
Debt Service	50,669,842	76,311,378	76,311,378	87,604,612	11,293,234	14.8%
Total Operating Outlays	**$ 274,651,884**	**$ 320,398,672**	**$ 342,362,246**	**$ 355,957,402**	**$ 35,558,730**	**11.1%**
Capital Outlays						
Capital Projects	$ 311,921,889	$ 325,455,223	$ 376,213,104	$ 292,016,894	$ (33,438,329)	-10.3%
Carry Forward Capital Projects	-	35,710,252	-	33,055,148	(2,655,104)	-7.4%
Total Capital Outlays	**$ 311,921,889**	**$ 361,165,475**	**$ 376,213,104**	**$ 325,072,042**	**$ (36,093,433)**	**-10.0%**
TOTAL OUTLAYS	**$ 586,573,773**	**$ 681,564,147**	**$ 718,575,350**	**$ 681,029,444**	**$ (534,703)**	**-0.1%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 241,607,044	$ 230,414,696	$ 196,725,000	$ 236,311,001	$ 5,896,305	2.6%
Transfers In	26,060,900	1,092,727	1,092,727	11,428,122	10,335,395	945.8%
Transfers Out	(3,873,600)	(3,926,700)	(3,927,600)	(8,271,800)	(4,345,100)	110.7%
TOTAL OTHER SOURCES/(USES)	**$ 263,794,344**	**$ 227,580,723**	**$ 193,890,127**	**$ 239,467,323**	**$ 11,886,600**	**5.2%**
BALANCE AVAILABLE	**$ 12,614,015**	**$ (70,685,502)**	**$ (143,548,368)**	**$ 6,360,651**	**$ 77,046,152**	**-109.0%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 6,066,971	$ 19,996,328	$ 13,929,357	229.6%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,530,832	3,580,832	50,000	1.4%
WUE State Water Project Tax Reserve	13,860,460	8,816,456	11,535,460	8,973,390	156,934	1.8%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	4,718,017	-	(4,718,017)	-100.0%
Total Restricted Reserves	**$ 85,574,532**	**$ 28,409,276**	**$ 31,128,280**	**$ 37,827,550**	**$ 9,418,274**	**33.2%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ 1,000,000	$ 1,000,000	$ -	$ (1,000,000)	-100.0%
Excess ERAF Contingency Reserve	-	-	-	589,988	589,988	0.0%
Currently Authorized Projects Reserve***	87,993,626	9,248,195	42,826,222	9,770,707	522,512	5.6%
Operating and Capital Reserve	74,535,165	56,930,697	29,600,454	62,727,361	5,796,664	10.2%
Total Committed Reserves	**$ 162,528,791**	**$ 67,178,892**	**$ 73,426,675**	**$ 73,088,056**	**$ 5,909,164**	**8.8%**
TOTAL YEAR-END RESERVES	**$ 248,103,323**	**$ 95,588,168**	**$ 104,554,955**	**$ 110,915,606**	**$ 15,327,438**	**16.0%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 66,605,315	$ 67,899,880	$ 67,899,880	$ 73,186,910	$ 5,287,031	7.8%
Salary Savings Factor	-	(1,067,733)	(1,067,733)	(1,110,050)	(42,317)	4.0%
Services & Supplies	117,612,686	133,729,278	155,692,852	151,255,438	17,526,160	13.1%
Intra-District Charges	39,764,042	43,525,869	43,525,869	45,020,492	1,494,623	3.4%
OPERATING OUTLAY TOTAL	$ **223,982,042**	$ **244,087,294**	$ **266,050,868**	$ **268,352,790**	$ **24,265,496**	**9.9%**
DEBT SERVICE						
Services & Supplies	$ 1,595,708	$ 3,017,960	$ 3,017,960	$ 3,834,100	$ 816,140	27.0%
Debt Service	49,074,134	73,293,418	73,293,418	83,770,512	10,477,094	14.3%
DEBT SERVICE TOTAL	$ **50,669,842**	$ **76,311,378**	$ **76,311,378**	$ **87,604,612**	$ **11,293,234**	**14.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 30,290,507	$ 35,144,905	$ 35,144,905	$ 36,532,078	$ 1,387,174	3.9%
Salary Savings Factor	-	(572,156)	(572,156)	(580,627)	(8,471)	1.5%
Services & Supplies	263,513,165	268,436,524	319,194,405	233,298,076	(35,138,448)	-13.1%
Carry Forward Capital Projects	-	35,710,252	-	33,055,148	(2,655,104)	-7.4%
Intra-District Charges	18,118,218	22,445,951	22,445,951	22,767,367	321,417	1.4%
CAPITAL PROJECTS TOTAL	$ **311,921,889**	$ **361,165,475**	$ **376,213,104**	$ **325,072,042**	$ **(36,093,433)**	**-10.0%**
TOTAL OUTLAYS	$ **586,573,773**	$ **681,564,147**	$ **718,575,350**	$ **681,029,444**	$ **(534,703)**	**-0.1%**

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

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

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

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 184,722,000	$ 219,323,000	$ 34,601,000	18.7%
Treated Water Charges	159,215,177	174,081,000	211,703,000	250,262,000	38,559,000	18.2%
Surface & Recycled Water Charges	1,950,130	3,613,000	4,040,000	4,422,000	382,000	9.5%
Intergovernmental Services	5,376,085	1,424,295	1,687,880	2,424,295	736,415	43.6%
Operating Other	438,754	481,415	471,488	471,488	-	0.0%
Total Operating Revenue	**$ 273,915,698**	**$ 330,470,710**	**$ 402,624,368**	**$ 476,902,783**	**$ 74,278,415**	**18.4%**
Non-Operating Revenue						
Property Tax	$ 39,394,258	$ 37,314,710	$ 39,163,000	$ 39,388,946	$ 225,946	0.6%
Capital Reimbursements	13,624,133	10,266,000	456,000	556,000	100,000	21.9%
Interest Income *	6,868,031	3,125,000	4,340,000	4,557,000	217,000	5.0%
Non-Operating Other	1,591,326	2,121,502	1,339,404	1,230,243	(109,161)	-8.1%
Total Non-Operating Revenue	**$ 61,477,747**	**$ 52,827,212**	**$ 45,298,404**	**$ 45,732,189**	**$ 433,785**	**1.0%**
TOTAL REVENUE	**$ 335,393,445**	**$ 383,297,922**	**$ 447,922,772**	**$ 522,634,972**	**$ 74,712,200**	**16.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 223,699,637	$ 243,713,641	$ 267,907,550	$ 282,151,944	$ 14,244,394	5.3%
Operating Project	282,405	373,653	445,240	460,005	14,765	3.3%
Debt Service	50,669,842	76,311,378	87,604,612	105,759,568	18,154,956	20.7%
Total Operating Outlays	**$ 274,651,884**	**$ 320,398,672**	**$ 355,957,402**	**$ 388,371,517**	**$ 32,414,115**	**9.1%**
Capital Outlays						
Capital Projects	$ 311,921,889	$ 325,455,223	$ 292,016,894	$ 403,732,496	$ 111,715,602	38.3%
Carry Forward Capital Projects	-	35,710,252	33,055,148	5,872,440	(27,182,708)	-82.2%
Total Capital Outlays	**$ 311,921,889**	**$ 361,165,475**	**$ 325,072,042**	**$ 409,604,936**	**$ 84,532,894**	**26.0%**
TOTAL OUTLAYS	**$ 586,573,773**	**$ 681,564,147**	**$ 681,029,444**	**$ 797,976,453**	**$ 116,947,009**	**17.2%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 241,607,044	$ 230,414,696	$ 236,311,001	$ 288,104,000	$ 51,792,999	21.9%
Transfers In	26,060,900	1,092,727	11,428,122	11,345,713	(82,409)	-0.7%
Transfers Out	(3,873,600)	(3,926,700)	(8,271,800)	(10,078,660)	(1,806,860)	21.8%
TOTAL OTHER SOURCES/(USES)	**$ 263,794,344**	**$ 227,580,723**	**$ 239,467,323**	**$ 289,371,053**	**$ 49,903,730**	**20.8%**
BALANCE AVAILABLE	**$ 12,614,015**	**$ (70,685,502)**	**$ 6,360,651**	**$ 14,029,572**	**$ 7,668,921**	**120.6%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 19,996,328	$ 42,891,864	$ 22,895,536	114.5%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,580,832	3,630,832	50,000	1.4%
WUE State Water Project Tax Reserve	13,860,460	8,816,456	8,973,390	5,070,944	(3,902,446)	-43.5%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	-	-	-	0.0%
Total Restricted Reserves	**$ 85,574,532**	**$ 28,409,276**	**$ 37,827,550**	**$ 61,270,640**	**$ 23,443,090**	**62.0%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ 1,000,000	$ -	$ -	$ -	0.0%
Excess ERAF Contingency Reserve	-	-	589,988	614,026	24,038	4.1%
Currently Authorized Projects Reserve***	87,993,626	9,248,195	9,770,707	3,898,267	(5,872,440)	-60.1%
Operating and Capital Reserve	74,535,165	56,930,697	62,727,361	59,162,245	(3,565,116)	-5.7%
Total Committed Reserves	**$ 162,528,791**	**$ 67,178,892**	**$ 73,088,056**	**$ 63,674,538**	**$ (9,413,518)**	**-12.9%**
TOTAL YEAR-END RESERVES	**$ 248,103,323**	**$ 95,588,168**	**$ 110,915,606**	**$ 124,945,178**	**$ 14,029,572**	**12.6%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 66,605,315	$ 67,899,880	$ 73,186,910	$ 78,081,396	$ 4,894,486	6.7%
Salary Savings Factor	-	(1,067,733)	(1,110,050)	(1,169,921)	(59,871)	5.4%
Services & Supplies	117,612,686	133,729,278	151,255,438	157,962,941	6,707,504	4.4%
Intra-District Charges	39,764,042	43,525,869	45,020,492	47,737,533	2,717,041	6.0%
OPERATING OUTLAY TOTAL	**$ 223,982,042**	**$ 244,087,294**	**$ 268,352,790**	**$ 282,611,949**	**$ 14,259,159**	**5.3%**
DEBT SERVICE						
Services & Supplies	$ 1,595,708	$ 3,017,960	$ 3,834,100	$ 3,444,100	$ (390,000)	-10.2%
Debt Service	49,074,134	73,293,418	83,770,512	102,315,468	18,544,956	22.1%
DEBT SERVICE TOTAL	**$ 50,669,842**	**$ 76,311,378**	**$ 87,604,612**	**$ 105,759,568**	**$ 18,154,956**	**20.7%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 30,290,507	$ 35,144,905	$ 36,532,078	$ 35,820,428	$ (711,650)	-1.9%
Salary Savings Factor	-	(572,156)	(580,627)	(563,156)	17,471	-3.0%
Services & Supplies	263,513,165	268,436,524	233,298,076	346,306,755	113,008,679	48.4%
Carry Forward Capital Projects	-	35,710,252	33,055,148	5,872,440	(27,182,708)	-82.2%
Intra-District Charges	18,118,218	22,445,951	22,767,367	22,168,469	(598,898)	-2.6%
CAPITAL PROJECTS TOTAL	**$ 311,921,889**	**$ 361,165,475**	**$ 325,072,042**	**$ 409,604,936**	**$ 84,532,894**	**26.0%**
TOTAL OUTLAYS	**$ 586,573,773**	**$ 681,564,147**	**$ 681,029,444**	**$ 797,976,453**	**$ 116,947,009**	**17.2%**

(*) 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

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 222,000 acre-feet (AF) in FY 2024-25 and 238,000 AF in FY 2025-26. 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 due to an extensive retrofit of its dam
- 19 miles of active 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 2024-25 and FY 2025-26 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 2024-25 is $447.9 million ($418.9 million for Fund 61 and $29.0 million for Fund 63), or 16.9% more than the FY 2023-24 Adopted Budget. FY 2025-26 total revenue is projected at $522.6 million ($493.6 million for Fund 61 and $29.0 million for Fund 63), or an increase of 16.7% from FY 2024-25.

The approved FY 2024-25 water charges will generate $400.5 million in revenues from groundwater production charges and the sale of treated, recycled and surface water totaling 222,000 acre-feet of usage, which is a 21.9% increase versus the FY 2023-24 Adopted Budget. This revenue estimate also accounts for Water rate escalations of 12.9% in the largest benefit zone, Zone W-2, 6.6% in Zone W-5, 14.2% in Zone W-6, and 8% in Zone W-7. Rate increases are primarily necessary to cover the notable capital investments Valley Water is making to ensure the safety and reliability of water for residents. Rates maintain the same level of increases year over year in FY 2025-26 except Zone W-2 which is projected to increase by 9.9%. Due to these rate increases and an estimated water usage rebound to 238,000 acre-feet, Water revenue for FY 2025-26 is expected to grow by approximately $73.5 million, totaling $474.0 million. More information on groundwater charges is found later in this chapter and in the FY 2024-25 Protection and Augmentation of Water Supplies Report.

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2024-25. They total an estimated $39.2 million, of which $28.0 million is for State Water Project (SWP) taxes accounted for in the SWP Fund (Fund 63) and used to fund water purchases from the State Water Project, and the remaining $11.2 million are ad valorem property taxes recorded in the Water Utility Enterprise Fund (Fund 61) for general use. In FY 2025-26, combined property taxes are projected to increase 0.6% to $39.4 million. FY 2024-25 revenues also include $0.5 million and FY 2025-26 $0.6 million in capital reimbursements from the San Benito County Water District (SBCWD) for small capital improvements on the shared San Felipe Division Reach 1 (SFDR1).

Interest, intergovernmental services and other operating and non-operating revenues round out Water Utility Enterprise proceeds at $7.8 million for FY 2024-25. For FY 2025-26, budgeted levels increase by $0.8 million primarily due to Pacheco Partnership funding of $1.0 million offset by a slight decrease in anticipated conservation participation.

Operating Budget

Operating costs (excluding debt service) for FY 2024-25 are expected to be $268.4 million for both funds. This represents a $24.3 million increase, or 9.9%, from the FY 2023-24 Adopted Budget. The increase is primarily attributable to $10.0 million in additional funding for our portion of the planning costs for the Sisk Dam project, $5.2 million for salaries and benefits, $3.7 million increase in required and supplemental Central Valley Project (CVP) water purchases, $3.0 million for the Palo Alto Water Reuse Agreement, $2.2 million in the Delta Conveyance project for gap payments, $1.2 million in State Water Project contract costs, and other inflationary increases for ongoing expenses such as utilities, chemicals, and other materials for various maintenance programs. These increases are offset by a reduction of $3.4 million to enhanced conservation programs which were implemented in response to the historic drought.

The FY 2025-26 Budget increases to $282.6 million, an increase of $14.3 million compared to FY 2024-25. The largest increase is $5.9 million related to the payment for the recycling Agreement with the City of Palo Alto for a salt facility construction, $5.3 million for water banking investments, $4.8 million for salaries and benefits, $2.3 million for Delta Conveyance Project Gap Funding for environmental planning and design costs, and $1.3 million in State Water Project contract costs, offset by completion of the funding commitment for GP5 reducing operating expenses by $5.3 million.

The cost of contractually obligated water purchases from federal and state water projects in FY 2024-25 and FY 2025-26 continue to be the largest Water Utility Enterprise expense at $18.4 million and $31.6 million, respectively. In addition to operating budget water expenses, the capital budget also includes $12.4 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Debt Service Budget

To fund the construction of new facilities, Valley Water historically relies on both pay-as-you-go financing as well as short-term and long-term debt financing. Water utility debt service will increase by roughly $11.3 million in FY 2024-25 to $87.6 million, and by an additional $18.2 million in FY 2025-26 to $105.8 million. The debt service coverage ratio is projected to remain above the minimum target of 2.0 or higher to help ensure financial stability and continued high credit ratings.

Capital Budget

In FY 2024-25, capital projects are budgeted at $292.0 million and capital carry forward is estimated at $33.1 million bringing total planned capital spending to $325.1 million. This is a $36.1 million decrease, or 10%, below the prior year. This budget year reflects a significant shift of funding for capital projects lower than prior years for: the Pacheco Project while it is in design; nearing completion of the Coyote Creek Flood Management Measures and Anderson Dam Tunnel Projects; and, the close out of the Coyote Percolation Dam Replacement and Purified Water projects. Meanwhile, increases of funding are included for the construction of the Anderson Dam Seismic Retrofit and the Rinconada Water Treatment Plant Reliability Improvement Projects are underway. For FY 2025-26, $403.7 million in planned funding is anticipated with an additional capital carry forward of $5.9 million for a total planned budget of $409.6 million. More information about Valley Water's Capital Program can be found in the FY 2025-29 Capital Improvement Program.

Debt Financing and Interfund Transfers

Staff is planning debt issuances in FY 2024-25 of $236.3 million and in FY 2025-26 of $288.1 million to help finance critical investments in major water supply infrastructure projects.

For FY 2024-25, interfund transfers into the Water Utility Enterprise Fund total $11.4 million including $6.3 million from the Safe Clean Water Fund for the Anderson Dam Seismic Retrofit Project, $4.0 million for the Open Space Credit, and $1.1 million for conservation programs. Transfers out total $8.3 million primarily for IT equipment $4.2 million, $3.0 million to the Safe Clean Water Fund for the IRP2 Add Valve lines project, $0.9 million for the Headquarter Operations Building project, and $0.2 million for the IT Disaster Recover and the Security Upgrades project. Transfers in planned for FY 2025-26 total $11.3 million to contribute to funding of $6.4 million for the Anderson Dam Seismic Retrofit Project, $3.7 million for the open space credit, and $1.2 million for the conservation programs while transfers out to other funds total $10.1 million including $4.0 million for the Safe Clean Water Fund for the IRP2 Add Valve Lines, $3.8 million for the Headquarter Operations Building project, $2.1 for IT equipment, and finally $0.2 million for the Security Upgrades and Enhancements project.

Reserves

Total FY 2024-25 ending reserves for both funds (Fund 61 and 63) are projected to be $110.9 million, an increase of $15.3 million relative to the FY 2023-24 Adopted Budget. Having recovered from the drought, this budget reflects an effort to restore the Rate Stabilization reserve over the next two years from $6.1 million to $20.0 million in FY 2024-25 and to $42.9 in the following fiscal year. For FY 2025-26, reserves are projected to continue to recover rising by $14.0 million to $125.0 million total primarily due to replenishing the Rate Stabilization Reserve.

Positions

During FY 2023-24, 1.0 full-time equivalent (FTE) Assistant Officer position was transferred to the Human Resources Division. This transfer decreases the net total positions in the Water Utility organization by one from 305 to 304 FTE regular positions. Additionally, there are 3.0 Limited Term positions supporting the Water Utility Capital Division.

Significant Business Challenges/Opportunities

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

- Operating raw and treated water systems based on water supply needs and constraints including the outage of Valley Water's largest reservoir, Anderson. This includes adapting to dynamic changes in local rainfall, imported water allocations, regulations, and water use to deliver safe, clean drinking water and ensure continued sustainable groundwater supplies.
- Continuing to advance the design, permitting and construction of the Anderson Dam Seismic Retrofit Project, and comply with a Federal Energy Regulatory Commission directive received on February 20, 2020.
- In conjunction with the San Benito County Water District and Pacheco Pass Water District, continuing 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.
- Ensuring construction of Phase 3-6 of the Rinconada Water Treatment Plant Reliability Project continues successfully on schedule while operating the plant to continue serving water that meets all state water quality standards.
- Continuing to deliver treated water that meets or surpasses all drinking water standards under supply chain and source water quality challenges.
- Developing necessary direct potable reuse implementation project agreements with the cities of San José and Santa Clara and seek funding opportunities and begin Phase 1 of the San José Purified Water Project (Demonstration Facility).
- Continuing to develop and implement water recycling agreements with other wastewater agency partners to develop and enhance long-term supply reliability.
- Continuing to participate in the B.F. Sisk Dam Raise Project in coordination with the San Luis Delta Mendota Authority and U.S. Bureau of Reclamation to ensure the project benefits merit Valley Water investment.
- Continuing negotiations and feasibility assessment for Los Vaqueros Reservoir Expansion Project to ensure project benefits merit Valley Water investment.
- Continue pursuing and assessing suitable, cost-effective groundwater banking projects to bolster water supply reliability and diversify resources to meet our future needs.
- Completing the Water Supply Master Plan 2050 to guide the board's investment in water supply and infrastructure projects.
- Adapting conservation programs consistent with the Water Supply Master Plan to achieve the Board's long-term water conservation targets and make water conservation a way of life.
- Implementing Advanced Metering Infrastructure pilot project with the City of Santa Clara.
- Decommissioning inactive canals.
- Continuing PFAS monitoring and surveillance along with continued coordination with retailers, regulators and stakeholders.

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 2024-25 Budget includes a North County (Zone W-2) M&I groundwater production charge of $2,229 per acre-foot (AF) that reflects a 12.9% increase from FY 2023-24 Adopted Budget. A 12.2% increase to contract treated water charges, or $2,344 per AF, and a 11.7% increase to non-contract treated water, or $2,429 per AF, also are included in this budget. In FY 2025-26, the Zone W-2 M&I rate reflects a 9.9% increase, a 9.4% increase for contract treated water charges and a 9.1% increase for non-contract treated water charges when compared to FY 2024-25.

Maintaining the contract treated water surcharge at $115 per AF in both FY 2024-25 and FY 2025-26 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 2024-25 and FY 2025-26. The average household in Zone W-2 would experience an increase in their monthly bill of around $8.78 in FY 2024-25. Customers may also experience additional charge increases enacted by their retail water provider.

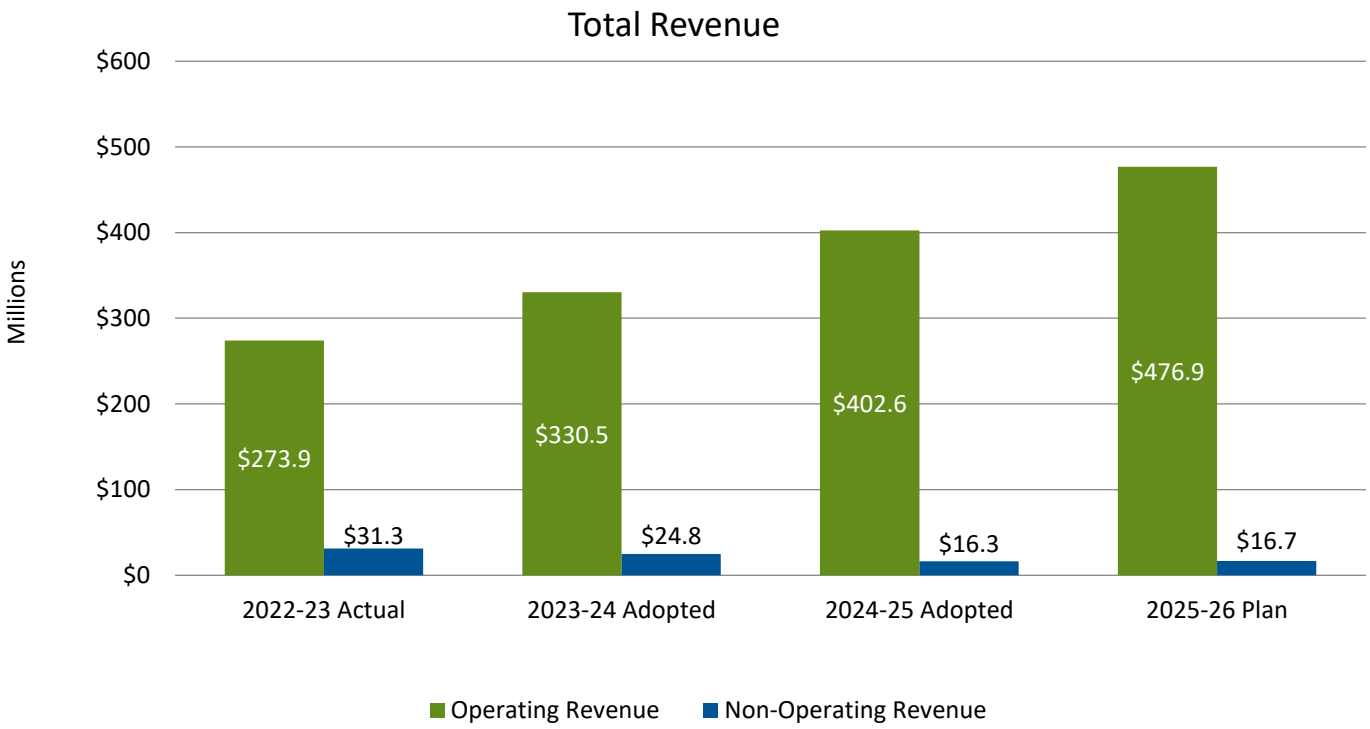
The FY 2024-25 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 6.6% increase over the prior year, or $579.00 per AF. The average household in this zone would experience an increase in their monthly bill of $1.22. The Coyote Valley (Zone W-7) M&I groundwater production charge reflects a 14.2% increase from the prior year, or $750.50 per AF. The average household in this zone would experience an increase in their monthly bill of $3.20. 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 $430.00 per AF. The average household in this zone would experience an increase in their monthly bill of $1.10. For all zones in the South County region (W-5, W-7 and W-8), the rate increase in FY 2025-26 is the same as FY 2024-25.

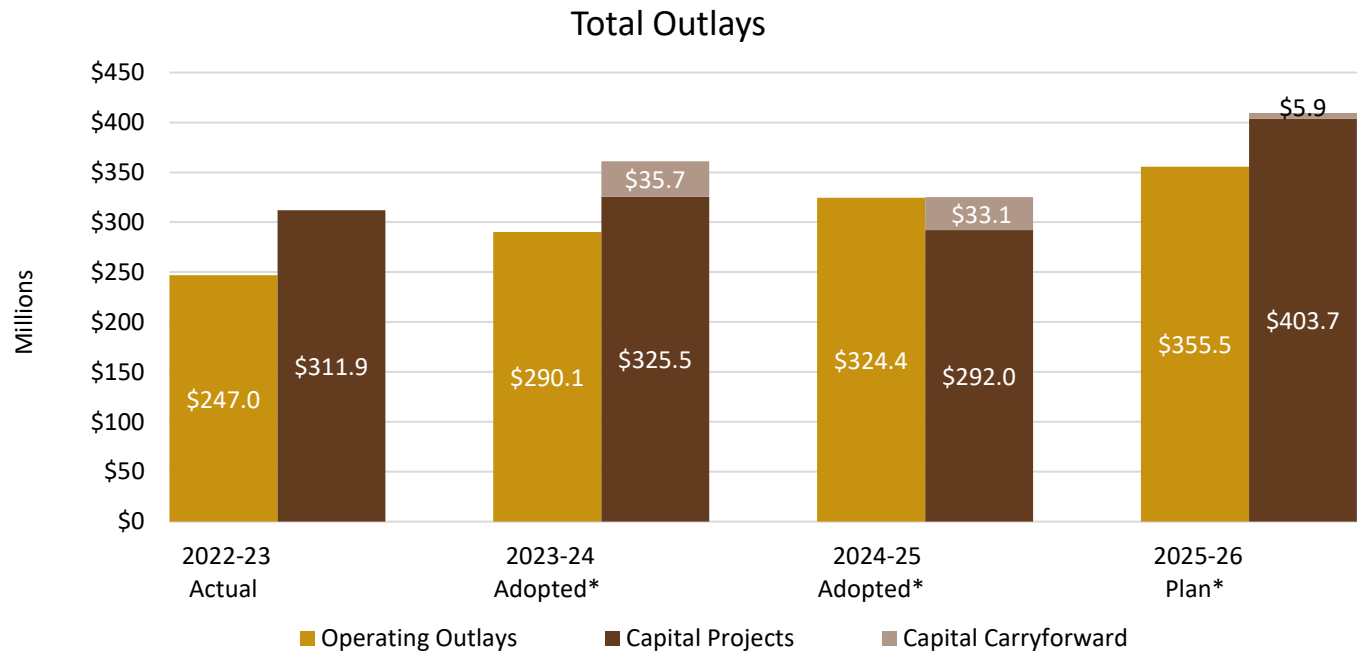
The agricultural groundwater production charge in any groundwater benefit zone for FY 2024-25 is $39.80 per AF. The agricultural groundwater production charge is usually calculated at or below 10% of the lowest M&I charge which is Zone W-8. This methodology is anticipated to be followed for FY 2025-26. The surface water master charge increased 12.9% from $54.00 per AF to $61.00 per AF in FY 2024-25 to help align revenues with the costs related to managing, operating and billing for surface water diversions. A rate increase of 9.9% is projected for FY 2025-26.

For recycled water in FY 2024-25, the M&I charge increased 6.8% to $559.00 per AF. Agricultural recycled water increased 4.4% to $70.15 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water. Rate increases for FY 2025-26 are also expected to be the same as FY 2024-25.

With the end of the drought in Santa Clara County, the FY 2024-25 water use estimate of 222,000 AF represents a 15,000 AF increase, or 7.2%, compared to the FY 2023-24 adopted water budget usage amount of 207,000 AF. The FY 2025-26 water use estimate increases to 238,000 AF, based on the assumption that water use will rebound to slightly below pre-drought levels over time.

Water Utility Enterprise Fund (Fund 61)





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

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	150,881,000	$ 184,722,000	$ 33,851,000	22.4%
Treated Water Charges	159,215,177	174,081,000	174,081,000	211,703,000	37,622,000	21.6%
Surface & Recycled Water Charges	1,950,130	3,613,000	3,613,000	4,040,000	427,000	11.8%
Intergovernmental Services	5,376,085	1,424,295	1,548,880	1,687,880	263,585	18.5%
Operating Other	438,754	481,415	471,488	471,488	(9,928)	-2.1%
Total Operating Revenue	**$ 273,915,698**	**$ 330,470,710**	**330,595,368**	**$ 402,624,368**	**$ 72,153,658**	**21.8%**
Non-Operating Revenue						
Property Tax	$ 10,522,021	$ 10,314,710	10,846,000	$ 11,163,000	$ 848,290	8.2%
Capital Reimbursements	13,624,133	10,266,000	7,027,000	456,000	(9,810,000)	-95.6%
Interest Income *	6,868,031	3,125,000	4,340,000	4,340,000	1,215,000	38.9%
Non-Operating Other	331,179	1,121,502	328,487	339,404	(782,098)	-69.7%
Total Non-Operating Revenue	**$ 31,345,364**	**$ 24,827,212**	**22,541,487**	**$ 16,298,404**	**$ (8,528,808)**	**-34.4%**
TOTAL REVENUE	**$ 305,261,061**	**$ 355,297,922**	**353,136,855**	**$ 418,922,772**	**$ 63,624,850**	**17.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 196,029,613	$ 213,388,641	235,352,215	$ 236,345,480	$ 22,956,839	10.8%
Operating Project	282,405	373,653	373,653	445,240	71,587	19.2%
Debt Service	50,669,842	76,311,378	76,311,378	87,604,612	11,293,234	14.8%
Total Operating Outlays	**$ 246,981,860**	**$ 290,073,672**	**312,037,246**	**$ 324,395,332**	**$ 34,321,660**	**11.8%**
Capital Outlays						
Capital Projects	$ 311,921,889	$ 325,455,223	376,213,104	$ 292,016,894	$ (33,438,329)	-10.3%
Carry Forward Capital Projects	-	35,710,252	-	33,055,148	(2,655,104)	-7.4%
Total Capital Outlays	**$ 311,921,889**	**$ 361,165,475**	**376,213,104**	**$ 325,072,042**	**$ (36,093,433)**	**-10.0%**
TOTAL OUTLAYS	**$ 558,903,749**	**$ 651,239,147**	**688,250,350**	**$ 649,467,374**	**$ (1,771,773)**	**-0.3%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 241,607,044	$ 230,414,696	196,725,000	$ 236,311,001	$ 5,896,305	2.6%
Transfers In	26,060,900	1,092,727	1,092,727	11,428,122	10,335,395	945.8%
Transfers Out	(3,873,600)	(3,926,700)	(3,927,600)	(8,271,800)	(4,345,100)	110.7%
TOTAL OTHER SOURCES/(USES)	**$ 263,794,344**	**$ 227,580,723**	**193,890,127**	**$ 239,467,323**	**$ 11,886,600**	**5.2%**
BALANCE AVAILABLE	**$ 10,151,656**	**$ (68,360,502)**	**(141,223,368)**	**$ 8,922,721**	**$ 77,283,223**	**-113.1%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	6,066,971	$ 19,996,328	$ 13,929,357	229.6%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,530,832	3,580,832	50,000	1.4%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	5,277,000	-	0.0%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	4,718,017	-	(4,718,017)	-100.0%
Total Restricted Reserves	**$ 71,714,072**	**$ 19,592,820**	**19,592,820**	**$ 28,854,160**	**$ 9,261,340**	**47.3%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ 1,000,000	1,000,000	$ -	$ (1,000,000)	-100.0%
Currently Authorized Projects Reserve***	87,993,626	9,248,195	42,826,222	9,770,707	522,512	5.6%
Excess ERAF Contingency Reserve	-	-	-	589,988	589,988	0.0%
Operating and Capital Reserve	74,535,165	56,930,697	29,600,454	62,727,361	5,796,664	10.2%
Total Committed Reserves	**$ 162,528,791**	**$ 67,178,892**	**73,426,675**	**$ 73,088,056**	**$ 5,909,164**	**8.8%**
TOTAL YEAR-END RESERVES	**$ 234,242,863**	**$ 86,771,712**	**93,019,495**	**$ 101,942,216**	**$ 15,170,504**	**17.5%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 66,605,315	$ 67,899,880	67,899,880	$ 73,186,910	$ 5,287,031	7.8%
Salary Savings Factor	-	(1,067,733)	(1,067,733)	(1,110,050)	(42,317)	4.0%
Services & Supplies	89,942,661	103,404,278	125,367,852	119,693,368	16,289,090	15.8%
Intra-District Charges	39,764,042	43,525,869	43,525,869	45,020,492	1,494,623	3.4%
OPERATING OUTLAY TOTAL	$ **196,312,018**	$ **213,762,294**	**235,725,868**	$ **236,790,720**	$ **23,028,426**	**10.8%**
DEBT SERVICE						
Services & Supplies	$ 1,595,708	$ 3,017,960	3,017,960	$ 3,834,100	$ 816,140	27.0%
Debt Service	49,074,134	73,293,418	73,293,418	83,770,512	10,477,094	14.3%
DEBT SERVICE TOTAL	$ **50,669,842**	$ **76,311,378**	**76,311,378**	$ **87,604,612**	$ **11,293,234**	**14.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 30,290,507	$ 35,144,905	35,144,905	$ 36,532,078	$ 1,387,174	3.9%
Salary Savings Factor	-	(572,156)	(572,156)	(580,627)	(8,471)	1.5%
Services & Supplies	263,513,165	268,436,524	319,194,405	233,298,076	(35,138,448)	-13.1%
Carry Forward Capital Projects	-	35,710,252	-	33,055,148	(2,655,104)	-7.4%
Intra-District Charges	18,118,218	22,445,951	22,445,951	22,767,367	321,417	1.4%
CAPITAL PROJECTS TOTAL	$ **311,921,889**	$ **361,165,475**	**376,213,104**	$ **325,072,042**	$ **(36,093,433)**	**-10.0%**
TOTAL OUTLAYS	$ **558,903,749**	$ **651,239,147**	**688,250,350**	$ **649,467,374**	$ **(1,771,773)**	**-0.3%**

(*) 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

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 106,935,552	$ 150,871,000	$ 184,722,000	$ 219,323,000	$ 34,601,000	18.7%
Treated Water Charges	159,215,177	174,081,000	211,703,000	250,262,000	38,559,000	18.2%
Surface & Recycled Water Charges	1,950,130	3,613,000	4,040,000	4,422,000	382,000	9.5%
Intergovernmental Services	5,376,085	1,424,295	1,687,880	2,424,295	736,415	43.6%
Operating Other	438,754	481,415	471,488	471,488	-	0.0%
Total Operating Revenue	**$ 273,915,698**	**$ 330,470,710**	**$ 402,624,368**	**$ 476,902,783**	**$ 74,278,415**	**18.4%**
Non-Operating Revenue						
Property Tax	10,522,021	$ 10,314,710	$ 11,163,000	$ 11,388,946	$ 225,946	2.0%
Capital Reimbursements	$ 13,624,133	10,266,000	456,000	556,000	100,000	21.9%
Interest Income *	6,868,031	3,125,000	4,340,000	4,557,000	217,000	5.0%
Non-Operating Other	331,179	1,121,502	339,404	230,243	(109,161)	-32.2%
Total Non-Operating Revenue	**$ 31,345,364**	**$ 24,827,212**	**$ 16,298,404**	**$ 16,732,189**	**$ 433,785**	**2.7%**
TOTAL REVENUE	**$ 305,261,061**	**$ 355,297,922**	**$ 418,922,772**	**$ 493,634,972**	**$ 74,712,200**	**17.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 196,029,613	$ 213,388,641	$ 236,345,480	$ 249,249,498	$ 12,904,018	5.5%
Operating Project	282,405	373,653	445,240	460,005	14,765	3.3%
Debt Service	50,669,842	76,311,378	87,604,612	105,759,568	18,154,956	20.7%
Total Operating Outlays	**$ 246,981,860**	**$ 290,073,672**	**$ 324,395,332**	**$ 355,469,071**	**$ 31,073,739**	**9.6%**
Capital Outlays						
Capital Projects	$ 311,921,889	$ 325,455,223	$ 292,016,894	$ 403,732,496	$ 111,715,602	38.3%
Carry Forward Capital Projects	-	35,710,252	33,055,148	5,872,440	(27,182,708)	-82.2%
Total Capital Outlays	**$ 311,921,889**	**$ 361,165,475**	**$ 325,072,042**	**$ 409,604,936**	**$ 84,532,894**	**26.0%**
TOTAL OUTLAYS	**$ 558,903,749**	**$ 651,239,147**	**$ 649,467,374**	**$ 765,074,007**	**$ 115,606,633**	**17.8%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 241,607,044	$ 230,414,696	$ 236,311,001	$ 288,104,000	$ 51,792,999	21.9%
Transfers In	26,060,900	1,092,727	11,428,122	11,345,713	(82,409)	-0.7%
Transfers Out	(3,873,600)	(3,926,700)	(8,271,800)	(10,078,660)	(1,806,860)	21.8%
TOTAL OTHER SOURCES/(USES)	**$ 263,794,344**	**$ 227,580,723**	**$ 239,467,323**	**$ 289,371,053**	**$ 49,903,730**	**20.8%**
BALANCE AVAILABLE	**$ 10,151,656**	**$ (68,360,502)**	**$ 8,922,721**	**$ 17,932,018**	**$ 9,009,297**	**101.0%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 41,066,971	$ 6,066,971	$ 19,996,328	$ 42,891,864	$ 22,895,536	114.5%
WUE San Felipe Emergency Reserve	3,526,697	3,530,832	3,580,832	3,630,832	50,000	1.4%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,298,138	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principal #5 (GP5) Reserve	20,545,266	4,718,017	-	-	-	0.0%
Total Restricted Reserves	**$ 71,714,072**	**$ 19,592,820**	**$ 28,854,160**	**$ 56,199,696**	**$ 27,345,536**	**94.8%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ -	$ 1,000,000	$ -	$ -	$ -	0.0%
Currently Authorized Projects Reserve***	87,993,626	9,248,195	9,770,707	3,898,267	(5,872,440)	-60.1%
Excess ERAF Contingency Reserve	-	-	589,988	614,026	24,038	4.1%
Operating and Capital Reserve	74,535,165	56,930,697	62,727,361	59,162,245	(3,565,116)	-5.7%
Total Committed Reserves	**$ 162,528,791**	**$ 67,178,892**	**$ 73,088,056**	**$ 63,674,538**	**$ (9,413,518)**	**-12.9%**
TOTAL YEAR-END RESERVES	**$ 234,242,863**	**$ 86,771,712**	**$ 101,942,216**	**$ 119,874,234**	**$ 17,932,018**	**17.6%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 66,605,315	$ 67,899,880	$ 73,186,910	$ 78,081,396	$ 4,894,486	6.7%
Salary Savings Factor	-	(1,067,733)	(1,110,050)	(1,169,921)	(59,871)	5.4%
Services & Supplies	89,942,661	103,404,278	119,693,368	125,060,495	5,367,128	4.5%
Intra-District Charges	39,764,042	43,525,869	45,020,492	47,737,533	2,717,041	6.0%
OPERATING OUTLAY TOTAL	$ **196,312,018**	$ **213,762,294**	$ **236,790,720**	$ **249,709,503**	$ **12,918,783**	**5.5%**
DEBT SERVICE						
Services & Supplies	$ 1,595,708	$ 3,017,960	$ 3,834,100	$ 3,444,100	$ (390,000)	-10.2%
Debt Service	49,074,134	73,293,418	83,770,512	102,315,468	18,544,956	22.1%
DEBT SERVICE TOTAL	$ **50,669,842**	$ **76,311,378**	$ **87,604,612**	$ **105,759,568**	$ **18,154,956**	**20.7%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 30,290,507	$ 35,144,905	$ 36,532,078	$ 35,820,428	$ (711,650)	-1.9%
Salary Savings Factor	-	(572,156)	(580,627)	(563,156)	17,471	-3.0%
Services & Supplies	263,513,165	268,436,524	233,298,076	346,306,755	113,008,679	48.4%
Carry Forward Capital Projects	-	35,710,252	33,055,148	5,872,440	(27,182,708)	-82.2%
Intra-District Charges	18,118,218	22,445,951	22,767,367	22,168,469	(598,898)	-2.6%
CAPITAL PROJECTS TOTAL	$ **311,921,889**	$ **361,165,475**	$ **325,072,042**	$ **409,604,936**	$ **84,532,894**	**26.0%**
TOTAL OUTLAYS	$ **558,903,749**	$ **651,239,147**	$ **649,467,374**	$ **765,074,007**	$ **115,606,633**	**17.8%**

(*) 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

Water Utility Water Charge Summary

Rate per Acre-Foot ($/AF)	Adopted 2021-22	Adopted 2022-23	Adopted 2023-24	Adopted 2024-25	Projected [1] 2025-26
Basic User / Groundwater Production Charge					
Non-Agricultural					
Zone W-2	$ 1,499.00	$ 1,724.00	$ 1,974.00	$ 2,229.00	$ 2,450.00
Zone W-5	488.00	513.00	543.50	579.00	617.00
Zone W-7	528.50	582.50	657.50	750.50	857.00
Zone W-8	341.50	368.50	398.00	430.00	464.00
Agricultural					
All Zones	$ 34.15	$ 36.85	$ 36.85	$ 39.80	$ 43.00
Surface Water[2]					
Surface Water Master Charge	$ 40.90	$ 47.10	$ 54.00	$ 61.00	$ 67.10
Total Surface Water Charge[2]					
All Zones Agricultural	$ 75.05	$ 83.95	$ 90.85	$ 100.80	$ 110.10
Zone W-2 Non-Agricultural	1,539.90	1,771.10	2,028.00	2,290.00	2,517.10
Zone W-5 Non-Agricultural	528.90	560.10	597.50	640.00	684.10
Zone W-7 Non-Agricultural	569.40	629.60	711.50	811.50	924.10
Zone W-8 Non-Agricultural	382.40	415.60	452.00	491.00	531.10
Treated Water					
Contract (Scheduled)[3]	$ 1,614.00	$ 1,839.00	$ 2,089.00	$ 2,344.00	$ 2,565.00
Non-Contract[4]	1,699.00	1,924.00	2,174.00	2,429.00	2,650.00
Recycled Water					
Gilroy Recycled Facility					
Agricultural	$ 61.55	$ 64.25	$ 67.20	$ 70.15	$ 73.30
Non-Agricultural	468.00	493.00	523.50	559.00	597.00

1. Water charges are adopted by the Board annually. The projected FY 2025-26 water charges are the best current estimate and may change based on developing circumstances throughout the coming fiscal year.

2. Total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge.

3. The total treated water contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the contract surcharge ($115/AF).

4. The total treated water non-contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the non-contract surcharge ($200/AF).

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 122,763,306	$ 133,567,741	$ 155,531,315	$ 151,264,943	$ 17,697,202	13.2%
Capital	235,543,560	244,330,959	249,112,959	162,745,892	(81,585,067)	-33.4%
Total	**$ 358,306,866**	**$ 377,898,700**	**$ 404,644,274**	**$ 314,010,835**	**$ (63,887,865)**	**-16.9%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 18,681,913	$ 17,589,534	$ 17,589,534	$ 18,901,768	$ 1,312,234	7.5%
Capital	1,545,362	2,772,201	2,772,201	6,730,559	3,958,358	142.8%
Total	**$ 20,227,275**	**$ 20,361,735**	**$ 20,361,735**	**$ 25,632,327**	**$ 5,270,592**	**25.9%**
WATER TREATMENT						
Operations	$ 50,069,554	$ 52,567,528	$ 52,567,528	$ 54,882,640	$ 2,315,112	4.4%
Capital	39,892,846	37,060,639	37,105,639	84,153,244	47,092,605	127.1%
Total	**$ 89,962,400**	**$ 89,628,167**	**$ 89,673,167**	**$ 139,035,884**	**$ 49,407,717**	**55.1%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 2,126,271	$ 2,898,928	$ 2,898,928	$ 3,074,565	$ 175,637	6.1%
Capital	335,848	887,018	887,018	2,360,478	1,473,460	166.1%
Total	**$ 2,462,119**	**$ 3,785,946**	**$ 3,785,946**	**$ 5,435,043**	**$ 1,649,097**	**43.6%**
ADMINISTRATION & GENERAL						
Operations	$ 30,058,593	$ 37,089,910	$ 37,089,910	$ 39,783,634	$ 2,693,724	7.3%
Operating Projects	282,405	373,653	373,653	445,240	71,587	19.2%
Debt	50,669,842	76,311,378	76,311,378	87,604,612	11,293,234	14.8%
Capital	34,604,272	40,404,405	48,912,405	36,026,721	(4,377,684)	-10.8%
Total	**$ 115,615,112**	**$ 154,179,346**	**$ 162,687,346**	**$ 163,860,207**	**$ 9,680,861**	**6.3%**
TOTAL WATER ENTERPRISE FUND	**$ 586,573,772**	**$ 645,853,894**	**$ 681,152,468**	**$ 647,974,296**	**$ 2,120,402**	**0.3%**
Carried Forward Capital Projects	**$ -**	$ 35,710,252	$ 37,422,881	**$ 33,055,148**	$ (2,655,104)	-7.4%
TOTAL FUND WITH CARRYFORWARD	**$ 586,573,772**	**$ 681,564,146**	**$ 718,575,349**	**$ 681,029,444**	**$ (534,702)**	**-0.1%**
FUND SUMMARY BY CATEGORY						
Operations	$ 223,699,637	$ 243,713,641	$ 265,677,215	$ 267,907,550	$ 24,193,909	9.9%
Operating Projects	282,405	373,653	373,653	445,240	71,587	19.2%
Debt	50,669,842	76,311,378	76,311,378	87,604,612	11,293,234	14.8%
Capital	311,921,889	325,455,223	338,790,223	292,016,894	(33,438,328)	-10.3%
Carried Forward Capital Projects	-	35,710,252	37,422,881	33,055,148	(2,655,104)	-7.4%
TOTAL WATER ENTERPRISE FUND	**$ 586,573,773**	**$ 681,564,147**	**$ 718,575,350**	**$ 681,029,444**	**$ (534,702)**	**-0.1%**

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 122,763,306	$ 133,567,741	$ 151,264,943	$ 160,016,595	$ 8,751,652	5.8%
Capital	235,543,560	244,330,959	162,745,892	212,052,892	49,307,000	30.3%
Total	**$ 358,306,866**	**$ 377,898,700**	**$ 314,010,835**	**$ 372,069,487**	**$ 58,058,652**	**18.5%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 18,681,913	$ 17,589,534	$ 18,901,768	$ 19,611,641	$ 709,873	3.8%
Capital	1,545,362	2,772,201	6,730,559	5,087,859	(1,642,700)	-24.4%
Total	**$ 20,227,275**	**$ 20,361,735**	**$ 25,632,327**	**$ 24,699,500**	**$ (932,827)**	**-3.6%**
WATER TREATMENT						
Operations	$ 50,069,554	$ 52,567,528	$ 54,882,640	$ 57,362,033	$ 2,479,393	4.5%
Capital	39,892,846	37,060,639	84,153,244	157,252,046	73,098,802	86.9%
Total	**$ 89,962,400**	**$ 89,628,167**	**$ 139,035,884**	**$ 214,614,079**	**$ 75,578,195**	**54.4%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 2,126,271	$ 2,898,928	$ 3,074,565	$ 3,268,785	$ 194,220	6.3%
Capital	335,848	887,018	2,360,478	2,178,481	(181,997)	-7.7%
Total	**$ 2,462,119**	**$ 3,785,946**	**$ 5,435,043**	**$ 5,447,266**	**$ 12,223**	**0.2%**
ADMINISTRATION & GENERAL						
Operations	$ 30,058,593	$ 37,089,910	$ 39,783,634	$ 41,892,891	$ 2,109,257	5.3%
Operating Projects	282,405	373,653	445,240	460,005	14,765	3.3%
Debt	50,669,842	76,311,378	87,604,612	105,759,568	18,154,956	20.7%
Capital	34,604,272	40,404,405	36,026,721	27,161,218	(8,865,503)	-24.6%
Total	**$ 115,615,112**	**$ 154,179,346**	**$ 163,860,207**	**$ 175,273,682**	**$ 11,413,475**	**7.0%**
TOTAL WATER ENTERPRISE FUND	**$ 586,573,772**	**$ 645,853,894**	**$ 647,974,296**	**$ 792,104,014**	**$ 144,129,718**	**22.2%**
Carried Forward Capital Projects	$ -	$ 35,710,252	$ 33,055,148	$ 5,872,440	$ (27,182,708)	-82.2%
TOTAL FUND WITH CARRYFORWARD	**$ 586,573,772**	**$ 681,564,146**	**$ 681,029,444**	**$ 797,976,454**	**$ 116,947,010**	**17.2%**
FUND SUMMARY BY CATEGORY						
Operations	$ 223,699,637	$ 243,713,641	$ 267,907,550	$ 282,151,944	$ 14,244,395	5.3%
Operating Projects	282,405	373,653	445,240	460,005	14,765	3.3%
Debt	50,669,842	76,311,378	87,604,612	105,759,568	18,154,956	20.7%
Capital	311,921,889	325,455,223	292,016,894	403,732,496	111,715,602	38.3%
Carried Forward Capital Projects	-	35,710,252	33,055,148	5,872,440	(27,182,708)	-82.2%
TOTAL WATER ENTERPRISE FUND	**$ 586,573,773**	**$ 681,564,147**	**$ 681,029,444**	**$ 797,976,453**	**$ 116,947,010**	**17.2%**

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
91041012	Water Operations Planning	566,837	500,363	726,838	773,581	Raw Water Division
91041018	Groundwater Management Program	5,641,917	5,692,612	6,122,538	6,621,614	Raw Water Division
91061012	Facilities Env Compliance	52,695	48,298	49,476	50,274	Emergency, Safety and Security
91081007	Dam Safety Program	2,140,948	2,426,976	1,934,714	1,998,247	Dam Safety and Capital Delivery
91101004	Recycled & Purified Water Prog	5,100,265	5,872,495	5,376,152	5,523,679	Water Supply Division
91111001	Water Rights	624,506	740,473	619,305	653,139	Raw Water Division
91131004	Imported Water Program	4,575,212	5,939,651	6,129,588	6,216,008	Water Supply Division
91131006	IW San Felipe Division Delvrs	19,880,889	18,717,739	32,419,137	27,918,419	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	7,326,053	5,068,845	4,531,469	4,531,469	Water Supply Division
91151001	Water Conservation Program	11,612,400	12,088,726	12,553,044	12,714,031	Water Supply Division
91151012	RecycId/PurifiedWaterPublicEn	796,912	1,266,950	1,143,509	1,203,977	Office of the CEA
91151013	Water Banking Operations	8,784,990	5,881,785	5,624,186	10,905,396	Water Supply Division
91151014	GP5 Reimbursement Program	–	4,581,693	5,307,648	–	Water Supply Division
91211004	San Felipe Reach 1 Operation	715,372	776,015	712,080	745,169	Raw Water Division
91211005	SFD Reach 1 Administration	14,808	10,872	11,707	12,582	Raw Water Division
91211084	San Felipe Reach1 Ctrl and Ele	191,295	370,257	353,362	369,008	Treated Water Division
91211085	SF Reach 1-Engineering - Other	745,342	589,276	408,804	420,781	Raw Water Division
91211099	San Felipe Reach 1 Gen Maint	876,180	1,019,147	1,078,085	1,183,827	Raw Water Division
91221002	San Felipe Reach 2 Operation	71,809	80,734	75,554	78,884	Raw Water Division
91221006	SF Reach 2-Engineering - Other	533,872	280,572	326,209	340,478	Raw Water Division
91221099	San Felipe Reach 2 Gen Maint	68,177	161,714	175,217	184,984	Raw Water Division
91231002	San Felipe Reach 3 Operation	107,070	329,113	138,270	340,057	Raw Water Division
91231084	San Felipe Reach3 Ctrl and Ele	173,156	243,004	213,040	220,470	Treated Water Division
91231085	SF Reach 3-Engineering - Other	55,239	608,987	393,847	497,203	Raw Water Division
91231099	San Felipe Reach 3 Gen Maint	590,885	1,343,082	1,377,212	1,441,285	Raw Water Division
91241001	Wolfe Road Recycled Water Facility	198,850	206,000	195,000	195,000	Treated Water Division
91281007	SVAWPC Facility Operations	3,645,588	3,689,877	4,659,245	4,744,590	Treated Water Division
91281008	SVAWPC Facility Maintenance	3,027,891	3,891,164	3,395,073	4,431,475	Treated Water Division
91441003	Desalination	60,234	75,995	88,758	90,978	Water Supply Division
91451002	Well Ordinance Program	2,226,116	2,387,784	2,747,255	2,918,560	Raw Water Division
91451005	Source Water Quality Mgmt	431,437	413,377	440,970	703,611	Treated Water Division
91451011	Invasive Mussel Prevention	560,787	794,510	806,191	751,639	Treated Water Division
91601001	Delta Conveyance Project	2,683,844	3,679,178	5,833,087	8,090,000	Water Supply Division
91761001	Local Res/Div Plan & Analysis	2,060,214	2,383,516	2,496,119	2,673,603	Raw Water Division
91761013	SCADA Systems Upgrades	36,300	–	–	–	Treated Water Division
91761099	Dams / Reservoir Gen Maint	2,584,675	3,455,058	3,604,236	3,594,052	Dam Safety and Capital Delivery
91951001	San Luis Low Point	26,855	44,587	–	–	Dam Safety and Capital Delivery
91261001	PaloAlto Water Reuse	–	1,732,000	4,746,000	10,646,000	Water Supply Division
91061008	Drought Emergency	4,761,101	3,418,048	–	–	Water Supply Division
91251001	Los Vaqueros Reservoir Expansion	1,542,560	3,500,000	4,000,000	4,500,000	Water Supply Division
Total Operations		**95,093,282**	**103,242,741**	**119,702,873**	**127,114,149**	

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Capital						
91084019	Dam Safety Seismic Stability	378,188	127,162	298,688	500,781	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	100,774	–	–	–	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water	162,833	3,009,520	8,233	–	Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	14,730,292	379,146	147,183	133,037	Water Utility Capital Division
91214010	Small Caps, San Felipe R1	620,621	2,072,371	3,110,179	2,407,357	Raw Water Division
91224010	Small Caps, San Felipe R2	3,264	–	–	–	Raw Water Division
91234002	Coyote Pumping Plant ASD	4,962,542	13,060,226	21,021,999	9,861,229	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	105,642	4,932,941	1,347,254	3,096,988	Raw Water Division
91234011	Coyote Warehouse	65,533	–	–	–	Water Utility Capital Division
91854001	Almaden Dam Improvements	246,917	57,784	–	–	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	31,880,908	26,733,749	45,111,165	159,421,703	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	144,403	523,586	103,834	108,160	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	30,689,569	41,995,815	–	11,875,426	Dam Safety and Capital Delivery Division
91864010	Cross Valley Pipeline Extension Project	6,519,985	–	–	–	Dam Safety and Capital Delivery Division
91304001	Purified Water Project	9,721,546	10,177,795	–	–	Water Supply Division
91864009	Coyote Percolation Dam Replacement	3,737,108	12,495,964	73,031	–	Watersheds Desn & Construction Division
91864008	Coyote Creek Chillers	517,498	3,229,930	554,647	–	Dam Safety and Capital Delivery Division
91154007	San Felipe Division Capital	11,548,501	11,954,755	12,375,300	12,810,639	Water Supply Division
91864007	Coyote Creek Flood Management Measures	21,393,574	53,991,138	31,419,088	554,861	Watersheds Desn & Construction Division
91864006	Anderson Dam Tunnel Project	97,785,351	59,589,078	42,425,291	973,440	Dam Safety and Capital Delivery Division
91874004	Calero Dam Seismic Retrofit - Design & Construction	183,091	–	3,016,000	3,095,539	Dam Safety and Capital Delivery Division
91094010	So. County Recycled Water	45,419	–	–	–	Water Supply Division
91854003	Almaden Calero Canal Rehab	–	–	694,000	724,131	Water Utility Capital Division
91294001	San Jose Purified Water Project - Phase I	–	–	1,040,000	6,489,600	Water Supply Division
Total Capital		**235,543,559**	**244,330,960**	**162,745,892**	**212,052,891**	
Total		**330,636,841**	**347,573,701**	**282,448,765**	**339,167,040**	

Fund 61 Total Outlays - Raw Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
92061012	Facilities Env Compliance	94,852	86,936	89,057	90,494	Emergency, Safety and Security Division
92261099	Vasona Pump Station Gen Main	139,250	304,297	180,661	227,959	Raw Water Division
92761001	Raw Water T&D Gen'l Oper	2,181,905	1,837,834	2,047,232	2,121,651	Raw Water Division
92761008	Recycled Water T&D Genrl Maint	99,737	235,427	242,195	257,472	Raw Water Division
92761009	Recharge/RW Field Ops	3,137,295	3,650,441	4,069,175	4,385,020	Raw Water Division
92761010	Rchrg / RW Field Fac Maint	1,765,594	1,751,500	1,935,571	2,254,315	Raw Water Division
92761012	Untreated Water Prog Plan	152,402	345,061	284,811	291,755	Raw Water Division
92761013	SCADA Systems Upgrades	45,980	–	–	–	Treated Water Division
92761082	Raw Water T&D Ctrl and Electr	587,135	690,445	759,490	770,346	Treated Water Division
92761083	Raw Water T&D Eng Other	1,992,842	1,231,946	1,454,919	1,625,363	Raw Water Division
92761085	Anderson Hydrelctrc Fclty Main	3,441	112,849	19,294	20,444	Raw Water Division
92761099	Raw Water T / D Gen Maint	4,725,090	2,875,476	3,128,629	3,288,089	Raw Water Division
92781002	Raw Water Corrosion Control	436,639	804,488	699,316	712,313	Raw Water Division
92041014	FAHCE/Three Creeks Project	3,319,751	3,662,836	3,991,418	3,566,420	Watershed Stewardship & Planning Div
Total Operations		**18,681,913**	**17,589,536**	**18,901,768**	**19,611,641**	
Capital						
92144001	Pacheco/SC Conduit ROW ACQ	227,130	74,636	227,350	–	Water Utility Capital Division
92264001	Vasona Pump Station Upgrade	660,249	–	1,169,524	1,773,824	Water Utility Capital Division
92304001	Almaden Valley Pipeline	496,094	1,677,587	2,128,879	2,214,035	Water Utility Capital Division
92764009	Small Caps, Raw Water T&D	161,889	1,019,978	3,204,807	1,100,000	Raw Water Division
Total Capital		**1,545,362**	**2,772,201**	**6,730,560**	**5,087,859**	
Total		**20,227,275**	**20,361,737**	**25,632,328**	**24,699,500**	

Fund 61 Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
93061012	Facilities Env Compliance	642,883	589,231	603,606	613,346	Emergency, Safety and Security Division
93081008	W T General Water Quality	2,551,822	2,801,940	2,851,478	2,999,047	Treated Water Division
93081009	Water Treatment Plant Engineer	369,473	418,820	458,698	232,517	Raw Water Division
93231009	PWTP General Operations	7,723,900	7,809,270	7,861,659	8,167,314	Treated Water Division
93231099	Penitencia WTP General Maint	2,768,258	3,568,503	3,616,353	3,791,985	Raw Water Division
93281005	STWTP - General Operations	6,698,150	6,733,988	7,859,476	8,188,982	Treated Water Division
93281099	Santa Teresa WTP General Maint	3,548,985	4,047,860	4,333,733	4,539,107	Raw Water Division
93291012	RWTP General Operations	10,215,452	10,910,432	10,899,291	11,504,154	Treated Water Division
93291099	Rinconada WTP General Maint	4,856,590	4,225,889	4,769,025	4,999,753	Raw Water Division
93401002	Water District Laboratory	6,697,929	6,982,887	7,187,527	7,575,483	Treated Water Division
93761001	SF/SCVWD Intertie General Ops	28,064	176,177	55,815	57,332	Treated Water Division
93761004	Campbell Well Field Operations	18,365	101,972	59,851	59,745	Treated Water Division
93761005	Campbell Well Field Maint	132,557	131,209	159,465	153,741	Raw Water Division
93761006	Treated Water Ctrl & Elec Eng	2,770,549	3,157,847	3,066,738	3,222,217	Treated Water Division
93761013	SCADA Systems Upgrades	145,200	–	–	–	Treated Water Division
93761099	SF/SCVWD Intertie Gen Maint	53,498	165,544	223,915	227,486	Raw Water Division
93081002	Plant Maintenance Engineering & Commissioning Project	847,879	745,959	876,010	1,029,825	Treated Water Division
Total Operations		**50,069,554**	**52,567,528**	**54,882,640**	**57,362,033**	
Capital						
93084004	Wtr Trtmnt Plnt Electr Imprv	696,024	–	672,006	5,927,946	Water Utility Capital Division
93234044	PWTP Residuals Management	1,726,163	1,490,165	9,395,630	17,551,394	Water Utility Capital Division
93284013	STWTP Filter Media Replace	11,568,228	5,097,891	575,660	–	Water Utility Capital Division
93294051	RWTP FRP Residuals Management	26,790	–	–	–	Water Utility Capital Division
93294057	RWTP Reliability Improvement	3,173,624	22,176,962	66,210,007	121,474,570	Water Utility Capital Division
93294058	RWTP Residuals Remediation	19,396,811	1,210,022	–	–	Water Utility Capital Division
93764004	Small Caps, Water Treatment	2,307,302	3,397,748	6,307,255	11,470,712	Raw Water Division
93044001	WTP Master Plan Implementation	997,904	3,057,393	516,144	282,298	Office of Integrated Water Management
93294059	RWTP Ammonia Storage Facility Upgrade Project	–	630,457	476,543	545,126	Water Utility Capital Division
Total Capital		**39,892,846**	**37,060,638**	**84,153,245**	**157,252,046**	
Total		**89,962,400**	**89,628,166**	**139,035,885**	**214,614,079**	

Fund 61 Total Outlays - Treated Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
94761005	TW T&D - Engineering - Other	706,355	606,937	937,920	1,033,617	Raw Water Division
94761013	SCADA Systems Upgrades	14,520	–	–	–	Treated Water Division
94761099	Treated Water T/D Gen Maint	1,142,606	1,615,733	1,561,113	1,668,316	Raw Water Division
94781001	Treated Water T/D Corrosion	262,790	676,258	575,532	566,852	Raw Water Division
Total Operations		**2,126,271**	**2,898,928**	**3,074,565**	**3,268,785**	
Capital						
94084007	Treated Water Isolation Valves	335,848	610,768	2,010,978	1,886,481	Water Utility Capital Division
94764006	Small Caps,Treated Water T&D	–	276,250	349,500	292,000	Raw Water Division
Total Capital		**335,848**	**887,018**	**2,360,478**	**2,178,481**	
Total		**2,462,119**	**3,785,946**	**5,435,043**	**5,447,266**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	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	583,635	1,344,173	1,318,392	1,384,455	Watershed Stewardship & Planning Div
95021008	Energy Management	154,381	233,171	251,278	264,780	Treated Water Division
95031002	Grants Management	833,148	910,966	949,870	995,892	Financial Planning & Mgmt Div
95041039	Integrated Regional Water Mgmt	43,453	130,688	94,572	91,016	Water Supply Division
95061012	Rental Expense San Pedro,MH	8,111	58,206	48,161	49,332	Watershed Stewardship & Planning Div
95061038	WUE Administration	9,271,558	11,567,445	11,646,046	12,411,999	Office of COO Water Utility
95061045	Asset Management Program	1,695,543	1,709,397	2,429,844	2,664,864	Office of Integrated Water Management
95061047	WUE Technical Training Program	9	–	–	–	Human Resources Division
95061048	Climate Change Adaptation/Mtg.	99,119	212,049	264,848	271,753	Watershed Stewardship & Planning Div
95061051	Lands Management Program	363,422	511,776	585,864	615,837	Watershed Stewardship & Planning Div
95071041	Welding Services	276,173	587,578	620,074	627,517	General Services Division
95101003	Water Revenue Program	1,959,218	2,272,296	2,418,647	2,515,465	Financial Planning & Mgmt Div
95111003	Water Use Measurement	2,028,338	2,445,318	2,628,746	2,738,967	Raw Water Division
95121003	LT Financial Planning & Rate S	523,600	523,641	543,668	572,082	Financial Planning & Mgmt Div
95151002	WU Customer Relations&Outreach	1,038,666	1,065,760	1,175,564	1,225,309	Office of the CEA
95741001	Water Supply Planning	2,733,753	2,817,723	3,218,290	3,300,410	Water Supply Division
95741042	Water Resorcs EnvPlng & Permtg	2,125,505	2,279,737	2,767,818	2,374,813	Watersheds Operations & Maint Division
95761003	SCADA Network Administration	402,305	762,975	958,792	863,636	Information Technology Division
95761071	Emergency Management	1,039,077	1,447,441	1,448,010	1,514,009	Emergency, Safety and Security Division
95771011	Inter Agency Urban Runoff Prog	432,195	523,852	557,754	582,542	Watershed Stewardship & Planning Div
95771031	HAZMAT Emergency Response	61,041	95,346	107,051	110,712	Emergency, Safety and Security Division
95811043	Hydrologic Data Msrmt & Mgmt	1,145,965	1,234,017	1,339,591	1,350,049	Watershed Stewardship & Planning Div
95811046	Warehouse Services	577,031	697,489	791,940	867,114	General Services Division
95811049	X Valley Subsidence Survey	349,290	441,911	305,482	870,665	Office of Integrated Water Management
95811054	District Real Property Adminis	404,037	492,788	522,482	719,385	Watershed Stewardship & Planning Div
95061035	Rent Exp Coyote	140,576	255,568	177,233	186,367	Watershed Stewardship & Planning Div
95061050	Office of Integrated Water Management	1,299,951	1,761,228	1,921,002	2,018,536	Office of Integrated Water Management
95061059	Technical Training Program	469,492	557,371	542,614	555,383	Human Resources Division
Total Operations		**30,058,593**	**37,089,910**	**39,783,634**	**41,892,891**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operating Project						
95762011	Tree Maintenance Program	282,405	373,653	445,240	460,005	Watersheds Operations & Maint Division
Total Operating		**282,405**	**373,653**	**445,240**	**460,005**	
Debt Service						
95993007	Commercial Paper Tax Exempt	1,364,849	3,620,980	3,721,550	4,058,550	Financial Planning & Mgmt Div
95993008	Commercial Paper Taxable	1,521,817	3,620,980	3,721,550	4,208,550	Financial Planning & Mgmt Div
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,317,000	5,360,750	5,360,750	5,360,750	Financial Planning & Mgmt Div
95993016	2016B WU Ref Rev Bond(Taxable)	3,230,871	3,274,621	3,274,621	3,274,621	Financial Planning & Mgmt Div
95993017	WU COP 2016C (Tax-Exempt)	4,944,650	4,961,250	4,972,000	4,933,000	Financial Planning & Mgmt Div
95993018	WU COP 2016D (Taxable)	5,754,905	5,817,169	5,808,808	5,845,452	Financial Planning & Mgmt Div
95993019	WU Rev Bond 2017A (Tax Exempt)	4,346,700	4,421,000	4,396,500	4,447,750	Financial Planning & Mgmt Div
95993022	WU Rev Bond 2019A (Tax-Exempt)	992,100	1,036,750	1,032,750	1,033,250	Financial Planning & Mgmt Div
95993023	WU Rev Bond 2019B (Taxable)	4,504,080	4,547,898	4,545,348	4,549,160	Financial Planning & Mgmt Div
95993024	WU Rev Bond 2019C (Taxable)	3,047,994	3,036,554	3,058,192	3,000,363	Financial Planning & Mgmt Div
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,210,250	1,251,000	1,251,000	1,251,000	Financial Planning & Mgmt Div
95993026	WU Rev Bond 2020B (Taxable)	2,035,285	2,078,285	2,078,285	2,078,285	Financial Planning & Mgmt Div
95993027	WU COP 2020C (Tax-Exempt)	3,726,250	3,713,000	3,665,500	3,616,000	Financial Planning & Mgmt Div
95993028	WU COP 2020D (Taxable)	4,786,649	4,888,218	4,933,840	4,983,250	Financial Planning & Mgmt Div
95993039	WU Rev Bond 2025A (Tax-Exempt)	–	–	–	9,503,567	Financial Planning & Mgmt Div
95993042	WU COP 2023C2 (Tax-Exempt)	–	3,311,500	3,693,000	3,657,500	Financial Planning & Mgmt Div
95993040	WU Rev Bond 2025B (Taxable)	–	–	–	4,568,267	Financial Planning & Mgmt Div
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	291,610	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	233,948	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993046	CWIFP Dam Safety#1	–	–	270,000	45,000	Financial Planning & Mgmt Div
95993045	CWIFP Anderson#1	–	–	270,000	45,000	Financial Planning & Mgmt Div
95993038	WU COP 2024D (Taxable)	–	1,964,850	6,792,506	8,785,791	Financial Planning & Mgmt Div
95993035	WU COP 2023D (TX Note)	–	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993034	WU COP 2023C1 (TE Note)	1,023,854	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993032	WU Rev Bond 2024B-1 (Taxable)	–	3,953,917	5,220,908	5,220,908	Financial Planning & Mgmt Div
95993031	WU Rev Bond 2024A-1 (Tax-Exempt)	–	5,107,708	3,730,250	3,355,250	Financial Planning & Mgmt Div

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
95993029	WU Rev Bond 2023A (Tax-Exempt)	1,027,471	2,807,250	2,649,500	2,649,500	Financial Planning & Mgmt Div
95993044	WU Rev Bond 2024B-2 (TX NOTE)	–	–	45,000	45,000	Financial Planning & Mgmt Div
95993043	WU Rev Bond 2024A-2 (TE NOTE)	–	–	45,000	45,000	Financial Planning & Mgmt Div
95993041	WU WIFIA Project 1 Anderson #2	–	–	–	120,000	Financial Planning & Mgmt Div
95993037	WU COP 2024C (Tax-Exempt)	–	2,565,938	8,316,000	10,323,500	Financial Planning & Mgmt Div
95993030	WU Rev Bond 2023B (Taxable)	1,309,560	4,791,760	4,571,754	4,575,304	Financial Planning & Mgmt Div
Total Debt Service		**50,669,842**	**76,311,378**	**87,604,612**	**105,759,568**	
Capital						
95074001	Capital Warranty Services	55,212	–	–	–	Water Utility Capital Division
95074033	CIP Development & Admin	923,567	840,768	1,046,480	1,109,187	Office of Integrated Water Management
95074036	Survey Mgmt & Tech Support	330,824	466,786	353,503	514,429	Office of Integrated Water Management
95084002	10-Yr PL Inspection and Rehab	21,796,465	27,291,036	19,610,264	9,152,008	Water Utility Capital Division
95274003	WU Computer Network Modrnizatn	1,240,271	–	2,021,252	2,262,707	Information Technology Division
95044001	Distribution System Master Plan Implementation	858,710	1,932,238	630,577	656,531	Office of Integrated Water Management
95074040	Capital Project Mgmt System	77,991	–	–	–	Office of Integrated Water Management
95044002	SCADA Master Plan Implementation	2,121,467	388,687	49,401	727,917	Treated Water Division
95074042	Capital Project Mgmt & Controls	732,047	702,344	798,569	841,100	Office of Integrated Water Management
95074005	WU Capital Prog Admin Support	5,011,145	6,303,354	8,193,553	8,159,614	Water Utility Capital Division
95074047	Computer-Aided Design for Engineering	438,091	998,104	1,219,139	1,494,955	Office of Integrated Water Management
95074041	Construction Contracts and Support	1,018,484	2,053,246	2,098,610	2,254,309	General Services Division
95044004	SMPIP Upgrades - Phase 1	–	–	586,000	551,616	Office of Integrated Water Management
Total Capital		**34,604,274**	**40,404,407**	**36,026,721**	**27,161,217**	
Total		**115,615,114**	**154,179,348**	**163,860,207**	**175,273,681**	

Fund 61 and 63 Outlays - Combined Total

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26
Outlays Summary by Account Type				
Operations				
Source of Supply	95,093,282	103,242,741	119,702,873	127,114,149
Raw Water Transmission & Distribution	18,681,913	17,589,536	18,901,768	19,611,641
Water Treatment	50,069,554	52,567,528	54,882,640	57,362,033
Treated Water Transmission & Distribution	2,126,271	2,898,928	3,074,565	3,268,785
Administration and General	30,058,593	37,089,910	39,783,634	41,892,891
Total Operations	**$196,029,613**	**$213,388,643**	**$236,345,480**	**$249,249,498**
Operating				
Administration and General	282,405	373,653	445,240	460,005
Total Operating	**$282,405**	**$373,653**	**$445,240**	**$460,005**
Debt				
Administration and General	50,669,842	76,311,378	87,604,612	105,759,568
Total Debt Service	**$50,669,842**	**$76,311,378**	**$87,604,612**	**$105,759,568**
Capital				
Source of Supply	235,543,559	244,330,960	162,745,892	212,052,891
Raw Water Transmission & Distribution	1,545,362	2,772,201	6,730,560	5,087,859
Water Treatment	39,892,846	37,060,638	84,153,245	157,252,046
Treated Water Transmission & Distribution	335,848	887,018	2,360,478	2,178,481
Administration and General	34,604,274	40,404,407	36,026,721	27,161,217
Total Capital	**$311,921,889**	**$325,455,224**	**$292,016,896**	**$403,732,494**
Total Fund 61 Outlays	**$558,903,750**	**$615,528,898**	**$616,412,228**	**$759,201,565**
Fund 63: State Water Project Costs	27,670,024	30,325,000	31,562,070	32,902,446
Total Water Utility Enterprise Outlays	**$586,573,774**	**$645,853,898**	**$647,974,298**	**$792,104,011**

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year-End 2023-24	Adopted Budget 2024-25	% Change from 2023-24	Proposed Plan 2025-26	% Change from 2024-25
North County - Zone W2							
Allocated Revenue							
Operating Revenue	257,647,605	314,480,761	314,604,070	383,484,839	22%	454,036,943	18%
Non-operating Revenue	57,419,149	49,439,727	46,758,744	41,399,254	-16%	41,875,502	1%
Total Allocated Revenue	315,066,754	363,920,488	361,362,813	424,884,093	17%	495,912,446	17%
Allocated Operating Outlays							
Operations	199,605,307	217,466,510	239,369,096	238,323,112	10%	251,184,784	5%
Operating Projects	(30,521)	286,527	(354,368)	(66,120)	-123%	1,042	-102%
Debt Service	50,669,842	76,311,378	76,311,378	87,604,612	15%	105,759,568	21%
Total Allocated Operating Outlays	250,244,629	294,064,414	315,326,105	325,861,605	11%	356,945,394	10%
Balance Available for Capital/Reserve	64,822,126	69,856,073	46,036,708	99,022,489	42%	138,967,052	40%
Total Capital Appropriations	311,921,889	361,165,475	376,213,104	325,072,042	-10%	409,604,936	26%
Other Financing Sources							
Revenue Bond Proceeds	241,607,044	230,414,696	196,725,000	236,311,001	3%	288,104,000	22%
Transfers In	26,060,900	1,092,727	1,092,727	11,428,122	946%	11,345,713	-1%
Transfers Out	(3,873,600)	(3,926,700)	(3,927,600)	(8,271,800)	111%	(10,078,660)	22%
Total Other Financing Sources/(Uses)	263,794,344	227,580,723	193,890,127	239,467,323	5%	289,371,053	21%
Other Intra-Zone Allocations							
South County Open Space Credit	(7,458,521)	(6,755,330)	(8,831,313)	(10,606,522)	57%	(12,300,087)	16%
South County Capital Amortization	6,107,230	7,713,605	7,991,158	11,263,842	46%	11,332,895	1%
South County Interest	(146,612)	(68,549)	(102,322)	(32,664)	-52%	23,044	-171%
Balance Available for W2	15,196,678	(62,838,952)	(137,228,746)	14,042,426	-122%	17,789,020	27%
South County - Zones W5, W-7 & W-8							
Zone W5 - Llagas Subbasin							
Allocated Revenue							
Operating Revenue	10,133,595	10,460,561	10,445,792	12,138,731	16%	14,107,939	16%
Non-operating Revenue	3,089,662	2,595,126	2,878,279	2,966,872	14%	2,934,507	-1%
Total Allocated Revenue	13,223,257	13,055,687	13,324,072	15,105,603	16%	17,042,446	13%
Zone W7 - Coyote Valley							
Allocated Revenue							
Operating Revenue	5,961,997	5,352,407	5,369,197	6,799,142	27%	8,523,696	25%
Non-operating Revenue	894,881	729,567	835,501	861,158	18%	851,780	-1%
Total Allocated Revenue	6,856,878	6,081,975	6,204,698	7,660,300	26%	9,375,476	22%
Zone W8 - Foothills below Uvas & Chesbro Reservoirs							
Allocated Revenue							
Operating Revenue	172,501	176,980	176,309	201,656	14%	234,204	16%
Non-operating Revenue	74,056	62,792	68,964	71,119	13%	70,400	-1%
Total Allocated Revenue	246,556	239,772	245,272	272,776	14%	304,604	12%
Total South County Revenue							
Operating Revenue	16,268,093	15,989,949	15,991,298	19,139,529	20%	22,865,840	19%
Non-operating Revenue	4,058,599	3,387,485	3,782,743	3,899,150	15%	3,856,687	-1%

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year-End 2023-24	Adopted Budget 2024-25	% Change from 2023-24	Proposed Plan 2025-26	% Change from 2024-25
Total Allocated Revenue	20,326,692	19,377,434	19,774,042	23,038,679	19%	26,722,526	16%
Open Space Credit	7,458,521	6,755,330	8,831,313	10,606,522	57%	12,300,087	16%
Total Current Resources	27,785,212	26,132,764	28,605,355	33,645,201	29%	39,022,614	16%
Total South County Costs							
Operations	20,555,531	22,902,646	22,976,362	25,593,831	12%	26,887,682	5%
Operating Projects	312,926	87,126	728,021	511,359	487%	458,963	-10%
Imported Water Purchases	3,538,798	3,344,485	3,331,758	3,990,606	19%	4,079,479	2%
Total Allocated Costs	24,407,256	26,334,258	27,036,140	30,095,797	14%	31,426,123	4%
Balance Available for Capital/Reserve	3,377,957	(201,494)	1,569,214	3,549,403	-1862%	7,596,490	114%
Interest (earned)/due Utility Reserves	(146,612)	(68,549)	(102,322)	(32,664)	-52%	23,044	-171%
Total Capital Amortization	6,107,230	7,713,605	7,991,158	11,263,842	46%	11,332,895	1%
Balance Available/(Deficit) for South County	(2,582,661)	(7,846,550)	(6,319,622)	(7,681,775)	-2%	(3,759,448)	-51%
Total Balance Available/(Deficit)	12,614,016	(70,685,502)	(143,548,368)	6,360,651	-109%	14,029,572	121%

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2024-25	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
Operations							
91041012	Water Operations Planning	72,684	45,791	-	608,363	726,838	Raw Water Deliveries
91041018	Groundwater Management Program	2,124,521	593,886	61,225	3,342,906	6,122,538	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(203,172)	(56,955)	(4,135)	(845,788)	(1,110,050)	Water Usage Ratio
91061012	Facilities Environmental Compliance	4,952	3,094	23	41,407	49,476	Raw Water Deliveries
91081007	Dam Safety Program	389,707	39,718	7,739	1,497,550	1,934,714	Program Benefit Calculation
91101004	Recycled & Purified Water Program	349,450	-	-	5,026,702	5,376,152	Population
91111001	Water Rights and Accounting	61,931	39,016	-	518,359	619,305	Raw Water Deliveries
91131004	Imported Water Program	281,961	386,164	-	5,461,462	6,129,588	Imported Water Ratio
91131006	San Felipe Division Deliveries	2,431,435	3,339,171	-	26,648,531	32,419,137	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	-	-	-	4,531,469	4,531,469	No South County Benefit
91131008	State Water Project Costs	-	-	-	31,562,070	31,562,070	No South County Benefit
91151001	Water Conservation Program	1,092,115	50,212	50,212	11,360,504	12,553,044	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	74,328	-	-	1,069,181	1,143,509	Population
91151013	Water Banking Operations	258,713	354,324	-	5,011,150	5,624,186	Imported Water Ratio
91151014	GP5 Reimbursement Program	-	-	-	5,307,648	5,307,648	No South County Benefit
91211004	San Felipe Reach 1 Operations	56,254	76,905	-	578,921	712,080	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	919	1,262	-	9,526	11,707	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	27,739	38,085	-	287,538	353,362	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	32,092	44,060	-	332,652	408,804	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	84,631	116,194	-	877,259	1,078,085	CVP Imported Water Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2024-25	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
91221002	San Felipe Reach 2 Operations	5,969	8,160	-	61,426	75,554	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	25,608	35,158	-	265,443	326,209	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	13,755	18,885	-	142,577	175,217	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	4,135	12,974	-	121,161	138,270	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	6,331	19,949	-	186,759	213,040	CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	11,704	36,880	-	345,263	393,847	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	40,928	128,962	-	1,207,322	1,377,212	CVP Imported Water Ratio
91241001	Wolfe Road Recycled Water Facility	-	-	-	195,000	195,000	No South County Benefit
91251001	Los Vaqueros-Bethany Transfer PL Placeholder	-	-	-	4,000,000	4,000,000	No South County Benefit
91261001	Palo Alto Water Reuse Agreement	-	-	-	4,746,000	4,746,000	No South County Benefit
91281007	SVAWPC Facility Operations	-	-	-	4,659,245	4,659,245	No South County Benefit
91281008	SVAWPC Facility Maintenance	-	-	-	3,395,073	3,395,073	No South County Benefit
91441003	Desalination	16,245	4,554	331	67,628	88,758	Water Usage Ratio
91451002	Well Ordinance Program	159,341	49,451	-	2,538,463	2,747,255	Well Permits and Inpections
91451005	Source Water Quality Management	80,711	22,626	1,643	335,992	440,970	Water Usage Ratio
91451011	Invasive Mussel Prevention	80,693	50,408	375	674,714	806,191	Raw Water Deliveries
91601001	Delta Conveyance	268,322	367,484	-	5,197,281	5,833,087	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	456,790	127,302	9,984	1,902,042	2,496,119	Water Usage Ratio
91761099	Dams & Resevoir Gen Maint	692,997	70,629	13,762	2,826,849	3,604,236	Program Benefit Calculation
92061012	Facilities Environmental Compliance	8,914	5,568	41	74,533	89,057	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	-	-	-	180,661	180,661	No South County Benefit

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2024-25	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
92761001	Raw Water T&D Gen'l Oper	204,723	128,976	-	1,713,533	2,047,232	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	242,195	-	-	-	242,195	Benefits Only South County
92761009	Recharge/RW Field Ops	934,847	561,310	3,729	2,569,290	4,069,175	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	444,675	266,996	1,774	1,222,125	1,935,571	Groundwater Recharge Ratio
92761012	Untreated Surface Water Program	84,019	88,007	-	112,785	284,811	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Elec Eng	76,019	47,488	353	635,630	759,490	Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	145,626	90,971	677	1,217,646	1,454,919	Raw Water Deliveries
92761085	Anderson Hydrelectrc Fclty Main	1,515	2,079	-	15,700	19,294	Anderson Water Deliveries Ratio
92781002	RW Corrosion Control	69,996	43,726	325	585,269	699,316	Raw Water Deliveries
93061012	Environmental Compliance Support	-	-	-	603,606	603,606	No South County Benefit
93081002	Treatment Plant Process & Commissioning	-	-	-	876,010	876,010	No South County Benefit
93081008	W T General Water Quality	-	-	-	2,851,478	2,851,478	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	-	-	-	458,698	458,698	No South County Benefit
93231009	PWTP Operations General	-	-	-	7,861,659	7,861,659	No South County Benefit
93231099	Penitencia WTP General Maint	-	-	-	3,616,353	3,616,353	No South County Benefit
93281005	STWTP - General Operations	-	-	-	7,859,476	7,859,476	No South County Benefit
93281099	Santa Teresa Wtr General Maint	-	-	-	4,333,733	4,333,733	No South County Benefit
93291012	RWTP General Operations	-	-	-	10,899,291	10,899,291	No South County Benefit
93291099	Rinconada WTP General Maint	-	-	-	4,769,025	4,769,025	No South County Benefit
93401002	Wtr District Laboratory	595,110	50,443	4,395	6,537,580	7,187,527	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	-	-	-	55,815	55,815	No South County Benefit

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2024-25	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
93761004	Campbell Wellfield Operations	-	-	-	59,851	59,851	No South County Benefit
93761005	Campbell Wellfield Maintenance	-	-	-	159,465	159,465	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	-	-	-	3,066,738	3,066,738	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	-	-	-	223,915	223,915	No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	-	-	-	937,920	937,920	No South County Benefit
94761099	Treated Water T&D Gen Maint	-	-	-	1,561,113	1,561,113	No South County Benefit
94781001	TW T&D Corrosion Control	-	-	-	575,532	575,532	No South County Benefit
95011003	Asset Protection Support	51,149	14,339	1,041	1,251,863	1,318,392	Program Benefit Calculation
95021008	Energy Management	2,915	854	101	247,409	251,278	Labor Hours
95041039	Integrated Regional Water Mgmt	17,309	4,852	352	72,057	94,572	Water Usage Ratio
95061012	Residntl Rental Exp San Pedro, MH	48,161	-	-	-	48,161	Benefits only South County
95061035	Rental Expense Coyote	-	177,233	-	-	177,233	No South County Benefit
95061038	WUE Administration	2,131,572	597,545	43,381	8,873,548	11,646,046	Water Usage Ratio
95061045	WUE TW Div Admin Support	444,734	124,672	9,051	1,851,387	2,429,844	No South County Benefit
95061048	Climate Change Adaptation/Mitg	48,475	13,589	987	201,797	264,848	Water Usage Ratio
95061050	Office of Integrated Wtr Mgmt	351,600	98,564	7,156	1,463,681	1,921,002	Program Benefit Calculation
95061051	Lands Management Program	107,230	30,060	2,182	446,391	585,864	Program Benefit Calculation
95061059	Workforce Development Technical Training Program	99,314	27,841	2,021	413,437	542,614	No South County Benefit
95071041	Welding Services	8,092	2,268	165	609,549	620,074	Program Benefit Calculation
95101003	Water Revenue Program	1,159,983	339,094	24,670	894,899	2,418,647	Labor Hours
95111003	Water Use Measurement General	1,062,434	139,166	50,682	1,376,464	2,628,746	Labor Hours

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2024-25	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
95121003	Long Term Financial Planning	99,507	27,895	2,025	414,241	543,668	Water Usage Ratio
95151002	Water Utlity Customer Relations	76,412	-	-	1,099,152	1,175,564	Population
95741001	Water Supply Planning	589,043	165,127	11,988	2,452,133	3,218,290	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	127,781	35,778	2,676	2,601,583	2,767,818	Program Benefit Calculation
95761003	SCADA Network Administration	95,967	59,950	446	802,429	958,792	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	94,121	-	-	1,353,890	1,448,010	Population
95771011	InterAgency Urban Runoff Program	55,827	34,875	259	466,794	557,754	Raw Water Deliveries
95771031	HAZMAT Emergency Response	6,940	756	347	99,008	107,051	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	79,036	219,693	159,411	881,451	1,339,591	Stream Gauge Location
95811046	Warehouse Svcs 50% WU	144,949	40,634	2,950	603,408	791,940	Water Usage Ratio
95811049	X Valley Subsidence Survey	9,146	3,424	2,297	290,615	305,482	Program Benefit Calculation
95811054	District Real Property Admin	95,630	26,808	1,946	398,098	522,482	Program Benefit Calculation
Operations Projects Total		**19,573,406**	**9,929,442**	**486,955**	**237,917,748**	**267,907,550**	
Operating Projects							
95762011	Tree Maintenance Program	81,492	22,845	1,659	339,244	445,240	Water Usage Ratio
Operating Projects Total		**81,492**	**22,845**	**1,659**	**339,244**	**445,240**	
Operations and Operating Total		**19,654,898**	**9,952,286**	**488,613**	**238,256,993**	**268,352,790**	

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2025 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
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	Program Benefit
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 Masterplan, Short-Term Implementation 1B	45,404	100.0%	45,404	2,316	FY 52	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	12,375	5.4%	668	668	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	7.9%	526	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	2,504	7.9%	197	197	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	618	7.9%	49	49	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	18.3%	1,802	93	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	13,747	7.9%	1,079	56	FY 53	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,287	100.0%	7,287	372	FY 54	Benefits Only South County Zone W-5
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
Small Caps, Raw Water Transmission and Distribution	2,274	10.0%	228	228	N/A	Raw Water Usage

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2025 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
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
Microwave Telecomunications	4,595	7.0%	320	21	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit
Pipeline Hydraulic Reliability Upgrades	335	1.7%	6	0	FY 45	Program Benefit
WTP WQL Network Equipment	2,021	18.3%	370	370	N/A	Water Usage Ratio
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
Fleet and Facility Annex Improvements	3,023	18.3%	553	28	FY 54	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	18.3%	514	28	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	4,520	18.3%	827	827	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	6,238	10.5%	658	658	N/A	Total Capital Cost Ratio
Total Zone W-5	**$282,555**		**$104,448**	**$8,576**		

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

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 2025 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
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	Program Benefit
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 Masterplan, Short-Term Implementation 1B	45,404	0.0%	-	-	FY 52	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	12,375	7.4%	916	916	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	10.8%	722	37	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	2,504	10.8%	270	270	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	618	10.8%	67	67	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	5.1%	505	26	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	0	FY 36	Program Benefit
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	13,747	10.8%	1,482	77	FY 53	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,287	0.0%	-	-	FY 54	Benefits Only South County Zone W-5
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

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 2025 Cost Recovery***	**Year Cost Recovery is Complete**	**Basis of Allocation to South County Zone W-7**
Small Caps, Raw Water Transmission and Distribution	2,274	6.3%	142	142	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
Microwave Telecomunications	4,595	2.0%	93	6	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit
Pipeline Hydraulic Reliability Upgrades	335	0.5%	2	0	FY 45	Program Benefit
WTP WQL Network Equipment	2,021	5.1%	104	104	N/A	Water Usage Ratio
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	4	FY 44	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	5.1%	155	8	FY 54	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	5.1%	144	8	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	0.0%	-	-	FY 46	Benefits Only South County
IT Capital Fund Transfers	4,520	5.1%	232	232	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	6,238	3.1%	191	191	N/A	Total Capital Cost Ratio
Total Zone W-7	**$282,555**		**$11,443**	**$2,487**		

* 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 2025 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
Geodetic Control Maintenance	236	0.3%	1	0	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	1	0	FY 45	Program Benefit
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 Masterplan, Short-Term Implementation 1B	45,404	0.0%	-	-	FY 52	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	12,375	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	2,504	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	618	0.0%	-	-	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	0.4%	37	2	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.0%	1	0	FY 36	Program Benefit
Water Infrastructure Baseline Improvement	2,403	0.1%	2	0	FY 38	Spare Pipe Usage
Cross Valley Pipeline Extension	13,747	0.0%	-	-	FY 53	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	0.0%	-	-	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD	18,518	0.0%	-	-	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,287	0.0%	-	-	FY 54	Benefits Only South County Zone W-5
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
Small Caps, Raw Water Transmission and Distribution	2,274	0.0%	1	1	N/A	Raw Water Usage

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 2025 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
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
Microwave Telecomunications	4,595	0.2%	7	0	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit
Pipeline Hydraulic Reliability Upgrades	335	0.0%	0	0	FY 45	Program Benefit
WTP WQL Network Equipment	2,021	0.4%	8	8	N/A	Water Usage Ratio
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
Fleet and Facility Annex Improvements	3,023	0.4%	11	1	FY 54	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	4,520	0.4%	17	17	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	6,238	0.0%	3	3	N/A	Total Capital Cost Ratio
Total Zone W-8	**$282,555**		**$193**	**$38**		

* 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 2025 Cost Recovery Amount
Zone W-5	$ 104,448	$ 8,576
Zone W-7	11,443	2,487
Zone W-8	193	38
Grand Total	**$** 116,084	**$** 11,102

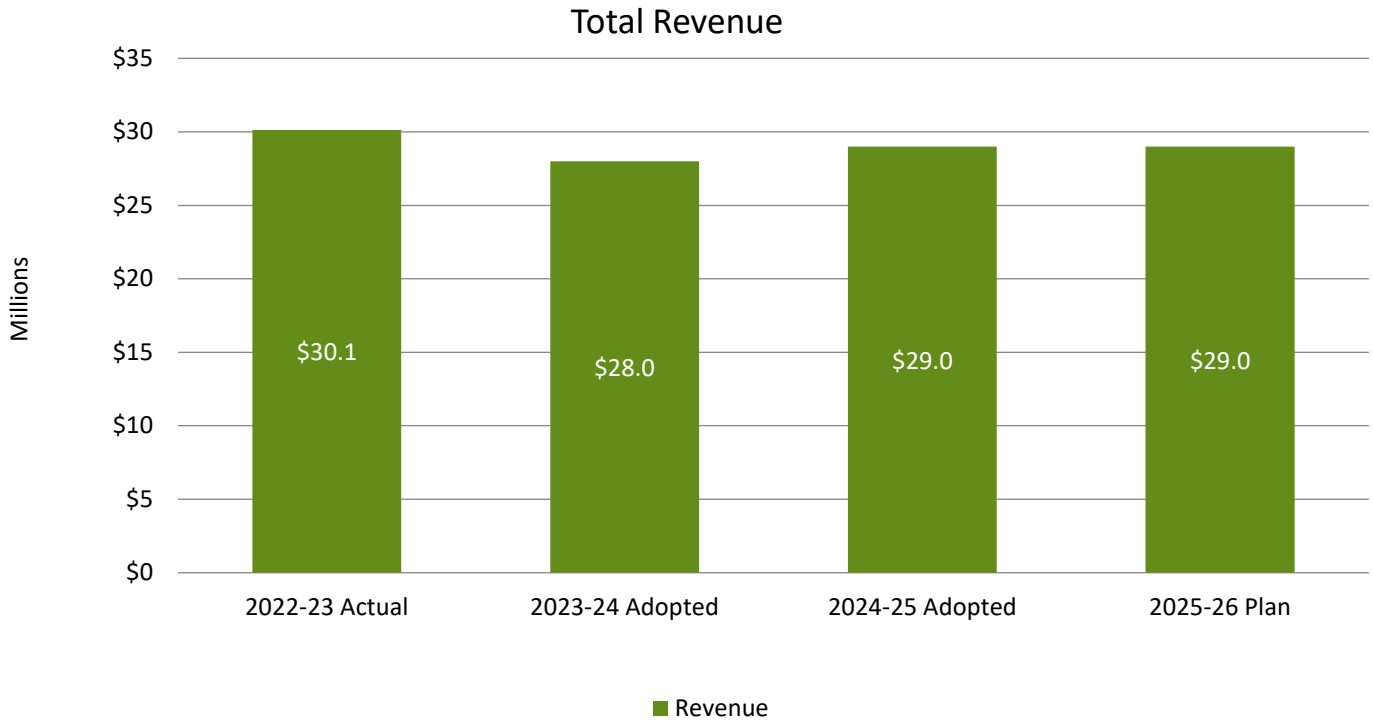
Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

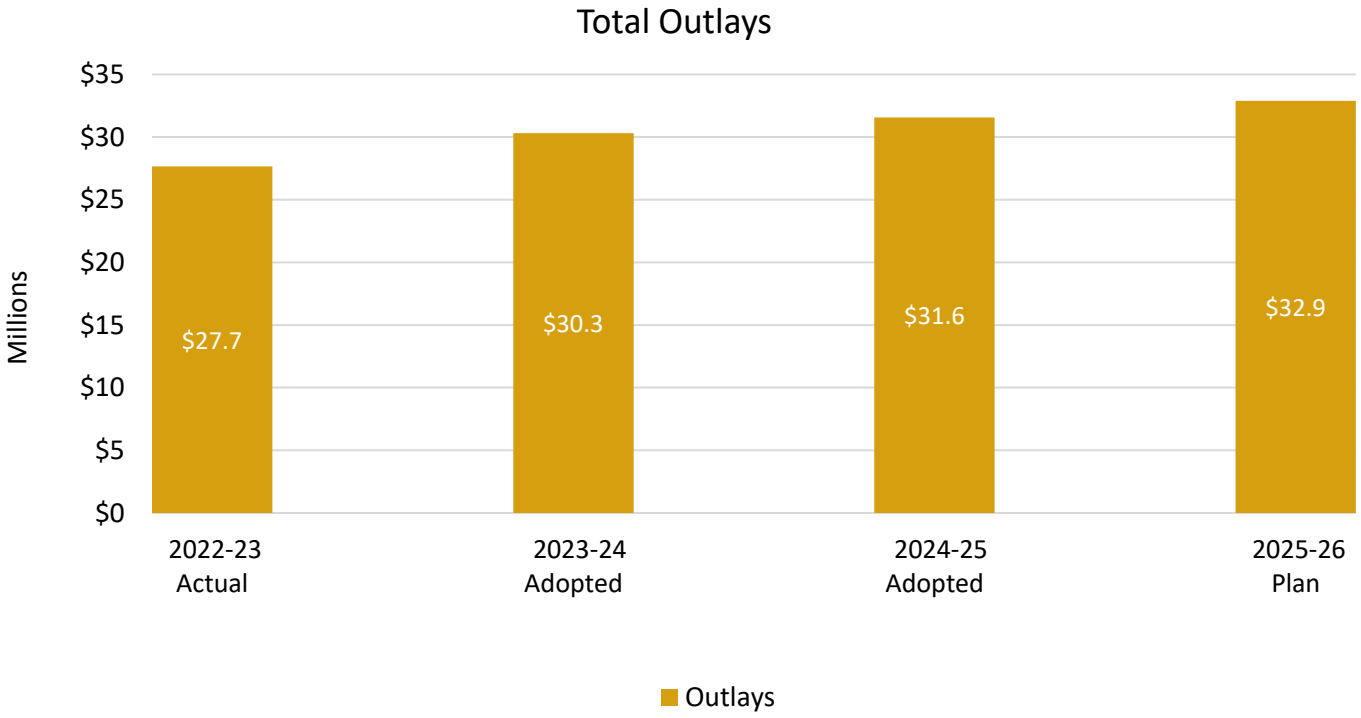
State Water Project Fund

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 2024-25 and FY 2025-26, staff recommends setting the State Water Project tax at $28.0 million each year. This translates to a property tax bill for the average single-family residence in Santa Clara County of roughly $42.00 per year. Staff anticipates that Valley Water's contractual indebtedness to the State of California under the State Water Supply Contract will be around $31.6 million for FY 2024-25, rising to $32.9 million in FY 2025-26. 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Property Tax	$ 28,872,237	$ 27,000,000	27,000,000	$ 28,000,000	$ 1,000,000	3.7%
Non-Operating Other	1,260,147	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 30,132,384**	**$ 28,000,000**	**28,000,000**	**$ 29,000,000**	**$ 1,000,000**	**3.6%**
OUTLAYS						
Operating Outlays						
Operations **	$ 27,670,024	$ 30,325,000	30,325,000	$ 31,562,070	$ 1,237,070	4.1%
Total Operating Outlays	**$ 27,670,024**	**$ 30,325,000**	**30,325,000**	**$ 31,562,070**	**$ 1,237,070**	**4.1%**
TOTAL OUTLAYS****	**$ 27,670,024**	**$ 30,325,000**	**30,325,000**	**$ 31,562,070**	**$ 1,237,070**	**4.1%**
BALANCE AVAILABLE	**$ 2,462,359**	**$ (2,325,000)**	**(2,325,000)**	**$ (2,562,070)**	**$ (237,070)**	**10.2%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 13,860,460	$ 8,816,456	11,535,460	$ 8,973,390	$ 156,934	1.8%
Total Restricted Reserves	**$ 13,860,460**	**$ 8,816,456**	**11,535,460**	**$ 8,973,390**	**$ 156,934**	**1.8%**
TOTAL YEAR-END RESERVES	**$ 13,860,460**	**$ 8,816,456**	**11,535,460**	**$ 8,973,390**	**$ 156,934**	**1.8%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 27,670,024	$ 30,325,000	30,325,000	$ 31,562,070	$ 1,237,070	4.1%
OPERATING OUTLAY TOTAL	$ **27,670,024**	$ **30,325,000**	**30,325,000**	$ **31,562,070**	$ **1,237,070**	**4.1%**
TOTAL OUTLAYS	$ **27,670,024**	$ **30,325,000**	**30,325,000**	$ **31,562,070**	$ **1,237,070**	**4.1%**

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

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

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

State Water Project Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Property Tax	$ 28,872,237	$ 27,000,000	$ 28,000,000	$ 28,000,000	$ -	0.0%
Non-Operating Other	1,260,147	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 30,132,384**	**$ 28,000,000**	**$ 29,000,000**	**$ 29,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 27,670,024	$ 30,325,000	$ 31,562,070	$ 32,902,446	$ 1,340,376	4.2%
Total Operating Outlays	**$ 27,670,024**	**$ 30,325,000**	**$ 31,562,070**	**$ 32,902,446**	**$ 1,340,376**	**4.2%**
TOTAL OUTLAYS	**$ 27,670,024**	**$ 30,325,000**	**$ 31,562,070**	**$ 32,902,446**	**$ 1,340,376**	**4.2%**
BALANCE AVAILABLE	**$ 2,462,359**	**$ (2,325,000)**	**$ (2,562,070)**	**$ (3,902,446)**	**$ (1,340,376)**	**52.3%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 13,860,460	$ 8,816,456	$ 8,973,390	$ 5,070,944	$ (3,902,446)	-43.5%
Total Restricted Reserves	**$ 13,860,460**	**$ 8,816,456**	**$ 8,973,390**	**$ 5,070,944**	**$ (3,902,446)**	**-43.5%**
TOTAL YEAR-END RESERVES	**$ 13,860,460**	**$ 8,816,456**	**$ 8,973,390**	**$ 5,070,944**	**$ (3,902,446)**	**-43.5%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 27,670,024	$ 30,325,000	$ 31,562,070	$ 32,902,446	$ 1,340,376	4.2%
OPERATING OUTLAY TOTAL	**$ 27,670,024**	**$ 30,325,000**	**$ 31,562,070**	**$ 32,902,446**	**$ 1,340,376**	**4.2%**
TOTAL OUTLAYS	**$ 27,670,024**	**$ 30,325,000**	**$ 31,562,070**	**$ 32,902,446**	**$ 1,340,376**	**4.2%**

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

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

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

Fund 63 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
91131008	State Water Project Costs	27,670,024	30,325,000	31,562,070	32,902,446	Water Supply Division
Total Operations		**27,670,024**	**30,325,000**	**31,562,070**	**32,902,446**	
Total		**27,670,024**	**30,325,000**	**31,562,070**	**32,902,446**	

This page left intentionally blank.

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 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 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 2024-25 and FY 2025-26 Capital Outlay budget in the General Fund is approximately $5.9 million in fiscal year 2024-2025 and $10.7 million in fiscal year 2025-26 to improve and maintain existing buildings, grounds, and services through several small capital improvement projects. The increase of $1.5 million in FY 2024-25 is due to the Headquarters Building project.

Fiscal Status

Intra-District Reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $82.3 million in FY 2024-25, a 2.5% increase from FY 2023-24. In FY 2025-26, the reimbursements are projected to increase an additional 4.6% to $86.0 million. The Intra-District Reimbursements rate for FY 2024-25 and FY 2025-26 is 82%. The CEO, District Counsel, Clerk of the Board, and Administration costs funded in the General Fund provide services to the Watersheds and Water Utility Enterprise operations and capital programs. Generally, intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from Watershed Funds.

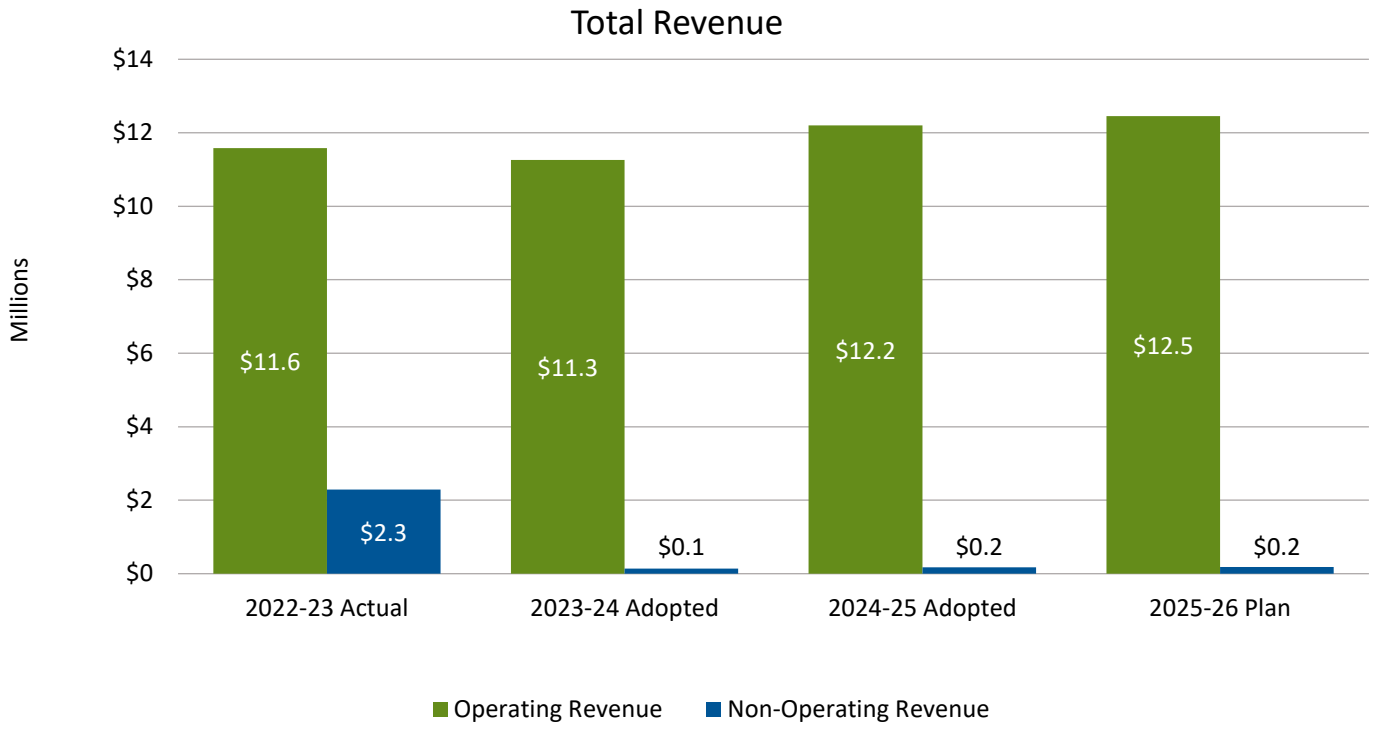
Property Tax revenue is projected at $12.2 million for FY 2024-25. The projection reflects an increase of $0.9 million or a 8.3% increase from the FY 2023-24 Adopted Budget. The increase in Property Tax revenue is based on property tax roll updates received from Santa Clara County. In FY 2025-26, Property Tax revenue is projected to increase an additional 2.1% to $12.5 million. Interest Income is $146,000 in FY 2024-25; in FY 2025-26, it is projected to increase to $153,000.

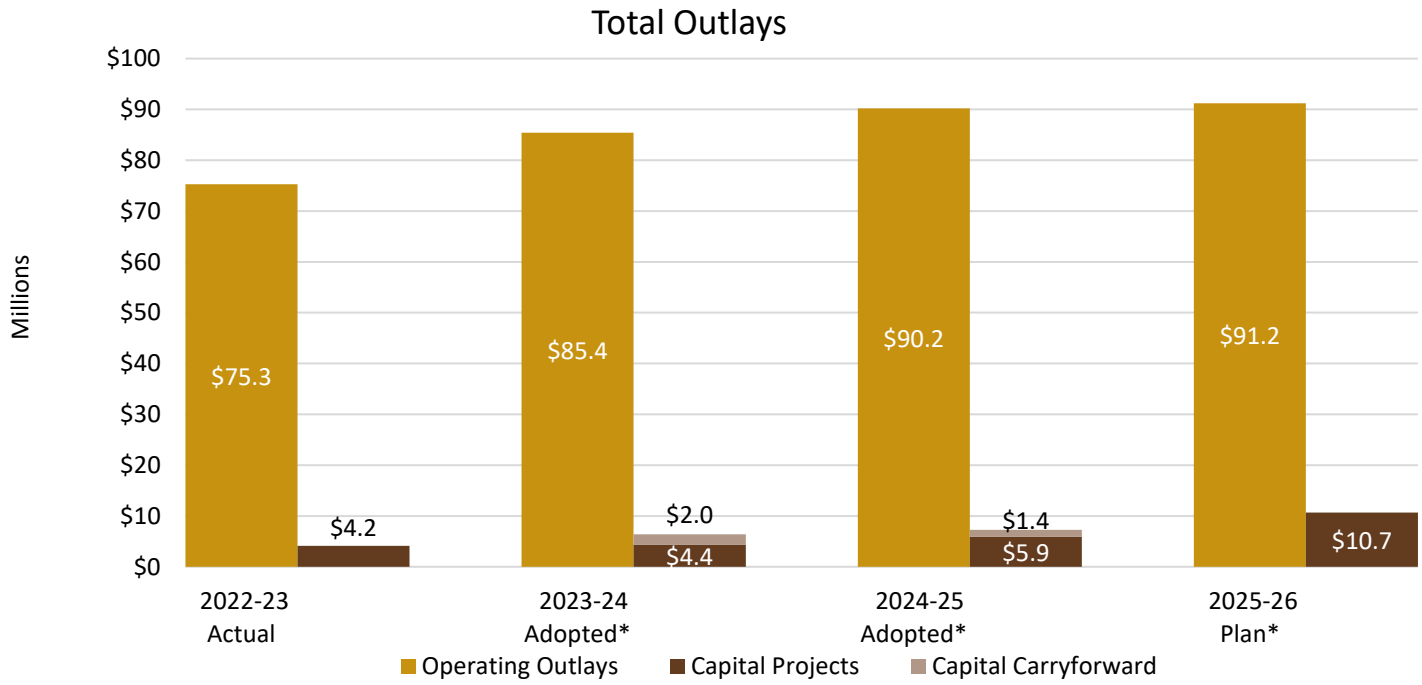
Operating Outlays for the services provided to Watersheds and Water Utility Enterprise total $90.2 million for FY 2024-25. This is an increase of $4.8 million or a 5.6% increase from the FY 2023-24 Adopted Budget. This change is primarily comprised of: increases in salary and related costs per MOU ($3.4 million), increases in services and supplies for Clerk of the Board election costs ($1.5 million), Drought Induced Tree Removal costs ($0.4 million), security and protective services ($0.4 million), and a net decrease in various projects and programs (-$0.9 million). In FY 2025-26, Operating Outlays are projected to increase an additional 1.1% to $91.2 million.

Operating Transfers In for FY 2024-25 are $3.8 million made up of Headquarter Operations Building Project ($1.5 million) from the Watershed and Stream Stewardship (WSS) Fund (10%), the Safe Clean Water Fund (30%), and Water Utility Enterprise Fund (60%), Drought Induced Tree Removal ($2.0 million) from the WSS Fund, and Security Upgrades and Enhancements Capital Project ($0.3 million) from the WSS Fund (10%), the Safe Clean Water Fund (30%), and Water Utility Enterprise Fund (60%); and Operating Transfer Out are $2.0 million for the Open Space Credit to the Water Utility Enterprise Fund. For FY 2025-26, Operating Transfers In are projected to be $7.4 million made up of Headquarter Operations Building Project ($6.2 million) from the Watershed and Stream Stewardship (WSS) Fund (10%), the Safe Clean Water Fund (30%), and Water Utility Enterprise Fund (60%), the Drought Induced Tree Removal Project ($0.9 million) from the WSS Fund, and the Security Upgrades and Enhancements Capital Project ($0.3 million) from the WSS Fund (10%), the Safe Clean Water Fund (30%), and Water Utility Enterprise Fund (60%); and Operating Transfers Out are projected to be $1.9 million for the Open Space Credit to the Water Utility Enterprise Fund.

General Fund reserves are estimated at approximately $14.8 million for FY 2024-25 and $17.1 million for FY 2025-26 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 11,581,449	$ 11,261,086	$ 11,844,000	$ 12,198,500	$ 937,414	8.3%
Total Operating Revenue	**$ 11,581,449**	**$ 11,261,086**	**$ 11,844,000**	**$ 12,198,500**	**$ 937,414**	**8.3%**
Non-Operating Revenue						
Interest Income *	$ 185,636	$ 105,000	$ 146,000	$ 146,000	$ 41,000	39.0%
Non-Operating Other	2,105,702	30,000	30,000	30,000	-	0.0%
Total Non-Operating Revenue	**$ 2,291,338**	**$ 135,000**	**$ 176,000**	**$ 176,000**	**$ 41,000**	**30.4%**
TOTAL REVENUE	**$ 13,872,787**	**$ 11,396,086**	**$ 12,020,000**	**$ 12,374,500**	**$ 978,414**	**8.6%**
OUTLAYS						
Operating Outlays						
Operations **	$ 74,280,846	$ 84,957,338	$ 85,982,070	$ 90,181,922	$ 5,224,585	6.1%
Operating Project	504,739	-	875,000	-	-	0.0%
Debt Service	472,187	475,054	475,054	-	(475,054)	-100.0%
Total Operating Outlays	**$ 75,257,772**	**$ 85,432,392**	**$ 87,332,124**	**$ 90,181,922**	**$ 4,749,531**	**5.6%**
Capital Outlays						
Capital Projects	$ 4,150,541	$ 4,400,121	$ 7,871,121	$ 5,868,266	$ 1,468,145	33.4%
Carry Forward Capital Projects	-	1,985,500	-	1,394,069	(591,431)	-29.8%
Total Capital Outlays	**$ 4,150,541**	**$ 6,385,621**	**$ 7,871,121**	**$ 7,262,335**	**$ 876,714**	**13.7%**
TOTAL OUTLAYS	**$ 79,408,312**	**$ 91,818,013**	**$ 95,203,245**	**$ 97,444,257**	**$ 5,626,244**	**6.1%**
Less Intra-District Reimbursements	(69,244,184)	(80,223,610)	(80,223,610)	(82,259,551)	(2,035,941)	2.5%
NET OUTLAYS	**$ 10,164,128**	**$ 11,594,403**	**$ 14,979,635**	**$ 15,184,706**	**$ 3,590,303**	**31.0%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,213,951	$ 1,843,300	$ 1,843,350	$ 3,820,900	$ 1,977,600	107.3%
Transfers Out	-	-	-	(1,986,500)	(1,986,500)	0.0%
TOTAL OTHER SOURCES/(USES)	**$ 4,213,951**	**$ 1,843,300**	**$ 1,843,350**	**$ 1,834,400**	**$ (8,900)**	**-0.5%**
BALANCE AVAILABLE	**$ 7,922,610**	**$ 1,644,983**	**$ (1,116,285)**	**$ (975,806)**	**$ (2,620,789)**	**-159.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 4,034,117	$ 1,394,500	$ 1,394,069	$ -	$ (1,394,500)	-100.0%
Operating and Capital Reserve	12,838,190	10,573,015	14,361,953	14,113,584	3,540,569	33.5%
Excess ERAF Contingency Reserve	-	-	-	666,631	666,631	0.0%
Total Committed Reserves	**$ 16,872,307**	**$ 11,967,515**	**$ 15,756,022**	**$ 14,780,215**	**$ 2,812,700**	**23.5%**
TOTAL YEAR-END RESERVES	**$ 16,872,307**	**$ 11,967,515**	**$ 15,756,022**	**$ 14,780,215**	**$ 2,812,700**	**23.5%**

General Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 45,331,550	$ 48,607,639	$ 48,607,640	$ 51,997,635	$ 3,389,996	7.0%
Salary Savings Factor	-	(763,799)	(763,799)	(791,104)	(27,305)	3.6%
Services & Supplies	21,674,768	28,099,115	29,998,847	29,434,010	1,334,895	4.8%
Intra-District Charges	7,779,267	9,014,383	9,014,382	9,541,381	526,999	5.8%
OPERATING OUTLAY TOTAL	**$ 74,785,585**	**$ 84,957,338**	**$ 86,857,070**	**$ 90,181,922**	**$ 5,224,585**	**6.1%**
DEBT SERVICE						
Services & Supplies	$ 449	$ 2,908	$ 2,908	$ -	$ (2,908)	-100.0%
Debt Service	471,738	472,146	472,146	-	(472,146)	-100.0%
DEBT SERVICE TOTAL	**$ 472,187**	**$ 475,054**	**$ 475,054**	**$ -**	**$ (475,054)**	**-100.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 45,440	$ 311,452	$ 311,452	$ 268,020	$ (43,432)	-13.9%
Salary Savings Factor	-	(5,163)	(5,163)	(4,267)	895	-17.3%
Services & Supplies	4,085,049	4,017,068	7,488,068	5,535,065	1,517,997	37.8%
Carry Forward Capital Projects	-	1,985,500	-	1,394,069	(591,431)	-29.8%
Intra-District Charges	20,051	76,764	76,764	69,448	(7,316)	-9.5%
CAPITAL PROJECTS TOTAL	**$ 4,150,541**	**$ 6,385,621**	**$ 7,871,121**	**$ 7,262,335**	**$ 876,714**	**13.7%**
TOTAL OUTLAYS	**$ 79,408,312**	**$ 91,818,013**	**$ 95,203,245**	**$ 97,444,257**	**$ 5,626,244**	**6.1%**

(*) 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

General Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 11,581,449	$ 11,261,086	$ 12,198,500	$ 12,451,495	$ 252,995	2.1%
Total Operating Revenue	**$ 11,581,449**	**$ 11,261,086**	**$ 12,198,500**	**$ 12,451,495**	**$ 252,995**	**2.1%**
Non-Operating Revenue						
Interest Income *	$ 185,636	$ 105,000	$ 146,000	$ 153,000	$ 7,000	4.8%
Non-Operating Other	2,105,702	30,000	30,000	30,600	600	2.0%
Total Non-Operating Revenue	**$ 2,291,338**	**$ 135,000**	**$ 176,000**	**$ 183,600**	**$ 7,600**	**4.3%**
TOTAL REVENUE	**$ 13,872,787**	**$ 11,396,086**	**$ 12,374,500**	**$ 12,635,095**	**$ 260,595**	**2.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 74,280,846	$ 84,957,338	$ 90,181,922	$ 91,188,410	$ 1,006,487	1.1%
Operating Project	504,739	-	-	-	-	0.0%
Debt Service	472,187	475,054	-	-	-	0.0%
Total Operating Outlays	**$ 75,257,772**	**$ 85,432,392**	**$ 90,181,922**	**$ 91,188,410**	**$ 1,006,487**	**1.1%**
Capital Outlays						
Capital Projects	$ 4,150,541	$ 4,400,121	$ 5,868,266	$ 10,651,419	$ 4,783,154	81.5%
Carry Forward Capital Projects	-	1,985,500	1,394,069	-	(1,394,069)	-100.0%
Total Capital Outlays	**$ 4,150,541**	**$ 6,385,621**	**$ 7,262,335**	**$ 10,651,419**	**$ 3,389,085**	**46.7%**
TOTAL OUTLAYS	**$ 79,408,312**	**$ 91,818,013**	**$ 97,444,257**	**$ 101,839,829**	**$ 4,395,572**	**4.5%**
Less Intra-District Reimbursements	(69,244,184)	(80,223,610)	(82,259,551)	(86,023,550)	(3,763,999)	4.6%
NET OUTLAYS	**$ 10,164,128**	**$ 11,594,403**	**$ 15,184,706**	**$ 15,816,281**	**$ 631,573**	**4.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,213,951	$ 1,843,300	$ 3,820,900	$ 7,414,870	$ 3,593,970	94.1%
Transfers Out	-	-	(1,986,500)	(1,869,614)	116,886	-5.9%
TOTAL OTHER SOURCES/(USES)	**$ 4,213,951**	**$ 1,843,300**	**$ 1,834,400**	**$ 5,545,256**	**$ 3,710,856**	**202.3%**
BALANCE AVAILABLE	**$ 7,922,610**	**$ 1,644,983**	**$ (975,806)**	**$ 2,364,072**	**$ 3,339,878**	**-342.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 4,034,117	$ 1,394,500	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	12,838,190	10,573,015	14,113,584	16,451,194	2,337,610	16.6%
Excess ERAF Contingency Reserve	-	-	666,631	693,093	26,462	4.0%
Total Committed Reserves	**$ 16,872,307**	**$ 11,967,515**	**$ 14,780,215**	**$ 17,144,287**	**$ 2,364,072**	**16.0%**
TOTAL YEAR-END RESERVES	**$ 16,872,307**	**$ 11,967,515**	**$ 14,780,215**	**$ 17,144,287**	**$ 2,364,072**	**16.0%**

General Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 45,331,550	$ 48,607,639	$ 51,997,635	$ 54,870,721	$ 2,873,086	5.5%
Salary Savings Factor	-	(763,799)	(791,104)	(827,577)	(36,472)	4.6%
Services & Supplies	21,674,768	28,099,115	29,434,010	27,011,011	(2,423,000)	-8.2%
Intra-District Charges	7,779,267	9,014,383	9,541,381	10,134,254	592,873	6.2%
OPERATING OUTLAY TOTAL	**$ 74,785,585**	**$ 84,957,338**	**$ 90,181,922**	**$ 91,188,410**	**$ 1,006,487**	**1.1%**
DEBT SERVICE						
Services & Supplies	$ 449	$ 2,908	$ -	$ -	$ -	0.0%
Debt Service	471,738	472,146	-	-	-	0.0%
DEBT SERVICE TOTAL	**$ 472,187**	**$ 475,054**	**$ -**	**$ -**	**$ -**	**0.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 45,440	$ 311,452	$ 268,020	$ 290,832	$ 22,812	8.5%
Salary Savings Factor	-	(5,163)	(4,267)	(4,518)	(250)	5.9%
Services & Supplies	4,085,049	4,017,068	5,535,065	10,286,126	4,751,061	85.8%
Carry Forward Capital Projects	-	1,985,500	1,394,069	-	(1,394,069)	-100.0%
Intra-District Charges	20,051	76,764	69,448	78,979	9,531	13.7%
CAPITAL PROJECTS TOTAL	**$ 4,150,541**	**$ 6,385,621**	**$ 7,262,335**	**$ 10,651,419**	**$ 3,389,085**	**46.7%**
TOTAL OUTLAYS	**$ 79,408,312**	**$ 91,818,013**	**$ 97,444,257**	**$ 101,839,829**	**$ 4,395,572**	**4.5%**

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

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

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

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
60001090	CEOUnscoped Projects-BudgtOnly	–	100,000	100,000	100,000	Office of the CEO
60001091	Unscoped Projects-Budget Only	(12,068)	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	68,110	102,870	110,858	116,815	Treated Water Division
60041003	Hollister Groundwater Mgmt	9,126	53,142	52,499	54,260	Raw Water Division
60061012	Facilities Env Compliance	263,477	241,488	247,379	251,371	Emergency, Safety and Security Division
60061018	General Services Div Admin	574,770	1,301,368	1,390,378	1,468,991	General Services Division
60061023	Districtwide Salary Savings-11	–	(763,799)	(791,104)	(827,577)	Financial Planning & Mgmt Div
60061055	Asset Management Program	339,109	341,879	485,969	532,973	Office of Integrated Water Management
60061058	Drought Induced Tree Removal	1,767,464	1,529,093	2,035,899	869,063	Watersheds Operations & Maint Division
60071041	Welding Services	11,047	23,503	24,803	25,101	General Services Division
60091001	Directors Fees / Expenses	531,699	594,950	616,750	639,800	Office of the Clerk of the Board
60101001	Purchasing Services	1,860,140	2,520,596	1,884,785	1,967,171	General Services Division
60101002	Building and Grounds	9,620,414	11,966,687	12,335,142	12,456,638	General Services Division
60101005	Districtwide Signage	71,570	305,271	370,029	369,909	General Services Division
60101008	District Security Services	3,258,678	4,977,364	5,499,196	5,802,967	Emergency, Safety and Security Division
60111002	General Accounting Services	5,044,661	5,545,446	5,808,835	6,133,906	Financial Planning & Mgmt Div
60111006	Contract Services	2,686,274	2,635,507	3,171,531	3,303,246	General Services Division
60121003	LT Financial Planning & Rate S	235,241	235,259	244,257	257,023	Financial Planning & Mgmt Div
60131007	Ofc of Chief Executive Officer	1,586,101	1,491,300	1,710,717	1,840,466	Office of the CEO
60131014	Continual Improvement	598,952	782,804	763,592	789,518	Financial Planning & Mgmt Div
60141001	District Counsel	5,249,277	5,579,415	5,838,410	6,266,974	Office of the District Counsel
60171002	Education & Volunteer Program	1,912,082	2,474,134	1,058,139	1,114,110	Office of the CEA
60171009	Community Relations	211,246	225,821	250,492	260,484	Office of the CEA
60221001	Budget and Financial Analyses	2,499,294	2,734,557	2,801,492	2,934,501	Financial Planning & Mgmt Div
60221002	Debt & Treasury Management	1,113,655	1,287,039	1,464,452	1,590,185	Financial Planning & Mgmt Div
60221003	FPMD Administration	564,352	578,457	623,385	678,681	Financial Planning & Mgmt Div
60231002	Communications	1,656,626	2,114,369	1,721,743	1,816,569	Office of the CEA
60231003	Federal Government Relations	740,078	1,038,707	1,122,377	1,174,413	Office of the CEA
60231004	State Government Relations	1,065,298	1,361,989	1,446,413	1,527,823	Office of the CEA
60231005	Local Government Relations	2,223,056	2,451,420	2,443,977	2,538,409	Office of the CEA
60231006	Office of Chief of Ext Affairs	1,892,776	1,287,017	1,350,674	1,444,201	Office of the CEA
60241026	Quality and Env Mgmt Sys Prog	450,126	599,163	608,181	642,483	Financial Planning & Mgmt Div
60281003	Ethics & EEO Programs	11,600	168,100	173,100	173,100	Human Resources Division
60281004	Racial EquityDiversity&Inclusn	1,026,803	2,295,894	1,848,881	1,898,052	Office of the CEA
60281006	Reasonable Accommodation	2,751	130,182	60,000	60,000	Human Resources Division
60291003	Labor Relations	1,168,757	1,414,676	1,473,889	1,559,491	Human Resources Division
60291011	HR Program Admin	735,946	871,070	1,417,189	1,502,175	Human Resources Division
60291032	Bargaining Unit Representation	78,283	224,479	212,307	221,980	Human Resources Division
60291040	Rotation Program	519,287	648,900	–	–	Human Resources Division
60291041	Internship Program	836,535	1,145,550	1,417,584	1,438,573	Human Resources Division
60301001	Clerk of the Board Serv	3,598,654	2,945,903	4,398,041	3,087,766	Office of the Clerk of the Board
60311001	Records & Library Services	1,242,527	1,332,836	1,640,644	1,722,038	Office of the Clerk of the Board
60351001	Business & Customer SupportSvc	2,602,777	3,485,602	3,644,018	3,869,665	General Services Division
60601010	Emergency Activation	17,158	–	–	–	Emergency, Safety and Security Division
60601013	Covid 19	1,529,727	–	–	–	Emergency, Safety and Security Division
60811046	Warehouse Services	477,545	577,232	655,399	717,611	General Services Division
60131004	AS Administration	1,647,721	2,321,649	2,511,145	2,597,851	Office of the COO Admin Services
60231007	Internal Communications	529,997	628,626	731,328	768,422	Office of the CEA

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
60361002	Graphic Services	1,143,772	1,282,658	1,369,558	1,457,383	Office of the CEA
60601015	EOC - Storm 2022-12-30	2,514,661	–	–	–	Emergency, Safety and Security Division
60291001	Recruitment and Selection Program	2,815,992	3,334,141	3,435,476	3,243,146	Human Resources Division
60291002	Benefits and Wellness Program	1,289,697	1,658,651	1,638,955	1,731,105	Human Resources Division
60291004	Workforce Development Program	1,802,028	2,528,787	3,142,944	3,220,581	Human Resources Division
60291005	Classification & Compensation Pgm	–	261,017	109,864	111,860	Human Resources Division
60291030	HRIS Admin & Data Analytics Pgm	186,828	764,905	1,160,520	1,220,229	Human Resources Division
60291044	Next-Gen Program	102,575	1,019,663	870,217	894,106	Human Resources Division
60171010	Community Benefits Project	–	–	1,279,614	1,352,800	Office of the CEA
60601016	EOC – Storm 2023-03/09	306,594	–	–	–	Emergency, Safety and Security Division
Total Operations		**74,280,846**	**84,957,338**	**90,181,922**	**91,188,410**	
Operating Project						
60232001	Water Rate Assistance Program	504,739	–	–	–	Office of the CEA
Total Operating Projects		**504,739**	**–**	**–**	**–**	
Debt Service						
60993009	2017A COP Refunding GF	472,187	475,054	–	–	Financial Planning & Mgmt Div
Total Debt Service		**472,187**	**475,054**	**–**	**–**	
Capital						
60064023	Districtwide Salary Savings	–	(5,163)	(4,267)	(4,518)	Financial Planning & Mgmt Div
60074033	CIP Development & Admin	13,582	14,250	15,389	16,312	Office of Integrated Water Management
60074036	Survey Mgmt & Tech Support	4,865	7,912	5,199	7,565	Office of Integrated Water Management
60204016	Small Caps, Facility Mgmt	3,734,829	4,006,000	4,006,000	4,006,000	General Services Division
60204032	Headquarters Operations Bldg	347,335	–	1,485,315	6,227,460	General Services Division
60204022	Security Upgrades and Enhancement	16,596	313,500	300,096	331,095	General Services Division
60074040	Capital Project Mgmt System	1,147	–	–	–	Office of Integrated Water Management
60074041	Construction Contracts and Support	14,978	34,801	30,862	33,152	General Services Division
60074042	Capital Project Mgmt & Controls	10,766	11,904	11,744	12,369	Office of Integrated Water Management
60074047	Computer-Aided Design for Engineering	6,443	16,917	17,929	21,985	Office of Integrated Water Management
Total Capital		**4,150,541**	**4,400,121**	**5,868,266**	**10,651,419**	
Total		**79,408,312**	**89,832,513**	**96,050,188**	**101,839,829**	

SERVICE FUNDS

Fund Summaries

Service Funds Overview

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

Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of 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 2024-25 total $6.6 million with an overhead rate of 5.3% and $7.1 million for FY 2025-26 with an overhead rate of 5.5%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

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

Risk Management Fund

This fund was established to provide for liability, property, workers' compensation insurance, and self-insurance costs. Included in this fund is a reserve for catastrophic uninsured property loss, self-insurance reserves for both known and unreported Workers Compensation, and liability claims set at levels prescribed by actuarial studies.

Intra-district reimbursements for FY 2024-25 total $12.5 million with an overhead rate of 10% and $12.4 million for FY 2025-26 with an overhead rate of 9.5%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

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

Information Technology Fund

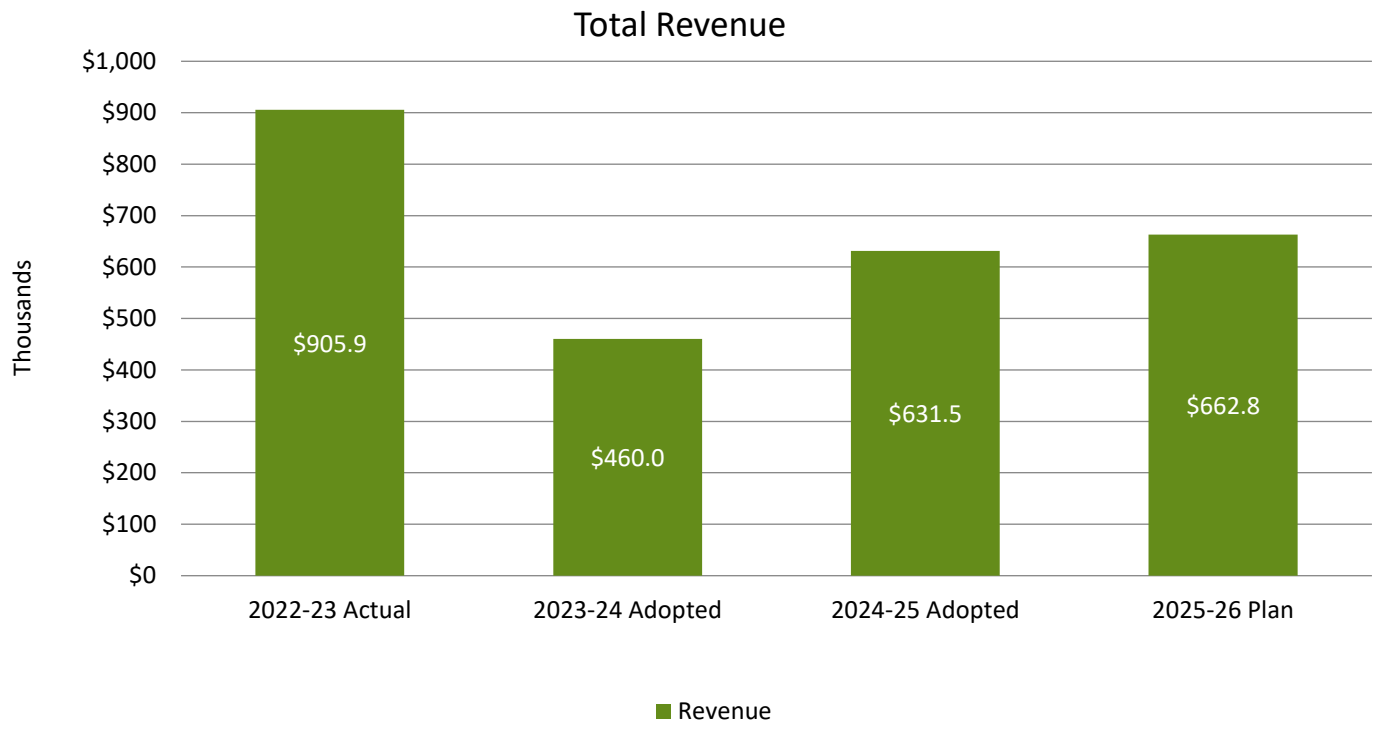
The Information Technology Fund was established to capture the operation, maintenance, and replacement costs to support the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-district reimbursements for FY 2024-25 total $27.8 million with an overhead rate of 23%, and $30.3 million for FY 2025-26 with an overhead rate of 24%.

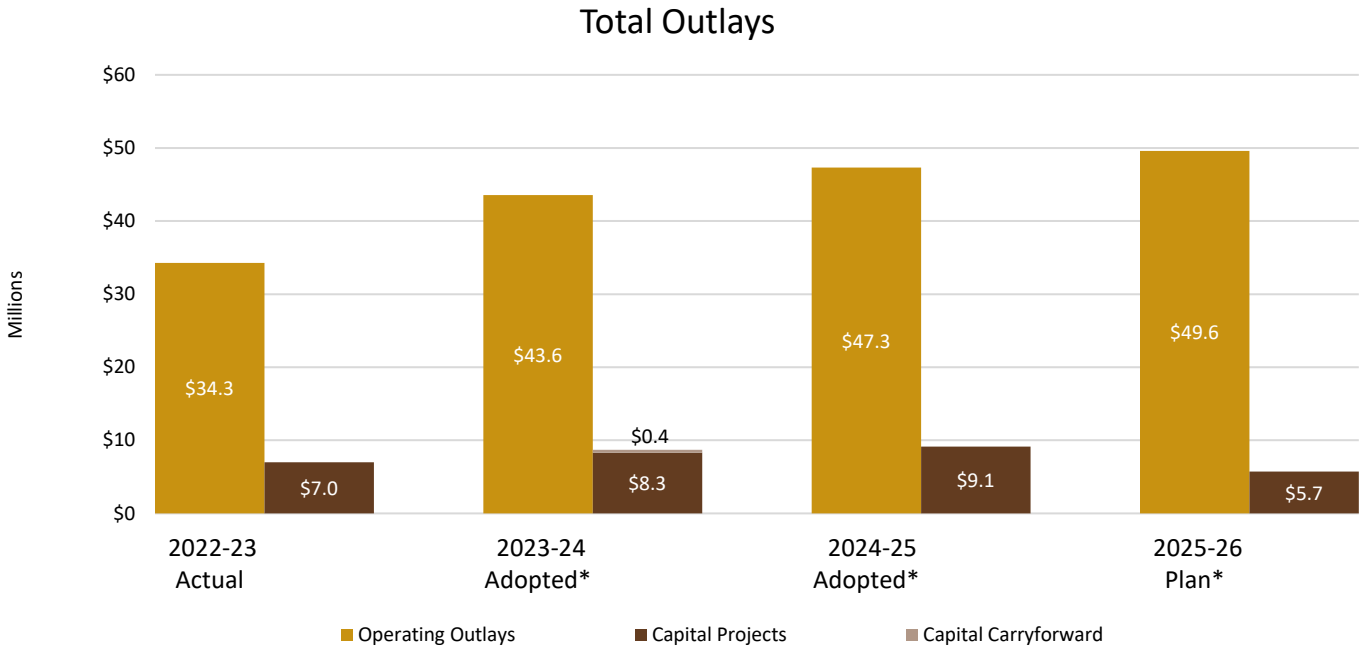
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Evolve existing ERP systems, including Payroll, Procurement, and Expense management, to achieve higher operational efficiency.
- Continue improving our cybersecurity posture, tools, and safeguards, reducing the likelihood of a security breach or ransomware attack.
- Provide AI-based tools and services to improve employee efficiency and quality of work.
- Provide education in technology, specific applications, and general concepts to Valley Water staff.
- Automate publishing key performance indicators, promoting transparency of IT operations.
- Improve IT Disaster Recovery services and modernize backup technologies to enhance resiliency and redundancy.
- Create standardized IT Project Management processes, practices, and metrics.
- Modernize Valley Water's website, www.valleywater.org, and enhance internal digital signage.
- Upgrade desktop applications and hardware to enhance usability, reliability, and supportability.
- Enhance virtual desktop infrastructure, providing greater performance, service, and functionality for Valley Water employees.
- Increase IT's value to Valley Water through right-sizing application licensing, application rationalization, and continued partnership with procurement.
- Launch a new billing platform to enhance how we track, bill, and process customer payments.
- Develop a long-term strategy for communication, collaboration, and file storage.
- Standardize conference room technology (AV) across all Valley Water sites.
- Develop a long-term strategy for remote communications at Water Utility Enterprise sites.

Service Funds Combined





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

Service Funds Combined Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 663,112	$ 440,000	$ 611,000	$ 611,000	$ 171,000	38.9%
Non-Operating Other	242,757	20,000	20,000	20,500	500	2.5%
TOTAL REVENUE	**$ 905,869**	**$ 460,000**	**$ 631,000**	**$ 631,500**	**$ 171,500**	**37.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 34,273,442	$ 43,511,147	$ 45,893,872	$ 47,321,982	$ 3,810,835	8.8%
Operating Project	124	50,000	499,876	-	(50,000)	-100.0%
Total Operating Outlays	**$ 34,273,566**	**$ 43,561,147**	**$ 46,393,748**	**$ 47,321,982**	**$ 3,760,835**	**8.6%**
Capital Outlays						
Capital Projects	$ 6,987,595	$ 8,321,889	$ 9,727,092	$ 9,131,896	$ 810,007	9.7%
Carry Forward Capital Projects	-	375,723	-	(199)	(375,922)	-100.1%
Total Capital Outlays	**$ 6,987,595**	**$ 8,697,612**	**$ 9,727,092**	**$ 9,131,697**	**$ 434,085**	**5.0%**
TOTAL OUTLAYS	**$ 41,261,161**	**$ 52,258,759**	**$ 56,120,839**	**$ 56,453,678**	**$ 4,194,920**	**8.0%**
Less Intra-District Reimbursements	(37,936,215)	(44,704,337)	(44,704,337)	(46,853,879)	(2,149,542)	4.8%
NET OUTLAYS	**$ 3,324,945**	**$ 7,554,421**	**$ 11,416,502**	**$ 9,599,800**	**$ 2,045,379**	**27.1%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,062,000	$ 6,231,000	$ 6,231,000	$ 7,001,300	$ 770,300	12.4%
TOTAL OTHER SOURCES/(USES)	**$ 4,062,000**	**$ 6,231,000**	**$ 6,231,000**	**$ 7,001,300**	**$ 770,300**	**12.4%**
BALANCE AVAILABLE	**$ 1,642,923**	**$ (863,421)**	**$ (4,554,502)**	**$ (1,967,000)**	**$ (1,103,578)**	**127.8%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 1,532,177	$ -	$ 122,927	$ 123,126	$ 123,126	0.0%
Operating and Capital Reserve	12,321,896	6,734,369	9,563,156	6,424,002	(310,367)	-4.6%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	6,430,250	8,337,000	-	0.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	8,144,146	7,409,352	1,829,326	32.8%
Total Committed Reserves	**$ 28,814,982**	**$ 20,651,395**	**$ 24,260,480**	**$ 22,293,480**	**$ 1,642,085**	**8.0%**
TOTAL YEAR-END RESERVES	**$ 28,814,982**	**$ 20,651,395**	**$ 24,260,480**	**$ 22,293,480**	**$ 1,642,085**	**8.0%**

Service Funds Combined Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 12,869,836	$ 13,950,137	$ 13,950,137	$ 15,457,668	$ 1,507,531	10.8%
Salary Savings Factor	-	(220,960)	(220,960)	(234,937)	(13,977)	6.3%
Services & Supplies	15,191,051	22,501,066	25,333,667	24,400,166	1,899,100	8.4%
Intra-District Charges	6,212,679	7,330,904	7,330,904	7,699,085	368,181	5.0%
OPERATING OUTLAY TOTAL	**$ 34,273,566**	**$ 43,561,147**	**$ 46,393,748**	**$ 47,321,982**	**$ 3,760,835**	**8.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 62,060	$ 45,990	$ 45,990	$ 43,851	$ (2,139)	-4.7%
Salary Savings Factor	-	(729)	(729)	(680)	49	-6.7%
Services & Supplies	6,892,602	8,248,347	9,653,550	9,062,465	814,118	9.9%
Carry Forward Capital Projects	-	375,723	-	(199)	(375,922)	-100.1%
Intra-District Charges	32,933	28,281	28,281	26,260	(2,021)	-7.1%
CAPITAL PROJECTS TOTAL	**$ 6,987,595**	**$ 8,697,612**	**$ 9,727,092**	**$ 9,131,697**	**$ 434,085**	**5.0%**
TOTAL OUTLAYS	**$ 41,261,161**	**$ 52,258,759**	**$ 56,120,839**	**$ 56,453,678**	**$ 4,194,920**	**8.0%**

(*) 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

Service Funds Combined Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 $ Diff	Change from 2024-25 % Diff
REVENUE						
Interest Income *	$ 663,112	$ 440,000	$ 611,000	$ 642,000	$ 31,000	5.1%
Non-Operating Other	242,757	20,000	20,500	20,800	300	1.5%
TOTAL REVENUE	**$ 905,869**	**$ 460,000**	**$ 631,500**	**$ 662,800**	**$ 31,300**	**5.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 34,273,442	$ 43,511,147	$ 47,321,982	$ 49,607,248	$ 2,285,266	4.8%
Operating Project	124	50,000	-	-	-	0.0%
Total Operating Outlays	**$ 34,273,566**	**$ 43,561,147**	**$ 47,321,982**	**$ 49,607,248**	**$ 2,285,266**	**4.8%**
Capital Outlays						
Capital Projects	$ 6,987,595	$ 8,321,889	$ 9,131,896	$ 5,742,332	$ (3,389,563)	-37.1%
Carry Forward Capital Projects	-	375,723	(199)	-	199	-100.0%
Total Capital Outlays	**$ 6,987,595**	**$ 8,697,612**	**$ 9,131,697**	**$ 5,742,332**	**$ (3,389,364)**	**-37.1%**
TOTAL OUTLAYS	**$ 41,261,161**	**$ 52,258,759**	**$ 56,453,678**	**$ 55,349,580**	**$ (1,104,099)**	**-2.0%**
Less Intra-District Reimbursements	(37,936,215)	(44,704,337)	(46,853,879)	(49,872,100)	(3,018,220)	6.4%
NET OUTLAYS	**$ 3,324,945**	**$ 7,554,421**	**$ 9,599,800**	**$ 5,477,479**	**$ (4,122,320)**	**-42.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,062,000	$ 6,231,000	$ 7,001,300	$ 3,572,000	$ (3,429,300)	-49.0%
TOTAL OTHER SOURCES/(USES)	**$ 4,062,000**	**$ 6,231,000**	**$ 7,001,300**	**$ 3,572,000**	**$ (3,429,300)**	**-49.0%**
BALANCE AVAILABLE	**$ 1,642,923**	**$ (863,421)**	**$ (1,967,000)**	**$ (1,242,679)**	**$ 724,320**	**-36.8%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 1,532,177	$ -	$ 123,126	$ 123,126	$ -	0.0%
Operating and Capital Reserve	12,321,896	6,734,369	6,424,002	4,847,612	(1,576,390)	-24.5%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	8,337,000	8,337,000	-	0.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	7,409,352	7,743,063	333,711	4.5%
Total Committed Reserves	**$ 28,814,982**	**$ 20,651,395**	**$ 22,293,480**	**$ 21,050,801**	**$ (1,242,679)**	**-5.6%**
TOTAL YEAR-END RESERVES	**$ 28,814,982**	**$ 20,651,395**	**$ 22,293,480**	**$ 21,050,801**	**$ (1,242,679)**	**-5.6%**

Service Funds Combined Summary

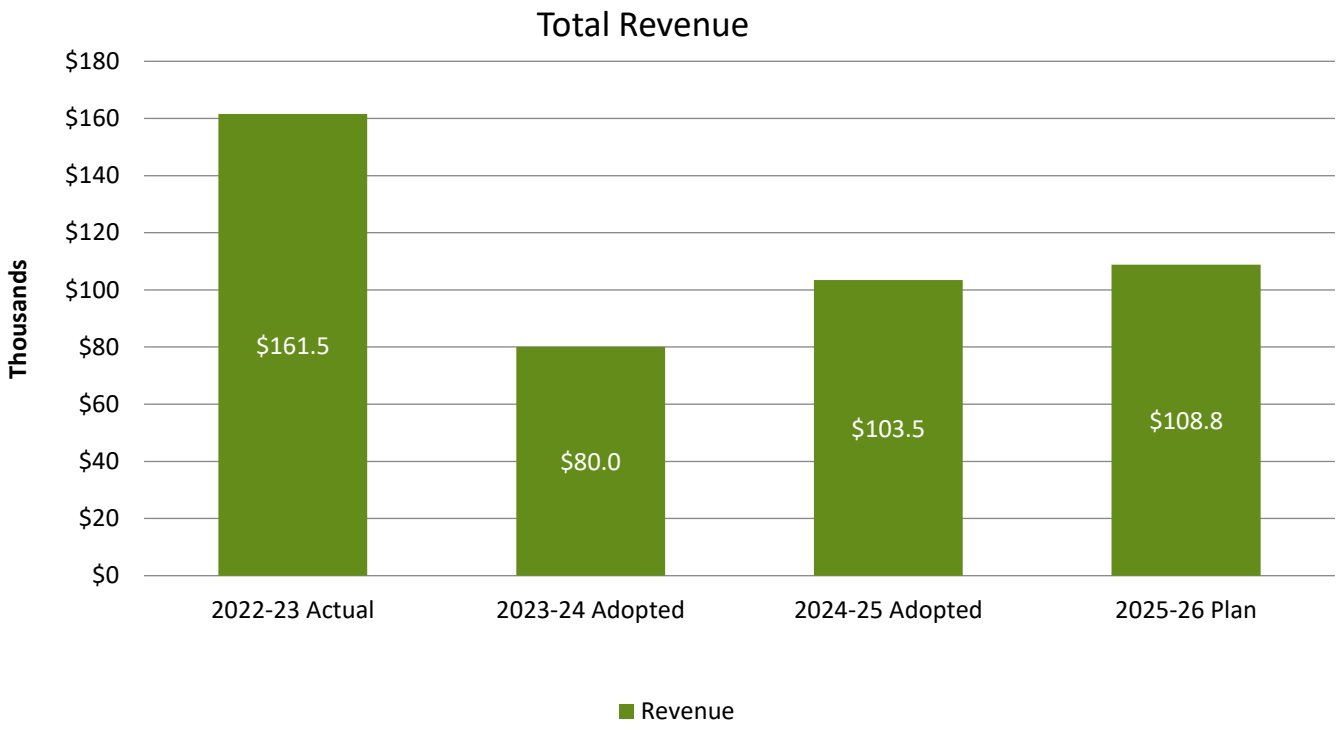
	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 $ Diff	Change from 2024-25 % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 12,869,836	$ 13,950,137	$ 15,457,668	$ 16,410,545	$ 952,877	6.2%
Salary Savings Factor	-	(220,960)	(234,937)	(245,597)	(10,659)	4.5%
Services & Supplies	15,191,051	22,501,066	24,400,166	25,398,610	998,444	4.1%
Intra-District Charges	6,212,679	7,330,904	7,699,085	8,043,689	344,604	4.5%
OPERATING OUTLAY TOTAL	$ **34,273,566**	$ **43,561,147**	$ **47,321,982**	$ **49,607,248**	$ **2,285,266**	**4.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 62,060	$ 45,990	$ 43,851	$ 50,463	$ 6,612	15.1%
Salary Savings Factor	-	(729)	(680)	(783)	(103)	15.1%
Services & Supplies	6,892,602	8,248,347	9,062,465	5,662,220	(3,400,245)	-37.5%
Carry Forward Capital Projects	-	375,723	(199)	-	199	-100.0%
Intra-District Charges	32,933	28,281	26,260	30,431	4,172	15.9%
CAPITAL PROJECTS TOTAL	$ **6,987,595**	$ **8,697,612**	$ **9,131,697**	$ **5,742,332**	$ **(3,389,364)**	**-37.1%**
TOTAL OUTLAYS	$ **41,261,161**	$ **52,258,759**	$ **56,453,678**	$ **55,349,580**	$ **(1,104,099)**	**-2.0%**

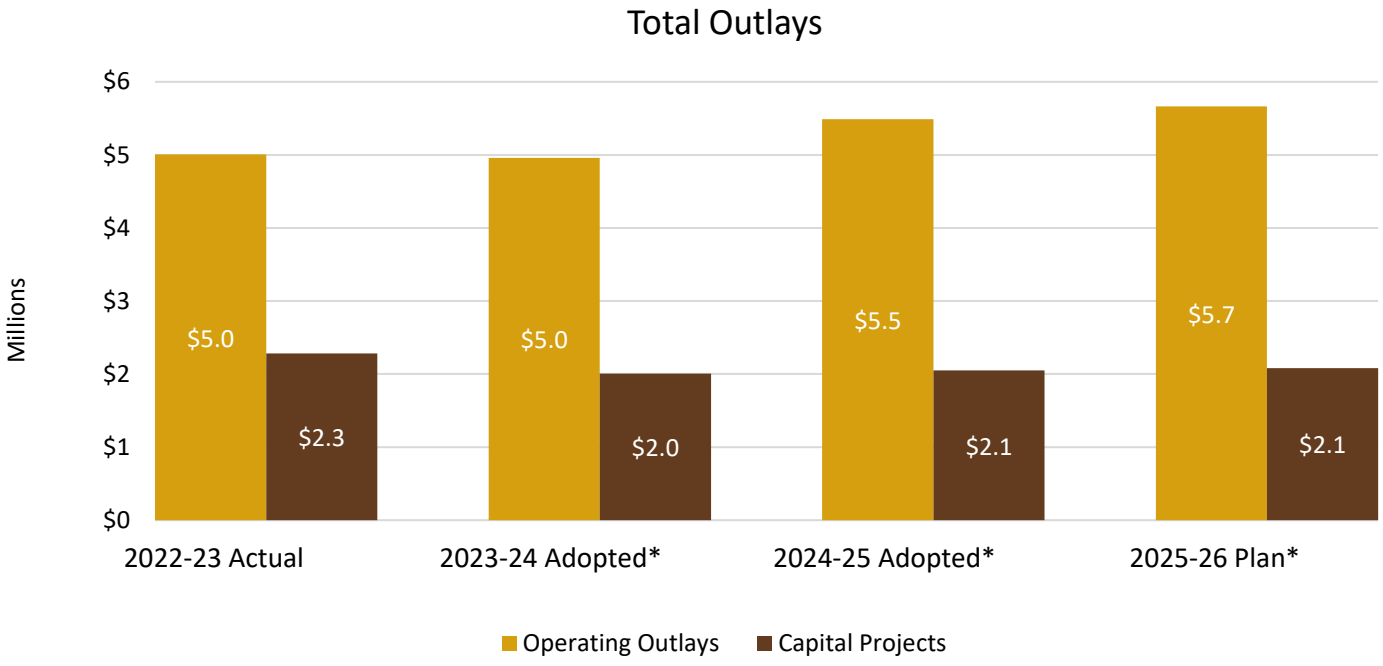
(*) Interest income does not include GASB31 market value adjustment

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

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

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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 135,889	$ 60,000	$ 83,000	$ 83,000	$ 23,000	38.3%
Non-Operating Other	25,655	20,000	20,000	20,500	500	2.5%
Total Non - Operating Revenue	**$ 161,544**	**$ 80,000**	**$ 103,000**	**$ 103,500**	**$ 23,500**	**29.4%**
TOTAL REVENUE	**$ 161,544**	**$ 80,000**	**$ 103,000**	**$ 103,500**	**$ 23,500**	**29.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,005,069	$ 4,956,838	$ 4,956,838	$ 5,487,855	$ 531,017	10.7%
Total Operating Outlays	**$ 5,005,069**	**$ 4,956,838**	**$ 4,956,838**	**$ 5,487,855**	**$ 531,017**	**10.7%**
Capital Outlays						
Capital Projects	$ 2,280,692	$ 2,005,700	$ 2,005,700	$ 2,050,000	$ 44,300	2.2%
Total Capital Outlays	**$ 2,280,692**	**$ 2,005,700**	**$ 2,005,700**	**$ 2,050,000**	**$ 44,300**	**2.2%**
TOTAL OUTLAYS	**$ 7,285,761**	**$ 6,962,538**	**$ 6,962,538**	**$ 7,537,855**	**$ 575,317**	**8.3%**
Less Intra-District Reimbursements	(7,101,119)	(6,361,886)	(6,361,886)	(6,553,955)	(192,069)	3.0%
NET OUTLAYS	**$ 184,642**	**$ 600,652**	**$ 600,652**	**$ 983,900**	**$ 383,248**	**63.8%**
BALANCE AVAILABLE	**$ (23,099)**	**$ (520,652)**	**$ (497,652)**	**$ (880,400)**	**$ (359,748)**	**69.1%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 4,206,002	$ 3,262,096	$ 3,708,350	$ 2,827,950	$ (434,146)	-13.3%
Total Committed Reserves	**$ 4,206,002**	**$ 3,262,096**	**$ 3,708,350**	**$ 2,827,950**	**$ (434,146)**	**-13.3%**
TOTAL YEAR-END RESERVES	**$ 4,206,002**	**$ 3,262,096**	**$ 3,708,350**	**$ 2,827,950**	**$ (434,146)**	**-13.3%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,970,816	$ 1,859,784	$ 1,859,784	$ 2,073,099	$ 213,315	11.5%
Salary Savings Factor	-	(27,564)	(27,564)	(29,567)	(2,003)	7.3%
Services & Supplies	1,976,964	2,063,418	2,063,418	2,310,920	247,502	12.0%
Intra-District Charges	1,057,290	1,061,199	1,061,199	1,133,403	72,204	6.8%
OPERATING OUTLAY TOTAL	**$ 5,005,069**	**$ 4,956,838**	**$ 4,956,838**	**$ 5,487,855**	**$ 531,017**	**10.7%**
CAPITAL PROJECTS						
Services & Supplies	$ 2,280,692	$ 2,005,700	$ 2,005,700	$ 2,050,000	$ 44,300	2.2%
CAPITAL PROJECTS TOTAL	**$ 2,280,692**	**$ 2,005,700**	**$ 2,005,700**	**$ 2,050,000**	**$ 44,300**	**2.2%**
TOTAL OUTLAYS	**$ 7,285,761**	**$ 6,962,538**	**$ 6,962,538**	**$ 7,537,855**	**$ 575,317**	**8.3%**

(*) 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

Fleet Management Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 135,889	$ 60,000	$ 83,000	$ 88,000	$ 5,000	6.0%
Non-Operating Other	25,655	20,000	20,500	20,800	300	1.5%
Total Non - Operating Revenue	**$ 161,544**	**$ 80,000**	**$ 103,500**	**$ 108,800**	**$ 5,300**	**5.1%**
TOTAL REVENUE	**$ 161,544**	**$ 80,000**	**$ 103,500**	**$ 108,800**	**$ 5,300**	**5.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,005,069	$ 4,956,838	$ 5,487,855	$ 5,662,900	$ 175,045	3.2%
Total Operating Outlays	**$ 5,005,069**	**$ 4,956,838**	**$ 5,487,855**	**$ 5,662,900**	**$ 175,045**	**3.2%**
Capital Outlays						
Capital Projects	$ 2,280,692	$ 2,005,700	$ 2,050,000	$ 2,080,000	$ 30,000	1.5%
Total Capital Outlays	**$ 2,280,692**	**$ 2,005,700**	**$ 2,050,000**	**$ 2,080,000**	**$ 30,000**	**1.5%**
TOTAL OUTLAYS	**$ 7,285,761**	**$ 6,962,538**	**$ 7,537,855**	**$ 7,742,900**	**$ 205,045**	**2.7%**
Less Intra-District Reimbursements	(7,101,119)	(6,361,886)	(6,553,955)	(7,115,900)	(561,945)	8.6%
NET OUTLAYS	**$ 184,642**	**$ 600,652**	**$ 983,900**	**$ 627,000**	**$ (356,900)**	**-36.3%**
BALANCE AVAILABLE	**$ (23,099)**	**$ (520,652)**	**$ (880,400)**	**$ (518,200)**	**$ 362,200**	**-41.1%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 4,206,002	$ 3,262,096	$ 2,827,950	$ 2,309,750	$ (518,200)	-18.3%
Total Committed Reserves	**$ 4,206,002**	**$ 3,262,096**	**$ 2,827,950**	**$ 2,309,750**	**$ (518,200)**	**-18.3%**
TOTAL YEAR-END RESERVES	**$ 4,206,002**	**$ 3,262,096**	**$ 2,827,950**	**$ 2,309,750**	**$ (518,200)**	**-18.3%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,970,816	$ 1,859,784	$ 2,073,099	$ 2,226,672	$ 153,573	7.4%
Salary Savings Factor	-	(27,564)	(29,567)	(31,011)	(1,444)	4.9%
Services & Supplies	1,976,964	2,063,418	2,310,920	2,273,310	(37,610)	-1.6%
Intra-District Charges	1,057,290	1,061,199	1,133,403	1,193,929	60,526	5.3%
OPERATING OUTLAY TOTAL	**$ 5,005,069**	**$ 4,956,838**	**$ 5,487,855**	**$ 5,662,900**	**$ 175,045**	**3.2%**
CAPITAL PROJECTS						
Services & Supplies	$ 2,280,692	$ 2,005,700	$ 2,050,000	$ 2,080,000	$ 30,000	1.5%
CAPITAL PROJECTS TOTAL	**$ 2,280,692**	**$ 2,005,700**	**$ 2,050,000**	**$ 2,080,000**	**$ 30,000**	**1.5%**
TOTAL OUTLAYS	**$ 7,285,761**	**$ 6,962,538**	**$ 7,537,855**	**$ 7,742,900**	**$ 205,045**	**2.7%**

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

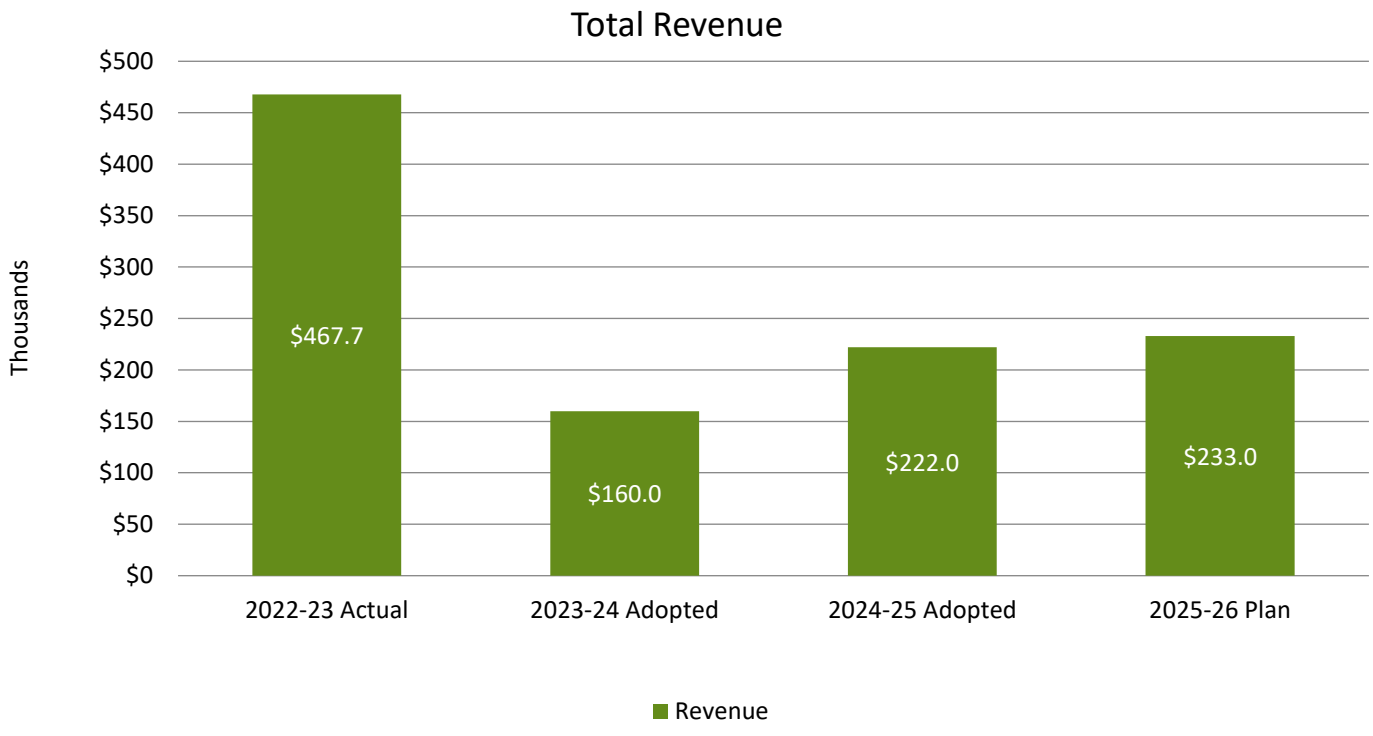
(**) Operations Outlays do not include OPEB Expense-unfunded liability

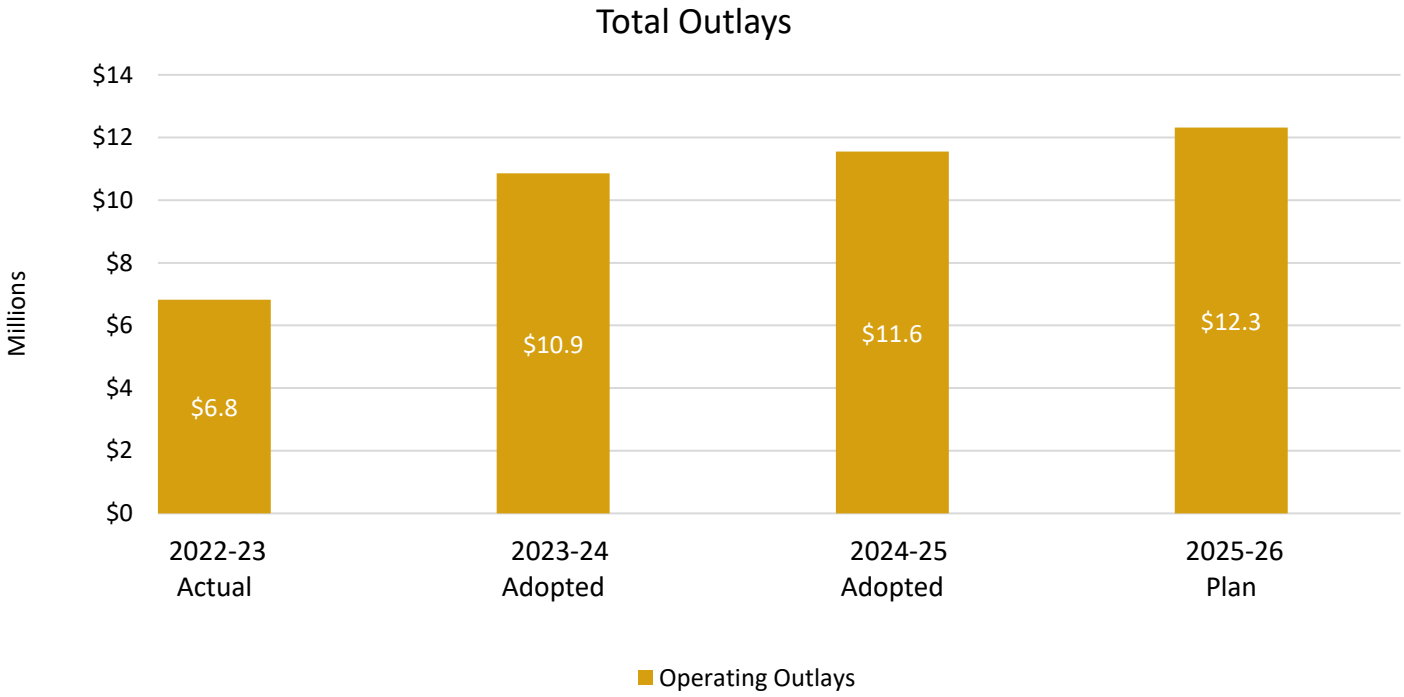
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Fleet Management Fund

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
70011099	Class I Equip Oper / Maint	1,033,948	1,020,624	1,238,486	1,253,351	General Services Division
70021099	Class II Equip Oper / Maint	1,059,095	1,019,799	1,135,494	1,170,612	General Services Division
70031099	Class III Equip Oper / Maint	229,398	357,687	385,078	402,996	General Services Division
70041099	Class IV Equip Oper / Maint	1,030,758	1,118,243	1,152,674	1,149,717	General Services Division
70061003	Vehicle & Equipment Admin&Mgmt	1,618,730	1,397,538	1,531,280	1,641,933	General Services Division
70061004	Districtwide Salary Savings-71	–	(27,564)	(29,567)	(31,011)	Financial Planning & Mgmt Div
70071041	Welding Services	33,141	70,509	74,409	75,302	General Services Division
Total Operations		**5,005,069**	**4,956,838**	**5,487,855**	**5,662,900**	
Capital						
70004001	New Vehicle Equip Acquisitio	340,829	563,000	580,000	580,000	General Services Division
70004002	Replacement Vehicle & Equip	1,939,863	1,442,700	1,470,000	1,500,000	General Services Division
Total Capital		**2,280,692**	**2,005,700**	**2,050,000**	**2,080,000**	
Total		**7,285,761**	**6,962,538**	**7,537,855**	**7,742,900**	

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 250,727	$ 160,000	$ 222,000	$ 222,000	$ 62,000	38.8%
Non-Operating Other	217,003	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 467,731**	**$ 160,000**	**$ 222,000**	**$ 222,000**	**$ 62,000**	**38.8%**
TOTAL REVENUE	**$ 467,731**	**$ 160,000**	**$ 222,000**	**$ 222,000**	**$ 62,000**	**38.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 6,821,308	$ 10,802,191	$ 12,770,941	$ 11,555,236	$ 753,045	7.0%
Operating Project	124	50,000	499,876	-	(50,000)	-100.0%
Total Operating Outlays	**$ 6,821,432**	**$ 10,852,191**	**$ 13,270,817**	**$ 11,555,236**	**$ 703,045**	**6.5%**
TOTAL OUTLAYS	**$ 6,821,432**	**$ 10,852,191**	**$ 13,270,817**	**$ 11,555,236**	**$ 703,045**	**6.5%**
Less Intra-District Reimbursements	(8,473,362)	(12,662,304)	(12,662,304)	(12,505,192)	157,112	-1.2%
NET OUTLAYS	**$ (1,651,930)**	**$ (1,810,113)**	**$ 608,513**	**$ (949,957)**	**$ 860,157**	**-47.5%**
BALANCE AVAILABLE	**$ 2,119,661**	**$ 1,970,113**	**$ (386,513)**	**$ 1,171,957**	**$ (798,157)**	**-40.5%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 8,337,000	$ 6,430,250	$ 8,337,000	$ -	0.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	8,144,146	7,409,352	1,829,327	32.8%
Total Committed Reserves	**$ 14,960,909**	**$ 13,917,026**	**$ 14,574,396**	**$ 15,746,353**	**$ 1,829,327**	**13.1%**
TOTAL YEAR-END RESERVES	**$ 14,960,909**	**$ 13,917,026**	**$ 14,574,396**	**$ 15,746,353**	**$ 1,829,327**	**13.1%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,197,792	$ 2,326,747	$ 2,326,747	$ 2,605,144	$ 278,397	12.0%
Salary Savings Factor	-	(38,717)	(38,717)	(39,606)	(889)	2.3%
Services & Supplies	3,426,298	7,153,163	9,571,789	7,547,986	394,823	5.5%
Intra-District Charges	1,197,341	1,410,998	1,410,998	1,441,712	30,714	2.2%
OPERATING OUTLAY TOTAL	**$ 6,821,432**	**$ 10,852,191**	**$ 13,270,817**	**$ 11,555,236**	**$ 703,045**	**6.5%**
TOTAL OUTLAYS	**$ 6,821,432**	**$ 10,852,191**	**$ 13,270,817**	**$ 11,555,236**	**$ 703,045**	**6.5%**

(*) 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

Risk Management Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 250,727	$ 160,000	$ 222,000	$ 233,000	$ 11,000	5.0%
Non-Operating Other	217,003	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 467,731**	**$ 160,000**	**$ 222,000**	**$ 233,000**	**$ 11,000**	**5.0%**
TOTAL REVENUE	**$ 467,731**	**$ 160,000**	**$ 222,000**	**$ 233,000**	**$ 11,000**	**5.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 6,821,308	$ 10,802,191	$ 11,555,236	$ 12,321,868	$ 766,632	6.6%
Operating Project	124	50,000	-	-	-	0.0%
Total Operating Outlays	**$ 6,821,432**	**$ 10,852,191**	**$ 11,555,236**	**$ 12,321,868**	**$ 766,632**	**6.6%**
TOTAL OUTLAYS	**$ 6,821,432**	**$ 10,852,191**	**$ 11,555,236**	**$ 12,321,868**	**$ 766,632**	**6.6%**
Less Intra-District Reimbursements	(8,473,362)	(12,662,304)	(12,505,192)	(12,422,579)	82,613	-0.7%
NET OUTLAYS	**$ (1,651,930)**	**$ (1,810,113)**	**$ (949,957)**	**$ (100,711)**	**$ 849,245**	**-89.4%**
BALANCE AVAILABLE	**$ 2,119,661**	**$ 1,970,113**	**$ 1,171,957**	**$ 333,711**	**$ (838,245)**	**-71.5%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 8,337,000	$ 8,337,000	$ 8,337,000	$ -	0.0%
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	7,409,353	7,743,064	333,711	4.5%
Total Committed Reserves	**$ 14,960,909**	**$ 13,917,026**	**$ 15,746,353**	**$ 16,080,064**	**$ 333,711**	**2.1%**
TOTAL YEAR-END RESERVES	**$ 14,960,909**	**$ 13,917,026**	**$ 15,746,353**	**$ 16,080,064**	**$ 333,711**	**2.1%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,197,792	$ 2,326,747	$ 2,605,144	$ 2,777,530	$ 172,385	6.6%
Salary Savings Factor	-	(38,717)	(39,606)	(41,684)	(2,078)	5.2%
Services & Supplies	3,426,298	7,153,163	7,547,986	8,052,740	504,754	6.7%
Intra-District Charges	1,197,341	1,410,998	1,441,712	1,533,283	91,571	6.4%
OPERATING OUTLAY TOTAL	**$ 6,821,432**	**$ 10,852,191**	**$ 11,555,236**	**$ 12,321,868**	**$ 766,632**	**6.6%**
TOTAL OUTLAYS	**$ 6,821,432**	**$ 10,852,191**	**$ 11,555,236**	**$ 12,321,868**	**$ 766,632**	**6.6%**

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

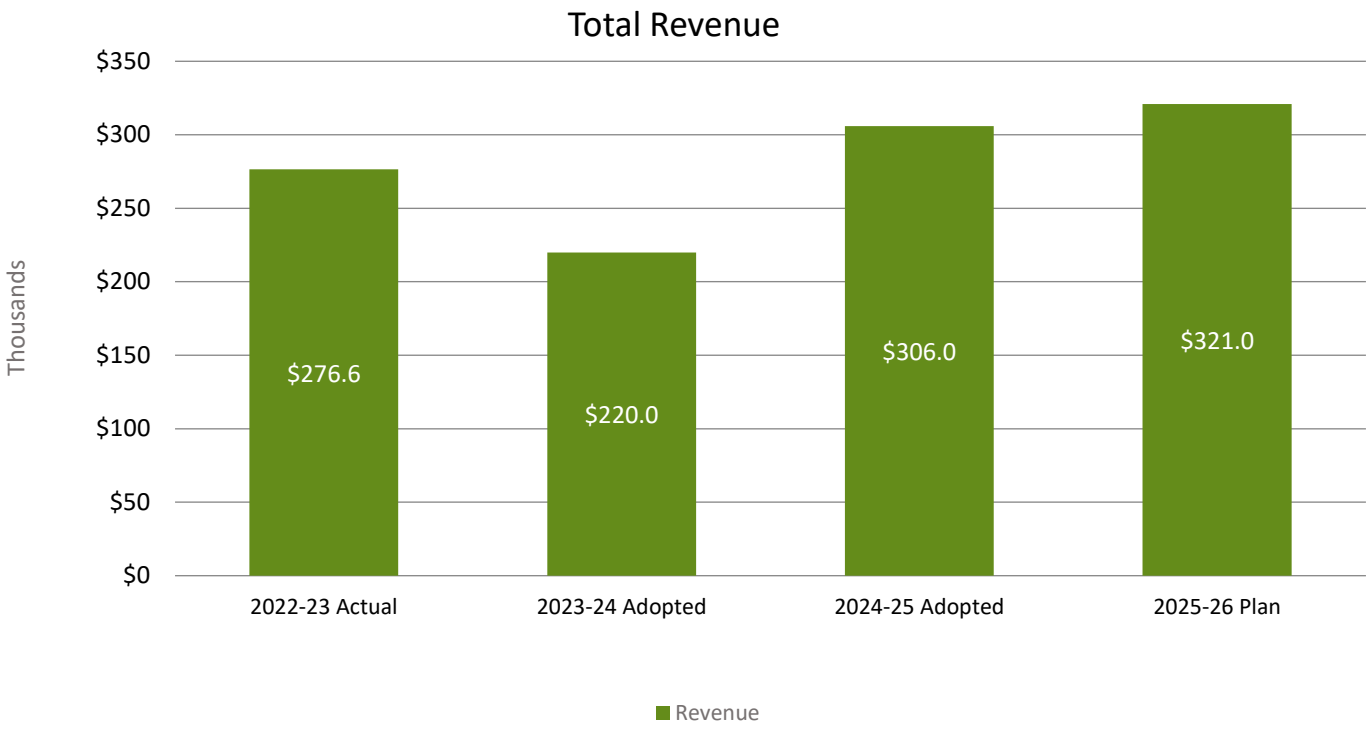
(**) Operations Outlays do not include OPEB Expense-unfunded liability

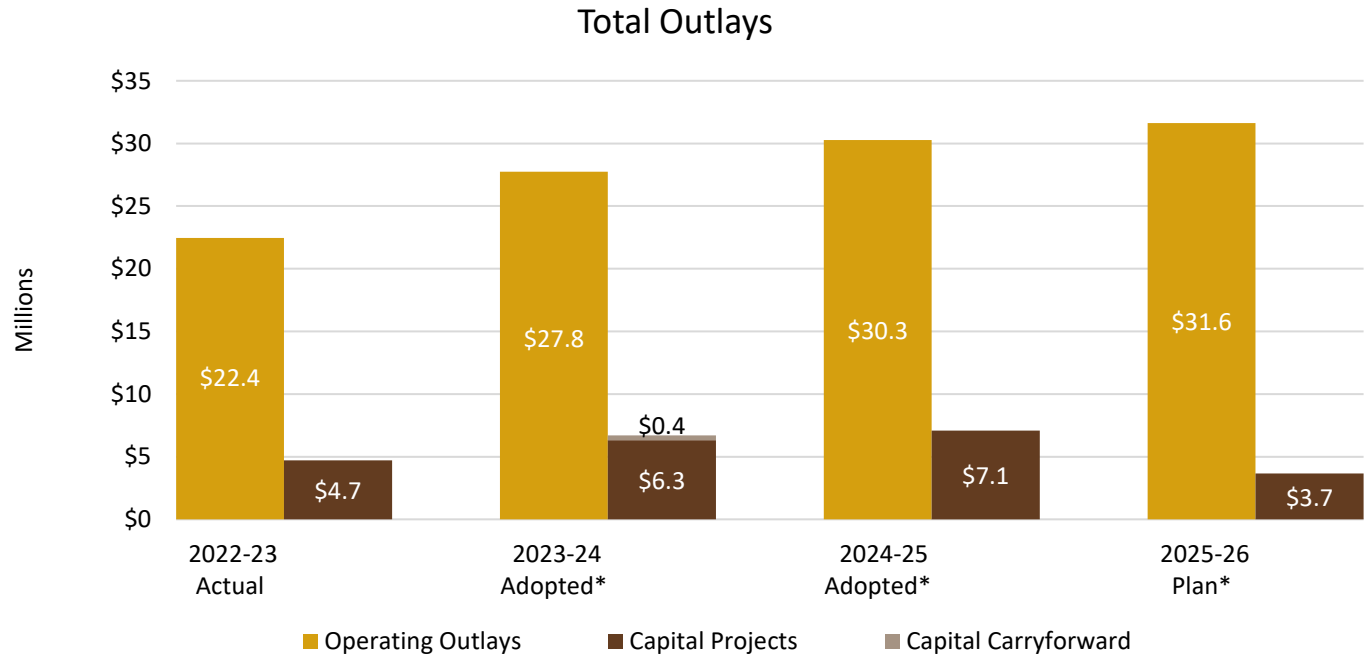
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays -Risk Management Fund

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
65051001	Risk Management	3,491,237	6,513,410	6,494,093	7,013,166	Office of the District Counsel
65051002	Workers Compensation Program	617,685	1,027,809	1,067,829	1,105,582	Emergency, Safety and Security Division
65051003	Health&Safety Program Mgt	2,712,385	3,299,689	4,032,919	4,244,804	Emergency, Safety and Security Division
65061004	Districtwide Salary Savings-72	–	(38,717)	(39,606)	(41,684)	Financial Planning & Mgmt Div
Total Operations		**6,821,308**	**10,802,191**	**11,555,236**	**12,321,868**	
Operating Project						
65052001	2017 President Day Flood	124	50,000	–	–	Office of the District Counsel
Total Operating Projects		**124**	**50,000**	**–**	**–**	
Total		**6,821,432**	**10,852,191**	**11,555,236**	**12,321,868**	

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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
REVENUE						
Interest Income *	$ 276,496	$ 220,000	$ 306,000	$ 306,000	$ 86,000	39.1%
Non-Operating Other	99	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 276,595**	**$ 220,000**	**$ 306,000**	**$ 306,000**	**$ 86,000**	**39.1%**
TOTAL REVENUE	**$ 276,595**	**$ 220,000**	**$ 306,000**	**$ 306,000**	**$ 86,000**	**39.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 22,447,065	$ 27,752,118	$ 28,166,093	$ 30,278,891	$ 2,526,773	9.1%
Total Operating Outlays	**$ 22,447,065**	**$ 27,752,118**	**$ 28,166,093**	**$ 30,278,891**	**$ 2,526,773**	**9.1%**
Capital Outlays						
Capital Projects	$ 4,706,903	$ 6,316,189	$ 7,721,392	$ 7,081,896	$ 765,707	12.1%
Carry Forward Capital Projects	-	375,723	-	(199)	(375,922)	-100.1%
Total Capital Outlays	**$ 4,706,903**	**$ 6,691,912**	**$ 7,721,392**	**$ 7,081,697**	**$ 389,785**	**5.8%**
TOTAL OUTLAYS	**$ 27,153,968**	**$ 34,444,030**	**$ 35,887,485**	**$ 37,360,588**	**$ 2,916,558**	**8.5%**
Less Intra-District Reimbursements	(22,361,735)	(25,680,148)	(25,680,148)	(27,794,732)	(2,114,584)	8.2%
NET OUTLAYS	**$ 4,792,233**	**$ 8,763,883**	**$ 10,207,337**	**$ 9,565,856**	**$ 801,974**	**9.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,062,000	$ 6,231,000	$ 6,231,000	$ 7,001,300	$ 770,300	12.4%
TOTAL OTHER SOURCES/(USES)	**$ 4,062,000**	**$ 6,231,000**	**$ 6,231,000**	**$ 7,001,300**	**$ 770,300**	**12.4%**
BALANCE AVAILABLE	**$ (453,639)**	**$ (2,312,883)**	**$ (3,670,337)**	**$ (2,258,556)**	**$ 54,326**	**-2.3%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 1,532,177	$ -	$ 122,927	$ 123,126	$ 123,126	0.0%
Operating and Capital Reserve	8,115,894	3,472,273	5,854,806	3,596,051	123,778	3.6%
Total Committed Reserves	**$ 9,648,071**	**$ 3,472,273**	**$ 5,977,734**	**$ 3,719,177**	**$ 246,904**	**7.1%**
TOTAL YEAR-END RESERVES	**$ 9,648,071**	**$ 3,472,273**	**$ 5,977,734**	**$ 3,719,177**	**$ 246,904**	**7.1%**

Information Technology Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Change from 2023-24 Adopted $ Diff	Change from 2023-24 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 8,701,228	$ 9,763,605	$ 9,763,605	$ 10,779,425	$ 1,015,819	10.4%
Salary Savings Factor	-	(154,680)	(154,680)	(165,764)	(11,084)	7.2%
Services & Supplies	9,787,789	13,284,485	13,698,460	14,541,260	1,256,775	9.5%
Intra-District Charges	3,958,049	4,858,708	4,858,708	5,123,971	265,263	5.5%
OPERATING OUTLAY TOTAL	**$ 22,447,065**	**$ 27,752,118**	**$ 28,166,093**	**$ 30,278,891**	**$ 2,526,773**	**9.1%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 62,060	$ 45,990	$ 45,990	$ 43,851	$ (2,139)	-4.7%
Salary Savings Factor	-	(729)	(729)	(680)	49	-6.7%
Services & Supplies	4,611,910	6,242,647	7,647,850	7,012,465	769,818	12.3%
Carry Forward Capital Projects	-	375,723	-	(199)	(375,922)	-100.1%
Intra-District Charges	32,933	28,281	28,281	26,260	(2,021)	-7.1%
CAPITAL PROJECTS TOTAL	**$ 4,706,903**	**$ 6,691,912**	**$ 7,721,392**	**$ 7,081,697**	**$ 389,785**	**5.8%**
TOTAL OUTLAYS	**$ 27,153,968**	**$ 34,444,030**	**$ 35,887,485**	**$ 37,360,588**	**$ 2,916,558**	**8.5%**

(*) 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

Information Technology Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 276,496	$ 220,000	$ 306,000	$ 321,000	$ 15,000	4.9%
Non-Operating Other	99	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 276,595**	**$ 220,000**	**$ 306,000**	**$ 321,000**	**$ 15,000**	**4.9%**
TOTAL REVENUE	**$ 276,595**	**$ 220,000**	**$ 306,000**	**$ 321,000**	**$ 15,000**	**4.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 22,447,065	$ 27,752,118	$ 30,278,891	$ 31,622,480	$ 1,343,589	4.4%
Total Operating Outlays	**$ 22,447,065**	**$ 27,752,118**	**$ 30,278,891**	**$ 31,622,480**	**$ 1,343,589**	**4.4%**
Capital Outlays						
Capital Projects	$ 4,706,903	$ 6,316,189	$ 7,081,896	$ 3,662,332	$ (3,419,563)	-48.3%
Carry Forward Capital Projects	-	375,723	(199)	-	199	-100.0%
Total Capital Outlays	**$ 4,706,903**	**$ 6,691,912**	**$ 7,081,697**	**$ 3,662,332**	**$ (3,419,364)**	**-48.3%**
TOTAL OUTLAYS	**$ 27,153,968**	**$ 34,444,030**	**$ 37,360,588**	**$ 35,284,812**	**$ (2,075,776)**	**-5.6%**
Less Intra-District Reimbursements	(22,361,735)	(25,680,148)	(27,794,732)	(30,333,621)	(2,538,890)	9.1%
NET OUTLAYS	**$ 4,792,233**	**$ 8,763,883**	**$ 9,565,856**	**$ 4,951,191**	**$ (4,614,666)**	**-48.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 4,062,000	$ 6,231,000	$ 7,001,300	$ 3,572,000	$ (3,429,300)	-49.0%
TOTAL OTHER SOURCES/(USES)	**$ 4,062,000**	**$ 6,231,000**	**$ 7,001,300**	**$ 3,572,000**	**$ (3,429,300)**	**-49.0%**
BALANCE AVAILABLE	**$ (453,639)**	**$ (2,312,883)**	**$ (2,258,556)**	**$ (1,058,191)**	**$ 1,200,366**	**-53.1%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 1,532,177	$ -	$ 123,126	$ 123,126	$ -	0.0%
Operating and Capital Reserve	8,115,894	3,472,273	3,596,051	2,537,861	(1,058,191)	-29.4%
Total Committed Reserves	**$ 9,648,071**	**$ 3,472,273**	**$ 3,719,177**	**$ 2,660,987**	**$ (1,058,191)**	**-28.5%**
TOTAL YEAR-END RESERVES	**$ 9,648,071**	**$ 3,472,273**	**$ 3,719,177**	**$ 2,660,987**	**$ (1,058,191)**	**-28.5%**

Information Technology Fund Summary

	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 8,701,228	$ 9,763,605	$ 10,779,425	$ 11,406,344	$ 626,919	5.8%
Salary Savings Factor	-	(154,680)	(165,764)	(172,901)	(7,137)	4.3%
Services & Supplies	9,787,789	13,284,485	14,541,260	15,072,560	531,300	3.7%
Intra-District Charges	3,958,049	4,858,708	5,123,971	5,316,477	192,507	3.8%
OPERATING OUTLAY TOTAL	**$ 22,447,065**	**$ 27,752,118**	**$ 30,278,891**	**$ 31,622,480**	**$ 1,343,589**	**4.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 62,060	$ 45,990	$ 43,851	$ 50,463	$ 6,612	15.1%
Salary Savings Factor	-	(729)	(680)	(783)	(103)	15.1%
Services & Supplies	4,611,910	6,242,647	7,012,465	3,582,220	(3,430,245)	-48.9%
Carry Forward Capital Projects	-	375,723	(199)	-	199	-100.0%
Intra-District Charges	32,933	28,281	26,260	30,431	4,172	15.9%
CAPITAL PROJECTS TOTAL	**$ 4,706,903**	**$ 6,691,912**	**$ 7,081,697**	**$ 3,662,332**	**$ (3,419,364)**	**-48.3%**
TOTAL OUTLAYS	**$ 27,153,968**	**$ 34,444,030**	**$ 37,360,588**	**$ 35,284,812**	**$ (2,075,776)**	**-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 - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Adopted Budget 2024-25	Proposed Plan 2025-26	Project Managed By
Operations						
73061004	Salary Savings-Fund 73	–	(154,680)	(165,764)	(172,901)	Financial Planning & Mgmt Div
73271001	Telecommunications Sys Opr/M	2,167,977	1,940,485	2,101,310	2,101,560	Information Technology Division
73271002	Technical Infrastructure Servi	5,076,905	6,053,684	6,263,988	6,569,208	Information Technology Division
73271003	Network Administration	2,401,570	2,855,000	3,953,000	4,328,000	Information Technology Division
73271004	Information Security Admin	754,017	1,342,000	1,315,000	1,255,000	Information Technology Division
73271005	Offce Cmptr Maint/Help Dsk Sup	187,970	1,009,000	689,000	689,000	Information Technology Division
73271006	Info Technology Div Admin	1,130,754	1,135,178	1,836,839	1,961,896	Information Technology Division
73271007	Emerging IT Technologies	30,458	104,000	104,000	104,000	Information Technology Division
73271008	Software Maint & License	3,223,176	4,110,000	4,196,950	4,413,000	Information Technology Division
73271009	Software Services	6,833,548	7,623,878	8,595,343	8,926,052	Information Technology Division
73271010	IT Projects & Bus Operations	640,691	1,733,573	1,389,225	1,447,665	Information Technology Division
Total Operations		**22,447,065**	**27,752,118**	**30,278,891**	**31,622,480**	
Capital						
73064004	Salary Savings-Fund 73	–	(729)	(680)	(783)	Financial Planning & Mgmt Div
73274001	IT Disaster Recovery	543,320	44,000	–	–	Information Technology Division
73274002	ERP System Implementation	822,403	–	–	–	Information Technology Division
73274004	Network Equipment	1,004,917	2,961,000	4,255,000	1,161,000	Information Technology Division
73274006	Office Computers Replace Equip	1,515,085	1,888,000	2,070,000	1,756,000	Information Technology Division
73274008	Software Upgrades & Enhancemen	739,054	1,321,824	642,454	654,733	Information Technology Division
73274009	Data Consolidation	30,345	16,310	34,000	–	Information Technology Division
73074036	Survey Mgmt & Tech Support	4,865	7,912	5,199	7,565	Office of Integrated Water Management
73074033	CIP Development & Admin	13,582	14,250	15,389	16,312	Office of Integrated Water Management
73074047	Computer-Aided Design for	6,442	16,917	17,929	21,985	Office of Integrated Water Management
73074040	Capital Project Mgmt System	1,147	–	–	–	Office of Integrated Water Management
73074041	Construction Contracts and Support	14,978	34,801	30,862	33,152	General Services Division
73074042	Capital Project Mgmt & Controls	10,765	11,904	11,744	12,369	Office of Integrated Water Management
Total Capital		**4,706,903**	**6,316,189**	**7,081,896**	**3,662,332**	
Total		**27,153,968**	**34,068,307**	**37,360,787**	**35,284,812**	

Resolutions

FY 2024–25 & FY 2025–26
Operating and Capital Rolling Biennial Budget

Resolutions

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-22

APPROVING THE CAPITAL IMPROVEMENT PROGRAM
FISCAL YEARS 2025-2029 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) 2025-2029 Five-Year Plan for review and discussion at its meeting held on February 27, 2024; and

WHEREAS, on March 13, 2024, the CIP Draft FY 2025-29 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 City of Santa Clara regarding the CIP Draft FY 2025-29 Five-Year Plan; and

WHEREAS, on April 9, April 23-24, and May 14, 2024, Valley Water conducted a public hearing for purposes of receiving input with regard to the CIP Draft FY 2025-29 Five-Year Plan; and

WHEREAS, on May 14, 2024, the Valley Water Board of Directors directed staff to include appropriate changes to finalize the CIP FY 2025-29 Five-Year Plan by June 30, 2024.

NOW, THEREFORE BE IT RESOLVED that Valley Water's Board of Directors does hereby approve the Capital Improvement Program FY 2025-29 Five-Year Plan.

PASSED AND ADOPTED by the Santa Clara Valley Water District Board of Directors by the following vote on May 14, 2024:

AYES: Directors Santos, Estremera, Beall, Varela, Hsueh.

NOES: Directors Eisenberg, Keegan.

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...

Clerk, Board of Directors

RL15183

This page intentionally left blank.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-23

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2024-2025 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 2024–25, 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 2024–25 commencing July 1, 2024, and ending June 30, 2025, 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 2024–2025

Flood Control Zone	Debt Obligation
Northwest	$2,731,077
North Central	$819,254
Central	$910,590
East	$2,458,454
South	$0

C. The actual 2024–2025 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 14, 2024:

AYES: Directors Santos, Varela, Beall, Estremera, Keegan, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Nai Hsueh
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 14, 2024

DocuSigned by:
7E1632DBD93E40C...

MICHELE L. KING
Clerk, Board of Directors
Santa Clara Valley Water District

This page intentionally left blank.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-24

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 2024-2025

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, 2024, through June 30, 2025, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 14, 2024, 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 2024-2025 (FY 2024-25)."

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: $626.59 per acre, $156.63 minimum for parcels up to 0.25 acre.

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: $446.29 per acre, $117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $38.12 per unit.

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $78.29. The first 0.25 acre of a parcel of land used for single-family residential purposes: $78.29.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: $4.02 per acre, $40.15 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: $4.02 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.18 per acre, $11.83 minimum on parcels less than 10 acres; and (2) in rural areas: $0.16 per acre, with a $11.83 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 2024-2025 upon requesting such exemption from Valley Water between April 15, 2024 – June 30, 2024. Granting similar exemptions for fiscal years beyond fiscal year 2024-2025 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.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2024:

AYES: Directors Estremera, Varela, Beall, Keegan, Santos, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-25

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2024–2025

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 23rd day of February 2024, 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 9th day of April 2024, by teleconference, videoconference, or both and in-person attendance at the time stated;

4. That on February 23, 2024, 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, on the 9th day of April 2024, at 1 p.m. a public hearing upon said report was duly commenced, and was continued for further hearing to the evening of April 11, 2024 in Gilroy, California, and continued again to the afternoon of April 23, 2024, 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;

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.

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 2024–2025 groundwater production charge (per acre-foot) for agricultural water and 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-2 of Valley Water for fiscal year 2024–2025 (July 1, 2024–June 30, 2025) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$2,229.00	$39.80

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 2024–2025 groundwater production charge (per acre-foot) for agricultural water and 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 2024–2025 (July 1, 2024–June 30, 2025) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$579.00	$39.80

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 2024–2025 groundwater production charge (per acre-foot) for agricultural water and 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 2024–2025 (July 1, 2024–June 30, 2025) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$750.50	$39.80

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 2024–2025 groundwater production charge (per acre-foot) for agricultural water and 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 2024–2025 (July 1, 2024–June 30, 2025) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$430.00	$39.80

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 14, 2024:

AYES: Directors Estremera, Varela, Beall, Keegan, Santos, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-26

DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2024–2025

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 23, 2024, 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, on the 9th day of April 2024, at 1 p.m. a public hearing upon said report was duly commenced, and was continued for further hearing to the evening of April 11, 2024 in Gilroy, California, and again continued to the afternoon of April 23, 2024, 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.

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 2024–2025 (July 1, 2024–June 30, 2025) for raw surface water delivered by Valley Water, the following charges shall apply:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$2,229.00	$39.80

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$579.00	$39.80

3. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-7 is:

Water Other Than Agricultural	Agricultural Water
$750.50	$39.80

4. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-8 is:

Water Other Than Agricultural	Agricultural Water
$430.00	$39.80

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 $61.00 per acre-foot; and

6. Charges per acre-foot for raw surface water delivered to raw surface water permittees 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 the Basic User Charge and the Treated Water Surcharge for the 2024–2025 fiscal year (July 1, 2024–June 30, 2025):

Charge	Amount
Basic User Charge	$2,229.00
Treated Water Surcharge	115.00
Contract Treated Water Charge	$2,344.00

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 2024–2025 fiscal year (July 1, 2024–June 30, 2025):

Water Other Than Agricultural	Agricultural Water
$559.00	$70.15

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2024:

AYES: Directors Estremera, Varela, Beall, Keegan, Santos, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...

Clerk, Board of Directors

This page intentionally left blank.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-27

APPROVING AND ADOPTING THE OPERATING AND CAPITAL ROLLING BIENNIAL BUDGET FOR FISCAL YEAR 2024-25

WHEREAS, on April 24, 2024, 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) 2024-25; 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 2024-25 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 2024-25; 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 2024-25 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 2024-25, 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):

FY 2024-25 Operating, Capital, and Interfund Transfer Budget

1.	General Fund (11)	$ 98,036,688
2.	Watershed and Stream Stewardship Fund (12)	$ 131,551,426
3.	Lower Peninsula Watershed Fund (21)	$ 2,783,717
4.	West Valley Watershed Fund (22)	$ 835,041
5.	Guadalupe Watershed (23)	$ 928,140
6.	Coyote Watershed Fund (24)	$2,505,839
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 169,913,585
8.	Water Enterprise Fund (61)	$ 624,684,026
9.	State Water Project Fund (63)	$ 31,562,070
10.	Fleet Management Fund (71)	$ 7,537,855
11.	Risk Management Fund (72)	$ 11,555,236
12.	Information Technology Fund (73)	$ 37,360,787

FY 2024-25 Reserves Budget

1.	General Fund (11)	$ 14,780,216
2.	Watershed and Stream Stewardship Fund (12)	$ 150,650,093
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 114,291,131
4.	Water Enterprise Fund (61)	$ 101,942,216
5.	State Water Project Fund (63)	$ 8,973,390
6.	Fleet Management Fund (71)	$ 2,827,950
7.	Risk Management Fund (72)	$ 15,746,352
8.	Information Technology Fund (73)	$ 3,719,178

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2024-25 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 2023-24 for capital projects are hereby reappropriated to FY 2024-25 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 2024-25. The portion of the balances that are not reappropriated to FY 2024-25 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2024-25 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2024-25 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2024-25 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 2025-26, 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 14, 2024:

AYES: Directors Santos, Estremera, Beall, Keegan, Varela, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...
Clerk, Board of Directors

This page intentionally left blank.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-28

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2024-25 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, 2024, and ending June 30, 2025 (Fiscal Year 2024-25), will be at least $28 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 2024-25 Stater Water Project (SWP) expenses of approximately $28 million be paid for through the setting of the SWP Tax at $28 million rather than through further increases to groundwater production charges over and above Staff's recommended FY 2024-2025 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 2024-25, including a 12.9% increase to North County (Zone W-2)'s municipal and industrial (M&I) groundwater production charge and increases between 6.6% to 14.2% 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 $28 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 21% (from $1,974/AF to $2,384/AF) rather than 12.9%. A one-time 21% 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 21% wholesale

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 $612/AF), $55/AF in Zone W-7 (to $805.50/AF), and $29/AF in Zone W-8 (to $459/AF). The agricultural groundwater charge would have needed to increase to $42.50/AF in all zones, and the open space credit would have needed to increase by roughly $786,588;

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 2024-25 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 900), 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 2024-25 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 $28 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 $28 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 2024-25 an ad valorem real property tax within Valley Water sufficient to raise the sum of $28 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 14, 2024:

AYES: Directors Santos, Estremera, Beall, Keegan, Varela, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC
DocuSigned by:
7E1632DBD93E40C...
Clerk, Board of Directors

This page intentionally left blank.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-29

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEES

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, or their designees, 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, or their designees, 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, or their designees, 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 2024-25, and shall be reconsidered by the Board at a public meeting annually.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2024:

AYES: Directors Varela, Estremera, Beall, Keegan, Santos, Hsueh

NOES: Directors Eisenberg

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-31

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 2024-2025 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 $500,000,000 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.

"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.

"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 2024-2025 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2024-2025 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 $500,000,000, 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 their designees 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 2024-2025 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2024-2025 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, 2025. 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 or their designees 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.

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 14, 2024:

AYES: Directors Santos, Varela, Beall, Estremera, Keegan, Hsueh.

NOES: Directors Eisenberg.

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
74DF7C772804475...
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
7E1632DBD93E40C...
Clerk, Board of Directors

This page intentionally left blank.

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 14, 2024, 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, Varela, Beall, Estremera, Keegan, Hsueh.

NOES: Directors Eisenberg.

ABSENT: Directors None.

ABSTAIN: Directors None.

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 14, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by:
7E1632D8D93E40C...
MICHELE L. KING, CMC
Clerk, Board of Directors

This page intentionally left blank.

EXHIBIT A
COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND 2024–2025 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

No. of Pages: 4

Exhibit Attachments: None

SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE NO. 1

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") $80,000,000 in lawful money of the United States of America, on October 1, 2025, 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 2024-2025 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 14, 2024, 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.

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 Financial Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by:
Darin Taylor
9CB8A1459C2B487...
Darin Taylor
Chief Financial Officer

APPROVED AS TO FORM:

By: DocuSigned by:
Brian Hopper
820617206784430...
Brian Hopper
Senior Assistant District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE NO. 2

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") $150,000,000 in lawful money of the United States of America, on October 1, 2025, 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 2024-2025 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 14, 2024, 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.

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 Financial Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Darin Taylor
9CB8A1150C2B487...
Darin Taylor
Chief Financial Officer

APPROVED AS TO FORM:

By: DocuSigned by: Brian Hopper
82061720673A430...
Brian Hopper
Senior Assistant District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAXABLE TAX AND REVENUE ANTICIPATION NOTE NO. 1

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") $100,000,000 in lawful money of the United States of America, on October 1, 2025, 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 2024-2025 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 14, 2024, 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.

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 Financial Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

By: Darin Taylor
9CBBA1[illegible]

Darin Taylor
Chief Financial Officer

APPROVED AS TO FORM:

DocuSigned by:

By: Brian Hopper
82061720678A430

Brian Hopper
Senior Assistant District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAXABLE TAX AND REVENUE ANTICIPATION NOTE NO. 2

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") $170,000,000 in lawful money of the United States of America, on October 1, 2025, 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 2024-2025 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 14, 2024, 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.

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 Financial Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

By: Darin Taylor
PCBBA1450C2B407...

Darin Taylor
Chief Financial Officer

APPROVED AS TO FORM:

DocuSigned by:

By: Brian Hopper
A206172067BA430...

Brian Hopper
Senior Assistant District Counsel

EXHIBIT B
COVERSHEET

$500,000,000
SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT B

$500,000,000
SANTA CLARA VALLEY WATER DISTRICT
2024–2025 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 $500,000,000, 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 2024–25 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$691,800,000
FY 2024–25 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	500,000,000
Interest on the Notes[3]	76,166,667
Total (B)	$576,166,667
Percentage (B)/(A)	83.29%

Dated: July 1, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Authorized Officer

[1] Source: *FY 2024-25 Preliminary Budget.*
[2] Up to $230 million in Tax-Exempt Notes and $270 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.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-32

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 $316,800,000.

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.

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 14, 2024:

AYES: Directors Santos, Varela, Beall, Estremera, Keegan, Hsueh.

NOES: Directors Eisenberg.

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
By: Nai-Hsueng Hsueh
74DF7C772804475...
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...
Clerk, Board of Directors

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 14, 2024, 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, Varela, Beall, Estremera, Keegan, Hsueh

NOES: Directors Eisenberg.

ABSENT: Directors None.

ABSTAIN: Directors None.

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 14, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L King 7E1632DBD93E40C...
MICHELE L. KING, CMC
Clerk, Board of Directors

This page intentionally left blank.

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2025-29 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.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-33

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 $125,700,000.

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.

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 14, 2024:

AYES: Directors Santos, Varela,Beall, Estremera, Keegan, Hsueh.

NOES: Directors Eisenberg.

ABSENT: Directors None.

ABSTAIN: Directors None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
By: Nai-Hsueh
74DF7C772804475...
NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...
Clerk, Board of Directors

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 14, 2024, 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 Beall, Eisenberg, Estremera, Keegan, Santos, Varela, Hsueh

NOES: Directors None.

ABSENT: Directors None.

ABSTAIN: Directors None.

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 14, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L. King 7E1632D8D93E40C...

MICHELE L. KING, CMC
Clerk, Board of Directors

This page intentionally left blank.

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2025-29 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 24-36

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2024-25

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B, Section 8(e)(2), requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, the Santa Clara Valley Water District (Valley Water) has selected the percentage change in California per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, Valley Water has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents pursuant to Government Code Section 7910(a) were made available fifteen (15) days prior to adoption for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Appropriations Limit for Fiscal Year 2024-25 is hereby established at $202,220,742 by applying the percentage change in California per capita personal income of 3.62 percent, and the Santa Clara County population percentage change over prior year of 0.02 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2024-25 Appropriations Limit established by this resolution shall be commenced within forty-five (45) days from the date of this resolution in accordance with Section 7910(b) of the Government Code.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on June 11, 2024:

AYES: Directors Santos, Varela, Beall, Estremera, Keegan, Hsueh

NOES: Directors

ABSENT: Directors Eisenberg

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Nai-Hsueng Hsueh
74DF7C772804475...

NAI HSUEH
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAD, CMC

DocuSigned by:
Maximillion Overland
6FDFB93282E44BB...

Deputy Clerk, Board of Directors

EXHIBIT A
COVERSHEET

FISCAL YEAR 2024-25 APPROPRIATIONS LIMIT ON THE PROCEEDS OF TAXES

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT A

Santa Clara Valley Water District Fiscal Year 2024-25
Appropriations Limit on the Proceeds of Taxes*

	FY 2023-24 Appropriations Limit	Ratio of Change	FY 2024-25** Appropriations Limit	FY 2024-25 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
Watershed & Stream Stewardship	$195,118,431	1.0364	$202,220,742	$48,365,682	$153,855,060

Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by the Santa Clara Valley Water District and is 3.62 percent.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2023, to January 1, 2024, to be used in setting the Appropriations Limit for Fiscal Year 2024-25. That change is 0.02 percent.

Per Capita Personal Income:	3.62%	converted to a factor	= 1.0362
Population (Santa Clara County):	0.02%	converted to a factor	= 1.0002
	Ratio of Change:	**(1.0362 x 1.0002)**	= **1.0364**

*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

**Commencing with the FY 2009-10 Adopted Budget, the discretionary 1 percent ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.

Appendices

FY 2024–25 & FY 2025–26
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 or Acre Foot (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 direct tax calculated "according to value" of property. Ad valorem tax is based on an assigned valuation (market or assessed) or real property and, in certain cases, on a valuation of tangible or intangible personal property. In virtually all jurisdictions, ad valorem tax is a lien on the property enforceable by seizure and sale of the property. An ad valorem tax is normally the one substantial tax that may be raised or lowered by a local governing body without the sanction of superior levels of government (although constitutional or statutory restrictions such as tax rate limitations may limit this right).

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 are 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 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 Program

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

California 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

(1) A reserve of money set aside for some purpose; (2) 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)

GAAP is a common set of accounting rules, requirements, and practices issued by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) to standardize the classifications, assumptions and procedures used in the recording of financial transactions.

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

Governmental funds have a short-term emphasis and are used for tracking the inflows, outflows, and balances of readily spendable assets and short-term liabilities.

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

Interest

The amount paid by a borrower as compensation for the use of borrowed money. Issuers of municipal bonds pay interest on funds borrowed from purchasers of their bonds. This amount is generally calculated as an annual percentage of the principal amount.

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.

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

To impose taxes, special assessments, or service charges for the support of government activities; or 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.

Appendix A - Glossary

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 Water Works 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 two 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 Valley Water 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

Proprietary funds are used to account for the business-like activities of government whose operations are supported primarily with self-generated revenues.

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).

Appendix A - Glossary

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 net 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 program resulting from the November 2020 voter-approved special parcel tax measure addressing community priorities. The Program, which follows a 15-year financial planning cycle, replaced the 2012 voter-approved program.

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).

WIFIA

The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by United States Environmental Protection Agency for eligible water and wastewater infrastructure projects.

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 provided the security for General Obligation bonds that have since been paid off. 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

Pre-1978 tax zone that 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. Valley Water no longer receives specific taxes that were established prior to the passage of Proposition 13 in 1978, but instead receives a portion of the 1 percent tax based on the proportionate share of pre-1978 tax levies.

Zone W-4

Pre-1978 tax zone that 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. Valley Water no longer receives specific taxes that were established prior to the passage of Proposition 13 in 1978, but instead receives a portion of the 1 percent tax based on the proportionate share of pre-1978 tax levies.

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 Budget

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2024-25	Estimated Carry Forward Budget 2025-26
60204022	Security Upgrades and Enhancement	(96)	-
60204032	Headquarters Operations Building	1,394,165	-
General Fund Carry-forward Budget		**$ 1,394,069**	**$ -**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2024-25 or FY 2025-26. A negative carryforward amount is based on the CIP approved expenditures in FY 2023-24. If the actual FY 2023-24 expenditure exceeds the CIP approved FY 2023-24 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2024-25	Estimated Carry Forward Budget 2025-26
10244001	Permanente Ck, SF Bay-Foothill	(702)	-
10394001	PA Flood Basin Tide Gate Replc	27,222	-
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	1,193	-
20444002	Pond A4 Resilient Habitat Restoration	500	-
30154019	Lower Guadalupe River Capacity Restoration Project	(1,549)	-
40174005	Berryessa Crk, Lwr. Pen Phs 2	95,085	-
40334005	Lwr Penitencia Crk Improvemnts	144,400	32,862
62044026	San Francisco Bay Shoreline	(720)	-
62084001	Watersheds Asset Rehabilitatio	966	-
Watershed and Stream Stewardship Fund Carry-forward Budget		**$ 266,395**	**$ 32,862**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2024-25 or FY 2025-26. A negative carryforward amount is based on the CIP approved expenditures in FY 2023-24. If the actual FY 2023-24 expenditure exceeds the CIP approved FY 2023-24 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2024-25	Estimated Carry Forward Budget 2025-26
26044002	SCW Fish Passage Improvement	21,400	-
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning and	2,577	-
26044004	D6 Bolsa Road Fish Passage Improvement	(262)	-
26074002	Sunnyvale East & West Channel	1,949,332	-
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	166,400	32,448
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	103,500	9,567,035
26164001	HaleCreekEnhancementPilotStudy	100,000	76,281
26174043	Coyote Creek, Montague-Tully	303	-
26174051	U. Llagas Ck, Reimburse E6b	520,000	480,287
26174052	Llagas Ck - Upper Construction	2,543,946	-
26174054	U.Llagas Ck Design B. Vsta Rd	1,150,000	1,027,520
26284002	San Francisquito Early Implemt	972,298	-
26324001	U Penitncia Crk Corp Coord SCW	3,442,000	1,622,400
26444002	SFBS EIAs 1-4	(381)	-
26444004	San Francisco Bay Shoreline EIAs 5-10	685,000	-
26764001	IRP2 AddLine Valves	(414)	-
Safe Clean Water Fund Carry-forward Budget		**$ 11,655,699**	**$ 12,805,971**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2024-25 or FY 2025-26. A negative carryforward amount is based on the CIP approved expenditures in FY 2023-24. If the actual FY 2023-24 expenditure exceeds the CIP approved FY 2023-24 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2024-25	Estimated Carry Forward Budget 2025-26
91084019	Dam Safety Seismic Stability	(188)	-
91084020	Calero-Guad Dams Seismic Retro	118,500	124,384
91094001	Land Rights-SC Recycled Water	201,267	-
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	24,817	-
91094010	So. County Recycled Water	3,000	-
91234002	Coyote Pumping Plant ASD	4,976,001	-
91304001	Purified Water Project	(502)	-
91854001	Almaden Dam Improvements	156,000	162,240
91854003	Almaden Calero Canal Rehab	2,000	-
91864005	Anderson Dam Seismic Retrofit	7,216,735	-
91864006	Anderson Dam Tunnel Project	4,317,609	-
91864007	Coyote Creek Flood Management Measures	312	-
91864008	Coyote Creek Chillers	582,153	-
91864009	Coyote Percolation Dam Replacement	(531)	-
91894002	Guadalupe Dam SeisRetf Des&Con	(134)	-
91954002	Pacheco Reservoir ExpansionPrj	10,593,024	4,504,216
92144001	Pacheco/SC Conduit ROW ACQ	493,150	-
92264001	Vasona Pump Station Upgrade	535,476	-
92304001	Almaden Valley Pipeline	(379)	-
93044001	WTP Master Plan Implementation	211,856	-
93084004	Wtr Trtmnt Plnt Electr Imprv	1,116,494	-
93234044	PWTP Residuals Management	1,370	-
93284013	STWTP Filter Media Replace	697,740	-
93294057	RWTP Reliability Improvement	(7)	-
93294059	RWTP Ammonia Storage Facility Upgrade Project	457	-
94084007	Treated Water Isolation Valves	1,022	-
95044001	Distribution System Master Plan Implementation	55,823	-
95044002	SCADA Master Plan Implementation	704,599	-
95074001	Capital Warranty Services	1,040,000	1,081,600
95084002	10-Yr PL Inspection and Rehab	736	-
95274003	WU Computer Network Modrnizatn	6,748	-
Water Utility Enterprise Fund Carry-forward Budget		**$ 33,055,148**	**$ 5,872,440**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2024-25 or FY 2025-26. A negative carryforward amount is based on the CIP approved expenditures in FY 2023-24. If the actual FY 2023-24 expenditure exceeds the CIP approved FY 2023-24 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2024-25	Estimated Carry Forward Budget 2025-26
73274008	Software Upgrades & Enhancement	(454)	-
73274009	Data Consolidation	255	-
Information Technology Fund Carry-forward Budget		**$ (199)**	**$ -**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2024-25 or FY 2025-26. A negative carryforward amount is based on the CIP approved expenditures in FY 2023-24. If the actual FY 2023-24 expenditure exceeds the CIP approved FY 2023-24 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

(In Thousands $)

(See Note 1)	Adopted 2023-24	Adopted 2024-25	Plan 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Operating Revenues							
Groundwater Production Charges	$ 150,871	$ 184,722	$ 219,323	$ 241,784	$ 266,577	$ 293,944	$ 324,156
Treated Water Charges	174,081	211,703	250,262	275,529	303,454	334,316	368,425
Surface & Recycled Water Charges	3,613	4,040	4,422	4,840	5,298	5,800	6,853
Inter-governmental Services	1,424	1,688	2,424	9,701	9,718	12,364	12,380
Other	481	471	471	471	471	471	471
Total Operating Revenue	$ 330,471	$ 402,624	$ 476,903	$ 532,325	$ 585,518	$ 646,896	$ 712,286
Non-Operating Revenues							
Property Taxes	$ 37,315	$ 39,163	$ 39,389	$ 42,788	$ 46,200	$ 50,127	$ 54,069
Capital Contributions	10,266	456	556	30,200	59,343	66,831	106,448
Interest	3,125	4,340	4,557	1,858	1,936	2,509	2,775
Other	2,122	1,339	1,230	1,240	1,249	1,260	1,270
Total Non-Operating Revenues	$ 52,827	$ 45,298	$ 45,732	$ 76,086	$ 108,729	$ 120,727	$ 164,562
Total Revenue	$ 383,298	$ 447,923	$ 522,635	$ 608,411	$ 694,247	$ 767,623	$ 876,848
Operating Outlays							
Operations	$ 243,714	$ 267,908	$ 282,152	$ 289,917	$ 310,709	$ 327,005	$ 346,271
Operating Projects	374	445	460	529	544	570	583
Debt Service	76,311	87,605	105,760	117,134	129,059	161,208	209,605
Total Operating Outlays	$ 320,399	$ 355,957	$ 388,372	$ 407,580	$ 440,312	$ 488,783	$ 556,459
Capital Outlay	$ 361,166	$ 325,072	$ 409,605	$ 503,620	$ 672,883	$ 1,744,260	$ 1,620,838
Total Capital Outlays	$ 361,166	$ 325,072	$ 409,605	$ 503,620	$ 672,883	$ 1,744,260	$ 1,620,838
Total Outlays	$ 681,564	$ 681,029	$ 797,976	$ 911,200	$ 1,113,196	$ 2,233,042	$ 2,177,298
Operating Transfers In/(Out)	$ (2,834)	$ 3,156	$ 1,267	$ 5,176	$ 9,321	$ 13,800	$ 14,887
Debt Proceeds	230,415	236,311	288,104	299,567	420,095	1,465,942	1,306,691
Total Other Financing Sources/ (Uses)	$ 227,581	$ 239,467	$ 289,371	$ 304,743	$ 429,416	$ 1,479,742	$ 1,321,578
Balance Available	$ (70,686)	$ 6,361	$ 14,030	$ 1,954	$ 10,467	$ 14,323	$ 21,128
Reserves:							
Restricted Reserves:							
Drought Contingency Reserve	$ 0	$ 0	$ 1,000	$ 4,000	$ 8,000	$ 12,000	$ 16,000
GP 5 Reserve	4,718	0	0	0	0	0	0
WUE - Rate Stablization Reserve	6,067	19,996	42,892	45,678	49,599	56,853	67,332
San Felipe Emergency Reserve	3,531	3,581	3,631	3,681	3,731	3,781	3,831
Supplemental Water Supply	5,277	5,277	8,677	12,077	15,477	18,877	19,277
State Water Project Tax Reserve	8,817	8,973	5,071	2,802	1,208	384	487
Total Restricted Reserves	$ 28,409	$ 37,828	$ 61,271	$ 68,239	$ 78,015	$ 91,894	$ 106,927
Committed Reserves:							
Currently Authorized Projects	$ 9,248	$ 9,771	$ 3,898	$ 0	$ 0	$ 0	$ 0
Excess ERAF Reserve	0	590	614	614	614	614	614
SJ Potable Reuse Reserve	1,000	0	0	0	0	0	0
Designated for Operating and Capital	56,931	62,727	59,162	58,046	58,737	59,180	65,276
Total Committed Reserves	$ 67,179	$ 73,088	$ 63,675	$ 58,660	$ 59,351	$ 59,795	$ 65,890
Total Year-End Reserves	$ 95,588	$ 110,916	$ 124,945	$ 126,899	$ 137,366	$ 151,689	$ 172,817
Senior & Parity Debt Service Coverage	2.14	2.02	2.52	2.56	2.63	2.39	2.12

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 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 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25
REVENUE								
Groundwater Production Charges	$-	$-	$-	$-	$106,935,552	$150,871,000	$150,881,000	$184,722,000
Treated Water Charges	-	-	-	-	159,215,177	174,081,000	174,081,000	211,703,000
Surface & Recycled Water Charges	-	-	-	-	1,950,130	3,613,000	3,613,000	4,040,000
Benefit Assessment	13,229,442	6,891,766	6,822,849	7,052,737	-	-	-	-
Property Tax	116,705,972	116,443,701	121,528,000	124,993,000	39,394,258	37,314,710	37,846,000	39,163,000
Special Parcel Tax	49,501,115	52,277,018	52,277,018	53,531,667	-	-	-	-
Intergovernmental Services	151,870	-	-	-	5,376,085	1,424,295	1,548,880	1,687,880
Operating Other	716,727	300,630	300,630	309,649	438,754	481,415	471,488	471,488
Capital Reimbursements	21,551,735	57,570,000	27,285,000	41,900,000	13,624,133	10,266,000	7,027,000	456,000
Interest Income *	6,955,349	3,530,000	4,903,000	4,903,000	6,868,031	3,125,000	4,340,000	4,340,000
Non-Operating Other	2,439,658	1,508,554	1,508,554	1,553,810	1,591,326	2,121,502	1,328,487	1,339,404
TOTAL REVENUE	**$211,251,869**	**$238,521,669**	**$214,625,051**	**$234,243,863**	**$335,393,445**	**$383,297,922**	**$381,136,855**	**$447,922,772**
OUTLAYS								
Operating Outlays								
Operations **	$84,757,718	$98,203,309	$101,553,505	$113,524,662	$223,699,637	$243,713,641	$265,677,215	$267,907,550
Operating Project	3,821,965	6,179,442	9,754,442	4,856,421	282,405	373,653	373,653	445,240
Debt Service	13,906,631	20,647,832	20,647,832	16,069,027	50,669,842	76,311,378	76,311,378	87,604,612
Total Operating Outlays	**102,486,314**	**125,030,583**	**131,955,779**	**134,450,109**	**274,651,884**	**320,398,672**	**342,362,246**	**355,957,402**
Capital Outlays								
Capital Projects	$91,054,023	$68,894,305	$166,523,596	$157,824,632	$311,921,889	$325,455,223	$376,213,104	$292,016,894
Carry Forward Capital Projects	-	59,088,059	-	11,922,094	-	35,710,252	-	33,055,148
Total Capital Outlays	**91,054,023**	**127,982,364**	**166,523,596**	**169,746,726**	**311,921,889**	**361,165,475**	**376,213,104**	**325,072,042**
TOTAL OUTLAYS	**$193,540,337**	**$253,012,947**	**$298,479,375**	**$304,196,835**	**$586,573,773**	**$681,564,147**	**$718,575,350**	**$681,029,444**
Less Intra-District Reimbursements	-	-	-	-	-	-	-	-
NET OUTLAYS	**$193,540,337**	**$253,012,947**	**$298,479,375**	**$304,196,835**	**$586,573,773**	**$681,564,147**	**$718,575,350**	**$681,029,444**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	$38,485,580	$38,360,887	$-	$109,609,029	$241,607,044	$230,414,696	$196,725,000	$236,311,001
Transfers In	2,308,762	6,304,920	6,236,001	4,250,988	26,060,900	1,092,727	1,092,727	11,428,122
Transfers Out	(32,772,013)	(6,251,647)	(6,182,880)	(16,243,007)	(3,873,600)	(3,926,700)	(3,927,600)	(8,271,800)
TOTAL OTHER SOURCES/(USES)	**$8,022,329**	**$38,414,160**	**$53,121**	**$97,617,010**	**$263,794,344**	**$227,580,723**	**$193,890,127**	**$239,467,323**
BALANCE AVAILABLE	**25,733,861**	**23,922,882**	**(83,801,203)**	**27,664,038**	**12,614,015**	**(70,685,502)**	**(143,548,368)**	**6,360,651**

Appendix D – *Summary By Fund*

	Watershed Funds (Fund 12,21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	$-	$-	$-	$-	$41,066,971	$6,066,971	$6,066,971	$19,996,328
WUE San Felipe Emergency Reserve	-	-	-	-	3,526,697	3,530,832	3,530,832	3,580,832
WUE State Water Project Tax Reserve	-	-	-	-	13,860,460	8,816,456	11,535,460	8,973,390
WUE Supplemental Water Supply Reserve	-	-	-	-	5,277,000	5,277,000	5,277,000	5,277,000
WUE SVAWPC Reserve	-	-	-	-	1,298,138	-	-	-
WUE Guiding Principal #5 (GP5) Reserve	-	-	-	-	20,545,266	4,718,017	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***	116,786,238	37,906,382	37,138,316	25,336,118	-	-	-	-
SCW Operating and Capital Reserve	59,060,206	117,935,002	30,505,025	59,517,635	-	-	-	-
Total Restricted Reserves	**$205,846,444**	**$185,841,384**	**$97,643,341**	**$114,853,753**	**$85,574,532**	**$28,409,276**	**$31,128,280**	**$37,827,550**
Committed Reserves								
Currently Authorized Projects Reserve***	$19,891,171	$1,320,710	$299,698	$33,303	$87,993,626	$9,248,195	$42,826,222	$9,770,707
Operating and Capital Reserve	95,903,395	158,599,934	139,896,768	145,010,892	74,535,165	56,930,697	29,600,454	62,727,361
SJ Potable Reuse Reserve	-	-	-	-	-	1,000,000	1,000,000	-
Excess ERAF Contingency Reserve	-	-	-	5,605,897	-	-	-	589,988
Total Committed Reserves	**$115,794,566**	**$159,920,644**	**$140,196,466**	**$150,650,092**	**$162,528,791**	**$67,178,892**	**$73,426,675**	**$73,088,056**
TOTAL YEAR-END RESERVES	**$321,641,010**	**$345,762,028**	**$237,839,807**	**$265,503,845**	**$248,103,323**	**$95,588,168**	**$104,554,955**	**$110,915,606**
OPERATING OUTLAY								
Salaries and Benefits	$40,094,980	$45,038,547	$45,038,547	$49,551,343	$66,605,315	$67,899,880	$67,899,880	$73,186,910
Salary Savings Factor	-	(719,750)	(719,750)	(764,943)	-	(1,067,733)	(1,067,733)	(1,110,050)
Services & Supplies	22,527,802	29,371,306	36,296,502	37,485,712	117,612,686	133,729,278	155,692,852	151,255,438
Intra-District Charges	25,956,901	30,692,648	30,692,648	32,108,972	39,764,042	43,525,869	43,525,869	45,020,492
OPERATING OUTLAY TOTAL	**88,579,683**	**104,382,751**	**111,307,947**	**118,381,082**	**223,982,042**	**244,087,294**	**266,050,868**	**268,352,790**
DEBT SERVICE								
Services & Supplies	$1,165,041	$1,465,503	$1,465,503	$1,198,901	$1,595,708	$3,017,960	$3,017,960	$3,834,100
Debt Service	12,741,590	19,182,329	19,182,329	14,870,126	49,074,134	73,293,418	73,293,418	83,770,512
DEBT SERVICE TOTAL	**13,906,631**	**20,647,832**	**20,647,832**	**16,069,027**	**50,669,842**	**76,311,378**	**76,311,378**	**87,604,612**
CAPITAL PROJECTS								
Salaries and Benefits	$15,388,154	$18,602,934	$18,457,856	$19,282,856	$30,290,507	$35,144,905	$35,144,905	$36,532,078
Salary Savings Factor	-	(299,529)	(299,529)	(304,554)	-	(572,156)	(572,156)	(580,627)
Services & Supplies	66,369,561	38,777,749	136,645,867	126,965,906	263,513,165	268,436,524	319,194,405	233,298,076
Carry Forward Capital Projects	-	59,088,059	-	11,922,094	-	35,710,252	-	33,055,148
Intra-District Charges	9,296,308	11,813,150	11,719,401	11,880,424	18,118,218	22,445,951	22,445,951	22,767,367
CAPITAL PROJECTS TOTAL	**91,054,023**	**127,982,364**	**166,523,596**	**169,746,726**	**311,921,889**	**361,165,475**	**376,213,104**	**325,072,042**
TOTAL OUTLAYS	**193,540,337**	**253,012,947**	**298,479,375**	**304,196,835**	**586,573,773**	**681,564,147**	**718,575,350**	**681,029,444**

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

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

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11,71-73)				Total District-wide			
	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25
REVENUE								
Groundwater Production Charges	-	-	-	-	106,935,552	150,871,000	150,881,000	184,722,000
Treated Water Charges	-	-	-	-	159,215,177	174,081,000	174,081,000	211,703,000
Surface & Recycled Water Charges	-	-	-	-	1,950,130	3,613,000	3,613,000	4,040,000
Benefit Assessment	-	-	-	-	13,229,442	6,891,766	6,822,849	7,052,737
Property Tax	11,581,449	11,261,086	11,844,000	12,198,500	167,681,678	165,019,497	171,218,000	176,354,500
Special Parcel Tax	-	-	-	-	49,501,115	52,277,018	52,277,018	53,531,667
Intergovernmental Services	-	-	-	-	5,527,955	1,424,295	1,548,880	1,687,880
Operating Other	-	-	-	-	1,155,481	782,045	772,118	781,137
Capital Reimbursements	-	-	-	-	35,175,868	67,836,000	34,312,000	42,356,000
Interest Income *	848,747	545,000	757,000	757,000	14,672,127	7,200,000	10,000,000	10,000,000
Non-Operating Other	2,348,459	50,000	50,000	50,500	6,379,443	3,680,056	2,887,041	2,943,714
TOTAL REVENUE	**14,778,655**	**11,856,086**	**12,651,000**	**13,006,000**	**561,423,969**	**633,675,677**	**608,412,906**	**695,172,635**
OUTLAYS								
Operating Outlays								
Operations **	108,554,288	128,468,484	131,875,941	137,503,904	417,011,643	470,385,435	499,106,662	518,936,116
Operating Project	504,863	50,000	1,374,876	-	4,609,233	6,603,095	11,502,971	5,301,661
Debt Service	472,187	475,054	475,054	-	65,048,659	97,434,264	97,434,264	103,673,639
Total Operating Outlays	**109,531,338**	**128,993,538**	**133,725,871**	**137,503,904**	**486,669,536**	**574,422,794**	**608,043,897**	**627,911,415**
Capital Outlays								
Capital Projects	11,138,135	12,722,010	17,598,213	15,000,162	414,114,048	407,071,538	560,334,913	464,841,687
Carry Forward Capital Projects	-	2,361,223	-	1,393,870	-	97,159,534	-	46,371,112
Total Capital Outlays	**11,138,135**	**15,083,233**	**17,598,213**	**16,394,032**	**414,114,048**	**504,231,072**	**560,334,913**	**511,212,799**
TOTAL OUTLAYS	**120,669,473**	**144,076,772**	**151,324,085**	**153,897,935**	**900,783,583**	**1,078,653,865**	**1,168,378,810**	**1,139,124,215**
Less Intra-District Reimbursements	(107,180,400)	(124,927,948)	(124,927,948)	(129,113,430)	(107,180,400)	(124,927,948)	(124,927,948)	(129,113,430)
NET OUTLAYS	**13,489,073**	**19,148,824**	**26,396,137**	**24,784,506**	**793,603,183**	**953,725,918**	**1,043,450,862**	**1,010,010,785**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	-	-	-	-	280,092,624	268,775,583	196,725,000	345,920,030
Transfers In	8,275,951	8,074,300	8,074,350	10,822,200	36,645,613	15,471,947	15,403,078	26,501,310
Transfers Out	-	-	-	(1,986,500)	(36,645,613)	(10,178,347)	(10,110,480)	(26,501,307)
TOTAL OTHER SOURCES/(USES)	**8,275,951**	**8,074,300**	**8,074,350**	**8,835,700**	**280,092,624**	**274,069,183**	**202,017,598**	**345,920,033**
BALANCE AVAILABLE	**9,565,533**	**781,562**	**(5,670,787)**	**(2,942,806)**	**47,913,409**	**(45,981,058)**	**(233,020,358)**	**31,081,883**

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

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

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11,71-73)				Total District-wide			
	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25	Budgetary Basis Actual 2022-23	Adopted Budget 2023-24	Projected Year End 2023-24	Adopted Budget 2024-25
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	-	-	-	-	41,066,971	6,066,971	6,066,971	19,996,328
WUE San Felipe Emergency Reserve	-	-	-	-	3,526,697	3,530,832	3,530,832	3,580,832
WUE State Water Project Tax Reserve	-	-	-	-	13,860,460	8,816,456	11,535,460	8,973,390
WUE Supplemental Water Supply Reserve	-	-	-	-	5,277,000	5,277,000	5,277,000	5,277,000
WUE SVAWPC Reserve	-	-	-	-	1,298,138	-	-	-
WUE Guiding Principal #5 (GP5) Reserve	-	-	-	-	20,545,266	4,718,017	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***	-	-	-	-	116,786,238	37,906,382	37,138,316	25,336,118
SCW Operating and Capital Reserve	-	-	-	-	59,060,206	117,935,002	30,505,025	59,517,635
Total Restricted Reserves	**-**	**-**	**-**	**-**	**291,420,976**	**214,250,660**	**128,771,621**	**152,681,303**
Committed Reserves								
Currently Authorized Projects Reserve***	5,566,294	1,394,500	1,516,996	123,126	113,451,091	11,963,405	44,642,916	9,927,136
Operating and Capital Reserve	25,160,086	17,307,384	23,925,109	20,537,587	195,598,646	232,838,015	193,422,331	228,275,840
Property Self-Insurance/Catastrophic	6,623,909	5,580,026	8,144,146	7,409,352	6,623,909	5,580,026	8,144,146	7,409,352
Excess ERAF Contingency Reserve	-	-	-	666,631	-	-	-	6,862,516
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	6,430,250	8,337,000	8,337,000	8,337,000	6,430,250	8,337,000
Total Committed Reserves	**45,687,289**	**32,618,910**	**40,016,501**	**37,073,696**	**324,010,646**	**258,718,446**	**252,639,643**	**260,811,844**
TOTAL YEAR-END RESERVES	**45,687,289**	**32,618,910**	**40,016,501**	**37,073,696**	**615,431,622**	**472,969,106**	**381,411,264**	**413,493,147**
OPERATING OUTLAY								
Salaries and Benefits	58,201,386	62,557,776	62,557,777	67,455,303	164,901,681	175,496,203	175,496,204	190,193,556
Salary Savings Factor	-	(984,759)	(984,759)	(1,026,042)	-	(2,772,242)	(2,772,242)	(2,901,035)
Services & Supplies	36,865,818	50,600,181	55,332,514	53,834,176	177,006,306	213,700,765	247,321,868	242,575,325
Intra-District Charges	13,991,946	16,345,287	16,345,286	17,240,466	79,712,889	90,563,804	90,563,803	94,369,931
OPERATING OUTLAY TOTAL	**109,059,151**	**128,518,484**	**133,250,817**	**137,503,904**	**421,620,876**	**476,988,530**	**510,609,633**	**524,237,776**
DEBT SERVICE								
Services & Supplies	449	2,908	2,908	-	2,761,198	4,486,371	4,486,371	5,033,001
Debt Service	471,738	472,146	472,146	-	62,287,462	92,947,893	92,947,893	98,640,638
DEBT SERVICE TOTAL	**472,187**	**475,054**	**475,054**	**-**	**65,048,659**	**97,434,264**	**97,434,264**	**103,673,639**
CAPITAL PROJECTS								
Salaries and Benefits	107,500	357,442	357,442	311,871	45,786,161	54,105,281	53,960,203	56,126,805
Salary Savings Factor	-	(5,892)	(5,892)	(4,947)	-	(877,577)	(877,577)	(890,129)
Services & Supplies	10,977,650	12,265,415	17,141,618	14,597,530	340,860,376	319,479,687	472,981,890	374,861,512
Carry Forward Capital Projects	-	2,361,223	-	1,393,870	-	97,159,534	-	46,371,112
Intra-District Charges	52,985	105,045	105,045	95,708	27,467,511	34,364,146	34,270,397	34,743,499
CAPITAL PROJECTS TOTAL	**11,138,135**	**15,083,233**	**17,598,213**	**16,394,032**	**414,114,048**	**504,231,072**	**560,334,913**	**511,212,799**
TOTAL OUTLAYS	**120,669,473**	**144,076,772**	**151,324,085**	**153,897,935**	**900,783,583**	**1,078,653,865**	**1,168,378,810**	**1,139,124,215**

(*) 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

Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District
5750 Almaden Expressway, San José, CA 95118-3686
Phone: (408) 265-2600 Fax: (408) 266-0271
www.valleywater.org

© 2024 Santa Clara Valley Water District • 03/2024 • HK